

# Growth Drivers



# Strong growth prospects supported by four proven drivers

**UK retail space expansion and refurbishment**



- 'Right size' stores in 'right' locations
- Extend success of 'Look and Feel' store refurbishment programme

**Development and broadening of product range**



- Consolidate and build upon market-leading Womenswear categories
- Increase market share in Menswear and Childrenswear

**Growth of E-Commerce to drive multi-channel offering**



- Deliver a world-class multi-channel proposition
- Enhance interaction with customers

**International expansion**

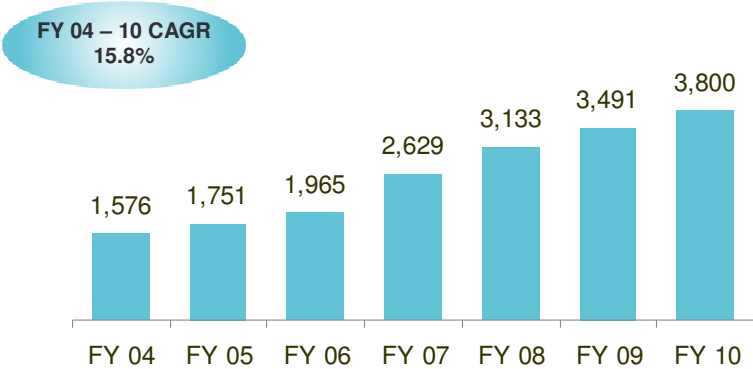


- Roll out of owned stores
- Franchise arrangements

# Profitable UK space expansion

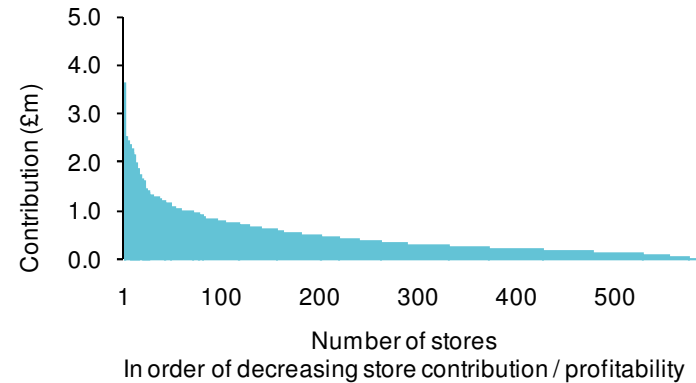
UK retail space expansion

## UK retail space (000s sq. ft.)



Source: Company information

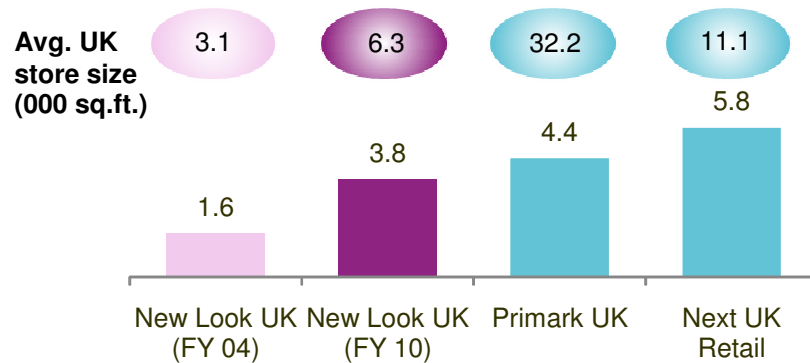
## UK store contribution by store



Note: Store contribution is reported profit less branch costs for stores open for a full year; clearance store in Hull not included

Source: Company information, on management account basis

## Total UK space (m sq. ft.)



(a) Paybacks are based on actual and expected performance of New Look UK Retail stores which have opened or been relocated in the period between September 2004 and September 2008. Payback period is the number of months (rounded up to the nearest whole month) taken for a store to generate enough contribution (measured as Gross Profit less store Operating Costs) to pay back the cash investment in the opening/relocation.

