ASOS PLC

asos

The Online Fashion Store

ASOS PLC

Annual Report & Accounts 2009

Winning the online fashion race

Annual Report & Accounts 2009

The Online Fashion Store

ASOS is rapidly becoming the market leader in the UK online fashion world.

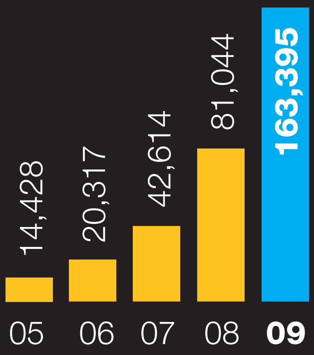
ASOS continues to generate profitable growth despite continued investment in operational resources.

ASOS enjoys strong and increasing barriers to entry due to its dominant market position.

Winning the online fashion race

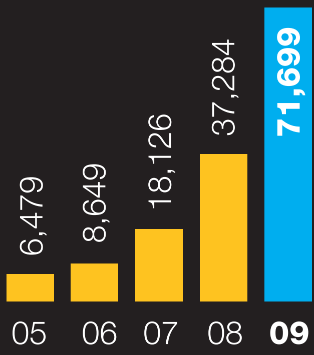
REVENUE
£'000

+102%



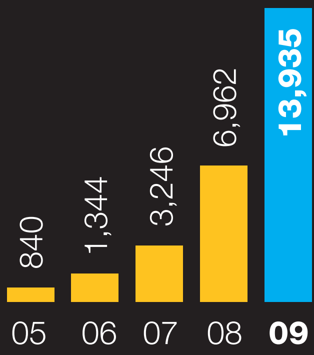
GROSS PROFIT
£'000

+92%



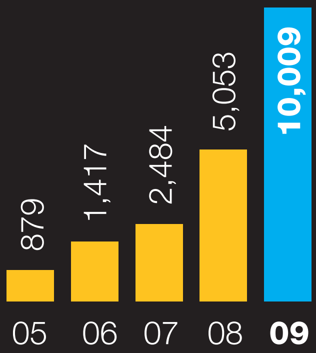
OPERATING PROFIT
£'000

+100%



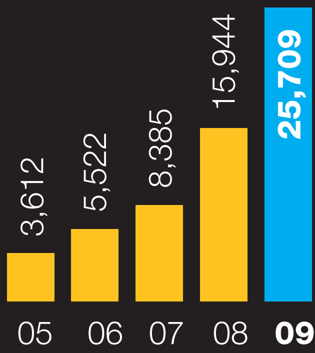
PROFIT AFTER TAXATION
£'000

+98%



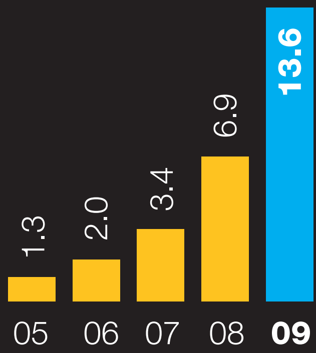
NET ASSETS
£'000

+61%



EARNINGS PER SHARE
pence

+97%



Our Business

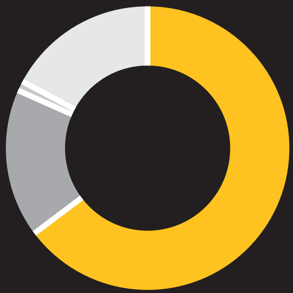
— ASOS IS THE NO. 2 PLAYER IN THE UK ONLINE CLOTHING MARKET

— ATTRACTING OVER 5.2 MILLION VISITORS PER MONTH

— THE NUMBER OF ACTIVE SHOPPERS HAS INCREASED TO OVER 1.2 MILLION

— OVER 24,000 LINES FOR SALE

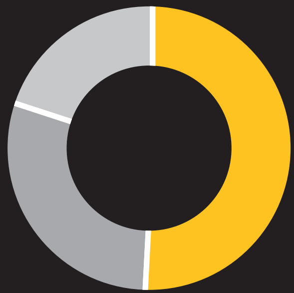
ASOS PERCENTAGE OF RETAIL SALES



- Womenswear **63%**
- Women's non clothing **18%**
- Beauty **1%**
- Menswear **18%**

Menswear now accounts for 18% of our sales.

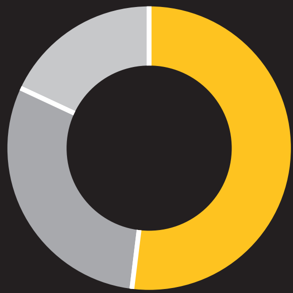
AGE PROFILE OF FEMALE SHOPPERS



- Women 16 — 25 **51%**
- Women 26 — 35 **29%**
- Women 36+ **20%**

Over half of our female shoppers are under the age of 25.

AGE PROFILE OF MALE SHOPPERS



- Men 16 — 25 **52%**
- Men 26 — 35 **30%**
- Men 36+ **18%**

Over half of our male shoppers are under the age of 25.

Winning the online fashion race

OUR STRATEGY

OVERVIEW

Our objective is to be the leading fashion website in the UK and attract growing numbers of overseas customers.

A key element of our financial strategy is to maximise efficiency while continuing to invest in supporting our planned growth.

Uncompromising Presentation

The ASOS website is our shop window and we will continue to develop it to ensure that our customers enjoy their time on the site and find it easy to find their way around it.

Incredible Choice

We will offer our customers the latest fashion with a target of over 30,000 options for the Autumn / Winter season. This will be driven through both own label and branded products.

Delivering Impeccable Service

We will increase the number of delivery options available to our customers.

AWARDS

2008:

Company High Street Awards —
Best Online Shopping

APA Awards —
Integrated Marketing Solution and Digital Activity of the Year

Uncompromising Presentation

— **ASOS MAGAZINE NOW THE THIRD LARGEST CIRCULATION AFTER GLAMOUR AND COSMOPOLITAN**

— **500,000 AVERAGE MONTHLY CIRCULATION**

CASE STUDY

ASOS LIFE
In 2008 we joined the conversation with customers through various social media, starting official ASOS pages on Facebook, MySpace and Bebo. We have also introduced ASOS Life, which allows customers to talk to each other and key people within ASOS.

The website received a complete overhaul in March 2009 and we introduced a number of new navigation features to enable quick and easy browsing of the extended product ranges. We also introduced a 360 degree view of all shoes and accessories and we introduced catwalk for menswear and for ASOS Outlet.

Our 20 biggest brands are now represented by a 'shop in shop' providing a rich brand experience for our customers and a unique distribution platform for our brand partners.

AWARDS

2008:

APA Awards —
Most Effective Retail Consumer Magazine of the Year

PPA Awards —
Customer Magazine of the Year

Incredible Choice

Just a few of our Women's Brands

AWARDS

2009:
Cosmopolitan Online Fashion Awards — Best Online Retailer

2008:
Maxim Style Awards — Multiple Brand Retailer of the Year

Fashion

6126 *
A.Y.Not Dead *
ACNE DENIM
Adidas
Alexander Wang Tees *
Alexandra McQueen for Puma *
Alice & Olivia
Alice and Sens *
Alice McCall
Ann-Sofie Back *
Antik Batik
April 77 *
Aqua Couture
Armand Basi One
Arne and Carlos *+
Bassike *
Belle Sauvage
Bench *
BERMAN BLACK *
Best Behaviour *
Beyond the Valley *
Bibi Chemnitz *
Billabong
Bllack Noir *
Bolongaro Trevor
Calvin Klein (Lounge & Lingerie)
Chilli Pepper
Chloe (Lounge & Swim) *
CK by Calvin Klein
Coast
Coming Soon By Yoji Yamamoto +
Coutique
Dagmar *
Dahlia
Darling
Denham
Designers Remix *
Diesel
Diesel Black Gold +
Disney Couture *
DKNY (Lounge & Lingerie) *
Dolly Dare +
Edwin *
Eksempel *
Ellisborough +
Emporio Armani (Lounge) *
Farhi by Nicole Farhi *
Fantasie
Fashion Enter
Fat Face
Freya
Future Classics
Genetic *
Gestuz
Gomez Gracia *+
Happie Loves It
Heaven & Earth +
Helene Berman +
Horace
House of the Gods
Humanoid *
Hurwundeki
Ichi
Iro *
Jaeger London
JJ Park
Jovonna
Junk Food
Just Cavalli
K By Karl Lagerfeld *
Karen Millen
Karen Walker *
Kate Fearnley *
Kuyichi
LAMB +
Lauren Moshi
Lipsy
Lisa Jayne Dann
Little Miss Sew +
LNA
Lofli
Manoush
Markus Lupfer
McQ by Alexander McQueen
Mina
Mini Market
Minimum *
Motel
Muu Baa
Natalie Encarnita
Nicola de Main
Nike
Nobody *
Numph *
NW3 *+
Orion
Pa:Nuu *
Patrizia Pepe
Paul & Joe Sister
Paul Frank
People Tree

"WE WELCOMED A NUMBER OF NEW BRANDS TO THE SITE INCLUDING G-STAR, REISS, WAREHOUSE AND POLO RALPH LAUREN AND WE LOOK FORWARD TO INTRODUCING BOTH GAP AND MANGO IN AUGUST 2009"

Peoples Market
Peter Jensen *
Pinko +
Pinko Skin
Poppy Valentine +
Pringle 1815
Prophecy
Public Beware
Puma
Quontum
Rainbeaux
Rare
Rebecca Taylor *
Reiss
Religion
Repetto
Richard Sorger *+
Roxy
Sass & Bide
Satori
Seafolly
Selected Femme
Shock Absorber
Siren
Siwy
Soaked In Luxury
Something Else
Sonia By Sonia Rykiel
Sugar Hill Boutique *
Sunseeker
Supertrash
TFNC
The Laden Showroom +
The Mountain
Tofu
Totem
Traffic People
Tree Hugger +
Twenty8Twelve
Unconditional *+
Unique Boutique
Valentino Red *
Vero Moda
Vila
Vix
Wayne *+
Wheels & Doll Baby
Whistle
Wildfox *
William Rast *
Won Hundred *
Work *
YMC *
Yumi

Accessories

80%20
Abaco *
Adidas *
Alex Munroe
Alexia *
Angel Jackson
Angie Gooderham
Anton Heunis Jewellery *
Ash
Bajra *
Berman Black *
Bernstock Speirs *
Bertie
Betsey Johnson
Birkenstock
Bloch *
Blowfish
Botkier
Bottle Top - Enviro
Bourne
Bracher Emden *
Calvin Klein *
Calvin Klein Jeans
Carvela
Cath Kidston
Causse Gloves *
CC Skye
Chapeau Claudette
Charlott Vasberg *
Cheeky Monkey
Chie Mihara
Coast
Converse
Cornelia Jewellery *
Crumpet
D&G Jewellery *
David & Scotti *
Dents *
Diesel
Diesel Black Gold
Disaya
Disney +
Disney Couture
DKNY Active
Dolce Vita
Dr Martens
Dune
DV
Ela Stone Jewellery
Eley Kishimoto
EMU
Erotokritos
Erva *
Eugenia Kim
F&J Scarves *
Faith
Farhi By Nicole Farhi *
Feud
Finsk
Firetrap
Fluff *
Fornarina
Fred Perry
French Connection
Gaspard Yurkievich
G-Star *
Guess
H By Hudson
Harajuku Lovers
Harlot
Havaianas
Helene Berman +
House of Harlow Jewellery *
Hunter
Imoni *
Irregular Choice
J Lo
Jaeger
Jas MB
Jeepers Peepers +
Jennifer Ouellette *
Jessica Kagan Cushman *
Jessica Simpson
Johnny Loves Rosie
Johnstons *
Juicy Couture *
Just Cavalli
Kara Ross *
Karen Millen
Kate Sheridan
Kathryn Amberleigh
Keds
Killah
Kitson Jewellery *+
Kotur *
Lacoste *
Lala Berlin *
LAMB
Laura Tabor
Laurence Decade
L'Autre Chose
Leigh & Luca *
Les Nereides
Lipsy
Lisa Galibardy
Lotus
Lulu Guinness *
Luxury Rebel
Made
Maniyak +
Martine Sitbon *
MCQ
Melissa
Michael by Michael Kors *
Minnetonka
Mischa Barton +
Miss L-Fire
Miss Sixty
Mogil
Monica Vinader
Moschino Cheap & Chic Jewellery *
Mukluk
Nike
Nine West
Nogoy
Oasis
O'Neil
Opening Ceremony
Orla Kiely
Paparazzi *
Patrizia Pepe
Paul & Joe
Paul & Joe Sister
Paul Frank
People Tree
Philip Treacy
Philosophy by Alberta Ferretti *
Pied A Terre
Pinko
Poetic Licence
Preen By Thornton Bregazzi
Pringle
Puma *
Rebecca Minkoff
Reebok
Reiss
Repetto *
Rocket Dog
Salvador Sapena
Satori *
See By Chloe *
Seychelles
Shellys
Shofolk
Snowjoggers
Solea
Sonia By Sonia Rykiel *
Stephen Webster *
Steve Madden
Steven
Studio TMLS
Superga
Surface To Air *
Susan Caplan Vintage Jewellery
Swarovski *
Tales From The Earth
Tarina Tarentino
Ted Baker
Terra Plana
Terry De Havilland
The Earring Boutique
Toms
Traits *
Twenty8Twelve
Ugg
United Nude
Vivienne Westwood *
Vivienne Westwood for Melissa
VJC Versace Jeans
William Sharp *
Yarnz *
Zoe & Morgan

Beauty

Anatomicals
Anna Lou
Barry M
Body Boutique
Bourjois
Carmex
Cath Kidston
Dainty Doll
Elegant Touch Wax
EVO +
Eyeko
Eylure
Fake Bake
Figs & Rouge *
Fudge
Ghd
Girls with Attitude
Hair Rehab
Hairdo. By Jessica Simpson & Ken Paves
Hei Poa
Jelly Pong Pong
JK Jemma Kidd +
Korres
Liparazzi
Lizzie
Models Own *
Mop
Nails Inc.
Naturaleve
O.P.I
Ole Henriksen
POP Beauty
Rimmel London
Rose & Co
Rose & Co Cherry Kiss
Seche *
Skin Doctors
St Tropez
Tangle Teezer *
Ted Baker *
Tigi Bed Head
Tigi Catwalk
Tigi Hardcore
Tigi S Factor
Toni & Guy
Too Faced
Toxic Twins
Tweezerman
Urban Decay
Young & Pure *

