

8 November 2010

**ASOS plc**  
**Leading online fashion store**  
**Interim Results for the 6 months ended 30 September 2010**

**“International Spearheading Growth”**

**Summary results table**

<b>£'000s</b>	<b>H1 2010/11</b>	<b>H1 2009/10</b>	<b>Change</b>
Retail sales	131,409	87,657	50%
UK retail sales	82,438	65,356	26%
International retail sales	48,971	22,301	120%
Group revenues*	139,656	96,503	45%
Gross profit	57,870	40,484	43%
Gross margin	41.4%	42.0%	-60bps
Retail gross margin	47.4%	44.6%	+280bps
Operating profit	7,049	4,384	61%
Profit before tax (PBT)	7,003	4,403	59%
Earnings per share (diluted)	6.5p	4.0p	63%
Net cash	4,015	8,661	-54%

\* Includes retail sales, postage and packaging (P&P) income and 3<sup>rd</sup> party revenues

**H1 Highlights:**

- Retail sales up 50%
- UK retail sales +26%, International retail sales +120%
- International retail sales account for 37% of total retail sales (25% LY)
- Retail gross margin ahead of prior year (47.4% vs 44.6%)
- Profit before tax £7m (+59%)
- US website launched with initial trends in line with expectations

**Since period end and outlook:**

- Investment in stock levels to support continued strong growth
- ASOS Mobile launched 14<sup>th</sup> October
- French and German websites launched 28<sup>th</sup> October
- ASOS Marketplace and ASOS Fashion Finder launches imminent
- New warehouse in Barnsley on track for commissioning in Spring 2011
- Expect full year results to be in line with market expectations

**Nick Robertson, CEO, commented:**

***"I am pleased to report a strong set of results for the first half with both our UK and International businesses performing well. Since the period end we have launched our French and German websites which, coupled with our US site launch in September, are all key milestones in our International expansion programme."***

***Our retail margin recovered strongly over the period (+280 bps) and our profit before tax increased 59% to £7m."***

***In anticipation of continued strong growth, we have maintained our programme of investment, specifically around resource, logistics and our technical capabilities."***

***As we head into the important Q3 trading period, we remain positive about the outlook for the second half and expect our full year results to be in line with market expectations."***

## **Investor and Analyst Meeting**

There will be a meeting for investors and analysts that will take place at 9.30am today 8<sup>th</sup> November at the offices of College Hill, The Registry, Royal Mint Court, London EC3N 4QN.

### **For further information:**

#### **ASOS plc**

Nick Robertson, Chief Executive

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#### **College Hill**

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### **Background note**

ASOS.com is an international independent online fashion and beauty retailer and offers over 40,000 branded and own label product lines across womenswear, menswear, footwear, accessories, jewellery and beauty with approximately 1,500 new product lines being introduced each week.

Aimed primarily at fashion forward 16-34 year olds, ASOS.com attracts over 9 million unique visitors a month and as at 30 September 2010 had 4.3 million registered users and 2.4 million active customers (defined as having shopped in the last 12 months).

[www.asos.com](http://www.asos.com)

[www.us.asos.com](http://www.us.asos.com)

[www.asos.de](http://www.asos.de)

[www.asos.fr](http://www.asos.fr)

[m.asos.com](http://m.asos.com)

**ASOS plc ("the Group")**  
**Leading online fashion store**

**Interim Results for the 6 months ended 30 September 2010**

**Chief Executive's Review**

**Summary**

We have had another good first half with Group retail sales 50% ahead (against 49% growth in H1 2009/10), International retail sales 120% ahead and UK retail sales 26% ahead over the period. International now accounts for 37% of our retail sales, up from 25% last year. The period was characterised by an improvement in our retail gross margin of 280bps and tight cost control resulting in an increase in our profit before tax of 59% to £7 million.

We launched our first stand alone international site in September 2010 in the US and have since launched both our French and German local sites. Order fulfilment for these countries and the other 163 countries we currently ship to is being handled from our distribution centre in the UK. Since the end of the reporting period, we have added 29 additional countries and we now ship to 195 countries.

