http://www.oblible.com

LISTING CIRCULAR

NOT FOR GENERAL CIRCULATION IN THE UNITED STATES

NEW LOOK

New Look Secured Issuer plc
New Look Senior Issuer plc

£1,201,200,000 (equivalent)

£700,000,000 6.5% Senior Secured Notes due 2022
€415,000,000 Floating Rate Senior Secured Notes due 2022
£200,000,000 8.0% Senior Notes due 2023

New Look Secured Issuer plc (the "Senior Secured Notes Issuer") issued £700,000,000 aggregate principal amount of its 6.5% Sterling Fixed Rate Senior Secured Notes due 2022 (the "Sterling Fixed Rate Senior Secured Notes" or the "Fixed Rate Senior Secured Notes") and €415,000,000 aggregate principal amount of its Floating Rate Senior Secured Notes due 2022 (the "Floating Rate Senior Secured Notes" and, together with the Fixed Rate Senior Secured Notes, the "Senior Secured Notes"). New Look Senior Issuer plc (the "Senior Notes Issuer" and, together with the Senior Secured Notes Issuer, the "Issuers") issued £200,000,000 aggregate principal amount of its 8.0% Senior Notes due 2023 (the "Senior Notes" and, together with the Senior Secured Notes, the "Notes").

The Senior Secured Notes Issuer will pay interest on the Fixed Rate Senior Secured Notes semi-annually in arrears on each May 15 and November 15, commencing on November 15, 2015. Prior to June 24, 2018, the Senior Secured Notes Issuer may redeem at its option all or a portion of each series of the Fixed Rate Senior Secured Notes by paying a "make-whole" premium. At any time on or after June 24, 2018, the Senior Secured Notes Issuer may redeem at its option all or part of the Fixed Rate Senior Secured Notes by paying a specified redemption price. In addition, prior to June 24, 2018, the Senior Secured Notes Issuer may redeem at its option no more than 40% of the aggregate principal amount of the Fixed Rate Senior Secured Notes with the net cash proceeds from certain equity offerings.

The Senior Secured Notes Issuer will pay interest on the Floating Rate Senior Secured Notes quarterly in arrears on each March 15, June 15, September 15 and December 15 commencing on September 15, 2015. Prior to June 24, 2016, the Senior Secured Notes Issuer may redeem at its option all or a portion of the Floating Rate Senior Secured Notes by paying a "make-whole" premium. At any time on or after June 24, 2016, the Senior Secured Notes Issuer may redeem at its option all or part of the Floating Rate Senior Secured Notes by paying a specified redemption price.

Upon certain events defined as constituting a change of control, the Senior Secured Notes Issuer may be required to make an offer to purchase the Senior Secured Notes. In the event of certain developments affecting taxation, the Senior Secured Notes Issuer may redeem all, but not less than all, of each series of the Senior Secured Notes.

The Senior Notes Issuer will pay interest on the Senior Notes semi-annually in arrears on each May 15 and November 15, commencing on November 15, 2015. Prior to June 24, 2018, the Senior Notes Issuer may redeem at its option all or a portion of the Senior Notes by paying a "make-whole" premium. At any time on or after June 24, 2018, the Senior Notes Issuer may redeem at its option all or part of the Senior Notes by paying a specified redemption price. In addition, prior to June 24, 2018, the Senior Notes Issuer may redeem at its option no more than 40% of the aggregate principal amount of the Senior Notes with the net cash proceeds from certain equity offerings.

Upon certain events defined as constituting a change of control, the Senior Notes Issuer may be required to make an offer to purchase the Senior Notes. In the event of certain developments affecting taxation, the Senior Notes Issuer may redeem all, but not less than all, of the Senior Notes.

Pending the consummation of the Acquisition, the Initial Purchasers (as defined herein) deposited the proceeds from the offering of the Senior Secured Notes, less certain deductions in respect of fees and expenses, into the Senior Secured Notes Escrow Accounts (as defined herein) and deposited proceeds from the offering of the Senior Notes, less certain deductions in respect of fees and expenses, into the Senior Notes Escrow Account (as defined herein). The Acquisition was consummated on June 25, 2015, and the proceeds were released from escrow on the same date.

Each series of Senior Secured Notes are senior obligations of the Senior Secured Notes Issuer. Upon issuance, each series of Senior Secured Notes was secured by a charge over the Senior Secured Notes Escrow Accounts and is guaranteed (the "Senior Secured Notes Guarantees") on a senior secured basis by New Look Finance Limited (the "Company") and certain of its subsidiaries, including the Senior Notes Issuer (collectively, the "Senior Secured Notes Guarantors").

The Senior Notes are senior obligations of the Senior Notes Issuer. Upon issuance, the Senior Notes were secured by a charge over the Senior Notes Escrow Account and are guaranteed (the "Senior Notes Guarantees" and, together with the Senior Secured Notes Guarantees, the "Notes Guarantees") on a senior subordinated basis by the Company and certain of its subsidiaries, including the Senior Secured Notes Issuer (collectively, the "Senior Notes Guarantors").

The Senior Secured Notes are secured by first priority security interests over substantially the same assets that secure the Revolving Credit Facility (as defined herein), subject to the operation of the Agreed Security Principles (as defined herein), and the Senior Notes are secured by senior subordinated security interests over substantially the same assets that secure the Senior Secured Notes, subject to the operation of the Agreed Security Principles. See "*Summary—The Offering—Security*."

This listing circular includes information on the terms of the Notes and the Notes Guarantees, including redemption and repurchase prices, security, covenants and transfer restrictions.

The Notes are represented by global notes which were delivered through Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking, *société anonyme* ("Clearstream"), on June 24, 2015.

Application has been made to list the Notes on the Official List of the Luxembourg Stock Exchange and for trading on the Euro MTF market of the Luxembourg Stock Exchange (the "Euro MTF"). This listing circular constitutes a Prospectus for the purposes of Luxembourg law dated July 10, 2005 on prospectuses for securities, as amended, and may be used only for the purposes for which it has been published.

Investing in the Notes involves risk. See "*Risk Factors*" beginning on page 35.

Sterling Fixed Rate Senior Secured Notes Price: 100.00% plus accrued interest, if any, from the Issue Date
Floating Rate Senior Secured Notes Price: 99.75% plus accrued interest, if any, from the Issue Date
Senior Notes Price: 100.00% plus accrued interest, if any, from the Issue Date

---

The Notes and the Notes Guarantees have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or the laws of any other jurisdiction. The Notes and the Notes Guarantees may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except to qualified institutional buyers in reliance on the exemption from registration provided by Rule 144A under the U.S. Securities Act ("Rule 144A") and to certain persons in offshore transactions in reliance on Regulation S under the U.S. Securities Act ("Regulation S"). You are hereby notified that sellers of the Notes and the Notes Guarantees may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A. Outside the United States, sellers may be relying on Regulation S under the U.S. Securities Act. See "*Notice to Investors*" and "*Transfer Restrictions*" for additional information about eligible offerees and transfer restrictions.

Joint Global Coordinators and Bookrunning Managers

Goldman Sachs International **J.P. Morgan** **Nomura**

Joint Bookrunners

Deutsche Bank **HSBC** **Lloyds Bank** **The Royal Bank of Scotland**

The date of this listing circular is July 24, 2015

http://www.oblible.com

TABLE OF CONTENTS

	Page
Summary	1
Risk Factors	35
Use of Proceeds	68
Capitalisation	69
Selected Historical Financial Data	70
Management's Discussion and Analysis of Our Financial Condition and Results of Operations	74
Industry	105
Business	111
Management	143
Principal Shareholders	146
Related Party Transactions	147
Description of Other Indebtedness	148
Description of the Senior Secured Notes	176
Description of the Senior Notes	249
Taxation	319
Certain Limitations on Validity and Enforceability	326
Book-Entry, Delivery and Form	330
Transfer Restrictions	334
Plan of Distribution	336
Legal Matters	338
Independent Auditors	339
Enforceability of Judgments	340
Where You Can Find More Information	341
Listing and General Information	342
Index to Consolidated Financial Statements	F-1

We have not authorised anyone to provide any information or to make any representations other than those contained in this listing circular. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. The information contained in this listing circular is current only as of its date. Our business, results of operations, financial condition and prospects may have changed since that date.

We have prepared this listing circular, and we are solely responsible for its contents. You are responsible for making your own examination of us and your own assessment of the merits and risks of investing in the Notes. In making your investment decision, you should not consider any information in this listing circular to be investment, legal or tax advice. You should consult your own counsel, accountant and other advisors for legal, tax, business, financial and related advice regarding purchasing the Notes. By purchasing the Notes, you will be deemed to have acknowledged that:

- you have reviewed this listing circular;
- you have had an opportunity to request, receive and review additional information that you need from us;
- you have made certain acknowledgements, representations and agreements as set forth under the caption "*Transfer Restrictions*;" and
- the Initial Purchasers are not responsible for, and are not making any representation to you concerning, our future performance or the accuracy or completeness of this listing circular.

None of the Initial Purchasers undertakes to review the financial condition or affairs of any of the Issuers or the Guarantors during the life of the Notes nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Initial Purchasers.

THE SECURITIES DESCRIBED HEREIN HAVE NOT BEEN RECOMMENDED BY ANY UNITED STATES FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The distribution of this offering memorandum and the Offering and sale of the Notes in certain jurisdictions may be restricted by law. The Issuers and the Initial Purchasers (as defined below) require persons into whose possession this listing circular comes to inform themselves about and to observe any such restrictions, and neither the Issuers nor the Initial Purchasers shall have any responsibility therefor. This listing circular does not constitute an offer of, or an invitation to purchase, the Notes in any jurisdiction in which such offer or invitation would be unlawful. For further information, see "*Transfer Restrictions*."

The Notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the U.S. Securities Act and all other applicable securities laws. See "*Plan of Distribution*" and "*Transfer Restrictions*." You should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time.

We have prepared this listing circular solely for use in connection with the listing of the Notes. In the United States, you may not distribute this listing circular or make copies of it without our prior written consent other than to people you have retained to advise you in connection with this the Notes.

This listing circular summarises material documents and other information, and we refer you to them for a more complete understanding of what we discuss in this listing circular. In making an investment decision, you must rely on your own examination of us and the terms of the Offering and the Notes, including the merits and risks involved. See "*Where You Can Find More Information*."

We reserve the right to withdraw the Offering of the Notes at any time, and the Initial Purchasers reserve the right to reject any commitment to subscribe for the Notes in whole or in part and to allot to any prospective purchaser less than the full amount of the Notes sought by such purchaser. Any Initial Purchaser or certain of their affiliates may acquire for their own account a portion of the Notes.

Application has been made to list the Notes on the Official List of the Luxembourg Stock Exchange and to admit the Notes to trading on the Euro MTF market.

See "*Risk Factors*" for a description of some important risks related to an investment in the Notes described in this listing circular.

IN CONNECTION WITH THIS OFFERING, GOLDMAN SACHS INTERNATIONAL (THE "STABILISING MANAGER") (OR ANY PERSON ACTING ON BEHALF OF THE STABILISING MANAGER) MAY OVER-ALLOT OR EFFECT TRANSACTIONS FOR A LIMITED PERIOD OF TIME WITH A VIEW TO SUPPORTING THE MARKET PRICES OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THE STABILISING MANAGER IS NOT OBLIGATED TO DO THIS AND THERE CAN BE NO ASSURANCE THAT THE STABILISING MANAGER (OR ANY PERSON ACTING ON BEHALF OF THE STABILISING MANAGER) WILL UNDERTAKE STABILISATION ACTION. ANY STABILISATION ACTION, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME, AND MUST BE BROUGHT TO AN END AFTER A LIMITED PERIOD.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER RSA 421-B WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY, OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT, ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

NOTICE TO INVESTORS

European Economic Area

This listing circular has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area will be made pursuant to an exemption under the Prospectus Directive from the requirement to produce a prospectus for offers of the Notes. Accordingly, any person making or intending to make any offer within that Member State of Notes, which are the subject of the offering contemplated in this listing circular, may only do so in circumstances in which no obligation arises for either of the Issuers or the Initial Purchasers to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. None of the Issuers or the Initial Purchasers has authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuers or the Initial Purchasers to publish a prospectus or supplement a prospectus for such offer. The expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Member State), and includes any relevant implementing measure in the Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

Luxembourg

The Notes may not be offered to the public in Luxembourg, except that they may be offered in Luxembourg in the following circumstances:

- in the period beginning on the date of publication of a prospectus in relation to those Offered Securities which have been approved by the Commission de surveillance du secteur financier (CSSF) in Luxembourg or, where appropriate, approved in another relevant European Union Member State and notified to the CSSF, all in accordance with the Prospectus Directive and ending on the date which is 12 months after the date of such publication;
- at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last fiscal year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or
- at any time in any other circumstances which do not require the publication by the Issuers of a prospectus pursuant to article 5 of the Luxembourg law of July 10, 2005 implementing article 3 of the Prospectus Directive.

For the purposes of this provision, the expression "an offer of Notes to the public" in relation to any Notes in Luxembourg means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase the Notes, as defined in the Law of July 10, 2005 on prospectuses for securities and implementing Directive 2003/71/EC of the European Parliament and of the Council of November 4, 2003 on the prospectus to be published when securities are offered to the public or admitted to trading (the "Prospectus Directive"), or any variation thereof or amendment thereto.

United Kingdom

This listing circular is only being distributed to and is only directed at persons who (i) are investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) of the United Kingdom (the "Order"), (ii) are persons falling within Article 49(2)(a) to (d) of the Order or (iii) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 of the United Kingdom, or "FSMA") in connection with the issue or sale of any Notes may lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). Accordingly, by accepting delivery of this listing circular, the recipient warrants and acknowledges that it is such a relevant person. The Notes are available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Notes will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents. No part of this listing circular should be published, reproduced, distributed or otherwise made available in whole or in part to any other person without the prior written consent of the Company. The Notes are not being offered or sold to any person in the United Kingdom, except in circumstances which will not result in an offer of securities to the public in the United Kingdom within the meaning of Part VI of the Financial Services and Markets Act 2000.

Switzerland

Neither this listing circular nor any other offering or marketing material relating to the Offering, the Company or the Notes have been or will be filed with or approved by any Swiss regulatory authority. In particular, this listing circular will not be filed with, and the offer of Notes was not supervised by, the Swiss Financial Market Supervisory Authority, and the offer of Notes has not been and will not be authorised under the Swiss Federal Act on Collective Investment Schemes (the "CISA"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of Notes.

USE OF TERMS

Unless otherwise specified or the context requires otherwise in this listing circular, references to:

- "*2013 fiscal year*" are to the 53 week period ended March 30, 2013 with respect to NLRGL.
- "*2013 Refinancing Transactions*" are to:
  - the issuance by New Look Bondco I plc of the Existing Notes;
  - the purchase by the Company of the former PIK loans that were validly tendered and accepted in exchange for the Existing PIK Loans and cash, which was funded by the proceeds of the offering of the Existing Notes;
  - the repayment of all outstanding indebtedness under the former mezzanine facility agreement and the payment of related accrued interest and break costs in connection with the cancellation of the former mezzanine facility agreement;
  - the repayment of all outstanding indebtedness under the former senior facilities agreement and the payment of related accrued interest and break costs in connection with the cancellation of the former senior facilities agreement;
  - the entry into the Existing Revolving Credit Facility; and
  - the payment of fees and expenses in connection with the foregoing transactions, including the fees and expenses to be incurred in connection with the offering of the Existing Notes.
- "*2014 fiscal year*" are to the 52 week period ended March 29, 2014 with respect to NLRGL.
- "*2015 fiscal year*" are to the 52 week period ended March 28, 2015 with respect to NLRGL.
- "*Acquisition*" are to the meaning ascribed to such term under "*Summary—Recent Developments—The Acquisition*."
- "*Agreed Security Principles*" are to the "Agreed Security Principles" set out in an annex to the Revolving Credit Facility Agreement, as applied *mutatis mutandis* with respect to the Notes in good faith by the Issuers.
- "*Apax*" are to Apax Partners LLP or one or more funds or limited partnerships advised by Apax Partners LLP or managed by Apax Partners Europe Managers Ltd or any of its affiliates or direct or indirect subsidiaries from time to time.
- "*Brait*" are to Brait SE or any of its affiliates or direct or indirect subsidiaries from time to time.
- "*Brait Acquisition Agreement*" are to the acquisition agreement, dated as of May 14, 2015, by and among a newly-incorporated entity formed by Brait, entities managed by Apax, entities managed by Permira, entities holding the Tom Singh family interests and members of New Look's current and former senior management team.
- "*CAGR*" are to compound annual growth rate.
- "*Company*" or "*New Look Finance*" are to New Look Finance Limited, incorporated in England and Wales under the Companies Act 2006 on March 26, 2013 and registered with number 08462233.
- "*Completion Date*" are to June 25, 2015.
- "*E-commerce*" are to, collectively, our New Look E-commerce and Third-Party E-commerce operations.
- "*Escrow Accounts*" are to, collectively, the Senior Secured Notes Escrow Accounts and the Senior Notes Escrow Account.
- "*Escrow Agent*" are to Deutsche Bank AG, London Branch, as Escrow Agent under the Escrow Agreements.

- "*Escrow Agreements*" are to, collectively, the Senior Secured Notes Escrow Agreement and the Senior Notes Escrow Agreement.
- "*EU*" are to the European Union.
- "*euro*" or "*€*" are to the lawful currency of the European Monetary Union.
- "*Euro Notes*" are to the Floating Rate Senior Secured Notes.
- "*Existing Dollar Fixed Rate Senior Secured Notes*" are to the $250 million aggregate principal amount of 8.375% senior secured notes due 2018 issued by New Look Bondco I plc on May 14, 2013.
- "*Existing Floating Rate Senior Secured Notes*" are to the €175 million aggregate principal amount of floating rate senior secured notes due 2018 issued by New Look Bondco I plc on May 14, 2013.
- "*Existing Notes*" are to, collectively, the Existing Sterling Fixed Rate Senior Secured Notes, the Existing Dollar Fixed Rate Senior Secured Notes and the Existing Floating Rate Senior Secured Notes.
- "*Existing PIK Facility*" are to the PIK loan facility agreement dated May 14, 2013 among, *inter alios*, New Look Finance II plc as the borrower, the other guarantors and New Look Bondco I plc, as guarantors, Goldman Sachs International and J.P. Morgan Limited as arrangers, the lenders thereunder and Goldman Sachs Lending Partners LLC as administrative agent. The facility thereunder is referred to as the "*Existing PIK Facility*" and the loans thereunder are referred to as the "*Existing PIK Loans*." The Existing PIK Facility was repaid in full as part of the Refinancing Transactions. See "*Use of Proceeds*."
- "*Existing Revolving Credit Facility*" are to our £75 million revolving credit facility entered into on May 3, 2013, between, *inter alios*, the Company, as borrower, the lenders, and Deutsche Bank AG, London Branch, as arranger, facility agent and security agent and as amended and restated from time to time.
- "*Existing Sterling Fixed Rate Senior Secured Notes*" are to the £500 million aggregate principal amount of 8.75% senior secured notes due 2018 issued by New Look Bondco I plc on May 14, 2013.
- "*Fixed Rate Senior Secured Notes*" are to the Sterling Fixed Rate Senior Secured Notes.
- "*Floating Rate Senior Secured Notes*" are to the €415 million aggregate principal amount of floating rate senior secured notes due 2022 issued by the Senior Secured Notes Issuer.
- "*Former PIK Facility Agreement*" are to the unsecured payment in kind loan term and facility agreement dated May 30, 2006, among Pedalgreen, Goldman Sachs Credit Partners L.P., and the other parties thereto. The facility thereunder is referred to as the "*Former PIK Facility*" and the loans thereunder are referred to as the "*Former PIK Loans.*"
- "*Franchise*" are to New Look stores operated by our franchise partners predominantly in the Middle East, Asia, Europe and North Africa.
- "*Guarantors*" are, collectively, to the Senior Secured Notes Guarantors and the Senior Notes Guarantors (each, a "*Guarantor*").
- "*IFRS*" are to International Financial Reporting Standards, as adopted by the EU.
- "*Indentures*" are to, collectively, the Senior Secured Notes Indenture and the Senior Notes Indenture.
- "*Initial Purchasers*" are to, collectively, Goldman Sachs International; J.P. Morgan Securities plc; Nomura International plc; Deutsche Bank AG, London Branch; HSBC Bank plc; Lloyds Bank plc; and The Royal Bank of Scotland plc.
- "*Intercreditor Agreement*" are to the intercreditor agreement entered into on the Completion Date, among, *inter alios*, the Issuers, the Guarantors, the Security Agent, the lenders and agent under the Revolving Credit Facility Agreement, certain counterparties under hedging obligations and the Trustee.
- "*Issue Date*" are to June 24, 2015.
- "*Issuers*" are to, collectively, the Senior Secured Notes Issuer and the Senior Notes Issuer.
- "*New Look*," the "*Group*," "*we*," "*us*" or "*our*" are to NLRGL and its subsidiaries.
- "*New Look E-commerce*" are to our own e-commerce and m-commerce operations.
- "*New Look International*" are to our New Look directly operated stores in Belgium, China, France, Ireland, the Netherlands and Poland and our concession stores operated in the Netherlands and Germany.

- "*NLRGL*" are to New Look Retail Group Limited, incorporated in England and Wales under the Companies Act 2006 on May 9, 2006 and registered with number 05810406.
- "*Notes*" are to, collectively, the Senior Secured Notes and the Senior Notes.
- "*Notes Guarantees*" are to, collectively, the Senior Secured Notes Guarantees and the Senior Notes Guarantees.
- "*Offering*" are to the offering of the Notes.
- "*Paying Agent*" are to Deutsche Bank AG, London Branch, as the Paying Agent under the Indentures with respect to the Notes.
- "*Pedalgreen*" are to Pedalgreen Limited incorporated in England and Wales under the Companies Act 2006 on May 9, 2006 and registered with number 05810408.
- "*Permira*" are to Permira Advisers LLP or one or more funds or limited partnerships managed or advised by Permira Advisers LLP or any of its affiliates or direct or indirect subsidiaries from time to time.
- "*pound sterling*" or "*£*" are to the lawful currency of the United Kingdom.
- "*Redemption Date*" are to the date of redemption of the Existing Notes, which occurred on June 26, 2015.
- "*Refinancing Transactions*" are to:
  - the issuance by the Issuers of £1,201.2 million (equivalent) aggregate principal amount of Notes;
  - the entry into the Revolving Credit Facility and the discharge and termination of the Existing Revolving Credit Facility;
  - the extension of the proceeds of the Notes as subordinated intercompany loans to the Company (together, the "*Proceeds Loans*" and each a "*Proceeds Loan*");
  - the redemption in full of the outstanding Existing Notes, including payment of the relevant redemption premiums and accrued and unpaid interest, with a portion of the proceeds of the Offering (the "*Redemption*");
  - the repayment in full of the outstanding Existing PIK Loans under the Existing PIK Facility with a portion of the proceeds of the Offering, including prepayment fees and accrued and unpaid interest, and the discharge and termination of the Existing PIK Facility;
  - the settlement of currency hedging obligations in connection with the Existing Notes; and
  - the payment of costs, fees and expenses in connection with the foregoing transactions, including the fees and expenses incurred in connection with the Offering; and the Acquisition.
- "*Registrar*" are to Deutsche Bank Luxembourg S.A., as the Registrar under the Indentures with respect to the Notes.
- "*Restricted Group*" are to the Company and its subsidiaries.
- "*Retail Stock Management Programme*" are to the new core business system programme, which will upgrade and replace a number of our current systems with new global retail systems. The programme will cover a number of core business capabilities throughout the stock management lifecycle from item creation to financial reconciliation.
- "*Revolving Credit Facility*" are to the £100 million revolving credit facility entered into on the Completion Date, as may be amended or supplemented from time to time, among, *inter alios*, the Company, Deutsche Bank AG, London Branch, as facility agent and the Security Agent, as described more fully under "*Description of Other Indebtedness—Revolving Credit Facility Agreement.*"
- "*Revolving Credit Facility Agreement*" are to the agreement governing the Revolving Credit Facility.
- "*Sales*" are to Gross transactional value, as defined under "*Presentation of Financial and Other Information*."
- "*Security Agent*" are to Deutsche Bank AG, London Branch, as security agent under the Intercreditor Agreement and the Revolving Credit Facility, among other agreements.
- "*Security Document*" are to an English law governed debenture entered into on the Redemption Date, among the Company, the Security Agent and the other charging companies party thereto.

- "*Senior Notes*" are to the £200 million aggregate principal amount of 8.0% senior notes due 2023 issued by the Senior Notes Issuer.
- "*Senior Notes Escrow Account*" are to the escrow account into which the proceeds from the offering of the Senior Notes, less certain deductions in respect of fees and expenses, were deposited on the Issue Date pending consummation of the Acquisition.
- "*Senior Notes Escrow Agreement*" are to the agreement dated the Issue Date, among the Senior Notes Issuer, the Trustee and the Escrow Agent relating to the Senior Notes Escrow Accounts.
- "*Senior Notes Guarantees*" are to guarantees issued by each of the Senior Notes Guarantors, in each case, guaranteeing the Senior Notes.
- "*Senior Notes Guarantors*" are to, collectively, Hamperwood Limited, the Company, New Look Group Limited, New Look Limited, New Look Overseas Limited, New Look Retailers Limited and the Senior Secured Notes Issuer (each, a "*Senior Notes Guarantor*").
- "*Senior Notes Indenture*" are to the indenture dated the Issue Date governing the Senior Notes by and among, *inter alios*, the Senior Notes Issuer, the Senior Notes Guarantors and the Trustee.
- "*Senior Notes Issuer*" are to New Look Senior Issuer plc, incorporated in England and Wales under the Companies Act 2006 on May 28, 2015 and registered with number 9612440.
- "*Senior Secured Notes*" are to the Fixed Rate Senior Secured Notes and the Floating Rate Senior Secured Notes.
- "*Senior Secured Notes Escrow Accounts*" are to the escrow accounts into which the proceeds from the offering of the Senior Secured Notes, less certain deductions in respect of fees and expenses, were deposited on the Issue Date pending consummation of the Acquisition.
- "*Senior Secured Notes Escrow Agreement*" are to the agreement dated the Issue Date among the Senior Secured Notes Issuer, the Trustee and the Escrow Agent relating to the Senior Secured Notes Escrow Accounts.
- "*Senior Secured Notes Guarantees*" are to guarantees issued by each of the Senior Secured Notes Guarantors, in each case, guaranteeing the Senior Secured Notes.
- "*Senior Secured Notes Guarantors*" are to, collectively, Hamperwood Limited, the Company, New Look Group Limited, New Look Limited, New Look Overseas Limited, New Look Retailers Limited and the Senior Notes Issuer (each, a "*Senior Secured Notes Guarantor*").
- "*Senior Secured Notes Indenture*" are to the indenture dated the Issue Date governing the Senior Secured Notes by and among, *inter alios*, the Senior Secured Notes Issuer, the Senior Secured Notes Guarantors and the Trustee.
- "*Senior Secured Notes Issuer*" are to New Look Secured Issuer plc, incorporated in England and Wales under the Companies Act 2006 on May 28, 2015 and registered with number 9613066.
- "*Sterling Notes*" are to the Sterling Fixed Rate Senior Secured Notes and the Senior Notes.
- "*Sterling Fixed Rate Senior Secured Notes*" are to the £700 million aggregate principal amount of 6.5% senior secured notes due 2022 issued by the Senior Secured Notes Issuer.
- "*Third-Party E-commerce*" or "*3PE*" are to our partnerships with and the sale of our products through the websites of our third-party e-commerce partners.
- "*Transfer Agent*" are to Deutsche Bank Luxembourg S.A., as the Transfer Agent under the Indentures with respect to the Notes.
- "*Trinitybrook*" are to Trinitybrook Limited incorporated in England and Wales under the Companies Act 2006 on October 30, 2003 and registered with number 04948095.
- "*Trustee*" refers to Deutsche Trustee Company Limited, as trustee under the Indentures.
- "*UK Retail*" are to our UK Retail operating segment, which comprises of our operations and operating results relating to our New Look owned stores in the United Kingdom.
- "*U.S. dollar*," "*dollar*" or "*$*" are to the lawful currency of the United States.

FORWARD LOOKING STATEMENTS

Certain of the statements made in this listing circular may be considered to be "forward looking statements," as that term is defined in the U.S. Private Securities Litigation Reform Act of 1995, such as statements that include the words "expect," "estimate," "believe," "project," "plan," "anticipate," "should," "intend," "probability," "risk," "may," "target," "goal," "objective" and similar expressions or variations on such expressions. These statements appear in a number of places throughout this listing circular, including in the sections captioned "*Risk Factors*," "*Use of Proceeds*," "*Management's Discussion and Analysis of Our Financial Condition and Results of Operations*" and "*Business.*" These statements concern, among other things:

- strategies, outlook and growth prospects;
- future plans and potential for growth;
- trends affecting our financial condition or results of operations;
- trends and developments affecting the markets in which we operate;
- our liquidity, capital resources and capital expenditure;
- the general economic outlook and industry trends;
- competition in areas of our business; and
- our plans to launch new or expand existing products.

Such forward looking statements are not guarantees of future performance and involve risks and uncertainties. Our actual results may differ materially as a result of various factors. These factors include, but are not limited to:

- competitive pressures in the markets in which we operate;
- our ability to anticipate, identify and respond to changing fashion trends and consumer preferences and demands in a timely manner;
- economic conditions, consumer confidence, spending patterns and market disruptions in our domestic or foreign markets;
- extreme or unseasonal weather conditions;
- risks associated with E-commerce sales;
- our ability to identify local demands and compete in international markets;
- variations in raw material price and availability of raw material stock and inflationary pressure affecting labour costs;
- the reliability and availability of our supply chain;
- our dependence on key personnel;
- our dependence on the success of shopping centres and town centres in which our stores are located;
- events that impact our reputation or brand value;
- our capability to successfully implement our business strategy;
- risks associated with conducting business in, and importing products from, developing countries;
- our susceptibility to changes in holiday shopping patterns;
- our ability to maintain proper inventory levels;
- product defects;
- negative public perceptions of us or our suppliers and other partners, including with respect to ethical business practices;
- our dependence on our warehousing and distribution infrastructure;
- disruptions or other adverse events affecting our relationships with our service providers;
- our dependence on third-party E-commerce business partners;
- risks associated with lower gross margins from E-commerce sales;

- our ability to implement our new inventory planning and management system;
- interruptions or failures of our information technology systems;
- natural disasters, public health crises, political crises or other catastrophic events;
- fluctuations in currency exchange rates;
- defaults of counterparties in respect of monies and products owed to us;
- risks associated with our predominantly leasehold property portfolio;
- risks associated with our franchise business;
- insufficient insurance and increases in insurance premiums;
- tax risks;
- complaints and litigation;
- legal and regulatory risks;
- theft or misappropriation of customer data;
- risks relating to potential infringement of third-party intellectual property rights or enforcement of our intellectual property rights; and
- risks relating to our substantial indebtedness, our restrictive debt covenants, floating interest rates, our structure, and our ability to meet our debt service obligations.

Investors are cautioned not to place undue reliance on these forward looking statements, which speak only as of the date of this listing circular. We undertake no obligation, and do not intend, to release publicly the result of any revisions to these forward looking statements which may be made to reflect events or circumstances after the date of this listing circular, including changes in our business or strategy or planned capital expenditure, or to reflect the occurrence of unanticipated events.

We provide a cautionary discussion of risks and uncertainties under "*Risk Factors*" contained elsewhere in this listing circular. These are factors that we think would cause our actual results to differ materially from expected results. Other factors besides those listed here could also adversely affect us.

AVAILABLE INFORMATION

We have agreed to provide certain information, as described in "*Description of the Senior Secured Notes—Certain Covenants—Reports*" and "*Description of the Senior Notes—Certain Covenants—Reports*," to the Trustee and to make such information available to the holders of the Notes (the "Noteholders") and to potential investors.

In addition, for so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF market and the rules of the Luxembourg Stock Exchange so require, we will also provide a copy of such information and reports to the Luxembourg Stock Exchange and make this information available in Luxembourg at the office of the Registrar.

Information on the website of NLRGL, any website directly or indirectly linked to the website of NLRGL or any other website mentioned in this listing circular is not incorporated by reference into this listing circular and prospective investors should not rely on any such website in making their decision to invest in the Notes. See also "*Where You Can Find More Information*."

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Financial Data

The Senior Secured Notes Issuer was incorporated on May 28, 2015 for the purposes of facilitating the Refinancing Transactions. The Senior Secured Notes Issuer has no material assets or liabilities, has no other indebtedness, and has not engaged in any activities other than the issue of the Senior Secured Notes. The Senior Secured Notes Issuer is a finance subsidiary of the Company.

The Senior Notes Issuer was incorporated on May 28, 2015 for the purposes of facilitating the Refinancing Transactions. The Senior Notes Issuer has no material assets or liabilities, has no other indebtedness and has not engaged in any activities other than the issue of the Senior Notes. The Senior Notes Issuer is a finance subsidiary of the Company.

The Company is a wholly owned indirect subsidiary of NLRGL. Unless otherwise indicated, the financial information presented in this listing circular is the historical consolidated financial information of NLRGL and

its consolidated subsidiaries. NLRGL's audited consolidated financial statements as of and for the 53 week period ended March 30, 2013 and the 52 week periods ended March 29, 2014 and March 28, 2015 included in this listing circular have been prepared in accordance with IFRS.

NLRGL's historical consolidated financial information includes the results of operations and financial position of certain subsidiaries which are subsidiaries of NLRGL, but not subsidiaries of the Company. As a result, NLRGL's historical consolidated financial information is not directly comparable to the consolidated financial information of the Company for any prior periods. The material differences between the financial position and results of operations of NLRGL and the Company relate to the Former PIK Facility, which was repaid in full and extinguished in May 2013 as part of the 2013 Refinancing Transactions. Pedalgreen, a subsidiary of NLRGL but not of the Company, was the borrower under the Former PIK Facility. Accordingly, the material differences between the financial position and results of operations of NLRGL and the Company relate to Pedalgreen's payment of interest expense and release of a deferred tax asset relating to the Former PIK Facility during the 52 week period ended March 29, 2014. There are no material differences between the financial position and results of operations of NLRGL and the Company for the 52 week period ended March 28, 2015. In addition, there are no material differences between the financial position and results of operations of NLRGL and the Company for either of the 52 week periods ending March 29, 2014 and March 28, 2015 with respect to the activities and operations of Trinitybrook, which is a holding company and a subsidiary of NLRGL but not of the Company.

Our fiscal year runs from the calendar day following the previous fiscal year end to the Saturday nearest to our accounting reference date, which was March 30, 2013 for the 53 week period in 2013, March 29, 2014 for the 52 week period in 2014 and March 28, 2015 for the 52 week period in 2015. Accordingly, from time to time, including in 2013, our fiscal year accounting period covers a 53 week period, which impacts the comparability of results to the 2014 and 2015 fiscal years, each of which was a 52 week period. Despite the additional trading week in the 53 week period ended March 30, 2013, we generated higher revenue, Adjusted EBITDA and underlying operating profit in the 52 week periods ended March 29, 2014 and March 28, 2015 compared to the 53 week period ended March 30, 2013.

On November 22, 2014, we fully disposed of Mim SAS, Mim Belgique and SCI Geometry Properties France to Main Asia (HK) Limited, an independent company advised by Asia Global. As a result, NLRGL's audited consolidated financial statements as of and for the 52 week period ended March 28, 2015, show the continuing operations of New Look and the discontinued operations of Mim. The comparative information for the 52 week period ended March 29, 2014, which appears in NLRGL's audited consolidated financial statements as of and for the 52 week period ended March 28, 2015, has been restated to show the continuing operations of New Look and the discontinued operations of Mim. The financial information for the 52 week period ended March 29, 2014 included herein is derived from such comparative information. For comparative purposes, we have also presented restated unaudited financial information presenting Mim as a discontinued operation as of and for the 53 week period ended March 30, 2013 in this listing circular. Mim's result for the 34 weeks ended November 22, 2014 was a profit after tax of £3.9 million, which included a gain on disposal of the Mim subsidiaries of £7.4 million. Mim's result for the 52 week period ended March 29, 2014, was a loss of £67.1 million, which included an impairment charge of £64.2 million to write down the value of Mim's net assets. Mim's result for the 53 week period ended March 30, 2013 was a loss of £2.9 million.

Our consolidated financial information is presented in pound sterling.

Rounding adjustments have been made in calculating some of the financial information included in this listing circular. As a result, figures shown as totals in some tables may not be exact arithmetic aggregations of the figures that precede them.

Other Financial Measures

Throughout this listing circular, we present financial measures and adjustments, some of which are not presented in accordance with IFRS, or any other internationally accepted accounting principles, including Adjusted EBITDA, Adjusted EBITDA margin, Adjusted EBITDAR, Adjusted EBITDAR margin, capital expenditure, free cash flow, free cash flow conversion, gross margin, gross transactional value, like-for-like sales, net capital expenditure, Pro Forma Consolidated EBITDA, Pro Forma Consolidated EBITDA margin, store contribution, store unit cover, underlying operating profit and underlying operating profit margin.

We have defined each of the above earnings measures and earnings adjustments as follows:

"Adjusted EBITDA" is underlying operating profit before depreciation of property, plant and equipment and amortisation of intangible fixed assets.

"Adjusted EBITDA margin" is Adjusted EBITDA divided by our total revenue for the period.

"Adjusted EBITDAR" is underlying operating profit before depreciation of property, plant and equipment, amortisation of other intangible fixed assets and minimum lease payments (which include amortisation of lease incentives and premiums).

"Adjusted EBITDAR margin" is Adjusted EBITDAR divided by our total revenue for the period.

"**Capital expenditure**" is calculated as the sum of cash purchases made during a relevant period on property, plant and equipment, and intangible assets.

"**Free cash flow**" is cash flow from operating activities on a pre-tax basis less net investing activities.

"**Free cash flow conversion**" is our free cash flow as a percentage of our Adjusted EBITDA for the period.

"**Gross margin**" is gross profit divided by our total revenue for the period.

"**Gross transactional value**" is the performance of our operations based on revenue plus gross amounts received from sales of store concessions at a segmental level. Gross transactional value includes concessions sold in our New Look directly operated stores.

"Like-for-like ("LFL") sales" is the gross transactional value from LFL operations in any given period compared with the same period in the previous financial period and is normally shown as a percentage change between two periods. Like-for-like operations consist of our New Look directly operated stores, concession stores and our New Look E-commerce segment (if applicable). A store is included in LFL operations if it has traded for more than 52 weeks, excluding existing stores where a new store of ours has opened within one mile (for the first 52 weeks of the new store's commencement of trading) or where the store has undergone a significant increase or decrease in trading space during the period. A store is included in the calculation of LFL sales from the date at any point during the fiscal year when it has the comparable weeks' data for the prior fiscal year. If a store is closed for a full week or more for any reason during a fiscal year, for example, due to refurbishment or permanent closure, it is excluded from the LFL calculation for the period of closure.

"**Net capital expenditure**" is capital expenditures less proceeds from the sale or disposal of property, plant and equipment and intangible assets and net cash flow on acquisition or disposal of subsidiaries.

"**Pro Forma Consolidated EBITDA**" is a non-IFRS measure under the indenture governing the Existing Notes, which is calculated as Adjusted EBITDA as further adjusted to add back certain items to conform to the definition in the indenture governing the Existing Notes, which include monitoring fees paid to affiliates of shareholders, onerous lease credit, cash-settled equity based payment credit, unrealised foreign exchange gains and joint venture cost savings, as described in "*Summary—Summary Consolidated Financial and Other Data*."

"**Pro Forma Consolidated EBITDA margin**" is Pro Forma Consolidated EBITDA divided by our total revenue for the period.

"**Store contribution**" is a non-IFRS measure used to assess whether a store is able to cover its directly attributable costs and therefore excludes fixed costs of head office and the distribution centre. It is calculated as the store gross profit less the store directly attributable costs (such as payroll, rent, rates, service charges, utilities and other store costs) less its share of the transportation cost of getting product to the store.

"**Store unit cover**" is the total number of units held in our stores at a point in time divided by the total number of units sold in a week, excluding our concessions and franchises.

"**Underlying operating profit**" is operating profit before exceptional items, share based payment expense or credit, movements in the fair value of financial instruments under IFRS, impairment charges or write backs of tangible and intangible assets and the income statement charge or credit in relation to our onerous lease provisions.

"**Underlying operating profit margin**" is underlying operating profit divided by our total revenue for the period.

We have presented these non-IFRS financial measures (1) as they are used by our management to monitor and report to our board members on our financial position for outstanding debt and available operating liquidity and (2) to represent similar measures that are widely used by certain investors, securities analysts and other interested parties as supplemental measures of financial position, financial performance and liquidity. We believe these measures enhance the investor's understanding of our indebtedness and our ability to fund our ongoing operations, make capital expenditure and our ability to meet and service our obligations. We have also presented adjusted debt and pro forma interest expense measures, as we believe these measures more appropriately reflect to investors the financial position of and cost of debt to NLRGL in light of the Refinancing Transactions.

These non-IFRS financial measures are not, however, measures determined based on IFRS, or any other internationally accepted accounting principles, and you should not consider such items as an alternative to the historical financial position or other indicators of our cash flow and forward position based on IFRS measures. The non-IFRS financial measures, as defined by us, may not be comparable to similarly titled measures as presented by other companies due to differences in the way our non-IFRS financial measures are calculated. The non-IFRS financial information contained in this listing circular is not intended to comply with the reporting requirements of the SEC and will not be subject to review by the SEC. Even though the non-IFRS financial measures are used by management to assess NLRGL's financial position and these types of measures are commonly used by investors, they have important limitations as analytical tools, and you should not consider them in isolation or as substitutes for analysis of our position or results as reported under IFRS. For example, some of the limitations for Adjusted EBITDA include the following:

- they exclude certain tax payments that may represent a reduction in cash available to us;
- they do not reflect any cash capital expenditure requirements for the assets being depreciated and amortised that may have to be replaced in the future;
- they do not reflect changes in, or cash requirements for, our working capital needs; and
- they do not reflect the significant interest expense, or the cash requirements necessary to service interest payments on our debts.

INDUSTRY AND MARKET DATA

Unless otherwise indicated, statements in this listing circular regarding the market environment, market developments, growth rates, market trends and the competitive situation in the markets and segments in which we operate are based on data, statistical information, sector reports and third-party studies as well as on our own estimates.

In drafting this listing circular, we used industry sources including reports prepared by Kantar Worldpanel (March 15, 2015), Verdict (2015), Experian Hitwise (2015), eDigitalResearch (2015), TNS UK (2015), Marketline (2015), Mintel (2013, 2014) and CACI (2015). Such information has been reproduced with permission of the relevant industry sources.

To the extent that information was taken from third parties, such information has been accurately reproduced by us in this listing circular, and, as far as we are aware and able to ascertain from the information published by these third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. Market studies and analyses are, however, frequently based on information and assumptions that may not be accurate or technically correct, and their methodology may be forward looking and speculative.

We have not verified the figures, market data and other information used by third parties in our studies, publications and financial information, or the external sources on which our estimates are based. We therefore assume no liability for and offer no guarantee of the accuracy of the data from studies and third-party sources contained in this listing circular or for the accuracy of third-party data on which our estimates are based.

This listing circular also contains estimates of market data and information derived from such data that cannot be obtained from publications by market research institutes or from other independent sources. Such information is partly based on our own market observations, the evaluation of industry information (such as from conferences and sector events) or internal assessments. We believe that our estimates of market data and the information we have derived from such data helps investors to better understand the industry in which we operate and our position within it. Our own estimates have not been checked or verified externally. While we assume that our own market observations are reliable, we give no warranty for the accuracy of our own estimates and the information derived from them. They may differ from estimates made by our competitors or from future studies conducted by market research institutes or other independent sources. While we are not aware of any misstatements regarding the industry or similar data presented herein, such data involves risks and uncertainties and are subject to change based on various factors, including those discussed under the heading "*Risk Factors*" in this listing circular. As a result, neither we nor the Initial Purchasers make any representation as to the accuracy or completeness of any such information in this listing circular.

EXCHANGE RATES

The following tables set out, for the periods set forth below, the high, low, average and period-end Bloomberg Generic Rate expressed as euro per £1.00. The Bloomberg Generic Rate is a "best market" calculation, in which, at any point in time, the bid rate is equal to the highest bid rate of all contributing bank indications and the ask rate is set to the lowest ask rate offered by these banks. The Bloomberg Generic Rate is a mid-value rate between the applied highest bid rate and the lowest ask rate. The rates may differ from the actual rates used in the preparation of the consolidated financial statements and other financial information appearing in this listing circular. None of the Issuers, the Guarantors or the Initial Purchasers represent that the euro amounts referred to below could be or could have been converted into pound sterling at any particular rate indicated or any other rate.

The average rate for a year, a month, or for any shorter period, means the average of the daily Bloomberg Generic Rates during that year, month, or shorter period, as the case may be.

	Period end	Average	High	Low
		(euro per £)		
Year				
2010	1.1664	1.1663	1.2358	1.0967
2011	1.1987	1.1525	1.2045	1.1062
2012	1.2317	1.2332	1.2857	1.1774
2013	1.2041	1.1779	1.2343	1.1433
2014	1.2876	1.2410	1.2876	1.1908

	Period end	Average	High	Low
		(euro per £)		
Month				
December 2014	1.2876	1.2701	1.2876	1.2574
January 2015	1.3341	1.3041	1.3418	1.2743
February 2015	1.3783	1.3507	1.3783	1.3212
March 2015	1.3807	1.3825	1.4154	1.3564
April 2015	1.3678	1.3831	1.4021	1.3596
May 2015	1.3919	1.3853	1.4151	1.3438
June 2015	1.4103	1.3873	1.4103	1.3594
July 2015 (through July 21, 2015)	1.4220	1.4134	1.4416	1.3869

SUMMARY

Overview

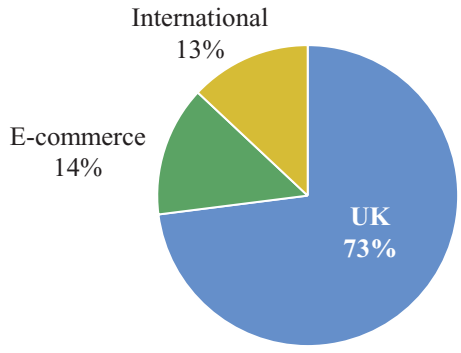
We are a leading fast fashion multi-channel retailer operating in the attractive value segment of the UK clothing and footwear market with a strong and growing presence in targeted international markets. We believe that we offer the latest trends in fashion and an exciting shopping experience, catering for a broad spectrum of ages from early teens to over 45s. Our core target audience is fashion-conscious 16 to 45 year old women (with an average age of 33 years). Our product range comprises womenswear, women's footwear and accessories, as well as menswear and teenswear, and we have a proven ability to attract a loyal consumer spend throughout the economic cycle. We are a leading retailer by value and volume across the UK womenswear, teenswear and footwear markets in which we operate. According to Kantar Worldpanel, we are the leading retailer by value in the under 35s womenswear and accessories market in the UK with a 11.3% market share (by value), and approximately 42% of female adults and teenagers in the UK shopped with us at least once in the 2015 fiscal year. We are also expanding our menswear presence and offering in order to grow our menswear sales and market share. We seek to differentiate ourselves from our competitors by offering value fashion, with a flexible fast fashion model providing an average time from factory to product delivery of approximately 13 weeks, with some of our key high fashion items delivered in less than two weeks allowing us to react quickly to changes in market trends.

We are an integrated multi-channel retailer and aim to offer our customers a flexible, convenient and seamless shopping experience through both our physical stores and E-commerce offering. We operate a multi-channel model which, as of March 28, 2015, comprised:

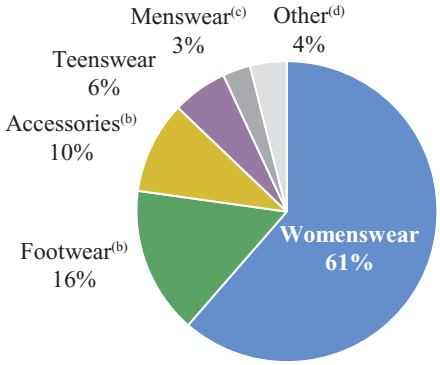
- 809 New Look-branded stores, including 569 directly operated stores in the UK, with a broad geographical coverage; 135 directly operated international stores in China, Poland, France, Ireland, Belgium and the Netherlands, including concession stores in Germany and the Netherlands; and 105 franchise stores in the Middle East, North Africa, Europe and Asia (together with our directly operated international stores, our "International Stores");
- our New Look E-commerce platform serving customers in approximately 120 countries across the globe. Our New Look E-commerce Sales have grown at a CAGR of 36.2% during the 2013-2015 fiscal years from £89.8 million in the 2013 fiscal year to £166.7 million in the 2015 fiscal year. According to website data tracker Experian Hitwise, for the month of March 2015, www.newlook.com was the third most visited website in the UK within the Hitwise category "*Shopping and Classifieds—Apparel and Accessories*" and had a market share of 4.3% by total visits out of the 5,497 websites in such category; and
- our Third-Party E-commerce platform through which we sell our products on websites of 11 key third-party e-commerce retailers, including ASOS and Zalando, currently serves in aggregate over 240 countries. Our 3PE Sales have grown from £1.6 million in the 2013 fiscal year to £34.0 million in the 2015 fiscal year.

The following charts set out our revenue shares for the 2015 fiscal year across our reportable segments and by product range:

Sales (2015 fiscal year)[(a)]



Product Range (2015 fiscal year)[(a)]



(a) Sales are based on gross transactional value excluding adjustments for concession income on a net basis for statutory reporting purposes.

(b) Footwear and accessories product ranges comprise products solely for female customers.

(c) Includes footwear and accessories products for male customers.

(d) "Other" includes Sales not derived from sales of our products, such as sales of third-party products on a concessionary basis.

In the 2015 fiscal year, we generated £1,414.5 million in revenue, £212.4 million in Adjusted EBITDA and £229.2 million in Pro Forma Consolidated EBITDA and had an Adjusted EBITDA margin of 15.0% and Pro Forma Consolidated EBITDA margin of 16.2%. Our Adjusted EBITDA grew at a CAGR of 7.4% during the 2013-2015 fiscal years. Furthermore, LFL sales growth for the 2015 fiscal year was 5.0% for our UK operations and 4.0% for our businesses as a whole.

Our Strengths

We believe that we have developed a competitive advantage as evidenced by the following key strengths, which will enable us to take advantage of current and future growth opportunities:

Leading value fashion retailer in an attractive market.

We are a leading fast fashion retailer operating in the attractive value segment of the clothing and footwear markets, offering fashion products and an exciting shopping experience to our core target audience. According to Kantar Worldpanel, for the period ended March 15, 2015, we were:

- the leading retailer in the United Kingdom by value for the under 35s womenswear market (11.3% market share by value), which is a position we have successfully maintained for each of the past five years;
- the second largest retailer by value in the UK womenswear market for the past five years, with a 6.0% market share;
- the leading retailer in the UK for under 35s women's footwear (12.0% market share by value) and the second largest women's footwear retailer in the United Kingdom (6.2% market share by value);
- the UK market leader by value and volume in women's dresses for under 35s, (12.6% market share by value) and the second largest UK retailer by value and volume in overall women's dresses (7.3% market share by value);
- the second largest retailer in the United Kingdom by value for women's denim in the under 35s (14.0% market share by value); and
- the largest retailer by value in the United Kingdom for women's teenswear (12.4% market share by value).

We operate in large and attractive markets, which we consider to have potential to grow and develop. As of March 28, 2015, we had 569 New Look directly operated stores in the United Kingdom, our core market, where we operate with a total trading space of approximately 4.0 million square feet. We also have a growing presence outside the United Kingdom through our 240 New Look-branded stores (whether directly operated, concession or franchised) in the rest of Europe, Asia, the Middle East and North Africa. In addition, our New Look E-commerce platform extends to approximately 120 countries across the globe. We also sell our products through third-party websites, such as ASOS and Zalando, serving over 240 countries.

Based on Verdict data, the UK clothing market was the second largest clothing market by total sales in Europe, after Germany, with an estimated size of approximately £41.2 billion in 2014. We operate in the value clothing segment which, according to Verdict, represented 30.5% of the overall UK clothing market in 2014. The value segment of the UK clothing market has experienced significantly higher growth relative to the overall UK clothing market, growing at a CAGR of 4.6% between 2009 and 2014, as compared to 3.1% for the overall UK clothing market. We believe that the value segment of the UK clothing market will continue to grow at a faster rate than the overall UK clothing market. We consider the UK value segment to be relatively resilient to adverse economic conditions compared to other segments of the UK clothing market.

We believe that our position in the UK value segment and the growing share of the value segment relative to the overall UK clothing market (as evidenced by historical trends) provide us with an attractive and defensive position even during difficult economic conditions.

Distinct brand with a differentiated product offering and successful pricing mix.

The New Look brand is distinct and trusted in the United Kingdom, catering to a broad customer audience aged between 16 and 45 years. According to the TNS UK Brand Tracker for the nine months to March 2015, New Look brand had a 91% prompted brand awareness among women in the UK and a net promoter score (the average rating that respondents give out of ten when asked how likely they are to recommend the brand to a friend, expressed as a percentage) of 77%, while 21% of customers consider New Look the top place to go to for

the latest trends and 26% of customers consider New Look "a brand for me." We seek to differentiate ourselves from our competitors by offering products and a shopping experience based on our brand pillars of fashion excitement, value and newness.

We operate a fast fashion model within the value fashion segment. Our model is focussed on rapidly translating the latest fashion trends from the catwalks, the street and celebrities into wearable and relevant products and on delivering continual newness, with new products accounting for approximately 7% of products in our stores each week, whilst offering our products at prices that we believe are attractive when compared to the prices of our competitors. We believe our value offering is distinctive when compared to the following competitors, who we believe offer products with different characteristics:

- high fashion retail competitors, who offer products at substantially higher prices with higher fashion content;
- mass-market retail competitors, who offer products at lower prices but with lower fashion content;
- fast fashion competitors, who offer products at similar prices with a lower fashion content, and a higher level of "basic products" in their overall mix; and
- mid-market retail competitors, who offer similar quality products with lower fashion content at higher prices.

We have invested heavily in our design, buying and merchandising departments over many years, and we work collaboratively with suppliers to enhance the fashion content of our product ranges for the target New Look customers, whilst reducing the level of fashion risk. During the 2015 fiscal year, approximately 76% of all New Look products sold were designed in-house, enabling the design team to develop cohesive, coordinated and consistent ranges and thereby seeking to ensure that the New Look brand represents a differentiated customer proposition to that of our competitors.

We offer a mix of essential products and fashion-oriented products as well as a consistent and compelling range of prices for our products. In addition to our core ranges (such as tops, dresses and casual wear within our womenswear range as well as an expanding range of menswear), we offer speciality sub-brands such as Generation 915 (targeted at the 9 to 15 age group), Inspire (plus-sized clothing), Maternity, Tall and Petite. Further, we consciously target a broad customer audience by offering both entry-level price point products (to compete with other mass-market and value retailers) as well as premium quality products to offer customers higher quality products at compelling price points. For example, in the 2015 fiscal year we expanded our range of women's denim products with the introduction of an entry-level price point product at £9.99 (with a £7.99 price point also planned) as well as a premium product (offering superior fabric, manufacture and design) at £34.99 (with a £39.99 price point also planned), alongside the existing range priced from £12.99 to £24.99. We believe that the quality of products in our premium range is comparable to much higher priced items at other retailers. We believe that the introduction of differentiated products at various price points will enhance our fashion authority and value credentials further.

Flexible fast fashion operating model underpinned by "quick-to-market" and low-cost sourcing.

We believe that our fast fashion operating model provides flexibility and control over key aspects of the supply chain, from design and production through to distribution to the end customer. Our operating model is centred around an emphasis on in-house design and daily product ordering, with fast product development, manufacture and delivery, strategic supplier partnerships, low cost sourcing and, ultimately, the customer.

We seek to avoid a strongly fashion forward positioning and focus on being a fast fashion retailer by rapidly translating the latest trends into affordable products. Our buying team seeks to identify when fashion trends have gained some momentum within the clothing and footwear market, and then to react quickly through our flexible supply chain in order to deliver a significant volume of products reflecting those trends to the market. Our operating model is designed to avoid the risks associated with a fashion forward position, where buyers would attempt to identify trends earlier in the cycle and either expose themselves to higher risk by purchasing high volumes of untested product or seek to mitigate the fashion risk through buying lower volumes and therefore risking foregone revenue due to a failure to realise the full potential of successful products.

We generally maintain a flexible, open-to-buy position, with only approximately half of our products committed to in advance of each season, giving our buyers opportunity to quickly react to trends. We use our open-to-buy

policy to control our overall amount of inventory, as well as the mix of products offered, to increase the proportion of best-selling products. By actively managing our stock orders, we are able to test customer preference and appetite for certain product lines by initially ordering smaller quantities of stock and monitoring sales performance for such products before committing to larger orders. Our average time from factory to product delivery is approximately 13 weeks; however, we are able to take delivery in the UK of certain trend items from China within five to six weeks of placing an order, and as quickly as two to three weeks from certain suppliers in the UK, Turkey and Moldova. We typically have longer lead times with respect to our staple products, which are generally sourced from suppliers based in China and Southeast Asia. Our open-to-buy policy enables us to tightly manage our inventory and working capital.

Our long-standing relationships with our strategic suppliers facilitate rapid product development, consistent quality and timely delivery to our customers. Over the past 40 years, we have established a diversified supplier base with 244 suppliers in 29 countries and we work directly with approximately 780 factories. In the 2015 fiscal year, we sourced 78% of our products from our top 20 suppliers, which are based in China, Bangladesh, Taiwan, Turkey, Vietnam and Moldova. In order to maintain our value credentials we focus on securing low cost products from our suppliers. We aim to achieve this through our open costing process, which requires our suppliers to provide a detailed breakdown of the underlying costs of the finished product, including for example production costs and fabric quality. Our buying team benchmarks this cost breakdown across three different suppliers where practical, allowing us to mitigate the risk of one supplier charging a higher price than our other suppliers.

We brought the product design function in-house over 10 years ago and now employ a team of over 30 experienced fashion designers at our offices in London's West End. Our in-house team focusses on creating distinct and exclusive product ranges and on enabling us to respond rapidly to changing fashion trends. The design team closely coordinates its activities with our merchandising and buying teams and remains in close contact with suppliers to seek to ensure that product quality and consistency are maintained throughout the production process.

Over the last 10 years, we have operated a technologically advanced and efficient 800,000 square feet distribution facility in Newcastle-under-Lyme, UK. Total investment in this highly automated facility has been approximately £100 million since 2006, which has delivered operational efficiencies. The facility has the capacity to support future growth of our operations in the UK and internationally, and we believe that our existing distribution and logistics infrastructure is sufficient to support our fast fashion model across our multi-channel sales platform.

Seamless multi-channel platform.

We operate an integrated multi-channel platform for our customers to shop conveniently and securely wherever, whenever and however they please. This platform is underpinned by our 809 New Look-branded stores around the world as of March 28, 2015, of which 569 were in the United Kingdom. Overseas, we had 240 International Stores including 116 New Look directly operated stores and concessions in other European countries and 19 directly operated stores in China. In addition, as of March 28, 2015, we had 105 New Look franchise stores in the Middle East, North Africa, Europe and Asia operated by our franchisees.

As of March 28, 2015, 49% of our directly operated stores (excluding concessions) were trading under the "Concept Store" format. We have completed the refurbishment of 291 stores, including 274 in the United Kingdom and 17 International Stores, in line with our "Concept Store" refurbishment programme, and we have opened an additional 37 new stores in line with our "Concept Store" format since the 2012 fiscal year. We frequently review and update our "Concept Store" refurbishment programme, and we have recently modified our latest shopfit which has been rolled out in certain of our UK stores, such as Oxford Circus, and in all of our stores in China. We completed a total of 40 store refits in the United Kingdom, two in Belgium and one in Poland and opened two new stores in the United Kingdom, two new stores in France, three in Poland and 14 new stores in China during the 2015 fiscal year, with the plan to refurbish all our remaining stores in the UK by the end of the 2018 fiscal year.

Over the past eight years, we have also built a strong E-commerce business, which is a key part of our multi-channel platform. In the 2015 fiscal year, Sales of our New Look E-commerce business amounted to £166.7 million, growing at a CAGR of 36.2% in the last three fiscal years, and Sales of our total E-commerce business (including 3PE Sales) amounted to £200.7 million, growing at a CAGR of 48.2% in the last three fiscal years. According to Experian Hitwise, in March 2015, New Look was the third most visited online website

within the category "*Shopping and Classifieds—Apparel and Accessories*" and had a market share of 4.3% by total visits out of the 5,497 websites in such category. This channel has also enabled us to expand our market penetration across approximately 120 international countries, including in Europe, the Middle East, North Africa, Asia and North, Central and South America, with relatively minimal capital investment. We expect to build upon this success as we continue to invest in our New Look E-commerce business, and in July 2014, we launched our local language websites in France and Germany. Our E-commerce Sales also includes sales to our 3PE partners. We commenced our 3PE operations through a trial with ASOS in the 2013 fiscal year and our 3PE Sales was our fastest growing channel in the 2015 fiscal year. These 3PE partnerships expand the countries in which our products can be purchased, further expanding our international brand presence. Our 3PE Sales increased from £1.6 million in the 2013 fiscal year to £34.0 million in the 2015 fiscal year. We are currently running trials with other partners in different countries to expand our potential distribution.

Our online customers benefit from a wide choice of products and flexible and convenient delivery options. Our online product selection includes the full range of New Look products available in-store as well as additional online-exclusive products, while delivery options include delivery to home or another location and delivery to a selected store ("click and collect"), with a range of delivery timings available for each of these options. We benefit from the national coverage of 569 New Look stores in the UK and their fundamental role in our multi-channel operations, with "click and collect" accounting for 28% of our New Look E-commerce orders in the 2015 fiscal year. We estimate that in the 2015 fiscal year approximately 71% of our "click and collect" customers visited our stores with the sole intent of collecting their order and approximately 70% of our online product returns were made to our stores, generating additional footfall. We estimate that approximately 19% of all "click and collect" customers make an additional purchase when visiting our stores to collect "click and collect" orders and that 9% of visits to our stores is a result of a visit to our website. Furthermore, both the "click and collect" delivery option (as compared to delivery to another location) and returns to our stores (as compared to delivery to our distribution centre) are more efficient and lower cost options for us. In addition, in January 2013, we transferred the fulfillment of E-commerce products in-house, fully integrating those processes into our distribution centre in Newcastle-under-Lyme, which has resulted in significant cost efficiencies and provides a more convenient and integrated multi-channel platform for our customers, as well as enables us to better control our stock levels.

We communicate electronically through "NL Daily," our online magazine and blog, and social media outlets such as Facebook and Twitter to stay in contact with our customers. We provide updates regarding our latest product offerings and promotions and direct traffic to our transactional website. As of March 28, 2015, we had over 3.0 million Facebook followers, over 245,000 Twitter followers and over 538,000 Instagram followers. For the 2015 fiscal year, NL Daily, our online magazine and blog, received approximately 1.2 million unique visits. In China, we engage with over 330,000 fans across Weibo and WeChat.

Focussed international operations.

In recent years, we have revised our international strategy by simplifying our approach to international operations, focussing on four core priority markets (China, Poland, France and Germany) and exiting certain operations and markets, including the disposal of the Mim business in November 2014 and our planned exit from the Netherlands later in the 2016 fiscal year. As of March 28, 2015, we had 240 International Stores, comprising 116 directly owned and operated stores (including concession stores) in Europe, 19 directly owned and operated stores in China and 105 franchise stores. Our international strategy is now focussed on growth in China, Poland, France and Germany, where we had 19, 13, 28 and 23 stores, respectively, as of March 28, 2015. All of our stores in Germany and all but one store in the Netherlands are concession stores. In the 2015 fiscal year, we generated 13.6% of our revenue from international operations. In addition, we offer our products to customers in over 240 countries around the globe through our own website (which services approximately 120 countries) and 3PE retailers. In the 2015 fiscal year, 7% of sales from our website were to international addresses. Our e-commerce presence in countries in which we have no store presence contributes to both brand recognition and additional revenues. In addition, such presence allows us to gain market-specific knowledge and test new markets ahead of possible market entry reducing some of the associated risks.

We have leveraged our management's experience and understanding of prevailing market conditions in China to launch New Look stores in the Chinese market. Our first New Look stores in China opened in February 2014, twelve months after the initial review of a programme for an owned store launch. Just over twelve months after the first store opening, as of March 28, 2015, we had 19 stores in China, and we had opened an additional 11 stores by the end of May 2015. These stores are in a variety of locations across tier one, two and three cities and have had an aggregate positive store contribution in the final quarter of the 2015 fiscal year. In the Chinese

market, New Look is branded as "New Look London," emphasising the brand's British heritage fashion appeal. These stores are supported by local management and a distribution centre in Shanghai, with products sourced both locally in China and delivered from the UK. We have also established a presence on T-mall, the principal e-commerce marketplace platform in China. We are also active on Chinese social media, with approximately 330,000 followers on Weibo and WeChat as of March 28, 2015.

As part of our international strategy, we are also focussed on operations in Poland, France and Germany. We had 13 stores in Poland as of March 28, 2015. With a relatively large population and a proven appetite for value fashion, Poland is an attractive market for us and we are in the process of opening new stores in the country. In France, we had 28 stores as of March 28, 2015, and we also launched the French-language version of our website, www.newlook.com/fr, in the 2015 fiscal year. We are utilising our experience of the local market, customer tastes and market dynamics to refine our strategy with improved locations and store size requirements. We have also entered the attractive German market through a concession store based strategy, where we believe that there is a substantial opportunity for value fashion, particularly in high population city clusters. As of March 28, 2015, we had 23 concession stores in Germany, and we also launched the German-language version of our website, www.newlook.com/de, in the 2015 fiscal year.

While our priority is to grow our presence in China, Poland, France and Germany, we also have directly owned and operated stores (including concession stores) in Ireland, Belgium and the Netherlands, as well as franchise operations elsewhere (principally in the Middle East). We will continue to manage these operations to ensure adequate returns. As part of this management process, during the 2015 fiscal year, we decided that the Netherlands was no longer a strategic focus for our business. As a result, on March 29, 2015, we announced our plans to close our directly owned store in the Netherlands in June 2015, with our concession stores in the Netherlands to close by September 2015.

Strong cash generation and financial performance.

We have generated strong cash flow, including during the economic downturn, and have achieved an average free cash flow conversion of 64.7% between fiscal years 2013 and 2015. Our strong free cash flow conversion has been supported by an increase in cost efficiencies during that period, including reductions in head office costs, store payroll costs, brand marketing costs, non-product related costs, IT costs and costs related to our freight and supply chain, which has enabled us to continue to reinvest in our business.

The foregoing cost efficiencies, along with our simplified brand strategy, our "Concept Store" refurbishment programme and our focussed investment in growth areas internationally and in our E-commerce channel, have resulted in a fundamental improvement in our financial performance, with strong growth in revenues in the last three fiscal years (growing at a CAGR of 3.1% in the last three fiscal years). Our Adjusted EBITDA grew at a CAGR of 7.4% during the 2013-2015 fiscal years.

Strong and experienced management team.

We have an experienced and proven executive management team, led by Anders Kristiansen, Mike Iddon and Roger Wightman. The members of our management team have an average of approximately 18 years experience in the retail industry. Our management team has also redefined our approach to product design, production and diversification of our multi-channel platforms. Our management team has demonstrated a commitment to leadership, investment and training of people to promote our brand values including a significant investment in our New Look training academy to differentiate our staff from our competition. Based on customer exit interviews, 97% agreed they were satisfied, 95% agreed the in-store team were knowledgeable, 96% were made to feel like a valued customer and 96% found helpful staff at the fitting rooms. Finally, the management team also has a proven record of developing and maintaining strong relationships with suppliers and expanding into emerging markets.

Our Strategy

New Look's strategy is built upon a strong leadership message focussed on: brand, international, E-commerce, product, and cash generation. New Look's key strategies are outlined below.

Continue developing our brand and customer proposition.

Given the heritage of over forty years of operations as a value fashion brand in the UK, the successful execution of continued brand development is at the core of our strategy. Our brand is recognised as delivering quality, fast fashion products at an attractive value price point. We have recently taken, and plan to continue to take, steps to

establish a more consistent brand identity across all areas of our operations, including UK and international stores, E-commerce platforms and our products, for example, by updating store fascias and product labelling. This refreshed branding will enable us to target the other strategic pillars of our strategy more effectively, particularly internationally and in our menswear product offering. The revised New Look branding enables us to take a dual gender approach in order to develop the brand in the menswear segment more quickly and effectively than would otherwise have been possible.

We are also in the process of rolling out the "Concept Store" format across the store estate both in the UK and internationally. We have completed the refurbishment of 291 stores, including 274 in the United Kingdom and 17 International Stores, in line with our "Concept Store" refurbishment programme, and we have opened an additional 37 new stores in line with our "Concept Store" format since the 2012 fiscal year. We plan to refurbish all our remaining stores in the UK by the end of the 2018 fiscal year, which amounts to approximately 80 store refurbishments per annum. During this process, we plan to relocate approximately ten to twelve stores per annum. The stores that we plan to relocate are expected to be on average 100% larger than the stores they replace. Store relocations in recent years have been, and we expect to continue to be, the principal driver of our UK trading space growth. We typically select stores for relocation where we believe there is potential to double the store's EBITDA, and going forward we expect that the stores we relocate will achieve payback of our investment within two years. The "Concept Store" refurbishment programme is focussed on improving the customer shopping experience through:

- strengthened visual merchandising such as mannequins and visual props;
- improved brand communication such as signage and product display;
- creating destination departments and premium ambiance;
- enhancing shelf space, structures and textures;
- new or refurbished fixtures and fitting rooms;
- clarity on the multi-channel features, such as "click and collect" pick-up points and "order in store" service;
- providing even better customer service; and
- utilising modern technology.

In addition, we are continuing to develop our new customer relationship management platform in order to enhance our customer targeting capabilities. We believe that this customer engagement strategy, which we plan to implement through customer data integration projects, will enable us to more effectively collect and analyse our customers' purchases and behaviour, to better track, identify and understand our customer base and, as a result, to produce more tailored and effective customer communications. Our e-receipts initiative, which we plan to launch in selected UK stores in the summer of 2015, with a full roll-out to our UK stores in the 2016 fiscal year, is an important component of our data integration plan and is designed to allow us to link individual customers' in-store and New Look E-commerce purchases in order to analyse customer behaviour and personalise our marketing activities.

We are already engaged as a social brand with approximately 3.0 million Facebook followers, 245,000 Twitter followers, 538,000 Instagram followers and 330,000 followers on Weibo and WeChat as of March 28, 2015. Our social media strategy is to be the "friendliest fashion brand" in conversations with customers and potential customers rather than using social media as a method to "push" information to customers. In so doing, we believe that we are creating improved brand loyalty and personal recommendations by customers above and beyond that achievable by traditional methods alone.

To strengthen our brand recognition, we also intend to continue to invest in marketing and social media, maintaining balanced marketing expenditure between traditional and digital media, to drive customer loyalty, frequency of purchases and average transaction value. We have been a consistent investor in fashion public relations over a number of years, exploiting the strong fast fashion content of our products in editorial coverage in relevant media publications on television, magazines, newspapers and online. We estimate that in the 2015 fiscal year, the implied marketing spend value of our public relations coverage was £78.0 million in the UK and Ireland and £15.0 million in China. We also undertake various brand awareness initiatives, such as our planned title sponsorship of the Wireless music festival in London in July 2015.

Focussed expansion of our international reach.

We are focussed on delivering high quality earnings growth from the expansion of our international multi-channel operations. With 240 stores outside of the UK as of March 28, 2015, we already have a sizeable international business. We believe, however, that historic international strategies executed by New Look, in common with other UK retailers, have been too broad in their approach to the operating model (franchise or directly operated stores) and lacked discipline (such as presence in countries with limited growth prospects and without a meaningful market share in those countries). As a result, we are pursuing a focussed strategy targeting growth in four priority markets: China, Poland, France and Germany.

We entered China in 2014, and, as of March 28, 2015, we operated 19 stores there. As of May 31, 2015, we have opened 11 additional stores in China, and we are planning to open approximately 50 new stores per annum in China for the medium term and to have approximately 300 stores in the country by the end of the 2020 fiscal year. Our product ranges and pricing have been well received by customers in China, and we believe there are further improvements possible. This has been supported by targeted marketing campaigns, including a social media strategy on Weibo and WeChat and successful public relations initiatives. We also established a multi-channel presence by joining the T-mall e-commerce marketplace platform in 2014. In addition, we intend to significantly increase domestic sourcing for our stores in China, which we expect will result in a number of benefits including faster product delivery, sourcing and ordering flexibility and cost efficiencies.

We had 13 stores in Poland as of March 28, 2015. We seek to improve our operations in Poland primarily through tightly managing the performance of the existing store portfolio that we acquired from a former franchisee and by improving our product range to better meet the local market requirements.

Our stores in France have been operating for nearly 10 years, and as of March 28, 2015, we operated 28 stores in France. We have refined our store strategy in France with respect to store size and locations, which has resulted in a more effective store estate comprised of adequate size profitable stores in the right locations and commensurate with our value fashion offer. In addition, we seek to mirror the strong performance of our UK multi-channel operations in France with the successful launch of the French language version of our website at www.newlook.com/fr in 2014.

We also believe that there is a clear opportunity for our value fashion offer in Germany and have entered the market through a concession operation, opening "shop in shops" within department stores to gain initial knowledge with limited resource and financial and operational risks. As of March 28, 2015, we had 23 concession stores in Germany, and we have also launched the German language version of our website at www.newlook.com/de.

Our products are accessible by customers around the globe in over 240 countries through our own website (which services approximately 120 countries) and 3PE partners, reflecting the wide international reach of our products and the opportunity for growth in the future. Whilst the current strategy is focussed on the four priority markets as described above, we will retain flexibility as to the timing, manner and structure of any entry into new markets and are continuously reviewing such opportunities.

Continued investment in E-Commerce.

We have generated strong growth from E-commerce channels. This growth has been principally driven by:

- our dynamic channel expansion into online platforms;
- New Look's status as a leading UK high street fashion brand;
- our proven multi-channel capabilities, with the E-commerce offering supplementing our extensive nationwide store base in the UK; and
- our strong partnerships with 11 key 3PE partners.

We intend to continue to focus on E-commerce as one of the key pillars of our strategy, strengthening and improving our multi-channel proposition and systems.

We continuously invest in information technology infrastructure to support the evolving customer demands of our multi-channel operations. This includes the development of local language websites and functionality for the growing use of mobile devices. In the 2015 fiscal year, 26.1% of our New Look E-commerce orders were made on our mobile e-commerce ("m-commerce") site, increasing from 10.4% of our total E-commerce orders for the 2013 fiscal year and representing the fastest growing business in our E-commerce channel. Additionally, 44.9% of our website visits were to our m-commerce site during the 2015 fiscal year. We expect this shift to

m-commerce to continue as the development of mobile applications (including for iOS and Android devices) gathers pace. M-commerce, especially through mobile apps, is a core focus of our E-commerce strategy. In addition, we continue to enhance the functionality and convenience of our New Look E-commerce offering by adding additional pick-up locations and offering later cut-off ordering times for next day delivery and improved value propositions for delivery and/or returns. We also refine our UK New Look E-commerce platform regularly, with new updates released every four to five weeks. Finally, our Retail Stock Management Programme, when fully implemented, will help drive continued volume-led efficiencies in our E-commerce business. We continue to review and develop our multi-channel operations and may introduce new service propositions, local language websites or other functionalities over time.

We have experienced strong growth in sales to 3PE partners since this channel was launched in 2013, which allows the New Look brand to reach our partners' existing and growing customer base around the world at a low upfront cost to us. We intend to develop additional partnerships alongside the existing relationships, broaden our access to this distribution channel. We continue to explore wholesale partnerships with other third-party e-commerce retailers who can offer new routes to markets or access to customers who currently do not have access to our value fashion products. We may also from time to time enter into new wholesale arrangements in existing territories. We also believe that the ability to increase New Look brand awareness ahead of potentially entering a local market with directly operated stores is an attractive feature of this channel.

Continued focus on product development.

We have been consistent in our continued development of our product offering by introducing new categories, sub-brands and broader ranges, with a view to enhance customer choice and revenues. In 1997, we launched our first women's footwear range. For the past five years, we have maintained our position as the second largest women's footwear retailer by value according to Kantar Worldpanel. We have launched several other successful categories, including the "Inspire" ranges for plus-size customers, the teenswear range "Generation 915," Maternity, Tall and Petite ranges.

We intend to continue to pursue the strategy of product development, trialling and subsequently rolling out new products and categories if the customer response is positive. In the 2015 fiscal year, we have successfully introduced several new categories of products, including activewear and cosmetics and fragrance, where we have historically had a limited market share. After a successful trial in ten stores in 2014, we introduced a new activewear range in 150 UK stores in January 2015 and are also trialling this range in international markets. Further, having launched a trial in 200 stores in October 2014, we rolled out our fragrance range to more than 520 stores in January 2015 and cosmetics range to more than 450 stores in April 2015. We intend to roll out these categories in international stores in time, as well as to expand these ranges to include body care and bath products. Our buying and merchandising team is continuously looking for new product categories and segments, whether by expanding into relevant adjacent categories and/or price points or by introducing wholly new categories.

We use our pricing strategy to maximise the difference between entry and exit prices, offering a true choice to our customers without compromising our value credentials. We have implemented a pricing strategy based on multiple pricing bands to increase the number of our customers and our average transaction value. Our pricing bands consist of "Super Good," "Good," "Better," "Best" and "Premium." Our higher price bands offer customers an improved choice of finish, fabrics and embellishment while still offering our value proposition. We have also introduced a premium price band, which enables us to expand our product offering to include items such as leather products, silk products, embellished fabrics and premium denim. Our diverse range of price bands enables us to offer products that appeal to a broader range of customers, including customers who are likely to shop at higher end competitors, as well as encouraging our existing customers to switch to the next price point by offering a wide selection of products at each price band.

We believe that we have a significant opportunity to increase the sales of menswear products through an improved product offer, merchandising and the roll-out of a dedicated and differentiated menswear "shop-in-shop" store format. The proportion of Sales of menswear accounted for 3.1% of total Sales at our UK stores and for 3.0% of total Sales at our website in the 2015 fiscal year. We believe that the long term opportunity for menswear could be even greater in light of the fact that in the 2015 fiscal year menswear accounted for approximately 16% of our sales to our largest 3PE retailer.

Our objective is to increase our UK menswear market share from 0.4% in the 2014 fiscal year, according to Kantar Worldpanel, to 1% in the medium term. To capitalise on this opportunity, we have strengthened our management team with respect to menswear by appointing a new Menswear Director, previously the head of menswear for H&M, due to join in the summer of 2015. We have also increased the number of our stores carrying menswear products across all our markets to 223 as of March 28, 2015. In addition, we have improved and expanded our current menswear ranges, seeking to create an appealing value fashion product offering for customers. We also launched a dual-gender homepage layout on www.newlook.com in 2014, and expect to benefit from a menswear brand awareness campaign that we plan to launch in the UK in the summer of 2015.

Continue streamlining cost base and maximising cash flow.

We continue to focus on cost efficiencies and savings and optimisation of our resources. We have a strong operational focus on cost control, underpinned with a culture of "treating every pound as your own." We have successfully enhanced our cost management focus over the last four years through proactive management actions, which has, for instance, enabled us to reduce our markdown/discount percentage by approximately 5.6 percentage points to 26.6% in the 2015 fiscal year compared to 32.2% in the 2011 fiscal year. For example, we use our "open to buy" policy, which refers to our option to make decisions regarding uncommitted stock as the current season progresses, to control our overall amount of inventory, as well as the mix of products offered, to increase the proportion of best-selling products, helping control markdown percentage and manage working capital. Each season we typically commit approximately half of our orders prior to the commencement of the season, with the remaining half uncommitted at the outset. We use direct customer feedback and feedback from our store staff to gauge and react to fashion trends in real time before committing to further orders. To control the amount of inventory ordered and avoid excess stock, we have implemented controls requiring our buyers to seek approval before placing additional orders of the same merchandise.

We continue to maintain a stringent capital expenditure policy that is measured against return on investment benchmarks. The majority of our capital expenditure enables us to expand on a sustainable basis and serves to drive additional sales, such as our "Concept Store" refurbishment programme, the implementation of a new global information technology system to support our buying, merchandising, supply chain and finance functions, the expansion of our distribution centre and our New Look E-commerce channel.

The Refinancing Transactions

The gross proceeds from the Offering were approximately £1,200.5 million (equivalent) and were used, together with cash on hand, to:

- redeem in full the outstanding amount of Existing Notes, including the relevant redemption premiums and accrued but unpaid interest;
- repay in full the outstanding Existing PIK Loans under the Existing PIK Facility, including prepayment fees and accrued but unpaid interest, and to discharge and terminate such facility;
- settle our currency hedging obligations in connection with the Existing Notes; and
- pay costs fees and expenses in connection with the Refinancing Transactions and the Acquisition.

As part of the Refinancing Transactions, entered into the Revolving Credit Facility and discharged and terminated the Existing Revolving Credit Facility on the Completion Date.

Pending the consummation of the Acquisition, the Initial Purchasers deposited the proceeds from the Offering, less certain deductions in respect of fees and expenses, into the Escrow Accounts with the Escrow Agent. The Acquisition was consummated on June 25, 2015, and the proceeds were released from escrow on the same date to effect the Refinancing Transactions.

The estimated sources and uses of the funds in connection with the Refinancing Transactions and the Acquisition are shown in the table below. Actual amounts are subject to adjustments and may vary from estimated amounts depending on several factors, including cash on hand, the amount of outstanding indebtedness on the Redemption

Date, the amount of accrued and unpaid interest and the redemption premium payable with respect to the Existing Notes, currency rate movements as of the Redemption Date, the actual Issue Date and actual fees and expenses in connection with the Refinancing Transactions and the Acquisition.

Following the completion of the Refinancing Transactions, we currently anticipate that New Look Bondco I plc, which is the issuer of the Existing Notes, will remain as a dormant subsidiary of New Look Retail Group Limited.

(£ equivalent in millions) Sources of Funds		Uses of Funds	
Sterling Fixed Rate Senior Secured Notes	700.0	Redemption in full of the Existing Notes[3]	823.5
Floating Rate Senior Secured Notes[1]	300.5	Repayment and discharge of the Existing PIK Facility[4]	375.0
Senior Notes	200.0	Settlement of existing hedging obligations	3.0
Cash on hand[2]	56.0	Transaction costs[5]	55.0
Total sources	**1,256.5**	**Total uses**	**1,256.5**

(1) Represents the pound sterling equivalent of €414.0 million in gross proceeds of the Floating Rate Senior Secured Notes, which reflects an original issue discount of 0.25%.

(2) Includes £14.5 million of cash that we received in connection with the Acquisition.

(3) As part of the Refinancing Transactions, the Existing Notes were redeemed in full on the Redemption Date with a portion of the proceeds of the Offering. The amount required to redeem the Existing Notes includes the principal outstanding amount of the Existing Notes, plus the relevant redemption premiums, plus accrued and unpaid interest. The outstanding principal amount of Existing Notes as of June 12, 2015 was £788.1 million.

(4) As part of the Refinancing Transactions, the outstanding indebtedness under the Existing PIK Facility was repaid in full, including prepayment fees and accrued and unpaid interest, on the Redemption Date with a portion of the proceeds of the Offering. As of June 12, 2015, the outstanding amount of indebtedness under the Existing PIK Facility was £349.5 million.

(5) Reflects our estimate of fees and expenses associated with the Refinancing Transactions and the Acquisition, including discounts and other commissions, advisory and other professional fees and transaction costs.

Recent Developments

The Acquisition

On May 14, 2015, a newly-incorporated entity formed by Brait, entities managed by Apax, entities managed by Permira, entities holding the Tom Singh family interest and members of New Look's current and former senior management team entered into the Brait Acquisition Agreement pursuant to which Brait agreed to acquire the entire issued share capital of NLRGL. The Acquisition closed on June 25, 2015 and values NLRGL at approximately £1.9 billion. On completion, Tom Singh's family interests and management reinvested alongside Brait.

Other Recent Developments

In March 2015, we decided to divest our 50% interest in NLT Tekstil Sanayi Ve Ticaret Limited Sirketi, our former joint venture with a supply partner, though we plan to continue our relationship with NLT Tekstil Sanayi Ve Ticaret Limited Sirketi in its capacity as one of our suppliers. A fee was agreed in settlement of our outstanding obligations in respect of a service agreement with the joint venture. The sale of shares held by the Group is anticipated to be completed in the coming months.

In the 2015 fiscal year, we decided that the Netherlands was no longer a strategic focus for our business. As a result, on March 29, 2015, we announced our plans to close our single owned store in the Netherlands in June 2015 and gave notice to our concession partner in the country of our intention to terminate the concession agreement (which provides for a six-month notice period).

Trading Update

We have made a strong start to the 2016 fiscal year, with Group LFL sales growth of 12.6% for the four week period ended April 25, 2015 ("1P2016"), predominately driven by strong performance in the UK (including in our New Look E-commerce segment) and the Republic of Ireland. We attribute this growth to the ongoing growth in our New Look E-commerce channel and the positive customer reaction to our Spring/Summer product range which continues to trade well with full price sales ahead of the same period last year. Adjusted EBITDA for this period increased compared to the comparable period in fiscal year 2015.

