FY11 Results

8 June 2011

Agenda

- Introduction – Alistair McGeorge, Executive Chairman
- Financial update – Alastair Miller, CFO
- Summary remarks – Alistair McGeorge, Executive Chairman
- Appendices

Financial Update

Alastair Miller

CFO

Financial highlights

- Sales £1.46bn, level YoY
- Group LFL sales (ex VAT), -5.5%
- Adjusted EBITDA, £190.2m, -23.7%
- Underlying operating profit £98.0m, -39.8%
- Cash generation £141.7m, -36.8%

Group income statement

Summary income statement (£m)

	FY11 £'m	FY10 £'m
Revenue	1,461.2	1,463.6
Cost of sales	(673.6)	(634.2)
Gross Profit	**787.6**	**829.4**
Gross profit %	***53.9%***	***56.7%***
Admin expenses	(689.2)	(695.4)
Operating Profit	**98.4**	**134.0**
Operating profit %	***6.7%***	***9.2%***
Finance income	2.7	3.4
Finance expense	(101.2)	(101.8)
Share of post tax profit from joint venture	0.1	0.4
PBT	**0.0**	**36.0**

Operating profit	98.4	134.0
Exceptional items	3.6	22.5
Share based payment expense	1.1	10.1
Fair value movement of financial instruments	(5.1)	(3.9)
Underlying operating profit	**98.0**	**162.7**

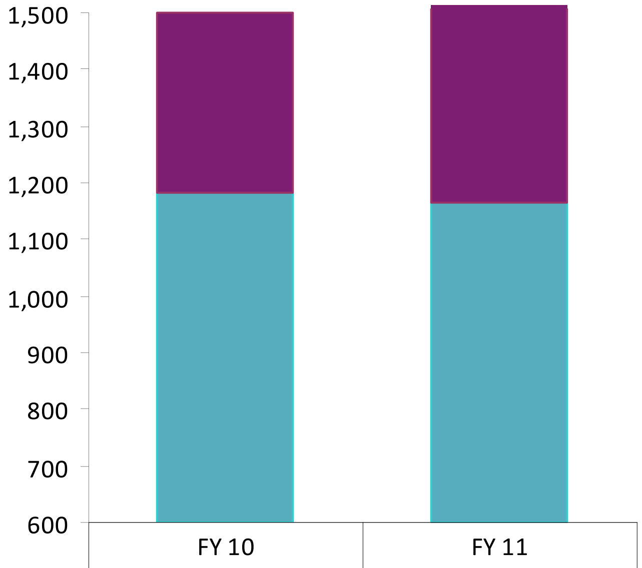
Underlying operating profit	98.0	162.7
Depreciation	84.9	76.8
Onerous lease charge	7.3	9.9
Adjusted EBITDA	**190.2**	**249.4**

Key highlights

- Sales £1,461.2, -0.2%
  - Growth of e-commerce
  - Improved Mim performance
  - But UK business has under-performed
- Reported gross margin decline, -280bp
  - Supply chain cost inflation
  - Higher markdown & promotional activity
- Tightly controlled operating costs
- EBITDA £190.2m, -23.7%
- Underlying operating profit £98.0m, -39.8%

Group sales growth

Group sales * (£m)



