



neon
look

JANUARY 2011



- A **high-growth, international, value-based fashion retailer**
- A **leading high-street brand** with a **fast-fashion approach** – defined by the ability to take trends from the catwalk to store in five weeks
- A robust, **cash-generative** and **well-invested business** with strong and well defined growth opportunities
- An ambitious and **experienced management team** that is well positioned to deliver the next phase of the New Look story



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1. NEW LOOK IN BRIEF

DID YOU KNOW

- 32** The average age of a New Look shopper ^(a)
- £76** Average spend on clothing and accessories of a New Look shopper per year ^(b)
- 41%** Proportion of females who bought from New Look in the last year – almost 10m women ^(c)
- 47%** Proportion of 16-44 year old women who claim to have visited a New Look store in the last 3 months ^(d)
- 78%** Proportion of New Look shoppers who visit a New Look store at least once a month ^(e)

(a) Source: Kantar WorldPanel, New Look Womens & Accessories 52 w/e 28 November 2010

(b) Source: Kantar WorldPanel, 52 w/e 28 November 2010

(c) Source: Kantar WorldPanel, 52 w/e 28 November 2010 - Women aged 12+, excluding Northern Ireland (Womenswear includes Women's Outer / Sports, Nightwear, Underwear, Hosiery, Footwear & Accessories)

(d) Source: Millward Brown, New Look Tracking, Jan – Dec 2010 (women aged 16-44)

(e) Source: ICM Research, New Look Tracking, Jan – Dec 2010

AT A GLANCE

- **Sales** of £1.5bn (5yr CAGR 12.9%) ^(a)
- **EBITDA** (adjusted) of £249m (5yr CAGR 8.9%) ^(a)
- **606 stores** in the UK (3.9m sq. ft.) ^(b)
- **438 international stores** (1.7m sq. ft.), including 65 franchises ^(b)
- **5.5% value share** in the UK women's clothing & accessories market ^(c)
- **No 3 UK women's clothing retail site** ^(d) with 3.8% market share and approaching 2 million hits per week

(a) As at year-end March 2010

(b) As at 8 January 2011

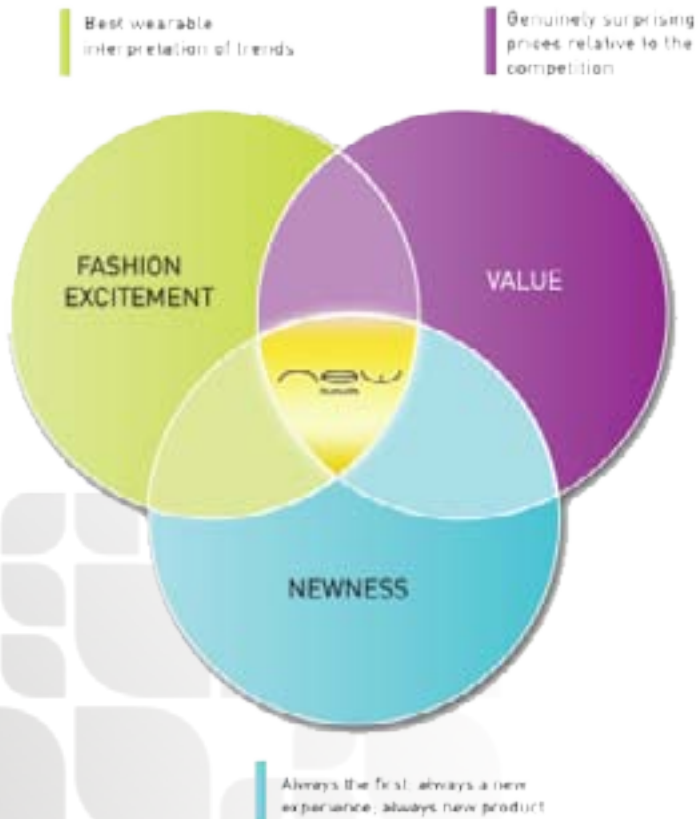
(c) Source: Kantar WorldPanel 24 w/e 28 November 2010

(d) Source: Hitwise Most Popular Websites in Shopping and Classifieds – Apparel and Accessories ranked by visits: Rolling 3 month average position Oct – Dec 2010

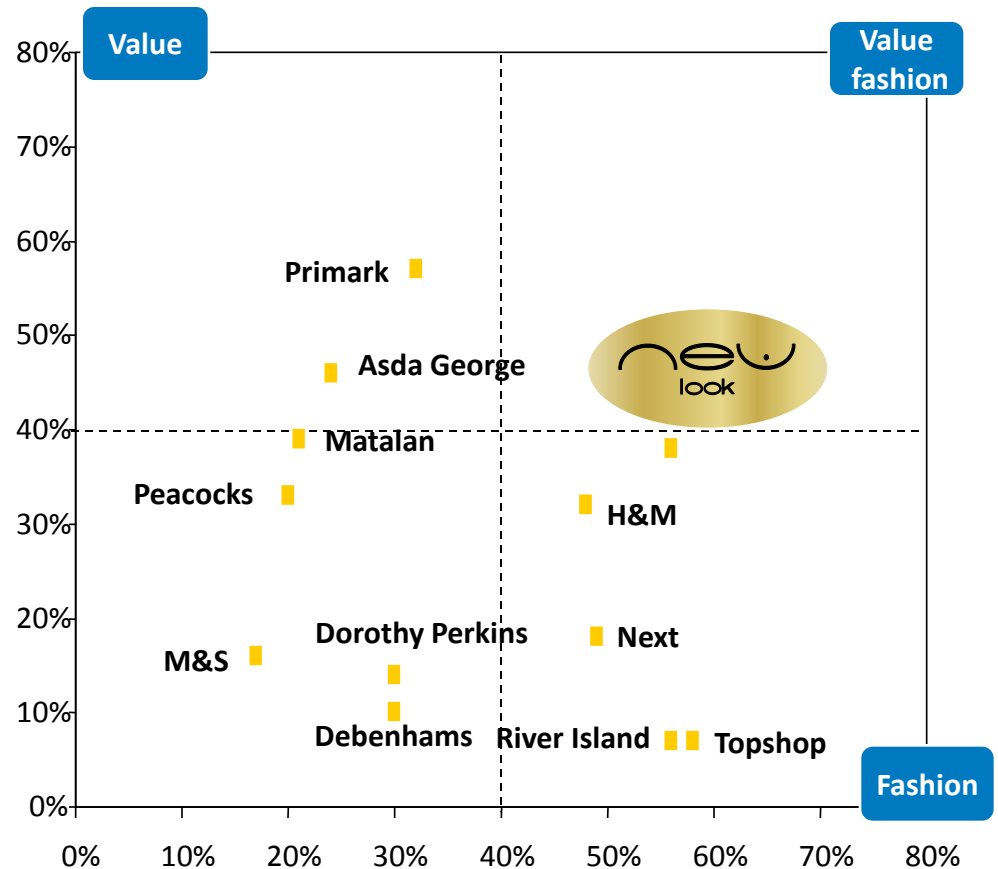
* All financials stated at year-end March 2010

