

25 October 2012

**ASOS plc**  
**Global Online Fashion Store**  
**Final Results for the 5 months ended 31 August 2012**

**Summary results table**

| £'000s   | 5 months to<br>31 August 2012<br>(Audited) | 5 months to<br>31 August 2011<br>(Unaudited<br>pro forma) | Change |
|--|--|---|--------|
| Group revenues <sup>1</sup>                        | <b>238,023</b>                             | 180,044   | 32%    |
| Retail sales                                       | <b>231,234</b>                             | 174,837   | 32%    |
| <i>UK retail sales</i>                             | <b>81,658</b>                              | 72,278  | 13%    |
| <i>International retail sales</i>                  | <b>149,576</b>                             | 102,559   | 46%    |
| Gross profit                                       | <b>120,131</b>                             | 89,389  | 34%    |
| <i>Retail gross margin</i>                         | <b>49.0%</b>                               | 48.1%   | 90bps  |
| <i>Gross margin</i>                                | <b>50.5%</b>                               | 49.6%   | 90bps  |
| Profit before tax and exceptional items            | <b>13,245</b>                              | 9,302   | 42%    |
| Profit before tax                                  | <b>13,245</b>                              | 3,180   | 317%   |
| Diluted underlying earnings per share <sup>2</sup> | <b>11.9</b>                                | 8.5   | 40%    |
| Diluted earnings per share <sup>3</sup>            | <b>11.9</b>                                | 2.9   | 310%   |
| Net funds <sup>4</sup>                             | <b>27,884</b>                              | 4,183   | 567%   |

<sup>1</sup>Includes retail sales, delivery receipts and third party revenues

<sup>2</sup>Underlying earnings per share has been calculated using profit after tax but before exceptional items

<sup>3</sup>Earnings per share has been calculated using profit after tax including exceptional items of £nil (2011: £6.1m)

<sup>4</sup>Cash and cash equivalents less bank borrowings

**Highlights:**

- Retail sales up 32% (UK retail sales up 13%, International retail sales up 46%)
- Retail margin up by 90bps and gross margin up by 90bps
- International retail sales accounted for 65% of total retail sales (2011: 59%)
- Profit before tax and exceptional items up 42% to £13.2m
- Net funds of £27.9m
- 5 million active customers<sup>5</sup> at 31 August 2012 (+36% year on year)

**Nick Robertson, CEO, commented:**

"Following our change of year end I am pleased to report another strong performance for ASOS for the five months ended 31 August 2012, with retail sales up 32% to £231m and profit before tax and exceptional items up 42% to £13.2m.

During the period we improved our product offer in terms of range, quality and price, invested in our customer proposition, made progress in developing the ASOS platform and continued to drive efficiencies from the business to fuel our future growth. At the same time we have reached the milestone of 5 million active customers worldwide.

We've also made a number of high calibre appointments recently, including a new Chairman, Executive Director: Product and Trading, Chief Information Officer, Supply Chain Director and Marketing Director. Additionally we have secured territory managers for the USA, France and Germany. These appointments will underpin the continued development of the business, both in the UK and internationally.

We remain positive in our outlook for 2012/13 as we continue our journey to becoming the number one online fashion destination for twenty-somethings, globally. Our International roll out continues and our 1:5:5 ambitions for the Group are unchanged."

**Unaudited Pro Forma Results for the 12 months ended 31 August 2012**

Unaudited pro forma results for the 12 months ended 31 August 2012 have been issued as a separate additional release today.

<sup>5</sup>Defined as having shopped in the last 12 months

### **Investor and Analyst Meeting**

There will be a meeting for investors and analysts that will take place at 10.15am today, 25 October 2012, at the Museum of London Docklands, No.1 Warehouse, West India Quay, London, E14 4AL.

### **For further information:**

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#### **Numis Securities**

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### **Background note**

ASOS is a global online fashion and beauty retailer offering over 60,000 branded and own label product lines across womenswear, menswear, footwear, accessories, jewellery and beauty with approximately 1,500 new product lines being introduced each week.

Aimed at fashion forward twenty-somethings globally, ASOS attracts 18.8 million unique visitors a month (Q4 2011 11.1 million) and as at 31 August 2012 the Group had 9.2 million registered users (31 August 2011: 6.4 million) and 5.0 million active customers\* (31 August 2011: 3.7 million) from 160 countries.

\*Defined as having shopped in the last 12 months

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

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

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

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

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

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

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

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

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

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

**ASOS plc ("the Company")**  
**Global Online Fashion Store**

**Final Results for the 5 months ended 31 August 2012**

**Business Review**

The Group has performed strongly in the period, with revenues up 32% to £238.0m (2011: £180.0m) and profit before tax and exceptional items up 42% on the comparative period at £13.2m (2011: £9.3m). Profit before tax, which included one-off costs relating to the warehouse transition in the comparative period, increased £10.0m to £13.2m (2011: £3.2m).

Total retail sales grew 32% to £231.2m (2011: £174.8m). The key driver of retail sales growth continues to be our International business (up 46%), although UK growth was also encouraging in the period (up 13%). The International portion of our retail sales mix has continued to increase during the period and accounted for 65% of total retail sales (2011: 59%). Despite our investment in pricing, retail gross margin improved by 90bps on the comparative period to 49.0% (2011: 48.1%) and our overall gross margin also improved by 90bps to 50.5% (2011: 49.6%).

**Our Fashion**

We remain committed to establishing ASOS as the number one online fashion destination for twenty-somethings, globally. We have continued to refine our product range and our pricing architecture to ensure it is clearly focused on the fashion minded twenty-something. ASOS is increasingly diligent in areas such as sourcing and markdown management as well as continually augmenting our retail disciplines, which includes the commencement of a rationalisation of our supplier base, to deliver gross margin efficiency that subsequently can be reinvested in customer proposition and / or pricing, as appropriate. Our strategy remains that our product collections offer greater value to the ASOS customer relative to the marketplace, whilst refusing to compromise on fashionability or product quality.

The sale of third party brands remains very important both to ASOS and our customers and we have continued to refine our third party brand offer during the period to ensure that it remains relevant for twenty-somethings. Over the past 5 months we have added new Womenswear brands including Little Mistress, Lazy Oaf, Adidas and in Menswear Esprit, Benetton and Adidas.