* New
\+ Exclusive

Incredible Choice

Just a few of our Men's Brands

Fashion

10 Deep *
1000 Reasons *+
55DSL
ACNE *
Addict
Addict Outdoor
ADIDAS
Affliction
Alexander McQueen for PUMA *
Alpha
Amplified
April 77 *
Aquascutum *
Arn *
Atelier La Durance *
Ator Berghaus *
Aussie Bum
B Store *
Baracuta
Ben Sherman
Ben Sherman Tailoring
Bench
Berghaus Heritage *
Bjorn Borg
Blue Blood
Bolongaro Trevor
Born
Boss Black
Boss Green *
Boss Orange
Boxfresh
BSA
Buckler
Burlington
Burro *
Calvin Klein
Calvin Klein 365
Calvin Klein Pro Stretch
Calvin Klein Steel
Canada Goose
Canadian Sweater Company *
Carhartt *
Carolyn Massey *
Cheap Monday
Chunk
CIN2 *
Closed
Cold Method
Comme des Garcons
Comme des Garcons SHIRT
Corgi
Crooks & Castles *
D&G
Daniele Alessandrini
Day Birger et Mikkelsen
Denham *
Denim Demon *
Dickies
Diesel
Diesel Black Gold
DKNY
Dockers
Dr Denim
Duck & Cover *
Earnest Sewn *
Edwin *
ELC *
Emporio Armani
Energie *
Evisu
Farah Vintage
Farhi
Fat Face *
FC72
FCUK
Fila Gold
Filippa K
Firetrap
Fly 53
Frank Dandy
Franklin & Marshall
Fred Perry
Fred Perry Classic *
Fred Perry Laurel *
French Connection
Full Circle
G Star *
Gabicci Vintage
Gant *
Gap *
Garbstone *
Gilded Age *
Ginch Gonch
Gio Goi
Gloverall *
Hackett *
Hartford
Henri Lloyd
Henrik Vibskov *
Hilfiger Denim
Hilfiger Underwear
Holland Esq *
Hom
Hope
Hugo Boss Golf *
Hugo Boss Red *
Humour
Ian Poulter
IJIN *+
J. Lindeberg

AWARDS

2009:
Drapers Footwear Awards — Etailer of the Year

2008:
In Style Shopping Awards 2008 — Best Online Shop

"DURING THE YEAR, OUR PRODUCT RANGES GREW BY 157%, RESULTING IN 21,300 OPTIONS ON SITE AT THE END OF MARCH 2009 (UP FROM 8,300 AT THE END OF MARCH 2008)"

JL BY J. Lindeberg Golf
John Galliano +
John Richmond *
John Smedley
Junk De Luxe
Just Cavalli
Kato *
Kicking Mule *
KIDROBOT *
Ksubi *+
Kuyichi
Kuyichi Pure
Premium *
Lacoste *
Lamundane *
Lavenham *
Lee
Lee Jeans Gold *
Lee Jeans Originals *
Levis
Levis 501
Logoshirt
Lyle & Scott Heritage
Made In England *
Maharishi
Mango *
Marc by Marc Jacobs *
MCQ BY Alexander McQueen
MHL by Margaret Howell
Mjolk
Modern Amusement
Money *
Moschino *+
Naked and Famous *
Nice Collective
Nigel Hall
NIKE
NIKE ACG *
Nobody *
Nudie
Oak *
Obey *
Oliver Spencer
One True Saxon
O'Neill Outdoor
Opening Ceremony *
Original Penguin
Pantherella
Pants To Poverty
Paul & Joe
Penfield
Peoples Market
Pepe
Peter Werth
Polo Golf *
Polo Jeans *
Polo Ralph Lauren
Pringle
Pringle Golf
Puffa
Puma
Puma 18-Hole Golf
Puma by Dasler
RAF by Raf Simons
Raf Simons for Fred Perry
Real Real Genuine *
Reigning *
Reiss
Religion
Replay
Ringspun
Roberto Cavalli*
Schott
Seal Kay
Sexy Bastard by Buckler
Shipley & Halmos *
Simon Carter
Sloggi
Staple *
Stone Island Denim *
Studio Da Artisan *
Sugar Caine *
Sunspel
Superdry
Supra *
Supreme Being
Surface to Air *
Ted Baker
The North Face
Thomas Burberry
Thomas Pink *
Tiger of Sweden
Timberland *
Tommy Hilfiger
Tommy Hilfiger Golf
True Religion
Tuesday Night Band Practice
Two Stoned
Unconditional
Velour
Victorinox
Villain
Vintage 55 *
We Are Replay
What Goes Around *
Whyred
Wilson
Wings and Horns *
Wonhundred *
Wrangler
Wrath Arcane *
YMC

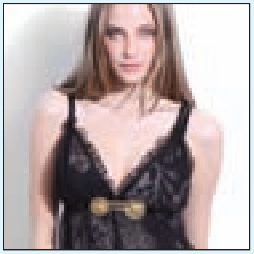
Accessories

55DSL
Acne
Adidas
Adidas Originals
Ally Capellino
Andersons
Anthony Peto
B Store
Bailey of Hollywood
Band of Outsiders
Ben Sherman
Bench
Bill Amberg
Black Dice
Bolongaro Trevor
Boss Hugo Boss
Boss Hugo Boss
Green
Boxfresh
Brady
Breil
B-Store
Calvin Klein
Camper
Carhart *
Carrera
Casio
Caterpillar Raw *
Cheap Monday
Cheapo
Chris & Tibor
Chris Habana *
Citizen *
Clarks
COMME des GARÇONS SHIRT
Common Projects *
Converse
Creative Rec *
D&G
D.I.E
Dakine
Diesel
Diesel Black Gold
DKNY
Dockers
Dolce & Gabbana
Dr Martens
Eastpak
Emporio Armani
Energie
Evisu
Farhi
Fila
Filippa K
Firetrap
Fly 53 *
Fly London
Franklin & Marshall
Fred Perry
Fred Perry Laurel
French Connection
Full Circle
G Shock
G Star *
G.H. Bass
Gant
Gio Goi
Gola
Grenson
Guess
H By Hudson
Hackett *
Hartford
Helmut Lang *
Henri Lloyd
Henrik Vibskov
Heuer
Hilfiger Denim
Hope
Hudson
Hugo Boss
Hunter
Ignite
Ikon
Illustrated People
Independent *
Insight
Isavedlaurence
J Fold
J. Lindeberg
Jack Purcell *
JAS MB
Jeepers Peepers
Jeffery West
John Smedley
Junk De Luxe
K by Karl Lagerfeld
Kangol
Karl Lagerfeld
Keds
Kenneth Cole
KG By Kurt Geiger
K-Swiss
Lacoste
Lanyard *
Levis
Linda Farrow Projects
Links of London *
LogoBag
Luke Roper 1977
Manhattan Portage
Marc By Marc Jacobs
Marc Jacobs
McQ by Alexander McQueen
Merrell
MHL by Margaret Howell
Michael Kors
Minnetonka
Modern Amusement
Nanny State
Narrative
New Balance
Nice Collective
Nigel Hall
Nike
Nooka
Oakley
Officine Creative
Oliver Spencer
Omega
One True Saxon
O'Neill
Onitsuka Tiger
Opening Ceremony
Original Penguin
Paul & Joe
Peckham Rye
Penguin *
Persol
Peter Werth
PF Flyers
Police
Polo By Ralph Lauren
Puma
Raf by Raf Simons
Raf Simons
Raf Simons for Eastpak
Raf Simons for Fred
Ralph Lauren
Ray-Ban
Red Wing
Reebok
Replay
Retro Super Future Sunglasses
Rogues Gallery
Rolex
Schmoove
Sebago
Seven Jewellery
Shofolk
Simon Carter
Sonia Rykiel
Sperry
Spitfire
Storm
Superdry
Superga
Supreme Being
Tateossian
Ted Baker
The North Face
Timberland Boot Co.
Timex
Tommy Hilfiger *
Toy *
Tretorn
TW Steel *
U-boat
Vans
Velour
Victoria Plimsolls
Villain
Vivienne Westwood *
Wrangler
YMC
YSL
Zoe and Morgan

New *
Exclusive +

Delivering Impeccable Service

CASE STUDY



ASOS OUTLET
In September 2008 we launched ASOS Outlet, a dedicated shop within ASOS selling separately sourced, last season's brands at up to 70% off.

- NEXT DAY DELIVERY
- STANDARD DELIVERY PROMISE 2–3 DAYS
- WEEKEND ORDERS DELIVERED MONDAY
- SATURDAY DELIVERY
- NOMINATE YOUR DAY OF DELIVERY
- E-MAIL AND TEXT ALERTS TO INFORM CUSTOMERS OF DELIVERIES
- 85% OF ORDERS TRACKABLE
- CUSTOMER CARE AVAILABLE 24/7
- NEXT DAY DELIVERY CUT-OFF TIME 6PM

Following considerable investment in new warehouse and carrier management systems, we will shortly be introducing a number of new service propositions. Our next day delivery service will be extended allowing customers to place orders up to 6.00 pm. This includes a Saturday delivery for orders placed on a Friday. We will also be introducing a super saver option and premium 'same day' service within London. Today, approximately 85% of our orders are trackable.

AWARDS

2009

Drapers Etail Awards —
Best Customer Experience

Cosmopolitan Online
Fashion Awards —
Best For Bargains

2008

Company High
Street Awards —
Best Place to Spend £50

Our Market

— £43.8 BILLION TOTAL UK ONLINE SPEND IN 2008

— CLOTHING, FOOTWEAR AND ACCESSORIES WAS THE FASTEST GROWING SECTOR IN 2008

— 26.6 MILLION TOTAL UK ONLINE SHOPPERS IN 2008

— THE AVERAGE UK ONLINE SHOPPER SPENT £1,502 IN 2008

TOP 10 PLAYERS JULY 2009

Source: HITWISE.

	% of market share	2009	2008	Change
1	Next	6.31%	8.96%	-265 bps
2	**ASOS**	**5.13%**	4.74**%**	+39 **bps**
3	TopShop.com	3.44%	2.75%	+69 bps
4	River Island	3.17%	2.61%	+56 bps
5	New Look	2.99%	1.83%	+116 bps
6	Fat Face	1.61%	1.45%	+16 bps
7	Dorothy Perkins	1.44%	1.41%	+3 bps
8	M and M Direct	1.39%	1.34%	+5 bps
9	Boden	1.30%	1.31%	-1 bps
10	Laura Ashley	1.19%	1.22%	-3 bps

"ACCORDING TO A REPORT BY VERDICT, THE PERCENTAGE OF CLOTHING BOUGHT ONLINE IS EXPECTED TO DOUBLE IN THE NEXT 3 TO 4 YEARS, FROM 5.7% AT THE END OF 2008 TO OVER 11% BY 2013"

ASOS RANKS 12 (2008: 17) IN THE TOP 50 UK SHOPPING WEBSITE BY TRAFFIC JULY 2009

Source: HITWISE.

Rank	Name	Share (%)
1	eBay UK	21.60
2	Amazon UK	4.90
3	Argos	1.90
4	Play.com	1.38
5	Marks & Spencer	1.14
6	eBay	1.10
7	Amazon.com	0.93
8	Tesco.com	0.84
9	Next	0.77
10	Gumtree.com	0.74
11	HotUKDeals	0.65
12	**ASOS**	**0.62**
13	Tesco Direct	0.57
14	eBay Motors UK	0.55
15	TopShop.com	0.42
16	B&Q Online	0.41
17	Tesco Superstore	0.40
18	HMV.com	0.39
19	Shopping.com UK	0.39
20	River Island	0.38
21	Littlewoods	0.38
22	Ciao UK	0.38
23	Currys	0.37
24	Debenhams	0.37
25	John Lewis	0.36
26	LoveFilm.com	0.36
27	New Look	0.36
28	Ticketmaster United Kingdom	0.35
29	Dell EMEA	0.35
30	Apple (United Kingdom)	0.35
31	O2 Shop	0.34
32	ASDA	0.33
33	Comet UK	0.33
34	PC World E-Commerce	0.31
35	Boots	0.30
36	GAME	0.30
37	My Voucher Codes	0.29
38	IKEA	0.29
39	The Orange Shop	0.29
40	QVCUK.com	0.27
41	Screwfix Direct	0.27
42	Sainsbury's	0.27
43	Kelkoo United Kingdom	0.27
44	Thetechguys.com	0.27
45	HP	0.26
46	Apple Store	0.26
47	ASDA Direct	0.26
48	Halfords	0.25
49	NexTag UK	0.25
50	VivaStreet UK	0.23

5.13%
market share
OF ONLINE CLOTHING VISITS

www.next.co.uk 6.31%; www.topshop.com 3.44%; www.riverisland.com 3.17%

12th
in top 50
UK SHOPPING WEBSITES

By traffic: July 2009

10% of
UK spending
ONLINE TO BE CLOTHING BY 2010

Source: Verdict

Questions and Answers

What is ASOS?

ASOS is the UK's largest independent online fashion and beauty retailer offering around 25,000 branded and own label fashion lines across womenswear, menswear, footwear, accessories, jewellery and beauty.

Who are your customers?

We target fashion conscious 16-34 year olds and attract over 5.4 million unique visitors a month. As at 31 May 2009, we had 2.4 million registered users and 1.2 million active customers which we define as people who shopped with us in the last 6 months.

Last year revenue was up 104% but in the first 13 weeks of the current year your sales were only up 52%. Have you gone ex-growth?

Not at all! You have to realise that to deliver last year's results, we had to buy 100% more stock than in the previous year. In planning for the current year, we were more conservative and this was reflected in the analysts' forecasts at the start of the year when they were looking for sales growth of 35% to 40% for the year ending 31 March 2010. It is still early in the financial year but, if we achieve this level of growth, we think it will be an outstanding achievement and we hope it will please our shareholders.

You appear to be adopting a high risk strategy by expanding overseas. Given the current economic environment is this wise?

This past year our international sales amounted to £32.2m or just under 19.5% of total revenues. This was achieved with very little marketing effort on our part but, as you can see from last year's numbers, international expansion is a major opportunity which we plan to take advantage of through a low risk approach. As you are probably aware, Nick Beighton recently joined us as Finance Director and following his arrival Jon Kamaluddin, his predecessor, who joined us in 2004, will be spearheading our overseas expansion.

We are not planning a major international launch. What you will see is a roll out of the ASOS brand with additional emphasis on particular countries. As of today, our customers have a choice of six currencies to choose from when they shop with us and we export to 58 countries worldwide. This will increase to over 100 during the course of the current year.

At the forefront of our thinking is customer service. With distribution services available today, we can now deliver to many places in Europe and North America within two days, which is probably as quick, if not quicker, than retailers in those countries. This enables us to fulfil international orders from our distribution centre in Hemel Hempstead without the major cost of having to build centres in overseas territories.

"WE ARE FIRMLY ESTABLISHED AS THE UK'S PREMIER ONLINE FASHION BUSINESS AND I REMAIN POSITIVE ABOUT THE OUTLOOK FOR ASOS"

As shareholders are aware, we have very sophisticated technology and during the past year we invested over £15.5m in our warehouse operation to meet growing demand. We are continuing to benefit from the efficiencies that this ongoing investment in logistics is producing and this has given us confidence that we have the resources in place to expand overseas.

In due course, probably within the next 18 months, we will start to introduce country specific websites but this aspect of our plans is still at the development stage.

With over £13.5m on your Balance Sheet and no borrowings, why are you failing to pay a dividend?

The Board looks at this issue very carefully but, given what we believe to be the very exciting growth opportunities that still exist, we feel that it is in the interest of our shareholders that we continue to invest in the business.