**Key performance indicators**

All the key metrics illustrate our continued strong performance. Average basket value is up by 9%, average selling price is up 11%, visits are up 65% and the number of active customers is up 33%. The average units per basket is marginally down (-2%) driven by the introduction of our free delivery proposition in the UK and US. Customers are therefore no longer having to bulk up their orders to qualify for a free delivery threshold.

<b>KPI's H1 2010/11</b>	<b>UK</b>	<b>US</b>	<b>EU</b>	<b>RoW</b>	<b>International</b>	<b>Group</b>
Average basket value (£, inc. VAT)	£63.39	£62.81	£78.34	£101.24	£80.48	£67.59
<i>Growth in %</i>	7%	-3%	6%	33%	10%	9%
Average units per basket	2.56	2.56	3.28	4.28	3.37	2.76
<i>Growth in %</i>	-5%	-12%	-2%	22%	1%	-2%
Average selling price per unit (£, inc. VAT)	£24.73	£24.51	£23.90	£23.68	£23.91	£24.49
<i>Growth in %</i>	12%	11%	8%	9%	9%	11%
Number of orders ('000)	2,390	119	506	153	778	3,168
<i>Growth in %</i>	33%	272%	67%	181%	100%	45%
Unique visitors*						9.3
<i>Growth in %</i>						65%
Total visits (in million)*	11.6	1.8	5.8	3.0	10.6	22.2
<i>Growth in %</i>	35%	210%	94%	126%	117%	65%
Active customers (12 months, in million)**	1.8	0.1	0.4	0.1	0.6	2.4
<i>Growth in %</i>	20%	215%	62%	175%	93%	33%

\* During September 2010

\*\*As at 30 September 2010

**Business review**

The business is undergoing a transformation as we focus our efforts and resource on our international expansion. Our customer base is now a global pool of fashion followers in their 20's, as opposed to a UK only pool. The UK represents approximately 3-5% of global internet traffic.

We now have dedicated websites in four main markets (UK, US, France and Germany) and we are increasing our activity in a number of other markets including Australia, Ireland, Denmark and Russia.

According to Comscore, an international traffic measurement tool, we already have significant traction in a number of our markets. In Australia and Ireland we are already No. 1 and in Denmark we are the No. 2 player. Moreover, over the last 15 months, we have significantly improved our rankings in the US, France and Germany. Initial trends following the launch of our US website are encouraging. Conversion rates are in line with our expectations and initial trends indicate a positive take-up of the ASOS own label range.

We plan a centralised operation with responsibility for all key business functions staying in the UK. Where required, specifically in certain areas of product, local marketing and returns, small in-country teams or third party providers will be used. This gives us the speed and flexibility to establish ASOS quickly but also, importantly, retain central control as we expand. All the teams in the UK are being enhanced to include territory specific responsibilities with foreign nationals where appropriate. We appointed 197 new employees in the first half (April – Sept 2010) taking our total headcount to 1161 (inclusive of our Unipart warehouse staff).

Key to the success of our international expansion is the Barnsley warehouse project and I am pleased to report that this project is on schedule for commissioning in Spring 2011. This will have an initial sales capacity of £600 million. Fully fitted, it will give us capacity for over £1 billion of sales.

Our technology platform is also key to our future expansion plans and we are currently undertaking a number of key projects to support the back-office, international sites, capacity and resilience. We are also investing in a new Buying and Merchandising system, to be introduced in 3 stages and fully implemented by May 2011.

Since the period end ASOS also went 'mobile'. Visits to ASOS via mobile devices have doubled since January 2010 and now account for 3% of all ASOS traffic. Our mobile site has been designed to work across all mobile devices including Blackberry, Symbian, Android and iPhone operating systems.

During the period we further improved our service proposition in the UK by allowing customers to return their items to any of the 3,500 Collect+ convenience stores across the country. This service has proved very popular and already accounts for a significant percentage of our returns traffic.

## **Outlook**

As a business we remain positive about the outlook for the second half of the financial year and beyond. Our customers are now global customers, not just UK customers and our internet model is well positioned to be able to access the opportunity quickly and economically.

Softer comparatives in the UK coupled with our strong international growth, adequate stock levels and well managed costs should all lead to performance in the second half being ahead year-on-year and in line with market expectations.