Source: Company information, Next AR (Jan-10), ABF Investor presentation (Nov-09)

## Expansion track record

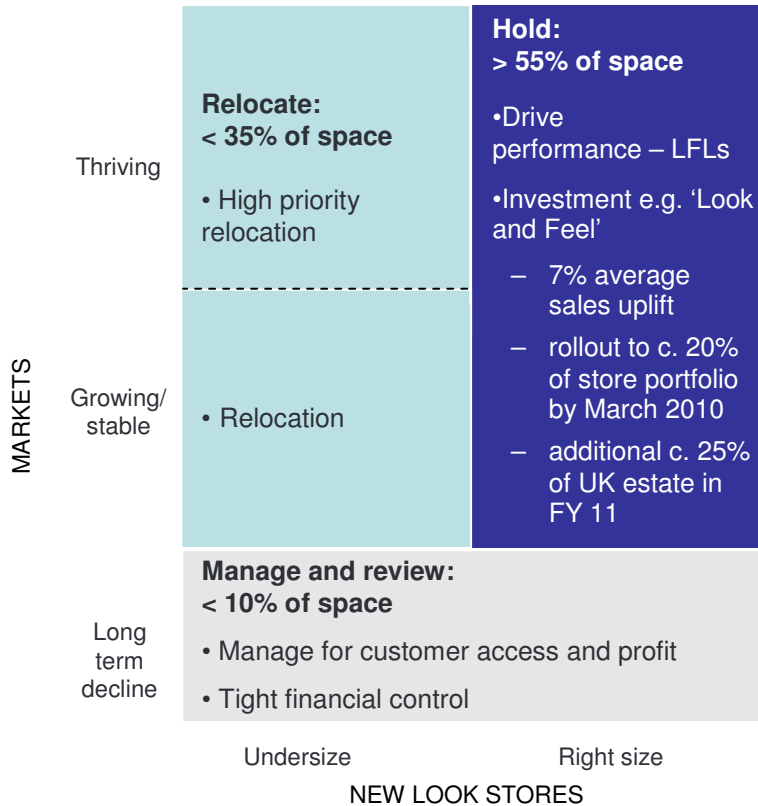
- Average payback periods
  - 13 months for new UK stores
  - 21 months for relocated UK stores<sup>(a)</sup>
  - internal hurdle rate of 24 months for new store openings and relocations
- Relocation of smaller stores to larger sites, new store openings and selective store acquisitions:
  - Littlewoods (35 stores), Woolworths (3 stores +10), Borders (5 stores)



# Deliverable growth from space and refurbishment

**UK retail space expansion**

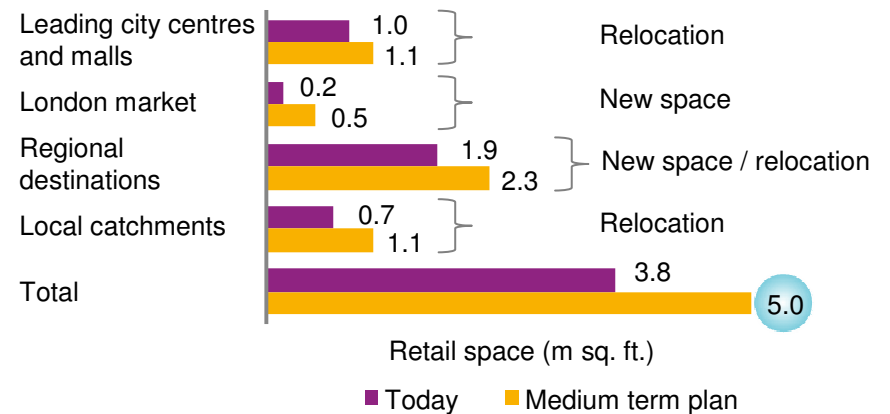
## New Look store portfolio segmentation



