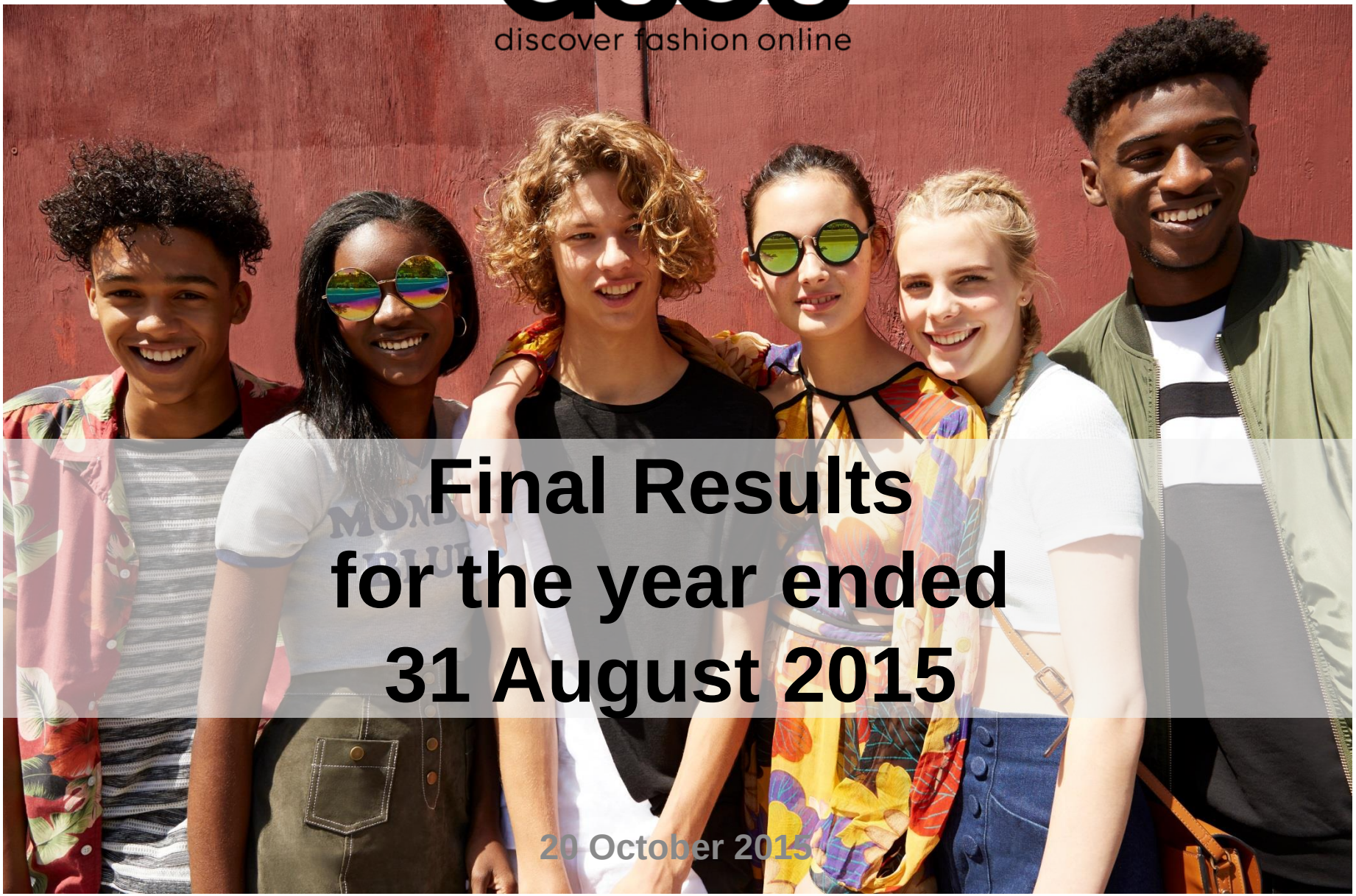
asos
discover fashion online



Final Results for the year ended 31 August 2015

20 October 2015

Nick Beighton

CEO

FY 2015 Highlights

- Total sales +18%, PBT £47.5m
  - Accelerated performance during the year
  - H1 PBT £18m, H2 PBT £29.5m
- Operational / Tech initiatives landed
  - Barnsley extension and automation, Eurohub
  - Zonal pricing
- Excellent progress on Mobile
  - c60% of traffic
- Strengthening the management team
- Accelerating reinvestment into customer and capability
- Strategy and destination clear

asos
discover fashion online

Helen Ashton
CFO

Financial Highlights

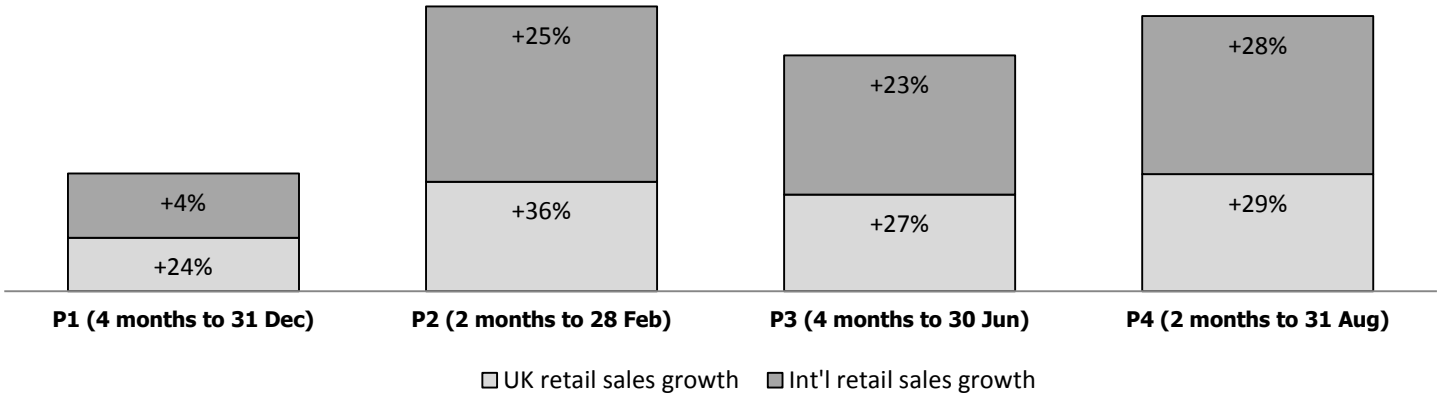
£m	FY15	FY14	Change
Group revenues[1]	**1,150.8**	975.5	18%
Retail sales	**1,119.9**	955.3	17%
UK retail sales	***473.9***	*372.2*	*27%*
International retail sales	***646.0***	*583.1*	*11%*
Gross profit	**574.8**	485.0	19%
Retail gross margin	***48.6%***	*48.7%*	*(10bps)*
Gross margin	***49.9%***	*49.7%*	*20bps*
Profit before tax[2]	**47.5**	46.9	1%
Diluted earnings per share	**44.4p**	44.5p	-
Cash and cash equivalents	**119.2**	74.3	60%

[1] Includes retail sales, delivery receipts and third party revenues
[2] For the twelve months to 31 August 2015, profit before tax includes net insurance reimbursements of £6.3m (2014: £3.1m) in respect of a warehouse fire in the prior financial year

Sales Growth by Segment

FY15 (£m)	Group total	UK	US	EU	RoW	International total
Retail sales	1,119.9	473.9	119.5	294.0	232.5	646.0
Growth	*17%*	*27%*	*29%*	*15%*	*(1%)*	*11%*
Growth at constant exchange rate	*21%*	*27%*	*22%*	*26%*	*6%*	*17%*
Delivery receipts	25.7	11.5	3.7	5.1	5.4	14.2
Growth	*61%*	*55%*	*106%*	*61%*	*51%*	*66%*
Third party revenues	5.2	4.4	0.8	-	-	0.8
Growth	*23%*	*4%*	*100%*	-	-	*100%*
Total revenues	1,150.8	489.8	124.0	299.1	237.9	661.0
Growth	*18%*	*28%*	*32%*	*15%*	-	*12%*