ASOS is also embarking on a new journey, from online store (albeit a big one) to a global fashion destination. The purpose of this is to drive incremental traffic and therefore extra sales through the ASOS website. To support this, two new initiatives, ASOS Marketplace and ASOS Fashion Finder will be launching this calendar year. Marketplace is a new platform allowing small boutiques, independent designers and ASOS customers to showcase and sell their fashion product to all ASOS visitors. The second initiative, Fashion Finder, is also a new platform that will enable us to present great fashion to our customers from brands that we might not necessarily sell, but which we believe our customers will appreciate. Both of these will give customers even more reason to visit ASOS and to allow us to monetise areas of the fashion internet not previously available to us.

## Finance Director's Review

The Group made excellent progress in delivering on its strategy during the half year ended 30 September 2010. Group revenues increased by 45% over the previous year. Our financial focus is firmly anchored in maximising cash profit and leveraging our asset base in order to drive high returns on invested capital. Accordingly, we continued to invest in our customer proposition, resources, infrastructure and systems.

### Revenues

The Group derives its revenues through retail sales, delivery receipts and third party revenues. Retail sales are the principal income stream from the sale of product. Third party revenues are mainly comprised of advertising revenues from the website and ASOS magazine. An analysis of our revenues by channel and by geographical segment is shown below:

£'000s	UK	US	EU	RoW	International	Group
Retail sales	82,438	6,564	28,056	14,351	48,971	131,409
<i>Growth in %</i>	<i>26%</i>	<i>246%</i>	<i>71%</i>	<i>261%</i>	<i>120%</i>	<i>50%</i>
Delivery receipts	3,193	358	1,778	1,455	3,591	6,784
<i>Growth in %</i>	<i>-49%</i>	<i>310%</i>	<i>45%</i>	<i>264%</i>	<i>110%</i>	<i>-15%</i>
Third party revenues	1,463	-	-	-	-	1,463
<i>Growth in %</i>	<i>62%</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>62%</i>
<b>Group revenues</b>	<b>87,094</b>	<b>6,922</b>	<b>29,834</b>	<b>15,806</b>	<b>52,562</b>	<b>139,656</b>
<i>Growth in %</i>	<i>20%</i>	<i>249%</i>	<i>69%</i>	<i>262%</i>	<i>119%</i>	<i>45%</i>

Total retail sales grew by 50%, with continued strong growth in the UK, up 26% and exceptional growth in our international markets, up 120% on the previous year. Within that we are pleased to note that the Rest of World segment (boosted by Australia) and the US segment posted the highest growth rates.

Delivery receipts amounted to £6.8 million, a reduction of 15% on the previous year. This reduction in our delivery receipts reflects the substantial investment in our delivery proposition, such as free delivery options, particularly in the UK made during the last 12 months.

Third party revenues grew 62% during the period.

### Gross profit

The Group gross profit increased 43% and was boosted by the strong growth from higher margin territories. Gross profit in the UK grew by 18% on the previous year to £35.4 million while International gross profit grew by 113% to £22.5 million. The analysis of the gross profit by geographical segments is set out below.

£'000s	UK	US	EU	RoW	International	Group
Gross profit	35,413	3,055	12,417	6,985	22,457	57,870
<i>Growth in %</i>	<i>18%</i>	<i>238%</i>	<i>62%</i>	<i>254%</i>	<i>113%</i>	<i>43%</i>
<i>Gross margin</i>	<i>40.7%</i>	<i>44.1%</i>	<i>41.6%</i>	<i>44.2%</i>	<i>42.7%</i>	<i>41.4%</i>
<i>Retail gross margin</i>	<i>45.8%</i>	<i>57.2%</i>	<i>48.4%</i>	<i>50.2%</i>	<i>50.1%</i>	<i>47.4%</i>
<i>Change</i>	<i>240bps</i>	<i>265bps</i>	<i>180bps</i>	<i>-255bps</i>	<i>175bps</i>	<i>280bps</i>

The Group retail margin increased by 280 basis points from 44.6% to 47.4%. The increase in retail margin resulted from further buying gains and a reduction in markdown spend. We expect continued buying gains in the second half which we anticipate will offset the cost increases from labour and raw material inflation.

