Company number: 1618428

New Look Retailers Limited

Directors' report and financial statements

For the 53 weeks ended 30 March 2013

New Look Retailers Limited

Directors' report and financial statements
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New Look Retailers Limited

Directors' report

The Directors present their report and the audited financial statements of New Look Retailers Limited ('the Company') for the 53 weeks ended 30 March 2013 (comparatives for the 52 weeks ended 24 March 2012)

PRINCIPAL ACTIVITIES

The principal activity of the Company is the retailing of clothing, footwear and accessories under the "New Look" brand through stores in the United Kingdom (UK) and the Isle of Man, online and through franchise partners in the Middle East North Africa, Russia, Poland Singapore, Ukraine, Malta, Indonesia, South East Europe, the Balkans, Azerbaijan, Armenia, Georgia and Thailand

New Look is a leading clothing and accessories retail business with a strong market position in the UK both in-store and online and a growing international footprint New Look's vision is to be the chosen brand for an inspiring, accessible fashion experience

During the financial period, the Company opened 2 new stores, relocated 4 stores and closed 17 stores reducing the total number of UK stores to 587 (2012 598) Through franchise partners, the Company extended its franchise stores total to 126 with entry into five new markets, Armenia, Azerbaijan, Georgia, Libya and Thailand The Company operates a product supply joint venture in Turkey

STRATEGIES AND OBJECTIVES

The long term goal for the Company is to continue to grow the multi-channel opportunity and to further expand its International business through own stores, partnerships and franchise partners, and to support New Look Retail Group Limited and its subsidiaries ("the Group") to be the chosen brand for an inspiring, accessible fashion experience

New Look aims to achieve this through the following five strategies

Brand – Brand investment continues to be focussed on the in-store refurbishment programme we've coined as the 'Concept' fit-out to align our product and customer experience This programme is fundamental to providing a consistent customer experience that reinforces our brand promise and drives value through increased perceptions of quality, value and range

People – The focus is leadership, attraction, retention, and "must have" administrative functionality whilst creating a clear and compelling Employee Value Proposition (EVP)

Product – We must continue to offer the right product, at the right time with the right quantity, through the right channel and at the right price Our product will exceed customer expectations and have consistent handwriting Inventory levels will be tightened further and we will continue to exploit short lead times to improve our buying decisions and help mitigate inherent fashion risk This will allow us to maintain reduced markdown events and improve gross margin

International – The Group will continue to build a global brand by understanding the local customer with a development strategy that works both globally through markets and models and locally through its value proposition Another key driver is to have the appropriate product offer through efficient supply chain and sourcing The Company will also continue to build on its existing franchise businesses which traded from 126 stores as at 30 March 2013 (2012 103)

Multi-channel – The main focus is to ensure we are delivering the brand messaging consistently through every channel and to consistently and creatively deliver an end-to-end customer experience by having systems and process synergies across all channels This will enable us to leverage optimum performance and invest to grow profitable channels

We will continue to build on our growing social media platforms and maintain dialogues with our customers We aim to be the number 1 fashion retailer for customer engagement through creative social media content, our passionate people and store events

New Look Retailers Limited

Directors' report (continued)

BUSINESS REVIEW

The period ended 30 March 2013 has seen New Look build on the growth achieved in the second half of FY12 Despite continuing macro-economic challenges and low consumer confidence, the improved performance signals not only a continuing focus on cost efficiencies but also the drive to strengthen the appeal and profitability of product ranges and the environments (both real and virtual) in which they are presented

Increases in revenue, 3 5% to £1,248 5 million and adjusted EBITDA, 23 8% to £197 9 million reflect the benefits of the Company's store refurbishment programme and expanding e-commerce activities Throughout FY13, the focus has been on ensuring that New Look's product offer was more appealing and accessible in terms of design quality price and availability without compromising our reputation for "newness"

Further details of KPIs can be found on pages 39 to 46 of the Annual Report and Accounts 2013 of New Look Retail Group Limited on www newlookgroup com

The marketplace

Consumer confidence shows little sign of recovery in the UK, where concerns such as rising living costs, fuel cost inflation a difficult employment market and fiscal austerity measures continue to affect overall spending capacity Although consumers may be more cautious than ever about discretionary spend on items such as clothing and footwear, the value segment continues to out-perform the broader UK clothing market demonstrating a structural shift in shopping habits towards value brands that offer style and quality at modest prices

As e-commerce continues to grow at the expense of traditional high streets, retailers with a strong multi-channel presence are reaping the benefits from changes in shopping behaviour Today's cautious consumers are increasingly likely to use a variety of channels to browse and make comparisons ahead of any purchase

UK space expansion and refurbishment

To ensure New Look has an appropriate presence in the most desirable shopping destinations, we have remained opportunistic in respect of potential new locations and relocations while taking into account the projected needs of the business in an era when rapid e-commerce growth is impacting on traditional high street shopping During the financial period the Company closed 17 stores as part of a strategic lease review programme and its ongoing drive towards optimisation and right-sizing of its real estate portfolio

In FY13, the in-store customer experience was improved in 133 UK stores through the Concept refurbishment programme The plan is for all remaining stores to be refurbished over the next three years

New Look Retailers Limited

Directors' report (continued)

BUSINESS REVIEW (continued)

Development and broadening of product range

New Look was the second largest retailer by value in UK womenswear, with a 5 8% market share We retained our number one volume share in denim We also remained number one in dresses by volume and number two by value*

Overall, New Look was measured number one brand by value in the womenswear, footwear and accessories market for UK women under 39* and around 44%* of the entire UK female population bought an item of womenswear from us during the financial year

We have tightened control of buying and merchandising activities Our strategy included greater control of buying commitments, a much more flexible approach to forward ordering, our "first price, right price" pricing policy, strong markdown management, and fewer sales events

Greater flexibility within our supply chain gave us shortened lead times This helped us not only hit key trends but support them at their peak and our retention of flexibility in buying commitments allowed us to back the year's biggest winners At the same time we drove greater consistency in quality and fit - a focus which reduced the quantity of returns and refunds

We continued to roll out our "Label Lounge" - a special boutique-style focus of premium womenswear developed by key suppliers and presented with distinctive non-New Look labelling to complement our core ranges This replaced some low margin concessions in stores (and additionally available online), generating a positive contribution to revenue and margin

Growth in multi-channel offering

Our online sales continued to advance strongly during FY13 with growth of 50 1% compared to the previous financial period We continued to provide a greater choice of service options for our customers, including 'Click and collect and Order in store We have expanded and enhanced our various e-commerce platforms, which now comprise our transactional website plus mobile and tablet applications

In January 2013 we transferred the fulfilment and distribution of e-commerce products in-house We expect this will result in significant cost efficiencies, further improvement of our stock control levels and a better service for our customers

As well as directing traffic to our transactional website, our online magazine and blog, NL Daily, provides lively fashion news and showcases New Look products and promotions We also maintain a dialogue with our customers through social media platforms such as Facebook and Twitter At 30 March 2013, we had approximately 2 0 million Facebook "likes" and 93,000 followers on Twitter and during the financial period, NL Daily received approximately 3 7 million visits

*Source KantarWorldpanel 52 w/e 17 March 2013

New Look Retailers Limited

Directors' report (continued)

BUSINESS REVIEW (continued)

International development through our franchise partners

Our International business continued to expand its global reach with Franchise now represented by 126 (2012 103) partnership stores across 20 (2012 14) markets The Franchise business saw a small decline in revenue of -0 2% year on year, due to the incremental increase in stores being offset by the financial difficulties experienced by our Russian partner that saw a slow down in the amount of product being sold

Country	Franchise partner	Stores 30-Mar-13	Space (sq ft) 30-Mar-13	Stores 24-Mar-12	Space (sq ft) 24-Mar-12
Middle East / North Africa	Landmark	57	380,000	52	352 000
Russia	Delta Sport Russia	19	134 000	20	150 000
Poland	Ultimate Fashion	11	62 000	8	51 000
Singapore	Jay Gee	6	30 000	5	29,000
Malta	Hudson International	3	18 000	3	18,000
Ukraine	Delta Sport Ukraine	5	24 000	3	20 000
Indonesia	PT Map	8	32,000	3	14 000
Romania	Fourlis	7	29 000	4	19 000
Montenegro	Delta Holding	1	5 000	1	5 000
Morocco	Aksal	1	7 000	1	7 000
Serbia	Delta Holding	1	3 000	1	3 000
Croatia	Delta Holding	2	10 000	2	10 000
Azerbaijan	Alhokair	1	5 000	-	-
Armenia	Alhokair	1	6 000	-	-
Georgia	Alhokair	1	5 000	-	-
Libya	Hudson International	1	4 000	-	-
Thailand	Map Active	1	4 000	-	-
Total		**126**	**758,000**	**103**	**678,000**

Principal risks and uncertainties

It is recognised that the Company at any point in time is exposed to a number of risks The following table details the most significant risks as identified by the Board together with the relevant mitigation It should be noted that any system of risk management and internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss

