
Half Year Results for the 6 months to 28 February 2013



30 April 2013

Six Month Highlights

- Strong Sales +34%
- Strong traffic, conversion & frequency
- 6 million active customers
- IT programme on track
- Russia launch imminent, China on track



Nick Beighton – ASOS Financial Philosophy

Fuel for growth

- Leverage cost base
- Maximise cash EBIT
- Strong return on invested capital



Highlights

£'000s	Six months to 28 February 2013	Six months to 29 February 2012	Change
Group revenues ¹	359,731	269,926	33%
Retail sales	352,263	262,921	34%
<i>UK retail sales</i>	<i>137,579</i>	<i>108,967</i>	<i>26%</i>
<i>International retail sales</i>	<i>214,684</i>	<i>153,954</i>	<i>39%</i>
Gross profit	179,604	137,190	31%
<i>Retail gross margin</i>	<i>48.9%</i>	<i>49.5%</i>	<i>(60bps)</i>
<i>Gross margin</i>	<i>49.9%</i>	<i>50.8%</i>	<i>(90bps)</i>
Profit before tax and exceptional items	25,694	23,134	11%
Profit before tax	25,694	21,626	19%
Diluted underlying earnings per share ²	23.3	20.5	14%
Net funds ³	45,224	12,718	256%

¹ Includes retail sales, delivery receipts and third party revenues

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

³ Cash and cash equivalents less bank borrowings

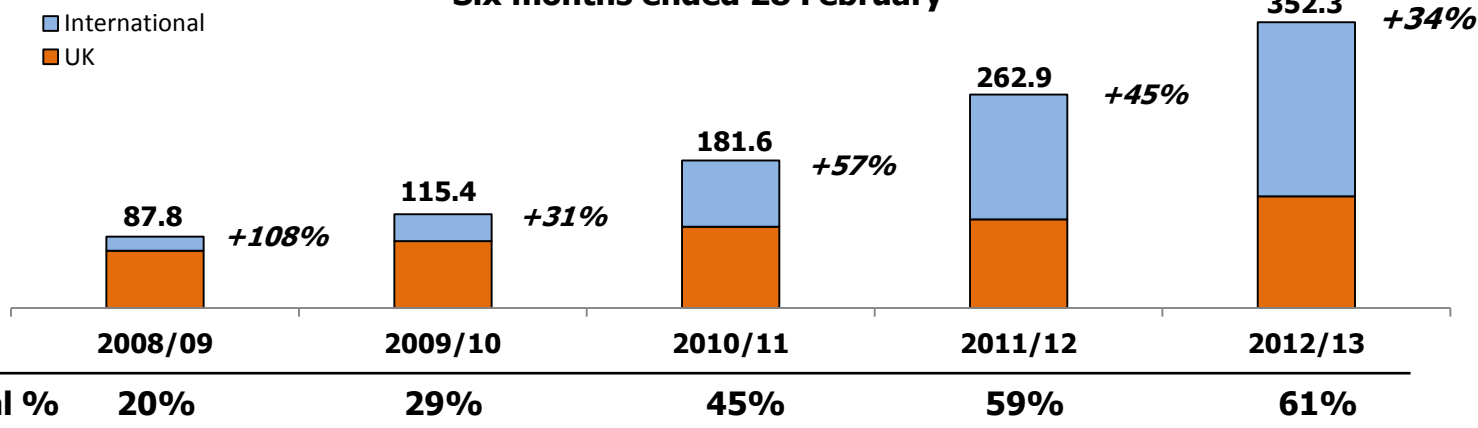
Statement of Comprehensive Income

£'000s	Six months to 28 February 2013	Six months to 29 February 2012	% change
Revenue	359,731	269,926	33%
Cost of sales	(180,127)	(132,736)	(36%)
Gross profit	179,604	137,190	31%
Distribution costs excluding exceptional items	(53,038)	(36,548)	(45%)
Administrative expenses excluding exceptional items	(100,898)	(76,843)	(31%)
Operating profit before exceptional items	25,668	23,799	8%
Finance income	87	-	100%
Finance costs	(61)	(665)	91%
Profit before tax and exceptional items	25,694	23,134	11%
Exceptional items	-	(1,508)	100%
Profit before tax	25,694	21,626	19%
Income tax expense	(6,324)	(5,751)	10%
Profit after tax	19,370	15,875	22%
<i>Effective tax rate excluding exceptional items</i>	<i>24.6%</i>	<i>26.4%</i>	<i>180bps</i>

Sales growth

Six months to 28 February 2013		International				Group Total
£'000s	UK	US	EU	RoW	Total	
Retail sales	137,579	35,551	77,457	101,676	214,684	352,263
Growth	26%	54%	36%	37%	39%	34%
Delivery receipts	2,477	663	920	1,330	2,913	5,390
Growth	(36%)	47%	15%	66%	42%	(9%)
Third party revenues	2,078	-	-	-	-	2,078
Growth	95%	(100%)	(100%)	(100%)	(100%)	90%
Group revenues	142,134	36,214	78,377	103,006	217,597	359,731
Growth	25%	53%	36%	38%	39%	33%

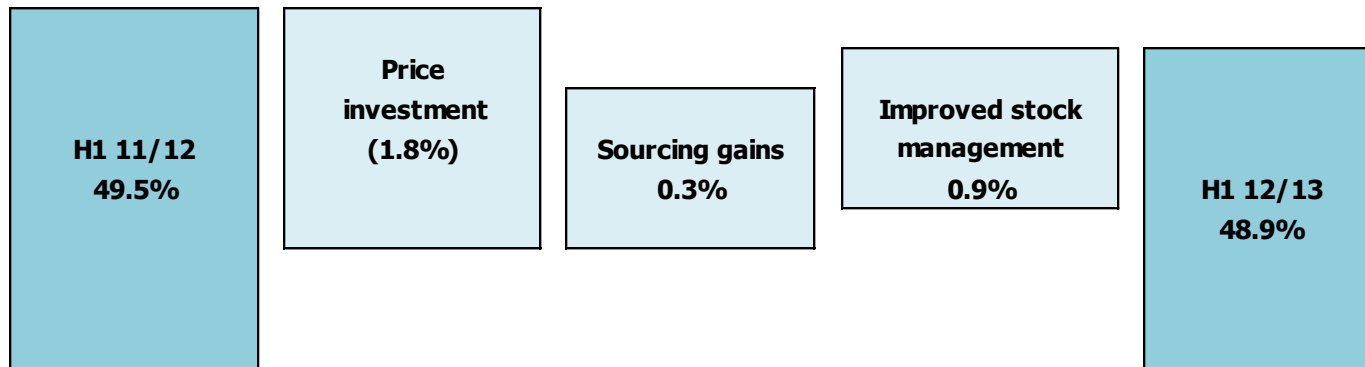
Group Retail Sales (£m)
Six months ended 28 February