The total gross margin was diluted as a result of the investment in our delivery proposition, reducing our gross profit by £5.8 million in the first half. The total gross margin amounted to 41.4%, a reduction of 60 basis points on the prior year and in line with guidance.

### Investment in our operating resources

The Group increased its investment in its operating resources and capability by 41% to £50.8 million. This investment was achieved along with increased productivity. The Group's operating cost ratio improved by 100 basis points from 37.4% to 36.4%. The table below details the operating costs incurred by the Group.

<b>£'000s</b>	<b>H1 10/11</b>	<b>H1 09/10</b>	<b>Change</b>
Payroll and staff costs	17,857	13,152	36%
Warehousing	10,982	9,609	14%
Marketing	7,851	4,101	91%
Production	1,260	960	31%
Technology costs	2,682	1,595	68%
Other operating costs	7,953	5,249	52%
Depreciation	2,236	1,434	56%
<b>Operating costs</b>	<b>50,821</b>	<b>36,100</b>	<b>41%</b>
<i>% of sales</i>	<i>36.4%</i>	<i>37.4%</i>	<i>-100 bps</i>

The operating leverage delivered by the Group has again strengthened the underlying operating and financial performance. Our warehouse costs were £11.0 million, down from 10% of sales in H1 2009/10 to 7.9% during the reporting period. This was delivered through the benefits of greater scale and continued productivity gains.

Payroll and staff costs increased by 36%, thereby delivering further operating cost improvement. The main increases in our headcount were in our international, technology and retail teams.

The operational cost improvements delivered during the period were partly re-invested in increased marketing expenditure both in the UK and internationally to drive higher customer awareness.

Technology costs increased by 68% year on year principally down to the support for the wider technology footprint now deployed by the Group and from investments made to deliver faster more reliable website performance for our global customers.

Other operating costs include the day to day running of head office, credit card handling fees, legal and professional fees. The primary driver of the cost increases during the half relates to International translation services.

### Operating profit

Operating profit during the half increased by 61% to £7.0 million. The operating margin improved from 4.5% to 5.0%. The gross margin dilution of 60 basis points was therefore more than fully offset by an enhancement in the operating cost ratio.

### Finance income and taxation

Finance income was substantially lower as a result of the lower prevailing interest rates and the reduction in the net cash position.

### Earnings per share

Diluted earnings per share increased by 63% to 6.5p per share (2009: 4.0p). The increase in the diluted and basic earnings per share reflects the increase in underlying profitability.

### Investment in our infrastructure

Our capital investment has continued to focus around delivering new innovation to our customers and the enhancement of our core operating systems and infrastructure.

We have commenced the fit out programme for our new warehouse in Barnsley. This accounted for £1 million of capital expenditure in the first half.

The Barnsley warehouse programme is progressing to its planned timescales and development costs. We expect the new warehouse to be operational in Spring 2011. The new warehousing facility will initially give the business operating capacity of £600 million of sales. Our capital expenditure forecast in relation to the new facility remains unchanged for the next three years, being £20 million during this financial year, with further expenditure of £13 million in 2011/12 and £6 million in 2012/13. These additional investments are dependent on future business growth and will enable the new facility to deliver sales processing capacity of over £1 billion.

In relation to this transition we estimate dual running costs that could be incurred of c.£2-3 million in the balance of the financial year, which will be treated as continuing operational costs. In addition, there may also be exceptional operating costs in relation to set-up costs and non-cash write-offs of not more than £12 million in this financial year.

### Cash flow and balance sheet

The Group has a strong cash backed balance sheet which is free from long term encumbrances and liabilities. Net assets increased by 92% to £58.3 million. (2009: £30.4m). The Group cash balance was £4.0 million as at the 30<sup>th</sup> September 2010. The summary cash flow is detailed below.

<b>£'000s</b>	<b>H1 10/11</b>	<b>H1 09/10</b>
EBITDA	9,278	5,819
Working capital	(14,647)	(5,655)
Capital expenditure	(5,106)	(5,055)
Taxation	(2,430)	(1,592)
Investment in EBT	(302)	(466)
Other	1,577	2,023
<b>Total</b>	<b>(11,630)</b>	<b>(4,926)</b>

Operating cash flow of £9.3 million (up 59% on the previous year) was offset by the working capital outflow of £14.6 million. This increased working capital requirement was a result of the enhanced levels of stock in preparation for the future growth of the business. The capital expenditure was broadly consistent with the prior year.

