



NEW LOOK

HALF
YEAR
UPDATE

21 DECEMBER 2012

Half year update

THE DIRECTORS OF NEW LOOK RETAIL GROUP LIMITED PRESENT THE HALF YEAR UPDATE ON THE PERFORMANCE OF THE COMPANY AND ITS SUBSIDIARIES ("THE GROUP" OR "NEW LOOK") FOR THE 26 WEEKS ENDED 22 SEPTEMBER 2012. PLEASE NOTE THE INFORMATION CONTAINED IN THIS STATEMENT IS UNAUDITED.

FINANCIAL HEADLINES

- H1 Group Sales ex VAT: £710.5m (H1 2011/12: £723.1m): -1.7%
 - Group like-for-like sales (ex VAT): -3.3%
 - UK like-for-like sales (ex VAT): -3.1%
- Significant gross margin improvement through reduction in markdown and discount
- H1 EBITDA: £86.9m (H1 2011/12: £69.4m): +25.2%
- Cash: £215.4m (March 2011/12: £212.3m) after £73.8m repayment of debt

GROUP OVERVIEW

Our results for the first half of FY13 reflect the positive steps we have taken in our recovery plan despite the continuing tough trading conditions on the High Street.

EBITDA grew by 25.2% driven by a combination of cost reduction and gross margin improvement as we kept stock levels tight and made significant reductions in markdown and discount spend. This has been our principle focus over the first part of the year as we move to a much stronger mix of full price sales and fewer sales events.

Having firmly embedded this new discipline within the business, we are now moving to the next stage of our recovery plan which should see sales growth return based on the product improvements being made and the better presentation of product in store.

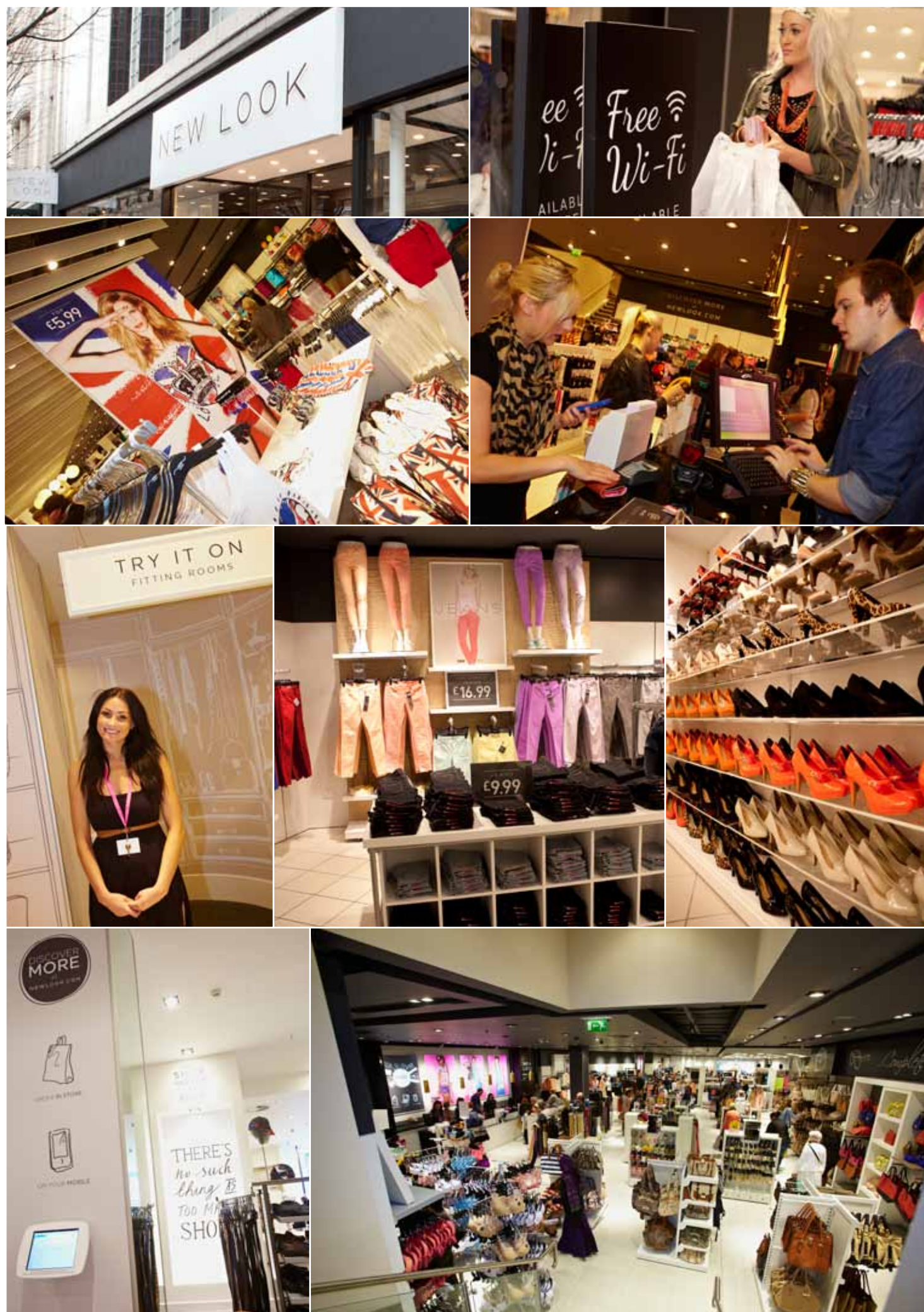
In June 2012, we successfully amended our Senior debt profile and extended maturities out to April 2015. As part of this transaction we repaid £73.8m of senior debt, offsetting the additional interest on the extended debt. Cash generation continues to be strong with £215.4m of cash held at 22 September 2012.