Gross profit performance

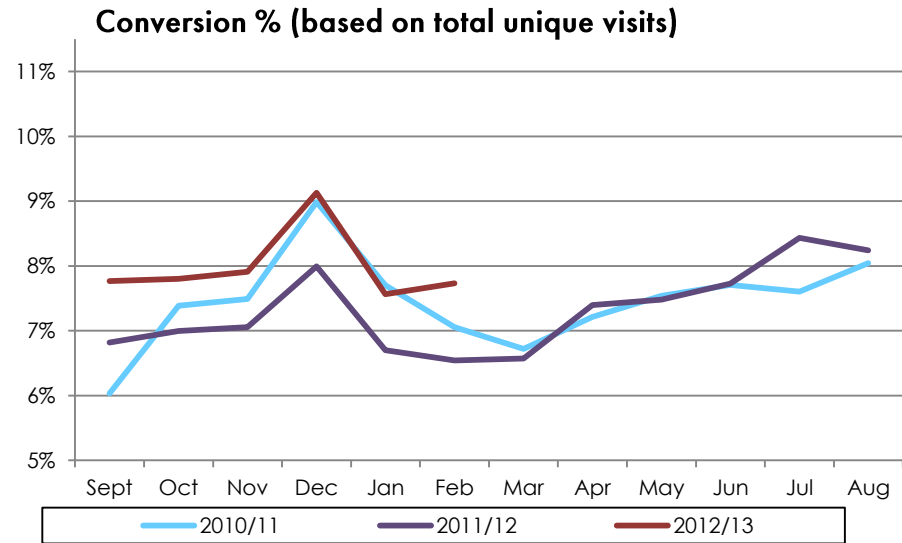
Six months to 28 February 2013		International				Group Total
£'000s	UK	US	EU	RoW	Total	
Gross profit	65,874	20,630	37,980	55,120	113,730	179,604
<i>Growth</i>	22%	40%	33%	38%	37%	31%
Retail gross margin	44.6%	56.2%	47.8%	52.9%	51.6%	48.9%
<i>Growth</i>	(30bps)	(550bps)	(120bps)	-	(120bps)	(60bps)
Gross margin	46.3%	57.0%	48.5%	53.5%	52.3%	49.9%
<i>Growth</i>	(100bps)	(540bps)	(120bps)	10bps	(110bps)	(90bps)

Retail gross margin movement H1 2012/13 versus H1 2011/12



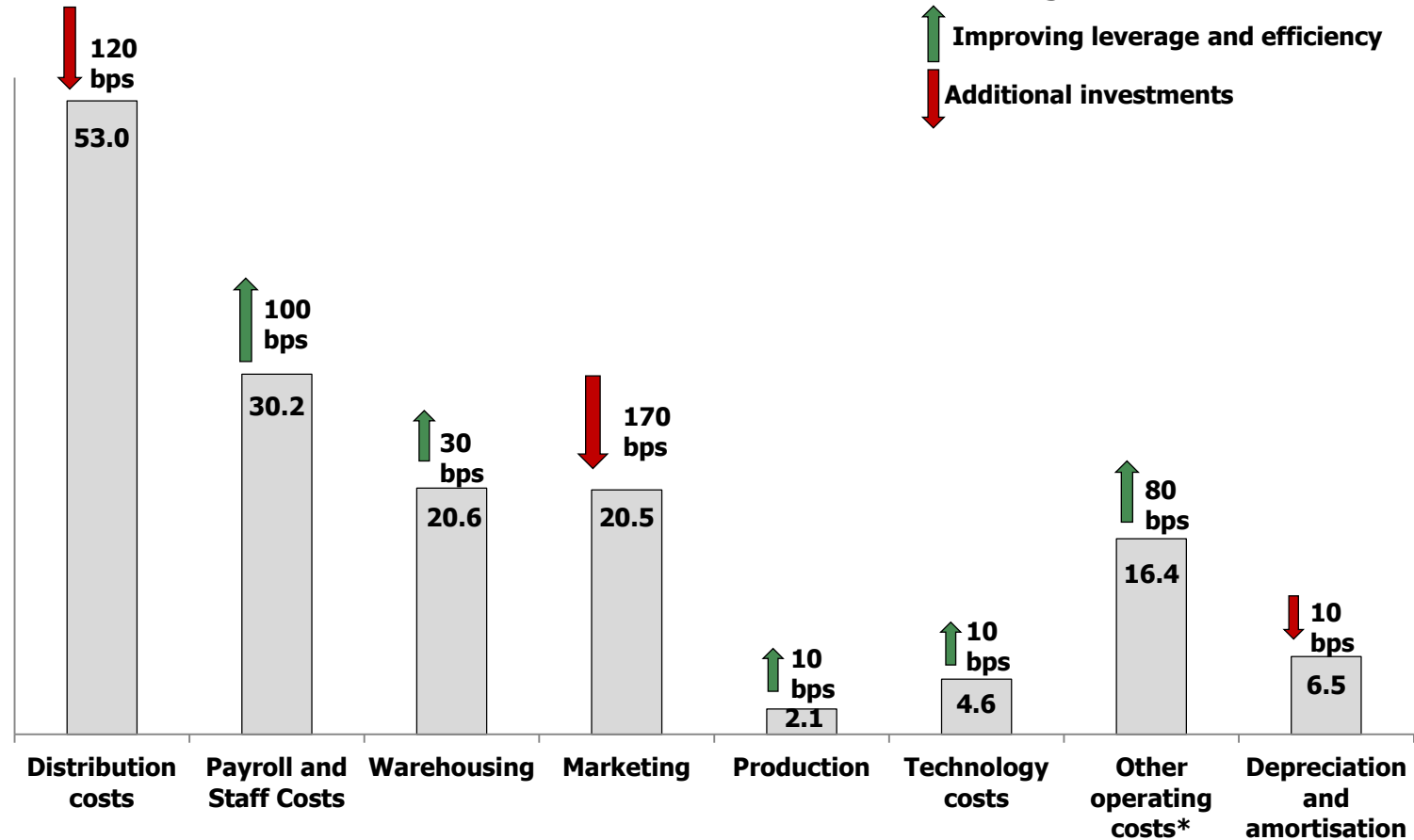
KPI Highlights

- 6 million active customers at 28 February 2013 (UK – 2.5 million; International – 3.5 million)
- Average units per basket up 3% to 2.34, up in all segments
- Average selling price down 9% to £25.73, down in all segments due to re-price
- Order contribution down 10% to £13.76, impacted by price investment and improvements to delivery proposition
- Conversion up