Our investments are funded by operating cash flows, with additional short term facilities to support the working capital movement and the planned capital expenditure by the Group. Currently the Group has committed facilities of up to £20 million.

### Dividend

The Board is of the opinion that shareholder's interests are best served by continuing to reinvest the cash generated by the business to exploit the substantial growth opportunities both in the UK and Internationally. Accordingly, it has proposed not paying a dividend this half year. This policy remains under regular review.

Unaudited Consolidated Statement of Comprehensive Income  
For the six months ended 30 September 2010

	6mths to 30 Sept 2010 £'000	6mths to 30 Sept 2009 £'000	12 mths to 31 Mar 2010 £'000
Revenue	139,656	96,503	222,999
Cost of sales	(81,786)	(56,019)	(129,863)
Gross profit	57,870	40,484	93,136
Administrative expenses	(50,821)	(36,100)	(72,825)
<b>Operating profit</b>	<b>7,049</b>	<b>4,384</b>	<b>20,311</b>
Share of post tax losses of joint venture	(50)	(74)	(69)
Finance income	4	93	97
<b>Profit before tax</b>	<b>7,003</b>	<b>4,403</b>	<b>20,339</b>
Income tax expense	(1,973)	(1,243)	(5,759)
<b>Total comprehensive income attributable to owners of the parent</b>	<b>5,030</b>	<b>3,160</b>	<b>14,580</b>

**Earnings per share**

Basic	<b>6.8p</b>	<b>4.3p</b>	<b>20.0p</b>
Diluted	<b>6.5p</b>	<b>4.0p</b>	<b>18.7p</b>

Unaudited Consolidated Statement of Changes in Equity  
For the six months ended 30 September 2010

	Share capital £'000	Share premium £'000	Hedging reserve £'000	Employee Benefit Trust reserve £'000	Retained earnings £'000	Total £'000
Balance as at 1 April 2010	2,617	4,138	-	(3,197)	41,920	45,478
Shares allotted in the period	31	661	-	-	-	692
Purchase of shares by Employee Benefit Trust	-	-	-	(302)	-	(302)
Employee share schemes	-	-	-	1,310	(429)	881
Deferred tax on share options	-	-	-	-	6,380	6,380
Current tax on items taken to equity	-	-	-	-	112	112
Derivative financial assets	-	-	57	-	-	57
Total comprehensive income	-	-	-	-	5,030	5,030
Balance as at 30 September 2010	<b>2,648</b>	<b>4,799</b>	<b>57</b>	<b>(2,189)</b>	<b>53,013</b>	<b>58,328</b>



Unaudited Consolidated Statement of Financial Position  
As at 30 September 2010

	30 Sept 2010 £'000	30 Sept 2009 £'000	31 Mar 2010 £'000
<b>Non-current assets</b>			
Goodwill	1,060	1,060	1,060
Other intangible assets	6,208	1,977	3,918
Property, plant and equipment	13,363	13,221	12,777
Interest in joint venture	103	165	153
Deferred tax asset	12,482	3,073	6,636
	<b>33,216</b>	<b>19,496</b>	<b>24,544</b>
<b>Current assets</b>			
Inventories	64,459	35,187	37,728
Trade and other receivables	11,049	3,753	4,835
Derivative financial assets	57	-	18
Cash and cash equivalents	4,015	8,661	15,645
	<b>79,580</b>	<b>47,601</b>	<b>58,226</b>
<b>Current liabilities</b>			
Trade and other payables	(53,119)	(35,931)	(34,839)
Current tax liabilities	(1,349)	(755)	(2,453)
	<b>(54,468)</b>	<b>(36,686)</b>	<b>(37,292)</b>
<b>Net current assets</b>	<b>25,112</b>	<b>10,915</b>	<b>20,934</b>
<b>Net assets</b>	<b>58,328</b>	<b>30,411</b>	<b>45,478</b>
<b>Equity</b>			
Called up share capital	2,648	2,614	2,617
Share premium	4,799	4,073	4,138
Hedging reserve	57	-	-
Employee Benefit Trust reserve	(2,189)	(3,338)	(3,197)
Retained earnings	53,013	27,062	41,920
<b>Total equity</b>	<b>58,328</b>	<b>30,411</b>	<b>45,478</b>