2. WHERE DO WE SIT IN THE MARKET?

COMPELLING PROPOSITION



DISTINCT MARKET POSITION



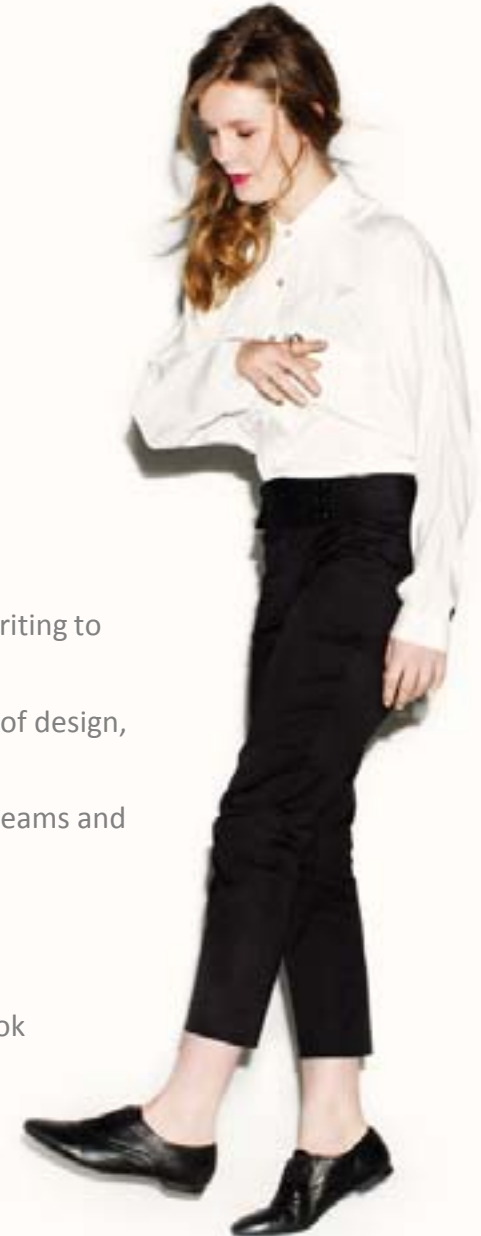
Ratings: Good value for money vs. Are Fashionable

Source: Millward Brown Brand and Ad Tracker – All respondents – 12 w/e 09/01/11 vs. 12 w/e 10/01/10

3. WHAT SETS US APART?

COMPETITIVE ADVANTAGES

- **A fast and flexible operating model**
 - Long standing strategic supplier partnerships (20+ year relationships)
 - Fast product development, manufacture and delivery (at lower costs than most of our competitors)
- **In-house design**
 - Since 2003 have built a design team of over 30 experienced designers
 - C. 70% of products now designed in-house giving a unique and exclusive handwriting to New Look
 - Brand and product consistency delivered through central London co-ordination of design, buying, merchandising, marketing and supply chain management
 - Central London location has brought suppliers and customers closer to product teams and reduced travel time
- **Multi-channel capability**
 - Fully transactional website serving over 120 countries
 - Proactive customer engagement e.g. myLook social media site, Twitter, Facebook and New Look TV
 - Complementary online and offline proposition

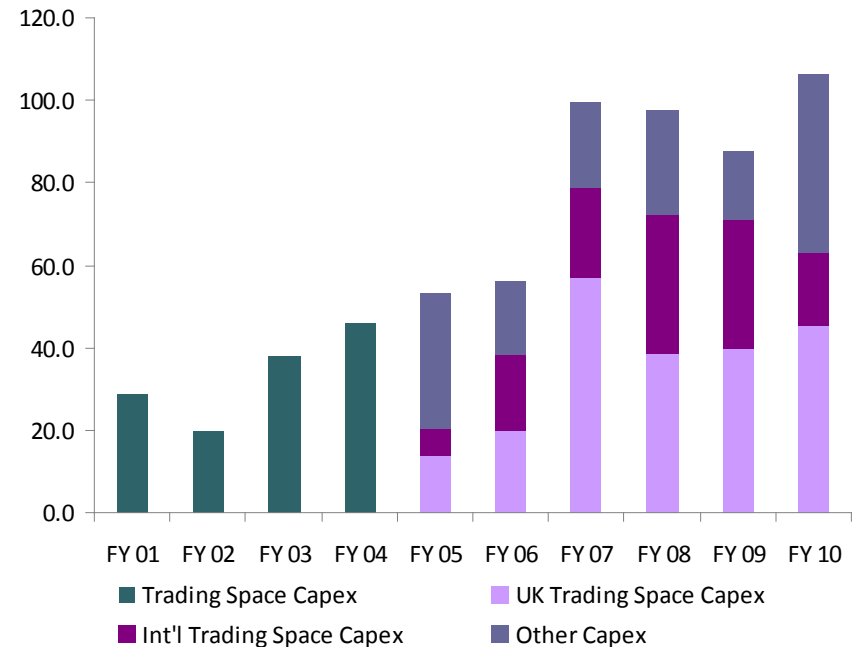


4. HOW PRIVATE OWNERSHIP HAS HELPED US

SUPPORTIVE LONG-TERM FOCUS

- Long term focused PE owners with experience and insight in retail and a willingness to invest
- Significant business change to deliver long term value without the pressures of a short term investor agenda
- A well invested business – > £500m invested in last 6 years to transform business:
 - Doubled UK space from 1.6m sq.ft. to 3.9m sq.ft. and increased UK store base from 500 to >600^(a)
 - Launched own specialty brands, menswear and childrenswear to broaden customer base
 - Expanded internationally – entered 13 countries outside the UK and added 1.7m sq.ft.
 - Opened state-of-the-art distribution centre to support long term growth
 - Continuous investment in IT infrastructure

> £500M INVESTMENT IN LAST 6 YEARS ^(b)