## Expected UK store portfolio evolution

- 180–200k sq.ft. additional UK space budgeted in FY 11
- actively monitoring a possible >1m sq. ft. in retail locations for the medium term
- focus on relocations – not new developments
- opportunistic real estate acquisitions

## Deliverable ongoing space expansion



# 'Look and Feel' store refurbishment programme

UK retail space expansion



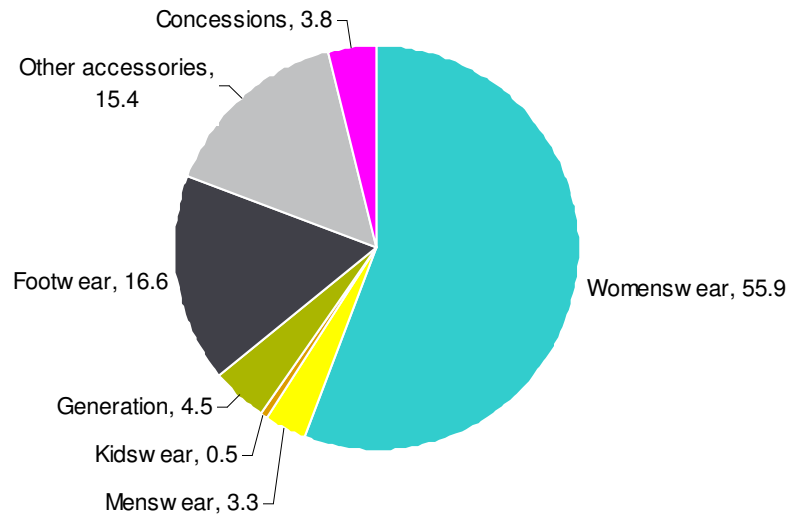
- Focused on improving the customer in-store experience
  - front of house fixtures
  - product layout



# New Look's breadth of product offering

Develop and broaden product range

Breakdown of FY 10 Group sales (%)



- Womenswear product offering has broadened to meet customer demand and help optimise sales and margin stability
- Existing Womenswear ranges have been reinforced\*
  - No 2 in the UK women's clothing and accessories market by value, up from No 3 in 2004
  - market leader in under 35 years old segment
  - market leader by volume in dresses and no. 2 by volume in footwear
  - market leader by value in teen wear with Generation range
- Developed and progressed Menswear and Childrenswear
- Relocation to larger stores enables New Look to showcase more ranges