Unaudited Consolidated Cash Flow Statement  
For the six months ended 30 September 2010

	6mths to 30 Sept 2010 £'000	6mths to 30 Sept 2009 £'000	12 mths to 31 Mar 2010 £'000
<b>Operating profit</b>	<b>7,049</b>	<b>4,384</b>	<b>20,311</b>
Adjusted for:			
Deprecation of property, plant and equipment	1,804	1,357	3,103
Amortisation of other intangible assets	425	78	219
Increase in inventories	(26,731)	(7,102)	(9,643)
Increase in trade and other receivables	(6,196)	(349)	(1,449)
Increase in trade and other payables	18,280	1,796	1,622
Share-based payment charges	881	1,519	918
<b>Cash generated from trading operations</b>	<b>(4,488)</b>	<b>1,683</b>	<b>15,081</b>
Income taxes paid	(2,430)	(1,592)	(4,373)
<b>Net cash generated from operating activities</b>	<b>(6,918)</b>	<b>91</b>	<b>10,708</b>
<b>Investing activities</b>			
Payments to acquire other intangible assets	(2,715)	(810)	(2,892)
Payments to acquire property, plant and equipment	(2,391)	(4,245)	(5,547)
Payments to acquire investments in joint venture	-	(78)	(60)
Finance income	4	93	97
<b>Net cash outflow used in investing activities</b>	<b>(5,102)</b>	<b>(5,040)</b>	<b>(8,402)</b>
<b>Financing activities</b>			
Proceeds from issue of ordinary shares	692	489	557
Purchase of own shares by Employee Benefit Trust	(302)	(466)	(805)
<b>Net cash used in financing activities</b>	<b>390</b>	<b>23</b>	<b>(248)</b>
<b>Net(decrease)/increase in cash and cash equivalents</b>	<b>(11,630)</b>	<b>(4,926)</b>	<b>2,058</b>
<b>Opening cash and cash equivalents</b>	<b>15,645</b>	<b>13,587</b>	<b>13,587</b>
<b>Closing cash and cash equivalents</b>	<b>4,015</b>	<b>8,661</b>	<b>15,645</b>

## Notes to the Unaudited Interim Financial Statements

### For the six months ended 30 September 2010

#### 1. Basis of Preparation, Accounting Policies and Approval of Interim Statement

The Interim Financial Statements for the 6 months ended 30 September 2010 have been prepared in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. This report should be read in conjunction with the Group's Annual Report and Accounts 2010, which have been prepared in accordance with IFRSs as adopted by the European Union.

The financial information set out in this report does not constitute statutory accounts within the meaning of section 434 the Companies Act 2006. The Annual Report and Accounts 2010 have been filed with the Registrar of Companies. The auditors' report on those accounts was unqualified, did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying the report and did not contain statements under s498(2) or s498(3) of the Companies Act 2006.

The Interim Financial Statements have been prepared in accordance with the accounting policies set out in the 2010 Annual Report and Accounts and it is these accounting policies which are expected to be followed in the preparation of the full financial statements for the financial year ended 31 March 2011. The following standards, amendments and interpretations became effective for the first time for the financial year beginning 1 April 2010 but either have no material impact or are not applicable to the Group:

- Amendment to IAS 27 - 'Consolidated and Separate Financial Statements';
- Amendment to IAS 32 - 'Financial Instruments: Presentation - Disclosure provisions superseded by IFRS 7 effective 2007';
- Amendment to IAS 39 - 'Eligible Hedged Items';
- Amendment to IFRS 1 - 'First-time Adoption of International Financial Reporting Standards';
- Amendment to IFRS 2 - 'Group Cash-settled Share-Based Payment';
- Amendment to IFRS 3 - 'Business Combinations';
- Improvements to IFRSs (April 2009);
- IFRIC 17 - 'Distributions of Non-cash Assets to Owners'.