Group retail sales growth at constant currency
FY15

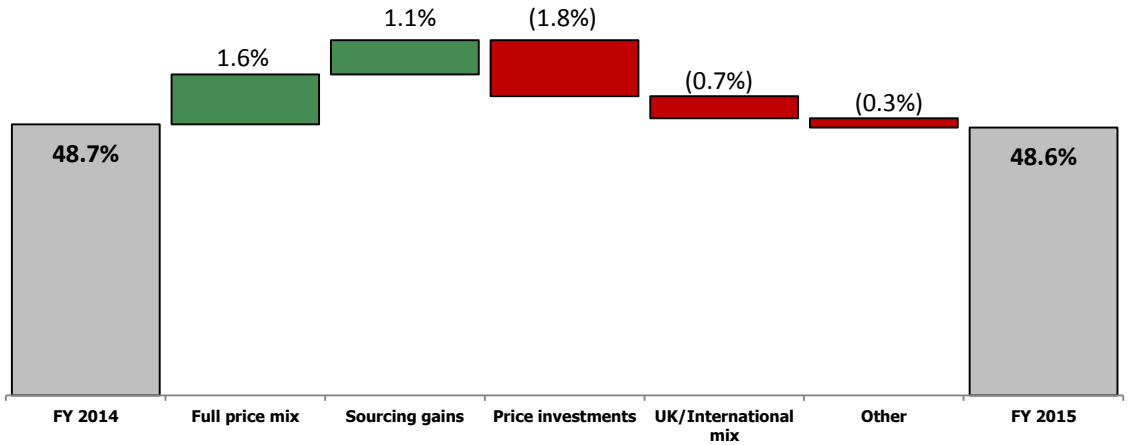


asos
discover fashion online

Gross Profit Performance

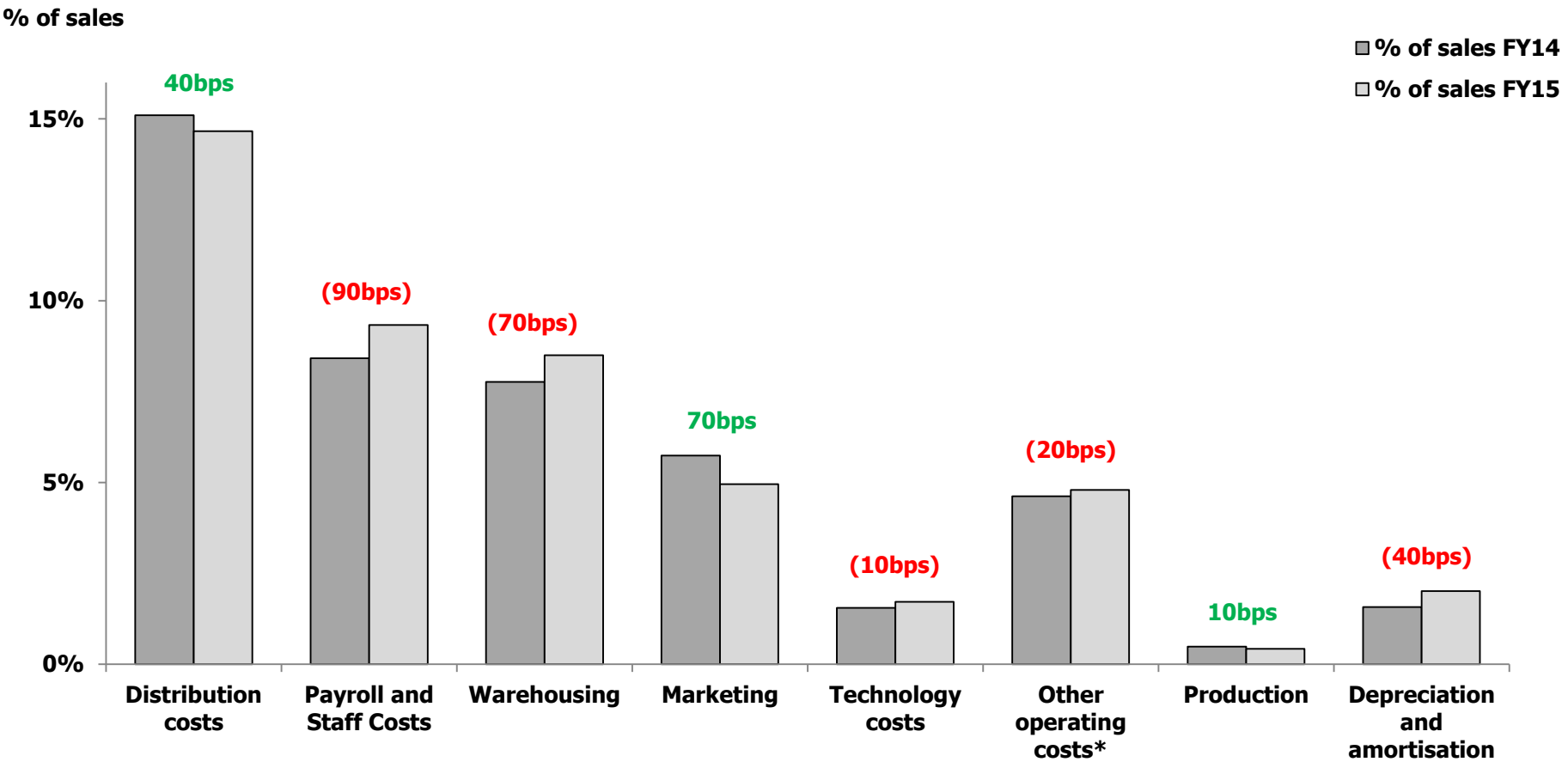
FY15	Group total	UK	US	EU	RoW	International total
Gross profit (£m)	**574.8**	**229.1**	**74.6**	**147.3**	**123.8**	**345.7**
Growth	***19%***	***30%***	***38%***	***11%***	***2%***	***12%***
Retail gross margin	**48.6%**	**45.0%**	**58.8%**	**48.4%**	**50.9%**	**51.2%**
Growth	***(10bps)***	***80bps***	***230bps***	***(230bps)***	***40bps***	***(30bps)***
Gross margin	**49.9%**	**46.8%**	**60.2%**	**49.3%**	**52.0%**	**52.3%**
Growth	***20bps***	***90bps***	***290bps***	***(200bps)***	***80bps***	***10bps***

Retail gross margin movement
FY15



Group Operating Expenses

110bps investment in operating costs to sales ratio following investments in our people, warehousing and IT infrastructure offset by reduction in marketing costs



* Includes office running costs, transaction costs and legal and professional fees