Nick Robertson
Chief Executive Officer

AWARDS

2009:
Cosmopolitan Online Fashion Awards — Denim to Die For

2008:
Maxim Style Awards — Brand of the Year

Chairman's Statement

It gives me great pleasure to present another outstanding set of results for ASOS PLC. Against the worst economic climate for retailers in recent memory, the Company has produced top line growth of over 100%, has again increased its market share and has delivered outstanding profit growth.

It highlights the strength of the Internet as a retail channel and its potential position in the retail landscape of the future.

The outlook for 2009/10 remains uncertain. Whilst some indicators are showing positive signs, the effect of unemployment, job security and consumer debt has yet to be fully felt. Therefore, we have been more conservative in our planning for the 2009/10 financial year.

That said, the future of online clothing retail remains bright, with the Internet set to take an ever increasing share of the clothing market. ASOS is ideally positioned to continue to exploit this, both in the UK and increasingly internationally, and we remain confident that this will be another year of strong growth.

MANAGEMENT INCENTIVE PLAN

During the 2009/10 financial year, the Remuneration Committee of ASOS will be implementing a new management incentive plan for executive directors and selected other key employees of the Company.

The purpose of the plan is to incentivise and reward the management of ASOS for superior performance through the achievement of challenging Earnings per Share ("EPS") growth targets and to align the interests of management with those of shareholders through a demanding Total Shareholder Return ("TSR") condition. Both the EPS and TSR conditions will have to be met for awards to vest.

DIVIDEND

Sustaining the levels of growth delivered to date has required and will continue to require significant capital investment in the Company. The Board believes it is in the best interests of shareholders to continue to exploit the significant growth opportunities available to the business and consequently, does not propose paying a dividend this year. This policy remains under constant review.

PEOPLE

On behalf of the Board I would like to welcome our new employees who joined us during the year and to thank the team for their outstanding contribution to the ongoing success of ASOS. During the year ASOS won 17 industry and consumer awards, an achievement of which they can all be very proud.

“AGAINST THE WORST ECONOMIC CLIMATE FOR RETAILERS IN RECENT MEMORY, THE COMPANY HAS PRODUCED TOP LINE GROWTH OF OVER 100%”

I would also like to welcome Nick Beighton, who joined us from Luminar Group Holdings plc, as Finance Director and Company Secretary and wish Jon Kamaluddin all the best in his new role as International Director.

Lord Alli
Chairman

AWARDS

2008:
AIM Awards — Best Performing Share over 5 years

AIM Awards — Company of the Year

Chief Executive's Statement

BUSINESS REVIEW

I am pleased to report another exceptional year for ASOS. Despite the challenging economic conditions, sales grew by 104% to £165.4m and profit before tax increased by 93% to £14.1m.

We continued our programme of investment throughout the year, delivering a number of product initiatives whilst building our team and infrastructure to support these superior levels of growth. The continued popularity of Internet shopping provided a strong backdrop and, with the weakness in sterling, our international sales took a significant step-up.

This year has started positively, with sales for the 13 weeks to 26 June 52% ahead of the same period last year. This compares to an increase of 95% for the same period last year. Clearly we are facing much tougher comparables, and there is now some evidence to suggest that the rate of growth in online sales has begun to moderate. In May 2009, the Interactive Media in Retail Group (IMRG) reported an 8% year on year growth in clothing sales, the lowest year on year increase since the index was launched nine years ago.

That said, according to a report by Verdict the percentage of clothing bought online is expected to double in the next 3 to 4 years, from 5.7% at the end of 2008 to over 11% by 2013. At ASOS, we remain committed to winning the online fashion race. According to Hitwise, ASOS remains the second most visited apparel and accessories site on the Internet in the UK and in May 2009, we became a top 10 UK e-commerce site for the first time, coming in 10th place, a rise of eight places on the year. We will continue our programme of investment, albeit at more conservative levels in the short-term, in order to exploit the opportunities that exist both in the UK and internationally.

KEY PERFORMANCE INDICATORS	2008/09	2007/08	Increase
Sales (£'000)	**165,395**	81,044	104%
Retail margin (excluding third party and delivery)	**46.3%**	47.6%	—
Average basket value (£ including value added tax)	**59.5**	53.0	12%
Average units per basket	**2.58**	2.54	—
Average selling price per unit (£ including value added tax)	**23.09**	20.89	11%
Returns % to sales (by value)	**26.0%**	26.1%	—
% International sales	**19.5%**	10.0%	—
Number of orders ('000)	**3,979**	2,235	78%

"WE CONTINUED OUR PROGRAMME OF INVESTMENT THROUGHOUT THE YEAR, DELIVERING A NUMBER OF PRODUCT INITIATIVES WHILST BUILDING OUR TEAM AND INFRASTRUCTURE TO SUPPORT THESE SUPERIOR LEVELS OF GROWTH"

INTERNATIONAL

Our international business has grown strongly over the year and now represents 19% of our sales, up from 10% in 2007/08. Sterling's weakness, particularly against the US dollar and the euro, has assisted with this growth as has an increase in marketing activity in Northern Europe and the US. During the year we increased the number of countries that we ship to from 34 to 58. Our top five performing countries outside the UK were Ireland, Denmark, Sweden, France and the US.

The Board believes that international expansion represents the largest growth opportunity open to ASOS. Accordingly, Jon Kamaluddin was appointed International Director in April 2009. Jon is responsible for developing and implementing our international strategy.

We will continue to add to the number of countries that we ship to, we will introduce flat rate shipping charges and we will increase our digital marketing activity. Ultimately we will introduce stand-alone, country specific, ASOS sites.

During the first phase of our international expansion all orders will be fulfilled from our UK warehouse. This will enable us to offer the full ASOS range of over 20,000 lines without introducing significant additional stock risk. This approach allows us to build scale in each local market ahead of significant infrastructure investment.

DELIVERING INCREDIBLE CHOICE

During the year, our product ranges grew by 157%, resulting in 21,300 options on site at the end of March 2009 (up from 8,300 at the end of March 2008). As at 20 June 2009, there were 24,700 options on the ASOS website, up from 12,260 a year prior. We anticipate that we will extend this to approximately 30,000 options for the Autumn/Winter season.

In September 2008 we launched ASOS Outlet, a dedicated shop within ASOS selling separately sourced, last season's brands at up to 70% off. In February 2009, we launched Designer Brands at ASOS and Little ASOS (childrenswear). Our own-label ranges were also extended with the introduction of Maternity and ASOS Black, a premium range. We plan to launch an own-label childrenswear range and an own-label plus size range later in the year.

We welcomed a number of new brands to the site including G-Star, Reiss, Warehouse and Polo Ralph Lauren and we look forward to introducing both Gap and Mango in August 2009. This takes the total number of brands now represented on ASOS to 820 compared to 600 twelve months ago.

DELIVERING UNCOMPROMISING PRESENTATION

The website received a complete overhaul in March 2009 and we introduced a number of new navigation features to enable quick and easy browsing of the extended product ranges. We also introduced a 360 degree view of all shoes and accessories and we introduced catwalk for menswear and for ASOS Outlet.

Chief Executive's Statement continued

CASE STUDY

LITTLE ASOS
In February 2009 we launched Little ASOS (childrenswear). We also plan to launch an own-label childrenswear range.

Our 20 biggest brands are now represented by a "shop in shop" providing a rich brand experience for our customers and a unique distribution platform for our brand partners.

DELIVERING IMPECCABLE SERVICE

Following considerable investment in new warehouse and carrier management systems, we will shortly be introducing a number of new service propositions. Our next day delivery service will be extended allowing customers to place orders up to 6.00 pm. This includes a Saturday delivery for orders placed on a Friday. We will also be introducing a super saver option and premium "same day" service within London. Today, approximately 85% of our orders are trackable.

COMMUNITY AND SOCIAL MEDIA

In 2008 we joined the conversation with customers through various social media, starting official ASOS pages on Facebook, MySpace and Bebo. On Twitter, our approach was slightly different: in addition to officially providing real time News & Offers, Customer Care and Service Updates there are 55 members of the ASOS team across various departments actively talking to customers. This more immediate and personal approach is resonating with our customers and we now have the largest Twitter following of all UK retailers. We have also introduced ASOS Life, which allows customers to talk to each other and key people within ASOS.

INVESTING IN INFRASTRUCTURE

Over the past year, we have invested in systems to support our back office operations of buying, merchandising and fulfilment, recently installing a new warehouse management system at our Hemel Hempstead warehouse. This system will support our increasing range size, international expansion, as well as our demands for advanced delivery and returns options.

During the next twelve months we plan to continue our investment in systems (focusing on merchandise management and stock planning) and will further develop our website systems in preparation for our international expansion.

“OUR INTERNATIONAL BUSINESS HAS GROWN STRONGLY OVER THE YEAR AND NOW REPRESENTS 19% OF OUR SALES”

Subject to further investment in storage and handling equipment, our site in Hemel Hempstead is capable of supporting annual sales of approximately £350m.

THIRD PARTY REVENUES

We have strengthened the team responsible for deriving revenue from advertising banners, inserts, list sales and display advertising in our magazine. Consequently, after what was a somewhat disappointing year in this area, we expect third party revenues to grow in the coming year.

SUMMARY AND OUTLOOK

We are firmly established as the UK’s premier online fashion business and I remain positive about the outlook for ASOS. First quarter sales are growing at 52%, an exceptional performance, given the current economic climate. It is clear that the structural shift to online continues and I believe that ASOS is ideally placed to exploit it. Moreover, international expansion is a key opportunity for ASOS and I expect our international business to grow substantially in the years to come.

With three-quarters of the financial year to go, including the key Christmas period, it is too early to assess whether our current performance will continue for the full year. That said, I believe ASOS can look forward to another year of strong progress and development.

Nick Robertson
Chief Executive Officer

AWARDS

2009
Growth Company Awards — AIM Company of the Year

2008
Esquire Awards — Best Credit Crunch Survivor

Finance Director's Review

The year ended March 2009 was another excellent year for ASOS with sales more than doubling and pre-tax profit increasing to £14.1m, up 93% from £7.3m in the financial year 2007/08.

REVENUES

An analysis of revenues is shown below:

£'000	2008/09	2007/08	Increase
Retail sales	**149,343**	71,685	108%
Delivery receipts	**15,084**	8,117	86%
Third party revenues*	**968**	1,242	-22%
Total revenues	**165,395**	81,044	104%

* Advertising revenues.

Strong retail sales, up 108%, were driven by a combination of higher customer traffic, enhanced product choice and compelling customer promotions. The sales growth rates were evenly split over the year. Delivery receipts increased less strongly than retail sales, as we offered a range of delivery incentives over the Christmas trading period. We saw a disappointing performance in third party revenues, which declined 22% over the year. This area of our business has now been strengthened significantly to address this performance going forward.

Segmental analysis of revenues:

£'000	2008/09	2007/08	Increase
UK	**133,165**	73,044	82%
International	**32,230**	8,000	303%
Group revenues	**165,395**	81,044	104%

Our revenues from international territories have grown by 303% over the last year, assisted by a weaker sterling against the euro and US dollar. The largest sales territories outside the UK are Ireland, Denmark, Sweden, France and the US.

GROSS PROFIT

Our gross profit increased 92% on the prior year, and the Group gross margin achieved was 43.3% (2007/8: 46.0%). The enhanced branded mix and promotional investment drove a 130 basis point dilution in the retail margin. Additionally, we offered our customers several free delivery periods over the Christmas trading period, which, although offering better value for our customers and incremental cash, diluted our percentage gross margin. This movement accounted for most of the decline in the Group gross margin.

During 2009/10 we expect a further easing of the Group gross margin as a result of a continued increase in the mix of branded versus own label products and increased sourcing costs resulting from adverse foreign currency movements.

OPERATING COSTS

Operating costs increased by 91% to £57.8m:

£'000	2008/09	2007/08	Increase
Payroll and staff costs	**22,298**	10,279	117%
Warehousing	**15,566**	9,992	56%
Marketing	**6,430**	4,226	52%
Production	**1,764**	891	98%
Other operating costs	**9,856**	3,954	149%
Depreciation	**1,850**	980	89%
Operating costs	**57,764**	30,322	91%
% of sales	**34.9%**	37.4%	-250bps

During the year, we invested again in recruiting people across the Group (including a significant strengthening of senior management), resulting in a 117% increase in payroll and staff costs. Our headcount at the end of the year (excluding the logistics team which is outsourced) amounted to 441 people, up from 222 at the end of the last financial year.

Warehouse costs rose by 56% to £15.6m, but delivered greater productivity year on year. This operating cost ratio reduced from 11.1% last year (excluding the warehouse provision) to 9.4% in 2008/09.

Marketing costs increased by 52% to £6.4m. These costs include the ASOS magazine production, direct marketing, creative and PR costs. The largest element of this expenditure relates to the production of the magazine. Cost growth in this area was substantially lower than sales growth due to the timing of the Easter edition and a more targeted mailing approach during the financial year.

Production costs were previously included in marketing costs and have been split out separately for this financial year. The costs relate to preparing, photographing, editing and placing product images on the website. As a result of the significant increase in the number of lines introduced to our website, production costs increased 98% to £1.8m.

Other costs include the head office running costs, IT infrastructure and legal and professional fees. During the course of the year there were a number of investment step changes that have precipitated a higher running cost particularly in improving the system infrastructure and software. The high growth rates experienced in the overseas territories have led to a number of one-off costs relating to managing the legal and fiscal environment.

A key element of our financial strategy for the 2009/10 financial year will be to maximise the efficiency from our operational resources invested in the business while continuing to invest in supporting growth where necessary.

OPERATING PROFIT

Operating profit for the financial year 2008/09 increased by 100% to £13.9m. The operating margin weakened slightly from 8.6% in 2007/08 to 8.4% in 2008/09. The 270 basis points gross margin decline was therefore largely offset by an improvement in operating cost ratios.

FINANCE INCOME

While our cash balance increased during the financial year by £3.2m, the financial income derived from these balances declined from £0.35m in 2007/08 to £0.27m in 2008/09 as a result of lower interest rates.

INTEREST IN JOINT VENTURE

In September 2009, we acquired a 50% stake in a business called Crooked Tongues Ltd. for a nominal sum. Our share of losses for the first six months of this start-up entity was £78,000. The business website, www.crookedtongues.com, is a leading authority in trainers and sneakers. This investment allows us to participate in sales from an additional customer segment.

TAXATION

The effective tax rate for the Group was 29.1%, 110 basis points above the UK corporation tax rate of 28.0%. Going forward, we expect the effective rate of tax to be maintained around 1% ahead of the statutory rate.

"OUR PRE TAX PROFIT INCREASED BY 93% YEAR ON YEAR"

EARNINGS PER SHARE

Fully diluted earnings per share grew by 94%.

CAPITAL EXPENDITURE

Capital expenditure during the year amounted to £8.2m against £4.7m in the prior year:

£'000	Actual 2008/09	Actual 2007/08
IT	**4,781**	944
Warehouse	**2,749**	2,942
Office fixtures and fit-out	**670**	854
Total	**8,200**	4,740

During the year we commenced our IT strategy of migrating to tier 1 system and software solutions. Our capital expenditure was directed towards delivering an improved warehouse management system, more robust data centre and better management information systems.