Risk type	Description of risk	Risk mitigation
External/strategic risks		
Unfavourable economic conditions	• Consistent fall in customer spending and erosion in consumer confidence as a result of prolonged economic downturn and other macro-economic factors • Uncertainty over international economic climate	• The latest independent market information fully reflected in our internal plans and forecasts • Adapting to the changes in core customers disposable incomes through the delivery of a compelling product range (fashion value and newness) at competitive prices • Regular reviews and forecasting process to enable actions reflecting current market climate

New Look Retailers Limited

Directors' report (continued)

BUSINESS REVIEW (continued)

Principal risks and uncertainties (continued)

Risk type	Description of risk	Risk mitigation
Competition	• Loss of market share to rival value operators • Ease of entry to market via e-commerce and attractive opportunities arising from depressed property market	• Investment in Brand to differentiate New Look from other value fashion retailers • Maintenance of our value fashion proposition through appropriate price architecture as well as desirable, on-trend product ranges • Cohesive multi-channel strategy to secure our brand s significance in the digital as well as physical marketplace
Business strategy development and implementation	• Failure to adopt the right business strategy in a very difficult consumer market (both Home and International) would prove critical to the success of the business • Distractions of high profile projects from day to day business needs	• Macro-economic and industry-specific trends affecting the Group are constantly reviewed • The annual budget and 3 year planning process identifies key drivers to increasing sales and EBITDA • Monthly measures are in place to measure performance against key attributes of the business strategy

Operation risks

Product design and proposition	• Failure to maintain our reputation for compelling fashion at attractive prices • Inability to respond swiftly to changing customer preferences and key trends	• Effective adoption of target customer profiling to better inform buying decisions • Stronger integration of buyers and designers working closely with suppliers • Robust and transparent process for trialing and evaluating emerging trends and reviewing feedback mechanisms • Development of open costing approach to ensure our value offering is maintained
Sourcing strategy	• Lack of speed and flexibility in the supply chain, leading to greater risk in buying decisions and potential loss of margin through higher markdowns • Disruption to supply chain arising from strikes, civil unrest, political turmoil or natural disasters • Ethical standards failure within the supply chain, leading to reputational damage to our brand	• Sourcing team strengthened and given greater responsibility for maintaining an efficient and effective supply chain • Suppliers treated as key business partners, working to shared objectives such as reduced lead times, enhanced quality control and better employment practices • Regular review of supply chain and routes to maximise flexibility and sustain fulfilment of all supply demands • Pro-active membership of the ETI (Ethical Trading Initiative) and structured audit process for all factories in supply chain
Stock management	• Ineffective controls over the management of stock could impact either gross margin or product availability	• Policy of maintaining open-to-buy ensuring effective response to emerging trends and improved ability to have enough of the right product available (in-store and online) at the right time • Regular reviews and forecasts ensure that stock orders can be adjusted where appropriate • The use of data analytics looks to optimise stock allocation and replenishment

New Look Retailers Limited

Directors' report (continued)

BUSINESS REVIEW (continued)

Principal risks and uncertainties (continued)

Risk type	Description of risk	Risk mitigation
Leadership	• Failure to attract or retain talent, departure of key personnel • Lack of leadership at all levels to deliver the key business strategies	• Establishment of clear leadership message identifying our primary objectives plus the five pillars of the business brand, people, product, international and multi-channel • Regular reviews of management structure to ensure capability and succession • Regular, effective performance reviews, leadership assessments, and training and development in place • The Remuneration Committee ensures appropriate incentive plans are in place
Multi-channel	• Failure to meet customer expectations across all channels undermining our multi-channel proposition • Lack of cohesion between channels confusing or compromising the customer experience	• Detailed review of all channels and a 'one voice policy to ensure customer expectations are consistently met • Fulfilment operation brought in-house to increase control and efficiency • Increased focus on data analytics and social media
International expansion	• Continuance of a tough international economic climate • Failure to secure entry into markets of choice or problems in partner selection • Failure to grow the international business successfully through franchise operations, wholly-owned businesses and e-commerce	• Increased International experience on main Board • Clear focus on best territories for future growth, plus best trading model for country • Careful analysis of cultural fit with the New Look brand and thorough due diligence of partners • Product ranges selected and developed to ensure relevance in different markets
IT systems and business continuity	• Inability of systems to process core transactional data or to provide key decision-making reporting • Systems failure compromising security or fulfilment of online transactions • Data protection failure leading to potential prosecution and reputational damage to our brand	• Investment in new and ongoing IT systems is key part of the business strategy • Back-up procedures are in place to deal with any short-term or specific loss of data and business continuity plan is in place and is tested, to deal with any serious incident or loss of systems capability • Provision of secure externally hosted data storage facilities • Working towards PCI compliance next year
Warehousing and distribution	• Failure to maintain the infrastructure required to support a growing international multi-channel fast-fashion business • Inability to recover from a major incident	• Enhancement of the purpose-built site at Lymedale to cope with the growth of the business • Review of International supply chain as business develops globally • Business continuity plans developed and tested for all locations and operations throughout the Group

New Look Retailers Limited

Directors' report (continued)

BUSINESS REVIEW (continued)

Principal risks and uncertainties (continued)

Risk type	Description of risk	Risk mitigation
Financial risks		
Credit risk and liquidity	• The Group's level of indebtedness tough financial markets and exposure to interest and currency rate volatility could constrain the business and its ability to grow	• Regular review of the Group's current debt position and potential interest and currency rate exposure • Treasury policy in place, aiming to hedge interest and currency rates over the medium term • Weekly cash flow forecasting and quarterly covenant reporting
Cost inflation	• Escalation of supply chain costs arising from factors such as wage inflation or increases in raw material prices • Increased fuel and energy costs, impacting on distribution or store and head office operational costs	• Transparent pricing throughout all levels of supply chain • Wage increases offset by improvements in productivity • Review of pricing order to determine scope for changing price architecture • Cost efficiency process in place and drive to control and contain energy usage

FINANCIAL REVIEW

The success of our improvement plan, which focussed on cost reduction, improved margins and revenue growth, resulted in an increase in adjusted EBITDA to £197 9 million

	Change %	2013 53 weeks	2012 52 weeks
Turnover (£m)	**+3 5**	**1,248 5**	1 205 8
UK Space (sq ft (k))	**-0 02**	**4,024.6**	4,025 4

Turnover

Strong growth in multi-channel sales saw Turnover for the Company increase by 3 5% in the 53 weeks to 30 March 2013 as we provide greater choice of service options for our customers The 53rd week added an additional £20 6m of Turnover and £3 8 million of adjusted EBITDA

Revenue growth has also been driven by the continued benefits derived from the increasing number of stores refitted with the 'Concept' format Also, the substitution of some concessionnaires with our own 'Label Lounge' in-house premium womenswear product has contributed positively to both Turnover and Gross margin

Multi-channel development

Our multi-channel business continues to grow, with New Look having a presence in over 120 countries, reaching destinations in Asia, Central and South America, Africa and the Middle East Total e-commerce revenue increased 50 1% ahead of FY12

We developed our transactional website at newlook com, improving design and functionality as well as product presentation and adding additional features including rotating images on the home page We also extended the breadth of product choice available online to include a greater number of "exclusives" plus selections from famous name brands unavailable in-store

Our variety of convenient lifestyle-reflective service options (including order in store and click and collect) and the faster turnaround made possible by the switch to in-house fulfilment further enhanced the attractiveness of our e-commerce proposition

We embraced a new raft of online marketing opportunities including direct emailing alongside cost effective promotional initiatives such as our festive-themed fashion films (posted on Facebook and YouTube as well as newlook com) featuring Christmas partywear plus the hugely successful onesie

New Look Retailers Limited

Directors' report (continued)

FINANCIAL REVIEW (continued)

***PROFIT* (£m)**	Change %	**2013 53 weeks**	2012 52 weeks
Adjusted EBITDA*	**+23.8**	**197.9**	159 8
Depreciation		**(60 5)**	(64 6)
Amortisation		**(20.0)**	(20 0)
Onerous lease charge		**(1 0)**	(3 8)
Operating profit (before exceptional items and share based payments)	**+63.0**	**116.4**	71 4

** Management monitors financial performance monthly using an adjusted EBITDA measure principally adjusting operating profit for non-cash items including depreciation amortisation exceptional items share based payment charges and the profit and loss charge in relation to the Company's onerous lease provision*

Adjusted EBITDA

In addition to the 3 5% increase in turnover, gross margin strengthened by 1 8 percentage points to 54 4% This was due largely to tighter stock control and the optimisation of our buying and merchandising activities, through a much more flexible approach to forward ordering, has contributed to reducing the volume of stock subject to discounting This and the focus on cost reduction and control of all areas of spend impacted positively on EBITDA, increasing £38 1 million to £197 9 million (2012 £159 8 million)

Operating profit (before exceptional items and share based payments)

The charge for depreciation in the period decreased from £64 6 million to £60 5 million reflecting the changes we have made to our store portfolio Operating profit (before exceptional items and share based payments) increased by 63 0% from £71 4 million to £116 4 million

