



INTERIM STATEMENT

25 SEPTEMBER 2010

NEW LOOK RETAIL GROUP LIMITED INTERIM MANAGEMENT REPORT

CHIEF EXECUTIVE'S REVIEW	3
UNAUDITED CONSOLIDATED INCOME STATEMENT	15
UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	16
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	17-18
UNAUDITED CONSOLIDATED BALANCE SHEET	19-20
UNAUDITED CONSOLIDATED CASH FLOW STATEMENT	21
NOTES TO FINANCIAL INFORMATION	22-30
STATEMENT OF DIRECTORS' RESPONSIBILITIES	31
AUDITORS' REVIEW REPORT	32-33

FINANCIAL HIGHLIGHTS

New Look has strengthened its position as the UK's second largest Women's Clothing & Accessories retailer, reaching 6.0% value share¹ despite a challenging market in the UK in the 26 weeks ended 25 September 2010. New Look is also pleased to report continued strong progress in its E-commerce and International businesses.

The information contained in this statement is unaudited.

The Group's Key Performance Indicators for the current period are:

¹ Source: Kantar Worldpanel - 24 week period ended 5 September 2010
see note 8 on page 14

	Notes*	26 weeks ended 25 Sept 2010	26 weeks ended 26 Sept 2009	52 weeks ended 27 Mar 2010
Total revenue (£m)		£731.1m	£708.4m	£1,463.6m
Group LFL Sales Growth (%)	1	-3.0%	+1.8%	+1.2%
UK LFL Sales Growth (%)	2	-4.5%	+7.5%	+5.0%
Space (Sq ft '000)	3	5,631	5,084	5,473
Total stores		1,034	985	1,018
Underlying operating profit (£m)	4	£73.5m	£77.8m	£162.7m
Adjusted EBITDA (£m)	5	£119.5m	£117.8m	£249.4m
Cash generated (£m)	6	£124.2m	£144.4m	£224.3m
ROCE (%)	7	21.8%	19.6%	21.1%

* Please see page 14 for notes



GROUP OVERVIEW

Group total revenue grew by 3.2% (3.9% at constant exchange rates) year-on-year in the 26 weeks ended 25 September 2010 and fell by 3.0% on a LFL basis. Our E-commerce business posted impressive revenue growth (+67.9% year-on-year) helped by increased brand awareness, geographical expansion and the successful introduction of a more personalised and interactive website earlier this year. Our international business also performed strongly, reflecting successful progress both in our Franchise business and in our continental European stores and Mim.

At the time of our Annual Results in June 2010, we highlighted that we would be trading against strong comparatives (H1 2009/10 UK LFL² +7.5%) and that we expected market conditions to worsen. Reported BRC-KPMG 3-month weighted average LFL sales growth for the non-food category showed a 0.4% decline year-on-year for July to September 2010, with September posting the sixth straight month in a row of low growth. The GfK NOP Consumer Confidence Index decreased by two points in September 2010 to -20, the second lowest measure of confidence reported in the past year.

New 'Look and Feel' at Oxford Circus



2nd largest

UK women's clothing
and accessories retailer
with 6.0% value share¹

No.1

in under 35s women's
clothing and accessories
with 10.8% value share¹

The cumulative effect of this challenging external environment, together with some personnel disruption last year associated with the move of our central Buying, Merchandising and Design functions ("BMD") from Weymouth to new offices in central London, resulted in a UK LFL² sales decline of 4.5%. However, strong performances in product categories such as dresses, where we reached 8.4% value share¹ combined with continued growth in space and our ongoing 'Look and Feel' store refurbishment programme, helped drive overall value share growth in the UK Women's Clothing and Accessories market of 30bps year-on-year to 6.0%¹.

Group gross margins were held stable with input cost pressures and higher promotional costs offset by continued strong progress in sourcing and buying negotiations and a favourable impact from currency hedging. Adjusted Group EBITDA showed modest growth from £117.8 million to £119.5 million although EBITDA margins fell to 16.3% (H1 2009/10: 16.6%) reflecting the negative operational leverage associated with the UK LFL decline.

¹ Source: Kantar Worldpanel – 24 week period ended 5 September 2010

² UK LFLs include online sales and are measured excluding VAT



UK RETAIL SALES

Total revenues in the UK including E-commerce grew by 2.9% in the period, driven by an increase in trading space of 314,000 sq ft.

UK LFL² performance of -4.5% was affected by a number of external and internal factors. Deteriorating consumer confidence and an uncertain macro-economic outlook hit our core shoppers.

We also suffered from some personnel disruption arising from the move of our central BMD functions from Weymouth to central London last year, which contributed to range construction issues in certain categories. For example, nearly half of BMD employees are new to the business within the last twelve months, and this has inevitably created some transitional challenges. While actions are underway to address these issues, it will take time for these actions to have an impact on seasonal LFL performance.

² UK LFLs include online sales and are measured excluding VAT

Key trend item: maxi dress

730,000

units sold this period
generating £7.5 million profit



UK RETAIL SPACE

New Look continues to pursue a structured portfolio strategy of ensuring we have the right-sized store for the market in which it operates. We achieve this through a combination of new store openings in new markets, relocations in existing markets to larger sites where existing stores are restricted in their ability to trade our full product range and through managed store closures in those markets that are in long-term decline. During the period we successfully opened 3 stores and relocated a further 11 stores bringing the total number of stores across the UK to 605 as at 25 September 2010. This included relocations to former Woolworth's stores in Cheltenham and Southport and new store openings in Wandsworth, Greater London and Coventry Arena Retail Park.