We have also performed favourably against certain UK industry benchmarks in the women's clothing and footwear sector. In 1P2016, we recorded UK LFL sales growth for women's clothing and footwear of 14.6%, which outperformed certain UK women's clothing and footwear benchmarks.

Performance in the four week period ended May 23, 2015 ("2P2016") has been robust when considered in light of the strong results for the comparable period in the 2015 fiscal year, when improved spring weather helped to drive positive footfall. The Group's LFL sales growth in the period was 1.2% and UK LFL sales for women's clothing and footwear remaining unchanged at 0.0%, which still outperformed certain industry benchmarks. In the comparable period in the 2015 fiscal year, Group LFL sales growth was 9.1%. Average Group LFL sales growth for the periods 1P2016 and 2P2016 was 6.6%, compared to Group LFL sales growth of 10.8% for the same period in the 2015 fiscal year.

This information is based solely on preliminary internal information used by management. Our actual consolidated financial results for the thirteen week period ended June 27, 2015 may differ from our preliminary estimated results and remain subject to our normal end of period closing procedures and review process, including the adjustments required to reconcile our management accounts with IFRS. Those procedures have not been completed. Accordingly, these results may change and those changes may be material. We caution that the foregoing information has not been audited or reviewed by our independent auditors and should not be regarded as an indication, forecast or representation by us or any other person regarding our financial performance for the thirteen week period ended June 27, 2015.

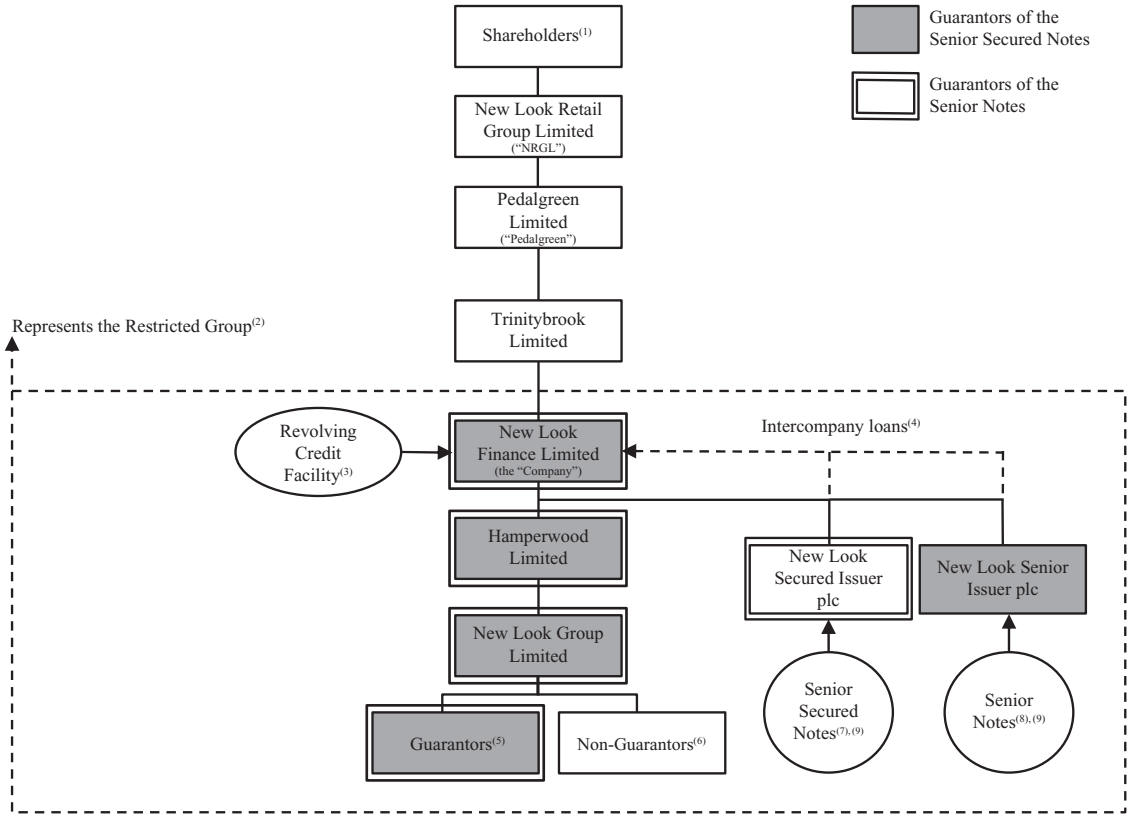
Our Shareholders

Brait is an investment holding company focussed on driving sustainable long-term growth and value creation in its investment portfolio of sizeable unlisted businesses operating in the broad consumer sector. Brait recently announced the acquisition of an approximately 80% shareholding in Virgin Active. In addition, Brait's other major assets include a 19% shareholding in Iceland Foods, the UK-based frozen food retailer, as well as an 87% shareholding in Premier Group (Pty) Limited, a fast moving consumer goods manufacturer based in South Africa that produces food and personal care products. We believe that Brait is supportive of our current strategy.

Tom Singh founded the New Look business in 1969 and had overall responsibility for New Look's buying and merchandising until he became a Non-Executive Director and consultant in May 2001. In March 2011, he rejoined New Look as Commercial Director, leading our buying, merchandising, design and sourcing functions until May 2014. He has since assumed the role of Non-Executive director. For further information, see "*Principal Shareholders*."

Summary Structure

The following diagram summarises certain aspects of our corporate and financing structure, on an as adjusted basis after giving effect to the Refinancing Transactions, which were completed as of the Redemption Date.



(1) On May 14, 2015, a newly-incorporated entity formed by Brait, entities managed by Apax, entities managed by Permira, entities holding the Tom Singh family interest and members of New Look's current and former senior management team entered into the Brait Acquisition Agreement pursuant to which Brait agreed to acquire the entire issued share capital of NLRGL. The Acquisition closed on June 25, 2015 and values NLRGL at approximately £1.9 billion. On completion, Tom Singh's family interests and management reinvested alongside Brait.

(2) The entities in the Restricted Group are subject to the covenants in the Revolving Credit Facility Agreement and the Indentures.

(3) As part of the Refinancing Transactions, the Company entered into the Revolving Credit Facility Agreement, which provides for the Revolving Credit Facility in the amount of £100 million. The initial borrowers under the Revolving Credit Facility are New Look Finance Limited and New Look Retailers Limited, an indirect subsidiary of New Look Group Limited. Subject to certain limitations, other subsidiaries of New Look Finance Limited which guarantee the Revolving Credit Facility may become borrowers under the Revolving Credit Facility in the future. The same subsidiaries that initially guaranteed the Notes also guarantee our Revolving Credit Facility and the same assets that initially secured the Senior Secured Notes also secure our Revolving Credit Facility on an equal and rateable first-priority basis. See "*Description of Other Indebtedness—Revolving Credit Facility Agreement*" for further information.

(4) Following release of the proceeds from the Escrow Accounts, the Issuers extended the Proceeds Loans to the Company in an amount equal to the proceeds of the Notes. See "*Description of the Senior Secured Notes—The Proceeds Loans*" and "*Description of the Senior Notes—The Proceeds Loans*" for further information.

(5) As of and for the 52 week period ended March 28, 2015, the Guarantors generated 83% and 95% of the consolidated revenue and Adjusted EBITDA of the Restricted Group, respectively, and represented 80% of the consolidated total assets of the Restricted Group.

(6) As of and for the 52 week period ended March 28, 2015, our subsidiaries that form part of the Restricted Group that do not guarantee the Notes generated 17% and 5% of the consolidated revenue and Adjusted EBITDA of the Restricted Group, respectively, and represented 20% of the consolidated total assets of the Restricted Group. In addition, as of March 28, 2015, except for the indebtedness represented by the Existing Notes and the Existing PIK Loans which has been redeemed and repaid in full as part of the Refinancing Transactions, our subsidiaries that form part of the Restricted Group that do not guarantee the Notes did not have any outstanding third-party financial indebtedness.

(7) The Senior Secured Notes Issuer issued £700 million aggregate principal amount of Fixed Rate Senior Secured Notes and €415 million aggregate principal amount of Floating Rate Senior Secured Notes. The Senior Secured Notes are senior obligations of the Senior Secured Notes Issuer, were secured by a charge over the Senior Secured Notes Escrow Accounts and are guaranteed on a senior secured basis by the Company and certain of its subsidiaries, including the Senior Notes Issuer. The Senior Secured Notes Guarantees are subject

to certain limitations under applicable law, as described under "*Risk Factors—Risks Related to the Notes and Our Structure—Each Notes Guarantee will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defences that may limit its validity and enforceability.*"

(8) The Senior Notes Issuer issued £200 million aggregate principal amount of Senior Notes. The Senior Notes are senior obligations of the Senior Notes Issuer, were secured by a charge over the Senior Notes Escrow Account and are guaranteed on a senior subordinated basis by the Company and certain of its subsidiaries, including the Senior Notes Issuer. The Senior Notes Guarantees will be subject to certain limitations under applicable law, as described under "*Risk Factors—Risks Related to the Notes and Our Structure—Each Notes Guarantee will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defences that may limit its validity and enforceability.*"

(9) Subject to the operation of the Agreed Security Principles, certain perfection requirements and any Permitted Collateral Liens (as defined in "*Description of the Senior Secured Notes—Certain Definitions*" and "*Description of the Senior Notes—Certain Definitions*"), each of the Issuers, the Company and the other Guarantors have granted in favour of the Security Agent, fixed and floating charges over substantially all the assets of the Issuers and the Guarantors, including: shares of capital stock of each of the Issuers, certain Guarantors and other subsidiaries (granted by the Company and its subsidiaries); certain bank accounts; certain real property; certain intellectual property; an assignment of (or to the extent not validly assigned, a fixed charge over) the rights of the Senior Secured Notes Issuer under its Proceeds Loans; and an assignment of (or to the extent not validly assigned, a fixed charge over) the rights of the Senior Notes Issuer under its Proceeds Loan. The security will be limited and subject to certain statutory preferences under English law as described under "*Risk Factors—Risks Related to the Notes and Our Structure—Each Notes Guarantee will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defences that may limit its validity and enforceability*."

THE OFFERING

The following is a brief summary of certain terms of the Offering of the Notes. It may not contain all the information that is important to you. For further information, see "*Description of the Senior Secured Notes*," "*Description of the Senior Notes*" and "*Description of Other Indebtedness—Intercreditor Agreement*."

Issuer

Senior Secured Notes	New Look Secured Issuer plc (the "Senior Secured Notes Issuer").
Senior Notes	New Look Senior Issuer plc (the "Senior Notes Issuer").

Notes Offered

Fixed Rate Senior Secured Notes	£700 million aggregate principal amount of 6.5% Senior Secured Notes due 2022 (the "Sterling Fixed Rate Senior Secured Notes" or the "Fixed Rate Senior Secured Notes").
Floating Rate Senior Secured Notes	€415 million aggregate principal amount of Floating Rate Senior Secured Notes due 2022 (the "Floating Rate Senior Secured Notes" and, together with the Fixed Rate Senior Secured Notes, the "Senior Secured Notes").
Senior Notes	£200 million aggregate principal amount of 8.0% Senior Notes due 2023 (the "Senior Notes" and, together with the Senior Secured Notes, the "Notes").
Issue Date	June 24, 2015 (the "Issue Date").

Issue Prices

Sterling Fixed Rate Senior Secured Notes	100.00% (plus accrued and unpaid interest from the Issue Date).
Floating Rate Senior Secured Notes	99.75% (plus accrued and unpaid interest from the Issue Date).
Senior Notes	100.00% (plus accrued and unpaid interest from the Issue Date).

Maturity Dates

Senior Secured Notes	July 1, 2022.
Senior Notes	July 1, 2023.

Interest Rates

Sterling Fixed Rate Senior Secured Notes	6.5%.
Floating Rate Senior Secured Notes	Floating rate interest equal to three-month EURIBOR plus 4.50% as determined by the calculation agent. The interest rate on the Floating Rate Senior Secured Notes for each subsequent interest period will be reset quarterly on each interest payment date. The floating interest rate will be determined quarterly on the second business day prior to the applicable interest payment date, except that the initial interest determination date was June 22, 2015.
Senior Notes	8.0%.

Interest Payment Dates

Fixed Rate Senior Secured Notes	Semi-annually in arrears on each May 15 and November 15, commencing on November 15, 2015. Interest will accrue from the Issue Date.

Floating Rate Senior Secured Notes	Quarterly each March 15, June 15, September 15 and December 15, commencing on September 15, 2015. Interest will accrue from the Issue Date.
Senior Notes	Semi-annually in arrears on each May 15 and November 15, commencing on November 15, 2015. Interest will accrue from the Issue Date.

Minimum Denominations

Fixed Rate Senior Secured Notes and Senior Notes	Minimum denominations of £100,000 and integral multiples of £1,000 in excess thereof.
Floating Rate Senior Secured Notes	Minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof.

Ranking of the Notes

Senior Secured Notes ..... The Senior Secured Notes are:

- general, senior obligations of the Senior Secured Notes Issuer;
- secured by first priority liens over the collateral described below under "*—Security*," but under the terms of the Intercreditor Agreement will receive proceeds from enforcement of security over the collateral only after any obligations secured on a super priority basis, including creditors under the Revolving Credit Facility, lenders of certain ancillary facilities and counterparties to certain hedging obligations, have been paid in full, as described under "*Description of Other Indebtedness—Intercreditor Agreement";*
- *pari passu* in right of payment with all existing and future indebtedness of the Senior Secured Notes Issuer that is not subordinated in right of payment to the Senior Secured Notes, including the guarantee given by the Senior Secured Notes Issuer in favour of the Revolving Credit Facility;
- senior in right of payment to all existing and future indebtedness of the Senior Secured Notes Issuer that is subordinated in right of payment to the Senior Secured Notes, including the guarantee given by the Senior Secured Issuer in favour of the Senior Notes;
- effectively subordinated to any existing and future indebtedness of the Senior Secured Notes Issuer that is secured by property or assets of the Issuer that do not secure the Senior Secured Notes, to the extent of the value of the property or assets securing such indebtedness;
- effectively subordinated to any existing and future indebtedness of subsidiaries of the Senior Secured Notes Issuer that do not guarantee the Senior Secured Notes; and
- unconditionally guaranteed as to all of the Senior Secured Notes Issuer's obligations on a senior secured basis by the Senior Secured Notes Guarantors, subject to certain guarantee limitations.

Senior Notes ..... The Senior Notes are:

- general, senior obligations of the Senior Notes Issuer;
- secured by first priority liens over the collateral described below under "*—Security*," but, under the terms of the Intercreditor Agreement, will receive proceeds from enforcement

of security over the collateral only after obligations secured on a senior secured basis, including under the Senior Secured Notes, the Revolving Credit Facility, certain ancillary facilities and certain hedging obligations, have been paid in full, as described under *"Description of Other Indebtedness—Intercreditor Agreement"*;

- *pari passu* in right of payment with all existing and future indebtedness of the Senior Notes Issuer that is not subordinated in right of payment to the Senior Notes, including the guarantee given by the Senior Notes Issuer in favour of the Revolving Credit Facility and the Senior Secured Notes;
- senior in right of payment to all existing and future indebtedness of the Senior Notes Issuer that is subordinated in right of payment to the Senior Notes;
- effectively subordinated to any existing and future indebtedness of the Senior Notes Issuer that is secured by liens ranking ahead of the liens securing Senior Notes or secured by property and assets that do not secure the Senior Notes, to the extent of the value of the property or assets securing such indebtedness;
- effectively subordinated to any existing and future indebtedness of subsidiaries of the Senior Notes Issuer that do not guarantee the Senior Notes; and
- unconditionally guaranteed as to all of the Senior Notes Issuer's obligations on a senior subordinated basis by the Senior Notes Guarantors, subject to certain guarantee limitations.

Notes Guarantees

Senior Secured Notes Guarantees	The Senior Secured Notes are guaranteed on a senior secured basis by the Company and certain of its subsidiaries, including the Senior Notes Issuer (collectively, the "Senior Secured Notes Guarantors").
Senior Notes Guarantees	The Senior Notes are guaranteed on a senior subordinated basis by the Company and certain of its subsidiaries, including the Senior Secured Notes Issuer (collectively, the "Senior Notes Guarantors").
Guarantors	As of and for the 52 week period ended March 28, 2015, those entities which are Guarantors generated 83% and 95% of the consolidated revenue and Adjusted EBITDA of the Restricted Group, respectively, and represented 80% of the consolidated total assets of the Restricted Group. As of and for the 52 week period ended March 28, 2015, our subsidiaries that form part of the Restricted Group that do not guarantee the Notes generated 17% and 5% of the consolidated revenue and Adjusted EBITDA of the Restricted Group, respectively, and represented 20% of the consolidated total assets of the Restricted Group. In addition, as of March 28, 2015, except for the indebtedness represented by the Existing Notes and the Existing PIK Loans which has been redeemed and repaid in full as part of the Refinancing Transactions, our subsidiaries that form part of the Restricted Group that do not guarantee the Notes did not have any outstanding third-party financial indebtedness. The Notes Guarantees are subject to the terms of the Intercreditor Agreement. See "*Description of Other Indebtedness—Intercreditor Agreement*."

The Notes Guarantees are subject to contractual and legal limitations, and may be released under certain circumstances. See "*Description of the Senior Secured Notes—Security—Release of Liens,*" "*Description of the Senior Notes—Security—Release of Liens*," "*Risk Factors—Risks related to the Notes and Our Structure—There are circumstances other than repayment or discharge of the Notes under which the collateral securing the Notes and the Notes Guarantees will be released automatically, without your consent or the consent of the Trustee*" and "*Description of Other Indebtedness—Intercreditor Agreement.*"

Ranking of the Notes Guarantees

Senior Secured Notes Guarantees . . . . . Each Senior Secured Notes Guarantee is a general senior obligation of the relevant Senior Secured Notes Guarantor and is:

- secured by first priority liens over certain collateral, as described below under "*—Security*," but will receive proceeds from enforcement of security over the collateral only after any obligations secured on a super priority basis, including obligations owed to lenders under the Revolving Credit Facility, lenders of certain ancillary facilities and counterparties to certain hedging obligations, have been paid in full;
- *pari passu* in right of payment with all of the Senior Secured Notes Guarantors' existing and future senior indebtedness, including any indebtedness under the Revolving Credit Facility, certain ancillary facilities and certain hedging obligations;
- senior in right of payment to all existing and future subordinated indebtedness of the Senior Secured Notes Guarantors, including the guarantees given by the Senior Secured Notes Guarantors in respect of the Senior Notes;
- effectively subordinated to any existing and future indebtedness of the Senior Secured Notes Guarantors that is secured by property or assets of such Senior Secured Notes Guarantor or its subsidiaries that do not secure the Senior Secured Notes Guarantors' guarantees of the Senior Secured Notes on an equal basis, to the extent of the value of the property or assets securing such indebtedness; and
- effectively subordinated to any existing and future indebtedness of subsidiaries of the Company that do not guarantee the Senior Secured Notes.

Senior Notes Guarantees . . . . . Each Senior Notes Guarantee is a senior subordinated obligation of the relevant Senior Notes Guarantor and is:

- secured by first priority liens over certain collateral, as described below under "*—Security*," but, under the terms of the Intercreditor Agreement, will receive proceeds from enforcement of security over the collateral only after obligations secured on a senior secured basis, including under the Senior Secured Notes, the Revolving Credit Facility, certain ancillary facilities and certain hedging obligations, have been paid in full;
- subordinated in right of payment to all existing and future senior indebtedness of each Senior Notes Guarantor, including the Senior Notes Guarantors' obligations under the Senior Secured Notes, the Revolving Credit Facility, certain ancillary facilities and certain hedging obligations;

	• *pari passu* in right of payment with all of the Senior Notes Guarantors' existing and future senior subordinated indebtedness; • senior in right of payment to all existing and future indebtedness of the Senior Notes Guarantors that is expressly subordinated to such Senior Notes Guarantee; • effectively subordinated to any existing and future indebtedness of the Senior Notes Guarantors that is secured by liens ranking ahead of the liens securing the Senior Notes or secured by property or assets of such Senior Notes Guarantor or its subsidiaries that do not secure the Senior Notes Guarantors' guarantees of the Senior Secured Notes on an equal basis, to the extent of the value of the property or assets securing such indebtedness; and • effectively subordinated to any existing and future indebtedness of subsidiaries of the Company that do not guarantee the Senior Notes.
Security	On the Issue Date, the Senior Secured Notes were secured by a charge over the Senior Secured Notes Escrow Accounts. On the Issue Date, the Senior Notes were secured by a charge over the Senior Notes Escrow Account. Subject to the operation of the Agreed Security Principles, certain perfection requirements and any Permitted Collateral Liens (as defined in "*Description of the Senior Secured Notes—Certain Definitions*" and "*Description of the Senior Notes—Certain Definitions*"), each of the Issuers, the Company and the other Guarantors have granted in favour of the Security Agent, fixed and floating charges over substantially all the assets of the Issuers and the Guarantors, including: shares of capital stock of each of the Issuers, certain Guarantors and other subsidiaries (granted by the Company and its subsidiaries); certain bank accounts; certain real property; certain intellectual property; an assignment of (or to the extent not validly assigned, a fixed charge over) the rights of the Senior Secured Notes Issuer under its Proceeds Loans and an assignment of (or to the extent not validly assigned, a fixed charge over) the rights of the Senior Notes Issuer under its Proceeds Loan. The security will be limited and subject to certain statutory preferences under English law as described under "*Risk Factors—Risks Related to the Notes and Our Structure—Each Notes Guarantee will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defences that may limit its validity and enforceability*."
Escrow of Proceeds	Pending the consummation of the Acquisition, the Initial Purchasers deposited the proceeds from the Offering, less certain deductions in respect of fees and expenses, into the Escrow Accounts with the Escrow Agent. On June 25, 2015, the escrowed funds were released to the Issuers and utilised as described in "*—The Refinancing Transactions*," "*Use of Proceeds*," "*Description of the Senior Secured Notes—Escrow of Proceeds; Special Mandatory Redemption*" and "*Description of the Senior Notes—Escrow of Proceeds; Special Mandatory Redemption*."
Additional Amounts	Any payments made by the Issuers or any Guarantor with respect to the Notes will be made without withholding or deduction for taxes in

	any relevant taxing jurisdiction unless required by law. If any of the Issuers or Guarantors are required by law to withhold or deduct for such taxes with respect to a payment to the holders of Notes, the Issuer or Guarantor will pay the additional amounts necessary so that the net amount received by the noteholders after the withholding is not less than the amount that they would have received in the absence of the withholding, subject to certain exceptions. See "*Description of the Senior Secured Notes—Withholding Taxes*" and "*Description of the Senior Notes—Withholding Taxes*."
Optional Redemption	
Fixed Rate Senior Secured Notes	Prior to June 24, 2018, the Senior Secured Notes Issuer may redeem at its option all or a portion of the Fixed Rate Senior Secured Notes at a redemption price equal to 100% of the principal amount of the Fixed Rate Senior Secured Notes plus the applicable "make-whole" premium described in this listing circular and accrued and unpaid interest and additional amounts, if any, to the redemption date. On or after June 24, 2018, the Senior Secured Notes Issuer may redeem at its option all or a portion of the Fixed Rate Senior Secured Notes at the applicable redemption prices set forth under the caption "*Description of the Senior Secured Notes—Optional Redemption—Optional Redemption of the Fixed Rate Senior Secured Notes*," plus accrued and unpaid interest and additional amounts, if any, to the redemption date. Prior to June 24, 2018, the Senior Secured Notes Issuer may redeem at its option on one or more occasions the Fixed Rate Senior Secured Notes in an aggregate principal amount not to exceed 40% of the aggregate principal amount of the Fixed Rate Senior Secured Notes with the net cash proceeds from certain equity offerings at a redemption price equal to 106.5% of the principal amount outstanding in respect of the Fixed Rate Senior Secured Notes, plus accrued and unpaid interest to the redemption date, so long as at least 60% of the aggregate principal amount of the Fixed Rate Senior Secured Notes remains outstanding immediately after each such redemption and each such redemption occurs within 180 days after the closing date of the relevant equity offering.
Floating Rate Senior Secured Notes	Prior to June 24, 2016, the Senior Secured Notes Issuer may redeem at its option all or a portion of the Floating Rate Senior Secured Notes at a redemption price equal to 100% of the principal amount of the Floating Rate Senior Secured Notes plus the applicable "make-whole" premium described in this listing circular and accrued and unpaid interest and additional amounts, if any, to the redemption date. On or after June 24, 2016, the Senior Secured Notes Issuer may redeem at its option all or a portion of the Floating Rate Senior Secured Notes at the applicable redemption prices set forth under the caption "*Description of the Senior Secured Notes—Optional Redemption—Optional Redemption of the Floating Rate Senior Secured Notes*," plus accrued and unpaid interest to the redemption date.
Senior Notes	Prior to June 24, 2018, the Senior Notes Issuer may redeem at its option all or a portion of the Senior Notes at a redemption price equal to 100% of the principal amount of the Senior Notes plus the applicable "make-whole" premium described in this listing circular and accrued and unpaid interest and additional amounts, if any, to the redemption date.

	On or after June 24, 2018, the Senior Notes Issuer may redeem at its option all or a portion of the Senior Notes at the applicable redemption prices set forth under the caption "*Description of the Senior Notes—Optional Redemption*," plus accrued and unpaid interest and additional amounts, if any, to the redemption date. Prior to June 24, 2018, the Senior Notes Issuer may redeem at its option on one or more occasions the Senior Notes in an aggregate principal amount not to exceed 40% of the aggregate principal amount of the Senior Notes with the net cash proceeds from certain equity offerings at a redemption price equal to 108.0% of the principal amount outstanding in respect of the Senior Notes, plus accrued and unpaid interest to the redemption date, so long as at least 60% of the aggregate principal amount of the Senior Notes remains outstanding immediately after each such redemption and each such redemption occurs within 180 days after the closing date of the relevant equity offering.
Optional Redemption for Tax Reasons	In the event of certain developments affecting taxation or certain other circumstances, the relevant Issuer may redeem the affected series of Notes in whole, but not in part, at any time, at a redemption price of 100% of the principal amount, plus accrued and unpaid interest, if any, and additional amounts, if any, to the date of redemption. See "*Description of the Senior Secured Notes—Redemption for Taxation Reasons*" and "*Description of the Senior Notes—Redemption for Taxation Reasons*."
Change of Control	Upon the occurrence of certain events defined as constituting a change of control, each Issuer may be required to offer to repurchase all its outstanding Notes at a purchase price in cash equal to 101% of the principal amount thereof on the date of purchase plus accrued and unpaid interest to the date of purchase. See "*Description of the Senior Secured Notes—Change of Control*" and "*Description of the Senior Notes—Change of Control*."
Certain Covenants	The Indentures, among other things, restrict the ability of the Issuers, the Company and its restricted subsidiaries to: • incur or guarantee additional indebtedness and issue certain preferred stock; • in the case of the Senior Notes, layer debt of the Senior Notes Issuer and the Senior Notes Guarantors; • create or incur certain liens; • make certain payments, including dividends or other distributions, with respect to the shares of the Company; • prepay or redeem subordinated debt or equity; • make certain investments; • create encumbrances or restrictions on the payment of dividends or other distributions, loans or advances to and on the transfer of assets to the Company or its restricted subsidiaries; • sell, lease or transfer certain assets including stock of restricted subsidiaries; • engage in certain transactions with affiliates;

	• enter into unrelated businesses or engage in prohibited activities; • consolidate or merge with other entities; • impair the security interests for the benefit of the holders of the Notes; and • amend certain documents. Each of these covenants is subject to significant exceptions and qualifications. See "*Description of the Senior Secured Notes—Certain Covenants*" and "*Description of the Senior Notes—Certain Covenants*."
Transfer Restrictions	The Notes and the Notes Guarantees have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any other jurisdiction and are subject to restrictions on transferability and resale. See *"Transfer Restrictions."* We have not agreed to, or otherwise undertaken to, register the Notes (including by way of an exchange offer).
No Prior Market	The Notes are new securities for which there was, prior to the date of the offering memorandum, no established trading market. Although the Initial Purchasers have advised us that they intend to make a market in the Notes, they are not obligated to do so and they may discontinue market-making at any time without notice. Accordingly, there is no assurance that an active trading market will develop for the Notes.
Listing	Application has been made to have the Notes admitted for trading on the Euro MTF market, and to list the Notes on the Official List of the Luxembourg Stock Exchange.
Governing Law for the Notes, the Notes Guarantees and the Indentures	New York law.
Governing Law for the Intercreditor Agreement	English law.
Governing Law for the Security Document	English law.
Governing Law for the Escrow Agreements	English law.
Trustee	Deutsche Trustee Company Limited.
Escrow Agent	Deutsche Bank AG, London Branch
Registrar and Transfer Agent	Deutsche Bank Luxembourg S.A.
Paying Agent	Deutsche Bank AG, London Branch.
Luxembourg Listing Agent	Deutsche Bank Luxembourg S.A.
Calculation Agent	
Floating Rate Senior Secured Notes	Deutsche Bank AG, London Branch.
Security Agent	Deutsche Bank AG, London Branch.
ISINs	
Sterling Fixed Rate Senior Secured Notes	Reg S: XS1248516616; Rule 144A: XS1248516376.

Floating Rate Senior Secured Notes	Reg S: XS1248517341; Rule 144A: XS1248517184.
Senior Notes	Reg S: XS1248518158; Rule 144A: XS1248518232.

Common Codes

Sterling Fixed Rate Senior Secured Notes	Reg S: 124851661; Rule 144A: 124851637.
Floating Rate Senior Secured Notes	Reg S: 124851734; Rule 144A: 124851718.
Senior Notes	Reg S: 124851815; Rule 144A: 124851823.

RISK FACTORS

Investing in the Notes involves substantial risks. Investors should carefully consider all the information in this listing circular. In particular, investors should consider the factors set forth under "*Risk Factors*" before making a decision to invest in the Notes.

SUMMARY CONSOLIDATED FINANCIAL AND OTHER DATA

The Senior Secured Notes Issuer was incorporated on May 28, 2015 for the purposes of facilitating the Refinancing Transactions. The Senior Secured Notes Issuer has no material assets or liabilities and has not engaged in any activities. The Senior Secured Issuer is a finance subsidiary of the Company. The Senior Secured Notes Issuer will prepare annual audited financial information and will use the same accounting reference date as NLRGL.

The Senior Notes Issuer was incorporated on May 28, 2015 for the purposes of facilitating the Refinancing Transactions. The Senior Notes Issuer has no material assets or liabilities and has not engaged in any activities. The Senior Notes Issuer is a finance subsidiary of the Company. The Senior Notes Issuer will prepare annual audited financial information and will use the same accounting reference date as NLRGL.

The Company is a wholly owned indirect subsidiary of NLRGL. Unless otherwise indicated, the financial information presented in this listing circular is the historical consolidated financial information of NLRGL and its consolidated subsidiaries. NLRGL's audited consolidated financial statements as of and for the 53 week period ended March 30, 2013 and the 52 week periods ended March 29, 2014 and March 28, 2015 included in this listing circular have been prepared in accordance with IFRS.

NLRGL's historical consolidated financial information includes the results of operations and financial position of certain subsidiaries which are subsidiaries of NLRGL, but not subsidiaries of the Company. As a result, NLRGL's historical consolidated financial information is not directly comparable to the consolidated financial information of the Company for any prior periods. The material differences between the financial position and results of operations of NLRGL and the Company relate to the Former PIK Facility, which was repaid in full and extinguished in May 2013 as part of the 2013 Refinancing Transactions. Pedalgreen, a subsidiary of NLRGL but not of the Company, was the borrower under the Former PIK Facility. Accordingly, the material differences between the financial position and results of operations of NLRGL and the Company relate to Pedalgreen's payment of interest expense and release of a deferred tax asset relating to the Former PIK Facility during the 52 week period ended March 29, 2014. There are no material differences between the financial position and results of operations of NLRGL and the Company for the 52 week period ended March 28, 2015. In addition, there are no material differences between the financial position and results of operations of NLRGL and the Company for either of the 52 week periods ending March 29, 2014 and March 28, 2015 with respect to the activities and operations of Trinitybrook, which is a holding company and a subsidiary of NLRGL but not of the Company.

Our fiscal year runs from the calendar day following the previous fiscal year end to the Saturday nearest to our accounting reference date, which was March 30, 2013 for the 53 week period in 2013, March 29, 2014 for the 52 week period in 2014 and March 28, 2015 for the 52 week period in 2015. Accordingly, from time to time, including in 2013, our fiscal year accounting period covers a 53 week period, which impacts the comparability of results to the 2014 and 2015 fiscal years, each of which was a 52 week period. Despite the additional trading week in the 53 week period ended March 30, 2013, we generated higher revenue, Adjusted EBITDA and underlying operating profit in the 52 week periods ended March 29, 2014 and March 28, 2015 compared to the 53 week period ended March 30, 2013.

On November 22, 2014, we fully disposed of Mim SAS, Mim Belgique and SCI Geometry Properties France to Main Asia (HK) Limited, an independent company advised by Asia Global. As a result, NLRGL's audited consolidated financial statements as of and for the 52 week period ended March 28, 2015, show the continuing operations of New Look and the discontinued operations of Mim. The comparative information for the 52 week period ended March 29, 2014, which appears in NLRGL's audited consolidated financial statements as of and for the 52 week period ended March 28, 2015, has been restated to show the continuing operations of New Look and the discontinued operations of Mim. The financial information for the 52 week period ended March 29, 2014 included herein is derived from such comparative information. For comparative purposes, we have also presented restated unaudited financial information presenting Mim as a discontinued operation as of and for the 53 week period ended March 30, 2013 in this listing circular. Mim's result for the 34 weeks ended November 22, 2014 was a profit after tax of £3.9 million, which included a gain on disposal of the Mim subsidiaries of £7.4 million. Mim's result for the 52 week period ended March 29, 2014, was a loss of £67.1 million, which included an impairment charge of £64.2 million to write down the value of Mim's net assets. Mim's result for the 53 week period ended March 30, 2013 was a loss of £2.9 million.

Our consolidated financial information is presented in pound sterling.

Rounding adjustments have been made in calculating some of the financial information included in this listing circular. As a result, figures shown as totals in some tables may not be exact arithmetic aggregations of the figures that precede them.

Also presented below is unaudited pro forma financial data, which has been prepared to give pro forma effect to the Refinancing Transactions and, in the case of Pro Forma Consolidated EBITDA, to reflect the relevant ratio calculations under the indenture governing the Existing Notes. The pro forma financial data is for informational purposes only, and does not purport to present what our results of operations and financial condition would have been had the Refinancing Transactions actually occurred on these dates, nor does it project our results of operations for any future period or our financial condition at any future date. While the pro forma financial data has been derived from historical financial information prepared in accordance with IFRS, such financial data contains financial measures other than those used in accordance with IFRS and should not be considered in isolation from or as a substitute for our historical financial information.

The following tables should be read in conjunction with, and are qualified in their entirety by reference to, our financial statements and the accompanying notes included elsewhere in this listing circular. The tables below should also be read together with the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*."

For further information, see "*Presentation of Financial and Other Information*" and the notes to the financial statements included elsewhere in this listing circular. The following tables show selected financial data for NLRGL on a consolidated basis for the periods indicated. Discontinued operations relates to the Mim business which was sold on November 22, 2014.

Consolidated Income Statement Data[1]

	For the 53 week period ended March 30, 2013	For the 52 week period ended	
		March 29, 2014	March 28, 2015
	(restated)	(restated)	
		(£ million)	
Continuing operations			
Revenue	1,330.0	1,368.0	1,414.5
Cost of sales	(629.7)	(645.9)	(668.7)
Gross profit	**700.3**	**722.1**	**745.8**
Administrative expenses	(587.0)	(585.2)	(596.9)
Operating profit	**113.3**	**136.9**	**148.9**
Finance income[2]	10.2	7.7	16.8
Finance expense[2]	(116.6)	(123.5)	(115.0)
Share of post-tax loss from joint venture	(0.3)	(0.4)	(0.1)
Profit before taxation	**6.6**	**20.7**	**50.6**
Taxation	(0.3)	(7.2)	(1.6)
Profit from continuing operations	**6.3**	**13.5**	**49.0**
Discontinued operations			
(Loss)/profit from discontinued operations	(2.9)	(67.1)	3.9
Profit/(loss) attributable to equity holders	**3.4**	**(53.6)**	**52.9**

Consolidated Balance Sheet Data

	As of		
	March 30, 2013	March 29, 2014	March 28, 2015
		(£ million)	
Non-current assets			
Property, plant and equipment	182.2	149.6	136.9
Intangible assets	744.7	703.0	695.6
Investment in joint venture	0.3	—	—
Available for sale financial assets	0.3	0.3	—
Other receivables	39.2	27.4	19.5
Derivative financial instruments	—	—	5.4
Deferred income tax assets	29.8	27.0	21.4
Total non-current assets	**996.5**	**907.3**	**878.8**
Current assets			
Inventories	144.1	138.1	148.2
Trade and other receivables	67.8	64.6	80.0
Income tax assets	—	—	2.9
Derivative financial instruments	17.6	0.3	24.5
Cash and cash equivalents	113.6	111.1	127.1
Total current assets	**343.1**	**314.1**	**382.7**
Total assets	**1,339.6**	**1,221.4**	**1,261.5**
Current liabilities			
Trade and other payables	(246.2)	(255.4)	(265.2)
Financial liabilities	(59.5)	—	—
Derivative financial instruments	(3.4)	(17.2)	(0.7)
Provisions	(5.7)	(4.4)	(2.1)
Income tax liabilities	(8.9)	(9.0)	—
Total current liabilities	**(323.7)**	**(286.0)**	**(268.0)**
Non-current liabilities			
Deferred income and other payables	(91.4)	(86.5)	(70.1)
Financial liabilities	(1,150.1)	(1,156.9)	(1,165.0)
Derivative financial instruments	(0.8)	(11.8)	(0.1)
Provisions	(9.8)	(10.4)	(4.8)
Deferred income tax liabilities	(77.7)	(61.1)	(66.7)
Total non-current liabilities	**(1,329.8)**	**(1,326.7)**	**(1,306.7)**
Total liabilities	**(1,653.5)**	**(1,612.7)**	**(1,574.7)**
Net liabilities	**(313.9)**	**(391.3)**	**(313.2)**
Equity attributable to the owners of NLRGL			
Share capital	10.4	10.4	10.4
Share premium	0.6	0.6	0.6
Treasury shares	(21.9)	(23.3)	(23.2)
Other reserves	18.9	(4.8)	19.7
Reverse acquisition reserve	(285.3)	(285.3)	(285.3)
Accumulated losses	(36.6)	(88.9)	(35.4)
Total equity	**(313.9)**	**(391.3)**	**(313.2)**

Consolidated Statement of Cash Flows Data[1]

	For the 53 week period ended March 30, 2013	For the 52 week period ended March 29, 2014	For the 52 week period ended March 28, 2015
	(restated)	(restated)	
		(£ million)	
Cash flows from operating activities			
Net cash flow from operating activities (continuing operations)	150.4	172.8	182.2
Net cash flow from operating activities (discontinued operations)	1.2	1.6	(4.7)
Cash flows used in investing activities			
Net cash flow used in investing activities (continuing operations)	(50.3)	(32.8)	(45.5)
Net cash flow from/(used in) investing activities (discontinued operations)	0.6	(3.8)	(4.3)
Cash flows used in financing activities			
Net cash flow used in financing activities (continuing operations)	(198.4)	(138.5)	(110.2)
Net cash flow used in financing activities (discontinued operations)	(3.2)	(0.5)	2.7
Net decrease in cash, cash equivalents and bank overdrafts	**(99.7)**	**(1.2)**	**20.2**
Opening cash, cash equivalents and bank overdrafts	212.3	113.6	111.1
Exchange gains/(losses) on cash, cash equivalents and bank overdrafts	1.0	(1.3)	(4.2)
Closing cash, cash equivalents and bank overdrafts	**113.6**	**111.1**	**127.1**

Segment Data Continuing Operations[1]

	For the 53 week period ended March 30, 2013	For the 52 week period ended March 29, 2014	For the 52 week period ended March 28, 2015
		(£ million)	
Revenue			
New Look Brand			
UK Retail[3]	1,061.2	1,034.3	1,048.4
International	149.2	152.6	149.1
Directly operated stores	1,210.4	1,186.9	1,197.5
E-commerce[3]	91.4	149.8	200.7
Franchise	58.5	59.9	46.1
Segmental gross transactional value	**1,360.3**	**1,396.6**	**1,444.3**
Adjustment to state concession income on a net basis for statutory reporting purposes	(30.3)	(28.6)	(29.8)
Total revenue	**1,330.0**	**1,368.0**	**1,414.5**

	For the 53 week period ended March 30, 2013	For the 52 week period ended March 29, 2014	For the 52 week period ended March 28, 2015
		(£ million)	
Underlying Operating Profit[4]			
New Look brand			
UK Retail[3]	92.9	97.3	110.6
International	0.9	1.0	(9.5)
Directly operated stores	93.8	98.3	101.1
E-commerce[3]	14.5	35.2	45.3
Franchise	9.4	7.5	6.8
Total underlying operating profit[4]	**117.7**	**141.0**	**153.2**

	As of and for the 53 week period ended March 30, 2013	As of and for the 52 week period ended	
		March 29, 2014	March 28, 2015
Number of Stores	802	804	809
New Look United Kingdom	589	576	569
New Look International	87	103	135
New Look Franchise	126	125	105
Total trading space (thousands of square feet (approximate))	5,465.9	5,459.8	5,363.7
Average UK store size (trading space in square feet (approximate))	6,876.5	6,996.0	7,026.7
UK LFL sales growth/(decline)[5]	(0.5)%	3.0%	5.0%
Total LFL sales growth/(decline)[6]	(0.1)%	2.7%	4.0%
Markdown/discount for period ended[7]	26.9%	26.0%	26.6%
Inventory days for period ended[8]	85	78	81

Other Financial Data

	For the 53 week period ended March 30, 2013	For the 52 week period ended March 29, 2014	As of and for the 52 week period ended March 28, 2015
	(£ million unless otherwise indicated)		
Other Financial Data			
Gross margin	52.7%	52.8%	52.7%
Underlying operating profit[3]	117.7	141.0	153.2
Underlying operating profit margin[9]	8.8%	10.3%	10.8%
Adjusted EBITDAR[10]	342.2	360.9	372.9
Adjusted EBITDAR margin[11]	25.7%	26.4%	26.4%
Adjusted EBITDA[12]	184.1	204.2	212.4
Adjusted EBITDA margin[13]	13.8%	14.9%	15.0%
Capital expenditure[14]	59.6	48.9	60.3
Net capital expenditure[15]	50.3	32.8	45.5
Free cash flow[16]	98.8	145.4	147.0
Free cash flow conversion[17]	53.7%	71.2%	69.2%
Pro Forma Financial Data[18]			
Pro Forma Consolidated EBITDA[19]			229.2
Pro Forma Consolidated EBITDA margin[20]			16.2%
Pro forma cash and cash equivalents[21]			85.6
Pro forma total cash pay debt[22]			1,201.2
Pro forma net cash pay debt[23]			1,115.6
Pro forma senior secured debt[24]			1,001.2
Pro forma net senior secured debt[25]			915.6
Pro forma cash interest expense[26]			76.1
Ratio of pro forma net cash pay debt to Adjusted EBITDA from Continuing Operations			5.3x
Ratio of pro forma net cash pay debt to Pro Forma Consolidated EBITDA			4.9x
Ratio of pro forma net senior secured debt to Pro Forma Consolidated EBITDA			4.0x
Ratio of Pro Forma Consolidated EBITDA to pro forma cash pay interest expense			3.0x

(1) Following a strategic review we undertook during the 2014 fiscal year, we determined that our Mim business is not a strategic focus for the Group going forward. As a result, we present our consolidated income statement for the 53 week period ended March 30, 2013 and for the 52 week periods ended and March 29, 2014 and March 28, 2015 to show the continuing operations of New Look and the discontinued operations of Mim. We also present our consolidated statement of cash flow data for the 53 week period ended March 30, 2013 and for the 52 week periods ended and March 29, 2014 and March 28, 2015 to show the continuing operations of New Look and the discontinued operations of Mim and the underlying operating profit for the 53 week period ended March 30, 2013 and for the 52 week periods ended and March 29, 2014 and March 28, 2015 to show the continuing operations of New Look and the discontinued operations of Mim. See note 17 to our consolidated financial statements as of and for the 52 week period ended March 28, 2015 for further information regarding our discontinued operations.

(2) In the 53 week period ended March 30, 2013, £71.5 million of our finance expense was attributable to non-cash PIK capitalised financial expense in relation to the Former PIK Facility Agreement. In the 52 week period ended March 29, 2014, £4.8 million of our finance expense was attributable to non-cash PIK capitalised financial expense in relation to the Former PIK Facility Agreement and £42.6 million of our finance expense was attributable to non-cash PIK capitalised financial expense in relation to the PIK Facility Agreement. In the 52 weeks ended March 28, 2015 and £41.3 million of our finance expense was attributable to non-cash PIK capitalised financial expense in relation to the Existing PIK Facility Agreement.

In the 53 week period ended March 30, 2013, £9.1 million of our finance income was attributable to a gain on cancellation of part of the Former PIK Facility Agreement.

(3) UK Retail and E-commerce revenue and underlying operating profit have been restated for the 53 week period ended March 30, 2013 to reflect the reclassification of £2.7 million of revenue and £1.3 million of underlying operating profit in connection with our New Look E-commerce returns in store. As a result, our restated UK Retail revenue and underlying operating profit increased and our restated E-commerce revenue and underlying operating profit decreased compared to the amount reported in NLRGL's audited consolidated financial statements as of and for the 53 week period ended March 30, 2013. This restatement was reflected in NLRGL's audited consolidated financial statements as of and for the 52 week period ended March 29, 2014.

(4) Underlying operating profit is a non-IFRS measure which is calculated as operating profit before exceptional items, share based payment expense or credit, movements in the fair value of financial instruments under IFRS, impairment charges or write backs of tangible and intangible assets and the income statement charge or credit in relation to onerous lease provisions. For a reconciliation of operating profit to underlying operating profit, see note 10 below.

(5) UK LFL sales include LFL sales from both our UK stores and New Look E-commerce, with LFL sales defined in note 6 below.

(6) LFL sales is the gross transactional value from LFL operations in any given period compared with the same period in the previous financial period and is normally shown as a percentage change between two periods. LFL operations consist of our New Look directly operated stores, concession stores and our New Look E-commerce segment (if applicable). A store is included in LFL operations if it has traded for more than 52 weeks, excluding existing stores where a new store of ours has opened within one mile (for the first 52 weeks of the new store's commencement of trading) or where the store has undergone a significant increase or decrease in trading space during the period. A store is included in the calculation of LFL sales from the date at any point during the fiscal year when it has the comparable weeks' data for the prior fiscal year. If a store is closed for a full week or more for any reason during a fiscal year, for example, due to refurbishment or permanent closure, it is excluded from the LFL calculation for the period of closure.

(7) Markdown/discount percentage is the reduction in stock at retail value driven by discounting, as a percentage of sales, including VAT (net of discounts) and excluding our concessions and franchises.

(8) Inventory days represent our closing inventory balance as a percentage of the cost of sales, multiplied by the number of days in the period.

(9) Underlying operating profit margin is underlying operating profit divided by our total revenue for the period.

(10) Adjusted EBITDAR is a non-IFRS measure which is calculated as our underlying operating profit before depreciation of property, plant and equipment, amortisation of intangible fixed assets and minimum lease payments (which include amortisation of lease incentives and premiums). We believe that Adjusted EBITDAR assists in understanding our trading performance as it gives an indication of our ability to meet major fixed charge commitments (interest and rent). An investor should not consider Adjusted EBITDAR (a) as an alternative to operating profit or profit/ (loss) before taxation (as determined in accordance with IFRS) as a measure of our operating performance, (b) as an alternative to net cash outflows or inflows from operating, investing and financing activities (as determined in accordance with IFRS) as a measure of our ability to meet cash needs or (c) as an alternative to any other measure of performance under IFRS. Because companies do not calculate Adjusted EBITDAR identically, our presentation of Adjusted EBITDAR may not be comparable to similarly titled measures of other companies. The following is a reconciliation of operating profit to Adjusted EBITDAR for our continuing operations for the periods indicated:

	For the 53 week period ended March 30, 2013	For the 52 week period ended	
		March 29, 2014	March 28, 2015
		(£ million)	
Operating profit	**113.3**	**136.9**	**148.9**
Exceptional items[a]	2.4	(7.0)	6.8
Share based payments[b]	(0.2)	6.3	(3.2)
Fair value movement of financial instruments[c]	1.2	3.2	(2.1)
Impairment charge or write back of tangible and intangible assets	0.9	—	7.0
Onerous lease provision[d]	0.1	1.6	(4.2)
Underlying operating profit	**117.7**	**141.0**	**153.2**
Depreciation of property, plant and equipment	58.7	53.3	48.0
Amortisation of intangibles	7.7	9.9	11.2
Adjusted EBITDA	**184.1**	**204.2**	**212.4**
Minimum lease payments	158.1	156.7	160.5
Adjusted EBITDAR	**342.2**	**360.9**	**372.9**

(a) We classify significant non-recurring items of income and expense in the underlying profit reconciliation as exceptional items. We believe the separate reporting of exceptional items helps provide an indication of our underlying business performance. Exceptional items consist of the following items for the periods reported:

	For the 53 week period ended March 30, 2013	For the 52 week period ended March 29, 2014	For the 52 week period ended March 28, 2015
		(£ million)	
Continuing operations			
Operating exceptional items			
(Gain)/loss on acquisition of foreign subsidiary[(i)]	—	(2.5)	0.2
(Gain)/loss on joint venture[(ii)]	—	(0.1)	3.7
Exceptional bonus incentive[(iii)]	—	2.3	—
Restructuring operating base[(iv)]	3.4	0.1	—
Review of business financing and capital structure[(v)]	0.7	0.9	2.9
Redevelopment of Mercery Road[(vi)]	(6.0)	(9.1)	—
Franchise receivable impairment[(vii)]	4.3	1.4	—
Total operating exceptional items	**2.4**	**(7.0)**	6.8
Refinancing costs[(viii)]	2.4	3.2	—
Total exceptional items for continuing operations	**4.8**	**(3.8)**	**6.8**

(i) In February 2014, we acquired two subsidiary companies from our franchise partner in Poland. The difference between the consideration paid and the assets acquired and liabilities assumed on acquisition resulted in a gain on acquisition of £3.2 million. The net gain on acquisition of £2.5 million reflects legal costs incurred directly relating to the acquisition of £0.4 million and an unwinding of the fair value adjustment on inventories of £0.3 million.

(ii) In the 52 weeks ended March 29, 2014, we reversed an impairment charge of £0.1 million as certain previously impaired losses in connection with our joint venture in Turkey were recognised following the recognition of our share of post-tax loss from such joint venture in Turkey. In the 52 weeks ended March 28, 2015, we took the decision to divest our 50% interest in NLT Tekstil Sanayi Ve Ticaret Limited Şirketi. A fee of £3.8 million was agreed in settlement of the Group's outstanding obligations in respect of a service agreement with the joint venture. The sale of shares in NLT Tekstil Sanayi Ve Ticaret Limited Şirketi held by the Group is anticipated to complete in the coming months.

(iii) At the beginning of the 2011 fiscal year, an additional one-off incentive scheme was offered to a small number of senior managers, including our executive directors.

(iv) During the 53 weeks ended March 30, 2013, we incurred £3.4 million in reviewing and restructuring our operating cost base to align our strategies, structures and costs to the challenging macro-economic environment. This amount included £2.6 million that was incurred in preparation for the termination and relocation of our E-commerce logistics operations, which were previously outsourced before being brought in house to the main distribution site at Newcastle-under-Lyme. An additional £0.1 million was incurred during the 52 weeks ended March 29, 2014.

(v) In 2013, we refinanced our outstanding indebtedness and incurred total costs of £22.1 million, of which we capitalised £18.0 million as debt issue costs and recognised £3.2 million as an exceptional finance expense and £0.9 million as an operational expense.

(vi) In the 53 weeks ended March 30, 2013 and the 52 weeks ended March 29, 2014, we recognised a gain on disposal on the sale of certain land to Sainsburys as part of the redevelopment of our land on the Mercery Road, Weymouth site.

(vii) During the 53 weeks ended March 30, 2013, the outstanding receivable balance with our Russian franchise partner of £4.3 million was fully impaired as we no longer expected it to be recoverable due to the on-going financial difficulties experienced by our partner. An additional receivable balance of £1.4 million arising in the 52 weeks ended March 29, 2014 was fully impaired due to the continuation of our Russian partner's financial difficulties.

(viii) During the 53 weeks ended March 30, 2013, we incurred total costs of £3.1 million as part of the preparatory work for certain refinancing transactions, of which £2.4 million were directly attributable costs and were recognised as a finance expense. As a result of the group refinancing, we undertook in the 52 weeks ended March 29, 2014, £18.0 million of costs incurred were capitalised into the value of the borrowings. During the 52 weeks ended March 28, 2015 and the 52 weeks ended March 29, 2014, £3.2 million and £2.6 million, respectively, of these capitalised debt costs have been amortised. In addition, £3.2 million of exceptional costs were incurred during the 52 weeks ended March 29, 2014.

(b) We treat the grant of options over our equity instruments to employees of our subsidiaries as a capital contribution. We recognise the fair value of employee services received, measured by reference to the grant date fair value of the equity instrument, over the vesting period as an increase to staff costs, with a corresponding increase to equity. At each balance sheet date, we revise our estimates of the number of options or shares that we expect to vest. The impact of any revision, if any, is recognised in the income statement with a corresponding adjustment to reserves. We also make provisions for the expected cost of "good leavers," which are settled in cash by estimating the likely amount of "good leavers" at each balance sheet date until the date when vesting conditions are met. We recognise a provision on our balance sheet and incur a corresponding charge. "Good leavers" may result in the case of redundancy, disability, injury or death. The actual cost of our "good leavers" in the period is charged against the provision we have previously made.

(c) Comprises the movement in fair value of our derivative financial instruments driven by the marking to market of the financial instruments in the period.

(d) The provision for onerous leases mainly relates to future lease costs of vacant properties for the remaining period of the lease, net of expected sub-letting income, and is estimated to be used over one to 24 months and a provision for onerous lease contracts on loss

making stores. We also make provisions with respect to loss making stores if the discounted future cash flows are not expected to cover future rental payments under our existing lease contracts. Such provision is equivalent to the lower of the discounted store cash outflows (including rent payments) and discounted rental payments.

(11) Adjusted EBITDAR margin is Adjusted EBITDAR divided by our total revenue for the period.

(12) Adjusted EBITDA is a non-IFRS measure which is calculated as our underlying operating profit before depreciation of property, plant and equipment and amortisation of intangible fixed assets. We believe that Adjusted EBITDA assists in understanding our trading performance as it gives an indication of our ability to service our indebtedness. An investor should not consider Adjusted EBITDA (a) as an alternative to operating profit or profit/ (loss) before taxation (as determined in accordance with IFRS) as a measure of our operating performance, (b) as an alternative to net cash outflows or inflows from operating, investing and financing activities (as determined in accordance with IFRS) as a measure of our ability to meet cash needs or (c) as an alternative to any other measure of performance under IFRS. Because companies do not calculate Adjusted EBITDA identically, our presentation of Adjusted EBITDA may not be comparable to similarly titled measures of other companies. For a reconciliation of operating profit to Adjusted EBITDA, see note 10 above.

(13) Adjusted EBITDA margin is Adjusted EBITDA divided by our total revenue for the period.

(14) Capital expenditure is calculated as the sum of cash purchases made during a relevant period on property, plant and equipment, and intangible assets.

(15) Net capital expenditure is calculated as capital expenditures less proceeds from the sale or disposal of property, plant and equipment and intangible assets and net cash flow on acquisition of foreign subsidiaries.

(16) Free cash flow is cash flows from operating activities net of tax less net investing activities. We believe that free cash flow assists in understanding our trading performance as it represents the amount of cash generated before tax, but after net investment on capital expenditure, by our trading activities and net cash flows from the acquisition and disposal of subsidiaries.

(17) Free cash flow conversion is our free cash flow as a percentage of our Adjusted EBITDA for the period.

(18) The unaudited pro forma financial information presented herein has been derived from or developed by applying pro forma adjustments to our historical results as of March 28, 2015, to give effect to the Refinancing Transactions; including the use of proceeds from the Offering, as described in "Use of Proceeds." The unaudited pro forma adjustments are based upon available information and certain assumptions that we believe are reasonable under the circumstances. The unaudited pro forma financial information is presented for informational purposes only. The unaudited pro forma financial information does not purport to represent what our results of operations or financial condition would have been had the Refinancing Transactions actually occurred on the date indicated, and they do not purport to project the results of operations or financial condition for any future period or as of any future date. The unaudited pro forma condensed consolidated financial statements should be read in conjunction with the information contained in "Selected Historical Financial Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and related notes thereto appearing elsewhere in this listing circular. The unaudited pro forma financial information is not intended to represent pro forma financial information prepared in accordance with the requirements of Regulation S-X promulgated under the U.S. Securities Act or other SEC requirements, IFRS or UK GAAP.

(19) Pro Forma Consolidated EBITDA is a non-IFRS measure under the indenture governing the Existing Notes, which is calculated as Adjusted EBITDA as further adjusted to add back certain items to conform to the definition in the indenture governing the Existing Notes, which include monitoring fees paid to affiliates of shareholders, onerous lease credit, cash-settled equity based payment credit, unrealised foreign exchange gains and joint venture cost savings.

Investors should not consider Pro Forma Consolidated EBITDA (a) as an alternative to operating profit or profit/ (loss) before taxation (as determined in accordance with IFRS) as a measure of our operating performance, (b) as an alternative to net cash outflows or inflows from operating, investing and financing activities (as determined in accordance with IFRS) as a measure of our ability to meet cash needs or (c) as an alternative to any other measure of performance under IFRS. Because companies do not calculate Pro Forma Consolidated EBITDA identically, our presentation of Pro Forma Consolidated EBITDA may not be comparable to similarly titled measures of other companies with different indenture definitions. The following is a reconciliation of Adjusted EBITDA to Pro Forma Consolidated EBITDA:

	For the 52 week period ended March 28, 2015
	(£ million)
Adjusted EBITDA[12]	**212.4**
Monitoring fees paid to affiliates of shareholders[a]	0.8
Onerous lease credit[b]	4.2
Cash-settled equity based payment credit[c]	3.8
Unrealised foreign exchange gains[d]	6.5
Joint venture cost savings[e]	1.5
Pro Forma Consolidated EBITDA	**229.2**
Pro Forma Consolidated EBITDA margin[15]	**16.2%**

(a) Monitoring fees are incurred by Trinitybrook Limited and are therefore outside of the debt group which is consolidated at New Look Finance Limited.

(b) Under the indenture governing the Existing Notes, onerous lease charges or credits are not excluded from Consolidated EBITDA; by contrast, we exclude them from the Group's definition of Adjusted EBITDA.

(c) Under the indenture governing the Existing Notes, no adjustment is made to exclude any cash compensation charge or expense arising from equity based awards or options. However, under the Group's definition of Adjusted EBITDA, adjustments are made to exclude these items. Accordingly, charges or credits in respect of cash settled equity-based payments become a reconciling adjustment between the two measures.

(d) Under the definition of Consolidated EBITDA contained in the indenture governing the Existing Notes, an adjustment is made to add back any unrealised foreign exchange gains or losses.

(e) Under the definition of Consolidated EBITDA contained in the indenture governing the Existing Notes, an adjustment is made to include cost savings reasonably anticipated by management to occur from programmes implemented during the relevant period as though the full run-rate effect of such synergies and cost savings were realised on the first day of the relevant period. In the 2015 fiscal year, the Group signed an agreement to divest our interest in our joint venture in Turkey which will mean the annual minimum fixed service charge which was payable to our partner in the joint venture will cease to be incurred.

(20) Pro Forma Consolidated EBITDA margin is Pro Forma Consolidated EBITDA divided by our total revenue for the period.

(21) Pro forma cash and cash equivalents represents total cash and cash equivalents as adjusted to give effect to the Refinancing Transactions and the Acquisition as described in "*Use of Proceeds*." Pro forma cash and cash equivalents does not reflect any cash or cash equivalents that the NLRGL has generated or used since March 28, 2015, including a payment of £40.0 million in connection with the repayment of indebtedness under the Existing PIK Facility on May 14, 2015, comprising of £36.7 million in principal amount and £3.3 million of accrued and unpaid interest and prepayment costs. See "*Capitalisation.*"

(22) Pro forma total cash pay debt represents total debt, as adjusted to give effect to the Refinancing Transactions, including the Offering and the use of proceeds as contemplated under the "*Use of Proceeds*" as if they occurred on March 28, 2015. In addition, as of March 28, 2015, we had a net amount of £5.7 million utilised under our ancillary facilities, comprising £35.1 million of letters of credit and other trade facilities offset by a credit of £29.4 million with respect to foreign exchange and interest rate swaps, and an additional £57.9 million available under our ancillary credit facilities. Moreover, as of March 28, 2015, we had £21.1 million of unsecured supplier financing. Our ancillary facilities and unsecured supplier financing have not been included in pro forma total cash pay debt or pro forma senior secured debt.

(23) Pro forma net cash pay debt represents pro forma total cash pay debt less pro forma cash and cash equivalents as of March 28, 2015.

(24) Pro forma senior secured debt, represents total senior secured debt, as adjusted to give effect to the Refinancing Transactions, including the Offering and the use of proceeds as contemplated under the "*Use of Proceeds*" as if they occurred on March 28, 2015.

(25) Pro forma net senior secured debt represents pro forma senior secured debt less pro forma cash and cash equivalents as of March 28, 2015.

(26) Pro forma cash interest expense represents interest payable for the 52 week period ended March 28, 2015, adjusted to give effect to the Refinancing Transactions, including the entry into the Revolving Credit Facility and the issuance of the Notes and the use of proceeds as contemplated under "*Use of Proceeds*," as if they occurred on March 30, 2014. Any hedging we may undertake in respect of our obligations has not been reflected.

Segment Data for Discontinued Operations

	For the 53 week period ended	For the 52 week period ended	
	March 30, 2013	March 29, 2014	March 28, 2015
		(£ million)	
Revenue			
Mim brand			
Owned stores	154.0	160.8	98.0
Total revenue	**154.0**	**160.8**	**98.0**

	For the 53 week period ended	For the 52 week period ended	
	March 30, 2013	March 29, 2014	March 28, 2015
		(£ million)	
Underlying Operating Loss[(1)]			
Mim brand			
Owned stores	(2.0)	(10.1)	(3.8)
Total underlying operating loss	**(2.0)**	**(10.1)**	**(3.8)**

(1) Underlying operating loss is a non-IFRS measure which is calculated as operating profit before exceptional items, share based payment expense or credit, movements in the fair value of financial instruments under IFRS, impairment charges or write backs of tangible and intangible assets and the income statement charge or credit in relation to onerous lease provisions. For a reconciliation of operating loss to underlying operating loss, see the table below.

The following is a reconciliation of operating loss to Adjusted EBITDAR for discontinued operations for the periods indicated:

	For the 53 week period ended March 30, 2013	For the 52 week period ended	
		March 29, 2014	March 28, 2015
	(£ million)		
Operating loss	**(3.5)**	**(75.7)**	**(2.7)**
Exceptional items[1]	0.9	9.7	(0.6)
Impairment charge of tangible and intangible assets	0.5	55.1	0.1
Onerous lease provision[2]	0.1	0.8	(0.6)
Underlying operating loss	**(2.0)**	**(10.1)**	**(3.8)**
Depreciation on assets	6.8	5.7	0.1
Amortisation of intangibles	0.3	0.4	0.5
Adjusted EBITDA	**5.1**	**(4.0)**	**(3.2)**
Minimum lease payments	22.2	21.9	13.0
Adjusted EBITDAR	**27.3**	**17.9**	**9.8**

(1) We classify significant non-recurring items of income and expense in the underlying profit reconciliation as exceptional items. We believe the separate reporting of exceptional items helps provide an indication of our underlying business performance. Exceptional items consist of the following items for the periods reported:

	For the 53 week period ended March 30, 2013	For the 52 week period ended March 29, 2014	For the 52 week period ended March 28, 2015
		(£ million)	
Discontinued operations			
Exceptional items[a]	0.9	9.7	(0.6)
Non-operating exceptional items[b]	—	—	(7.4)
Total exceptional items	**0.9**	**9.7**	**(8.0)**

(a) We incurred charges of £0.9 million in the 2013 fiscal year and £0.1 million in the 2014 fiscal year in relation to reviewing and restructuring the operating cost base of the discontinued operations to align it with the continuing Group's strategies, structures and costs and to the challenging macro–economic environment.

In the 2014 fiscal year, we also reviewed the value in use of the Mim business based on the latest three year forecast of future operating cash flows. As a result, the carrying value of the Mim net assets held by the Group was written down to its value in use. This included an impairment of trade and other receivables of £9.6 million.

Prior to disposal in the 2015 fiscal year, £0.6 million of this impairment was reversed.

(b) Following a strategic review, we determined that the Mim business was not a strategic focus for us going forward. On November 22, 2014, we completed the sale of Mim resulting in a net gain on disposal of £7.4 million, which includes legal costs incurred directly relating to the disposal of £0.4 million and bonus payments to the senior management of Mim of £0.6 million.

(2) The provision for onerous leases mainly relates to future lease costs of vacant properties for the remaining period of the lease, net of expected sub-letting income, and is estimated to be used over one to 24 months and a provision for onerous lease contracts on loss making stores. We also make provisions with respect to loss making stores if the discounted future cash flows are not expected to cover future rental payments under our existing lease contracts. Such provision is equivalent to the lower of the discounted store cash outflows (including rent payments) and discounted rental payments.

RISK FACTORS

An investment in the Notes involves risk. You should carefully consider the following risks, together with other information provided to you in this listing circular, in deciding whether to invest in the Notes. The occurrence of any of the events discussed below could be detrimental to our financial performance. If these events occur, the trading price of the Notes could decline, we may not be able to pay all or part of the interest or principal on the Notes, and you may lose all or part of your investment. Additional risks not currently known to us or that are presently deemed immaterial may also harm us and affect your investment.

This listing circular contains "forward looking" statements that involve risks and uncertainties. Our actual results may differ significantly from the results discussed in the forward looking statements. Factors that might cause such differences are discussed below and elsewhere in this listing circular. See "Forward Looking Statements."

Risks Relating to Our Business and Operations

We operate in a highly competitive market, and our business and results of operations may be adversely affected by the actions of our competitors and our failure to successfully respond to competitive pressures.

The value segment of the fashion retail market is highly competitive both in the United Kingdom, which is our main market, and internationally, and we compete with a wide variety of retailers of varying sizes and covering different price points, product categories, distribution channels and geographic markets. Such competition places pressure on our revenue, pricing strategy, margins and profitability. We face a variety of competitive challenges, including:

- anticipating and quickly responding to changing fashion trends and consumer preferences and tastes;
- designing and developing innovative and fashionable ranges of products, in sizes, colours and styles that appeal to consumers of varying age groups and tastes;
- maintaining a strong brand image with an attractive product offering across our stores;
- offering a high and consistent quality of products;
- maintaining a diversified range of categories covering womenswear, menswear, footwear, teenswear and accessories;
- sourcing merchandise efficiently, cost effectively and in line with our customers' expectations for ethical sourcing;
- competitively pricing our products and successfully meeting the customer perception of value;
- undertaking effective and appropriate advertising, branding and promotional activities, and actively maintaining profile and brand awareness in light of competitors' promotional activities;
- securing the most appropriate store locations and mix of multi-channel distribution;
- website design and mobile platform (including user-friendly interfaces incorporating recent technological advancements) and maintaining a positive online presence across social media;
- lower barriers to entry for new web-based competitors and other new entrants;
- offering attractive store layout and shopping experience; and
- attracting, motivating and retaining talented people.

Some of our competitors offer a broad range of product categories while others are specialist retailers (such as independent fashion retailers and mail-order or Internet retailers) that compete with us only in certain product categories. Some of our competitors have greater market presence and brand recognition than we have, or may be perceived to offer higher quality products at the same or lower prices or similar quality products at lower prices and therefore offer greater value for money than we do. In addition, some of our competitors may be perceived to offer more fashionable products than ours. Certain competitors have greater financial resources, greater purchasing economies of scale and/or lower cost bases than us. Consequently, they may be able to spend more on marketing and advertising campaigns thereby attracting market share. Some of our competitors may be able to react more swiftly to changes in market conditions or fashion trends and may have a material competitive advantage allowing them to utilise their greater market presence, stronger brand or other advantages when navigating new or evolving markets. They may also be able to accept lower prices than we can offer or accept higher costs for longer than we can withstand. Price is a key driver of customer loyalty in the value segment. The adoption by competitors of aggressive pricing, intensive promotional activities and markdown strategies, retail

sales methods or other actions, as well as our actions to seek to maintain our competitiveness and reputation, could have a material adverse effect on our business, results of operations, financial condition and prospects. For example, aggressive markdown strategies of certain competitors may lead to certain customers expecting and only purchasing products that are heavily discounted, which may adversely affect our sales revenue and increase pressure on our margins. In addition, new entrants into our markets may possess or be able to exploit any or all of these competitive advantages.

We expect competition from e-commerce (including m-commerce) providers to intensify in the future. Barriers to entry for e-commerce providers are minimal, and current and new competitors can launch new e-commerce or mobile platforms at a relatively low cost. E-commerce providers are able to use the Internet as a marketing medium to reach significant numbers of potential customers. As a result of competition from e-commerce providers, we may experience pricing pressures and loss of market share, which could have a material adverse effect on our business, results of operations, financial condition and prospects.

In those international markets in which we are a relatively new entrant, or which we may enter in the future, we are, or will be, facing similar competitive forces but will be competing against longer-established competitors who are more likely to have better developed brand recognition and customer loyalty, existing store and distribution networks and greater knowledge of customer tastes and preferences. Our E-commerce operations in new international markets may be competing against local competitors with a wider network of local stores and/or a broader range of delivery options enabling them to more effectively implement an integrated multi-channel strategy than we can. In addition, our franchisees face significant competition in the markets in which they operate. We or our franchisees might not be able to compete successfully, which may result in a material adverse effect on our business, results of operations, financial condition and prospects

In addition, the Singh family trusts, together with a director of one of our strategic suppliers, owns a smaller international clothing retailer compared to us, Forever New, which operates principally in Australia, New Zealand, China and India. Forever New is already established in China, and although it targets a different customer segment with considerably higher price points, it may prove to be a competitor of our newly established Chinese business. To the extent that we expand into new markets in which Forever New already operates, we may face competition from Forever New.

If we are unable to gauge, identify and respond to changing fashion trends and consumer preferences in a timely manner, our sales levels and profitability may decline.

A significant part of our business is focussed on operating a fast fashion model based on rapidly translating the latest trends from the catwalks, the street and celebrities into wearable, affordable and relevant products that have some fashion element while meeting the demand of a large number of target customers. The success of this model depends on our ability to gauge market trends and the fashion preferences of our customers and rapidly provide merchandise ahead of our competitors that satisfies constantly shifting demands. A large portion of our Sales are derived from such fast fashion products (estimated at 74% of Sales for the 2015 fiscal year). While we seek to design, develop, procure and market new products that respond to changes in consumer preferences, demand for, and market acceptance of, such new products is inherently uncertain and may change quickly. Moreover, our focus on fashion excitement, value and newness increases these risks. By compressing the time available to interpret the latest fashion trends before product design takes place and firm orders for products are made, and before our competitors react to such trends, we are subject to an increased risk that our product offerings do not correspond to consumer preferences or demand or that we have misinterpreted the market trend. In order to deliver value fashion to our customers, our supply strategy is heavily focussed on efficient, flexible and cost-effective manufacture and sourcing of products. A significant amount of our products are manufactured in Asia. In the 2015 fiscal year, 80.9% of our products (by intake cost) were manufactured in Asia (primarily China, Bangladesh, Cambodia, India and Vietnam) where longer lead times between ordering and taking delivery for a significant portion of our products make it more important to predict accurately, and more difficult to fulfil, the actual demand for items. Some of our competitors have a higher percentage of their supplier base located more locally, which may enable them to respond more quickly to changes in customer demand and fashion trends.

In addition, our strategy envisions increased focus on menswear product offering and appeal. As part of that strategy, we have recently introduced menswear sections and/or upgraded fixtures in selected stores to be more relevant and appealing to men and expanded our menswear product range, and we intend to continue these initiatives going forward. There can be no assurance that we will be able to accurately perceive demands and preferences of male customers and menswear fashion trends, and/or that these efforts will be successful.

We may not accurately perceive consumer demands and fashion trends and respond appropriately. If we misjudge, fail to identify or fail to react swiftly to changes in consumer preferences and fashion trends, it could

result in a significant increase in our inventories, which may lead to higher markdowns to clear excess inventories and lower sales revenue and operating profits. Conversely, if we underestimate or fail to respond to consumer demand for our products, we may experience inventory shortages and lower revenue and profitability than we may have otherwise realised. Failure to offer products to keep up with popular fashion trends could also negatively impact our brand image as a fast fashion retailer.

Unfavourable economic conditions can affect consumer confidence and spending patterns, and impact our sales, profitability and cash flow.

Our sales, profitability, cash flow and future growth are sensitive to, and may be adversely affected by, general economic conditions, consumer confidence, spending patterns and market disruptions, particularly in the United Kingdom, Ireland, France, China, Germany and Poland, which are our largest markets. They may also be adversely affected by negative local, regional, national or international political or economic actual or perceived trends or developments that reduce the consumers' ability or willingness to spend, including levels of unemployment, inflation or deflation, levels of real disposable income, changes in interest rates and/or VAT, the availability of consumer credit, consumer debt, consumer confidence and general uncertainty regarding the overall future economic environment. In addition, market disruptions due to severe or unseasonal weather conditions, natural disasters, health hazards or other major events or the prospect of these events could also impact consumer spending and confidence levels. Although our products are priced in the value segment, consumer purchases of discretionary items, including our merchandise, often decline during periods when disposable income is adversely affected or there is economic uncertainty. In such circumstances, we may increase the number of promotional sales, or may experience a further decline in LFL sales or a loss of market share as consumers "trade-down" to cheaper products offered by some of our competitors or purchase less, all of which could have a material adverse effect on our margins and profitability.

Adverse changes in the global economy or in any of the regions in which we sell our products, could reduce consumer confidence, and thereby could negatively affect earnings and have a material adverse effect on our results. If the current economic conditions deteriorate, our business, results of operations, financial condition and prospects may be materially and adversely affected, in particular if customers reduce or eliminate discretionary spending. In recent years, several UK high street retailers, including for example Peacocks, which we considered among our competitors in the mass-market segment, have experienced serious financial difficulties, entering into administration or otherwise closing multiple stores. Since the recent global economic downturn, the relative size of the value segment of the UK fashion retail market, in which we operate, has increased as customers have "traded-down" from other market segments with higher prices. Conversely, we could also suffer if consumers "trade-up" their discretionary spending to competitors offering, or perceived to be offering, better quality or more upmarket merchandise. We cannot predict whether or when economic circumstances may improve or worsen, or what impact if any, such circumstances could have on our business. Any of these trends may have a material adverse effect on our business, results of operations, financial condition and prospects.

Our business could suffer as a result of extreme or unseasonal weather conditions.

Our results are affected by periods of abnormal, severe or unseasonal weather conditions. Adverse weather (such as heavy snowfall or flooding) can deter consumers from shopping. Moreover, unforeseen periods of warm or cold weather could render a portion of our inventory incompatible with prevailing conditions. For example, we experienced a decline in sales during the summer of 2012, which was reported to be the second wettest summer in 100 years in the United Kingdom. Adverse weather conditions early in a season could lead to a slowdown in sales at full margin followed by more extensive markdowns at the end of the season, with a corresponding impact on profitability. For example, unseasonably warm weather in the Autumn of 2014 resulted in decreased sales of our knitwear and outerwear products, leading us to mark down such items during the winter months that followed. Unseasonal or other adverse weather conditions could have a material adverse effect on our revenue and, in turn, our business, results of operations, financial condition and prospects.

Our E-commerce sales are subject to numerous risks associated with trading over the Internet and a multi-channel offering.

We sell merchandise over the Internet, both domestically and internationally, via our New Look E-commerce platform (including mobile applications) and platforms operated by third parties. Our E-commerce operations are subject to numerous risks, including:

- reliance on third parties for computer hardware/software (including website development, maintenance and hosting), the need to keep up with rapid technological change and the implementation of new systems and platforms;

- the risk that our New Look website may become unstable or unavailable due to necessary upgrades or the failure of our computer systems or the related IT support systems as a result of computer viruses, telecommunication failures, security breaches and break-ins and similar disruptions, or disruption of Internet service, whether for technical reasons or as a result of state-sponsored censorship or other causes;
- customers finding the website or the mobile application difficult to use, being less willing to use the site than we expect or not being confident that it is secure;
- difficulty integrating our New Look E-commerce platform and our store network, which may result in complications for our New Look E-commerce customers (for example, a customer may experience difficulty returning products bought online to a store);
- logistical difficulties in delivering products to customers in a satisfactory and timely manner;
- liability for online content, security breaches and consumer privacy concerns;
- inability to honour our usual delivery terms in case of unexpected or higher than expected spikes in customer orders;
- adverse publicity or negative reviews from dissatisfied customers spreading online or through social networks, which may deter other potential customers from using our online or mobile channels;
- violations of UK, foreign or international laws, including those relating to online privacy; and
- liability for online credit card fraud and problems adequately securing our payment systems.

Our failure to respond appropriately to these risks and uncertainties could reduce our E-commerce revenue, as well as damage our reputation and brands, especially since E-commerce is an important part of our growth strategy.

If we are unable to identify attractive markets, implement our expansion in existing markets, identify suitable business partners, gauge local demands and compete successfully in international markets, our ability to grow our business may be limited. In addition, management's attention may be diverted from existing operations to the integration of newly established international businesses.

We intend to substantially and rapidly expand our store network in China and evaluate opportunities for increasing our presence in other selected international markets, such as Poland, France and Germany. We also intend to enter into new, and strengthen our presence in existing, international markets through 3PE partners. See "*Business—Our Strategy—Focussed expansion of our international reach*" for additional information regarding our international growth strategy. We may fail to implement our international growth strategy successfully if we fail to expand our presence in existing markets and/or enter into new attractive markets due to, among other things, not being able to find suitable business partners who can operate the business effectively, ethically and on commercially favourable terms, to identify and lease well-located stores on acceptable terms, to attract and hire skilled staff, to implement the required infrastructure or to raise the required funds, our expansion plans may be jeopardised and the intended consolidation or increase of our market share may fail to materialise. To date, our International Stores have generally not been as profitable as our UK stores, and as we expand further internationally, our overall margins may decrease.

Furthermore, our ability to expand our international business and successfully compete partially depends on our ability to develop products that appeal to customers in our targeted international markets with only minor adjustments to reflect particular features of different markets. There can be no assurance that we will successfully develop products with the necessary appeal in our targeted international markets, in particular:

- we have considerably less knowledge and experience with respect to the distinct tastes and preferences of customers in international markets than we do with respect to our UK customers;
- we may not have a network of stores or our network of stores may be smaller than our competitors, limiting our ability to offer products and to monitor customer responses to products;
- our style, value proposition and brand image may not be accepted in international markets, and we are likely to have lower levels of brand recognition in those international markets than in the United Kingdom; and
- we might fail to comply with, or otherwise be adversely affected by, applicable laws and regulations in international markets.

Pursuing a growth strategy internationally typically requires developing and refining the appropriate internal management, organisational, compliance, risk monitoring and risk management structures required for this growth and the increasingly complex group structure places high demands on us and our management.

Improvements to our IT system and financial controls are particularly important. Our growth also requires more staffing in these areas. Delays in adapting the organisational and control structures, risk monitoring and risk management systems and in reaching an appropriate level of staffing may result in business and administrative oversights and errors which may also lead to higher operating expenses. Delays may also make it more difficult to identify and manage risks, trends and errors on a timely basis and to ensure compliance with applicable laws, regulations and standards on a group-wide basis. We also will need to find cost-effective ways to extend our supply chain into our new or expanded markets. The failure to do so may limit our ability to profitably grow our business.

These risks could, individually or cumulatively, have a material adverse effect on our business, results of operations, financial condition and prospects.

We are exposed to certain risks related to raw materials, wage inflation and other costs across several jurisdictions incurred in manufacturing and distributing our products, which may result in higher costs or reduced sales.

Our products are composed of certain key raw materials, such as fabrics and packaging materials, which are subject to availability constraints and price volatility caused by factors such as the high demand for fabrics, fuel prices, weather, supply conditions, government regulations, crop yields, foreign exchange and interest rate fluctuations, war, terrorism, labour unrest, global health concerns, the economic climate and other unpredictable factors. The price and availability of certain raw materials have fluctuated in the past and may fluctuate in the future. An increase in the price of certain raw materials, such as fabrics, may significantly impact our operating costs and thereby reduce our margins. Further, our business model depends on an efficient and flexible supply chain able to manufacture and deliver in store the products responding to current fashion trends. If the raw material required for production is not immediately available in stock at our suppliers, this may cause delays and longer lead times between ordering and taking delivery of the products. This in turn may lead to lower sales than we could have realised. If products arrive in our stores once the fashion trend has passed or the season has changed we may then also experience lower margins if we are required to mark down prices to clear our inventory of slow selling products.

Many of our products are manufactured in Asia where costs of production are relatively cheaper than Western Europe. Increasing minimum wages and inflationary pressures, however, have been experienced recently in the UK, as well as in China, Bangladesh, Cambodia and certain other Asian countries. Such trends are expected to continue and may adversely affect our margins. We have diversified our supplier base across various regions and geographies (including Burma, Sri Lanka, Vietnam, India and Turkey) as we seek to mitigate the risk of increases in labour and other costs in certain countries; however, we may not be able to do so for all products or categories and there is no assurance that increases in minimum wage or inflationary pressure will not affect these other regions or geographies.

For example, during the 2014 fiscal year, we experienced increases in our supply costs as a result of minimum wage increases in Bangladesh and Cambodia and increases in fuel costs and in raw materials. These increases put significant pressure on our average unit costs and our gross margins. Significant increases in the price of raw materials result in increased production costs for our suppliers who typically seek to pass their increased costs along to us through price increases. We do not currently engage in hedging transactions to mitigate the impact of raw material or other cost increases (other than certain advance purchases of electricity). We therefore only recover these additional costs by passing on price increases to our customers, achieving cost efficiencies and savings or asking our suppliers to absorb some of the additional costs. Moreover, suppliers may not decrease their price if costs subsequently fall. Price is a key driver of customers' purchasing decisions in the value segment. If we are unable to pass these cost increases on to our customers, we may experience pressure on our gross margins and an adverse effect on our financial results. Conversely, we may experience a decline in sales volume or may lose a share of our customer base if we choose to pass on such costs through increased prices. Our competitors may have hedged themselves against increases in costs or otherwise protected themselves against such cost increases. While we seek to offset inflationary cost pressure through ongoing cost management initiatives, we may not be able to achieve cost efficiencies and savings of a sufficient magnitude or any cost efficiencies and savings at all to offset cost inflationary pressures in our supply chain.

We are dependent on the reliability and availability of our supply chain, including in particular our top suppliers who produce most of our products, and any disruptions or other problems with our supply chain may materially adversely affect our business, results of operations, financial condition and prospects.

Our supply chain is integral to our operating model. Our fast fashion business model depends on speed of product design and development, manufacture and delivery. We do not manufacture our products, but instead source

them from various third-party overseas agents and manufacturers (collectively, "suppliers"), mainly in East and Southeast Asia, which source or produce the merchandise according to our specifications. Our customers expect us to offer products reflecting the latest fashion trends, which means that any disruption to our supply chain caused by failure of our suppliers is likely to have a material adverse effect on our revenue as well as a negative impact on our competitive position.

As of March 28, 2015, we had 244 suppliers in 29 countries and we work directly with approximately 780 factories. We rely, to a material degree, on five strategic supply partners to deliver our supply chain needs. In the 2015 fiscal year, we sourced 78% of our products from our 20 largest suppliers, 67% of our products from our ten largest suppliers and 53% of our products from our five largest suppliers, in each case by intake cost. Our largest supplier (by intake cost) in the 2015 fiscal year was Indochine, an agent registered in the UAE, with major facilities in China and additional facilities in India, Bangladesh, Cambodia and Vietnam, which supplied approximately 30% of our products (by intake cost) in that year. Moreover, during the same year, we sourced approximately 9% of our products (by intake cost) from our second largest supplier, based in Moldova, the United Kingdom and Romania. Since our largest suppliers provide a large proportion of our merchandise, we may suffer significant disruption to our supply chain if those suppliers were to fail to meet their supply obligations to us for whatever reason, including unexpected closure or damage to a supplier's or their sub-contractors' factories due to fire, employee strikes, financial difficulties, bankruptcy, political unrest or natural disaster, which, in turn, could have a material adverse effect on our business, results of operations, financial condition and prospects.

If we experience significant increases in demand or need to replace an existing supplier, additional manufacturing capacity may not be available when required on terms that are acceptable to us and suppliers may not be willing or able to allocate sufficient capacity to us in order to meet our requirements. For any new manufacturing source, we may encounter delays in production and added costs as we train our suppliers in our methods, products, quality control standards, and environmental, labour, health, and safety standards. Moreover, in the event of a significant disruption in the supply of the fabrics or raw materials used by our suppliers in the manufacture of our products, our suppliers might not be able to locate alternative suppliers of materials of comparable quality at an acceptable price. Any delays, interruption or increased costs in the manufacture of our products could result in lower sales and net income.