Exceptional items

An operational exceptional charge of £10,877 000 (2012 £18,127,000) reflected the transition to in-house fulfilment for e-commerce, initial costs in relation to the debt refinancing, the impairment of a franchise receivable and the impairment of other tangible and intangible fixed assets where the carrying amount was not deemed to be fully recoverable at the financial period end

Current period trading

Looking ahead, we expect the economic outlook to remain challenging However, we are confident in our ability to maintain positive momentum Our three main areas of focus for the coming year are

- continuing to improve value and appeal of our products,
- continuing our store refurbishment programme and
- continuing growth in e-commerce

New Look Retailers Limited

Directors' report (continued)

FINANCIAL REVIEW (continued)

Financial risk management
The Company s operations expose it to financial risks as set out below

Credit risk
Credit risk arises from cash balances and financial derivatives held with banks and financial institutions, as well as credit exposures to wholesale and Franchise customers

Investment of the Company's cash surpluses and transactions in financial derivatives are made through banks which must fulfil credit rating and investment criteria approved by the Board

The Company s receivable balances are monitored on an ongoing basis and a provision is made for estimated irrecoverable amounts

Finance and liquidity risk
The Company is party to the Group s centralised treasury function which is responsible for managing the liquidity, interest and currency risks associated with the Group's activities In accordance with the Group s treasury policy, derivative instruments are not entered into for speculative purposes

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial assets The Group s centralised treasury function is responsible for monitoring and maintaining sufficient cash and available funding Due to the dynamic nature of the underlying business, the Group treasury function maintains certainty of funding by maintaining availability under committed credit lines

The Company s principal financial instruments are cash and short-term deposits In addition, the Company has various other financial assets and liabilities such as trade debtors and other receivables arising directly from its operations

Currency risk
Foreign currency risk is the risk that the fair value of a financial commitment, recognised financial assets or financial liabilities will fluctuate due to changes in foreign currency rates

The Company s principal foreign currency exposures arise from the purchase of overseas sourced products Company policy is to hedge a proportion of these exposures for up to 15 months ahead in order to limit the volatility in the ultimate Sterling cost This hedging activity involves the use of spot, forward and option contracts as managed by the Group's centralised treasury function

Capital risk management
The Company's principal objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns to shareholders and benefits for stakeholders

The Group has debt covenants imposed by its lenders which it must achieve in order to maintain its current level of borrowings Covenant tests are carried out quarterly and at the end of each financial period There have been no breaches of the covenants throughout the period (2012 none)

The Group must ensure sufficient capital resources are available for working capital requirements and meeting principal and interest payment obligations as they fall due Details of the Group's principal and interest are shown in the consolidated financial statements, which can be obtained online at www newlookgroup com

New Look Retailers Limited

Directors' report (continued)

FINANCIAL REVIEW (continued)

Capital risk management (continued)
During the financial period, Trinitybrook Limited (a member of the New Look Group of companies) signed a supplemental agreement to amend and extend the senior and mezzanine debt facility agreements

After the balance sheet date, the Group successfully refinanced its debt through the issue of three tranches of bonds, extending debt maturities to 2018 Details of this post balance sheet event are given in note 27 on pages 35 and 36

Results and dividends
The Company's profit for the financial period was £116,869,000 (2012 £76 355,000)

No dividends have been paid or proposed during the financial period (2012 £nil)

Directors
The Directors who served during the financial period and up to the date of signing of the financial statements were as follows

Alastair Miller	
Alistair McGeorge	
Tom Singh	(Appointed 16 April 2013)
Anders Kristiansen	(Appointed 16 January 2013)
Guy Lister	(Resigned 10 June 2013)

Company secretary - Keith Gosling

Charitable and political donations
The New Look Foundation was launched in November 2009 with the mission to educate, inspire and empower people to feel good about themselves to live life to the full and make smart choices for themselves and those close to them Monies are raised through a variety of channels, including Payroll Giving, Pay Day lottery, direct donations, fun fundraising initiatives in our stores and offices (ranging from cake trolleys to sample sales and raffles) and sponsored challenges (such as the London Marathon) undertaken by New Look staff

New Look Foundation funds are channelled to our main charity partners, currently Retail Trust and Macmillan Cancer Support, to whom we donated £45,822 in FY13 (2012 £94,212 split between 3 charity partners)

Donations are also made to many good causes in the localities of our stores and offices, as well as disaster relief appeals, including a £10,000 donation to the Willow Foundation

The total raised during FY13 increased to £189,279 from £155,153 in the previous financial period This included £64 452 (2012 £22,870) contributed through Payroll Giving The number of our staff donating in this way rose from 357 to 1,363 and 151 charities benefitted from their generosity

No political donations were made during the financial period (2012 £nil)

Supplier payment policy
It is the policy of the Company to either agree terms of payment at the start of business or to ensure that the supplier is made aware of the Company s payment terms Creditor days at 30 March 2013 were 59 days (2012 54 days) Payment is made in accordance with contractual or other legal obligations

New Look Retailers Limited

Directors' report (continued)

FINANCIAL REVIEW (continued)

Employees
Our commitment to our people is in supporting them to deliver their part in our growth and enable them to build their skills and career with us

We systematically provide colleagues with information on matters of concern to them so that their views can be taken into account when making decisions that are likely to affect their interests Staff involvement in the Company is encouraged to achieve a common awareness of the financial and economic factors that affect the Company's performance

New Look is an attractive employer with competitive remuneration packages We recruit natural New Lookers – people who are customer champions, have a passion for fashion, who are curious, go-getting and self-starting

We ensure that no job applicant or colleague is discriminated against, either directly or indirectly, on the grounds of disability, gender, nationality, ethnic or racial origins, marital status, religious belief, political opinion, age or sexual orientation It is the policy of the Company to give equal opportunity of employment to disabled and able persons according to their suitability to perform the work required The services of existing colleagues who become disabled are retained whenever practicable

Ethical trading
Ethical trading is about providing quality jobs to the people who make our products and it is central to how we work We ask all our suppliers to sign up to our Ethical Aims and we support them in their journey to achieving these aims in full Meeting the needs of workers is at the heart of our ethical trading strategy We have identified five key focus areas to help us meet these needs

- continually improving workers' wages and working conditions,
- enabling workers to raise and resolve issues,
- building factory management skills and systems,
- building transparent relationships along the supply chain, and
- building the commercial teams' understanding of ethical trade

These are challenging issues and we can't tackle them on our own We partner with experts, other retailers non-Government organisations (NGOs) and various government initiatives around the world to help build collaborative and long lasting change

For more information on Corporate Responsibility visit www newlookgroup com

New Look Retailers Limited

Directors' report (continued)

FINANCIAL REVIEW (continued)

Environment
Good environmental management is central to how we conduct business at New Look Last period we focussed on two areas our network of stores and our key suppliers in China and Bangladesh

We believe that it is never acceptable to harm animals in the manufacturing or testing of our products Our strong stand on animal welfare has been recognised by the RSPCA Good Business Awards in the large fashion company category for the past 3 years In 2012, we won PETA (People for Ethical Treatment of Animals) UK's award for Most Stylish Women's Vegan Outerwear

We recognise our inherent corporate responsibility to manage the risks posed to society, our customers and our long term business sustainability through human-induced climate change During the period, we continued to improve the energy efficiency of our stores in the UK through reductions in electricity consumption

- Building Management Systems (BMS) installed in our larger stores in the UK delivered savings of over 2 4 million kWh – equivalent to 1,306 tonnes of carbon dioxide (CO2) emissions in the last financial period when compared to the consumption in the same stores for the previous financial period

- In stores without BMS staff have saved over 1 9 million kWh – equivalent to over 1,052 tonnes of CO2 emissions in the last financial period, when compared to the same stores for the previous financial period

As a participant of the UK s Carbon Reduction Commitment (CRC) scheme, we report annually on our carbon emissions under the scheme's rules Our UK CO2 emissions in the year to 31 March 2012 were 65,887 tonnes (2011 77,936)

Reducing waste and increasing operational recycling rates represents the clearest and most tangible way for us to reduce our immediate environmental impacts We ve been working hard to reduce the amount of waste sent to landfill from our offices and stores in the UK During FY13, we recycled 92% of all waste from our UK stores up from 71% in FY12 In addition to improving store recycling rates we continued to push our waste backhauling programme, via our UK distribution centre s on-site recycling centre In the same period we recycled a total of 4,669 tonnes (2012 4,195 tonnes) of cardboard and plastic, generating additional revenue of £290,306 (2012 £394 775) for the business

Directors' indemnities
As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006 The indemnity was in force throughout the last financial period and is currently in force The Company also purchased and maintained throughout the financial period Directors and Officers' liability insurance in respect of itself and its Directors

Statement of Directors' responsibilities
The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial period Under that law the Directors have prepared the financial statements in accordance with UK Generally Accepted Accounting Practice (UK Accounting Standards and applicable law) Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period

In preparing these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

New Look Retailers Limited

Directors' report (continued)

FINANCIAL REVIEW (continued)

Statement of Directors' responsibilities (continued)
The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company, and enable them to ensure that the financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Disclosure of information to auditors
In respect of each Director who was a Director at the time when the report was approved

