



6th January 2009

January Trading Update

New Look, the leading UK fast fashion retailer today announces trading for the 14 weeks to 3 January 2009.

In an extremely challenging retail market, New Look is pleased to report a successful trading result for the Christmas period. Despite unprecedented levels of discounting on the High Street New Look maintained its trading stance in line with last year and launched its Sale on Boxing Day.

Key Highlights

- A strong Christmas performance
- UK like for like (LFL) sales up by 2.8%, gross margin up by 170 bps
- Total Group sales up 14.5% driven by trading performance and store expansion in UK and Europe
- Excellent growth of Online sales
- New Look continues to gain market share.
- Strong cash position

New Look's trading strategy of offering 'Great fashion at great prices' has served us well. As the consumer market weakened throughout the course of 2008 we continued to focus on developing our product ranges and adding in more of our in-house designs. Our customers have seen the appeal of this strategy and we are delighted to report an increase in LFL's against such a difficult market backdrop. We continue to manage stocks tightly, reducing the need for markdown.

With the benefit of additional store openings total sales were 14.5% higher in the period. In the UK, New Look will add a further 350k sq ft of trading space in the current financial year including new concept stores in Liverpool, White City and Meadowhall. Menswear continues to grow market share, complementing a growth in womenswear which is now at 5.0% market share, an increase of 0.3% over the previous 12 months. In the key categories of women's footwear and jeans we are market leaders.

The appeal of the New Look brand to international consumers continues to strengthen. Since the beginning of the financial year (April) we have opened 22 stores across 6 countries including a flagship store in Forum Les Halles, the largest shopping centre in Paris. We have also signed a new franchise agreement for Russia and expect to open our first store in Moscow early in 2009.

In its first year, our 'Online' channel continues to report strong growth. In our peak week before Christmas we had over 1.1 million visitors to www.newlook.co.uk and we enjoyed significant sales success across both womenswear and menswear. About 75% of our total product offering can now be purchased online and given this success in the UK, we are now planning to introduce transactional websites for NL in France and Belgium.

Carl McPhail, Chief Executive commented:

"Despite the well documented pressures facing retailers and the UK consumer, I am pleased with the performance of the Group over the Christmas period. Our core fashion and value credentials have enabled New Look to trade through the difficult current economic environment, increase market share and make further investments in our International expansion. In addition, our new online channel is making tremendous progress and will be a further benefit in trading the business through a very challenging 2009."

Phil Wrigley, Executive Chairman commented:

"I'm very pleased with these results and the achievements delivered by the new team I put in place last April under Carl's leadership. We are winning in an increasingly difficult market by staying focused on the delivery of the fashion our customers want at prices they can afford. We expect the Market will become more difficult in 2009 but we will continue to invest to drive growth in the UK and overseas and continue to develop our business to help us to do the best we can for our customers, continue our strong performance and achieve our goal to become a significant and successful global retailer."

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Notes to Editors:

- New Look has 607 stores in the UK and Ireland, a further 23 stores in France and Belgium, and 19 franchise stores in Saudi Arabia, UAE, Kuwait, and Bahrain. In addition there are 291 stores trading under the name Mim in France and Belgium.
- New Look has a 5.0% value market share * of the women's and girls' Outer/Sportswear market, making it amongst the leading Womenswear retailers in the UK.
- 37% of British women* have purchased an item of Women's or Girls' Outer/Sportswear from New Look– amounting to over 9 million customers
- New Look is the number one retailer* by volume for women's jeans and footwear

* TNS Worldpanel Fashion, 52 weeks ended November 2008

Further information can be found on www.newlook.co.uk and Product and Management photos are available upon request.