In addition, we rely to a large extent on suppliers located in East Asia and Southeast Asia, and as a result the availability of our products and our supply chain costs may be adversely affected by delays or other problems encountered in the sourcing, manufacturing and distribution of products over long distances. Our sourcing strategy is focussed on three main sourcing regions: the United Kingdom/Europe, China and Southeast Asia. In terms of intake cost, during the 2015 fiscal year, we sourced 6.3% of our products from the United Kingdom, 12.4% of our products from the rest of Europe, 48.6% of our products from China, and 32.1% of our products from Southeast Asia. Independent suppliers manufacture the majority of our products in East Asia and Southeast Asia, and accordingly we rely on third parties to transport our products over large geographic distances. Delays in the manufacturing of our products or in the shipment or interruption of delivery of our products due to the availability of raw material, personnel, factory capacity, transportation, work stoppages, port strikes, infrastructure congestion, adverse weather conditions, natural disasters, attacks by pirates or terrorists, delays in customs inspections, political instability, security requirements or other factors beyond our control, and costs and delays associated with transitioning between suppliers, could adversely impact our ability to meet consumer demand and may result in fewer sales. We may not be able to recover such losses under our contracts with our suppliers or shipping service providers.

Our delivery expenses may increase due to increasing oil and gasoline prices, rising toll fees or wage levels for employees of our distribution service providers or increasing demand for shipping containers and shipping services resulting in higher fees, all of which are beyond our control. The cost of fuel is a significant component in transportation costs, so increases in the price of petroleum products can adversely affect our gross margins. We do not hedge against the increases in the price of fuel. Furthermore, manufacturing delays or unexpected demand for our products may require us to use faster, but more expensive, transportation methods such as aircraft, which could adversely affect our gross margins.

Furthermore, if our suppliers are unable to obtain credit insurance with respect to the products they supply to us, they may be unable to fund the production of orders we place with them, which could limit the range of suppliers from which we could source our products. If our suppliers are unable to obtain sufficient credit insurance in the future, they may demand all or a proportion of payments from us earlier than would otherwise be the case, which could adversely impact our working capital and our operating cash flow. Similarly, we may be unable to obtain, on reasonably acceptable terms or at all, credit insurance in respect of the products which we supply to our franchisees.

Certain of our suppliers in the normal course of business require us to provide letters of credit, supplier financing or letters of guarantee in connection with our purchase of products. We currently have ancillary facilities in place to provide letters of credit to our suppliers. In addition, as of March 28, 2015, we had a net amount of £5.7 million utilised under our ancillary facilities, comprising £35.1 million of letters of credit and other trade facilities offset by a credit of £29.4 million with respect to foreign exchange and interest rate swaps, and £57.9 million available under our ancillary credit facilities. Moreover, as of the same date, we had an additional £21.1 million of unsecured supplier financing. If an event, such as a default or an economic downturn, occurred that impaired our ability to use letters of credit to secure our payments to our suppliers, we may be unable to source certain lines of products or the supplier may insist on more stringent terms. This risk may be exacerbated by the expansion of our business and the resulting need for more purchasing capacity. If we are unable to provide sufficient letters of credit, a significant portion of our suppliers may be unwilling to continue supplying products or may require more stringent terms, which could have a material adverse effect on our business, results of operations, financial condition and prospects.

We depend on key personnel to manage our business and the departure of such personnel, or the failure to recruit and retain additional personnel, could adversely affect our business.

We are highly dependent upon key senior management personnel who have extensive experience and knowledge of the fashion retail industry. Retention of senior management is important in our business due to the limited availability of experienced and talented retail executives. If we were to lose the services of members of our senior management team and were unable to employ suitable replacements in a timely manner, our business, results of operations, financial condition and prospects could be materially adversely affected. Our ability to anticipate and effectively respond to changing customer preferences and tastes depends, in part, on our attracting and retaining key personnel in our buying, design, marketing and other functions. Competition for such personnel is intense, and we may not be able to attract and retain a sufficient number of qualified personnel in the future.

The success of our international business is also dependent upon successfully attracting and retaining qualified employees in overseas markets where we operate. Our international presence results in risks that are inherent in doing business internationally, including personnel related risks. For example, we may have difficulties in managing and training foreign employees due to distance, language and cultural differences, there may be different or conflicting laws and regulations that make it difficult to hire or transfer foreign employees across our business and manage our overseas workforce generally, and we may have difficulties developing a consistent culture across the Group.

Our ability to attract customers to our stores depends heavily on the success of shopping centres and town centres ("retail destinations") in which our stores are located, and any decrease in footfall at those retail destinations could adversely impact our revenue.

In order to generate customer traffic, we locate many of our stores in prominent locations within shopping centres and town centres. Our revenue at these stores is dependent, to a significant degree, on the volume of consumer traffic in those retail destinations and the surrounding areas. Our stores located in or near retail destinations benefit from the ability of other tenants in those retail destinations to generate consumer traffic in the vicinity of our stores and the continuing popularity of those areas as retail destinations. We cannot control the availability or cost of appropriate locations within shopping centres, competition with other retailers for prominent locations or the success of individual shopping centres. All these factors may impact the level of customer footfall in our stores and could have a material adverse effect on our business, results of operations, financial condition and prospects.

Our revenue may be adversely affected by a decrease in popularity of the retail destinations or anchor stores in the retail destinations in which our stores are located, the emergence of competing retail destinations nearby, the closing of anchor stores or a deterioration in the financial condition of retail destination operators or developers that could, for example, limit their ability to finance tenant improvements for us and other retailers. Store closures by other retailers and vacancies in shopping centres and other retail destinations may also decrease footfall. The recent economic downturn in the United Kingdom and other factors have led to increased store closures in the UK in recent years across the industry. A reduction in footfall, as a result of these or other factors, such as the diversion of sales from our stores due to a larger proportion of sales through E-commerce channels, or our inability to obtain or maintain prominent store locations within retail destinations, could have a material adverse effect on our business, results of operations, financial condition and prospects.

Any events that negatively impact the reputation of, or value, design and/or quality associated with, our brand could adversely affect our business.

The New Look brand is an important asset of our business. Maintaining the reputation of, and value associated with, our New Look brand and product offering is central to the success of our business. As such, our ability to

maintain the reputation of our New Look brand with respect to the fashionability, quality and design of our products, value for money and customer service are important factors in earning and maintaining customer goodwill. If our customer proposition deviates from our customers' perception of our New Look brand or demand of quality, design and value for money or if our customer proposition is inconsistent across our geographic markets or our channels, it could harm our New Look brand. A key part of our strategy is to further develop our capability to deliver consistency across product ranges to enhance customers' experience of shopping with us. Unfavourable publicity concerning us, our products, our stores, our suppliers or our E-commerce operations, failure to deliver consistency in our product ranges or substantial erosion in the reputation of our New Look brand for whatever reason could adversely affect our business, results of operations, financial condition and prospects.

A failure to successfully implement our business strategy may adversely affect our business.

Our strategy includes developing our New Look brand (including through the "Concept Store" refurbishment programme), expanding our international reach, enhancing and further integrating our multi-channel capability, expanding our product range, strengthening our menswear product offering, and continuous implementation of cost management initiatives. Our strategy is subject to a number of risks, some of which are beyond our control. For example, we intend to grow our international business by expanding our store network in China, evaluating opportunities for increasing our presence in other selected international markets, such as Poland, France and Germany, and considering entering new, and strengthening our presence in existing, international markets through 3PE partners.

Furthermore, our ability to develop our multi-channel operations depends on a number of factors, including our ability to expand into and find appropriate partners in international markets, our ability to successfully market and grow our E-commerce channel, the hiring, training and retention of qualified personnel, our ability to integrate our growing multi-channel operations on a profitable basis, the capability of our existing distribution arrangements to accommodate our growing and varied online delivery options, the effect of any competition our multi-channel operations may have with our existing stores and increased competition from other relevant retailers as they introduce transactional websites or expand their existing online presence as well as competition in new international markets against larger and more well-established retailers. The success of our cost management initiatives is subject to our ability to monitor our costs and implement and continue ongoing cost management, including, for example, our enhanced controls for the approval of purchase orders and a requirement for competitive tendering of all contracts over a certain threshold. Our business and operations may also be impaired as a result of our cost management measures, and our projected cost efficiencies may not be realised or we may incur other unanticipated costs. We cannot be certain that we will be able to implement our strategy on a timely basis or at all, or that any or all of our strategy will be successful or profitable. Failure to effectively implement or achieve any or all of our strategy may have a material adverse effect on our business, results of operations, financial condition and prospects.

Our strategy envisions further expansion in, and we source a significant proportion of our products from, developing markets, which exposes us to certain risks associated with conducting business in such markets, which may be greater than the risks present in more mature markets.

Our strategy envisions further expansion in, among other countries, China and Poland. We also source a significant proportion of our products from China and other developing markets. In the 2015 fiscal year, we sourced 80.9% of our products from China and Southeast Asia by intake cost. As a result, we are subject to the general risks associated with conducting business in developing markets, including:

- instability in political, economic or financial systems;
- less developed and rapidly evolving legal, regulatory and judicial systems that are characterised by gaps, conflicts and ambiguities;
- rapid changes to foreign government regulation;
- bribery and corruption;
- civil strife or labour unrest;
- acts of warfare, armed conflicts, guerrilla activities or military repression;
- embargoes, strikes, work stoppages or slowdowns and shipment disruptions or delays;
- expropriation or nationalisation of assets or properties;
- terrorism;

- organised crime;
- outbreaks of infectious diseases;
- difficulties and delays in obtaining new permits or licences or in renewing existing ones;
- lack of, or less developed mechanisms of, protection against unauthorised sales of branded clothing items or other infringements of intellectual property rights;
- failure by our suppliers, transportation and other service providers and/or other business partners to maintain quality standards, comply with health and safety requirements and adhere to ethical business practices;
- inability to repatriate profits and/or dividends; and
- material fluctuations in currency exchange rates and high inflation.

If any of these risks were to materialise, our operations in the relevant country could be adversely affected. For example, we closed our stores in Russia and Ukraine (which comprised 26 franchise stores in the aggregate) in November 2014 in part due to political uncertainty in these countries. Risks related to developing markets, if materialised, could have a material adverse effect on our business, results of operations, financial condition and prospects.

In addition, we are subject to risks associated with conducting business in foreign countries. We owned and operated 135 New Look stores internationally as of March 28, 2015. We also source most of our products from outside the United Kingdom. As a result, we are subject to the general risks associated with conducting business in foreign countries, including:

- exposure to different legal standards and the burden of complying with a variety of foreign laws and regulations and changing foreign government policies;
- compliance with, and changes to, import and export restrictions and regulations; and
- the imposition of taxes, duties or other charges on imports or exports.

Any of these risks could have a material adverse effect on our business, results of operations, financial condition and prospects.

Our business is seasonal and could suffer if we experience weak sales during peak selling seasons.

Similar to other fashion retailers, our business is seasonal. Our sales are almost equally divided between the first and second half of our fiscal year. However, similarly to other retailers, our most important trading period is the seven-week period over the Christmas season, with £247.3 million of revenue being generated during the seven weeks between November 9, 2014 and December 27, 2014, which represented 17.5% of our total revenue during the 2015 fiscal year. In general, we experience a corresponding increase in our staff costs and other costs increase in the period leading up to the peak trading seasons in anticipation of higher sales. Our investment in inventory begins in September for the Christmas season and falls significantly in early January. Our revenue during the fourth fiscal quarter is typically lower due, in part, to the traditional slowdown in retail sales immediately following the holiday retailing season. If sales during our peak trading seasons prove to be significantly lower than we expect for any reason, we may be unable to adjust our costs and expenses in a timely fashion and may be left with a substantial amount of unsold inventory, especially in seasonal merchandise that is difficult to liquidate. In that event, we may be forced to rely on markdowns or promotional sales to dispose of excess inventory, which may not offset additional inventory and wage costs, and could have a material adverse effect on our business, results of operations, financial condition and prospects. In addition, as a result of this seasonality, revenue or other financial or operating indicators for any fiscal quarter is not an accurate indicator of our annual results.

Our business could be harmed if we fail to maintain proper inventory levels.

Efficient inventory management is important to enable us to manage our revenue and margins. Our inventory consists of a broad range of products in a variety of sizes and colours. If we do not accurately predict customer demand in general or at particular stores when making buying and distribution decisions, we may have to offer markdowns and discounts or even recall stock to our distribution centres to clear the excess inventory. For example, coming out of the winter season of the 2011 fiscal year, a rollover of unsold stock from the Autumn/Winter ranges failed to clear sufficiently well in the January sale. This in turn resulted in an excess of aging Autumn/Winter stock threatening to impair the launch of new Spring/Summer ranges. Ultimately, the unsold stock was returned to our distribution centre where we sold it to specialist stock liquidation firms at substantial discounts. Conversely, if we underestimate future demand for a particular product or do not respond quickly

enough to replenish our best performing products, we may experience a shortfall in inventory of such products, likely leading to unfulfilled orders, increased distribution costs and foregone revenue.

Constraints on our inventory management systems or processes may cause excess inventory in one location and insufficient inventory in another. In response, we may be forced to markdown or discount stock, or incur additional costs to move inventory from one store to another. Maintaining adequate inventory requires significant attention and monitoring of market trends, local markets, developments with suppliers and our distribution network, and it is not certain that we will be effective in our inventory management. As we expand our operations, it may be even more difficult to effectively manage our inventory. If we do not appropriately manage our inventory levels, business, results of operations, financial condition and prospects may be adversely affected.

Furthermore, if we experience delays in receiving products from our suppliers as a result of delays in shipping times due to either a fault of the supplier, our fault, third-party fault or due to an external factor such as industrial action, piracy or weather related delays affecting delivery, we may experience a shortfall in our inventory or products. Such inventory shortages may lead to unfulfilled orders, increased distribution costs and reduced revenue, which could have a material adverse effect on business, results of operations, financial condition and prospects.

In addition, we are subject to the risk of inventory loss and theft. While we have not experienced significant levels of inventory shrinkage in the past, there can be no assurance that incidences of inventory loss or theft will not increase in the future or that the measures we are taking will effectively decrease inventory shrinkage. If we were to experience higher rates of inventory shrinkage or incur increased security costs to combat inventory theft, our business, results of operations, financial condition and prospects could be adversely affected.

Product defects or failure to meet our quality standards may cause supply shortages, expose us to claims for damages and/or administrative sanctions and damage the public perception of our brand.

As we do not manufacture our products, we depend on our third-party manufacturers to ensure that our products comply with our specifications and quality standards. If a defect or quality issue is identified during quality controls conducted by us, we will not accept delivery of the relevant product. In this case, we may be unable to replace the rejected merchandise in a timely manner, which may result in supply shortages and foregone revenue. In addition, there is a risk that our quality control procedures may not detect defects or quality issues in the merchandise that we receive. If we sell defective or low quality merchandise, we could lose customer loyalty, harm our brand or be exposed to increased product returns and claims for damages by customers. In addition, by offering products that are defective, for example due to the use of harmful substances, raw materials or chemicals, we could violate applicable health, safety or environmental regulations and become subject to administrative sanctions, such as fines. Moreover, our reputation and brands could be damaged by the marketing of defective or poor quality products, including in the case of serious defects or errors (such as incorrect fit or shrinkage) or products containing substances causing physical harm or other health problems. Defects or quality issues could also lead to a significant decline in sales. In all such cases, our brand image, competitive position, business, results of operations, financial condition and prospects may be materially adversely affected.

Our reputation could be jeopardised by negative public perceptions of us or our suppliers, including with respect to ethical business practices.

Our reputation could be harmed if we fail to maintain ethical standards for the manufacture of our products. Any negative publicity regarding these types of concerns may reduce demand for our merchandise. Our products are manufactured primarily by suppliers based in China, Bangladesh, Cambodia, the United Kingdom, Moldova, India, Turkey, Vietnam, Pakistan, Romania and Ukraine. The working conditions and living standards of employees in some of these countries historically have been and continue to be subject to criticism from international bodies, such as the International Labour Organisation ("ILO"). Different legal systems and political and cultural influences in some of these countries make it more difficult to introduce acceptable living standards. Failure to comply with ethical, social, product, labour, health and safety or environmental standards, or related political considerations, could damage our reputation and potentially lead to various adverse consumer actions, including boycotts.

We seek to ensure that our suppliers operate in an ethical manner, in part by requiring New Look suppliers to sign a code of conduct which is based on the Base Code of the Ethical Trading Initiative ("ETI"), an alliance of companies, trade unions and voluntary organisations that seeks to improve the lives of workers worldwide who produce consumer goods. In addition, we require all new suppliers to join Supplier Ethical Data Exchange ("SEDEX"), a non-profit organisation which enables companies around the world to share ethical data within their supply chains. We also seek to ensure that our existing suppliers join SEDEX. We do not, however, control our suppliers or their employment practices and there is therefore a risk that our suppliers or their subcontractors may not comply with our standards, or may otherwise fail to operate their businesses in an appropriate ethical

manner. Violations of our standards have been discovered and publicised in the past and we have had to address the concerns raised and review our relationship with the relevant supplier. The quality standards we impose on our suppliers may also not be sufficiently rigorous as a result of heightened public demand for ethical business practices. Unfavourable publicity concerning our own ethical practices or those of our suppliers could lead to substantial erosion in the reputation of, or value associated with, our brand, customer boycotts and the incurrence of costs and potential shortfall in the supply of products as we address the underlying concern with the supplier.

Public perceptions about our products or our stores, whether justified or not, could impair our reputation, involve us in litigation, damage our brands and have a material adverse effect on our business, results of operations, financial condition and prospects. Fast fashion may come to be viewed in the public mind as "disposable fashion" and be regarded as wasteful of natural resources due, for example, to the significant resources required to transport our and our competitors' products from their place of manufacture to their ultimate point of sale.

Failure to comply with local laws and regulations, to maintain an effective system of internal controls or to provide accurate and timely financial information could also harm our reputation. Damage to our reputation or loss of consumer confidence for any of these or other reasons could have a material adverse effect on our business, results of operations, financial condition and prospects, as well as require additional investment to rebuild our reputation.

We are dependent on our warehousing and distribution infrastructure, and any disruption or problems with such infrastructure may adversely affect our business.

Our fast fashion multi-channel business requires an efficient warehousing and distribution infrastructure. We face a variety of risks in relation to our warehousing and distribution infrastructure which could have a material adverse effect on our business, results of operations, financial condition and prospects. If we were to experience an incident, such as a serious fire or flood, at our Newcastle-under-Lyme distribution centre, which is our sole distribution centre in the United Kingdom, or at one or more of our other warehousing and distribution facilities, our ability to manage our operations effectively and to distribute products to our stores, New Look E-commerce customers, 3PE partners or franchisees' stores may be adversely affected. Any failure to promptly distribute the correct products to our stores, New Look E-commerce customers, 3PE partners or the stores of our franchisees may result in lost sales or lower revenue from our franchisees as well as claims against us by our franchisees in respect of losses suffered by them as a result of incorrect stock deliveries or stock shortages. If our business continues to grow, we will need to expand our warehousing and distribution capacity. The risks described above may be exacerbated by the expansion of such facilities and the risk of disruption during initial stages of such expansion may have an adverse effect on our sales and profits.

Any disruption or other adverse event affecting our relationship with any of our strategic service providers could harm our business.

We maintain relationships with our strategic partners, which are integral to the execution of our business model. Our business, results of operations, financial condition and prospects are likely to suffer if we are unable to maintain an ongoing and successful relationship with these strategic partners.

Our IT service providers supply us with services necessary to operate our New Look website. We may suffer a loss of revenue if our customers were no longer able to use or were to have difficulty accessing our New Look website to make purchases at their convenience. We outsource the development, operation and monitoring of our centralised business IT systems, including our transaction and treasury, merchandising, stock replenishment and warehousing systems and rely on our IT service providers to supply us with these services on favourable terms. In addition, we are in the process of implementing a new inventory planning and management system, which is based on the software provided by Oracle and IBM. See "*—If we are unable to successfully implement our new inventory planning and management system, our business, results of operations, financial condition and prospects could be materially adversely affected"* for additional information and risks relating to the new system.

Clipper Logistics Group manages the transport aspects of our UK distribution logistics. We are reliant on Clipper Logistics Group to provide the vehicles and drivers necessary for the transport of our products from the Newcastle-under-Lyme distribution centre to our mainland UK stores. In addition, Hermes Europe GmbH provides delivery services for our E-commerce business. We would likely suffer material disruption to our business and consequential lost revenue if there were any significant failure in the services provided to us by Clipper Logistics Group or Hermes Europe GmbH.

Ikano Financial Services Limited is responsible for administering and operating our store card programme. In the 2015 fiscal year, £41.7 million of purchases (excluding VAT) were made using our store card, accounting for 2.9% of our revenue for the year. We may suffer customer complaints or experience a loss of revenue if customers are unable to purchase or use their store cards.

In addition, Sitel is responsible for administering our outsourced customer service centre and is responsible for handling all New Look customer inquiries regarding online orders, store services and products received through telephone calls, e-mails, web chat and social media. Approximately one million customer contacts are handled per year. A material disruption affecting our customer service centre could adversely affect our operations, including our online operations.

Disruption to the business of these or other strategic partners, or a disruption to our relationship with such partners, could adversely affect our business, results of operations, financial condition and prospects.

Our 3PE business is dependent on attracting the appropriate partners. Changes in business practices or terms by such partners could have a material adverse effect on our business.

Our 3PE business has several third-party relationships that contribute to our ability to generate revenue from a variety of sources. While we have our own retail website, we also offer our products on third-party retailer websites, such as ASOS and Zalando. In the 2015 fiscal year, Sales from our 3PE business (excluding VAT) amounted to £34.0 million, which represented 16.9% of our total E-commerce Sales in that year. We intend to expand our business by growing such third-party relationships and offering our products through more third-party retailers through e-commerce and mobile sales. The success of our E-commerce business depends on our relationships with third-party retailers, as well as factors beyond our control, such as the reputations of the third-party retailers and competition such third-party retailers may face from other e-commerce providers. Any material disruption to the businesses of our 3PE partners or our relationships with them could have a material adverse effect on our business, results of operations, financial condition and prospects.

Additionally, our relationship with 3PE retailers will require careful inventory management. Under our agreements with certain 3PE retailers, such counterparties are not required to take ownership of all inventory ordered for their account. To the extent that such inventory is not accepted by our 3PE retailers, we may have excess inventory that we have to sell by other means.

We generate lower gross margins from E-commerce sales compared to sales at our UK and International Stores, and our overall gross margins may decline as our E-commerce business continues to grow.

Our strategy envisions continued focus on our own and 3PE operations. We generally generate lower gross margins from E-commerce operations, which reflects higher packaging and fulfilment costs than sales from stores, and in addition, our 3PE sales are made at a lower margin. In comparison to UK and International Store sales, we incur lower administrative expenses with respect to our E-commerce sales. Nevertheless, our overall gross margins may decline if our E-commerce segments continue to grow and account for a larger proportion of our overall sales.

If we are unable to successfully implement our new inventory planning and management system, our business, results of operations, financial condition and prospects could be materially adversely affected.

We are in the process of implementing our Retail Stock Management Programme, which is based on the software provided by Oracle and integrated into our existing infrastructure by IBM. We expect that the new system, which is designed to cover our operations globally, will enhance our inventory planning and management processes and working practices by simplifying and making more automated and efficient each phase of the inventory lifecycle across all of our channels and markets that we trade in, from planning to purchasing, distribution and sales. We believe that the new Retail Stock Management Programme will be important to the success of our efforts to grow our Sales, particularly through the 3PE channel. We expect full implementation of the new system across the Group in the 2017 fiscal year. The implementation of the new system is subject to various risks, including delays, cost overruns, lack of participation by third-party suppliers once the system is implemented, or failure to deliver expected cost savings and operational efficiencies, any of which could adversely affect our business. In addition, the implementation of the Retail Stock Management Programme will require substantial management time and resources that otherwise would be directed to managing our business and operations. Any such distraction on the part of our management, if significant, could affect its ability to support our existing operations and implement our growth strategy. Consequently, if we are unable to successfully implement our new inventory planning and management system, our business, results of operations, financial condition and prospects could be materially adversely affected.

Interruption or failure of our information technology systems, including any interruption or failure resulting from our ongoing investment in information technology systems, could disrupt our business.

We rely heavily on our information technology systems to operate our websites, record and process transactions, respond to customer inquiries, monitor sales trends, manage inventory, purchase, sell and ship merchandise on a

timely basis and maintain cost-efficient operations. Given the significant number of transactions that are completed annually, it is necessary to maintain constant operation of our computer hardware and software systems and maintain cyber security. Our information technology systems are vulnerable to damage or interruption from power loss, telecommunications failures, data corruption, network failure, computer viruses, security breaches, natural disasters, third-party intrusions or other technical malfunctions despite, where possible, efforts to prevent such damage or interruption.

In addition, as our reliance on information technology systems has increased with the expansion of our E-commerce business, the risks associated with operating an Internet-based platform have increased as well, particularly the risk of cyber-attacks, which are attempts to gain unauthorised access to, or disrupt the operation of, our information technology systems. The number of cyber-attacks has been generally increasing in recent years, with perpetrators targeting retailers, financial institutions and other companies that process online payments and/or otherwise are in possession of customer financial data (such as credit or debit card information). For example, in December 2013, American retailer Target became a victim of a security breach that compromised credit and debit card information of approximately 40 million customers. A cyber-attack, if successful and significant, on our information technology systems could materially adversely affect our reputation, business, results of operations, financial condition and prospects.

As part of the development of our business, which is designed to ensure that all our trading platforms and systems are adequate for our planned international growth, we have an ongoing programme of investment in our information technology systems. The changes being introduced to our information technology systems as a result of this programme increase the risk of disruption to our information technology systems during the period of their implementation.

Damage or malfunction of our systems may require capital expenditure to rectify and cause delays in our operations. Any material disruption or slowdown of our systems, including those caused by our failure to successfully upgrade our systems, could cause information, including data related to customer orders, to be lost or delayed. Such a loss or delay could (particularly if the disruption or slowdown occurred during our peak selling seasons) result in delays of merchandise delivery to our stores and customers, reducing demand for our merchandise and causing our sales and profitability to decline.

Our business operations could be adversely affected by natural disasters, public health crises, political crises, terrorist attacks or other catastrophic events.

Natural disasters, such as hurricanes, tornadoes, floods, earthquakes, and other adverse weather and climate conditions; unforeseen public health crises, such as pandemics and epidemics; political crises, such as terrorist attacks, war, and other political instability; or other catastrophic events, whether occurring in the United Kingdom or internationally, could disrupt our operations, the operations of our franchisees, or the operations of one or more of our suppliers. In particular, these types of events could impact our product supply chain from or to the impacted region and could impact our ability or the ability of our franchisees or other third parties to operate our stores or websites. In addition, these types of events could negatively impact consumer spending in the impacted regions or, depending upon the severity, globally.

To the extent that such events were to result in the closure of one or more of our offices, distribution centres or stores, or impair our ability to purchase, receive or replenish inventory, our operations and financial performance could be materially adversely affected. In particular, acts of terrorism could result in us experiencing a decline in our revenue if consumers are deterred from shopping in general or if one or more of our stores, due to their location, are perceived to be particularly at risk from such acts of terrorism. In addition, any of these events could result in price increases for, or shortages of, fuel, delays in opening new stores, and/or temporary or long-term disruption to our supply chain. In addition, these events can have indirect consequences such as increases in the cost of insurance if they result in significant loss of property or other insurable damage. Moreover, our disaster recovery plans may be insufficient to cope adequately with such unforeseen circumstances. To the extent any of these events occur, our operations and financial results could be materially adversely affected.

Our results may be adversely affected by fluctuations in currency exchange rates.

We are subject to foreign exchange risk as most of our sales are in pound sterling or euros, while a major part of our cost of sales is incurred in other currencies, predominately in U.S. dollars. In the 2015 fiscal year, we generated 89.6% of our revenue in pound sterling (89.0% in each of the 2014 and 2013 fiscal years) and 9.4% of our revenue in euro (10.9% and 11.0% in the 2014 and 2013 fiscal years, respectively). During the 2015 fiscal year, if sterling had weakened by 5.0% against the U.S. dollar with all other variables held constant, post-tax profit for the period would have been £2.1 million lower, mainly as a result of revaluation of overseas trade payables, and the post-tax decrease in shareholders' equity would have been £14.7 million higher as a result of

the movement in forward currency contracts. During the 2015 fiscal year, if sterling had weakened by 5.0% against the euro with all other variables held constant, post-tax profit for the period would have been £3.8 million lower, mainly as a result of the translation of euro denominated bonds, offset in part by the impact of the translation of euro cash balances held, and the post-tax decrease in shareholders' equity would have been £1.7 million higher due to the consolidation of net assets and liabilities of foreign subsidiaries with their functional currency in euro.

In addition, we are increasingly exposed to fluctuations in exchange rates between pound sterling and renminbi and between pound sterling and zloty arising from our operations in China and Poland, respectively. As our strategy envisions further expansion in China, Poland, France and Germany (see "*Business—Our Strategy—Focussed expansion of our international reach*"), the impact of fluctuations in exchange rates between pound sterling and renminbi, between pound sterling and zloty and between pound sterling and euro may be more pronounced on our business going forward.

We are, therefore, exposed on a transactional and translational basis to movements in the exchange rate of the pound sterling against the U.S. dollar, euro, renminbi and zloty. If the U.S. dollar appreciates relative to these currencies, our sourcing costs rise. If we are unable to pass on increases to our cost base resulting from a rise in the value of the U.S. dollar relative to these currencies this will result in higher cost of sales and lower margins. The exchange rates of pound sterling against the U.S. dollar, euro, renminbi and zloty are affected by, among other things, changes in the English, United States, European, Chinese and Polish political and economic conditions.

Although we engage in foreign exchange hedging transactions to mitigate the impact of currency volatility on the cost of our purchases, there is no guarantee that these hedging transactions will effectively shield our operating results from exchange rate fluctuations. In particular, we may be unable to mitigate the impact of longer-term fundamental exchange rate realignments. Additionally, our hedging transactions may reduce any benefit that we might otherwise receive as a result of favourable exchange rate movements. In addition, we may not always be able to hedge adequately against currency risks on suitable terms in the future.

As a consequence of operating and having assets and liabilities in jurisdictions which use currencies other than pound sterling, principally euros, renminbi and zloty, we are exposed on a translational basis to fluctuations in the exchange rate between pound sterling and these currencies. Although we do not hedge these exposures, we aim to maintain sufficient euro-denominated cash deposits to act as a hedge against euro-denominated borrowings. There is a risk that movements in exchange rates will adversely affect the pound sterling value of our foreign currency-denominated results of operations, assets, liabilities and cash flows.

Our business may be adversely affected by the default of counterparties in respect of monies and products owed to us.

Our exposure to credit risk on liquid funds, products, investments and derivative financial instruments arises from the risk of default of counterparties. We may pay a deposit to overseas suppliers to import goods when orders are placed or provide some suppliers with a letter of credit. In addition, we have entered into arrangements with certain financial institutions pursuant to which they provide standby letters of credit to us in respect of our franchise and 3PE receivables, and we are therefore exposed to the counterparty risk with respect to these arrangements. A counterparty may fail to comply with its contractual commitments resulting in their defaulting on their obligations with little or no notice to us, which could limit our ability to take action to mitigate our exposure. Additionally, our ability to mitigate our exposures may be constrained by the terms of our contractual arrangements or because market conditions prevent us from taking effective action. If one of our counterparties becomes insolvent or files for bankruptcy, our ability to recover any losses suffered as a result of that counterparty's default may be limited by the liquidity of the counterparty or the applicable laws governing the bankruptcy proceeding. In the event of such default, we could incur significant losses, which could adversely impact our business, results of operations, financial condition and prospects. It is our policy to limit counterparty exposures. There can be no assurance, however, that this policy will effectively mitigate such exposures, and any such counterparty default may have a material adverse effect on our business, results of operations, financial condition and prospects.

Our business is subject to the risks and costs associated with our predominantly leasehold property portfolio.

We currently lease the premises for all our New Look directly operated stores. Nearly all the leases are subject to periodic rent reviews, lease expiries and renegotiations. As a result, we are susceptible to changes in the property rental market and increases in our rent costs. Certain of our leases contain turnover rent provisions pursuant to which our rent costs increase if the relevant store's revenue grows.

Our ability to effectively renew our existing store leases or obtain store leases to open new stores depends on the availability of store leases that meet our criteria for traffic, square footage, lease economics, demographics and other factors. We may not be able to renew our existing store leases on favourable terms or at all including, for example, when the landlord is able to establish statutory grounds for non-renewal or if the leases do not have the benefit of statutory or contractual rights of renewal.

Additionally, the economic environment may at times make it difficult to determine the fair market rent of retail real estate properties. This could impact the quality of our decisions regarding whether or not to obtain new leases and renew expiring leases at negotiated rents. These factors may result, among other things, in significant alterations to rental terms (including increasing rental rates), an inability to effect site renewals or a failure to secure real estate locations that are desirable, which could have a material adverse effect on our business, results of operations, financial condition and prospects.

In modernising or refurbishing our existing stores, we may require consents from our landlords or local authorities. If any such works are carried out, or have been carried out previously, without such consents, disputes may arise which may result in us having to undertake reinstatement works or the landlord seeking forfeiture of the relevant lease. As a result of our periodic review and restructuring for our store portfolio, particularly our intention to continue to relocate or close marginally profitable and unprofitable stores or stores in undesirable locations, we may face dilapidation claims from our landlords which (whether founded or unfounded) may require us to make unforeseen payments to our landlords and could have a material adverse effect on our business, results of operations, financial condition and prospects.

We may seek to close a store prior to expiry of the relevant lease and assign or sub-lease the property for the remainder of the term of the lease. We are potentially subject to a number of contingent liabilities arising from the assignment of our leases. In the event that any of our assignees should default under such a lease, the lease could revert to us. We would then be liable for the fulfilment of the obligations under the lease. We have also sub-leased certain of our stores and are therefore exposed to the risk that the sub-tenants under those sub-leases fail to comply with their obligations under those sub-leases, including obligations to make payments to us in respect of rent under those sub-leases.

We incur onerous lease provision charges for (a) any future lease costs of vacant properties over the remaining period of the relevant lease, net of expected sub-letting income, or the period until which we expect to surrender, assign or sub-lease the head lease, including the expected costs of surrendering, assigning or sub-leasing the head lease (including any associated dilapidation provision); and (b) any properties that do not make sufficient profit to cover the rent charges over the remaining lease term or the agreed surrender date, if applicable. For example, in the 2014 fiscal year we incurred an onerous lease charge of £1.6 million, primarily as a result of loss-making stores.

Our property portfolio comprises properties of various ages and a number of our properties were constructed in areas that have been the subject of commercial or industrial use in the past. Onsite pollution or contamination could have occurred from such previous or current uses, for which we could be held liable. Any claim or regulatory action against us in relation to pollution, contamination or hazardous substances or conditions could have a material adverse effect on our business, results of operations, financial condition and prospects.

Our franchise business is subject to risks beyond our control, which could impact our return and impair the value of our brand, and may not deliver the returns expected, which could have a material adverse effect on our business, results of operations, financial condition and prospects.

We have entered into franchise agreements with unaffiliated franchisees to operate stores in 13 countries. Under these agreements, third parties operate stores and sell apparel and related products under our brand names. The effect of these arrangements on our business, results of operations, financial condition and prospects depends upon various factors, including the demand for our products in new markets internationally and our ability to successfully identify appropriate third parties to act as franchisees, distributors, or in a similar capacity. Aspects of these arrangements are not within our control, such as the ability of these third parties to meet their projections regarding store locations, store openings and sales. Other risks that may affect these third parties include general economic conditions in specific countries or markets, foreign exchange rates, changes in diplomatic and trade relationships, and political instability.

Moreover, while the agreements we have entered into provide us with certain termination rights, the value of our brands could be impaired to the extent that these third parties do not operate their stores in a manner consistent with our requirements regarding our brand identities and customer experience standards. Failure to protect the value of our brands or any other harmful acts or omissions by a franchisee could have an adverse effect on our

business, results of operations, financial condition and prospects. We have less control over our franchisees than over our directly operated stores and depend on our franchisees to operate their businesses effectively, on ethical and commercially favourable terms, in compliance with applicable laws and regulations, and in a manner that does not negatively impact the reputation of the New Look brand. In addition, we may experience disputes with our franchisees over a variety of matters, including the amount and timing of payments due to us under the franchise agreements as well as other provisions of the agreements (such as exclusivity and termination rights). For example, across the 2013 and 2014 fiscal years, we fully impaired the receivable relating to our Russian franchisee as we no longer expected to recover the receivable due to the ongoing financial difficulties experienced by the former partner. As a result, we incurred exceptional impairment charges of £4.3 million and £1.4 million in the 2013 and 2014 fiscal years, respectively. We subsequently exited the Russian market and closed our stores in the country. Our failure to operate our franchise business successfully could have a material adverse effect on our business, results of operations, financial condition and prospects.

Our insurance may be insufficient, and, due to factors beyond our control or a claim by us, our insurance premiums may increase significantly, which may adversely affect our financial results.

Insurance costs may increase substantially in the future and may be affected by natural catastrophes, fear of terrorism, intervention by governments or a decrease in the number of insurance carriers. In addition, the carriers with which we hold our policies may go out of business, or may be otherwise unable to fulfil their contractual obligations. Furthermore, for certain types or levels of risk, such as risks associated with earthquakes, hurricanes or terrorist attacks, we may determine that we cannot obtain commercial insurance at acceptable prices, if at all. We do not maintain separate funds or otherwise set aside reserves to cover losses or claims by third parties. Therefore, if an uninsured loss were to occur, we could experience significant disruption to our operations, suffer significant losses and be required to make significant payments for which we would not be compensated, any of which in turn could have a material adverse effect on our business, results of operations, financial condition and prospects. In addition, in the event of any significant claims by us, our insurance premiums may increase significantly.

We may be subject to investigations or challenges with respect to our tax liabilities or subject to changes in tax legislation that may adversely impact our business, results of operations, financial condition and prospects. In addition, negative public attention regarding such investigations or challenges or our tax structure in general could damage our brands or reputation.

From time to time, we are involved in discussions or disputes with tax authorities regarding our tax liabilities, which may lead to revision of our tax liabilities, and therefore impact our financial position. In such a case we may be subject to negative public attention, which could have an adverse impact on our reputation or relations with our customers, employees, franchisees, suppliers or other third parties. The current political climate and recent political/media focus on tax optimisation schemes and austerity increases the risk of such discussions or disputes with tax authorities. We currently have ongoing tax audits in France for the 2012, 2013 and 2014 fiscal years and in Belgium for the 2012 and 2013 fiscal years in respect of our operations in these respective countries.

If these or other tax audits, investigations or challenges render decisions that are unfavourable to us, we may be required to pay settlement amounts, fees or penalties, which may adversely impact our financial position. In addition, regardless of the outcome of any such investigations or challenges, such proceedings could result in substantial costs and may require that we devote substantial time and resources to defend ourselves. Furthermore, tax legislation may be enacted in the future, domestically or abroad, that adversely affects our current or future tax structure and tax liability.

We may be subject to complaints and litigation which may adversely affect our business, results of operations, financial condition and prospects.

From time to time, we are the subject of complaints and litigation from our customers, employees and other third parties, alleging intellectual property infringement, injury, breaches of data protection or health, environmental, safety, privacy, tax or operational concerns, nuisance, negligence or failure to comply with applicable laws and regulations. These claims, even if successfully defended, could have a material adverse effect on our reputation and divert the attention of our management team. In addition, if we were to be found liable under any such claims, our business, results of operations, financial condition and prospects could be materially adversely affected.

We are subject to advertising, consumer protection, planning, employment, environmental and other laws and regulations that could require us to modify our current business practices, incur increased costs and subject us to potential liabilities.

We are subject to numerous advertising, consumer protection, planning, employment, environmental and other laws and regulations which apply to retailers generally and govern the import, promotion and sale of products and the operation of retail stores and warehouse facilities. In addition, our UK store card operations, which are outsourced to Ikano Financial Services Limited, are subject to numerous laws and regulations which impose disclosure and other requirements upon the origination, servicing and enforcement of credit accounts and which change from time to time. If any of our management, employees, partners, suppliers, buying agents or trading companies were to fail to comply with them, we could experience delays in shipments of our goods, be subject to fines or penalties, or suffer reputational harm, which could reduce demand for our products and damage our business, results of operations, financial condition and prospects.

Changes in consumer legislation or the interpretation of the legislation by the relevant authorities could materially affect the operating costs or sales of the business. We have been subject to actions in the past for failing to comply with certain regulations. Our failure to comply with the provisions of such laws, rules or regulations may give rise to civil or criminal liability (with consequences including public censure or financial penalties), result in the imposition of disciplinary sanctions by such governmental authorities, impair the enforceability of certain consumer agreements or give rise to the loss of a license, and more generally may impair our reputation.

We are subject to various employment laws and regulations, including the minimum wage legislation. We may be subject to remedial pay obligations and penalties and if we are found to have paid our staff less than the minimum wage. For example, in 2012, we were subject to an investigation regarding compliance with the minimum wage legislation in the UK and Northern Ireland. Our policy requires that in-store employees wear suitably seasonal and fashionable products (and not specifically New Look products). After independent visits to some of our stores, the minimum wage office concluded that some of our stores required employees to wear New Look products. While we offer employee discounts, the investigation concluded that employees' expenses related to purchases of New Look products in such circumstances should be deducted when calculating wages. As a result, the minimum wage office was of the view that some of our employees were being paid less than the minimum wage. Several other retailers have also been subject to similar investigations and findings. We set up a payments helpline to enable us to make remedial payments to affected employees and former employees, and we set aside a provision of £1.0 million in respect of such remedial payments, which amount we do not expect to exceed. We have also paid a penalty of £12,500 and amended our working practices to ensure that the policy is consistently applied across our stores. In addition, we are subject to periodic visits and inspections by the UK Visas and Immigration department of the Home Office regarding compliance with immigration and work visa requirements. We have not been found to be in breach of any immigration and work visa rules or requirements to date.

In addition, changes in employment-related laws and regulations could result in additional compliance and other costs for our business. For example, the UK statutory minimum wage for employees aged 21 and over was raised in October 2012, 2013 and 2014 and, as a result, increased from £6.08 per hour prior to October 2012 to £6.50 at present. These increases resulted, in the aggregate, in increased costs to the Group of £1.7 million during the three years ended March 28, 2015. As of March 28, 2015, 28.7% of our employees were on minimum wage. The Low Pay Commission's 2015 report contains a recommendation that the UK government raise the statutory minimum wage for adults to £6.70 per hour in October 2015. We estimate the annualised impact of the proposed change in the 2016 fiscal year to be approximately £1.0 million. Further increases in statutory minimum wage will result in increases in our staff costs, which will have an adverse impact on our business. Other changes in labour, healthcare and other employment-related laws could cause us to incur additional employment costs, which could adversely affect our profitability.

Our operations are also subject to various environmental laws, including carbon emission regulations. In 2014, we initially purchased a lower number of carbon reduction allowances than necessary to offset the environmental impact of our operations. We subsequently rectified this by purchasing the additional required allowances during the secondary trading window, and no penalties have been incurred.

Legal requirements are subject to frequent changes and differing interpretations, and we are unable to predict the ultimate cost of compliance with these requirements or their effect on our operations. We may be required to make significant expenditures or modify our business practices in order to comply with amendments to existing laws and regulations and with future laws and regulations, which may increase our costs and limit our ability to operate our business. As a result, our business, results of operations, financial condition and prospects could be materially adversely affected.

We face the risk of theft or misappropriation of our customer data, which may adversely affect our reputation, business, results of operations, financial condition and prospects.

The regulatory environment governing the use of individually identifiable data of customers, employees and others is complex. Privacy and information security laws and requirements change frequently, and compliance with them may require us to incur costs to make necessary system changes and implement new administrative processes. If a data security breach occurs, our reputation could be damaged and we could experience lost sales, fines or lawsuits. See "*—Interruption or failure of our information technology systems, including any interruption or failure resulting from our ongoing investment in information technology systems, could disrupt our business*."

We collect customer data conditional upon the customers' express consent, and we purchase address data of potential customers from address data agencies for marketing purposes. A third-party data service provider stores and processes the customer data. The customer data could be either stolen or misappropriated at any stage of data processing such as receipt, transmission, use or storage of the data. In this case, customers may be unwilling to provide us with their data and direct marketing could be negatively affected as a result. Furthermore, due to the negative publicity of companies where customer data was stolen or misappropriated, our reputation could be negatively affected which could result in lower sales. Therefore, the theft or misappropriation of customer data could have a material adverse effect on our business, results of operations, financial condition and prospects.

We may be subject to liability if we are found to have infringed upon the trademarks or other intellectual property rights of third parties. In addition, our business and competitive position could be harmed if we are unable to protect and enforce our intellectual property rights.

We are at risk of infringing third-party intellectual property rights, especially as we operate a fast fashion model based on rapidly translating the latest trends from the catwalks, the street and celebrities into our own products. We are from time to time subject to claims by third parties that products we sell infringe their intellectual property rights. If we are found liable for any such infringement, we could be required to pay substantial damages, destroy offending merchandise or comply with injunctions against us to prevent further infringement. Any payments we may be required to make and any injunctions with which we may be required to comply as a result of such infringement actions could materially adversely affect our business, results of operations, financial condition and prospects. In addition, such infringement claims could harm the perception of us by our customers or otherwise harm our brand image and reputation.

In addition, we are subject to the risk of third parties counterfeiting our products or otherwise infringing our intellectual property rights (such as our trademarks and design rights). We may need to resort to litigation in the future to enforce our intellectual property rights. Any litigation could result in substantial costs and a diversion of resources. We may not be successful, particularly in developing countries or in new markets which we choose to enter, in securing protection for our intellectual property rights, combating the production and sale of counterfeit products and preventing and halting other infringements of our intellectual property rights. Any failure by us to protect and enforce our intellectual property rights could have a material adverse effect on our business, results of operations, financial conditions and prospects.

Risks Related to Our Financial Profile

Our substantial leverage and debt service obligations could adversely affect our business and prevent us from fulfilling our obligations with respect to the Notes and the Notes Guarantees.

After the issuance of the Notes, we will be highly leveraged. As of March 28, 2015, after giving effect to the Refinancing Transactions, we would have had £1,201.2 million of total third-party financial indebtedness. In addition, as of March 28, 2015, we had a net amount of £5.7 million utilised under our ancillary facilities, comprising £35.1 million of letters of credit and other trade facilities offset by a credit of £29.4 million with respect to foreign exchange and interest rate swaps, and an additional £57.9 million available under our ancillary credit facilities. Moreover, as of March 28, 2015, we had an additional £21.1 million of unsecured supplier financing. See "*Capitalisation.*"

The degree to which we will be leveraged following the issuance of the Notes could have important consequences to Noteholders in the Offering, including:

- making it difficult for us to satisfy our obligations with respect to the Notes;
- increasing our vulnerability to, and reducing our flexibility to respond to, general adverse economic and industry conditions;
- requiring the dedication of a substantial portion of our cash flows from operations to the payment of principal of, and interest on, indebtedness, thereby reducing the availability of such cash flow to fund

working capital, capital expenditure, acquisitions, joint ventures, product research and development or other general corporate purposes;

- limiting our flexibility in planning for, or reacting to, changes in our business and the competitive environment and the industry in which we operate;
- placing us at a competitive disadvantage as compared to our competitors, to the extent that they are not as highly leveraged; and
- limiting our ability to borrow additional funds and increasing the cost of any such borrowing.

Any of these or other consequences or events could have a material adverse effect on our ability to satisfy our debt obligations, including the Notes. The terms of the Indentures will permit Group members to incur substantial additional indebtedness, including in respect of the committed borrowings of up to £100 million in total under the Revolving Credit Facility.

We are subject to restrictive debt covenants that may limit our ability to finance our future operations and capital needs and to pursue business opportunities and activities.

The Indentures restrict, among other things, the ability of the respective Issuer, the Company and its subsidiaries to:

- incur or guarantee additional indebtedness and issue certain preferred stock;
- in the case of the Senior Notes, layer debt of the Senior Notes Issuer or the Senior Notes Guarantors;
- create or incur certain liens;
- make certain payments, including dividends or other distributions, with respect to the shares of the Company;
- prepay or redeem subordinated debt or equity;
- make certain investments;
- create encumbrances or restrictions on the payment of dividends or other distributions, loans or advances to and on the transfer of assets to the Company or its restricted subsidiaries;
- sell, lease or transfer certain assets, including stock of restricted subsidiaries;
- engage in certain transactions with affiliates;
- enter into unrelated businesses or engage in prohibited activities;
- consolidate or merge with other entities;
- impair the security interests for the benefit of the holders of the Notes; and
- amend certain documents.

All these limitations are subject to significant exceptions and qualifications. See "*Description of the Senior Secured Notes—Certain Covenants*" and "*Description of the Senior Notes—Certain Covenants*." The covenants to which we are subject could limit our ability to finance our future operations and capital needs and our ability to pursue business opportunities and activities that may be in our interest.

In addition, we are subject to the affirmative and negative covenants contained in the Revolving Credit Facility, including a financial ratio test. Our ability to meet that financial ratio test can be affected by events beyond our control, and we cannot assure you that we will meet it. A breach of any of those covenants, ratios, tests or restrictions could result in an event of default under our Revolving Credit Facility. Upon the occurrence of any event of default under our Revolving Credit Facility, subject to applicable cure periods and other limitations on acceleration or enforcement, the relevant creditors could cancel the availability of the facilities and elect to declare all amounts outstanding under the Revolving Credit Facility, together with accrued interest, immediately due and payable. In addition, any default under the Revolving Credit Facility could lead to an event of default and acceleration under other debt instruments that contain cross-default or cross-acceleration provisions, including the Indentures. If our creditors, including the creditors under our Revolving Credit Facility, accelerate the payment of those amounts, we cannot assure you that our assets and the assets of our subsidiaries would be sufficient to repay in full those amounts, to satisfy all other liabilities of our subsidiaries which would be due and payable and to make payments to enable us to repay the Notes, in full or in part. In addition, if we are unable to repay those amounts, our creditors could proceed against any collateral granted to them to secure repayment of those amounts.

We will require a significant amount of cash to meet our obligations under our indebtedness and to sustain our operations, which we may not be able to generate or raise.

Our ability to make principal or interest payments when due on our indebtedness, including the Revolving Credit Facility and the Notes, and to fund our ongoing operations, will depend on our future performance and our ability to generate cash, which, to a certain extent, is subject to general economic, financial, competitive, legislative, legal, regulatory and other factors, as well as other factors discussed in these "*Risk Factors,*" many of which are beyond our control. If we cannot generate sufficient cash to meet our debt service requirements, pay our obligations as they mature or fund our liquidity needs, we may, among other things, need to refinance all or a portion of our debt, including the Notes and the Revolving Credit Facility, obtain additional financing, delay planned capital expenditures or investments or sell material assets. If we are not able to refinance any of our debt, obtain additional financing or sell assets on commercially reasonable terms or at all, we may not be able to satisfy our debt obligations, including under the Notes and the Revolving Credit Facility. In addition, the terms of our Revolving Credit Facility and the Indentures and any future debt may limit our ability to pursue any of the foregoing measures.

Despite our current level of indebtedness, we may still be able to incur substantially more debt in the future, which may make it difficult for us to service our debt, including the Notes, and impair our ability to operate our businesses.

We may incur substantial additional debt in the future. Any debt that we incur by a subsidiary that is not a Guarantor would be structurally senior to the Notes, and other debt could be secured or could mature prior to the Notes. Although the Revolving Credit Facility and the Indentures contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of significant qualifications and exceptions, and under certain circumstances the amount of indebtedness that could be incurred in compliance with these restrictions could be substantial. If new debt is added to our and our subsidiaries' existing debt levels, the related risks that we now face would increase. In addition, the Revolving Credit Facility and the Indentures do not prevent us from incurring obligations that do not constitute indebtedness under those agreements.

The loans under our Revolving Credit Facility and the Floating Rate Senior Secured Notes bear interest at floating rates that could rise significantly, increasing our costs and reducing our cash flow.

The loans under our Revolving Credit Facility bear interest at floating rates of interest per annum equal to LIBOR or EURIBOR, as applicable, as adjusted periodically, plus a spread. We are also exposed to floating interest rates associated with the Floating Rate Senior Secured Notes. These interest rates could rise significantly in the future. Although we may enter into certain hedging arrangements designed to fix some or all of these rates, there can be no assurance that hedging will continue to be available on commercially reasonable terms. To the extent that interest rates were to increase significantly, our interest expense would correspondingly increase, thereby reducing our cash flow.

Our hedging agreements may expose us to credit default risks and potential losses if our hedging counterparties fall into bankruptcy.

We are party to certain interest rate swaps and we may enter into additional interest hedging agreements to hedge our exposure to fluctuations in interest rates, primarily under the Revolving Credit Facility and the Floating Rate Senior Secured Notes. We may also enter currency hedging arrangements in respect of the series of Notes denominated in euros. Under any such agreements, we are exposed to credit risks of our counterparties. If one or more of our counterparties falls into bankruptcy, claims we have under the swap agreements or other hedging arrangements may become worthless. In addition, in the event that we refinance our debt or otherwise terminate hedging agreements, we may be required to make termination payments, which would result in a loss.

Risks Related to the Notes and Our Structure

Each of the Issuers is a finance subsidiary of the Company that has no material assets nor any revenue generating operations of its own and will depend on cash received under its Proceeds Loan in order to be able to make payments on its Notes.

Each of the Issuers is a finance subsidiary of the Company and was formed in order to offer and issue debt securities. The Issuers conduct no business operation of their own, and have not engaged in, and will not be permitted to engage in, any activities other than those relating to their finance activities. Each of the Issuers has no material assets other than its respective Proceeds Loans pursuant to which it will on-lend its portion of the proceeds of the Offering to the Company. Therefore, the Issuers will be dependent upon payments from other members of the Group to meet their obligations, including their obligations under the Notes. We intend to

provide funds to the Issuers in order for them to meet their obligations under the Notes through interest payments on the Proceeds Loans. If the other members of the Group do not fulfil their obligations under the Proceeds Loans, the Issuers will not have any other source of funds that would allow them to make payments to the holders of the Notes. The amounts available to the Issuers from the other relevant members of the Group will depend on the profitability and cash flows of such members of the Group and the ability of such members to make payments to it under applicable law or the terms of any financing agreements or other contracts that may limit or restrict their ability to pay such amounts. Various agreements governing our debt may restrict and, in some cases may actually prohibit, the ability of these subsidiaries to move cash within the Restricted Group. See "*Description of Other Indebtedness—Intercreditor Agreement.*" Applicable tax laws may also subject such payments to further taxation. In addition, the members of the Group that do not guarantee the Notes have no obligation to make payments with respect to the Notes.

The Notes are structurally subordinated to the liabilities of non-Guarantor members of the Group.

Some, but not all, of the members of the Group guarantee the Notes. As of and for the 52 week period ended March 28, 2015, the Guarantors generated 83% and 95% of the consolidated revenue and Adjusted EBITDA of the Restricted Group, respectively, and represented 80% of the consolidated total assets of the Restricted Group. As of and for the 52 week period ended March 28, 2015, our subsidiaries that form part of the Restricted Group that will not guarantee the Notes generated 17% and 5% of the consolidated revenue and Adjusted EBITDA of the Restricted Group, respectively, and represented 20% of the consolidated total assets of the Restricted Group. In addition, as of March 28, 2015, except for the indebtedness represented by the Existing Notes and the Existing PIK Loans which has been redeemed and repaid in full as part of the Refinancing Transactions, our subsidiaries that form part of the Restricted Group that will not guarantee the Notes did not have any outstanding third party financial indebtedness. Unless a member of the Group is a Guarantor, such member will not have any obligations to pay amounts due under the Notes or to make funds available for that purpose. Generally, holders of indebtedness of, and trade creditors of, subsidiaries of the Company that are not Guarantors, including lenders under bank financing agreements, are entitled to payments of their claims from the assets of such non-Guarantor companies before these assets are made available for distribution to any Guarantor, as a direct or indirect shareholder.

In the event that any non-Guarantor subsidiary of the Company becomes insolvent, enters examinership, is liquidated, reorganised, or dissolved or is otherwise wound up other than as part of a solvent transaction:

- the creditors of the Issuers (including the holders of the Notes) and the Guarantors will have no right to proceed against the assets of such company; and
- creditors of such non-Guarantor company, including trade creditors, will generally be entitled to payment in full from the sale or other disposal of the assets of such company before any Guarantor, as a direct or indirect shareholder, will be entitled to receive any distributions from such subsidiary.

As such, the Notes and each Notes Guarantee are structurally subordinated to trade creditors, creditors under certain ancillary facilities and any preferred stockholders of the Company's non-Guarantor subsidiaries.

The Notes are secured only to the extent of the value of the assets that have been granted as collateral, and in the event that the collateral is enforced, the holders of the Senior Secured Notes will only be paid once the creditors under the Revolving Credit Facility, certain providers of ancillary facilities, counterparties of certain hedging obligations and any other holders of additional super priority indebtedness are repaid in full, and the holders of the Senior Notes will only be paid once the holders of the Senior Secured Notes are paid in full.

If we default on the Notes, the holders of the Senior Secured Notes will be secured only to the extent of the value of the assets underlying their security interest. The holders of the Senior Notes are also secured by the same collateral as the Senior Secured Notes and will benefit from the proceeds of enforcement of such collateral on a senior subordinated basis. Not all our assets secure the Notes and we will not be obligated to take action to perfect all liens on assets that do secure the Notes. In the future, the obligations to provide additional guarantees and grant additional security over assets, or a particular type or class of assets, whether as a result of the acquisition or creation of future assets or subsidiaries, the designation of a previously unrestricted subsidiary as a restricted subsidiary or otherwise, is subject to the Agreed Security Principles and the Intercreditor Agreement. The Agreed Security Principles set out a number of limitations on the rights of the Noteholders to require granting of, or payment or enforcement under, a guarantee or security in certain circumstances. The operation of the Agreed Security Principles may result in, among other things, the amount recoverable under any guarantee or security provided by any subsidiary being limited or security not being granted over a particular type or class of

assets. Accordingly, the Agreed Security Principles may affect the value of the guarantees and security provided by us and our subsidiaries. The validity and enforceability of the guarantees and security may also be affected by local law limitations. See "*—Each Notes Guarantee will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defences that may limit its validity and enforceability*."

Furthermore, the Intercreditor Agreement provides that proceeds from the enforcement of the security will be applied to repay the claims of the creditors under the Revolving Credit Facility, to certain ancillary facilities providers and certain of the hedging banks under the relevant secured hedging agreements, in priority to the Notes and other secured obligations. Under the Indentures, credit facilities in an amount not exceeding the greater of (a) £100 million and (b) 45% of Consolidated EBITDA, up to the lesser of £145 million of ancillary facilities and 6.5% of our revenues and certain hedging obligations can be secured in priority to the Notes. As a result, noteholders will receive less from the proceeds of security in an enforcement or insolvency scenario than if they were not required to share the proceeds.

Only after senior secured debt (including the Senior Secured Notes) has been repaid will proceeds from enforcement of collateral be applied in repayment of the Senior Notes. As a result, proceeds from the sale of collateral in connection with any enforcement action may be insufficient to pay claims under the Senior Notes, which will only be satisfied after all senior secured debt (including the Senior Secured Notes) has repaid in full. In addition, claims of our secured creditors that are secured by assets that do not also secure the Notes will have priority with respect to such assets over the claims of holders of the Notes.

Noteholders will not control certain decisions regarding the collateral.

The Senior Secured Notes are generally secured by the same collateral securing the obligations under our Revolving Credit Facility, certain ancillary facilities and certain hedging obligations. The Senior Notes are also secured by the same collateral as the Senior Secured Notes and will benefit from the proceeds of enforcement of such collateral on a senior subordinated basis. In addition, under the terms of the Indentures, we will be permitted to incur significant additional indebtedness and other obligations that may be secured by the same collateral.

The Intercreditor Agreement provides that the agent of the creditor class who wishes to deliver an enforcement instruction must first consult with every agent or representative of the other creditor classes, certain creditors and the Security Agent for a period of 30 days. After an initial consultation period, the Security Agent may act upon the instructions of an instructing group, which may be holders of 66⅔% of the aggregate principle amount of the Senior Secured Notes outstanding, 66⅔% of the aggregate principal amount of Senior Notes outstanding, or creditors of 66⅔% of the aggregate principal amount of super senior indebtedness (which includes drawn and undrawn commitments under the Revolving Credit Facility, certain ancillary facilities and certain hedging obligations). To the extent there are conflicting instructions, those on behalf of the Senior Secured noteholders will prevail. However, in certain circumstances the creditors under the Revolving Credit Facility and certain ancillary facilities and counterparties to certain hedging arrangements will have control over enforcement of the collateral, including if (i) such creditors have not been fully repaid within six months of the end of the first 30-day consultation period, (ii) the Security Agent has not commenced any enforcement action within three months of the end of the first 30-day consultation period or (iii) an insolvency event has occurred and the Security Agent has not commenced any enforcement action.

These arrangements could result in the enforcement of the collateral in a manner that results in lower recoveries by holders of one or more series of the Notes. As such, holders of the Senior Notes may not be able to recover on the collateral if the claims of the senior secured creditors are greater than the proceeds realised from any enforcement of the collateral. Furthermore, other creditors not subject to the Intercreditor Agreement could commence enforcement action against the Company or its subsidiaries during such period, the Company or one or more of its subsidiaries could seek protection under applicable bankruptcy laws, or the value of certain collateral could otherwise be impaired or reduced in value.

If the Security Agent sells collateral comprising the shares of any of our subsidiaries as a result of an enforcement action in accordance with the Intercreditor Agreement, claims under the Notes and the Notes Guarantees and the liens over any other assets securing the Notes and the Notes Guarantees may be released. See "*Description of Other Indebtedness—Intercreditor Agreement*," "*Description of the Senior Secured Notes—Security—Release of Liens*" and "*Description of the Senior Notes—Security—Release of Liens*."

The collateral may not be sufficient to secure the obligations under the Notes.

The Senior Secured Notes are generally secured by the same collateral that also secures the obligations under our Revolving Credit Facility. The Senior Notes are also secured by the same collateral as the Senior Secured Notes and will benefit from the proceeds of enforcement of such collateral on a senior subordinated basis. The

collateral may also secure additional debt to the extent permitted by the terms of the Revolving Credit Facility, the Indentures and the Intercreditor Agreement. Your rights to the collateral may be diluted by any increase in debt secured by the collateral on a similar or more favourable basis to the Notes you hold or a reduction of the collateral securing the Notes you hold.

The value of the collateral and the amount to be received upon an enforcement of such collateral will depend upon many factors, including the ability to sell the collateral in an orderly sale, economic conditions where operations are located and the availability of buyers. The book value of the collateral should not be relied on as a measure of realisable value for such assets. Due to the nature of our business, all or a portion of the collateral may be illiquid and may have no readily ascertainable market value. Similarly, we cannot assure you that there will be a market for the sale of the collateral, or, if such a market exists, that there will not be a substantial delay in its liquidation. In addition, the share pledges of an entity may be of no value if that entity is subject to an insolvency or bankruptcy proceeding. In the event that a bankruptcy case is commenced by or against us, if the value of the security is less than the amount of principal and accrued and unpaid interest on the Notes and other senior secured obligations, interest may cease to accrue on the Notes from and after the date the bankruptcy petition is filed. In the event of a foreclosure, liquidation, bankruptcy or similar proceeding, we cannot assure you that the proceeds from any sale or liquidation of the security will be sufficient to pay the obligations due under the Notes.

It may be difficult to realise the value of the collateral securing the Notes.

The collateral securing the Notes will be subject to any and all exceptions, defects, encumbrances, liens and other imperfections permitted under the Indentures and the Intercreditor Agreement and accepted by other creditors that have the benefit of security interests in the collateral securing the Notes from time to time, whether on or after the date the Notes are first issued. The existence of any such exceptions, defects, encumbrances, liens and other imperfections could adversely affect the value of the collateral securing the Notes, as well as the ability of the Security Agent to realise or foreclose on such collateral. Furthermore, the ranking of security interests can be affected by a variety of factors, including the timely satisfaction of perfection requirements, statutory liens, certain statutory preferences or recharacterisation under the laws of certain jurisdictions.

The security interests of the Security Agent will be subject to practical problems generally associated with the realisation of security interests in the collateral and there can be no assurance that the security will be saleable. For example, the enforcement of share pledges, whether by means of a sale, public auction, or judicial or private appropriation, may be subject to certain specific requirements and the Security Agent may need to obtain the consent of a third-party to enforce a security interest or to appoint an independent expert to assess the value of the collateral. The Security Agent may not be able to obtain any such consent and the consents of any third parties may not be given when required to facilitate a foreclosure on such assets. Accordingly, the Security Agent may not have the ability to foreclose upon those assets, and the value of the collateral may significantly decrease.

The security interests in the collateral has been granted to the Security Agent rather than directly to the holders of the Notes. The ability of the Security Agent to enforce certain of the collateral may be restricted by local law.

The security interests in the collateral that secures our obligations under the Notes and the obligations of the Guarantors under the Notes Guarantees has not been granted directly to the Noteholders but has been granted only in favour of the Security Agent. The Indentures provide (along with the Intercreditor Agreement) that only the Security Agent has the right to enforce the Security Document. As a consequence, Noteholders do not have direct security interests and will not be entitled to take enforcement action in respect of the collateral securing the Notes, except through the Trustee for the respective series of Notes, which will (subject to the applicable provisions of the Indentures) provide instructions to the Security Agent in respect of the collateral.

The Issuers and the Guarantors will have control over the collateral securing the Notes, and the sale of particular assets could reduce the pool of assets securing the Notes.

The Security Document will allow the Issuers and the Guarantors to remain in possession of, retain exclusive control over, freely operate, and collect, invest and dispose of any income from the collateral securing the Notes. So long as no default or event of default under the Indentures would result therefrom, the Issuers and the Guarantors may, among other things, without any release or consent by the Security Agent, conduct ordinary course activities with respect to the collateral, such as selling, factoring, abandoning or otherwise disposing of the collateral and making ordinary course cash payments, including repayments of indebtedness.

There are circumstances other than repayment or discharge of each series of Notes under which the collateral securing the Notes and the Notes Guarantees will be released automatically, without your consent or the consent of the relevant Trustee.

Under various circumstances, the Notes Guarantees and the collateral securing the Notes will be released automatically. See "*Description of the Senior Secured Notes—Notes Guarantees*," "*Description of the Senior Notes—Notes Guarantees*," "*Description of the Senior Secured Notes—Security—Release of Liens*" and "*Description of the Senior Notes—Security—Release of Liens*" In addition, if the Security Agent sells collateral comprising the shares of either or both of the Issuers or any of our other subsidiaries as a result of an enforcement action in accordance with the Intercreditor Agreement, then claims under the Notes and the Notes Guarantees may be released or transferred. See "*Description of Other Indebtedness—Intercreditor Agreement*," "*Description of the Senior Secured Notes—Security—Release of Liens*" and "*Description of the Senior Notes—Security—Release of Liens*." Your ability to recover on the Notes could be materially impaired in such circumstances.

The granting of the security interests in connection with the issuance of the Notes, or the incurrence of permitted debt in the future, or the permitted refinancing of certain debt in the future, may create or restart hardening periods.

The granting of security interests to secure each series of Notes may create hardening periods for such security interests in certain jurisdictions. The Intercreditor Agreement also provides that the collateral securing the Notes may, in certain circumstances, be released and retaken in connection with the issuance of additional permitted debt in the future and/or the permitted refinancing of certain indebtedness, including one or more series of the Notes. In certain jurisdictions, such a release and retaking of collateral may give rise to the start of a new "hardening period" in respect of such collateral. Under certain circumstances, other creditors, insolvency administrators or representatives or courts could challenge the validity and enforceability of the grant of such collateral. Any such challenge, if successful, could potentially limit your recovery in respect of such collateral and thus reduce your recovery under the Notes. See "*Description of Other Indebtedness—Intercreditor Agreement.*"

Your rights in the collateral may be adversely affected by the failure to perfect security interests in the collateral.

Under applicable law, a security interest in certain assets can only be properly perfected, and its priority retained, through certain actions undertaken by the secured party and the grantor of the security. The liens on the collateral securing the Notes may not be perfected with respect to the claims of the Notes if we, or the Security Agent, fail or are unable to take the actions required to perfect any of these liens.

Absent perfection, the holder of the security interest may have difficulty enforcing such holder's rights in the collateral with regard to third parties, including a trustee in bankruptcy and other creditors who claim a security interest in the same collateral. In addition, a debtor to a security provider in respect of a loan may discharge its obligation under such loan by paying such security provider until, but not after, the debtor receives a notification of the existence of the security interest granted by the security provider in favour of the security taker over the claims the security taker (as creditor) has against the debtor and there has occurred an event of default under the applicable Indenture. Finally, since the ranking of pledges is determined by the date on which they became enforceable against third parties, a security interest created on a later date over the same collateral, but which came into force for third parties earlier (by way of registration in the appropriate register or by notification) has priority. Applicable law may require that certain property and rights acquired after the grant of a security interest can only be perfected at the time such property and rights are acquired and identified. Neither the Trustee nor the Security Agent has any obligation to monitor the acquisition of additional property or rights that constitute collateral or the perfection of, or to take steps to perfect, any security interest in each series of the Notes against third parties. Such failure may result in the loss of the security interest therein or the priority of the security interest in favour of the Notes against third parties.

In the case of the laws of England and Wales, where the security is registerable, provided that such security is registered, then the ranking of security interests granted by security providers incorporated in England and Wales is, subject to certain exceptions, determined by the date on which they were created. Accordingly, a security interest created on a later date over the same collateral which has been duly registered will take priority over an earlier created security interest which has not been registered within the appropriate timeframe. Failure to register a registrable security interest within the appropriate timeframe will render the security interest void against a liquidator, administrator or other creditor of the security provider. The ranking of certain other security interests is determined by the date of registration or, as applicable, the date of notice.

The interests of holders of Floating Rate Senior Secured Notes and the interests of the holders of Fixed Rate Senior Secured Notes may be inconsistent and the interests of holders of additional notes under the Senior Secured Notes Indenture may be inconsistent with the Noteholders under the Senior Secured Notes Indenture.

The Floating Rate Senior Secured Notes and the Fixed Rate Senior Secured Notes were issued pursuant to a single indenture and will vote as a single class with respect to amendments, waivers or other modifications of the Senior Secured Notes Indenture other than with respect to amendments, waivers or other modifications that will only affect the Fixed Rate Senior Secured Notes of a particular series or the Floating Rate Senior Secured Notes of a particular series. The Floating Rate Senior Secured Notes bear interest at a floating rate, have a different call schedule and call protection and have other features that will differ from the Fixed Rate Senior Secured Notes. As a result of these differences, the interests of holders of the Floating Rate Senior Secured Notes and the interests of holders of the Fixed Rate Senior Secured Notes could conflict. In addition, the holders of one series of Senior Secured Notes may be in a position to agree to certain terms in a consent solicitation that would be beneficial to such series of Senior Secured Notes but adverse to the economic interest of the other series of Senior Secured Notes; however, to the extent the relevant amendment or waiver is approved by the holders of a majority in aggregate principal amount of the Senior Secured Notes then outstanding (subject to the limited exceptions described above), all Senior Secured Noteholders will be bound by such amendment. Further, series of additional notes may be issued under the Senior Secured Notes Indenture which have different terms in respect of currency, interest rate, maturity, call schedule and other matters. Such additional notes will also generally vote as a single class with other series of notes issued under the Senior Secured Notes Indenture, but may have interests that differ from the holders of other series of notes issued under the Senior Secured Notes Indenture, including the Senior Secured Notes.

Each Notes Guarantee will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defences that may limit its validity and enforceability.

Each Notes Guarantee provides the Noteholders with a direct claim against the relevant Guarantor. However, the Indentures provide that each Notes Guarantee will be limited to the maximum amount that can be guaranteed by the relevant Guarantor without rendering the relevant Notes Guarantee, as it relates to that Guarantor, voidable or otherwise ineffective or limited under applicable law, and enforcement of each Notes Guarantee would be subject to certain generally available defences.

Enforcement of any of the Notes Guarantees against any Guarantor will be subject to certain defences available to Guarantors in England and Wales. These laws and defences generally include those that relate to corporate purpose or benefit, fraudulent conveyance or transfer, voidable preference, transaction at undervalue, insolvency or bankruptcy challenges, financial assistance, preservation of share capital, thin capitalisation, related party transactions, capital maintenance or similar laws, regulations or defences affecting the rights of creditors generally. If one or more of these laws and defences are applicable, a Guarantor may have no liability or decreased liability under its Notes Guarantee depending on the amounts of its other obligations and the applicable law. Limitations on the enforceability of judgments obtained in New York courts in such jurisdictions could limit the enforceability of any Notes Guarantee against any Guarantor.

In general, under bankruptcy or insolvency law and other laws, a court could (i) avoid or invalidate all or a portion of a Guarantor's obligations under its Notes Guarantee, (ii) direct that the Noteholders return any amounts paid under a Notes Guarantee to the relevant Guarantor or to a fund for the benefit of the Guarantor's creditors or (iii) take other action that is detrimental to you, typically if the court found that:

- the relevant Notes Guarantee was incurred with actual intent to give preference to one creditor over another, hinder, delay or defraud creditors or shareholders of the Guarantor or, in certain jurisdictions, when the granting of the Notes Guarantee has the effect of giving a creditor a preference or when the recipient was aware that the Guarantor was insolvent when it granted the relevant Notes Guarantee;
- the Guarantor did not receive fair consideration or reasonably equivalent value or corporate benefit for the relevant Notes Guarantee and the Guarantor was: (i) insolvent or rendered insolvent because of the relevant Notes Guarantee; (ii) undercapitalised or became undercapitalised because of the relevant Notes Guarantee; or (iii) intended to incur, or believed that it would incur, indebtedness beyond its ability to pay at maturity;
- the relevant Notes Guarantee was held to exceed the corporate objects of the Guarantor or not to be in the best interests or for the corporate benefit of or to promote the success of the Guarantor; or
- the amount paid or payable under the relevant Notes Guarantee was in excess of the maximum amount permitted under applicable law.

These or similar laws may also apply to the Notes Guarantees or any future guarantee granted by any of our subsidiaries pursuant to the Indentures.

We cannot assure you which standard a court would apply in determining whether a Guarantor was "insolvent" at the relevant time or that, regardless of the method of the valuation, a court would not determine that a Guarantor was insolvent on that date, or that a court would not determine, regardless of whether or not a Guarantor was insolvent on the date its Notes Guarantee was issued, that payments to Noteholders constituted preferences, transactions at undervalue, fraudulent challengeable transfers or conveyances on other grounds.

The liability of each Guarantor under its Notes Guarantee will be limited to the amount that will result in such Notes Guarantee not constituting a preference, transaction at undervalue, fraudulent conveyance or improper corporate distribution or otherwise being set aside. However, there can be no assurance as to what standard a court will apply in making a determination of the maximum liability of each Guarantor. There is a possibility that the entire Notes Guarantee may be set aside, in which case the entire liability may be extinguished.

If a court decided that a Notes Guarantee was a preference, transaction at undervalue, fraudulent transfer or conveyance and voided such Notes Guarantee, or held it unenforceable for any other reason, you may cease to have any claim in respect of the relevant Guarantor and would be a creditor solely of the relevant Issuer and, if applicable, of any other Guarantor under the relevant Notes Guarantee that has not been declared void. In the event that any Notes Guarantee is invalid or unenforceable, in whole or in part, or to the extent the agreed limitation of the Notes Guarantee obligations apply, the affected Notes would be structurally subordinated to all liabilities of the applicable Guarantor, and if we cannot satisfy our obligations under the Notes or any Notes Guarantee is found to be a preference, transaction at undervalue, fraudulent transfer or conveyance or is otherwise set aside, we cannot assure you that we can ever repay in full any amounts outstanding under the Notes.

The payment of dividends or principal or interest on the intercompany loan to the relevant Issuer or to service our debt obligations (including under the Notes) will reduce the distributable profits and reserves available to satisfy the obligations under the Notes Guarantees and Security Document. We are under no obligation to maintain a specific level of distributable profits and reserves, and, if we have distributable profits and reserves, we may make dividend payments or payments of principal and interest on the intercompany loan that reduce our distributable profits and reserves to zero. We intend to make dividends and enter into intercompany loans to service indebtedness and for tax-planning purposes. We may not have distributable profits and reserves available to satisfy the obligations under the Notes Guarantees and Security Document, whether or not we distribute dividends or enter into intercompany loans. In addition, the payment under the Notes Guarantees and the enforcement of security interests under the relevant Security Document may require certain prior corporate formalities to be completed, including, but not limited to, obtaining an audit report, shareholders' resolutions and board resolutions.

English insolvency laws and other jurisdictions may provide you with less protection than U.S. bankruptcy law.

The Issuers and other members of the Group, including certain of the Guarantors, are incorporated under the laws of England and Wales. Accordingly, insolvency proceedings with respect to any of those entities would be likely to proceed under, and be governed by, English insolvency law. English insolvency law may not be as favourable to investors as the laws of the United States or other jurisdictions with which investors are familiar. For further information, see "*Certain Limitations on Validity and Enforceability—England and Wales*."

In the event that any one or more of the Issuers, the Guarantors, any future Guarantors, if any, or any other of our subsidiaries experienced financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings would be commenced, or the outcome of such proceedings. The insolvency and other laws of different jurisdictions may be materially different from, or in conflict with, each other, including in the areas of rights of secured and other creditors, the ability to void preferential transfer and certain other transactions, priority of governmental and other creditors, ability to obtain post-petition interest and duration of the proceeding. The application of these laws, or any conflict among them, could call into question whether any particular jurisdiction's laws should apply, adversely affect your ability to enforce your rights under the Notes Guarantees or the collateral in these jurisdictions and limit any amounts that you may receive. See "*—Each Notes Guarantee will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defences that may limit its validity and enforceability.*"

The security interests in the collateral may be declared unenforceable against third parties under fraudulent conveyance laws.

In the case of the laws of England and Wales, section 423 of the Insolvency Act 1986 applies in respect of transactions entered into at an undervalue and was made for the purpose of putting assets beyond the reach of a person who is making, or may make, a claim against a company, or of otherwise prejudicing the interests of a

person in relation to the claim that that person is making or may make. This provision can be used at any time and any person prejudiced by the relevant transaction may apply to the court to have such transaction set aside or to have their interests protected by other means. Remedies granted under this provision are not limited to transactions entered into within set time limits and transactions can be set aside even if the company was solvent at the time of the transaction.

We may not have the ability to raise the funds necessary to finance an offer to repurchase the Notes upon the occurrence of certain events constituting a change of control as required by the Indentures and the change of control provisions contained in the Indentures may not necessarily afford you protection in the event of certain important corporate events.

Upon the occurrence of certain events constituting a "change of control," the each Issuer will be required to offer to repurchase all its outstanding Notes at a purchase price in cash equal to 101% of the principal amount thereof on the date of purchase plus accrued and unpaid interest to the date of purchase. If a change of control were to occur requiring such offers, we cannot assure you that we would have sufficient funds available at such time to provide to the relevant Issuer to pay the purchase price of its outstanding Notes or that the restrictions in our Revolving Credit Facility, Indentures, the Intercreditor Agreement or our other then existing contractual obligations would allow us to make such required repurchases. A change of control may result in an event of default under, or acceleration of, our Revolving Credit Facility and other indebtedness. The repurchase of the Notes pursuant to such an offer could cause a default under such indebtedness, even if the change of control itself does not. The ability of the Issuers to receive cash from the Company or its subsidiaries to allow them to pay cash to the Noteholders following the occurrence of such a change of control, may be limited by our then existing financial resources. In addition, under the terms of the Revolving Credit Facility, under certain circumstances, we are required to repay an equal amount of debt under our Revolving Credit Facility if we repay all or a portion of the aggregate principal amount of the Notes. Sufficient funds may not be available when necessary to make any required repurchases. If an event constituting such a change of control occurs at a time when we are prohibited from providing funds to the Issuers for the purpose of repurchasing the Notes, we may seek the consent of the lenders under such other indebtedness to the purchase of the Notes or may attempt to refinance the borrowings that contain such prohibition. If such consent is not obtained, or if such a refinancing cannot be accomplished, the Issuers will remain prohibited from repurchasing any Notes. In addition, we expect that we will require third-party financing to make an offer to repurchase the Notes upon a change of control. We cannot assure you that we will be able to obtain such financing.

Any failure by an Issuer to offer to purchase the Notes will constitute a default under the relevant Indenture, which will, in turn, constitute a default under the Revolving Credit Facility and certain other indebtedness. See "*Description of the Senior Secured Notes—Change of Control*" and "*Description of the Senior Notes—Change of Control*."

The change of control provisions contained in the Indentures may not necessarily afford you protection in the event of certain important corporate events, including a reorganisation, restructuring, merger or other similar transaction involving us that may adversely affect you, because such corporate events may not involve a shift in voting power or beneficial ownership or, even if they do, may not constitute a "Change of Control" as defined in the Indentures. Except as described under "*Description of the Senior Secured Notes—Change of Control*" and "*Description of the Senior Notes—Change of Control*," the Indentures do not contain provisions that would require the Issuers to offer to repurchase or redeem the Notes in the event of a reorganisation, restructuring, merger, recapitalisation or similar transaction.

The definition of "Change of Control" in the Indentures includes a disposition of all or substantially all of the assets of the Company and its restricted subsidiaries, taken as a whole, to any person. Although there is a limited body of case law interpreting the phrase "all or substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances, there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of "all or substantially all" of the Company's assets and its restricted subsidiaries taken as a whole. As a result, it may be unclear as to whether a change of control has occurred and whether the Issuer is required to make an offer to repurchase the Notes.

There may not be an active trading market for the Notes, in which case your ability to sell the Notes may be limited.

We cannot assure you as to:

- the liquidity of any market in the Notes;
- your ability to sell your Notes; or

- the prices at which you would be able to sell your Notes.

Future trading prices for the Notes will depend on many factors, including, among other things, prevailing interest rates, our operating results and the market for similar securities. Historically, the market for non-investment grade securities has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the Notes. The liquidity of a trading market for the Notes may be adversely affected by a general decline in the market for similar securities and is subject to disruptions that may cause volatility in prices. The trading market for the Notes may attract different investors and this may affect the extent to which the Notes may trade. It is possible that the market for the Notes will be subject to disruptions. Any such disruption may have a negative effect on you, as a holder of the Notes, regardless of our prospects and financial performance. As a result, there is no assurance that there will be an active trading market for the Notes. If no active trading market develops, you may not be able to resell your holding of the Notes at a fair value, if at all.

Although an application has been made for each series of the Notes to be listed on the Official List of the Luxembourg Stock Exchange and to be admitted to trading on the Euro MTF, such Notes may not become or remain listed. Although no assurance is made as to the liquidity of any of the Notes as a result of the admission to trading on the Euro MTF, failure to be approved for listing or the delisting (whether or not for an alternative admission to listing on another stock exchange) of the relevant Notes, as applicable, from the Official List of the Luxembourg Stock Exchange may have a material effect on a holder's ability to resell the relevant Notes in the secondary market.

In addition, the Indentures will allow us to issue additional notes of each series in the future which could adversely impact the liquidity of the relevant Notes.

Investors may face foreign exchange risks by investing in the Notes.

The Sterling Notes are denominated and payable in pound sterling and the Euro Notes are denominated and payable in euros. If investors measure their investment returns by reference to a currency other than pound sterling or euro, as applicable, an investment in the Notes will entail foreign exchange-related risks due to, among other factors, possible significant changes in the value of the pound sterling or euro, as applicable, relative to the currency by reference to which investors measure the return on their investments because of economic, political and other factors over which we have no control. Depreciation of the pound sterling or euro, as applicable, against the currency by reference to which investors measure the return on their investments could cause a decrease in the effective yield of the Notes below their stated coupon rates and could result in a loss to investors when the return on the Notes is translated into the currency by reference to which the investors measure the return on their investments. Investments in the Notes denominated in a currency other than U.S. dollars by U.S. holders (as defined in "*Taxation—Certain U.S. Federal Income Tax Consequences*") may also have important tax consequences as a result of foreign exchange gains or losses, if any. See "*Taxation—Certain U.S. Federal Income Tax Consequences.*"

You may not be able to recover in civil proceedings for U.S. securities law violations.

The Issuers and the Guarantors and their respective subsidiaries are organised outside the United States, and our business is conducted entirely outside the United States. The directors and executive officers of the Issuers and the Guarantors are non-residents of the United States. Although we and the Guarantors will submit to the jurisdiction of certain New York courts in connection with any action under U.S. securities laws, you may be unable to effect service of process within the United States on these directors and executive officers. In addition, as all of the assets of the Issuers and the Guarantors and their respective subsidiaries and those of their directors and executive officers are located outside of the United States, you may be unable to enforce judgments obtained in the U.S. courts against them. Moreover, in light of recent decisions of the U.S. Supreme Court, actions of the Issuers and the Guarantors may not be subject to the civil liability provisions of the federal securities laws of the United States.