The 'ASOS' own-label brand increasingly provides us with a unique offering that is sought after both in the UK and even more so internationally. Following our substantial investment in 'ASOS' own label price points, sales of the 'ASOS' own-label brands accounted for 49.9% of total sales during the period (2011: 51.3%), representing a small decline on the comparative period as a percentage of the total sales mix. However, on a 12 month pro forma basis the mix of 'ASOS' own label has increased marginally from 51.1% of the total to 51.5%.

Menswear continued to grow particularly strongly during the period accounting for 24% of total sales (2011: 13%) and as a result is helping to diversify the Group's revenue streams. Womenswear remains a more competitive market, which demands that ASOS is at the top of its game from a fashion, buying and merchandising and marketing perspective. Historically a key strength of ASOS Womenswear has been in going-out wear, particularly in dresses. We have been working hard to augment this offer with more separates and casualwear. During April 2012, we completed the process of restructuring and refocusing our pricing architecture in both Womenswear and Menswear and will keep this under constant review - our global customer base will continue to benefit from this through the course of the current year.

**Management**

We have strengthened our management capabilities across all of our business verticals to ensure that the executive team has the diversity of skills, mind-sets and capabilities which the business needs to thrive and to support our rate of growth as we maintain our journey to becoming the number one online fashion destination for twenty-somethings, globally.

On 1 October 2012, we were delighted to announce that Brian McBride will join ASOS as Chairman with effect from 1 November 2012. Brian has a long and successful background in technology and retailing, including almost six years as Managing Director of Amazon in the UK and prior to that he held senior positions at IBM, Dell and T-Mobile. Brian has a wealth of relevant experience, not just in e-commerce and technology but in fast growth International businesses.

On 10 October 2012, we announced that Kate Bostock will be joining the Group and Board in January 2013 as Executive Director, Product and Trading. Kate was most recently Executive Director, General Merchandise and a main Board

Director of Marks and Spencer plc and previously held senior roles at George at ASDA and Next plc. Kate brings extensive experience from some of the biggest names in retailing. Her knowledge of the clothing industry, particularly around product, sourcing, quality control, and supply base is second to none.

In addition to the above, ASOS has continued to strengthen its Executive Management Board with a number of recent appointments including Chief Information Officer, Supply Chain Director and Marketing Director. As previously disclosed we have also continued to expand our small in-country management teams. We have appointed further territory managers for three more offices outside of the UK, in New York, Berlin and Lille which will complement our existing team in Sydney, as we seek to amplify our marketing efforts in the countries where we have websites.

Over the last five months headcount has increased by 84 people, recruited principally in our Retail, International, Customer Care and IT departments.

## **Operations**

### *Delivery and Returns*

Delivery and returns solutions are a cornerstone of our international growth strategy and customer proposition. We continue to deliver improvements in reduced delivery times (including a 48 hour Express Service to Australia), increased tracked parcels and mobile notifications. All UK deliveries are now tracked and c.65% of International deliveries are tracked.

### *Warehousing*

The performance of the Barnsley warehouse has continued to exceed our expectations despite limited changes to its operating model. Labour costs per unit improved by 15% over the period. Additionally we have been given HMRC approval to operate a bonded (customs) warehouse and are currently in the process of implementation with the aim of going live at the beginning of 2013. During the period we received a retrospective reclaim for duty in relation to inward processing relief of £1.1m and we will continue to reclaim until the bonded warehouse has been implemented. Customs warehousing will provide ASOS not only with a cash flow benefit but also improved shipping both inbound and to our customers.

### *Business Transformation*

As a business we have invested in a team to solely work on reviewing and reengineering our processes from design to delivery. This Business Transformation Programme is dedicated to improving cost, speed, visibility and efficiency of our critical path ensuring we are the fore-runners of fast fashion and continue to offer the most desired selection of products to our customers. So far the Programme, with the implementation of improvements to internal processes and streamlining the way we work across the business, has shaved off nearly 2 weeks within our critical path.

### *Quality Improvement*

We are constantly looking at ways to improve the quality of our own brand products. We have increased the volume of garments which are quality control checked at Barnsley from 15% to 65% with all own-label products being checked by the end of the year. In 2013, we will be introducing quality control checks at source to further improve the speed of products being available to purchase on the site.

### *Technology re-platforming*

We are continuing the process of technology re-platforming and remain intent on driving our technology to become device agnostic, so that customers can browse from their laptop, desktop, mobile, iPad or Android device on a 24/7 basis, wherever they are. Work continues to enable the ASOS platform, both front and back end, to handle all language character sets rather than just western. Progress continues in building the infrastructure, on the previously indicated timeframe – as such we anticipate significantly enhanced global capability by beginning of calendar 2014.

We have made significant steps to evolve our platform from a shop into an engaging experience that permeates our customers' fashion lives. Mobile is a big part of that as the number of visitors from devices continues to grow rapidly. Our customer insight programme helped us to understand that our customers can be both delighted and challenged by our breadth of choice. To address this we are increasingly providing ways to edit the choice in relevant ways for our customer; we have launched new apps 'Fashion Up' and 'Daily Edit' which focus much more on inspiring, engaging content rather than presenting a large product catalogue which can be cumbersome to negotiate on the move. These both link seamlessly to our mobile shop. We're also launching Live Style Advice where our stylists help our customers find items and build brand engagement.

We have continued to evolve our Marketplace and Fashion Finder platforms in preparation for greater convergence with the core ASOS platform. For example both platforms now leverage the Facebook Open Graph to provide a simpler, familiar sign up process and enable greater syndication of content, including the mobile Daily Edit.

### **Trading operations**

The Group has achieved another strong performance during the five months to 31 August 2012, with sales and profit growth across all territories. International sales growth continues to drive performance and now accounts for 65% of total retail sales compared to 59% in the comparative period.