We anticipate that our capital expenditure in the 2009/10 financial year will be approximately £11.0m and will be deployed in a similar profile to the 2008/09 financial year spend.

CASH FLOW AND NET CASH

The Group ended the financial year with a net cash position of £13.6m, up from £10.4m at the end of March 2008. Major sources of cash inflow consisted of £15.8m of EBITDA, trade payables of £10.6m and other creditors of £4.2m.

During the year, the Company spent £1.9m funding the employee benefit trust (EBT). Share options under the Group's share option schemes were exercised during the period, raising £0.3m.

All of the Group's investments continue to be funded from operating cash flow. Surplus funds are invested in short-term deposits with the objective of maximising fixed interest rate returns whilst providing the flexibility to fund ongoing operations. It is not the Group's policy to engage in speculative activity or to use complex financial instruments.

Nick Beighton
Finance Director

Board of Directors

1 **Lord Waheed Alli**
Chairman

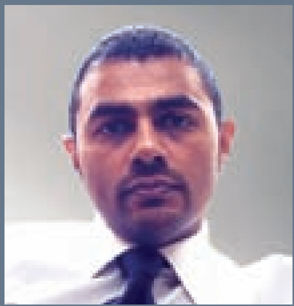
2 **Nick Robertson**
Chief Executive

3 **Nick Beighton**
Finance Director and
Company Secretary

4 **Peter Williams**
Non-executive director

5 **Jon Kamaluddin**
International Director

6 **Robert Bready**
Product and Trading Director



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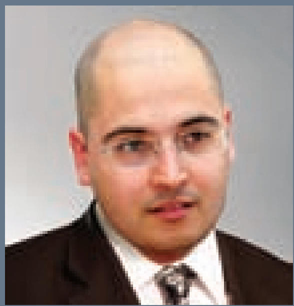

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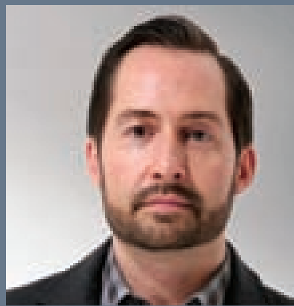

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Lord Waheed Alli
Chairman
At present Chairman of Chorion Ltd, an intellectual property rights owning company, and non-executive director of Olga Productions Ltd.

Formerly Managing Director at Carlton Television responsible for the production of all its programmes, and previously he was the Managing Director of Planet 24, one of the largest independent production companies in the UK, which he founded with Charlie Parsons and Bob Geldof.

He was appointed a working Labour peer in July 1998. He is active in the House of Lords where he takes a particular interest in issues concerning equality.

Waheed is also a trustee of the Elton John Aids Foundation, Vice-President of UNICEF, Chancellor of De Montfort University, President of the National Youth Theatre and a patron of a number of other voluntary organisations. Waheed is a member of the Audit and Remuneration committees.

Nick Robertson
Chief Executive
Nick started his career in 1987 with the advertising agency Young and Rubicam and in 1991 moved to Carat, the UK's largest media planning and buying agency.

In 1995 he co-founded Entertainment Marketing, a marketing services business, and in 2000 he co-founded ASOS.com.

Nick Beighton
Finance Director and Company Secretary
Nick qualified as a chartered accountant with KPMG in Nottingham. After qualification Nick worked out of the Manchester office in transaction services and within the Strategic Business Management Group.

Nick moved to Matalan in 1999 to work as Head of Finance. He was then Business Change and IT Director before joining Matalan's retail board in 2003.

Nick was appointed to the Luminar board as Finance Director in August 2005. His appointment as Finance Director at ASOS.com came in April 2009.

Peter Williams
Non-executive Director
Peter is currently a non-executive director of ASOS plc, the online fashion retailer, Cineworld Group plc, one of the UK's leading cinema chains, and is a member of the Design Council.

From December 2008 to May 2009 he was the executive director at JJB Sports plc responsible for the turnaround strategy. During that period he redefined the retail proposition, renegotiated the banking facilities, closed 2 loss making subsidiaries, disposed of the leisure division, restructured the plc board and implemented a Company Voluntary Agreement (CVA) – a first for a UK listed company.

For 13 years up to 2004, Peter worked for Selfridges, initially as Chief Financial Officer and then as Chief Executive, during its radical transformation from "Grace Brothers" to one of the world's leading department stores. Following Selfridges, he was the Chief Executive of Alpha Airports Group plc, an international company specialising in tax and duty free retailing and airline catering.

After qualifying as a Chartered Accountant with Arthur Andersen, Peter has held executive positions with Accenture, Aiwa (a division of Sony), Bandive Limited and Freemans plc. His previous non-executive positions have been with Capital Radio Group plc and GCap Media plc.

Jon Kamaluddin
International Director
Jon Kamaluddin began his career in Corporate Recovery at Arthur Andersen, where he qualified as a Chartered Accountant.

Jon then joined Marks & Spencer, where he spent 3 years in a number of finance positions including Head of Finance for the per una brand.

Jon joined ASOS in 2004 as Finance Director, in April 2009 he was appointed International Director in order to develop and implement a suitable international strategy for the business.

Robert Bready
Product and Trading Director
Robert Bready began his career at River Island where he held a variety of merchandising roles across womenswear and menswear.

After five years, Robert moved to The Arcadia Group, where he spent eight years working across young fashion retailers Miss Selfridge and TopMan, eventually becoming a senior executive for the Miss Selfridge brand.

In 2005 Robert joined ASOS.com and was quickly promoted from Head of Merchandising to Product and Trading Director.

Operating Board

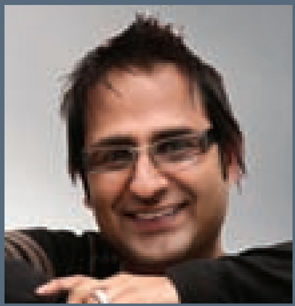
7 Hash Ladha
Marketing and Operations Director

8 James Hart
eCommerce Director

9 Stefan Pesticcio
Buying Director (Menswear, Kidswear and Outlet)

10 Caren Downie
Buying Director Womenswear

11 Gary Mudie
IT Director



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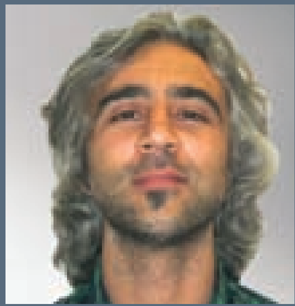

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Hash Ladha
Marketing and Operations Director
Hash started his career at Arcadia working at Evans then Topman, after which he joined BHS as Marketing Manager for the Menswear and Home divisions. In 2000 he became Head of Marketing for Austin Reed. In 2003 he joined New Look as Business Development Director to launch Menswear and then became Marketing Director for all Divisions. Hash joined ASOS.com in September 2007.

James Hart
eCommerce Director
James started his career in 1996 at Entertainment Marketing and was invited to join ASOS as its first employee in 1999. Over the last 10 years James has held various positions focused on improving the online customer journey, culminating in his appointment to the Operating Board in April 2008.

Stefan Pesticcio
Buying Director (Menswear, Kidswear & Outlet)
Stefan Pesticcio began his career within the buying function at River Island 20 years ago, he moved to Top Man at The Arcadia Group where he stayed for 8 years before moving onto Debenhams. At Debenhams he covered various Buying and Designer roles across own-label brands including Maine New England and Jasper Conran. His last role at Debenhams was Head of Menswear, before joining ASOS.com in October 2007 as Menswear Buying Director. Along with Menswear, Stefan has also recently taken responsibility of Kidswear and Outlet.

Caren Downie
Buying Director Womenswear
During Caren Downie's career she has worked for names such as Warehouse, French Connection, Wallis & Pilot. She joined Topshop in 1998 as Head of Buying and became Buying Director in 2004. During the 9½ years Caren spent at Topshop she was influential in helping shape the success of the brand, including their successful New Generation partnership with London Fashion Week. Caren joined ASOS.com in 2008 as Womenswear Buying Director.

Gary Mudie
IT Director
Gary Mudie commenced his career at The Arcadia Group, holding early roles within finance and retail before moving into a group IT role. After ten years, Gary spent two years at US consulting firm, Computer Sciences Corporation, before moving into the media sector with Universal Music, establishing the early digital music platforms for future online downloads. In 2003, he moved to Paperchase, later acquired by US Borders Group, working with both UK and International divisions as Global Chief Information Officer. Gary joined ASOS.com as IT Director in 2008 and in 2009 assumed additional responsibilities for logistics.

CORPORATE GOVERNANCE

POLICY ON CORPORATE GOVERNANCE

APPLICATION OF PRINCIPLES

Although not formally required to do so, the directors have sought to embrace the principles contained in the Combined Code 2003 as revised in June 2006 ("the Code") applicable to fully listed companies, in formulating and applying the Company's corporate governance policies. These policies are monitored to ensure that they are appropriate to the Company's circumstances and comply as far as possible with the provisions of the Code given the size of the Company.

DIRECTORS

The Company is managed by a Board of directors and they have the necessary skills and experience to effectively operate and control the business. There are six directors in total, of whom two are non-executive directors. Lord Waheed Alli and Peter Williams, the non-executive directors, comprise both the audit and remuneration committees. The Board meets once a month and the directors make every effort to attend all Board meetings.

The Board is responsible for taking all major strategic decisions and also addressing any significant operational matters. In addition, the Board reviews the risk profile of the Company and ensures that an adequate system of internal control is in place. Management information systems are in place to enable the directors to make informed decisions to properly discharge their duties.

The roles of the Chairman and the Chief Executive are separate. The Chairman is responsible for the running of the Board and he meets regularly and separately with the Chief Executive to discuss matters for the Board. As the business has developed, the composition of the Board has been under constant review to ensure that it remains appropriate to the managerial requirements of the Company. One-third of the directors retire annually in rotation in accordance with the Company's articles of association. This enables the shareholders to decide on the election of their Company's Board.

The Board takes decisions regarding the appointment of new directors as a whole and this is only done following a thorough assessment of potential candidates' skills and suitability for the role.

All directors are offered appropriate training to develop their knowledge and ensure they remain up to date in relevant matters for which they have responsibility as a member of the Board.

The Chairman's Statement and Chief Executive's Statement included in this annual report give the Board's current assessment of the Company's prospects. The directors are responsible for preparing the financial statements as set out in the statement of directors' responsibilities. The responsibilities of the auditors are set out in their report.

REMUNERATION COMMITTEE

Details concerning the composition and meetings of the remuneration committee are contained in the directors' remuneration report on page 32.

AUDIT COMMITTEE

During the period the audit committee, which is chaired by Peter Williams, a non-executive director, has met twice with the external auditors being in attendance. The committee has a responsibility for reviewing the financial statements provided to shareholders. In addition, the committee reviews the business and financial risks and internal controls as described below.

The duties of the committee also include ensuring that the auditors provide a cost-effective service to the Company and remain objective and independent and to consider from time to time the need for an internal audit function.

RELATIONS WITH SHAREHOLDERS

The Company has institutional shareholders and is, where practicable, willing to enter into a dialogue with them. The Chief Executive and the Finance Director meet regularly with institutional investors within the confines of relevant legislation and guidance.

The Board invites communication from its private investors and encourages participation by them at the Annual General Meeting (AGM). All Board members present at the AGM are available to answer questions from shareholders. Notice of the AGM in excess of 21 clear days is given and the business of the meeting is conducted with separate resolutions, voted on initially by a show of hands and with the result of the voting being clearly indicated.

INTERNAL CONTROL

The Board is responsible for the Company's system of internal control and for reviewing its effectiveness. Such a system is designed to mitigate the risk of failure to achieve business objectives and can only provide reasonable but not absolute assurance against material misstatement or loss.

The Board is of the view that there is an ongoing process for identifying, evaluating and managing the Company's significant risks and that it has been in place for the period ended 31 March 2009 and up to the date of approval of the annual report and financial statements, and that it is regularly reviewed by the Board.

The internal control procedures are delegated to executive directors and senior management in the Company operating within a clearly defined departmental structure. The Board regularly reviews the internal control procedures in the light of the ongoing assessment of the Company's significant risks. On a monthly basis management accounts, including a comprehensive forecast, are reviewed by the Board in order to provide effective monitoring of financial performance. At the same time the Board considers other significant strategic, organisational and compliance issues to ensure that the Company's assets are safeguarded and financial information and accounting records can be relied upon. The Board formally monitors monthly progress on each development.

GOING CONCERN

The directors consider that the Group and the Company have adequate resources to remain in operation for the foreseeable future and have therefore continued to adopt the going concern basis in preparing the financial statements. The Group has a strong Balance Sheet with no external financing and highly experienced management to help grow the business in future years. The Group will also benefit from a significant migration to online shopping enabling it to benefit from increased sales in the future.

DIRECTORS' REMUNERATION REPORT

REMUNERATION COMMITTEE

The members of the Remuneration Committee are Peter Williams (Chairman of the Remuneration Committee) and Lord Waheed Alli. The Chief Executive Officer of the Company is also invited to attend the meetings of the Remuneration Committee but is absent when his remuneration is under discussion.

ROLE OF THE REMUNERATION COMMITTEE

The Remuneration Committee reviews and determines on behalf of the Board and shareholders of the Company the pay, benefits and other terms of service of the executive directors of the Company and the broad pay strategy with respect to senior Company employees. During the year, the Remuneration Committee received advice on executive remuneration from Hewitt New Bridge Street.

BEST PRACTICE

As the Company is AIM-listed it is not legally required to set out its remuneration policy but is doing so on a voluntary basis. To the extent that such principles are relevant to the current circumstances of the Company, the provisions of *inter alia* the Directors' Remuneration Report Regulations 2002 and the Combined Code are taken into account.

REMUNERATION POLICY

The objective of the Company's remuneration policy is to attract and retain the directors and senior executives needed to run the Company in a cost-effective manner. The remuneration policy of the Company has six principal components:

1. Basic salaries — Basic salaries are determined by the Remuneration Committee bearing in mind the salaries paid in AIM-listed and other small market capitalisation retail companies. Within that frame of reference, it is intended that pay should be at or near the median level.

2. Pensions — defined contribution pension provision of 15% of salary is offered to the executive Directors.

3. Bonuses — Bonuses are payable according to the achievement by the Company of certain pre-determined profit before tax targets. The level of bonuses payable on achievement of the targets is set at the level perceived correct to provide the necessary incentives for executive directors.

4. Performance Share Plan — The Company established a performance share plan in 2006 for the executive directors and senior employees. The scheme is overseen by the Remuneration Committee which shall determine the terms under which eligible individuals may be invited to participate.

5. Share option scheme — The Company has in place a share option scheme covering senior employees, under which share options are normally granted once a year. The exercise price of the options granted under the scheme is set equal to the market value of the Company's shares at the time of grant. The share option scheme is overseen by the Remuneration Committee. There is currently no intention to make any new share option grants under this scheme.