The United States is not currently bound by a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitral awards, rendered in civil and commercial matters with England. There is, therefore, doubt as to the enforceability in England of civil liabilities based upon U.S. securities laws in an action to enforce a U.S. judgment in England. In addition, the enforcement in England of any judgment obtained in a U.S. court based on civil liabilities, whether or not predicated solely upon U.S. federal securities laws, will be subject to certain conditions. There is also doubt that an English court would have the requisite power or authority to grant remedies sought in an original action brought in England on the basis of U.S. securities laws violations. See "*Enforceability of Judgments.*"

Credit ratings may not reflect all risks, are not recommendations to buy or hold securities and may be subject to revision, suspension or withdrawal at any time.

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed herein and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal by the rating agency at any time. No assurance can be given that a credit rating will remain constant for any given period of time or that a credit rating will not be lowered or withdrawn entirely by the credit rating agency if, in its judgment, circumstances in the future so warrant. A suspension, reduction or withdrawal at any time of the credit rating assigned to the Notes by one or more of the credit rating agencies may adversely affect the cost and terms and conditions of our financing and could adversely affect the value and trading of the Notes.

The transfer of the Notes is restricted, which may adversely affect their liquidity and the price at which they may be sold.

The Notes and the Notes Guarantees have not been registered under, and we are not obliged to register the Notes or the Notes Guarantees under, the U.S. Securities Act or the securities laws of any other jurisdiction and, unless so registered, may not be offered or sold except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable laws. See "*Transfer Restrictions.*" We have not agreed to or otherwise undertaken to register any of the Notes or the Notes Guarantees, and do not have any intention to do so.

The Notes are initially held in book-entry form, and therefore you must rely on the procedures of the relevant clearing systems to exercise any rights and remedies.

Unless and until Notes in definitive registered form, or definitive registered notes, are issued in exchange for book-entry interests (which may occur only in very limited circumstances), owners of book-entry interests will not be considered owners or holders of Notes. The common depositary (or its nominee) for Euroclear and Clearstream is the sole registered holder of the applicable global notes. Payments of principal, interest and other amounts owing on or in respect of the relevant global notes will be made to Deutsche Bank AG, London Branch, as Paying Agent, which will make payments to Euroclear and Clearstream. Thereafter, these payments will be credited to participants' accounts that hold book-entry interests in the global notes representing the Notes and credited by such participants to indirect participants. After payment to the Paying Agent, we will have no responsibility or liability for the payment of interest, principal or other amounts to the owners of book-entry interests. Accordingly, if you own a book-entry interest in the Notes, you must rely on the procedures of Euroclear and Clearstream, and if you are not a participant in Euroclear or Clearstream, on the procedures of the participant through which you own your interest, to exercise any rights and obligations of a holder of the Notes under the relevant Indenture.

Unlike the Noteholders themselves, owners of book-entry interests will not have any direct rights to act upon any solicitations for consents, requests for waivers or other actions from holders of the Notes. Instead, if you own a book-entry interest, you will be permitted to act only to the extent you have received appropriate proxies to do so from Euroclear or Clearstream, as applicable, or, if applicable, from a participant. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable you to vote on any matters or on a timely basis.

Similarly, upon the occurrence of an event of default under the relevant Indenture, unless and until the relevant definitive registered Notes are issued in respect of all book-entry interests, if you own a book-entry interest, you will be restricted to acting through Euroclear or Clearstream. We cannot assure you that the procedures to be implemented through Euroclear or Clearstream, as applicable, will be adequate to ensure the timely exercise of rights under the Notes.

Investors in the Notes may have limited recourse against the independent auditors.

The audit reports of PricewaterhouseCoopers LLP for the 2013, 2014 and 2015 fiscal years, which are included in this listing circular, contain a statement to the effect that PricewaterhouseCoopers LLP does not assume responsibility to anyone (including holders of Notes) other than the members of NLRGL for its audit reports or the opinions it has formed. PricewaterhouseCoopers LLP has undertaken its audit work to state to members of NLRGL those matters that it is required to state to them in an auditor's report and for no other purpose.

Investors in the Notes should understand that in making these statements the independent auditor confirmed that it does not accept or assume any liability to parties (such as the purchasers of the Notes) other than to us and our

members as a body with respect to the independent auditor's report and to the independent auditor's audit work and opinions. The U.S. Securities and Exchange Commission would not permit such limiting language to be included in a registration statement or a prospectus used in connection with an offering of securities registered under the U.S. Securities Act, or in a report filed under the U.S. Securities Exchange Act of 1934. If a U.S. court (or any other court) were to give effect to the language quoted above, the recourse that investors in the Notes may have against the independent auditors based on their reports or the consolidated financial statements to which they relate could be limited. The extent to which auditors have responsibility or liability to third parties is unclear under the laws of many jurisdictions, including the United Kingdom. The inclusion of the language referred to above, however, may limit the ability of Noteholders to bring any action against our auditors for damages arising out of an investment in the Notes.

Provisions of the EU Savings Directive and other legislation may adversely affect your investment in the Notes.

Under EC Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (the "Savings Directive"), each Member State is required to provide to the tax authorities, or (to the extent relevant) any other relevant authorities, of another Member State details of payments of interest or other similar income paid or secured by a person within its jurisdiction to, or for the benefit of, an individual resident or certain limited types of entities established in that other Member State.

For a transitional period, Austria has instead opted to apply a withholding system in relation to such payments, deducting tax at the rate of 35%, unless during such period it elects otherwise. The transitional period is to terminate following agreement by certain non-EU countries to the exchange of information relating to such payments. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

On March 24, 2014, the Council of the European Union adopted a directive amending the Savings Directive, which when implemented, will amend and broaden the scope of the requirements described above. In particular, the amending directive aims at extending the scope of the Savings Directive to new types of savings income and products that generate interest or equivalent income. In addition, the Savings Directive will notably expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported and tax authorities will in that perspective be required in certain circumstances to take steps to identify the beneficial owner of interest payments (through a look through approach). This approach will apply to payments made to persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union. The EU Member States will have until January 1, 2016 to adopt the national legislation necessary to comply with this amending directive and shall apply these new requirements from January 1, 2017.

If a payment were to be made or collected through an EU Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment under the Savings Directive, neither the relevant Issuer nor any other person would be obligated to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuers will use reasonable efforts to maintain a Paying Agent in a Member State that is not obligated to withhold or deduct tax pursuant to the Savings Directive.

The European Commission has proposed that the Savings Directive should be repealed generally with effect from January 1, 2016 or, in the case of Austria, from January 1, 2017, in order to avoid overlap with Council Directive 2011/16/EU on administrative cooperation in the field of taxation (as amended by Council Directive 2014/107/EU), pursuant to which Member States will be required to apply new measures on mandatory automatic exchange of information. The proposal also provides that, if it proceeds, Member States will not be required to apply the new requirements of the Amending Directive.

Risks Related to the Senior Notes

The rights to enforce remedies with respect to the collateral securing the Senior Notes and the Senior Notes Guarantees are limited as long as any senior debt is outstanding.

The security interests in the collateral securing the Senior Notes and each Senior Notes Guarantee also secure the Senior Secured Notes and each Senior Secured Notes Guarantee and certain other first priority senior indebtedness. In the event that there is an enforcement of such security interests as set out below, recoveries by holders of the Senior Notes will rank behind recoveries from the enforcement of the security interests in such collateral by or on behalf of the first-priority security interests in such collateral in favour of creditors in respect

of the Revolving Credit Facility, the Senior Secured Notes, indebtedness that is any indebtedness in favour of institutions with whom we entered and may enter into certain hedging arrangements and any other future indebtedness that is entitled to recover in priority to the holders of the Senior Notes pursuant to the terms of the Intercreditor Agreement. The Intercreditor Agreement provides that a common security agent will serve as the Security Agent for the secured parties under the Revolving Credit Facility, the Senior Secured Notes, hedging arrangements, the Senior Notes and (subject to the terms of the Intercreditor Agreement) any other secured indebtedness and will (subject to certain limited exceptions) act with respect to such collateral only at the direction of the relevant senior secured instructing group until amounts outstanding under first-priority secured indebtedness are paid in full and discharged. Until the expiration of a standstill period on enforcement of such security on behalf of holders of the Senior Notes, the creditors under our first-priority secured indebtedness will have (subject to certain limited exceptions) the exclusive right to make all decisions with respect to the enforcement of the collateral. See "*Description of Other Indebtedness—Intercreditor Agreement*."

As a result, the holders of the Senior Notes will not be able to independently pursue the remedies of a secured creditor under the relevant Security Document or force a sale of such collateral for so long as any amounts under the Revolving Credit Facility, certain of our hedging arrangements, the Senior Secured Notes and any other first-priority secured indebtedness remain outstanding and creditors under first-priority secured indebtedness are pursuing enforcement. In addition, in the circumstances in which the holders of the Senior Notes would be entitled to issue enforcement instructions to the Security Agent, creditors in respect of indebtedness whose right of recovery in respect of the collateral ranks senior to the Senior Notes have the right (a) to issue overriding enforcement instructions (if entitled to give instructions to the Security Agent at the relevant time) and/or (b) to issue enforcement instructions in relation to any collateral that does not also secure the Senior Notes or in respect of collateral that is not (directly or indirectly) affected by the enforcement instructions issued by the holders of the Senior Secured Notes.

The creditors under our first-priority secured indebtedness and other senior indebtedness may have interests that are different from the interests of holders of the Senior Notes, and they may elect not to pursue their remedies under the Security Document at a time when it would be advantageous for the holders of the Senior Notes to do so. This may affect the ability of holders of the Senior Notes to recover under the collateral if the proceeds from the collateral, after having satisfied obligations under our senior indebtedness, are less than the aggregate amount outstanding under the Senior Notes.

In addition, if the creditors in respect of our senior indebtedness direct the sale of the shares of a Group company through an enforcement in accordance with the terms of the Intercreditor Agreement, the Senior Notes Guarantees and the liens over any other assets securing the Senior Notes and each Senior Notes Guarantee may (subject to certain conditions) be released. See "*Description of Other Indebtedness—Intercreditor Agreement*" and "*Description of the Senior Notes—Security—Release*."

We may also incur further indebtedness that will be entitled to rank *pari passu* with or senior to the Senior Notes in right and priority of payment and that will be entitled to share in the collateral with the Senior Notes on a *pari passu* or senior-ranking basis. In the event that any such debt is issued, your creditor voting rights will be diluted proportionately to the amount of debt incurred, as voting under the Intercreditor Agreement will be across the class of creditors.

The Senior Notes Guarantees are subordinated to our senior debt and the Senior Notes are subject to restrictions on payment and enforcement.

The Senior Notes Guarantees are the senior subordinated obligations of the Senior Notes Guarantors and:

- rank *pari passu* in right of payment with any existing and future senior subordinated indebtedness of the relevant Senior Note Guarantor;
- are subordinated in right of payment to all existing and future senior indebtedness of the Senior Notes Issuer and Senior Notes Guarantors, including any obligations under the Revolving Credit Facility Agreement, certain hedging obligations and the Senior Secured Notes;
- are senior in right of payment to all existing and future indebtedness that is subordinated in right of payment to the Senior Notes or Senior Notes Guarantees, as applicable; and
- are effectively subordinated to any existing and future indebtedness of the Senior Notes Issuer or the Senior Notes Guarantors that is secured by property or assets that do not secure the Senior Notes or secure such indebtedness on a senior secured basis to the extent of the value of the assets securing such indebtedness or other obligations.

In addition, no enforcement action with respect to the Senior Notes Guarantees (or any future guarantee of the Senior Notes, if any) or the collateral may be taken until the earlier of (subject to certain limited exceptions): (i) any enforcement action being taken with respect to debt ranking senior to the Senior Notes (provided the Senior Notes Trustee and holders of the Senior Notes will be limited to taking the same action); (ii) the occurrence of an insolvency event in relation to the Senior Notes Issuer; (iii) with respect to any enforcement action in relation to a Senior Notes Guarantor, the occurrence of an insolvency event with respect to such Senior Notes Guarantor; (iv) the occurrence of a default on the Senior Notes outstanding after a period at least 179 days from the date the agent or the Senior Notes Trustee serves written notice of such default; (v) the date on which a default occurs for failure to pay principal at the original scheduled maturity of the Senior Notes; or (vi) the lenders under the Revolving Credit Facility and holders of the Senior Secured Notes give their consent to the proposed actions. See "*Description of Other Indebtedness—Intercreditor Agreement*."

Upon any distribution to the creditors of the Senior Notes Issuer or a Senior Notes Guarantor in a liquidation, administration, bankruptcy, moratorium of payments, dissolution or other winding-up of the Senior Notes Issuer or such Senior Notes Guarantor, the holders of indebtedness of the Senior Notes Issuer or such Senior Notes Guarantor ranking senior to the Senior Notes will be entitled to be paid in full before any payment may be made with respect to the Senior Notes Issuer's obligations under the Senior Notes or such Senior Notes Guarantor's obligations with respect to the Senior Notes Guarantees. As a result, holders of the Senior Notes may receive less, rateably, than the holders of debt ranking senior to the Senior Notes, including the lenders under the Revolving Credit Facility Agreement and holders of the Senior Secured Notes.

In addition, the Intercreditor Agreement contains significant restrictions with respect to payments of the Senior Notes, including payments by the Senior Notes Issuer. If there is a payment default under the Revolving Credit Facility or the Senior Secured Notes, or if a senior payment stop notice is issued following a non-payment event of default under the Revolving Credit Facility or the Senior Secured Notes, then payments will not be permitted to be made in respect of the Senior Notes unless the payment is made by the Senior Notes Issuer and funded directly or indirectly with amounts which have not been received by the Senior Notes Issuer from its subsidiaries. In some circumstances, for instance where payments were received on the Senior Notes in breach of the Intercreditor Agreement, holders would be required to turn over such payments to the Security Agent for redistribution. In addition, although the holders of the Senior Notes are generally entitled to enforce their claims against the Senior Notes Issuer pursuant to the terms of the Senior Notes Indenture, nevertheless the Intercreditor Agreement places limits on enforcement to the extent it would prejudice the enforcement by senior creditors of their security granted by the Senior Notes Issuer. See "*Description of Other Indebtedness—Intercreditor Agreement*."

As of March 28, 2015 on a pro forma basis to reflect the Refinancing Transactions, we would have had an aggregate principal amount of outstanding financial liabilities that ranked senior to the Senior Notes of £1,001.2 million and up to £100 million would have been available for borrowing under the committed and undrawn Revolving Credit Facility Agreement. See "*Capitalisation*."

Risks Related to our Ownership

The interests of our principal shareholders may conflict with your interests.

The interests of our principal shareholders, in certain circumstances, may conflict with your interests as holders of the Notes. Following the Acquisition, Brait (and/or companies associated with or designated by Brait) and entities holding Tom Singh's family interests will control us. See "*Principal Shareholders.*" Our shareholders are able to appoint a majority of our Board of Directors and to determine our corporate strategy, management and policies. In addition, our shareholders have control over our decisions to enter into any corporate transaction and have the ability to prevent any transaction that requires the approval of shareholders regardless of whether Noteholders believe that any such transactions are in their own best interests. For example, the shareholders could vote to cause us to incur additional indebtedness, to sell certain material assets or make dividends, in each case, so long as the Indentures, the Revolving Credit Facility and the Intercreditor Agreement so permit. The incurrence of additional indebtedness would increase our debt service obligations and the sale of certain assets could reduce our ability to generate revenue, each of which could adversely affect holders of the Notes.

Additionally, certain of our shareholders are in the business of making investments in companies and may from time to time acquire and hold interests in businesses that compete directly or indirectly with us. Certain of our shareholders may also pursue acquisition opportunities that may be complementary to our business and, as a result, those acquisition opportunities may not be available to us. So long as Brait (and/or companies associated with or designated by Brait) and entities holding Tom Singh's family interests collectively continue to own a

significant amount of our capital stock, even if such amount is less than 50%, Brait and Tom Singh's family interests will continue to be able to strongly influence or effectively control our decisions. The interests of Brait and Tom Singh's family interests may not coincide with your interests. See "*—Risks Related to our Business and Operations—If we are unable to identify attractive markets, implement our expansion in existing markets, identify suitable business partners, gauge local demands and compete successfully in international markets, our ability to grow our business may be limited. In addition, management's attention may be diverted from existing operations to the integration of newly established international businesses*."

USE OF PROCEEDS

The proceeds from the Offering, net of an original issue discount on the Floating Rate Notes, were approximately £1,200.5 million (equivalent) and were used, together with cash on hand, to:

- redeem in full the outstanding amount of Existing Notes, including the relevant redemption premiums and accrued but unpaid interest;
- repay in full the outstanding Existing PIK Loans under the Existing PIK Facility, including prepayment fees and accrued but unpaid interest, and to discharge and terminate such facility;
- settle our currency hedging obligations in connection with the Existing Notes; and
- pay costs fees and expenses in connection with the Refinancing Transactions and the Acquisition.

As part of the Refinancing Transactions, we entered into the Revolving Credit Facility and discharged and terminate the Existing Revolving Credit Facility on the Completion Date.

Pending the consummation of the Acquisition, the Initial Purchasers deposited the proceeds from the Offering, less certain deductions in respect of fees and expenses, into the Escrow Accounts with the Escrow Agent. The Acquisition was consummated on June 25, 2015, and the proceeds were released from escrow on the same date to effect the Refinancing Transactions.

The estimated sources and uses of the funds in connection with the Refinancing Transactions and the Acquisition are shown in the table below. Actual amounts are subject to adjustments and may vary from estimated amounts depending on several factors, including cash on hand, the amount of outstanding indebtedness on the Redemption Date, the amount of accrued and unpaid interest and the redemption premium payable with respect to the Existing Notes, currency rate movements as of the Redemption Date, the actual Issue Date and actual fees and expenses in connection with the Refinancing Transactions and the Acquisition.

(£ equivalent in millions) **Sources of Funds**		**Uses of Funds**	
Sterling Fixed Rate Senior Secured Notes	700.0	Redemption in full of the Existing Notes[3]	823.5
Floating Rate Senior Secured Notes[1]	300.5	Repayment and discharge of the Existing PIK Facility[4]	375.0
Senior Notes	200.0	Settlement of existing hedging obligations	3.0
Cash on hand[2]	56.0	Transaction costs[5]	55.0
Total sources	**1,256.5**	**Total uses**	**1,256.5**

(1) Represents the pound sterling equivalent of €414.0 million in gross proceeds of the Floating Rate Senior Secured Notes, which reflects an original issue discount of 0.25%.

(2) Includes £14.5 million of cash that we received in connection with the Acquisition.

(3) As part of the Refinancing Transactions, the Existing Notes were redeemed in full on the Redemption Date with a portion of the proceeds of the Offering. The amount required to redeem the Existing Notes includes the principal outstanding amount of the Existing Notes, plus the relevant redemption premiums, plus accrued and unpaid interest. The outstanding principal amount of Existing Notes as of June 12, 2015 was £788.1 million.

(4) As part of the Refinancing Transactions, the outstanding indebtedness under the Existing PIK Facility was repaid in full, including prepayment fees and accrued and unpaid interest, on the Redemption Date with a portion of the proceeds of the Offering. As of June 12, 2015, the outstanding amount of indebtedness under the Existing PIK Facility was £349.5 million.

(5) Reflects our estimate of fees and expenses associated with the Refinancing Transactions and the Acquisition, including discounts and other commissions, advisory and other professional fees and transaction costs.

Certain of the Initial Purchasers or their affiliates were arrangers and lenders under the Existing PIK Facility and the Existing Revolving Credit Facility, both of which were repaid with proceeds from the Notes. The Initial Purchasers or their affiliates were arrangers and lenders under the Revolving Credit Facility. The Initial Purchasers or their affiliates also may enter into hedging arrangements with the Group in connection with the Notes.

CAPITALISATION

The following table sets forth our unaudited consolidated capitalisation and certain other balance sheet information of NLRGL, as of March 28, 2015, on an actual basis and on an adjusted basis to give effect to the Acquisition and the Refinancing Transactions and the application of the proceeds therefrom, as described in "*Use of Proceeds.*" The adjusted information below is illustrative only and does not purport to be indicative of our capitalisation following the completion of the offering.

You should read this table together with the sections of this listing circular entitled "*Summary—Recent Developments—The Acquisition,*" "*Use of Proceeds,*" "*Selected Historical Financial Data*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and our consolidated financial statements and related notes included elsewhere in this listing circular.

	As of March 28, 2015 (£ equivalent in millions)	
	Actual	**As adjusted**
Cash and cash equivalents[1]	127.1	85.6
Existing Dollar Fixed Rate Senior Secured Notes[2]	168.0	—
Existing Sterling Fixed Rate Senior Secured Notes	500.0	—
Existing Floating Rate Senior Secured Notes[3]	128.1	—
Existing Revolving Credit Facility[4]	—	—
Sterling Fixed Rate Senior Secured Notes	—	700.0
Floating Rate Senior Secured Notes[5]	—	301.2
Revolving Credit Facility[6]	—	—
Total Senior Secured cash pay debt	**796.1**	**1,001.2**
Senior Notes	—	200.0
Existing PIK Facility[7]	381.0	—
Total debt	**1,177.1**	**1,201.2**
Derivative assets[8]	(29.1)	(24.0)
Unamortised debt issuance cost[9]	(12.1)	15.0
Total equity/(deficit)	(313.2)	(313.2)
Total capitalisation	**822.7**	**849.0**

(1) Cash and cash equivalents in the amount of £127.1 million represents the amount of our cash and cash equivalents as of March 28, 2015. The as adjusted amount reflects the use of cash, as adjusted to give effect to the Refinancing Transactions and the Acquisition. We expect to receive cash in an amount of £14.5 million in connection with the Acquisition. Neither the actual nor the as adjusted amounts reflect any cash or cash equivalents that the NLRGL has generated or used since March 28, 2015, including a payment of £40.0 million in connection with the repayment of indebtedness under the Existing PIK Facility on May 14, 2015, comprising of £36.7 million in principal amount and £3.3 million of accrued and unpaid interest and prepayment costs.

(2) Represents an equivalent of $250 million in aggregate principal amount of Existing Dollar Fixed Rate Senior Secured Notes.

(3) Represents an equivalent of €175 million in aggregate principal amount of Existing Floating Rate Senior Secured Notes.

(4) As of Issue Date, the Existing Revolving Credit Facility was undrawn and fully available. On the Redemption Date, the Existing Revolving Credit Facility was discharged and terminated.

(5) Represents the pound sterling equivalent of €415 million in aggregate principal amount of the Floating Rate Senior Secured Notes.

(6) On the Redemption Date, the Company entered into a Revolving Credit Facility Agreement providing for facilities in the amount of £100 million. On the Redemption Date, the Revolving Credit Facility was to be undrawn and fully available. In addition, as of March 28, 2015, we had a net amount of £5.7 million utilised under our ancillary facilities, comprising £35.1 million of letters of credit and other trade facilities offset by a credit of £29.4 million with respect to foreign exchange and interest rate swaps, and an additional £57.9 million available under our ancillary credit facilities. Moreover, as of March 28, 2015, we had an additional £21.1 million of unsecured supplier financing.

(7) As part of the Refinancing Transactions, the outstanding indebtedness under the Existing PIK Facility was repaid in full, including prepayment fees and accrued and unpaid interest, on the Redemption Date with a portion of the proceeds of the Offering, and the Existing PIK Facility was discharged and terminated. As of June 12, 2015, the outstanding amount of indebtedness under the Existing PIK Facility was £349.5 million following a payment of £40.0 million in connection with the repayment of indebtedness under the Existing PIK Facility on May 14, 2015, comprising of £36.7 million in principal amount and £3.3 million of accrued and unpaid interest and prepayment costs.

(8) Represents net derivative financial assets related to hedging instruments entered into in the ordinary course of business and currency hedging instruments in connection with the Existing Notes. The as adjusted amount reflects the extinguishment in the amount of £5.1 million of our currency hedging instruments in connection with the Existing Notes.

(9) In connection with the Refinancing Transactions, we expect to write off £12.1 million in unamortised debt issuance costs, in respect of the redemption of the Existing Notes and the repayment, discharge and termination of the Existing Revolving Credit Facility and the Existing PIK Facility. In addition, we expect to have unamortised debt issuance costs of £15.0 million in connection with the Notes and the Revolving Credit Facility.

SELECTED HISTORICAL FINANCIAL DATA

The Senior Secured Notes Issuer was incorporated on May 28, 2015 for the purposes of facilitating the Refinancing Transactions. The Senior Secured Notes Issuer has no material assets or liabilities and has not engaged in any activities. The Senior Secured Issuer is a finance subsidiary of the Company.

The Senior Notes Issuer was incorporated on May 28, 2015 for the purposes of facilitating the Refinancing Transactions. The Senior Notes Issuer has no material assets or liabilities and has not engaged in any activities. The Senior Notes Issuer is a finance subsidiary of the Company.

The Company is a wholly owned indirect subsidiary of NLRGL. Unless otherwise indicated, the financial information presented in this listing circular is the historical consolidated financial information of NLRGL and its consolidated subsidiaries. NLRGL's audited consolidated financial statements as of and for the 53 week period ended March 30, 2013 and the 52 week periods ended March 29, 2014 and March 28, 2015 included in this listing circular have been prepared in accordance with IFRS.

NLRGL's historical consolidated financial information includes the results of operations and financial position of certain subsidiaries which are subsidiaries of NLRGL, but not subsidiaries of the Company. As a result, NLRGL's historical consolidated financial information is not directly comparable to the consolidated financial information of the Company for any prior periods. The material differences between the financial position and results of operations of NLRGL and the Company relate to the Former PIK Facility, which was repaid in full and extinguished in May 2013 as part of the 2013 Refinancing Transactions. Pedalgreen, a subsidiary of NLRGL but not of the Company, was the borrower under the Former PIK Facility. Accordingly, the material differences between the financial position and results of operations of NLRGL and the Company relate to Pedalgreen's payment of interest expense and release of a deferred tax asset relating to the Former PIK Facility during the 52 week period ended March 29, 2014. There are no material differences between the financial position and results of operations of NLRGL and the Company for the 52 week period ended March 28, 2015. In addition, there are no material differences between the financial position and results of operations of NLRGL and the Company for either of the 52 week periods ending March 29, 2014 and March 28, 2015 with respect to the activities and operations of Trinitybrook, which is a holding company and a subsidiary of NLRGL but not of the Company.

Our fiscal year runs from the calendar day following the previous fiscal year end to the Saturday nearest to our accounting reference date, which was March 30, 2013 for the 53 week period in 2013, March 29, 2014 for the 52 week period in 2014 and March 28, 2015 for the 52 week period in 2015. Accordingly, from time to time, including in 2013, our fiscal year accounting period covers a 53 week period, which impacts the comparability of results to the 2014 and 2015 fiscal years, each of which was a 52 week period. Despite the additional trading week in the 53 week period ended March 30, 2013, we generated higher revenue, Adjusted EBITDA and underlying operating profit in the 52 week periods ended March 29, 2014 and March 28, 2015 compared to the 53 week period ended March 30, 2013.

On November 22, 2014, we fully disposed of Mim SAS, Mim Belgique and SCI Geometry Properties France to Main Asia (HK) Limited, an independent company advised by Asia Global. As a result, NLRGL's audited consolidated financial statements as of and for the 52 week period ended March 28, 2015, show the continuing operations of New Look and the discontinued operations of Mim. The comparative information for the 52 week period ended March 29, 2014, which appears in NLRGL's audited consolidated financial statements as of and for the 52 week period ended March 28, 2015, has been restated to show the continuing operations of New Look and the discontinued operations of Mim. The financial information for the 52 week period ended March 29, 2014 included herein is derived from such comparative information. For comparative purposes, we have also presented restated unaudited financial information presenting Mim as a discontinued operation as of and for the 53 week period ended March 30, 2013 in this listing circular. Mim's result for the 34 weeks ended November 22, 2014 was a profit after tax of £3.9 million, which included a gain on disposal of the Mim subsidiaries of £7.4 million. Mim's result for the 52 week period ended March 29, 2014, was a loss of £67.1 million, which included an impairment charge of £64.2 million to write down the value of Mim's net assets. Mim's result for the 53 week period ended March 30, 2013 was a loss of £2.9 million.

Our consolidated financial information is presented in pound sterling.

Rounding adjustments have been made in calculating some of the financial information included in this listing circular. As a result, figures shown as totals in some tables may not be exact arithmetic aggregations of the figures that precede them.

The following tables should be read in conjunction with, and are qualified in their entirety by reference to, our financial statements and the accompanying notes included elsewhere in this listing circular. The tables below should also be read together with the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*."

For further information, see "*Presentation of Financial and Other Information*" and the notes to the financial statements included elsewhere in this listing circular. The following tables show selected financial data for NLRGL on a consolidated basis for the periods indicated. Discontinued operations relates to the Mim business which was sold on November 22, 2014.

Consolidated Income Statement Data[1]

	For the 53 week period ended March 30, 2013	For the 52 week period ended	
		March 29, 2014	March 28, 2015
	(restated)	(restated)	
		(£ million)	
Continuing operations			
Revenue	1,330.0	1,368.0	1,414.5
Cost of sales	(629.7)	(645.9)	(668.7)
Gross profit	**700.3**	**722.1**	**745.8**
Administrative expenses	(587.0)	(585.2)	(596.9)
Operating profit	**113.3**	**136.9**	**148.9**
Finance income[2]	10.2	7.7	16.8
Finance expense[2]	(116.6)	(123.5)	(115.0)
Share of post-tax loss from joint venture	(0.3)	(0.4)	(0.1)
Profit before taxation	**6.6**	**20.7**	**50.6**
Taxation	(0.3)	(7.2)	(1.6)
Profit from continuing operations	**6.3**	**13.5**	**49.0**
Discontinued operations			
(Loss)/profit from discontinued operations	(2.9)	(67.1)	3.9
Profit/(loss) attributable to equity holders	**3.4**	**(53.6)**	**52.9**

Consolidated Balance Sheet Data

	As of		
	March 30, 2013	March 29, 2014	March 28, 2015
		(£ million)	
Non-current assets			
Property, plant and equipment	182.2	149.6	136.9
Intangible assets	744.7	703.0	695.6
Investment in joint venture	0.3	—	—
Available for sale financial assets	0.3	0.3	—
Other receivables	39.2	27.4	19.5
Derivative financial instruments	—	—	5.4
Deferred income tax assets	29.8	27.0	21.4
Total non-current assets	**996.5**	**907.3**	**878.8**
Current assets			
Inventories	144.1	138.1	148.2
Trade and other receivables	67.8	64.6	80.0
Income tax assets	—	—	2.9
Derivative financial instruments	17.6	0.3	24.5
Cash and cash equivalents	113.6	111.1	127.1
Total current assets	**343.1**	**314.1**	**382.7**
Total assets	**1,339.6**	**1,221.4**	**1,261.5**
Current liabilities			
Trade and other payables	(246.2)	(255.4)	(265.2)
Financial liabilities	(59.5)	—	—
Derivative financial instruments	(3.4)	(17.2)	(0.7)
Provisions	(5.7)	(4.4)	(2.1)
Income tax liabilities	(8.9)	(9.0)	—
Total current liabilities	**(323.7)**	**(286.0)**	**(268.0)**
Non-current liabilities			
Deferred income and other payables	(91.4)	(86.5)	(70.1)
Financial liabilities	(1,150.1)	(1,156.9)	(1,165.0)
Derivative financial instruments	(0.8)	(11.8)	(0.1)
Provisions	(9.8)	(10.4)	(4.8)
Deferred income tax liabilities	(77.7)	(61.1)	(66.7)
Total non-current liabilities	**(1,329.8)**	**(1,326.7)**	**(1,306.7)**
Total liabilities	**(1,653.5)**	**(1,612.7)**	**(1,574.7)**
Net liabilities	**(313.9)**	**(391.3)**	**(313.2)**
Equity attributable to the owners of NLRGL			
Share capital	10.4	10.4	10.4
Share premium	0.6	0.6	0.6
Treasury shares	(21.9)	(23.3)	(23.2)
Other reserves	18.9	(4.8)	19.7
Reverse acquisition reserve	(285.3)	(285.3)	(285.3)
Accumulated losses	(36.6)	(88.9)	(35.4)
Total equity	**(313.9)**	**(391.3)**	**(313.2)**

Consolidated Statement of Cash Flows Data[1]

	For the 53 week period ended March 30, 2013	For the 52 week period ended	
		March 29, 2014	March 28, 2015
	(restated)	(restated)	
		(£ million)	
Cash flows from operating activities			
Net cash flow from operating activities (continuing operations)	150.4	172.8	182.2
Net cash flow from operating activities (discontinued operations)	1.2	1.6	(4.7)
Cash flows used in investing activities			
Net cash flow used in investing activities (continuing operations)	(50.3)	(32.8)	(45.5)
Net cash flow from/(used in) investing activities (discontinued operations)	0.6	(3.8)	(4.3)
Cash flows used in financing activities			
Net cash flow used in financing activities (continuing operations)	(198.4)	(138.5)	(110.2)
Net cash flow used in financing activities (discontinued operations)	(3.2)	(0.5)	2.7
Net decrease in cash, cash equivalents and bank overdrafts	**(99.7)**	**(1.2)**	**20.2**
Opening cash, cash equivalents and bank overdrafts	212.3	113.6	111.1
Exchange gains/(losses) on cash, cash equivalents and bank overdrafts	1.0	(1.3)	(4.2)
Closing cash, cash equivalents and bank overdrafts	**113.6**	**111.1**	**127.1**

(1) Following a strategic review we undertook during the 2014 fiscal year, we determined that our Mim business is not a strategic focus for the Group going forward. As a result, we present our consolidated income statement for the 53 week period ended March 30, 2013 and for the 52 week periods ended and March 29, 2014 and March 28, 2015 to show the continuing operations of New Look and the discontinued operations of Mim. We also present our consolidated statement of cash flow data for the 53 week period ended March 30, 2013 and for the 52 week periods ended and March 29, 2014 and March 28, 2015 to show the continuing operations of New Look and the discontinued operations of Mim and the underlying operating profit for the 53 week period ended March 30, 2013 and for the 52 week periods ended and March 29, 2014 and March 28, 2015 to show the continuing operations of New Look and the discontinued operations of Mim. See note 17 to our consolidated financial statements as of and for the 52 week period ended March 28, 2015 for further information regarding our discontinued operations.

(2) In the 53 week period ended March 30, 2013, £71.5 million of our finance expense was attributable to non-cash PIK capitalised financial expense in relation to the Former PIK Facility Agreement. In the 52 week period ended March 29, 2014, £4.8 million of our finance expense was attributable to non-cash PIK capitalised financial expense in relation to the Former PIK Facility Agreement and £42.6 million of our finance expense was attributable to non-cash PIK capitalised financial expense in relation to the PIK Facility Agreement. In the 52 weeks ended March 28, 2015 and £41.3 million of our finance expense was attributable to non-cash PIK capitalised financial expense in relation to the Existing PIK Facility Agreement.

In the 53 week period ended March 30, 2013, £9.1 million of our finance income was attributable to a gain on cancellation of part of the Former PIK Facility Agreement.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF OUR FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following is a discussion of the financial condition and results of operations of NLRGL in the periods set forth below. Accordingly, all references to "we," "us" or "our" in respect of historical consolidated financial information in this discussion are to NLRGL and its subsidiaries on a consolidated basis. See "Presentation of Financial and Other Information."

You should read this discussion in conjunction with our historical consolidated financial statements included elsewhere in this listing circular as well as the "Selected Historical Financial Data." The following presentation and analysis contains forward looking statements that involve risks and uncertainties. For the reasons explained under "Forward Looking Statements," "Risk Factors" and for the reasons explained elsewhere in this listing circular, our future results may differ materially from those expected or implied in these forward looking statements.

NLRGL's historical consolidated financial information includes the results of operations and financial position of certain subsidiaries which are subsidiaries of NLRGL, but not subsidiaries of the Company. As a result, NLRGL's historical consolidated financial information is not directly comparable to the consolidated financial information of the Company for any prior periods. The material differences between the financial position and results of operations of NLRGL and the Company relate to the Former PIK Facility, which was repaid in full and extinguished in May 2013 as part of the 2013 Refinancing Transactions. Pedalgreen, a subsidiary of NLRGL but not of the Company, was the borrower under the Former PIK Facility. Accordingly, the material differences between the financial position and results of operations of NLRGL and the Company relate to Pedalgreen's payment of interest expense and release of a deferred tax asset relating to the Former PIK Facility during the 52 week period ended March 29, 2014. There are no material differences between the financial position and results of operations of NLRGL and the Company for the 52 week period ended March 28, 2015. In addition, there are no material differences between the financial position and results of operations of NLRGL and the Company for either of the 52 week periods ending March 29, 2014 and March 28, 2015 with respect to the activities and operations of Trinitybrook, which is a holding company and a subsidiary of NLRGL but not of the Company.

On November 22, 2014, we fully disposed of Mim SAS, Mim Belgique and SCI Geometry Properties France to Main Asia (HK) Limited, an independent company advised by Asia Global. As a result, NLRGL's audited consolidated financial statements as of and for the 52 week period ended March 28, 2015, show the continuing operations of New Look and the discontinued operations of Mim. The comparative information for the 52 week period ended March 29, 2014, which appears in NLRGL's audited consolidated financial statements as of and for the 52 week period ended March 28, 2015, has been restated to show the continuing operations of New Look and the discontinued operations of Mim. The financial information for the 52 week period ended March 29, 2014 included herein is derived from such comparative information. For comparative purposes, we have also presented restated unaudited financial information presenting Mim as a discontinued operation as of and for the 53 week period ended March 30, 2013 in this listing circular. Mim's result for the 34 weeks ended November 22, 2014 was a profit after tax of £3.9 million, which included a gain on disposal of the Mim subsidiaries of £7.4 million. Mim's result for the 52 week period ended March 29, 2014, was a loss of £67.1 million, which included an impairment charge of £64.2 million to write down the value of Mim's net assets. Mim's result for the 53 week period ended March 30, 2013 was a loss of £2.9 million.

Overview

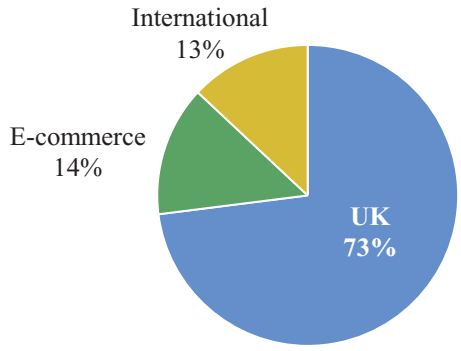
We are a leading fast fashion multi-channel retailer operating in the attractive value segment of the UK clothing and footwear market with a strong and growing presence in targeted international markets. We believe that we offer the latest trends in fashion and an exciting shopping experience, catering for a broad spectrum of ages from early teens to over 45s. Our core target audience is fashion-conscious 16 to 45 year old women (with an average age of 33 years). Our product range comprises womenswear, women's footwear and accessories, as well as menswear and teenswear, and we have a proven ability to attract a loyal consumer spend throughout the economic cycle. We are a leading retailer by value and volume across the UK womenswear, teenswear and footwear markets in which we operate. According to Kantar Worldpanel, we are the leading retailer by value in the under 35s womenswear and accessories market in the UK with a 11.3% market share (by value), and approximately 42% of female adults and teenagers in the UK shopped with us at least once in the 2015 fiscal year. We are also expanding our menswear presence and offering in order to grow our menswear sales and market share. We seek to differentiate ourselves from our competitors by offering value fashion, with a flexible fast fashion model providing an average time from factory to product delivery of approximately 13 weeks, with some of our key high fashion items delivered in less than two weeks allowing us to react quickly to changes in market trends.

We are an integrated multi-channel retailer and aim to offer our customers a flexible, convenient and seamless shopping experience through both our physical stores and E-commerce offering. We operate a multi-channel model which, as of March 28, 2015, comprised:

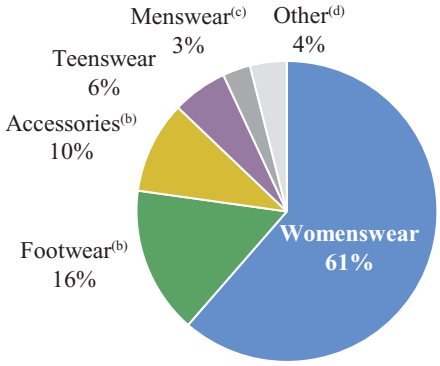
- 809 New Look-branded stores, including 569 directly operated stores in the UK, with a broad geographical coverage; 135 directly operated international stores in China, Poland, France, Ireland, Belgium and the Netherlands, including concession stores in Germany and the Netherlands; and 105 franchise stores in the Middle East, North Africa, Europe and Asia (together with our directly operated international stores, our "International Stores");
- our New Look E-commerce platform serving customers in approximately 120 countries across the globe. Our New Look E-commerce Sales have grown at a CAGR of 36.2% during the 2013-2015 fiscal years from £89.8 million in the 2013 fiscal year to £166.7 million in the 2015 fiscal year. According to website data tracker Experian Hitwise, for the month of March 2015, www.newlook.com was the third most visited website in the UK within the Hitwise category "*Shopping and Classifieds—Apparel and Accessories*" and had a market share of 4.3% by total visits out of the 5,497 websites in such category; and
- our Third-Party E-commerce platform through which we sell our products on websites of 11 key third-party e-commerce retailers, including ASOS and Zalando, currently serves in aggregate over 240 countries. Our 3PE Sales have grown from £1.6 million in the 2013 fiscal year to £34.0 million in the 2015 fiscal year.

The following charts set out our revenue shares for the 2015 fiscal year across our reportable segments and by product range:

Sales (2015 fiscal year)[(a)]



Product Range (2015 fiscal year)[(a)]



(a) Sales are based on gross transactional value excluding adjustments for concession income on a net basis for statutory reporting purposes.

(b) Footwear and accessories product ranges comprise products solely for female customers.

(c) Includes footwear and accessories products for male customers.

(d) "Other" includes Sales not derived from sales of our products, such as sales of third-party products on a concessionary basis.

In the 2015 fiscal year, we generated £1,414.5 million in revenue, £212.4 million in Adjusted EBITDA and £229.2 million in Pro Forma Consolidated EBITDA and had an Adjusted EBITDA margin of 15.0% and Pro Forma Consolidated EBITDA margin of 16.2%. Our Adjusted EBITDA grew at a CAGR of 7.4% during the 2013-2015 fiscal years. Furthermore, LFL sales growth for the 2015 fiscal year was 5.0% for our UK operations and 4.0% for our businesses as a whole.

Recent Developments

The Acquisition

On May 14, 2015, a newly-incorporated entity formed by Brait, entities managed by Apax, entities managed by Permira, entities holding the Tom Singh family interest and members of New Look's current and former senior management team entered into the Brait Acquisition Agreement pursuant to which Brait agreed to acquire the entire issued share capital of NLRGL. The Acquisition closed on June 25, 2015 and values NLRGL at approximately £1.9 billion. On completion, Tom Singh's family interests and management reinvested alongside Brait.

Other Recent Developments

In March 2015, we decided to divest our 50% interest in NLT Tekstil Sanayi Ve Ticaret Limited Sirketi, our former joint venture with a supply partner, though we plan to continue our relationship with NLT Tekstil Sanayi Ve Ticaret Limited Sirketi in its capacity as one of our suppliers. A fee was agreed in settlement of our outstanding obligations in respect of a service agreement with the joint venture. The sale of shares held by the Group is anticipated to be completed in the coming months.

In the 2015 fiscal year, we decided that the Netherlands was no longer a strategic focus for our business. As a result, on March 29, 2015, we announced our plans to close our single owned store in the Netherlands in June 2015 and gave notice to our concession partner in the country of our intention to terminate the concession agreement (which provides for a six-month notice period).

Trading Update

We have made a strong start to the 2016 fiscal year, with Group LFL sales growth of 12.6% for the four week period ended April 25, 2015 ("1P2016"), predominately driven by strong performance in the UK (including in our New Look E-commerce segment) and the Republic of Ireland. We attribute this growth to the ongoing growth in our New Look E-commerce channel and the positive customer reaction to our Spring/Summer product range which continues to trade well with full price sales ahead of the same period last year. Adjusted EBITDA for this period increased compared to the comparable period in fiscal year 2015.

We have also performed favourably against certain UK industry benchmarks in the women's clothing and footwear sector. In 1P2016, we recorded UK LFL sales growth for women's clothing and footwear of 14.6%, which outperformed certain UK women's clothing and footwear benchmarks.

Performance in the four week period ended May 23, 2015 ("2P2016") has been robust when considered in light of the strong results for the comparable period in the 2015 fiscal year, when improved spring weather helped to drive positive footfall. The Group's LFL sales growth in the period was 1.2% and UK LFL sales for women's clothing and footwear remaining unchanged at 0.0%, which still outperformed certain industry benchmarks. In the comparable period in the 2015 fiscal year, Group LFL sales growth was 9.1%. Average Group LFL sales growth for the periods 1P2016 and 2P2016 was 6.6%, compared to Group LFL sales growth of 10.8% for the same period in the 2015 fiscal year.

This information is based solely on preliminary internal information used by management. Our actual consolidated financial results for the thirteen week period ended June 27, 2015 may differ from our preliminary estimated results and remain subject to our normal end of period closing procedures and review process, including the adjustments required to reconcile our management accounts with IFRS. Those procedures have not been completed. Accordingly, these results may change and those changes may be material. We caution that the foregoing information has not been audited or reviewed by our independent auditors and should not be regarded as an indication, forecast or representation by us or any other person regarding our financial performance for the thirteen week period ended June 27, 2015.

Factors Affecting Our Results of Operations

Factors Affecting Comparability

Fiscal Year

Our fiscal year runs from the calendar day following the previous fiscal year end to the Saturday nearest to our accounting reference date, which is March 30, 2013 for the 53 week period in 2013, March 29, 2014 for the 52 week period in 2014 and March 28, 2015 for the 52 week period in 2015. Accordingly, from time to time, our financial accounting period covers a 53 week period, which impacts the comparability of results. In particular, the 2013 fiscal year comprises a 53 week period, while the 2014 and 2015 fiscal years comprise 52 week periods. As a result, the financial information for the 2013 fiscal year may not be directly comparable with the financial information for the 2014 and 2015 fiscal years, and period to period comparisons between these periods may be more difficult. We estimate that the 53rd week in the 2013 fiscal year added an additional £23.4 million of revenue to our results of operations in that period. The next 53 week fiscal year will be the 2018 fiscal year.

External Factors

General Economic Conditions and Competitive Environment

Our results of operations are affected by global economic conditions as well as specific economic conditions in the markets in which we operate. Such conditions include levels of employment, inflation, growth in gross domestic product, real disposable income, currency exchange and interest rates, the availability of consumer credit, consumer confidence and consumer willingness to spend. We believe that the recent general economic slowdown in Europe and uncertainty around sovereign debt of some of the European countries and the impact that any sovereign debt default may have on the European economy has had a negative effect on consumer sentiment in Europe. Though consumer purchases of discretionary items such as clothing and accessories generally decline in such an unfavourable economic environment, especially when disposable income has decreased, there may be an opportunity for low-price and value fashion retailers to capture market share from higher-end retailers. Notwithstanding, particularly if these changes are pronounced or long-lasting, such changes can significantly affect our business and results of operations.

In addition, we face significant competition from other UK and international retailers, particularly in light of the growth in e-commerce which enables customers to access a wider variety of products with ease and therefore gives rise to the risk of new entrants to the retail market and increased competition. Furthermore, we may from time to time experience increases in costs which may be pronounced or long-lasting, and we may be unable to pass on all or the majority of the increased costs to our customers, because of price expectations of consumers or further increasing competition in the value fashion market. General economic conditions and the competitive environment may therefore have a significant impact on our business and results of operations.

Weather

Our results of operations can be affected by periods of abnormal, adverse or unseasonal weather conditions, which can impact sales due to changes in footfall or if we do not have appropriate merchandise in stock for the prevailing weather conditions.

Since the Autumn/Winter 2012 season, however, we have modified our range of products to stock a broader range of transitional items in order to facilitate a smoother transition from one season to the next and to mitigate against unseasonal weather. For example, to mitigate unseasonably cold weather, we introduced a higher mix of items that can be layered, such as blazers, in our outerwear range and a greater choice of lighter weight knitwear. This contributed to an increase in sales of knitwear and outerwear of 13.7% and an 8.7 percentage point increase in gross margin through less discounting when comparing the period from October to December 2012 to the same period in the prior year. In total, our knitwear and outerwear lines delivered an increase of £10.0 million in gross profit for the period from October to December 2012 compared to the same period in the prior year.

While we did benefit from the introduction of transitional items into our ranges, we cannot fully mitigate the impact abnormal, adverse or unseasonal weather has on our results. For example, we experienced unseasonably cold weather in the United Kingdom in April 2013, which adversely affected our Easter sales through lower footfall and resulted in lower LFL sales, which decreased by 10.1% in April 2013 as compared to April 2012. The unseasonably warm weather in July 2013 in the United Kingdom led to increased footfall in our stores, resulting in an 11.0% increase in our LFL sales in July 2013 as compared to July 2012. The unseasonably warm weather in the autumn of 2014 in the United Kingdom adversely impacted customer demand for knitwear and outerwear products, which led to a decrease in our LFL sales by 5.4% in the period from September to November 2014 as compared to the same period in 2013 and also caused us to markdown such items in the winter months, leading to a negative impact on our margins.

Seasonality

Our revenue is almost equally divided between the first and second half of our fiscal year. However, similar to other retailers, our most important trading period is the seven-week period over the Christmas season, with £247.3 million of revenue being generated during the seven weeks between November 9, 2014 and December 27, 2014, which represented 17.5% of our total revenue during the 2015 fiscal year. We generated £245.2 million of revenue during the seven-week period between November 10, 2013 and December 28, 2013, which represented 17.9% of our total revenue in the 2014 fiscal year, and £240.3 million of revenue during the seven weeks between November 11, 2012 and December 29, 2012, which amounted to 18.1% of our total revenue in the 2013 fiscal year. The uplift in sales around the Christmas peak trading period is often followed by a period of markdown through the January sale period, leading to lower margins during January. In addition, we also run promotions, particularly during quieter months including February, which also leads to lower margins during these periods. We have historically generated the least sales and margins in the fourth quarter of our fiscal year. By the end of the third quarter, we generated 78.7% of our total revenue and 90.7% of Adjusted EBITDA in the 2015 fiscal year, 79.1% of our total revenue and 91.2% of Adjusted EBITDA in the 2014 fiscal year, and 78.2%

of our total revenue and 89.6% of Adjusted EBITDA in the 2013 fiscal year. Our sales also depend on the point in time at which we and our competitors start promotional or markdown activities. Moreover, as discussed above, the amount of sales we generate depends on general economic conditions, and, as a result of the seasonality of our business, the adverse effects of any negative economic developments taking place during the seven-week period over the Christmas season may be particularly pronounced on our business.

Our working capital is affected by seasonal trading patterns and the timing of our rental payments. For example, our investment in inventory begins in September for the Christmas season and falls significantly in early January due to the increase in sales volume in the Christmas period combined with the effect of the post-Christmas sales period. Our payables are usually paid 60 to 90 days after we receive the inventory in anticipation of peak trading periods. The period in which we make rental payments can vary because our fiscal calendar means quarters and half-yearly periods end prior to the last day of a calendar month and this day usually changes each year. For example, most rental payments for UK stores are paid quarterly and our fiscal calendar may result in two rental payments due in the first half of the fiscal year and the remaining two rental payments due in the second half of the fiscal year or one rental payment in the first half of the fiscal year, and three rental payments in the second half of the fiscal year. Such differences in the timing of rent payments may have an effect on the comparability of our working capital position and cash flows between periods where this difference occurs.

Production and Distribution Costs

Our results of operations can be affected by increases in raw material costs, such as cotton and other fabrics, and the costs of transporting goods from their place of manufacturing to the place they are sold (largely dependent on the shipping and freight costs, which itself is largely dependent on fuel costs). Significant increases in raw material costs result in increased production costs for our suppliers who typically seek to pass their increased costs to us through price increases. Furthermore, our results of operations can be adversely affected by wage inflation, including in particular wage inflation in the countries in which our suppliers manufacture our stock. For example, during the 2014 fiscal year, we experienced increases in our supply costs as a result of minimum wage increases in Bangladesh and Cambodia as well as increases in fuel and raw materials costs. These increases put pressure on our average cost of sales per unit sold, which we seek to mitigate through various methods including sourcing substitute materials, switching suppliers or changing delivery methods. We do not currently engage in hedging transactions to mitigate the impact of raw material or other cost increases (other than certain advance purchases of electricity), and therefore only recover these additional costs by passing on price increases to our customers, achieving cost efficiencies and savings or asking our suppliers to absorb some of the additional costs. In addition, suppliers may not decrease their price if costs subsequently fall.

Currency Effect

Fluctuating foreign exchange rates, in particular between pound sterling and U.S. dollars, can have a material effect on the results of our operations. Our results are affected because most of our products are sourced from outside the United Kingdom with payments for these products and their transport being primarily made in U.S. dollars. In the 2015 fiscal year, we estimate that approximately 66% of our goods were purchased in U.S. dollars, while the substantial majority of our sales were realised in pound sterling, our reporting currency. Our policy is to seek to control the costs of our products in pound sterling through operational efficiencies, including reviewing our sourcing partners and hedging our U.S. dollars exposure based on our forward purchase order profile for the next 15-month period. Our hedging policy sets parameters on the percentage of projected U.S. dollar payments that is hedged. This percentage ranges between 90% and 100% for U.S. dollar payments expected in the next three months, between 75% and 100% for U.S. dollar payments expected in months four to six, between 40% and 90% for U.S. dollar payments expected in months seven to nine, up to 75% for U.S. dollar payments expected in months ten to twelve, and up to 50% for U.S. dollar payments expected in months 13 to 15. Our hedging position is reviewed each month by our treasury committee. This hedging policy is designed to mitigate our exposure to short-term currency volatility. See "*—Quantitative and Qualitative Disclosures of Market Risks—Currency Risks.*"

In addition, we are exposed to fluctuations in exchange rates between pound sterling and euro primarily arising from our operations in Ireland, France, Belgium, the Netherlands and Germany, including both transaction and translation currency effects. Following the opening of our stores in China and the acquisition of former franchise stores in Poland in February 2014, we have additional transaction and translation exposure to the fluctuation in exchange rates between pound sterling and the renminbi and pound sterling and zloty. Although most of our business is in the United Kingdom, our consolidated group results are affected by exchange rate fluctuations on the translation of the non-UK results of operations to pound sterling. As our strategy envisions further expansion in China, Poland, France and Germany (see "*Business—Our Strategy—Focussed expansion of our international reach*"), the impact of fluctuations in exchange rates between pound sterling and euro, pound sterling and the renminbi, and pound sterling and zloty may be more pronounced on our business going forward. We also have

historically had euro-denominated borrowings which expose us to exchange rate fluctuations between pound sterling and euro. As of March 28, 2015, we held a mixture of euro-denominated assets and euro cash balances, which acts as a natural hedge against the foreign exchange risk related to our euro borrowings. We intend to maintain sufficient euro-denominated cash deposits to act as a hedge against any future euro-denominated borrowings we make.

Increases to UK Statutory Minimum Wage

The UK statutory minimum wage for employees aged 21 and over was raised in October 2012, 2013 and 2014 and, as a result, increased from £6.08 per hour prior to October 2012 to £6.50 at present. These increases resulted, in the aggregate, in increased costs to the Group of £1.7 million during the three years ended March 28, 2015. The Low Pay Commission's 2015 report contains a recommendation that the UK government raise the statutory minimum wage for adults to £6.70 per hour in October 2015. We estimate the annualised impact of the proposed change in the 2016 fiscal year to be approximately £1.0 million. As of March 28, 2015, 28.7% of our employees were on minimum wage. Our store based staff costs have remained stable at approximately 10% of revenue despite annual increases to the statutory minimum wage in the UK for the three fiscal years ended March 28, 2015.

Internal Factors

Turnaround Plan

In May 2011, we developed a three-phase turnaround plan which led to a 41.9% increase in Adjusted EBITDA from £143.9 million for the 2012 fiscal year to £204.2 million for the 2014 fiscal year, principally as a result of significantly reducing our costs, despite continuing difficult trading conditions. Adjusted EBITDA further increased by a further 4.0% to £212.4 million for the 2015 fiscal year compared to the 2014 fiscal year.

The first phase of the turnaround plan was a cost reduction programme which reduced head office costs, store payroll costs and brand marketing costs. This initiative, together with ongoing cost management, has enabled us to achieve cost savings despite the effects of inflationary increases in our cost base and to continue to reinvest in our business. The second phase of the plan tightened stock levels and markdown spend and contributed to improved margin growth. Our Adjusted EBITDA margin increased from 11.2% for the 2012 fiscal year to 14.9% for the 2014 fiscal year and has remained stable at 15.0% for the 2015 fiscal year. Our tightened markdown policy now includes a "first price, right price" strategy whereby we aim to sell all products at full price and to limit the number of markdowns and discounts. The open-to-buy approach to ordering (with only approximately half of our orders committed in advance of the season) gives us flexibility to react to fashion trends and has led to an increase in the proportion of our full price sales thereby increasing our revenue.

The following table sets out the proportion of sales at full prices, permanently reduced prices and promotional (temporarily reduced) prices in our total Sales for the periods indicated.

	53 week period ended March 30, 2013	52 week period ended March 29, 2014	52 week period ended March 28, 2015
		(%)	
Full prices[1]	78.5	80.1	80.0
Permanently reduced prices	13.1	12.7	12.2
Promotional (temporarily reduced) prices	8.4	7.2	7.8
Total	**100.0**	**100.0**	**100.0**

(1) Includes "special buy" items, which are "Better" products sold at "Super good" prices while still delivering a strong margin.

The final phase of the plan focussed on improving performance by enhancing our trading space across all of our channels. Under our "Concept Store" refurbishment programme, we have improved our product presentation and store environment, rationalising our marginally profitable and unprofitable stores and stores in undesirable locations, and enhanced our multi-channel platform to improve the customers' shopping experience. We have completed the refurbishment of 291 stores, including 274 in the United Kingdom and 17 International Stores, in line with our "Concept Store" refurbishment programme, and we have opened an additional 37 new stores in line with our "Concept Store" format since the 2012 fiscal year. As of March 28, 2015, 287 (or 50.4%) of our UK stores were "Concept Store" format stores. We plan to refurbish all our remaining stores in the UK by the end of the 2018 fiscal year, which amounts to approximately 80 store refurbishments per annum. The stores that we plan to relocate are expected to be on average 100% larger than the stores they replace. Store relocations in recent years have been, and we expect to continue to be, the principal driver of our UK trading space growth. We typically select stores for relocation where we believe there is potential to double the store's EBITDA, and going forward we expect that the stores we relocate will achieve payback of our investment within two years.

Based on actual performance of our stores that have been refurbished (not including relocated stores) in the period between December 2011 and March 2015, we expect recently refurbished "Concept Stores" to achieve payback within approximately 43 months. We calculate the payback period as the number of months (rounded up to the nearest whole month) taken for a store to generate enough incremental contribution (measured as gross profit less store operating costs) to pay back the cash investment in the refurbishment. In computing average payback, we include estimates of the points of payback based on achieved trading levels for those stores which, due to their having been recently refurbished, have not yet reached their payback point. In the three years ended March 28, 2015, our newly refitted "Concept Stores" experienced a cumulative weighted average increase in gross profit of 5.3 percentage points compared to the remainder of our store portfolio (based on our 290 measurable refurbishments). As of March 28, 2015, we have spent on average approximately £28 per square foot on the refurbishment of all of our "Concept Stores." We usually continue to operate stores that are being refurbished during the refurbishment period.

Our international presence has been expanding during the period under review as we have been increasing the number of our International Stores and is expected to expand further in line with our growth strategy. See "*Business—Our Strategy—Focussed expansion of our international reach*" for additional information.

We have also made investments in our New Look E-commerce platform. For example, we have introduced "click and collect" and "order in store" ordering and delivery options. A mobile application has also been developed in order to capture the exponential growth in this particular channel. Our E-commerce Sales increased by 63.9% from £91.4 million for the 2013 fiscal year to £149.8 million for the 2014 fiscal year and then increased further by 34.0% to £200.7 million for the 2015 fiscal year.

Channel Mix

Our results of operations are affected by the mix of sales across our channels. The following table sets out our revenue and underlying operating profit by segment for the periods indicated.

	53 week period ended March 30, 2013	52 week period ended March 29, 2014	52 week period ended March 28, 2015
	(£ million unless otherwise indicated)		
UK Retail			
Revenue	1,033.3	1,008.1	1,020.8
Underlying operating profit[(1)]	92.9	97.3	110.6
Underlying operating profit margin[(2)]	9.0%	9.7%	10.8%
E-commerce			
Revenue	91.4	149.8	200.7
Underlying operating profit[(1)]	14.5	35.2	45.3
Underlying operating profit margin[(2)]	15.9%	23.5%	22.6%
International			
Revenue	146.8	150.2	146.9
Underlying operating profit/(loss)[(1)]	0.9	1.0	(9.5)
Underlying operating profit/(loss) margin[(2)]	0.6%	0.7%	(6.5%)
Franchise			
Revenue	58.5	59.9	46.1
Underlying operating profit[(1)]	9.4	7.5	6.8
Underlying operating profit margin[(2)]	16.1%	12.5%	14.8%

(1) We define underlying operating profit, which is a non-IFRS measure, as operating profit before exceptional items, share based payment expense or credit, the movements in fair value of financial instruments under IFRS, the impairment charge or write back of tangible and intangible assets, and charge or credit in relation to onerous lease provisions.

(2) Underlying operating profit margin represents underlying operating profit expressed as a percentage of revenue.

The increases in our UK Retail segment underlying operating profit and related margin in the 2015 fiscal year as compared to the prior year and in the 2014 fiscal year as compared to the 2013 fiscal year were principally due to the impact of our continuing store refurbishment programme.

The change in our International segment underlying operating profit/loss from a profit in the 2014 fiscal year to a loss in the 2015 fiscal year was mainly due to challenging trading conditions across Europe as a result of macroeconomic developments in the region as well as the inclusion of full year results from Poland following the acquisition from our Polish franchise partner in February 2014. In addition, underlying operating profit has been affected by the cost of investment in China as we seek to grow our presence in the market.

Our gross margin performance is affected by the mix of sales by channel, as our E-commerce and franchise channels have a lower gross margin than the gross margin from sales at our directly operated stores. Our

E-commerce channel generally has a lower gross margin due to a higher proportion of sales of third-party products (which have a lower gross margin) and higher packaging and fulfilment costs compared to our directly operated store channel. Additionally, our franchise channel has a lower gross margin due to the royalty-based fee model whereby they purchase goods from us and pay us a separate royalty based on a percentage of their sales. As we plan to grow our E-commerce business (see "*Business—Our Strategy—Continued investment in E-commerce*"), this may have an adverse effect on our total gross margin. In comparison to our directly operated stores, our E-commerce business, however, benefits from lower fixed costs, such as rental payments, staff costs and depreciation, and therefore benefits from a higher underlying operating profit margin.

Key Performance Indicators and Other Financial Data

The following tables set out our key performance indicators and certain other financial information. We believe that the following supplemental information is useful in understanding and analysing our underlying results. These measures are not a measurement of performance or liquidity under IFRS and should not be considered by investors in isolation or as a substitute for our historical financial information. See "*Presentation of Financial and Other Information"* for further information.

Key Performance Indicators

	As of or for the year ended		
	March 30, 2013	**March 29, 2014**	**March 28, 2015**
	(£ million, unless otherwise indicated)		
LFL sales growth/(decline) (%)(*)(1)	(0.1%)	2.7%	4.0%
Gross margin (%)(2)	52.7%	52.8%	52.7%
Adjusted EBITDA(3)	184.1	204.2	212.4
Underlying operating profit(4)	117.7	141.0	153.2
Net debt(5)	(1,105.5)	(1,052.4)	(1,037.9)
Free cash flow(6)	98.8	145.4	147.0
Number of stores(*)	802	804	809
Total trading space (000' square feet)(*)	5,465.9	5,459.8	5,363.7
Average selling space (square feet)(*)(7)	6,815.3	6,790.8	6,630.0

Other Financial Data

	As of or for the year ended		
	March 30, 2013	**March 29, 2014**	**March 28, 2015**
	(£ million, unless otherwise indicated)		
Adjusted EBITDA margin (%)(8)	13.8%	14.9%	15.0%
Adjusted EBITDAR(9)	342.2	360.9	372.9
Adjusted EBITDAR margin(10)	25.7%	26.4%	26.4%
Underlying operating profit margin (11)	8.8%	10.3%	10.8%
Net debt to Adjusted EBITDA ratio	6.0	5.1	4.9
Capital expenditure (12)	59.6	48.9	60.3
Free cash flow conversion (%)(13)	53.7%	71.2%	69.2%
Average transaction value (pound sterling)(*)(14)	18.29	18.97	19.92

(*) Unaudited.

(1) LFL sales is the gross transactional value from LFL operations in any given period compared with the same period in the previous financial period and is normally shown as a percentage change between two periods. LFL operations consist of our New Look directly operated stores, concession stores and our New Look E-commerce segment (if applicable). A store is included in LFL operations if it has traded for more than 52 weeks, excluding existing stores where a new store of ours has opened within one mile (for the first 52 weeks of the new store's commencement of trading) or where the store has undergone a significant increase or decrease in trading space during the period. A store is included in the calculation of LFL sales from the date at any point during the fiscal year when it has the comparable weeks' data for the prior fiscal year. If a store is closed for a full week or more for any reason during a fiscal year, for example, due to refurbishment or permanent closure, it is excluded from the LFL calculation for the period of closure. Change in LFL sales is expressed as a percentage.

(2) Gross margin consists of gross profit expressed as a percentage of revenue.

(3) Adjusted EBITDA is a non-IFRS measure which is calculated as our underlying operating profit before depreciation of property, plant and equipment and amortisation of intangible fixed assets. We believe that Adjusted EBITDA assists in understanding our trading performance as it gives an indication of our ability to service our indebtedness. An investor should not consider Adjusted EBITDA (a) as an alternative to operating profit or profit/ (loss) before taxation (as determined in accordance with IFRS) as a measure of our operating performance, (b) as an alternative to net cash outflows or inflows from operating, investing and financing activities (as determined in accordance with IFRS) as a measure of our ability to meet cash needs or (c) as an alternative to any other measure of performance under IFRS. Because companies do not calculate Adjusted EBITDA identically, our presentation of Adjusted EBITDA may not be comparable to similarly titled measures of other companies. See "*Presentation of Financial and Other Information*" for further information.

(4) Underlying operating profit is a non-IFRS measure which is calculated as operating profit before exceptional items, share based payment expense or credit, movements in the fair value of financial instruments under IFRS, impairment charges or write backs of tangible and intangible assets and the income statement charge or credit in relation to onerous lease provisions.

(5) Net debt represents the actual cash amount (rather than carrying value) of indebtedness and is defined as interest bearing loans and borrowings, preference shares and ordinary shares, less cash and short term deposits.

(6) Free cash flow is cash flows from operating activities (pre-tax) less net investing activities. We believe that free cash flow assists in understanding our trading performance as it represents the amount of cash generated before tax, but after net investment on capital expenditure, by our trading activities and net cash flows from the acquisition and disposal of subsidiaries.

(7) Average selling space is calculated as the total square footage of selling space of all our owned stores divided by the number of such stores.

(8) Adjusted EBITDA margin is Adjusted EBITDA divided by our total revenue for the period.

(9) Adjusted EBITDAR is a non-IFRS measure which is calculated as our underlying operating profit before depreciation of property, plant and equipment, amortisation of intangible fixed assets and minimum lease payments (which include amortisation of lease incentives and premiums). We believe that Adjusted EBITDAR assists in understanding our trading performance as it gives an indication of our ability to meet major fixed charge commitments (interest and rent). An investor should not consider Adjusted EBITDAR (a) as an alternative to operating profit or profit/ (loss) before taxation (as determined in accordance with IFRS) as a measure of our operating performance, (b) as an alternative to net cash outflows or inflows from operating, investing and financing activities (as determined in accordance with IFRS) as a measure of our ability to meet cash needs or (c) as an alternative to any other measure of performance under IFRS. Because companies do not calculate Adjusted EBITDAR identically, our presentation of Adjusted EBITDAR may not be comparable to similarly titled measures of other companies. See "*Presentation of Financial and Other Information*" for further information.

(10) Adjusted EBITDAR margin is Adjusted EBITDAR divided by our total revenue for the period.

(11) Underlying operating profit margin is underlying operating profit divided by our total revenue for the period.

(12) Capital expenditure is calculated as the sum of cash purchases made during a relevant period on property, plant and equipment, and intangible assets.

(13) Free cash flow conversion is our free cash flow as a percentage of our Adjusted EBITDA for the period.

(14) Average transaction value is defined as (i) our total revenue (including VAT) during a particular period, divided by (ii) the number of customer transactions at our owned stores and online in that period.

Like-for-Like Sales Growth

Management closely monitors Like-for-Like ("LFL") sales. LFL sales are driven by three key components: footfall (which measures the number of customers entering our stores), conversion rate (ratio of number of customers making a purchase over footfall) and the average transaction value (measuring the average total price paid by each customer per transaction).

Various factors affect LFL sales growth, including:

- the prevailing economic climate and trends;
- customer preferences, buying trends and our ability to anticipate and respond effectively to fashion trends and customer preferences;
- weather and seasonal considerations and the timing of our new product releases and promotional events;
- changes in the competitive environment;
- changes in our product mix and pricing;
- markdown policies and activities;
- the number and mix of stores included in the calculation of LFL sales growth;
- effectiveness of managing trading space and store refurbishment;
- the level of customer service that we provide in our stores;
- changes in sales mix among sales channels; and
- our ability to source and distribute products efficiently.

The following table sets out the percentage change in our LFL sales for the periods indicated.

	53 week period ended March 30, 2013	52 week period ended March 29, 2014	52 week period ended March 28, 2015
		(%)	
United Kingdom[1]	(0.5)	3.0	5.0
International[2]	3.2	0.2	(3.9)
Total[3]	**(0.1)**	**2.7**	**4.0**

(1) Includes both LFL UK store sales and New Look E-commerce sales.

(2) We calculate our LFL sales in local currencies and on a constant currency basis. Excludes Mim stores (disposed of in November 2014) and sales through our franchise operations.

(3) We calculate our LFL sales in local currencies and on a constant currency basis. Excludes Mim stores (disposed of in November 2014), sales to our 3PE partners and sales through our franchise operations.

Our total LFL sales decreased by 0.1% in the 2013 fiscal year, increased by 2.7% in the 2014 fiscal year and increased by 4.0% in the 2015 fiscal year, principally reflecting the LFL sale trends of our operations in the United Kingdom, as sales through our UK stores and E-commerce platform accounted for more than 80% of our total sales in each of these years.

United Kingdom

The increases in our LFL sales in the United Kingdom in the 2015 fiscal year as compared to the 2014 fiscal year and in the 2014 fiscal year as compared to the 2013 fiscal year were principally due to the growth in sales through our New Look E-commerce channel, reflecting our continued focus on this channel, and in the 2015 fiscal improvements in LFL sales at our UK stores, mainly due to the impact of our store refurbishment programme and our product development initiatives.

International

The decrease in international LFL sales in the 2015 fiscal year as compared to the prior year was principally due to the challenging trading conditions across Europe, reflecting macroeconomic developments in the region. In particular, our LFL sales in France, Germany, Belgium and the Netherlands declined by 8.3%, 25.0%, 8.0% and 18.3%, respectively, in the 2015 fiscal year as compared to the prior year.

The slight increase in international LFL sales in the 2014 fiscal year as compared to the prior year was primarily due to increases in LFL sales in Belgium (mainly as a result of increases in footfall and the conversion rate), mostly offset by decreases in LFL sales in France and Ireland (primarily reflecting challenging trading conditions in these countries).

Trading Space and Store Numbers

During the period under review, we have restructured some of our stores and space to realign our physical store presence with our growth strategy. In doing so, we have relocated from less desirable locations to spaces which are more appropriate for our needs, closed marginally profitable and unprofitable stores, sought out properties for new openings in areas in which we have opportunities to expand, and looked to increase and improve our multi-channel offering. We seek to monitor changes in our trading space and number of stores on a regular basis, which allows us to track the results of our investment plans as they relate to our growth of trading space and multi-channel platforms.

The following table sets out certain information on our total trading square footage by reporting segment and the percentage change from period to period for the periods indicated.

	53 week period ended March 30, 2013	% Change	52 week period ended March 29, 2014	% Change	52 week period ended March 28, 2015
	(thousands of square feet of trading space, unless otherwise indicated)				
UK Retail:					
Beginning of period	4,051.1		4,050.2		4,029.7
New stores[1]	12.5		8.3		7.9
Relocations[2]	35.7		8.6		21.8
Closures[3]	(49.1)		(37.5)		(61.1)
End of period	4,050.2	(0.5%)	4,029.7	(0.8%)	3,998.2
International[4]:					
Beginning of period	633.3		640.0		717.8
New stores[1]	19.6		81.1		88.2
Relocations[2]	1.0		0.0		2.7
Closures[3]	(13.8)		(3.3)		(36.8)
End of period	640.0	12.2%	717.8	7.5%	771.9
Franchise:					
Beginning of period	679.7		775.7		712.3
New stores[1]	132.1		60.9		46.6
Relocations[2]	0.0		0.0		22.6
Closures[3]	(36.2)		(124.2)		(188.0)
End of period	775.7	(8.2%	712.3	(16.7%)	593.6
Total	**5,465.9**	**(0.1%)**	**5,459.8**	**(1.8%)**	**5,363.7**

(1) Represents the opening of stores in locations where we did not have an existing presence.

(2) Represents the opening of new stores which have replaced an existing store in the same location, including where such stores have been downsized and, in a few instances, the extension of existing stores.

(3) Represents closures of existing stores due to relocations or other reasons.

(4) Includes the square footage for our concessions in department stores. Excludes stores of the Mim business, which was sold in November 2014.

The following table sets out the number of our stores by reporting segment for the periods indicated.

	53 week period ended March 30, 2013	% Change	52 week period ended March 29, 2014	% Change	52 week period ended March 28, 2015
UK Retail					
Beginning of period	600		589		576
New stores[1]	2		1		1
Relocations[2]	4		2		1
Closures[3]	(17)		(16)		(9)
End of period	589	(2.2%)	576	(1.2%)	569
International[4]					
Beginning of period	80		87		103
New stores[1]	10		18		40
Relocations[2]	0		0		0
Closures[3]	(3)		(2)		(8)
End of period	87	18.4%	103	3.1%	135
Franchise					
Beginning of period	103		126		125
New stores[1]	32		17		10
Relocations[2]	0		0		0
Closures[3]	(9)		(18)		(30)
End of period	126	(0.8%)	125	(16.0%)	105
Total	**802**	**0.2%**	**804**	**0.6%**	**809**

(1) Represents the opening of stores in locations where we did not have an existing presence.

(2) Represents the opening of new stores which have replaced an existing store in the same location, including where such stores have been downsized and, in a few instances, the extension of existing stores.

(3) Represents closures of existing stores due to relocations or other reasons.

(4) Includes the square footage for our concessions in department stores.) Excludes stores of the Mim business, which was sold in November 2014.

The following table sets out the average trading square footage of our stores by reporting segment as of the dates indicated. We define trading square footage as the square footage of sales floor area.

	As of March 30, 2013	% Change	As of March 29, 2014	% Change	As of March 28, 2015
	(trading square footage, unless otherwise indicated)[1]				
UK Retail	6,876.5	1.7%	6,996.0	0.4%	7,026.7
International[1]	7,356.0	(5.3%)	6,968.7	(18.0%)	5,717.8
Directly operated stores	6,938.2	0.8%	6,991.9	(0.3%)	6,775.7
Franchise	6,156.1	(7.4%)	5,698.7	(0.8%)	5,653.3
Total	**6,815.3**	**(0.4%)**	**6,790.8**	**(2.4%)**	**6,630.0**

(1) Includes the square footage for our concessions in department stores. Excludes stores of the Mim business, which was sold in November 2014.

The increases in the average trading square footage of our UK stores in the 2015 fiscal year as compared to the prior year and in the 2014 fiscal year as compared to the 2013 fiscal year were principally due to store relocations, as our relocated stores are larger than the stores they replace, and the fact that the majority of stores closed during those years were smaller size stores.

The decreases in the average trading square footage of our International Stores in the 2015 fiscal year as compared to the prior year and in the 2014 fiscal year as compared to the 2013 fiscal year were principally due to the "right-sizing" of our stores in France and the opening of concession stores in Germany, which have significantly smaller average trading space.

Gross Margin

Our gross margin in a particular period is sensitive to our markdown policy in that period. Management reviews our inventory levels on an ongoing basis in order to identify slow-moving products, and generally uses markdowns throughout the year to clear slower-moving and seasonal products. Management's ability to judge market trends and inventory levels is key in controlling markdown levels. Markdown represents the overall discount from initial full selling prices to final achieved selling prices. It is measured as a percentage calculated as the total discount to the total full price divided by the total achieved sales value.

The following table sets out the proportion of sales at full prices, permanently reduced prices and promotional (temporarily reduced) prices in our total Sales for the periods indicated.

	53 week period ended March 30, 2013	52 week period ended March 29, 2014	52 week period ended March 28, 2015
		(%)	
Full prices[(1)]	78.5	80.1	80.0
Permanently reduced prices	13.1	12.7	12.2
Promotional (temporarily reduced) prices	8.4	7.2	7.8
Total	**100.0**	**100.0**	**100.0**

(1) Includes "special buy" items, which are "Better" products sold at "Super good" prices while still delivering a strong margin.

Reflecting the foregoing developments, our gross margin was generally stable during the periods under review, increasing from 52.7% for the 2013 fiscal year to 52.8% for the 2014 fiscal year and then decreasing to 52.7% for the 2015 fiscal year.

Free Cash Flow and Free Cash Flow Conversion

Free cash flow is cash flow from operations (pre-tax) less net investing activities. Net investing activities includes capital expenditures less proceeds from the sale or disposal of property, plant and equipment and intangible assets and net cash flow on acquisition or disposal of subsidiaries. Free cash flow conversion is the ratio of free cash flow to Adjusted EBITDA. We believe that free cash flow assists in understanding our trading performance as it represents the amount of cash generated before tax, but after investment on capital expenditure, by our trading activities. Free cash flow conversion reflects how much of our Adjusted EBITDA readily converts to cash as we manage our working capital and control capital expenditure.

Adjusted EBITDA and Adjusted EBITDA Margin

We calculate Adjusted EBITDA, which is a non-IFRS measure, as underlying operating profit before depreciation of property, plant and equipment and amortisation of intangible fixed assets. We believe that the Adjusted EBITDA measure assists in understanding our trading performance as it excludes major non-cash items and the impact of charges which can be volatile and are independent of the profit that we achieve through selling products to our customers. We calculate Adjusted EBITDA margin as Adjusted EBITDA divided by total revenue for the period, expressed as a percentage. Please see "*Presentation of Financial and Other Information*" for additional information.

The following table sets out a reconciliation of operating profit to Adjusted EBITDA and Adjusted EBITDAR for the periods indicated.

	For the 53 week period ended March 30, 2013	% Change	For the 52 week period ended March 29, 2014	% Change	For the 52 week period ended March 28, 2015
	(£ million, unless otherwise indicated)				
Operating profit	**113.3**	**20.8%**	**136.9**	**8.8%**	**148.9**
Exceptional items[1]	2.4	(391.7)%	(7.0)	197.1%	6.8
Share based payments[2]	(0.2)	3,250.0%	6.3	(150.8)%	(3.2)
Fair value movement of financial instruments[3]	1.2	166.7%	3.2	(165.6)%	(2.1)
Impairment charge or write back of tangible and intangible assets	0.9	(100.0)%	—		7.0
Onerous lease provision[4]	0.1	1,500.0%	1.6	(362.5)%	(4.2)
Underlying operating profit	**117.7**	**18.5%**	**141.0**	**8.7%**	**153.2**
Depreciation of property, plant and equipment	58.7	(9.2)%	53.3	(9.9)%	48.0
Amortisation of intangibles	7.7	28.6%	9.9	13.1%	11.2
Adjusted EBITDA	**184.1**	**10.9%**	**204.2**	**4.0%**	**212.4**
Minimum lease payments	158.1	(0.9%)	156.7	2.4%	160.5
Adjusted EBITDAR	**342.2**	**5.5%**	**360.9**	**3.3%**	**372.9**

(1) We classify significant non-recurring items of income and expense in the underlying operating profit reconciliation as exceptional items. We believe the separate reporting of exceptional items helps provide an indication of our underlying business performance. For further information, see "*Summary Consolidated Financial and Other Data—Other Financial Data*."

(2) Comprises the income statement charge or credit relating to the provision for the expected cost of "good leavers" and the spreading of the fair value of cash and equity settled schemes in accordance with International Financial Reporting Standard 2.

(3) Comprises the movement in fair value of our derivative financial instruments driven by the marking to market of the financial instruments in the period.

(4) The provision for onerous leases mainly relates to future lease costs of vacant properties for the remaining period of the lease, net of expected sub-letting income, and is estimated to be used over one to 24 months and a provision for onerous lease contracts on loss making stores. We also make provisions with respect to loss making stores if the discounted future cash flows are not expected to cover future rental payments under our existing lease contracts. Such provision is equivalent to the lower of the discounted store cash outflows (including rent payments) and discounted rental payments.

Our Adjusted EBITDA increased in the 2015 fiscal year as compared to the 2014 fiscal year principally as a result of continued sales growth in our UK stores and E-commerce channel and the impact of ongoing cost control measures across the business, partially offset by increased costs as a result of the expansion of our operations in China.

Our Adjusted EBITDA increased in the 2014 fiscal year as compared to the 2013 fiscal year principally due to the growth in sales from our E-commerce channel and the effects of our cost management programme. Our Adjusted EBITDA increased in the 2014 fiscal year as compared to the prior year despite the inclusion of £3.4 million in Adjusted EBITDA for the 2013 fiscal year as a result of the fact that the 2013 fiscal year was a 53 week period, whereas the 2014 fiscal year comprised 52 weeks.

Our Adjusted EBITDAR increased in the 2015 fiscal year compared to the 2014 fiscal year principally as a result of the £8.2 million increase in Adjusted EBITDA and increase in minimum lease payments due to growth in China and acquisition of our Polish business from our former franchise partner.

Our Adjusted EBITDAR increased in the 2014 fiscal year compared to the 2013 fiscal year principally as a result of the £20.1 million increase in Adjusted EBITDA and this was offset by a small decrease in the minimum lease payments as we exited poor performing stores.

Basis of Preparation

In November 2014, we disposed of the Mim business, which formed part of our International segment and comprised Mim SAS, Mim Belgique and SCI Geometry Properties France. The results of operations of the Mim business have been reported as discontinued operations in the consolidated income statement for the 2013, 2014 and 2015 fiscal years and, as a result, our financial statements for the 2013 and 2014 fiscal years have been restated. Our consolidated balance sheets as of March 30, 2013 and March 29, 2014 include assets and liabilities of the Mim business. Our consolidated balance sheet as of March 28, 2015 excludes Mim's assets and liabilities. Our consolidated statement of cash flows for the 2013, 2014 and 2015 fiscal years include cash flows of the Mim business, reported as discontinued operations.

Explanation of Key Line Items in the Consolidated Income Statement

The following describes those line items presented in our consolidated income statement that we consider key in understanding our results of operations.

Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for products provided to our customers outside the Group, stated net of returns, staff discounts, and value added and other sales taxes. We recognise revenue when the amount of revenue can be measured reliably, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of our activities as described below. We base our estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. For example, we sell products to customers with a right of return. Accumulated experience is used to estimate and provide for such returns.

Sales of products and concession income are recognised when products are delivered and title passed. Income from rendering of services is recognised when the services have been performed. Internet sales are recognised when the products are despatched to the customer. Store card arrangement fees are recognised over the life of the agreement with the store card provider.

Revenue from concessions is shown on a net basis, being the commission received rather than the gross value achieved by the concessionaire on the sale. At a segmental level, we assess the performance of our operations based on revenue grossed up to include the gross amounts received from sales of store concessions.

Rental income in respect of sub-leased stores is recognised on a straight-line basis over the period of the sub-lease.

Franchise income is received in connection with the franchise of our brand name overseas. Franchise royalty income is recognised in accordance with the related underlying trading performance of the franchisee. Monthly franchise fee income represents the release of the upfront exclusivity fee that has been spread over the term of the agreement. Monthly income covering the supply of goods to the franchisee is included in the sale of goods.

Cost of sales

Cost of sales consists of expenses incurred in getting the products to a saleable position and condition. For us, such costs principally include the cost of inventories sold, packaging, freight and cost of warehousing and deliveries to stores. Our cost of sales generally increases proportionally with revenue increases, as cost of sales reflects our cost of the products that we sell to generate our revenue.

The primary drivers of the costs of individual products are the costs of raw materials and labour in the countries where we source our products. The majority of our products are purchased in a currency other than pound sterling, in particular in U.S. dollars, and the amount at which the cost is recognised is dependent upon exchange rates. Retail pricing, product cost and the mix of products sold are among the key determinants of gross margin achievement.

Also included in cost of sales is the volume-based performance rebate income from suppliers. These rebates are recognised when a ratchet level will be met. The amount of the rebate recognised is the proportion of the total rebate based on actual volumes achieved in the year.

Gross Profit

Gross profit is equal to our revenue less our cost of sales.

Our gross profit may not be comparable with that of other retailers, as, for example, some companies exclude all of the costs related to their inward distribution network from cost of sales and instead include them in administrative expenses.