#### *Revenue*

| <b>5 months to 31 August 2012<br/>(Unaudited)</b> |                   | <b>International</b> |                   |                   |                   |                    |
|---|-------------------|----------------------|-------------------|-------------------|-------------------|--------------------|
| <b>£'000s</b>                                     | <b>UK</b>         | <b>USA</b>           | <b>EU</b>         | <b>RoW</b>        | <b>Total</b>      | <b>Group Total</b> |
| Retail sales                                      | 81,658            | 22,036               | 50,855            | 76,685            | 149,576           | <b>231,234</b>     |
| <i>Growth</i>                                     | <i>13%</i>        | <i>72%</i>           | <i>24%</i>        | <i>57%</i>        | <i>46%</i>        | <b><i>32%</i></b>  |
| Delivery receipts                                 | 3,035             | 512                  | 719               | 904               | 2,135             | <b>5,170</b>       |
| <i>Growth</i>                                     | <i>(6%)</i>       | <i>74%</i>           | <i>27%</i>        | <i>76%</i>        | <i>55%</i>        | <b><i>12%</i></b>  |
| Third party revenues                              | 1,617             | -                    | 1                 | 1                 | 2                 | <b>1,619</b>       |
| <i>Growth</i>                                     | <i>165%</i>       | -                    | -                 | -                 | -                 | <b><i>165%</i></b> |
| <b>Group revenues</b>                             | <b>86,310</b>     | <b>22,548</b>        | <b>51,575</b>     | <b>77,590</b>     | <b>151,713</b>    | <b>238,023</b>     |
| <b><i>Growth</i></b>                              | <b><i>13%</i></b> | <b><i>72%</i></b>    | <b><i>24%</i></b> | <b><i>57%</i></b> | <b><i>46%</i></b> | <b><i>32%</i></b>  |

Total Group revenue increased 32%, with total retail sales up 32% on prior period, driven by 46% growth in our International retail sales. This is a strong performance given the continued challenging economic environment facing all of our customers.

The USA was the fastest growing segment within retail sales up 72%, driven by further localising of the trading calendar and content, investment in digital marketing and social media and continuing to develop the service proposition. Rest of World sales continue to perform strongly, up 57%, with continued strong performances from Australia (where we have maintained our first place Comscore position), Russia, Singapore and China. In the EU segment, countries with specific websites have outperformed as we have been able to present them with a more tailored offer. Based on Comscore data at August 2012, in respect of unique visitors within the 15-34 year old demographic, we had risen to fifth in Germany (March 2012: 14th), sixth in France (March 2012: 12th) and fifth in Italy (March 2012: eighth).

The UK performance was encouraging and appears to have been positively impacted by our investment in pricing architecture. Retail sales grew in the UK by 13% in the period and according to Comscore, we continue to remain first in the UK for unique visitors in the 15-34 age range.

Delivery receipts increased by 12% on the comparative period, as we continued to invest in our global free ship delivery proposition. In the UK, delivery receipts were down 6% on the comparative period as customers chose free delivery which has reduced by 2 days to 4 days.

Third party revenues, which mainly comprise advertising revenues from the website and the ASOS magazine, increased by 165% on the comparative period. This was due to increased integrated advertising campaigns using several platforms and an additional magazine in the current period.

## Trading Key Performance Indicators

At 31 August 2012, ASOS reached the milestone of having 5.0m active customers<sup>3</sup> with more International than UK active customers. This demonstrates the success of our international expansion, but there is still significant opportunity within the global twenty-something market. The 6% decline in average basket value was mainly driven by a 5% reduction in average selling price as a direct consequence of our investment in restructuring and refocusing our pricing architecture. Average units per basket showed an overall decline compared to the comparative period of 1%, however, pleasingly there were increases in markets where the global free shipping offer is more established.

| <b>5 months to 31 August 2012<br/>(Unaudited)</b>            |                | <b>International</b> |                |                 |                | <b>Group<br/>Total</b> |
|--|----------------|----------------------|----------------|-----------------|----------------|------------------------|
| <b>KPIs</b>  | <b>UK</b>      | <b>USA</b>           | <b>EU</b>      | <b>RoW</b>      | <b>Total</b>   |                        |
| Average basket value <sup>1</sup><br><i>Growth</i>           | £62.96<br>(2%) | £55.38<br>(5%)       | £58.44<br>(8%) | £56.60<br>(10%) | £57.12<br>(9%) | <b>£59.64<br/>(6%)</b> |
| Average units per basket<br><i>Growth</i>                    | 2.45<br>3%     | 2.37<br>2%           | 2.48<br>(4%)   | 2.46<br>(7%)    | 2.46<br>(5%)   | <b>2.45<br/>(1%)</b>   |
| Average selling price per unit <sup>1</sup><br><i>Growth</i> | £25.74<br>(5%) | £23.39<br>(7%)       | £23.53<br>(4%) | £22.96<br>(3%)  | £23.26<br>(4%) | <b>£24.33<br/>(5%)</b> |
| Number of orders ('000)<br><i>Growth</i>                     | 2,614<br>15%   | 586<br>97%           | 1,368<br>49%   | 1,485<br>79%    | 3,439<br>68%   | <b>6,053<br/>40%</b>   |
| Unique visitors ('000) <sup>2</sup><br><i>Growth</i>         |                |                      |                |                 |                | <b>18,800<br/>69%</b>  |
| Total visits ('000) <sup>2</sup><br><i>Growth</i>            | 12,864<br>5%   | 5,947<br>52%         | 12,867<br>34%  | 13,568<br>47%   | 32,382<br>42%  | <b>45,246<br/>29%</b>  |
| Active customers ('000) <sup>3</sup><br><i>Growth</i>        | 2,254<br>6%    | 573<br>89%           | 1,217<br>57%   | 952<br>105%     | 2,742<br>78%   | <b>4,996<br/>36%</b>   |

<sup>1</sup>Including VAT

<sup>2</sup>During August

<sup>3</sup>As at 31 August, defined as having shopped with ASOS during the last 12 months

## Gross profit

The Group generated gross profit of £120.1m during the period (2011: £89.4m), up 34% on the comparative period.

| <b>5 months to 31 August 2012<br/>(Unaudited)</b> |                  | <b>International</b> |                   |                 |                | <b>Group<br/>Total</b> |
|---|------------------|----------------------|-------------------|-----------------|----------------|------------------------|
| <b>£'000s</b>                                     | <b>UK</b>        | <b>USA</b>           | <b>EU</b>         | <b>RoW</b>      | <b>Total</b>   |                        |
| Gross profit<br><i>Growth</i>                     | 40,535<br>13%    | 12,969<br>71%        | 24,868<br>19%     | 41,759<br>66%   | 79,596<br>48%  | <b>120,131<br/>34%</b> |
| Retail gross margin<br><i>Change</i>              | 43.9%<br>(20bps) | 56.5%<br>(50bps)     | 47.5%<br>(220bps) | 53.3%<br>270bps | 51.8%<br>80bps | <b>49.0%<br/>90bps</b> |
| Gross margin<br><i>Change</i>                     | 47.0%<br>10bps   | 57.5%<br>(40bps)     | 48.2%<br>(220bps) | 53.8%<br>270bps | 52.5%<br>90bps | <b>50.5%<br/>90bps</b> |

The Group retail gross margin increased by 90bps, despite our pricing investment, to 49.0% (2011: 48.1%). In the Rest of World segment, margins improved significantly due to a combination of mix changes, improved markdown management (Rest of World segment consumes a greater portion of markdown stock due to being counter seasonal) and the benefits of the receipt of inward processing relief. We continue to improve our retail disciplines and this has led to improved buying and markdown management. Group gross margin also improved by 90bps to 50.5% (2011: 49.6%).