In existing stores, our successful 'Look and Feel' upgrade and refurbishment programme continues, improving the shopping experience for our customers and delivering an improvement in sales densities for these refurbished stores. This programme began to roll out nationally last year and to date has reached 223 stores across the portfolio, of which 79 were completed in H1. We expect to have completed 50% of our existing store portfolio by 26 March 2011.

3.9m

sq ft of trading space
in the UK

223

UK stores refurbished to
new 'Look and Feel'

New 'Look and Feel' improves
shopping experience for customers



DEVELOPMENT AND BROADENING OF PRODUCT RANGE



Key trend item: harem pants

670k

units sold this period generating £5.3 million profit

We continue to reinforce our leading positions in core womenswear markets. This first half saw the successful take-up of the maxi dress, jumpsuit and harem trends which we delivered with confidence, most notably increasing our market share in the Women's Dresses category to 8.4% (+140bps YoY)¹. Summer successes also included boob-tubes, tie-front tops, shorts and playsuits. The return of the chino pant (khaki trouser) was a key fashion look as was the other must-have of the season – the denim jacket. Within accessories, ruffles and corsages proved to be hugely popular, reinforcing our market leading position in the UK Women's Accessories market¹.



We continue to support and grow our premium brands; most notably our 13th Giles collection recently picked up the Fabulous magazine "Best High Street Design Collaboration" award. Idol launches its first menswear collection this November and the Idol womenswear range - now in 300 of our stores - continues to attract celebrity interest (as seen on the X-factor!). We also

received over 400 PR features in the period. Limited Edition has also strengthened its handwriting and continues to excite our fashion forward customers.

We are proud to support emerging fashion talent through various sponsorships such as Texprint for the UK's best textile graduates, Clothes Show London and in the New Year, we will launch a unique collaboration with the London College of Fashion.



No.1

in women's dresses with
8.4% value share¹

No.1

in 9-15 with 9.7%
value share¹

We have also strengthened our menswear and kidswear propositions; our menswear business reached the 200 store milestone earlier in the year and now trades from 205 stores. The opening of our second largest spaced flagship New Look store in the Jervis Centre, Dublin this month sees 650 linear square feet dedicated to menswear.

Our kidswear business has further demonstrated impressive growth, driven by our 9-15 years Generation brand. Our position as market leader in the 9-15 years age category has strengthened with our value share growing from 9.4 to 9.7%¹. These gains have been driven by strong performance in the dresses and tops businesses.

¹ Source: Kantar Worldpanel – 24 week period ended 5 September 2010

E-COMMERCE



A key element of our growth strategy is to deliver a world-class multi-channel proposition, by providing a consistent, seamless brand experience for all our customers, wherever and however they want to shop. We are therefore greatly encouraged by the continued success of our online business. Sales and visitor numbers continue to grow strongly, with visits to newlook.com rising to an average for the 26 weeks of almost 1.7 million per week, lifting our market position in online traffic to No.3 and almost 4.0%³.

We have continued to develop the available range and functionality of our online presence, building upon the successful introduction of a more personalised and interactive website earlier this year. We now offer 100% of our store range online (including all maternity, kids, tall, inspire and menswear ranges) with an additional selection of web exclusives and boutique brands not available in our stores. We recently introduced next-day delivery to our UK customers and in the last month have provided both nominated time and day options to make delivery even easier and more convenient for our customers.

In October, we increased our overseas dispatch to over 120 countries, reaching new destinations in Asia, Central and South America, Africa and the Middle East. International revenue as a proportion of our on-line business has doubled in the past year to c. 8% (average mix ytd) and will continue to be a big part of our future on-line strategy. Next year will see the launch of exciting new initiatives aimed at providing best-in-class customer experience, including a click and collect capability allowing customers to order in-store for home delivery, M-commerce functionality and the introduction of international language sites.

³ Source: Hitwise Most Popular Websites in Shopping and Classifieds – Apparel and Accessories ranked by Visits Share – 3 month rolling average July-September 2010

1.7 million

visits per week to
newlook.com³

>120

countries are now
served by newlook.com

INTERNATIONAL EXPANSION

Trading in most of our overseas markets has been very encouraging this year, most notably in France which had been negatively impacted by the economic downturn last year. Actions taken to re-align pricing and costs to local conditions have allowed the business to further leverage recovery in these markets.

In the 26 weeks to 25 September 2010 we opened 13 new international stores, adding to both our owned and franchise operations. This included a 12,000 sq ft flagship New Look store in Lyon in France in May together with 9 new franchise stores, including one new market (Malta). We were able to further consolidate our presence in existing franchise markets, including the Middle East, Russia, Poland and Singapore taking New Look's total franchise network to 58 stores. Total stores across the Group reached 1,034 as at 25 September 2010.

Since the H1 period end, we also opened a new 30,000 sq ft flagship store in the Jervis Centre, Dublin on 5 November 2010.

12,000
size (sq ft) of new
flagship store in Lyon

1,034
total stores across
the Group as at 25
September 2010

COUNTRIES SERVED BY NEW LOOK

EUROPE: Albania, Andorra, Austria, Belgium, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Faroe Islands, Finland, France, Germany, Gibraltar, Greece, Hungary, Iceland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Macedonia, Malta, Monaco, Netherlands, Poland, Portugal, Romania, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey, United Kingdom



GROUP UNDERLYING OPERATING PROFIT

Group underlying operating profit fell slightly to £73.5 million (H1 2009/10: £77.8 million) reflecting the fall in LFL sales and a £5.5 million increase in depreciation from our continued investment in space year-on-year.