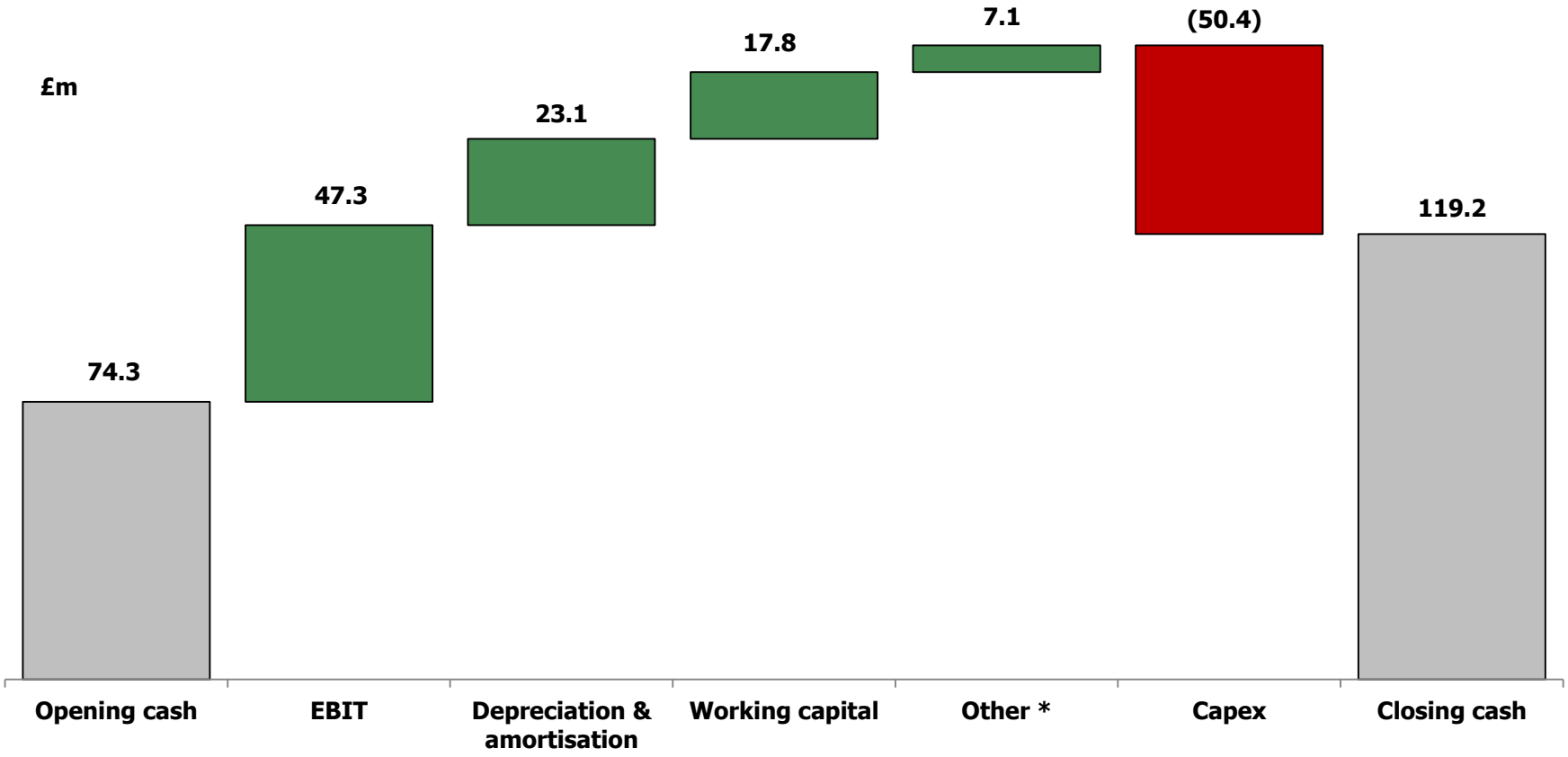
Statement of Comprehensive Income

£m	FY15	FY14	*Change*
Revenue	**1,150.8**	**975.5**	***18%***
Cost of sales	(576.0)	(490.5)	
Gross profit	**574.8**	**485.0**	***19%***
Distribution expenses	(168.7)	(147.3)	*(15%)*
Administrative expenses	(365.1)	(294.2)	*(24%)*
Net other income	6.3	3.1	
Operating profit	**47.3**	**46.6**	***1%***
Net finance income	0.2	0.3	
Profit before tax	**47.5**	**46.9**	***1%***
Income tax expense	(10.6)	(10.3)	
Profit after tax	**36.9**	**36.6**	***1%***
Effective tax rate	***22.5%***	***22.0%***	***(50bps)***

Statement of Financial Position

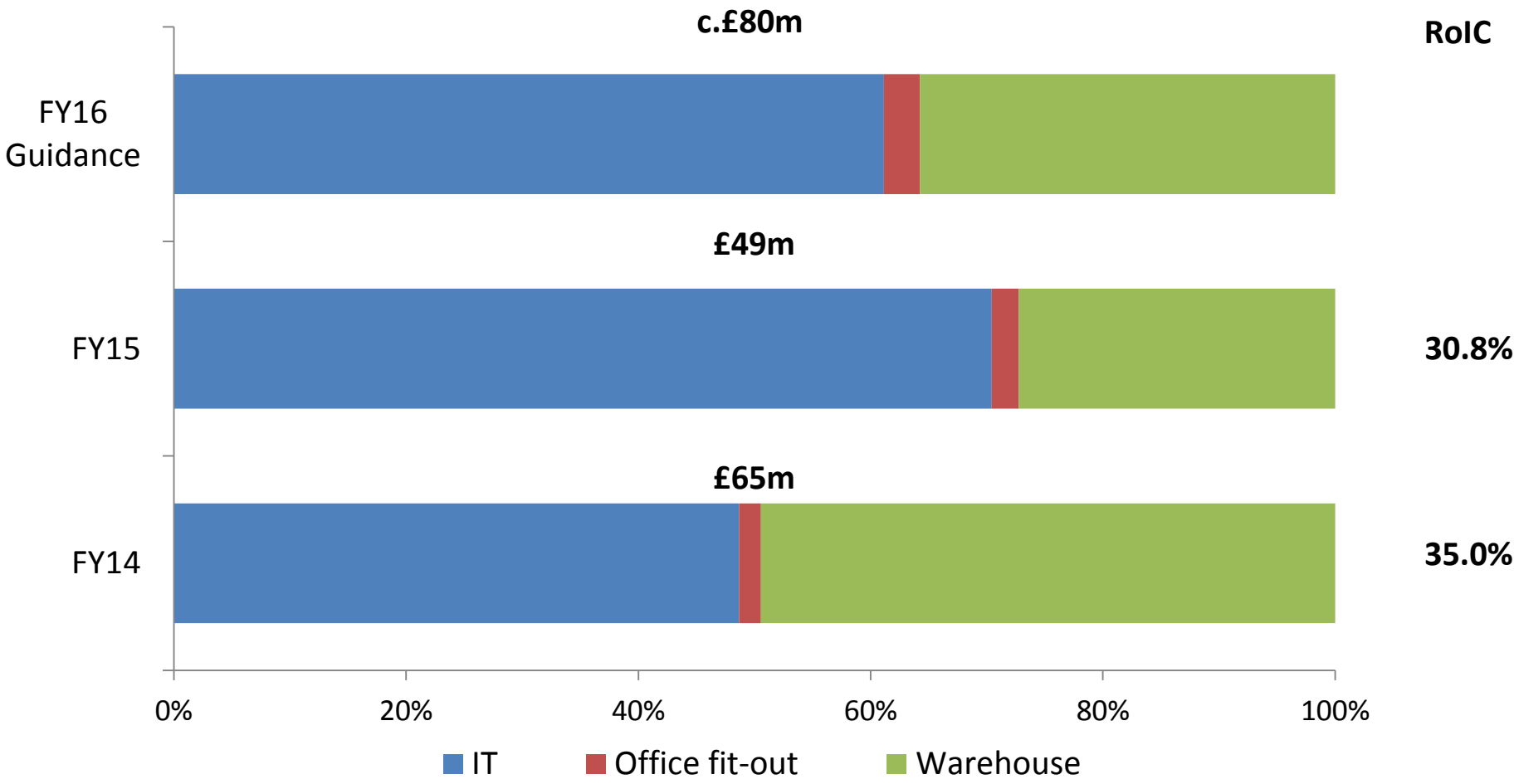
£m	At 31 August 2015	At 31 August 2014
Goodwill and other intangible assets	**76.2**	63.9
Property, plant and equipment	**64.4**	55.4
Derivative financial assets	**0.2**	-
Non-current assets	**140.8**	**119.3**
Stock	**193.8**	161.5
Net current payables	**(214.6)**	(165.1)
Cash and cash equivalents	**119.2**	74.3
Derivative financial assets	**6.1**	2.2
Current tax (liability)/asset	**(3.6)**	2.2
Deferred tax liability	**(4.4)**	(1.4)
Net assets	**237.3**	**193.0**

Cash Flow



*** Includes share-based payments, purchase of shares by Employee Benefit Trust, issue of share capital, net interest received, tax paid and other non-cash items.**

Capital Expenditure



RoIC = earnings before interest but after tax, divided by average invested capital

