

NEW LOOK

13 February 2019

**NEW LOOK RETAIL GROUP LIMITED (“New Look”) Q3 (YTD) Results
for the 39 weeks to 22 December 2018**

Q3 YTD FY19 Results

Continued progress in delivering improved operational and financial stability amid challenging retail environment

YTD Financial headlines

- Revenue -5.0% to £1,016.1m (Q3 YTD FY18: £1,069.2m) in line with expectations given focus on driving more profitable sales
- New Look Brand like-for-like (LFL) sales YTD -2.3% (Q3 YTD FY18: -10.7%); third consecutive quarter of improvement in LFL trend with Q3 total UK LFL sales positive at +0.9%
- Core* adjusted EBITDA increased 75% to £97.7m (Q3 YTD FY18: £55.7m) supported by cost savings
- Group adjusted EBITDA increased 78% to £78.0m (Q3 YTD FY18: £43.8m)
- Group underlying operating profit at £38.5m (Q3 YTD FY18: underlying operating loss of £5.1m)

Turnaround plan highlights

Return to proven broad appeal product

- Broad appeal product performance continues to improve
- Continued to improve YoY profitability in key womenswear categories (e.g. dresses and ‘tops and bottoms’) with some challenges being addressed in footwear and accessories
- Continued outperformance of the BRC for core clothing in store (YTD: +5.5 percentage points) and online (Q3: +1.7 percentage points)**
- Improvement in overall UK market share*** with strengthened breadth of appeal

Cohesive multichannel model

- In-store and e-commerce customer conversion rates continued to improve YoY
- E-commerce profitability continued to increase significantly
- Click and Collect continued to drive footfall into stores, increasing to 47% of online sales mix (Q3 YTD FY18: 44%)

Efficiency and cost savings

- £78m annualised cost savings achieved and continue to drive further efficiencies

Post-Q3 events:

Balance sheet restructuring

- On 14th January 2019, the Group announced an ‘agreement in principle’ with certain of its key financial stakeholders regarding the terms of a debt-for-equity swap proposal to reduce long-term debt from £1.35bn to £350m together with a new capital raise of £150m funded by the issuance of new money bonds, delivering material deleveraging and significant financial flexibility to restore long-term profitability of the Group

- On 23rd January 2019, the Group announced it had received overwhelming support from Senior Secured noteholders, Revolving Credit Facility lenders and the Operating facility provider to restructure the balance sheet and for the Company to access £80m interim funding, which was funded on 28th January 2019
- Transaction in progress and expected to complete in the course of Q1 FY20 (April-June 2019)

International review

- New Look Belgium, which operates 6 stores, concluded that it was unable to continue trading and administrators were appointed
- Decision to exit retail business in China, with all stores closed as of 1st January 2019 as planned
- Strategic review of other non-core international markets continues

Alistair McGeorge, Executive Chairman, said:

“Today’s results show that we continue to make good progress in delivering improved operational and financial stability despite the challenging retail environment. Our return to broad appeal product continues to enhance profitability, our supply chain lead-times have improved, and we have exceeded our planned cost savings. However, we have more work to do and our focus is now on accelerating our turnaround plans.

“Central to this is finalising our financial restructuring, which will secure the future and long-term profitability of the Company. The proposed restructuring has provided our colleagues and suppliers with renewed confidence, which will benefit the company at every level. The right capital structure and a materially deleveraged balance sheet will provide us with the financial flexibility to better attack our future amid challenging market conditions.

“Upon completion of the restructuring, our focus will be to further enhance profitability by continuing to provide fantastic product for our customers, building brand equity and grasping new market opportunities.”

* Core business includes UK Retail, Ecommerce, ROI and 3PE.

** Measured by British Retail Consortium published YTD data for the 39 weeks ended 22 December 2018 for Women’s Clothing

*** Measured by KantarWorldPanel published data 24 weeks ended 16 December 2018 (Womenswear by value)

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About New Look

New Look is a leading UK multichannel retail fashion brand offering exciting, on-trend, value fashion for women, men and teenage girls.

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.