6. Management Incentive Plan — The Company will establish a new management incentive plan during 2009 which the Remuneration Committee will oversee and determine the terms under which eligible individuals may be invited to participate. Participants in this scheme will not be granted an award of shares under the Performance Share Plan in the year in which they have received an award under the Management Incentive Plan. Members will be required to invest their own money, based on a multiple of gross salary, to buy shares in the Company (investment shares). Options will then be granted over shares (incentive shares). The number of incentive shares will be defined as a multiple of investment shares, dependent on performance against stretching Earnings per Share ("EPS") and Total Shareholders Return ("TSR") performance criteria and subject to a maximum. For the 2009 awards, the TSR performance condition relates to the Company's performance measured against a notional investment in all of the companies in the FTSE All Share General Retailers index over the three year period commencing 1 April 2009.

DIRECTORS' REMUNERATION

The aggregate remuneration paid to the directors during the period was as follows:

Director	Salary £	Bonuses £	Pensions £	**March 2009 £**	March 2008 £
Lord Waheed Alli	—	—	—	**—**	—
Peter Williams	41,000	—	—	**41,000**	30,000
Nick Robertson	280,000	156,800	—	**436,800**	352,500
Jon Kamaluddin	190,000	106,400	28,500	**324,900**	210,000
Rob Bready	220,000	123,200	33,000	**376,200**	262,500
	731,000	386,400	61,500	**1,178,900**	855,000

DIRECTORS' SERVICE CONTRACTS

All executive directors are employed under service contracts. The services of all executive directors may be terminated by the provision of a maximum of 12 months' notice by the Company and the individual. Services of non-executive directors may be terminated by the provision of a maximum of 3 months notice by the Company and the individual.

DIRECTORS' SHARE OPTIONS

Details of options for the directors who served during the year are as follows:

Director	31 March 2008	Granted	Exercised	**31 March 2009**	Exercisable date	Range of exercise prices
Lord Waheed Alli	1,579,657	—	—	**1,579,657**	2001–2011	12.7p
Peter Williams	100,000	—	—	**100,000**	2006–2016	94.5p
Nick Robertson	1,179,599	—	(339,599)	**840,000**	2005–2016	10.2p — 98p
Jon Kamaluddin	471,000	—	(10,000)	**461,000**	2006–2016	43.5p — 98p
Rob Bready	285,000	—	—	**285,000**	2007–2018	53p — 98p

The market price of ordinary shares at 31 March 2009 was 301p (2008: 248p) and the range during the period was from 195.5p to 420.0p (2008: 112p to 284p).

DIRECTORS' PERFORMANCE SHARE PLAN

Details of performance share plans for the directors who served during the year are as follows:

Director	31 March 2008	Granted	31 March 2009	Vesting date
Lord Waheed Alli	—	—	**—**	—
Peter Williams	—	—	**—**	—
Nick Robertson	292,992	61,635	**354,627**	2009–2011
Jon Kamaluddin	233,781	41,823	**275,604**	2009–2011
Rob Bready	291,619	48,427	**340,046**	2009–2011

SAYE PLAN

The Company purchased the following shares for directors under the SAYE plan:

Director	31 March 2008	Granted	31 March 2009
Lord Waheed Alli	—	—	**—**
Peter Williams	—	—	**—**
Nick Robertson	—	3,319	**3,319**
Jon Kamaluddin	—	3,319	**3,319**
Rob Bready	—	3,319	**3,319**

DIRECTORS' REPORT

The directors submit their report and audited financial statements of the Group and the Company for the year ended 31 March 2009.

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of a holding company. The principal activity of its subsidiary undertakings is that of Internet retailing.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The results for the year and the financial position of the Group are shown in the financial statements. Review of the business and future developments of the Group is within the Chief Executive's statement and Finance Director's review (pages 18 to 25).

PRINCIPAL RISKS AND UNCERTAINTIES

There are a number of risks that face the Group in the course of conducting its business operations. Although not exhaustive, the following list highlights the principal issues:

Economic and market risks

The Group's performance is directly impacted by the economic environment and competitor pricing. Consumer spending is integral to achieve sales growth. The Group strives to deliver value to all customers via investment in quality and price, alongside the development of extensive product ranges.

Competitive activity

Internet retailing is global and highly competitive. Competitive pressures are increasing in the United Kingdom, as high street retailers continue to extend their product offering not only in stores but to also incorporate online shopping. In order for the Company to remain competitive in the marketplace, a proactive approach is adopted to remain up to date with competitor activity and consumer trends.

Employee engagement and retention

At year end, the Group consists of 441 employees who are central to the Group's success. In order for effective and efficient operations within the workplace, the Group relies on professional relationships amongst colleagues, and invests in staff training and development. The Group ensures employees are provided with conditions for fulfilling careers, through the employment policies, competitive remuneration and benefits packages it offers staff.

Health and safety

The Group has programmes and policies in operation to supply team members and those with access to the Group's facilities with orientation and training on safe workplace expectations and practices. There is no guarantee, however, that these practices are effectively performed in all circumstances.

Supply chain

The Group exists within a complex supply chain. Much effort is placed on working with suppliers and the warehouse to manage potential risk of interruptions and delays in supply or distribution that may adversely impact on trade.

The Group has adopted the Ethical Trading Initiative ("ETI") code of conduct which is extremely stringent on child labour. We ensure that all new and existing suppliers meet our ethical policies and do not use any child labour.

Fraud
The Group has to be constantly vigilant against fraudulent transactions which are a common occurrence within Internet retailing. Investment is placed in systems that monitor and control the impact of fraud, which if not managed correctly could be significant.

Compliance
The Group must comply with regulatory requirements especially in relation to employment, competition and environmental issues, planning, pensions and taxation legislation over the Company's products and services. The Group adheres to strict compliance practices with regular audits and reviews, in addition to monitoring of regulatory developments.

IT systems and infrastructure
To trade, the Group is dependent on its IT infrastructure. Significant impact on the business could result from a failure in these systems. Regular testing and updates are undertaken by the Group to ensure the continued integrity and efficiency of its systems.

Environmental, social and community issues
In the next few months, we will take the responsibility of making a change in our work on climate and the environment. We are ambitious to reduce emissions in our distribution networks and are working on a plan to implement these changes. To provide best quality, choice and value for money for our customers, we need strong and constructive relationships with our suppliers. We will continue to monitor these relationships with existing suppliers and ensure that new suppliers meet our policies of fair trading.

Research and development
The Group does not carry out research and development activities.

RESULTS AND DIVIDENDS

The audited financial statements for the 12 months to 31 March 2009 are set out on pages 42 to 78. The Group profit after tax for the financial year was £10.0m (2008: £5.1m), which will be transferred to reserves. The directors do not recommend the payment of a dividend (2008: £nil).

SUBSEQUENT EVENTS

No matter, which is material to the operations of the Group, has occurred between the Balance Sheet date and the date of approval of the financial statements.

DIRECTORS

The directors who held office during the year and up to the date of signing the financial statements were:

Lord W Alli
Peter Williams
Nick Robertson
Jon Kamaluddin
Robert Bready
Nick Beighton (appointed 27 April 2009)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the Group and Parent Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial statements are required by law to give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state that the financial statements comply with IFRSs as adopted by the European Union;
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Group will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the Company's website and legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

PAYMENT OF CREDITORS

It is the policy of the Group in respect of all its creditors, where reasonably practicable, to settle the payment with those creditors according to the terms formally agreed with them.

The creditor payment period for the Group throughout the financial year under review is 73 days (2008: 68 days). The creditor payment period for the Company throughout the financial year under review is nil (2008: nil).

DONATIONS

During the year charitable donations totalling £26,560 (2008: £3,950) were made by the Group. The majority of this donation was made to the Retail Trust. Retail Trust is the principal charity of the retail sector. They operate helplines to support advice and provide counselling to everyone working in or retired from the retail industry.

FINANCIAL RISK MANAGEMENT

The Group's policies on Market risk, Credit risk, Liquidity risk and Capital risk management have been considered in note 23.

TREASURY SHARES

The ASOS.com Limited Employee Benefit Trust (EBT) was set up to satisfy awards granted under the ASOS Performance Share Plan and incentive scheme (PSP) 2006 and the SAYE scheme 2008. The trustees of the plan are Ogier Employee Benefit Trustee Limited and are resident in Jersey. Details of treasury shares held by the Group are shown in note 18 of the financial statements.

DIRECTORS' INDEMNITIES

The Company maintains liability insurance for its directors and officers, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006.

GOING CONCERN

The directors consider that the Group and the Company have adequate resources to remain in operation for the foreseeable future and have therefore continued to adopt the going concern basis in preparing the financial statements. The Group has a strong Balance Sheet with no external financing and a highly experienced management to help grow the business in future years. The Group will continue to benefit from a significant migration to online shopping enabling it to benefit from increased sales in the future.

STATEMENT ON DISCLOSURE OF INFORMATION TO AUDITORS

The directors who held office at the date of the approval of this Directors' Report confirm that, so far as they are aware, there is no relevant audit information of which the Company auditors are unaware, and each director has taken all the steps that he/she ought to have taken as a director to ensure the Board is aware of any relevant audit information and to establish that the Company auditors are aware of that information.

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP have expressed their willingness to continue in office as auditors and a resolution proposing their reappointment will be submitted to the forthcoming Annual General Meeting.

By order of the Board

N Beighton
Finance Director
Second Floor
Registered Office
Greater London House
London, NW1 7FB

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASOS PLC

We have audited the Group and Parent Company financial statements (the "financial statements") of ASOS PLC for the year ended 31 March 2009 which comprise the Consolidated Income Statement, the Group and Company Statements of Changes in Equity, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Cash Flow Statement, the Company Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. The information given in the Directors' Report includes that specific information presented in the Chief Executive's Statement and the Finance Director's Review that is cross-referred from the Business Review section of the Directors' Report.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises only the Company Information, Chairman's Statement, the Chief Executive's Statement, the Finance Director's review, the Corporate Governance Statement, the Directors' Remuneration Report and the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's and Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion:

- the Group financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the Group's affairs as at 31 March 2009 and of the Group's profit and cash flows for the year then ended;
- the Parent Company financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union as applied in accordance with the provisions of the Companies Act 1985, of the state of the Parent Company's affairs as at 31 March 2009 and cash flows for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
10 Bricket Road
St Albans
Herts
AL1 3JX
26 June 2009

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2009

	Notes	31 March 2009 £'000	31 March 2008 £'000
Revenue	2	**165,395**	81,044
Cost of sales		**(93,696)**	(43,760)
Gross profit		**71,699**	37,284
Administrative expenses		**(57,764)**	(30,322)
Operating profit	3	**13,935**	6,962
Share of post tax losses of joint venture	10	**(78)**	—
Finance income	5	**268**	349
Profit before tax		**14,125**	7,311
Income tax expense	6	**(4,116)**	(2,258)
Profit for the year from continuing operations		**10,009**	5,053
Profit for the year		**10,009**	5,053
Earnings per share			
Basic	7	**13.6p**	6.9p
Fully diluted	7	**12.8p**	6.6p

STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 March 2009

Group	Share capital £'000	Share premium £'000	Retained earnings £'000	Treasury shares £'000	Total £'000
Balance as at 1 April 2008	2,564	3,356	10,967	(943)	15,944
Shares allotted in the year	26	252	—	—	278
Purchase of shares by Employee Benefit Trust	—	—	—	(1,929)	(1,929)
Share options charge	—	—	262	—	262
Profit for the year	—	—	10,009	—	10,009
Tax on share options	—	—	1,145	—	1,145
Balance as at 31 March 2009	2,590	3,608	22,383	(2,872)	25,709
Balance as at 1 April 2007	2,544	3,128	2,949	(236)	8,385
Shares allotted in the year	20	228	—	—	248
Purchase of shares by Employee Benefit Trust	—	—	—	(707)	(707)
Share options charge	—	—	477	—	477
Profit for the year	—	—	5,053	—	5,053
Tax on share options	—	—	2,488	—	2,488
Balance as at 31 March 2008	2,564	3,356	10,967	(943)	15,944

Company	Share capital £'000	Share premium £'000	Restated retained earnings £'000	Total £'000
Balance as at 1 April 2008	2,564	3,356	(3,694)	2,226
Shares allotted in the year	26	252	—	278
Loss for the year	—	—	(267)	(267)
Share options charge	—	—	262	262
Balance as at 31 March 2009	2,590	3,608	(3,699)	2,499
Balance as at 1 April 2007 as previously reported	2,544	3,128	(4,605)	1,067
Adjustment for share options charge	—	—	554	554
Balance as at 1 April 2007 — restated	2,544	3,128	(4,051)	1,621
Shares allotted in the year	20	228	—	248
Loss for the year	—	—	(120)	(120)
Share options charge	—	—	477	477
Balance as at 31 March 2008	2,564	3,356	(3,694)	2,226

CONSOLIDATED BALANCE SHEET

As at 31 March 2009

	Notes	2009 £'000	2009 £'000	2008 £'000
Non-current assets				
Goodwill	8		**1,060**	1,060
Property, plant and equipment	9		**11,578**	5,590
Interest in joint venture	10		**162**	—
Deferred tax asset	12		**3,562**	2,876
			16,362	9,526
Current assets				
Inventories	13	**28,085**		11,694
Trade and other receivables	14	**3,404**		4,778
Cash and cash equivalents		**13,587**		10,369
		45,076		26,841
Current liabilities				
Trade and other payables	15	**(34,135)**		(18,648)
Current tax liabilities		**(1,594)**		(1,095)
		(35,729)		(19,743)
Net current assets			**9,347**	7,098
Non-current liabilities				
Provisions for other liabilities and charges	16		**—**	(680)
Net assets			**25,709**	15,944
Equity				
Called up share capital	17		**2,590**	2,564
Share premium			**3,608**	3,356
Treasury shares			**(2,872)**	(943)
Retained earnings			**22,383**	10,967
Shareholders' equity			**25,709**	15,944

The financial statements on pages 42 to 78 were approved by the Board on 26 June 2009 and signed on its behalf:

N Robertson
Director

N Beighton
Director

COMPANY BALANCE SHEET

As at 31 March 2009

	Notes	2009 £'000	2009 £'000	2008 £'000
Non-current assets				
Investments	11		**2,293**	2,031
Current assets				
Trade and other receivables	14	**484**		502
Cash and cash equivalents		**103**		74
		587		576
Current liabilities				
Trade and other payables	15	**(381)**		(381)
Net current assets			**206**	195
Net assets			**2,499**	2,226
Equity				
Called up share capital	17		**2,590**	2,564
Share premium			**3,608**	3,356
Retained earnings			**(3,699)**	(3,694)
Shareholders' equity			**2,499**	2,226

The financial statements on pages 42 to 78 were approved by the Board on 26 June 2009 and signed on its behalf:

N Robertson
Director

N Beighton
Director

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2009

	Notes	31 March 2009 £'000	31 March 2008 £'000
Operating profit		**13,935**	6,962
Adjusted for			
Depreciation charge	9	**1,850**	963
Loss on disposal of property, plant and equipment		**—**	17
(Increase) in inventories		**(16,391)**	(6,011)
Decrease/(increase) in trade and other receivables		**1,374**	(3,109)
Increase in trade and other payables		**15,487**	11,418
(Decrease)/increase in provision for other liabilities and charges		**(680)**	680
Impairment of property, plant and equipment		**362**	254
Share options charge		**262**	477
Cash generated from operations		**16,199**	11,651
Taxation paid		**(3,158)**	(1,811)
Net cash generated from operating activities		**13,041**	9,840
Cash flow from investing activities			
Payments to acquire property, plant and equipment	9	**(8,200)**	(4,740)
Payments to acquire interest in joint venture	10	**(240)**	—
Finance income	5	**268**	349
Net cash from investing activities		**(8,172)**	(4,391)
Cash flow from financing activities			
Proceeds from issue of ordinary shares		**278**	248
Purchase of own shares by Employee Benefit Trust		**(1,929)**	(707)
Net cash from financing activities		**(1,651)**	(459)
Net cash generated from continuing operations	21	**3,218**	4,990
Opening cash and cash equivalents		**10,369**	5,379
Closing cash and cash equivalents	21	**13,587**	10,369

COMPANY CASH FLOW STATEMENT

For the year ended 31 March 2009

	31 March 2009 £'000	31 March 2008 £'000
Operating loss	**(267)**	(120)
Adjusted for		
Decrease/(increase) in trade and other receivables	**18**	(78)
(Decrease) in trade and other payables	**—**	(1)
Cash used in operating activities	**(249)**	(199)
Cash flow from financing activities		
Proceeds from issue of ordinary shares	**278**	248
Net cash from financing activities	**278**	248
Net increase in cash and cash equivalents	**29**	49
Opening cash and cash equivalents	**74**	25
Closing cash and cash equivalents	**103**	74

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2009

1) ACCOUNTING POLICIES

ASOS PLC is a public limited company incorporated and domiciled in the United Kingdom.

