

LA REDOUTE UNDERTAKES A RELAUNCH PLAN TO RESTORE ITS COMPETITIVENESS IN ORDER TO ENSURE ITS SUSTAINABLE GROWTH

Roubaix, 21 October 2008 – La Redoute today presented to its works council a project aimed at restoring its competitiveness.

Today, the home shopping market is characterized by a decline in traditional mail order - which has not been sufficiently offset by growth in online sales -, as well as by heightening competition and a downward trend in prices.

In this context, La Redoute must accelerate the development of its new economic and sales model. By using the web as its major sales channel and adapting its structures and organizations, the relaunch plan presented by the company aims at developing a more innovative and responsive product offering, creating an even closer relationship with customers, and better responding to their needs.

This action plan consists in streamlining all head office departments, remapping its network of points of contact with the clientele, and outsourcing the handling of mailing orders.

Adaptation of the head office organization should enable La Redoute to improve its operational responsiveness, indispensable to a business which today earns more than half of its revenues from online sales. This plan would affect 151 employees.

Regarding La Redoute's network of points of contact – “rendez-vous shopping” (RVS) and “rendez-vous catalogue” (RVC) - the company is considering the gradual closing, over a period of nearly four years, of all 81 sites across France which today employ 430 persons. At the same time, the network of parcel handling partners (“Relais Colis”) will be expanded to adapt to new customer buying patterns.

Lastly, concerning the handling of mailing orders, which is experiencing steady decline, the plan proposes to entrust this activity to a third-party outsourcer specialized in this activity. The outsourcer would take over the business of this department and would offer continued employment to the 91 employees concerned.

La Redoute will make every possible effort, in coordination with employee representatives, to seek a solution for each employee affected by the plan. All supporting measures offered, including transfers within the company, new skills training, and assistance with personal projects, will be conceived as part of a forward-looking approach aimed at helping each individual pursue his or her professional activity or set up a personal project.

Nicolas Bernard, CEO of La Redoute, noted: "This decision is vital to ensure the future of our company and the jobs it provides, and to give us the means to remain one of the European e-commerce leaders in fashion and home decoration."

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ABOUT LA REDOUTE

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La Redoute is a multi-specialist brand proposing Ready-to-Wear, Furniture and Deco articles, and is the third largest player in sales of women's clothing and the second largest in the home linen market in France. With 18 million customers around the world, La Redoute is present in 24 countries and can rely on a multi-channel distribution method combining catalogues, stores and the web. Indeed Laredoute.fr, the leading French non-service B2C site accounted for almost 50% of its turnover in 2007. La Redoute is a brand belonging to the Redcats Group.