	FY 10	FY 11
International	317	348
UK Inc E-com	1,182	1,166

	FY10	FY11
Sales mix		
International	21.2%	23.0%
UK Inc E-comm	78.8%	77.0%

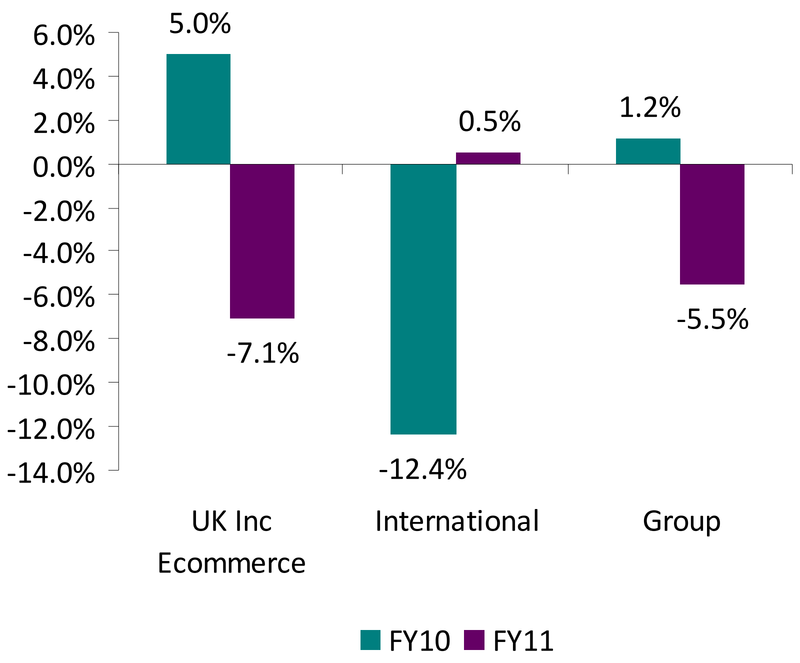
Group sales * (% chg)

	FY11	FY 10
Total Sales Growth %		
UK Inc Ecommerce	-2.8%	11.9%
International	9.5%	6.3%
Group	**-0.2%**	**10.7%**
LFL %		
UK Inc Ecommerce	-7.1%	5.0%
International	0.5%	-12.4%
Group	**-5.5%**	**1.2%**
Space Contribution %		
UK	4.3%	6.9%
International	9.0%	18.7%
Group	**5.3%**	**9.5%**
Closing Square Footage ('000 sq ft)		
UK	3,985	3,800
International	1,802	1,672
Group	**5,787**	**5,472**

** Pre statutory adjustment for concession income*

LFL sales performance

LFL performance * (%)



Key drivers

UK LFL decline of 7.1%* driven by:

- Weak economic backdrop
- Tough comparatives
- Disruption associated with BMD move

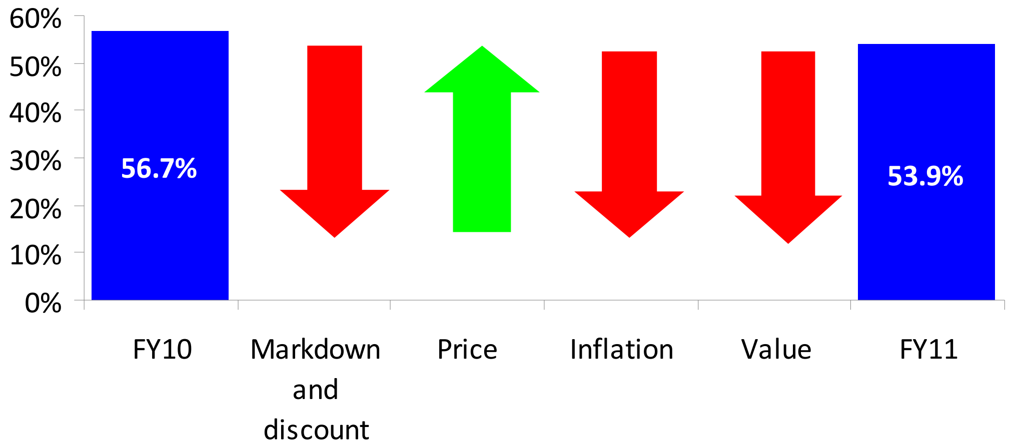
International business is less affected:

- Market recovery in Continental Europe, including MIM

** Pre statutory adjustment for concession income*

Gross margin analysis

Gross margin bridge (%)



Key drivers

Reported gross margin down 280bp:

- Increased markdown and discounting
- Input cost inflation
- Higher mix of value lines

Partially offset by:

- Price increases in Q4

Tightly controlled operating costs

Operating cost breakdown (£m)

	FY11 £m	FY11 YOY growth	FY10 £m
Branch employee costs	174.2	5.4%	165.2
Branch rent	165.2	4.9%	157.5
Other branch costs	155.7	4.6%	148.8
Central and marketing costs	110.9	(6.6%)	118.8
Exceptional items	3.6	(84.0%)	22.5
TOTAL OPERATIONAL ADMIN COSTS	609.6	(0.5%)	612.8
Depreciation and amortisation	72.3	(0.6%)	72.7
Onerous Lease	7.3	(26.3%)	9.9
TOTAL COSTS	689.2	(0.9%)	695.4