The principal accounting policies applied in the preparation of these consolidated and Parent Company financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

A) BASIS OF PREPARATION

The financial statements have been prepared on a going concern and historical cost basis. The principal accounting policies adopted are set out below.

The financial statements for both the Parent Company and the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretation Committee (IFRIC) interpretations as adopted by the European Union and those parts of the Companies Act 1985 and 2006 as applicable to companies reporting under IFRS. The directors have taken advantage of the exemption available under section 230 of the Companies Act 1985 and have not presented an Income Statement for the Company alone.

The Group and Company financial statements are presented in sterling and all values are rounded to the nearest thousand pounds except where otherwise indicated.

RECENT ACCOUNTING DEVELOPMENTS

Standards, amendments and interpretations effective for 2008/9 or issued and early adopted:

In preparing the Group financial statements for the current year, the Group has adopted the following new IFRS, amendments to IFRS and IFRIC Interpretations which have not had a significant impact on the results or net assets of the Group:

Amendments to IAS 39 'Financial Instruments: Recognition and Measurement' and IFRS 7 'Financial Instruments: Disclosures', effective from 1 July 2008. These amendments permit the reclassification of financial assets in particular circumstances. The adoption of the amendments to IAS 39 and IFRS 7 has had no impact on the results or net assets of the Group.

IFRIC 12 'Service Concession Arrangements', effective for annual periods beginning on or after 1 January 2008. This interpretation applies to public sector service concession operators and explains how to account for the obligations undertaken and rights received in service concession arrangements. No member of the Group is an operator and hence the adoption of IFRIC 12 has had no impact on the results or net assets of the Group.

Standards, amendments and interpretations not yet effective, but not expected to have a significant impact on the Group:

IFRS 8 'Operating Segments', effective for annual periods beginning on or after 1 January 2009. This new standard replaces IAS 14 'Segment Reporting' and requires segmental information to be presented on the same basis that management uses to evaluate performance of its reporting segments in its management reporting.

Amendment to IAS 23 'Borrowing Costs', effective for annual periods beginning on or after 1 January 2009. The standard has been revised to require capitalisation of borrowing costs when such costs relate to a qualifying asset.

IFRIC 14 'The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction', effective for annual periods beginning on or after 1 January 2009 as endorsed by the EU. This interpretation provides guidance on how to assess the limit on the amount of surplus in a defined benefit scheme that can be recognised as an asset under IAS 19 'Employee Benefits'.

1) ACCOUNTING POLICIES continued

IFRIC 13 'Customer Loyalty Programmes', effective for annual periods beginning on or after 1 July 2008. This interpretation requires customer loyalty award credits to be accounted for as a separate component of the sales transaction in which they are granted and therefore part of the fair value of the consideration received is allocated to the award credits and deferred over the period that the award credits are fulfilled.

IFRIC 15 'Agreements for the Construction of Real Estate', effective for annual periods beginning on or after 1 January 2009.

IFRIC 16 'Hedges of a Net Investment in a Foreign Operation', effective for annual periods beginning on or after 1 October 2008.

IFRIC 17 'Distributions of Non-Cash Assets to Owners', effective for annual periods beginning on or after 1 July 2009.

IFRIC 18 'Transfers of Assets from Customers', effective for transfers of assets from customers received on or after 1 July 2009.

Standards, amendments and interpretations not yet effective and under review as to their impact on the Group:

Amendment to IAS 1 'Presentation of Financial Statements', effective for annual periods beginning on or after 1 January 2009.

Amendment to IAS 27 'Consolidated and Separate Financial Statements', effective for annual periods beginning on or after 1 July 2009.

Amendment to IAS 32 'Financial Instruments: Presentation' and IAS 1 'Presentation of Financial Statements' — Puttable Instruments and Instruments with Obligations Arising on Liquidation, effective for annual periods beginning on or after 1 January 2009.

Amendment to IAS 39 'Financial Instruments: Recognition and Measurement'— Eligible hedged items, effective for annual periods beginning on or after 1 July 2009.

Amendments to IFRS 1 'First-time Adoption of IFRSs' and IAS 27 'Consolidated and Separate Financial Statements' — Cost of an Investment of a Subsidiary, Jointly Controlled Entity or Associate, effective for annual reporting periods beginning on or after 1 January 2009.

Amendment to IFRS 2 'Share-Based Payment' — Vesting Conditions and Cancellations, effective for annual periods beginning on or after 1 January 2009.

Amendments to IFRS 3 'Business Combinations', effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009.

B) BASIS OF CONSOLIDATION

The financial statements consolidate the financial statements of ASOS PLC, all its subsidiaries, its joint venture and the Employee Benefit Trust made up to 31 March 2009. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

Subsidiary companies are consolidated using the acquisition method of accounting and where a Company is accounted for as a subsidiary, uniform accounting policies are applied and the year ends are coterminous.

The Employee Benefit Trust is considered to be a Special Purpose Entity (SPE) where the substance of the relationship between the Group and the SPE indicates that the SPE is controlled by the Group — in substance, the activities of the Trust are being conducted on behalf of the Group according to its specific business needs in order to obtain benefits from its operation. On this basis, the assets held by the trust are consolidated into the Group's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2009

1) ACCOUNTING POLICIES continued

C) GOODWILL

Goodwill arising on acquisition is initially measured at cost, being the excess of the cost of the acquisition over the Group's share of net fair value of the acquired entity's identifiable assets and liabilities at the date of acquisition.

Goodwill is not amortised, but is reviewed for impairment at least annually; any impairment is recognised immediately in the Income Statement and is not subsequently reversed.

D) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and any provision for impairment in value. Cost includes the original purchase price of the asset and the costs attributable in bringing the asset to its working condition for its intended use. Depreciation is provided to write down the cost of property, plant and equipment to their estimated residual values, based on current prices at the Balance Sheet date, over their remaining useful lives by equal annual instalments. Assets in the course of construction are not depreciated. Residual values and useful lives are assessed at each Balance Sheet date.

The depreciation rates applicable are summarised as follows:

Plant and machinery	33% on cost
Fixtures and fittings	20% on cost/over the lease term
Computer and telecoms equipment	33% on cost

Website maintenance costs are written off as they are incurred.

E) INVESTMENTS

Investments in subsidiary companies are stated at cost, subject to review for impairment.

F) SHARE-BASED PAYMENTS

The Group operates a number of equity-settled, share-based compensation plans. Employees of the Group receive part of their remuneration in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions) or in exchange for entitlements to cash payments based on the value of the shares (cash-settled transactions).

The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each Balance Sheet date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the Income Statement, with a corresponding adjustment to equity.

The fair value of employee share option plan is calculated at the grant date using the Black–Scholes model. In accordance with IFRS 2 'Share based payment', the resulting cost is charged to the Group Income Statement over the vesting period. The value of the charge is adjusted to reflect expected and actual levels of vesting.

In accordance with IFRIC 11, ASOS.com is required to recognise share-based payment arrangements involving equity instruments for ASOS PLC where ASOS.com have remunerated those providing services to the entity in this way. In ASOS.com, the entity has recognised in equity a contribution from its parent equal to the amount at which the services provided are measured.

1) ACCOUNTING POLICIES continued

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

G) INVENTORIES

Inventories are valued at the lower of cost and net realisable value, on a first in, first out (FIFO) basis. Cost of purchase comprises the purchase price including import duties and other taxes, transport and handling costs and any other directly attributable costs less trade discounts.

A provision is made for any slow-moving or obsolete stock.

H) TRADE RECEIVABLES

Trade receivables are non-interest bearing and are recognised initially at fair value, and subsequently measured at amortised cost using the effective interest rate method less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired.

I) CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Company and Consolidated Cash Flow Statement, cash and cash equivalents consist of cash and short-term deposits.

J) TAXATION

The tax expense included in the Group Income Statement consists of current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted by the Balance Sheet date. Tax is recognised in the Group Income Statement except to the extent that it relates to items recognised directly in Equity, in which case it is recognised in the Statements of Changes in Equity.

Deferred tax is provided using the Balance Sheet liability method, providing for all timing differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is calculated at the tax rates that have been enacted or substantially enacted by the Balance Sheet date. Deferred tax is charged or credited to the Group Income Statement, except when it relates to items charged or credited directly to Equity, in which case the deferred tax is also recognised in Equity.

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset against each other when there is a legally enforceable right to set off current taxation assets against current taxation liabilities and it is the intention to settle these on a net basis.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2009

1) ACCOUNTING POLICIES continued

K) PENSION COSTS

For certain employees, the Group contributes to their personal pension plans. The costs of these contributions are charged to the Income Statement in the year in which they become payable.

L) LEASED ASSETS

Rentals applicable to operating leases, where substantially all the benefits and risks of ownership remain with the lessor, are charged to the Income Statement over the period of the lease.

M) REVENUE

Revenue consists primarily of Internet and advertising sales as well as postage and packaging receipts.

Internet sales are recorded net of returns, relevant vouchers, and value added tax and recognised when the significant risks and rewards of ownership have been transferred to the buyer.

Advertising revenue is measured at the fair value of the consideration received or receivable, net of value added tax. Revenue from advertising is recognised when the service is completed and the magazine is delivered to customers.

The amount of revenue arising from sale of goods and provision of services has been disclosed in note 2 of the financial statements.

N) TRADE PAYABLES

Trade payables are non-interest bearing and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

O) SIGNIFICANT ESTIMATES AND JUDGEMENTS

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical estimates and assumptions are made in particular with regard to the calculation of fair value of employee share options using the Black–Scholes model. The inputs and assumptions of the model are detailed in note 18.

Critical estimates and assumptions have also been made with regard to the stock provision to reflect the net realisable value of the stock held at the year end.

The criteria for recognition of the deferred tax assets are detailed in note 6.

P) SEGMENTAL REPORTING

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

1) ACCOUNTING POLICIES continued

Q) FOREIGN CURRENCY TRANSLATION

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in sterling, which is the Group's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss.

R) IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested at least annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

S) FINANCIAL ASSETS AND LIABILITIES

The Group classifies its financial assets in the following category: loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the Balance Sheet date. These are classified as non-current assets. The Group's loans and receivables comprise "trade and other receivables" and cash and cash equivalents in the Balance Sheet.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that gives a residue interest in the assets of the Group after deducting all of its liabilities.

T) DIVIDEND INCOME

Dividend income is recognised when the right to receive payment is established.

U) SHARE CAPITAL

Ordinary shares are classified as equity.

V) SHARE PREMIUM

The share premium account is used to record amounts received in excess of the nominal value of shares on issue of new shares.

W) FINANCE INCOME AND DIVIDENDS

Finance income is recognised in the period to which it relates on an accruals basis. Dividends are recognised when a legal entitlement to payment arises.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2009

1) ACCOUNTING POLICIES continued

X) PROVISIONS

Provisions for onerous leases are recognised when the Group believes that the unavoidable costs of meeting the lease obligations exceed the economic benefits expected to be received under the lease. Where material, these obligations are discounted to their present value.

Other provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

Y) JOINT VENTURE

An entity is treated as a joint venture where the Group holds a long-term interest and shares control under a contractual agreement.

In the Group accounts the joint venture is accounted for using the equity method of accounting. The consolidated profit and loss account includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings. In the Balance Sheet, the interest in joint ventures is shown as the Group's share of net assets.

Z) TREASURY SHARES

The Group purchases shares on the market as part of the Performance Share Plan for directors (note 18). The investment held at year-end is reflected as a reduction of equity within the Group's financial statements. The right to the shares is deemed to be an employee benefit and therefore is charged to the Income Statement over the vesting period.