Graph based on accounting fixed asset addition totals

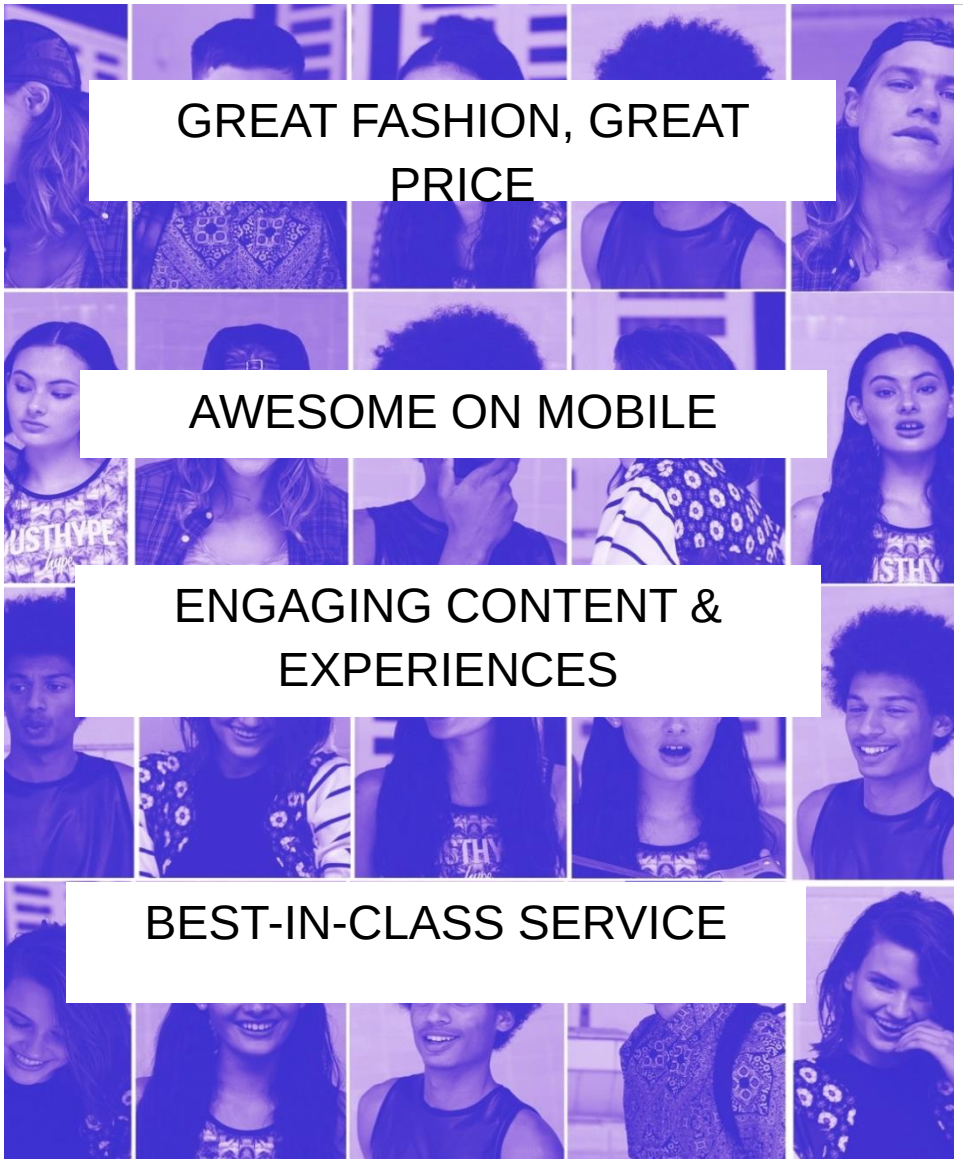
FY16 Guidance

- Total sales growth: c.20%
- Retail gross margin: up to 50bps investment
- EBIT margin: c.4%
- China: c.£5-7m further investment
- Tax rate c.100bps above prevailing statutory rate
- Capital expenditure: c.£80m

Nick Beighton

CEO

Strategy – Four Key Pillars



THE WORLD'S NUMBER 1 FASHION DESTINATION FOR 20 SOMETHINGS

Strategic Focus and Opportunity

	Population	Online Clothing		Online	Growth	ASOS Market share
	15-34 Years (M)	2015 £ Bn	2018 £ Bn	Penetration 2015	To 2018	of Online 2015
	16.7	6.9	9.4	15.4%	36.2%	6.9%
	102.4	24.7	34.6	11.6%	40.1%	1.2%
	86.8	37.0	51.7	16.9%	39.7%	0.3%
ROW	1,358.9	54.3	113.0	8.7%	108.1%	0.4%

Data Source: Conlumnio 2015 estimates, Total apparel and online apparel from all channels, including specialist retailers, department stores and grocers (clothing and footwear)

Great Fashion, Great Price

- Focused on category opportunities
- 80,000+ lines…in dynamic motion
- c.3,000 lines added each and every week
- Tighter inventory control / reduced level of discounting
- Zonal unlocking Brands in key overseas territories – more to come

"The greatest possible <u>choice</u> of <u>relevant</u> fashion at the best <u>price</u> whatever your shape or <u>size</u>"