Pre-tax profit

Interest on bank loans decreased £0.6 million year-on-year to £49.3 million (H1 2009/10: £49.9 million) reflecting our scheduled repayments, offset by capitalisation of PIK interest and a slightly higher level of LIBOR in the early months of H1 2009/10.

The results for the Group for the 26 weeks show a pre-tax profit of £24.2 million (H1 2009/10: £22.8 million).

Taxation

The effective rate of tax on adjusted profit for the 52 weeks ended 26 March 2011 is estimated to be 38.6%, which is the rate applied in H1 2010/11 (FY10: 45.3%). The decrease in effective tax rate is attributable to the extent to which exceptional costs in the prior period are expected to be disallowable. The actual tax rate on reported profits for H1 2009/10 was 37.7%.

Cash generation

Cash generation of £124.2 million (H1 2009/10: £144.4 million) reflects an increase in operating profit of £0.8 million, together with non-cash adjustments including depreciation and amortisation of £7.7 million. This is offset by a net working capital movement of £18.9 million (including £8.7 million cash cost against provisions made in the prior year), an increase in income tax paid of £8.5 million and £1.3 million movement for share based payments.

Inventories are higher at the half year compared to the same time last year reflecting the 10.7% growth in group space and our continued strategy to switch a greater percentage of our suppliers to Free-on-Board terms which results in earlier recognition of stock in transit.

The Group invested £40.0 million (H1 2009/10: £52.0 million) in capital expenditure during the period, principally in new trading space and store refurbishment, and also in IT and logistics. This capital expenditure decrease reflects the build of the new London head office and launch of our second generation website in the last financial year, together with general timing



of cash payments for capital projects in the first 26 weeks to 25 September 2010. We continue to expect full-year capital expenditure of c. £90 million (FY10: £97.2 million).

Scheduled debt repayments relating to Tranche A senior debt were £19.9 million during the first 26 weeks (FY10: £39.8 million).

The Group closed the period with an increase in cash, cash equivalents and bank overdrafts for the period of £47.1 million (FY10: £47.8 million), and non-cash movements of £(4.6) million (2010: £(2.6) million), resulting in a cash balance of £248.8 million (FY10: £206.3 million).

Net debt

Group net debt decreased in the period from £1,033.3 million at 27 March 2010 to £998.1 million at 25 September 2010. Of this debt, £620.2 million (FY10: £591.4 million) is Payment-in-Kind (PIK) notes with no annual cash interest charge to be paid by the Group. Accrued interest is instead rolled into the outstanding value of the loan.

The Group continues to generate significant cash inflows after servicing its scheduled debt repayment and there are no material debt maturities before 2013.

Director changes

In September 2010 Will Kernan was appointed Chief Operating Officer, an appointment which consolidates a diverse 11 year career at New Look to date, including latterly as Group Managing Director (Channels). We also welcome Oriol Pinya from Apax as a Non-Executive Director following the departure of Matthew Brockman.

Full year outlook

We remain cautious on the outlook for consumer spending across the balance of this financial year. In addition, the UK VAT increase in January 2011 and rising input costs associated with increasing cotton prices, labour inflation in the Far East and higher freight charges, are likely to result in price rises in the New Year. While we expect LFL growth to remain subdued in such an environment, we are confident that the proven strengths of our brand and business model will support our ability to react appropriately to market conditions.

Our annual January Trading Update covering our key Christmas trading period will be released in early January 2011.

Carl McPhail

Chief Executive Officer
10 November 2010



menswear now
trading from
205 stores

5.6 million
sq ft total
trading footage

NOTES

1 The Group computes its like-for-like (LFL) store sales (excluding VAT or local equivalent) in local currencies. The total Group LFL store sales have been calculated on a constant currency basis. LFL stores are defined as own stores that have traded for more than 52 weeks, excluding existing stores where a new Group store has opened within one mile (for the first 52 weeks of the new store's commencement of trading) or where the store has undergone a significant increase or decrease in trading space during the period. Sales are defined as gross transactional value; see note 5 of the 2010 Annual Report, online at www.newlookgroup.com.

2 UK LFLs include online sales and are measured excluding VAT.

3 Space includes franchise trading space and is as at the financial period end.

4 Underlying operating profit, a non-IFRS measure, is calculated on page 15, the consolidated income statement.

5 Adjusted EBITDA, a non-IFRS measure, is calculated as the Group's underlying operating profit before depreciation of tangible fixed assets, amortisation of intangible assets and the income statement charge in relation to the Group's onerous lease provision.

6 Cash generation is a non-IFRS measure which is calculated as the Group's net cash from operating activities. The Directors believe that cash generation assists in understanding the trading performance of the Group as it represents the amount of cash generated after tax by the Group's trading activities.

7 ROCE is our Return on Capital Employed. It is a non-IFRS measure which is calculated as underlying operating profit (or last 12 months underlying operating profit for half year reporting) divided by average capital employed (Net liabilities less financial liabilities and cash & cash equivalents).

8 For data recorded for the period to 5 September 2010, all Kantar Worldpanel Fashion estimates were processed for the first time using information collected from a 100% online panel. All historical data, which was previously produced using a mixed methodology of telephone and online panellists, has been reprocessed, which has resulted in some changes to the data – for this reason the new estimates will not be comparable with what has previously been published. Time periods have moved one week earlier in line with all other Worldpanel services, e.g. period ending 15 August 2010 has moved to period ending 8 August 2010, and the back data is now aligned to this new schedule – this is another reason why new data will not be comparable to that previously published.