At the balance sheet date a number of new standards, amendments and interpretations were in issue but not yet effective:

- Amendment to IAS 24 - 'Related Party Disclosures';
- IFRS 9 - 'Financial Instruments';
- IFRIC 19 - 'Extinguishing Financial Liabilities with Equity Instruments'.

The Group has not early-adopted any of these above new standards, amendments or interpretations. Their impact will be fully considered in due course.

The Group's business activities together with the factors that are likely to affect its future developments, performance and position are set out in the Finance Director's Review. The Finance Director's Review describes the Group's financial position, cash flows and borrowing facilities and also highlights the principal risks and uncertainties facing the Group. The Annual Report and Accounts 2010 includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments; and its exposures to credit risk and liquidity risk.

The directors have reviewed current performance and forecasts, combined with expenditure commitments, including capital expenditure. After making enquiries, the directors have a reasonable expectation that the Group has adequate financial resources to continue its current operations, including contractual and commercial commitments for the foreseeable future despite the current uncertain economic outlook. For this reason, they have continued to adopt the going concern basis in preparing the financial statements.

The Interim Financial Statements are unaudited and were approved by the Board of Directors on 5<sup>th</sup> November 2010.

## 2. Segmental Analysis

IFRS 8 'Operating Segments' requires operating segments to be determined based on the Group's internal reporting to the Chief Operating Decision Maker ("CODM"). The CODM has been determined to be the Operating Board. The Operating Board has determined that the primary segmental reporting format is geographical, based on the Group's management and internal reporting structure. Due to the rapid expansion of the International business over the interim period, the Operating Board has expanded its primary reporting segments and split the previously reported "International" segment into USA, EU and Rest of World ("RoW"). The Operating Board assesses the performance of each segment based on revenue and gross profit which excludes unallocated central costs which include items such as warehouse costs, staff costs and other administration costs. The Group has central distribution centres and one head office, which are in the United Kingdom, therefore it is not practical to determine a segmental split of the Balance Sheet.

### Revenue

	6mths to 30 Sept 2010 £'000	6mths to 30 Sept 2009 £'000	12 mths to 31 Mar 2010 £'000
UK	87,094	72,491	160,014
USA	6,922	1,984	5,938
EU	29,834	17,659	42,936
RoW	15,806	4,369	14,111
<b>Total Group</b>	<b>139,656</b>	<b>96,503</b>	<b>222,999</b>

### Gross Profit

	6mths to 30 Sept 2010 £'000	6mths to 30 Sept 2009 £'000	12 mths to 31 Mar 2010 £'000
UK	35,413	29,949	66,304
USA	3,055	905	2,699
EU	12,417	7,659	17,585
RoW	6,985	1,971	6,548
<b>Total Group</b>	<b>57,870</b>	<b>40,484</b>	<b>93,136</b>

## 3. Earnings Per Share

Basic earnings per share is calculated by dividing the profit attributable to the owners of the Parent Company by the weighted average number of ordinary shares in issue during the year. Own shares held by the ASOS.com Limited Employee Benefit Trust are eliminated from the weighted average number of ordinary shares.

Diluted earnings per share amounts are calculated by dividing the profit attributable to the owners of the Parent Company by the weighted average number of ordinary shares in issue during the year, adjusted for the effects of potentially dilutive share options.

	6mths to 30 Sept 2010 £'000	6mths to 30 Sept 2009 £'000	12 mths to 31 Mar 2010 £'000
Weighted average shares in issue for basic earnings per share	73,510,899	74,139,725	72,956,550
Effect of dilutive options	4,170,209	4,431,880	4,940,859
Weighted average shares in issue for diluted earnings per share	77,681,108	78,571,605	77,897,409
Earnings attributable to shareholders (£'000)	5,030	3,160	14,580
<b>Basic earnings per share</b>	<b>6.8p</b>	<b>4.3p</b>	<b>20.0p</b>
<b>Diluted earnings per share</b>	<b>6.5p</b>	<b>4.0p</b>	<b>18.7p</b>

## 4. Related Parties

The Group's related parties are its joint venture, Employee Benefit Trust and key management personnel. There have been no material changes to the related party transactions during the interim period under review.