

ASOS.com



INTERIM RESULTS FOR THE SIX MONTHS TO 30 SEPTEMBER 2005

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22 MILLION BRITISH SHOPPERS WILL SPEND £5 BILLION ONLINE THIS CHRISTMAS, AN AVERAGE OF £208 EACH AND GENERATING 130 MILLION INTERNET SHOPPING DELIVERIES*

* Source: IMRG

HIGHLIGHTS

- Group sales +78% to £8.3m
- ASOS.com sales +86% to £8.1m
- Group loss before tax and amortisation of goodwill of £6,000 after £251,000 of one-off costs associated with warehouse move (2004: £240,000 profit)
- Group loss before tax £120,000 after one-off costs associated with warehouse move (2004: £126,000 profit)
- Significant investment in resource and capacity
- 725,000 registered users as at 27 November 2005
- ASOS.com sales +58% for 8 weeks to 27 November 2005

CHIEF EXECUTIVE'S STATEMENT

NICK ROBERTSON

I am pleased to report an increase in group sales of 78% for the period to £8.3m. Sales for ASOS.com, the group's main trading subsidiary, were up 86% to £8.1m.

In line with internal forecasts and following significant investment in resource and capacity, the group made a loss (before amortisation of goodwill and tax) of £6,000 versus a profit of £240,000 for the same period last year. The loss before tax was £120,000 against a profit of £126,000 for the same period last year. Basic loss per share was 0.17p (2004: earnings per share 0.18p). The figures above are after £251,000 of one-off costs associated with the warehouse move.

Capital expenditure within the period was £686,000 with a further £400,000 budgeted for the second half of the year.

The Market

According to the IMRG, 22 million British shoppers will spend £5 billion online this Christmas, an average of £208 each and generating 130 million Internet shopping deliveries.

Outlook

We have invested in our management and logistical teams, doubled the size of our buying and merchandising team and bought ourselves sufficient logistical capacity to support continued high levels of growth.

Last year we added four new departments: jewellery, footwear, beauty and accessories. This year, we have again responded to the needs of our customers and put a team together that can deliver 800 hot new fashion lines a month, double our average for the last 12 months.

ASOS is still very popular amongst its core target market and in October 2005 we were again the second most visited Clothing and Apparel site behind Next, attracting over 1.1 million unique visitors. In November 2005 we expect this to rise to 1.4 million unique visitors, a 46% increase year on year. As at 28 November, we had 725,000 registered users.

I remain optimistic about the prospects for the business. The strategy of delivering 800 new lines per month will be supported by strengthening our supplier terms and improving our gross margin. We will use the relatively quieter 4th quarter of the financial year ending 31 March 2006 to introduce technology efficiencies into our logistical operation.

Nick Robertson
Chief Executive Officer
29 November 2005

UNAUDITED CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2005

	Unaudited 6 Months to 30 September 2005 £000	Unaudited 6 Months to 30 September 2004 £000	Audited 12 Months to 31 March 2005 £000
Turnover	8,345	4,695	13,518
Cost of sales	(4,333)	(2,292)	(6,928)
Gross profit	4,012	2,404	6,590
Administrative Expenses	(4,053)	(2,179)	(5,522)
Operating profit before amortisation of goodwill	(41)	224	1,068
Amortisation of goodwill	(114)	(114)	(228)
Operating profit/(loss)	(155)	110	840
Net interest receivable	35	15	39
Profit/(loss) before taxation	(120)	126	878
Taxation	—	—	—
Profit/(Loss) after Taxation	(120)	126	878
Basic earnings/(loss) per share	(0.17p)	0.18p	1.3p
Fully diluted earnings/(loss) per share	(0.16p)	0.17p	1.2p

UNAUDITED CONSOLIDATED BALANCE SHEET

AS AT 30 SEPTEMBER 2005

	Unaudited as at 30 September 2005 £000	Unaudited as at 30 September 2004 £000	Audited as at 31 March 2005 £000
Fixed assets			
Intangible assets	1,134	1,363	1,248
Tangible assets	921	170	327
	2,055	1,532	1,576
Current assets			
Stock	1,487	1,068	1,587
Debtors	1,554	674	1,217
Cash at bank and in hand	1,399	1,261	2,060
	4,440	3,002	4,864
Creditors: amounts falling due within one year	(3,004)	(1,742)	(2,828)
Net current assets	1,436	1,260	2,036
Total assets less current liabilities	3,491	2,792	3,612
Capital and reserves			
Called up share capital	2,511	2,464	2,511
Share premium account	2,996	2,975	2,996
Profit and loss account	(2,016)	(2,647)	(1,895)
Shareholders' funds	3,491	2,792	3,612

UNAUDITED CONSOLIDATED SUMMARISED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2005

	Unaudited 6 Months to 30 September 2005 £000	Unaudited 6 Months to 30 September 2004 £000	Audited 12 Months to 31 March 2005 £000
Net cash (outflow)/inflow from operating activities	(9)	243	1,163
Net cash (outflow)/inflow from returns on investments and servicing of finance	35	15	39
Capital expenditure	(687)	(87)	(299)
Net cash inflow from financing	—	85	152
Increase/(decrease) in cash	(661)	256	1,055

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Unaudited 6 Months to 30 September 2005 £000	Unaudited 6 Months to 30 September 2004 £000	Audited 12 Months to 31 March 2005 £000
Operating profit/(loss)	(155)	110	840
Amortisation charge	114	114	228
Depreciation charge	76	34	88
Loss on disposal of fixed assets	16	—	—
(Increase)/decrease in stock	100	(546)	(1,066)
(Increase)/decrease in debtors	(337)	106	(436)
Increase/(decrease) in creditors	177	424	1,510
Net cash (outflow)/inflow from operating activities	(9)	243	1,163

NOTES TO THE ACCOUNTS

- 1.** The results for the six months ended 30 September 2005 have been prepared in accordance with applicable accounting standards and on the basis of the accounting policies set out in the audited accounts of the Company for the 12 months ended 31 March 2005.
- 2.** The interim accounts for the six months ended 30 September 2005 are unaudited and do not constitute statutory accounts in accordance with section 240 of the Companies Act 1985. The financial information for the six months ended 30 September 2004 has not been audited but has been extracted from the audited financial statements for the 12 months ended 31 March 2005 upon which the auditors gave an unqualified report and which do not contain a statement under Sections 237 (2) or 237 (3) of the Companies Act 1985. A copy of those financial statements has been filed with the Registrar of Companies.
- 3.** Basic loss per ordinary share has been calculated on the group's loss for the period attributable to shareholders and on the weighted number of ordinary shares in issue: 71,743,597 (30 September 2004: 68,903,256; 31 March 2005: 69,917,012). Fully diluted loss per ordinary share has been calculated on the group's loss for the period attributable to shareholders and on the weighted number of ordinary shares in issue used for the calculation of earnings per share above increased by the dilutive effect of potential ordinary shares from share option schemes 74,513,147 (30 September 2004: 73,987,139; 31 March 2005: 73,907,179).
- 4.** The Interim Report will be posted to all shareholders of the company and copies will be available upon application to ASOS PLC, 1 Kingsway, London, WC2B 6XD.

NOTES



ASOS.com

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