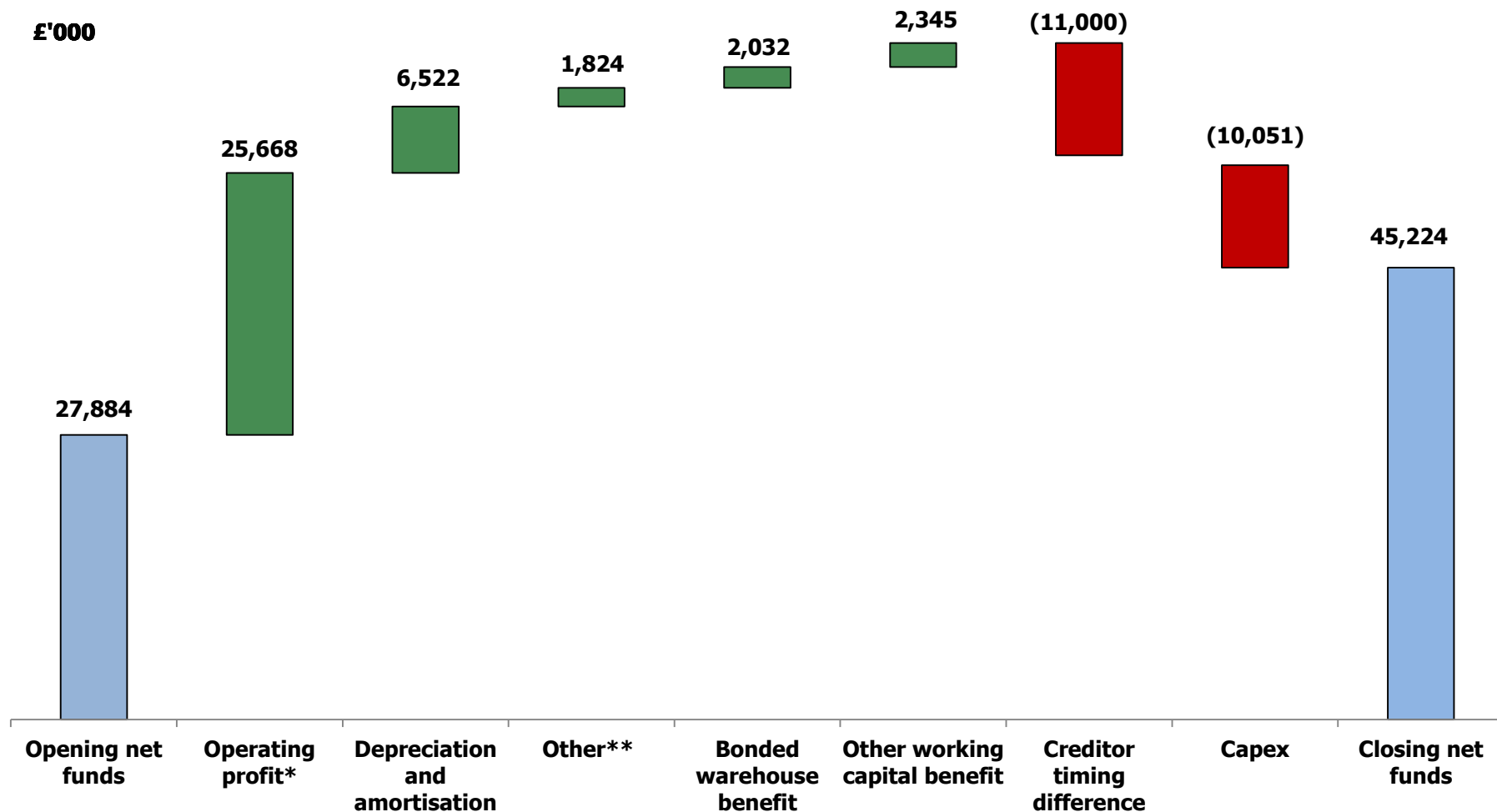
Delivering operating efficiency

£ million



Total bps increase in operating costs to sales ratio: +50bps (excluding delivery investment)

Cash flow



* Excluding exceptional items

** Includes share based payments charges, issue of share capital, purchase of shares by Employee Benefit Trust and interest paid

ASOS Long Term Incentive Plan (ALTIP)

New Long Term Incentive plan for Executive Directors and Senior Management

Three-year performance period from 1 September 2012 to 31 August 2015, with challenging EPS and TSR targets.

	'Target'	'Stretch'
Maximum percentage vesting	70%	100%
TSR performance (within FTSE All Share General Retailers Index)*	Upper quartile	Upper quartile
Cumulative annual growth in EPS*	23%	32%
Required EPS for year to 31 August 2015	73.7p	91.1p
Implied sales for year to 31 August 2015	£1.0bn	£1.3bn
Maximum share dilution**	1.1%	1.5%

- Requires cash investment by Executive Directors and encourages investment of own money by other participants; strong incentive to deliver results
- £1.5m first-time charge in H1 2013, estimated c£4-5m charge for full year.
- Accompanied by further grants under Performance Share Plan and introduction of Share Incentive Plan which offers free shares in ASOS to all employees

Guidance

- Sales: £1bn
- China: c£4-6m operating investment in each of FY 2014 and FY 2015
- EBIT margin: c7% post ALTIP charge in FY 2013, increasing to c8% post ALTIP charge by FY 2015
- ALTIP:
 - c0.9m share dilution (target vesting)
 - c£4-5m pa non-cash charge
- Capital expenditure: c£35m per year, including China
- No dividend currently planned



Nick Robertson – CEO



Our Strategy - Recap



No 1 Fashion destination...

For twenty somethings, globally

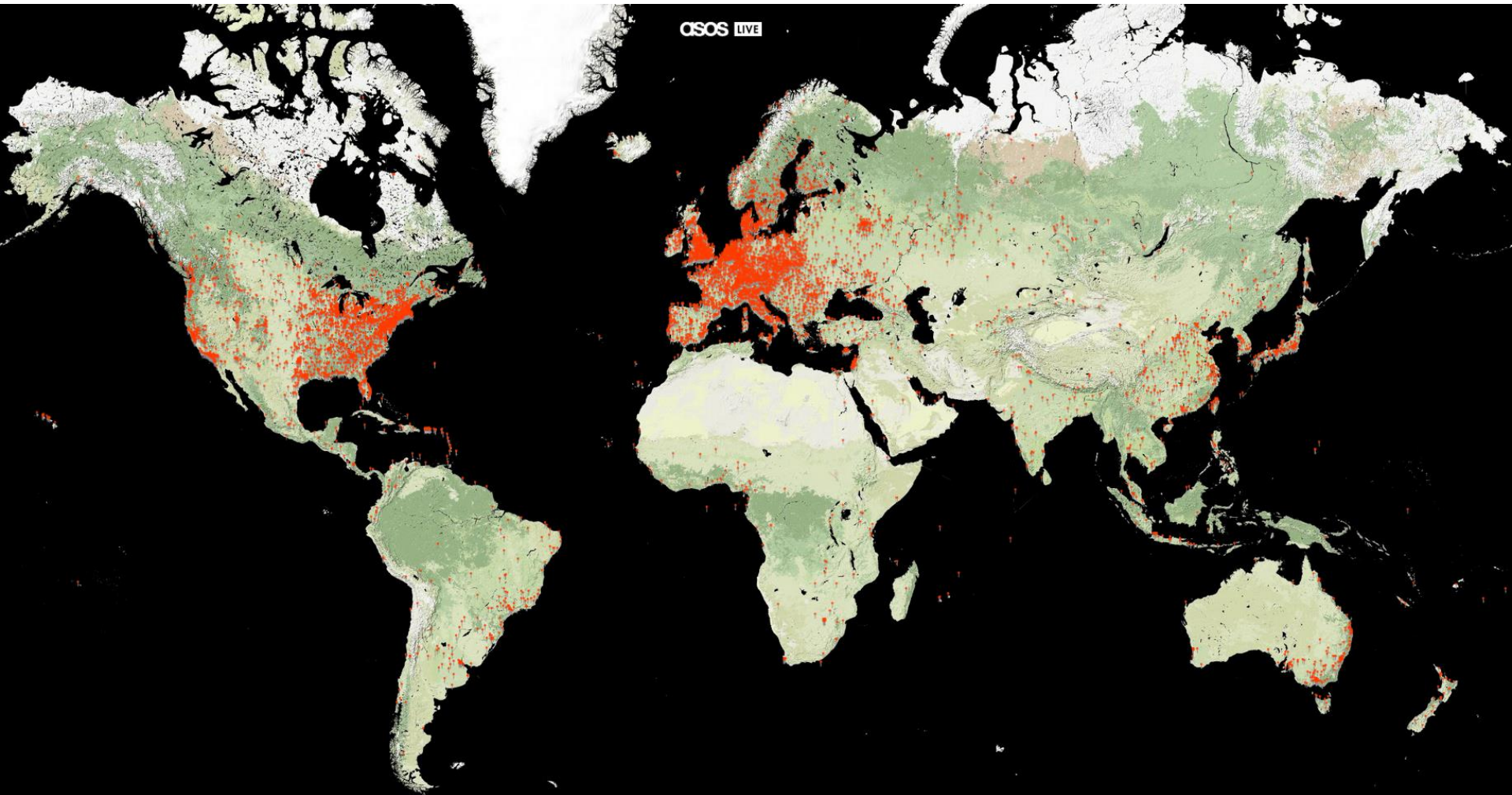
Position	Name	Average Daily Visitors (000s)
1	ASOS Plc	720
2	VANCL.COM	583
3	INDITEX Group	554
4	HM.COM	471
5	MYNTRA.COM	435
6	Bonprix	368
7	Nike	344
8	MOONBASA.COM	317
9	Limitedbrands	274
10	Forever 21, Inc	268

Position	Name	Total unique visitors per month (000s)
1	VANCL.com	7,961
2	ASOS Plc	7,213
3	MYNTRA.COM	6,869
4	HM.com	6,842
5	INDITEX Group	6,505
6	Nike	6,270
7	Bonprix	5,602
8	MOONBASA.COM	4,847
9	Limitedbrands	4,583
10	Dafiti Sites	4,380

Comscore rankings for February 2013 for 15-34 year olds

No 1 Fashion Destination...

