



25 June 2012

New Look Refinancing Announcement and Preliminary Results 2011/12

New Look making good progress against plan Amend and Extend refinancing agreed with 100% consent from lenders

REFINANCING

New Look has taken steps to improve the financial position of the Group, having agreed amendments to borrowings and an extension of all maturities on senior debt out to April 2015. This agreement received 100 per cent consent from New Look's syndicate of lenders. Improving our financial position by extending the medium term maturities will allow the company to focus on its strategic objectives and growth initiatives. The extension will also allow management greater time to evaluate options for the PIK tranche. The Company will also prepay a portion of the senior, second lien and mezzanine debt. At year end, total net debt was in line with last year at £1.1bn.

PRELIMINARY RESULTS FINANCIAL HEADLINES

- Group Sales: £1.5bn (-2%)
 - Group like-for-like sales (ex VAT): -5.9%
 - UK like-for-like sales (ex VAT): -5.7%
- Full Year EBITDA** £147m: (2010/11: £191m)
 - H1 EBITDA £69m (2010/11: £120m)
 - H2 EBITDA £78m (2010/11: £71m)
- Cash: £212m (2010/11: £191.4m)

OPERATIONAL AND DEVELOPMENT OVERVIEW

New Look has made good progress through the year against the backdrop of a difficult economic environment that has hit consumer confidence and footfall on the high street. The Group has maintained its No.2 position in the UK womenswear clothing and accessories value market* and the improved performance in the second half of the year shows the impact of the actions taken under the leadership of Alistair McGeorge, who joined the Group as Executive Chairman in May 2011. A rigorous focus on costs and working capital contributed to an improved cash position at year end of £212.3m (£191.4m).

We made considerable progress in our strategy of improving ranging, pricing and quality and broadening our appeal across our customer base. We continued to keep tight control of inventory and worked to improve lead times to give us greater flexibility to buy into the key seasonal trends. Looking forward, this focus will allow us to reduce our markdown and improve gross margin.

New Look Retailers Ltd

45 Mortimer Street, London, W1W 8HJ, United Kingdom. Telephone: +44 (0)20 3219 7000 Fax: +44 (0)20 3219 7001 newlook.com
VAT No. GB429214460 Registered Office: Mercery Road, Weymouth, Dorset, DT3 5HJ, United Kingdom. Registered in England No. 1618428

We have also been addressing more fundamental, structural issues which have impacted the whole of the retail sector and mean we have to ensure we deliver across whichever channel is most convenient to our customers. We are, therefore, improving our multi-channel offer with initiatives such as “click and collect” and in-store online ordering. Our online business has performed strongly, winning market share in an increasingly competitive online market. At the same time, we are working on our store portfolio and have concluded that the growth of online shopping is likely to result in 50-100 fewer stores than we have today. However, stores will remain a vital part of our multi-channel offer and we have trialled a new store concept during the year to improve the customer shopping experience. Following some very encouraging results we are now planning to launch a roll out across our store estate with an initial 120 stores to be refurbished in the coming financial year.

In addition, we have made significant progress internally, making changes to strengthen the top management team, while managing operations and costs to generate maximum efficiency and flexibility.

Our international franchise business continued to perform strongly, beating its budget, increasing store numbers by 54% and entering four new major market clusters with new partners in Indonesia, the Balkans, North Africa and South East Europe.

OUTLOOK

Looking ahead we will continue the work already started to improve ranging, pricing and quality, to build our online offer and to adapt our store portfolio to the changing environment. The start of the financial year has seen a continuation of the encouraging trends from the second half, albeit that we, like others on the high street, have been impacted by the abnormally wet and cold spring weather. While we expect the economic backdrop to remain challenging, we are confident that New Look will continue to make progress through the year

Alistair McGeorge, Executive Chairman, said:

“New Look is making good progress in its turnaround, delivering on our plan, in what remains a challenging consumer environment. The evidence for this can clearly be seen in our performance in the second half compared to the first. When I joined the business a year ago we were facing significant internal disruption, we had lost our edge in terms of our value position and alienated some customers with our ranging. All this meant we had undermined our competitiveness on the high street.

“We have made significant progress in addressing these issues – work that will continue through this year. We are completely focussed on delivering a better customer experience, whether it be in store or online. We are also continuing our work to ensure we have a strong brand and a distinctive proposition that generates improved customer loyalty.

“Our long-term goal is sustainable growth and we have taken steps to address some of the issues with our capital structure. Clearly there is much that remains to be done, but we are confident that we now have the right strategy in place and are doing what is necessary to continue to make progress through this year and beyond. Our mission is to deliver exciting, authoritative, appealing fashion, at the right price every time, and across whichever channel is most convenient to our customers. This is the key to our future success.”

Enquiries:

Tulchan Communications

020-7353-4200

Lucy Legh
Susanna Voyle

Notes to editors

*Kantar Worldpanel Fashion market update, 52 w/e 18 March 2012

**Earnings before interest, taxation, depreciation and amortisation

New Look is the No. 2 value retailer for women's clothing and accessories market in the UK and the No. 1 value retailer for the under 35s women's clothing and accessories market, including footwear. We have over 1,100 stores across the globe in 16 countries.

New Look Shareholders**Apax**

Apax Partners is one of the world's leading private equity investment groups. It operates across the United States, Europe and Asia and has more than 30 years of investing experience. Funds under the advice of Apax Partners total over \$40 billion around the world. These Funds provide long-term equity financing to build and strengthen world-class companies. Apax Partners Funds invest in companies across its global sectors of Tech & Telecom, Retail & Consumer, Media, Healthcare and Financial & Business Services.

Permira

Permira is a European private equity firm with global reach. The Permira funds, raised from pension funds and other institutions, make long-term investments in companies with the ambition of transforming their performance and driving sustainable growth. Founded in 1985, the firm advises funds with a total committed capital of approximately €20 billion. The Permira funds specialise in investing in five key sectors: Consumer, Financial Services, Healthcare, Industrials and Technology Media Telecoms. Since 1985 the Permira funds have made nearly 200 private equity investments with a focus on driving transformation to build better businesses.

Tom Singh

Tom founded New Look in 1969 with a single store. As well as running the BMD department at New Look, Tom is the Chairman of TIE in the UK, a founder member of the Social Investment Task Force and is active as a philanthropist. The family's charitable activities include eye care and education in India. The family is also a key investor and venture partner in a UK based Cleantech Fund.