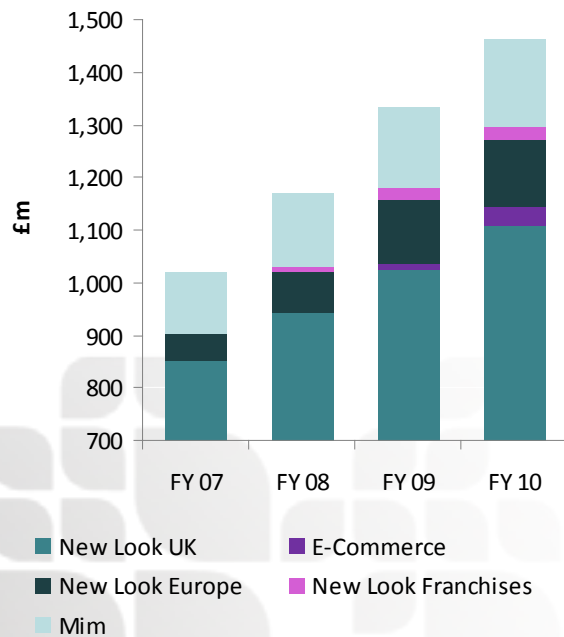


(a) As at 8 January 2011

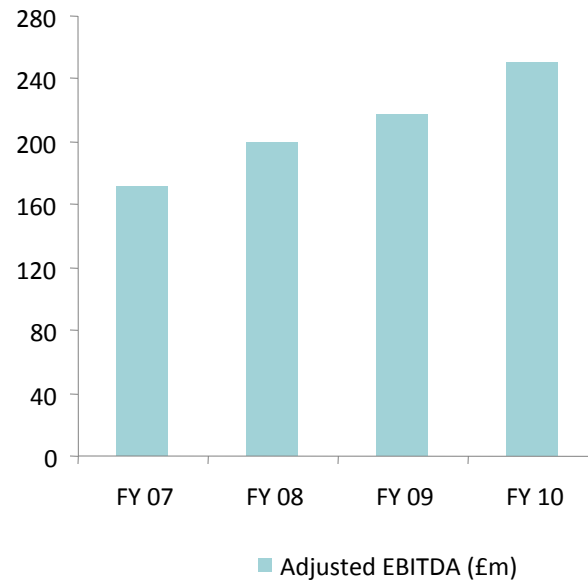
(b) Financial year ending March; £m

5. STRONG TRACK RECORD OF PERFORMANCE*

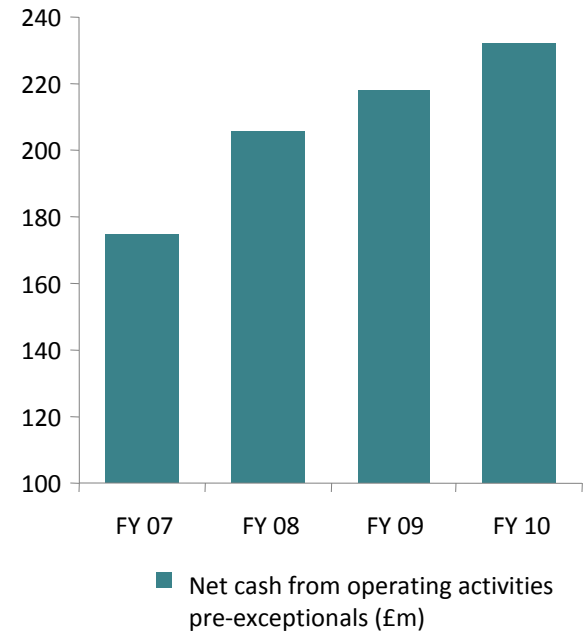
SALES



PROFITS



CASH



*NB: Financial year ending March, £m

6. FUNDING STRUCTURE

NO IMMEDIATE REFINANCING RISK OR COVENANT PRESSURE

- Current debt amortisation funded from cash generation until FY 2015/16 (when mezzanine and PIK debt mature)
- PIK highly efficient and cost-effective means of funding relative to high-yield debt
- Continue to evaluate capital structure and best use of surplus cash

As at 25
Dec 2010
£m

Bank Debt:

Senior A, B, C 473.1

Second Lien D 80.0

Mezzanine 74.4

PIK debt: 635.2

Total debt: 1,262.7

Less cash at Bank 264.8

Net Debt: 997.9



7. OUR GROWTH STRATEGY – OVERVIEW

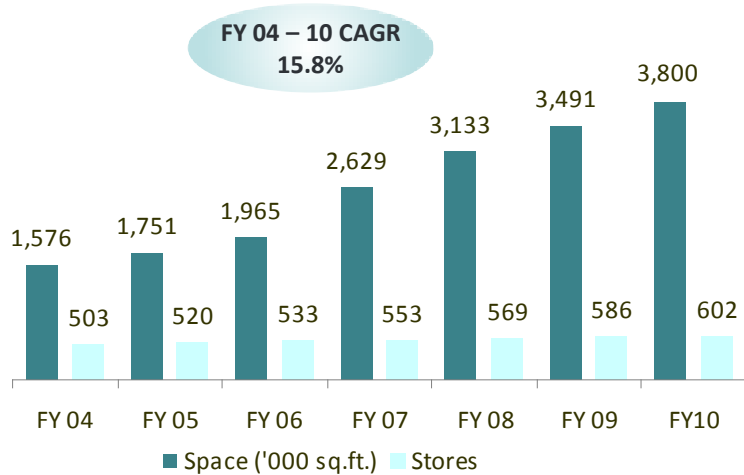
FOUR CLEAR PILLARS OF GROWTH

- **UK space**
 - Extend success of ‘Look and Feel’ store refurbishment programme
 - ‘Right size’ stores in ‘right’ locations
- **Product and range development**
 - Consolidate and build upon market-leading Womenswear categories
 - Increase market share in Menswear and Childrenswear
- **Multi-channel**
 - Deliver a world-class multi-channel proposition
 - Enhance interaction with customers
- **International expansion**
 - Roll out of owned stores
 - Franchises



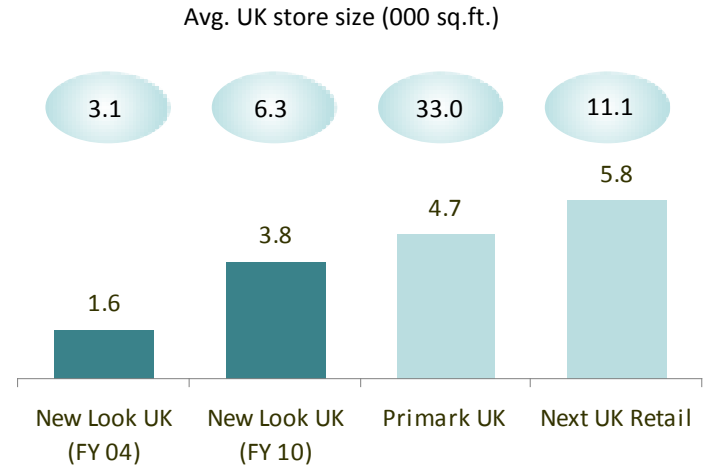
7. OUR GROWTH STRATEGY – UK SPACE

STRONG HISTORIC GROWTH



Source: Company information

STILL UNDERSIZED RELATIVE TO OTHERS

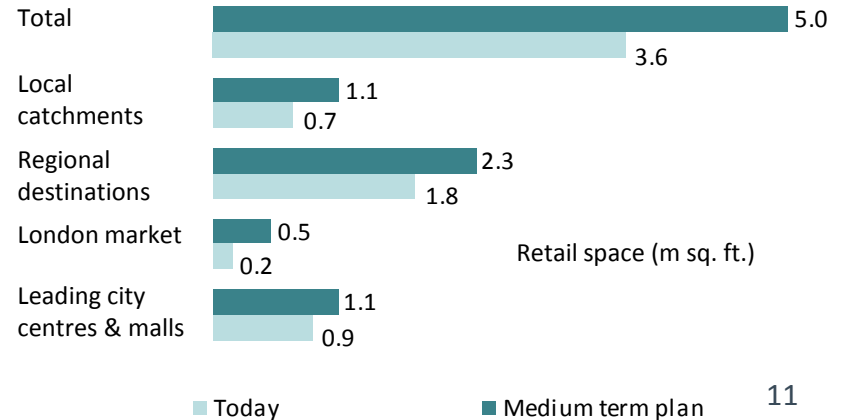


Source: Company information, Next AR (Jan-10), ABF Investor presentation (Nov-10)

PORTFOLIO PERFORMANCE AND EVOLUTION

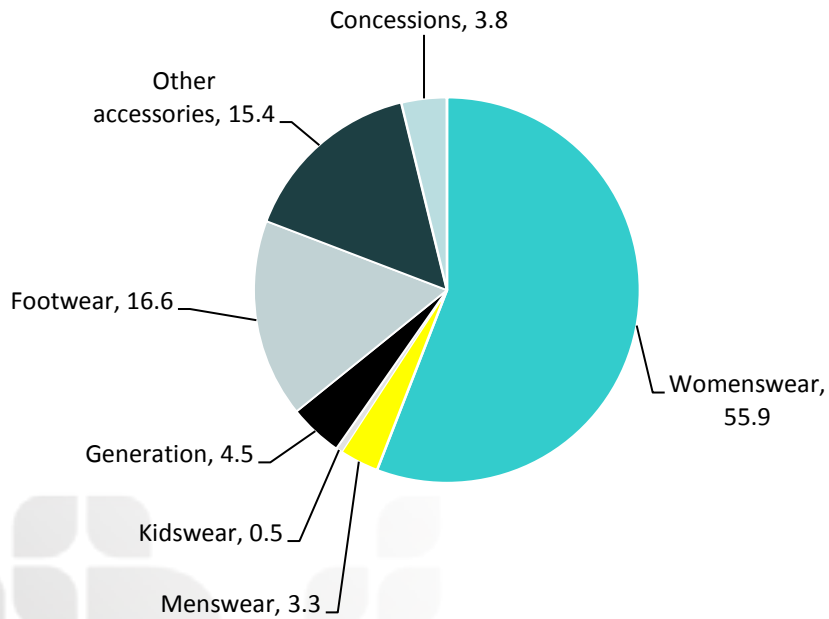
- Strong financial returns:
 - 20 month blended payback for new and relocated stores
 - 24 month internal hurdle rate for new stores
 - LFL sales uplift on refurbished stores c. 6%
- Relocation of smaller stores to larger sites, new store openings and selective store acquisitions
- 180–200k sq.ft. additional UK space budgeted in FY 11