Highlighting cities sending traffic to ASOS during February 2013



Good progress in all main markets

Share of Traffic – key territories (Comscore)
for 15-34 year olds ranked on monthly
visitors in the retail apparel category

15-34	February 2013	February 2012
UK	1 st	1 st
US	11 th	24 th
France	3 rd	12 th
Germany	11 th	20 th
Australia	1 st	1 st
Spain	6 th	8 th
Italy	4 th	8 th



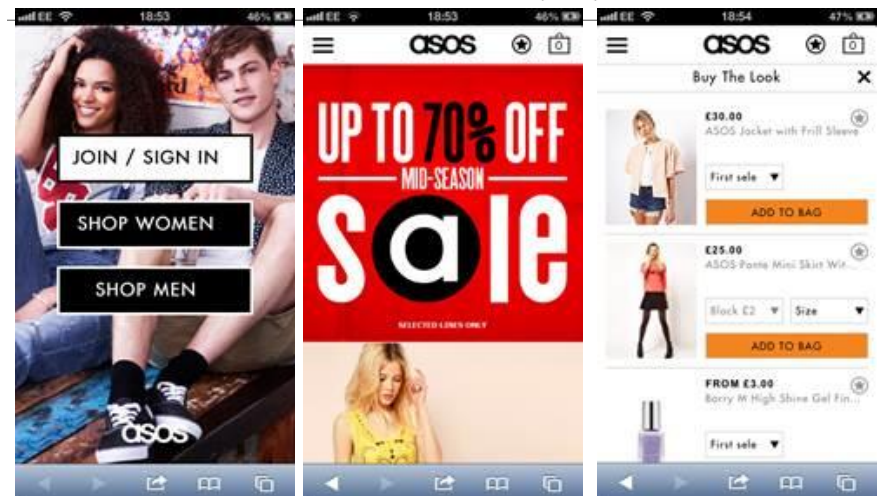
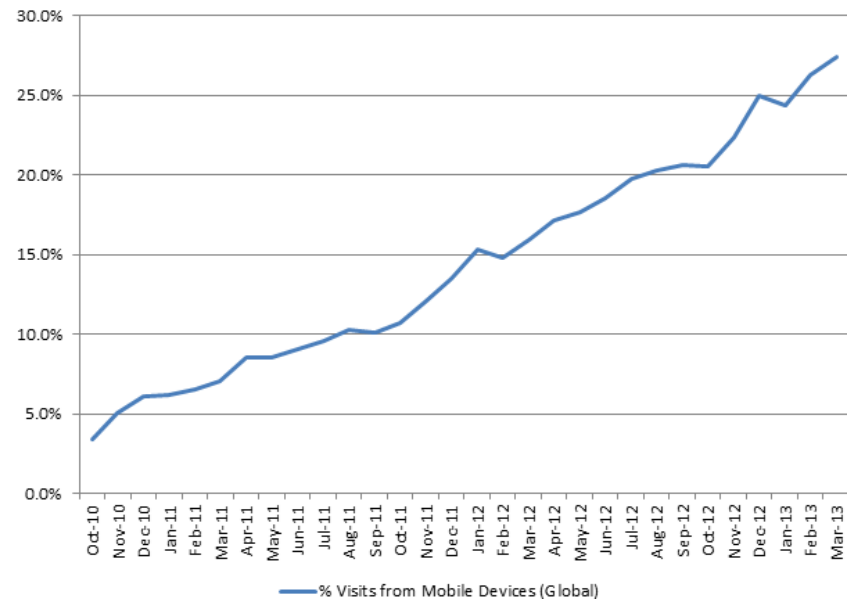
Most Engaging Experience

The Importance of Mobile

– nearly 30% of traffic

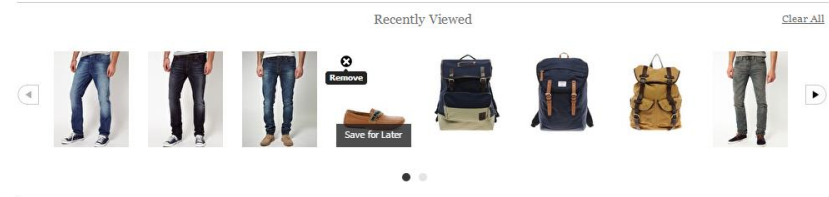
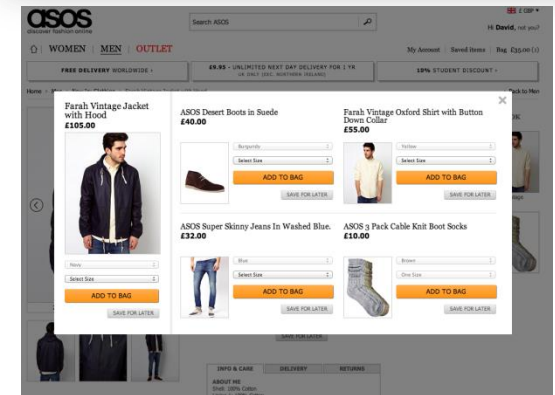
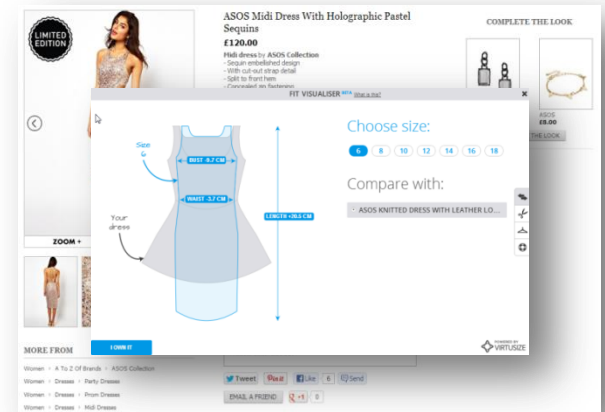
- Mobile traffic growing 3x faster than web visits
- New m.asos.com site now launched
- Apple App refresh and Android App coming soon
- Strategic market language capability rolled out over next few months

% Visits from Mobile Devices (inc Tablets)



Most Engaging Experience – Conversion & Frequency

- 100bps conversion increase on sales
= c.£44m
- 1% reduction in returns
= c.£10m
- Conversion improvements
 - ASOS Fit
 - Optimisation with Complete/Buy the Look
 - Browse 'Recently Viewed' items
- Personal Stylist trial continuing