asos
discover fashion online

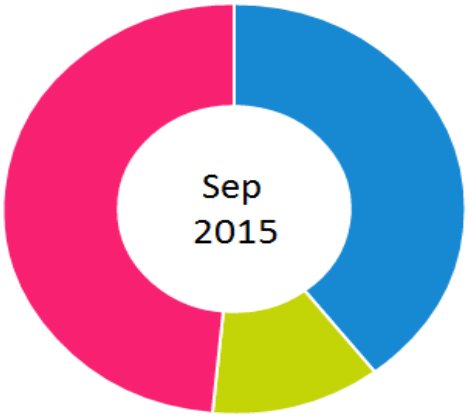
Awesome at Mobile

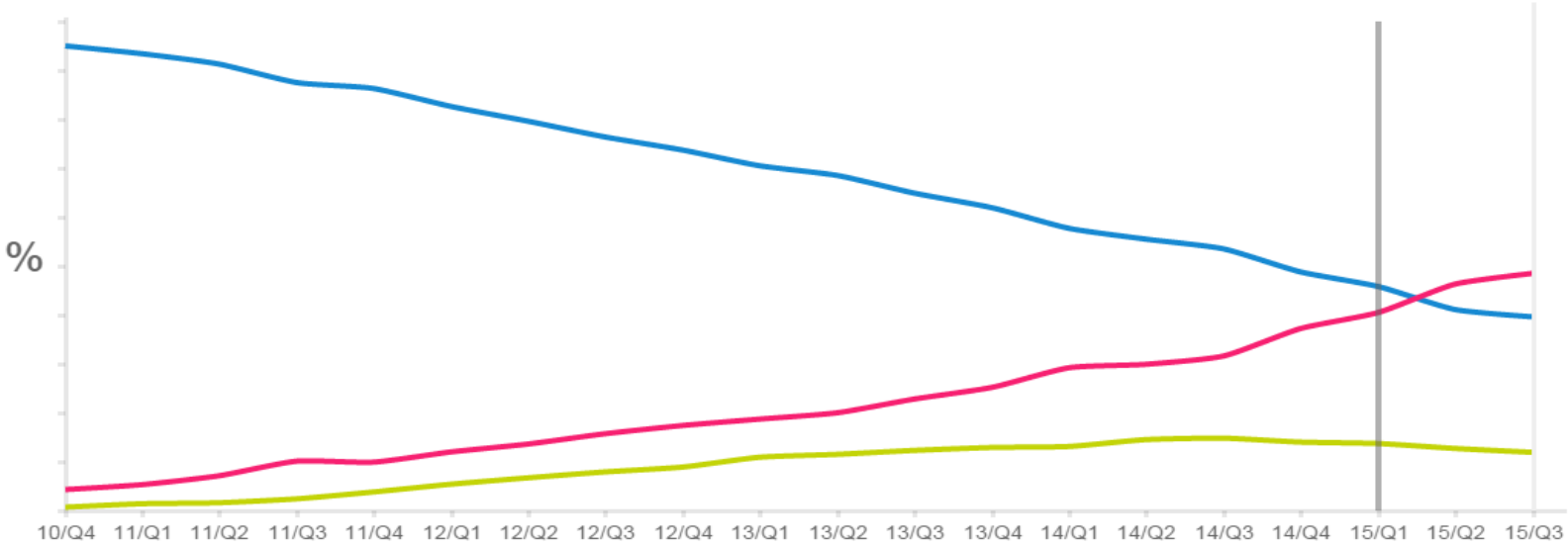
Visits

39.6% **Desktop**

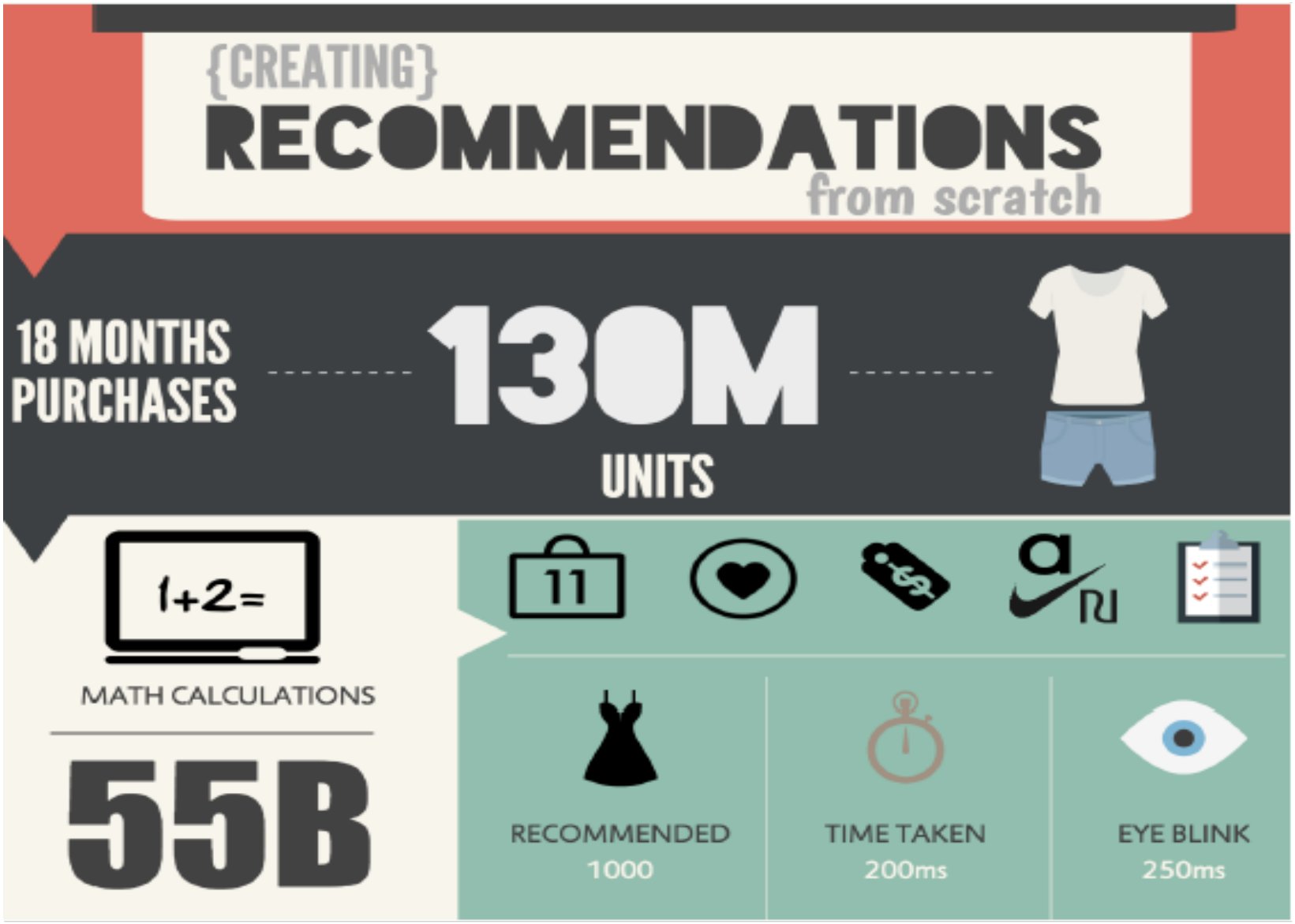
11.9% **Tablet**

48.5% **Mobile**





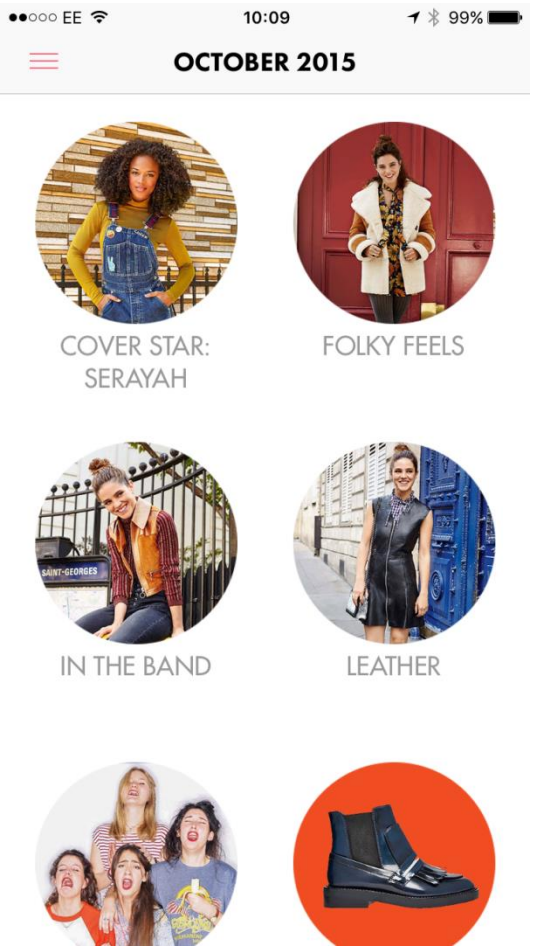
Awesome at Mobile

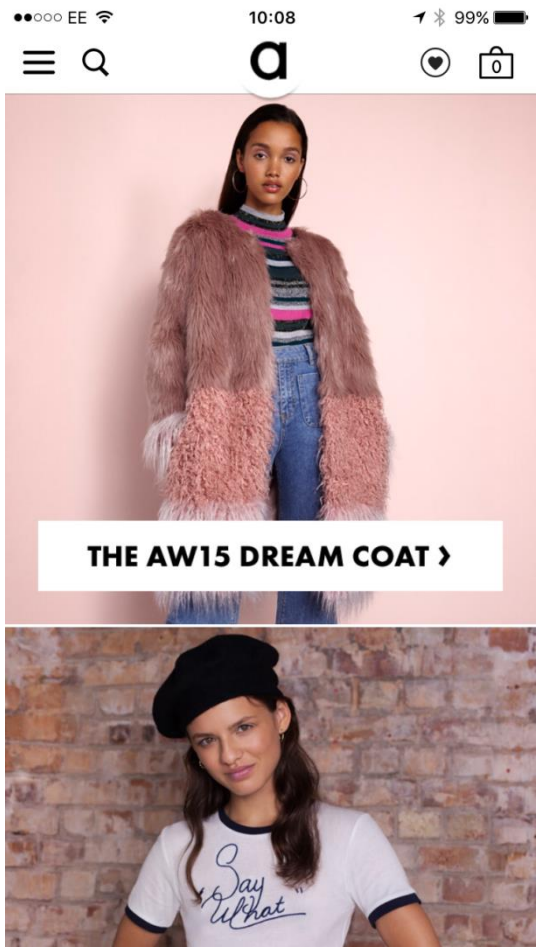


asos
discover fashion online

Technology

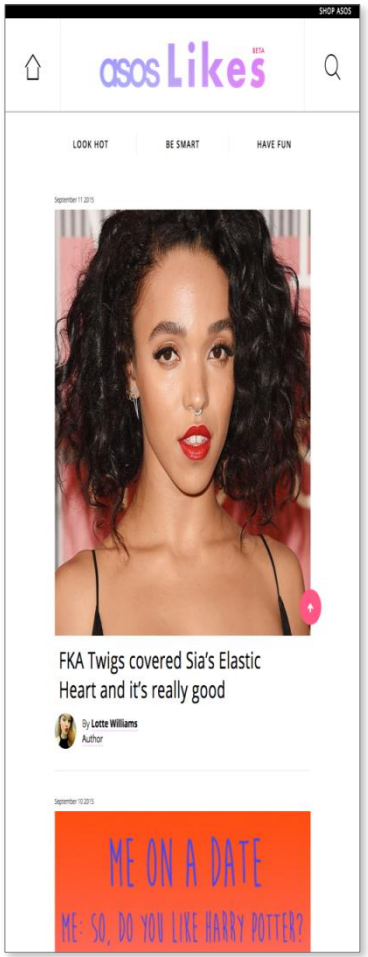
- Order processing
- Check-out
- Web to cloud
- New B&M System
- Enhanced data management