DELIVERABLE ONGOING SPACE EXPANSION

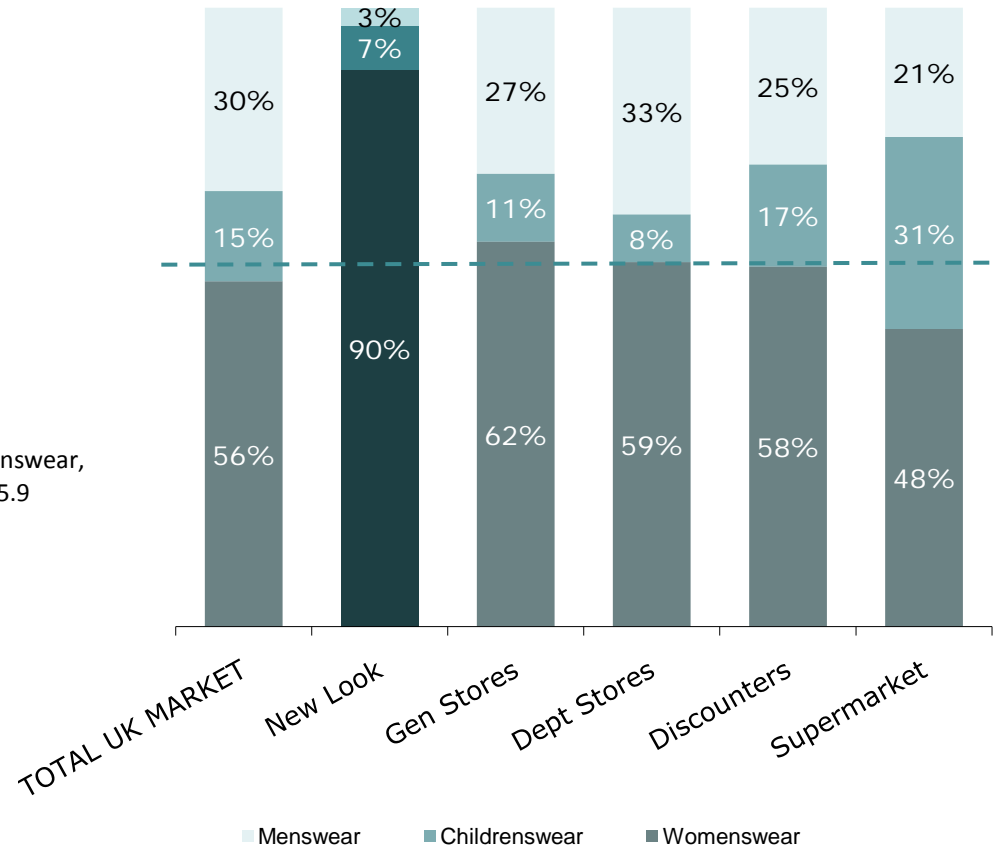


7. OUR GROWTH STRATEGY – PRODUCT

FY10 GROUP SALES BY PRODUCT CATEGORY (%)



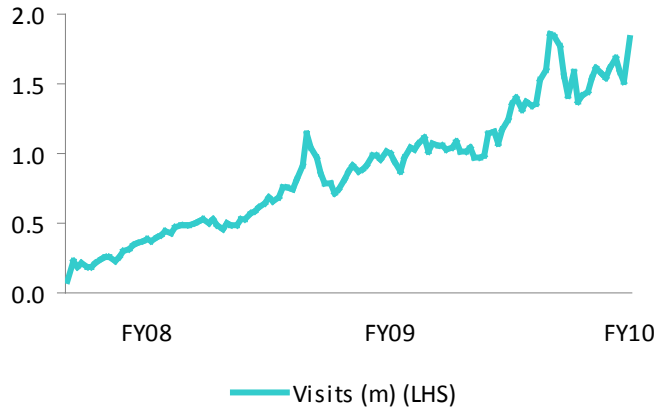
MENSWEAR & CHILDRENSWEAR PARTICIPATION



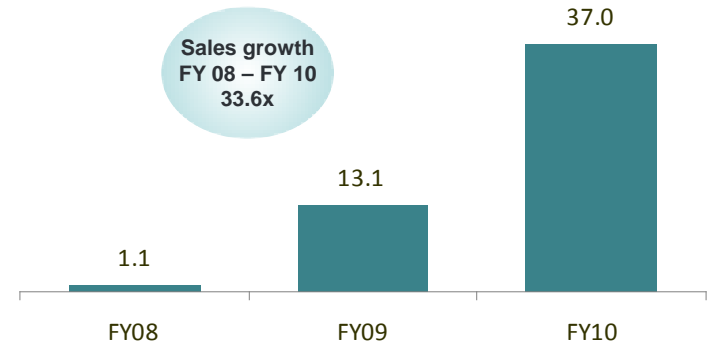
Note: Childrenswear includes teenwear
 Source: Kantar WorldPanel Fashion – 'Womenswear' is the sum of womenswear, lingerie, footwear, accessories and other

7. OUR GROWTH STRATEGY – MULTI CHANNEL

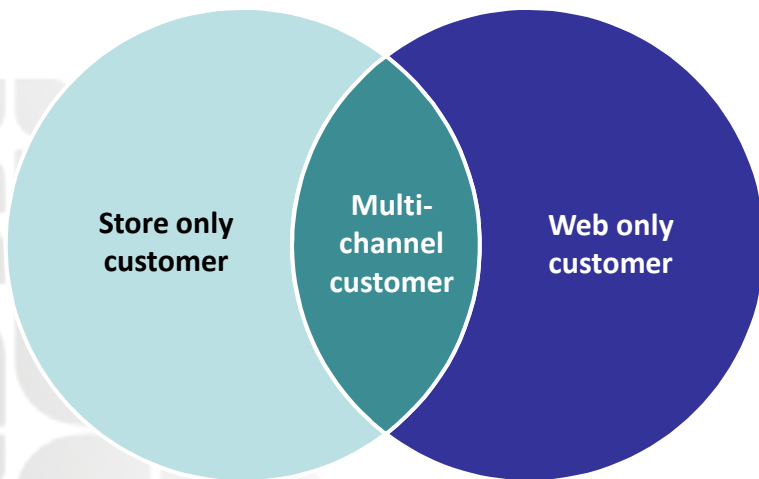
WEBSITE VISITS



E-COMMERCE SALES (EXCL VAT, £M)

