

# NEW LOOK

7<sup>th</sup> March 2018

## **New Look announces Company Voluntary Arrangement proposal**

### ***Proposal to reduce UK store estate and rental cost base***

New Look today announces a proposal to reduce its UK store estate and rental costs amid challenged trading performance and a difficult retail environment.

The Company is today instigating a Company Voluntary Arrangement (CVA) and seeking approval from creditors on a plan to improve the operational performance of the Company.

Under the proposal, New Look has identified 60 out of its total 593 stores in the UK for potential closure<sup>1</sup>, alongside a further 6 sites which are sub-let to third parties. The proposal also includes a reduction in rental costs and revised lease terms across 393 stores.

The proposal involves a requirement to make redundancies from the stores which have been identified for potential closure, expected to be a maximum of 980 colleagues amongst the Company's current UK staff base of 15,300 people. However, all efforts will be made to redeploy colleagues within the business where possible.

New Look is seeking creditor approval on the proposal, which is due on 21<sup>st</sup> March 2018. All UK stores will remain open as normal during the period of the proposal and the Company's online sales channel will be completely unaffected by the proposed changes.

Daniel Butters and Neville Kahn of Deloitte LLP, the business advisory firm, have been appointed as Nominees to the CVA.

#### **Alistair McGeorge, Executive Chairman of New Look, said:**

"Given our challenged trading performance and over-rented UK store estate, we are having to take tough but necessary actions to reduce our fixed cost base and restore long-term profitability.

"We have held constructive discussions with our key landlords and strategic partners and will now seek creditor approval on our CVA proposal. A priority for us is to keep all potentially affected colleagues informed during this difficult time."

#### **Daniel Butters, Partner at Deloitte, said:**

"The retail trading environment in the UK remains extremely challenging, driven by weaker consumer confidence, the implications of Brexit and competition from online channels.

"New Look is an iconic brand on the high street and the CVA will provide a stable platform upon which Management's turnaround plan can be delivered. We have fully engaged with the British

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<sup>1</sup> A list of stores identified for potential closure is included in the 'Notes to editors' section below

Property Federation and its members and their views are reflected in what we believe is a fair proposal to restructure the property obligations of the Company.

“It is important to stress that no stores will close on day one, and employees, suppliers and business rates will continue to be paid on time and in full.”

**Stephanie Pollitt, Assistant Director (Real Estate) at the British Property Federation (BPF) said:**

“These situations are never easy as landlords need to take into consideration the impact on their investors, including those protecting pensioners’ savings, as they vote on the CVA proposal.

“New Look and Deloitte, however, have demonstrated best practice, constructively engaging with the BPF early in the process and ensuring landlords’ interests have been properly taken into account. Ultimately, it will be for individual landlords to decide how they will vote on the CVA, but the proposal has sought to find a solution that works for all parties.”

- Ends -

**Notes to editors**

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**New Look stores identified for potential closure under the CVA proposal:**

Aberdeen - Bon Accord; Beckton; Bolton Mens; Borehamwood; Brynmawr; Burton Mens; Cameron Toll; Cardiff - Queen Arcade; Cheshunt; Clevedon; Craigleith; Doncaster Mens; Dundee – Wellgate; Exeter Mens; Fleet; Gateshead - Team Valley; Glasgow - Buchanan Street Mens; Gorleston; Hanley Mens - Intu Potteries; Hounslow Mens; Hull – Whitefriargate; Keynsham; Kingswood; Leeds - The Core Shopping Centre; Leicester – Haymarket; London - Marble Arch; London - Moorgate/ London Wall; London - Oxford Circus; Maidenhead; Maidstone Mens; Merry Hill Mens; Metro Centre – Mens; Monmouth; Newport Mens; Newton Mearns; North Shields; Nottingham Mens; Ocean Terminal; Peterborough Bridge Street; Pontypool; Portswood; Ramsgate; Reading - Broad Street; Reading Oracle Mens; Rhyl; Romford Mens; Rugby; Shrewsbury Mens; Sidmouth; Stockport – Merseyway; Stockton-on-Tees; Stratford Upon Avon -Bridge Street; Thornaby; Tonypandy; Torquay - Union Street; Tredegar; Troon; Wallsend; Weston Favell; Wigan Mens.

**About Company Voluntary Arrangements (CVAs)**

Where a company is experiencing difficulties in paying its debts, the directors can propose a Company Voluntary Arrangement (CVA) whereby the company enters into a legally binding agreement with its creditors, such as their suppliers or landlords. A CVA enables a company and its creditors to come to a compromise agreement and avoid an administration or liquidation. A CVA

can provide a company with some breathing space to allow it to reorganise or restructure its funding and/or its operations with as little disruption to the day to day trading as possible.

#### **About New Look**

New Look is an international multichannel retail brand, offering exciting, on-trend, value-fashion for women, men and teenage girls, and is the UK's No. 1 retailer for women under 35\*.

We currently have 906 stores, comprising 593 in the UK and a further 313 globally. We also have a fast-growing e-commerce offering, serving over 120 countries worldwide, supported by convenient delivery options.

Our flexible fast-fashion business is built on an agile global supply chain with the ability to respond quickly to trends. We focus on delivering value for money and 'newness', with hundreds of new lines landing every week. Our ranges of apparel, footwear and accessories are designed with broad age appeal and global relevance. They are delivered by our great people in stores and support centres, who ensure we deliver great service - wherever, whenever and however customers choose to engage with us.

*\* Based on Kantar Worldpanel data Women U35 published data 52 weeks to 17 December 2017 (by value)*