

Half Year Update: 24 September 2011

The Directors of New Look Retail Group Limited present the half year update on the performance of the Company and its subsidiaries (“the Group” or “New Look”) for the six months ended 24 September 2011. The information contained in this statement is unaudited.

Group overview

New Look has maintained its No.2 position in the UK womenswear clothing and accessories value market*, despite the tough trading conditions on the high street which have impacted the Group’s performance for the 6 months to 24 September 2011.

Performance during the half has proved challenging, driven by a number of internal and external factors. Whilst the economic backdrop remains challenging with customer confidence and footfall depressed, a number of internal factors within our control have further affected performance. Inconsistent ranging, pricing and quality in certain key categories have been identified, and this has reduced our appeal to our wider customer base. Given this under performance and to ensure we keep stock levels tight we have had a higher than planned level of markdown and promotional activity which has adversely impacted our margin. For the Autumn/Winter season we have tightened our stock model further, reducing forward commitments and improving lead times, giving us greater flexibility to buy into the key seasonal trends.

Multi-channel

New Look has continued to drive forward with its ambitious investment plans in line with the aim to deliver a world-class multi-channel proposition.

Earlier in the year, our award winning mobile site was extended with an iPhone app and more recently our Click & Collect service offering order at home for delivery to stores has been rolled-out across more than 500 stores. Our UK site has been re-launched and our international proposition strengthened by the recent launch of dedicated French and EURO sites. By the end of October the roll out of our new till system was completed in the UK and Channel Islands allowing capability for customers to order in-store for home delivery. The next few weeks will also see the launch of a US site with a German site to follow at the end of the financial year.

The Group’s online business continues to perform strongly, winning market share in an increasingly competitive online market. To give our customers more reasons to shop with us online we have also extended our offering of non-New Look Brands.

International

The Franchise business continues to perform strongly entering new territories and markets with a total of 85 stores as at 24 September 2011. During the period New Look entered two new markets, Romania and Montenegro, with further expansion into additional new markets planned in the next 6 months.

Trading in own stores in some of our overseas markets remains challenging, most notably France, Belgium and Ireland, which have been strongly impacted by the European economic downturn.

Outlook

Looking ahead, we remain cautious about the strength of consumer confidence over the next 6 months and thereafter given the uncertain economic outlook. Our response to these difficult market conditions is to continue to reduce operational costs and to focus on enhancing our

'fast fashion' model, underpinned by improving the speed of our supply chain, holding stock levels tight and reducing markdowns. We expect to see further progress in the Spring/Summer 2012 season and will continue to invest in improving our customers' experience both in-store and online.

Alistair McGeorge
Executive Chairman
23 December 2011

*Kantar Worldpanel Fashion market update to 24 weeks to 2 October 2011