



Pre-close update

29 April 2009

HMV Group plc will today hold a pre-close conference call for analysts and investors in respect of the 52 weeks ended 25 April 2009, including a trading update for the last 16 weeks of the financial year.

TRADING UPDATE

%	16 weeks ended 25 April 2009		52 weeks ended 25 April 2009	
	Like for like sales growth ¹	Total Sales growth ¹	Like for like sales growth ¹	Total sales growth ¹
HMV				
UK & Ireland	4.3	11.7	1.9	6.3
International ²	(9.3)	(7.0)	(3.4)	(0.5)
Total HMV	1.9	8.3	1.0	5.1
Waterstone's	(4.5)	(3.4)	(3.8)	(3.8)
HMV Group	0.0	4.8	(0.4)	2.4

1. Like for like sales (decline) growth and total sales (decline) growth are stated at constant exchange rates.

2. HMV International comprises the results of HMV Canada, Hong Kong and Singapore.

16 weeks ended 25 April 2009

- Group total sales growth of 4.8%, including flat like for like sales
- HMV UK & Ireland total sales up 11.7%, including like for like growth of 4.3%
- Acquisition of further nine Zavvi stores taking the total to 23; sales transfers from overlap locations in line with Company expectations
- Waterstone's total sales declined by 3.4%, including like for like sales down 4.5%

52 weeks ended 25 April 2009

- Gross margins well managed and in line with previous guidance
- Management is confident that Group profits before tax and exceptional items will be towards the upper end of market expectations*
- The Group's strong balance sheet and good cash generation mean that year end net debt is expected to be approximately £10m

Operational update

- Good progress on live music JV; three key venues successfully rebranded to HMV
- Concession partnership with Orange to offer mobile phones and services in an initial 15 HMV stores, with long-term potential for up to 100 stores
- Trial of first *hmvcurzon* cinema to commence in autumn 2009, in partnership with Curzon Artificial Eye
- 100 Waterstone's stores and waterstones.com fulfilment migrated to new book hub

Commenting, Chief Executive Simon Fox said:

“Despite challenging conditions, the Group expects profits this year to be towards the upper end of market expectations. This has been driven by strong trading in HMV UK & Ireland, which continues to benefit from initiatives to transform the business, and from maximising the opportunities arising from competitors exiting the market. As expected, the book market remained weak during our final quarter and we are focusing on successfully completing the migration to the Waterstone’s book hub to help to improve the financial performance in this business.

“We still have much to do, but I remain confident that the Group’s transformation plan remains on track to increase efficiency, revitalise our core business and establish new channels to market.”

** Market expectations for pre-tax profit before exceptional items for the financial year ended 25 April 2009 are in the range of £50.3m-£63.7m (Reuters Knowledge / HMV Group plc.)*

Preliminary Results for the 52 weeks ended 25 April 2009 will be on 30 June 2009. In accordance with the Group’s usual reporting calendar, the Group’s next trading update will be included within an Interim Management Statement on 3 September 2009, the date of the Group’s AGM.

Enquiries

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** All enquiries on 29 April 2009 should be directed via Brunswick.