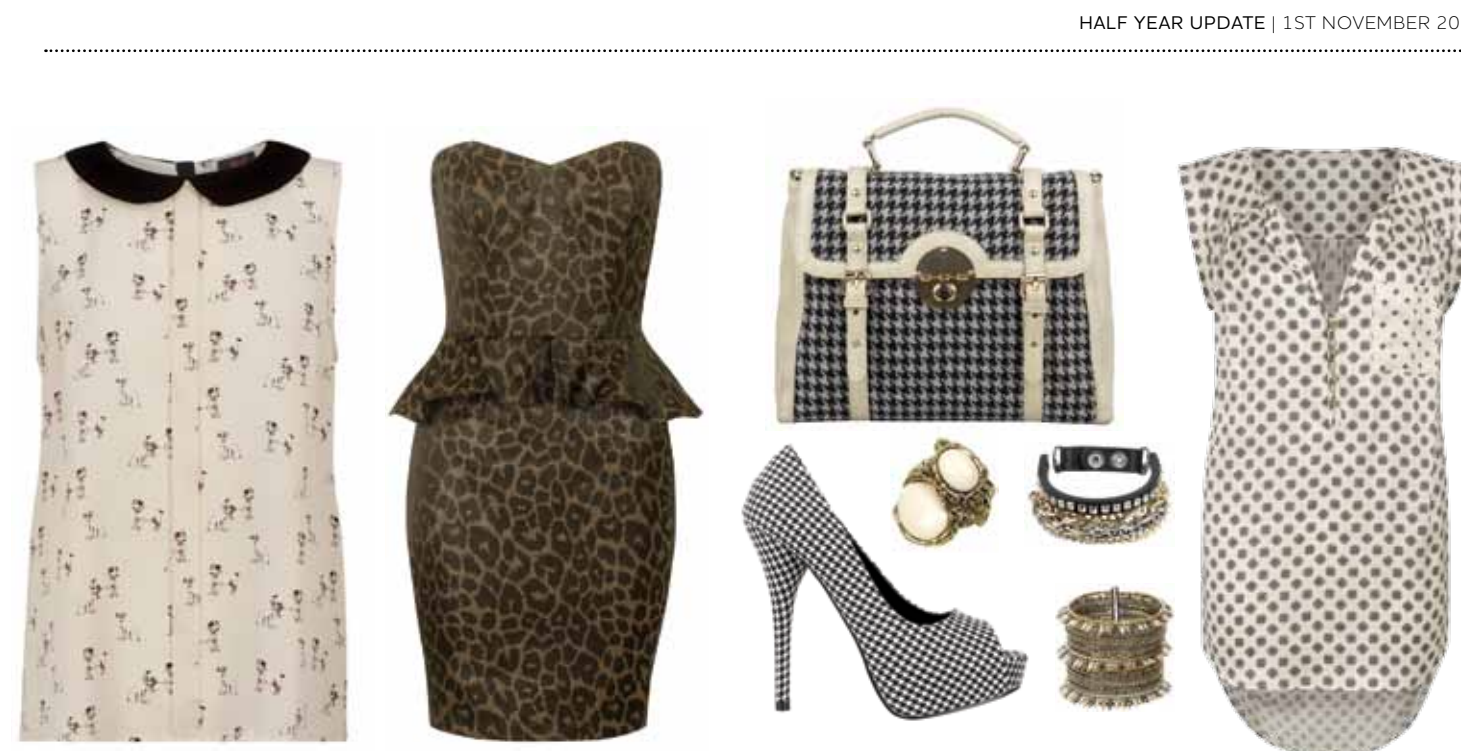
BRAND

We have been working hard to create an instantly recognisable brand with a unique personality that promises to 'help Our Girls look good, feel great and have more fun'. Knowing our customer segments, and understanding their attitude to fashion is a key focus in ensuring we connect with our global customers and satisfy their needs. This is achieved by putting customers at the heart of our business and listening to them at every opportunity and by offering the same evolving, engaging brand experience across all channels. Following the successful trial of a new store re-fit in FY12 we have accelerated the roll out programme and have successfully fitted 26 stores by the end of H1, with at least 120 more in the pipeline for this financial year. The refitted stores are showing strong LFL uplifts and are expected to contribute to an overall improvement in sales performance as the programme gathers momentum.

PEOPLE

We're committed to supporting our people to deliver their part in our growth and enabling them to build their skills and career with us. Over the past 6 months we've been focussing on developing a refreshed New Look Leadership Message to make sure everyone at New Look is aligned around a common vision and understands our values and leadership behaviours. This will help support us deliver on our core activities, release our potential, and will ensure we're chosen by more customers and deliver great results that we can all be proud of.





PRODUCT

Casual jersey, casual footwear, dresses, sports-wear and jeans have all shown strong profit growth. The performance of the new Label Lounge brands has continued and we have capitalised on this by rolling the brands out to most stores in the chain. Lingerie, nightwear and swimwear have grown profit further off the back of good results last year. The "Onesie" trend has provided a new opportunity within the nightwear range, and we anticipate this to be a key product in the Christmas market.

INTERNATIONAL