2) SEGMENTAL ANALYSIS

The revenue and profit of the Group for the year was derived from the same classes of businesses as noted in the Directors' Report. The revenue was derived from the following sources:

Primary segment by class of business

	Internet retailing		Marketing services (Discontinued)		Total	
	2009	2008	**2009**	2008	**2009**	2008
	£'000	£'000	**£'000**	£'000	**£'000**	£'000
Revenue	**165,395**	81,044	**—**	—	**165,395**	81,044
Cost of sales	**(93,696)**	(43,760)	**—**	—	**(93,696)**	(43,760)
Gross profit	**71,699**	37,284	**—**	—	**71,699**	37,284
Operating costs	**(57,764)**	(30,322)	**—**	—	**(57,764)**	(30,322)
Operating profit	**13,935**	6,962	**—**	—	**13,935**	6,962
Share of post tax losses of joint venture	**(78)**	—	**—**	—	**(78)**	—
Net finance income	**268**	349	**—**	—	**268**	349
Profit before tax	**14,125**	7,311	**—**	—	**14,125**	7,311
Taxation	**(4,116)**	(2,258)	**—**	—	**(4,116)**	(2,258)
Profit for the year	**10,009**	5,053	**—**	—	**10,009**	5,053
Assets	**61,427**	35,937	**11**	430	**61,438**	36,367
Liabilities	**(35,724)**	(20,418)	**(5)**	(5)	**(35,729)**	(20,423)
Capital expenditure	**8,200**	4,740	**—**	—	**8,200**	4,740
Depreciation	**1,850**	963	**—**	—	**1,850**	963

The above figures are net of intercompany balances and transactions.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2009

2) SEGMENTAL ANALYSIS continued

The table below analyses the different streams of revenue for the Group:

	2008/09 £'000	2007/08 £'000	Increase
Retail sales	**149,343**	71,685	108%
Delivery receipts	**15,084**	8,117	86%
Third party revenues (advertising income)	**968**	1,242	–22%
Total revenue	**165,395**	81,044	104%

Secondary segment by geographical analysis

Total assets and capital expenditure cannot be apportioned meaningfully across the geographical areas. An analysis of Group revenue based on customer location is as follows:

	2009 £'000	2008 £'000
Internet retailing		
UK	**133,165**	73,044
EU	**23,182**	5,255
North America	**3,223**	659
Rest of the world	**5,825**	2,086
	165,395	81,044

3) OPERATING PROFIT

	2009 £'000	2008 £'000
Operating profit is stated after charging/(crediting)		
Depreciation of property, plant and equipment — owned	**1,850**	963
Cost of inventory recognised as an expense	**76,369**	37,050
Increase in provision for stock obsolescence	**520**	395
Foreign exchange gains	**(61)**	—
Loss on the sale of property, plant and equipment	**—**	17
Operating leases — land and buildings	**2,634**	1,304
Operating leases — other	**71**	106
Impairment of property, plant and machinery	**362**	254
In addition, the following has been charged in respect of auditors' remuneration:		
Auditors' remuneration:		
Audit and audit related services		
Statutory audit of Parent Company and Group financial statements	**15**	15
Statutory audit of the Company's subsidiaries pursuant to legislation	**41**	42
	56	57
Other services including non-audit services:		
Fees payable to Company's auditor for other services relating to taxation	**138**	18
All other services	**28**	—
Total fees for other services, including non-audit services	**166**	18

Costs relating to the audit and non-audit services pertaining to the Parent Company are borne by ASOS.com Limited.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2009

4) STAFF COSTS INCLUDING DIRECTORS' REMUNERATION

The average monthly number of employees (including executive directors) employed by the Group and Company was as follows:

	2009 Number	2008 Number
By activity:		
Management	**4**	3
Sales and administration	**366**	173
	370	176

The employee costs, including directors, for the Group and the Company during the year was as follows:

	Group		Company	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Wages and salaries	**15,784**	7,199	**—**	—
Social security costs	**1,434**	884	**—**	—
Other pension costs	**233**	—	**—**	—
Share based payments	**898**	792	**—**	—
	18,349	8,875	**—**	—

Employee costs pertaining to Parent Company are borne by ASOS.com Limited.

Aggregate compensation to key management personnel, being the directors of ASOS PLC, was as follows:

	2009 £'000	2008 £'000
Aggregate emoluments	**1,117**	855
Aggregate gains made on exercise of share options	**1,029**	—
Pension payments	**62**	—
Share-based payments	**466**	452
Total	**2,674**	1,307

During the year two directors exercised their share options (2008: nil).

4) STAFF COSTS INCLUDING DIRECTORS' REMUNERATION continued

Three (2008: three) directors were entitled to shares under the ASOS Performance Share Plan (PSP).

In relation to the highest paid director:

	2009 £'000	2008 £'000
Aggregate emoluments	**437**	353
Aggregate gains made on exercise of share options	**1,001**	—
Total	**1,438**	353

The highest paid director exercised 339,599 share options during the year (2008: nil). An award of 61,635 shares was also made under the ASOS Performance Share Plan (PSP).

5) FINANCE INCOME

	2009 £'000	2008 £'000
Interest on bank deposits	**268**	349

6) INCOME TAX EXPENSE

a) Analysis of tax charge

	2009 £'000	2008 £'000
Current tax		
UK corporation tax on profits of the year	**4,109**	2,355
Over provision made in prior year	**(18)**	—
	4,091	2,355
Deferred tax		
Deferred tax on capital allowances	**166**	124
Deferred tax on share options	**(141)**	(221)
Total deferred tax (note 12)	**25**	(97)
Tax on profit on ordinary activities	**4,116**	2,258

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2009

6) INCOME TAX EXPENSE continued

b) Factors affecting the tax charge for the year

The tax assessed for the year is higher (2008: higher) than the standard rate of corporation tax in the UK 28% (2008: 30%). The differences are explained below:

	2009 £'000	2008 £'000
Profit before tax	**14,125**	7,311
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008: 30%)	**3,955**	2,193
Effects of:		
Expenses not deductible for taxation purposes	**179**	65
Over provision made in prior year	**(18)**	—
	4,116	2,258

With effect from 1 April 2008, the statutory rate of corporation tax in the UK changed to 28% from 30%. Current taxation for the year ended 31 March 2009 has therefore been calculated at a rate of 28%.

c) Tax on recognised gains and losses not included in the Consolidated Income Statement

	2009 £'000	2008 £'000
Current tax credit on exercise of share options	**434**	199
Deferred tax credit on movement in share option valuations	**711**	2,289
	1,145	2,488

d) Deferred tax assets recognised

A deferred tax asset of £3,562,000 (2008: £2,876,000) has been recognised as the directors believe this amount is likely to be recovered in the foreseeable future. This asset arises from deferred tax on share-based payments less accelerated capital allowances. This asset will be recovered as share options are exercised.

The Company has losses of £246,000 (2008: £246,000) which are available for offset against future taxable profits. These have not been recognised at the year end.

7) EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing the profit attributable to equity holders of the Parent Company by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share amounts are calculated by dividing the profit attributable to equity holders 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.

The dilution effect is calculated on the full exercise of all ordinary share options granted by the Group, including performance-based options which the Group considers to have been earned.

The calculations of earnings per share are based on the following:

		2009			2008	
	Basic	**Potentially dilutive share options**	**Diluted**	Basic	Potentially dilutive share options	Diluted
Profit attributable to shareholders (continuing operations) (£'000)	**10,009**	**—**	**10,009**	5,053	—	5,053
Weighted average number of shares	**73,635,398**	**4,508,766**	**78,144,164**	72,865,070	4,275,246	77,140,316
Earnings per share	**13.6p**	**—**	**12.8p**	6.9p	—	6.6p

There have been no transactions involving ordinary shares between the reporting date and the date of the approval of these financial statements which would significantly change the earnings per share calculations shown above.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2009

8) GOODWILL

	2009 £'000	2008 £'000
Group		
Carrying value at 1 April	**1,060**	1,060
Impairment	**—**	—
Carrying value at 31 March	**1,060**	1,060

Goodwill relates to the acquisition of ASOS.com Limited, a 100% subsidiary of ASOS PLC.

Goodwill arising on business combinations is not amortised but is reviewed for impairment on an annual basis or more frequently if there are any indications that the goodwill may be impaired. Goodwill acquired in a business combination is allocated to groups of cash-generating units according to the level at which management monitor that goodwill.

Recoverable amounts for cash-generating units are based on the higher of value in use and fair value less costs to sell. Value in use is calculated from cash flow projections for five years using data from the Group's latest results and internal forecasts, the results of which are reviewed by the Board. The key assumptions for the value in use calculation include growth rates, expected changes in margins and future changes in the market.

In March 2009 and 2008 impairment reviews were performed by comparing the carrying value of goodwill with the recoverable amount of the cash-generating units to which goodwill has been allocated. Management determined that there has been no impairment in the current year.

9) PROPERTY, PLANT AND EQUIPMENT

Group	Plant and machinery £'000	Fixtures and fittings £'000	Comuter equipment £'000	Assets under construction £'000	Total £'000
Cost					
At 1 April 2007	25	670	2,146	7	2,848
Additions	8	3,788	923	21	4,740
Disposals	—	(51)	(117)	—	(168)
At 1 April 2008	33	4,407	2,952	28	7,420
Additions	20	3,400	1,372	3,408	8,200
At 31 March 2009	**53**	**7,807**	**4,324**	**3,436**	**15,620**
Accumulated depreciation					
At 1 April 2007	11	232	519	—	762
Charge for the year	1	349	612	1	963
Impairment	—	254	—	—	254
Disposals	—	(32)	(117)	—	(149)
At 1 April 2008	12	803	1,014	1	1,830
Charge for the year	2	741	1,049	58	1,850
Impairment	—	362	—	—	362
At 31 March 2009	**14**	**1,906**	**2,063**	**59**	**4,042**
Net book value					
At 31 March 2009	**39**	**5,901**	**2,261**	**3,377**	**11,578**
At 31 March 2008	21	3,604	1,938	27	5,590

The impairment comprises computer systems that have been upgraded.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2009

10) INTEREST IN JOINT VENTURE

	Interest in joint venture £'000
At 1 April 2008	—
Initial investment in joint venture	—
Long-term loan to joint venture	240
Share of post-tax losses in joint venture	(78)
At 31 March 2009	162

Share of profit/(loss) in joint venture	2009 £'000
Turnover	92
Cost of sales	(54)
Gross profit	38
Administrative expenses	(115)
Operating (loss)	(77)
Interest payable	(1)
(Loss) before tax	(78)
Income tax expense	—
Loss after tax	(78)

10) INTEREST IN JOINT VENTURE continued

Share of assets/(liabilities) in joint venture	2009 £'000
Balance sheet — joint venture	
Non-current assets	**58**
Current assets	**81**
Total assets	**139**
Liabilities due less than one year	**(96)**
Liabilities due more than one year	**(121)**
Total liabilities	**(217)**
Net assets	**(78)**
Capital and reserves	
Share capital	**—**
Share premium	**—**
Profit and loss reserve	**(78)**
Net assets	**(78)**

11) INVESTMENTS

Company	Investment £'000	Capital contribution £'000	Total £'000
Cost			
At 1 April 2007	2,766	554	3,320
Additions	—	477	477
At 1 April 2008	2,766	1,031	3,797
Additions	—	262	262
At 31 March 2009	2,766	1,293	4,059
Provision for impairment			
At 31 March 2008 and at 31 March 2009			(1,766)
Net book value			
31 March 2009			**2,293**
31 March 2008			2,031

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2009

11) INVESTMENTS continued

The following are the Company's subsidiaries and interest in joint ventures:

Name of company	Country of incorporation	Proportion of ordinary shares held	Nature of business
ASOS.com Limited	UK	100%	Internet retailer
Entertainment Marketing (UK) Limited	UK	100%	Dormant
Brindle Limited	UK	100%	Dormant
Crooked Tongues Limited	UK	50%	Internet retailer

12) DEFERRED TAX ASSETS

	2009 £'000	2008 £'000
Deferred tax asset	**3,562**	2,876

The following are the major deferred tax assets/(liabilities) recognised by the Group and movements thereon during the current and prior year:

	Accelerated tax depreciation	Share-based payments	Total
At 31 March 2007	(81)	571	**490**
(Charge)/credit to the Group Income Statement	(124)	221	**97**
Credit to equity	—	2,289	**2,289**
At 31 March 2008	(205)	3,081	**2,876**
Credit to the Group Income Statement	(166)	141	**(25)**
Credit to equity	—	711	**711**
At 31 March 2009	(371)	3,933	**3,562**

13) INVENTORIES

Group	2009 £'000	2008 £'000
Goods for resale	**28,085**	11,694

14) TRADE AND OTHER RECEIVABLES

	2009 Group £'000	2009 Company £'000	2008 Group £'000	2008 Company £'000
Trade receivables	**922**	**—**	1,843	—
Less: provision for impairment of trade receivables	**(145)**	**—**	(66)	—
Trade receivables — net of provision	**777**	**—**	1,777	—
Prepayments	**482**	**12**	286	2
Receivables from related parties (note 20)	**59**	**472**	—	500
Other receivables	**2,086**	**—**	2,715	—
	3,404	**484**	4,778	502

The fair values of trade and other receivables are as follows:

	2009 Group £'000	2009 Company £'000	2008 Group £'000	2008 Company £'000
Trade receivables	**777**	**—**	1,777	—
Receivables from joint venture	**59**	**—**	—	—
Receivables from related parties	**—**	**472**	—	500
Other receivables	**2,086**	**—**	2,715	—
	2,922	**472**	4,492	500

The above trade and other receivables fall into the "loans and receivables" category of the Group's financial assets.

Group

As of 31 March 2009, Group trade receivables of £18,000 (2008: £59,000) were impaired. The amount of the provision was £145,000 (2008: £66,000) as at 31 March 2009 which includes an additional provision in relation to supplier debit balances. The individually impaired receivables are mainly related to wholesalers, considered to be experiencing financial difficulties. The ageing of these impaired receivables is as follows:

	2009 £'000	2008 £'000
3 to 6 months	**127**	7
Over 6 months	**18**	59
	145	66

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2009

14) TRADE AND OTHER RECEIVABLES continued

As of 31 March 2009, Group trade receivables of £44,000 were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2009 £'000	2008 £'000
3 to 6 months	**44**	118
Over 6 months	**—**	4
	44	122

Company

As of 31 March 2009, Company receivables from related parties of £472,000 (2008: £500,000) were fully recoverable. Company receivables from related parties that are less than three months past due are not considered impaired. As of 31 March 2009, receivables of £472,000 (2008: £500,000) were past due but not impaired. These relate to subsidiary undertakings and joint venture for which there is no history of default. The ageing analysis of these receivables is as follows:

	2009 £'000	2008 £'000
3 to 6 months	**—**	—
Over 6 months	**472**	500
	472	500

The carrying amounts of the Group and Company's receivables are denominated in the following currencies:

	2009		2008	
	Group £'000	Company £'000	Group £'000	Company £'000
Pounds sterling	**777**	**472**	1,777	283

Movements on the Group provision for impairment of trade receivables are as follows:

	2009 £'000	2008 £'000
As at 1 April	**66**	5
Impairment of trade receivables during the year	**79**	61
As at 31 March	**145**	66

14) TRADE AND OTHER RECEIVABLES continued

The creation and release of provision for impaired receivables have been included in “Administration expenses” in the Income Statement. Amounts charged to the allowance account are generally written off, where there is no expectation of recovery.

The other classes within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Group does not hold any collateral as security.

Management believe that the unimpaired receivables are fully recoverable.

15) TRADE AND OTHER PAYABLES

	2009		2008	
	Group £'000	Company £'000	Group £'000	Company £'000
Trade payables	**18,820**	**—**	8,201	—
Amounts owed to related parties (note 20)	**—**	**381**	—	381
Accruals	**9,907**	**—**	6,379	—
Other payables	**5,408**	**—**	4,068	—
	34,135	**381**	18,648	381

All trade payables are due in less than one year.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2009

16) PROVISIONS FOR OTHER LIABILITIES AND CHARGES

Group	Property provisions £'000
At 1 April 2008	**680**
Charged to the income statement:	**—**
Additional provisions	**—**
Utilised during the year	**(228)**
Released in the year	**(452)**
At 31 March 2009	**—**

Property provisions comprised future rent and rates payable on onerous and vacant property leases. The release of this provision relates to use of the vacant property, which has been recommissioned for use during the year.