### ***Investment in our operating resources***

The Group increased its investment in its operating resources and capability by 34% to £106.8m, excluding exceptional items. Total operating costs ratio improved by 170bps excluding investment in our customer delivery proposition.

| <b>£'000s</b>   | <b>5 months to<br/>31 August<br/>2012<br/>(Audited)</b> | <b>5 months to<br/>31 August<br/>2011<br/>(Unaudited<br/>pro forma)</b> | <b>Change</b> |
|---|---|---|---------------|
| Distribution costs  | <b>(35,906)</b>   | (23,186)  | 55%           |
| Payroll and staff costs   | <b>(21,035)</b>   | (17,671)  | 19%           |
| Warehousing   | <b>(14,935)</b>   | (13,665)  | 9%            |
| Marketing   | <b>(9,038)</b>  | (6,819)   | 33%           |
| Production  | <b>(1,720)</b>  | (1,288)   | 34%           |
| Technology costs  | <b>(4,020)</b>  | (3,939)   | 2%            |
| Other operating costs   | <b>(15,082)</b>   | (10,388)  | 45%           |
| Depreciation and amortisation   | <b>(5,053)</b>  | (2,914)   | 73%           |
| <b>Operating costs excluding exceptional items</b>                        | <b>(106,789)</b>  | (79,870)  | 34%           |
| <b>Operating costs excluding distribution costs and exceptional items</b> | <b>(70,883)</b>   | (56,684)  | 25%           |
| <i>% of sales excluding distribution costs</i>                            | <b>29.8%</b>  | 31.5%   | 170bps        |

Delivery and returns solutions continue to be a cornerstone of our international growth strategy and customer proposition. As a result we continue to invest in our delivery proposition and in particular our global free shipping commitment. Distribution costs have, as a result, increased by 55% on the comparative period due to a combination of increased order numbers but also increased delivery costs associated with reduced delivery times, increased tracked parcels and mobile notifications. It should be noted that all UK deliveries are now tracked.

Payroll and staff costs have increased by 19%, as we continue to invest in headcount in our key areas of IT, Retail and International whilst benefiting from economies of scale and delivering operating cost leverage.

The performance of the Barnsley warehouse has continued to exceed our expectations despite limited changes to the labour intensive operating model of our previous warehouse. Labour costs per unit improved by 15% over the period and total warehouse costs were up only 9% on the comparative period, despite a 40% increase in the number of orders.

The increase in other operating costs on the comparative period was driven by increased credit card handling fees resulting from the number of transactions processed and increased property costs from additional head office space acquired.

### ***Group Profit***

The Group generated profit before tax and exceptional items up 42% on the comparative period at £13.2m (2011: £9.3m).

| <b>£'000s</b>                                       | <b>5 months to<br/>31 August<br/>2012<br/>(Audited)</b> | <b>5 months to<br/>31 August<br/>2011<br/>(Unaudited<br/>pro forma)</b> | <b>Change</b> |
|---|---|---|---------------|
| <b>Revenue</b>                                      | <b>238,023</b>  | 180,044   | 32%           |
| Cost of sales                                       | <b>(117,892)</b>  | (90,655)  |               |
| <b>Gross profit</b>                                 | <b>120,131</b>  | 89,389  | 34%           |
| Distribution costs excluding exceptional items      | <b>(35,906)</b>   | (23,186)  |               |
| Administrative expenses excluding exceptional items | <b>(70,883)</b>   | (56,684)  |               |
| <b>Operating profit before exceptional items</b>    | <b>13,342</b>   | 9,519   | 40%           |
| Net finance costs                                   | <b>(97)</b>   | (217)   |               |
| <b>Profit before tax and exceptional items</b>      | <b>13,245</b>   | 9,302   | 42%           |
| Exceptional items                                   | -   | (6,122)   |               |
| <b>Profit before tax</b>                            | <b>13,245</b>   | 3,180   | 317%          |
| Income tax expense                                  | <b>(3,341)</b>  | (843)   |               |
| <b>Profit after tax</b>                             | <b>9,904</b>  | 2,337   | 324%          |

### *Exceptional items*

The transition to our new warehousing facilities was completed during the year to 31 March 2012 therefore no further exceptional items were incurred during the 5 months to 31 August 2012. The cash outflow during the period as a result of utilisation of exceptional property provisions during the period to 31 August 2012 was £0.9m.

The main components of the exceptional charge to the profit and loss account are as follows:

|  | <b>5 months to<br/>31 August<br/>2012<br/>(Audited)</b> | <b>5 months to<br/>31 August<br/>2011<br/>(Unaudited pro<br/>forma)</b> |
|--|---|---|
| <b>£'000s</b>                            |   |   |
| Dual site decollation costs              | -   | (4,324)   |
| Pre go-live occupancy and employee costs | -   | (560)   |
| Vacant property costs                    | -   | (1,238)   |
| Impairment of assets                     | -   | -   |
| <b>Total</b>                             | -   | (6,122)   |

### *Taxation*

The effective tax rate (pre exceptional items) for the Group was 25.2%, 90bps lower than last year. Including exceptional items the effective tax rate was 25.2% (2011: 26.5%). Going forward, we would expect the effective rate of tax pre exceptional items to be around 1% higher than the prevailing UK corporation tax rate.

### *Earnings per share*

Basic underlying earnings per share<sup>1</sup> increased by 37% to 12.5p per share (2011: 9.1p), and diluted underlying earnings per share<sup>1</sup> increased by 40% to 11.9p per share (2011: 8.5p).

Basic earnings per share<sup>2</sup> increased by 303% to 12.5p per share (2011: 3.1p), and diluted earnings per share<sup>2</sup> increased by 310% to 11.9p per share (2011: 2.9p).