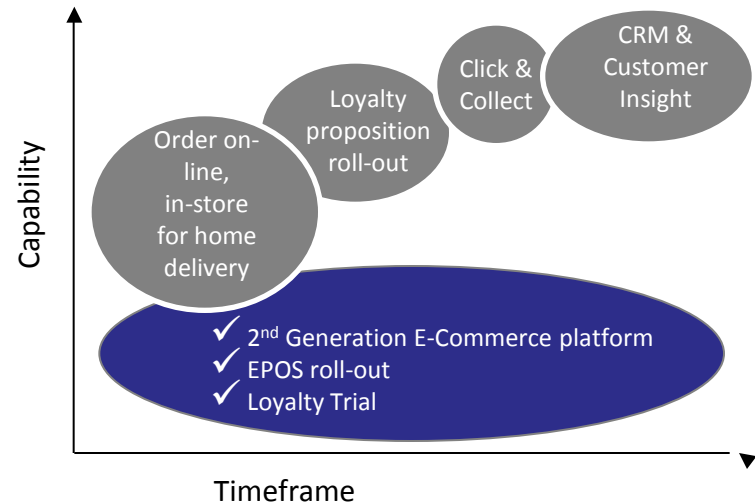


DRIVING INCREMENTAL SALES



Source: Company information

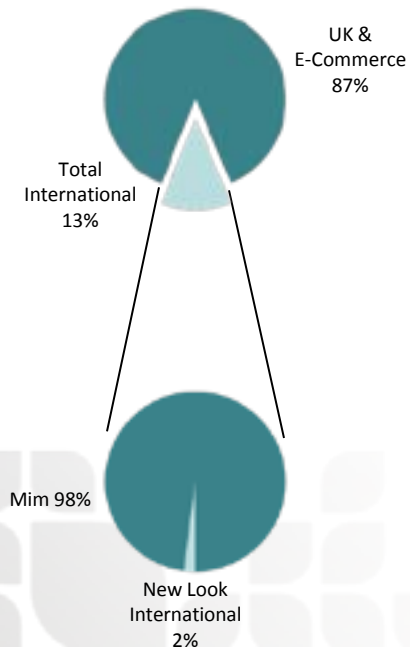
BUILDING CAPABILITY OVER TIME



7. OUR GROWTH STRATEGY – INTERNATIONAL

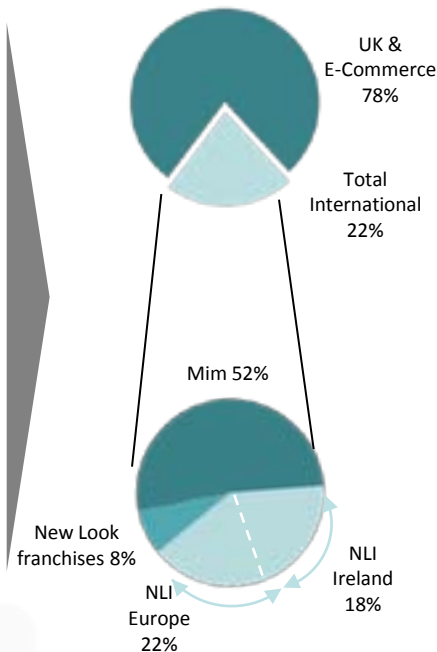
SOLID INTERNATIONAL BASE

FY04 SALES SPLIT



£87M INTERNATIONAL SALES

FY10 SALES SPLIT



£317M INTERNATIONAL SALES

New Look Own Stores*

- 73 stores across Ireland (29), France (29), Belgium (11) and Netherlands (4) and 604k sq.ft. trading space
- Learning gained from trialling different sizes and formats
- Optimal format:
 - cosmopolitan retail markets
 - c. 10,000 sq. ft.
 - target UK financial metrics

Franchise

- 65 stores and 526k sq.ft. across 9 countries
- Low risk, speed to market, no capex
- Supports recognition as an international brand

Mim

- 300 stores and 654k sq.ft. trading space
- Younger, more value conscious “French” brand, less focused on fashion than New Look
- Smaller average store size than New Look (c. 2.2k sq.ft.)
- Operated profitably since acquisition in 2000

* Source: Store and space numbers as at 8 January 2011

8. CONTINUED INVESTMENT

- World-class IT systems and processes
- Distribution centre in Lymedale opened in 2006
 - Lymedale 1: highly automated
 - Lymedale 2: manual, complex items, in-time delivery, E-Comm capability
- UK Space Look and Feel rolling refurbishment programme
 - Focused on improving the customer in-store experience
 - Front of house fixtures
 - Product layout
- Result is a flexible and adaptable operating model
- With no investment humps on horizon



8. STATE OF THE ART DISTRIBUTION CENTRE



- Two separate DC's, with separate computer and fire systems
- Significant operational efficiencies - c. 85% increase in productivity; products delivered to stores 3-6 times per week
- Current 150m units p.a. scaling up to 230m by 2014
- Consolidation hubs in Istanbul and Singapore since 2008, with 22 days lead time saving to Middle East

8. "LOOK & FEEL" STORE REFURBISHMENT

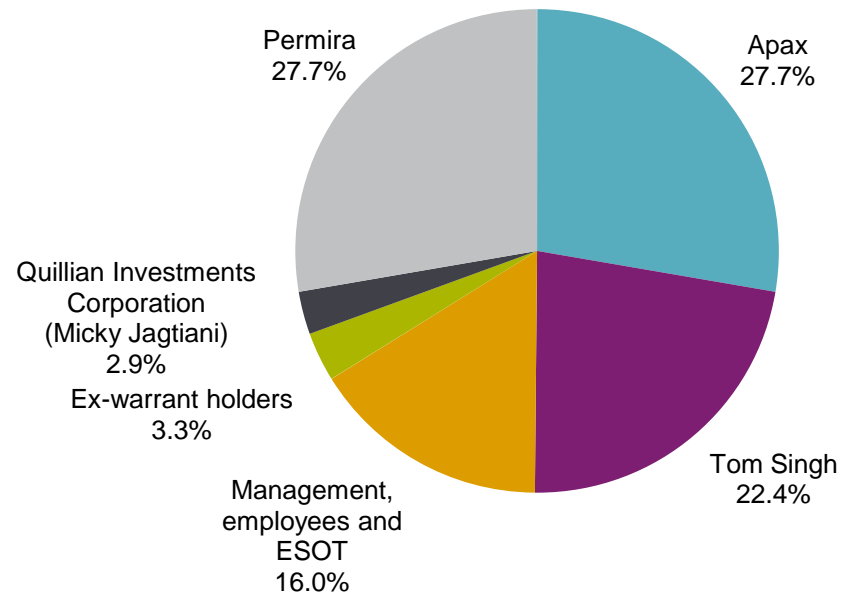


9. OWNERSHIP STRUCTURE

SUPPORTIVE LONG-TERM PE OWNERS

- No pressure from our PE owners to float
- No pressure to refinance or pay down debt
- Why we didn't IPO in 2010:
 - Rapid deterioration in market conditions post publication of ITF
 - not right to sell business at any price
 - Significant employee ownership component