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are not aware, and

- each Director has taken all steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006

Independent auditors
The independent auditors PricewaterhouseCoopers LLP, have expressed their willingness to continue in office as auditors

On behalf of the Board

Alastair Miller
Director

21 August 2013

New Look Retailers Limited

Independent auditors' report to the members of New Look Retailers Limited

We have audited the financial statements of New Look Retailers Limited for the period ended 30 March 2013 which comprise the Profit and loss account, the Balance sheet and the related notes The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice)

Respective responsibilities of Directors and auditors

As explained more fully in the Statement of Directors responsibilities set out on pages 12 and 13, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board s Ethical Standards for Auditors

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed
- the reasonableness of significant accounting estimates made by the Directors, and
- the overall presentation of the financial statements

In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 30 March 2013 and of its profit for the period then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

New Look Retailers Limited

Independent auditors' report to the members of New Look Retailers Limited (continued)

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Directors report for the financial period for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

ARK

Alan Kinnear (Senior Statutory Auditor)
For and behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Southampton

21 August 2013

New Look Retailers Limited

Profit and loss account
For the 53 weeks ended 30 March 2013

	Notes	53 weeks ended 30 March 2013 £'000	52 weeks ended 24 March 2012 £'000
Turnover	3	**1,248,464**	1,205,753
Cost of sales		**(568,852)**	(571,438)
Gross profit		**679,612**	634,315
Other operating income		**1,812**	1,707
Distribution expenses		**(59,764)**	(58,002)
Administrative expenses		**(505,830)**	(506,349)
Exceptional administrative expenses	4	**(10,877)**	(18,127)
Total administrative expenses		**(574,659)**	(580,771)
Profit on ordinary activities before interest and taxation		**104,953**	53,544
Net interest receivable	5	**16,956**	14,646
Profit on ordinary activities before taxation	6	**121,909**	68,190
Tax on profit on ordinary activities	9	**(5,040)**	8,165
Profit for the financial period	21	**116,869**	76,355

All amounts relate to continuing operations

There are no material differences between the profit on ordinary activities before taxation and the profit for the financial period stated above, and their historical cost equivalents

The Company has no recognised gains and losses other than as shown above and therefore no separate statement of total recognised gains and losses has been presented

The notes on pages 18 to 38 form part of these financial statements

New Look Retailers Limited

Balance sheet
As at 30 March 2013

	Notes	30 March 2013 £'000	24 March 2012 £'000
Fixed assets			
Intangible assets	10	**53,221**	73,221
Tangible assets	11	**169,417**	181,389
Investments	12	**46,225**	46,191
		268,863	300,801
Current assets			
Stock	13	**112,425**	105,606
Debtors	14	**1,094,489**	878,461
Cash at bank and in hand		**89,522**	184,702
		1,296,436	1,168,769
Creditors - amounts falling due within one year	15	**(341,475)**	(355,335)
Net current assets		**954,961**	813,434
Total assets less current liabilities		**1,223,824**	1,114,235
Creditors - amounts falling due after more than one year	15	**(16,260)**	(21,763)
Provisions for liabilities	16	**(11,101)**	(13,474)
Net assets		**1,196,463**	1,078,998
Capital and reserves			
Called up share capital	20	**1**	1
Profit and loss account	21	**1,196,462**	1,078,997
Total shareholders' funds	22	**1,196,463**	1,078,998

The notes on pages 18 to 38 form part of these financial statements

The financial statements on pages 16 to 38 were approved by the Board of Directors on 21 August 2013 and were signed on its behalf by

Alastair Miller
Director

New Look Retailers Limited
Company number 1618428

New Look Retailers Limited

Notes to the financial statements

1 Authorisation of financial statements

The financial statements of the Company for the 53 week period ended 30 March 2013 were authorised for issue by the Board of Directors on 21 August 2013 and the Balance sheet was signed on the Board's behalf by Alastair Miller New Look Retailers Limited is a private limited company incorporated and domiciled in England and Wales whose registered office is New Look House, Mercery Road, Weymouth, Dorset, DT3 5HJ

2 Accounting policies

The financial statements for the 53 week period ended 30 March 2013 have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable UK accounting standards The principal accounting policies which have been applied consistently are set out below

Basis of preparation

The Company is a wholly owned subsidiary of New Look Limited and is included in the consolidated financial statements of New Look Retail Group Limited, which are publicly available The Company is therefore exempt from the requirement to prepare group consolidated financial statements by virtue of s400 of the Companies Act 2006 The Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (Revised 1996) 'Cash flow statements' The Company has also taken advantage of the exemption, under the terms of FRS 8 'Related party disclosures', from disclosing related party transactions with entities that are part of the New Look Retail Group Limited group

Turnover

Turnover, which originates in the UK and is recognised at the point of sale, comprises retail clothing and accessories sales less provision for returns and is shown exclusive of discounts and value added tax

Sales of goods and concession income are recognised when goods are delivered and title passed Income from rendering of services, including store card contracts, is recognised when the services have been performed Income from gift cards is deferred and recognised on redemption Internet sales are recognised when the goods are despatched to the customer

Revenue from concessions is shown on a net basis, being the commission received rather than the gross value achieved by the concessionaire on the sale

Franchise income is received in connection with the franchise of the Company's brand name in markets outside the UK The Company charges franchise fees to grant exclusivity to the franchise partners, in addition to generating turnover in respect of the supply of goods Turnover is recognised when earned and in line with the terms of the franchise agreement Franchise fees are recognised over the period of the franchise agreement Franchise fees are recognised in accordance with the related underlying trading performance of the franchisee

Other operating income

Rental income represents rents receivable from the sub-letting of leasehold properties and is recognised on a straight-line basis over the period of the sub-lease

Interest income and expense is accounted for on the accruals basis, by reference to the principal outstanding and the applicable effective interest rate

New Look Retailers Limited

Notes to the financial statements (continued)

2 Accounting policies (continued)

Share based payments
Share based payments are accounted for in accordance with FRS 20 'Share based payments' and follow the principles which are set up under International Financial Reporting Standard 2 (IFRS 2) The Company has applied the amendment to share based payments on 'Group cash-settled share based payment transactions' which is effective for accounting periods beginning on or after 1 January 2010

The amendment provides a clear basis to determine the classification of share based payment awards in both consolidated and separate financial statements Previously the Company accounted for transactions which arise from 'Good Leavers' as cash-settled An estimate was made at each balance sheet date for the likely fair value of future payments to 'Good Leavers'

The amendment requires the transactions with 'Good Leavers' to be accounted for as equity-settled

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award Fair value is determined using an appropriate pricing model

The charge is credited to the profit and loss reserve as a capital contribution as the share based payments are settled by New Look Retail Group Limited

At each balance sheet date, the Company revises its estimates of the number of options or shares that are expected to vest The impact of the revision, if any, is recognised in the Profit and loss account with a corresponding adjustment to reserves

Taxation
Corporation tax payable is provided on taxable profits at the current rate Deferred tax is provided in full on an undiscounted basis, on all timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law Deferred tax is measured on an undiscounted basis Timing differences arise from the inclusion of items of income and expenditure in tax computations in periods different from those in which they are included in the financial statements

A net deferred tax asset is regarded as recoverable and is recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be sufficient taxable profits in the foreseeable future from which the reversal of the underlying timing differences can be deducted

Intangible fixed assets
Intangible fixed assets, which consists of the New Look brand licence, is amortised over its useful economic life, which the Directors have estimated at 10 years

New Look Retailers Limited

Notes to the financial statements (continued)

2 Accounting policies (continued)

Tangible assets

Tangible fixed assets are stated at cost less accumulated depreciation Cost includes the original purchase price of the tangible fixed asset and the costs attributable to bringing the asset to its working condition for its intended use Depreciation is provided on all tangible fixed assets, to write off the cost less estimated residual value of each fixed asset equally over its useful life, as follows

Short leasehold land and buildings	Period to end of lease
Fixtures and fittings	Three to 15 years according to the estimated life of the assets
Plant, machinery and vehicles	Three to 15 years according to the estimated life of the assets

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date

Impairment

Tangible and intangible fixed assets and investments are stated at cost less depreciation and any provision for impairment The need for any fixed asset or investment impairment provision is assessed by comparison of the carrying value of the asset against the higher of its net realisable value or its value in use A review of intangible fixed assets and investments is performed at the end of the first full year following acquisition and in other years if there is an indication of impairment A review of tangible fixed assets is performed if there is an indication of impairment

Fixed asset investments

Fixed asset investments are stated at cost less any provision for impairment

Stock

Stock is stated at the lower of cost and net realisable value on a weighted average basis and comprises goods for resale Costs include the direct costs and an attributable portion of distribution overheads incurred in bringing stocks to their current location and condition

Net realisable value is based on estimated selling price, less further costs to be incurred to disposal

Leased assets

Rentals payable under operating leases are charged to the profit and loss account on a straight-line basis Incentives to sign leases, including reverse premiums and rent free periods, are treated as deferred income and are credited to the profit and loss account on a straight-line basis over the period to the next rent review

