

5th October 2005

Land of Leather Holdings plc

Pre Close Trading Update

Following its successful listing on the Official List of the London Stock Exchange on 21st July 2005, Land of Leather Holdings plc is issuing the following trading up-date for the half year to 2nd October 2005.

We are pleased to report that the Company is trading in line with market expectations for the current financial year.

Highlights for the first half year - 26 weeks to 2nd October 2005

- total sales order intake (inc. VAT) up 30%;
- like for like sales orders from 38 stores up 7%;
- stronger than expected sales performance from many of the new stores;
- turnover (delivered sales) increased broadly in line with total sales order intake.

Strong sales growth has been achieved in the first half in a more challenging retail environment. The success of advertising campaigns, including the wider use of television, led to a higher proportion of promotional products sold and a slight reduction in gross margins.

The timing effect of new store openings, two relocations (Manchester and Exeter) and the installation of four new mezzanine floors in existing stores will give rise to a greater proportion of profitability in the second half of the current financial year. These factors, together with the increased deliveries in the first half of 2004 which were delayed from the previous year, will result in lower first half profits.

A further four new stores are planned in the second half together with the relocation of one store. This will give a total of 9 new stores in the financial year which is consistent with the growth plans set out in the prospectus at listing.

Commenting on the trading statement Paul Briant, Chief Executive, said: "This performance demonstrates that we are able to make good progress even in today's more challenging trading environment. Our continuing success is based on our position as the UK's only national retailer that specialises solely in retailing leather sofas combined with the appeal of our strong value led offer."

The results for the 26 weeks ended 2nd October 2005 will be released on Wednesday 23rd November.

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