Sign up for ASOS style news

Enter Email Address

WOMEN

MEN

Most Engaging Experience – Content & Social

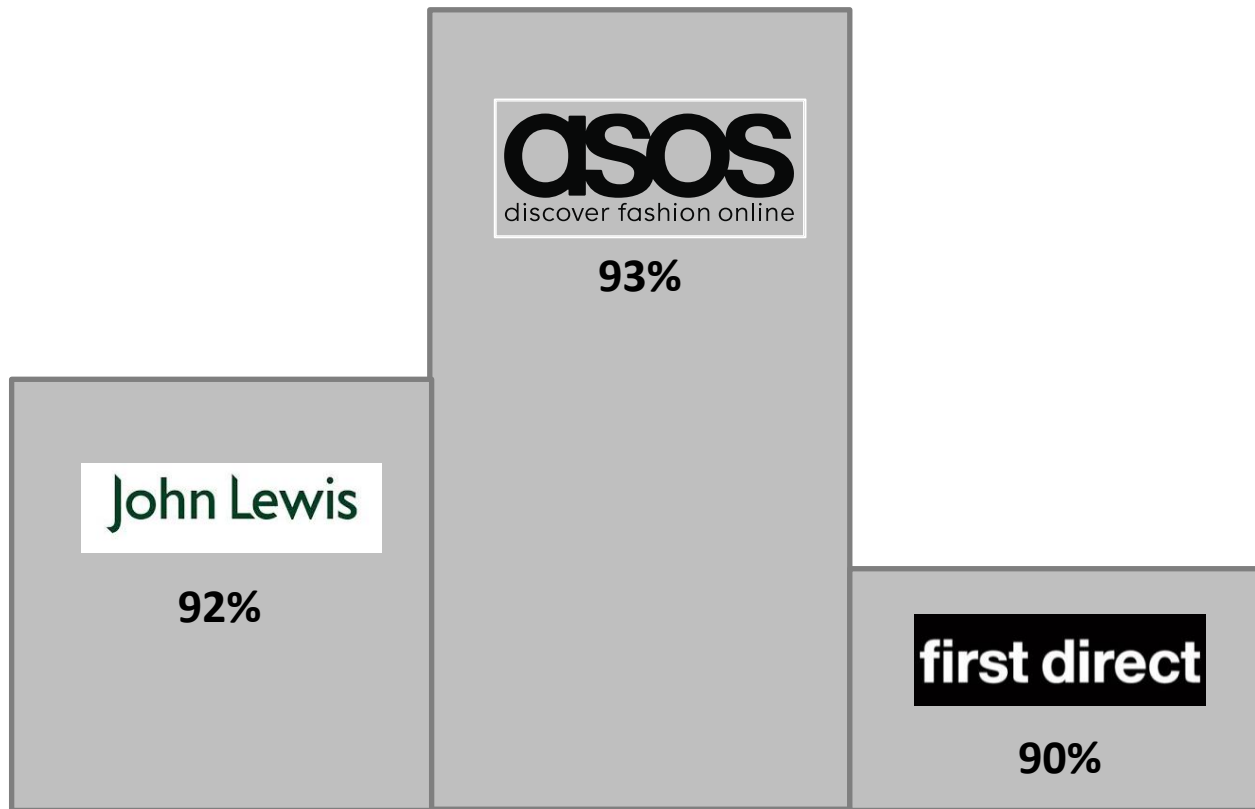
- Up weighted marketing spend
- ASOS magazine's 'Fashion Up' Launched with French version – EU and US versions to come
- Campaigns - Social / Christmas / Denim



"ASOS's use of shoppable video in their 'Best Night Ever' campaign places them at the forefront of social commerce. Using the most up-to-date technology, ASOS combined shopping with entertainment to reach their customers in that magic moment and make it actionable."
Peter Fitzgerald, Country Sales Director, Google UK

G+
Hangouts:
views
+222% over
Christmas

Customer Satisfaction



Source: Institute of Customer Service 2013

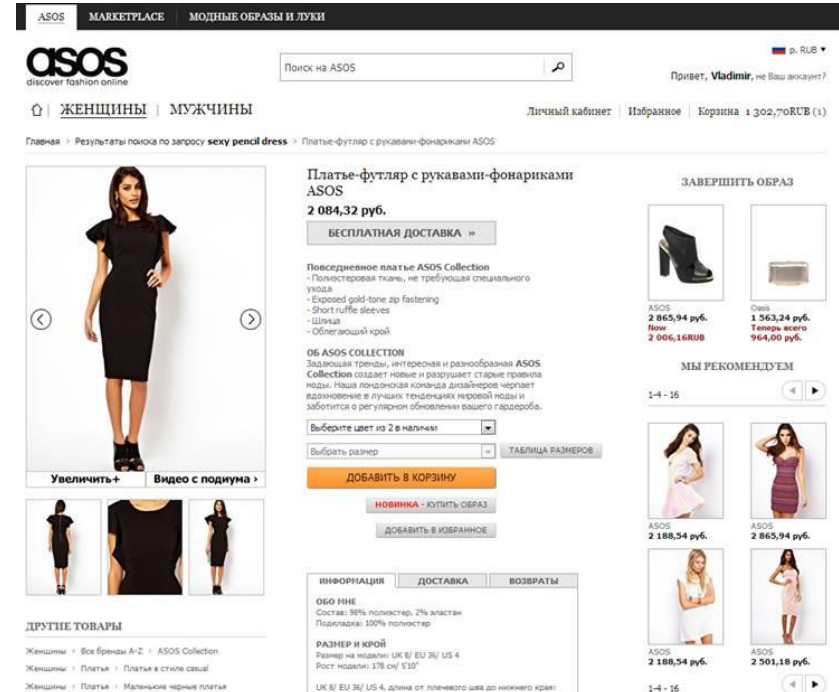
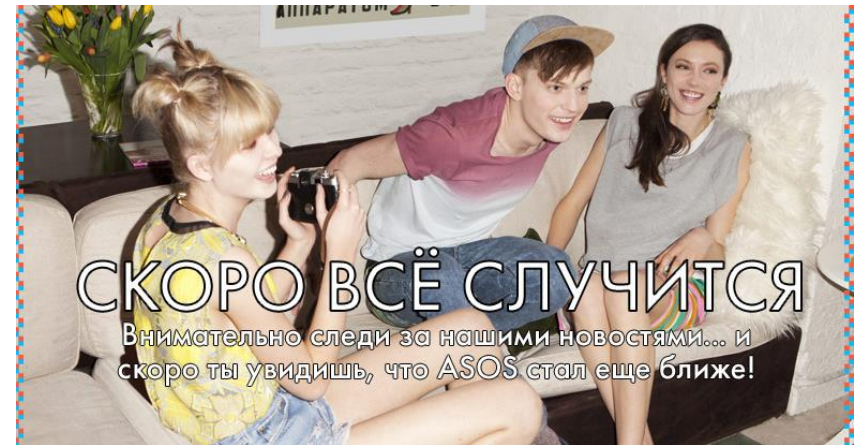
Russia – Key Observations

- Already our fifth biggest market outside of UK
- Romanised Russian widely understood and used
- Delivery within a week is considered excellent, 2 weeks good and drop off points widely used for returns
- Moscow / St Petersburg account for c.15% of the population but as much as 60% of current eCommerce sales



Russia – ASOS Progress Report

- Roll out model similar to other European launches
- UK based team of Russian nationals recruited
- Free delivery
- Tracked express delivery solution
- Customer care through current language partner
- PR agency selected
- Soft launch of ASOS.ru imminent



China – Key Observations

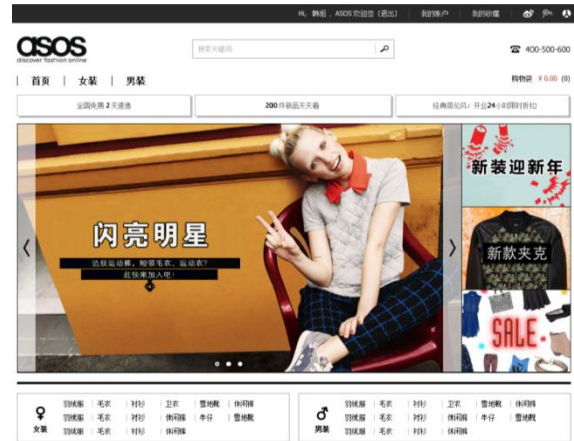
- Apparel is already the most popular online shopping category.
- Alibaba group dominates ecommerce
- The look and feel of websites is very different
- Substantial logistics investment over recent years
- Delivery expectations increasingly similar to UK
- Customer care offers a unique challenge
- Payment environment evolving rapidly



