

NEW LOOK

3 June 2014

New Look Full Year results for the 52 weeks ended 29 March 2014*

A year of strategic progress

Financial Highlights

- Group Sales +3.0% at £1,528.8m (2013: £1,484.0m)
 - o Group like-for-likes +2.2% (2013: -0.7%)
 - o New Look Brand like-for-likes +2.7% (2013: -0.1%)
 - o UK like-for-likes +3.0% (2013: -0.5%)
 - o E-commerce sales +63.9% (2013: +45.8%); own website sales +42.3% (2013: +43.2%)
- Gross profit of £805.9m (2013: £785.1m)
- Group Adjusted EBITDA** +5.8% to £200.2m (2013: £189.2m)
- Underlying operating profit +11.3% to £128.5m (2013: £115.5m)
- Statutory loss before tax of £55.0m (2013: profit before tax £3.1m) which includes non-recurring exceptional non-cash impairment charge of £64.2m to write down the value of Mim's net assets
- Free cash flow +42.3% to £143.2m (2013: £100.6m)
- Gross margin broadly flat at 52.7% (2013: 52.9%)

Operational & Development Overview:

- Delivering against strategic goals of international expansion and multichannel growth
- Decision taken to explore strategic options for Mim, including divestment options.
- Successful launch of New Look in China
 - o 10 stores now open (5 in FY14), with a further 10 planned openings in FY15
 - o Openings in Beijing, Shanghai and Hangzhou
 - o Major brand awareness campaign
- Bought back our Polish franchise giving us a solid foundation of 10 stores from which to grow the estate
- 3rd Party E-commerce sales of £22.0m (2013: £1.6m) as we have built on the success of our ASOS partnership to sign agreements with a further 6 partners. We now have agreements with ASOS, Koovs, La Moda, Smart Guy, The Iconic, Zalando, and Zalora,
- Enhancements to the functionality, design and content of our own website
 - o More than 1 in 4 E-commerce customers use our click-and-collect service
 - o 2.7m visits per week to newlook.com (2013: 2.5m)
 - o Upgraded mobile experience including improvement of app
- 119 further stores fitted in new concept format. Average improvement in gross profit of 7% in such stores compared to unconverted stores.
- New Look named Britain's favourite fashion retailer in the authoritative annual Dressipi Fashion Brands Index

Current Trading and Outlook

We continue to monitor consumer confidence in what remains a volatile market and we can expect the retail environment to become ever more competitive. However, we will continue to invest in identified growth areas such as E-commerce and international expansion, and the strength of the New Look brand gives us confidence that we are going into the new financial year in a good position.

Anders Kristiansen, CEO, said:

“I am pleased with what the new team has achieved in its first year. We have delivered a good result, growing both sales and EBITDA and maintaining our market share by value at 5.8%.

It has been a year of real strategic development and I am delighted with the progress we have made in both our international strategy and multichannel offer. Our decision to build scale in four key geographies namely: China, Poland, Russia and Germany, is, we believe, key to New Look’s future continued success. In the year we opened our first five stores in China and bought back our Polish Franchise providing us a solid base from which to grow. Our strategy is to focus on building and developing the core New Look brand in the UK, internationally and online and on that basis we have taken the decision to explore strategic options for Mim, including potential divestment.

Multichannel continues to power ahead. We have made improvements to our mobile app, and all E-commerce orders in the UK and beyond are handled by our highly automated distribution centre at Lymedale, Staffordshire. Our policy of forming strategic partnerships with 3rd Party E-commerce providers mean that our product is now available in over 195 countries.

We’ve made great progress against our strategic objectives during FY14, and delivered on what we set out to achieve in the year. While remaining vigilant on costs, we will continue to invest in identified growth areas. I am confident that New Look is going into the new financial year in a good position to meet the challenges that lie ahead.”

Enquiries

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Notes to editors

Founded in 1969, New Look has grown from a single store to become a dynamic, international, multichannel retail brand with a unique value-fashion offer in apparel, footwear and accessories for women, men and teenage girls. 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 (source: Kantar Worldpanel for year to March 2014). New Look has over 1,100 stores across the globe in 24 countries, and our estate of 576 UK stores places New Look in immediate reach of 93% of the British population (source: CACI Retail Footprint)

* FY14 on a 52 week basis, FY13 comparative on a 53 week basis.

** Earnings before interest, taxation, depreciation and amortisation