JOHN LEWIS OF HUNGERFORD PLC ("John Lewis of Hungerford" or the "Company")
Interim results - period ending 29 February 2008

HIGHLIGHTS

* Revenues increase 12% to £ 2,132,000 (2007 - £ 1,896,000).

. New showroom locations secured in the cities of Cambridge which opened on the 25th April 2008 and Oxford, expected to open 5th June 2008.

. Net cash inflows from operating activities £130,000 (2007:£195,000).

. *Normalised loss before taxation £117,000 (2007:£51,000 loss).

. Cash balances at 29 February 2008 were £814,000 (2007: £841.000)

. Successful Placing of new ordinary shares to fund the opening of additional showrooms (£383,250 net of expenses) in March 2008

* Normalised loss is loss before taxation excluding the effect of exceptional items and accounting standard FRS20 Share Based Payments.

CHAIRMAN'S STATEMENT

Review of Operations

Sales revenues increased 12%. This was mainly attributable to a very successful Winter Sale in the second quarter that offset weaker sales in the first quarter of the current financial year.

However, lower margins associated with a higher proportion of promotional sales, together with an increase in the proportion of sales of bought-in items, has resulted in an increased loss against the same prior year period.

During the period under review management has continued to implement many operational changes whose expected benefits have yet to be reflected in the financial results.

In addition to further introductions of new products and product enhancements, the Company is close to full implementation of an entirely new order processing and management information system.

All of these changes reflect management's commitment to invest for the longer-term future of the Company.

Summary of Financial Results

Turnover for the period was £2,132.000 against £1,896,000 for the comparable period last year - an increase of 12%.

Although unit sales of kitchens declined, the average revenue value per kitchen sold increased significantly. This is the result of enhancements made to the product line which have provided a wider offering for customers.

Gross profit margins were lower at 50% against 62.0% for the same prior year period. This was principally due to a higher proportion of promotional to non-promotional sales and lower margins on bought in products (referred to above) sold as additions to the basic kitchen units.

We continue to see the pattern of total sales being increasingly skewed to promotional periods. We believe this reflects increased price sensitivity by consumers.

The Normalised Loss before taxation was £117,000 (2007 - £51,000 loss). As in the prior year, due to uncertainties as to the outcome of the current year, no tax credit has been booked in these interim statements against current period losses although a tax credit of £5,000 relating to timing differences in the tax deduction for the FRS20 charge has been recognised.

Normalised losses exclude the effect of accounting standard FRS20 in relation to unvested share options. The charge for the period, including related expenses, amounted to £57,000 (2007: £15,000). Your Board considers that the arbitrary nature of the FRS20 methodology means that this resulting charge has little meaningful relevance to the reported financial results.

Capital expenditures in the period were £86,138 (2007 - £5,000).

Net cash inflows from operating activities were £130,000 (2007 - £195,000).

As at 29 February 2008 the Company had cash balances of £814,000 (2007 - £841,000) and available overdraft facilities amounting to £250,000.

After the period end, the company raised £383,250 net of expenses through a placing of 20,000,000 new ordinary shares at a price of 2p per share to fund the opening of additional showrooms.

Outlook for the Future

Continuing weakness in the UK housing market and a deteriorating general economic outlook has resulted in a highly challenging trading environment.

However the Company's established brand name and enhanced product offering of quality and style at reasonable prices, means the Company is now well positioned against many of its competitors.

Increasing appropriately targeted customer access to the Company's product range is essential to future revenue growth. The two new showroom units referred to above should begin to deliver additional sales towards the end of the second half-year. The Company is actively seeking further locations for new showrooms and believes that the weak economic environment will be helpful in this respect.

The Board remains positive about improvements being implemented within the business even though this is being somewhat masked by the challenging economic picture.

Your Board is extremely cautious as to the outcome for the full year but remains confident that the foundations now being laid for the future, will deliver improvements in financial performance once overall market conditions improve.

