JOHN LEWIS OF HUNGERFORD PLC

("John Lewis of Hungerford" or the "Company")

Interim results - period ending 28 February 2010

CHAIRMAN'S STATEMENT

Review of Operations

This has been an exciting period for the business. November 2009 saw the launch of the Artisan Installation Service and we are planning to open two new showrooms in the last quarter of 2010.

The Artisan Installation Service has enabled us to provide a one stop shop to our customers for the purchase and installation of their kitchens. Our aim was for this service to break even in its first 6 months of operating and it has achieved this.

Additional funding has been secured with Barclays Bank enabling us to plan the launch of two new showrooms, allowing us to return to our five year growth strategy. Suitable sites for the showrooms have been identified and we will provide a further update when it is appropriate to do so.

There has also been investment in the software used in designing our kitchens enabling us to produce better illustrations and design detail to our customers, of all of the ranges in our product offering.

The new product range introduced in to the business in the last quarter of 2008/9 has now been installed in to all of the showrooms updating and replacing some of their existing displays.

The management team are continuing to make positive changes to operational areas within the business and the impact of these changes are beginning to be reflected in the results.

Summary of Financial Results

As previously reported a strong winter sale contributed to growth in like-for-like sales during the period. Our core sales increased by 32.5% to £2,110k against £1,593k in the comparable period last year. Inclusion of the installation service added further sales of £188k in the first half (total sales 2010: £2,298k, 2009 £1,593k). Unit sales of kitchens have increased during the period while the average revenue has declined slightly by £750 compared with the same period last year.

However, despite the strong winter sale performance it is our view that the timing of sales continues to be led by customer requirements, and their reactions to economic changes rather than advertised sales periods. In particular the changes to the VAT rate which came in to effect on the 1st January 2010 appear to have had the impact of encouraging customers to buy early.

The overall margin of the business in the six months to 28th February 2009 was 52.3% (2009: 51.1%). The improvement of 1.2% reflects a combination of an improved margin on core business, 54% (2009 51%) and a lower margin generated through the installations business, 22%. The margin on kitchen and furniture sales reflects improvements in the efficiency of the production operation.

The Normalised Loss before taxation was £153k (2009 - £509k 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.

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 £81k (2009: £84k). 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 £79k (2009 - £16k) reflecting investments made in the factory, software and updating of our showrooms.

While remaining in a cash positive position, net cash outflows from operating activities were £313k (2009 - £584k outflow). The outflow reflects the loss position for the first half and movements in working capital.

As at 28 February 2009 the Company had cash balances of £454k (2009 - £333k) and available overdraft facilities amounting to £250k which have not been utilised.

Board Changes

Keith Bentley resigned as a non executive director with effect from 26th April 2010 in order to pursue other interests. The Board would like to thank Keith for his contribution to the business and wish him well for the future. It is the intention of the Board to appoint another non executive director in due course.

Outlook for the Future

The forthcoming election and the uncertainty surrounding the economy continue to provide a challenging trading environment for the Company.

These factors make it hard to predict the businesses results with certainty. However the Board continue to believe that the established brand name, the expanded quality product offering at reasonable prices place the Company in a positive position.

Your Board remains cautious as to the outcome for the full year but expects that the reported improvement in results over the previous year will continue into the second half.

Malcolm Hepworth
Chairman

26 April 2010

Enquiries:

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PROFIT AND LOSS ACCOUNT
FOR THE SIX MONTHS ENDED 28 FEBRUARY 2010

	Note	*Unaudited 6 months ended 28 February 2010 £'000*	*Unaudited 6 months ended 29 February 2009 £'000*	*Audited Year ended 31 August 2009 £'000*
Turnover		**2,298**	1,593	4,085

Cost of sales		**(1,097)**	(779)	(1,762)
Gross profit		**1,201**	814	2,323
Selling and distribution costs		**(242)**	(234)	(483)
Administration expenses:				
Share based payments		**(81)**	(84)	(153)
Other		**(1,112)**	(1,089)	(2,172)
Total		**(1,193)**	(1,173)	(2,325)
Operating profit before share based payments		**(153)**	(509)	(332)
Operating loss		**(234)**	(593)	(485)
Interest receivable		**13**	11	12
Interest payable		**(9)**	(11)	(21)
Loss on ordinary activities before taxation		**(230)**	(593)	(494)
Taxation		**-**	-	53
Loss on ordinary activities after taxation		**(230)**	(593)	(441)
Loss per share	2			
Basic		**(0.12)p**	(0.32)p	(0.24)p
Fully diluted		**(0.12)p**	(0.32)p	(0.24)p

BALANCE SHEET
AS AT 28 FEBRUARY 2010

	Unaudited 28 February 2010 £'000	*Unaudited 29 February 2009 £'000*	*Audited 31 August 2009 £'000*
Fixed assets			
Intangible assets	**10**	14	12
Tangible assets	**1,715**	1,770	1,718
	1,725	1,784	1,730
Current assets			
Stocks	**644**	550	596
Debtors	**314**	318	334
Cash at bank and in hand	**454**	333	784
	1,412	1,201	1,714

Creditors: amounts falling due within one year	**(1,215)**	(1,071)	(1,383)
Net current assets	**197**	130	331
Total assets less current Liabilities	**1,922**	1,914	2,061
Creditors: amounts falling due after more than one year	**(243)**	(255)	(233)
Provisions for liabilities and charges	**-**	(53)	-
Total net assets	**1,679**	1,606	1,828
Capital and Reserves			
Called up share capital	**187**	187	187
Other reserves	**1**	1	1
Share premium account	**1,188**	1,188	1,188
Share based payment reserve	**404**	254	323
Profit and Loss account	**(101)**	(24)	129
Shareholders funds - all equity interests	**1,679**	1,606	1,828

CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 28 FEBRUARY 2010

	Unaudited 6 months ended 28 February 2010 £'000	*Unaudited 6 months ended 29 February 2009 £'000*	*Audited Year ended 31 August 2009 £'000*
Operating loss	**(234)**	(593)	(485)
Depreciation	**88**	81	189
Share based payments	**81**	84	153
(Increase) / decrease in Stock	**(48)**	31	(15)
(Increase) in Debtors	**(28)**	(101)	(118)
(Decrease) / increase in Creditors	**(172)**	(86)	205
Net cash outflow from operating activities	**(313)**	(584)	(71)
Returns on investment and servicing of finance	**4**	-	(9)
Corporation tax paid	**48**	-	-

Capital expenditure	**(79)**	(16)	(57)
Financing	**10**	(9)	(21)
Decrease in cash	**(330)**	(609)	(158)

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 2009.

2. Basic and fully diluted loss per ordinary share is calculated as follows:

	6 months ended 28 February 2010	6 months ended 29 February 2009	Year ended 31 August 2009
Loss attributable to ordinary shareholders (£'000)	(230)	(593)	(441)
Weighted average number of shares in issue	186,745,519	148,745,519	186,745,519
Loss per ordinary share (pence)	(0.12)p	(0.32)p	(0.24)p

3. Copies of the 2010 interim accounts will be available to shareholders on the Company's website www.john-lewis.co.uk