\* Source: Kantar WorldPanel 24 weeks to 23 May 2010

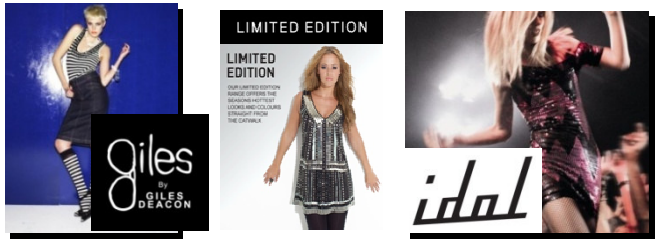


# Continue strengthening Womenswear

Develop and broaden product range

## Brands

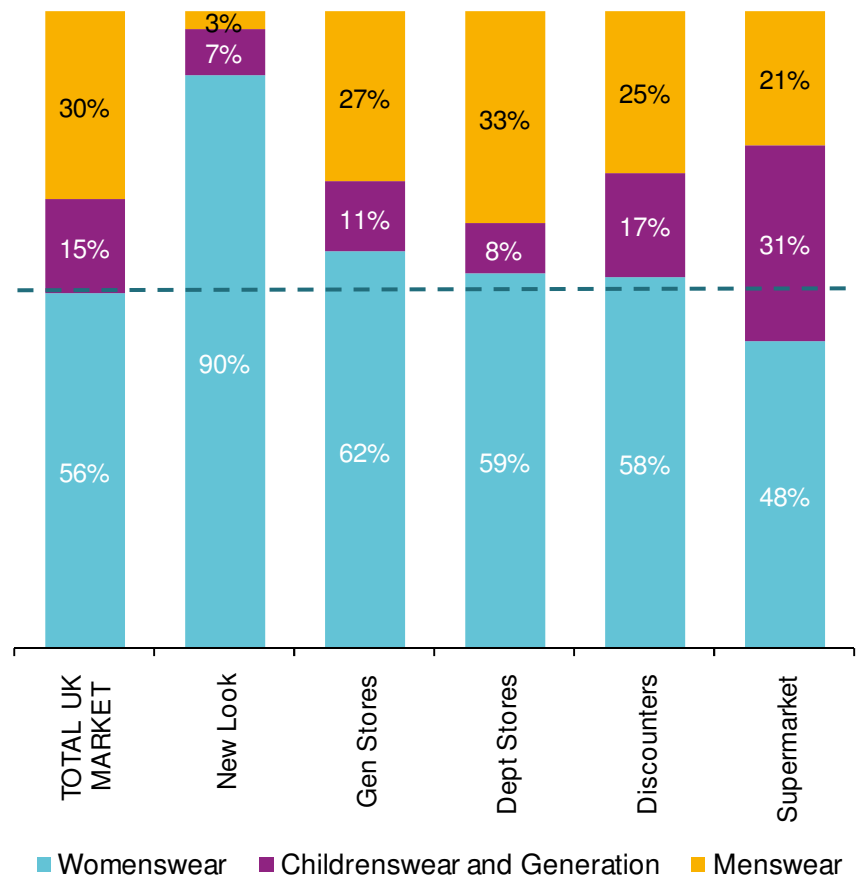
- Core
- Specialty Sub-Brands
- Designer
- Concessions



# Menswear and Childrenswear opportunity

Develop and broaden product range

## Sales Mix by Product Category



## Menswear and Childrenswear

- Women are key influencers and purchasers of Menswear and Childrenswear products
- Menswear
  - aim to increase sales density from 40% of womenswear sales density to 70%
  - currently 0.4% market share
- Childrenswear
  - market leader in 9-15 years old segment
  - opportunity to build on this success in the 2-10 year-old segment



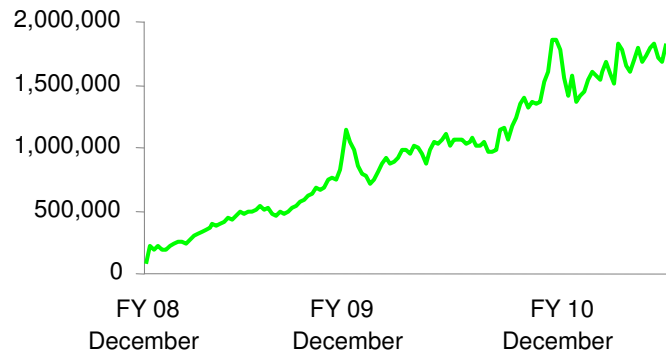
Note: Childrenswear includes teenwear  
 Source: Kantar Worldpanel Fashion – 'Womenswear' is the sum of womenswear, lingerie, footwear, accessories and other



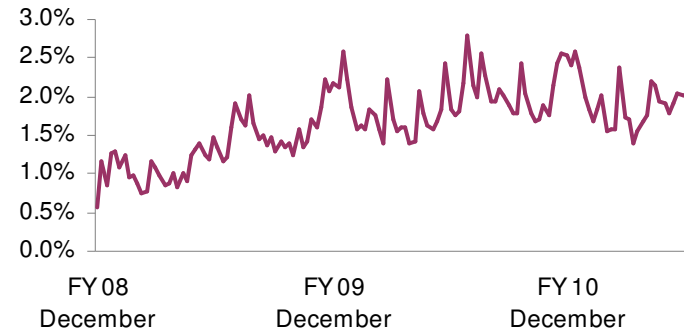
# E-Commerce: rapid and profitable growth

