NEW LOOK

Half Year Update
December 2013

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 ending 28th September 2013. The information in this statement is unaudited.

The Headlines

- H1 Group Sales (ex VAT) +6.0% to £753.2m (H1 FY13: £710.5m)
  - Group like-for-like sales +1.9%
  - New Look UK sales (ex VAT) +5.0% to £579.4m (H1 FY13: £551.6m)
  - New Look UK like-for-like sales +2.6%
  - New Look E-commerce sales +78.8% (own website +52.9%)
- Group adjusted EBITDA* + 19.3% to £103.7m (H1 FY13: £86.9m)
- Underlying operating profit +53.5% to £70.9m (H1 FY13: £46.2m)
- Profit before tax of £13.8m (H1 FY13: -£13.6m)
- Cash: £111.3m after successful refinancing of debt in May 2013

*Earnings before interest, taxation, depreciation and amortization

Looking Good

Our results for the first half of FY14 reflect the steps we've taken to support our profit improvement driven by revenue growth, markdown reduction and cost savings, contributing to a 19.3% increase in adjusted EBITDA.

Sales growth was +6.0%, (+4.8% in constant currency) driven by product development in key categories such as dresses and skirts along with our enhanced E-commerce site and Multi-channel offer, while our continued store refurbishment program has improved the customer experience in store. Our International strategy has identified a number of key International market opportunities (China, Russia, Poland and Germany) for future growth.

We continued to maintain tight stock levels whilst making significant reductions in markdown and discount spend, with gross margin +40bps at a group level as a result.

We achieved approximately £11m cost savings year to date and we're on track to deliver full year savings across all areas of the business further adding to our profit improvement.

In May 2013 we successfully re-financed our Senior debt via the issuing of c.£808m of Senior Secured Notes extending the groups debt maturities to 2018. We repaid and cancelled all outstanding debt under the existing senior bank and mezzanine facilities at that time. We also repaid 50% of the outstanding PIK loans at the same time with the remainder converted into a new PIK facility, with maturity in November 2018. Finally, a new £75m Revolving Credit Facility ("RCF") was put into place. Cash generation continues to be strong with £111.3m of cash held at 28 September 2013.

Our Brand

The first half of this year has seen a lot of work going into our Brand. We continue to develop an instantly recognisable brand with a unique personality that promises to 'help Our Girls and Guys look good, feel great and have more fun'. Having a clear view of who our key customers are and the categories they shop helps us define our Brand clearly across all channels and locations.

We continue to roll out our concept store make-over program across the group with 199 stores now completed. The refitted stores continue to show strong like-for-like sales and profit uplift.

Our People

Our ambition is to ensure that all of our people live and breathe the New Look brand, putting our customers at the heart of everything we do. We are working together on the shared vision of becoming "the chosen brand for an inspiring accessible fashion experience", and so we strive to incorporate our Brand Values into everything we do; think customer, keep it simple, be brave, act with pace and take responsibility.

Building a highly motivated and talented workforce is key to our success, and to deliver this we support and develop our people to be the best they can be through our New Look Academy, which was launched in Retail earlier this year. We aim to deliver by making sure we attract and retain the best talent, as this is integral to giving our customers a seamless shopping experience and to growing our business globally.

Our Product

We saw good growth in key categories for which New Look has built a strong reputation amongst customers, namely dresses, skirts, casual jersey and knitwear

In addition to our core ranges our sub-Brands performed well versus last year, driven by a strong online performance of Maternity and Inspire, as well as the new Petites range which launched in store early in the year. A warm summer helped drive sales of our swimwear ranges including the Kelly Brook range in particular delivering significant growth on last year.

Our strong footwear proposition saw seasonal ranges performing well with high summer sandals and ankle boots highlights of the season whilst performance of casual and formal footwear was slower we are working to improve our offering in this area.

International

Our European stores continued to make good progress through the first half, with sales and profit ahead of last year. We've continued to improve our store offer in Europe with 5 stores across Belgium and France benefiting from our new Concept shop-fit, with these showing very promising sales and profit uplifts.

We've successfully grown our franchise store portfolio from 123 to 129 stores despite challenging trading conditions in certain markets. We're currently exploring exciting opportunities to develop our international footprint in China, Russia, Germany and Poland. We're on track to open our first New Look owned stores in China by spring 2014, and have a dedicated management team in Shanghai working to deliver this.

At Mim we opened 16 affiliate stores in the first half and have trialed a new store design showing encouraging results. However, trading conditions were tough due to a difficult French market.

Multi-Channel

Our multi-channel performance continues to grow, with our online channels now delivering to 129 countries. The end-to-end customer experience has been improved through our redesigned E-commerce site, a streamlined homepage, enhanced product search functionality and shorter page loading times.

We are also making better use of our customer database to send targeted deals and featured products via email reflecting their shopping habits and interests. Registered customers now also see a personalized homepage depending on their gender.

We're currently trialing a new product photography style using live models as we continue to strive for greater customer satisfaction by improving visibility of style and fit, helping to reduce returns. Our social media fan base goes from strength to strength, with our Facebook following increasing to 2.7m, driven by creation of global pages and amalgamation of individual store fan pages.

What's Next

In line with the rest of the sector, current trading is more challenging and so far we're not seeing any benefits of economic recovery feed through to our customers' pockets. However, we're confident that the strength of New Look's offer, namely our product, our website, our stores and our people means that we are well placed for the busy Christmas trading period and beyond.

Anders Kristiansen
Chief Executive Officer
December 2013