Administrative Expenses

Administrative expenses include all our operating expenses not included in cost of sales, which principally comprise staff costs (payroll), rent expense and other costs and expenses, as well as non-cash charges such as depreciation, amortisation, provisions for outstanding commitments on vacant and sublet properties net of expected sub-letting income (onerous leases), share based payments and the movements in the fair value of financial instruments. These expenses do not necessarily vary proportionally with our revenue.

Operating Profit

Operating profit is our gross profit less our administrative expenses.

Underlying Operating Profit

In addition to the information required by IFRS, in order to assist with the understanding of our earnings trends, we have included within our financial statements a non-IFRS measure referred to as underlying operating profit. We calculate underlying operating profit as operating profit before exceptional items, share based payment expense or credit, the movements in fair value of financial instruments under IFRS, the impairment charge or write back of tangible and intangible assets, and charge or credit in relation to onerous lease provisions.

Finance Income/Expense

Our finance income consists of interest earned on bank deposits, exchange rate gains on revaluation of euro–denominated bond, U.S. dollar-denominated bond and cash held in euros as a natural hedge, and gain on cancellation of PIK debt. Our finance expense comprises interest paid on bonds, bank loans, overdrafts and other loans, premium on PIK prepayment, exchange rate loss on revaluation of Euro-denominated loans, amortisation of issue costs on loans, and refinancing costs.

Share of Post-Tax Loss from Joint Venture

We have a 50% interest in NLT Tekstil Sanayi Ve Ticaret Limited Şirketi, a jointly controlled entity incorporated in Turkey sourcing products on our behalf, which we plan to dispose of in the coming months, though we plan to continue our relationship with NLT Tekstil Sanayi Ve Ticaret Limited Sirketi in its capacity as one of our suppliers. See our consolidated audited financial statements for the 2015 fiscal year for information regarding our share of the assets, liabilities, revenue and expenses of NLT Tekstil Sanayi Ve Ticaret Limited Şirketi. There is no recourse to Group companies in respect of the borrowings of the joint venture and we had no commitments or contingent liabilities relating to this entity as of March 28, 2015.

Taxation

Our principal tax liability, as shown in our financial statements, is corporate income tax. We pay income taxes for our subsidiaries in accordance with the laws of the jurisdictions where such subsidiaries are incorporated.

The UK corporate income tax rate was (i) 24% on taxable profits arising from April 1, 2012, (ii) 23% on taxable profits arising from April 1, 2013, and (iii) 21% on taxable profits arising from April 1, 2014. Pursuant to the Finance Act 2013, the UK corporate income tax rate will be reduced to 20%, effective on taxable profits arising from April 1, 2015.

Our income tax expense is based on our taxable profit and the taxable profit of each of our subsidiaries for each period and takes into account deferred tax attributable to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Group financial statements, with the following exceptions: (i) where the temporary difference arises from the initial recognition of goodwill or a non-business combination asset or liability; (ii) in respect of taxable temporary differences associated with investments in subsidiaries and the joint venture, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and (iii) deferred tax assets are recognised only to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are offset against each other when there is a legally enforceable right to offset current tax assets against current tax liabilities, when the deferred income taxes relate to income taxes levied by the same tax jurisdiction and when the Group intends to settle its current tax assets and liabilities on a net basis.

Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is instead recognised in other comprehensive income or directly in equity, respectively.

Profit/(loss) from Discontinued Operations

Profit/(loss) from discontinued operations reflects losses relating to the Mim business, which we purchased in 2004 and disposed of in November 2014.

Results of Operations

The following table sets out selected consolidated income statement data for the 2013, 2014 and 2015 fiscal years as extracted without material adjustment from the consolidated financial information of the Group included elsewhere in this listing circular.

	For the 53 week period ended March 30, 2013 (restated)	% Change	For the 52 week period ended March 29, 2014 (restated)	% Change	For the 52 week period ended March 28, 2015
	(£ million, except as otherwise indicated)				
Revenue	1,330.0	2.9%	1,368.0	3.4%	1,414.5
Cost of sales	(629.7)	2.6%	(645.9)	3.5%	(668.7)
Gross profit	**700.3**	**3.1%**	**722.1**	**3.3%**	**745.8**
Administrative expenses	(587.0)	(0.3)%	(585.2)	2.0%	(596.9)
Operating profit	**113.3**	**20.8%**	**136.9**	**8.8%**	**148.9**
Finance income	10.2	(24.5)%	7.7	118.2%	16.8
Finance expense	(116.6)	5.9%	(123.5)	(6.9)%	(115.0)
Share of post-tax loss from joint venture	(0.3)	33.3%	(0.4)	(75.0)%	(0.1)
Profit before taxation	**6.6**	**213.6%**	**20.7**	**144.4%**	**50.6**
Taxation	(0.3)	2,300.0%	(7.2)	(77.8)%	(1.6)
Profit from continuing operations	**6.3**	**114.3%**	**13.5**	**263.0%**	**49.0**
(Loss)/profit from discontinued operations	(2.9)	2,213.8%	(67.1)	105.8%	3.9
Profit/(loss) for the year	**3.4**	**(1,676.5)%**	**(53.6)**	**198.7%**	**52.9**

The following table sets out our revenue, gross profit and gross margin from continuing operations by reporting segment for the periods indicated.

	53 week period ended March 30, 2013 (restated)	% Change	52 week period ended March 29, 2014 (restated)	% Change	52 week period ended March 28, 2015
	(£ million, unless otherwise indicated)				
Revenue:					
UK Retail	1,061.2	(2.5)%	1,034.3	1.4%	1,048.4
E-commerce	91.4	63.9%	149.8	34.0%	200.7
International[1]	149.2	2.3%	152.6	(2.3)%	149.1
Franchise	58.5	2.4%	59.9	(23.0)%	46.1
Segmental gross transactional value[2]	**1,360.3**	**2.7%**	**1,396.6**	**3.4%**	**1,444.3**
Adjustment to state concession income on a net basis for statutory reporting purposes	(30.3)	(5.6)%	(28.6)	4.2%	(29.8)
Total revenue	**1,330.0**	**2.9%**	**1,368.0**	**3.4%**	**1,414.5**
Gross profit:					
UK Retail	572.0	(0.6)%	568.8	2.6%	583.6
E-commerce	35.5	67.9%	59.6	24.5%	74.2
International[3]	80.7	3.6%	83.6	(4.7)%	79.7
Franchise	12.1	(17.2)%	10.1	(17.8)%	8.3
Total gross profit	**700.3**	**3.1%**	**722.1**	**3.3%**	**745.8**
Gross margin:					
UK Retail	55.4%		56.4%		57.2%
International	55.0%		55.7%		54.3%
E-commerce	38.8%		39.8%		37.0%
Franchise	20.7%		16.9%		18.0%
Total gross margin	**52.7%**		**52.8%**		**52.7%**

(1) Revenue measured in euro (prior to translation into pound sterling during the preparation of our historical financial information) was €180.1 million, €176.8 million and €170.2 million in the 2013, 2014 and 2015 fiscal years, respectively. Revenue measured in Polish zloty (prior to translation into pound sterling during the preparation of our historical financial information) was PLN3.4 million and

PLN33.4 million in the 2014 and 2015 fiscal years, respectively. Revenue measured in Chinese renminbi (prior to translation into pound sterling during the preparation of our historical financial information) was RMB3.8 million and RMB70.1 million in the 2014 and 2015 fiscal years, respectively.

(2) At a segmental level, we assess the performance of our operations based on revenue plus gross amounts received from sales of store concessions ("gross transactional value").

(3) Gross profit measured in euro (prior to translation into pound sterling during the preparation of our Historical Financial Information) was €99.0 million, €98.3 million and €93.1 million in the 2013, 2014 and 2015 fiscal years, respectively. Gross profit measured in Polish zloty (prior to translation into pound sterling during the preparation of our Historical Financial Information) was PLN1.8 million and PLN14.5 million in the 2014 and 2015 fiscal years, respectively. Gross profit measured in Chinese renminbi (prior to translation into pound sterling during the preparation of our Historical Financial Information) was RMB0.8 million and RMB37.5 million in the 2014 and 2015 fiscal years, respectively.

Comparison of the 2015 Fiscal Year with the 2014 Fiscal Year

Revenue

Our revenue increased by £46.5 million, or 3.4%, from £1,368.0 million in the 2014 fiscal year to £1,414.5 million in the 2015 fiscal year, principally due to a £50.9 million, or 34.0%, increase in Sales from our E-commerce business and a £14.1 million, or 1.4%, increase in Sales from our UK stores, partially offset by a £13.8 million, or 23.0%, decrease in Sales from our franchise business and a £3.5 million, or 2.3%, decrease in Sales from our International Stores.

The increase in revenue from our UK stores is principally due to a 2.9% increase in the average transaction value, partially offset by an overall decrease in footfall. We benefited from improved weather conditions in the spring of 2015 as compared to the same period in the prior year and the expansion of our product ranges, both of which resulted in a 1.1% increase in footfall in the first quarter of the 2015 fiscal year as compared to the same period of the prior year. In addition, due to the higher average price points of the key trend products, the average selling price and the average transaction value were also higher in the first quarter of the 2015 fiscal year as compared to the first quarter of the prior year. In the second quarter of the 2015 fiscal year, our footfall declined by 2.7% as compared to the same period of the prior year, mainly due to unseasonably warm weather continuing through September, which constrained the full price sales of our Autumn/Winter product range. This was, however, partially mitigated by a 1.2% increase in the conversion rate. The unseasonably warm weather continued into the third quarter of the 2015 fiscal year, resulting in a 3.3% decrease in footfall, which was partially offset by the increases in the average selling and transaction prices during the quarter. During the fourth quarter of the 2015 fiscal year, our footfall declined by 1.7% as compared to the same period of the prior year, partially offset by a 1.0% increase in the conversion rate and a higher average transaction value.

The increase in revenue from our E-commerce business is primarily attributable to the increase in revenue from our website, which increased by £38.9 million, or 30.4%, in the 2015 fiscal year as compared to the 2014 fiscal year. The increase was mainly due to the continued investment in improving the functionality and content of our website and the expanded range of delivery options, which in turn helped to achieve higher conversion rates, increase the average transactional value and grow our online traffic, with 15.8% more visits in the 2015 fiscal year as compared to the prior year. Sales from our 3PE partners increased by £12.0 million, or 54.5%, in the 2015 fiscal year as compared to the prior year, principally due to the continued growth of our 3PE business, both in terms of the number of our partners and sales volumes.

The decrease in revenue from our International Stores was principally due to adverse trading conditions across mainland Europe and the negative translation effect of reporting our euro-denominated sales in pound sterling. This was partially offset by sales generated from additional selling space, with 14 new stores in China and 13 stores in Poland (ten of which were part of our franchise business until February 2014).

The decrease in revenue from our franchise business is mainly attributable to the decrease in the number of our franchise stores, following our acquisition of our former franchise stores in Poland in February 2014 and exiting the Russian and Ukrainian markets in November 2014 due to political uncertainty in these countries.

Cost of Sales

Our cost of sales increased by £22.8 million, or 3.5%, from £645.9 million in the 2014 fiscal year to £668.7 million in the 2015 fiscal year, primarily due to the increased volume of inventory sold.

Gross Profit and Gross Margin

Our gross profit increased by £23.7 million, or 3.3%, from £722.1 million in the 2014 fiscal year to £745.8 million in the 2015 fiscal year due to the increase in our revenue exceeding the increase in our cost of sales during that period.

Our gross margin decreased slightly from 52.8% in the 2014 fiscal year to 52.7% in the 2015 fiscal year, primarily due to the increase in the proportion of our E-commerce sales, as our New Look E-commerce sales generally have lower gross margin as compared to in-store sales as a result of higher packaging and distribution costs, and our 3PE business also has a lower gross margin than our retail operations. The proportion of sales made at full prices was generally stable at 80.0% in the 2015 fiscal year as compared to 80.1% in the 2014 fiscal year.

Administrative Expenses

Administrative expenses increased by £11.7 million, or 2.0%, from £585.2 million in the 2014 fiscal year to £596.9 million in the 2015 fiscal year, primarily due to the growing costs from the expansion of our store network in China and the administrative costs of trading our stores in Poland following the acquisition of our Polish business from a former franchise partner. Operating exceptional costs increased by £13.8 million to a £6.8 million charge in the 2015 fiscal year from a £7.0 million credit in the 2014 fiscal year. These operating exceptional costs reflect costs in relation to our decision to divest the joint venture and the agreed settlement fee of £3.8 million, services and advice with respect to evaluating our capital structure and optimising our financial arrangements and final purchase price adjustments relating to the purchase of the New Look business in Poland. Operational exceptional charges in the 2014 fiscal year include a £9.1 million gain on disposal of land at our Weymouth site, and a net gain of £2.5 million on the acquisition of the New Look business in Poland from our franchise partner in February 2014, partially offset by a one-off incentive bonus scheme.

Our rent expense increased by £3.8 million, or 2.4%, from £156.7 million in the 2014 fiscal year to £160.5 million in the 2015 fiscal year, principally due to the inclusion of new operations in China and Poland.

Our depreciation charge decreased by £5.3 million, or 9.9%, from £53.3 million in the 2014 fiscal year to £48.0 million in the 2015 fiscal year, primarily due to the reduced capital spend since the 2010 fiscal year and those assets reaching the end of their useful lives. Our amortisation charge increased by £1.3 million, or 13.1%, from £9.9 million in the 2014 fiscal year to £11.2 million in the 2015 fiscal year, primarily due to increased spend on our multi-channel platform.

Staff costs decreased by £3.8 million, or 1.9%, from £196.7 million in the 2014 fiscal year to £192.9 million in the 2015 fiscal year, principally due to a decrease in the charge for share based payments, partially offset by an increase in staff costs due to the inclusion of new operations in China and Poland. Excluding the decrease in share based payments of £9.5 million, staff costs increased by £5.7 million, or 3.0%.

Operating Profit

Operating profit increased by £12.0 million, or 8.8%, from £136.9 million in the 2014 fiscal year to £148.9 million in the 2015 fiscal year due to the factors discussed above.

Underlying Operating Profit

Underlying operating profit increased by £12.2 million, or 8.7%, from £141.0 million in the 2014 fiscal year to £153.2 million in the 2015 fiscal year, principally as a result of a £13.3 million increase in underlying operating profit of our UK retail operations (as a result of the increases in sales and margins) and a £10.1 million increase in underlying operating profit of our E-commerce business (due to the increase in sales), partially offset by a £10.5 million change in underlying operating profit/loss of our International Stores from a profit in the 2014 fiscal year to a loss in the 2015 fiscal year (as a result of the decreases in sales and margins).

Adjusted EBITDA

Adjusted EBITDA increased by £8.2 million, or 4.0%, from £204.2 million in the 2014 fiscal year to £212.4 million in the 2015 fiscal year, primarily due to the factors discussed above.

Finance Income/(Expense)

Our finance expense decreased by £8.5 million, or 6.9%, from £123.5 million in the 2014 fiscal year to £115.0 million in the 2015 fiscal year, primarily due to a £5.3 million decrease in interest expense in relation to the Existing PIK Loans and a one-off cost of £3.2 million to cancel a sterling interest rate swap following the 2013 Refinancing Transactions during the 2014 fiscal year.

Our finance income increased by £9.1 million from £7.7 million in the 2014 fiscal year to £16.8 million in the 2015 fiscal year, primarily due to an increase of £12.5 million in the gain on revaluation of the Existing Euro Fixed Rate Senior Secured Notes, partially offset by a £2.9 million decrease in the gain on revaluation of the

Existing Dollar Fixed Rate Senior Secured Notes. We incurred a loss of £17.7 million in the 2015 fiscal year as a result of the negative translation effect on the revaluation of our Existing Dollar Fixed Rate Senior Secured Notes, which was fully offset by mark-to-market gains in the amount of £17.7 million with respect to our U.S. dollar currency swap in connection with the Existing Dollar Fixed Rate Senior Secured Notes recycled from reserves.

Profit before Taxation

As a result of the foregoing, our profit before taxation increased by £29.9 million from £20.7 million in the 2014 fiscal year to £50.6 million in the 2015 fiscal year.

Taxation

Our income tax charge decreased by £5.6 million, or 77.8%, from £7.2 million in the 2014 fiscal year to £1.6 million in the 2015 fiscal year, principally due to (i) a £9.3 million change in adjustment to current tax charge in respect of prior periods from a £3.4 million charge in the 2014 fiscal year to a £5.9 million credit in the 2015 fiscal year (mainly as a result of the release of the provision relating to our Employee Share Option Plan Trusts), (ii) a £2.9 million increase in adjustment (credit) to deferred tax charge in respect of prior periods (primarily reflecting the reduction in future tax liability in relation to our Employee Share Option Plan Trusts), (iii) a £2.1 million change in expenses not deductible for tax purposes from a £0.6 million charge in the 2014 fiscal year to a £1.5 million credit in the 2015 fiscal year (mainly as a result of the movement in provisions relating to share based payments in the 2014 fiscal year), and (iv) a £2.4 million decrease in depreciation on non-qualifying assets (primarily reflecting the disposal of part of the land on our Mercery Road, Weymouth site to Sainsbury's). This was partially offset by a £5.8 million increase in income tax charge reflecting the increase in our profit before taxation and a £5.5 million decrease in tax credit resulting from remeasurement of deferred tax as a result of the change in the UK corporate income tax rate from 23% to 21% effective from April 1, 2014 and further to 20% effective from April 1, 2015.

Profit from Continuing Operations

As a result of the factors discussed above, our profit from continuing operations increased by £35.5 million to £49.0 million in the 2015 fiscal year, as compared to £13.5 million in the 2014 fiscal year.

Comparison of the 2014 Fiscal Year with the 2013 Fiscal Year

Revenue

Our revenue increased by £38.0 million, or 2.9%, from £1,330.0 million in the 2013 fiscal year to £1,368.0 million in the 2014 fiscal year principally due to a £58.4 million, or 63.9%, increase in Sales from our E-commerce business. This was partially offset by a £26.9 million, or 2.5%, decrease in Sales from our UK stores, mainly reflecting a £23.4 million decrease from the effect of the 2013 fiscal year being a 53 week period whereas the 2014 fiscal year was a 52 week period.

The increase in revenue from our E-commerce business is mainly attributable to the increase in revenue from our website, which increased by £38.0 million, or 42.3%, in the 2014 fiscal year as compared to the prior year. The increase was principally due to the improved functionality of our website and the expanded range of delivery options, which resulted in a higher average transactional value, with an average value of £39.25 per order in the 2014 fiscal year as compared to £37.98 per order in the 2013 fiscal year. Sales from our 3PE partners increased by £20.4 million from £1.6 million in the 2013 fiscal year to £22.0 million in the 2014 fiscal year, as our 3PE business, which we launched in November 2012, gained traction.

Cost of Sales

Our cost of sales increased by £16.2 million, or 2.6%, from £629.7 million in the 2013 fiscal year to £645.9 million in the 2014 fiscal year principally due to the increased volume of inventory sold.

Gross Profit and Gross Margin

Our gross profit increased by £21.8 million, or 3.1%, from £700.3 million in the 2013 fiscal year to £722.1 million in the 2014 fiscal year due to the increase in our revenue exceeding the increase in our cost of sales during that period.

Our gross margin increased slightly from 52.7% in the 2013 fiscal year to 52.8% in the 2014 fiscal year, principally reflecting an increase in the proportion of products sold at full prices from 78.5% in the 2013 fiscal year to 80.1% in the 2014 fiscal year as a result of our continued efforts on improving response time to key trends, supporting our best selling products and tight stock control.

Administrative Expenses

Administrative expenses decreased by £1.8 million, or 0.3%, from £587.0 million in the 2013 fiscal year to £585.2 million in the 2014 fiscal year, principally due to a change in operating exceptional costs from a charge in the 2013 fiscal year to a gain in the 2014 fiscal year and decreases in depreciation charges and rent expenses, partially offset by an increase in staff costs.

Operating exceptional costs changed from a £2.4 million charge in the 2013 fiscal year to a £7.0 million gain in the 2014 fiscal year, principally reflecting (i) a £3.3 million decrease in costs relating to the restructuring of our operations from £3.4 million in the 2013 fiscal year to £0.1 million in the 2014 fiscal year, mainly reflecting the fact that in the 2013 fiscal years we incurred certain costs relating to bringing in-house the logistics operations of our E-commerce business, (ii) a £3.1 million increase in gain on disposal of land at our Weymouth site, (iii) a £2.9 million decrease in impairment charge relating to a franchise receivable with respect to our Russian franchise operations (which we exited in November 2014), and (iv) a £2.5 million net gain on the acquisition of the New Look business in Poland in February 2014 from our former franchise partner, partially offset by a £2.3 million charge relating to a one-off incentive scheme payment in the 2014 fiscal year.

Our depreciation charge decreased by £5.4 million, or 9.2%, from £58.7 million in the 2013 fiscal year to £53.3 million in the 2014 fiscal year, principally due to the reduced capital spend since the 2010 fiscal year and those assets reaching the end of their useful economic lives. Our amortisation charge increased by £2.2 million, or 28.6%, from £7.7 million in the 2013 fiscal year to £9.9 million in the 2014 fiscal year, primarily due to increased spend on our multi-channel platform.

Our rent expense decreased by £1.4 million, or 0.9%, from £158.1 million in the 2013 fiscal year to £156.7 million in the 2014 fiscal year, principally due to (i) a £0.7 million decrease in rent expense relating to our UK stores as a result of a net reduction in the number of UK stores by 13 stores and in our UK trading space by 0.5% during the 2014 fiscal year, and (ii) a £0.6 million decrease in rent expense relating to our International Stores as a result of a decrease in rent expense in France, Ireland and Belgium resulting from a favourable movement in the exchange rate between pound sterling and euro.

Staff costs increased by £7.1 million, or 3.7%, from £189.6 million in the 2013 fiscal year to £196.7 million in the 2014 fiscal year, primarily due to an increase in the charge for share-based payments and inflationary pressure on payroll. Excluding the increase in share-based payments of £6.5 million, staff costs increased by £0.6 million, or 0.3%.

Operating Profit

Reflecting the foregoing developments, our operating profit increased by £23.6 million, or 20.8%, from £113.3 million in the 2013 fiscal year to £136.9 million in the 2014 fiscal year.

Underlying Operating Profit

Underlying operating profit increased by £23.3 million, or 19.8%, from £117.7 million in the 2013 fiscal year to £141.0 million in the 2014 fiscal year, principally as a result of a £20.7 million increase in underlying operating profit in our E-commerce business as a result of the increase in sales.

Adjusted EBITDA

Adjusted EBITDA increased by £20.1 million, or 10.9%, from £184.1 million in the 2013 fiscal year to £204.2 million in the 2014 fiscal year, primarily due to the factors discussed above.

Finance Income/(Expense)

Our finance expense increased by £6.9 million, or 5.9%, from £116.6 million in the 2013 fiscal year to £123.5 million in the 2014 fiscal year, principally due to a £9.2 million increase in interest expenses following the 2013 Refinancing Transactions, £1.2 million premium payable on the prepayment of the Existing PIK Facility in March 2014 and a £0.8 million increase in refinancing costs in connection with the 2013 Refinancing Transactions. This was partially offset by a decrease of £4.2 million in amortised debt issuance costs.

Our finance income decreased by £2.5 million, or 24.5%, from £10.2 million in the 2013 fiscal year to £7.7 million in the 2014 fiscal year, primarily due to the effect of a one-off gain of £9.1 million on the prepayment of the Former PIK Facility in the 2013 fiscal year. This was partially offset by gains resulting from the positive translation effect on the revaluation of our Existing Floating Rate Senior Secured Notes and our Existing Dollar Fixed Rate Senior Secured Notes. We recorded a gain of £13.8 million in the 2014 fiscal year as a result of the positive translation effect on the revaluation of our Existing Dollar Fixed Rate Senior Secured Notes, although this was partially offset by mark to market losses of £10.9 million with respect to our U.S. dollar currency swap in connection with Existing Dollar Fixed Rate Senior Secured Notes.

Profit before Taxation

As a result of the foregoing, our profit before taxation increased by £14.1 million from £6.6 million in the 2013 fiscal year to £20.7 million in the 2014 fiscal year.

Taxation

Our income tax charge increased by £6.9 million from £0.3 million in the 2013 fiscal year to £7.2 million in the 2014 fiscal year, principally due to a £6.2 million change in adjustment to current tax charge in respect of prior periods from a £2.8 million credit in the 2013 fiscal year to a £3.4 million charge in the 2014 fiscal year (mainly as a result of charges relating to our Employee Share Option Plan Trusts), a £3.2 million increase in income tax charge resulting from the increase in our profit before taxation, and a £2.2 million increase in depreciation on non-qualifying assets (primarily due to the sale of part of the land at our Mercery Road, Weymouth site to Sainsbury's). This was partially offset by a £2.2 million change in foreign tax from a £2.0 million charge in the 2013 fiscal year to a £0.2 million charge in the 2014 fiscal year (principally due to our taxable profits being generated in multiple territories and taxed at various rates) and a £2.0 million increase in tax credit resulting from remeasurement of deferred tax as a result of the change in the UK corporate income tax rate from 23% to 21% effective from April 1, 2014.

Profit from Continuing Operations

As a result of the factors discussed above, our profit from continuing operations increased by £7.2 million from £6.3 million in the 2013 fiscal year to £13.5 million in the 2014 fiscal year.

Liquidity and Capital Resources

During the period under review, we have been cash generative, with the principal source of our liquidity coming from our operating activities and existing finance facilities. Our liquidity requirements arise primarily from the need to fund our working capital requirements and capital expenditure programme, as well as to make interest and principal payments on our indebtedness. The most significant components of our working capital are cash and short-term deposits, product inventories, trade and other receivables and current trade and other payables.

Our ability to generate cash from operations will depend on our future operating performance, which in turn is dependent on various factors, including but not limited to those described under "*—Factors Affecting our Results of Operations*," many of which are beyond our control. We believe that our operating cash flows and borrowing capacity will be sufficient to meet our requirements and commitments for the foreseeable future. Our actual financing requirements will depend on numerous factors, including general economic conditions, the availability of credit from banks, other financial institutions and capital markets, restrictions in the instruments governing our debt and our general financial performance.

The following table summarises our consolidated statements of cash flows for the periods indicated. Please refer to the relevant statements of cash flows included elsewhere in this document for more detailed information.

	53 week period ended March 30, 2013	52 week period ended March 29, 2014	52 week period ended March 28, 2015
	(restated)	(restated) (£ million)	
Net cash flow from continuing operating activities	150.4	172.8	182.2
Net cash flow from continuing investing activities	(50.3)	(32.8)	(45.5)
Net cash flow from continuing financing activities	(198.4)	(138.5)	(110.2)
Net cash flow from discontinued operations	(1.4)	(2.7)	(6.3)
Net (decrease)/increase in cash, cash equivalents and bank overdrafts	**(99.7)**	**(1.2)**	**20.2**
Opening cash, cash equivalents and bank overdrafts	212.3	113.6	111.1
Exchange gains/(losses) on cash, cash equivalents and bank overdrafts	1.0	(1.3)	(4.2)
Closing cash, cash equivalents and bank overdrafts from continuing operations	**113.6**	**111.1**	**127.1**

Cash Flows

Cash Flows from Operating Activities

The following table reconciles our operating profit to net cash flow from operating activities and shows net cash flow from operating activities for our discontinued operations for the periods indicated.

	53 week period ended March 30, 2013	52 week period ended March 29, 2014	52 week period ended March 28, 2015
	(restated)	(restated) (£ million)	
Operating profit	**113.3**	**136.9**	**148.9**
Depreciation of property, plant and equipment	58.7	53.3	48.0
Impairment of property, plant and equipment	2.4	(0.6)	4.7
Amortisation and impairment of intangible assets	6.2	10.5	13.5
Write back of investment in joint venture	—	(0.1)	(0.1)
(Gain)/loss on disposal of property, plant and equipment and intangible assets	(6.0)	(9.0)	0.1
Net gain on acquisition of foreign subsidiary	—	(2.9)	(0.6)
Share based payment (credit)/expense	(0.2)	6.3	(3.2)
Fair value losses/(gains) in financial instruments	1.2	3.2	(2.1)
Foreign exchange (gains)/losses on operating activities	(0.1)	1.2	1.4
Amortisation of lease inducements	(11.7)	(11.5)	(11.9)
(Increase)/decrease in inventories	(5.3)	1.4	(27.8)
Decrease/(increase) in trade and other receivables	4.8	2.4	(12.3)
(Decrease)/increase in trade and other payables	(10.4)	(10.1)	40.1
Decrease in provisions	(3.8)	(1.4)	(6.3)
Income taxes received/(paid)	1.3	(5.4)	(10.3)
Disposal of treasury shares	—	—	0.4
Purchase of treasury shares	—	(1.4)	(0.3)
Net cash flow from operating activities (continuing activities)	**150.4**	**172.8**	**182.2**
Net cash flow from operating activities (discontinued activities)	**1.2**	**1.6**	**(4.7)**
Total net cash flow from operating activities	**151.6**	**174.4**	**177.5**

2015 Fiscal Year Compared to 2014 Fiscal Year

Net cash flow from continuing operating activities increased by £9.4 million, or 5.4%, from £172.8 million in the 2014 fiscal year to £182.2 million in the 2015 fiscal year, principally due to a £12.0 million increase in operating profit and a £6.3 million change in movements in working capital from a £6.3 million decrease in the 2014 fiscal year to a nil change in the 2015 fiscal year. This was partially offset by a £9.5 million change in share based payments from a £6.3 million expense in the 2014 fiscal year to a £3.2 million credit in the 2015 fiscal year and a £5.3 million change in the fair value movement of derivative financial instruments from a £3.2 million expense in the 2014 fiscal year to a £2.1 million credit in the 2015 fiscal year.

Movements in working capital consist of changes in trade and other payables, trade and other receivables, and inventories. The movement in working capital reflected a £50.2 million change in trade and other payables from a £10.1 million decrease in the 2014 fiscal year to a £40.1 million increase in the 2015 fiscal year, partially offset by a £29.2 million change in inventories from a £1.4 million decrease in the 2014 fiscal year to a £27.8 million increase in the 2015 fiscal year and a £14.7 million change in trade and other receivables from a £2.4 million decrease in the 2014 fiscal year to a £12.3 million increase in the 2015 fiscal year. The increases in trade and other payables and in inventories were principally due to the need to service our growing markets. The increase in trade receivables was mainly driven by the growth of our 3PE business.

The change in share based payments was principally due to a change in the accounting treatment of some schemes from cash to equity-settled following the management's revision of its assumptions regarding the timing of an exit event.

The change in the fair value movement of derivative financial instruments was mainly due to the movement of foreign exchange rates in our favour.

2014 Fiscal Year Compared to 2013 Fiscal Year

Net cash flow from continuing operating activities increased by £22.4 million, or 14.9%, from £150.4 million in the 2013 fiscal year to £172.8 million the 2014 fiscal year, principally due a £23.6 million increase in operating profit, a £6.7 million change in movements in inventories from a £5.3 million increase in the 2013 fiscal year to a £1.4 million decrease in the 2014 fiscal year, and a £6.5 million change in share based payments from a £0.2 million credit in the 2013 fiscal year to a £6.3 million expense in the 2014 fiscal year. This was partially offset by a £6.7 million change in income tax expense from a £1.3 million credit in the 2013 fiscal year to a £5.4 million payment in the 2014 fiscal year and a £5.4 million decrease in depreciation of property, plant and equipment.

The change in movements in inventories was principally due to a tighter stock control model and targeted markdowns for slow-selling product lines during the 2014 fiscal year.

The change in the charge for share based payments was due to an increase in the provision for good leavers.

The change in income tax expense was principally due to an increase in profit before taxation.

The decrease in depreciation of property, plant and equipment was mainly due to the reduction in capital expenditure since the 2010 fiscal year as part of the cost management strategy and, as a result, the majority of assets with estimated useful economic lives of five years were fully depreciated by the end of the 2014 fiscal year.

Cash Flows Used in Investing Activities

The following table sets out the components of our net cash flow used in investing activities and shows net cash flow from investing activities for our discontinued operations for the periods indicated.

	53 week period ended March 30, 2013	52 week period ended March 29, 2014	52 week period ended March 28, 2015
	(restated)	(restated) (£ million)	
Purchase of property, plant and equipment	(44.5)	(39.3)	(42.6)
Purchase of intangibles	(15.1)	(9.6)	(17.7)
Proceeds from sale of property, plant and equipment	9.3	16.2	—
Net acquisition of foreign subsidiary	—	(0.1)	0.6
Net proceeds from disposal of subsidiaries	—	—	14.2
Net cash flow used in investing activities (continuing operations)	**(50.3)**	**(32.8)**	**(45.5)**
Net cash flow used in investing activities (discontinued operations)	**0.6**	**(3.8)**	**(4.3)**
Total net cash flow used in investing activities	**(49.7)**	**(36.6)**	**(49.8)**

During the period under review, cash flows used in investing activities principally related to capital expenditure on growth in our trading space, refurbishment of our existing stores and the investment in our multi-channel platforms, less any proceeds from the disposal of property, plant and equipment and intangible assets, the net cash movement in acquiring the Polish subsidiary from our former franchise partner and net proceeds received from the disposal of the Mim business.

2015 Fiscal Year Compared to 2014 Fiscal Year

Net cash flow used in investing activities by continuing operations increased by £12.7 million, or 38.7%, from £32.8 million in the 2014 fiscal year to £45.5 million in the 2015 fiscal year, principally due to increased capital expenditure in relation to the expansion of our distribution centre in the UK and our information technology infrastructure to support our growth strategy and the fact that in the 2014 fiscal year we received proceeds from the sale of part of our Mercery Road site, partially offset by the fact that in the 2015 fiscal year we received proceeds from the disposal of our Mim business in November 2014.

2014 Fiscal Year Compared to 2013 Fiscal Year

Net cash flow used in investing activities by continuing operations decreased by £17.5 million, or 34.8%, from £50.3 million in the 2013 fiscal year to £32.8 million in the 2014 fiscal year, principally due to decreases in cash flows used in purchases of intangibles and purchases of property, plant and equipment (mainly due to significant expenditure in the 2013 fiscal year relating to the redevelopment of our Mercery Road site) and an increase in proceeds from sale of property, plant and equipment (principally as a result of proceeds received from the sale of part of our Mercery Road site in the 2014 fiscal year).

Cash Flows Used in Financing Activities

The following table sets out the components of our net cash flow used in financing activities and shows net cash flow from financing activities for our discontinued operations for the periods indicated.

	53 week period ended March 30, 2013	52 week period ended March 29, 2014	52 week period ended March 28, 2015
	(restated)	(restated) (£ million)	
Interest paid	(41.2)	(48.6)	(70.2)
Interest received	0.6	0.4	0.3
Repayment of borrowings	(161.0)	(880.7)	(37.6)
Proceeds from issuance of bonds	—	789.9	—
Net withdrawal/(investment in) discontinued operations	3.2	0.5	(2.7)
Net cash flow used in financing activities (continuing operations)	**(198.4)**	**(138.5)**	**(110.2)**
Net cash flow used in financing activities (discontinued operations)	**(3.2)**	**(0.5)**	**2.7**
Total net cash flow used in financing activities	**(201.6)**	**(139.0)**	**(107.5)**

2015 Fiscal Year

Net cash flow used in financing activities amounted to £110.2 million in the 2015 fiscal year and principally comprised payment of interest in the aggregate amount of £70.2 million in relation to the Existing Notes and repayment of borrowings in the aggregate amount of £37.6 million as part prepayment of the Existing PIK Facility in May 2014.

2014 Fiscal Year

Net cash flow used in financing activities amounted to £138.5 million in the 2014 fiscal year and principally comprised repayments of borrowings in the aggregate amount of £880.7 million (which reflected the 2013 Refinancing Transactions) and payment of interest in the aggregate amount of £48.6 million (which reflected the payment of interest on borrowings and £0.4 million of cash interest paid in relation to the first prepayment of the Existing PIK Facility), partially offset by cash flows from issuance of bonds in the aggregate amount of £789.9 million, net of capitalised costs directly related to the raising of the bonds (which comprised the issuance of the Existing Notes).

2013 Fiscal Year

Net cash flow used in financing activities amounted to £198.4 million in the 2013 fiscal year and principally comprised repayments of borrowings in the aggregate amount of £161.0 million (which reflected the scheduled repayment of certain indebtedness which has now been fully repaid) and payment of interest in the aggregate amount of £41.2 million in relation to the said indebtedness.

Capital Expenditure

The following table sets out a breakdown of our capital expenditure for the 2013, 2014 and 2015 fiscal years.

	53 week period ended March 30, 2013	52 week period ended March 29, 2014	52 week period ended March 28, 2015
		(£ million)	
UK "Concept Store" refurbishments	22.0	19.0	15.1
International "Concept Store" refurbishments and store openings	2.0	8.0	7.7
Infrastructure and logistics[1]	5.5	7.0	12.8
UK store openings	2.9	2.9	2.6
New Look E-commerce	4.0	2.8	3.6
Other[2]	27.9	14.5	20.0
Total capital expenditure	**64.3**	**54.2**	**61.8**

(1) Principally includes expenditure related to bringing in-house the logistics operations relating to our E-commerce business.

(2) Mainly comprises capital expenditure related to information technology systems and software licenses and in-store point of sale hardware as well as expenditure related to land improvements at our Weymouth site prior to its sale.

Our total capital expenditure was £64.3 million, £54.2 million and £61.8 million in the 2013, 2014 and 2015 fiscal years, respectively. The largest component of capital expenditure was spent in connection with the "Concept Store" refurbishment programme. We have refurbished 139, 109 and 43 stores in the 2013, 2014 and 2015 fiscal years, respectively, under the programme. As of March 28, 2015, we have spent an average of approximately £28 per square foot on the refurbishment of all of our "Concept Stores" and the average capital expenditure per one refurbished store was approximately £197,000. We plan to refurbish all our remaining stores in the UK by the end of the 2018 fiscal year. Capital expenditure for new UK store openings during the period under review was limited, as our UK store strategy focusses on improving the existing store portfolio under the "Concept Store" refurbishment programme.

Our International Store expenditure during the period under review principally comprised expenditures related to (i) the refurbishment of some of our International Stores under the "Concept Store" programme, (ii) the opening of our first five stores in China by the end of the 2014 fiscal year, and (iii) the acquisition of ten stores in Poland in the 2014 fiscal year from our former Polish franchise partner. As our strategy envisions accelerating our International Store expansion by opening new stores in our key target markets, capital expenditure for new International Store openings is expected to increase going forward.

New Look E-commerce capital expenditure during the period under review principally included investments in (i) developing and upgrading our New Look E-commerce information technology systems to enhance the design and functionality of our website, (ii) upgrading our m-commerce functionalities to improve customer experience, and (iii) improving the delivery options available to our customers.

For the 2016 and 2017 fiscal years, our principal categories of capital expenditure are expected to include (i) distribution network and systems, (ii) refurbishment and/or relocation of existing stores in the UK under the "Concept Store" programme, (iii) new International Store openings, (iv) investment in our E-commerce business, and (v) maintenance expenditure on existing stores, equipment and information technology systems. For the 2016 fiscal year, our total capital expenditure is currently expected to be approximately £70 million, of which approximately £37 million is expected to be for our distribution network and systems (including the Retail Stock Management Programme), approximately £17 million for refurbishment and/or relocation of our existing UK stores under the "Concept Store" programme and approximately £13 million for new International Store openings. For the 2017 fiscal year, our total capital expenditure is currently expected to be approximately £77 million.

Contractual Obligations

The following table summarises certain categories of our contractual obligations owed to third parties by period as of March 28, 2015, on an as adjusted basis after giving effect to the Refinancing Transactions, but not including interest payments on the Notes:

	Payments Due By Period			
	Less than 1 Year	1 – 5 Years	After 5 Years	Total
	(£ equivalent in millions)			
Sterling Fixed Rate Senior Secured Notes	—	—	700.0	**700.0**
Floating Rate Senior Secured Notes(1)	—	—	301.2	**301.2**
Senior Notes	—	—	200.0	**200.0**
Operating lease obligations(2)	154.7	526.2	353.2	**1,034.1**
Capital expenditure commitments(3)	10.3	—	—	**10.3**
Other (onerous lease and relocation provisions)	2.1	4.8	—	**6.9**
Total	**167.1**	**531.0**	**1,554.4**	**2,252.5**

(1) Represents the pound sterling equivalent of €415 million in aggregate principal amount of the Floating Rate Senior Secured Notes.

(2) Operating lease obligations primarily represent minimum payments due under store lease agreements.

(3) Capital expenditure commitments are contractual commitments for the acquisition of property, plant and equipment and intangible assets. See "*—Cash Flows from Investing Activities*."

Other contractual obligations not included in the table above include outstanding purchase contracts with product suppliers, payments due under arrangements relating to the provision of services, maintenance (including IT maintenance), cleaning and utilities. We have minimum purchase order obligations with certain of our suppliers. For further information, see "*Business—Sourcing—Suppliers*."

In addition, as of March 28, 2015, we had a net amount of £5.7 million utilised under our ancillary facilities, comprising £35.1 million of letters of credit and other trade facilities offset by a credit of £29.4 million with respect to foreign exchange and interest rate swaps, and an additional £57.9 million available under our ancillary credit facilities. Moreover, as of March 28, 2015, we had £21.1 million of unsecured supplier financing. Our ancillary facilities and unsecured supplier financing have not been included in pro forma total cash pay debt or pro forma senior secured debt.

Capital Resources

We are highly leveraged and have significant debt service obligations. As of March 28, 2015, after giving effect to the Refinancing Transactions, we would have had £1,201.2 million of total third-party financial indebtedness. We also have £100 million available under our Revolving Credit Facility.

The Indentures governing the Notes and the Revolving Credit Facility contain covenants significantly restricting our ability to, among other things:

- incur or guarantee additional indebtedness and issue certain preferred stock;
- in the case of the Senior Notes, layer debt of the Senior Notes Issuer or the Senior Notes Guarantors;
- create or incur certain liens;
- make certain payments, including dividends or other distributions, with respect to the shares of the Company or its restricted subsidiaries;
- prepay or redeem subordinated debt or equity;
- make certain investments;
- create encumbrances or restrictions on the payment of dividends or other distributions, loans or advances to and on the transfer of assets to the Company or its restricted subsidiaries;
- sell, lease or transfer certain assets including stock of restricted subsidiaries;
- engage in certain transactions with affiliates;
- enter into unrelated businesses or engage in prohibited activities;
- consolidate or merge with other entities;
- impair the security interests for the benefit of the holders of the Notes; and
- amend certain documents.

Each of the covenants is subject to a number of important exceptions and qualifications. These covenants could limit our ability to finance our future operations and capital needs. The Revolving Credit Facility also contains a covenant requiring us to maintain a maximum leverage ratio, tested on a quarterly basis by reference to a rolling twelve month period.

Our principal source of liquidity on an ongoing basis is our operating cash flow. Our ability to generate cash depends on our future operating performance, which in turn depends to some extent on general economic, financial, industry and other factors, many of which are beyond our control, as well as the other factors discussed in "*Risk Factors*."

In addition, we have access to a Revolving Credit Facility to service our working capital and general corporate needs. The availability of this facility is dependent upon conditions, including ongoing compliance with a maintenance covenant tested quarterly as described further under "*Description of Certain Indebtedness—Revolving Credit Facility Agreement*."

Although we believe that our expected cash flows from operations, together with available borrowings, will be adequate to meet our anticipated liquidity and debt service needs, we cannot assure you that our business will generate sufficient cash flows from operations or that future debt and equity financing will be available to us in an amount sufficient to enable us to pay our debts when due, including the Notes, or to fund our other liquidity needs.

We believe that the potential risks to our liquidity include:

- a reduction in operating cash flows due to a lowering of net income from our operations, which could be due to downturns in our performance or the industry as a whole;
- adverse working capital developments;
- exposure to increased interest rates in relation to our borrowings which bear interest at a variable rate, including our Revolving Credit Facility; and
- higher capital expenditure, such as due to higher than expected expenses in connection with our "Concept Store" refurbishment programme and the implementation of the Retail Stock Management Programme to replace our retail stock management system.

If our future cash flows from operations and other capital resources (including borrowings under the Revolving Credit Facility) are insufficient to pay our obligations as they mature or to fund our liquidity needs, we may be forced to:

- reduce or delay our business activities and capital expenditure;
- reduce or delay our planned acquisitions;
- sell assets;
- obtain additional debt or equity capital; or
- restructure or refinance all or a portion of our debt, including the Notes, on or before maturity.

We cannot assure you that we would be able to accomplish any of these alternatives on a timely basis or on satisfactory terms, if at all. In addition, the terms of our existing debt, including the Notes and the Revolving Credit Facility, limit our ability to pursue any of these alternatives, as may the terms of any future debt.

We anticipate that our high leverage will continue for the foreseeable future. Our high level of debt may have important negative consequences for you. For further information, see "*Risk Factors—Risks Related to Our Financial Profile—Our substantial leverage and debt service obligations could adversely affect our business and prevent us from fulfilling our obligations with respect to the Notes and the Notes Guarantees.*" See "*Description of Other Indebtedness*," "*Description of the Senior Secured Notes*" and "*Description of the Senior Notes*."

Off-balance Sheet Arrangements

We have no off-balance sheet arrangements.

Quantitative and Qualitative Disclosure of Market Risks

We are exposed to various market risks as part of our business activities, which are intrinsically linked to our business dealings, including liquidity risk, foreign exchange rate risk, interest rate risk and credit risk. See "*Risk Factors.*" The Group's overall risk management programme focusses on the unpredictability of financial markets and seeks to reduce potential adverse effects of these risks on the Group's financial performance.

The Group operates a centralised treasury function which is responsible for managing the liquidity, interest and currency risks associated with the Group's activities. As part of its strategy for the management of those risks, the Group uses derivative financial instruments. In accordance with the Group's treasury policy, derivative instruments are not entered into for speculative purposes.

The Group's principal financial instruments, other than derivatives, are cash and short-term deposits, bank overdrafts and loans. The main purpose of these financial instruments is to raise finance for the Group's operations. In addition, the Group has various other financial assets and liabilities such as trade receivables and trade payables arising directly from its operations.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions in order to meet operational needs. Due to the dynamic nature of the underlying businesses, Group treasury maintains certainty of funding by maintaining availability under committed credit lines.

We monitor rolling forecasts of the Group's liquidity position which, as of March 28, 2015, comprised the undrawn Existing Revolving Credit Facility of £75.0 million, an overdraft with a limit of £5.0 million, and cash and cash equivalents of £127.1 million, on the basis of expected cash flow requirements. Following the Refinancing Transactions, the Company expects to have an undrawn revolving credit facility of £100 million and an overdraft limit of £5.0 million.

The Group monitors compliance against all its financial obligations and it is the Group's policy to manage the performance and position of the Group so as to operate within covenanted restrictions at all times.

Currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the euro and U.S. dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

Foreign currency risk is the risk that the fair value of a financial commitment, recognised financial assets or financial liabilities will fluctuate due to changes in foreign currency rates.

The Group's principal foreign currency exposures arise from the purchase of overseas sourced products. Group policy is to hedge a proportion of these exposures for up to 15 months ahead in order to limit the volatility in the ultimate pound sterling cost. This hedging activity involves the use of spot, forward and option contracts. To the extent that the translation of overseas assets is not offset by the effect of translating overseas liabilities, the effects are not currently hedged and are recognised within consolidated reserves.

To manage the foreign exchange risk arising from future commercial transactions and recognised financial assets and financial liabilities, forward contracts, managed by Group treasury, are used.

The periodic effects are determined by relating the hypothetical changes in the risk variables to the balance of financial instruments at the reporting date. It is assumed that the balance at the reporting date is representative for the period as a whole.

During the period from May 14, 2013 to March 28, 2015, the Group had Existing Notes denominated in pound sterling, Euros and U.S. dollars. All other group borrowings were in pound sterling.

During the 2015 fiscal year, if pound sterling had weakened by 5.0% against the euro with all other variables held constant, post-tax profit for the period would have been £3.8 million lower, mainly as a result of the translation of euro denominated bonds, offset in part by the translation of euro cash balances held and the post-tax decrease in shareholders' equity would have been £1.7 million higher due to the consolidation of net assets and liability of foreign subsidiaries with their functional currency as euro.

During the 2015 fiscal year, if pound sterling had weakened by 5.0% against the U.S. dollar with all other variables held constant, post-tax profit for the period would have been £2.1 million lower, mainly as a result of revaluation of overseas trade creditors, and the post-tax decrease in shareholders' equity would have been £14.7 million higher as a result of the movement in forward currency contracts.

Interest rate risk

The Group uses interest rate derivatives to manage the cost of its floating rate debt by entering into fixed rate derivatives, so as to reduce exposure to changes in interest rates.

The Group analyses its interest rate exposure on a dynamic basis. Various forecasting is simulated taking into consideration refinancing, alternative financing and hedging. Based on these forecasts, the Group calculates the impact on profit and loss of a defined interest rate shift. For each forecast, the same interest rate shift is used across all currencies. The scenarios are only run for liabilities that represent the major interest-bearing positions. The forecasting is done on a regular basis to verify that the maximum loss potential is within the limit given by management.

Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Since the 2013 Refinancing Transactions, the Group has hedged 100% of the floating rate exposure. Following the Refinancing Transactions, we will continue to hedge interest rate risk in line with NLRGL policy, which is between 50% and 100%.

The Group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps and interest rate caps. This has the economic effect of converting borrowings from floating rates to fixed rates.

Interest rate risks are presented by way of sensitivity analyses in accordance with IFRS 7. These show the effects of changes in market interest rates on interest payments, interest income and expense and other income components.

The interest rate sensitivity analyses are based on the following assumptions:

- In the case of fair value hedges designed for hedging interest rate risk, the changes in the fair value of the hedged item and the hedging instrument attributable to interest rate movements balance out almost completely in the income statement in the same period. As a consequence, these financial instruments are not exposed to interest rate risk.
- Certain financial instruments are designated as hedging instruments in a cash flow hedge to hedge payment fluctuations resulting from interest rate movements. Changes in the market interest rate affect the hedging reserve in shareholders' equity and are therefore taken into consideration in the equity-related sensitivity calculations.
- Changes in the market interest rate of interest rate derivatives affect other financial income or expense and are therefore taken into consideration in the income-related sensitivity calculations.

- Currency derivatives are not exposed to interest rate risks and are therefore not included in the interest rate sensitivity calculations.

During the 2015 fiscal year, if interest rates had been 100 basis points higher with all other variables held constant, post-tax profit for the period would have been £0.5 million higher, mainly as a result of a higher interest income on floating rate deposits.

During the 2015 fiscal year, if interest rates on euro denominated borrowings had been 100 basis points higher with all other variables held constant, post-tax profit for the period would have been unaffected due to the equal and opposite offset of the interest rate swaps held to convert the floating rate interest to fixed rate interest.

Credit risk

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions. If wholesale customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by our board of directors. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards.

The credit ratings of banks with which the Group has investments of cash surpluses, borrowings or derivative financial instruments are reviewed regularly by management. Each bank is assessed individually with reference to the credit it holds and deposit limits are set, which are approved by our board of directors and reconsidered if the Fitch, Moody or S&P credit rating falls below an "A" rating.

Receivable balances are monitored on an ongoing basis and provision is made for estimated irrecoverable amounts.

Critical Accounting Policies

The preparation of the consolidated financial statements requires management to make estimates and assumptions, based on historical experience and various other factors, including expectations of future events that are believed to be reasonable under the circumstances, and that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Our consolidated financial statements included elsewhere in this listing circular comply with IFRS as adopted by the EU as of the date of such financial statements. In the future, the adoption of new or revised standards or interpretations relating to the presentation of net assets, our financial position or results of operations may have a material effect on our future consolidated financial statements. For example, new standards relating to the accounting for leases may result in significant shifts between "administrative expenses," "depreciation and amortisation expenses" and "financial expenses" in our consolidated income statement as well as between "property, plant and equipment" and "financial liabilities" in our consolidated balance sheet.

We make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within our consolidated financial statements are discussed below:

Estimated Impairment of Intangible Assets with Indefinite Lives

We test whether intangible assets with indefinite lives have suffered any impairment in accordance with the accounting policy stated. The recoverable amounts of cash-generating units have been determined based on the higher of value in use or fair value less cost to sell. These calculations require the use of estimates as detailed in "Note 14—Intangible assets" to the audited consolidated financial statements of NLRGL for the 2015 fiscal year.

Estimated Impairment of Intangible Assets with Finite Lives

We test whether intangible assets with finite lives have suffered any impairment in accordance with the accounting policy stated. The recoverable amounts or cash generating units have been determined based on the higher of value in use or fair value less costs to sell. These calculations require the use of estimates. as detailed in "Note 14—Intangible assets" to the audited consolidated financial statements of NLRGL for the 2015 fiscal year.

Income Taxes

We are subject to income taxes in numerous jurisdictions. At each financial period end, judgment is required in determining our provision for income taxes. There are some transactions and calculations for which the ultimate tax determination is uncertain. We recognise liabilities for anticipated tax issues based on the best estimates of whether additional taxes will be due at the balance sheet date. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact income tax expense and current and deferred tax assets and liabilities in the period in which such determination is made.

Share Based Payments

The share based payment expense is recognised in each period as it is incurred, based on a fair value model, and estimates of the likely future cash payments to good leavers. The key assumptions of this model include the estimated timing of a change in control of the Group or a listing. The remaining key assumptions of this model are presented in "Note 32—Share based payments" to the audited consolidated financial statements of NLRGL for the 2015 fiscal year.

Estimated Useful Life of Intangibles, Property, Plant and Equipment

We estimate the useful life and residual values of intangible assets, property, plant and equipment and review these estimates at each financial period end. We also test for impairment when a trigger event occurs, or annually as appropriate.

Onerous Lease Provisions

When a property ceases to be used for the purposes of the business, a provision is made to the extent that the recoverable amount of the interest in the property is expected to be insufficient to cover the future obligations relating to the lease. Where possible, the property is subleased at the prevailing rent.

A provision is also booked on loss making stores where the discounted future cash flows are not expected to cover future payments under the lease contract. The key assumptions to these provisions are the estimated future cash flows and applied discount rates.

Impairment of Financial Assets

We follow the guidance of IAS 39 to determine when a financial asset is impaired. This determination requires significant judgment. In making this judgment, we evaluate, among other factors, the duration and extent to which the fair value of an investment is less than its cost, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

Inventory Provisions

We estimate a slow moving inventory provision based on prior movements and current market conditions.

Exceptional Items

We apply judgment in identifying the significant non-recurring items of income and expense that are recognised as exceptional to help provide an indication of our underlying business performance.

Changes in Accounting Policies

For information regarding recent and pending changes to our accounting policies, see note 2.1 to our financial statements for the 2015 fiscal year.

Potential Change to Accounting Treatment of Operating Leases

The International Accounting Standards Board and the Financial Accounting Standards Board released an exposure draft on August 17, 2010 that proposed significant changes to current lease accounting practice under IAS 17 "Leases." The exposure draft proposed a new model for lease accounting under which a lessee's rights and obligations related to minimum lease payments under all leases with a maximum lease term of more than twelve months, existing and new, would be recognised on the balance sheet. A significant number of comments were received as part of the comment letter process. The boards re-deliberated and presented a revised proposal

in June 2012. A revised exposure draft incorporating the new proposal was published on May 16, 2013. The boards are continuing deliberations with the intent of issuing a final standard in 2015.

Given we have a significant number of operating leases, these proposed changes in lease accounting could have a material impact on our financial results, including our rental expense, depreciation, interest expense and balance sheet. However, the precise impact of the changes will depend on the nature and timing of the final accounting standard adopted by the International Accounting Standards Board, if any, which remains uncertain.

The market information presented in this section is taken or derived from the cited sources. Forecasts of market data are inherently forward looking and all market data are subject to uncertainty and do not necessarily reflect actual market conditions. They are based on market research, which itself is based on sampling and subjective judgments by both the researchers and respondents, including judgments about what types of products and competitors should be included in the relevant market. In addition, certain statements below are based on our own information, insights, subjective opinions or internal estimates, and not on any third-party or independent source; these statements contain words such as "we estimate," "we expect," "we believe" or "in our view" and as such do not purport to cite to or summarise any third-party or independent source and should not be so read. See "Industry and Market Data" for additional information.

UK Clothing Market

The UK clothing market, which consists of womenswear, menswear, teenswear and accessories, amounted to £41.2 billion in 2014, according to Verdict. Based on Verdict data, sales by value for the UK clothing market increased at a CAGR of 3.1% in the period between 2009 and 2014 and are forecast to grow at a CAGR of 4.5% during the 2014-2019 period, driven principally by wage growth, rising consumer confidence, convenience of multi-channel offerings and men taking a greater interest in trends and style.

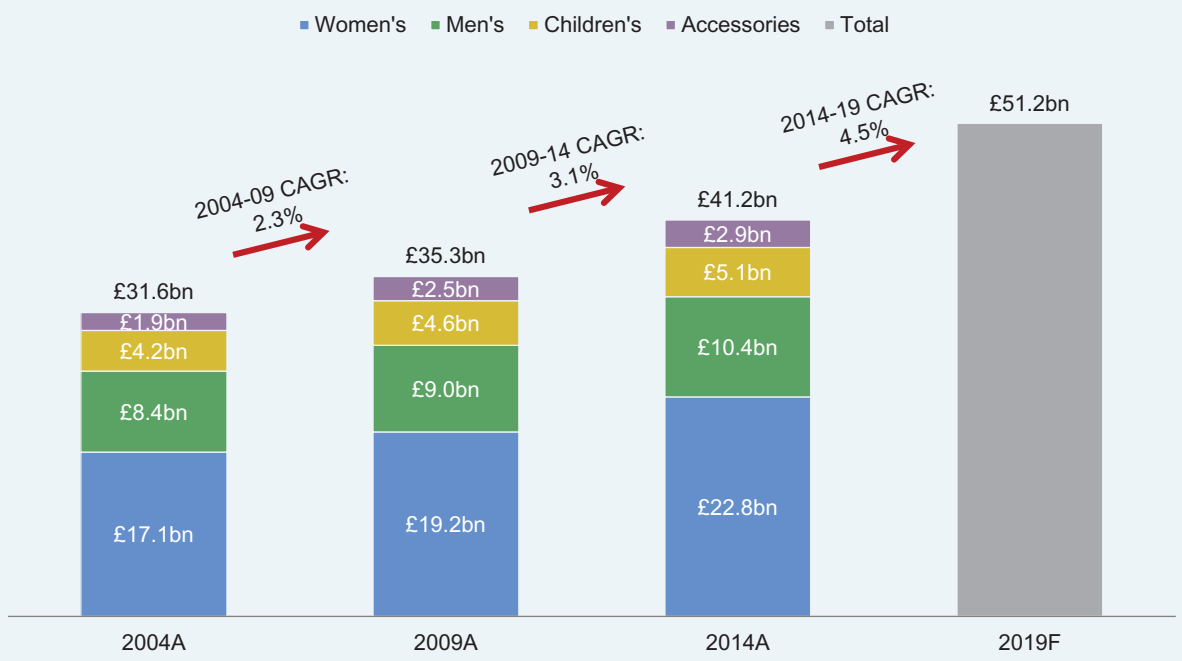
According to Verdict, factors underlying the growth in the UK clothing market over the past ten years include:

- increasing consumer demand for more affordable fashionable clothing and the consequent popularity of value retailers;
- improvements in the supply chain, making fashionable clothing more available; and
- growth in demand and supply associated with the increasing popularity of e-commerce, providing a wider selection of products as compared to stores and making shopping easier for consumers.

We believe that the increased demand for clothing has resulted in an increase in store space allocated to clothing and the continued growth of e-commerce operations, for both online-only retailers as well as more traditional brick and mortar-based retailers. In addition, we believe many retailers have expanded the range of their customer proposition by increasing the breadth of categories offered within existing product lines and by offering new product lines and existing products at a wider range of price points.

Demand for clothing in the UK is influenced by prevailing economic conditions and particularly by levels of consumer spending (including across other retail sectors, spending on leisure and household outgoings), which in turn are influenced by various macroeconomic factors, including consumer confidence, unemployment levels and disposable income.

The following chart sets forth certain information on the UK clothing market's sales for the periods indicated.



Source: *Copyright © 2015 Verdict, reproduced with permission of Verdict*

Product Segmentation

Clothing Market

The clothing market can be segmented into womenswear, menswear, teenswear and accessories categories. Our main product lines consist of womenswear and accessories and primarily target a demographic between the ages of 16 and 45, although we also have a range for 9 to 15 year old girls, and are expanding our menswear offering. Based on Verdict data, the UK clothing market segments can be divided as follows:

- The womenswear segment amounted to approximately £22.8 billion in 2014 and accounted for 55.4% of the total UK clothing segment. Sales by value increased at a CAGR of 3.5% between 2009 and 2014. Going forward, growth is expected to be driven principally by more frequent purchases as customers seek more 'newness';
- The menswear segment amounted to approximately £10.4 billion in 2014 and accounted for 25.3% of the total UK clothing market. Sales by value increased at a CAGR of 3.0% between 2009 and 2014. Future growth is expected to be mainly driven by males becoming more interested in trends and fashion;
- The teenswear segment amounted to approximately £5.1 billion in 2014 and accounted for 12.4% of the total UK clothing market. Sales by value for the segment increased at a CAGR of 2.0% between 2009 and 2014. Going forward, growth is forecast to lag other segments due to deflationary pressure from increased competition; and
- The accessories segment amounted to approximately £2.9 billion in 2014 and accounted for 6.9% of the total UK clothing market. Sales by value increased at a CAGR of 2.5% between 2009 and 2014. Future growth is expected to be primarily driven by consumers' desire to update their outfits despite low budgets.

The UK clothing market can be further segmented into mid-market, value and premium/luxury segments, based on the price points at which market participants offer products. We operate in the value segment.

Footwear Market

The UK footwear market amounted to approximately £7.5 billion in 2014, accounting for 15.4% of the combined UK clothing and footwear markets, according to Verdict. Sales by value for the market increased at a CAGR of 2.5% between 2009 and 2014. Increasing raw material costs and improvement in consumer confidence are expected to drive future price and volume growth, respectively. The UK footwear market can be further segmented into women's, men's and children's footwear. Our key footwear segment is women's footwear.

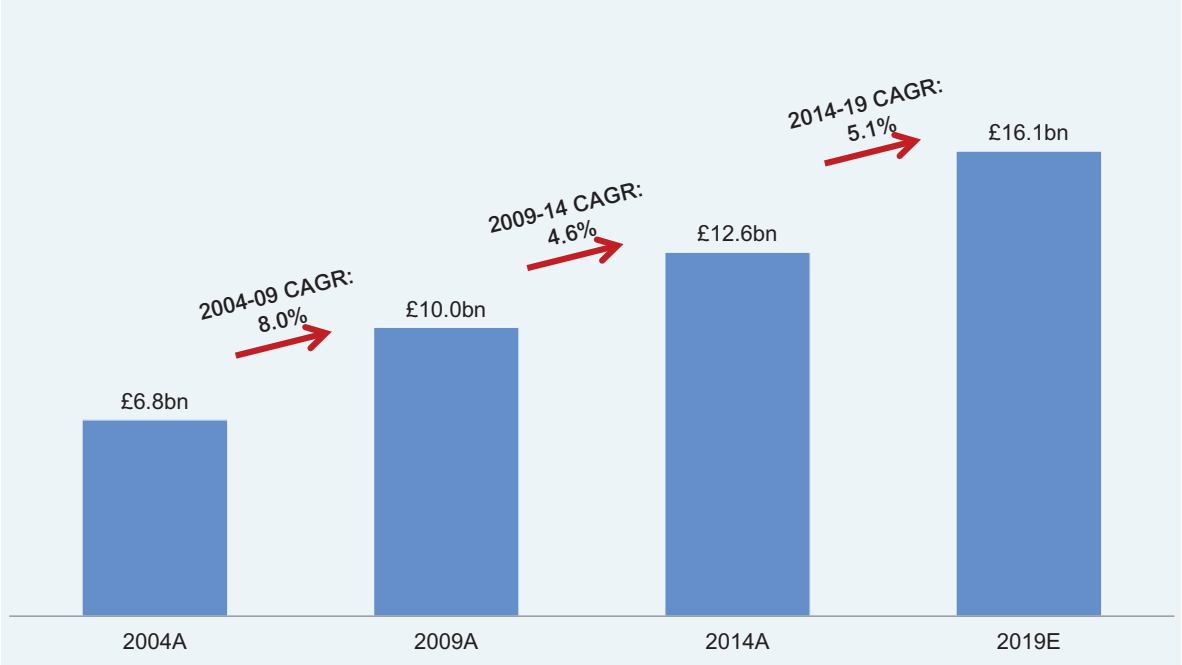
Similarly to the UK clothing market, the UK footwear market may also be segregated into mid-market, value and premium/luxury segments, based on the price points at which market participants offer products. We operate in the value segment of the UK footwear market.

Value Segment

The value segment of the UK clothing and footwear markets consist of traditional discount retailers as well as retailers that have adopted a low price, high volume strategy as the main driver of their business, according to Verdict. The UK value clothing and footwear markets have benefited from an increasing consumer acceptance of "value" retail brands and improvements in the supply chain, which have made fashionable clothing more available over the past decade.

These structural trends were augmented by the effects of the recent economic downturn. We believe economic uncertainty led to greater customer willingness across a range of demographic groups to "trade-down" from mid-market retailers to value retailers. The increasing demand for more affordable fashion has driven substantial volume growth that has helped offset price deflation. While the level of "trade-down" may have increased due to the recent global economic downturn, it appears to be part of a general trend towards increased consumer acceptance of value retail brands. Customers that have traded-down and have had a positive experience with value retailers may have changed their shopping preferences to value retailers as a result of a new understanding of what value retail entails. Accordingly, we believe that the value clothing and footwear segments will be more resilient to a "trade-up" effect if there is a continuing increase in consumer confidence as the economic recovery in the UK continues.

The following chart sets forth certain sales information on the value segment of the UK clothing market for the periods indicated.



Source: *Copyright © 2015 Verdict, reproduced with permission of Verdict*

Based on Verdict data, the value segment of the UK clothing market has significantly outperformed the broader UK clothing market between 2009 and 2014, growing at a CAGR of 4.6%, while the overall UK clothing market increased at a CAGR of 3.1% during the same period. During the recent economic downturn, consumer focus on value products increased, leading to growth of the value segment outperforming the growth of the overall UK clothing market. Verdict forecasts the value segment of the UK clothing market to maintain its strong growth rate and outperform the UK clothing market, growing at a CAGR of 5.1% during the 2014-2019 period, compared to a CAGR of 4.5% for the UK clothing market during the same period.

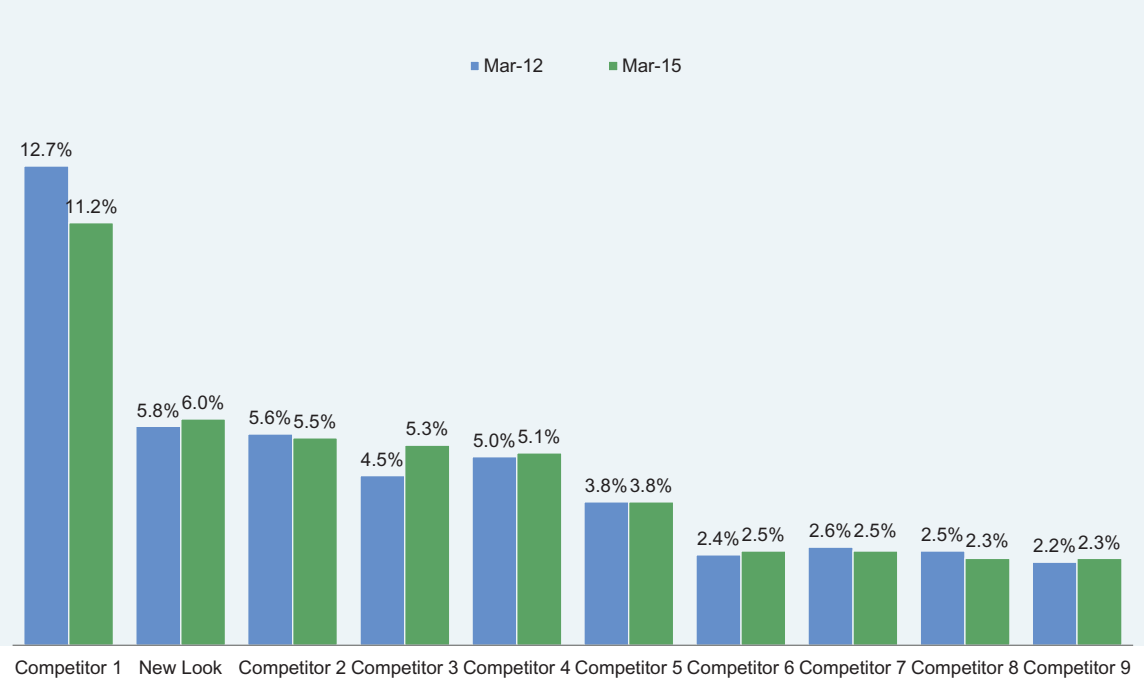
As a result of the foregoing, the proportion of the value segment in the overall UK clothing market has significantly increased, according to Verdict. The value segment accounted for 30.5% of the overall UK clothing market in 2014, as compared to 28.3% in 2009 and 21.6% in 2004, in each case in terms of sales by value. Verdict forecasts the proportion of the value segment in the overall UK clothing market to continue to increase, reaching 31.4% in 2019.

Competition

Retailers in the UK clothing market are broadly divided between mainstream clothing retailers, such as Marks & Spencer, Next, Arcadia (including Burton, Dorothy Perkins, Evans, Miss Selfridge, Outfit, Topshop, Topman and Wallis), Primark and New Look; supermarket operators, such as Asda (George), Tesco (F&F) and Sainsbury's (Tu); and department stores, such as Debenhams, John Lewis and House of Fraser. There are also a number of international retailers with strong presence in the UK, including Zara and H&M. Non-store sales, including those by e-commerce retailers such as ASOS, boohoo.com, Very, Zalando, Amazon and eBay, mail order and television shopping channels also account for a material proportion of the market. The UK clothing market is competitive and fragmented and, according to Verdict, the largest ten retailers by value had a combined market share of 46.4% in 2014. A large number of niche specialist clothing retailers account for most of the remaining portion of the market.

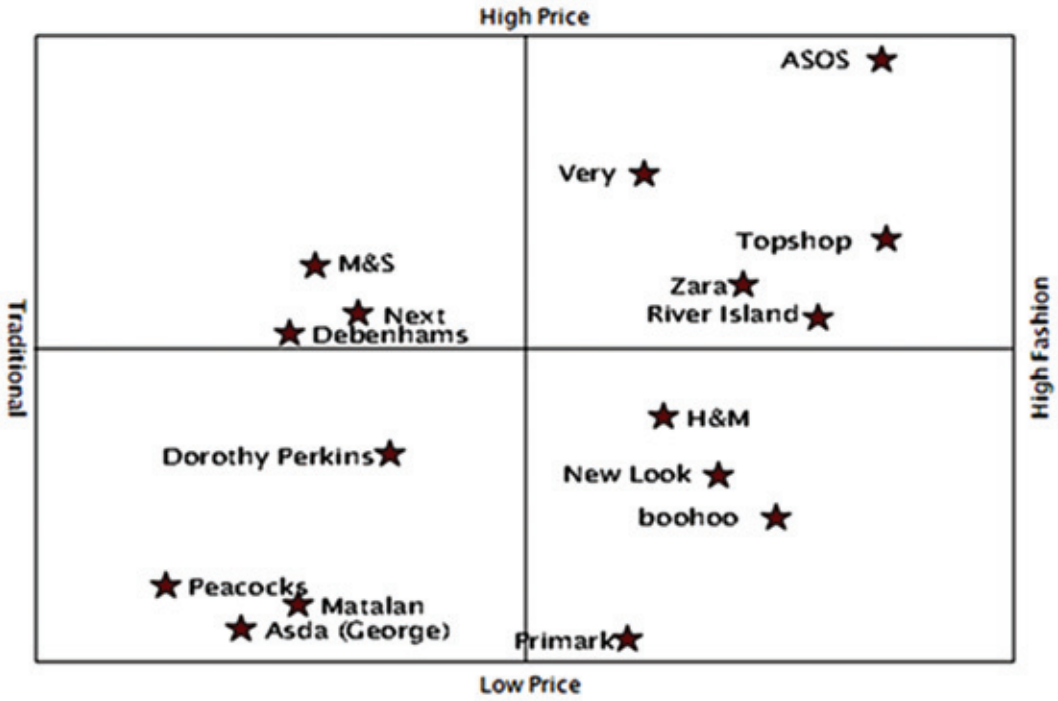
Retailers in the UK footwear market are broadly divided between footwear specialist retailers, such as Clarks, Kurt Geiger, Office, Schuh and Shoe Zone; clothing specialists, such as Marks & Spencer, Next, Primark and New Look; sportswear specialists, such as Sports Direct and JD Sports; supermarket operators, such as Asda (George), Tesco (F&F) and Sainsbury's (Tu); department stores, such as John Lewis, House of Fraser and Debenhams, e-commerce retailers, other retailers and non-retail channels.

The following chart sets forth market share information (by value) for the UK womenswear market for the periods indicated.



Source: *Kantar Worldpanel, Retail Shares for the 52 week period ended March 18, 2012 and the 52 week period ended March 15, 2015*

We face competition from a number of retailers, including those identified above, on price, fashion content and other factors. The following chart outlines our position in terms of price and fashion propositions relative to certain other retailers in the UK clothing market.



Source: *Copyright © 2015 Verdict, reproduced with permission of Verdict*

We seek to differentiate ourselves from the foregoing competitors by offering products that combine fashion excitement, value and newness. Some of our main competitors sell products with similar fashion content at higher price points, while others sell products with lower fashion content at similar or lower price points. We believe that our positioning in the market can be described by segmenting the UK clothing and footwear market based on the target audience of retailers into value fashion, mass-market, mid-market and high-fashion segments.

We are a value fashion retailer. Value fashion retailers are brands which combine both value and fashion content. Our focus is on matching the fashionability of Zara at a lower price point. H&M is one of our closest competitors of scale in the UK clothing market, but we believe we offer a more fashionable product at a more attractive price point. Primark continues to expand its UK presence and is focussed at a lower price point; however, we believe we provide a higher quality and more fashionable product range, differentiating the New Look brand from Primark. Boohoo.com is an online-only retailer which also competes in the value fashion segment.

The mass-market segment consists of low cost clothing retailers, such as Matalan and Peacock, and supermarket operators, such as Tesco (F&F), Asda (George) and Sainsbury's (Tu). The low cost clothing retailers and the supermarket operators are typically based in larger stores in out-of-town locations and therefore deliver a different customer shopping experience to clothing retailers like us that have a number of stores on high streets or in central city locations.

The mid-market segment consists of traditional UK brands with high price points and lower fashion content, such as Marks & Spencer, Debenhams, Dorothy Perkins and Next. We believe many of these retailers target customers that are older than our average customer.

The high-fashion segment includes fashion-driven brands with higher price points and fashion content such as Topshop, River Island, ASOS and Very (Very has an online-only operating model). We differentiate our product offering from these retailers by offering fashion content at significantly lower price points. We also believe that the average Topshop customer is younger than our average customer.

UK Clothing E-commerce Market

According to Verdict, the UK clothing e-commerce market has grown at a CAGR of 22.2% between 2009 and 2014, and accounted for approximately 17.9% of the total UK clothing market in 2014, with an estimated £7.3 billion in sales in that year. Verdict forecasts the UK clothing e-commerce market to grow further at a CAGR of 13.9% during the 2014-2019 period to reach £14.1 billion, or 27.5% of the total UK clothing market, by 2019.

We believe e-commerce will continue growing as a result of, among other factors, the continued popularity of tablet devices, increasing mobile access to Internet, and growing consumer acceptance and utilisation of e-commerce clothes shopping. In addition, there is an increasing desire for multi-channel convenience, including "order in store" and "click and collect" ordering and delivery options, where customers order products online (remotely or in-store) and select delivery to a store or other selected address. Furthermore, e-commerce channel leadership of pure-play online retailers is increasingly challenged by transactional websites of store-based retailers. While increasing e-commerce sales typically result in a degree of cannibalisation of in-store sales, multi-channel retailing is a necessary part of the core offering of retailers in the current market and contribute to increase in total spend. There are additional skills and systems required to function effectively as a multi-channel retailer (for example, to handle returns), and the industry has made significant investments in this area in recent years.

We believe that the increasing importance and lower barriers to entry of the e-commerce channel are likely to reduce the number of new entrants to the physical high street UK market. Another consequence of the increased emphasis on online offering may be further pressure on UK clothing retailers to rationalise their store portfolios by disposing of, or closing, underperforming stores as leases expire. We continue to monitor and review our real estate portfolio to exit unprofitable leases and close such stores where we deem appropriate. Notwithstanding, we believe that our extensive store footprint in the UK benefits our multi-channel strategy, allowing us to provide a broader and more appealing customer offering, for example through our "click and collect" service and offering returns through our stores.

International Markets

Our international operations focus on four key markets: China, Poland, France and Germany.

The Chinese apparel retail industry value was estimated at £129 billion in 2014 by Marketline and is forecast to grow at a CAGR of 10.2% between 2014 and 2018, reaching £190 billion in 2018. Growth is expected to be driven principally by rising disposable incomes, increasing pursuit of aspirational lifestyles and growing awareness of personal appearance. Marketline estimated that in 2013 womenswear, menswear and teenswear

accounted for 43%, 34% and 23%, respectively, of the total apparel retail industry value. According to Mintel, the Chinese clothing market was highly fragmented in 2013, with the largest ten participants accounting for only 11.2% of total sales by value. According to Mintel, in 2013 E-Land was the largest clothing retailer by value, with a 1.8% market share, followed by Bestseller (1.6%) and Bosideng (1.5%).

The Polish apparel retail industry value was estimated at £5 billion in 2014 by Marketline and is forecast to grow at a CAGR of 4.9% between 2014 and 2018. Growth is expected to be driven principally by economic recovery and an improving consumer sentiment. Marketline estimated that in 2013 womenswear, menswear and teenswear accounted for 48%, 37% and 15%, respectively, of the total apparel retail industry value. According to Mintel, LPP was the largest clothing retailer in the Polish clothing and footwear market by value in 2013 with a 7.5% market share, followed by Inditex (4.5%) and H&M (3.5%).

The French apparel retail industry value is estimated at £27 billion in 2014 by Marketline and is forecast to grow at a CAGR of 1.0% between 2014 and 2018. Growth is expected to be primarily driven by increased volumes, although at lower prices due to the competitive pressures resulting from a strong rise of online retailing, increasing popularity of discount outlets and strong competition among store-based retailers as a result of the entrance of new fast fashion players. Marketline estimated that in 2013 womenswear, menswear and teenswear accounted for 54%, 29% and 17%, respectively, of the total apparel retail industry value. According to Mintel, Vivarte was the largest clothing retailer in the French clothing and footwear market in 2013 by value with a 3.5% market share, followed by Groupe Beaumanoir (3.4%) and Inditex (2.7%).

The German apparel retail industry value is estimated at £43 billion in 2014 by Marketline and is forecast to grow at a CAGR of 1.7% between 2014 and 2018. Growth is expected to be mainly driven by a stable macroeconomic outlook due to a stable labour market, although pressure on prices is forecast to arise from increased competition and preference for value-for-money offerings stemming from a rapidly aging population. Marketline estimated that in 2013 womenswear, menswear and teenswear accounted for 55%, 31% and 14%, respectively, of the total apparel retail industry value. According to Mintel, H&M was the largest clothing retailer in the German clothing and footwear market in 2013 by value with a 4.9% market share, followed by C&A (4.1%) and Kik (2.0%).

Overview

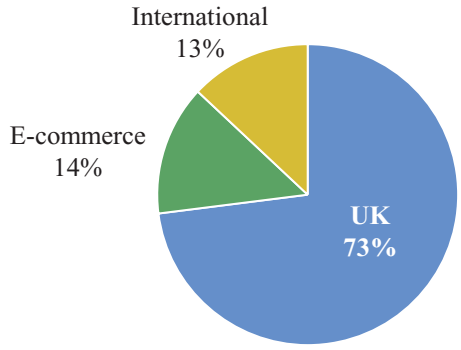
We are a leading fast fashion multi-channel retailer operating in the attractive value segment of the UK clothing and footwear market with a strong and growing presence in targeted international markets. We believe that we offer the latest trends in fashion and an exciting shopping experience, catering for a broad spectrum of ages from early teens to over 45s. Our core target audience is fashion-conscious 16 to 45 year old women (with an average age of 33 years). Our product range comprises womenswear, women's footwear and accessories, as well as menswear and teenswear, and we have a proven ability to attract a loyal consumer spend throughout the economic cycle. We are a leading retailer by value and volume across the UK womenswear, teenswear and footwear markets in which we operate. According to Kantar Worldpanel, we are the leading retailer by value in the under 35s womenswear and accessories market in the UK with a 11.3% market share (by value), and approximately 42% of female adults and teenagers in the UK shopped with us at least once in the 2015 fiscal year. We are also expanding our menswear presence and offering in order to grow our menswear sales and market share. We seek to differentiate ourselves from our competitors by offering value fashion, with a flexible fast fashion model providing an average time from factory to product delivery of approximately 13 weeks, with some of our key high fashion items delivered in less than two weeks allowing us to react quickly to changes in market trends.

We are an integrated multi-channel retailer and aim to offer our customers a flexible, convenient and seamless shopping experience through both our physical stores and E-commerce offering. We operate a multi-channel model which, as of March 28, 2015, comprised:

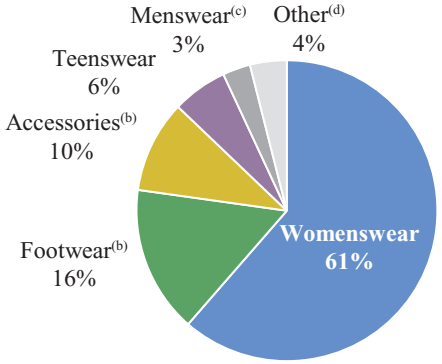
- 809 New Look-branded stores, including 569 directly operated stores in the UK, with a broad geographical coverage; 135 directly operated international stores in China, Poland, France, Ireland, Belgium and the Netherlands, including concession stores in Germany and the Netherlands; and 105 franchise stores in the Middle East, North Africa, Europe and Asia (together with our directly operated international stores, our "International Stores");
- our New Look E-commerce platform serving customers in approximately 120 countries across the globe. Our New Look E-commerce Sales have grown at a CAGR of 36.2% during the 2013-2015 fiscal years from £89.8 million in the 2013 fiscal year to £166.7 million in the 2015 fiscal year. According to website data tracker Experian Hitwise, for the month of March 2015, www.newlook.com was the third most visited website in the UK within the Hitwise category "*Shopping and Classifieds—Apparel and Accessories*" and had a market share of 4.3% by total visits out of the 5,497 websites in such category; and
- our Third-Party E-commerce platform through which we sell our products on websites of 11 key third-party e-commerce retailers, including ASOS and Zalando, currently serves in aggregate over 240 countries. Our 3PE Sales have grown from £1.6 million in the 2013 fiscal year to £34.0 million in the 2015 fiscal year.

The following charts set out our revenue shares for the 2015 fiscal year across our reportable segments and by product range:

Sales (2015 fiscal year)[(a)]



Product Range (2015 fiscal year)[(a)]



(a) Sales are based on gross transactional value excluding adjustments for concession income on a net basis for statutory reporting purposes.

(b) Footwear and accessories product ranges comprise products solely for female customers.

(c) Includes footwear and accessories products for male customers.

(d) "Other" includes Sales not derived from sales of our products, such as sales of third-party products on a concessionary basis.

In the 2015 fiscal year, we generated £1,414.5 million in revenue, £212.4 million in Adjusted EBITDA and £229.2 million in Pro Forma Consolidated EBITDA and had an Adjusted EBITDA margin of 15.0% and Pro Forma Consolidated EBITDA margin of 16.2%. Our Adjusted EBITDA grew at a CAGR of 7.4% during the 2013-2015 fiscal years. Furthermore, LFL sales growth for the 2015 fiscal year was 5.0% for our UK operations and 4.0% for our businesses as a whole.

History and Development

New Look was founded by Tom Singh in 1969, opening its first store in Taunton, Somerset. Through the 1970s and 1980s, the store network gradually expanded, with the portfolio comprising 70 stores by 1990. The early 1990s saw the pace of our growth accelerate, and, by 1994, the New Look store network had increased to over 200 stores operated from a purpose-built head office and distribution facility in Weymouth, Dorset. During the mid-1990s, we began to expand our product range, launching the accessories range and the teenswear range.

We continued to grow and launched a footwear range in 1997. In June 1998, we were listed on the London Stock Exchange. Between June 1998 and April 2004, significant developments included the introduction of the "Inspire" range for plus-sized women, lingerie and maternity ranges and an expanded footwear range; the acquisition of Mim, a privately owned French womenswear retailer (which we subsequently sold in November 2014); and significant investment in a new IT platform that enhanced our distribution capability in the United Kingdom. In 2002, we launched a new logo and branding, and in 2003 opened our first store in Ireland.

