

# NEW LOOK

4<sup>th</sup> June 2013

## **New Look Full Year results for the 53 weeks to 30th March 2013**

*New Look EBITDA jumps 29% driven by successful turnaround and 50% increase in online sales*

### **Financial Highlights**

- Group Sales +2.5% to £1.48bn
  - o Group like-for-likes -0.7% (H1 -3.3%; H2 +1.7%)
  - o UK like-for-likes -0.5%, (H1 -3.1%; H2 +2.0%)
  - o New Look Europe like-for-likes +3.2%
  - o Online sales +50.1%
- Group adjusted EBITDA\* + 29% to £189.2m
- Underlying operating profit + 84.2% to £115.5m
- Profit before tax of £3.1m (2012: -£54.5m)
- Free cash flow +9.9% to £88.6m
- Gross margin +2 percentage points driven by tighter stock controls and lower markdowns
- Successful refinancing extends maturities to 2018, improves capital structure and reduces PIK by 50%. Net debt of £1.1bn

### **Operational & Development Overview:**

- Three point turnaround plan of cost savings, profit margin improvement and revenue growth is delivering real results
- Success of multi-channel strategy:
  - o 2.5 million visits per week to newlook.com
  - o All e-commerce orders now fulfilled within our Lymedale distribution centre
  - o Investment into business made from cost savings across New Look, including roll out of Click & Collect, Order-In-Store and improvements to our online channel
- 145 stores now in the new "Concept" format. Remaining stores to be refurbished over 3 year timeframe
- Greater flexibility within our supply chain resulted in shortened lead times and a 16% reduction in total markdown and discount. Full price sales mix up 3.2 percentage points
- Maintained and extended market share in key categories: denim, dresses, knitwear and footwear
- Positive momentum in our International business. Appointment of China management team complete, developing plans to open our first Chinese store in March 2014

### **Current Trading and Outlook**

Looking ahead we expect the economic outlook to remain challenging. However, we are confident in our ability to maintain the positive momentum generated by the improved value and appeal of our ranges, our store refurbishment programme and continued growth in e-commerce.

**Alistair McGeorge, Chairman, said:**

“I am delighted to report that our three-point turnaround plan of cost savings, margin improvement and revenue growth enabled us to deliver strong results and continue to re-invest in our business. The strength of our financial turnaround has also enabled us to address our capital structure, with the successful refinancing of our debt, extending maturities to 2018. This gives the business a five year runway for Anders and his team to continue to improve performance, drive forward our international expansion and develop further our online and store development. Our long term goal remains the same: to de-lever the business through profit growth and strong cashflow.”

**Anders Kristiansen, CEO, said:**

“I applaud the achievements of the past financial year - not only the containment of costs, but also an impressive improvement in underlying profitability. I believe New Look is now well positioned to explore exciting development opportunities of new markets in Eastern Europe and south-east Asia – specifically Russia and China. As our future expansion strategy is for depth rather than breadth, we aim to concentrate on markets where we can develop a significant presence. I am delighted to have joined New Look at such an exciting time and am looking forward to the future.”

**Enquiries**

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**Notes to editors**

\*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 39s women’s clothing and accessories market, including footwear (source: Kantar Worldpanel for the 52 w/e 17 March 2013). We have over 1,100 stores across the globe in 32 countries.**

**Ethical trading and sustainability**

We believe New Look’s high ethical standards and commitment to sustainability throughout our global supply chain make good business sense. But we vigilantly monitor all aspects of sourcing at all times. We are fully committed to monitoring and improving livelihoods and safety standards throughout our global supply chain and we’re proud to have been commended by the Ethical Trading initiative on our strong values and commitment to ethical trading. Additionally, whilst our suppliers are not impacted, we have signed up to the Accord on Fire and Building Safety in Bangladesh to support the improvement in the safety and conditions of all those employed in the manufacture of goods.

**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 €22 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 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.