

October 29, 2007

PRESS RELEASE

David Sands ramps up expansion plans

NEW stores have contributed to increased sales and profit for the independent Kinross-based convenience store chain, **David Sands Ltd.**

Announcing its results for the year to December 31, 2006, the group will this week reveal a 25% increase in sales from £19.7 million in 2005 to £24.8m in 2006 and a rise in operating profits from £827,000 to £960,000.

David Sands currently operates 24 stores in Fife, Perthshire and Kinross. In the last 18 months, the company has invested heavily in expanding and strengthening its portfolio via an aggressive acquisition strategy, ongoing store refurbishment programme and further investment at its £1.5m warehouse and head office in Kinross.

“New store openings will continue to fuel our future growth,” said David Sands, managing director. “We opened our new warehouse less than two years ago with the sole purpose of expansion in mind and since then have secured six more sites –including our first new-build store at Burntisland – and increased staff numbers from 400 to over 500 full and part-time staff.

“Finding good, viable sites that fit in with our style of trading – that is, offering a friendly, professional service in well-maintained stores operating right in the heart of local communities – is becoming increasingly difficult in what is a highly competitive retail environment.

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“However, there are opportunities and we are ideally placed to pursue these opportunities. The warehouse and IT systems now in place at Kinross provide us with the infrastructure to drive the business forward and our recently launched chilled distribution facility will enable us to work more closely with local suppliers of fresh and chilled foods.”

Sands has recently completed a £250,000 refurbishment and extension programme at the firm's store in Cardenden, Fife. The company secured vacant premises adjacent to the shop and has been able to virtually double its size, create an additional entrance from the rear car park and relocate the post office, providing more space and a wider range of products for customers.

The company has also been working with Scotland Food & Drink to help local suppliers secure more exposure for their products across its network of convenience stores. "It's all about offering a point of difference," said Sands. "Before we refitted Cardenden, we held focus groups to enable regular customers to tell us face-to-face what they wanted from their local shop.

"They told us they wanted a more spacious store, less queuing at checkouts at busy times, more locally sourced products and better quality fruit and veg, for example. We have taken all of these comments on board and sales are well up – it is a strategy we will use again in the future."

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For further information, contact **David Sands** on 01577 865141 or **Karen Peattie** on 0141 773 1801/07947 075 937

NOTES FOR EDITORS

- David Sands Ltd was founded in Kinross in 1812
- The company currently operates 24 stores in Fife, Kinross and Perthshire: Auchtermuchty; Bridge of Earn; Cardenden; Cowdenbeath; Crossford; Dunfermline; Perth (5 stores); Kelty; Kennoway; Kinross, Kirkcaldy (2 stores); Lochgelly (2 stores); Leven; Methilhill; Methil; Thornton; Strathmiglo; and Burntisland
- Most David Sands stores sell newspapers and magazines and many outlets offer a Post Office, in-store bakery, ATM, PayPoint and the National Lottery
- All stores are licensed to sell alcohol and all stores have a very strong fresh foods offer
- David Sands is a former president of the Scottish Grocers' Federation and a director of the Nisa-Today's group's Central Distribution Services operation
- The company is an original member and major driver of the Scottish Government-supported SGF Healthy Living Programme, an initiative designed to introduce healthier food ranges to local convenience stores