In April 2004, Trinitybrook plc, a company owned by Apax and Permira, Tom Singh family interests and members of New Look's current and former senior management team, *inter alios*, acquired New Look Group plc, and New Look shares were de-listed from the London Stock Exchange. We embarked on a store expansion programme between 2004 and 2008, which involved opening new stores and relocating existing stores to larger or better locations. In September 2005, we relocated our distribution centre from Weymouth to Newcastle-under-Lyme. This 800,000 square foot distribution centre is highly automated and is located in Staffordshire in the middle of the United Kingdom, which has resulted in cost efficiencies for distributing our products throughout the United Kingdom.

In 2007, we launched our E-commerce business and in the 2010 fiscal year we relocated our core buying, merchandising, design and marketing functions from Weymouth to new offices near Oxford Street in London. The increasingly challenging economic conditions during 2010 together with the short term disruption of the relocation to London, contributed to a deterioration in our trading performance. As a result, we refocussed our strategy on a cost management programme, tighter stock management and expanding our multi-channel platforms. This included our E-commerce segment and expanding our international footprint, whilst also reviewing our property portfolio to eliminate underperforming stores.

In January 2013, Mr. Anders Kristiansen joined as a new chief executive officer. In May 2013, we successfully refinanced some of our indebtedness, which resulted in a decrease in our cost of funding. Under Mr. Kristiansen's leadership, we revised our strategy towards:

- establishing consistent global brand identity across our stores, multi-channel platform and products;
- international expansion into selected new regions;
- further developing and enhancing our multi-channel platform;
- expanding our menswear offering; and
- introducing new product categories, such as cosmetics and activewear.

As part of the new strategy, we opened our first stores in China in early 2014 and acquired our Polish franchise business from our franchise partners in February 2014, while our multi-channel business has grown significantly in the last three years, as discussed further below.

In November 2014, we sold the Mim business as part of our strategy to focus on further development and promotion of the New Look brand and to streamline our international operations.

On May 14, 2015, a newly-incorporated entity formed by Brait, entities managed by Apax, entities managed by Permira, entities holding the Tom Singh family interest and members of New Look's current and former senior management team entered into the Brait Acquisition Agreement pursuant to which Brait agreed to acquire the entire issued share capital of NLRGL. The acquisition closed on June 25, 2015 and values NLRGL at approximately £1.9 billion. On completion, Tom Singh's family interests and management reinvested alongside Brait.

Our Strengths

We believe that we have developed a competitive advantage as evidenced by the following key strengths, which will enable us to take advantage of current and future growth opportunities:

Leading value fashion retailer in an attractive market.

We are a leading fast fashion retailer operating in the attractive value segment of the clothing and footwear markets, offering fashion products and an exciting shopping experience to our core target audience. According to Kantar Worldpanel, for the period ended March 15, 2015, we were:

- the leading retailer in the United Kingdom by value for the under 35s womenswear market (11.3% market share by value), which is a position we have successfully maintained for each of the past five years;
- the second largest retailer by value in the UK womenswear market for the past five years, with a 6.0% market share;
- the leading retailer in the UK for under 35s women's footwear (12.0% market share by value) and the second largest women's footwear retailer in the United Kingdom (6.2% market share by value);
- the UK market leader by value and volume in women's dresses for under 35s, (12.6% market share by value) and the second largest UK retailer by value and volume in overall women's dresses (7.3% market share by value);
- the second largest retailer in the United Kingdom by value for women's denim in the under 35s (14.0% market share by value); and
- the largest retailer by value in the United Kingdom for women's teenswear (12.4% market share by value).

We operate in large and attractive markets, which we consider to have potential to grow and develop. As of March 28, 2015, we had 569 New Look directly operated stores in the United Kingdom, our core market, where we operate with a total trading space of approximately 4.0 million square feet. We also have a growing presence outside the United Kingdom through our 240 New Look-branded stores (whether directly operated, concession or franchised) in the rest of Europe, Asia, the Middle East and North Africa. In addition, our New Look E-commerce platform extends to approximately 120 countries across the globe. We also sell our products through third-party websites, such as ASOS and Zalando, serving over 240 countries.

Based on Verdict data, the UK clothing market was the second largest clothing market by total sales in Europe, after Germany, with an estimated size of approximately £41.2 billion in 2014. We operate in the value clothing segment which, according to Verdict, represented 30.5% of the overall UK clothing market in 2014. The value segment of the UK clothing market has experienced significantly higher growth relative to the overall UK clothing market, growing at a CAGR of 4.6% between 2009 and 2014, as compared to 3.1% for the overall UK clothing market. We believe that the value segment of the UK clothing market will continue to grow at a faster rate than the overall UK clothing market. We consider the UK value segment to be relatively resilient to adverse economic conditions compared to other segments of the UK clothing market.

We believe that our position in the UK value segment and the growing share of the value segment relative to the overall UK clothing market (as evidenced by historical trends) provide us with an attractive and defensive position even during difficult economic conditions.

Distinct brand with a differentiated product offering and successful pricing mix.

The New Look brand is distinct and trusted in the United Kingdom, catering to a broad customer audience aged between 16 and 45 years. According to the TNS UK Brand Tracker for the nine months to March 2015, New Look brand had a 91% prompted brand awareness among women in the UK and a net promoter score (the average rating that respondents give out of ten when asked how likely they are to recommend the brand to a friend, expressed as a percentage) of 77%, while 21% of customers consider New Look the top place to go to for the latest trends and 26% of customers consider New Look "a brand for me." We seek to differentiate ourselves from our competitors by offering products and a shopping experience based on our brand pillars of fashion excitement, value and newness.

We operate a fast fashion model within the value fashion segment. Our model is focussed on rapidly translating the latest fashion trends from the catwalks, the street and celebrities into wearable and relevant products and on delivering continual newness, with new products accounting for approximately 7% of products in our stores each week, whilst offering our products at prices that we believe are attractive when compared to the prices of our competitors. We believe our value offering is distinctive when compared to the following competitors, who we believe offer products with different characteristics:

- high fashion retail competitors, who offer products at substantially higher prices with higher fashion content;
- mass-market retail competitors, who offer products at lower prices but with lower fashion content;
- fast fashion competitors, who offer products at similar prices with a lower fashion content, and a higher level of "basic products" in their overall mix; and
- mid-market retail competitors, who offer similar quality products with lower fashion content at higher prices.

We have invested heavily in our design, buying and merchandising departments over many years, and we work collaboratively with suppliers to enhance the fashion content of our product ranges for the target New Look customers, whilst reducing the level of fashion risk. During the 2015 fiscal year, approximately 76% of all New Look products sold were designed in-house, enabling the design team to develop cohesive, coordinated and consistent ranges and thereby seeking to ensure that the New Look brand represents a differentiated customer proposition to that of our competitors.

We offer a mix of essential products and fashion-oriented products as well as a consistent and compelling range of prices for our products. In addition to our core ranges (such as tops, dresses and casual wear within our womenswear range as well as an expanding range of menswear), we offer speciality sub-brands such as Generation 915 (targeted at the 9 to 15 age group), Inspire (plus-sized clothing), Maternity, Tall and Petite. Further, we consciously target a broad customer audience by offering both entry-level price point products (to compete with other mass-market and value retailers) as well as premium quality products to offer customers higher quality products at compelling price points. For example, in the 2015 fiscal year we expanded our range of women's denim products with the introduction of an entry-level price point product at £9.99 (with a £7.99 price point also planned) as well as a premium product (offering superior fabric, manufacture and design) at £34.99 (with a £39.99 price point also planned), alongside the existing range priced from £12.99 to £24.99. We believe that the quality of products in our premium range is comparable to much higher priced items at other retailers. We believe that the introduction of differentiated products at various price points will enhance our fashion authority and value credentials further.

Flexible fast fashion operating model underpinned by "quick-to-market" and low-cost sourcing.

We believe that our fast fashion operating model provides flexibility and control over key aspects of the supply chain, from design and production through to distribution to the end customer. Our operating model is centred around an emphasis on in-house design and daily product ordering, with fast product development, manufacture and delivery, strategic supplier partnerships, low cost sourcing and, ultimately, the customer.

We seek to avoid a strongly fashion forward positioning and focus on being a fast fashion retailer by rapidly translating the latest trends into affordable products. Our buying team seeks to identify when fashion trends have gained some momentum within the clothing and footwear market, and then to react quickly through our flexible supply chain in order to deliver a significant volume of products reflecting those trends to the market. Our operating model is designed to avoid the risks associated with a fashion forward position, where buyers would attempt to identify trends earlier in the cycle and either expose themselves to higher risk by purchasing high volumes of untested product or seek to mitigate the fashion risk through buying lower volumes and therefore risking foregone revenue due to a failure to realise the full potential of successful products.

We generally maintain a flexible, open-to-buy position, with only approximately half of our products committed to in advance of each season, giving our buyers opportunity to quickly react to trends. We use our open-to-buy policy to control our overall amount of inventory, as well as the mix of products offered, to increase the proportion of best-selling products. By actively managing our stock orders, we are able to test customer preference and appetite for certain product lines by initially ordering smaller quantities of stock and monitoring sales performance for such products before committing to larger orders. Our average time from factory to product delivery is approximately 13 weeks; however, we are able to take delivery in the UK of certain trend items from China within five to six weeks of placing an order, and as quickly as two to three weeks from certain suppliers in the UK, Turkey and Moldova. We typically have longer lead times with respect to our staple products, which are generally sourced from suppliers based in China and Southeast Asia. Our open-to-buy policy enables us to tightly manage our inventory and working capital.

Our long-standing relationships with our strategic suppliers facilitate rapid product development, consistent quality and timely delivery to our customers. Over the past 40 years, we have established a diversified supplier base with 244 suppliers in 29 countries and we work directly with approximately 780 factories. In the 2015 fiscal year, we sourced 78% of our products from our top 20 suppliers, which are based in China, Bangladesh, Taiwan,

Turkey, Vietnam and Moldova. In order to maintain our value credentials we focus on securing low cost products from our suppliers. We aim to achieve this through our open costing process, which requires our suppliers to provide a detailed breakdown of the underlying costs of the finished product, including for example production costs and fabric quality. Our buying team benchmarks this cost breakdown across three different suppliers where practical, allowing us to mitigate the risk of one supplier charging a higher price than our other suppliers.

We brought the product design function in-house over 10 years ago and now employ a team of over 30 experienced fashion designers at our offices in London's West End. Our in-house team focusses on creating distinct and exclusive product ranges and on enabling us to respond rapidly to changing fashion trends. The design team closely coordinates its activities with our merchandising and buying teams and remains in close contact with suppliers to seek to ensure that product quality and consistency are maintained throughout the production process.

Over the last 10 years, we have operated a technologically advanced and efficient 800,000 square feet distribution facility in Newcastle-under-Lyme, UK. Total investment in this highly automated facility has been approximately £100 million since 2006, which has delivered operational efficiencies. The facility has the capacity to support future growth of our operations in the UK and internationally, and we believe that our existing distribution and logistics infrastructure is sufficient to support our fast fashion model across our multi-channel sales platform.

Seamless multi-channel platform.

We operate an integrated multi-channel platform for our customers to shop conveniently and securely wherever, whenever and however they please. This platform is underpinned by our 809 New Look-branded stores around the world as of March 28, 2015, of which 569 were in the United Kingdom. Overseas, we had 240 International Stores including 116 New Look directly operated stores and concessions in other European countries and 19 directly operated stores in China. In addition, as of March 28, 2015, we had 105 New Look franchise stores in the Middle East, North Africa, Europe and Asia operated by our franchisees.

As of March 28, 2015, 49% of our directly operated stores (excluding concessions) were trading under the "Concept Store" format. We have completed the refurbishment of 291 stores, including 274 in the United Kingdom and 17 International Stores, in line with our "Concept Store" refurbishment programme, and we have opened an additional 37 new stores in line with our "Concept Store" format since the 2012 fiscal year. We frequently review and update our "Concept Store" refurbishment programme, and we have recently modified our latest shopfit which has been rolled out in certain of our UK stores, such as Oxford Circus, and in all of our stores in China. We completed a total of 40 store refits in the United Kingdom, two in Belgium and one in Poland and opened two new stores in the United Kingdom, two new stores in France, three in Poland and 14 new stores in China during the 2015 fiscal year, with the plan to refurbish all our remaining stores in the UK by the end of the 2018 fiscal year.

Over the past eight years, we have also built a strong E-commerce business, which is a key part of our multi-channel platform. In the 2015 fiscal year, Sales of our New Look E-commerce business amounted to £166.7 million, growing at a CAGR of 36.2% in the last three fiscal years, and Sales of our total E-commerce business (including 3PE Sales) amounted to £200.7 million, growing at a CAGR of 48.2% in the last three fiscal years. According to Experian Hitwise, in March 2015, New Look was the third most visited online website within the category "*Shopping and Classifieds—Apparel and Accessories*" and had a market share of 4.3% by total visits out of the 5,497 websites in such category. This channel has also enabled us to expand our market penetration across approximately 120 international countries, including in Europe, the Middle East, North Africa, Asia and North, Central and South America, with relatively minimal capital investment. We expect to build upon this success as we continue to invest in our New Look E-commerce business, and in July 2014, we launched our local language websites in France and Germany. Our E-commerce Sales also includes sales to our 3PE partners. We commenced our 3PE operations through a trial with ASOS in the 2013 fiscal year and our 3PE Sales was our fastest growing channel in the 2015 fiscal year. These 3PE partnerships expand the countries in which our products can be purchased, further expanding our international brand presence. Our 3PE Sales increased from £1.6 million in the 2013 fiscal year to £34.0 million in the 2015 fiscal year. We are currently running trials with other partners in different countries to expand our potential distribution.

Our online customers benefit from a wide choice of products and flexible and convenient delivery options. Our online product selection includes the full range of New Look products available in-store as well as additional online-exclusive products, while delivery options include delivery to home or another location and delivery to a selected store ("click and collect"), with a range of delivery timings available for each of these options. We

benefit from the national coverage of 569 New Look stores in the UK and their fundamental role in our multi-channel operations, with "click and collect" accounting for 28% of our New Look E-commerce orders in the 2015 fiscal year. We estimate that in the 2015 fiscal year approximately 71% of our "click and collect" customers visited our stores with the sole intent of collecting their order and approximately 70% of our online product returns were made to our stores, generating additional footfall. We estimate that approximately 19% of all "click and collect" customers make an additional purchase when visiting our stores to collect "click and collect" orders and that 9% of visits to our stores is a result of a visit to our website. Furthermore, both the "click and collect" delivery option (as compared to delivery to another location) and returns to our stores (as compared to delivery to our distribution centre) are more efficient and lower cost options for us. In addition, in January 2013, we transferred the fulfillment of E-commerce products in-house, fully integrating those processes into our distribution centre in Newcastle-under-Lyme, which has resulted in significant cost efficiencies and provides a more convenient and integrated multi-channel platform for our customers, as well as enables us to better control our stock levels.

We communicate electronically through "NL Daily," our online magazine and blog, and social media outlets such as Facebook and Twitter to stay in contact with our customers. We provide updates regarding our latest product offerings and promotions and direct traffic to our transactional website. As of March 28, 2015, we had over 3.0 million Facebook followers, over 245,000 Twitter followers and over 538,000 Instagram followers. For the 2015 fiscal year, NL Daily, our online magazine and blog, received approximately 1.2 million unique visits. In China, we engage with over 330,000 fans across Weibo and WeChat.

Focussed international operations.

In recent years, we have revised our international strategy by simplifying our approach to international operations, focussing on four core priority markets (China, Poland, France and Germany) and exiting certain operations and markets, including the disposal of the Mim business in November 2014 and our planned exit from the Netherlands later in the 2016 fiscal year. As of March 28, 2015, we had 240 International Stores, comprising 116 directly owned and operated stores (including concession stores) in Europe, 19 directly owned and operated stores in China and 105 franchise stores. Our international strategy is now focussed on growth in China, Poland, France and Germany, where we had 19, 13, 28 and 23 stores, respectively, as of March 28, 2015. All of our stores in Germany and all but one store in the Netherlands are concession stores. In the 2015 fiscal year, we generated 13.6% of our revenue from international operations. In addition, we offer our products to customers in over 240 countries around the globe through our own website (which services approximately 120 countries) and 3PE retailers. In the 2015 fiscal year, 7% of sales from our website were to international addresses. Our e-commerce presence in countries in which we have no store presence contributes to both brand recognition and additional revenues. In addition, such presence allows us to gain market-specific knowledge and test new markets ahead of possible market entry reducing some of the associated risks.

We have leveraged our management's experience and understanding of prevailing market conditions in China to launch New Look stores in the Chinese market. Our first New Look stores in China opened in February 2014, twelve months after the initial review of a programme for an owned store launch. Just over twelve months after the first store opening, as of March 28, 2015, we had 19 stores in China, and we had opened an additional 11 stores by the end of May 2015. These stores are in a variety of locations across tier one, two and three cities and have had an aggregate positive store contribution in the final quarter of the 2015 fiscal year. In the Chinese market, New Look is branded as "New Look London", emphasising the brand's British heritage fashion appeal. These stores are supported by local management and a distribution centre in Shanghai, with products sourced both locally in China and delivered from the UK. We have also established a presence on T-mall, the principal e-commerce marketplace platform in China. We are also active on Chinese social media, with approximately 330,000 followers on Weibo and WeChat as of March 28, 2015.

As part of our international strategy, we are also focussed on operations in Poland, France and Germany. We had 13 stores in Poland as of March 28, 2015. With a relatively large population and a proven appetite for value fashion, Poland is an attractive market for us and we are in the process of opening new stores in the country. In France, we had 28 stores as of March 28, 2015, and we also launched the French-language version of our website, www.newlook.com/fr, in the 2015 fiscal year. We are utilising our experience of the local market, customer tastes and market dynamics to refine our strategy with improved locations and store size requirements. We have also entered the attractive German market through a concession store based strategy, where we believe that there is a substantial opportunity for value fashion, particularly in high population city clusters. As of March 28, 2015, we had 23 concession stores in Germany, and we also launched the German-language version of our website, www.newlook.com/de, in the 2015 fiscal year.

While our priority is to grow our presence in China, Poland, France and Germany, we also have directly owned and operated stores (including concession stores) in Ireland, Belgium and the Netherlands, as well as franchise

operations elsewhere (principally in the Middle East). We will continue to manage these operations to ensure adequate returns. As part of this management process, during the 2015 fiscal year, we decided that the Netherlands was no longer a strategic focus for our business. As a result, on March 29, 2015, we announced our plans to close our directly owned store in the Netherlands in June 2015, with our concession stores in the Netherlands to close by September 2015.

Strong cash generation and financial performance.

We have generated strong cash flow, including during the economic downturn, and have achieved an average free cash flow conversion of 64.7% between fiscal years 2013 and 2015. Our strong free cash flow conversion has been supported by an increase in cost efficiencies during that period, including reductions in head office costs, store payroll costs, brand marketing costs, non-product related costs, IT costs and costs related to our freight and supply chain, which has enabled us to continue to reinvest in our business.

The foregoing cost efficiencies, along with our simplified brand strategy, our "Concept Store" refurbishment programme and our focussed investment in growth areas internationally and in our E-commerce channel, have resulted in a fundamental improvement in our financial performance, with strong growth in revenues in the last three fiscal years (growing at a CAGR of 3.1% in the last three fiscal years). Our Adjusted EBITDA grew at a CAGR of 7.4% during the 2013-2015 fiscal years.

Strong and experienced management team.

We have an experienced and proven executive management team, led by Anders Kristiansen, Mike Iddon and Roger Wightman. The members of our management team have an average of approximately 18 years experience in the retail industry. Our management team has also redefined our approach to product design, production and diversification of our multi-channel platforms. Our management team has demonstrated a commitment to leadership, investment and training of people to promote our brand values including a significant investment in our New Look training academy to differentiate our staff from our competition. Based on customer exit interviews, 97% agreed they were satisfied, 95% agreed the in-store team were knowledgeable, 96% were made to feel like a valued customer and 96% found helpful staff at the fitting rooms. Finally, the management team also has a proven record of developing and maintaining strong relationships with suppliers and expanding into emerging markets.

Our Strategy

New Look's strategy is built upon a strong leadership message focussed on: brand, international, E-commerce, product, and cash generation. New Look's key strategies are outlined below.

Continue developing our brand and customer proposition.

Given the heritage of over forty years of operations as a value fashion brand in the UK, the successful execution of continued brand development is at the core of our strategy. Our brand is recognised as delivering quality, fast fashion products at an attractive value price point. We have recently taken, and plan to continue to take, steps to establish a more consistent brand identity across all areas of our operations, including UK and international stores, E-commerce platforms and our products, for example, by updating store fascias and product labelling. This refreshed branding will enable us to target the other strategic pillars of our strategy more effectively, particularly internationally and in our menswear product offering. The revised New Look branding enables us to take a dual gender approach in order to develop the brand in the menswear segment more quickly and effectively than would otherwise have been possible.

We are also in the process of rolling out the "Concept Store" format across the store estate both in the UK and internationally. We have completed the refurbishment of 291 stores, including 274 in the United Kingdom and 17 International Stores, in line with our "Concept Store" refurbishment programme, and we have opened an additional 37 new stores in line with our "Concept Store" format since the 2012 fiscal year. We plan to refurbish all our remaining stores in the UK by the end of the 2018 fiscal year, which amounts to approximately 80 store refurbishments per annum. During this process, we plan to relocate approximately ten to twelve stores per annum. The stores that we plan to relocate are expected to be on average 100% larger than the stores they replace. Store relocations in recent years have been, and we expect to continue to be, the principal driver of our UK trading space growth. We typically select stores for relocation where we believe there is potential to double the store's EBITDA, and going forward we expect that the stores we relocate will achieve payback of our investment within two years. The "Concept Store" refurbishment programme is focussed on improving the customer shopping experience through:

- strengthened visual merchandising such as mannequins and visual props;

- improved brand communication such as signage and product display;
- creating destination departments and premium ambiance;
- enhancing shelf space, structures and textures;
- new or refurbished fixtures and fitting rooms;
- clarity on the multi-channel features, such as "click and collect" pick-up points and "order in store" service;
- providing even better customer service; and
- utilising modern technology.

In addition, we are continuing to develop our new customer relationship management platform in order to enhance our customer targeting capabilities. We believe that this customer engagement strategy, which we plan to implement through customer data integration projects, will enable us to more effectively collect and analyse our customers' purchases and behaviour, to better track, identify and understand our customer base and, as a result, to produce more tailored and effective customer communications. Our e-receipts initiative, which we plan to launch in selected UK stores in the summer of 2015, with a full roll-out to our UK stores in the 2016 fiscal year, is an important component of our data integration plan and is designed to allow us to link individual customers' in-store and New Look E-commerce purchases in order to analyse customer behaviour and personalise our marketing activities.

We are already engaged as a social brand with approximately 3.0 million Facebook followers, 245,000 Twitter followers, 538,000 Instagram followers and 330,000 followers on Weibo and WeChat as of March 28, 2015. Our social media strategy is to be the "friendliest fashion brand" in conversations with customers and potential customers rather than using social media as a method to "push" information to customers. In so doing, we believe that we are creating improved brand loyalty and personal recommendations by customers above and beyond that achievable by traditional methods alone.

To strengthen our brand recognition, we also intend to continue to invest in marketing and social media, maintaining balanced marketing expenditure between traditional and digital media, to drive customer loyalty, frequency of purchases and average transaction value. We have been a consistent investor in fashion public relations over a number of years, exploiting the strong fast fashion content of our products in editorial coverage in relevant media publications on television, magazines, newspapers and online. We estimate that in the 2015 fiscal year, the implied marketing spend value of our public relations coverage was £78.0 million in the UK and Ireland and £15.0 million in China. We also undertake various brand awareness initiatives, such as our planned title sponsorship of the Wireless music festival in London in July 2015.

Focussed expansion of our international reach.

We are focussed on delivering high quality earnings growth from the expansion of our international multi-channel operations. With 240 stores outside of the UK as of March 28, 2015, we already have a sizeable international business. We believe, however, that historic international strategies executed by New Look, in common with other UK retailers, have been too broad in their approach to the operating model (franchise or directly operated stores) and lacked discipline (such as presence in countries with limited growth prospects and without a meaningful market share in those countries). As a result, we are pursuing a focussed strategy targeting growth in four priority markets: China, Poland, France and Germany.

We entered China in 2014, and as of March 28, 2015, we operated 19 stores there. As of May 31, 2015, we have opened 11 additional stores in China, and we are planning to open approximately 50 new stores per annum in China for the medium term and to have approximately 300 stores in the country by the end of the 2020 fiscal year. Our product ranges and pricing have been well received by customers in China, and we believe there are further improvements possible. This has been supported by targeted marketing campaigns, including a social media strategy on Weibo and WeChat and successful public relations initiatives. We also established a multi-channel presence by joining the T-mall e-commerce marketplace platform in 2014. In addition, we intend to significantly increase domestic sourcing for our stores in China, which we expect will result in a number of benefits including faster product delivery, sourcing and ordering flexibility and cost efficiencies.

We had 13 stores in Poland as of March 28, 2015. We seek to improve our operations in Poland primarily through tightly managing the performance of the existing store portfolio that we acquired from a former franchisee and by improving our product range to better meet the local market requirements.

Our stores in France have been operating for nearly 10 years, and as of March 28, 2015, we operated 28 stores in France. We have refined our store strategy in France with respect to store size and locations, which has resulted

in a more effective store estate comprised of adequate size profitable stores in the right locations and commensurate with our value fashion offer. In addition, we seek to mirror the strong performance of our UK multi-channel operations in France with the successful launch of the French language version of our website at www.newlook.com/fr in 2014.

We also believe that there is a clear opportunity for our value fashion offer in Germany and have entered the market through a concession operation, opening "shop in shops" within department stores to gain initial knowledge with limited resource and financial and operational risks. As of March 28, 2015, we had 23 concession stores in Germany, and we have also launched the German language version of our website at www.newlook.com/de.

Our products are accessible by customers around the globe in over 240 countries through our own website (which services approximately 120 countries) and 3PE partners, reflecting the wide international reach of our products and the opportunity for growth in the future. Whilst the current strategy is focussed on the four priority markets as described above, we will retain flexibility as to the timing, manner and structure of any entry into new markets and are continuously reviewing such opportunities.

Continued investment in E-Commerce.

We have generated strong growth from E-commerce channels. This growth has been principally driven by:

- our dynamic channel expansion into online platforms;
- New Look's status as a leading UK high street fashion brand;
- our proven multi-channel capabilities, with the E-commerce offering supplementing our extensive nationwide store base in the UK; and
- our strong partnerships with 11 key 3PE partners.

We intend to continue to focus on E-commerce as one of the key pillars of our strategy, strengthening and improving our multi-channel proposition and systems.

We continuously invest in information technology infrastructure to support the evolving customer demands of our multi-channel operations. This includes the development of local language websites and functionality for the growing use of mobile devices. In the 2015 fiscal year, 26.1% of our New Look E-commerce orders were made on our mobile e-commerce ("m-commerce") site, increasing from 10.4% of our total E-commerce orders for the 2013 fiscal year and representing the fastest growing business in our E-commerce channel. Additionally, 44.9% of our website visits were to our m-commerce site during the 2015 fiscal year. We expect this shift to m-commerce to continue as the development of mobile applications (including for iOS and Android devices) gathers pace. M-commerce, especially through mobile apps, is a core focus of our E-commerce strategy. In addition, we continue to enhance the functionality and convenience of our New Look E-commerce offering by adding additional pick-up locations and offering later cut-off ordering times for next day delivery and improved value propositions for delivery and/or returns. We also refine our UK New Look E-commerce platform regularly, with new updates released every four to five weeks. Finally, our Retail Stock Management Programme, when fully implemented, will help drive continued volume-led efficiencies in our E-commerce business. We continue to review and develop our multi-channel operations and may introduce new service propositions, local language websites or other functionalities over time.

We have experienced strong growth in sales to 3PE partners since this channel was launched in 2013, which allows the New Look brand to reach our partners' existing and growing customer base around the world at a low upfront cost to us. We intend to develop additional partnerships alongside the existing relationships, broaden our access to this distribution channel. We continue to explore wholesale partnerships with other third-party e-commerce retailers who can offer new routes to markets or access to customers who currently do not have access to our value fashion products. We may also from time to time enter into new wholesale arrangements in existing territories. We also believe that the ability to increase New Look brand awareness ahead of potentially entering a local market with directly operated stores is an attractive feature of this channel.

Continued focus on product development.

We have been consistent in our continued development of our product offering by introducing new categories, sub-brands and broader ranges, with a view to enhance customer choice and revenues. In 1997, we launched our first women's footwear range. For the past five years, we have maintained our position as the second largest women's footwear retailer by value according to Kantar Worldpanel. We have launched several other successful

categories, including the "Inspire" ranges for plus-size customers, the teenswear range "Generation 915," Maternity, Tall and Petite ranges.

We intend to continue to pursue the strategy of product development, trialling and subsequently rolling out new products and categories if the customer response is positive. In the 2015 fiscal year, we have successfully introduced several new categories of products, including activewear and cosmetics and fragrance, where we have historically had a limited market share. After a successful trial in ten stores in 2014, we introduced a new activewear range in 150 UK stores in January 2015 and are also trialling this range in international markets. Further, having launched a trial in 200 stores in October 2014, we rolled out our fragrance range to more than 520 stores in January 2015 and cosmetics range to more than 450 stores in April 2015. We intend to roll out these categories in international stores in time, as well as to expand these ranges to include body care and bath products. Our buying and merchandising team is continuously looking for new product categories and segments, whether by expanding into relevant adjacent categories and/or price points or by introducing wholly new categories.

We use our pricing strategy to maximise the difference between entry and exit prices, offering a true choice to our customers without compromising our value credentials. We have implemented a pricing strategy based on multiple pricing bands to increase the number of our customers and our average transaction value. Our pricing bands consist of "Super Good," "Good," "Better," "Best" and "Premium." Our higher price bands offer customers an improved choice of finish, fabrics and embellishment while still offering our value proposition. We have also introduced a premium price band, which enables us to expand our product offering to include items such as leather products, silk products, embellished fabrics and premium denim. Our diverse range of price bands enables us to offer products that appeal to a broader range of customers, including customers who are likely to shop at higher end competitors, as well as encouraging our existing customers to switch to the next price point by offering a wide selection of products at each price band.

We believe that we have a significant opportunity to increase the sales of menswear products through an improved product offering, merchandising and the roll-out of a dedicated and differentiated menswear "shop-in-shop" store format. The proportion of Sales of menswear accounted for 3.1% of total Sales at our UK stores and for 3.0% of total Sales at our website in the 2015 fiscal year. We believe that the long term opportunity for menswear could be even greater in light of the fact that in the 2015 fiscal year menswear accounted for approximately 16% of our sales to our largest 3PE retailer.

Our objective is to increase our UK menswear market share from 0.4% in the 2014 fiscal year, according to Kantar Worldpanel, to 1% in the medium term. To capitalise on this opportunity, we have strengthened our management team with respect to menswear by appointing a new Menswear Director, previously the head of menswear for H&M, due to join in the summer of 2015. We have also increased the number of our stores carrying menswear products across all our markets to 223 as of March 28, 2015. In addition, we have improved and expanded our current menswear ranges, seeking to create an appealing value fashion product offering for customers. We also launched a dual-gender homepage layout on www.newlook.com in 2014, and expect to benefit from a menswear brand awareness campaign that we plan to launch in the UK in the summer of 2015.

Continue streamlining cost base and maximising cash flow.

We continue to focus on cost efficiencies and savings and optimisation of our resources. We have a strong operational focus on cost control, underpinned with a culture of "treating every pound as your own." We have successfully enhanced our cost management focus over the last four years through proactive management actions, which has, for instance, enabled us to reduce our markdown/discount percentage by approximately 5.6 percentage points to 26.6% in the 2015 fiscal year compared to 32.2% in the 2011 fiscal year. For example, we use our "open to buy" policy, which refers to our option to make decisions regarding uncommitted stock as the current season progresses, to control our overall amount of inventory, as well as the mix of products offered, to increase the proportion of best-selling products, helping control markdown percentage and manage working capital. Each season we typically commit approximately half of our orders prior to the commencement of the season, with the remaining half uncommitted at the outset. We use direct customer feedback and feedback from our store staff to gauge and react to fashion trends in real time before committing to further orders. To control the amount of inventory ordered and avoid excess stock, we have implemented controls requiring our buyers to seek approval before placing additional orders of the same merchandise.

We continue to maintain a stringent capital expenditure policy that is measured against return on investment benchmarks. The majority of our capital expenditure enables us to expand on a sustainable basis and serves to drive additional sales, such as our "Concept Store" refurbishment programme, the implementation of a new global information technology system to support our buying, merchandising, supply chain and finance functions, the expansion of our distribution centre and our New Look E-commerce channel.

Positioning and Target Customer

We operate in the value fashion segment of the clothing and footwear market, with a focus on fast fashion. The UK clothing market, both online and the high street, is highly competitive, with mid-market brands, such as Marks & Spencer, Debenhams and Next; mass market retailers, such as Matalan, Dorothy Perkins, Asda (George) and Peacocks; high-fashion retailers, such as Topshop, Zara, River Island, Very and ASOS; and fast fashion value retailers, including New Look, H&M, boohoo and Primark. There are also a large number of niche players operating in the market and local retailers. The international high street fashion market is similarly competitive and includes retailers such as Pimkie, Vero Moda, Forever 21, C&A, Only, Etam and Reserved. In China, the clothing and footwear market is highly competitive and, in addition to Vero Moda and Only, includes international retailers such as Uniqlo, H&M, Zara, Mango and MUJI.

We seek to differentiate ourselves from our competitors through a combination of our positioning and personality. Our brand proposition focusses on offering our customers latest trends in fashion and an exciting shopping experience. We sell our interpretation of the latest trends at competitive prices to a broad customer base, consisting of women of all ages and sizes (including tall, petite, plus-size and maternity), men and teenagers. In addition, we believe we have a compelling brand personality, putting our customers at the heart of everything we do. We have a brand promise of "helping people look good, feel great and have more fun" and our operations and communications with our customers endeavour to deliver on this promise. We have also established a strong position in the market place through offering an accessible shopping experience, with 569 stores in the United Kingdom and 240 international stores (including our franchise stores) spread across Europe, the Middle East, Asia and North Africa as of March 28, 2015, and our international E-commerce platform, including mobile applications.

We target a broad range of customers with the majority being fashion-conscious and frequent buyers with a high propensity to spend a large part of their disposable income on fashion clothing and accessories. As of March 28, 2015, our average womenswear customer age was 33 years old, while our average menswear customer age was 37 years old. Due to our broad customer base, we define our customers by their attitude toward fashion. We have identified eight customer segments, five of which we actively target, which are as follows:

Female

- Timeless, smart, glamorous and feminine. Dresses to impress, will pay for styles, loves shopping with friends, price driven but quality also important. Based on customer surveys that we carried out during the 2015 fiscal year, we estimate that this customer segment represents approximately 37% of our female customers.
- Individual, unique, edgy, different. Fashion forward, loves new and different, likes shopping alone, price important in her bargain hunting. Based on customer surveys that we carried out during the 2015 fiscal year, we estimate that this customer segment represents approximately 24% of our female customers.
- Sexy, feminine, stylish, glamorous. Dresses to look sexy, loves shopping with friends, buys impulsively, price conscious but spends beyond her means. Based on customer surveys that we carried out during the 2015 fiscal year, we estimate that this customer segment represents approximately 18% of our female customers.

Not actively targeted:

- Practical, comfortable, casual. Most price conscious, seeks durability, versatility and generally functional clothing. Based on customer surveys that we carried out during the 2015 fiscal year, we estimate that this customer segment represents approximately 21% of our female customers.

Male

- Fashion explorer. Engaged with fashion and clothes, extrovert with fashion, happy to browse and search, wants quality over quantity. Based on customer surveys that we carried out during the 2015 fiscal year, we estimate that this customer segment represents approximately 20% of our male customers.
- Mainstream fashion. Enjoys shopping and loves new clothes, takes great care of his appearance, wants to look smart and casual, mixes and matches premium retailers with high street brands. Based on customer surveys that we carried out during the 2015 fiscal year, we estimate that this customer segment represents approximately 39% of our male customers.

Not actively targeted:

- Discerning, stylish and fashionable. Wants to be fashionable, prefers brands or more premium stores, willing to pay a premium. Based on customer surveys that we carried out during the 2015 fiscal year, we estimate that this customer segment represents approximately 26% of our male customers.

- Comfortable, casual and value. Shopping and clothes are rarely a pleasure for him, unadventurous and least engaged when it comes to shopping, looks for value. Based on customer surveys that we carried out during the 2015 fiscal year, we estimate that this customer segment represents approximately 16% of our male customers.

When we design our products we try to ensure that they appeal to and meet the taste of at least two of our key customer segments within each gender category so as to target the largest number of customers. For example, in the 2015 fiscal year, we have successfully marketed kimonos and printed trousers to three of our key female customer segments.

One of the core values of our business is "Think Customer", and we maintain a strong focus on listening to our customers and catering to their needs with a dedicated customer insight team that communicates customer feedback across our business to better aid our decisions and put our customers at the heart of everything we do. We seek to ensure that the customer is at the heart of all of our product designs, and we take the opportunity to incorporate feedback from the press, store managers and our customers at our pre-season viewing, which is held twice a year. We use our pre-season viewing to collect feedback to help us make better buying decisions. We also track feedback and compare it to actual product performance to refine the feedback process.

In April 2014, we launched a customer feedback program "New Look Listens," whereby we use a third-party company to collect data on customer satisfaction via online customer surveys and on point of sale in-store, staff lanyards and customer receipts. Respondents are entered into a prize draw to encourage higher response rates. In the 2015 fiscal year, we received feedback from more than 141,000 customers and had an overall satisfaction score of 97%, which we believe is a strong result for a relatively new programme. Also, according to this survey, 54% of New Look customers questioned shop with us between once a week and once a fortnight. We had approximately 13.6 million unique womenswear customers in the UK in the 2015 fiscal year.

Products

We design and produce three key categories of fashion items: fast fashion, wardrobe essentials and high fashion. At the same time, we offer a pricing mix that meets the customer's expectations and offers value for money. By offering a compelling mix of fashion and value, we distinguish ourselves from our competitors.

Fast Fashion

A significant part of our business is focussed on operating a fast fashion model based on rapidly translating the latest trends from the catwalks, the street and celebrities into wearable, affordable and relevant products that have some fashion element while avoiding the risks associated with a high fashion model and meeting the demand of a large number of target customers. Our average time from factory to product delivery is approximately 13 weeks, although this varies significantly depending on the type of product. Due to our network of close-proximity sourcing partners within the UK and Europe, some of our key high fashion items can be delivered in less than two weeks. We estimate that Sales of fast fashion products represented 74% of our revenue during the 2015 fiscal year.

Wardrobe Essentials

We refer to our core base of everyday products as "wardrobe essentials." Our essentials lines in our womenswear range include tops, dresses and casual wear. We constantly review and update our essentials' styles and attributes, including colour and sleeve length, to ensure broader appeal. We estimate that Sales of wardrobe essentials represented 14% of our revenue in the 2015 fiscal year.

High Fashion

As compared to the fast fashion model, which is based on rapidly translating the latest fashion trends into affordable and relevant products, our high fashion items carry a higher level of fashion risk (which is the risk that we may not accurately predict fashion trends and consumer preferences) as they target early adopter customers. We estimate that Sales of our high fashion products accounted for 12% of revenue in the 2015 fiscal year.

Product Ranges

All our products are sold under the New Look brand and related sub-brands, such as the Inspire range of plus-size clothing and Generation 915 teenswear sub-brand, as described further below.

Our product ranges comprise womenswear, footwear, accessories, menswear and teenswear. Within the product ranges, we regularly review our product offering with a view to potentially improve our customer proposition (which encompasses product selection, staffing, customer service levels and store layout and design) as well as allocate more trading space to those product ranges that generate higher sales per trading square foot.

The following table sets forth the percentage of our Sales derived from each of our product ranges for the New Look brand products for the 2015 fiscal year.

	52 week period ended March 28, 2015
	(%)
Womenswear	61.4
Footwear[1]	15.8
Accessories[1]	10.2
Teenswear	5.7
Menswear[2]	3.1
Other[3]	3.8
Total	**100.0**

(1) Footwear and accessories product ranges comprise products solely for female customers.

(2) Includes footwear and accessories products for male customers.

(3) "Other" includes Sales not derived from sales of our products, such as sales of third-party products on a concessionary basis.

Womenswear

The New Look womenswear range includes casual and going-out wear such as denim, dresses, knitwear, shirts and tops; occasion wear such as dresses; outerwear such as coats and jackets; casual jersey and activewear; and lingerie, swimwear and nightwear. We also offer a range of sizes and fittings, including our Maternity, Tall, Petite and our "Inspire" range of plus-size clothing, which is available in UK sizes 18 to 28. Our womenswear product offering covers a range of price points. Womenswear also includes certain concession brands such as AX Paris (shown in the above table in "Other"). This model offers our customers additional choices of boutique brands at a relatively low risk to us as concessionaires own and merchandise these ranges.

Footwear

The New Look footwear range comprises products for New Look's female customer, such as boots, court shoes, going-out shoes, flats, slippers and sandals. We also offer a range of wider fitting footwear in many styles. We offer a broad choice of styles and materials (including leather and faux leather ranges) and are seeking to improve comfort and fit of our footwear range.

Accessories

The New Look accessories range comprises products for New Look's female customers, such as bags, jewellery, belts, sunglasses, hats, gloves, fragrances and cosmetics.

Teenswear

The New Look teenswear range, Generation 915, is aimed at girls aged 9 to 15 and includes age appropriate versions of our value fashion and basic products spanning across our main categories of clothing, footwear, lingerie, nightwear and swimwear.

Menswear

The New Look menswear range includes formal wear such as suits, jackets, trousers, shirts and ties; casual wear such as denim, shirts, knitwear, tee shirts and shorts; and other products such as shoes, underwear and socks.

Our Operations

We operate across a multi-channel platform. Our operations comprise:

- our owned directly operated stores in the UK (we had 569 stores as of March 28, 2015);

- our New Look E-commerce platform, principally serving customers in the UK as well as internationally in approximately 120 countries as of March 28, 2015;
- our 3PE business, through which we sell our products on websites of 3PE retailers; and
- 100 owned, directly operated International Stores located in China, Poland, France, Ireland, Belgium and the Netherlands and 35 concession stores in Germany and the Netherlands; and our franchise operations in the Middle East, North Africa, Europe and Asia (we had 105 franchise stores as of March 28, 2015).

UK Retail (representing 72.6% of total Sales for the 2015 fiscal year)

We believe that our UK store presence provides us with strong retail coverage in the United Kingdom. As of March 28, 2015, our UK store portfolio comprised 569 stores. As of March 28, 2015, our stores had approximately 4.0 million square feet of total trading space and an average store trading space of approximately 7,027 square feet. As of March 28, 2015, trading areas in individual stores ranged in size from approximately 621 square feet to approximately 29,768 square feet, with the store sizes and customer proposition (which encompasses product selection, staffing and customer service levels and store layout and design) depending on the size of the city or town where the store is located and the local competitive profile of each store. As of March 28, 2015, approximately 47%, 43% and 10% of our UK stores were less than 5,000 square feet, between 5,000 and 15,000 square feet and more than 15,000 square feet in size, respectively. In the 2015 fiscal year, only 13 of our UK stores were loss-making (on store contribution basis to our Adjusted EBITDA), and the aggregate operating loss from these stores was approximately £1.2 million. In the 2015 fiscal year, 517 of our 569 UK stores generated more than £100,000 in EBITDA contribution.

Our UK stores are located in both traditional retail locations, such as high streets, as well as in shopping centres and retail parks. According to CACI (April 2015), our store catchment areas covered approximately 96% of the UK population and we had stores in 89 of the 100 largest shopping centres in the United Kingdom. We also have stores in 79 of the 80 top cities in the country.

The following map indicates the location of our stores in the United Kingdom as of March 28, 2015:

We generally categorise our stores into six categories: small town, large town, city, local, retail park and brand flag. The store's categorisation principally depends on its location and size. The following table sets forth the

number of our stores in each store category and certain information for each store category as of and for the fiscal year ended March 28, 2015.

	Small Town	Large Town	City	Local	Retail Park	Brand Flag	Total
Number of stores	189	135	96	70	64	15	569
Average trading space (square feet)	3,195	8,098	12,355	2,123	10,123	21,233	7,026
Average Sales (£ thousand)	896	1,883	3,344	603	2,535	7,384	1,862
Average Sales per square foot (£)	280	233	271	284	250	348	265
Average EBITDA (£ thousand)	243	432	739	164	598	1,216	427
Average EBITDA margin (%)	27.1	22.9	22.1	27.3	23.6	16.5	22.9

We continually evaluate our store locations, sizes and layouts to ensure they align with our overall growth strategy. In doing so, we have refurbished existing stores, relocated stores in undesirable locations to spaces which are more appropriate for our needs, closed marginally profitable and unprofitable stores, and sought out properties for opening new stores in areas in which we believe we have opportunities to expand. We closed 13, 14 and 8 stores in the UK in the 2013, 2014 and 2015 fiscal years, respectively. We do not plan to significantly increase the number of our UK stores in the near to medium term.

As part of our strategy to establish a revised and consistent New Look brand across our stores, E-commerce operations and products and to enhance the performance of our multi-channel operations, we have been refurbishing our store portfolio under the "Concept Store" refurbishment programme. The refurbishment of our stores reflects our goal to ensure that we are providing an exciting and inspiring store environment. The refurbishment of our stores aims to enhance the shopping experience of our customers through the use of visual merchandising techniques, improved navigation, upgraded changing rooms and integration of our New Look E-commerce offering within our stores. We seek to create an attractive environment to showcase our products, ensuring broader customer appeal to grow our sales in existing stores and markets. We have created a flexible design that can work across all store shapes and sizes. The project has touched on all areas of our stores, such as improving our window schemes to drive footfall, designing new fixtures and fittings that enhance our New Look brand and products, introducing new lighting throughout to deliver the right ambience, changing layouts and signage to help our customers find what they want with ease and injecting our personality in innovative and fun ways to encourage customers to shop with us. We have introduced a new zone in the centre of each "Concept Store" called "Seasonal Boutique," which draws our customers in through the store, inspires them with the latest trends and demonstrates how to create a whole look. Our footwear department has undergone a makeover, inspired by the idea of creating a "shoe heaven." We have brought our New Look brand to life by weaving our fun tone throughout the store with messages such as "There's no such thing as too many shoes." As part of the store refurbishment programme, we also seek to enhance the menswear section and product offering in our stores.

As of March 28, 2015, 287 (or 50.4%) of our UK stores were trading under the "Concept Store" format. We have completed the refurbishment of 291 stores, including 274 in the United Kingdom and 17 International Stores, in line with our "Concept Store" refurbishment programme, and we have opened an additional 37 new stores in line with our "Concept Store" format since the 2012 fiscal year. We plan to refurbish all our remaining stores in the UK by the end of the 2018 fiscal year, which amounts to approximately 80 store refurbishments per annum. During this process, we plan to relocate approximately ten to twelve stores per annum. The stores that we plan to relocate are expected to be on average 100% larger than the stores they replace. Store relocations in recent years have been, and we expect to continue to be, the principal driver of our UK trading space growth. We typically select stores for relocation where we believe there is potential to double the store's EBITDA, and going forward we expect that the stores we relocate will achieve payback of our investment within two years.

Based on actual performance of our stores that have been refurbished (not including relocated stores) in the period between December 2011 and March 2015, we expect recently refurbished "Concept Stores" to achieve payback within approximately 43 months. We calculate the payback period as the number of months (rounded up to the nearest whole month) taken for a store to generate enough incremental contribution (measured as gross profit less store operating costs) to pay back the cash investment in the refurbishment. In computing average payback, we include estimates of the points of payback based on achieved trading levels for those stores which, due to their having been recently refurbished, have not yet reached their payback point.

In the three years ended March 28, 2015, our newly refitted "Concept Stores" experienced a cumulative weighted average increase in gross profit of 5.3 percentage points compared to the remainder of our store portfolio (based on our 290 measurable refurbishments). We calculate such gross profit change as the difference between the sums of (i) the LFL gross profit a "Concept Store" generated pre- and post-refurbishment (in each case for the most recent undisrupted 13-week period) and (ii) the LFL gross profit for all non "Concept Stores" in the same

country during the same periods. "Concept Stores" are measured until they become annualised. Based on our UK stores that have been refurbished in the period between December 2011 and March 2015, an average refurbishment expenditure per store was approximately £197,000, resulting in an average annual profit increase of approximately £53,000 in the first year after the refurbishment and an average return on invested capital (calculated as average annual profit as a percentage of average refurbishment expenditure) of 26.9%. As of March 28, 2015, we have spent on average approximately £28 per square foot on the refurbishment of all of our "Concept Stores." We usually continue to operate stores that are being refurbished during the refurbishment period.

We offer various customer services to integrate our online presence with our stores, such as our "click and collect" and "order in store" ordering and delivery options (including through mobile applications) as well as in-store tablets so that customers and staff have convenient access to everything New Look has to offer regardless of where they are. The "click and collect" option enables customers to order products online and collect them from the store during the store opening hours rather than having the products delivered to their homes. This gives us an additional opportunity to sell to this customer, as 19% of "click and collect" customers make an additional purchase when collecting in store. Our extensive UK store network allows us to provide a wide choice of stores from which customers can choose when and where to collect their purchases or to return products purchased at our website. Approximately 70% of returns of products purchased from us online are made at our stores, which increases footfall and customer engagement, potentially driving further purchases. We also offer an "order in store" option, which allows customers to order in a store a product in a size that is not currently available in the store and to request for the item to be delivered either to their home or to another address of their choice. We are currently trialling an extension of this option to allow customers to place such orders using tablets rather than at the till.

New Look E-commerce (representing 11.5% of total Sales for the 2015 fiscal year)

New Look's website was launched in December 2007, at which time we traded using the www.newlook.co.uk domain. In February 2009, we acquired the www.newlook.com domain name and redirected the site to this URL. In 2011, we introduced new services and enhanced our proposition by building additional services into our multi-channel platform. These services include our "click and collect" and "order in store" ordering and delivery options and an expansion into mobile commerce ("m-commerce"), which provides additional flexibility for our customers by enabling them to access our online store through our mobile phone application. In January 2013, we ceased using an external party for the fulfilment of our New Look E-commerce orders, and we now perform these operations in-house. As a result, we realised operational cost efficiencies and savings. For example, in the past we sent our products from our distribution centre to that of our former distribution partner, who then delivered our products to customers, whereas at present we ship our products directly to customers from our distribution centre. In 2014, we introduced personalisation of the homepage according to gender to support our menswear online product offering. We have also introduced an augmented search capacity to deliver more relevant results and improved page performance. In addition, customers can now see their recently viewed items and create wish lists which can then be shared on social media. We have also improved our checkout functions and introduced new delivery options. Furthermore, in response to the increasing potential of M-commerce, we have developed an enhanced user interface for mobile devices.

In addition to diversifying our revenue streams, our New Look E-commerce operations also provide us with information regarding customer behaviour and habits across geographies. We also use the website to trial products online before introducing them in stores. This preview functionality allows customers to register interest in a product prior to it being available, and helps inform our buying decisions in terms of style and quantities and thereby helps us to manage fashion risk. We intend to continue utilising data collected through our online activities to improve our understanding of our customers. We will also continue to develop the product preview facility as this will provide valuable early insight into what forward trends are likely to be popular.

As of March 28, 2015, our New Look website offers our full in-store product range and additional online exclusive products. We have strategically expanded our product offering for certain lines such as maternity since we can provide a much broader range of products online than we could merchandise in our stores. This enables us to focus on core products in our stores and to use e-commerce as a means to offer more niche products or size offerings.

According to Experian Hitwise, for the month of March 2015, www.newlook.com was the third most visited website in the UK within the Hitwise category "*Shopping and Classifieds—Apparel and Accessories*" and had a market share of 4.3% by total visits out of the 5,497 websites in such category. During the 2015 fiscal year, we had approximately 236.1 million visits to our New Look website, or approximately an average of 4.5 million visits per week, with a conversion rate (calculated as the number of orders placed divided by the number of visits) of 2.8%, compared to an average of 3.9 million visits per week and a conversion rate of 2.4% during the

2014 fiscal year. As of March 28, 2015, we offered our products through our own website in approximately 120 countries (including the United Kingdom), allowing New Look to have a presence in markets which are not part of the international store portfolio. Our New Look website is available in English, French and German, and we have launched a T-mall online store in China. We have had approximately 2.5 million downloads of our mobile app since its launch in the UK in 2011.

In the eDigitalResearch 2015 report, we ranked first out of 14 UK online retailers in the overall multi-channel digital experience customer satisfaction survey, as well as in the homepage, search, and shopping basket eRetail Benchmark categories. We ranked second in the navigation category. We have also been increasing our social media presence, and for the week commencing June 1**,** 2015 we were ranked as having one of the top ten highest fan bases among UK retailers on Facebook. Our social presence also includes Twitter, Instagram, Weibo, WeChat, YouTube and our online magazine and blog, NL Daily. NL Daily provides trend setting content, enabling us to engage customers and to act as a "fashion authority."

Our New Look E-commerce Sales for the 2015 fiscal year were £166.7 million, as compared to £127.8 million and £89.8 million in the 2014 and 2013 fiscal years, respectively. In the 2015 fiscal year, our New Look E-commerce Sales accounted for 11.5% of our total Sales, as compared to 9.2% and 6.6% in the 2014 and 2013 fiscal years, respectively. In the 2015 fiscal year, 93% of our New Look E-commerce Sales were attributable to sales made to customers in the UK, 2% to customers in France, 1% to customers in Ireland and the remaining 4% to customers in other countries. In the 2015 fiscal year, we had at least 506.4 million visits, of which approximately 270.3 million were visits to our New Look stores and approximately 236.1 million were visits to our New Look website.

Our customers increasingly order via mobile platforms. Our m-commerce operations currently represent the fastest growing business in our E-commerce segment, with the proportion of m-commerce orders increasing from 10.4% of our total E-commerce orders for the 2013 fiscal year to 26.1% of our total New Look E-commerce orders for the 2015 fiscal year. M-commerce visits currently account for approximately 44.9% of all online visits to our website. Our m-commerce orders increased by 114.8% in the 2015 fiscal year compared to the 2014 fiscal year. M-commerce, especially through mobile apps, is a core focus of our E-commerce strategy.

The following table sets forth certain information relating to our E-commerce business for the 2013, 2014 and 2015 fiscal years.

	53 week period ended March 30, 2013	52 week period ended March 29, 2014	52 week period ended March 28, 2015
Active customers (million)[1]	2.1	2.8	3.4
Orders (million)	3.5	4.9	6.6
Average basket value (£)[2]	37.98	39.99	40.19
Average number of items per basket	2.8	3.0	3.2
Average selling price per item (£)[2]	13.45	13.45	12.75

(1) We define active customers as those who have shopped with us at least once in the last twelve months.

(2) Including VAT

Third-Party E-commerce (representing 2.4% of total Sales for the 2015 fiscal year)

We have formed partnerships with 11 key 3PE retailers, such as ASOS and Zalando, pursuant to which we provide our products to them for resale through their e-commerce websites, which currently serve in aggregate over 240 countries. These arrangements have enabled us to further expand our international reach by leveraging these e-commerce retailers' global customer base. In addition, our 3PE business raises customer awareness of our brands and provides us with information regarding customer preferences and trends. For example, the proportion of Sales of our menswear products in our total Sales made to our largest 3PE partner was 16.0% in the 2015 fiscal year, which exceeded the proportion of Sales of our menswear products through our New Look website and our stores in our total Sales through these channels in that year. A 3PE business also represents an attractive model for us due to a lower level of capital employed compared to our New Look E-commerce platform, reduced stock risk for us (as the stock is purchased in advance by the third party and therefore we do not bear the risk of not selling purchased products to end customers or selling the stock at marked down prices) and wider international reach than our New Look website. The substantial majority of our 3PE sales are through ASOS, an online fashion retailer based in the United Kingdom with international reach, and with whom we formed our partnership in November 2012.

In January 2015, we launched a new web portal for our 3PE business to enable our partners to view and select online the range of our products that they will carry.

Our 3PE Sales were £1.6 million, £22.0 million and £34.0 million in the 2013, 2014 and 2015 fiscal years, respectively, which represented 1.8%, 14.7% and 16.9% of our total E-commerce Sales during these respective periods.

International

International Stores (representing 10.3% of total Sales for the 2015 fiscal year)

Since January 2013, we have increased our focus on international growth and substantially expanded our international presence from 80 International Stores as of the beginning of the 2013 fiscal year to 135 International Stores as of March 28, 2015, with directly operated stores in China, Poland, France, Ireland, Belgium and the Netherlands and concession stores in Germany and the Netherlands. Our concession stores are New Look stores located within larger department stores. All of our stores in Germany and the Netherlands (except for one directly operated store in the Netherlands) are concession stores. The total trading space for our International Stores was approximately 772,000 square feet and the average store trading space was approximately 5,718 square feet as of March 28, 2015. As of the same date, our International Stores ranged in size from approximately 861 square feet to approximately 29,917 square feet, with the store sizes and customer proposition (which encompasses product selection, staffing and customer service levels and store layout and design) depending on the country where the store is located and the local competitive profile of each store.

Our International Stores offer our full product range, similar to that offered in UK stores with comparable size and location, but are somewhat tailored to reflect local preferences. Our New Look International market positioning resembles that in the United Kingdom in terms of fashion appeal and local price positioning.

We opened 10, 18 and 40 new International Stores in the 2013, 2014 and 2015 fiscal years, respectively, principally reflecting our growth in Germany, entering the market in China in 2014 and the acquisition of our formerly franchise stores in Poland in 2014. In 2012, we established a presence in Germany with concessions in department stores. As of March 28, 2015, we operated 23 stores in Germany (all of which are concession stores) trading from a total of approximately 28,000 square feet. This entry route enables us to test our products and gain a foothold in the German market at low levels of initial investment as we do not generally incur initial fit-out and other property related costs in respect of our concession stores.

In February 2014, we entered the market in China by opening our first stores in Beijing and Shanghai. Further stores have subsequently been opened across a range of cities such as Changchun, Shenyang and Suzhou. As of March 28, 2015, we had 19 stores in China with a total of approximately 53,000 square feet. Our entry into the China market is a key part of our strategy for international expansion given the population size and potential opportunity for increasing our overall scale. Our current stores in China are located in cities and malls ranging in size and market positioning, which allows us to test a number of locations and to determine optimal locations and the appropriate product offering for the market, which will in turn support further expansion and the potential introduction of our New Look E-commerce platform in China.

In February 2014, we acquired 100% of our Polish franchise business from our then-existing partner, consisting of ten stores located in Warsaw and other major Polish cities. These stores give us an important foothold from which to develop our presence in this market by enabling us to take full control of buying and operational decisions in country and to realise the full financial potential of our space growth plans over the next five years.

In the 2015 fiscal year, we decided that the Netherlands was no longer a strategic focus for our business. As a result, on March 29, 2015, we announced our plans to close our single owned store in the Netherlands in June 2015 and gave notice to our concession partner in the country of our intention to terminate the concession agreement (which provides for a six-month notice period).

The following table sets forth the location and number of our International Stores and the number of our franchise stores as of March 28, 2015.

	As of March 28, 2015
International Stores	
Asia	
China	19
Europe	
Republic of Ireland	29
France	28
Germany[1]	23
Poland	13
Netherlands[1]	13
Belgium	10
Total International Stores	**135**
Franchise stores	**105**
Total	**240**

(1) Includes concession stores.

Most of our operations are managed from our support centres in London and in Weymouth. We also have offices in Shanghai, Warsaw, Paris and Antwerp and rent a small office space in Singapore, to support our operations locally.

We have gained significant experience and knowledge in trading across New Look International's European markets, and our new store strategy is to focus on those stores that fit our desired space and market "pitch" template. We will seek to exit those stores that do not fit this template to create a more profitable portfolio and will make selective future investments in key new locations. We closed 3, 2 and 8 International Stores in the 2013, 2014 and 2015 fiscal years, respectively, principally as a result of the foregoing strategy.

Our International Store Sales amounted to £149.2 million, £152.6 million and £149.1 million in the 2013, 2014 and 2015 fiscal years, respectively, which represented 11.0%, 10.9% and 10.3% of our total Sales during these respective periods. Our highest turnover International Store is our flagship store in the prime Paris Les Halles shopping centre in France. This store generated approximately £7.8 million in Sales in the 2015 fiscal year, representing 5.2% of International Store Sales during that period.

Our international expansion strategy is focussed on four priority markets: China, Poland, France and Germany. The following table sets forth the number of our stores in China, Poland and France and certain information for our stores in these countries that were open in the 2015 fiscal year as of and for the fiscal year ended March 28, 2015. We have not included information on our operations in Germany in the table below because all of our German operations are concession stores rather than owned stores.

	China	Poland	France
Total number of stores at fiscal year end	19	13	28
Stores open for full 2015 fiscal year[1]			
Number of stores	3	10	26
Average trading space (square feet)	3,014	5,775	8,632
Average Sales (£ thousand)	1,013	639	2,137
Average Sales per square foot (£)	336	111	248
Stores opened in 2015 fiscal year (annualised)			
Number of stores	16	3	2
Average trading space (square feet)	2,766	4,496	5,452
Average Sales (£ thousand)	684	1,006	2,083
Average Sales per square foot (£)	247	224	382
Average net capital expenditure (£ thousand)	106	537	665
Average payback period (months)	20	24	19

(1) Excludes two stores closed in China and two stores closed in France during the 2015 fiscal year.

From time to time, we review the scale and reach of our international operations. Our products are already accessible by customers around the globe in over 240 countries through our own website and 3PE partners,

reflecting the wide international reach of our products and the opportunity for growth in the future. While the current strategy is focussed on the four priority markets as described below, we will retain flexibility as to the timing, manner and structure of any entry into new markets and are continuously reviewing such opportunities.

China

We intend to expand our reach in certain of our existing markets where we believe there is opportunity for further growth. One such market is China, which we entered in 2014. As of March 28, 2015, we operated 19 stores in China. As of May 31, 2015, we opened 11 additional stores in China, and we intend to open up to 40 additional stores in China during the remainder of 2016 fiscal year. We believe that there is a significant new store opportunity in China. We operate under the "New Look London" brand in China emphasising the brand's British heritage fashion appeal. Other international value fashion brands already have a significant presence in China, and we believe that we can mirror their success.

We are planning to open approximately 50 new stores per annum in China for the medium term and have approximately 300 stores in the country by the end of the 2020 fiscal year. We have a flexible, prudent and cautious approach to the store opening programme, using an experienced local management team based in Shanghai. We also seek to reduce associated risks by carefully managing our capital investment costs (equivalent to approximately £110,000 per store) and entering into attractive property lease arrangements (typically three-year leases). Our product ranges and pricing have been well received by customers in China, and we believe there are further improvements possible. This has been supported by targeted marketing campaigns, including a social media strategy on Weibo and WeChat and successful public relations initiatives. We also established a multi-channel presence by joining the T-mall e-commerce marketplace platform in 2014. In addition, we intend to significantly increase domestic sourcing for our stores in China, which we expect will result in a number of benefits including faster product delivery, sourcing and ordering flexibility and cost efficiencies. To that effect, over the medium term, we plan to source the majority of products (by intake cost) sold at our Chinese stores in China.

Poland

Poland has a population of more than 38 million people and a proven appetite for value fashion, given the presence of a number of key international competitors in the market. We had 13 stores in Poland as of March 28, 2015, having acquired ten stores from our former franchisee in February 2014 and subsequently opening three stores later in the year. We seek to improve our operations in Poland primarily through tightly managing the performance of the existing store portfolio that we acquired from a former franchisee and by improving our product range to better meet the local market requirements. In addition, we are opening new "right-size" stores. We have already commenced the implementation of our store roll-out plans at a number of sites in high footfall areas in shopping centres and city centre locations. We plan to open five new stores in Poland in the 2016 fiscal year, and believe that there is an opportunity for at least 70 New Look stores in Poland in the medium term.

France

Our stores in France have been operating for nearly ten years, since opening in the 2006 fiscal year. Since then, our management team in France have developed considerable experience in the French clothing and footwear market, as evidenced by the proven appetite for our value fashion products in the country. With the re-appraisal of our international strategy, we have refined our store strategy in France with respect to store size and locations. This has resulted in a more effective store estate comprised of adequate size profitable stores in the right locations and commensurate with our value fashion offer. As a result, two loss-making stores have been closed and two new stores opened in the 2015 fiscal year, bringing the total number of our stores in France to 28 as of March 28, 2015. We intend to continue this strategy, which we believe will further enhance the performance of our French operations. We also believe that there is a potential to grow our store portfolio in France to 50 stores in the medium term.

In addition, we seek to mirror the strong performance of our UK multi-channel operations in France with the successful launch of the French language version of our website at www.newlook.com/fr in 2014.

Germany

Germany is the largest economy in Europe and we believe that there is a clear opportunity for our value fashion offer, in light of the success of key international competitors in that market. Given that there is no pre-existing New Look owned and operated store base or experience in Germany, we are adopting a low risk approach to the entry into the German market. Initially, we have entered the market through a concession operation opening "shop in shops" within department stores, principally of the Wohrl and Sinn Leffers group to gain initial

knowledge with limited resource and financial and operational risks. As of March 28, 2015, we had 23 concession stores in Germany. Given the number of high population city clusters, we believe there is an opportunity for up to 70 New Look stores (including concession stores) in the medium term. In time, we may open directly owned and operated stores in Germany, with a full multi-channel offering, once sufficient experience and understanding of the market have been developed. In 2014, we launched the German language version of our website at www.newlook.com/de.

Other Jurisdictions

We have operations in 16 other countries around the world, which comprise directly owned and operated stores in Ireland, Belgium and the Netherlands, as well as franchise operations in 13 countries (principally in the Middle East). These international operations are in the aggregate profitable, and in the foreseeable future we will continue to manage stores in these markets to ensure adequate returns. In particular, as discussed above, we decided that the Netherlands was no longer a strategic focus for our business, and we plan to close our owned store in the Netherlands in June 2015 and have given notice to our concession partner in the country of our intention to terminate the concession agreement (which provides for a six-month notice period).

Franchise Stores (representing 3.2% of total Sales for the 2015 fiscal year)

We operate our franchise segment in 13 countries across the Middle East, Asia, Europe and North Africa regions. Our first franchise store was opened in the United Arab Emirates in September 2006. As of March 28, 2015, we had 105 New Look franchise stores, with a total trading space of approximately 594,000 square feet operated by our six trading partners. Our franchise agreements have enabled us to expand into new markets with reduced risk and provide access to partners with the required expertise and local knowledge to establish our presence in such new markets. After a period of expansion into new markets with additional franchisees, our focus is now on improving sales performance and thus our royalty income, together with supporting our partners in improving their profitability to drive further market investment, rather than further expansion with more partners.

We receive a royalty based on the percentage of the revenue achieved by our franchisees and this percentage varies by partner. We also receive an initial country "entry" fee (giving the franchisee the right to use the New Look brand in the relevant country). The duration of our franchise arrangements varies, but they generally range from five to ten years in respect of their initial terms (a right of renewal exercisable by the franchisees is generally also provided for a term ranging between five and ten years). The franchisee is granted the exclusive right to sell New Look products in the relevant country, except in relation to e-commerce and, in almost all cases, mail order transactions.

Landmark Group International ("Landmark"), an affiliate of Quillian Investments Corporation, one of our shareholders, is our single largest franchisee, and we generated 56.9% of our franchise revenue under franchise agreements with Landmark in the 2015 fiscal year. Landmark currently operates 68 New Look franchise stores in Bahrain, Kuwait, Kingdom of Saudi Arabia and United Arab Emirates.

Design, Buying, Pricing and Merchandising

Fast Fashion Model

Our design, buying, pricing and merchandising functions operate a fast fashion model, which is based on rapidly translating the latest trends from the catwalks, the street and celebrities into wearable, affordable and relevant products that reflect fashion trends while meeting the demand of a large number of target customers. We believe that our fast fashion operating model provides flexibility and control over key aspects of the supply chain, from design and production through to distribution to the end customer. Our fast fashion operating model is centred on our customer focus, an increased emphasis on in-house design, daily product ordering, as well as fast product development, production and delivery, strategic supplier partnerships and an entrepreneurial trading culture. Our average time from factory to product delivery is approximately 13 weeks, although this varies significantly depending on the type of product. Due to our network of close-proximity sourcing partners within the UK and Europe, some of our key high fashion items can be delivered in less than two weeks. In the 2015 fiscal year, approximately 12%, 33%, 36% and 19% of our stock by volume was delivered to our stores in less than six weeks, between six and twelve weeks, between twelve and 18 weeks and in more than 18 weeks, respectively, from the commencement of product design.

We refer to our operating model as being a "fast fashion" operating model because we believe that we are able to achieve delivery of new products into our stores in less time than it might take other fashion retailers who operate what we consider to be a more traditional operating model. Our purchasing and stockholding policies are designed to reduce upfront commitments in advance of known customer demand for a season (with the major

seasons being Autumn/Winter and Spring/Summer). We typically commit approximately half of our orders prior to the start of the season, with the balance of our stock to be determined based on current fashion trends. Seasons are sub-divided into range planning periods of six to eight weeks, which are supported by daily product ordering. On average, approximately 7% of products in our UK stores and online were new each week of the 2015 fiscal year. During the 2015 fiscal year, more than half of our products with lead times of over five weeks were sourced from China. Our products with lead times of less than five weeks are predominantly sourced from the United Kingdom, Moldova and Romania.

We believe that our operating model allows us to take significant advantage of fashion trends within the apparel market. We seek to avoid both a strongly fashion forward positioning (attempting to predict fashion trends before they take hold) and the position of a fashion follower who may miss the peak in the market. Instead, we seek to operate at the "crest of the fashion wave." As a result, our buying team seeks to identify when fashion trends have gained some momentum within the apparel market, and then to react quickly through our flexible supply chain in order to deliver significant volume of products reflecting those trends to the market. This strategy is intended to reduce the risk associated with a fashion forward positioning where buyers would attempt to identify trends earlier in the cycle, necessitating lower volumes, and where profit would be likely to be lower as a result of the lower volumes. The strategy is also intended to reduce some of the risks associated with a fashion follower positioning, particularly the risk that momentum for a trend has passed by the time the buying team reacts to it.

The implementation of our fast fashion model is supported by our integrated design, buying, pricing and merchandising teams.

Design

As of March 28, 2015, we had a team of 34 designers (each with an industry experience of on average approximately 11 years) across all product categories. Our design team's mission is to develop unique and exclusive customer focussed fashion ranges. During the 2015 fiscal year, approximately 76% of all New Look products sold were designed in-house, enabling the design team to develop cohesive, coordinated and consistent ranges and thereby seeking to ensure that the New Look brand represents a different customer proposition to that of our competitors. The in-house team of designers is supported by key suppliers and is commercially-oriented, always seeking for the next best seller products. The rest of our products are designed by our suppliers. We believe that expanding the in-house design team at our local suppliers has allowed us to react faster to fashion trends while supporting an increase in the range of products and delivering an interpretation of trends, focusing on our customers.

Buying

As of March 28, 2015, our buying team consisted of approximately 136 individuals. We believe that our buyers are adept at recognising the key trends in the market place and have an intimate knowledge of our customers' tastes and demands, which they are able to translate into targeted products. Our buyers' work with a diversified supplier base, and their mission is to build ranges that both excite and inspire our customers by blending in-house designed and supplier designed ranges to deliver consistent "product handwriting" and seasonal collections which work together as a whole look. Our buyers seek to achieve the optimal balance between fast fashion and planned production, and we believe that our buying team is key to the successful development of our New Look brand.

Our buying and design teams work closely together to rapidly translate the latest fashion trends into New Look products and to manage our stock levels effectively to reduce the fashion risk. The design team informs our buyers of the latest fashion trends from blogs, catwalks, the street and celebrities approximately six months ahead of the start of a season. Our designers then work with our buying team to prepare related designs in order to develop products reflecting these trends. Our buying team will evaluate samples received from suppliers and develop the range more fully (including colours and sizes), with the design team feeding back to the supplier any amendments that are needed. The design team also continuously seeks to incorporate any new designs that may be necessary to reflect changes in fashion trends and communicate any resulting required changes to our buyers.

With respect to all our buying activities, we use an "open to buy" policy. "Open to buy" refers to our option to make decisions regarding uncommitted stock in real time. Each season we typically commit approximately 50% of our orders in advance of the season. Committed orders vary from placing specific orders for a fixed amount and type of product to more general arrangements for a number of units or volume of fabrics without specifying the exact product, size or colour. We leave the residual portion of our stock uncommitted, thereby retaining our flexibility to remain "open to buy" additional stock of that same product or of a different product depending on which is driving the highest sales. The "open to buy" policy is useful in reducing the risks of fashion forward positioning, where buyers attempt to identify trends earlier in the cycle before they take hold, which generally involves higher risk and lower profits if such lines are unsuccessful. "Open to buy" enables us to gauge

successful trends in real time and provides us with greater flexibility to test products by initially ordering smaller quantities of stock and monitoring sales performance for such products before deciding whether to commit to larger orders or to change the mix of products offered based on item, colour or size. If a trend proves successful and demonstrates sustainable performance based on an initial order, we can use our flexible supply chain to increase the amount of stock. Conversely, we can limit our exposure to underperforming trends and excess stock by switching to other successful products, which in turn mitigates our risk of markdowns or reduced sales. Until the point we place orders with our suppliers, we retain flexibility to select style, colour, size, location of production, delivery time and the total amount of units. We use our "open to buy" policy to control our overall amount of inventory, as well as the mix of products offered, to increase the proportion of best-selling products. To control the amount of inventory ordered and avoid excess stock, we have implemented controls requiring our buyers to seek approval before placing additional orders of the same merchandise. We also review and adjust our forward forecasts for our product selection on a weekly basis to reflect increases and decreases in the purchase of specific items based on the foregoing factors.

For example, we were able to use our flexible "open to buy" policy with respect to capitalising on the trend for kimono in the final quarter of the 2014 fiscal year and the first quarter of the 2015 fiscal year. During the final quarter of the 2014 fiscal year, we identified kimonos to be a trending product. After selling 40,000 units during January and February 2014, we purchased a further 60,000 units in March, followed by nearly 700,000 units purchased between April and June 2014. As a result, we generated £9.7 million of kimono sales in the 13 weeks ended June 28, 2014 compared to our original expectation of £3.7 million for the period.

In addition, in week 35 of the 2013 fiscal year, we had 20,000 midi dresses in stock in 200 key stores in the United Kingdom. By week 37, we gauged that this trend was successful and decided to leverage it further. To prevent surplus stock, we ordered an aggregate of approximately 390,000 additional midi dresses in increasing increments during the following weeks, of which 247,000 units were delivered on an expedited basis from suppliers located in the United Kingdom to take advantage of the Christmas season. As a result of our flexible buying and supply chain, we were able to adjust our product mix to take advantage of a successful trend and increased our sales from £1.2 million with respect to our initial order to £3.6 million for the twelve weeks from week 37 ended to week 49.

With a number of suppliers, we specify and price each individual element of garment production. This practice allows manufacturing costs of individual suppliers to be compared directly against those of other suppliers.

Pricing

We seek to deliver a distinct brand proposition based on good quality and fashionable products at competitive prices. We use a policy of "first price, right price" which seeks to set the correct price for a product the first time the product is launched to avoid any subsequent price revisions. We use an external pricing expert to independently benchmark our prices against our competitors each season as we seek to ensure that we do not overcharge or undercharge for our products. We set targets for our price positioning against our key competitors. In addition, we solicit and consider regular and direct customer feedback regarding our prices, quality and fashion offering in our decision making process. We also use internal analysis and past experience to determine our pricing strategy.

We offer a selection of products at a range of price points to our broad customer base by segmenting our products into the following pricing bands: "Super good", "Good," "Better," "Best," and "Premium." By offering products that fit into each of our pricing bands, we are able to attract a diverse range of customers and to compete with a number of retailers, from those offering basic products through to higher end high street fashion retailers. For example, in the 2015 fiscal year we expanded our range of women's denim products with the introduction of an entry-level price point product at £9.99 (with a £7.99 price point also planned) as well as a premium product (offering superior fabric, manufacture and design) at £34.99 (with a £39.99 price point also planned), alongside the existing range priced from £12.99 to £24.99.

Merchandising

As of March 28, 2015, our merchandising team consisted of approximately 101 individuals. The merchandising team manages products through their entire life cycle and all elements of in-season trading, including promotions. Our merchandising team has joint responsibility with the buyers in building ranges of product appropriate for the market and store type, ranging from our large flagship stores to our local and smaller stores. Our merchandising team is tasked with ensuring that our ranges are well balanced and planned based on the strength of trends and key lessons from the past seasons, while appropriately allocating spending across our range of products to increase our revenue.

Our merchandising team is also responsible for sales, profit and stock forecasts with an objective of increasing profitability. The team is focussed on ensuring products are allocated in the right quantity, to the right stores, at the right price and at the right time. In order to achieve this, our merchandising team needs to work together with our buyers to identify opportunities and risks to current forecasts to ensure the highest level of flexibility is managed within budget. We are also developing data analytical software tools, enabling us to analyse and categorise past purchases across customer types and segments, with the aim of improving the allocation of stock to our stores, including selection and sizing, to make our product offering more appropriate and improve the timing and level of markdowns.

The merchandising team seeks to contribute to improving store profitability by increasing the volume of products sold at the planned retail price. Our merchandising team works directly with the store retail teams to manage our stock levels, with a view to fully realise the potential of our bestselling lines. The merchandising team collects information regarding sales volumes of various products at particular stores, which, together with the information extracted from our automatic allocation system, is then used to place stock orders and replenish inventory on a store by store basis.

We monitor the effectiveness of our merchandising activities using "markdown management," specifically the percentage in price terms by which we mark down a product from its full price in order to sell that product. Our approach to merchandising has been effective in reducing the level of markdowns. The proportion of our sales of products at marked down or discounted prices as a percentage of total sales decreased from 26.9% in the 2013 fiscal year to 26.0% in the 2014 fiscal year. In the 2015 fiscal year, the proportion of our sales of products at marked down or discounted prices as a percentage of total sales increased to 26.6%, principally due to challenging trading conditions in the third quarter as a result of unseasonably warm weather (which resulted in lower demand for winter apparel) and increased discounting from competitors around black Friday. However, the proportion of our sales of products at permanently reduced prices as a percentage of total sales decreased to 12.2% for the 2015 fiscal year, as compared to 12.7% for the 2014 fiscal year. See "*Management's Discussion and Analysis of Our Financial Condition and Results of Operations—Factors Affecting Our Results of Operations—Internal Factors—Turnaround Plan*."

We are currently in the process of implementing a new inventory planning and management system (which we refer to as the Retail Stock Management Programme), which is based on the software provided by Oracle and is integrated into our existing infrastructure by IBM. We expect that the new system, which is designed to cover our operations globally, will enhance our inventory planning and management processes and working practices by making each phase of the inventory lifecycle simpler, more automated and efficient across all of our channels and markets that we trade in, from planning to purchasing, distribution and sales. In particular, the new system is designed to provide a real-time global view of our stock levels across all of our stores and distribution centres as well as information regarding sales volumes and purchase orders status. We expect this will enable our buying and merchandising teams to monitor and manage stock levels more efficiently, resulting in lower inventory levels of out-of-stock items (and therefore reducing the levels of foregone revenue) and slow-moving stock (resulting in lower levels of stock markdowns). This, in turn, is expected to lead to increased sales, higher margins and better working capital management. We expect the full implementation of the new system to take place in the 2017 fiscal year. See "*Risk Factors—If we are unable to successfully implement our new inventory planning and management system, our business, results of operations, financial condition and prospects could be materially adversely affected*."

Sourcing

Suppliers

We do not manufacture our products, but instead source them from various third-party overseas agents and manufacturers (collectively, "suppliers"), mainly in East and Southeast Asia, which in turn source or produce the merchandise according to our specifications. We have a diversified supplier base and, as of March 28, 2015, we had 244 suppliers in 29 countries and we work directly with approximately 780 factories.

Our sourcing strategy is focussed on three main sourcing regions: China, Southeast Asia and Europe/the United Kingdom. In terms of intake cost, during the 2015 fiscal year, we sourced 48.6% of our products from China, 32.1% of our products from Southeast Asia, 12.4% of our products from countries in Europe other than the United Kingdom and 6.3% of our products from the United Kingdom.

In the 2015 fiscal year, we sourced 78% of our products from our top 20 suppliers, 67% of our products from our top ten suppliers and 53% of our products from our top five suppliers, in each case by intake cost. We believe we have good relationships with our key suppliers, which, with respect to our top five suppliers, have lasted for an average of approximately 11 years as of March 28, 2015.

Our largest strategic supplier, Indochine, is an agent registered in the UAE, with major facilities in China and additional facilities in India, Bangladesh, Cambodia and Vietnam. Indochine has been our supplier for more than 11 years and sources products for us from manufacturers principally in China, India and Southeast Asia. We sourced approximately 30% of our products (by intake cost) in the 2015 fiscal year from Indochine. Indochine staff provide us with samples to help develop design ideas, cost products and ensure that they are made on time to the correct quality specifications. We believe that this helps us to secure better supply contracts in terms of price and delivery.

Our second largest strategic supplier, from whom we sourced 9% of our products (by intake cost) in the 2015 fiscal year, is based in Moldova, United Kingdom and Romania.

We believe that our strategy of focusing on developing stronger relationships with more reliable suppliers meeting or exceeding our quality standards allows us to build a stronger supply chain and achieve higher margins.

We have entered into agreements with our five strategic suppliers who collectively provided approximately half of our total products (by intake cost) in the 2015 fiscal year. These agreements contain requirements regarding product quality, delivery times and other parameters. We are in the process of formalising agreements with our other suppliers. Our supply agreements may generally be terminated upon one year's notice. We have minimum purchase order obligations with certain of our suppliers. In addition, certain of our suppliers offer us a rebate if we place orders with them exceeding a minimum threshold over either the course of our fiscal year or the calendar year depending upon our agreement with them.

Sourcing Model

With regard to the product classification, we estimate that approximately 35% (by volume) of the products that we categorise as "fast fashion" are sourced on short lead times of under 50 days from order to delivery to our Newcastle-under-Lyme distribution centre. In general, these products are sourced from suppliers based in the United Kingdom or elsewhere in Europe, but from time to time they may be sourced from suppliers based in countries such as China by using air freight to transport the products within our specified deadlines. Products in our "wardrobe essentials" category and the remainder of the products in the fast fashion category tend to be sourced on longer lead times, in general from suppliers based in China and Southeast Asia. Due to our long-term and flexible supply relationships, if demand for an item is higher than expected, we have the ability to switch production from suppliers based in countries such as China to suppliers based in the United Kingdom or elsewhere in Europe in order to achieve faster delivery times, which in turn increases our revenue opportunity.

We are able to mitigate rises in localised or fabric specific input prices through our strong relationships with suppliers and our operating model. Our strong relationships with our suppliers enable us to work with our partners to shift production to more favourable countries of origin based on cost or timing. We have also developed a long term product strategy to determine our raw material requirements in advance, while retaining a degree of flexibility to change our raw materials such as fabric type if required. We actively manage our stock of fabric and buy significant amounts of base fabrics, such as polyester and cotton, which we use on a regular basis, while retaining flexibility to determine colour and cut dependent on latest trends closer to the time of production.

We have a philosophy of developing long-term relationships with our key suppliers, the precise commercial and legal nature of which varies from supplier to supplier, but which are based on principles of close co-operation through strategic supplier partnerships. We believe that our fast fashion supply chain model as discussed above provides us with a strong degree of control over the manufacturing and distribution of our products while avoiding the risks associated with the ownership of factories.

Ethical Assurance Monitoring

Conducting business in an ethical and sustainable manner is an integral part of our business model. During the 2015 fiscal year, we reviewed our approach to ethical and sustainable sourcing of products. One of the key outcomes of this review was to incorporate ethical sourcing within our overall corporate social responsibility programme and to develop a unified approach to ethical, environmental and animal welfare projects. We want our business to have a positive impact on the lives of workers in countries where we source our products, therefore our objective is for ethical and sustainable trade to be part of business practices of our suppliers and other partners as well as part of our business culture.

Our commitment to ethical sources of supply and social responsibility is evidenced by, among other things, our membership in the Ethical Trading Initiative ("ETI"), a global alliance of companies, trade unions and non-government organisations that seek to improve the lives of workers who produce consumer goods. We seek to ensure that our suppliers operate in an ethical manner, in part by requiring our suppliers to sign up to a code of

conduct which is based on the Base Code of the ETI. We also require all of our suppliers and factories to join the Supplier Ethical Data Exchange ("SEDEX") a not-for-profit organisation that enables suppliers to upload data concerning labour standards, health and safety, environmental issues and business ethics to a single platform, allowing companies around the world to access ethical data regarding their supply chains from a single comprehensive source.

We actively seek to improve health and safety conditions in the factories used to manufacture our products, and have implemented programmes to support the financial and skills development of workers in some of the factories we use. In 2012 and 2013, we trained staff about the importance of health and safety, including fire safety, in approximately 100 of the factories we use around the world. We held a fire and safety seminar in 2013 to train 167 managers in Bangladesh on key fire safety skills, and provided a self-help guidebook as part of this training package. We also work in partnership with Geosansar in India to provide practical support to workers and help increase financial literacy, including a programme to enable local workers to open bank accounts into which they can receive their salaries. Through this scheme, approximately 1,500 bank accounts have been opened in twelve factories that manufacture our products and we have provided financial training for 1,900 workers. In addition, in Bangladesh our team recently assisted a local non-governmental organisation Nari Uddug Kendra in providing eye tests to over 3,000 workers free of charge. We are also continuing to operate our New Look Ethical Champions ethics training programme and have trained more than 70 buyers, merchandisers and designers under this programme on key ethics issues in 2015 to date.