Multi-channel development

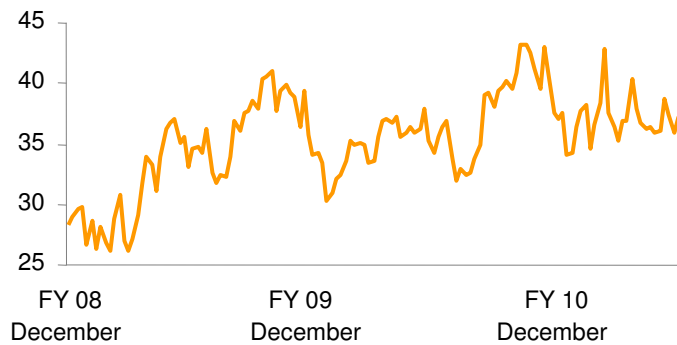
Website: visits



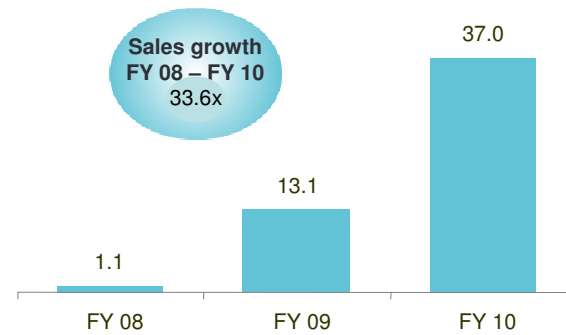
Conversion



Basket value (£)



E-Commerce sales (excluding VAT, £m)

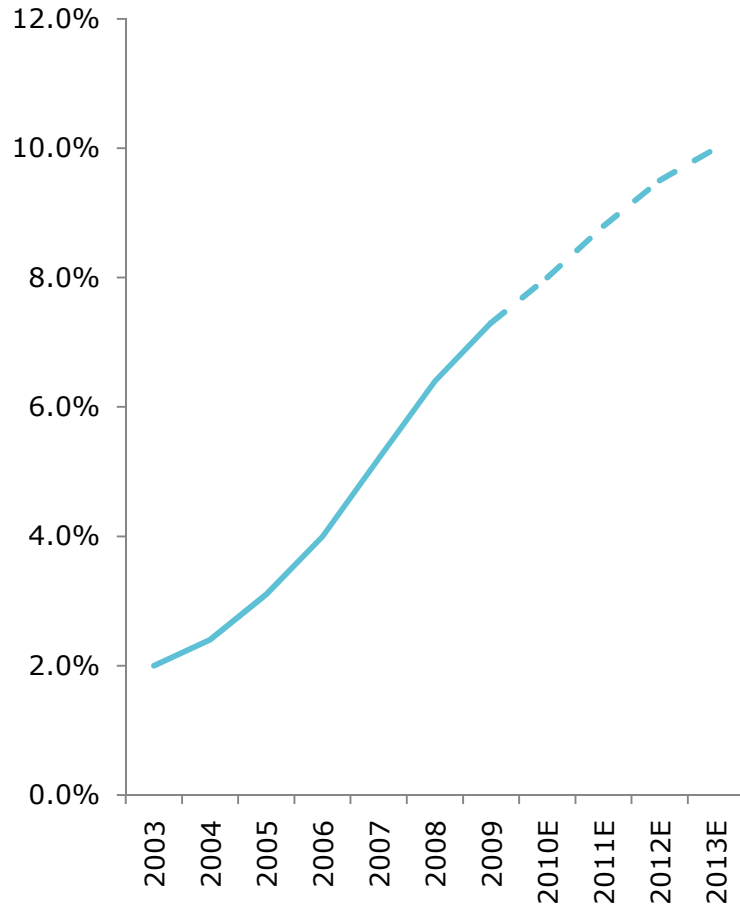


Note: All data shown on a weekly basis, except for chart on bottom right  
 Source: Company information