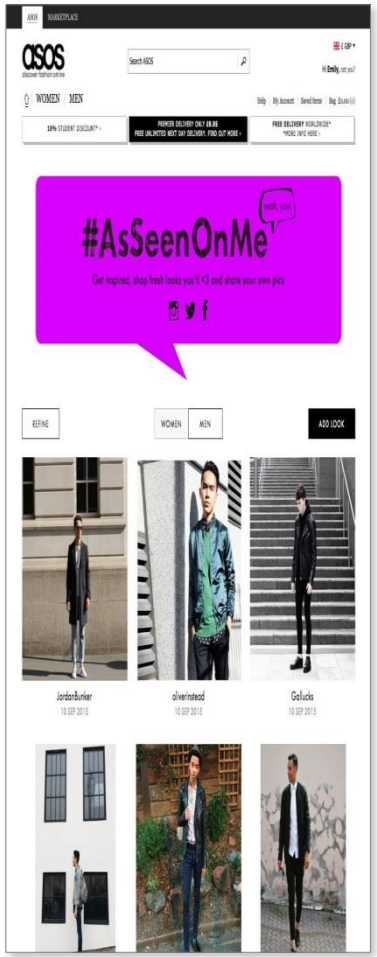




Engaging Content and Experiences

- Our philosophy
- Rewards
- asos Likes
- Personal stylists
- #AsSeenOnMe

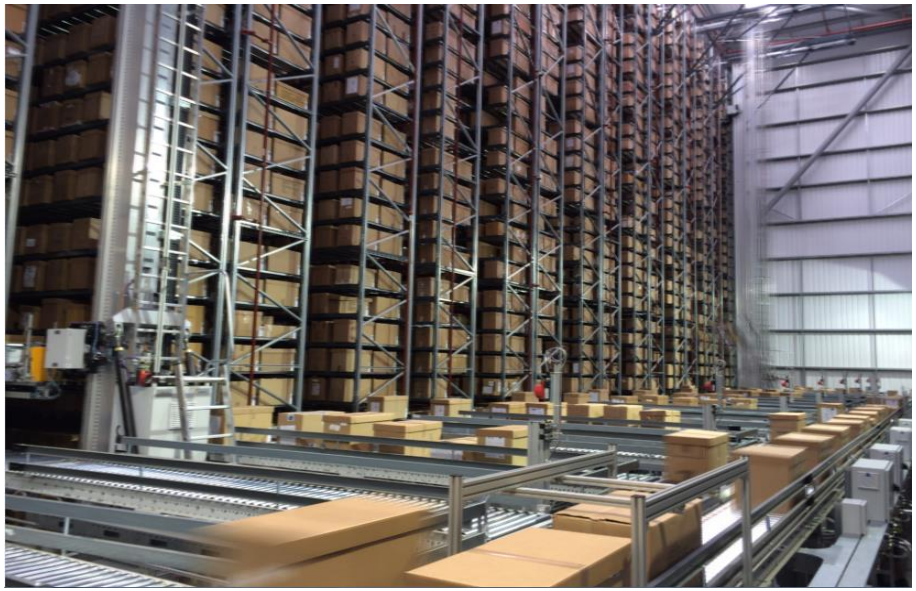




3.4m Engagements

Logistics

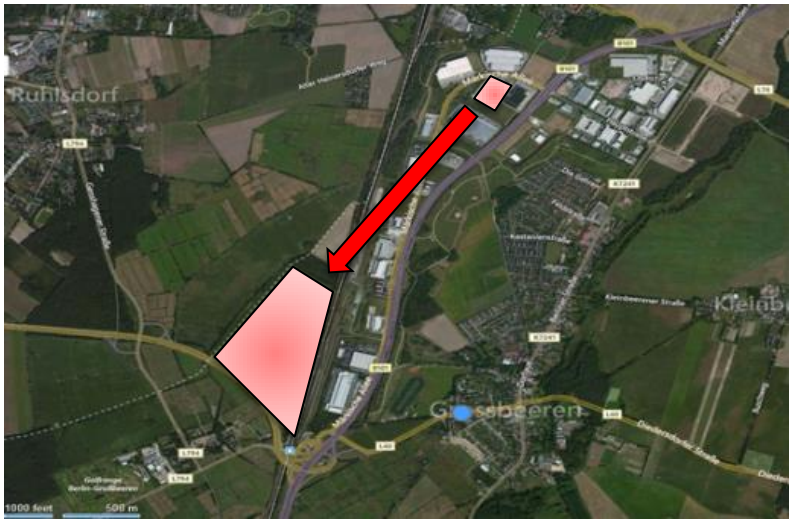
- Barnsley largely complete
  - Delivering efficiencies
  - Delivering competitive advantage
- Delivery solutions
  - 142 improvements
- Existing Eurohub
  - Ahead of plan
- New Euro hub
- USA next



Eurohub2 - Großbeeren (Berlin)

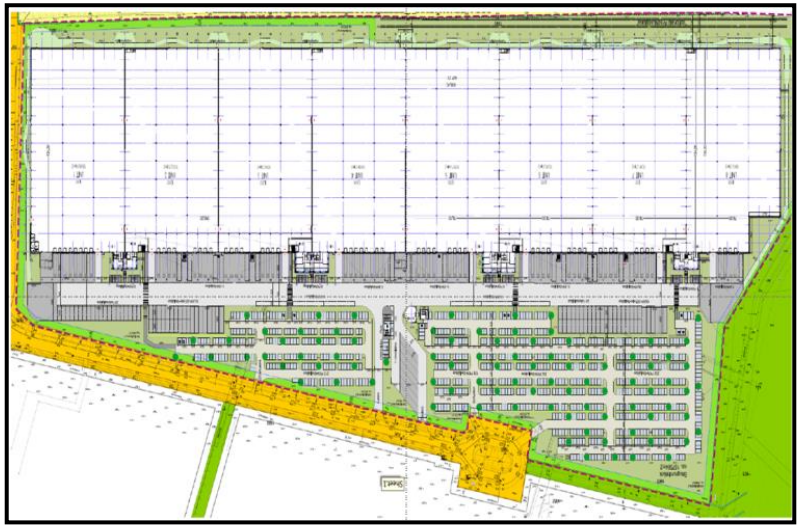
Phase 1

- Operationally Live Early 2017
- Manual Solution (474k sq. ft)
- +10m units stockholding
- c. £20m Investment



Phases 2 & 3

- Phased Go Lives, Early ‘18 & ’19
- Addition of 474k sq. ft
- Introduction of Automation
- +10m units stockholding
- ca. £40m Investment



2015 / 16 Priorities and Summary

- Unbeatable mobile experience
- Re-platforming and B&M
- Eurohubs 1 and 2
- Tighter focus to our International strategy
- Momentum and investment accelerating

Appendices

FY15 Segmental Sales – Reported Growth

£m	Four months to 31 December 2014	Growth	Two months to 28 February 2015	Growth	Four months to 30 June 2015	Growth	Two months to 31 August 2015	Growth
UK retail sales	165.5	*24%*	65.9	*36%*	158.4	*27%*	84.1	*29%*
US retail sales	*34.9*	*8%*	*19.6*	*35%*	*44.5*	*43%*	*20.5*	*41%*
EU retail sales	*86.3*	*(1%)*	*49.9*	*24%*	*105.8*	*21%*	*52.0*	*26%*
ROW retail sales	*78.5*	*(5%)*	*35.8*	*7%*	*77.3*	*(2%)*	*40.9*	*3%*
International retail sales	199.7	*(1%)*	105.3	*19%*	227.6	*16%*	113.4	*18%*
Total retail sales	**365.2**	***9%***	**171.2**	***25%***	**386.0**	***20%***	**197.5**	***23%***
Total group revenues	**374.7**	***9%***	**175.8**	***26%***	**396.7**	***21%***	**203.6**	***24%***

