

NEW LOOK

3 May 2019

New Look announces completion of balance sheet restructuring

Transaction significantly reduces long-term debt and better positions the Group for growth

Further to the announcement made on 14 January 2019, New Look is pleased to announce the implementation of a comprehensive financial restructuring (the “Transaction”) that establishes a sustainable long-term capital structure. Existing long-term debt is significantly reduced from c. £1,350 million to £350 million.

Furthermore, the Transaction delivers £150 million of new long-term capital in the form of new Senior Secured Notes (“New SSNs”), which has been used to repay the £80 million Bridge Facility, settle transaction costs and provide the Company with additional liquidity to support the future development of the business.

The new flexible capital structure possesses additional benefits that will allow New Look to better navigate the current market environment, including:

- Lower overall cash debt servicing costs and flexibility to service debt either in cash or on a non-cash “pay in kind basis”
- No significant near-term maturities provide runway for Management to focus on long-term growth
- Strengthened liquidity provides the Group with sufficient resources to accelerate investing in the business

The Company implemented the Transaction via schemes of arrangement under the UK Companies Act 2006 and through a sale of New Look Limited, together with its key operating subsidiaries¹, to a new holding group² owned by a combination of the New SSN noteholders, existing noteholders and Management.

Alistair McGeorge, Executive Chairman, said:

“Today’s completion represents a significant milestone in our turnaround process and a major endorsement from our stakeholders in the strength of our brand and in management’s ability to deliver enhanced profitability through the wider strategy already being implemented.

“With a materially deleveraged balance sheet and a more flexible capital structure, we now have a stable operating platform, which positions us well to respond to challenges and grasp new market opportunities.

¹ Including New Look Retailers Limited, Geometry Properties Limited and other operating subsidiaries controlled by these entities.

² New shareholders will control the new group through a newly incorporated entity in Jersey, “New Look Retail Holdings Limited”.

“We have already implemented significant improvements across our business, returning to a proven broad appeal product to rebuild our position in the UK womenswear market, enhancing our multichannel offering and bringing significant operational expertise to our business with the recent appointment of Nigel Oddy as Chief Operating Officer.

“With a highly experienced management team and a stable operating platform in place, we are now positioned to deliver on our wider plans and attack our future.”

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Certain financial measures and ratios related thereto in this press release are not specifically defined under IFRS or any other generally accepted accounting principles. These measures are presented here because we believe that they and similar measures are widely used in our industry as a means of evaluating a company's operating performance and financing structure. Our management believes this information, along with comparable IFRS measures, is useful to investors because it provides a basis for measuring the operating performance in the periods presented. These measures are used in the internal management of our business, along with the most directly comparable IFRS financial measures, in evaluating the operating performance. These measures may not be comparable to other similarly titled measures of other companies and are not measurements under IFRS or other generally accepted accounting principles, and you should not consider such items as alternatives to net income (loss), operating income or any other performance measures derived in accordance with IFRS, and they may be different from similarly titled measures used by other companies. The inclusion of financial information in this press release should not be regarded as a representation or warranty by New Look or any of its advisors as to the accuracy or completeness of such information's portrayal of the financial condition or results of New Look and should not be relied upon when making any investment decision.