### *Dividend*

The Board is of the opinion that shareholder's interests are best served by continuing to reinvest the cash generated by the business to exploit the substantial global growth opportunities both in the UK and Internationally. Accordingly, it has decided not to pay a dividend for the 5 months ended 31 August 2012. This policy remains under regular review.

### **Statement of Financial Position**

The Group enjoys a robust financial position including a strong cash balance and a clean stock position. Net assets increased by £10.8m to £106.0m (31 March 2012: £95.2m), driven by the increase in profit after tax for the period.

<sup>1</sup> Underlying earnings per share has been calculated using profit after tax but before exceptional items.

<sup>2</sup> Earnings per share has been calculated using profit after tax and exceptional items.

## Statement of Cash Flows

The Group's cash balance was £27.9m at 31 August 2012, up from £14.2m at 31 August 2011. Net funds were £27.9m (31 August 2011: £4.2m). The summary cash flow is detailed below.

| £'000s   | 5 months to<br>31 August<br>2012<br>(Audited) | 5 months to<br>31 August<br>2011<br>(Unaudited<br>pro forma) |
|--|---|--|
| <b>Operating profit</b>  | <b>13,342</b>                                 | 3,397  |
| Exceptional items  | -   | 6,122  |
| <b>Operating profit before exceptional items</b>                       | <b>13,342</b>                                 | 9,519  |
| Depreciation and amortisation  | <b>5,053</b>                                  | 2,914  |
| Working capital  | <b>(1,184)</b>                                | 6,325  |
| Share-based payments charges   | <b>344</b>                                    | 393  |
| Tax paid   | -   | (2,268)  |
| <b>Cash inflow from operating profit before exceptional items</b>      | <b>17,555</b>                                 | 16,883   |
| Operating cash outflow relating to exceptional items                   | <b>(935)</b>                                  | (9,425)  |
| <b>Cash inflow from operating profit</b>                               | <b>16,620</b>                                 | 7,458  |
| Capital expenditure  | <b>(8,017)</b>                                | (7,943)  |
| Proceeds from issue of ordinary shares                                 | <b>321</b>                                    | 452  |
| Cash received/(paid) on exercise of shares from Employee Benefit Trust | <b>9</b>                                      | (246)  |
| (Repayment)/drawdown of revolving credit facility                      | <b>(5,000)</b>                                | 10,000   |
| Net interest paid  | <b>(364)</b>                                  | (217)  |
| <b>Total cash inflow</b>   | <b>3,569</b>                                  | 9,504  |

Cash generated from operating profit before exceptional items increased by £0.7m, with EBITDA improvements of £6.0m and a £2.3m reduction in tax payments being largely offset by a movement in working capital cash flows of £7.5m. The additional working capital outflow in the current period is due to changes in the stock intake profile compared to the comparative period, with later receipt of Spring Summer season stock and earlier receipt of stock for the Autumn Winter season in the 5 months to 31 August 2012.

Our investments are funded by operating cash flows, with additional short term and medium term facilities to support working capital movements and planned capital expenditure. At 31 August 2012, the Group had in place an undrawn £20.0m revolving loan credit facility which includes an ancillary £10.0m guaranteed overdraft facility and which is available until July 2015.

### Fixed asset additions

| £'000                       | 5 months to<br>31 August<br>2012<br>(Unaudited) | 5 months to<br>31 August<br>2011<br>(Unaudited<br>pro forma) |
|-----------------------------|---|--|
| IT                          | <b>5,213</b>                                    | 5,757  |
| Office fixtures and fit-out | <b>854</b>                                      | 768  |
| Warehouse                   | <b>802</b>                                      | 605  |
| <b>Total</b>                | <b>6,869</b>                                    | 7,130  |

The majority of fixed asset additions were related to improvements in our underlying IT infrastructure to ensure capacity for peak trade and continuing our re-platforming to support ASOS future growth (particularly the requirements that come with extending our International offering). In addition we have invested in a time management system for the warehouse to aid efficiency and a human resource system to manage all aspects of people management from recruitment to performance management to payroll.

**Outlook**

We remain confident in our outlook for 2012/13 with our International operations continuing to drive growth, whilst the UK business performance is encouraging. Our 1:5:5 ambitions of achieving £1bn sales from five major markets by 2015 are in sight.

**Nick Robertson**

Chief Executive Officer

**Nick Beighton**

Finance Director

Audited Consolidated Statement of Comprehensive Income  
For the 5 months ended 31 August 2012

|  | <b>5 months to<br/>31 August 2012</b> | Year to 31 March 2012          |                      |           |
|--|---------------------------------------|--------------------------------|----------------------|-----------|
|  | <b>Total</b>                          | Before<br>exceptional<br>items | Exceptional<br>items | Total     |
|  | <b>£'000</b>                          | £'000                          | £'000                | £'000     |
| Revenue  | <b>238,023</b>                        | 494,957                        | -                    | 494,957   |
| Cost of sales  | <b>(117,892)</b>                      | (242,987)                      | -                    | (242,987) |
| Gross profit   | <b>120,131</b>                        | 251,970                        | -                    | 251,970   |
| Distribution expenses  | <b>(35,906)</b>                       | (65,840)                       | (2,258)              | (68,098)  |
| Administrative expenses  | <b>(70,883)</b>                       | (144,346)                      | (8,327)              | (152,673) |
| <b>Operating profit</b>  | <b>13,342</b>                         | 41,784                         | (10,585)             | 31,199    |
| Finance expense  | <b>(97)</b>                           | (850)                          | -                    | (850)     |
| <b>Profit before tax</b>   | <b>13,245</b>                         | 40,934                         | (10,585)             | 30,349    |
| Income tax (expense)/credit  | <b>(3,341)</b>                        | (10,685)                       | 2,615                | (8,070)   |
| <b>Profit for the period and total<br/>comprehensive income<br/>attributable to owners of the<br/>parent</b> | <b>9,904</b>                          | 30,249                         | (7,970)              | 22,279    |
| <b>Earnings per share<sup>1</sup></b>  |                                       |                                |                      |           |
| Basic  | <b>12.5</b>                           |                                |                      | 29.3p     |
| Diluted  | <b>11.9</b>                           |                                |                      | 26.7p     |
| <b>Underlying earnings per<br/>share<sup>2</sup></b>   |                                       |                                |                      |           |
| Basic  | <b>12.5</b>                           | 39.8p                          |                      |           |
| Diluted  | <b>11.9</b>                           | 36.3p                          |                      |           |