We are also providing training to help existing workers develop factory management skills including skills related to human resource management, team work, communication, problem solving and building technical and quality assurance skills. We have also provided age verification training in Cambodia and worked with factories in Cambodia on delivering training to our suppliers' human resource teams.

Distribution

United Kingdom

We use a number of delivery methods for delivering our products from suppliers to our distribution centre ranging from sea freight, which is the slowest and least expensive option, to air freight, which is the fastest and most expensive method. We determine the appropriate delivery method for each product based on a number of factors, including the risk of the product going out of fashion. For example, we use more air freight and less sea freight for our most fashionable products in order to shorten the freight lead time, which in turn enables us to make our buying decisions later in the season in response to customer demand for particular products. We tend to use sea freight for our most basic products where the key focus is price and the fashion risk is lower.

We have one distribution centre in the UK located in Staffordshire (Newcastle-under-Lyme), roughly in the middle of the country. This owned automated distribution centre has approximately 800,000 square feet and has been in operation since September 2005, initially comprising approximately 400,000 square feet, with approximately 300,000 square feet added in 2007 and approximately 100,000 square feet added in 2011. Since 2006, we have invested a total of approximately £100 million in expanding and modernising our Newcastle-under-Lyme distribution centre, of which approximately £20 million was spent in the past two years.

Our Newcastle-under-Lyme distribution centre consists of two facilities linked by a covered conveyor system which aims to increase efficiency by allowing products to be segregated between the two sites. High volume and small boxed products, such as core clothing lines, are processed through the highly automated Lymedale 1 site, while low volume and larger items, such as footwear, are processed through the Lymedale 2 site. Since January 2013, we have also used the Lymedale 2 site for fulfilment of our E-commerce orders.

Our Newcastle-under-Lyme distribution centre, which employed approximately 1,300 people as of March 28, 2015, currently has a throughput capacity of approximately 180 million units per year (which could be increased up to approximately 190 million units if necessary without undertaking any major works) and approximately 137 units per man hour throughput. Our distribution centre's current throughput is approximately 150 million units per year. We believe that our Newcastle-under-Lyme distribution centre exceeds industry benchmarks in terms of costs and service levels, and that it has the capacity to support our five-year growth plans in European markets, including the UK.

We use third-party service providers to deliver products from our distribution centre to mainland UK stores. Deliveries take place on average 3.1 times per week (and in some cases daily), with on average 3.5 times per week (and in some cases daily) during the peak trading period from September to January. The number of deliveries made to a store each week depends on a number of factors, including store size, sales volumes and the amount of storage capacity in the store.

In January 2013, we took control of our E-commerce fulfilment and distribution activities and online exchanges and returns, which were previously outsourced to a third party. Since then, we have operated such services in-house using our Newcastle-under-Lyme distribution centre. We have realised a number of cost efficiencies and savings as a result of running our own distribution network. For example, in the past, we sent our products from our distribution centre to that of our former distribution partner, who then delivered our products to customers, whereas at present we ship our products directly to customers from our distribution centre. In addition, managing the distribution for our E-commerce also shortens lead times for delivery to our customer, and enhances our store footfall by creating additional services such as "click and collect" and "order in store" ordering and delivery options, and customer returns to store. These services, which enable customers to use a combination of our online and store services, provide the potential for us to sell additional or alternative items to customers if they come into our store to place an order or return an item. We use our Newcastle-under-Lyme distribution centre to support the distribution activities of our 3PE business.

Clipper Logistics Group manages the transport aspects of our UK distribution logistics and provides the vehicles and drivers necessary for the transport of our products from the Newcastle-under-Lyme distribution centre to our mainland UK stores (including products purchased from our website with the "click-and-collect" delivery option). Hermes Europe GmbH provides home delivery services for our New Look E-commerce business.

International

Our owned International Stores located in Europe are serviced by our Newcastle-under-Lyme distribution centre, with on average two to three deliveries per week per store. Some of our European sourced products destined for our China stores are also consolidated in our Newcastle-under-Lyme distribution centre prior to onward distribution to Shanghai.

We also have a third-party operated distribution centre in Shanghai, which services our stores in China and has a total storage and operating area of approximately 2,200 square metres and a storage capacity of more than 190,000 units.

We utilise a third-party operated hub in Singapore to consolidate products destined for our franchise stores in the Middle East and to process our products sourced from China.

Our products are currently delivered to our franchise stores from our Newcastle-under-Lyme distribution centre, with the exception of products destined for our franchisees in the Middle East as described above.

Marketing and Customer Service

We seek to maintain a dialogue with our customers through a variety of marketing tools to keep our New Look brand relevant, to establish our personality and to promote our latest products and offers. Our integrated marketing programme seeks to increase sales for current periods, while also enhancing our brand proposition and customer loyalty in the long term. We have made investments to ensure our brand communications and store environment resonate with our audience and entice our customers to continue shopping with us and recommend us to others. Along with our "Concept Store" refurbishment programme, in 2013 we introduced a new logo to further enhance our New Look brand, strengthen our proposition, attract new customers and reinforce loyalty among our existing customers. Along with store events, promotions and brand partnerships, we maintain a strong presence for our customer through regularly advertising our New Look brand, products and offers in a variety of media such as weekly magazines, daily press, online ads and outdoor poster sites.

Public relations play an important role in generating mass awareness for our New Look brand and establishing fashion credibility. We have an in-house public relations team responsible for fostering strong relationships with journalists from various online and offline media sources including key members of the fashion press and influential bloggers. The public relations team seeks to enhance the editorial placement of New Look products in print and other publications that appeal to our target customers. Such media exposure is achieved free of charge, yet accounts for significant advertising value equivalent column inches. According to My Market Monitor, since the 2011 fiscal year, we generated media coverage at more than £258 million of advertising value equivalent column inches. According to My Market Monitor, we generated media coverage at approximately £78 million and £15 million of advertising value equivalent column inches in the UK and Ireland and in China, respectively, in the 2015 fiscal year (ranking second by generated advertising value equivalent in the UK clothing market in that year), as compared to £52 million, £66 million and £69 million that we generated in the UK in the 2012, 2013 and 2014 fiscal years, respectively. Our marketing expenditure was £18.5 million, £21.1 million and £20.4 million and represented 1.4%, 1.5% and 1.4% of our Sales in the 2013, 2014 and 2015 fiscal years, respectively, with a growing proportion of marketing expenditure attributable to our website marketing and related activities.

We understand the significance of online and social platforms for our customers on a day-to-day basis and the strength of rich content. Social platforms also allow us to identify trends and capture customer feedback. We have an online social media and content team and had approximately 3.0 million Facebook followers, 245,000 Twitter followers and 538,000 Instagram followers as of March 28, 2015. NL Daily, our online magazine and blog, received approximately 1.2 million unique visits in the 2015 fiscal year. In China, we had approximately 330,000 fans on Weibo and WeChat as of March 28, 2015. We also maintain an email mailing list and, as of March 28, 2015, had approximately 3.7 million of engaged customers (which we define as customers who have clicked on a link from, or opened, a promotional email from us in the last three months).

We have an outsourced customer service centre administered by Sitel, which is responsible for handling all New Look customer inquiries regarding online orders, store services and products received through telephone calls, e-mails, web chat and social media. Approximately one million customer contacts are handled per year.

Properties and Leases

The following table sets forth an overview of real estate holdings and leases that are material to our operations.

Site	Primary Use	Size	Lease/Freehold	Lease Terminates
		(approximate square feet)		
London, UK	Support centre – marketing, buying, merchandising and design (offices/range rooms)	67,468	Lease	February 2024
Weymouth, Dorset, UK	Support centre – finance, IT, HR and property support functions (offices/storage space)	55,531	Freehold	—
Newcastle-under-Lyme, UK	Distribution centre (offices/ warehousing)	800,000	Lease	January 2025

The London offices, which house our core buying, merchandising, design and marketing functions, are located near Oxford Street in London. We lease our offices in London on a 15-year lease which expires in February 2024. Our finance, information technology and human resource support functions operate from our office in Weymouth, Dorset. We own the freehold to the Weymouth office and surrounding land. Our distribution centre at Newcastle-under-Lyme comprises two separate leases which relate to Lymedale 1 and Lymedale 2 sites. Both of these leases expire in 2025.

We lease all of our stores. As of March 28, 2015, the average remaining lease term for our UK stores was approximately 4.8 years, and the average remaining lease term for our International Stores was approximately 7.2 years. Although we do not have a standard lease for every UK store, lease terms typically range between five and 25 years (15 years on average), with upwards-only rent reviews every five years based on an assessment of the open market rental value of the property at the time of the review. In general, these leases contain industry standard terms, including requirements that we bear the cost of repairs and insurance for the leased properties. In China, we typically enter into three-year leases, with break clauses by negotiation, and our leases in France are usually for nine years, with three-year break clauses. Approximately 40% of our leases contain clauses that require us to keep premises open during the term of the lease. Furthermore, some leases provide for an additional turnover rent to be paid.

Our UK store lease payments were £129.8 million, £128.6 million and £128.2 million and represented 12.2%, 12.4% and 12.2% of our UK Retail Sales in the 2013, 2014 and 2015 fiscal years, respectively. The average annual rent payment was approximately £225,000 per our UK store in the 2015 fiscal year. We have experienced upward pressure on rent payments in recent years, principally due to rent increases and new store openings (which sometimes have higher rent payments as compared to our existing stores), partially offset by rent renegotiations and store closures.

Competition

We have a number of competitors in each of the geographical markets where we operate, which include other fast fashion value retailers, mid-market brands, mass market retailers and high-fashion retailers. There are also a large number of niche players operating in each market as well as local retailers. For further information, see "*Industry—Competition*."

Information Technology

We have an integrated information technology ("IT") system that supports all aspects of our business, including inventory management, E-commerce applications, logistics, management reporting, and administrative functions, such as finance and human resources software. We categorise our IT systems using the following five principal categories within our enterprise architecture:

- planning, which comprises systems that assist our purchasing department in planning product purchases;
- purchasing, which are systems that assist our purchasing department in purchasing, pricing and trading products for both our business-to-consumer operations (our owned stores and New Look E-commerce business) and business-to-business operations (which include our 3PE business and our franchise business);
- distribution, which comprises systems and infrastructure used to manage our supply chain to enable automated collecting and packaging of our products;
- selling, which are applications that allow customers to purchase our products across different selling channels, including stores and our own and 3PE platforms; and
- management, which comprises reporting and analytical software used by our management as well as systems supporting administrative functions, such as finance, human resources and customer service.

These categories are underpinned by a distributed computing infrastructure using a combination of internally hosted, externally hosted and cloud based computing.

Our IT systems are based on industry leading retail software provided by Oracle, PSB, BT and ADP. These and other applications are underpinned by an IT infrastructure based on systems supplied by IBM, Accenture, Cisco and other IT suppliers. Our IT systems, among other things, enable a timely exchange of information between our stores, suppliers, distribution centres and offices, providing intra-day detailed information management for stores, real-time access to inventory information in our distribution centre and periodic profitability reports.

Our IT department employed 169 full-time equivalent employees as of March 28, 2015, with each senior member having, on average, approximately 22 years of industry experience, of which approximately 4.8 years have been with us.

Intellectual Property

We have rights to use the "New Look" name, which is our most important trademark and which we have registered or applied to register (in word, translated or logo form) covering more than 130 countries. We use the "New Look" name as a trade name, as a trademark in connection with various products and as a service mark. We have also registered or applied to register numerous trademarks and designs in connection with our own brand products, including "Inspire" and "Pembridge and Rose." We have approximately 850 marks in the group portfolio. We have registered variations of the "New Look" domain name and other domain names with the appropriate authorities in the United Kingdom and abroad. Typically, we own all intellectual property rights in the designs created or commissioned by us. We have no patents. We regard our trademarks and other intellectual property rights as valuable assets and take appropriate action to protect and, when necessary, enforce them.

Insurance

We maintain insurance policies covering property damage (including damage due to windstorms, earthquakes, floods and other natural disasters), terrorism, business interruption, public liability, product liability, employer's liability, and directors' and officers' liability. These insurance policies are provided by a number of major international insurance companies, such as AIG, Zurich and RBS. While we believe that our insurance coverage is in accordance with industry custom and practice, our policies are subject to standard deductibles, exclusions and limitations that could affect our ability to make a claim. In addition, our business may be affected by certain risks for which full insurance cover is either not available or not available on commercially favourable terms. For example, we have only limited cover against cyber-attacks.

Employees

The following table sets out the number of our full-time equivalent employees by function as of March 30, 2013, March 29, 2014 and March 28, 2015.

	As of		
	March 30, 2013	**March 29, 2014**	**March 28, 2015**
Stores	7,252	6,530	7,660
Newcastle-under-Lyme distribution centre	1,209	1,336	1,175
Support centres	882	967	1,066
Total	**9,343**	**8,833**	**9,901**

The following table sets out the number of our full-time equivalent employees by geography as of 30 March 2013, 29 March 2014 and 28 March 2015.

	As of		
	March 30, 2013	**March 29, 2014**	**March 28, 2015**
United Kingdom and Republic of Ireland	8,600	8,009	8,877
Rest of Europe	726	681	800
Rest of world	17	146	224
Total	**9,343**	**8,836**	**9,901**

We have no recognised trade union relationships. We have registered employment agreements in our Irish stores as well as works councils in some of our European markets. We are not party to a collective bargaining agreement. We have not experienced any strikes or work stoppages by our employees in recent years. We consider our relationship with our employees to be satisfactory.

The labour-intensive nature of the retail industry and the high number of employees involved in customer contact make it important to have a skilled and motivated workforce. Consequently, we seek to hire customer- and service-oriented employees and to offer competitive compensation and training programmes. We also aim to provide career growth and development opportunities to ensure high retention levels. For example, we aim to fill managerial positions by promoting our existing employees and fill more than half of our vacancies internally.

Our average annual employee turnover rate (excluding seasonal workforce) was 59%, 63% and 60% in the 2013, 2014 and 2015 fiscal years, respectively. Our average annual in-store employee turnover rate (including seasonal workforce) was 59%, 63% and 61% in the 2013, 2014 and 2015 fiscal years, respectively. Our average annual support centres employee turnover rate was 22%, 27% and 27% in the 2013, 2014 and 2015 fiscal years, respectively. As of March 28, 2015, approximately 63% of our employees have been with us for more than one year and approximately 23% of our employees have been with us for more than five years. We believe that our average annual in-store and support centres employee turnover rates in the 2013-2015 fiscal years were lower than the fast fashion retail industry average in the UK.

We offer vocational training and support to our employees. Our training programmes are principally delivered through our online learning system Academy Online, which includes robust and comprehensive induction programmes, on-the-job training, and talent development programmes that seek to encourage and facilitate global mobility to support our international presence. We also provide leadership skills programmes, including in collaboration with Oxford Summer School and Ashridge Business School. In addition, we offer opportunities for our employees to learn new languages to support our international expansion.

We invested approximately £4 million and 366,000 development hours in our employee training in the 2015 fiscal year. Our support centre employees took approximately 3,670 hours of language classes in Mandarin, Polish, French and German in the 2015 fiscal year.

We regularly conduct employee surveys and seek to take into account employee feedback to the extent practicable. We conduct one general employee survey annually and periodic surveys on a more frequent basis across some of our stores, our support centres in Weymouth and London and our distribution centre in Newcastle-under-Lyme.

Legal and Regulatory

Material Legal Disputes and Administrative Proceedings

From time to time, we are involved in legal disputes and administrative proceedings in the ordinary course of our business activities, including disputes with suppliers and employees. We are also subject to periodic investigations by regulatory authorities, including Her Majesty's Revenue and Customs.

We are not currently subject to any material governmental, legal or arbitration claims or proceedings for which we have not taken appropriate provision.

Regulatory

Overview

Our operations are subject to governmental regulation from the United Kingdom, European Union and other international regulatory authorities concerning, among other things, export and import quotas and other customs regulations, consumer credit, consumer and data protection, the advertisement, promotion and sale of products, product safety, the health, safety and working conditions of our employees, the safety of our stores and their accessibility for the disabled, environmental matters, anti-corruption and our competitive and market place conduct. Our store card operations, which are outsourced to Ikano Financial Services Limited, are subject to numerous laws and regulations which impose disclosure and other requirements upon the origination, servicing and enforcement of credit accounts and which change from time to time.

Regulatory Environment

We are subject to the applicable laws and regulations of the respective countries in which we operate. Our regulatory environment in the area of textile manufacturing and sale of textiles is characterised by numerous national, supranational and international laws and regulations, including requirements with respect to the import and export of goods, product liability and consumer protection.

The Carbon Reduction Commitment Energy Efficiency Scheme ("CRC") is a mandatory UK scheme aimed at improving the energy efficiency of and reducing the amount of carbon dioxide emitted by large public sector and private sector organisations. The UK government has recently confirmed that a simplified version of the CRC will be retained until at least 2016. Organisations that meet the qualifying criteria are obliged to participate in the CRC and monitor and report on their CO_2 emissions as well as purchase CRC allowances sold by the UK government for each ton of CO_2 emitted under the rules of this scheme. Organisations qualify as full participants of the CRC if they have at least one half hourly meter ("HHM") settled on the half hourly market, and have an annual electricity consumption through all HHMs of at least 6,000 MWh in the qualifying year (2008 for Phase 1 and 2012/13 for Phase 2). As a result, we qualify as a full participant of the CRC and participate in this scheme.

The Energy Savings Opportunity Scheme ("ESOS") requires large companies and non-public sector organisations to calculate their energy consumption, carry out audits and identify where energy savings can be achieved. ESOS is currently in its initial phase and participants must notify the Environment Agency of their compliance by December 5, 2015 using an online notification system. Companies employing at least 250 people with an annual turnover of more than €50 million and a balance sheet of more than €43 million will be subject to the scheme. Companies will also qualify for ESOS where another member of their corporate group in the UK meets the qualification criteria. Companies are not required to report the findings of their ESOS assessments to the Environment Agency, however, they must confirm the identity of the company director who has confirmed compliance.

Producer responsibility is about making sure businesses that manufacture, import and sell certain products are responsible for those products once they become waste. Under EU Producer Responsibility Directives, New Look companies operating in the EU are responsible for compliance with mandatory national legislation covering packaging and other materials which encourage the minimisation of waste from these products, and also to promote their re-use. We work with various national compliance schemes for packaging and other materials to comply with national producer responsibility regulations.

We are subject to the waste management "duty of care," which imposes obligations on waste holders to ensure the appropriate handling, carriage, treatment and disposal of their waste, including ensuring that waste is collected, treated and disposed by suitably authorised operators and that mandatory documentation is completed on transfer.

In October 2015, the government will introduce a 5p levy on single-use plastic carrier bags in England, which must be charged by sellers employing 250 or more employees. The legislation is expected to contain exemptions for bags for life, bags without handles and woven plastic bags. The charge will be similar to those which are already in place in Wales, Scotland and Northern Ireland.

Foreign Trade and Customs Law

We source most of our products from China, Bangladesh, Cambodia, the United Kingdom, Turkey, Moldova, India, Vietnam, Pakistan, Romania and Ukraine. Within the European internal market, the principle of free movement of goods applies. With respect to import and export of goods from countries which are not members of the European Union, we are required to comply with national and European foreign trade and customs regulations. At the European Union level, our relevant regulatory framework is based on the Customs Code (Council Regulation (EEC) No. 2913/92) together with the Implementing Provisions (Commission Regulation (EEC) No. 2454/93). The new Union Customs Code (Commission Regulation (EEC) No 952/2013) was adopted on October 9, 2013, and its substantive provisions will come into effect no later than May 1, 2016. Until then, the present Customs Code will continue to apply. There have not been any general restrictions on the import of textiles into the European Union from the territories where we source products since the end of 2008. In addition, member states of the European Economic Area may charge customs duties if products are exported into such countries.

Consumer Protection Law

We are subject to a series of consumer protection regulations with respect to the marketing and sale of products to our end users. In particular, we are required to comply with the Consumer Protection from Unfair Trading Regulations 2008, the Consumer Contracts (Information, Cancellation & Additional Charges) Regulations 2013, the Sale of Goods Act 1979 (as amended by the Sale and Supply of Goods to Consumers Regulations 2002), the Sale and Supply of Goods Act 1994, the Supply of Goods and Services Act 1982, the Unfair Terms in Consumer Contracts Regulations 1999, the Data Protection Act 1998 and the Consumer Credit (Advertisements) Regulations 2010. The new Consumer Rights Bill which is due to come into force in October 2015 consolidates and reforms the foregoing consumer legislation and will amend legislation referred to above, except for the SSGCR and the UTCCR which will be revoked. There are also a number of codes with which we comply, such as the UK Code of Non-broadcast Advertising, Sales Promotion and Direct Marketing.

Data Protection Law

As retailers generally process customer data for marketing purposes and for fulfilling contractual obligations, and employee data for administering the employment relationships, compliance regarding these categories of personal data must be ensured. We only use customer data in accordance with the Data Protection Act 1998 (DPA) and relevant legislation relating to direct marketing (the "Relevant Legislation"). We purchase and use address data of potential customers for marketing purposes from address data agencies in compliance with the Relevant Legislation. All employee data for administering the employment relationship is also dealt with in accordance with the DPA.

Regulations on Shop Closing Time

In the United Kingdom, there are no restrictions on Sunday trading hours in Scotland, but in England and Wales, Sunday trading hours are regulated by the Sunday Trading Act 1994, the Regulatory Reform (Sunday Trading) Order 2004 and the Christmas Day (Trading) Act 2004. Under these, large shops (those over 280 square meters) can only open for six consecutive hours between 10:00 am and 6:00 pm on Sundays, and must also close on Easter Sunday and Christmas Day. In Northern Ireland, the Sunday Trading regulations restrict large shops to opening for a maximum of five hours between 1:00 pm and 6:00 pm on Sundays, and they must also close on Easter Sunday.

Although EU law does not dictate how each member state should regulate shop opening/closing times, it does provide common minimum protective standards against the health and safety risks to staff posed by overwork or inadequate rest periods (Working Time Directive, EC regulation 2003/88). Most European Community countries have regulations on this issue, based on the protection of working conditions (particularly on weekends and holidays) and the restriction of competition and to prevent excessive environmental impacts.

MANAGEMENT

Board of Directors of NLRGL

Set forth below are the names and positions of the members of the board of directors of NLRGL as of July 16, 2015. The business address of each of the directors of NLRGL is Mercery Road, Weymouth, Dorset, DT3 5HJ, United Kingdom.

Name	Position
John Gnodde	Non-Executive Chairman
Anders Kristiansen	Chief Executive Officer
Michael Iddon	Chief Financial Officer
Roger Wightman	Chief Creative Officer
Tom Singh	Non-Executive
Christo Wiese	Non-Executive
Jacob Wiese	Non-Executive
Bruce Baisley	Non-Executive
Sean Dougherty	Non-Executive
Alastair Walker	Non-Executive

John Gnodde joined NLRGL as Non-Executive Chairman subsequent to the Acquisition. Mr. Gnodde currently serves as Chief Executive Officer of Brait, a role he has held since 2011.

Anders Kristiansen joined NLRGL as Chief Executive Officer in January 2013. From 2011 to 2012, Mr. Kristiansen was Vice Chief Executive Officer at Bestseller Fashion Group in China. Mr. Kristiansen helped Bestseller Fashion Group establish more than 5,500 stores in China. From 2010 to 2011, he was President at Staples Inc. (China). Over the last 17 years, in addition to the aforementioned directorships, Mr. Kristiansen has been Managing Director of Lyreco Asia Pacific and before that Managing Director Europe of Lyreco Europe. He has also held senior positions at Herlitz and GBC Corp.

Michael Iddon joined NLRGL as Chief Financial Officer in September 2014. For the prior 13 years, Mr. Iddon was employed by Tesco plc, most recently as Group Planning, Treasury and Tax Director and formerly as UK Finance Director, Finance Director of Tesco South Korea, Group Property Finance Director and Non-Food Finance Director. Prior to joining Tesco plc, Mr. Iddon held senior positions at Kingfisher plc and Whitbread plc. Mr. Iddon graduated from University of Oxford with an MA in Geography he then qualified as a Chartered Accountant (ICAEW) and is a member of the Institute of Taxation (CIOT). In May 2013, he completed the Advanced Management Programme at Harvard Business School.

Roger Wightman was appointed to senior management in June 2013 and to the board of NLRGL in June 2015. He was appointed to the board of New Look Retailers Limited in May 2014 and the Senior Secured Notes Issuer and the Senior Notes Issuer in May 2015. In 1990, Mr. Wightman joined us as Temporary Assistant Buyer and rose to Buyer, Senior Buyer Manager, Buying Controller, Associate Director of Buying, Managing Director BMD and to his current role as Chief Creative Officer. Before joining us, Mr. Wightman was an Administration Assistant at the Insurance Brokers Registration Council in London from 1985 to 1988. He holds an HND in business studies from Plymouth Polytechnic.

Tom Singh founded the New Look business in 1969 and following the public to private re-organisation in April 2004, he was appointed Managing Director, Commercial until June 2006. From June 2006 until March 2011, Mr. Singh served as a Non-Executive Director. In March 2011, following the change in Senior Management, he became Commercial Director, supporting the Buying, Merchandising, Design and Sourcing functions of NLRGL. In May 2014, he was appointed Interim Non-Executive Chairman and following the appointment of Paul Mason, he is now a Non-Executive Director. He holds a degree in International Politics and Geography from the University of Wales, Aberystwyth.

Christo Wiese joined NLRGL as a non-executive director subsequent to the Acquisition.

Jacob Wiese joined NLRGL as a non-executive director subsequent to the Acquisition.

Bruce Baisley joined NLRGL as a non-executive director subsequent to the Acquisition.

Sean Dougherty joined NLRGL as a non-executive director subsequent to the Acquisition.

Alastair Walker joined NLRGL as a non-executive director subsequent to the Acquisition.

Senior Management of NLRGL

The senior management team comprises four members, who are responsible for our overall strategic direction, values and governance. The management team develops our strategy, ensures its implementation and is responsible for the annual and long term planning as well as for the preparation of our annual financial statements. It regularly and promptly reports to the shareholders on all issues relevant to the group concerning strategy, medium term planning, business development and risk management.

Set forth below are the names, ages and positions of our senior management as of July 16, 2015.

Name	Age	Position
Anders Kristiansen	48	Chief Executive Officer
Michael Iddon	50	Chief Financial Officer
Roger Wightman	50	Chief Creative Officer

Board of Directors of New Look Retailers Limited

Set forth below are the names, ages and positions of the members of the board of directors of New Look Retailers Limited, the Group's primary operating company as of July 16, 2015. The business address of each of the directors of New Look Retailers Limited is Mercery Road, Weymouth, Dorset, DT3 5HJ, United Kingdom.

Name	Age	Position
Anders Kristiansen	48	Chief Executive Officer
Michael Iddon	50	Chief Financial Officer
Roger Wightman	50	Chief Creative Officer

Senior Management of New Look Retailers Limited

The senior management team comprises three members, who are responsible for our overall strategic direction, values and governance. The management team develops our strategy, ensures its implementation and is responsible for the annual and long term planning as well as for the preparation of our annual financial statements. It regularly and promptly reports to the shareholders on all issues relevant to the group concerning strategy, medium term planning, business development and risk management.

Set forth below are the names, ages and positions of our senior management as of July 16, 2015.

Name	Age	Position
Anders Kristiansen	48	Chief Executive Officer
Michael Iddon	50	Chief Financial Officer
Roger Wightman	50	Chief Creative Officer

Board of Directors and Senior Management of the Company

Set forth below are the names, ages and positions of the members of the board of directors and senior management team of the Company as of July 16, 2015. The business address of each of the directors of the Company is Mercery Road, Weymouth, Dorset, DT3 5HJ, United Kingdom.

Name	Age	Position
Anders Kristiansen	48	Chief Executive Officer
Michael Iddon	50	Chief Financial Officer
Roger Wightman	50	Chief Creative Officer
Richard Collyer	41	Group Finance Director

The profiles of each director or each member of senior management of the Senior Secured Notes Issuer is set out below only to the extent not already disclosed in "—Board of Directors of NLRGL" above.

Richard Collyer was appointed to the role of Group Finance Director in November 2014 after serving as Interim Chief Financial Officer from April 2014. Mr. Collyer joined New Look as Senior Financial Reporting Manager in December 2008. From 2010 to 2013, Mr. Collyer was Head of Group Planning and Reporting, and from August 2013 to November 2013, he was Executive Assistant to the CEO. In December 2013, he was appointed Managing Director for Mim to support its turnaround plan and to prepare it for sale. Prior to joining New Look, Mr. Collyer worked at PricewaterhouseCoopers where he conducted corporate audits and worked in the Transaction Services department. He holds a degree in economics and accounting from University of Bristol and is a Chartered Accountant (ICAEW).

Board of Directors and Senior Management of the Senior Secured Notes Issuer

Set forth below are the names, ages and positions of the members of the board of directors and the senior management team of the Senior Secured Notes Issuer as of July 16, 2015. The business address of each of the directors of the Senior Secured Notes Issuer is Mercery Road, Weymouth, Dorset, DT3 5HJ, United Kingdom.

Name	Age	Position
Anders Kristiansen	48	Chief Executive Officer
Michael Iddon	50	Chief Financial Officer
Roger Wightman	50	Chief Creative Officer
Richard Collyer	41	Group Finance Director

Board of Directors and Senior Management of the Senior Notes Issuer

Set forth below are the names, ages and positions of the members of the board of directors and the senior management team of the Senior Notes Issuer as of July 16, 2015. The business address of each of the directors of the Senior Notes Issuer is Mercery Road, Weymouth, Dorset, DT3 5HJ, United Kingdom.

Name	Age	Position
Anders Kristiansen	48	Chief Executive Officer
Michael Iddon	50	Chief Financial Officer
Roger Wightman	50	Chief Creative Officer
Richard Collyer	41	Group Finance Director

Remuneration, Share Ownership

The aggregate cash compensation paid by us to our current directors and key management personnel for the 2015 fiscal year was £2.5 million.

We established an Employee Share Option Plan Trust ("ESOP") in 2004 and two additional Employee Share Option Plan Trusts in 2009 and 2014 ("ESOP2" and "ESOP3," respectively) under which Ordinary A shares, or options over Ordinary A shares, are issued to management and other key employees. Each share or option grant is approved by our board of directors. The shares beneficially owned by management but held by the ESOPs can be sold by the employees upon termination of employment and the occurrence of certain change of control events.

In the 2015 fiscal year, 9.3 million shares were purchased by the ESOPs from plan participants, 2.0 million shares were sold by the ESOPs to plan participants, 16.8 million options were granted under the ESOPs and 0.3 million options were exercised or forfeited under the ESOPs and as of March 28, 2015, 115.7 million Ordinary A shares were outstanding under the ESOPs. This represents approximately 11.2% of the ordinary shares of NLRGL as of March 28, 2015. The total carrying amount for liabilities arising from share based payment transactions was £1.0 million on March 28, 2015. We generally grant loans to eligible members of management to purchase shares in connection with our ESOPs. See "*Related Party Transactions.*"

PRINCIPAL SHAREHOLDERS

As of the date of this Offering, the Issuers' entire issued and outstanding share capital is held by the Company, a wholly owned indirect subsidiary of NLRGL.

NLRGL beneficially owns 100% of the ordinary share capital of the Company.

On May 14, 2015, a newly-incorporated entity formed by Brait, entities managed by Apax, entities managed by Permira, entities holding the Tom Singh family interest and members of New Look's current and former senior management team entered into the Brait Acquisition Agreement pursuant to which Brait agreed to acquire the entire issued share capital of NLRGL. The Acquisition closed on June 25, 2015 and values NLRGL at approximately £1.9 billion. On completion, Tom Singh's family interests and management reinvested alongside Brait.

Brait is an investment holding company focussed on driving sustainable long-term growth and value creation in its investment portfolio of sizeable unlisted businesses operating in the broad consumer sector. Brait recently announced the acquisition of an 80% shareholding in Virgin Active. In addition, Brait's other major assets include a 19% shareholding in Iceland Foods, the UK-based frozen food retailer, as well as an 87% shareholding in Premier Group (Pty) Limited, a fast moving consumer goods manufacturer based in South Africa that produces food and personal care products. We believe that Brait is supportive of our current strategy.

Tom Singh founded the New Look business in 1969 and had overall responsibility for New Look's buying and merchandising until he became a Non-Executive Director and consultant in May 2001. In March 2011, he rejoined New Look as Commercial Director, leading our buying, merchandising, design and sourcing functions until May 2014. He has since assumed the role of non-executive director.

RELATED PARTY TRANSACTIONS

Monitoring Fees

In the 2015 fiscal year, we paid an aggregate of £653,000 in monitoring fees to Apax and Permira. Each received a monitoring fee of £205,000 for the 2015 fiscal year and Permira received an additional £243,000 of fees in respect of prior fiscal years. In addition, we paid £150,000 in monitoring fees to Rianta Capital Limited, an advisory company owned by Tom Singh's family trusts.

Franchise Agreement

In February 2007, we entered into a five year franchise agreement with RNA Resources Group Limited ("RNA"), a subsidiary of the Landmark Group International ("Landmark"), in which Mukesh Wadhumal Jagtiani and his wife, Renuka Mukesh Jagtiani own shares. As of March 28, 2015, Mr. Jagtiani held 29,737,833 (or approximately 2.6% of) ordinary class B shares of NLRGL in the name of Quillian Investments Corporation. The franchise agreement relates to the continued opening of new stores under the New Look brand in the Middle East.

In February 2012, we entered into a five year renewal agreement and received a renewal fee of £1.8 million in return for granting exclusive rights to RNA to use the New Look brand in the Middle East. In addition, we also receive royalty fees for the supply of goods based on a percentage of sales made by RNA.

Amortisation of the territory fee over the term of the franchise agreement of £0.4 million has been recognised through the income statement in the 2015 fiscal year.

Other Transactions with RNA

In the 2015 fiscal year, the sale of goods handling charges and royalties with RNA was £32.9 million and the franchise territory royalty income was £0.4 million.

Transactions with Directors and Key Management

As of March 28, 2015, we had an aggregate amount of £0.8 million in outstanding loans to certain members of our management in connection with their purchase of shares under our ESOP. Interest on such loans is charged at the applicable HMRC rate and the loans are repayable upon the sale of such shares. The amount repayable under such loans will be equal to the lesser of the proceeds received from such share sale or the amount borrowed.

ESOPs

As of March 28, 2015, the ESOPs owed NLRGL and its subsidiaries £22.4 million in relation to cash loaned to the ESOPs to facilitate the buyback of shares held by former employees.

Transactions with Joint Venture

On September 6, 2005, we entered into a joint venture with Global Tekstil Danismanlik Sanayi Ve Ticaret Limited Sirketi and subject to such agreement, we each hold a 50% interest in NLT Tekstil Sanayi Ve Ticaret Limited Sirketi ("NLT"), a sourcing agent incorporated in Turkey. During the 2015 fiscal year, NLT sourced products on our behalf in the ordinary course of business for which we paid £13.5 million.

DESCRIPTION OF OTHER INDEBTEDNESS

The following is a summary of certain provisions of our indebtedness and certain financial arrangements to which we and certain of our subsidiaries are or will be a party. It does not purport to be complete and is subject to, and qualified in its entirety by reference to, the underlying documents.

Revolving Credit Facility Agreement

Overview and Structure

In connection with the Refinancing Transactions, the Company and certain of its subsidiaries entered into a new £100 million super senior revolving credit facility agreement on the Completion Date (the "RCF Closing Date"), (the "Revolving Credit Facility Agreement") with, *inter alios*, Deutsche Bank AG, London Branch, as facility agent and security agent, and Deutsche Bank AG, London Branch, Goldman Sachs Bank USA, HSBC Bank plc, J.P. Morgan Limited, Lloyds Bank plc, Nomura International plc and The Royal Bank of Scotland plc, as arrangers.

The Revolving Credit Facility may be utilized by any current or future borrower under the Revolving Credit Facility Agreement in euros, U.S. dollars, pound sterling or any other readily available or agreed currency by the drawing of cash advances or the issue of letters of credit or ancillary facilities. The Revolving Credit Facility may be used for financing or refinancing the Group's working capital and general corporate purposes.

In addition, the Company may elect to request additional facilities either as a new facility or as additional tranches of the Revolving Credit Facility (the "Additional Facility Commitments"). The Company and the lenders may agree to certain terms in relation to the Additional Facility Commitments, including the margin and the termination date (each subject to parameters as set out in the Revolving Credit Facility Agreement) and the availability period.

The Revolving Credit Facility may be utilized from the RCF Closing Date until the date falling one month prior to the termination date of the Revolving Credit Facility. The original borrowers under the Revolving Credit Facility are the Company and New Look Retailers Limited.

Interest and Fees

Loans under the Revolving Credit Facility Agreement bear specified interest at rates *per annum* equal to LIBOR or, for loans denominated in euro, EURIBOR, plus a margin of 3.25% per annum, which is subject to reduction if certain leverage ratios are met. The margin on any loans under an Additional Facility Commitment will be agreed between the Company and the relevant lenders.

A commitment fee is payable on the aggregate undrawn and uncancelled amount of the Revolving Credit Facility from the RCF Closing Date to the end of the availability period for the Revolving Credit Facility at a rate of 35% of the applicable margin for the Revolving Credit Facility. The commitment fee is payable quarterly in arrears, on the last date of availability of the Revolving Credit Facility and on the date the Revolving Credit Facility is cancelled in full or on the date on which a lender cancels its commitment. Default interest is calculated as an additional 1% on the overdue amount. The Company is also required to pay customary agency fees to the facility agent and the security agent in connection with the Revolving Credit Facility.

Repayments

Each advance will be repaid on the last day of the interest period relating thereto, subject to a netting mechanism against amounts to be drawn on such date. All outstanding amounts under the Revolving Credit Facility must be repaid in June 2021 (the termination date which is the date falling 72 months after the date of the Revolving Credit Facility Agreement). The termination date for a facility under an Additional Facility Commitment is the date agreed between the Company and the relevant lenders. Amounts repaid by the borrowers on loans made under the Revolving Credit Facility may be reborrowed during the availability period for that facility, subject to certain conditions.

Mandatory Prepayment

The Revolving Credit Facility Agreement allows for voluntary prepayments (subject to minimum amounts). The Revolving Credit Facility Agreement also permits each lender to require the mandatory prepayment of all amounts due to that lender upon a Change of Control. The Revolving Credit Facility Agreement also requires the Company to make an offer to prepay the Revolving Credit Facility with the net cash proceeds received by the Group from certain disposals of assets, to the extent that such net cash proceeds exceed certain agreed thresholds and have not been applied for other permitted purposes.

Guarantees

The Guarantors have provided a senior guarantee of all amounts payable to the finance parties under the Revolving Credit Facility Agreement certain ancillary facilities providers and the hedging banks under any secured hedging agreements.

The Revolving Credit Facility Agreement requires that (subject to agreed security principles) each subsidiary of the Company incorporated in England and Wales that is or becomes a Material Company (which definition includes, among other things, any member of the Group that has earnings before interest, tax, depreciation and amortization representing 5% or more of consolidated EBITDA or total assets representing 5% or more of the total assets of the Group) following the RCF Closing Date will be required to become a guarantor under the Revolving Credit Facility Agreement within 60 days of delivery of the annual financial statements for the relevant fiscal year demonstrating that such subsidiary is a material company.

Furthermore, if on the last day of a fiscal year of the Company, the guarantors represent less than 80% of each of the consolidated EBITDA or the total assets of the Company and its restricted subsidiaries (subject to certain exceptions), within 60 business days of delivery of the annual financial statements for the relevant fiscal year, such other restricted subsidiaries of the Company (subject to agreed security principles) are required to become additional guarantors until the requirement is satisfied (to be calculated as if such additional guarantors had been guarantors on such last day of the relevant fiscal year).

Security

The Revolving Credit Facility is secured by the same Collateral as the Notes. In addition, any Material Company or other member of the Group which becomes a guarantor of the Revolving Credit Facility is required (subject to agreed security principles) to grant security over its material assets in favor of the security agent under the Revolving Credit Facility.

Representations and Warranties

The Revolving Credit Facility Agreement contains certain customary representations and warranties (subject to certain exceptions and qualifications and with certain representations and warranties being repeated), including status and incorporation, binding obligations, non-conflict with constitutional documents, laws or other obligations, power and authority, authorisations, consents and filings and no default.

Covenants

The Revolving Credit Facility Agreement contains certain of the incurrence covenants and related definitions (with certain adjustments) that are set forth in the Indenture and the Senior Notes Indenture. In addition, the Revolving Credit Facility Agreement contains a financial covenant (see "*Financial Covenant*").

The Revolving Credit Facility Agreement also contains a "notes purchase condition" covenant. Subject to certain exceptions set out in the Revolving Credit Facility Agreement, the Company may not, and shall procure that no other member of the Group will, repay, prepay, purchase, defease, redeem or otherwise acquire or retire the principal amount of the Notes and any senior notes (or, in each case, any replacement or refinancing thereof as permitted under the Revolving Credit Facility Agreement from time to time) prior to its scheduled repayment date in any manner which involves the payment of cash consideration of the Group to a person which is not a member of the Group. The exceptions to such covenant include (among other things) payments that do not exceed 50% of the aggregate original principal amount of the Notes in existence as of the RCF Closing Date or incurred at any time after the RCF Closing Date.

The Revolving Credit Facility Agreement also requires certain members of the Group to observe certain affirmative covenants, including covenants relating to:

- maintenance of guarantor and security coverage and further assurances;
- maintenance of insurance; and
- maintenance of *pari passu* ranking of the Revolving Credit Facility.

Certain of the covenants under the Revolving Credit Facility Agreement will be suspended upon (i) a public offering of the Company or certain of its holding companies and an achievement of a leverage ratio equal to or less than 2.50:1 (*pro forma* for any prepayment of certain indebtedness from the proceeds of such public offering) or (ii) an achievement by the Company (or any of its affiliates) of a long-term corporate credit rating of Baa3/BBB- or better by Moody's Investor Services, Inc. or Standard & Poor's Investors Ratings Services.

The Revolving Credit Facility contains an information covenant under which, among other things, the Company is required to deliver to the facility agent annual financial statements, quarterly financial statements, compliance certificates and an annual budget.

Financial Covenant

The Revolving Credit Facility Agreement requires the Company to comply with a Leverage Ratio (defined as the ratio of Consolidated Net Indebtedness at such date to Adjusted EBITDA for the period of the most recent four consecutive financial quarters, each such term as defined in the Revolving Credit Facility Agreement). The covenant will be tested quarterly provided that there shall be no requirement to comply with the Leverage Ratios set out below unless at 5 pm London time on the last day of the applicable period the aggregate amount of all outstanding loans under the Revolving Credit Facility is equal to or greater than 25% of the total commitments under the Revolving Credit Facility at that time.

The Leverage Ratio for any relevant period shall not exceed the ratio set out in Column 2 opposite such date.

Column 1	Column 2
Relevant Period expiring on or about:	**Ratio**
30 June 2016	9.80:1
30 September 2016	9.60:1
31 December 2016	9.30:1
31 March 2017	9.20:1
30 June 2017	9.40:1
30 September 2017	9.20:1
31 December 2017	8.80:1
31 March 2018	8.70:1
Each Quarter Date thereafter	8.70:1

The Company is permitted to prevent or cure breaches of the Leverage Ratio by applying any cure amount (being amounts received by the Company in cash pursuant to any new equity or permitted subordinated debt) as if Consolidated Net Indebtedness had been reduced by such amount. There is no requirement to apply any cure amount in prepayment of the Revolving Credit Facility. No more than three cure amounts may be taken into account during the term of the Revolving Credit Facility and cure amounts in successive financial quarters will not be permitted. Failure to satisfy any Leverage Ratio when required to be tested shall not constitute a breach of any representations, warranty, undertaking or other term of the Revolving Credit Facility finance documents or a default or event of default.

Events of Default

The Revolving Credit Facility contains events of default, with certain adjustments, as those applicable to the Notes as set forth in the section entitled "*Description of the Senior Secured Notes—Events of Default*" and "*Description of the Senior Notes—Events of Default.*" In addition, the Revolving Credit Facility contains the following events of default:

- inaccuracy of a representation or statement when made; and
- unlawfulness, repudiation, rescission, invalidity or unenforceability of the finance documents entered into in connection with the Revolving Credit Facility.

Intercreditor Agreement

General

To establish the relative rights of certain of our creditors under our financing arrangements, the Company ("Parent") and any other entity which accedes to the Intercreditor Agreement as a debtor (together the "Debtors") are parties to the Intercreditor Agreement entered into on the RCF Closing Date with, *inter alios*, the Security Agent, the lenders under our Revolving Credit Facility Agreement, the Revolving Credit Facility Agent (the "Senior Facility Agent"), Deutsche Trustee Company Limited (the "Senior Notes Trustee" and the "Senior Parent Notes Trustee"). The Intercreditor Agreement is governed by English law and sets out, among other things, the relative ranking of certain indebtedness of the Debtors, the relative ranking of certain security granted by the Debtors, when payments can be made in respect of debt of the Debtors, when enforcement action can be taken in respect of that indebtedness, the terms pursuant to which certain of that indebtedness will be subordinated upon the occurrence of certain insolvency events and turnover provisions.

Capitalized terms set forth and used in this section entitled "*Intercreditor Agreement*" have the same meanings as set forth in the Intercreditor Agreement, which may have different meanings from the meanings given to such terms and used elsewhere in this listing circular. In particular, in this section, the term "Senior Notes" means the Senior Secured Notes (as defined elsewhere in this listing circular) and the term "Senior Parent Notes" means the Senior Notes (as defined elsewhere in this listing circular).

Definitions:

The following defined terms are used in this summary of the Intercreditor Agreement:

"Hedge Counterparty" means any person that executes or accedes to the Intercreditor Agreement as a Hedge Counterparty.

"Operating Facility" means any facility or financial accommodation (including, without limitation, any overdraft or other current account facility, any foreign exchange facility, any guarantee, bonding, documentary or standby letter of credit facility, any credit card or automated payments facility, any short term loan facility and any derivatives facility) provided to a member of the Group by an Operating Facility Lender which is notified to the Security Agent by the Parent in writing as a facility or financial accommodation to be treated as an "Operating Facility" for the purposes of the Intercreditor Agreement.

"Operating Facility Document" means, at the election of the Parent, any document relating to or evidencing an Operating Facility.

"Operating Facility Lender" means any person that executes or accedes to the Intercreditor Agreement as an Operating Facility Lender.

"Operating Facility Liabilities" means the liabilities owed by any Debtor to the Operating Facility Lenders under or in connection with the Operating Facility Documents.

"Permitted Parent Financing Agreement" means, in relation to any Permitted Parent Financing Debt, the facility agreement, indenture or other equivalent document by which that Permitted Parent Financing Debt is made available or, as the case may be, issued.

"Permitted Parent Financing Creditors" means, in relation to any Permitted Parent Financing Debt, each of the lenders, holders or other creditors in respect of that Permitted Parent Financing Debt from time to time (including the applicable Senior Parent Creditor Representative).

"Permitted Parent Financing Debt" means any indebtedness incurred by any member of the Group which is notified to the Security Agent by the Parent in writing as indebtedness to be treated as "Permitted Parent Financing Debt" for the purposes of the Intercreditor Agreement; provided that (a) the incurrence of such indebtedness is not prohibited by the terms of the Secured Debt Documents (as defined below) and (b) the providers of such indebtedness or the agent, trustee or other relevant representative in respect of that Permitted Parent Financing Debt have agreed to become a party to the Intercreditor Agreement, in each case unless already a party in that capacity.

"Permitted Parent Financing Documents" means, in relation to any Permitted Parent Financing Debt, the Permitted Parent Financing Agreement, any fee letter entered into under or in connection with the Permitted Parent Financing Agreement and any other document or instrument relating to that Permitted Parent Financing Debt and designated as such by the Parent and the Senior Parent Creditor Representative in respect of that Permitted Parent Financing Debt.

"Permitted Parent Financing Liabilities" means all liabilities of any Debtor to any Permitted Parent Financing Creditors under or in connection with the Permitted Parent Financing Documents.

"Permitted Senior Financing Agreement" means, in relation to any Permitted Senior Financing Debt, the facility agreement, indenture or other equivalent document by which that Permitted Senior Financing Debt is made available or, as the case may be, issued.

"Permitted Senior Financing Creditors" means, in relation to any Permitted Senior Financing Debt, each of the lenders, holders or other creditors in respect of that Permitted Senior Financing Debt from time to time (including the applicable Senior Creditor Representative).

"Permitted Senior Financing Debt" means any indebtedness incurred by any member of the Group which is notified to the Security Agent by the Parent in writing as indebtedness to be treated as "Permitted Senior Financing Debt" for the purposes of the Intercreditor Agreement; provided that (a) the incurrence of such indebtedness is not prohibited by the terms of the Secured Debt Documents (as defined below) and (b) the providers of such indebtedness or the agent, trustee or other relevant representative in respect of that Permitted Senior Financing Debt have agreed to become a party to the Intercreditor Agreement in each case to the extent not already a party in that capacity.

"Permitted Senior Financing Documents" means, in relation to any Permitted Senior Financing Debt, the Permitted Senior Financing Agreement, any fee letter entered into under or in connection with the Permitted Senior Financing Agreement and any other document or instrument relating to that Permitted Senior Financing Debt and designated as such by the Parent and the Senior Creditor Representative under that Permitted Senior Financing Debt.

"Permitted Senior Financing Liabilities" means all liabilities of any Debtor to any Permitted Senior Financing Creditors under or in connection with the Permitted Senior Financing Documents.

"Senior Creditors" means the Senior Lenders and the Hedge Counterparties.

"Senior Creditor Representative" means in relation to any Permitted Senior Financing Debt, the agent, trustee or other relevant representative in respect of that Permitted Senior Financing Debt.

"Senior Facilities Agreement" means the Revolving Credit Facility Agreement.

"Senior Parent Creditors" means the Senior Parent Notes Creditors and any Permitted Parent Financing Creditors.

"Senior Parent Creditor Representative" means, in relation to any Permitted Parent Financing Debt, the agent, trustee or other relevant representative in respect of that Permitted Parent Financing Debt.

Debt Refinancing

The Intercreditor Agreement permits any of the liabilities under the debt documents to be refinanced, replaced, increased or otherwise restructured in whole or in part including by way of Permitted Senior Financing Debt and/or Permitted Parent Financing Debt or the issue of additional Senior Notes and/or Senior Parent Notes and the introduction of a super senior revolving credit facility (the "Priority Revolving Facility") or the establishment of new or additional Operating Facilities (each a "Debt Refinancing"). Each party to the Intercreditor Agreement shall be required to enter into any amendment to or replacement of the then current Secured Debt Documents and/or take such other action as is required by the Parent in order to facilitate such a Debt Refinancing including changes to, the taking of, or release and retake of, any guarantee or security, subject to certain conditions. At the option of the Parent, a Debt Refinancing may be made available on a basis which is senior to, *pari passu* with or junior to any of the other liabilities, shall be entitled to benefit from all or any of the security, may be made available on a secured or unsecured basis (subject to certain restrictions) and may be effected in whole or in part by way of a debt exchange, non-cash rollover or other similar or equivalent transaction, in each case unless otherwise prohibited by the Debt Financing Agreements. Under the terms of the Intercreditor Agreement, each agent, each Secured Party and each Primary Creditor agrees that it shall co-operate with the Parent, each other member of the Group and each agent in order to facilitate any Debt Refinancing (including by way of, at the request and cost of the Parent, executing any document or agreement and/or giving instructions to any person). In the event of any refinancing or replacement of all or any part of the Senior Lender Liabilities (or any such refinancing or replacement indebtedness from time to time), the Parent shall be entitled to require that the definition of Instructing Group is amended such that the relevant refinancing or replacement indebtedness is treated in the same manner as the Senior Facilities (meaning that for the purpose of calculating the voting entitlement of any person, at the option of the Parent all or any part of the relevant refinancing or replacement indebtedness may be treated as Senior Secured Credit Participations of the Senior Creditors and not Senior Notes/Permitted Financing Credit Participations). In the event that any Priority Revolving Facility becomes subject to the provisions of the Intercreditor Agreement, the Parent shall be entitled to require that all or any part of the liabilities in relation to Hedging Liabilities (as defined in the Intercreditor Agreement) and/or the Operating Facility Liabilities shall rank in right and priority of payment pari passu with that Priority Revolving Facility (which, for the avoidance of doubt, may result in such Hedging Liabilities and/or, as the case may be, Operating Facility Liabilities ranking ahead of the Senior Notes liabilities and/or the Senior Parent Notes liabilities), and/or the Permitted Senior Financing Liabilities and/or the Permitted Parent Financing Liabilities, in each case unless otherwise prohibited by the Debt Financing Agreements.

Any Priority Revolving Facility implemented pursuant to a Debt Refinancing shall comply with, *inter alia*, the following limitations:

Ranking of a Debt Refinancing

No liabilities or obligations in respect of any Priority Revolving Facility may rank in right and priority of payment ahead of the amounts set out in paragraph (i) of the section captioned "*—Application of Proceeds*."

Subject to the paragraph above and to the extent not otherwise prohibited by the Debt Financing Agreements, any Priority Revolving Facility shall rank in right and priority of payment as determined by the Parent.

Enforcement: Debt Refinancing

The right of the lenders or other creditors in respect of a Priority Revolving Facility to:

(a) instruct the Security Agent to enforce the security;

(b) give or refrain from giving instructions to the Security Agent to enforce or refrain from enforcing the security as they see fit; and/or

(c) otherwise provide instructions as, or as part of, an Instructing Group,

shall be generally consistent with, or otherwise not materially less favorable to the other Secured Parties than, those customary for facilities of a similar nature to that Priority Revolving Facility (if any), in each case as at the date such Priority Revolving Facility is contractually committed by the relevant member(s) of the Group and as determined by the Parent (with any such determination to be conclusive).

Option to Purchase

(a) The Permitted Senior Financing Creditors shall be provided with an 'option to purchase' right in relation to any liabilities in respect of a Priority Revolving Facility consistent in all material respects with the 'option to purchase' right provided in relation to the Senior Lender Liabilities as set out under the caption "*Option to Purchase: Senior Secured Creditors*."

(b) The Senior Parent Agent(s) shall be provided with an 'option to purchase' right in relation to any liabilities in respect of a Priority Revolving Facility consistent in all material respects with the 'option to purchase' right as set out under the paragraph captioned "*Option to Purchase: Senior Parent Creditors*."

Ranking and Priority

Priority of Debts

Subject to the provisions set out in the caption "*—Senior Parent Liabilities and Security*" below, the Intercreditor Agreement provides that the liabilities owed by the Debtors (other than any Senior Parent Debt Issuer to the extent relating to Liabilities in respect of Senior Parent Notes and/or Permitted Parent Financing Debt where that Senior Parent Debt Issuer is the issuer or the borrower) to the creditors in relation to the Senior Facilities, certain hedging obligations, the Senior Notes, the Senior Parent Notes, the Permitted Senior Financing Debt and the Permitted Parent Financing Debt (the "Primary Creditors") and the Operating Facility Lenders shall rank in right and priority of payment in the following order and are postponed and subordinated to any prior ranking liabilities as follows:

- first, the liabilities of the lenders, issuing banks and ancillary lenders under the Senior Facilities (each a "Senior Lender" and such liabilities the "Senior Lender Liabilities"), the Senior Notes Liabilities and the Permitted Senior Financing Liabilities, the Hedging Liabilities, the Operating Facility liabilities, amounts due to the Senior Arranger liabilities, the Senior Agent liabilities, the Senior Notes Trustee and amounts due to the Senior Parent Notes Trustee *pari passu* and without any preference between them; and

- second, the Senior Parent Notes liabilities and the Permitted Parent Financing Liabilities *pari passu* between themselves and without any preference between them.

The liabilities owed by a Senior Parent Debt Issuer (to the extent relating to Liabilities in respect of Senior Parent Notes and/or Permitted Parent Financing Debt where that Senior Parent Debt Issuer is the issuer or the borrower) to the Primary Creditors and the Operating Facility Lenders shall rank *pari passu* in right and priority of payment without any preference among them.

Priority of Security

The Intercreditor Agreement provides that the security shall secure the liabilities (but only to the extent that such security is expressed to secure those liabilities) in the following order:

- first, the Senior Lender Liabilities, the Senior Notes liabilities and the Permitted Senior Financing Liabilities, the Hedging Liabilities, the Operating Facility Liabilities, the Senior Arranger liabilities, the Senior Agent liabilities, amounts due to the Senior Notes Trustee and amounts due to the Senior Parent Notes Trustee *pari passu* and without any preference between them; and

- second, the Senior Parent Notes liabilities and the Permitted Parent Financing Liabilities *pari passu* between themselves and without any preference between them.

Senior Parent Liabilities and Security

The Senior Parent Notes liabilities and the Permitted Parent Financing Liabilities owed by a Senior Parent Debt Issuer (to the extent relating to Liabilities in respect of Senior Parent Notes and/or Permitted Parent Financing Debt where that Senior Parent Debt Issuer is the issuer or the borrower) are senior obligations of the Senior Parent Debt Issuer. Notwithstanding the preceding sentence, until the date the Senior Lender Liabilities, the Hedging Liabilities, the Senior Notes liabilities and the Permitted Senior Financing Liabilities have been discharged (the "Senior Discharge Date"), creditors in relation to the Senior Parent Notes liabilities and the Permitted Parent Financing Liabilities may not take any steps to appropriate the assets of a Senior Parent Debt Issuer subject to the Security Documents in connection with any Enforcement Action (as defined below), other than as expressly permitted by the Intercreditor Agreement.

Intra-Group Liabilities and Investor Liabilities

The Intercreditor Agreement provides that the intra-group liabilities of the Group and the liabilities of the Group to an investor are postponed and subordinated to the liabilities owed by the Debtors to the Primary Creditors and the Operating Facility Lenders.

Additional and/or Refinancing Debt

The creditors under the Intercreditor Agreement and the Operating Facility Lenders acknowledge in the Intercreditor Agreement that the Debtors (or any of them) may wish to incur incremental borrowing liabilities (including guarantees of such liabilities) or refinance or replace borrowing liabilities (including incurring guarantee liabilities in respect of such refinancing or replacement). Such liabilities are intended to rank *pari passu* with any other liabilities and/or share *pari passu* in any security and/or to rank behind any other liabilities and/or to share in any security behind any such other liabilities.

The creditors under the Intercreditor Agreement and the Operating Facility Lenders undertake in the Intercreditor Agreement (at the cost of the Debtors) to co-operate with the Parent and the Debtors with a view to enabling and facilitating such financing, refinancing or replacement and such sharing in the security to take place in a timely manner. In particular, each of the secured parties authorizes and directs each of its respective agents and the Security Agent to execute any amendment to the Intercreditor Agreement and such other debt documents required by the Parent to reflect, enable and/or facilitate any such arrangements.

Restrictions Relating to Senior Secured Liabilities

The Parent and the Debtors may make payments of the senior secured liabilities at any time.

The Intercreditor Agreement provides that the Senior Secured Creditors (as defined below), the Operating Facility Lenders, the Parent and the Debtors may at any time amend or waive the terms of the finance documents in relation to the Senior Facilities, the Senior Notes, the Permitted Senior Financing Debt and the Operating Facility in accordance with their respective terms from time to time (and subject only to any consent required under them).

Security and Guarantees: Senior Secured Creditors

The Senior Lenders, the Hedge Counterparties, the Senior Note holders and any Permitted Senior Financing Creditors (the "Senior Secured Creditors") and the Operating Facility Lenders may take, accept or receive the benefit of:

- any security from any member of the Group in respect of any of the Senior Lender Liabilities, the Senior Notes liabilities or the Permitted Senior Financing Liabilities in addition to the shared security provided that, to the extent legally possible and subject to certain agreed security principles:
  - the security provider becomes party to the Intercreditor Agreement as a Debtor (if not already a party in that capacity);
  - all amounts actually received or recovered by any Senior Secured Creditor or Operating Facility Lender with respect to any such security shall immediately be paid to the Security Agent and applied in accordance with the provisions set out under the caption "—*Application of Proceeds*;" and
  - any such security may only be enforced in accordance with the provisions set out under the caption "—*Enforcement of Security—Security Held by Other Creditors*."
- any guarantee, indemnity or other assurance against loss from any member of the Group regarding any of the Senior Lender Liabilities, the Senior Notes liabilities or the Permitted Senior Financing Liabilities in addition to those in:

- the Senior Facilities Agreement, the Senior Notes Indenture, any Permitted Senior Financing Document or any Operating Facility Document;
- the Intercreditor Agreement; or
- any guarantee, indemnity or other assurance against loss in respect of any of the liabilities, the benefit of which (however conferred) is, to the extent legally possible and subject to certain agreed security principles, given to all the senior secured parties in respect of their senior secured liabilities;

provided that, to the extent legally possible, and subject to certain agreed security principles,

- the guarantee provider becomes party to the Intercreditor Agreement as a Debtor (if not already a party in that capacity); and
- such guarantee, indemnity or assurance against loss is expressed to be subject to the Intercreditor Agreement.

This provision does not require any security or guarantee to be granted in respect of the Senior Parent Notes. *Restriction on Enforcement: Senior Lenders and Senior Notes Creditors* The Intercreditor Agreement provides that none of the Senior Lenders, the Senior Note holders or any Permitted Senior Financing Creditors may take certain Enforcement Action without the prior written consent of an Instructing Group (as defined below).

Notwithstanding the above restriction or anything to the contrary in the Intercreditor Agreement, after the occurrence of certain specified insolvency events (an "Insolvency Event") in relation to a Debtor, each Senior Lender, Senior Note holder or Permitted Senior Financing Creditor may, to the extent it is able to do so under the relevant debt documents, take certain Enforcement Action and/or claim in the winding up, dissolution, administration, reorganization or similar insolvency event of that Debtor for liabilities owing to it (but a Senior Secured Creditor or an Operating Facility Lender may not direct the Security Agent to enforce the common security in any manner).

Option to Purchase: Senior Secured Creditors

Senior Note holders holding at least a simple majority of the Senior Notes liabilities or Permitted Senior Financing Creditors holding at least a simple majority of the Permitted Senior Financing Liabilities (the "Senior Secured Acquiring Creditors") may, after the occurrence of an acceleration event which is continuing, by giving not less than ten (10) days' notice to the Security Agent, require the transfer to them (or to a nominee or nominees), in accordance with the applicable transfer provisions of the Intercreditor Agreement, of all, but not part, of the rights, benefits and obligations in respect of the Senior Lender Liabilities and the Operating Facility Liabilities (a "Senior Liabilities Transfer") if:

(i) that transfer is lawful and, subject to paragraph (ii) below, otherwise permitted by the terms of the Senior Facilities Agreement and the Operating Facility Documents;

(ii) any conditions relating to such a transfer contained in the Senior Facilities Agreement and the Operating Facility Documents are complied with, other than:

(A) any requirement to obtain the consent of, or consult with, a member of the Group in relation to such transfer, which consent or consultation shall not be required; and

(B) to the extent to which all the Senior Secured Acquiring Creditors provide cash cover for any letter of credit, the consent of the relevant letter of credit issuing bank relating to such transfer;

(iii) the Senior Facility Agent, on behalf of the Senior Lenders, is paid an amount equal to the aggregate of:

(A) any amounts provided as cash cover by the Senior Secured Acquiring Creditors for any letter of credit (as envisaged in paragraph (ii)(B) above);

(B) all of the Senior Lender Liabilities at that time (whether or not due), including all amounts that would have been payable under the Senior Facilities Agreement if the Senior Facilities were being prepaid by the relevant Debtors on the date of that payment; and

(C) all costs and expenses (including legal fees) incurred by the Senior Facility Agent and/or the Senior Lenders and/or the Security Agent as a consequence of giving effect to that transfer;

(iv) the Operating Facility Lenders are paid an amount equal to the aggregate of:

(A) all of the Operating Facility Liabilities at that time (whether or not due), including all amounts that would have been payable under the Operating Facility Documents if the Operating Facilities were being prepaid by the relevant Debtors on the date of that payment; and

(B) all costs and expenses (including legal fees) incurred by the Operating Facility Lenders and/or the Security Agent as a consequence of giving effect to that transfer.

(v) as a result of that transfer:

(A) the Senior Lenders have no further actual or contingent liability to a Debtor under the Senior Facilities finance documents; and

(B) the Operating Facility Lenders have no further actual or contingent liability to a Debtor under the Operating Facility Documents.

(vi) an indemnity is provided from each of the Senior Secured Acquiring Creditors (other than any Senior Agent) or from another third-party acceptable to all the Senior Lenders and the Operating Facility Lenders in a form reasonably satisfactory to each Senior Lender and Operating Facility Lender in respect of all costs, expenses, losses and liabilities which may be sustained or incurred by any Senior Lender or Operating Facility Lender in consequence of any sum received or recovered by any Senior Lender or Operating Facility Lender from any person being required (or it being alleged that it is required) to be paid back by or clawed back from any Senior Lender or Operating Facility Lender for any reason;

(vii) the transfer is made without recourse to, or representation or warranty from, the Senior Lenders or the Operating Facility Lenders, except that each Senior Lender and Operating Facility Lender shall be deemed to have represented and warranted on the date of that transfer that it has the corporate power to effect that transfer and it has taken all necessary action to authorize the making by it of that transfer; and

(viii) the Senior Parent Creditors have not exercised their rights to purchase as described under the provisions set out in the paragraph captioned "*—Option to Purchase: Senior Parent Creditors*" or, having exercised such rights, have not failed to complete the acquisition of the relevant Senior Secured Liabilities in accordance with such provisions.

Subject to the Intercreditor Agreement, the Senior Secured Acquiring Creditors may only require a Senior Liabilities transfer if, at the same time, they require a transfer of the hedging liabilities in accordance with the Intercreditor Agreement and if, for any reason, such transfer cannot be made in accordance with the Intercreditor Agreement, no Senior Liabilities transfer may be required to be made.

At the request of a Senior Agent (on behalf of the Senior Secured Acquiring Creditors), the Senior Facility Agent and the Operating Facility Lenders shall notify that Senior Agent of the foregoing payable sums in connection with such transfer.

"Instructing Group" means at any time:

(a) prior to the Senior Discharge Date:

(i) in relation to any instructions to the Security Agent to enforce the Transaction Security or refrain or cease from enforcing the Transaction Security or to take any other Enforcement Action:

(A) those Senior Instructing Group Creditors whose Senior Secured Credit Participations at that time aggregate to more than $66^{2}/_{3}\%$ of the Total Senior Instructing Group Credit Participations at that time; and/or

(B) prior to the Senior Lender Discharge Date, the Majority Senior Creditors,

in each case as applicable in accordance with the provisions set out under the caption "*—Consultation Period*"; or

(ii) in relation to any other matter:

(A) those Senior Instructing Group Creditors whose Senior Secured Credit Participations at that time aggregate to more than $66^{2}/_{3}\%$ of the Total Senior Instructing Group Credit Participations at that time; and

(B) prior to the Senior Lender Discharge Date, the Majority Senior Creditors; and

(b) on or after the Senior Discharge Date but before the Senior Parent Discharge Date, and subject always to the provisions set out under the caption "*—Restrictions on Enforcement by Senior Parent Creditors*," the Majority Senior Parent Creditors.

In this definition of "Instructing Group":

"Majority Senior Parent Creditors" means, at any time, those Senior Parent Creditors whose Senior Parent Credit Participations at that time aggregate to more than 50.1% of the total aggregate amount of all Senior Parent Credit Participations at that time.

"Senior Instructing Group Creditors" means:

(a) prior to the Senior Lender Discharge Date, the Senior Secured Creditors (other than the Senior Creditors); and

(b) on and after the Senior Lender Discharge Date, the Senior Secured Creditors (other than the Senior Lenders).

"Senior Lender Discharge Date" means the first date on which all Senior Lender Liabilities have been fully and finally discharged, whether or not as the result of an enforcement, and the Senior Lenders are under no further obligation to provide financial accommodation to any of the Debtors under any of the Senior Facilities Finance Documents.

"Senior Notes/Permitted Financing Credit Participations" means the aggregate of all the Senior Secured Credit Participations at any time of the Senior Note holders and the Permitted Senior Financing Creditors.

"Senior Parent Credit Participation" means:

(a) in relation to a Senior Parent Note holder, the principal amount of outstanding Senior Parent Notes Liabilities held by that Senior Parent Note holder; and

(b) in relation to a Permitted Parent Financing Creditor, the aggregate amount of its commitments under each Permitted Parent Financing Agreement (drawn or undrawn and calculated in a manner consistent with the senior commitments) and/or the principal amount of outstanding Permitted Parent Financing Debt held by that Permitted Parent Financing Creditor (as applicable and without double counting).

"Senior Secured Credit Participation" means:

(a) in relation to a Senior Creditor, its Senior Credit Participation in relation to the Senior Facilities Agreement and the hedging agreements only;

(b) in relation to a Senior Note holder, the principal amount of outstanding Senior Notes liabilities held by that Senior Note holder; and

(c) in relation to a Permitted Senior Financing Creditor, the aggregate amount of its commitments under each Permitted Senior Financing Agreement (drawn or undrawn and calculated in a manner consistent with the senior commitments) and/or the principal amount of outstanding Permitted Senior Financing Debt held by that Permitted Senior Financing Creditor (as applicable and without double counting).

"Total Senior Instructing Group Credit Participations" means:

(a) prior to the Senior Lender Discharge Date, the aggregate of all the Senior Secured Credit Participations at any time (excluding the Senior Secured Credit Participations of the Senior Creditors); and

(b) on and after the Senior Lender Discharge Date, the aggregate of all the Senior Secured Credit Participations at any time (excluding the Senior Secured Credit Participations of the Senior Lenders).

"Total Senior Secured Credit Participations" means the aggregate of all the Senior Secured Credit Participations at any time.

Restrictions Relating to Senior Parent Creditors and Senior Parent Liabilities

Restriction on Payment and Dealings

The Intercreditor Agreement provides that, until the Senior Discharge Date, the Senior Parent Debt Issuer shall not (and the Parent shall ensure that no member of the Group will):

(i) pay, repay, prepay, redeem, acquire or defease any principal, interest or other amount on or in respect of, or make any distribution in respect of, any Senior Parent Notes liabilities and any Permitted Parent Financing Liabilities in cash or in kind or apply any such money or property in or towards discharge of any Senior Parent Notes liabilities and any Permitted Parent Financing Liabilities except as permitted by the provisions set out below under the captions "*—Permitted Senior Parent Payments*," "*—Permitted Parent Enforcement*," and the fourth paragraph under the caption "*—Effect of Insolvency Event; Filing of Claims*" or by a refinancing of the Senior Parent Notes or the Permitted Parent Financing Debt as permitted by the Intercreditor Agreement;

(ii) exercise any set-off against any Senior Parent Notes liabilities and any Permitted Parent Financing Liabilities, except as permitted by the provisions set out in the caption "*—Permitted Parent Payments*" below, the provisions set out in the caption "*—Restrictions on Enforcement by Senior Parent Creditors*" below or the fourth paragraph under the caption "*—Effect of Insolvency Event; Filing of Claims*" below or by a refinancing of the Senior Parent Notes or the Permitted Parent Financing Debt as permitted by the Intercreditor Agreement; or

(iii) create or permit to subsist any security over any assets of any member of the Group or give any guarantee (and the Senior Parent Notes Trustee or Senior Parent Creditor Representative, as the case may be, may not, and no Senior Parent Creditor may, accept the benefit of any such security or guarantee from any member of the Group) for, or in respect of, any Senior Parent Notes liabilities or any Permitted Parent Financing Liabilities other than:

(1) guarantees by a member of the Group of any obligations of the Group under the Senior Parent Notes finance documents and/or the Permitted Parent Financing Documents;

(2) at the option of the Parent, all or any of the security (provided that, for the avoidance of doubt, each of the parties agrees that the security shall rank and secure any Senior Parent Notes and any Permitted Parent Financing Debt as set out in "*—Ranking and Priority—Priority of Security*"); and

(3) any security over any assets of any Senior Parent Debt Issuer (other than, without prejudice to paragraph (b) above, shares and loan receivables in the Company over which a Senior Parent Debt Issuer has granted security);

(iv) any other security or guarantee provided by a member of the Group (the "Credit Support Provider") provided that, to the extent legally possible:

(1) the Credit Support Provider becomes party to the Intercreditor Agreement as a Debtor (if not already a party in that capacity);

(2) all amounts actually received or recovered by the Senior Parent Notes Trustee, the Senior Parent Creditor Representative or the Senior Parent Creditors, as the case may be, with respect to any such guarantee shall immediately be paid to the Security Agent and applied in accordance with the provisions set out under the caption "*—Application of Proceeds*";

(3) any such security may only be enforced in accordance with the provisions set out under the caption "*—Enforcement of Security—Security Held by Other Creditors*;" and

(4) such guarantee is expressed to be subject to the Intercreditor Agreement; and

(v) any security, guarantee, indemnity or other assurance against loss from any member of the Group in connection with:

(1) any escrow or similar or equivalent arrangements entered into in respect of amounts which are being held (or will be held) by a person which is not a member of the Group prior to release of those amounts to a member of the Group; or

(2) any actual or proposed defeasance, redemption, prepayment, repayment, purchase or other discharge of any Senior Lender Liabilities, Operating Facility Liabilities, Senior Notes liabilities and any Permitted Senior Financing Liabilities (in each case provided that such defeasance, redemption, prepayment, repayment, purchase or other discharge is not prohibited by the terms of the Intercreditor Agreement).

Permitted Senior Parent Payments

Prior to the Senior Discharge Date, any member of the Group may make payments with respect to the Senior Parent Notes liabilities and any Permitted Parent Financing Liabilities then due in accordance with the finance documents in relation to the Senior Parent Notes and the Permitted Parent Financing Debt (such payments, collectively, "Permitted Senior Parent Payments"):

(i) if:

(1) the payment is of:

(I) any of the principal amount of the Senior Parent Notes liabilities and the Permitted Parent Financing Liabilities which is either (1) not prohibited from being paid by the Senior Facilities Agreement, the Senior Notes Indenture or any Permitted Senior Financing Agreement; or (2) paid on or after the final maturity date of the relevant Senior Parent Notes liabilities and Permitted Parent Financing Liabilities (subject to certain conditions); or

(II) any other amount which is not an amount of principal or capitalized interest;

(2) no Senior Parent Payment Stop Notice (as defined below) is outstanding; and

(3) no payment default under the Senior Facilities Agreement, the Senior Notes or the Permitted Senior Financing Documents ("Senior Payment Default") has occurred and is continuing; or

(ii) if the Majority Senior Lenders, the Senior Notes Trustee and the Permitted Majority Senior Financing Creditors or the Senior Creditor Representative in respect of that Permitted Senior Financing Debt (as applicable) (the "Required Senior Consent") give prior consent to that payment being made;

(iii) if the payment is of certain amounts due to the Senior Parent Notes Trustee for its own account;

(iv) if the payment is made by the relevant Senior Parent Debt Issuer and funded directly or indirectly with amounts which have not been received by the relevant Senior Parent Debt Issuer from another member of the Group;

(v) of any costs and expenses of any holder of security in relation to protection, preservation or enforcement of such security;

(vi) of costs, commissions, taxes, fees and expenses incurred in respect of or in relation to (or reasonably incidental to) any of the Senior Parent Notes Indenture and any Permitted Parent Financing Documents (including in relation to any reporting or listing requirements under such documents);

(vii) if the payment is funded directly or indirectly with Permitted Parent Financing Debt;

(viii) if the payment is funded directly or indirectly with the proceeds of New Equity Permitted Subordinated Debt or Available Shareholder Amounts; or

(ix) of any other amount not exceeding £5,000,000 (or its equivalent) in aggregate in any fiscal year of the Parent.

On or after the Senior Discharge Date, the Debtors may make payments to the Senior Parent Creditors in respect of the Senior Parent Notes liabilities and any Permitted Parent Financing Liabilities in accordance with the Senior Parent Notes Indenture and the Permitted Parent Financing Documents, as applicable.

Payment Blockage Provisions

Until the Senior Discharge Date, except with the Required Senior Consent, no Senior Parent Debt Issuer shall make (and the Parent shall procure that no other member of the Group shall make), and neither the Senior Parent Notes Trustee, any holder of Senior Parent Notes or the Permitted Parent Financing Creditors may receive from any other members of the Group, any Permitted Senior Parent Payment (other than certain amounts due to the Senior Parent Notes Trustee for its own account, payments funded by amounts not received from another member of the Group or payments funded by Permitted Parent Financing Debt) if:

- a Senior Payment Default is continuing; or
- an event of default under the Senior Facilities Agreement, the Senior Notes Indenture and/or any Permitted Senior Financing Agreement (a "Senior Event of Default") (other than a Senior Payment Default) is continuing, from the date which is one business day after the date on which any of the Senior Facility Agent, the Senior Notes Trustee and any Senior Creditor Representative (together, the "Senior Agents") delivers a payment stop notice (a "Senior Parent Payment Stop Notice") specifying the event or circumstance in relation to that Senior Event of Default to the Parent, the Security Agent, the Senior Parent Notes Trustee and any Senior Parent Creditor Representative until the earliest of:
  - the date falling 179 days after delivery of that Senior Parent Payment Stop Notice;
  - in relation to payments of the Senior Parent Notes liabilities and any Permitted Parent Financing Liabilities, if a Parent standstill period is in effect at any time after delivery of that payment stop notice, the date on which that standstill period expires;
  - the date on which the relevant Senior Event of Default has been remedied or waived in accordance with the Senior Facilities Agreement, the Senior Notes Indenture or any Permitted Senior Financing Agreement (as applicable);
  - the date on which the Senior Agent which delivered the relevant Senior Parent Payment Stop Notice delivers a notice to the Parent, the Security Agent, the Senior Parent Notes Trustee and any Senior Parent Creditor Representative cancelling the Senior Parent Payment Stop Notice;
  - the Senior Discharge Date; and

- the date on which the Security Agent, the Senior Parent Notes Trustee or any Senior Parent Creditor Representative takes Enforcement Action permitted under the Intercreditor Agreement against a Debtor.

Unless the Senior Parent Notes Trustee and any Senior Parent Creditor Representative waive this requirement, (i) a new Senior Parent Payment Stop Notice may not be delivered unless and until 360 days have elapsed since the delivery of the immediately prior Senior Parent Payment Stop Notice; and (ii) no Senior Parent Payment Stop Notice may be delivered by a Senior Agent in reliance on a Senior Event of Default more than 45 days after the date that Senior Agent received notice of that Senior Event of Default.

The Senior Agents may only serve one Senior Parent Payment Stop Notice with respect to the same event or set of circumstances. Subject to the immediately preceding paragraph, this shall not affect the right of the Senior Agents to issue a Senior Parent Payment Stop Notice in respect of any other event or set of circumstances. No Senior Parent Payment Stop Notice may be served in respect of a Senior Event of Default which had been notified to the Senior Agents at the time at which an earlier Senior Parent Payment Stop Notice was issued.

Any failure to make a payment due under the Senior Parent Notes Indenture and any Permitted Parent Financing Documents as a result of the issue of a Senior Parent Payment Stop Notice or the occurrence of a Senior Payment Default shall not prevent (i) the occurrence of an Event of Default (as defined in the Senior Parent Notes Indenture or any Permitted Parent Financing Documents, as applicable) as a consequence of that failure to make a payment in relation to the relevant Senior Parent Notes Indenture and any Permitted Parent Financing Documents; or (ii) the issue of a Senior Parent Enforcement Notice (as defined below) on behalf of the Senior Parent Creditors.

Payment Obligations and Capitalization of Interest Continue

Neither the relevant Senior Parent Debt Issuer nor any other Debtor shall be released from the liability to make any payment (including of default interest, which shall continue to accrue) under the Senior Parent Notes Indenture and any Permitted Parent Financing Document by the operation of the provisions set out under each section above under the caption "*—Restrictions Relating to Senior Parent Creditors and Senior Parent Liabilities*" even if its obligation to make such payment is restricted at any time by the terms of any of those provisions.

The accrual and capitalization of interest (if any) in accordance with the Senior Parent Notes Indenture and any Permitted Parent Financing Document shall continue notwithstanding the issue of a Senior Parent Payment Stop Notice.

Cure of Payment Stop

If:

(i) at any time following the issue of a Senior Parent Payment Stop Notice or the occurrence of a Senior Payment Default, that Senior Parent Payment Stop Notice ceases to be outstanding and/or (as the case may be) the Senior Payment Default ceases to be continuing; and

(ii) the relevant Senior Parent Debt Issuer or the relevant Debtor then promptly pays to the Senior Parent Creditors an amount equal to any payments which had accrued under the Senior Parent Notes Indenture and any Permitted Parent Financing Document and which would have been Permitted Senior Parent Payments but for that Senior Parent Payment Stop Notice or Senior Payment Default,

then any Event of Default (including any cross default or similar provision under any other debt document) which may have occurred as a result of that suspension of payments shall be waived, and any Senior Parent Enforcement Notice which may have been issued as a result of that Event of Default shall be waived, in each case without any further action being required on the part of the Senior Parent Creditors or any other Creditor or Operating Facility Lender.

Restrictions on Amendments and Waivers

The Intercreditor Agreement provides that the Senior Parent Creditors, the Senior Parent Debt Issuers and the other Debtors may amend or waive the terms of the Senior Parent Notes finance documents and/or the Permitted Parent Financing Documents in accordance with their terms at any time (and subject only to any consent required under them).

Restrictions on Enforcement by Senior Parent Creditors

Until the Senior Discharge Date, except with the prior consent of or as required by an Instructing Group:

(i) no Senior Parent Creditor shall direct the Security Agent to enforce, or otherwise require the enforcement of any security; and

(ii) no Senior Parent Creditor shall take or require the taking of any Enforcement Action in relation to the guarantees by a member of the Group of any of the obligations of any member of the Group under the Senior Parent Notes finance documents and/or Permitted Parent Financing Documents,

except as permitted under the provisions set out under the caption "*—Permitted Senior Parent Enforcement*" below, *provided, however*, that no such action required by the Security Agent need be taken except to the extent the Security Agent otherwise is entitled under the Intercreditor Agreement to direct such action.

"Enforcement Action" is defined as:

- in relation to any liabilities:
  - the acceleration of any liabilities or the making of any declaration that any liabilities are prematurely due and payable (other than as a result of it becoming unlawful for a Senior Secured Creditor or a Senior Parent Creditor to perform its obligations under, or of any voluntary or mandatory prepayment arising under, any of the debt documents);
  - the making of any declaration that any liabilities are payable on demand;
  - the making of a demand in relation to a liability that is payable on demand;
  - the making of any demand against any member of the Group in relation to any guarantee liabilities of that member of the Group;
  - the exercise of any right to require any member of the Group to acquire any liability (including exercising any put or call option against any member of the Group for the redemption or purchase of any liability but excluding any such right which arises as a result of the permitted debt purchase transactions provisions of the Senior Facilities Agreement (or any other similar or equivalent provision of any of the Senior Facilities finance documents), the Senior Notes finance documents, the Permitted Senior Financing Documents, the hedging agreements regulated by the Intercreditor Agreement, the Senior Parent Notes finance documents and/or the Permitted Parent Financing Documents (the "Secured Debt Documents") and/or any other acquisition of liabilities, acquisition or transaction which any member of the Group is not prohibited from entering into by the terms of the Secured Debt Documents and excluding any mandatory offer arising as a result of a change of control or asset sale (howsoever described) as set out in the Senior Notes finance documents or the Senior Parent Notes finance documents (or any other similar or equivalent provision of any of the Secured Debt Documents);
  - the exercise of any right of set-off, account combination or payment netting against any member of the Group in respect of any liabilities other than the exercise of any such right:
    - as close-out netting by a Hedge Counterparty or by a hedging ancillary lender;
    - as payment netting by a Hedge Counterparty or by a hedging ancillary lender;
    - as inter-hedging agreement netting by a Hedge Counterparty;
    - as inter-hedging ancillary document netting by a hedging ancillary lender; and/or
    - which is otherwise permitted by the terms of any of the Secured Debt Documents, in each case to the extent that the exercise of that right gives effect to a permitted payment; and
  - the suing for, commencing or joining of any legal or arbitration proceedings against any member of the Group to recover any liabilities;
- the premature termination or close-out of any hedging transaction under any hedging agreement, save to the extent permitted by the Intercreditor Agreement;
- the taking of any steps to enforce or require the enforcement of any security (including the crystallization of any floating charge forming part of the security),
- the entry into any composition, compromise, assignment or similar arrangement with any member of the Group which owes any liabilities, or has given any security, guarantee or indemnity or other assurance against loss in respect of the liabilities (other than any action permitted under the Intercreditor Agreement or any debt buy-back, tender offer, exchange offer or similar or equivalent arrangement not otherwise prohibited by the debt documents); or

- the petitioning, applying or voting for, or the taking of any steps (including the appointment of any liquidator, receiver, examiner, administrator or similar officer) in relation to the winding up, dissolution, examinership, administration or reorganization of any member of the Group which owes any liabilities, or has given any security, guarantee, indemnity or other assurance against loss in respect of any of the liabilities, or any of such member of the Group's assets or any suspension of payments or moratorium of any indebtedness of any such member of the Group, or any analogous procedure or step in any jurisdiction,

except that the following shall not constitute Enforcement Action:

- the taking of any action falling above which is necessary (but only to the extent necessary) to preserve the validity, existence or priority of claims in respect of liabilities, including the registration of such claims before any court or governmental authority and the bringing, supporting or joining of proceedings to prevent any loss of the right to bring, support or join proceedings by reason of applicable limitation periods; or
- a Senior Secured Creditor or Senior Parent Creditor bringing legal proceedings against any person solely for the purpose of: (a) obtaining injunctive relief (or any analogous remedy outside England and Wales) to restrain any actual or putative breach of any debt document to which it is party, (b) obtaining specific performance (other than specific performance of an obligation to make a payment) with no claim for damages or (c) requesting judicial interpretation of any provision of any debt document to which it is party with no claim for damages; or
- bringing legal proceedings against any person in connection with any securities violation, securities or listing regulations or common law fraud; or
- to the extent entitled by law, the taking of any action against any creditor (or any agent, trustee or receiver acting on behalf of that creditor) to challenge the basis on which any sale or disposal is to take place pursuant to the powers granted to those persons under any relevant documentation; or
- any person consenting to, or the taking of any other action pursuant to or in connection with, any merger, consolidation, reorganization or any other similar or equivalent step or transaction initiated or undertaken by a member of the Group (or any analogous procedure or step in any jurisdiction) that is not prohibited by the terms of the Secured Debt Documents to which it is a party. The restrictions set out in the caption "— *Restrictions on Enforcement by Senior Parent Creditors*" above will not apply if:

    (i) an Event of Default (as defined in the Senior Parent Notes Indenture and any Permitted Parent Financing Agreement, as applicable, each a "Senior Parent Event of Default") (the "Relevant Senior Parent Default") is continuing;

    (ii) each Senior Agent has received a notice of the Relevant Senior Parent Default specifying the event or circumstance in relation to the Relevant Senior Parent Default from the Senior Parent Notes Trustee or the Senior Parent Creditor Representative, as the case may be;

    (iii) a Senior Parent Standstill Period (as defined below) has elapsed; and

    (iv) the Relevant Senior Parent Default is continuing at the end of the relevant Senior Parent Standstill Period.