WIDER SHAREHOLDER INTERESTS



10. SUMMARY

- A high-growth, international, value-based fashion retailer
- A leading high-street brand with a fast-fashion approach – defined by the ability to take trends from the catwalk to store in five weeks
- A robust, cash-generative and well-invested business with strong and well defined growth opportunities
- An ambitious and experienced management team that is well positioned to deliver the next phase of the New Look story









look













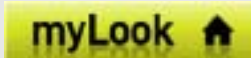

APPENDICES

APPENDIX

Name	Position	Years at NL	Years in retail	Previous experience
 John Gildersleeve	Chairman	1	46	Carphone Warehouse, British Land, EMI, Gallaher, Lloyds TSB Bank, Vodafone and Tesco
 Carl McPhail	CEO	10	29	Selfridges, Arcadia, Burton Group, River Island
 Alastair Miller	CFO	11	11	RAC, BTR, Price Waterhouse
 Will Kernan	COO	12	20	Burtens, Debenhams, Principles, Sears
 Linda Owen	HR Director	3	27	Tesco, The Body Shop
 Nick Cross	Chief Marketing Officer	<1	4	The Foundation, Selfridges, Egg, Bartle Bogle Hegarty, SRU

APPENDIX

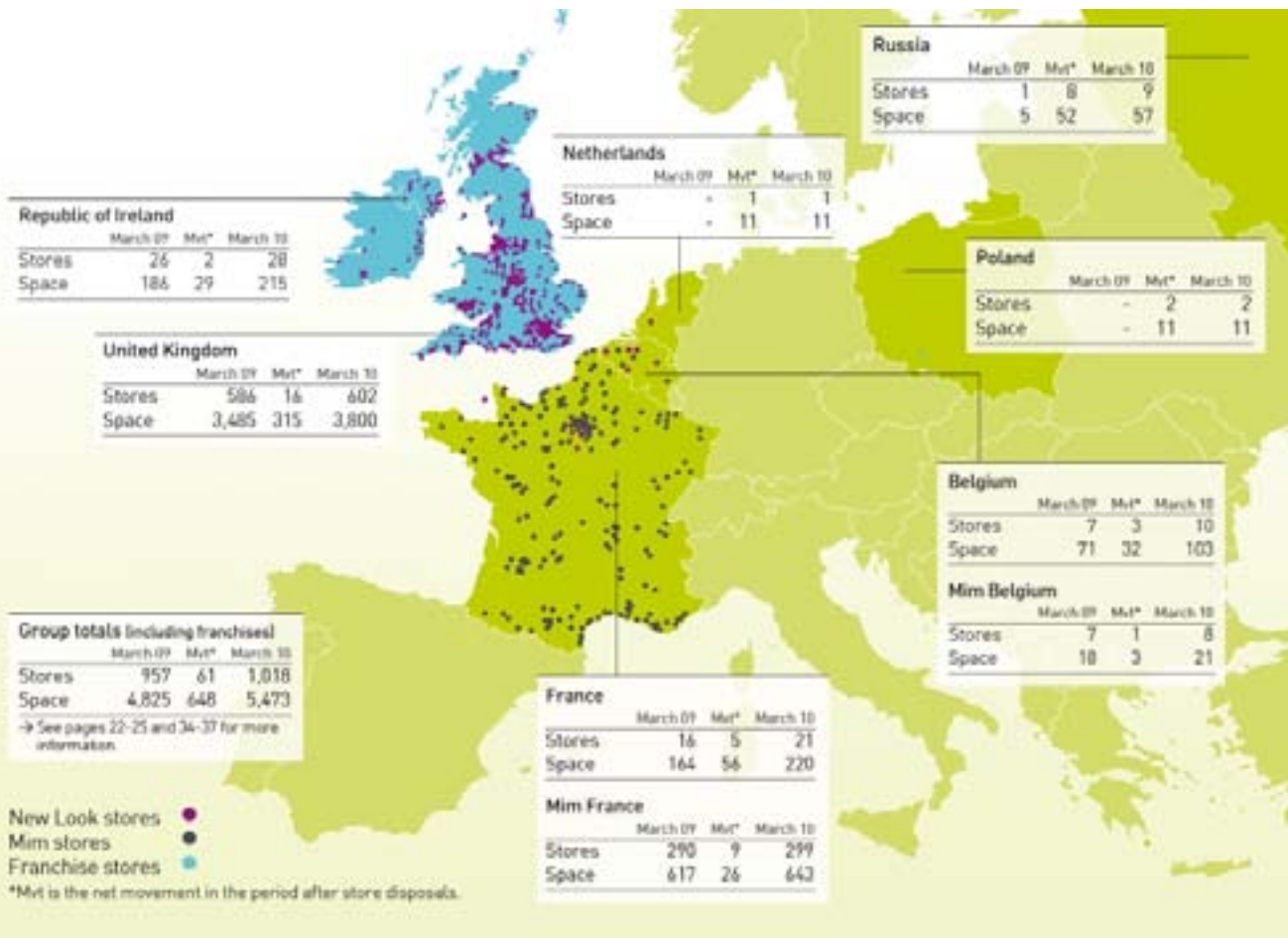
35 YEARS (1969 – 2004) – 2.0m sq. ft. of space, £0.7bn sales*

1969	1997	1998	2000	2001	2003
					
Founded by Tom Singh	Footwear launched	IPO on LSE	Alastair Miller joined	Carl McPhail joined	500 th store opened on Oxford Street, acquisition of Mim completed
2004	2005	2006	2007	2008	2009/10
					
Apax and Permira invested in the business, Tom Singh stepped down from executive role	New state-of-the-art distribution centre opened in Lymedale	First franchise store opened	Transactional website launched	Launched myLook, Carl McPhail becomes CEO	Relocation of headquarters to London, 1000 th store opened in Bath, new flagship in Oxford Circus

5 YEARS (2004 – 2010) – Added 3.5m sq. ft. to reach 5.5m sq. ft. of space, £1.5bn sales*

* NB: Financial years ending March

APPENDIX



APPENDIX



- 5 month turnaround from catwalk to stores in line with fashion cycle (Spring/Summer shows in September, product in store in January)
- 20,500 units purchased
- 90% sell through in 2 weeks
- £328k in sales
- 68% margin

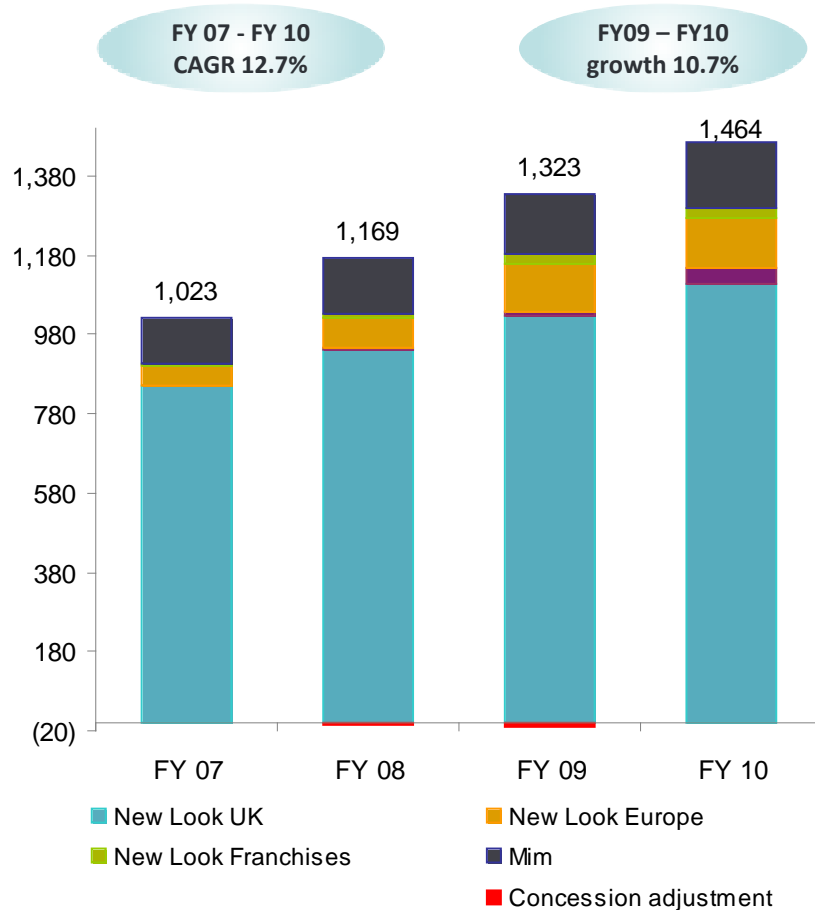
APPENDIX



- Turnaround from celebrity trend to store in 5 weeks
- 8,000 units purchased
- 50% sell through in first week
- £105k in sales in first week
- 65% margin
- Additional 10,000 units purchased following week one's result