<sup>1</sup> Earnings per share is calculated in accordance with IAS 33 'Earnings per share' and includes exceptional items

<sup>2</sup> Underlying earnings per share excludes exceptional items

Audited Consolidated Statement of Changes in Equity  
For the 5 months ended 31 August 2012

|   | Called up<br>share<br>capital<br>£'000 | Share<br>premium<br>£'000 | Retained<br>earnings <sup>1</sup><br>£'000 | Employee<br>Benefit<br>Trust<br>reserve<br>£'000 | Total<br>equity<br>£'000 |
|---|--|---------------------------|--|--|--------------------------|
| Balance as at 1 April 2011  | 2,661                                  | 5,194                     | 67,540                                     | (3,275)  | 72,120                   |
| Shares allotted in the year   | 38                                     | 555                       | -  | -  | 593                      |
| Net purchase of shares by<br>Employee Benefit Trust                   | -                                      | -                         | -  | (1,592)  | (1,592)                  |
| Transfer of shares from<br>Employee Benefit Trust on<br>exercise      | -                                      | -                         | (1,935)                                    | 1,935  | -                        |
| Share based payments charge   | -                                      | -                         | 648  | -  | 648                      |
| Profit for the year and total<br>comprehensive income                 | -                                      | -                         | 22,279                                     | -  | 22,279                   |
| Deferred tax on share options   | -                                      | -                         | (6,386)                                    | -  | (6,386)                  |
| Current tax on items taken<br>directly to equity                      | -                                      | -                         | 7,573                                      | -  | 7,573                    |
| Balance as at 31 March 2012   | 2,699                                  | 5,749                     | 89,719                                     | (2,932)  | 95,235                   |
| Shares allotted in the year   | 155                                    | 356                       | -  | -  | 511                      |
| Cash received on exercise of<br>shares from Employee Benefit<br>Trust | -                                      | -                         | -  | 9  | 9                        |
| Transfer of shares from<br>Employee Benefit Trust on<br>exercise      | -                                      | -                         | (459)                                      | 459  | -                        |
| Share based payments charge   | -                                      | -                         | 344  | -  | 344                      |
| Profit for the period and total<br>comprehensive income               | -                                      | -                         | 9,904                                      | -  | 9,904                    |
| Deferred tax on share options   | -                                      | -                         | (1,949)                                    | -  | (1,949)                  |
| Current tax on items taken<br>directly to equity                      | -                                      | -                         | 1,933                                      | -  | 1,933                    |
| <b>Balance as at 31 August 2012</b>                                   | <b>2,854</b>                           | <b>6,105</b>              | <b>99,492</b>                              | <b>(2,464)</b>                                   | <b>105,987</b>           |

<sup>1</sup>Retained earnings includes the share-based payments reserve

Audited Consolidated Statement of Financial Position  
As at 31 August 2012

|  | <b>31 August<br/>2012<br/>£'000</b> | 31 March<br>2012<br>£'000 |
|--|-------------------------------------|---------------------------|
| <b>Non-current assets</b>                          |                                     |                           |
| Goodwill   | <b>1,060</b>                        | 1,060                     |
| Other intangible assets                            | <b>22,176</b>                       | 19,959                    |
| Property, plant and equipment                      | <b>27,293</b>                       | 27,694                    |
| Deferred tax asset                                 | <b>8,111</b>                        | 9,876                     |
|  | <b>58,640</b>                       | 58,589                    |
| <b>Current assets</b>                              |                                     |                           |
| Inventories  | <b>100,263</b>                      | 80,574                    |
| Trade and other receivables                        | <b>19,066</b>                       | 19,503                    |
| Current tax asset                                  | <b>425</b>                          | 2,018                     |
| Cash and cash equivalents                          | <b>27,884</b>                       | 24,315                    |
|  | <b>147,638</b>                      | 126,410                   |
| <b>Current liabilities</b>                         |                                     |                           |
| Trade and other payables                           | <b>(100,291)</b>                    | (83,829)                  |
| Revolving credit facility                          | -                                   | (5,000)                   |
| Provisions   | -                                   | (935)                     |
|  | <b>(100,291)</b>                    | (89,764)                  |
| <b>Net current assets</b>                          | <b>47,347</b>                       | 36,646                    |
| <b>Net assets</b>                                  | <b>105,987</b>                      | 95,235                    |
| <b>Equity attributable to owners of the parent</b> |                                     |                           |
| Called up share capital                            | <b>2,854</b>                        | 2,699                     |
| Share premium                                      | <b>6,105</b>                        | 5,749                     |
| Employee Benefit Trust reserve                     | <b>(2,464)</b>                      | (2,932)                   |
| Retained earnings                                  | <b>99,492</b>                       | 89,719                    |
| <b>Total equity</b>                                | <b>105,987</b>                      | 95,235                    |

Audited Consolidated Statement of Cash Flows  
For the 5 months ended 31 August 2012

|  | 5 months to<br>31 August<br>2012<br>£'000 | Year to<br>31 March<br>2012<br>£'000 |
|--|---|--------------------------------------|
| <b>Operating profit</b>  | <b>13,342</b>                             | 31,199                               |
| Adjusted for:  |   |                                      |
| Operating exceptional items  | -   | 10,585                               |
| Depreciation of property, plant and equipment                                | <b>2,542</b>                              | 4,937                                |
| Amortisation of other intangible assets                                      | <b>2,511</b>                              | 3,137                                |
| Increase in inventories  | <b>(19,689)</b>                           | (14,480)                             |
| Decrease/(increase) in trade and other receivables                           | <b>437</b>                                | (9,381)                              |
| Increase in trade and other payables   | <b>18,068</b>                             | 19,995                               |
| Share-based payments charges   | <b>344</b>                                | 648                                  |
| Income taxes received  | -   | 1,012                                |
| <b>Net cash generated from operating activities before exceptional items</b> | <b>17,555</b>                             | 47,652                               |
| Cash outflow relating to exceptional operating items                         | <b>(935)</b>                              | (10,152)                             |
| <b>Net cash generated from operating activities</b>                          | <b>16,620</b>                             | 37,500                               |
| <b>Investing activities</b>  |   |                                      |
| Payments to acquire other intangible assets                                  | <b>(5,672)</b>                            | (12,669)                             |
| Payments to acquire property, plant and equipment                            | <b>(2,345)</b>                            | (8,918)                              |
| <b>Net cash outflow from investing activities</b>                            | <b>(8,017)</b>                            | (21,587)                             |
| <b>Financing activities</b>  |   |                                      |
| Proceeds from issue of ordinary shares                                       | <b>321</b>                                | 593                                  |
| Net exercise/(purchase) of shares by Employee Benefit Trust                  | <b>9</b>                                  | (1,592)                              |
| (Repayment)/drawdown of revolving credit facility                            | <b>(5,000)</b>                            | 5,000                                |
| Finance expense  | <b>(364)</b>                              | (278)                                |
| <b>Net cash (used in)/generated from financing activities</b>                | <b>(5,034)</b>                            | 3,723                                |
| <b>Net increase in cash and cash equivalents</b>                             | <b>3,569</b>                              | 19,636                               |
| <b>Opening cash and cash equivalents</b>                                     | <b>24,315</b>                             | 4,679                                |
| <b>Closing cash and cash equivalents</b>                                     | <b>27,884</b>                             | 24,315                               |