Rental income from sub-tenants is credited to the profit and loss account included within net operating expenses as other operating income, on a straight-line basis in the period in which it falls due under the terms of the lease All contracts are negotiated at commercial terms The Company provides against future liabilities for all onerous property leases including those sub-let at a shortfall, as well as for property dilapidations where appropriate

New Look Retailers Limited

Notes to the financial statements (continued)

2 Accounting policies (continued)

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction Monetary assets and liabilities denominated in foreign currency are translated into Sterling at the rates of exchange ruling at the balance sheet date, with exchange differences taken to the profit and loss account The Company uses forward contracts and their treatment is set out below

Financial instruments

Financial instruments are used to manage risks arising from changes in foreign currency exchange rates relating to the purchase of overseas sourced products Gains or losses realised on hedges are recognised in the profit and loss account in the same period as the hedged item When the hedge instrument expires or is sold any gains or losses on the hedge will be recognised in the profit and loss account immediately

At the end of the financial period, the notional amount of outstanding foreign currency contracts was £318 1 million (2012 £244 7 million)

Financial assets and liabilities

Financial assets and liabilities are presented in accordance with paragraphs 15-50 of FRS 25 'Financial instruments' as the Company has not adopted FRS 26 'Financial instruments'

Provisions

A provision is recognised when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated Provisions are not recognised for future operating losses

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation The increase in the provision due to the passage of time is recognised as interest expense

Provisions for restructuring costs are recognised when the Company has a detailed formal plan for the restructuring that has been communicated to affected parties

Pensions

Pension costs charged to the profit and loss account represent the amount of contributions payable to defined contribution pension schemes or personal pension plans, in respect of senior employees, for the accounting period All assets of the schemes are held separately from those of the Company

Called up share capital

Ordinary share capital is classified as equity An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities

New Look Retailers Limited

Notes to the financial statements (continued)

3 Geographical analysis

There is only one class of business retailing All turnover, profit before tax and net assets originate from the UK An analysis of the Company's turnover and profit before tax by customer location is as follows

		2013	
	United Kingdom £'000	**Rest of World £'000**	**Total £'000**
Turnover	**1,106,657**	**141,807**	**1,248,464**
Profit before taxation	**101,569**	**20,340**	**121,909**

		2012	
	United Kingdom £'000	Rest of World £'000	Total £'000
Turnover	1,073,698	132,055	1,205,753
Profit before taxation	51,426	16,764	68,190

4 Exceptional administrative expenses/(income)

	2013 £'000	2012 £'000
Change programme	-	(213)
Restructuring operating base	**3,365**	6,213
Review of business financing	**37**	-
Impairment of amounts owed by group undertakings	**607**	9,239
Impairment of tangible assets (note 11)	**2,591**	2,238
Franchise receivable impairment	**4,227**	-
Impairment of investment in joint venture (note 12)	**50**	650
	10,877	18,127

Change programme

The Change Programme formed part of the Group's future operating model to deliver system, process and structure changes where needed, and to ensure the Company's employees are customer and brand aligned in order to achieve the Group's strategy

During the period to 27 March 2010 costs were incurred in relation to the relocation of commercial functions to London, ensuring New Look's Buying, Merchandising and Design functions are at the heart of London's fashion district

In the financial period ended 24 March 2012, the credit of £213,000 relates to the reversal of unutilised accruals

New Look Retailers Limited

Notes to the financial statements (continued)

4 Exceptional administrative expenses (continued)

Restructuring operating base
During the financial period ended 24 March 2012, the Company incurred £6,213,000 in reviewing and restructuring its operating cost base to align the Group's strategies, structures and costs to the challenging macro-economic environment The review followed the appointment of the new Executive Chairman to ensure the direction of the Group is consistent with improving financial performance without diverging from the opportunities to leverage from New Look's core growth drivers, such as Multi-Channel and international expansion

During the period ended 30 March 2013, the Company incurred £788,000 as the finalisation of these costs In addition, for the period ended 30 March 2013, £2,577,000 was incurred in preparation for and transition of the Company's Ecommerce logistics operations which involved the termination and relocation of previously outsourced operations that have now been brought in-house to the main distribution site at Lymdale

Review of business financing
During the period ended 30 March 2013, the Group undertook a number of investigative and preparatory steps in connection with a potential debt refinancing Total costs incurred by the Company were £508,000 and costs incurred of £471,000 were directly attributable costs and have been recognised as interest payable and similar charges (note 5)

Impairment of amounts owed by group undertakings
An impairment loss of £607,000 (2012 £9,239,000) was recognised for amounts owed by the ESOPs which are not deemed recoverable

Impairment of tangible assets
An impairment charge has been recognised to write down tangible assets in stores to their recoverable amount as a result of a decline in trading conditions for certain stores The recoverable amount was calculated based on the value in use of the individual stores The calculation of value in use was most sensitive to the following assumptions

- Forecast operating cash flows for the remaining period of the lease which were based on approved budgets and plans, and
- The rate of growth used to extrapolate cash flows of 2 0% (2012 2 0%) and the pre-tax discount rate of 11 1% (2012 11 0%)

Franchise receivable impairment
The outstanding receivable balance with the Russian franchise partner of £4,227,000 has been fully impaired as it is no longer expected to be recoverable due to the on-going financial difficulties experienced by the partner

Impairment of investment in joint venture
During the prior financial period, management reviewed its ability to recover the investment in its 50% interest in NLT Tekstil Sanayi Ve Ticaret Limited Şirketi The recoverable amount of the joint venture was calculated based on the present value of the discounted future cash flows and a resulting impairment loss recorded in the income statement of £650,000 In the current financial period, an additional impairment loss of £50,000 was recorded

The current tax effect of these exceptional items is £1,977,000 (2012 £3,962,000)

New Look Retailers Limited

Notes to the financial statements (continued)

5 Net interest receivable

	2013 £'000	2012 £'000
Interest payable and similar charges.		
On bank loans and overdrafts	(38)	-
Net exchange rate loss on revaluation of Euro cash	-	(3,267)
Interest payable and similar charges before exceptional expenses	(38)	(3,267)
Refinancing costs	(471)	-
Total interest payable and similar charges	(509)	(3,267)
Interest receivable and similar income.		
Other interest receivable and similar income	581	1 195
Receivable from group undertakings	16,389	16,718
Net exchange rate gain on revaluation of Euro cash	495	-
	17,465	17,913
Net interest receivable	16,956	14,646

Refinancing cost

In July 2012, the Group renegotiated the maturity profile of the Senior and Mezzanine loans to extend repayments out to April 2015 In February 2013, the Group began a number of investigative and preparatory steps in connection with a potential debt refinancing £471,000 of directly attributable costs were incurred in relation to these steps

6 Profit on ordinary activities before taxation

	2013 £'000	2012 £ 000
Profit on ordinary activities is stated after crediting		
Amortisation of lease incentives	15,033	18,019
and after charging		
Depreciation charge on tangible fixed assets		
- owned	60,474	64,626
Impairment loss on tangible fixed assets	2,591	2,238
Loss on disposal of tangible fixed assets	158	956
Operating lease charges		
- hire of plant and machinery	1,881	2 346
- land and buildings	134,420	131,748
Amortisation of intangible fixed assets	20,000	20,000
Auditor remuneration – audit services for the Company	240	201

Non-audit fees paid to the Company's auditors in the UK are not shown above but details can be found in the consolidated financial statements of New Look Retail Group Limited Included within auditor remuneration are audit fees borne on behalf of other UK legal entities within the Group

New Look Retailers Limited

Notes to the financial statements (continued)

7 Directors' remuneration

	2013 £'000	2012 £'000
Aggregate emoluments	1,642	1,082
Payments to defined contribution pension schemes	35	236
	1,677	1,318

Emoluments payable to the highest paid Director are as follows

	2013 £'000	2012 £'000
Aggregate emoluments	720	388
Payments to defined contribution pension schemes	-	92
	720	480

Retirement benefits are accruing to one Director (2012 one) under defined contribution pension schemes at the end of the period

None of the Directors exercised share options in the period (2012 none) and two (2012 one) Directors were granted shares in the period

8 Staff costs

	2013 £'000	2012 £'000
Wages and salaries	152,602	153,863
Social security costs	8,896	9,171
Other pension costs (note 23)	1,187	1 122
Share based payment charge/(credit) (note 19)	575	(225)
	163,260	163,931

The average monthly number of persons (including Executive Directors) employed by the Company during the period was

	2013 Number	2012 Number
By activity		
Administration and distribution	2,206	1,816
Retailing	15,342	16,902
	17,548	18 718

If the number of part-time hours worked is converted on the basis of a full working week, the equivalent number of full-time employees would be 8,875 (2012 9,048)

In addition to the above, costs relating to temporary and contract staff total £3,608,000 (2012 £3,740,000)

New Look Retailers Limited

Notes to the financial statements (continued)