NEW LOOK RETAIL GROUP LIMITED

UNAUDITED CONSOLIDATED INCOME STATEMENT

For the financial periods ended:

		26 weeks ended 25 Sept 2010	26 weeks ended 26 Sept 2009	52 weeks ended 27 Mar 2010
	Notes	£m	£m	£m
Revenue	2	731.1	708.4	1,463.6
Cost of sales		(314.4)	(307.4)	(634.2)
Gross profit		416.7	401.0	829.4
Administrative expenses		(344.1)	(329.2)	(695.4)
Operating profit		72.6	71.8	134.0
Finance income		4.3	1.0	3.4
Finance expenses		(52.9)	(50.4)	(101.8)
Share of post tax profits from joint venture		0.2	0.4	0.4
Profit before taxation		24.2	22.8	36.0
Taxation		(9.3)	(8.6)	(16.3)
Profit attributable to equity holders of the parent Company		14.9	14.2	19.7

Underlying operating profit is calculated as follows

For the financial periods ended:

		26 weeks ended 25 Sept 2010	26 weeks ended 26 Sept 2009	52 weeks ended 27 Mar 2010
	Notes	£m	£m	£m
Operating profit		72.6	71.8	134.0
Add back/(deduct):				
Exceptional items		(0.9)	9.7	22.5
Share based payments		2.0	2.1	10.1
Fair value movement of financial instruments		(0.2)	(5.8)	(3.9)
Underlying operating profit	2	73.5	77.8	162.7

The notes on pages 22 to 30 form an integral part of this condensed interim financial information.

NEW LOOK RETAIL GROUP LIMITED

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial periods ended:

	26 weeks ended 25 Sept 2010	26 weeks ended 26 Sept 2009	52 weeks ended 27 Mar 2010
	£m	£m	£m
Profit for the period	14.9	14.2	19.7
Other comprehensive income			
Cash flow hedges	(13.9)	(17.2)	0.2
Exchange differences on translation of foreign operations	(10.3)	(2.0)	(4.7)
Tax credit on items recognised directly in equity	4.5	5.0	0.3
Other comprehensive loss for the period, net of tax	(19.7)	(14.2)	(4.2)
Total comprehensive (loss)/income for the period, net of tax	(4.8)	-	15.5

NEW LOOK RETAIL GROUP LIMITED

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Attributable to the shareholders of New Look Retail Group Limited

	Share capital £m	Share premium £m	Treasury shares £m	Other reserves £m	Retained earnings £m	Total £m
Balance at 27 March 2010	10.4	0.6	(14.0)	(259.4)	(6.6)	(269.0)
Comprehensive income						
Profit for the period	-	-	-	-	14.9	14.9
Other comprehensive income						
Cash flow hedges	-	-	-	(13.9)	-	(13.9)
Exchange differences on translation of foreign companies	-	-	-	(10.3)	-	(10.3)
Tax on items recognised directly in equity	-	-	-	4.5	-	4.5
Total other comprehensive income	-	-	-	(19.7)	-	(19.7)
Total comprehensive income	-	-	-	(19.7)	14.9	(4.8)
Transactions with owners:						
Employee share option scheme: - value of employee services	-	-	-	-	5.4	5.4
ESOPs shares unallocated	-	-	-	(0.2)	-	(0.2)
Purchase of treasury shares	-	-	(4.7)	-	-	(4.7)
Total transactions with owners	-	-	(4.7)	(0.2)	5.4	0.5
Balance at 25 September 2010	10.4	0.6	(18.7)	(279.3)	13.7	(273.3)
Balance at 28 March 2009	10.3	-	(10.2)	(254.6)	(31.3)	(285.8)
Comprehensive income						
Profit for the period	-	-	-	-	14.2	14.2
Other comprehensive income						
Cash flow hedges	-	-	-	(17.2)	-	(17.2)
Exchange differences on translation of foreign companies	-	-	-	(2.0)	-	(2.0)
Tax on items recognised directly in equity	-	-	-	5.0	-	5.0
Total other comprehensive income	-	-	-	(14.2)	-	(14.2)
Total comprehensive income	-	-	-	(14.2)	14.2	-
Transactions with owners:						
Employee share option scheme: - value of employee services	-	-	-	-	3.0	3.0
ESOPs shares unallocated	-	-	-	(0.4)	-	(0.4)
Transfer of exercised shares	-	0.6	-	-	-	0.6
Purchase of treasury shares	-	-	(3.2)	-	-	(3.2)
Total transactions with owners	-	0.6	(3.2)	(0.4)	3.0	-
Balance at 26 September 2009	10.3	0.6	(13.4)	(269.2)	(14.1)	(285.8)

NEW LOOK RETAIL GROUP LIMITED

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(continued)