China – ASOS Progress Report

Our approach

- Shanghai based Country Manager appointed with multi disciplinary in country team being recruited now
- Stock in country – both ASOS and selected 3rd party brands
- IT development well underway with stand alone IT system
- 3rd party Logistics and Customer Care partners chosen
- On target for October launch



Truly Global: distribution strategy



Barnsley bonded warehouse



DELIVERED: January 2013



Relocated Australia returns centre



DELIVERED: March 2013



Barnsley automated despatch sorter



ON TRACK: August 2013



Third-party China distribution centre



ON TRACK: October 2013



US fulfillment from returns



ON TRACK: By December 2013



Barnsley extension/further mechanisation



ON TRACK: Calendar year 2014

Highly Efficient Retailing

- ASOS own label growth
- New 3rd party brands
- Supplier sourcing gains
- Value fashion 'style steal'
- Retail Brilliance Academy

NEW LOOK®



ONLY®



asos | retailbrilliance

Summary

- Very positive first 6 months
- Momentum in all areas
- Russia and China next
- £1bn firmly in our sights

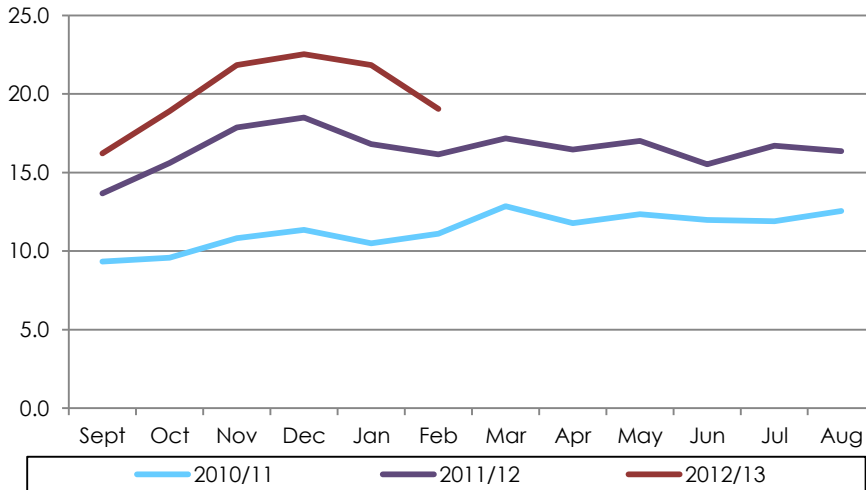


Appendices

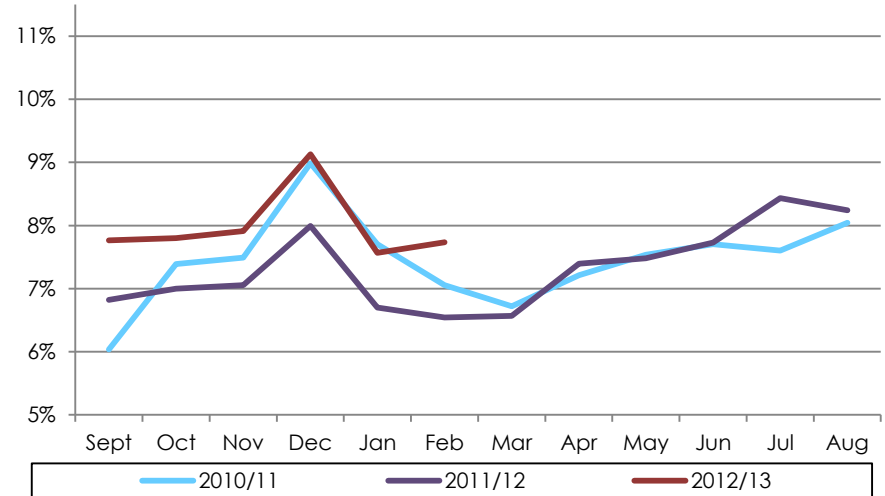


Group KPIs to February 2013

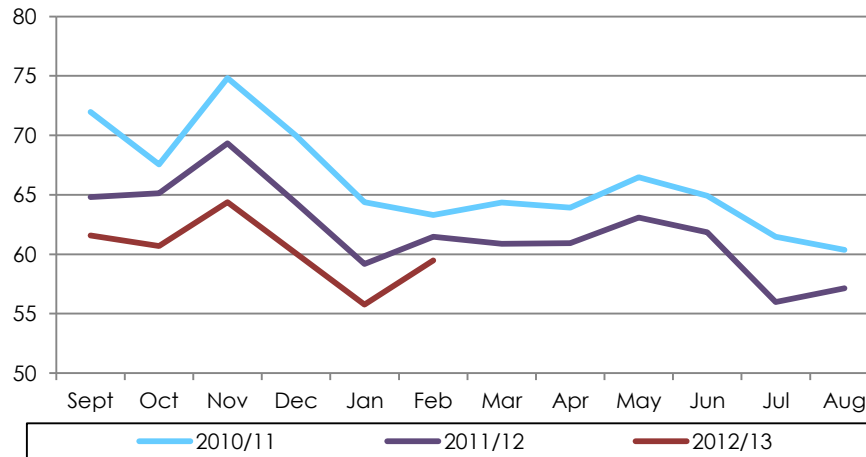
Million Visitors



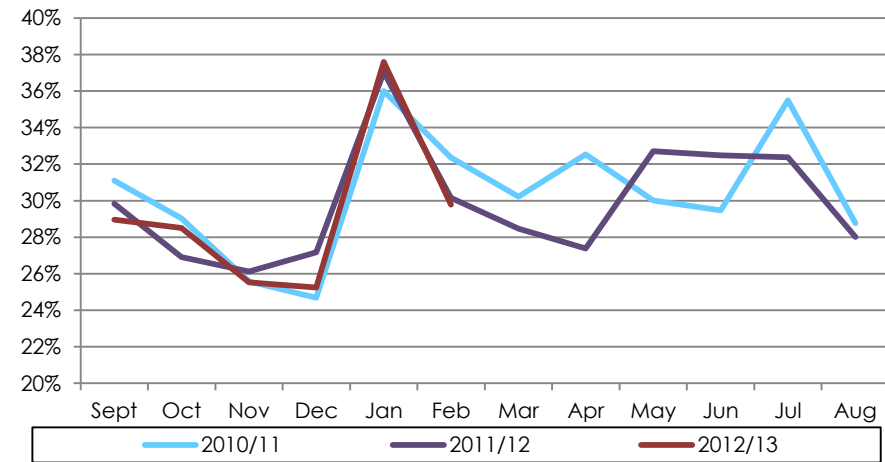
Conversion % (based on total unique visits)