9 Tax on profit on ordinary activities

	2013 £'000	2012 £ 000
Current tax		
UK corporation tax on profit for the financial period	**10,998**	-
Adjustments in respect of prior periods	**(2,754)**	(4,434)
Total current tax	**8,244**	(4,434)
Deferred tax		
Origination and reversal of timing differences	**(2,658)**	(1,211)
Adjustment in respect of previous periods	**(815)**	(2,565)
Impact of change in tax rate	**269**	45
Total deferred tax (note 17)	**(3,204)**	(3,731)
Tax on profit on ordinary activities	**5,040**	(8,165)

The standard rate of tax for the period, based on the UK standard rate of corporation tax is 24% (2012 26%) The actual tax charge for the current and previous period is different from the standard rate for the reasons set out in the following reconciliation

	2013 £'000	2012 £'000
Profit on ordinary activities before taxation	**121,909**	68,190
Profit on ordinary activities multiplied by the standard rate in the UK of 24% (2012 26%)	**29,258**	17,729
Effects of		
Capital allowances less than depreciation	**3,038**	1,589
Group relief obtained for nil consideration	**(28,677)**	(28 444)
Other timing differences	**(380)**	(378)
Adjustments in respect of prior periods	**(2,754)**	(4,434)
Expenses not deductible for tax purposes	**7,759**	9,504
Current tax charge for the period	**8,244**	(4,434)

On 5 July 2011, Finance Act 2011 was substantively enacted, reducing the main rate of corporation tax to 25% with effect from 1 April 2012 On 26 March 2012 a reduction to 24% with effect from 1 April 2012 was substantively enacted via a resolution passed by Parliament Finance Act 2012 was substantively enacted on 3 July 2012 and reduced the main rate of corporation tax to 23% with effect from 1 April 2013 Closing deferred tax balances have therefore been valued at 23% (2012 25%)

In addition to the changes in rates of corporation tax disclosed above further changes to the UK corporation tax rates were substantively enacted as part of the Finance Bill 2013 on 2 July 2013 These include reductions to the main rate to reduce the rate to 21% from 1 April 2014 and to 20% from 1 April 2015

As the changes had not been substantively enacted at the balance sheet date their effects are not included in these financial statements The overall effect of these changes, if they had applied to the deferred tax balance at the balance sheet date, would be to reduce the deferred tax asset by an additional £384,000 and increase the tax expense for the period by £384,000

New Look Retailers Limited

Notes to the financial statements (continued)

10 Intangible fixed assets

	Brand licence £'000
Cost	
At 30 March 2013 and 24 March 2012	200 021
Accumulated amortisation	
At 24 March 2012	126 800
Charge for the period	20,000
At 30 March 2013	**146,800**
Net book value	
At 30 March 2013	**53,221**
At 24 March 2012	73,221

11 Tangible fixed assets

	Short leasehold land and buildings £'000	Fixtures and fittings £'000	Plant, machinery and vehicles £'000	Total £'000
Cost				
At 24 March 2012	30 889	222,384	340,947	594,220
Additions	2,950	13,561	34,740	51,251
Disposals	(3,686)	(84 739)	(65,161)	(153 586)
At 30 March 2013	**30,153**	**151,206**	**310,526**	**491,885**
Accumulated depreciation and impairment				
At 24 March 2012	13 636	177,556	221,639	412,831
Charge for the period	3 120	20,357	36,997	60 474
Impairment loss	-	1,490	1,101	2,591
Disposals	(3,057)	(84,321)	(66,050)	(153,428)
At 30 March 2013	**13,699**	**115,082**	**193,687**	**322,468**
Net book value				
At 30 March 2013	**16,454**	**36,124**	**116,839**	**169,417**
At 24 March 2012	17,253	44,828	119,308	181 389

New Look Retailers Limited

Notes to the financial statements (continued)

12 Fixed asset investments

	Investment in joint venture £'000	Shares in subsidiaries £'000	Investment in other group companies £'000	Total £'000
Cost				
At 24 March 2012	1,250	45,710	3,672	50,632
Acquired during the period	-	-	84	84
At 30 March 2013	**1,250**	**45,710**	**3,756**	**50,716**
Provision for impairment				
At 24 March 2012	650	3,791	-	4,441
Impairment loss (note 4)	50	-	-	50
At 30 March 2013	**700**	**3,791**	**-**	**4,491**
Net book value				
At 30 March 2013	**550**	**41,919**	**3,756**	**46,225**
At 24 March 2012	600	41 919	3,672	46,191

At 30 March 2013, the Company directly owned 100% of the ordinary share capital and voting rights of the following principal subsidiary undertakings

Subsidiary	Country of incorporation and operation	Principal activity
New Look Retailers (CI) Limited	Guernsey	Fashion retail
New Look Retailers (Ireland) Limited	Republic of Ireland	Fashion retail

The Directors believe that the carrying value of the investments is supported by their underlying net assets or the projected earnings of the subsidiary undertakings

Investments in other group companies comprise preference share capital of 2,291,671 £0 01 non-redeemable preference shares of New Look Overseas Limited, incorporated and operating in the UK The Directors consider the fair value of the shares to be £3,756,000, comprising an initial fair value of £2,466,000 and a cumulative preference share interest of £1,290,000 The cost to the Company was £nil The principal business of New Look Overseas Limited is to act as an intermediate holding company

Investment in joint venture comprises a 50% interest in NLT Tekstil Sanayi Ve Ticaret Limited Sirketi, a jointly controlled entity incorporated in Turkey The financial performance of the joint venture can be found on page 85 of the consolidated financial statements of New Look Retail Group Limited for the financial period ended 30 March 2013

Notes to the financial statements (continued)

13 Stock

	2013 £'000	2012 £ 000
Raw materials and consumables	**1,095**	886
Work in progress	**519**	318
Finished goods	**110,811**	104,402
	112,425	105,606

14 Debtors

Amounts falling due within one year	2013 £'000	2012 £ 000
Trade debtors	**13,767**	16,136
Deferred tax asset (note 17)	**4,412**	1,208
Amounts owed by group undertakings	**1,031,063**	815,962
Other debtors	**2,792**	1,788
Prepayments and accrued income	**35,626**	36,125
	1,087,660	871,219

Amounts falling due after more than one year	2013 £'000	2012 £ 000
Prepayments and accrued income	**6,829**	7 242

Amounts owed by group undertakings are unsecured and are repayable on demand Included within this balance are loans receivable from group undertakings of £346,755,000 (2012 £336,320,000) and £149,300,000 (2012 £145,164,000) on which interest is charged at a rate of 1 month Sterling LIBOR +2 5% and +2 25% respectively All other amounts owed by group undertakings are interest free

15 Creditors

Amounts falling due within one year	2013 £'000	2012 £ 000
Trade creditors	**93,039**	84 077
Amounts owed to group undertakings	**146,346**	151,855
Corporation tax	**10,020**	219
Other taxation and social security	**3,643**	13,391
Other creditors	**1,447**	11,820
Accruals and deferred income	**86,980**	93 973
	341,475	355,335

Amounts owed to group undertakings are unsecured, interest free and are repayable on demand

New Look Retailers Limited

Notes to the financial statements (continued)

15 Creditors (continued)

Amounts falling due after more than one year	2013 £'000	2012 £'000
Accruals and deferred income	**16,260**	21,763

16 Provisions for net liabilities

	Dilapidation provisions £'000	Onerous lease provisions £'000	Total £'000
At 24 March 2012	819	12,655	13,474
Utilised in the period	(450)	(3,090)	(3,540)
Reversal of unused amounts	-	(3,735)	(3,735)
Arising in the period	144	4,758	4,902
At 30 March 2013	**513**	**10,588**	**11,101**

Onerous lease provisions

The provision relates to future lease costs of vacant properties for the remaining period of the lease, net of expected sub-letting income, which is estimated to be used over one to 24 months, and a provision for onerous lease contracts on loss making stores A provision is booked on loss making stores where the discounted future cash flows are not expected to cover future rental payments under the lease contract A provision is made for the lower of discounted store cash outflows (including rental payments), and discounted rental payments Future operating losses are not provided for

Dilapidations provisions

The dilapidations provision of £513,000 (2012 £819,000) is expected to be utilised over one to 24 months

17 Deferred tax asset

	2013 £'000	2012 £ 000
Tax effect of timing differences		
Accelerated capital allowances	**1,866**	(1,956)
Short term timing differences	**2,546**	3,164
Total deferred tax	**4,412**	1,208
At start of financial period	1 208	(2,523)
Deferred tax credit in the profit and loss account (note 9)	3,204	3 731
At end of financial period	**4,412**	1 208

18 Financial commitments

At 30 March 2013, the Company had annual commitments under non-cancellable operating leases expiring as follows

	Other		Land and Buildings	
	2013	2012	**2013**	2012
	£'000	£'000	**£'000**	£'000
Within one year	**416**	392	**3,314**	2,234
Between one and five years	**680**	948	**25,627**	23,062
After five years	**-**	-	**98,310**	98,797
	1,096	1,340	**127,251**	124,093