	Attributable to the shareholders of New Look Retail Group Limited					
	Share capital	Share premium	Treasury shares	Other reserves	Retained earnings	Total
	£m	£m	£m	£m	£m	£m
Balance at 28 March 2009	10.3	-	(10.2)	(254.6)	(31.3)	(285.8)
Comprehensive income						
Profit for the period	-	-	-	-	19.7	19.7
Other comprehensive income						
Cash flow hedges	-	-	-	0.2	-	0.2
Exchange differences on translation of foreign companies	-	-	-	(4.7)	-	(4.7)
Tax on items recognised directly in equity	-	-	-	0.3	-	0.3
Total other comprehensive income	-	-	-	(4.2)	-	(4.2)
Total comprehensive income	-	-	-	(4.2)	19.7	15.5
Transactions with owners:						
Employee share option scheme: - value of employee services	-	-	-	-	5.1	5.1
ESOPs shares unallocated	-	-	-	(0.7)	-	(0.7)
Proceeds from share issue	0.1	0.6	-	-	-	0.7
Transfer of exercised shares	-	-	-	0.1	(0.1)	-
Purchase of treasury shares	-	-	(3.8)	-	-	(3.8)
Total transactions with owners	0.1	0.6	(3.8)	(0.6)	5.0	1.3
Balance at 27 March 2010	10.4	0.6	(14.0)	(259.4)	(6.6)	(269.0)

The notes on pages 22 to 30 form an integral part of this condensed interim financial information.

NEW LOOK RETAIL GROUP LIMITED

UNAUDITED CONSOLIDATED BALANCE SHEET

	As at:		
	25 Sept 2010	26 Sept 2009	27 Mar 2010
	£m	£m	£m
Non-current assets			
Property, plant and equipment	257.8	266.2	268.7
Intangible assets	722.4	725.2	729.2
Investment in joint venture	1.8	1.6	1.6
Financial assets:			
- Available for sale investments	0.3	0.2	0.3
Other receivables	45.5	52.9	51.8
Deferred income tax assets	23.6	20.7	21.8
	1,051.4	1,066.8	1,073.4
Current assets			
Inventories	169.6	142.9	126.3
Income tax assets	-	0.2	0.5
Trade and other receivables	45.2	54.4	72.2
Derivative financial instruments	5.0	7.0	16.4
Cash and cash equivalents	248.8	213.1	206.3
	468.6	417.6	421.7
Total assets	1,520.0	1,484.4	1,495.1
Current liabilities			
Trade and other payables	309.3	294.8	287.5
Financial liabilities	32.5	39.8	39.8
Derivative financial instruments	16.5	15.0	11.3
Provisions	6.7	12.0	10.5
Income tax liabilities	14.7	14.0	13.9
	379.7	375.6	363.0
Non-current liabilities			
Trade and other payables	95.1	86.6	85.3
Financial liabilities	1,214.4	1,192.3	1,199.8
Derivative financial instruments	5.6	10.9	8.5
Provisions	9.8	11.5	13.4
Deferred income tax liabilities	88.7	93.3	94.1
	1,413.6	1,394.6	1,401.1
Total liabilities	1,793.3	1,770.2	1,764.1
Net liabilities	(273.3)	(285.8)	(269.0)

→

NEW LOOK RETAIL GROUP LIMITED

UNAUDITED CONSOLIDATED BALANCE SHEET

(continued)

	As at:		
	25 Sept 2010	26 Sept 2009	27 Mar 2010
	£m	£m	£m
Deficit attributable to equity holders of New Look Retail Group Limited			
Share capital	10.4	10.3	10.4
Share premium	0.6	0.6	0.6
Treasury shares	(18.7)	(13.4)	(14.0)
Other reserves	6.0	16.1	25.9
Reverse acquisition reserve	(285.3)	(285.3)	(285.3)
Retained earnings	13.7	(14.1)	(6.6)
Total deficit	(273.3)	(285.8)	(269.0)

The notes on pages 22 to 30 form an integral part of this condensed interim financial information.

NEW LOOK RETAIL GROUP LIMITED

UNAUDITED CONSOLIDATED CASH FLOW STATEMENT

	For the financial periods ended:		
	26 weeks ended 25 Sept 2010	26 weeks ended 26 Sept 2009	52 weeks ended 27 Mar 2010
	£m	£m	£m
Cash flows from operating activities			
Operating profit	72.6	71.8	134.0
Depreciation of property, plant and equipment	41.0	34.7	73.4
Impairment of property, plant and equipment	-	-	1.1
Amortisation of intangible assets	1.7	1.7	3.4
Loss on disposal of property, plant and equipment	4.8	5.2	1.5
Share based payment charge	2.0	2.1	10.1
Fair value (gains)/losses in financial instruments	(0.2)	(5.8)	(3.9)
Foreign exchange gains on operating activities	(1.0)	-	(1.0)
Amortisation of lease inducements	(4.0)	(1.3)	(5.9)
Decrease/(increase) in inventories	(44.5)	(2.4)	22.3
Decrease/(increase) in trade and other receivables	31.6	(2.6)	(20.9)
Increase in trade and other payables	43.1	45.4	28.1
Movement in provisions	(7.4)	1.3	1.7
Income taxes paid	(10.6)	(2.1)	(15.2)
ESOP shares unallocated	(0.2)	(0.4)	(0.6)
Purchase of treasury shares	(4.7)	(3.2)	(3.8)
Net cash flow from operating activities	124.2	144.4	224.3
Cash flows from investing activities			
Purchase of property, plant and equipment	(38.0)	(49.3)	(87.5)
Purchase of intangibles	(2.0)	(2.7)	(9.7)
Net cash from investing activities	(40.0)	(52.0)	(97.2)
Cash flows from financing activities			
Interest paid	(17.9)	(20.8)	(41.4)
Interest received	0.7	0.5	1.2
Proceeds from issuance of ordinary A shares	-	0.6	0.7
Repayment of borrowings	(19.9)	(19.9)	(39.8)
Net cash from financing activities	(37.1)	(39.6)	(79.3)
Net increase in cash, cash equivalents and bank overdrafts	47.1	52.8	47.8
Opening cash and cash equivalents	206.3	161.1	161.1
Exchange (loss)/gains on cash, cash equivalents and bank overdrafts	(4.6)	(0.8)	(2.6)
Closing cash, cash equivalents and bank overdrafts	248.8	213.1	206.3

The notes on pages 22 to 30 form an integral part of this condensed interim financial information.