APPENDIX

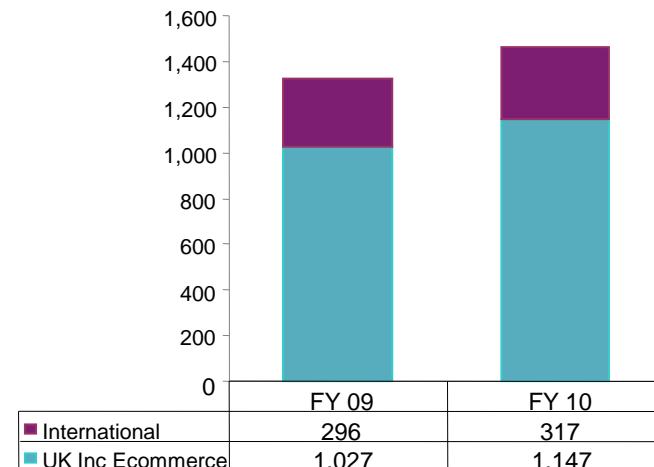
GROUP SALES (£M)



SALES GROWTH

	FY 07	FY 08	FY 09	FY 10
Total group (%)	18.1%	14.3%	13.1%	10.7%
Total UK* (%)	13.9%	10.6%	9.0%	11.6%
LFL UK (%)	(1.0)%	(3.8)%	1.9%	5.0%
Space (%)	14.9%	14.4%	7.1%	6.6%

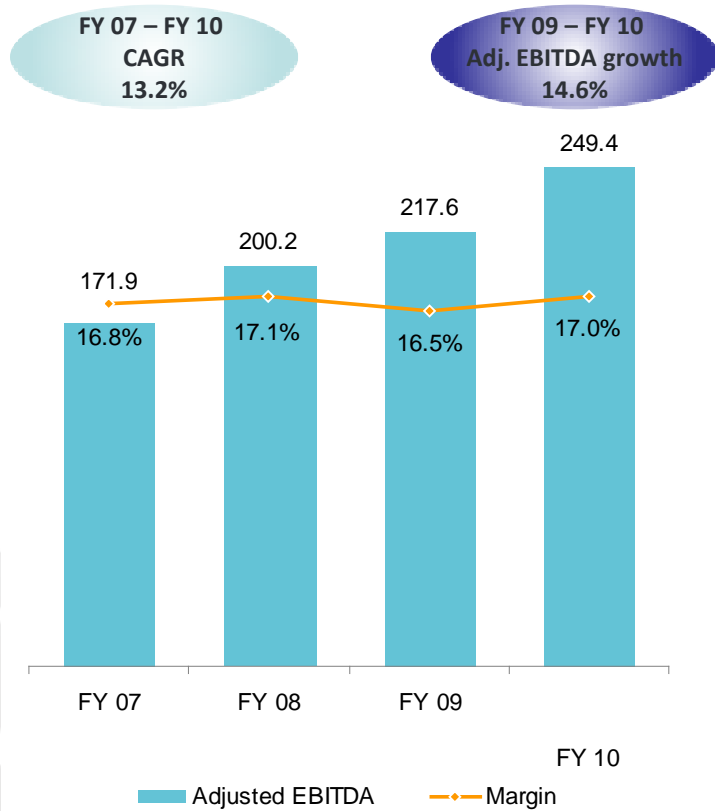
UK & INTERNATIONAL SALES MIX (£M)



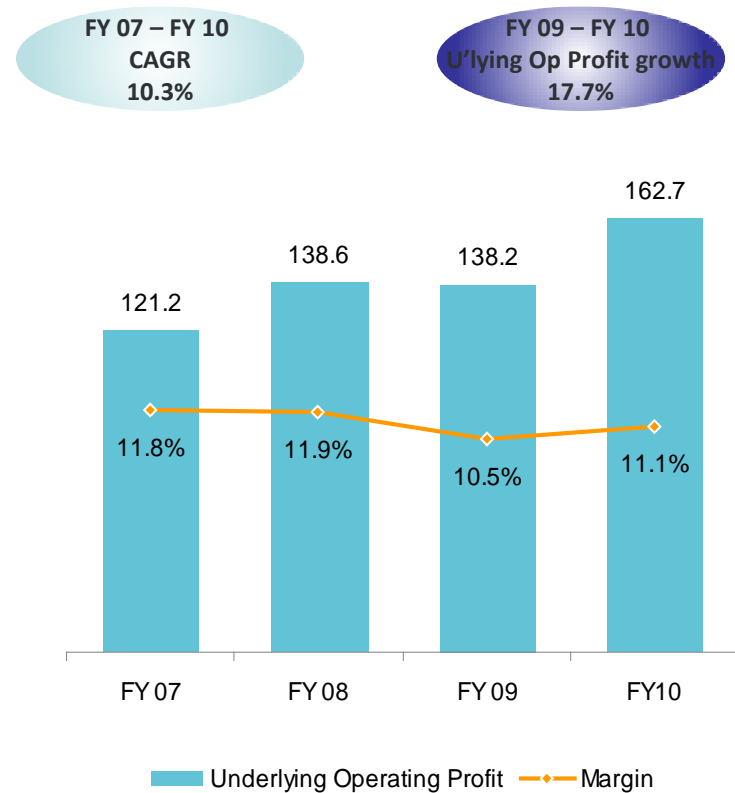
Note: IFRS accounting; Financial year end is March; Sales shown excluding VAT

APPENDIX

ADJUSTED EBITDA (£M)



UNDERLYING OPERATING PROFIT (£M)