19 Share based payments

Senior management scheme

In April 2004, the senior management of the Company were invited to invest in the shares of the three Guernsey companies which comprised the holding companies of Trinitybrook Limited (the then ultimate UK holding company of the Group), being NL Company No 1 Limited, NL Company No 2 Limited and NL Company No 3 Limited These shares were purchased at fair value As part of the Group reorganisation and share for share exchange in June 2006, the shares held by employees in the three Guernsey companies, NL Company No 1 Limited, NL Company No 2 Limited and NL Company No 3 Limited and the ESOP1 holding in Trinitybrook Limited were exchanged for shares in New Look Retail Group Limited

All of the shares held were originally issued at fair value determined by reference to the market value of a basket of comparator companies Under the reorganisation a cash payment of £48 0 million was paid by Pedalgreen Limited (an immediate subsidiary company of New Look Retail Group Limited) to investors within the scope of FRS 20 'Share based payments', in consideration for the sale of a proportion of the shares in Guernsey 4 Limited (the holding company of the Group prior to the reorganisation in 2006) and the remaining shares were exchanged for shares in Pedalgreen Limited Guernsey 4 Limited acquired its holding in the Group on 1 June 2006 by acquiring all the shares in NL Company No 1 Limited, NL Company No 2 Limited and NL Company No 3 Limited There was then a share for share exchange as part of which shares in Pedalgreen Limited were exchanged for shares in New Look Retail Group Limited Accordingly the reorganisation was accounted for as a modification of an equity settled arrangement under FRS 20 The £48 0 million was charged directly to the retained earnings reserve

	2013 Number of shares '000s	2012 Number of shares 000s
Shares in issue at the beginning of the period	**37,500**	56 000
Shares purchased by ESOP from senior management in the period	**(6,000)**	(18,500)
Shares in issue at the end of the period	**31,500**	37,500

New Look Retailers Limited

Notes to the financial statements (continued)

19 Share based payments (continued)

The 2004 Share Scheme and the 2008 Share Plan

In May 2004 under a new arrangement, Trinitybrook Limited loaned funds to ESOP1 ESOP1 then subscribed to Trinitybrook Limited to acquire a fixed allocation of shares Between May 2004 and February 2006, certain employees were invited to acquire beneficial ownership of these shares at fair value determined by reference to the market value of the basket of comparator companies As a result of the Group reorganisation in 2006, employees now hold the beneficial interest in shares in New Look Retail Group Limited

In April 2009, August 2009, August 2011, September 2012 and February 2013 certain employees were invited to acquire the beneficial interest in shares owned by ESOP1 at fair value determined by reference to the market value of a basket of comparator companies These shares vest over a 4 year period Under the first tranche, 20 0% vested on 30 April 2009, then 20 0% on 18 September 2009 and 20 0% on each anniversary of 18 September until the third anniversary Under the second tranche, 20 0% vested on 21 August 2009 and 20 0% on each anniversary from the grant date until the fourth anniversary Under the third tranche, 20 0% vested on 25 August 2011, 20 0% on 1 May 2012 and 20 0% on each anniversary of 1 May until the third anniversary Under the fourth tranche, 20 0% vested on 18 September 2012 and 20 0% on each anniversary from the grant date until the fourth anniversary Under the fifth tranche, 20 0% vested on 18 February 2013 and 20 0% on each anniversary from the grant date until the fourth anniversary Vesting affects the price at which the employee may be required to sell any shares which have not vested upon ceasing to be employed within the Group The employee is generally not free to sell the shares until either a change in control of the Group or (subject to the vesting conditions) a listing

Under the 2008 Share Plan, shares have vested at various times throughout the year The weighted average share price at vesting during the period was 1 0p (2012 1 0p)

Until June 2007, the 2004 Share Scheme operated as an equity settled arrangement under which employees could be required to sell their shares in the event of a sale or listing of the Group In June 2007, an amendment was introduced such that, in the event of a sale, the employees would be required to sell their shares but, in the event of a listing of the Group, they would remain entitled to their shares The 2008 Share Plan contains similar features The 2008 Share Plan also protects the employee from a fall in the value of New Look Retail Group Limited's shares The 2008 Share Plan is therefore accounted for, in substance, as a share option arrangement

Details of the 2008 Share Plan share options outstanding during the period are as follows

	2013 Number of share options '000s	2012 Number of share options '000s
Outstanding at the beginning of the period	**30,570**	32,998
Granted in the period	**63,571**	16,500
Forfeited in the period	**(4,195)**	(18,928)
Outstanding at the end of the period	**89,946**	30,570
Exercisable at the end of the period (number)	**-**	-
Weighted average remaining contractual life (months)	**36**	37
Weighted average share price at the date of exercise (pence)	**-**	-
Weighted average exercise price (pence)	**4 0**	13 0
Market value at period end (pence)	**1 0**	1 0
Highest market value (pence)	**1.0**	6 0
Lowest market value (pence)	**1 0**	1 0

No shares were exercised or lapsed in the current or prior financial period

New Look Retailers Limited

Notes to the financial statements (continued)

19 Share based payments (continued)

2006 Option Plan

In June 2006 and other times subsequently, key personnel in the Company were offered the opportunity to participate in the 2006 Option Plan Share options are awarded to employees at the discretion of the Board Options will normally vest after two years if an employee remains in service Options will only vest before the two years' of continuous service when there has been a flotation or change of control in New Look Retail Group Limited (or its holding company), or when the employee leaves the Company as a result of redundancy, injury/illness/disability or death

Options may normally only be exercised during a period of eight years commencing on the second anniversary of the date of grant of the option, as long as the employee remains in service At 30 March 2013, 1,767,105 (2012 2,422,000) options were outstanding, with the earliest exercise date being 30 June 2008, assuming that the full vesting period is satisfied

Details of the 2006 Option Plan share options outstanding during the period are as follows

	2013 Number of share options '000s	2012 Number of share options '000s
Outstanding at the beginning of the period	**2,422**	5,208
Granted in the period	**-**	-
Exercised in the period	**-**	(745)
Lapsed in the period	**-**	-
Forfeited in the period	**(655)**	(2,041)
Outstanding at the end of the period	**1,767**	2,422
Exercisable at the end of the period (number)	**1,767**	2,422
Weighted average remaining contractual life (months)	**44**	55
Weighted average share price at the date of exercise (pence)	**1.0**	24 6
Weighted average exercise price (pence)	**14.0**	14 0
Market value at period end (pence)	**1.0**	1 0
Highest market value (pence)	**1 0**	6 0
Lowest market value (pence)	**1 0**	1 0

Fair value of equity settled share based payment schemes

The cost of the equity settled transactions with employees is measured by reference to the fair value at the date at which they are granted and the expense is spread to the estimated date of a change of control of the Group

As the employees acquired the beneficial interest in their shares at fair value under the Senior Management Scheme and the 2004 Share Scheme, there is no charge to the profit and loss account for these equity settled transactions

The weighted average fair value of the share options granted under the 2006 Option Plan and the 2008 Share Plan was calculated at the date of grant using the Black-Scholes option pricing model The following table lists the inputs to the model used for the two plans for the periods ended 30 March 2013 and 24 March 2012

Notes to the financial statements (continued)

19 Share based payments (continued)

	2013 2006 Option Plan	2013 2008 Share Plan	2012 2006 Option Plan	2012 2008 Share Plan
Weighted average fair value (pence)	**16.22**	**1.74**	14 46	4 26
Weighted average share price (pence)	**38 00**	**3.78**	38 00	12 00
Exercise price (pence)	**38.00**	**1 00 to 25.00**	38 00	1 00 to 25 00
Expected volatility (%)	**36 20**	**35 50 to 45.70**	38 10	31 90 to 46 70
Expected life of option (years)	**6 10**	**3.14 to 6.92**	5 10	3 00 to 5 92
Dividend yield (%)	**0.00**	**0 00 to 2.00**	0 00	0 00 to 2 00
Risk-free interest rate (%)	**4 00**	**1.75 to 4 00**	2 75	2 25 to 2 75

Expected share price volatility was determined through the assessment of the historical volatility of a comparable group of companies over a period consistent with the expected life of the award It is indicative of future trends, which may not necessarily be the actual outcome The expected life of the options is based on management's estimated date of a change of control of the Group and is not necessarily indicative of exercise patterns that may occur

Effect on financial statements

The effect of accounting for share based payments, in accordance with FRS 20 'Share based payments', on the Company's profit before taxation for the periods is as follows

	2013 £'000	2012 £'000
Total share based payment charge/(credit)	**575**	(225)

The total share based payment charge/(credit) relates to equity settled transactions

20 Called up share capital

	2013 £'000	2012 £'000
Authorised		
100,000 ordinary shares of £1 each	**100**	100
Allotted and fully paid		
1,000 ordinary shares of £1 each	**1**	1

21 Profit and loss account

	£'000
At 24 March 2012	**1,078,997**
Profit for the financial period	**116,869**
Capital contribution from parent company	**596**
At 30 March 2013	**1,196,462**

New Look Retailers Limited

Notes to the financial statements (continued)

22 Reconciliation of movement in shareholders' funds

	2013 £'000	2012 £'000
Profit for the financial period	**116,869**	76 355
Capital contribution from parent company	**596**	(212)
Net increase in shareholders funds	**117,465**	76,143
Opening shareholders' funds	**1,078,998**	1,002,855
Closing shareholders' funds	**1,196,463**	1,078,998