NEW LOOK RETAIL GROUP LIMITED

NOTES TO FINANCIAL INFORMATION

1 Basis of Preparation

The Company is a limited liability company incorporated and domiciled in England. The address of its registered office is Mercery Road, Weymouth, Dorset, DT3 5HJ, United Kingdom.

The condensed consolidated interim financial information of New Look Retail Group Limited (the "Company") and its subsidiaries (the "Group") for the 26 weeks ended 25 September 2010 were approved by the Board of Directors on 10 November 2010. The condensed consolidated interim financial information has been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting' (IAS 34) as adopted by the European Union (the "EU"). The condensed consolidated interim financial information should be read in conjunction with the Group annual consolidated financial statements for the period ended 27 March 2010, which have been prepared in accordance with IFRSs as adopted by the EU.

The condensed consolidated interim financial information for the 26 weeks ended 25 September 2010 does not constitute statutory financial statements within the meaning of section 434 of the Companies Act 2006. The full consolidated financial statements for the 52 weeks ended 27 March 2010 have been reported on by the Group's auditors and filed with the Registrar of Companies. The audit report was unqualified and did not contain a statement under section 498 of the Companies Act 2006.

Other than as described below, the accounting policies, methods of computation and presentation applied in the preparation of the condensed consolidated interim financial information are the same as those set out in the Group's annual consolidated financial statements for the 52 weeks ended 27 March 2010.

The Group financial information has been prepared on the historical cost basis, except for certain assets and liabilities which are measured at fair value in accordance with the applicable IFRSs as adopted for use in the EU.

Taxes on income in the interim period have been accrued using the tax rate that is expected to be applicable to total annual earnings, by jurisdiction.

(a) The following standards, amendments to standards and interpretations which have been endorsed by the EU have also been adopted with effect from 28 March 2010. No changes to previously published accounting policies or other adjustments were required on their adoption.

Effective for accounting periods beginning on or after 30 March 2009:

IFRIC 12, 'Service concession arrangements'.

Effective for accounting periods beginning on or after 1 July 2009:

Revisions to IFRS 3, 'Business Combinations' and IAS 27, 'Consolidated and Separate Financial Statements'. These include consequential amendments to IAS 28, 'Investments in associates' and IAS 31, 'Interest in joint ventures';

Amendment to IAS 39, 'Financial instruments: Recognition and measurement', on Eligible hedged items;

IAS 27 (revised), 'Consolidated and separate financial statements';

IAS 38 (amendment), 'Intangible Assets';

IFRIC 16, 'Hedges of a net investment in a foreign operation';

IFRIC 17, 'Distributions of non cash assets to owners';
 IFRS 1 (revised), 'First time adoption';
 IFRS 3 (revised), 'Business combinations'; and
 IFRIC 17, 'Distributions of non cash assets to owners'.

Effective for accounting periods beginning on or after 31 October 2009:
 IFRIC 18, 'Transfer of assets from customers'.

Effective for accounting periods beginning on or after 1 January 2010:
 IFRIC 15, 'Arrangements for construction of real estates';
 Amendments to IFRS 1 for additional exemptions;
 Amendment to IFRS 2, 'Share based payments – Group cash-settled share-based payment transactions';
 Annual improvements 2009 (predominantly effective for accounting periods beginning on or after 1 January 2010);
 IFRS 5 (amendment), 'Non-current assets held for sale and discontinued operations'; and
 IAS 1 (amendment), 'Presentation of financial statements'.

Effective for accounting periods beginning on or after 1 February 2010:
 Amendments IAS 32, 'Financial instruments: Presentation on classification of rights issues'.

(b) The following new standards, new interpretations and amendments to standards and interpretations have been issued but are not effective for the financial year beginning 28 March 2010 and have not been early adopted:

Effective for accounting periods beginning on or after 1 July 2010:
 IFRIC 19, 'Extinguishing financial liabilities with equity instruments'.

Effective for accounting periods beginning on or after 1 January 2011:
 Annual improvements 2010 (predominantly effective for accounting periods beginning on or after 1 January 2011);
 Amendment to IFRIC 14, 'Pre-payments of a Minimum Funding Requirement';
 IAS 24 (revised), 'Related party disclosures'; and
 IFRS 9, 'Financial instruments'.

Effective for accounting periods beginning on or after 1 July 2011:
 Amendment to IFRS 7, 'Financial instruments: Disclosures'.

NEW LOOK RETAIL GROUP LIMITED

NOTES TO FINANCIAL INFORMATION

(continued)

2 Segmental Analysis

Management has determined the operating segments based on the reports reviewed by the Board that are used to make strategic decisions.

The Board considers the business from both a brand and geographic perspective. Geographically, the management considers the performance of the UK (UK Retail and E-commerce) and International (all other streams).

The reportable segments derive their revenue primarily from the sale of retail goods and gross concession sales. New Look brand & UK segments include rental income and store card income.

