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REDCATS UK TO REFOCUS ON ITS DIRECT BRANDS

Redcats UK, the home shopping player, announces that it wants to refocus and invest in web driven brands evolving in the direct home shopping market. As a consequence, Redcats UK will progressively cease operating its Empirestores business. This decision will ensure the viability of the Company's remaining operations and its longer term development as a successful web-driven multi-national distributor.

The plan to cease operating Empirestores is expected to be completed by January 2009 and could involve the loss of approximately 850 jobs at the Company's operations in Bradford and Wakefield. This will be implemented in full consultation with USDAW/SATA & executive association.

Empirestores operates on the declining agency market. It has been increasingly impacted by the rapid growth of high street value retailers, on-line traders and the availability of alternative financing options for credit. The sales decline has generated losses with no recovery prospects specifically in an environment made worse by a credit squeeze and fragile customer confidence.

Redcats UK will then be fully focussed on developing the healthier direct home shopping market through its existing brands (La Redoute, Vertbaudet and Daxon) and through new development projects.

Commenting on the re-structuring Stephane Roche, Managing Director, said:
"We deeply regret having to implement these initiatives. However, this decision will create a viable platform for investment and development of our other direct and web driven brands as we build a successful business for the long term."

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