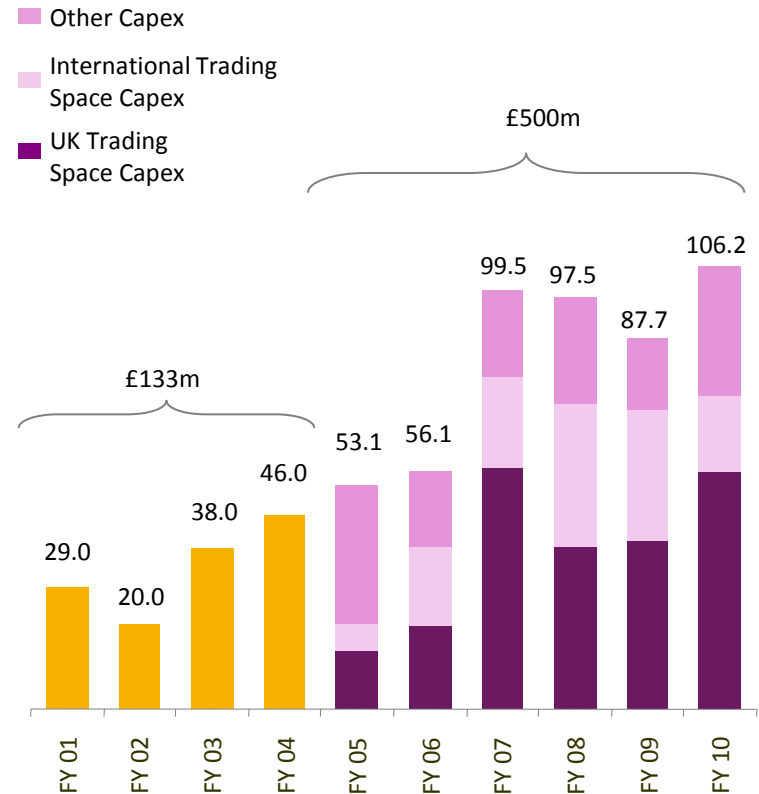
Note: Financial year end is March. Adjusted EBITDA is EBITDA excluding the impact of exceptional items, onerous leases, share-based payments and fair value movement of financial instruments.

APPENDIX

CASH GENERATION ^(a) (£M)

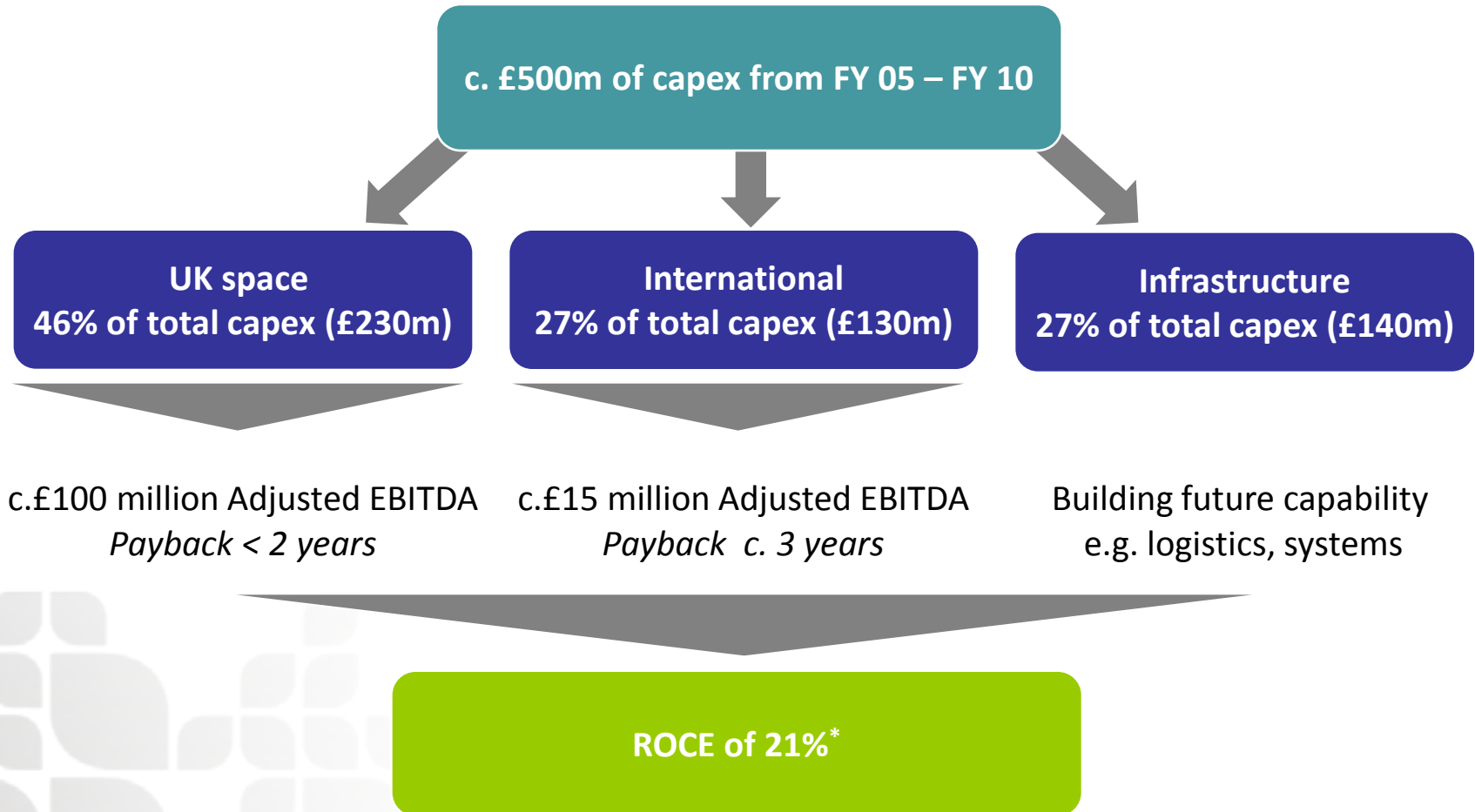


CAPITAL EXPENDITURE ^(b) (£M)



(a) Cash from operating activities pre-exceptionals. Excludes the £45.5m exceptional payment on group reorganisation in FY 07
 (b) Capital expenditure on tangible and intangible assets. FY 01 excludes reverse premium receipts of £1.1m, FY 02 excludes reverse premium receipts of £0.5m, FY 03 excludes reverse premium receipts of £0.7m, FY 04 excludes payments to acquire subsidiary undertaking of £31.4m and disposal of investment in own shares, disposal of tangible fixed assets and revenue premium receipts of £1.1m

APPENDIX



* Calculated as Underlying Op Profit in FY10 / Av Capital Employed (Net assets/liabilities, add back financing, less cash)

INTERIM FY11 HIGHLIGHTS

- Sales £731.1m, +3.2%
- Adjusted EBITDA £119.5m, +1.4%
- Underlying operating profit £73.5m, -5.5%
- Operating profit £72.6m, +1.1%
- Profit before tax £24.2m, +6.1%

SUMMARY INCOME STATEMENT

6 months ending September	H1 11 £'m	H1 10 £'m	YOY%
Revenue	731.1	708.4	3.2%
Cost of Sales	(314.4)	(307.4)	
Gross Profit	416.7	401.0	3.9%
Admin Expenses	(297.2)	(283.2)	
Adjusted EBITDA	119.5	117.8	1.4%
Depreciation & Onerous Leases	(46.0)	(40.0)	
Underlying Operating Profit	73.5	77.8	-5.5%
Exceptionals, Share Based Payments & Fair Value of Financial Instruments	(0.9)	(6.0)	
Operating Profit	72.6	71.8	1.1%
Finance Expenses	(52.9)	(50.4)	
Finance Income	4.3	1.0	
Share of post tax profit/ (loss) from joint venture	0.2	0.4	
Profit/(loss) before taxation	24.2	22.8	6.1%
Taxation	(9.3)	(8.6)	
Profit/(loss) after taxation	14.9	14.2	4.9%

FULL YEAR FY11 GUIDANCE

- LFL sales LFL sales performance to remain subdued
- Group space Net new space 300k sq. ft. (+6%) in FY11
- Gross margin Currency risks, input cost pressures plus higher promotional mix and stock clearance in Q3 imply full year gross margin will be lower YoY
- Costs To be managed tightly but will increase reflecting new space
- Working capital Neutral
- Capital expenditure c. £90m

For Investor Relation and Shareholder queries:

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