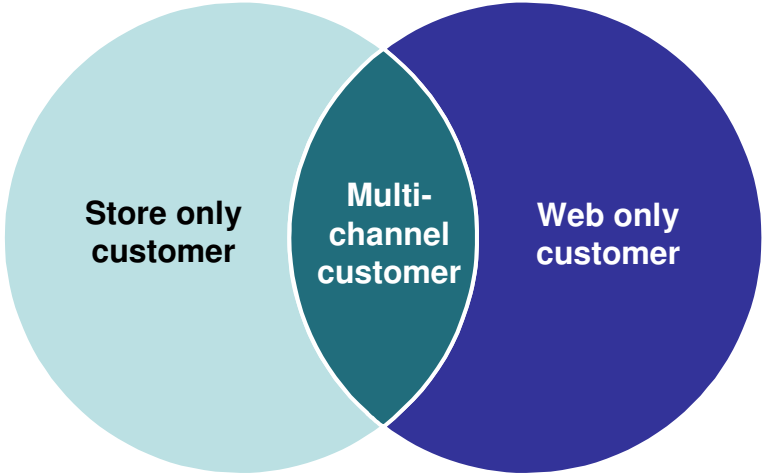
# The multi-channel vision

**Proportion of UK clothing & footwear sales online %**



Note: 2009 -2013E CAGR for online clothing and footwear sales is 10.5%  
 Source: Verdict