John Lewis
Chairman

23 May 2008

PROFIT AND LOSS ACCOUNT
FOR THE SIX MONTHS ENDED 29 FEBRUARY 2008

	Note	Unaudited 6 months ended 29 February 2008	Unaudited 6 months ended 28 February 2007	Audited 12 months ended 31 August 2007
Turnover		2,132	1,896	4,523
Cost of sales		(1,069)	(719)	(1,741)
		--------	--------	--------
Gross profit		1,063	1,177	2,782
Distribution costs		(264)	(249)	(527)
Administration expenses:				
Share based payments and related costs		(57)	(15)	(41)
Performance bonus		-	-	(44)
Exceptional provision for unrecoverable debtor	2	(79)	-	-
Other		(910)	(970)	(1,932)
Total		(1,046)	(985)	(2,017)
Operating profit before share based payments, performance bonus and exceptional provision for unrecoverable debtor		(111)	(42)	323
Operating (loss) / profit		(247)	(57)	238
Interest receivable		6	1	7
Interest payable		(12)	(10)	(20)
		--------	--------	--------
Profit on ordinary activities before taxation		(253)	(66)	225
Taxation		5	-	(56)
		--------	--------	--------
(Loss) / profit on ordinary activities after taxation	3	(248)	(66)	169
Dividends		-	-	-
		--------	--------	--------
Retained (loss) / profit		(248)	(66)	169
		=====	=====	=====
(Loss) /profit per share				
Basic		(0.17)p	(0.04)p	0.11p
Fully diluted		(0.17)p	(0.04)p	0.11p

BALANCE SHEET
AS AT 29 FEBRUARY 2008

	Unaudited 29 February 2008		Unaudited 28 February 2007		Audited 31 August 2007	
Fixed assets						
Intangible assets	19		23		21	
Tangible assets	1,626		1,652		1,609	
		1,645		1,675		1,630
Current assets						
Stocks	515		485		566	
Debtors	247		103		249	
Cash at bank and in hand	814		841		785	
	1,576		1,429		1,600	
Creditors: amounts falling due within one year	(1,218)		(1,139)		(1,005)	
Net current assets/(liabilities)		358		290		595
Total assets less current Liabilities		2,003		1,965		2,225
Creditors: amounts falling due after more than one year		(275)		(294)		(286)
Provisions for liabilities and charges		(50)		(48)		(55)
Total net assets		1,678		1,623		1,884
Capital and Reserves						
Called up share capital		167		149		149
Other reserves		1		1		1
Share premium account		825		825		825
Share based payment reserve		83		15		41
Profit and Loss account		602		633		868
Shareholders funds - all equity interests		1,678		1,623		1,884

CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 29 FEBRUARY 2008

	Unaudited 6 months ended 29 February 2008	Unaudited 6 months ended 28 February 2007	Audited 12 months ended 31 August 2007
Operating (loss) / profit	(247)	(57)	238
Depreciation	71	88	172
Share based payments	57	15	42
(Increase)/decrease in Stock	51	(29)	(110)
Decrease/(Increase) in Debtors	2	48	(98)
Increase/(decrease) in Creditors	196	130	(29)
Net cash inflow from operating activities	130	195	215
Returns on investment and servicing of finance	(6)	(9)	(13)
Corporation tax paid	-	-	(22)
Capital expenditure	(86)	(5)	(45)
Equity dividends paid	-	-	-
Financing	(9)	(11)	(21)
Increase in cash	29	170	114

NOTES:

1. The interim accounts, which are unaudited, have been prepared under the historical cost convention using the accounting policies set out in the accounts for the year ended 31 August 2007.

2 In the Company's Annual Report for the year to 31 August 2007 reference was made to an amount due to the Company in respect ofsales for which customers arranged credit with a finance provider via a third party and where that third party subsequently went into receivership. The Directors now believe, based on further preliminary legal advice received at the end of April 2008, that the Company is unlikely to recover the sum due totalling a revised amount of £79,250. As a result a full provision for this has been made in the current period.

3. The basic loss per share is calculated on the loss after taxation of £248,000 and on the basis of 148,745,519 shares in issue. The basic loss per share for the 6 months ended 28 February 2007 is calculated on the loss after taxation of £66,000 and on the basis of 148,745,519 shares in issue. The basic profit per share for the year ended 31 August 2007 is calculated on the profit after taxation of £168,652 and on the basis of 148,745,519 shares in issue. The fully diluted loss per share is calculated on the loss after taxation of £248,000 and on the basis of 148,745,519 shares in issue. The fully diluted loss per share for the 6 months ended 28 February 2007 is calculated on the loss after taxation of £66,000 and on the basis of 148,745,519

shares in issue. The fully diluted earnings per share for the year ended 31 August 2007 is calculated on the profit after taxation of £168,652 and on the basis of 151,770,461 shares in issue.

4. Copies of the 2008 interim accounts will be available to shareholders on the Company's website www.john-lewis.co.uk

5. Copies of the announcement will be available from the Nominated Adviser, Smith & Williamson Corporate Finance Limited, 25 Moorgate, London, EC2R 6AY for one month from the date of this announcement.