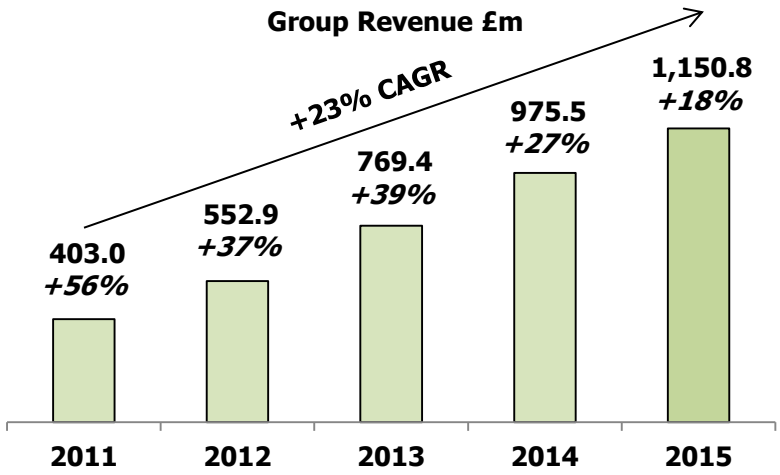
asos
discover fashion online

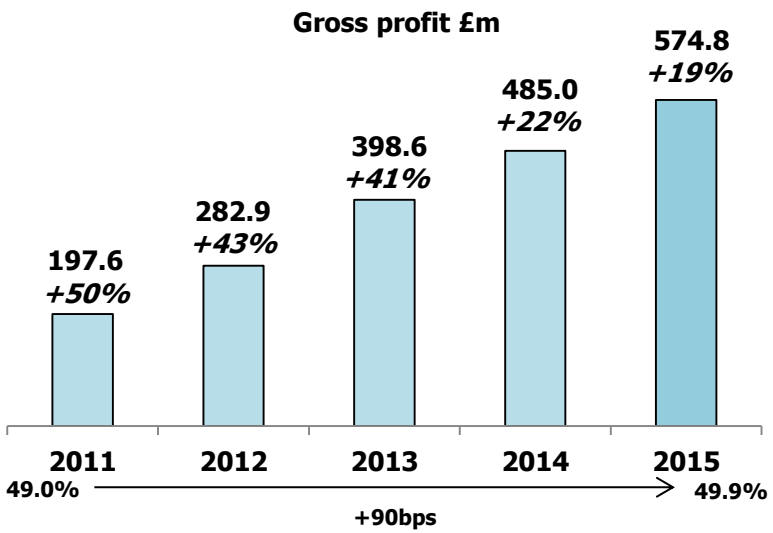
FY15 Segmental Sales – CCY Growth

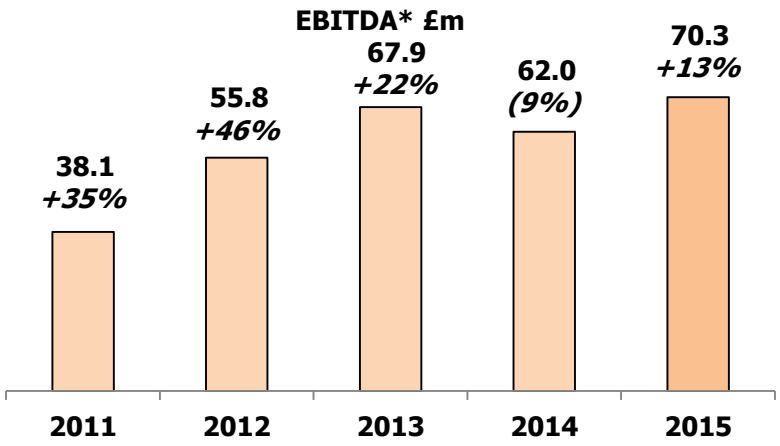
£m	Four months to 31 December 2014	Growth	Two months to 28 February 2015	Growth	Four months to 30 June 2015	Growth	Two months to 31 August 2015	Growth
UK retail sales	165.5	*24%*	65.9	*36%*	158.4	*27%*	84.1	*29%*
US retail sales	*34.9*	*9%*	*19.6*	*25%*	*44.5*	*31%*	*20.5*	*31%*
EU retail sales	*86.3*	*6%*	*49.9*	*34%*	*105.8*	*37%*	*52.0*	*41%*
ROW retail sales	*78.5*	*1%*	*35.8*	*13%*	*77.3*	*4%*	*40.9*	*13%*
International retail sales	199.7	*4%*	105.3	*25%*	227.6	*23%*	113.4	*28%*
Total retail sales	**365.2**	***12%***	**171.2**	***29%***	**386.0**	***24%***	**197.5**	***28%***
Total group revenues	**374.7**	***12%***	**175.8**	***29%***	**396.7**	***24%***	**203.6**	***28%***

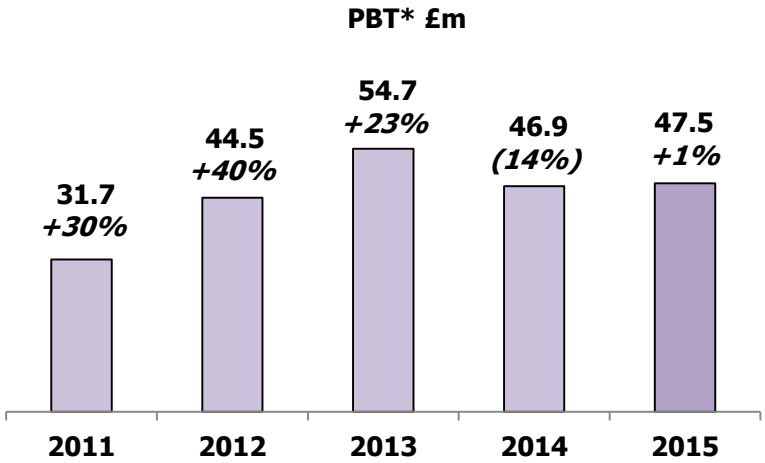
asos
discover fashion online

Five Year Summary; year to 31 August









* Underlying, excluding exceptional items

asos
discover fashion online

Global Order Contribution Analysis

FY15	Group total	UK	US	EU	RoW	International Total
Gross profit excluding third party revenues (£m)	**569.6**	**224.7**	**73.8**	**147.3**	**123.8**	**344.9**
Distribution costs (£m)	**(168.7)**	**(52.8)**	**(38.4)**	**(40.8)**	**(36.7)**	**(115.9)**
Total contribution (£m)	**400.9**	**171.9**	**35.4**	**106.5**	**87.1**	**229.0**
Number of orders (m)	**29.5**	**14.6**	**2.7**	**8.1**	**4.1**	**14.9**
Contribution per order* (£)	***13.61***	***11.80***	***13.13***	***13.22***	***21.07***	***15.38***
FY14 contribution per order (£)	***13.17***	*11.29*	*10.94*	*14.07*	*17.83*	*14.78*
Variance	***3%***	***5%***	***20%***	***(6%)***	***18%***	***4%***

** Subject to rounding*

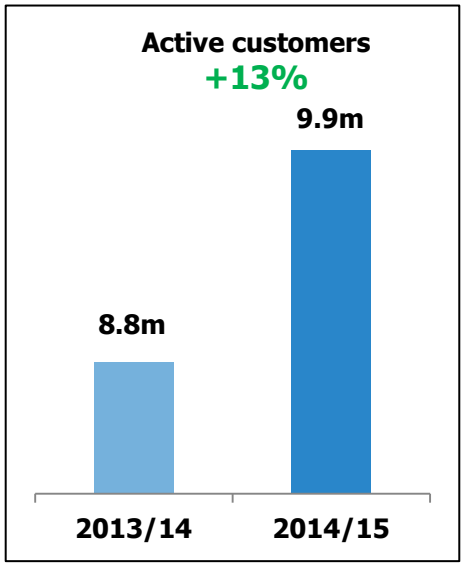
Operating Costs

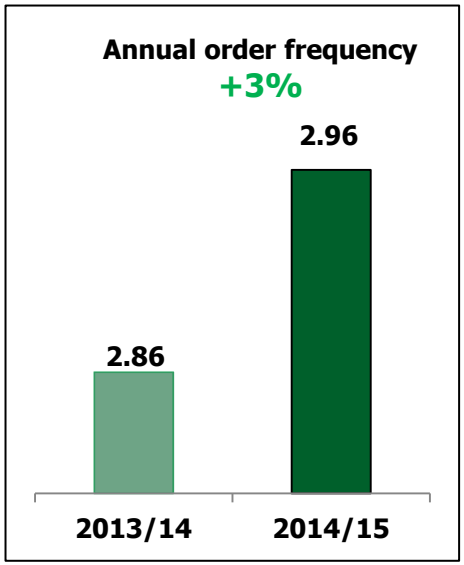
£m	FY15	% of sales	FY14	% of sales	Change %	Change in % of sales*
Distribution costs	**168.7**	***14.7%***	147.3	*15.1%*	***15%***	***40bps***
Payroll and staff costs	**107.4**	***9.3%***	82.1	*8.4%*	***31%***	***(90bps)***
Warehousing	**97.8**	***8.5%***	75.8	*7.8%*	***29%***	***(70bps)***
Marketing	**57.0**	***5.0%***	56.0	*5.7%*	***2%***	***70bps***
Production	**4.9**	***0.4%***	4.7	*0.5%*	***4%***	***10bps***
Technology	**19.7**	***1.7%***	15.1	*1.6%*	***30%***	***(10bps)***
Other operating costs	**55.2**	***4.8%***	45.1	*4.6%*	***23%***	***(20bps)***
Depreciation	**23.1**	***2.0%***	15.4	*1.6%*	***50%***	***(40bps)***
Operating costs	**533.8**	***46.4%***	**441.5**	***45.3%***	***21%***	***(110bps)***

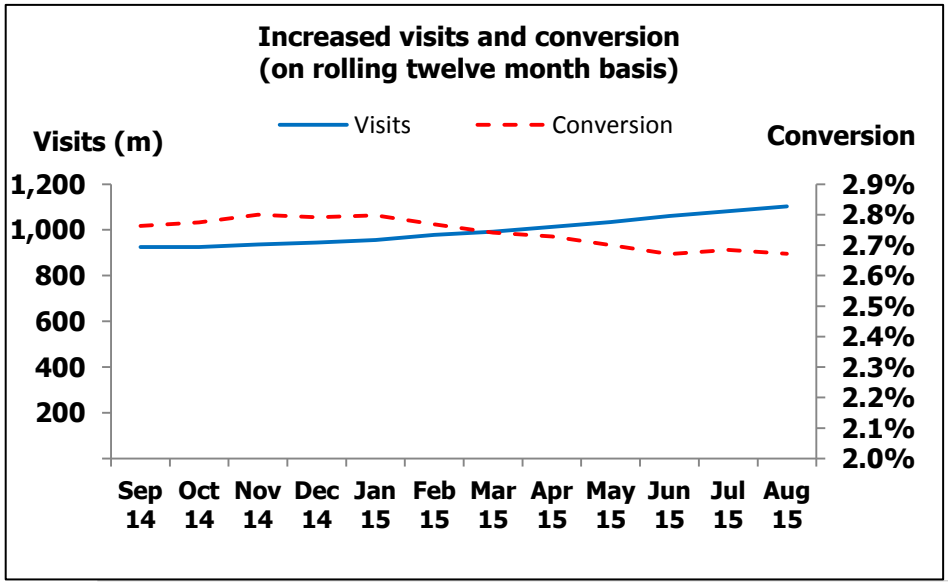
** (Increased investment)/delivering operating leverage*