Key drivers

Branch costs:

- Annualised space increases
- Inflationary pressures offset by operational cost savings

Central costs:

- Operational cost savings
- Increased marketing activity

Exceptional items:

- Accelerated depreciation charge in FY11
- Costs associated with IPO and relocation of teams to London in FY10

Summary cash flow statement

Cash flow (£m)

	FY11 £'m	FY 10 £'m
Operating Profit	98	134
Non Cash Items	78	80
Change in working capital	(6)	31
Tax	(22)	(15)
Other	(6)	(5)
Net cash from operating activities	**142**	**225**
Capex	(80)	(97)
Repayment of borrowings	(40)	(40)
Interest	(35)	(40)
Exchange & Other	(2)	(3)
Net (decrease) / increase in cash	**(15)**	**45**
Opening Cash	206	161
Closing Cash	191	206

Key drivers

- Decline in operating profit has had a direct impact on the net movement in cash
- Inventories up year on year:
  - New space openings
  - Supply chain inflation
  - Early intake for SS11 collection
- Capex reduced to reflect fewer store investment opportunities
- Scheduled debt repayments of £40 million relating to Tranche A senior debt

Summary balance sheet

Balance sheet (£m)

	FY11 £'m	FY 10 £'m
Non-Current Assets	**1,057**	**1,073**
Inventory	150	126
Other (exc. Cash)	67	89
Current Assets	**216**	**215**
Total assets (exc. Cash)	**1,273**	**1,289**
Trade Payables	(139)	(97)
Accruals & Other Payables	(132)	(190)
Other (exc. Debt)	(18)	(36)
Current Liabilities	**(289)**	**(323)**
Deferred tax liability	(89)	(94)
Other (exc. Debt)	(113)	(107)
Non-current liabilities	**(202)**	**(201)**
Net Assets (exc. Net Debt)	**781**	**764**
Net Debt	**1,070**	**1,033**

Key drivers

- Inventory position reflects increase in space, supply chain inflation, and early intake for SS11 collection
- No material debt maturities due before 2013
- Continue to evaluate best use of surplus cash

