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TRADING UPDATE

13 JANUARY 2011



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## JANUARY TRADING UPDATE

**New Look, the international fashion value retailer, today announces trading results for the 15 weeks to 8 January 2011.**

### Key Highlights:

- Total Group sales down 3.4% in the period
- UK like-for-like (LFL\*) sales down 9.1%
- UK gross margin impacted by adverse weather, higher promotional mix and stock clearance
- Strong on-line sales, reaching 3.3% market share and almost 2 million hits each week\*\*
- UK market share position maintained
- Total stores reached 1,044, of which 606 in the UK

As we expected at the time of our interim results in November 2010, trading conditions in the UK have deteriorated with severe weather conditions exacerbating an already challenging environment. We estimate the impact of snow in December was to reduce total sales in this reporting period in the order of c. £15m and UK LFL sales by c. 3.0%. Through this difficult period, New Look has maintained its position as the UK's 2nd largest womenswear retailer with 5.8% value share\*\*\*.

New Look opened 5 new stores across the UK during the period (of which 4 were relocations) and a 30k sq ft flagship in the Jervis Centre, Dublin which set a new store sales record with over £460k sales (excl VAT) in a single week. In existing stores, we continued to roll-out our "Look and Feel" upgrade and refurbishment programme which to date has reached 251 stores.

Internationally, New Look's store presence (including franchise operations) now extends to 14 countries, of which 2 are new markets entered during the current financial year. H2 FY11 will see the opening of an international flagship in Rue

Neuve, Brussels. Our franchise business opened 7 new stores in the period, including openings in St. Petersburg, Russia, Poland, the Ukraine and Saudi Arabia, taking total franchise stores open to date to 65. Mim continues to make good year-on-year progress both in sales and profit.

New Look's on-line business continues to perform strongly with an increasing proportion of on-line sales coming from outside the UK. From October 2010, the website served 122 countries.

### Carl McPhail, CEO commented:

"Trading conditions in the UK have continued to be challenging and the adverse weather in December significantly affected footfall and spending patterns. The outlook for 2011 is uncertain and we remain cautious about the impact of the recent VAT increase and Government cuts on consumer spending."

\* UK LFLs include online sales and are measured excluding VAT

\*\* Source: Hitwise Most Popular Websites in Shopping and Classifieds – Apparel and Accessories ranked by Visits Share w/e 8 January 2011

\*\*\* Source: Kantar Worldpanel 52 w/e 31 October 2010