Basket Value £

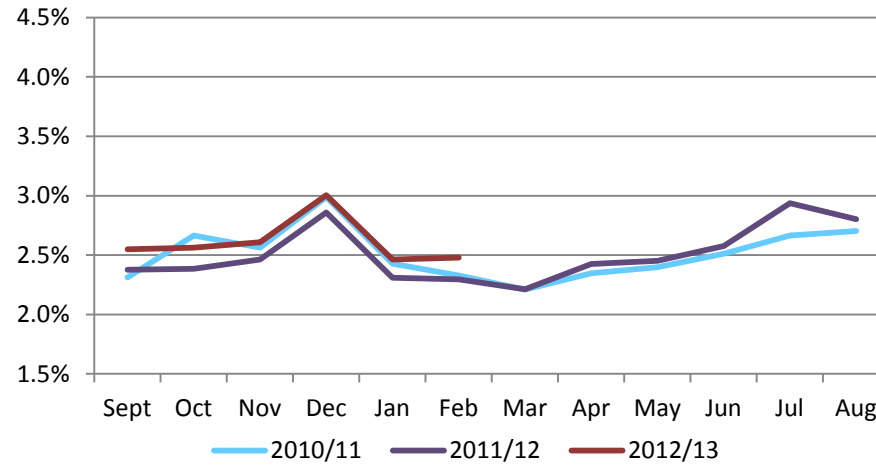


% Returns

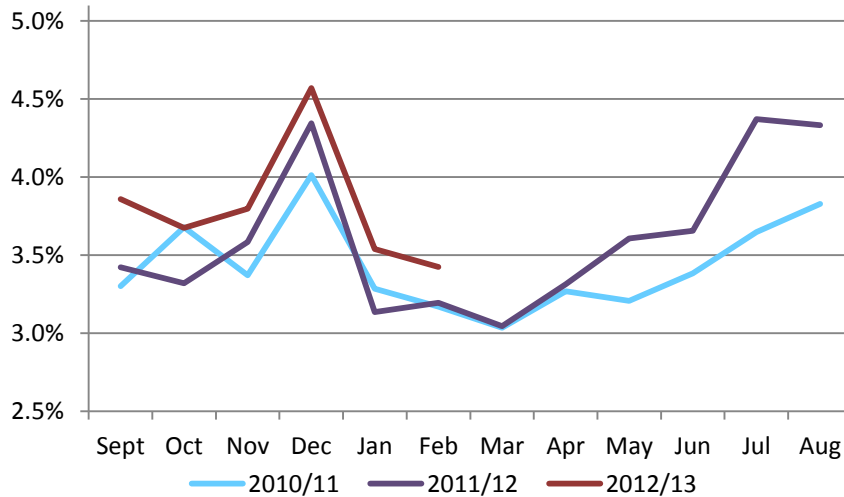


Group KPIs to February 2013 (2)

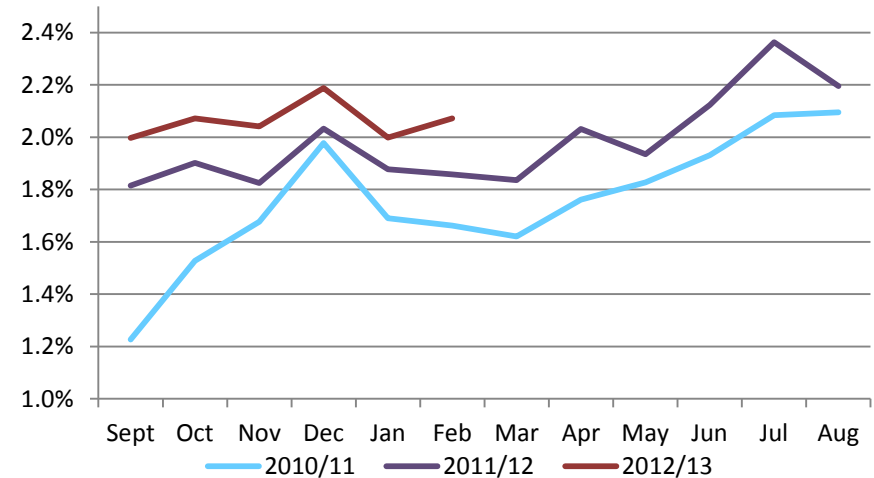
Group Conversion (based on total visits)



UK Conversion (based on UK visits)



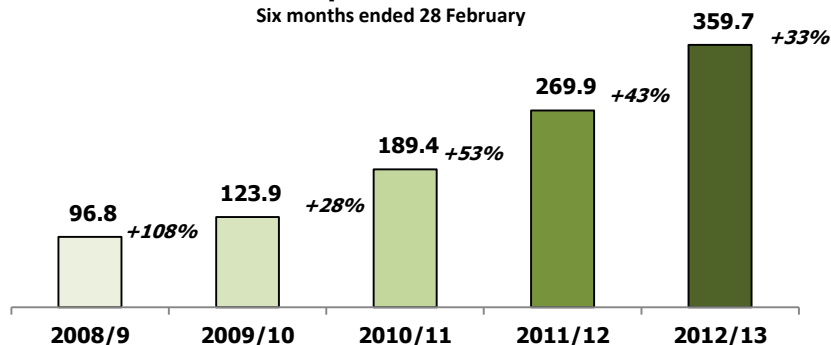
International Conversion (based on international visits)