Reconciliation of net cash flow to movement in net funds

|  | 5 Months to<br>31 August<br>2012<br>£'000 | Year to<br>31 March<br>2012<br>£'000 |
|--|---|--------------------------------------|
| <b>Net funds at beginning of the period</b>                | <b>19,315</b>                             | 4,679                                |
| Increase in cash and cash equivalents                      | <b>3,569</b>                              | 19,636                               |
| Decrease/(increase) in revolving credit facility liability | <b>5,000</b>                              | (5,000)                              |
| <b>Net funds at end of the period</b>                      | <b>27,884</b>                             | 19,315                               |

## Notes to the Financial Information

### 1. Preparation of the audited condensed consolidated financial information

#### **a) Basis of preparation**

Whilst the information included in this audited condensed consolidated financial information ("preliminary announcement") has been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards ("IFRSs") as adopted for use in the European Union and as issued by the International Accounting Standards Board, this preliminary announcement does not itself contain sufficient information to comply with IFRSs.

The financial information contained within this preliminary announcement for the five months to 31 August 2012 and year to 31 March 2012 do not comprise statutory financial statements within the meaning of section 434 the Companies Act 2006. The Annual Report and Accounts for the year to 31 March 2012 have been filed with the Registrar of Companies and those for the five months to 31 August 2012 will be filed following the Company's annual general meeting. The preliminary announcement for the five months to 31 August 2012 has been prepared on a consistent basis with the financial accounting policies set out in the Accounting Policies section of the ASOS Plc Annual Report and Accounts 2012.

The condensed consolidated financial information should be read in conjunction with the Group's Annual Report and Accounts for the five months ended 31 August 2012, which have been prepared in accordance with IFRSs as adopted by the European Union. The auditors' report on those accounts was unqualified, did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying the report and did not contain statements under s498(2) or s498(3) of the Companies Act 2006.

The Group's business activities together with the factors that are likely to affect its future developments, performance and position are set out in the Business Review. The Business Review describes the Group's financial position, cash flows and borrowing facilities and also highlights the principal risks and uncertainties facing the Group. The Annual Report and Accounts for the five months to 31 August 2012 includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments; and its exposures to credit risk and liquidity risk.

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

In preparing the preliminary announcement, the Directors have also made reasonable and prudent judgements and estimates and prepared the preliminary announcement on the going concern basis. The preliminary announcement and management report contained herein give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group.

#### **b) Accounting policies**

The Financial Statements have been prepared in accordance with the accounting policies set out in the 2012 Annual Report and Accounts for the five months to 31 August 2012.

#### **c) Exceptional items**

The Group separately identifies and discloses significant one-off or unusual items which can have a material impact on absolute profits. These are termed 'exceptional items' and are disclosed separately in the statement of comprehensive income in order to provide an understanding of the Group's underlying financial performance. Exceptional items are judgemental in their nature and may not be comparable to similarly titled measures used by other companies. Further details of exceptional items are included in Note 3 to this release.

## 2. Segmental analysis

IFRS 8 'Operating Segments' requires operating segments to be determined based on the Group's internal reporting to the Chief Operating Decision Maker ("CODM"). The CODM has been determined to be the Executive Board. The Executive Board has determined that the primary segmental reporting format is geographical by customer location, based on the Group's management and internal reporting structure. The Executive Board assesses the performance of each segment based on revenue and gross profit after distribution expenses, which excludes administrative expenses and exceptional items.

| <b>5 Months to 31 August 2012</b> |                 |                |                 |                 |                  |
|-----------------------------------|-----------------|----------------|-----------------|-----------------|------------------|
|                                   | <b>UK</b>       | <b>USA</b>     | <b>EU</b>       | <b>RoW</b>      | <b>Total</b>     |
|                                   | <b>£'000</b>    | <b>£'000</b>   | <b>£'000</b>    | <b>£'000</b>    | <b>£'000</b>     |
| Retail sales                      | <b>81,658</b>   | <b>22,036</b>  | <b>50,855</b>   | <b>76,685</b>   | <b>231,234</b>   |
| Delivery receipts                 | <b>3,035</b>    | <b>512</b>     | <b>719</b>      | <b>904</b>      | <b>5,170</b>     |
| Third party revenues              | <b>1,617</b>    | <b>-</b>       | <b>1</b>        | <b>1</b>        | <b>1,619</b>     |
| Total revenue                     | <b>86,310</b>   | <b>22,548</b>  | <b>51,575</b>   | <b>77,590</b>   | <b>238,023</b>   |
| Cost of sales                     | <b>(45,775)</b> | <b>(9,579)</b> | <b>(26,707)</b> | <b>(35,831)</b> | <b>(117,892)</b> |
| Gross profit                      | <b>40,535</b>   | <b>12,969</b>  | <b>24,868</b>   | <b>41,759</b>   | <b>120,131</b>   |
| Distribution costs                | <b>(8,413)</b>  | <b>(7,102)</b> | <b>(7,436)</b>  | <b>(12,955)</b> | <b>(35,906)</b>  |
| Segment result                    |                 |                |                 |                 | <b>84,225</b>    |
| Administrative expenses           |                 |                |                 |                 | <b>(70,883)</b>  |
| Operating profit                  |                 |                |                 |                 | <b>13,342</b>    |
| Finance expense                   |                 |                |                 |                 | <b>(97)</b>      |
| Profit before tax                 |                 |                |                 |                 | <b>13,245</b>    |