23 Pension arrangements

The Company does not contribute to an occupational pension scheme for the benefit of all employees The Company made contributions to personal pension plans on behalf of senior employees The total contribution to these schemes was £1,187,160 (2012 £1,121,630) At 30 March 2013, £153,000 (2012 £143,086) was outstanding in respect of contributions payable to these pension schemes

24 Capital commitments

	2013 £'000	2012 £ 000
Amounts authorised and contracted	**5,303**	23,127

25 Related party transactions

Transactions with other group companies have not been disclosed, in accordance with the exemption permitted by FRS 8 'Related party disclosures' The following transactions requiring disclosure occurred during the period

ESOPs
At the end of the financial period, the ESOPs owed the Company £25 1 million (2012 £24 5 million) however the recoverable amount recognised by the Company is £1 2 million (2012 £1 2 million) following the impairment that was recognised for amounts that were not deemed recoverable (note 4)

Franchise Agreement
On 1 Februrary 2007, the Company entered into a five year franchise agreement with RNA Resources Group Limited ("RNA'), a subsidiary of the Landmark Group International ('Landmark"), in which Mukesh Wadhumal Jagtiani and his wife, Renuka Mukesh Jagtiani own shares Mukesh Jagtiani also owns 29,737,833 Ordinary B shares (2012 29,737,833) in the Company's ultimate parent in the name of Quillian Investments Corporation

The agreement relates to the opening of new stores under the New Look brand in the Middle Eastern territories of UAE, Kuwait, Saudi Arabia, Qatar, Oman, Jordan and Bahrain

An amendment has been made to this agreement to exclude Oman and Jordan replacing them with Egypt instead In addition, payment terms were varied to 60 days from 30 days, the handling fee was removed from 1 January 2010 and the territory fee payment dates for UAE and Saudi Arabia were extended to the first renewal date in those territories rather than being due on 1 April 2009

New Look Retailers Limited

Notes to the financial statements (continued)

25 Related party transactions (continued)

The Company receives fees in return for granting exclusivity in the territories mentioned, in addition to a royalty for the supply of goods An amount of £nil (2012 £1 8 million) was agreed with and invoiced to Landmark in the financial period as a result of renewing the franchise agreement for another term £0 4 million (2012 £1 4 million) has been recognised through the profit and loss account in the current financial period, being the amortisation of the territory fees over the term of the agreement

Transactions with franchisee	**2013**	2012
	£'000	£'000
Sale of goods and handling charges	**30,089**	30,198
Franchise royalty income	**368**	1,363

	2013	2012
	£'000	£'000
Balance due from franchisee at the end of the financial period	**2,973**	4,957

Transactions with joint venture	**2013**	2012
	£'000	£ 000
Purchases from joint venture	**10,488**	23 600

Included within trade debtors is a balance of £nil (2012 £2 1 million) owed by the joint venture, which was fully provided for in the prior period

Included within trade creditors is a balance of £nil (2012 £1 3 million) owed to the joint venture

Transactions with private equity investors

During the financial period, a monitoring fee of £170,000 (2012 £150,000) was payable to each of Apax Funds and Permira Funds

There were no other related party transactions which require disclosure in accordance with FRS 8 'Related party disclosures'

26 Contingent liabilities

At the balance sheet date the Company was party to a cross guarantee on the UK borrowing facilities of Trinitybrook Limited, a member of the New Look Retail Group Limited group, and its subsidiaries, which amounted to £15 8 million (2012 £55 0 million) £5 0 million (2012 £5 0 million) expires within one year and is an undrawn annual facility subject to an annual review £10 8 million (2012 £50 0 million) expires in more than one year and is an undrawn committed revolving multi-currency facility

There is a debenture in favour of the mezzanine and senior debt security agents over all of the assets and business of the Company, details of which can be found on page 97 of the consolidated financial statements of New Look Retail Group Limited

In addition, the Company is party to an arrangement that the Group has in place with certain banks to provide standby letters of credit to the Group's suppliers Letters of Credit of £48 1 million (2012 £50 4 million) were outstanding under these arrangements

27 Post balance sheet event

On 3 May 2013, New Look Retail Group Limited and its subsidiaries underwent a Group reorganisation and issued senior secured bonds These bonds were issued on 14 May 2013 The finance raised was used to repay the existing debt under the Senior and Mezzanine Facility Agreements and to acquire 50% of the outstanding PIK in cash, with the remaining PIK being acquired for a new PIK instrument at par value

The refinance included a restructure of the Group whereby Trinitybrook Limited sold its investment in Hamperwood to New Look Finance Limited (a new intermediate holding company) New Look Finance Limited now holds the direct investment in Hamperwood New Look Finance Limited also has a direct investment in New Look Finance II plc and New Look Bondco I plc

As part of the restructure, the Company waived intercompany debtor balances totalling £950,034,000 akin to a distribution from distributable reserves

New Look Bondco I plc issued the senior secured bonds which are made up of three tranches of Sterling, USD and Euro The Sterling and USD bonds are at fixed coupon rates and the Euro bond is at the prevailing floating rate of interest based upon short-term inter-bank rates (EURIBOR) plus a fixed margin

New Look Finance Limited settled 50% of the existing PIK in cash and New Look Finance II plc then issued a new PIK instrument in exchange for the remaining PIK

Total transaction costs incurred by the Group as part of the refinance were £24 9 million £3 1 million of these costs, of which the Company incurred £471,000, were incurred in the 53 weeks to 30 March 2013 and have been expensed in full Those costs that are directly attributable to the issue of the bonds will be capitalised against the value of the new borrowings and amortised as an interest expense over the maturity period of the debt Those costs that relate to the extinguishment of the Senior, Mezzanine and PIK debts will be expensed in full

The table below provides details of the new debt tranches and the cash and PIK margins

	Cash margin %	PIK margin %	Borrowings as at 30 March 2013 £m	Capitalised interest 31 March 2013 to 14 May 2013 £m	Translation of Euro borrowings £m	Repayments & bond issue £m	Amended borrowings as at 14 May 2013 £m
Senior - Tranche B1	2 75		25 3			(25 3)	-
Senior - Tranche B2 (Euro)*	2 75		3 6		0 1	(3 7)	-
Senior - Tranche B3	2 75		4 8			(4 8)	-
Senior - Tranche B4	4 75		96 4			(96 4)	-
Senior - Tranche B5 (Euro)*	4 75		21 8		0 2	(22 0)	-
Senior - Tranche C1	3 25		43 0			(43 0)	-
Senior - Tranche C2 (Euro)*	3 25		8 6			(8 6)	-
Senior - Tranche C4	4 75		95 3			(95 3)	-
Senior - Tranche C5 (Euro)*	4 75		21 5		0 1	(21 6)	-
Second Lien - Tranche D1	5 00		6 1			(6 1)	-
Second Lien - Tranche D2	6 00		65 6			(65 6)	-
Mezzanine debt	4 50	6 50	76 1	0 6		(76 7)	-
PIK debt		9 00	741 5	4 9		(746 4)	-
New PIK debt		12 00				373 2	373 2
Senior bonds - Sterling	8 75					500 0	500 0
Senior bonds - USD**	8 38					164 0	164 0
Senior bonds - Euro*	6 25					148 7	148 7
			1,209 6	5 5	0 4	(29 6)	1 185 9

*The exchange rate for EUR/GBP as at 30 March 2013 was 1 1856 and 1 1771 as at the date of transaction

**The exchange rate for USD/GBP as at the date of transaction was 1 5240

27 Post balance sheet event (continued)

The Group entered into foreign currency contracts on 3 May 2013 to hedge the exchange risk arising between pricing the bond deal on 3 May 2013 and settlement on 14 May 2013 The hedged rates were 1 1878 for the Euro bond and 1 5581 for the USD bond The foreign currency contracts fixed the total cash proceeds received in Sterling at £807 8 million

The senior bonds are repayable in full on 14 May 2018 An early repayment option exists after two years and is repayable at par plus 50% coupon up to 14 May 2016 and at par plus 25% coupon up to 14 May 2017 After four years the bonds are repayable at par

Interest on the PIK is rolled into the carrying value of the debt although an option exists to pay the PIK interest in cash The PIK debt matures in full on 14 November 2018

On the 3 May 2013 New Look Finance Limited entered into a re-negotiated revolving credit facility for £75 0 million which has a final termination date of 3 February 2018 The revolving credit facility is subject to quarterly covenant leverage reporting on an annualised basis beginning on the quarter ending 28 June 2014

28 Ultimate parent undertaking and controlling party

The immediate parent undertaking is New Look Limited, a company incorporated in England and Wales

New Look Retail Group Limited, the ultimate parent and controlling party, is incorporated in England and Wales and is the parent undertaking of the smallest and largest group to consolidate these financial statements The financial statements of New Look Retail Group Limited can be obtained from New Look House, Mercery Road, Weymouth, Dorset, DT3 5HJ or online at www newlookgroup com

The Apax Funds and the Permira Funds each hold 27 7% of the total issued share capital of New Look Retail Group Limited