We have seen a strong improvement in the performance of our European stores and during H1 we entered the German market with concession stores in Berlin, Hamburg and Nuremberg; further concession stores have also been opened in the Netherlands. Mim continues to improve its performance against the backdrop of a difficult French market. 17 affiliate stores were opened in H1, including a market entry into Morocco. E-Commerce penetration continued to grow and a loyalty card scheme was successfully launched.

The Franchise business has had a very successful half year with strong LFLs and increasing store numbers from 103 at March 2012 to 125. This included entering Georgia, Libya, Thailand and Azerbaijan. We continue to explore the opportunity to enter a small number of new markets with very significant medium to long term potential – in particular China.

MULTI-CHANNEL

New Look has continued to rapidly grow and improve its multi-channel proposition and now has a presence in over 121 countries. Over the last 6 months we've focused on the end-to-end customer experience by updating the look and feel of the website, improving the checkout clicks to purchase and have introduced an auto cross sell facility which offers dynamic product reordering and improved search engine optimisation. We've also continued to expand third party brands to complement our online range and help drive site traffic, and now have 150 third party brands. Our Facebook page continues to go from strength to strength with almost 1.8 million fans driven by successful initiatives such as "how to wear it" style advice, exclusive competitions and daily customer engagement.

OUTLOOK

Whilst we remain cautious about the economic outlook for the remainder of the financial year and the continuing squeeze on customers disposable income, we are confident that the actions we've taken to address our product, brand, stores and costs will continue to contribute to our recovery plan. In particular, sales performance is now showing encouraging signs of year on year improvement.

A K McGeorge

Alistair McGeorge
Executive Chairman
December 2012