5 year summary to February 2013

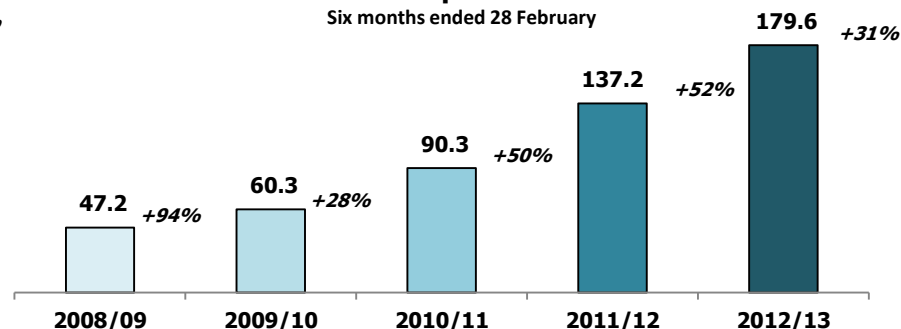
Group Revenue £m

Six months ended 28 February



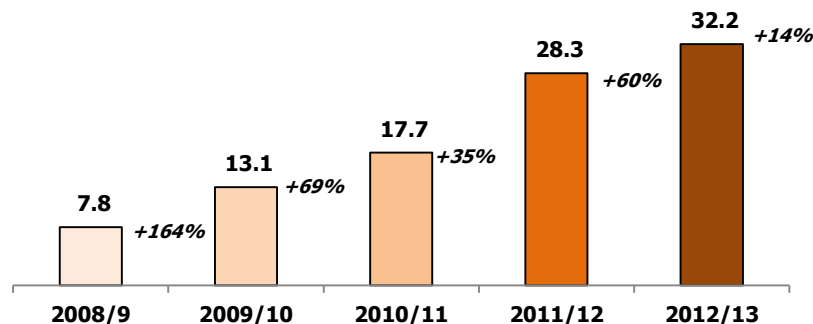
Gross profit £m

Six months ended 28 February



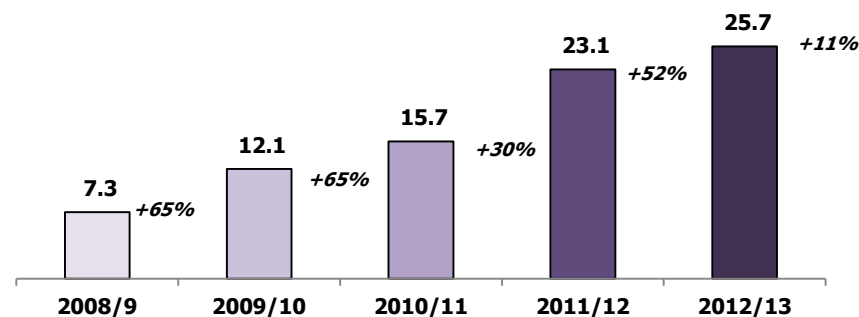
EBITDA* £m

Six months ended 28 February



PBT* £m

Six months ended 28 February



* Underlying, excluding exceptional items

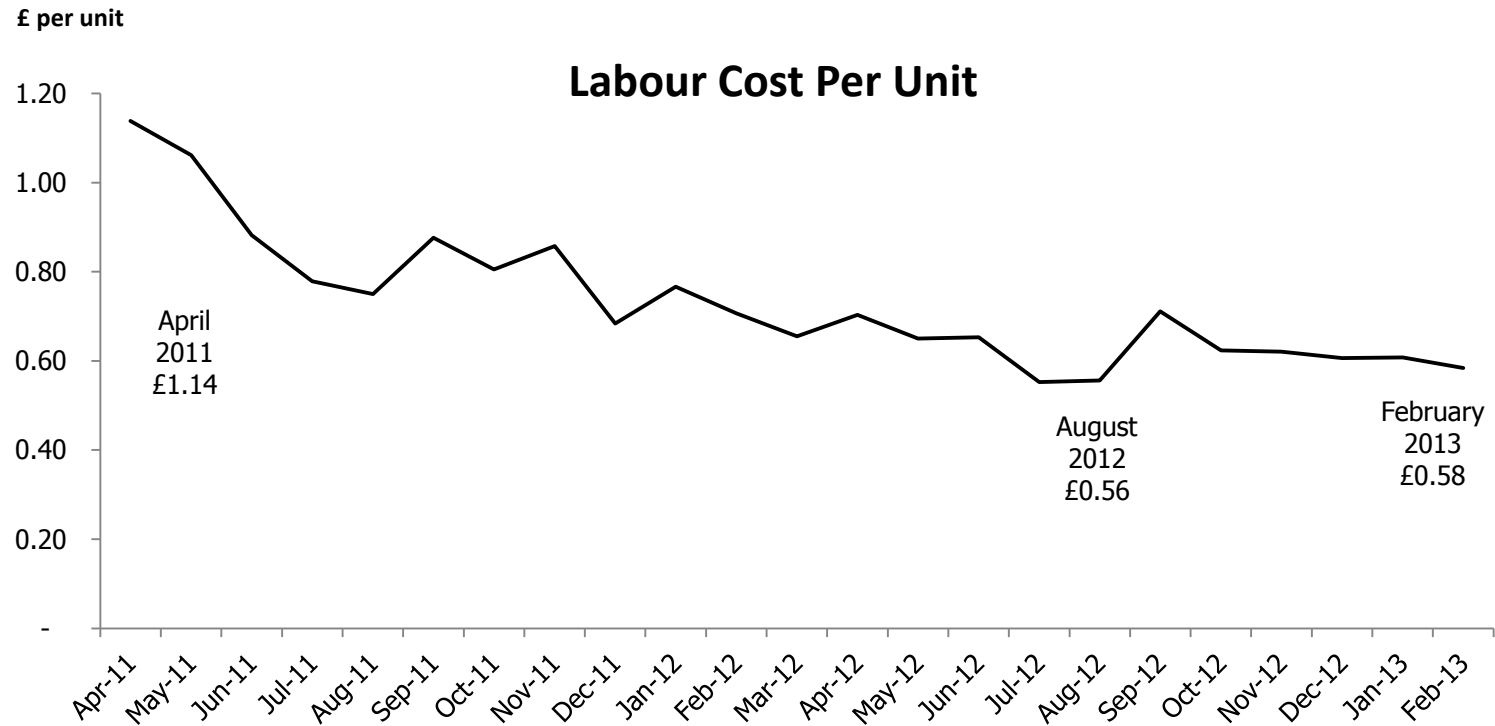
Global order contribution analysis

Six months to 28 February 2013		International				Group Total
	UK	US	EU	ROW	Total	
Total sales excluding third party revenues (£'000)	140,056	36,214	78,377	103,006	217,597	357,653
Gross profit excluding third party revenues (£'000)	63,796	20,630	37,980	55,120	113,730	177,526
Distribution costs (£'000)	(12,282)	(12,561)	(10,889)	(17,306)	(40,756)	(53,038)
Total contribution (£'000)	51,514	8,069	27,091	37,814	72,974	124,488
Number of orders ('000)	4,152	877	2,027	1,988	4,892	9,044
Contribution per order (£)	12.41	9.20	13.37	19.02	14.92	13.76
<i>6 months to 29 February 2012 contribution per order (£)</i>	<i>13.26</i>	<i>17.37</i>	<i>13.37</i>	<i>22.06</i>	<i>17.57</i>	<i>15.42</i>
Variance	(6%)	<i>(47%)</i>	-	<i>(14%)</i>	(15%)	(11%)

Operating costs

£'000s	H1 2012/13	% of sales	H1 2011/12	% of sales	Change %	Change in % of sales
Distribution costs	53,038	14.7%	36,548	13.5%	45%	(120bps)
Payroll and staff costs	30,164	8.4%	25,340	9.4%	19%	100bps
Warehousing	20,631	5.7%	16,135	6.0%	28%	30bps
Marketing	20,455	5.7%	10,872	4.0%	88%	(170bps)
Production	2,128	0.6%	1,832	0.7%	16%	10bps
Technology	4,621	1.3%	3,685	1.4%	25%	10bps
Other operating costs	16,377	4.6%	14,480	5.4%	13%	80bps
Depreciation	6,522	1.8%	4,499	1.7%	45%	(10bps)
Operating costs	153,936	42.8%	113,391	42.0%	36%	(80bps)

Warehouse Performance



Statement of Financial Position

£'000s	28 February 2013	31 August 2012
Goodwill and other intangible assets	27,559	23,236
Property, plant and equipment	27,416	27,293
Deferred tax asset	8,254	8,111
Non-current assets	63,229	58,640
Working capital	24,756	19,038
Net funds ¹	45,224	27,884
Current tax (liability)/asset	(4,242)	425
Net assets	128,967	105,987

¹ Cash and cash equivalents less bank borrowings

Fixed asset additions

	FY 2013 Guidance £'000	H1 2012/13 £'000	H1 2011/12 £'000
IT	23,330	8,379	8,896
Facilities	3,370	792	1,227
Warehouse	4,300	1,797	2,005
Total	31,000	10,968	12,128

Key terms and definitions

Retail sales	Sales of goods through our internet sites, net of returns
Group revenues	Retail sales, postage and packaging income 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 12 months, as at 28 February 2013
Unique visitors	Individuals visiting the site during February 2013
Labour cost per unit (LCPU)	Warehouse labour costs divided by units processed; excludes non-labour warehouse costs

ASOS Key Milestones



ASOS Key Milestones

asos

LAUNCHED
ASOS
MARKETPLACE

LAUNCHED
AMERICAN,
GERMAN
AND FRENCH
LANGUAGE
ASOS SITES

LAUNCHED
ASOS MOBILE

FREE DELIVERY
INTRODUCED
FOR ALL UK
ORDERS

asos
marketplace

asos
FREE Next Day
Delivery

asos
SEL

OPENED
OUR FIRST
INTERNATIONAL
OFFICE IN
SYDNEY,
AUSTRALIA THEN
FOLLOWED WITH
OUR SECOND
INTERNATIONAL
OFFICE IN NEW
YORK

asos
Oracle RetailWeek
AWARDS 2012
FINALIST

asos
60%
OFF OWN BRAND

asos
VOGUE
BEST DRESSED
SOCIAL
EDITION

2010

2011

2012

2013

asos
fashion finder

LAUNCHED
ASOS FASHION
FINDER

LAUNCHED
IPHONE AND
IPAD APP

LAUNCHED
AUSTRALIAN,
ITALIAN AND
SPANISH
LANGUAGE
ASOS SITES

OUR CUSTOMER
CARE CENTRE
GOES MULTI-
LINGUAL WITH FIVE
LANGUAGES
SPOKEN

FURTHER
INTERNATIONAL
OFFICES
OPENED IN
LILLE, FRANCE
AND BERLIN,
GERMANY

AWARDED 'BEST
IN THE UK'
FOR CUSTOMER
SERVICE FOR
THE SECOND
YEAR RUNNING

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