**Multi-channel development**



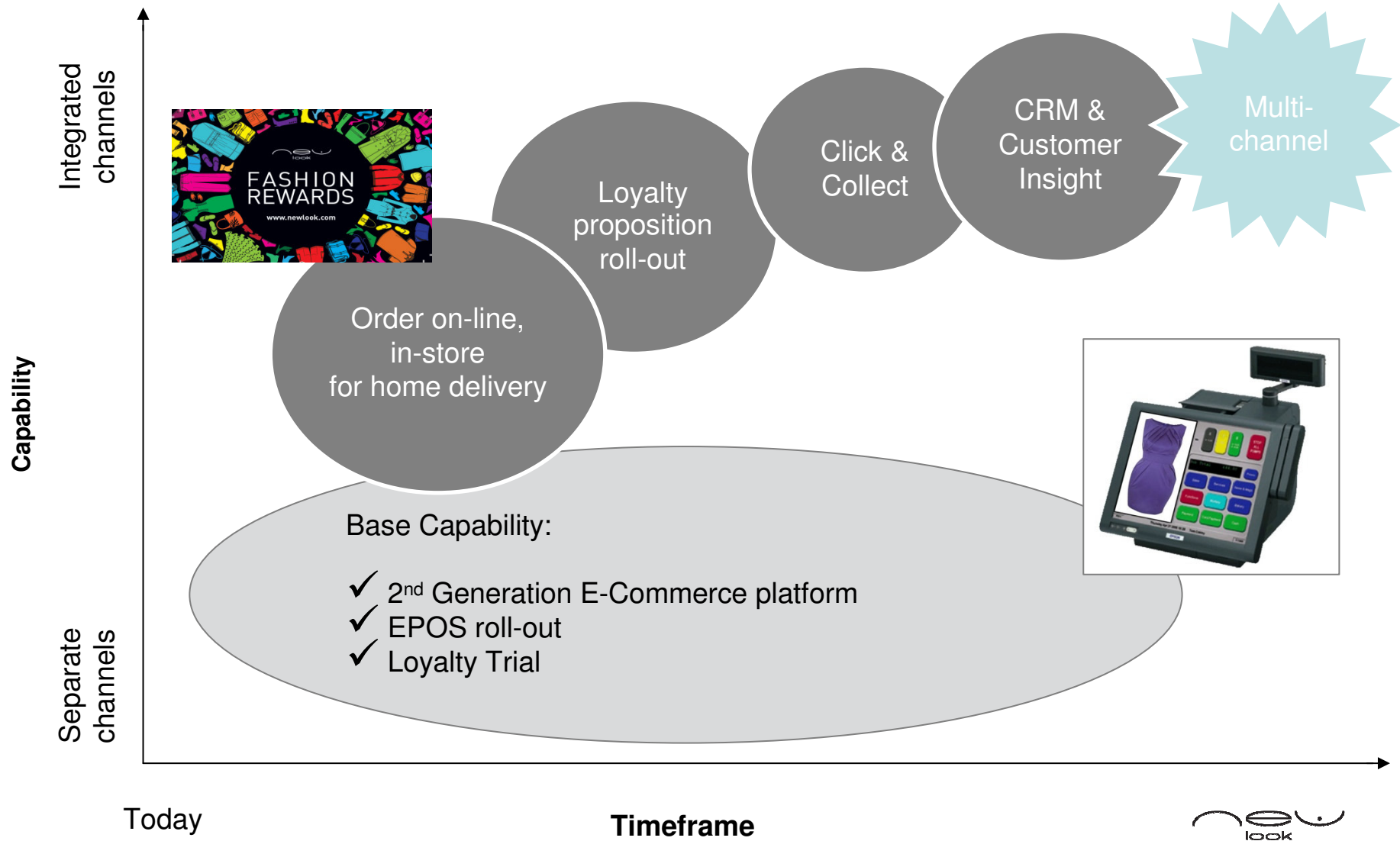
**Multi-channel model**

- Average annual spend of a multi-channel user is c. 2.5x that of a store-only customer and 1.7x a web-only customer
- FY 11 milestones
  - second generation platform
  - EPOS rollout
- Medium term plans
  - loyalty proposition
  - click and collect



