



3rd June 2009

Full Year Results

New Look's formula of great fashion at great prices delivers record results

New Look, the leading UK fast fashion retailer today announces trading for the 52 weeks ended 28 March 2009.

Financial Highlights *

- Total Group sales grew by 14.9% to £1,322.6m
- EBITDA growth up 10.2% to £217.6m
- UK & EIRE like for like (LFL) sales +1.4%
- New Look continues to gain market share in UK up 0.7ppts to 5.4%
- Strong and flexible balance sheet, £161.1m cash at year-end and no material debt maturities until 2013

*Percentage change represents the percentage growth when comparing 52 week period to the 2008 52 week equivalent

Operational Highlights

- No.1 volume retailer in women's footwear, dresses and denim
- 37% of British female population purchased an item of womenswear from New Look
- New Look website exceeding expectations: Launched in Dec 2007, now 5th most visited fashion website. c.1m average weekly visitors in March 2009.
- 542k sq ft of New Look owned trading space added in the year, taking total trading space at the year-end to 4,541k sq ft, up 14%
- A further 188k sq ft of franchise space added in the year
- Management team strengthened, Lex Gemas appointed COO
- Relocation of Buying and merchandising functions to London on schedule – enhances ability to attract and retain key talent
- 1,800 new jobs created across the Group

Carl McPhail, Chief Executive of New Look, commented:

"New Look's strategy of focusing on providing our customers with great fashion at prices they can afford has served us well in the current environment and enabled us to report record results. We have increased market share in our core categories and continue to focus on the expansion of the New Look brand in the UK and abroad. 2009 will be another challenging year for the consumer. However, I am confident that New Look is well equipped to face the challenges of the year ahead."

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Chief Executive's Review

The past year has been a challenging trading environment for most businesses but despite that New Look has continued to prosper and delivered a strong result. We are extremely pleased to be one of the few retailers to report positive LFL sales and margin growth. This reflects the hard work, dedication and focus of all our staff. New Look is winning in these difficult trading conditions and our market share is increasing. We have increased like for like sales, grown EBITDA, and have strong positive cash flow. Whilst we recognise that in part we benefit from retail spending shifting towards 'value for money' brands in response to the squeeze on household finances, the strength of our management team means that we are confident in having great product in-store at the right time, at a great price.

As part of our global ambitions, we undertook a review of the way we are structured and our difficulties in attracting the best people in buying, merchandising, design and marketing to our current head office in Weymouth. We have taken the decision to move these functions to London – one of the world's major fashion centres – and gain increased access to the available talent pool that London offers, and announced our plans in January 2009. The move is progressing to plan and is scheduled to be complete by December 2009. Our Finance, IT and HR support functions will continue to operate from our Weymouth location.

Business Review

UK & Eire

The UK and Eire has achieved positive LFL sales growth in the year despite poor summer weather and the difficult trading environment. Our Christmas performance was particularly encouraging with a strong product offer and trading stance; we did not engage in the pre-Christmas discounting tactics utilised by more distressed competitors. Our performance post-Christmas has continued to improve with evidence of a 'flight to value' by customers seeking our winning combination of fashion and value, evidenced by our out-performance of the British Retail Consortium (BRC) LFL measure for the 10 consecutive months to March 2009 despite the increased discounting and competition on the High Street.

33 new stores were opened in the period, with 19 in new markets and 14 relocations to larger stores in existing markets, bringing the total to 612 stores at the period end. This represented a net incremental 380k sq ft increase in trading space to 3,671k sq ft, with average store size now up to 6k sq ft. Significant large store openings were made across the country in Liverpool, Bristol, White City in London, Glasgow Braehead, Meadowhall in Sheffield as well as a further strategic opening in the City of London at Gracechurch Street. These stores all included increased investment in their image and layout to showcase our product to best effect for customers. Within our existing smaller stores, the focus this year was a review of internal space allocation, based on customer feedback, to make the best of our offer.

We currently have 612 stores in the UK and Eire. We will continue to increase profitable trading space in the UK by a combination of relocations from smaller stores in existing markets to our successful larger format stores, supplemented by entries into new markets where there is currently no New Look presence. We plan to open a further net c.250k sq ft of trading space in FY10.

Range Extension

Our in-house design team now creates 71% of the overall product mix, up from 62% in FY08. Our growing confidence in picking key fashion trends is allowing us to be more successful in finding customers irresistible fashion products. 37% of the British female population has purchased an item of Womenswear from New Look in the past year, which amounts to just over 9 million individuals.

Womenswear

Our focus on design and trend spotting further enhances our fashion credentials, while directly translating into faster product sell-through and improved product margin. According to TNS data, our denim was the market leader by both volume and value for the calendar year 2008 and we've achieved excellent growth in dresses.

We sell 4,300 units of jewellery and hair accessories every hour. We also sold more than 1.3 million pairs of leggings last year. New Look continues to be the No.1 volume retailer in women's footwear, selling 15.4m pairs of shoes last year.

Menswear and Kidswear

Menswear continued to grow strongly with profit and profit density increasing by 52% and 24% respectively. We sold more than 650,000 basic t-shirts and over 100,000 destination jeans. We also sold more than 250,000 socks and boxer shorts. The Menswear department has also benefited from a focus on the store environment through better signage, navigation and improved segmentation of the department within the store.

The kidswear business was reconfigured, concentrating on boys and girls clothing in the 2-10 age group. The reconfiguration has received encouraging initial reactions.

Multi –Channel

Since our eCommerce launch in December 2007, our New Look website has continued to exceed expectations with an average of circa one million unique visitors per week in March 2009. This is a threefold increase on the same time last year, with average order value continuing to grow.

Our new web platform, planned for late 2009, will give customers increased access to our full product range and will lay the foundations for multi-channel capability, enabling customers to order in store for delivery at home.

International

The international appeal of the New Look brand continued to grow during the year. Twenty-seven stores were opened across the markets (France, Belgium, Middle East and Russia) in which we operate, including our first in Moscow, Russia. Initial trading at the store has been very encouraging.

We plan to continue our controlled international roll-out. We already have 297 Mim stores and 23 New Look stores across France and Belgium. By April 2010 we plan to have opened another 20 stores in France and 3 in Belgium, and also to have entered the Dutch market for the first time with the New Look brand. Further afield we will continue to build on our existing businesses in the Middle East and Russia.

Current Trading and Outlook

Our strong UK trading performance continued over a successful Easter holiday period, and we continue to out-perform the market and deliver year-on-year growth. Whilst we remain cautious about consumer disposable income and confidence, we believe that our unique combination of great fashion and great value will enable us to continue out-performing the market and make further market share gains.

We have executed our core strategies while navigating unprecedented market conditions affecting all retailers, and delivered excellent financial results. With a powerful brand, seasoned management team and dedicated employees, New Look is well equipped to face the challenges of the year ahead.