Summary remarks

Alistair McGeorge

Executive Chairman

Summary remarks

- Why I took this job
- My perspective on New Look
- Outlook

Appendices

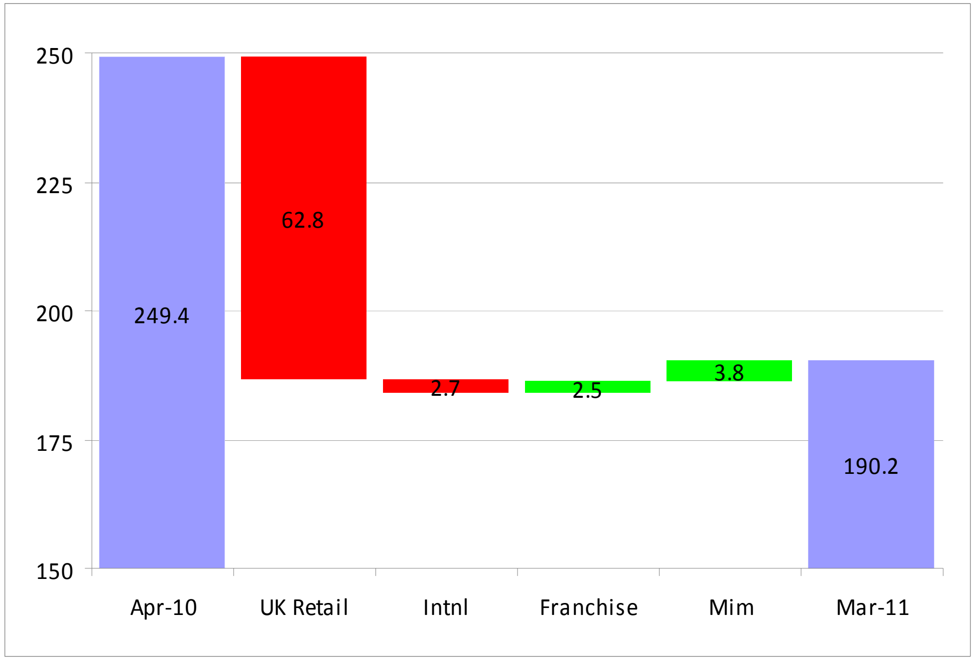
Strong management team

Appendix

	Name	Position	Years at NL	Years in retail	Previous experience
	**Alistair McGeorge**	Executive Chairman	<1	17	Matalan, Littlewoods plc
	**Tom Singh**	Commercial Director	42	42	Founder and shareholder
	**Alastair Miller**	CFO	10	10	RAC, BTR, Price Waterhouse
	**Will Kernan**	COO	10	20	Burtons, Debenhams, Principles, Sears
	**Guy Lister**	CMO	4	25	M&S, River Island

Group adjusted EBITDA

Group Adjusted EBITDA bridge (£m)



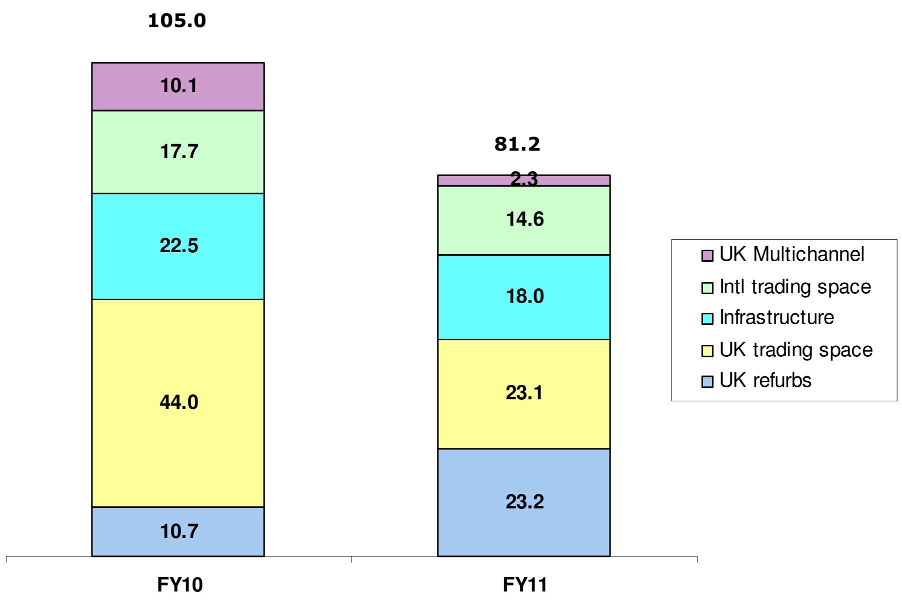
Key drivers

- Market deterioration and tough comparables impacted UK Retail LFL and therefore Group adjusted EBITDA
- Internal disruption from BMD relocation
- Good performance from Mim, showing year on year recovery after a difficult year in FY10
- Profit growth in the franchise markets

Capital investment

Appendix

Capital expenditure (£m)



Investing for returns

- Group space increased by 5.7% at year end, from 5.5 million sq ft to 5.8 million sq ft
- Store openings increased presence in both owned and franchise markets
- Further 163 stores had "Look & Feel" upgrade; 54% of the UK estate has now been rebranded
- Paybacks remain healthy

No immediate refinancing pressures

Appendix

Current debt structure (£m)

	As at 27 March 2010	As at 26 March 2011	Mvmt
Senior A, B, C	(498.9)	(457.7)	41.2
Second Lien D	(80.0)	(80.0)	0.0
Mezzanine	(71.4)	(75.4)	(4.0)
PIK debt	(591.4)	(650.6)	(59.2)
Total debt	(1,241.7)	(1,263.7)	(22.0)
Less cash at bank	206.3	190.6	(15.7)
Net debt	(1,035.4)	(1,073.1)	(37.7)

Covenants

- Servicing of debt is funded through cash flow
- Mezzanine and PIK debt mature in 2016 (FY15)

Senior debt maturity profile

	FY12	FY13	FY14	FY15
Senior A	25	13		
Senior B		111	111	
Senior C			100	100
Second Lien D				80

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Thank you