The Board assesses the performance of the operating segments based on revenue grossed up to include the sales of store concessions ('segmental gross transactional value') and on a measure of underlying operating profit (see definition in note 2.23 in the 2010 Annual Report). This measurement basis excludes the effects of exceptional items, share-based payments and unrealised gains/losses on financial instruments. Interest income and expenditure are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Group. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

The segment information provided to the Board for the reportable segments by brand, as well as by geographic segment, are as follows:

	For the financial periods ended:		
	26 weeks ended 25 Sept 2010	26 weeks ended 26 Sept 2009	52 weeks ended 27 Mar 2010
	£m	£m	£m
External revenue			
New Look brand			
- UK Retail	566.2	560.0	1,145.0
- International	67.3	59.6	127.3
Owned stores	633.5	619.6	1,272.3
E-commerce	23.5	14.0	37.0
Franchise	19.9	10.0	24.6
Total New Look brand	676.9	643.6	1,333.9
Mim brand			
- Owned stores	82.9	78.0	165.2
Total Mim brand	82.9	78.0	165.2
Segmental gross transactional value	759.8	721.6	1,499.1
Adjustment to state concession income on a net basis for statutory reporting purposes	(28.7)	(13.2)	(35.5)
Total Group external revenue	731.1	708.4	1,463.6

	For the financial periods ended:		
	26 weeks ended 25 Sept 2010	26 weeks ended 26 Sept 2009	52 weeks ended 27 Mar 2010
	£m	£m	£m
External revenue			
UK	589.7	574.0	1,182.0
International	170.1	147.6	317.1
Segmental gross transactional value	759.8	721.6	1,499.1
Adjustment to state concession income on a net basis for statutory reporting purposes	(28.7)	(13.2)	(35.5)
Total Group external revenue	731.1	708.4	1,463.6

The revenue from external parties reported to the Board is measured in a manner consistent with that in the income statement except for the gross up of store concessions sales.

NEW LOOK RETAIL GROUP LIMITED

NOTES TO FINANCIAL INFORMATION

(continued)

2 Segmental Analysis (continued)

	For the financial periods ended:		
	26 weeks ended 25 Sept 2010	26 weeks ended 26 Sept 2009	52 weeks ended 27 Mar 2010
	£m	£m	£m
Underlying operating profit			
New Look brand			
- UK Retail	63.7	74.4	146.5
- International	0.9	0.5	3.4
Owned stores	64.6	74.9	149.9
E-commerce	3.9	2.7	6.3
Franchise	2.3	0.1	4.2
Total New Look brand	70.8	77.7	160.4
Mim brand			
- Owned stores	2.7	0.1	2.3
Total Mim brand	2.7	0.1	2.3
Total Group underlying operating profit	73.5	77.8	162.7

	For the financial periods ended:		
	26 weeks ended 25 Sept 2010	26 weeks ended 26 Sept 2009	52 weeks ended 27 Mar 2010
	£m	£m	£m
Underlying operating profit			
UK	67.6	77.2	152.8
International	5.9	0.6	9.9
Total Group underlying operating profit	73.5	77.8	162.7

Underlying operating profit is reconciled to operating profit on page 15.

3 Exceptional items

	For the financial periods ended:		
	26 weeks ended 25 Sept 2010	26 weeks ended 26 Sept 2009	52 weeks ended 27 Mar 2010
	£m	£m	£m
Review of business financing	(0.3)	0.6	9.9
Change programme	(0.6)	8.0	8.8
Onerous lease	-	(1.0)	(1.0)
Exceptional incentive scheme	-	2.1	3.7
Impairment loss	-	-	1.1
	(0.9)	9.7	22.5

Review of business financing

During the prior period ended 27 March 2010, the Group undertook a number of investigative and preparatory steps in connection with a potential listing of shares and debt refinancing. In the 26 weeks to 25 September 2010 net savings of £0.3 million were achieved against the provision held.

Change programme

In the prior period ended 27 March 2010 costs of £8.8 million were incurred to relocate our BMD functions from Weymouth to London. In the 26 weeks to 25 September 2010 net savings of £0.6 million were achieved against the provision held.

Onerous lease

As a result of the relocation of the London head office an onerous lease provision of £2.3 million for the future lease costs of the vacant Portman House property in London was established in the financial period ended 28 March 2009. In the prior period ended 27 March 2010 a termination fee was agreed, leading to a reversal of the unutilised provision.

Exceptional incentive scheme

At the beginning of the financial period ended 27 March 2010 an additional one-off incentive scheme was agreed for a small number of senior managers, including the Executive Directors. The purpose of the scheme was to recognise the exceptional challenge facing management in preparing for a potential exit against the backdrop of extremely difficult economic times. These senior managers' normal bonus pays out on a sliding scale beginning when the Group's budgeted EBITDA is achieved. The additional bonus for the financial period ended 27 March 2010, which was not intended to be repeated, was payable on a sliding scale only when EBITDA exceeds the level at which full payout under the normal bonus scheme was achieved. No such scheme exists in the financial period ending 26 March 2011.

NEW LOOK RETAIL GROUP LIMITED

NOTES TO FINANCIAL INFORMATION

(continued)

Impairment loss

An impairment loss in respect of the freehold building in Weymouth was recognised as at 27 March 2010. The impairment loss arose as a result of strategic opportunities to develop the use of the freehold land prior to the Olympics in 2012, following the decision to relocate certain functions to London.