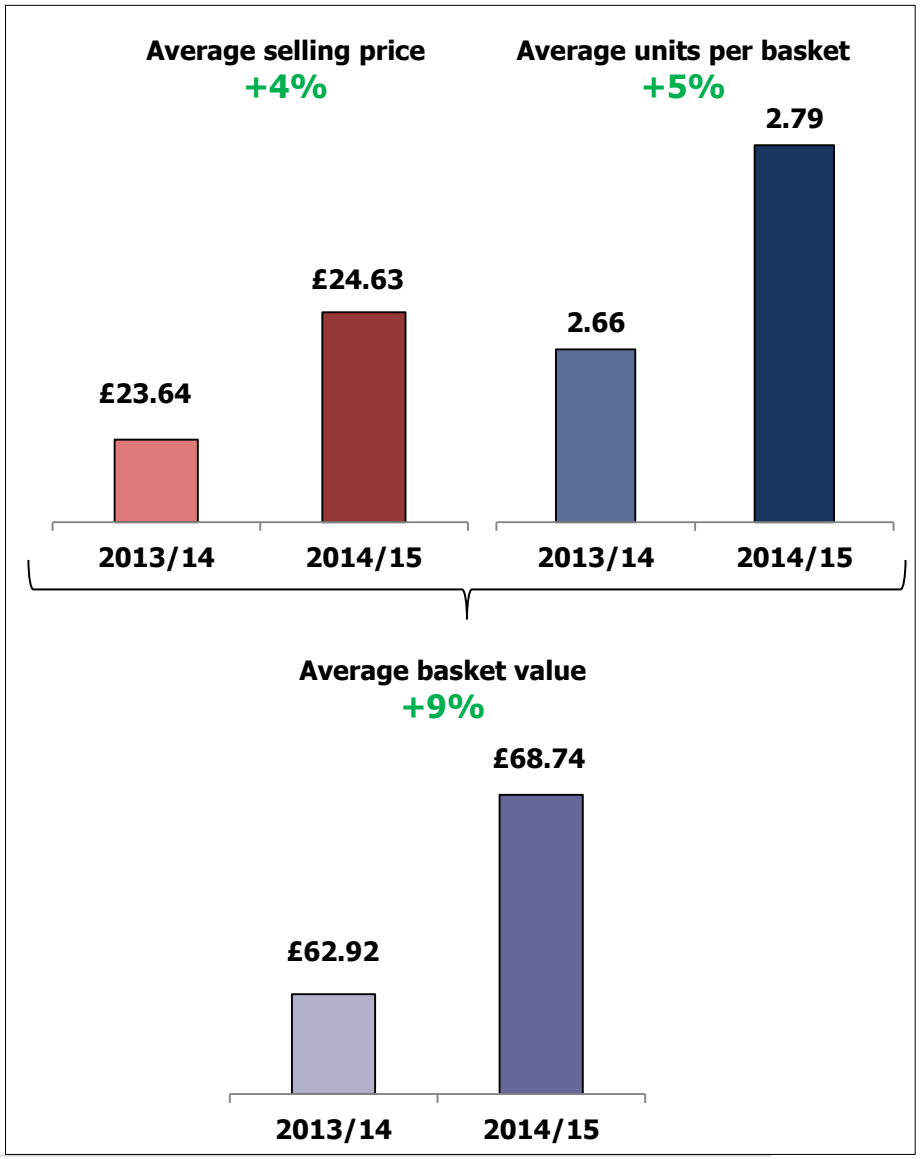
asos
discover fashion online

Customer Engagement

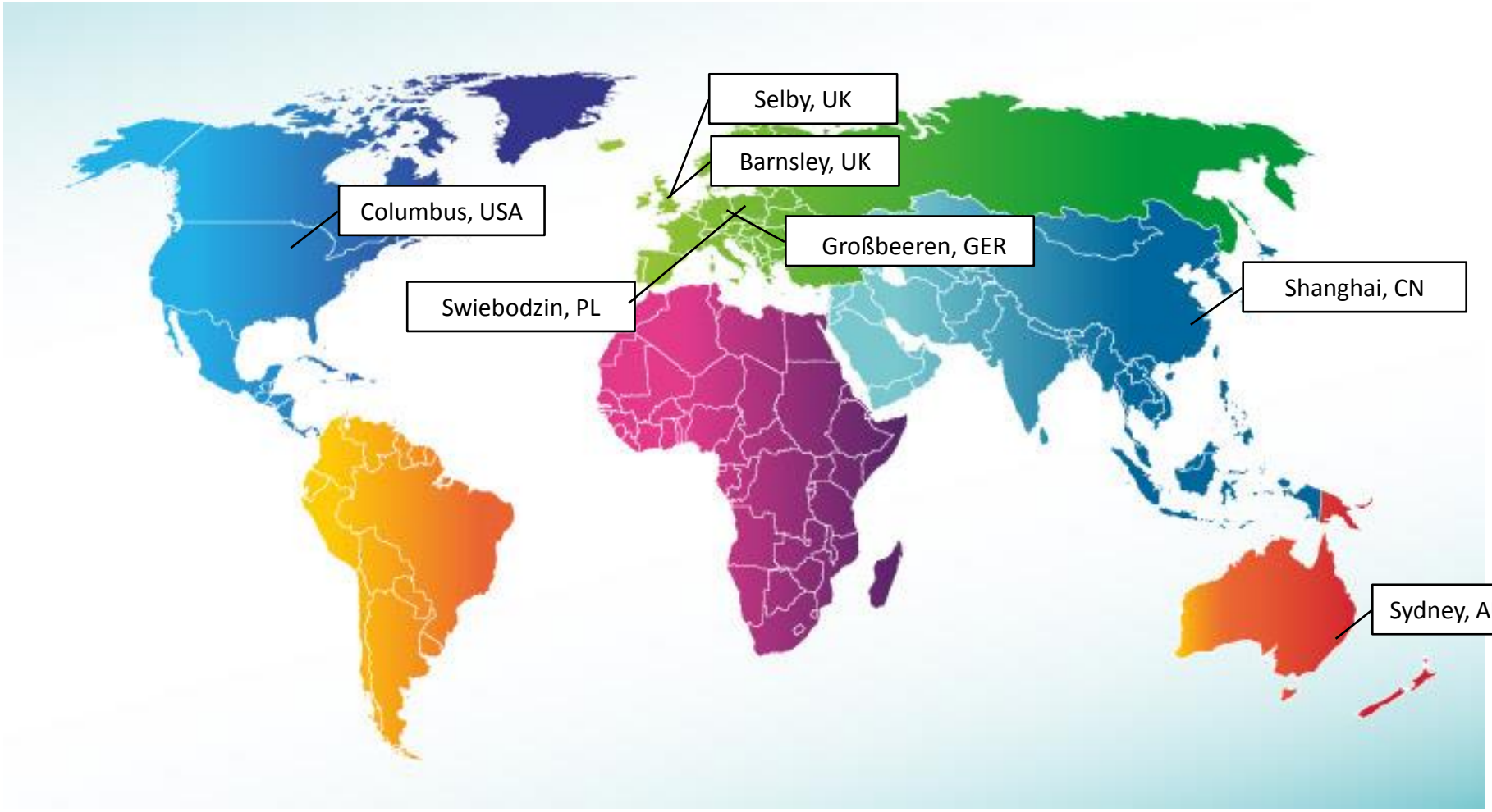








ASOS Logistics Overview



Key Terms and Definitions

Retail sales	Sales of goods through our internet sites, net of returns
Group revenues	Retail sales, delivery receipts and third party revenues
Net funds	Cash and cash equivalents less bank borrowings
Average basket value	Total order value including VAT and excluding returns, divided by total orders
Average units per basket	Total orders divided by total units sold, excluding returns
Average selling price per unit	Total order value including VAT and excluding returns, divided by total units sold
Active customers	Customers who have shopped with ASOS during the last twelve months, as at 31 August 2015
Labour cost per unit (LCPU)	Barnsley warehouse labour costs divided by units processed; excludes non-labour warehouse costs
Return on invested capital	Earnings before interest but after tax, divided by average invested capital (being average of opening and closing equity, minus average of opening and closing cash)

Disclaimer

This presentation and information communicated verbally to you may contain certain projections and other forward-looking statements with respect to the financial condition, results of operations, businesses and prospects of ASOS plc (“ASOS”). These statements are based on current expectations and involve risk and uncertainty because they relate to events and depend upon circumstances that may or may not occur in the future. There are a number of factors which could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements. Any of the assumptions underlying these forward-looking statements could prove inaccurate or incorrect and therefore any results contemplated in the forward-looking statements may not actually be achieved. Nothing contained in this presentation or communicated verbally should be construed as a profit forecast or profit estimate. Investors or other recipients are cautioned not to place undue reliance on any forward-looking statements contained herein. ASOS undertakes no obligation to update or revise (publicly or otherwise) any forward-looking statement, whether as a result of new information, future events or other circumstances. Neither this presentation nor any verbal communication shall constitute an invitation or inducement to any person to subscribe for or otherwise acquire securities in ASOS.