17) CALLED UP SHARE CAPITAL

	2009 £'000	2008 £'000
Authorised: 100,000,000 (2008: 100,000,000) ordinary shares of 3.5p each	**3,500**	3,500
Allotted, issued and fully paid: 73,991,962 (2008: 73,262,013) ordinary shares of 3.5p each	**2,590**	2,564

During the year 729,949 (2008: 586,000) ordinary shares of 3.5p each were issued as a result of exercise of employee share options. Total consideration received in respect of these options was £278,000 (2008: £248,000).

18) SHARE-BASED PAYMENTS

Equity-settled share-based payments

The following table illustrates the number and weighted average exercise prices of, and movements in, share options during the year. The settlement method for these is equity

	2009		2008	
	Share options number '000	Weighted average exercise (p)	Share options number '000	Weighted average exercise (p)
Outstanding at the beginning of the year	**5,983**	**58.7**	5,840	47.4
Granted during the year	**200**	**147.3**	738	138.1
Forfeited during the year	**(64)**	**95.4**	(9)	117.0
Exercised during the year	**(730)**	**35.0**	(586)	42.3
Outstanding at the end of the year	**5,389**	**59.0**	5,983	58.7
Exercisable at the end of the year	**4,344**	**46.1**	3,928	32.5

Options were exercised on ten (2008: twelve) occasions throughout the year and the weighted average share price upon exercise was 248 pence (2008: 186 pence).

Options outstanding at 31 March 2009 are exercisable at prices ranging between 4.5 pence and 290 pence (2008: 4.5 pence and 232.50 pence) and have an average remaining contract life of 5.3 years (2008: 6.4 years) and a weighted average fair value of 33 pence (2008: 31.5 pence).

The fair value of share options granted is calculated at the date of grant using a Black–Scholes option pricing model. The inputs into the model are the risk-free interest rate at the date of grant which during the year ranged from 4.25% to 5.28% (2008: 4.25% to 5.28%); expected volatility of 35% (2008: 35%), the share price at the date of grant, the option life, and an expected exercise date of 50% of the life of the option.

Expected volatility was found using a historical volatility calculator and with reference to that of comparable companies.

Share options granted prior to 7 November 2002 fall outside the scope of IFRS 2 and therefore no charge has been recognised within the Income Statement.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2009

18) SHARED-BASED PAYMENTS continued

Share options

Details of options granted under both the Company's EMI Approved Share Option scheme and an unapproved share option scheme are shown below.

		Numbers of shares outstanding				Option	Period in which exercisable	
Issue date	01/04/2008	Issued	Exercised	Lapsed	31/03/2009	price	From	To
06/12/2000	1,579,657	—	—	—	1,579,657	12.7p	16/01/2001	15/01/2011
31/01/2003	59,000	100,000	102,800	—	56,200	4.5p	31/01/2005	31/01/2013
26/02/2004	359,599	—	229,599	—	130,000	10.25p	26/02/2006	25/02/2014
30/07/2004	250,000	—	110,000	—	140,000	56.5p	30/07/2006	29/07/2014
10/08/2004	175,000	—	35,000	—	140,000	43.5p	10/08/2006	09/08/2014
29/04/2005	500,000	—	100,000	—	400,000	49.5p	29/04/2007	28/04/2015
09/05/2005	—	—	—	—	—	43p	09/05/2007	08/05/2015
07/07/2005	160,000	—	—	—	160,000	53p	07/07/2007	06/07/2015
08/07/2005	45,000	—	45,000	—	—	49.5p	08/07/2007	07/07/2015
11/07/2005	750,000	—	—	—	750,000	57.5p	11/07/2007	10/07/2015
04/01/2006	50,000	—	—	—	50,000	68p	04/01/2008	03/01/2016
04/04/2006	100,000	—	—	—	100,000	94.5p	04/04/2008	04/04/2016
26/04/2006	500,000	—	107,550	—	392,450	93.25p	26/04/2008	25/04/2016
04/07/2006	446,000	—	—	—	446,000	98p	04/07/2008	03/07/2016
26/07/2006	280,000	—	—	40,000	240,000	82.75p	26/07/2009	25/07/2016
30/04/2007	493,051	—	—	23,504	469,547	117p	23/04/2010	22/04/2017
03/09/2007	100,000	—	—	—	100,000	116.5p	03/09/2010	02/09/2017
31/01/2008	135,000	—	—	—	135,000	232.5p	31/03/2011	30/01/2018
07/04/2008	—	100,000	—	—	100,000	290p	07/04/2011	07/04/2018
Total	5,982,307	200,000	729,949	63,504	5,388,854			

During the year the Board reinstated options over 100,000 ordinary shares of 4.5 pence to a former director to whom these were granted in 2003.

18) SHARED-BASED PAYMENTS continued

ASOS Performance Share Plan

Under the rules of the ASOS Performance Share Plan (PSP) and subject to performance conditions, the PSP allows the directors to be awarded ordinary shares in the capital of the Company.

Vesting of awards

Awards will normally vest on or following the third anniversary of grant once the committee has determined the extent to which the applicable performance conditions (see below) have been satisfied and provided that the participant is still employed in the Company's Group.

The performance conditions will be structured such that the vesting of an award will be determined by the Company's annual compound growth in normalised earnings per share ("EPS") in excess of inflation ("RPI") over a three year performance period commencing on the first day of the financial year in which the award is granted.

For the initial awards the annual growth targets will be as set out in the table below:

Annual compound EPS growth of the Company over the performance period	Vesting percentage of the shares subject to an award
Less than RPI + 10%	0%
Equal to RPI + 10%	25%
Greater than or equal to RPI + 30%	100%
Between RPI + 10% and RPI + 30%	Between 25% and 100% pro rata on a straight-line basis

The Remuneration Committee may amend the performance conditions applying to existing awards at any given time if an event occurs which causes the Committee to consider it appropriate to amend them, provided that, in the opinion of the Committee, the amended conditions are not materially less challenging to achieve in the changed circumstances than those originally set.

The Remuneration Committee will review the performance conditions each time awards are granted and may impose different performance conditions for subsequent awards, provided that, in the opinion of the Committee, the different performance conditions are not materially less challenging in light of the Company's circumstances than those set for the initial awards.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2009

18) SHARED-BASED PAYMENTS continued

SAYE

	2009		2008	
	Share options number '000	**Weighted average exercise (p)**	Share options number '000	Weighted average exercise (p)
Brought forward	**—**	**—**	—	—
Granted during the year	**322**	**244**	—	—
Forfeited during the year	**—**	**—**	—	—
Exercised during the year	**—**	**—**	—	—
Outstanding at the end of the year	**322**	**244**	—	—

The SAYE scheme commenced on 1 July 2008. Options were granted on two occasions. The first issue was on 19 July 2008 at 283.2p and the second issue was made on 7 January 2009 at 207.4p.

The scheme will run for three years and eligible employees can contribute between £50 and £250 a month. On maturity, the employee has the option to buy the shares in the Company at a discount of 20% on the share price as at the commencement of the scheme.

The accounting for the SAYE scheme is in accordance with IFRS2 Share-based payments. The fair value of the employees services received in exchange for the grant of the option is recognised as an expense in the Income Statement. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted. The vesting period is three years, the length of the scheme.

The fair value of share options granted is calculated at a discount of 20% on the market value at the date of grant using a Black–Scholes option pricing model. The inputs into the model are the risk-free interest rate at the date of grant which during the year ranged from 2.81% to 4.9%; expected volatility of 35%.

PERFORMANCE SHARE PLAN ("PSP")

The table below illustrates the shares issued to directors and other key employees of the Group during the year:

Directors' performance share plan

Director	31 March 2008	Granted number	31 March 2009	Vesting date
Lord Waheed Alli	—	—	—	—
Peter Williams	—	—	—	—
Nick Robertson	292,992	61,635	354,627	2009–2011
Jon Kamaluddin	233,781	41,823	275,604	2009–2011
Rob Bready	291,619	48,427	340,046	2009–2011

18) SHARED-BASED PAYMENTS continued

Other key employees:	Share options number 2009 '000	Share options number 2008 '000
Brought forward	—	—
Awarded during the year	183	—
Forfeited during the year	—	—
Exercised during the year	—	—
Outstanding at the end of the year	183	—

The vesting date for the above shares awarded to other key employees of the Group is 2011.

The total cost for the PSP to the Group for the year ended 31 March 2009 was £569,000, of which £466,000 relates to the directors and £103,000 relates to other key employees of the business.

Employee Benefit Trust ("EBT")

The ASOS.com Limited Employee Benefit Trust (EBT) was set up to satisfy awards granted under the ASOS Performance Share Plan 2006 and the SAYE scheme 2008. The trustees of the plan are Ogier Employee Benefit Trustee Limited and are resident in Jersey.

As at 31 March 2009 the EBT held 1,450,052 shares (2008: 818,392) to the value of £2,872,318 (2008: £943,000). The consideration paid for ordinary shares of 3.5p each held by the EBT as at 31 March 2009 has been shown as an EBT reserve and presented within equity for the Group as treasury shares. These shares were purchased at market value.

The total IFRS 2 charge in the Income Statement for all three schemes for the year ended 31 March 2009 was £898,000 (2008: £792,000).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2009

19) OPERATING LEASE COMMITMENTS

Total of future lease payments under non-cancellable operating leases are as follows:

Group	2009 Land and buildings £'000	2009 Other £'000	2008 Land and buildings £'000	2008 Other £'000
Leases which expire				
Within one year	**2,741**	**1**	1,019	—
Within two to five years	**10,278**	**—**	7,900	—
In over five years	**3,045**	**—**	5,665	—
Total	**16,064**	**1**	14,584	—

20) RELATED PARTY TRANSACTIONS

Transactions with key management personnel

Only members of the Board of directors of ASOS PLC are deemed to be key management personnel. It is the Board who have responsibility for planning, directing and controlling the activities of the Group. Key management personnel compensation is disclosed in note 4 and in the Directors' Remuneration report.

During the year, there were no other material transactions or balances between the Group and its key management personnel or members of their close family.

During the year the Company entered into transactions, in the ordinary course of business, with other related parties as follows:

	2009 £'000	2008 £'000
Transactions during the year with subsidiary undertakings		
Costs recharged by subsidiary undertakings	**267**	116
Balance at 31 March with subsidiary undertakings and joint venture		
Amounts owed by subsidiary undertakings	**472**	500
Amounts owed by joint venture	**59**	—
Amounts owed to subsidiary undertakings	**381**	381
Loans made to employee benefit trust	**2,872**	943

20) RELATED PARTY TRANSACTIONS continued

During the year the Group made a loan of £1,573,490 (2008: £707,000) to the ASOS.com employee benefit trust to acquire shares in the Company to satisfy grants made under the rules of the PSP plan.

1,579,657 share options were granted to Lord W Alli in December 2000. Lord Alli has agreed to indemnify ASOS PLC against 50% of the employer's insurance liability that will arise on exercise of the above options.

21) NOTES TO THE CASH FLOW STATEMENT

	At 1 April 2008 £'000	Cash flow £'000	**At 31 March 2009 £'000**
Group			
Cash and cash equivalents	10,369	3,218	**13,587**
Company			
Cash and cash equivalents	74	29	**103**

22) FINANCIAL INSTRUMENTS

The Group's principal financial instruments comprise cash, trade receivables and trade payables that arise directly from operations. The main purpose of these financial instruments is the funding of the Group's trading activities. It has been the Group's policy throughout the year under review that no trading in financial instruments should be undertaken.

Interest rate risk profile of financial assets

The only financial asset of the Group is cash at bank and in hand which is denominated in sterling. The US dollar and euro bank accounts have been retranslated to sterling at the closing spot rate on the 31 March 2009. The balance at 31 March 2009 was £13,586,727 (31 March 2008: £10,369,000).

Management has adopted a low risk policy relating to the investment of surplus funds, which are held on time deposit with the Group's bank. Exposure to credit risk is monitored on an ongoing basis.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2009

23) FINANCIAL RISKS

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group does not currently use derivative financial instruments to hedge all risk exposures. The Group has future plans to use derivative financial instruments to hedge against foreign exchange volatility.

(a) Market risk

(i) Foreign exchange

The Group operates internationally and is therefore exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the euro and US dollar. Foreign exchange risk arises from commercial transactions and recognised assets and liabilities.

(ii) Cash flow and fair value interest rate risk

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

As the Group has no significant interest-bearing borrowings, the Group is not exposed to cash flow interest rate risk.

(b) Credit risk

The Group's credit risk arises through credit exposure to customers and Group companies and also with banks with which cash is held.

Management have a credit control process. As the majority of the Group's advertising customers are large companies with which the Group has a long-standing relationship, the risk of default is considered to be low and write-offs due to bad debts are extremely low.

Management consider the risk of default of Group debtors to be negligible.

The Group ensures that deposits are only placed with banks which have a minimum credit rating of AA (Standard and Poor's rating).

(c) Liquidity risk

Management are responsible for managing the Group's liquidity. Sufficient funds need to be available to meet business needs as and when they arise. Once all business needs have been met, any surplus cash will be invested in daily deposit accounts with the Group's bank.

(d) Capital risk management

The Group's objectives when managing capital (defined as net debt plus equity) are to safeguard the Group's ability to continue as a going concern in order to provide returns for their shareholders and benefits for other stakeholders, while maintaining strong credit rating and headroom while optimising return to shareholders through an appropriate balance of debt and equity funding. The Group manages its capital structure and makes adjustments to it, in light of changes to economic conditions and the strategic objectives of the Company.

FIVE YEAR GROUP FINANCIAL SUMMARY

	2009 £	2008 £	2007 £	2006 £	2005 £
Income statement					
Revenue	**165,395**	81,044	42,614	20,317	14,428
Cost of sales	**(93,696)**	(43,760)	(24,488)	(11,668)	(7,949)
Gross profit	**71,699**	37,284	18,126	8,649	6,479
Operating costs	**(57,764)**	(30,322)	(15,262)	(9,744)	(5,411)
Goodwill impairment	**—**	—	(188)	—	(228)
Insurance proceeds [1]	**—**	—	570	2,439	—
Operating profit/(loss)	**13,935**	6,962	3,246	1,344	840
Share of post-tax losses of joint venture	**(78)**	—	—	—	—
Finance income	**268**	349	124	61	39
Profit before taxation	**14,125**	7,311	3,370	1,405	879
Taxation	**(4,116)**	(2,258)	(951)	12	—
Profit/(loss) for the financial year	**10,009**	5,053	2,419	1,417	879
Earnings per share					
Basic	**13.6p**	6.9p	3.4p	2.0p	1.3p
Fully diluted	**12.8p**	6.6p	3.3p	1.9p	1.2p
Balance sheet					
Cash at bank	**13,587**	10,369	5,379	3,744	2,060
Net assets	**25,709**	15,944	8,385	5,522	3,612

[1] 2007 and 2006 — business interruption insurance claim following Buncefield explosion.

SHAREHOLDER NOTES

COMPANY INFORMATION

DIRECTORS:
Lord W Alli (Chairman)
N Robertson
J Kamaluddin
R Bready
P Williams
N Beighton (appointed 27 April 2009)

COMPANY SECRETARY:
J Kamaluddin
(resigned 27 April 2009)
N Beighton
(appointed 27 April 2009)

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