4 Taxation

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the year to 26 March 2011 is 38.6% (FY10: 45.5%). The lower effective tax rate is attributable to the extent to which exceptional costs in the prior period are expected to be disallowable.

5 Dividends

No dividends have been proposed, declared or paid during the 26 weeks ended 25 September 2010 or the 26 weeks ended 26 September 2009.

6 Analysis of net debt

	27 March 2010	Cash flow	Non-cash changes	25 Sept 2010
	£m	£m	£m	£m
Cash and cash equivalents	206.3	47.1	(4.6)	248.8
Bank loans	(648.2)	19.9	1.6	(626.7)
PIK debt	(591.4)	-	(28.8)	(620.2)
Total net debt	(1,033.3)	67.0	(31.8)	(998.1)

Included in bank loans and PIK debt non-cash changes are £2.0 million (2010: £3.8 million) deferred interest rolled over to the carrying value of the Mezzanine debt, £28.8 million (2010: £53.7 million) deferred interest rolled over to the carrying value of the PIK loan, and £(3.6) million (2010: £(2.2) million) Euro loan revaluation (gains)/losses.

7 Contingent and other liabilities

There have been no material changes in contingent liabilities since 27 March 2010.

8 Related party transactions

Transactions between New Look Retail Group Limited and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

Since 25 September 2010 there have been no changes in the make up of the Group's related parties, as described in the 2010 Annual Report on www.newlookgroup.com, that have a material effect on the financial position or performance of the Group.

9 Risks and uncertainties

The Board has considered the principal risks and uncertainties for the remaining six months of the financial year and determined that the risks presented in the 2010 Annual Report, described below, remain for the rest of the financial year:

- Adverse economic climate;
- Business strategy;
- UK retail space expansion;
- International expansion;
- Product selection and design;
- Key supplier dependencies;
- Management team;
- Warehousing and distribution;
- IT systems and business continuity;
- Exchange rate;
- Indebtedness and interest rates;

These are detailed on pages 45 and 46 of the 2010 Annual Report, a copy of which is available on the Company's website at www.newlookgroup.com.

The major variables, and therefore risk, to the Group's financial performance in the second half of this year is the impact from economic conditions and customer demand, together with the impact of product cost pressures, particularly as a result of sterling weakness, associated level of customer price inflation and UK VAT increase from January 2011. The Chief Executive's Review in this Interim Management Report comments on this and other uncertainties affecting the Group's prospects for the remaining six months of the financial year.

NEW LOOK RETAIL GROUP LIMITED

NOTES TO FINANCIAL INFORMATION

(continued)

10 Seasonality

Similar to other retailers, the Group's business is seasonal and its most important trading period is the Christmas season. The Group's investment in working capital generally peaks prior to the Christmas season as the Group increases its inventory and falls significantly in early January. Consequently, the results of operations for the 26 week period are not necessarily indicative of the results to be expected for the full year.

New Look has undergone significant transformation in recent years. Looking ahead, while we remain cautious about consumer spending and expect sentiment to remain subdued, we are well placed to continue our growth and build upon our strategic initiatives.

11 Events after the balance sheet date

There have been no events after the balance sheet date.

NEW LOOK RETAIL GROUP LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors confirm that, to the best of their knowledge, these condensed consolidated interim financial statements have been prepared in accordance with IAS 34 as adopted by the European Union. The interim management report includes information in accordance with DTR 4.2.7R and DTR 4.2.8R, namely:

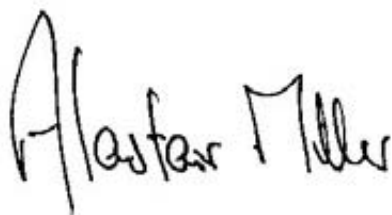
- an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial information, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related-party transactions in the first six months of the financial year and any material changes in the related party transactions described in the last Annual Report.

The directors of New Look Retail Group Limited are listed in the New Look Retail Group Limited Annual Report for 27 March 2010. Since the financial year end, Oriol Pinya was appointed on 2 November 2010 as Apax representative following Matthew Brockman's resignation on 30 September 2010. The following independent Non-Executive Directors; Stella David, Carolyn McCall and Henry Staunton resigned on 12 July 2010.

By order of the Board



Carl McPhail
Chief Executive Officer



Alastair Miller
Chief Financial Officer

NEW LOOK RETAIL GROUP LIMITED

INDEPENDENT REVIEW REPORT FOR THE DIRECTORS TO NEW LOOK RETAIL GROUP LIMITED

Introduction

We have been engaged by the Company to review the condensed consolidated interim financial information in the interim financial report for the 26 weeks ended 25 September 2010, which comprises the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated balance sheet, the consolidated statement of cash flows and related notes. We have read the other information contained in the interim management report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed consolidated interim financial information.

Directors' responsibilities

The interim management report is the responsibility of, and has been approved by, the directors.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed consolidated interim financial information included in this interim management report has been prepared in accordance with International Accounting Standard 34, 'Interim financial reporting', as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed consolidated interim financial information in the interim management report based on our review. This report, including the conclusion, has been prepared for and only for the Directors for the purpose set out in our engagement letter and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of interim financial information performed by the independent auditor of the entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial information in the interim management report for the 26 weeks ended 25 September 2010 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants
Southampton
10 November 2010

Notes:

- (a) The maintenance and integrity of the New Look Retail Group Limited web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the interim management report since it was initially presented on the web site.
- (b) Legislation in the United Kingdom governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

NOTES

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