| <b>Year to 31 March 2012</b>                     |              |              |              |              |              |
|--|--------------|--------------|--------------|--------------|--------------|
|  | <b>UK</b>    | <b>USA</b>   | <b>EU</b>    | <b>RoW</b>   | <b>Total</b> |
|  | <b>£'000</b> | <b>£'000</b> | <b>£'000</b> | <b>£'000</b> | <b>£'000</b> |
| Retail sales                                     | 197,859      | 39,959       | 106,993      | 136,751      | 481,562      |
| Delivery receipts                                | 7,073        | 825          | 1,449        | 1,430        | 10,777       |
| Third party revenues                             | 2,555        | 10           | 25           | 28           | 2,618        |
| Total revenue                                    | 207,487      | 40,794       | 108,467      | 138,209      | 494,957      |
| Cost of sales                                    | (108,314)    | (16,096)     | (53,953)     | (64,624)     | (242,987)    |
| Gross profit                                     | 99,173       | 24,698       | 54,514       | 73,585       | 251,970      |
| Distribution costs before exceptional items      | (17,890)     | (11,037)     | (16,227)     | (20,686)     | (65,840)     |
| Segment result before exceptional items          | 81,283       | 13,661       | 38,287       | 52,899       | 186,130      |
| Administrative expenses before exceptional items |              |              |              |              | (144,346)    |
| Operating profit before exceptional items        |              |              |              |              | 41,784       |
| Exceptional items                                |              |              |              |              | (10,585)     |
| Finance expense                                  |              |              |              |              | (850)        |
| Profit before tax                                |              |              |              |              | 30,349       |

Due to the nature of its activities, the Group is not reliant on any individual major customers.

No analysis of the assets and liabilities of each operating segment is provided to the CODM in the monthly management accounts therefore no measure of segments assets or liabilities is disclosed in this note.

There are no material non-current assets located outside the UK.

### 3. Exceptional items

During the year to 31 March 2012, exceptional costs of £10.6m were charged to operating expenses to reflect the direct costs of the completion of the reorganisation of distribution following the leasing of a new distribution centre to meet the increasing capacity needs of the business. The reorganisation was completed during the year to 31 March 2012 therefore there is no exceptional charge for the period to 31 August 2012.

The main components of the exceptional charge are as follows:

|  | <b>5 months to<br/>31 August<br/>2012<br/>£'000</b> | <b>Year to<br/>31 March<br/>2012<br/>£'000</b> |
|--|---|--|
| Dual site decollation costs              | -   | 5,385  |
| Pre go-live occupancy and employee costs | -   | 965  |
| Vacant property costs                    | -   | 1,435  |
| Impairment of assets                     | -   | 2,800  |
| <b>Total</b>                             | <b>-</b>  | <b>10,585</b>                                  |

Included within dual site decollation costs for the year to 31 March 2012 were delivery costs of £2.3m which were classified within distribution expenses in the statement of comprehensive income. The remaining exceptional costs were included within administrative expenses.

#### 4. Earnings per share

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

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

|   | <b>31 August<br/>2012</b> | 31 March<br>2012 |
|---|---------------------------|------------------|
|   | <b>No. of shares</b>      | No. of shares    |
| <b>Weighted average share capital</b>                           |                           |                  |
| Weighted average shares in issue for basic earnings per share   | <b>79,078,431</b>         | 75,914,855       |
| Effect of dilutive options                                      | <b>3,951,661</b>          | 7,405,148        |
| Weighted average shares in issue for diluted earnings per share | <b>83,030,092</b>         | 83,320,003       |
|   | <b>31 August<br/>2012</b> | 31 March<br>2012 |
|   | <b>£'000</b>              | £'000            |
| <b>Earnings</b>   |                           |                  |
| Underlying earnings attributable to shareholders                | <b>9,904</b>              | 30,249           |
| Exceptional items net of related taxation                       | -                         | (7,970)          |
| Earnings attributable to shareholders                           | <b>9,904</b>              | 22,279           |
|   | <b>31 August<br/>2012</b> | 31 March<br>2012 |
|   | <b>pence</b>              | pence            |
| <b>Basic earnings per share</b>                                 |                           |                  |
| Underlying earnings per share <sup>1</sup>                      | <b>12.5</b>               | 39.8             |
| Exceptional items net of taxation                               | -                         | (10.5)           |
| Earnings per share <sup>2</sup>                                 | <b>12.5</b>               | 29.3             |
|   | <b>31 August<br/>2012</b> | 31 March<br>2012 |
|   | <b>Pence</b>              | pence            |
| <b>Diluted earnings per share</b>                               |                           |                  |
| Underlying earnings per share <sup>1</sup>                      | <b>11.9</b>               | 36.3             |
| Exceptional items net of taxation                               | -                         | (9.6)            |
| Earnings per share <sup>2</sup>                                 | <b>11.9</b>               | 26.7             |

<sup>1</sup>Underlying earnings per share has been calculated using profit after tax but before exceptional items.

<sup>2</sup>Earnings per share has been calculated using profit after tax and exceptional items.

4,000,822 shares were included in dilutive options at 31 March 2012 under the Management Incentive Plan. These shares were issued on 31 May 2012 and are held by a nominee on behalf of participants until vesting. Due to the timing of the issue of these shares, during the five months to 31 August 2012, 2,405,723 were included in weighted average shares in issue for basic earnings per share and 1,595,099 were included in weighted average shares in issue for diluted earnings per share.

## 5. Reconciliation of net funds

|   | <b>31 August<br/>2012<br/>£'000</b> | 31 March<br>2012<br>£'000 |
|---|-------------------------------------|---------------------------|
| Net movement in cash and cash equivalents         | <b>3,569</b>                        | 19,636                    |
| Repayment/(drawdown) of revolving credit facility | <b>5,000</b>                        | (5,000)                   |
| Net movement in net funds                         | <b>8,569</b>                        | 14,636                    |
| Opening net funds                                 | <b>19,315</b>                       | 4,679                     |
| <b>Closing net funds</b>                          | <b>27,884</b>                       | 19,315                    |
| <b>Closing net funds comprises:</b>               |                                     |                           |
| Cash and cash equivalents                         | <b>27,884</b>                       | 24,315                    |
| Drawings under revolving credit facility          | -                                   | (5,000)                   |
| <b>Net funds</b>                                  | <b>27,884</b>                       | 19,315                    |

The Group has a £20.0m revolving loan credit facility which includes an ancillary £10.0m guaranteed overdraft facility and which is available until July 2015.