# How will this capability grow over time?

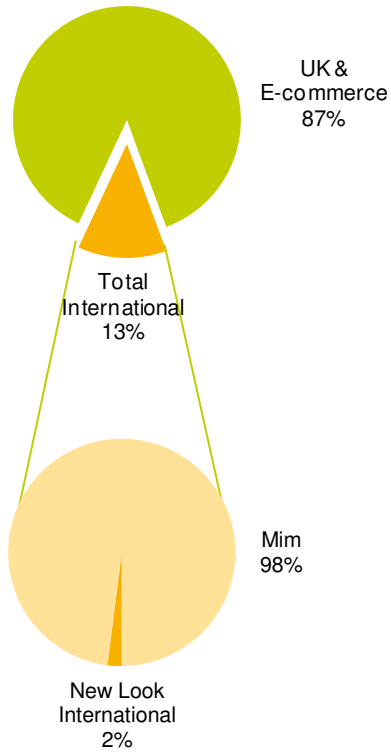
Multi-channel development



# Solid international base

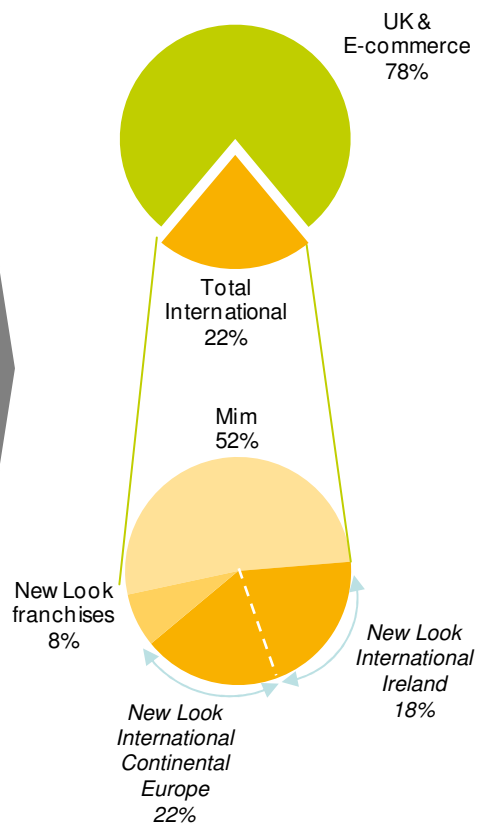
**International expansion**

**FY 04 Sales split**



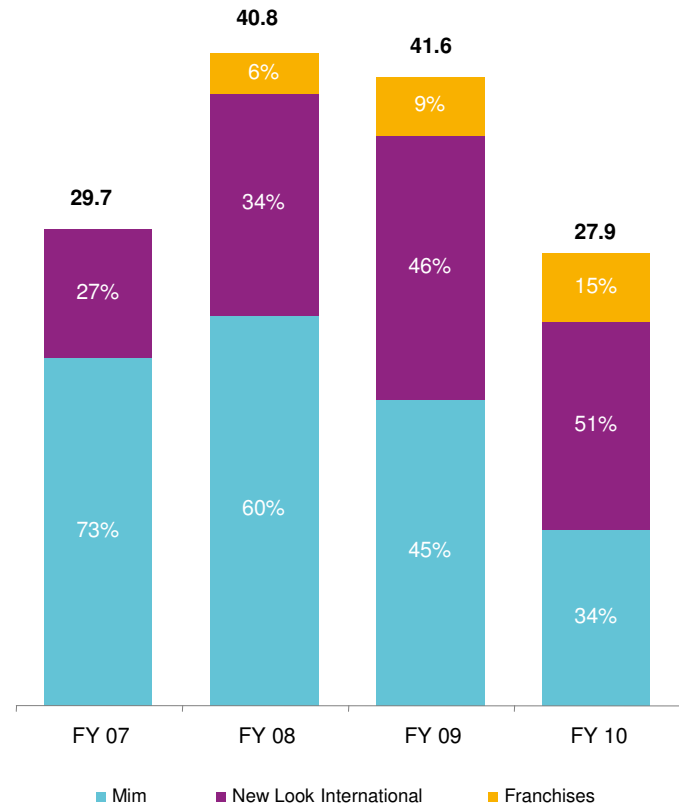
**£87m International Sales**

**FY 10 Sales split**



**£317m International Sales**

**International Adjusted EBITDA (£m)**



# Platform for future growth

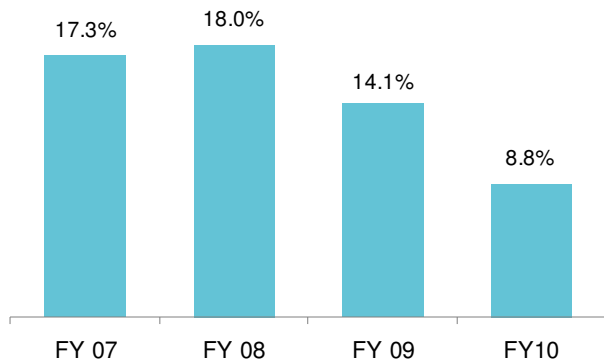
## International expansion

### New Look own stores

- 55 stores at FY10 year-end in Ireland (28), France (21), Belgium (10) and the Netherlands (1)
- Learnings gained from trialling different store sizes and formats
- Optimal format
  - cosmopolitan retail markets
  - prime locations
  - c. 10,000 sq. ft.
  - target UK financial metrics

**Rollout opportunity (70-80k sq. ft. new space in FY 11)**

### New Look International Adjusted EBITDA margin



### New Look Franchises

- 49 stores in 8 countries in FY10
- Low risk/low cost way to enter new markets
- Excellent learnings to develop worldwide brand success
- Profit growth opportunity
  - Middle East recovery
  - increase scale (40-50k sq. ft. new space in FY 11)

	March 09	Mvt*	March 10
Stores	1	8	9
Space	5	52	57

	March 09	Mvt*	March 10
Stores	-	2	2
Space	-	11	11

	March 09	Mvt*	March 10
Stores	-	3	3
Space	-	24	24

	March 09	Mvt*	March 10
Stores**	24	11	35
Space**	279	89	368

\*\* Including clearance store

**Locations**  
 Bahrain 2  
 Egypt 2  
 Kuwait 2  
 Saudi Arabia 18  
 UAE 11

Note: Financial year end is March, New Look International includes NL Europe, NL Franchises & Mim