Promptly upon becoming aware of a Senior Parent Event of Default, the Senior Parent Notes Trustee or the Senior Parent Creditor Representative, as the case may be, may by notice (a "Senior Parent Enforcement Notice") in writing notify the Senior Agents of the existence of such Senior Parent Event of Default.

Senior Parent Standstill Period

In relation to a Relevant Senior Parent Default, a Senior Parent Standstill Period shall mean the period beginning on the date (the "Senior Parent Standstill Start Date") the relevant Senior Agent serves a Senior Parent Enforcement Notice on each of the Senior Agents in respect of such Senior Parent Event of Default and ending on the earlier to occur of:

(i) the date falling 179 days after the Senior Parent Standstill Start Date;

(ii) the date the Senior Secured Parties take any Enforcement Action in relation to a particular guarantor of the Senior Parent Notes and any Permitted Parent Financing Debt (a "Senior Parent Guarantor") or the relevant Senior Parent Debt Issuer, *provided, however*, that if a Senior Parent Standstill Period ends pursuant to this paragraph, the Senior Parent Creditors may only take the same Enforcement Action in relation to the relevant Senior Parent Guarantor or Senior Parent Debt Issuer as the Enforcement Action taken by the Senior Secured Parties against such Senior Parent Guarantor or Senior Parent Debt Issuer and not against any other member of the Group;

(iii) the date of an Insolvency Event in relation to the relevant Senior Parent Debt Issuer or a particular Senior Parent Guarantor against whom Enforcement Action is to be taken;

(iv) the expiry of any other Senior Parent Standstill Period outstanding at the date such first mentioned Senior Parent Standstill Period commenced (unless that expiry occurs as a result of a cure, waiver or other permitted remedy);

(v) the date on which the consent of each of the Senior Facility Agent (acting on the instructions of the Majority Senior Lenders), any Senior Notes Trustee (acting on behalf of the Senior Note holders) and any Senior Creditor Representative (acting on the instructions of the Majority Permitted Senior Financing Creditors) has been obtained; and

(vi) a failure to pay the principal amount outstanding under the Senior Parent Notes or on any Permitted Parent Financing Debt, as the case may be, at the final stated maturity of the amounts outstanding under the Senior Parent Notes or on the Permitted Parent Financing Debt, as the case may be (provided that, unless the Senior Lender Discharge Date has occurred or as otherwise agreed by the Majority Senior Lenders and the Parent, such final stated maturity does not fall on a date prior to the date falling 85 months after the RCF Closing Date.

Subsequent Senior Parent Event of Default

The Senior Parent Finance Parties may take Enforcement Action under the provisions set out in caption "*—Permitted Senior Parent Enforcement*" above in relation to a Senior Parent Event of Default even if, at the end of any relevant Senior Parent Standstill Period or at any later time, a further Senior Parent Standstill Period has begun as a result of any other Senior Parent Event of Default.

Enforcement on Behalf of Senior Parent Creditors

If the Security Agent has notified each of the Senior Parent Notes Trustee and any Senior Parent Creditor Representative (the "Senior Parent Agents") that it is enforcing security created pursuant to any security document over shares of a Senior Parent Guarantor, no Senior Parent Creditor may take any action referred to under the provisions set out under the caption "*—Permitted Senior Parent Enforcement*" above against that Senior Parent Guarantor while the Security Agent is taking steps to enforce that security in accordance with the instructions of an Instructing Group where such action might be reasonably likely to adversely affect such enforcement or the amount of proceeds to be derived therefrom.

Option to Purchase: Senior Parent Creditors

Subject to the following paragraphs, any of the Senior Parent Agents (on behalf of the Senior Parent Creditors) may, after an acceleration event under any of the Senior Facilities Agreement, the Senior Notes or in relation to any Permitted Senior Financing Debt which is continuing, by giving not less than 10 days' notice to the Security Agent, require the transfer to the Senior Parent Creditors of all, but not part, of the rights, benefits and obligations in respect of the Senior Lender Liabilities, the Senior Notes liabilities and the Permitted Senior Financing Liabilities (the "Senior Secured Liabilities") and the Operating Facility Liabilities if:

(i) that transfer is lawful and, subject to paragraph (ii) below, otherwise permitted by the terms of the Senior Facilities Agreement, the Senior Notes Indenture, any Permitted Senior Financing Agreement and any Operating Facility Documents (as applicable);

(ii) any conditions relating to such a transfer contained in the Senior Facilities Agreement (in the case of the Senior Lender Liabilities), the Senior Notes Indenture (in the case of the Senior Notes liabilities), any Permitted Senior Financing Agreement (in the case of the Permitted Senior Financing Liabilities) and any Operating Facility Documents (in the case of the Operating Facility Liabilities) are complied with, in each case, other than as specified in the Intercreditor Agreement;

(iii) each of the Senior Facility Agent, on behalf of the Senior Lenders, the Senior Notes Trustee, on behalf of the relevant Senior Note holders and the applicable Senior Creditor Representative, on behalf of the relevant Permitted Senior Financing Creditors, is paid the amounts required under the Intercreditor Agreement;

(iv) the Operating Facility Lenders are paid the amounts required under the Intercreditor Agreement;

(v) as a result of that transfer the Senior Lenders, the Senior Note holders, the Permitted Senior Financing Creditors and the Operating Facility Lenders have no further actual or contingent liability to the Parent or any other Debtor under the relevant Secured Debt Documents;

(vi) an indemnity is provided from each Senior Parent Creditor (other than any Senior Parent Agent) in respect of all costs, expenses, losses and liabilities which may be sustained or incurred by any Senior Lender, Senior Note holder, Permitted Senior Financing Creditor or Operating Facility Lender in consequence of any sum received or recovered by any such party from any person being required (or it being alleged that it is required) to be paid back by or clawed back from any Senior Lender, Senior Note holder, Permitted Senior Financing Creditor or Operating Facility Lender for any reason; and

(vii) the transfer is made without recourse to, or representation or warranty from, the Senior Lenders, the Senior Note holders, the Permitted Senior Financing Creditors or the Operating Facility Lenders, except that each of them shall be deemed to have represented and warranted on the date of that transfer that it has the corporate power to effect that transfer and it has taken all necessary action to authorize the making by it of that transfer.

Subject to the Intercreditor Agreement, a Senior Parent Agent (on behalf of all the Senior Parent Creditors) may only require a transfer of Senior Secured Liabilities if, at the same time, they require a transfer of hedging liabilities regulated by the Intercreditor Agreement and if, for any reason, such transfer cannot be made in accordance with the Intercreditor Agreement, no transfer of Senior Secured Liabilities may be required to be made.

At the request of a Senior Parent Agent (on behalf of all the Senior Parent Creditors), the Senior Facility Agent, the Senior Notes Trustee, any relevant Senior Creditor Representative and the Operating Facility Lenders shall notify the Senior Parent Agents of the foregoing payable sums in connection with such transfer.

Effect of Insolvency Event; Filing of Claims

The Intercreditor Agreement provides that, among other things, after the occurrence of an Insolvency Event in relation to any Debtor, or, following an acceleration event which is continuing, any member of the Group, any party entitled to receive a distribution out of the assets of that member of the Group in respect of liabilities owed to that party shall, (in the case of any creditor or Operating Facility Lender, only to the extent that the relevant discharge constitutes a receipt or recovery of a type subject to the provisions set out in the caption "*—Turnover*" and, in all cases, if prior to a distress event, only if required by the Security Agent arising on the instructions of an Instructing Group), subject to receiving payment instructions and any other relevant information from the Security Agent and to the extent it is able to do so, direct the person responsible for the distribution of the assets of that member of the Group to pay that distribution to the Security Agent until the liabilities owing to the secured parties have been paid in full. In this respect, the Security Agent shall apply distributions paid to it in accordance with the provisions set out under the caption "*—Application of Proceeds*" below.

Subject to certain exceptions, to the extent that any member of Group's liabilities are discharged by way of set-off (mandatory or otherwise) after the occurrence of an Insolvency Event in relation to that member of the Group, any creditor and any Operating Facility Lender which benefited from that set-off shall (in the case of any creditor or Operating Facility Lender, only to the extent that the relevant discharge constitutes a receipt or recovery of a type subject to the provisions set out in the caption "*—Turnover*" and, in all cases, if prior to a distress event, only if required by the Security Agent arising on the instructions of an Instructing Group), subject to receiving payment instructions and any other relevant information from the Security Agent, pay an amount equal to the amount of the liabilities owed to it which are discharged by that set-off to the Security Agent for application in accordance with the provisions set out in the caption "*—Application of Proceeds*" below and subject to certain exceptions.

Subject to the provisions set out in the caption "*—Application of Proceeds*" below, if the Security Agent or any other secured party receives a distribution in a form other than in cash in respect of any of the liabilities, the liabilities will not be reduced by that distribution until and except to the extent that the realization proceeds are actually applied towards the liabilities.

After the occurrence of an Insolvency Event in relation to any Debtor or, following an acceleration event which is continuing, any member of the Group, each creditor and each Operating Facility Lender irrevocably authorizes the Security Agent, on its behalf, to:

(i) take any Enforcement Action (in accordance with the terms of the Intercreditor Agreement) against that member of the Group;

(ii) demand, sue, prove and give receipt for any or all of that member of Group's liabilities;

(iii) collect and receive all distributions on, or on account of, any or all of that member of Group's liabilities; and

(iv) file claims, take proceedings and do all other things the Security Agent considers reasonably necessary to recover that member of Group's liabilities.

Each creditor and Operating Facility Lender will (i) do all things that the Security Agent reasonably requests in order to give effect to the matters referred to in this "*—Effect of Insolvency Event; Filing of Claims*" section and (ii) if the Security Agent is not entitled to take any of the actions contemplated by this "*—Effect of Insolvency Event; Filing of Claims*" section or if the Security Agent requests that a creditor or an Operating Facility Lender take that action, undertake that action itself in accordance with the instructions of the Security Agent or grant a power of attorney to the Security Agent (on such terms as the Security Agent may reasonably require, although the Senior Notes Trustee and the Senior Parent Notes Trustee shall be under no obligation to grant such powers of attorney) to enable the Security Agent to take such action.

Turnover

Subject to certain exceptions, the Intercreditor Agreement provides that if any creditor or Operating Facility Lender receives or recovers from any member of the Group:

(i) any payment or distribution of, or on account of or in relation to, any of the liabilities which is prohibited under the Intercreditor Agreement or, following the occurrence of a Senior Distress Event which is continuing, any Senior Lender Liabilities, Senior Notes liabilities, Permitted Senior Financing liabilities or Operating Facility liabilities;

(ii) other than as referred to in the second paragraph of the caption "*—Effect of Insolvency Event; Filing of Claims*" any amount by way of set-off in respect of any of the liabilities owed to it which does not give effect to a payment permitted under the Intercreditor Agreement;

(iii) any amount:

(A) on account of, or in relation to, any of the liabilities after the occurrence of a distress event including as a result of any other litigation or proceedings against a member of the Group other than after the occurrence of an Insolvency Event in respect of that member of the Group; or

(B) by way of set-off in respect of any of the liabilities owed to it after the occurrence of a distress event,

other than, in each case, any amount received or recovered in accordance with the provisions set out below the caption "*—Application of Proceeds*";

(iv) the proceeds of any enforcement of any security except in accordance with the provisions set out below under the caption "*—Application of Proceeds*"; or

(v) subject to certain exceptions, any distribution in cash or in kind or payment of, or on account of or in relation to, any of the liabilities owed by any member of Group which is not in accordance with the provisions set out in the caption "*—Application of Proceeds*" and which is made as a result of, or after, the occurrence of an Insolvency Event in respect of that member of Group,

that creditor or Operating Facility Lender will, subject to certain exceptions: (i) in relation to receipts and recoveries not received or recovered by way of set-off (x) hold an amount of that receipt or recovery equal to the relevant liabilities (or if less, the amount received or recovered) on trust for the Security Agent and subject to receiving payment instructions and any other relevant information from the Security Agent, promptly pay that amount to the Security Agent for application in accordance with the terms of the Intercreditor Agreement and (y) subject to receiving payment instructions and any other relevant information the Security Agent, promptly pay an amount equal to the amount (if any) by which the receipt or recovery exceeds the relevant liabilities to the Security Agent for application in accordance with the terms of the Intercreditor Agreement; and (ii) in relation to receipts and recoveries received or recovered by way of set-off, subject to receiving payment instructions and any other relevant information from the Security Agent, promptly pay an amount equal to that receipt or recovery to the Security Agent for application in accordance with the terms of the Intercreditor Agreement.

Enforcement of Security

Enforcement Instructions

The Security Agent may refrain from enforcing the security unless instructed otherwise by (i) an Instructing Group; or (ii) if required as set out under the third paragraph of this section, the Majority Senior Parent Creditors.

Subject to the security having become enforceable in accordance with its terms (i) an Instructing Group; or (ii) to the extent permitted to enforce or to require the enforcement of the security prior to the Senior Discharge Date under the provisions under the caption "*—Restrictions Relating to Senior Parent Creditors and Senior Parent Liabilities*" above, the Majority Senior Parent Creditors, may give or refrain from giving, instructions to the Security Agent to enforce, or refrain from enforcing, the security as they see fit.

Prior to the Senior Discharge Date, (i) if an Instructing Group has instructed the Security Agent not to enforce or to cease enforcing the security or (ii) in the absence of instructions from an Instructing Group, and, in each case, an Instructing Group has not required any Debtor to make a distressed disposal, the Security Agent shall give effect to any instructions to enforce the security which the Majority Senior Parent Creditors are then entitled to give to the Security Agent under the provisions under the caption "*—Restrictions Relating to Senior Parent Creditors and Senior Parent Liabilities*" above.

Subject to certain provisions of the Intercreditor Agreement, no secured party shall have any independent power to enforce, or to have recourse to enforce, any security or to exercise any rights or powers arising under the security documents except through the Security Agent.

Manner of Enforcement

If the security is being enforced as set forth above under the caption "*—Enforcement Instructions*," the Security Agent shall enforce the security in such manner (including, without limitation, the selection of any administrator, examiner or equivalent officer of any Debtor to be appointed by the Security Agent) as:

- an Instructing Group; or
- prior to the Senior Discharge Date, if (i) the Security Agent has, pursuant to the third paragraph of this "*—Enforcement of Security*" section, given effect to instructions given by the Majority Senior Parent Creditors to enforce the security; and (ii) an Instructing Group has not given instructions as to the manner of enforcement of the security, the Majority Senior Parent Creditors,

shall instruct or, in the absence of any such instructions, as the Security Agent sees fit (it being understood that, absent such instructions the Security Agent may elect to take no action).

Exercise of Voting Rights

To the fullest extent permitted under applicable law, each creditor (other than the Senior Notes Trustee and the Senior Parent Notes Trustee) and each Operating Facility Lender shall agree with the Security Agent that it will cast its vote in any proposal put to the vote by, or under the supervision of, any judicial or supervisory authority in respect of any insolvency, pre-insolvency or rehabilitation or similar proceedings relating to any member of the Group as instructed by the Security Agent. The Security Agent shall give instructions for the purposes of this paragraph as directed by an Instructing Group. Notwithstanding the foregoing, no party can exercise or require any other creditor or Operating Facility Lender under the Intercreditor Agreement to exercise its power of voting or representation to waive, reduce, discharge, extend the due date for payment or otherwise reschedule any of the liabilities owed to that creditor or Operating Facility Lender.

Waiver of Rights

To the extent permitted under applicable law and subject to certain provisions of the Intercreditor Agreement, each of the secured parties and the Debtors waives all rights it may otherwise have to require that the security be enforced in any particular order or manner or at any particular time, or that any sum received or recovered from any person, or by virtue of the enforcement of any of the security or of any other security interest, which is capable of being applied in or towards discharge of any of the secured obligations, is so applied.

Security Held by Other Creditors

If any security is held by a creditor or Operating Facility Lender other than the Security Agent, then that creditor or Operating Facility Lender may only enforce that security in accordance with instructions given by an Instructing Group pursuant to the terms of the Intercreditor Agreement (and for this purpose references to the Security Agent shall be construed as references to that creditor or Operating Facility Lender).

Duties Owed

Pursuant to the Intercreditor Agreement, each of the secured parties and the Debtors acknowledges that, in the event that the Security Agent enforces, or is instructed to enforce, the security prior to the Senior Discharge Date, the duties of the Security Agent and of any receiver or delegate owed to any Senior Parent Creditors in respect of the method, type and timing of that enforcement or of the exploitation, management or realization of any of that security shall be no different to or greater than the duty that is owed by the Security Agent, receiver or delegate to the Debtors under general law.

Consultation Period

(a) Subject to paragraph (d) below, before giving any instructions to the Security Agent to enforce the Transaction Security or refrain or cease from enforcing the Transaction Security or to take any other

Enforcement Action in lieu thereof, the Agent(s) of the Creditors represented in the Instructing Group concerned (and, if applicable, any relevant Hedge Counterparties) shall consult with each other Agent, each other Hedge Counterparty, each Operating Facility Lender and the Security Agent in good faith about the instructions to be given by the Instructing Group for a period of not less than 30 days from the date on which details of the proposed instructions are received by such Agents, Hedge Counterparties, Operating Facility Lenders and the Security Agent (or such shorter period as each Agent, Hedge Counterparty, Operating Facility Lender and the Security Agent shall agree) (the "Consultation Period"), and only following the expiry of a Consultation Period shall the Instructing Group be entitled to give any instructions to the Security Agent to enforce the Transaction Security or refrain or cease from enforcing the Transaction Security or take any other Enforcement Action in lieu thereof.

(b) Subject to paragraph (c) below, in the event conflicting instructions are received from any other Instructing Group, the Security Agent shall enforce the Transaction Security, refrain or cease from enforcing the Transaction Security or, as the case may be, take the relevant other Enforcement Action in accordance with the instructions given by an Instructing Group referred to in paragraph (a)(i)(A) of the definition of Instructing Group (in each case provided that such instructions are consistent with any applicable requirements of the Intercreditor Agreement and the Security Documents) and the terms of all instructions given by any other Instructing Group shall be deemed revoked.

(c) Prior to the Senior Lender Discharge Date, if:

(i) the Senior Creditors have not been fully repaid within six months of the end of the first Consultation Period;

(ii) the Security Agent has not commenced any enforcement of the Transaction Security (or a transaction in lieu thereof) or other Enforcement Action within three months of the end of the first Consultation Period; or

(iii) an Insolvency Event has occurred and the Security Agent has not commenced any enforcement of the Transaction Security (or a transaction in lieu thereof) or other Enforcement Action at that time,

then the Security Agent shall follow the instructions given by the Majority Senior Creditors (in each case provided that such instructions are consistent with any applicable requirements of the Intercreditor Agreement and the Security Documents).

(d) Subject to paragraph (c) above, no Agent or Hedge Counterparty shall be obliged to consult in accordance with paragraph (a) above and an Instructing Group shall be entitled to give any instructions to the Security Agent to enforce the Transaction Security or take any other Enforcement Action prior to the end of a Consultation Period (in each case provided that such instructions are consistent with any applicable requirements of the Intercreditor Agreement and the Security Documents) if:

(i) the Transaction Security has become enforceable as a result of an Insolvency Event; or

(ii) the Instructing Group or any Agent of the Creditors represented in the Instructing Group determines in good faith (and notifies each other Agent, the Hedge Counterparties and the Security Agent) that to enter into such consultations and thereby delay the commencement of enforcement of the Transaction Security would reasonably be expected to have a material adverse effect on:

(A) the Security Agent's ability to enforce any of the Transaction Security; or

(B) the realization proceeds of any enforcement of the Transaction Security,

and, where this paragraph (d) applies:

(1) any instructions shall be limited to those necessary to protect or preserve the interests of the Senior Secured Creditors on behalf of which the relevant Instructing Group is acting in relation to the matters referred to in (A) and (B) above; and

(2) the Security Agent shall act in accordance with the instructions first received.

Proceeds of Disposals

Non-Distressed Disposals

The Security Agent is irrevocably authorised and instructed (at the request and cost of the relevant Debtor or the Parent) to promptly release (or procure that any other relevant person releases):

(i) any security (and/or any other claim relating to a debt document) over any asset which is the subject of:

(A) a disposal not prohibited by the terms of the Senior Facilities Agreement, the Senior Notes Indenture, any Permitted Senior Financing Agreement, the Senior Parent Notes Indenture and any Permitted Parent Financing Agreement (each a "Debt Financing Agreement") (including a disposal to a member of the Group, but without prejudice to any obligation of any member of the Group in a Debt Financing Agreement to provide replacement security); or

(B) any other transaction not prohibited by the terms of any Debt Financing Agreement pursuant to which that asset will cease to be held or owned by a member of the Group;

(ii) any security (and/or any other claim relating to a debt document) over any document or agreement in order for any member of the Group to effect any amendment or waiver in respect of that document or agreement or otherwise exercise any rights, comply with any obligations or take any action in relation to that document or agreement (in each case to the extent not prohibited by the terms of any Debt Financing Agreement);

(iii) any security (and/or any other claim relating to a debt document) over any asset of any member of the Group which has ceased to be a Debtor (or will cease to be a Debtor simultaneously with such release); and

(iv) any security (and/or any other claim relating to a debt document) over any other asset to the extent that such release is in accordance with the terms of the Debt Financing Agreements.

In the case of a disposal of shares or other ownership interests in a Debtor (or any holding company of any Debtor), or any other transaction pursuant to which a Debtor (or any holding company of any Debtor) will cease to be a member of the Group or a Debtor, the Security Agent (on behalf of itself and the Secured Parties) shall (at the request and cost of the relevant Debtor or the Parent) promptly release (or procure the release of) that Debtor and its subsidiaries from all present and future liabilities under the Secured Debt Documents.

When making any request for a release pursuant to this "*—Non-Distressed Disposals*" section, the Parent shall confirm in writing to the Security Agent that:

(i) in the case of any release requested pursuant to paragraph (i) or (ii) above, the relevant disposal or other action is not prohibited by the terms of any Debt Financing Agreement; or

(ii) in the case of any release requested pursuant to paragraph (iv) above, the relevant release is in accordance with terms of the Debt Financing Agreements,

and the Security Agent shall be entitled to rely on that confirmation for all purposes under the Secured Debt Documents.

In the case of any release of security requested by the Parent pursuant to the applicable provisions of the Senior Facilities Agreement as part of a permitted transaction under the Senior Facilities Agreement, when making that request the Parent shall confirm to the Security Agent that:

(i) such request is a permitted transaction request (and absent any such statement in a request for a release the Security Agent shall be entitled to assume for all purposes that such request is not a permitted transaction request); and

(ii) it has determined in good faith (taking into account any applicable legal limitations and other relevant considerations in relation to that permitted transaction) that it is either not possible or not desirable to implement that permitted transaction on terms satisfactory to the Parent by instead granting additional security and/or amending the terms of the existing security,

and the Security Agent shall be entitled to rely on that confirmation for all purposes under the Secured Debt Documents.

The Security Agent shall (at the cost and expense of the relevant Debtor or the Parent but without the need for any further consent, sanction, authority or further confirmation from any Creditor, Operating Facility Lender, other Secured Party or Debtor) promptly enter into and deliver such documentation and/or take such other action as the Parent (acting reasonably) shall require to give effect to any release or other matter described above.

If any member of the Group is required or permitted under the Senior Debt Documents to apply the proceeds of any disposal or other transaction in prepayment, redemption or any other discharge or reduction of the Senior Lender Liabilities, the Hedging Liabilities, the Senior Notes liabilities or the Permitted Senior Financing Liabilities (as applicable) (together, the "Senior Liabilities") then no such application of those proceeds shall require the consent of any other party or result in any breach of any Senior Parent Finance Documents and such application shall discharge in full any obligation to apply those proceeds in prepayment, redemption or other discharge or reduction of any Senior Parent Liabilities.

Distressed Disposals

A "Distressed Disposal" is a disposal of an asset which is (a) being effected at the request of an Instructing Group in circumstances where the security has become enforceable in accordance with the terms of the relevant security documents, (b) being effected by enforcement of security in accordance with the terms of the relevant security documents or (c) being disposed of to a third-party subsequent to a distress event.

If a Distressed Disposal of any asset is being effected, the Security Agent is irrevocably authorised (at the cost of the relevant Debtor or the Parent and without any consent, sanction, authority or further confirmation from any creditor, Operating Facility Lender, other Secured Party or Debtor):

(i) to release the security or any other claim over that asset and execute and deliver or enter into any release of that security or claim and issue any letters of non-crystallization of any floating charge or any consent to dealing that may, in the discretion of the Security Agent, be considered necessary or desirable;

(ii) if the asset which is disposed of consists of shares in the capital of a Debtor to release:

(A) that Debtor and any subsidiary of that Debtor from all or any part of its borrowing liabilities, its guarantee liabilities and its other liabilities;

(B) any security granted by that Debtor or any subsidiary of that Debtor over any of its assets; and

(C) any other claim of an investor, an intra-group lender, or another Debtor over that Debtor's assets or over the assets of any subsidiary of that Debtor,

on behalf of the relevant creditors, Operating Facility Lenders, Debtors and agents;

(iii) if the asset which is disposed of consists of shares in the capital of any holding company of a Debtor, to release:

(A) that holding company and any subsidiary of that holding company from all or any part of its borrowing liabilities, its guarantees liabilities and its other liabilities;

(B) any security granted by that holding company or any subsidiary of that holding company over any of its assets; and

(C) any other claim of any investor, any intra-group lender or another Debtor over that holding company's assets or the assets of any subsidiary of that holding company,

on behalf of the relevant creditors, Operating Facility Lenders, Debtors and agents;

(iv) if the asset which is disposed of consists of shares in the capital of a Debtor or the holding company of a Debtor and the Security Agent (acting in accordance with the Intercreditor Agreement) decides to dispose of all or any part of the liabilities or the Debtor liabilities owed by that Debtor or holding company or any subsidiary of that Debtor or holding company:

(A) (if the Security Agent (acting in accordance with the Intercreditor Agreement) does not intend that any transferee of those liabilities or Debtor liabilities (the "Transferee") will be treated as a Primary Creditor or the Security Agent, any receiver or delegate and each of the agents, the arrangers, the Senior Secured Creditors and the Senior Parent Creditors (each a "Secured Party") for the purposes of the Intercreditor Agreement), to execute and deliver or enter into any agreement to dispose of all or part of those liabilities or Debtor liabilities, *provided* that, notwithstanding any other provision of any debt document, the Transferee shall not be treated as a Primary Creditor or a Secured Party for the purposes of the Intercreditor Agreement; and

(B) (if the Security Agent (acting in accordance with the Intercreditor Agreement) does intend that any Transferee will be treated as a Primary Creditor or a Secured Party for the purposes of the Intercreditor Agreement), to execute and deliver or enter into any agreement to dispose of: all (and not part only) of the liabilities owed to the Primary Creditors and the Operating Facility Lenders and all or part of any other liabilities and the Debtor liabilities,

on behalf of, in each case, the relevant creditors, Operating Facility Lenders and Debtors;

(v) if the asset which is disposed of consists of shares in the capital of a Debtor or the holding company of a Debtor (the "Disposed Entity") and the Security Agent (acting in accordance with the Intercreditor Agreement) decides to transfer to another Debtor (the "Receiving Entity") all or any part of the Disposed Entity's obligations or any obligations of any subsidiary of that Disposed Entity in respect of the intra-group liabilities or the Debtor liabilities, to execute and deliver or enter into any agreement to:

(A) agree to the transfer of all or part of the obligations in respect of those intra-group liabilities or Debtor liabilities on behalf of the relevant intra-group lenders and Debtors to which those obligations are owed and on behalf of the Debtors which owe those obligations; and

(B) (if the Receiving Entity is a holding company of the Disposed Entity which is also a guarantor of Senior Liabilities) to accept the transfer of all or part of the obligations in respect of those intra-group liabilities or Debtor liabilities on behalf of the Receiving Entity or Receiving Entities to which the obligations in respect of those intra-group liabilities or Debtor liabilities are to be transferred.

The net proceeds of each Distressed Disposal (and the net proceeds of any disposal of liabilities or Debtor liabilities) shall be paid to the Security Agent for application in accordance with the provisions set out under the caption "*—Application of Proceeds*" (to the extent that the asset disposed of constituted Charged Property) as if those proceeds were the proceeds of an enforcement of the security and, to the extent that any disposal of liabilities or Debtor liabilities has occurred, as if that disposal of liabilities or Debtor liabilities had not occurred.

In the case of a Distressed Disposal (or a disposal of liabilities) effected by, or at the request of, the Security Agent (acting in accordance with the Intercreditor Agreement), the Security Agent shall take reasonable care to obtain a fair market price in the prevailing market conditions (though the Security Agent shall not have any obligation to postpone any such Distressed Disposal or disposal of liabilities in order to achieve a higher price).

Where borrowing liabilities, guarantee liabilities and/or other Liabilities would otherwise be released pursuant to the Intercreditor Agreement, the creditor or Operating Facility Lender concerned may elect to have those borrowing liabilities, guarantee liabilities and/or other Liabilities transferred to the Parent in which case the Security Agent is irrevocably authorised (to the extent legally possible and at the cost of the relevant Debtor or the Parent and without any consent, sanction, authority or further confirmation from any creditor, Operating Facility Lender, other Secured Party or Debtor) to execute such documents as are required to so transfer those borrowing liabilities, guarantee Liabilities and/or other Liabilities.

Subject to the immediately following paragraph, in the case of a Distressed Disposal effected by or at the request of the Security Agent, unless the consent of each Senior Agent is otherwise obtained, it is a further condition to any release, transfer or disposal that the proceeds of such disposal are in cash (or substantially all in cash) and such sale or disposal is made pursuant to a public auction in respect of which the Primary Creditors are entitled to participate or where a financial adviser selected by the Security Agent has delivered an opinion in respect of such sale or disposal that the amount received in connection therewith is fair from a financial point of view.

If prior to the discharge date for the Senior Parent Notes or any Permitted Parent Financing Debt, a Distressed Disposal is being effected such that the Senior Parent Notes Guarantees and the guarantees of any Permitted Parent Financing Debt or any security over the assets of a Senior Parent Debt Issuer or any Senior Parent Guarantor will be released and/or the Senior Parent Notes liabilities and any Permitted Parent Financing Liabilities will be released, it is a further condition to the release that either:

- the Senior Parent Notes Trustee and any Senior Parent Creditor Representative has approved the release; or
- where shares or assets of a Senior Parent Guarantor or assets of the Senior Parent Debt Issuer are sold:

  (A) the proceeds of such sale or disposal are in cash (or substantially in cash);

  (B) all claims of the Senior Secured Creditors and the Operating Facility Lenders (other than in relation to performance bonds or guarantees or similar instruments) against a member of the Group (if any), all of whose shares (other than any minority interest not owned by members of the Group) are sold or disposed of pursuant to such Enforcement Action, are unconditionally released and discharged or sold or disposed of concurrently with such sale (and are not assumed by the purchaser or one of its affiliates), and all security under the security documents in respect of the assets that are sold or disposed of is simultaneously and unconditionally released and discharged concurrently with such sale, provided that, if each Senior Agent (acting reasonably and in good faith):

    (I) determines that the Senior Secured Creditors will recover a greater amount if such claim is sold or otherwise transferred to the purchaser or one of its affiliates and not released or discharged; and

    (II) serves a written notice on the Security Agent confirming the same,

    the Security Agent shall be entitled to sell or otherwise transfer such claim to the purchaser or one of its affiliates; and

(C) such sale or disposal is made:

(I) pursuant to a public auction in respect of which the Primary Creditors are entitled to participate; or

(II) where a financial adviser selected by the Security Agent has delivered an opinion in respect of such sale or disposal that the amount received in connection therewith is fair from a financial point of view.

Application of Proceeds

The Intercreditor Agreement provides that secured parties may only benefit from Recoveries (as defined below) to the extent that the liabilities of such secured parties has the benefit of the guarantees or security under which such Recoveries are received and provided that, in all cases, the rights of such secured parties shall in any event be subject to the priorities set out in this section. This shall not prevent a Senior Secured Creditor benefiting from such Recoveries where it was not legally possible for the Senior Secured Creditor to obtain the relevant guarantees or security.

Order of Application

The Intercreditor Agreement provides that all amounts from time to time received or recovered by the Security Agent pursuant to the terms of any debt document or in connection with the realization or enforcement of all or any part of the security (for the purposes of this "*—Application of Proceeds*" section and the "*—Equalization of the Senior Secured Creditors*" section, the "Recoveries") shall be applied by the Security Agent at any time as the Security Agent (in its discretion) sees fit, to the extent permitted by applicable law (and subject to the provisions of this "*—Application of Proceeds*" section), in the following order of priority:

(i) in discharging any sums owing to the Senior Facility Agent (in respect of the amounts due to the Senior Facility Agent), any Senior Creditor Representative (in respect of amounts due to the Senior Creditor Representative), any Senior Parent Creditor Representative (in respect of amounts due to the Senior Parent Creditor Representative) or any Senior Notes Trustee amounts or Senior Parent Notes Trustee amounts, or any sums owing to the Security Agent, any receiver or any delegate on a pro rata and *pari passu* basis;

(ii) in payment of all costs and expenses incurred by any agent, Primary Creditor or Operating Facility Lender in connection with any realization or enforcement of the security taken in accordance with the terms of the Intercreditor Agreement or any action taken at the request of the Security Agent under the Intercreditor Agreement;

(iii) in respect of Recoveries resulting from the realization or enforcement of all or any part of the Transaction Security or a transaction in lieu thereof, in payment to:

(A) the Senior Facility Agent on its own behalf and on behalf of the senior arrangers and the Senior Lenders;

(B) the Hedge Counterparties; and

(C) the Operating Facility Lenders;

for application towards the discharge of:

(I) the liabilities of the Debtors owing to the arrangers under or in connection with the Senior Facilities and the Senior Lender Liabilities (in accordance with the terms of the finance documents relating to the Senior Facilities);

(II) the Hedging Liabilities (on a pro rata basis between the Hedging Liabilities of each Hedge Counterparty); and

(III) the Operating Facility Liabilities (on a pro rata basis between the Operating Facility Liabilities of each Operating Facility Lender);

on a pro rata basis and *pari passu* between the immediately preceding paragraphs (I) and (II) above;

(iv) in payment to:

(A) the Senior Facility Agent on its own behalf and on behalf of the senior arrangers and the Senior Lenders;

(B) the Hedge Counterparties;

(C) the Operating Facility Lenders (on a pro rata basis between the Operating Facility Liabilities of each Operating Facility Lender);

(D) each Senior Notes Trustee on its own behalf and on behalf of the holders of the Senior Notes; and

(E) each Senior Creditor Representative on its own behalf and on behalf of the arrangers with respect to the Permitted Senior Financing Debt and the Permitted Senior Financing Creditors; and

for application towards the discharge of:

(I) the liabilities of the Debtors owed to the senior arrangers under or in connection with the Senior Facilities and the Senior Lender Liabilities (in accordance with the terms of the finance documents in relation to the Senior Facilities);

(II) the Hedging Liabilities (on a pro rata basis between the Hedging Liabilities of each Hedge Counterparty); and

(III) the Operating Facility Liabilities (on a pro rata basis between the Operating Facility Liabilities of each Operating Facility Lender);

(IV) the Senior Notes liabilities (other than sums owing to the Security Agent) (in accordance with the terms of the Senior Notes finance documents);

(V) the liabilities of the Debtors owed to the arrangers of the Permitted Senior Financing Debt and the Permitted Senior Financing Liabilities (other than the liabilities owing to a Senior Creditor Representative) (in accordance with the terms of the Permitted Senior Financing Documents and, if there is more than one Permitted Senior Financing Agreement, on a pro rata basis between the Permitted Senior Financing Debt in respect of each Permitted Senior Financing Agreement);

on a pro rata basis and *pari passu* between the immediately preceding paragraphs (I), (II), (III) and (IV) above;

(v) in payment to:

(A) each Senior Parent Notes Trustee on its own behalf and on behalf of the Senior Parent Note holders; and

(B) each Senior Parent Creditor Representative on its own behalf and on behalf of the arrangers under the Permitted Parent Financing Debt and the Permitted Parent Financing Creditors,

for application towards the discharge of:

(I) the Senior Parent Notes liabilities (other than any sums owing to the Security Agent) (in accordance with the terms of the Senior Parent Notes finance documents); and

(II) the liabilities of the Debtors owed to the arrangers of the Permitted Parent Financing Debt and the Permitted Parent Financing Liabilities (other than the liabilities owing to a Senior Parent Creditor Representative) (in accordance with the terms of the Permitted Parent Financing Documents and, if there is more than one Permitted Parent Financing Agreement, on a pro rata basis between the Permitted Parent Financing Debt in respect of each Permitted Parent Financing Agreement),

on a pro rata basis and pari passu between the immediately preceding paragraphs (I) and (II) above;

(vi) if none of the Debtors are under any further actual or contingent liability under any Secured Debt Document, in payment to any person to whom the Security Agent is obliged to pay in priority to any Debtor; and

(vii) the balance, if any, in payment to the relevant Debtor.

Liabilities of the Senior Parent Debt Issuer

All amounts from time to time received or recovered by the Security Agent from or in respect of the Senior Parent Debt Issuer pursuant to the terms of any debt document (other than in connection with the realization or enforcement of all or any part of the security) shall be held by the Security Agent on trust to apply them at any time as the Security Agent (in its discretion) sees fit, to the extent permitted by applicable law in the following order of priority:

(i) in accordance with paragraph (i) of the section captioned "*Application of Proceeds—Order of Application*";

(ii) in accordance with paragraph (ii) of the section captioned "*Application of Proceeds—Order of Application*";

(iii) in accordance with paragraphs (iv) and (v) of the section captioned "*Application of Proceeds—Order of Application*," *provided* that payments will be made on a *pro rata* basis and *pari passu* between each of the payments referred to in paragraphs (iv) and (to the extent relating to Liabilities in respect of Senior Parent Notes and/or Permitted Parent Financing Debt where the relevant Senior Parent Debt Issuer is the issuer or, as the case may be, the borrower) (v);

(iv) if none of the Debtors is under any further actual or contingent liability under any Secured Debt Document, in payment to any person to whom the Security Agent is obliged to pay in priority to any Debtor; and

(v) the balance, if any, in payment to the relevant Debtor.

Equalization of the Senior Secured Creditors

The Intercreditor Agreement provides that if, for any reason, any Senior Liabilities or any Operating Facility Liabilities remain unpaid after the enforcement date and the resulting losses are not borne by the Senior Secured Creditors and the Operating Facility Lenders in the proportions which their respective exposures at the enforcement date bore to the aggregate exposures of all the Senior Secured Creditors and the Operating Facility Lenders at the enforcement date (or, in the case of Recoveries resulting from the realization or enforcement of all or any part of the Transaction Security or a transaction in lieu thereof, in a manner reflecting the order of priority contemplated in the section captioned "*—Order of Application*"), the Senior Secured Creditors (subject, in the case of amounts owing to the applicable trustee, to the terms of the Intercreditor Agreement) will make such payments among themselves as the Security Agent shall require to put the Senior Secured Creditors and the Operating Facility Lenders in such a position that (after taking into account such payments) those losses are borne in those proportions (or, as the case may be, to otherwise reflect the order of priority contemplated in the section captioned "*Application of Proceeds—Order of Application*").

Required Consents

The Intercreditor Agreement provides that, subject to certain exceptions, it and/or a security document may be amended or waived only with the written consent of:

(i) if the relevant amendment or waiver (the "Proposed Amendment") is prohibited by the Senior Facilities Agreement, the Senior Facility Agent (acting on the instructions of the requisite Senior Lenders in accordance with the applicable provisions of the Senior Facilities Agreement);

(ii) if the Proposed Amendment is prohibited by the terms of the relevant Senior Notes Indenture, the Senior Notes Trustee;

(iii) if any Permitted Senior Financing Debt has been incurred and the Proposed Amendment is prohibited by the terms of the relevant Permitted Senior Financing Agreement, the Senior Creditor Representative in respect of that Permitted Senior Financing Debt (if applicable, acting on the instructions of the Majority Permitted Senior Financing Creditors);

(iv) if any Senior Parent Notes have been issued and if the Proposed Amendment is prohibited by the terms of the relevant Senior Parent Notes Indenture, the Senior Parent Notes Trustee;

(v) if any Permitted Parent Financing Debt has been incurred and the Proposed Amendment is prohibited by the terms of the relevant Permitted Parent Financing Agreement, the Senior Parent Creditor Representative in respect of that Permitted Parent Financing Debt (if applicable, acting on the instructions of the Majority Permitted Parent Financing Creditors);

(vi) if a Hedge Counterparty is providing hedging to a Debtor under a hedging agreement, that Hedge Counterparty (in each case only to the extent that the relevant amendment or waiver adversely affects the continuing rights and/or obligations of that Hedge Counterparty and is an amendment or waiver which is expressed to require the consent of that Hedge Counterparty under the applicable hedging agreement, as notified by the Parent to the Security Agent at the time of the relevant amendment or waiver);

(vii) if an Operating Facility Lender is providing one or more facilities to a Debtor under an Operating Facility Document, that Operating Facility Lender (in each case only to the extent that the relevant amendment or waiver adversely affects the continuing rights and/or obligations of that Operating Facility Lender and is an amendment or waiver which is expressed to require the consent of that Operating Facility Lender under the applicable Operating Facility Document, as notified by the Parent to the Security Agent at the time of the relevant amendment or waiver);

(viii) New Look Finance and any other investors as permitted under the Intercreditor Agreement; and

(ix) the Parent.

Notwithstanding the foregoing, any amendment or waiver of any Secured Debt Document that is made or effected in connection with any Debt Refinancing (see "*—Debt Refinancing*"), any incurrence of additional and/or refinancing debt (as referred to in "*—Ranking and Priority—Additional and/or Refinancing Debt*") or Non-Distressed Disposal (see "*—Proceeds of Disposals—Non-Distressed Disposals*") or in connection with any other provision of any Secured Debt Document (provided that such amendment or waiver is not expressly prohibited by the terms of any other Secured Debt Document) is binding on all parties to the Intercreditor Agreement.

The Intercreditor Agreement or a security document may be amended by the Parent and the Security Agent without the consent of any other party, to cure defects, resolve ambiguities or reflect changes in each case of a minor technical or administrative nature or as otherwise for the benefit of all or any of the Secured Parties. Any amendment, waiver or consent which relates only to the rights or obligations applicable to creditors under a particular Debt Financing Agreement (and which does not materially and adversely affect the rights or interests of creditors under other Debt Financing Agreements) may be approved with only the consent of the agent in respect of that Debt Financing Agreement and the Parent.

Amendments and Waivers: Security Documents

Subject to the paragraph below and to certain exceptions under the Intercreditor Agreement and unless the provisions of any debt document expressly provide otherwise, the Security Agent may, if authorised by an Instructing Group, and if the Parent consents, amend the terms of, waive any of the requirements of or grant consents under, any of the security documents which shall be binding on each party.

Subject to the second and third paragraphs of the section captioned "*—Exceptions*" below, any amendment or waiver of, or consent under, any security document which would adversely affect the nature or scope of the charged property or the manner in which the proceeds of enforcement of the security are distributed requires approval as set out under the section captioned "*—Required Consents*".

Guarantees

The Intercreditor Agreement additionally provides for Hedge Counterparties and Operating Facility Lenders (each as defined above) to receive guarantees and indemnities from the Debtors on substantially the same terms (including the relevant limitations) as such guarantees and indemnities are provided by the obligors to the finance parties under the Senior Facilities Agreement.

Exceptions

Subject to the following paragraph of this "*—Exceptions*" section, an amendment, waiver or consent which adversely relates to the express rights or obligations of an agent, an arranger or the Security Agent (in each case in such capacity) may not be effected without the consent of that agent, that arranger or the Security Agent (as the case may be) at such time.

The foregoing shall not apply:

- to any release of security, claim or liabilities; or
- to any consent,

which, in each case, the Security Agent gives in accordance with the provisions set out in the caption "*—Proceeds of Disposals*" above.

The first paragraph of this "*—Exceptions*" section shall apply to an arranger only to the extent that the arranger liabilities are then owed to that arranger.

Agreement to Override

Unless expressly stated otherwise in the Intercreditor Agreement, the Intercreditor Agreement overrides anything in the debt documents to the contrary.

Operating Facilities

We currently have certain bilateral Operating Facilities for the provision of, amongst other things, working capital lines letters of credit, bank guarantees and overdraft facilities available to certain members of the Group provided by HSBC Bank plc and The Royal Bank of Scotland plc and in an aggregate amount of up to £93.0 million as of March 28, 2015. As of March 28, 2015, we had a net amount of £5.7 million utilised under our ancillary facilities, comprising £35.1 million of letters of credit and other trade facilities offset by a credit of £29.4 million with respect to foreign exchange and interest rate swaps, and an additional £57.9 million available under our ancillary credit facilities. Moreover, as of March 28, 2015, we had £21.1 million of unsecured supplier financing. In the future, we may enter into further such Operating Facilities of this nature. Under the Indentures and the Revolving Credit Facility, up to the lesser of £145 million and 6.5% of our revenues of ancillary facilities, including the Operating Facilities, may be secured on a super senior basis in priority to the Notes.

These Operating Facilities are provided on an on-demand basis and are uncommitted. The terms of these Operating Facilities are subject to the provisions of the Intercreditor Agreement, see "*—Intercreditor Agreement.*" The Operating Facilities benefit from the same guarantee and security package as is in favour of the lenders and other creditors under the Revolving Credit Facility and are entitled to recover from the proceeds of enforcement of security on a *pari passu* basis with the lenders and other creditors under the Revolving Credit Facility, see "*—Intercreditor Agreement—Ranking and Priority*." The interest rate for each Operating Facility is as agreed from time to time between the relevant Operating Facility provider and relevant member of the Group. The Operating Facilities contain customary representations, undertakings, default and indemnities for facilities of this nature.

DESCRIPTION OF THE SENIOR SECURED NOTES

The following is a description of £1,001.2 million (equivalent) aggregate principal amount of Senior Secured Notes due 2022, comprising of: the £700 million aggregate principal amount of 6.5% Senior Secured Notes due 2022 (the "Sterling Fixed Rate Notes", the "Sterling Notes" or the "Fixed Rate Notes") and the €415 million aggregate principal amount of Floating Rate Senior Secured Notes due 2022 (the "Euro Floating Rate Notes," "Floating Rate Notes" or the "Euro Notes" and, together with the Sterling Fixed Rate Notes, the "Notes"). The Notes were issued by New Look Secured Issuer plc (the "Issuer"), a public limited company organized as a special purpose finance subsidiary to facilitate the offering of the Notes and which has no operations other than its rights under the loan lending the proceeds of the Notes to the Company, under an indenture (the "Indenture") dated June 24, 2015, among, *inter alios*, the Issuer, New Look Finance Limited (the "Company"), Deutsche Trustee Company Limited, as trustee (the "Trustee"), and Deutsche Bank AG, London Branch, as security agent, in a private transaction that is not subject to the registration requirements of the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act").

The terms of the Notes include those set forth in the Indenture. The Indenture will not be qualified under, incorporate provisions by reference or be subject to the U.S. Trust Indenture Act of 1939.

The proceeds of the offering of the Notes sold on the Issue Date were used by the Issuer, together with the proceeds from the offering of the Senior Notes, to make the Senior Secured Notes Proceeds Loans (as defined below) and the Senior Notes Proceeds Loan (as defined below), respectively, to the Company, which in turn allowed the Company to redeem in full the Existing Notes, to discharge and terminate our existing revolving credit facility, to repay in full the indebtedness under the existing PIK facility agreement and to discharge and terminate such facility, to settle our currency hedging obligations in connection with the Existing Notes and to pay fees, costs and expenses payable in connection therewith, in all cases as set forth in this listing circular under the caption "*Use of Proceeds*." In connection with the Refinancing Transactions, the Company entered into, on the Issue Date, a new £100 million revolving credit facility agreement with, *inter alios*, Deutsche Bank AG, London Branch, as facility agent and security agent (the "Revolving Credit Facility Agreement"). See "*Description of Other Indebtedness—Revolving Credit Facility Agreement*."

Pending consummation of the Acquisition and the satisfaction of certain other conditions as described below, the initial purchasers, concurrently with the closing of the offering of the Notes on the Issue Date, deposited the gross proceeds of the offering of the Notes less certain deductions with respect to fees and expenses into one or more escrow accounts (each, a "Senior Secured Notes Escrow Account") pursuant to the terms of an escrow deed (the "Senior Secured Notes Escrow Agreement") dated as of the Issue Date among, *inter alios*, the Issuer, the Trustee and Deutsche Bank AG, London Branch, as Senior Secured Notes Escrow Agent (the "Escrow Agent"). The Acquisition was consummated on June 25, 2015 and the proceeds were released from escrow on the same date.

The following description is a summary of the material provisions of the Indenture, the Notes, the Senior Secured Notes Proceeds Loan Agreements and the Senior Secured Notes Escrow Agreement and refers to the Intercreditor Agreement. This does not restate those agreements in their entirety. We urge you to read the Indenture, the Notes and the Intercreditor Agreement because they, and not this description, define your rights as holders of the Notes. Copies of the Indenture, the form of Notes and the Intercreditor Agreement will be available as set forth below under "*Where You Can Find More Information.*"

Certain defined terms used in this description but not defined below under "*—Certain Definitions*" have the meanings assigned to them in the Indenture. You can find the definitions of certain terms used in this description under the subheading "*—Certain Definitions.*" In this description, the term "Issuer" refers only to New Look Secured Issuer plc and its successors, and the "Company" refers to New Look Finance Limited and its successors and not to any of its Subsidiaries.

The registered holder of a Note will be treated as the owner of it for all purposes. Only registered holders have rights under the Indenture.

Brief Description of the Notes and the Notes Guarantees

The Notes

- are general, senior obligations of the Issuer and will be *pari passu* in right of payment with all existing and future indebtedness of the Issuer that is not subordinated in right of payment to the Notes;

- are senior in right of payment to all existing and future subordinated indebtedness of the Issuer, including the guarantee given by the Issuer in favor of the Senior Notes;
- are secured by first priority liens over the Collateral, but pursuant to the Intercreditor Agreement will receive proceeds from enforcement of security over the Collateral only after certain obligations including lenders under the Revolving Credit Facility, the Permitted Trade L/C Facilities and counterparties to certain Hedging Obligations have been paid in full, as described below under "*Security—The Collateral*";
- are effectively subordinated to any existing and future indebtedness of the Issuer that is secured by property or assets that do not secure the Notes, to the extent of the value of the property or assets securing such indebtedness;
- are unconditionally guaranteed as to all of the Issuer's obligations on a senior secured basis by the Guarantors, subject to the guarantee limitations described herein and in "*Risk Factors—Risks Related to the Notes and Our Structure—Each Notes Guarantee will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit its validity and enforceability*."

The Notes Guarantees

- are the senior obligations of the relevant Guarantor and rank *pari passu* in right of payment with all of the Guarantors' existing and future senior indebtedness, including (i) any indebtedness under the Revolving Credit Facility and the Trade L/C Facilities and (ii) in respect of the Senior Notes Issuer, its indebtedness under the Senior Notes;
- rank senior in right of payment to all existing and future subordinated indebtedness of the Guarantors, including the guarantees in respect of the Senior Notes;
- are effectively subordinated to any existing and future indebtedness of the Guarantors that is secured by property or assets that do not secure the Guarantors' guarantees of the Notes on an equal basis, to the extent of the value of the property or assets securing such indebtedness;
- are effectively subordinated to any existing and future indebtedness of subsidiaries of the Company that do not guarantee the Notes;
- are secured by first priority liens over the Collateral, but pursuant to the Intercreditor Agreement will receive proceeds from enforcement of security over the Collateral only after certain obligations including those lenders under the Revolving Credit Facility and the Permitted Trade L/C Facilities and counterparties to certain Hedging Obligations have been paid in full, as described below under "*Security—The Collateral*"; and
- are subject to limitations described herein and in "*Risk Factors—Risks Related to the Notes and Our Structure—Each Notes Guarantee will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit its validity and enforceability*."

Principal and Maturity

The Issuer issued £700 million in aggregate principal amount of Sterling Fixed Rate Notes and €415 million aggregate principal amount of Floating Rate Notes on the Issue Date. The Notes will mature on July 1, 2022. The reimbursement price of the Notes at maturity will be 100% of the principal amount then outstanding. The Sterling Notes are issued in minimum denominations of £100,000 and in integral multiples of £1,000 in excess thereof. The Euro Notes are issued in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof.

The rights of holders of beneficial interests in the Notes to receive the payments on such Notes are subject to applicable procedures of Euroclear and Clearstream. If the due date for any payment in respect of any Notes is not a Business Day at the place at which such payment is due to be paid, the Holder thereof will not be entitled to payment of the amount due until the next succeeding Business Day at such place, and will not be entitled to any further interest or other payment as a result of any such delay.

Interest

Interest on the Fixed Rate Notes

Interest on the Fixed Rate Notes will accrue at the rate of 6.5% per annum and will be payable, in cash, semi-annually in arrears on May 15 and November 15 of each year, commencing on November 15, 2015, to holders of record on the immediately preceding May 1 and November 1, respectively.

Interest on the Fixed Rate Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the date of original issuance. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months. Each interest period shall end on (but not include) the relevant interest payment date.

Interest on Floating Rate Notes

Interest on the Floating Rate Notes will accrue at a rate per annum (the "Applicable Euro Rate"), reset quarterly, equal to EURIBOR plus 4.50%, as determined by the Calculation Agent.

Interest on the Floating Rate Notes will:

- accrue from the date of original issuance or, if interest has already been paid, from the date it was most recently paid;
- be payable in cash quarterly on March 15, June 15, September 15 and December 15, commencing on September 15, 2015; and
- be payable to the holder of record of such Floating Rate Note on March 1, June 1, September 1 and December 1 immediately preceding the related interest payment date.

Set forth below is a summary of certain of the provisions from the Indenture relating to the calculation of interest on the Floating Rate Notes.

"*Determination Date*" with respect to an Interest Period will be the day that is two Business Days preceding the first day of such Interest Period.

"*EURIBOR,*" with respect to an Interest Period, will be the rate (expressed as a percentage per annum) for deposits in euros for a three-month period beginning on the day that is two TARGET Settlement Days after the Determination Date that appears on Reuters Page 248 as of 11:00 a.m., Brussels time, on the Determination Date, *provided, however*, that EURIBOR shall never be less than 0%. If Reuters Page 248 does not include such a rate or is unavailable on a Determination Date, the Calculation Agent will request the principal London office of each of four major banks in the euro-zone inter-bank market, as selected by the Calculation Agent, to provide such bank's offered quotation (expressed as a percentage per annum) as of approximately 11:00 a.m., Brussels time, on such Determination Date, to prime banks in the euro-zone interbank market for deposits in a Representative Amount in euro for a three-month period beginning on the day that is two TARGET Settlement Days after the Determination Date. If at least two such offered quotations are so provided, the rate for the Interest Period will be the arithmetic mean of such quotations. If fewer than two such quotations are so provided, the Calculation Agent will request each of three major banks in London, as selected by the Calculation Agent, to provide such bank's rate (expressed as a percentage per annum), as of approximately 11:00 a.m., London time, on such Determination Date, for loans in a Representative Amount in euros to leading European banks for a three-month period beginning on the day that is two TARGET Settlement Days after the Determination Date. If at least two such rates are so provided, the rate for the Interest Period will be the arithmetic mean of such rates. If fewer than two such rates are so provided, then the rate for the Interest Period will be the rate in effect with respect to the immediately preceding Interest Period.

"*Interest Period*" means the period commencing on and including an interest payment date and ending on and including the day immediately preceding the next succeeding interest payment date, with the exception that the first Interest Period will commence from the Issue Date and end on and exclude September 15, 2015.

"*Representative Amount*" means the greater of (i) €1,000,000 and (ii) an amount that is representative for a single transaction in the relevant market at the relevant time.

"*Reuters Page 248*" means the display page so designated by Reuters (or such other page as may replace that page on that service, or such other service as may be nominated as the information vendor).

"*TARGET Settlement Day*" means any day on which the Trans-European Automated Real-Time Gross settlement Express Transfer (TARGET) system is open.

The Calculation Agent shall, as soon as practicable after 11:00 a.m. (London time) on each Determination Date, determine the Applicable Euro Rate and calculate the aggregate amount of interest payable in respect of the following Interest Period (the "Interest Amount"). The Interest Amount shall be calculated by applying the Applicable Euro Rate to the aggregate principal amount of the Floating Rate Notes outstanding at the commencement of the Interest Period, multiplying each such amount by the actual amounts of days in the Interest Period concerned divided by 360 and rounding the resultant figure upwards to the nearest available currency unit. The determination of the Applicable Euro Rate and the applicable Interest Amount by the Calculation Agent shall, in the absence of willful default, bad faith or manifest error, be final and binding on all parties. In no event

will the rate of interest on the Floating Rate Notes be higher than the maximum rate permitted by applicable law, including the maximum rate permitted by New York law as the same may be modified by U.S. law of general application.

All percentages resulting from any of the above calculations will be rounded, if necessary, to the nearest one hundred thousandth of a percentage point, with five one-millionths of a percentage point being rounded upwards (e.g. 4.876545% being rounded to 4.87655% (or .0487655)).

The Calculation Agent will, upon the request of the holder of any Floating Rate Note, provide the applicable interest rate then in effect with respect to such Note.

Additional Notes

From time to time, subject to the Issuer's compliance with the covenants described under the headings *"—Certain Covenants—Limitation on Indebtedness" and "—Certain Covenants—Limitation on Liens,"* the Issuer is permitted to issue additional Notes, which shall have terms substantially identical to the Sterling Fixed Rate Notes or the Floating Rate Notes, as applicable, except in respect of any of the following terms which shall be set forth in an Officer's Certificate supplied to the Trustee ("Additional Notes"):

(1) the title of such Additional Notes;

(2) the aggregate principal amount of such Additional Notes;

(3) the date or dates on which such Additional Notes have been issued;

(4) the rate or rates (which may be fixed or floating) at which such Additional Notes shall bear interest and, if applicable, the interest rate basis, formula or other method of determining such interest rate or rates, the date or dates from which such interest shall accrue, the interest payment dates on which such interest shall be payable or the method by which such dates will be determined, the record dates for the determination of holders thereof to whom such interest is payable and the basis upon which such interest will be calculated;

(5) the currency or currencies in which such Additional Notes shall be denominated and the currency in which cash or government obligations in connection with such series of Additional Notes may be payable;

(6) the date or dates and price or prices at which, the period or periods within which, and the terms and conditions upon which, such Additional Notes may be redeemed, in whole or in part;

(7) if other than denominations of (x) £100,000 and in integral multiples of £1,000 in excess thereof in relation to sterling-denominated Additional Notes and (y) €100,000 and in integral multiples of €1,000 in excess thereof in relation to euro-denominated Additional Notes, the denominations in which such Additional Notes shall be issued and redeemed; and

(8) the ISIN, Common Code, CUSIP or other securities identification numbers with respect to such Additional Notes.

Such Additional Notes will be treated, along with all other series of Notes, as a single class for the purposes of the Indenture with respect to waivers, amendments and all other matters which are not specifically distinguished for such series; provided that if the Additional Notes are not fungible with the Notes for U.S. federal income tax purposes, such Additional Notes will be issued with a separate identification code from the Notes. Unless the context otherwise requires, for all purposes of the Indenture and this *"Description of the Senior Secured Notes,"* references to "Notes" shall be deemed to include references to the Notes initially issued on the Issue Date as well as any Additional Notes. Additional Notes may also be designated as "Additional Sterling Fixed Rate Notes" or "Additional Floating Rate Notes," but only if having terms substantially identical in all material respects to the initial Sterling Fixed Rate Notes or initial Floating Rate Notes, respectively. The initial Sterling Fixed Rate Notes and any Additional Sterling Fixed Rate Notes shall be deemed to form one series and references to the "Sterling Fixed Rate Notes" shall be deemed to refer to the Sterling Fixed Rate Notes initially issued on the Issue Date as well as any Additional Sterling Fixed Rate Notes. The initial Floating Rate Notes and any Additional Floating Rate Notes shall be deemed to form one series and references to the "Floating Rate Notes" shall be deemed to include the Floating Rate Notes initially issued on the Issue Date as well as any Additional Floating Rate Notes.

Methods of Receiving Payments on the Notes

Principal, premium, if any, interest and Additional Amounts (as defined below), if any, on the Global Notes (as defined below) will be payable at the specified office or agency of the applicable Paying Agent; *provided* that all

such payments with respect to any series of Notes represented by one or more Global Note registered in the name of or held by a nominee of the common depositary of Euroclear and Clearstream will be made by wire transfer of immediately available funds to the account specified by the Holder or Holders thereof in accordance with the procedures of Euroclear or Clearstream.

Principal, premium, if any, interest and Additional Amounts, if any, on any certificated securities ("Definitive Registered Notes") will be payable at the specified office or agency of the applicable Paying Agent in the City of London maintained for such purposes. In addition, interest on the Definitive Registered Notes may be paid by check mailed to the person entitled thereto as shown on the register for the Definitive Registered Notes. See "*—Paying Agent and Registrar for the Notes*."

Paying Agent and Registrar for the Notes

The Issuer will maintain one or more paying agents for the Notes in the City of London (each, a "Paying Agent"). The Issuer will also undertake, to the extent possible, to use reasonable efforts to maintain a paying agent in a member state of the European Union that will not be obliged to withhold or deduct tax pursuant to the European Council Directive 2003/48/EC regarding the taxation of savings income (the "Directive"). The Paying Agent will be Deutsche Bank AG, London Branch in London.

The Issuer will also maintain one or more registrars (each, a "Registrar") with offices in Luxembourg, for so long as the Notes are held in registered form. The Issuer will also maintain a transfer agent in Luxembourg (the "Transfer Agent"). The initial Registrar and Transfer Agent will be Deutsche Bank Luxembourg S.A. in Luxembourg. The Registrar and the Transfer Agent will also maintain a register reflecting ownership of Definitive Registered Notes and Global Notes outstanding from time to time, if any, and will make payments on and facilitate transfers of Definitive Registered Notes on behalf of the Issuer. Each Transfer Agent shall perform the functions of a transfer agent.

The Issuer may change any Paying Agent, Registrar or Transfer Agent for the Notes without prior notice to the Holders of the Notes. The Issuer, the Company or any of its Subsidiaries may act as Paying Agent or Registrar in respect of the Notes. For so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF market and the rules of the Luxembourg Stock Exchange so require, the Issuer will publish a notice of any change of Paying Agent, Registrar or Transfer Agent in a newspaper having a general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, to the extent and in the manner permitted by such rules, post such notice on the official website of the Luxembourg Stock Exchange (*www.bourse.lu*).

Transfer and Exchange

The Notes are initially issued in the form of registered notes in global form without interest coupons, as follows:

- The Notes sold within the United States to qualified institutional buyers pursuant to Rule 144A under the Securities Act are initially represented by global notes in registered form without interest coupons attached (the "144A Global Notes"). The 144A Global Notes are, upon issuance, deposited with the common depositary for the accounts of Euroclear and Clearstream and registered in the name of its nominee.
- The Notes sold outside the United States pursuant to Regulation S under the Securities Act are initially represented by global notes in registered form without interest coupons attached (the "Regulation S Global Notes" and, together with the 144A Global Notes, the "Global Notes"). The Regulation S Global Notes are, upon issuance, deposited with the common depositary for the accounts of Euroclear and Clearstream and registered in the name of its nominee.

Ownership of interests in the Global Notes ("Book-Entry Interests") is limited to persons that have accounts with Euroclear or Clearstream or persons that may hold interests through such participants. Ownership of interests in the Book-Entry Interests and transfers thereof is subject to the restrictions on transfer and certification requirements summarized below and described more fully under "*Notice to Investors.*" In addition, transfers of Book-Entry Interests between participants in Euroclear or participants in Clearstream will be effected by Euroclear or Clearstream pursuant to customary procedures and subject to the applicable rules and procedures established by Euroclear or Clearstream and their respective participants.

Book-Entry Interests in the 144A Global Notes may be transferred to a person who takes delivery in the form of Book-Entry Interests in the Regulation S Global Notes only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Regulation S under the Securities Act.

Prior to 40 days after the date of initial issuance of the Notes, ownership of Book-Entry Interests in Regulation S Global Notes will be limited to persons that have accounts with Euroclear or Clearstream or persons who hold interests through Euroclear or Clearstream, and any sale or transfer of such interest to U.S. persons shall not be permitted during such period unless such resale or transfer is made pursuant to Rule 144A under the Securities Act. Subject to the foregoing, Regulation S Book-Entry Interests may be transferred to a person who takes delivery in the form of 144A Book-Entry Interests only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made to a person who the transferor reasonably believes is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A or otherwise in accordance with the transfer restrictions described under "*Notice to Investors*" and in accordance with any applicable securities law of any other jurisdiction.

Any Book-Entry Interest that is transferred as described in the immediately preceding paragraphs will, upon transfer, cease to be a Book-Entry Interest in the Global Note from which it was transferred and will become a Book-Entry Interest in the Global Note to which it was transferred. Accordingly, from and after such transfer, it will become subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in the Global Note to which it was transferred.

If Definitive Registered Notes are issued, they will be issued only in minimum denominations of (x) £100,000 aggregate principal amount and integral multiples of £1,000 in excess thereof in relation to Sterling Notes and (y) €100,000 aggregate principal amount and integral multiples of €1,000 in excess thereof in relation to Euro Notes, upon receipt by the Registrar of instructions relating thereto and any certificates, opinions and other documentation required by the Indenture. It is expected that such instructions will be based upon directions received by Euroclear or Clearstream, from the participant that owns the relevant Book-Entry Interests. Definitive Registered Notes issued in exchange for a Book-Entry Interest will, except as set forth in the Indenture or as otherwise determined by the Issuer to be in compliance with applicable law, be subject to, and will have a legend with respect to, the restrictions on transfer summarized below and described more fully under "*Transfer Restrictions*."

Subject to the restrictions on transfer referred to above, Notes issued as Definitive Registered Notes may be transferred or exchanged, in whole or in part, in minimum denominations of (x) £100,000 in aggregate principal amount and integral multiples of £1,000 in excess thereof in relation to Sterling Notes and (y) €100,000 aggregate principal amount and integral multiples of €1,000 in excess thereof in relation to Euro Notes. In connection with any such transfer or exchange, the Indenture requires the transferring or exchanging holder to, among other things, furnish appropriate endorsements and transfer documents, to furnish information regarding the account of the transferee at Euroclear or Clearstream, to furnish certain certificates and opinions, and to pay any taxes, duties and governmental charges in connection with such transfer or exchange. Any such transfer or exchange will be made without charge to the Holder, other than any taxes, duties and governmental charges payable in connection with such transfer.

Notwithstanding the foregoing, the Registrar is not required to register the transfer or exchange of any Notes:

(1) for a period of 15 days prior to any date fixed for the redemption of such Notes;

(2) for a period of 15 days immediately prior to the date fixed for selection of such Notes to be redeemed in part;

(3) for a period of 15 days prior to the record date with respect to any interest payment date applicable to such Notes; or

(4) which the Holder has tendered (and not withdrawn) for repurchase in connection with a Change of Control Offer or an Asset Disposition Offer.

The Issuer, the Trustee, the Registrar and the Paying Agent will be entitled to treat the Holder of a Note as the owner of it for all purposes.

Restricted Subsidiaries and Unrestricted Subsidiaries

Immediately after the issuance of the Notes and upon the Issue Date, all of the Company's Subsidiaries were Restricted Subsidiaries. In the circumstances described below under "*—Certain Definitions—Unrestricted Subsidiary,*" the Company will be permitted to designate Restricted Subsidiaries (other than the Issuer) as Unrestricted Subsidiaries. Unrestricted Subsidiaries will not be subject to any of the restrictive covenants in the Indenture.

Escrow of Proceeds

Concurrently with the closing of the offering of the Notes on the Issue Date, the Issuer entered into the Senior Secured Notes Escrow Agreement with, *inter alios*, the Trustee and the Escrow Agent, pursuant to which the initial purchasers deposited with the Escrow Agent an amount equal to the gross proceeds of this offering of the Notes less certain deductions with respect to fees and expenses into the Senior Secured Notes Escrow Account. The initial funds deposited in the Senior Secured Notes Escrow Account, and all other funds, securities, interest, dividends, distributions and other property and payments credited to the Senior Secured Notes Escrow Account (less any property and/or funds paid in accordance with the Senior Secured Notes Escrow Agreement) are referred to, collectively, as the "Senior Secured Notes Escrowed Property."

In order to cause the Escrow Agent to release the Senior Secured Notes Escrowed Property to the Issuer or to such account as may be designated by the Issuer (the "Release"), the Escrow Agent and the Trustee shall have received from the Issuer, on or before September 30, 2015 (the "Escrow Longstop Date"), an Officer's Certificate to the effect that:

(1) (i) the Acquisition has been or will be consummated, promptly following (and no later than the Business Day after) the release of the Senior Secured Notes Escrowed Property, and (ii) no material term or condition of the Acquisition Agreement has been amended or waived in a manner or to an extent that would be materially prejudicial to the interests of Holders of the Notes, other than any amendment or waiver made with the consent of Holders of a majority of the outstanding Notes (provided that if the Majority Lenders, as defined in, and pursuant to, the Revolving Credit Facility Agreement shall have consented to any such amendment or waiver (or the Revolving Credit Facility is drawn without any such consent being required) then the consent of the Holders of a majority of the outstanding Notes shall be deemed to have been granted to such amendment or waiver);

(2) immediately after consummation of the Acquisition, the Permitted Holders will own, directly or indirectly, the entire share capital of New Look Retail Group Limited and substantially all of the assets and operations of New Look Retail Group Limited and its subsidiaries as described in the Offering Memorandum; and

(3) as of the Release Date (as defined below), there are no events of bankruptcy, insolvency or court protection with respect to the Company or the Issuer.

The Release took place on June 25, 2015 (the "Release Date"). Upon the Release, the Senior Secured Notes Escrowed Property was paid out in accordance with the Senior Secured Notes Escrow Agreement and the Senior Secured Notes Escrow Account was reduced to zero.

Notes Guarantees

The obligations of the Issuer pursuant to the Notes, including any payment obligation resulting from a Change of Control, will (subject to the Agreed Security Principles) be guaranteed jointly and severally on a senior basis by the Company and each subsidiary of the Company that is a guarantor under the Revolving Credit Facility Agreement (each a "Guarantor" and such guarantee, a "Notes Guarantee").

The Notes are guaranteed by the following initial Guarantors:

Guarantor:	Jurisdiction of Incorporation:
Hamperwood Limited	England and Wales
New Look Finance Limited	England and Wales
New Look Group Limited	England and Wales
New Look Limited	England and Wales
New Look Overseas Limited	England and Wales
New Look Retailers Limited	England and Wales
New Look Senior Issuer plc	England and Wales

As of and for the 52 week period ended March 28, 2015, the initial Guarantors generated 83% and 95% of the consolidated revenue and Adjusted EBITDA of the Company and its Subsidiaries, respectively, and represented 80% of the consolidated total assets of the Company and its Subsidiaries.

In addition, as described below under "*—Certain Covenants—Additional Notes Guarantees and Collateral*" and subject to the Intercreditor Agreement and the Agreed Security Principles, each Restricted Subsidiary of the Issuer that guarantees the Revolving Credit Facility Agreement, Public Debt or certain other indebtedness shall also enter into a supplemental indenture as a Guarantor of the Notes and accede to the Intercreditor Agreement.

The Agreed Security Principles apply to the granting of guarantees and security in favor of obligations under the Revolving Credit Facility Agreement, the Notes and the Senior Notes. The Agreed Security Principles include

restrictions on the granting of guarantees where, among other things, such grant would be restricted by general statutory or other legal limitations or requirements, financial assistance, corporate benefit, fraudulent preference, "thin capitalization" rules, retention of title claims and similar matters.

Each Notes Guarantee will be limited to the maximum amount that would not render the Guarantor's obligations subject to avoidance under applicable fraudulent conveyance provisions of the United States Bankruptcy Code or any comparable provision of foreign or state law, or as otherwise required under the Agreed Security Principles to comply with corporate benefit, financial assistance and other laws. By virtue of this limitation, a Guarantor's obligation under its *Notes Guarantee* could be significantly less than amounts payable with respect to the Notes, or a Guarantor may have effectively no obligation under its *Notes Guarantee*. See "*Risk Factors—Risks Related to the Notes and Our Structure—Each Notes Guarantee will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit its validity and enforceability," "Risk Factors—Risks Related to the Notes and Our Structure—There are circumstances other than repayment or discharge of the Notes under which the Collateral securing the Notes and the Notes Guarantees will be released automatically, without your consent or the consent of the Trustee"* and *"Risk Factors—Risks Related to the Notes and Our Structure—English insolvency laws and other jurisdictions may provide you with less protection than U.S. bankruptcy law*."

The Notes Guarantee of a Guarantor will terminate and release upon:

(1) except in the case of the Notes Guarantee given by the Company (the "Parent Guarantee"), a sale, exchange, disposition, exchange or other transfer (including by way of consolidation, merger, amalgamation or combination) of ownership interests in the Guarantor (directly or through a parent company) such that the Guarantor does not remain a Restricted Subsidiary, including for the avoidance of doubt, the liquidation or dissolution of Hamperwood Limited and/or New Look Group Limited, or the sale or disposition of all or substantially all the assets of the Guarantor (other than to the Company or a Restricted Subsidiary), in each case, otherwise permitted by the Indenture;

(2) except in the case of the Parent Guarantee, if the Company designates any Restricted Subsidiary that is a Guarantor to be an Unrestricted Subsidiary in accordance with the applicable provisions of the Indenture;

(3) in accordance with the provisions of the Intercreditor Agreement or any Additional Intercreditor Agreement;

(4) upon legal defeasance, covenant defeasance or satisfaction and discharge of the Indenture as provided below under the captions "*—Defeasance"* and *"—Satisfaction and Discharge";*

(5) upon the full and final payment of the Notes; or

(6) as described under the caption "*—Amendment and Waiver.*"

Substantially all the operations of the Company are conducted through its Subsidiaries. Claims of creditors of non-guarantor Subsidiaries, including trade creditors, secured creditors and creditors holding debt and guarantees issued by those Subsidiaries, and claims of preferred stockholders (if any) of those Subsidiaries generally will have priority with respect to the assets and earnings of those Subsidiaries over the claims of creditors of the Issuer and the Guarantors, including Holders of the Notes. The Notes and each Notes Guarantee is therefore effectively subordinated to creditors (including trade creditors) and preferred stockholders (if any) of Subsidiaries of the Company (other than the Guarantors).

As of March 28, 2015, except for the indebtedness represented by the Existing Notes and the existing PIK loans which has been redeemed and repaid in full as part of the Refinancing Transactions, the Company and its Subsidiaries that will not guarantee the Notes did not have any outstanding third-party financial indebtedness. Although the Indenture limits the incurrence of Indebtedness (which includes Disqualified Stock and Preferred Stock of Restricted Subsidiaries), the limitation is subject to a number of significant exceptions. Moreover, the Indenture does not impose any limitation on the incurrence by Restricted Subsidiaries of liabilities that are not considered Indebtedness under the Indenture. See "*—Certain Covenants—Limitation on Indebtedness*."

Security

The Collateral

From the Issue Date to the Release Date, the Senior Secured Notes Escrow Accounts were subject to security on a first ranking basis in favor of the Trustee and the Holders of the Notes.

Subject to the operation of the Agreed Security Principles, certain perfection requirements and any Permitted Collateral Liens, each of the Issuer, the Company and the other Guarantors have granted in favour of the Security Agent, fixed and floating charges over substantially all the assets of the Issuer and the Guarantors, including:

shares of capital stock of each of the Issuer, certain Guarantors and other subsidiaries (granted by the Company and its subsidiaries); certain bank accounts; certain real property; certain intellectual property; an assignment of (or to the extent not validly assigned, a fixed charge over) the rights of the Issuer under the Senior Secured Notes Proceeds Loans; and an assignment of (or to the extent not validly assigned, a fixed charge over) the rights of the Senior Notes Issuer under the Senior Notes Proceeds Loans (collectively, the "Initial Collateral"). The security will be limited and subject to certain statutory preferences under English law as described under "*Risk Factors—Risks Related to the Notes and Our Structure—Each Notes Guarantee will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defences that may limit its validity and enforceability*."

In addition, subject to the Intercreditor Agreement and subject to the Agreed Security Principles, each subsidiary of the Company that accedes to the Revolving Credit Facility Agreement as a guarantor after the Issue Date and grants security in connection with such accession shall also enter into a supplemental indenture as a Guarantor with respect to the Notes and accede to the Intercreditor Agreement, and security will be granted over the ownership interests in such Guarantor and certain of its material assets including operating bank accounts and intercompany receivables (together with the Initial Collateral, the "Collateral"). All Collateral shall be subject to the operation of the Agreed Security Principles and any Permitted Collateral Liens. The lenders under the Revolving Credit Facility and the Permitted Trade L/C Facilities and counterparties under certain Hedging Agreements will receive proceeds from the enforcement of the Collateral in priority to holders of the Notes.

Notwithstanding the foregoing, certain assets will not be pledged (or the Liens not perfected) in accordance with the Agreed Security Principles, including:

- if the cost of providing security is not proportionate to the benefit accruing to the Holders;
- if there is material incremental cost involved in creating security over all assets of a Guarantor in a particular category of assets, only the material assets in that category will be subject to security;
- if providing such security requires consent before such assets may be secured or where providing such security would give a third party the right to terminate or otherwise amend any rights, benefits and/or obligations of the Company, the Issuer or any of their Subsidiaries in respect of those assets or require any of them to take any action materially adverse to their interests and where (subject to certain conditions being met) such consent cannot be obtained after the use of reasonable endeavors;
- if providing such security would be prohibited by applicable law, general statutory limitations, financial assistance, corporate benefit, fraudulent preference, "thin capitalization" rules or similar matters or providing security would be outside the applicable pledgor's capacity or conflict with fiduciary duties of directors or cause material risk of personal or criminal liability after the use of reasonable endeavors to overcome such prohibitions (if possible);
- if in certain jurisdictions it may be either impossible or impractical to create security over certain categories of assets, security will not be taken over such assets in such jurisdictions;
- if providing such security would have a material adverse effect (as reasonably determined in good faith by such Subsidiary) on the ability of such Subsidiary to conduct its operations and business in the ordinary course as otherwise permitted by the Indenture and any requirement under the Agreed Security Principles to seek consent of any person or take or not take any other action shall be subject to this principle;
- no perfection action will be required in jurisdictions where a Guarantor is not located but perfection action may be required in the jurisdiction of one Guarantor in relation to security granted by another Guarantor located in a different jurisdiction and (where otherwise consistent with the Agreed Security Principles) in any supra-national registries agreed between the Company and the Security Agent from time to time;
- in the case of bank accounts, if providing such security or perfecting liens thereon would require giving notice to the banks with whom the accounts are maintained, such notice will only be provided after the Notes are accelerated; and
- in the case of receivables, notification of receivables security to debtors and of security over goods held by third parties will only be provided after the Notes are accelerated, subject to certain exceptions.

The Collateral will also secure the liabilities under the Notes, the Revolving Credit Facility Agreement, the Permitted Trade L/C Facilities, certain Hedging Obligations and any Additional Notes; *provided* that lenders under the Revolving Credit Facility and the Permitted Trade L/C Facilities and counterparties under certain Hedging Agreements will receive proceeds from the enforcement of the Collateral in priority to holders of the Notes. Pursuant to the Intercreditor Agreement, any liabilities in respect of obligations under the Revolving Credit Facility Agreement, the Permitted Trade L/C Facilities and certain Hedging Obligations permitted to be

incurred under the covenant *"—Certain Covenants—Limitation on Indebtedness*" and permitted to be secured on the Collateral on a super priority basis under the covenant "*—Certain Covenants—Limitation on Liens*" will receive priority over the Holders with respect to any proceeds received upon any enforcement action over any Collateral. Subject to certain conditions, including compliance with the covenant described under "*—Certain Covenants—Impairment of Security Interest*," the Company is permitted to grant security over the Collateral in connection with future issuances of its Indebtedness or Indebtedness of its Restricted Subsidiaries, including any Additional Notes, in each case, as permitted under the Indenture and the Intercreditor Agreement. Any proceeds received upon any enforcement over any Collateral, after all liabilities in respect of obligations under the Revolving Credit Facility Agreement, the Permitted Trade L/C Facilities and certain Hedging Obligations have been discharged from such recoveries, will be applied *pro rata* in payment of all liabilities in respect of obligations under the Indenture and the Notes and any other Indebtedness of the Company or its Restricted Subsidiaries permitted to be incurred and secured on a *pari passu* basis by the Collateral pursuant to the Indenture and the Intercreditor Agreement.

Subject to the Agreed Security Principles, if material property is acquired by the Company or any Guarantor that is not automatically subject to a perfected security interest under the Security Documents and which will be subject to a security interest in favor of the lenders under the Revolving Credit Facility Agreement, then (to the extent the security interest is not already granted in favor of the Security Agent for the Holders of the Notes) the Company or such Guarantor will within 10 Business Days provide security over this property in favor of the Security Agent (*provided* that such date need not be earlier than the date such security is granted in favor of the lenders under the Revolving Credit Facility Agreement) pursuant to the covenant entitled "*—Certain Covenants—Additional Notes Guarantees and Collateral*."

Administration of Security and Enforcement of Liens

The Security Documents and the Collateral will be administered by the Security Agent, in each case pursuant to the Intercreditor Agreement for the benefit of all holders of secured obligations. The enforcement of the Security Documents will be subject to the procedures set forth in the Intercreditor Agreement. See "*Description of Other Indebtedness—Intercreditor Agreement.*"

The ability of holders of the Notes to realize upon the Collateral will be subject to various bankruptcy law limitations in the event of the Issuer's or a Guarantor's bankruptcy. See "*Risk Factors—Risks Related to the Notes and Our Structure—Each Notes Guarantee will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit its validity and enforceability"* and *"Risk Factors—Risks Related to the Notes and Our Structure—English insolvency laws and other jurisdictions may provide you with less protection than U.S. bankruptcy law*."

Pursuant to the Agreed Security Principles, the terms of the Security Documents themselves provide for assets to cease to be subject to security in certain circumstances without need for a formal release, such as the sale of assets which are subject to a charge, or the exclusion of certain assets from a debenture if such assets may not be subject to security (such as, for example, assets that may not be validly pledged, or assets that are subject to a Permitted Lien).

In addition, the enforcement of the Collateral will be limited to the maximum amount required under the Agreed Security Principles to comply with corporate benefit, financial assistance and other laws. As a result of these limitations, the amounts recoverable for the benefit of secured creditors from the enforcement of such Collateral could be significantly less than the value of such Collateral and could be nothing. See "*Risk Factors—Risks Related to the Notes and Our Structure—Each Notes Guarantee will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit its validity and enforceability."*

Subject to the terms of the Security Documents, the Issuer and the Guarantors have the right to remain in possession and retain exclusive control of the Collateral securing the Notes (other than as set forth in the Security Documents), to freely operate the Collateral and to collect, invest and dispose of any income therefrom.

No appraisals of any of the Collateral have been prepared by or on behalf of the Issuer in connection with the issuance of the Notes. There can be no assurance that the proceeds from the sale of the Collateral would be sufficient to satisfy the obligations owed to the holders of the Notes, the payment of obligations under the Revolving Credit Facility Agreement, the Permitted Trade L/C Facilities and any Hedging Obligations. By its nature, some or all of the Collateral will be illiquid and may have no readily ascertainable market value. Accordingly, there can be no assurance that the Collateral can be sold in a short period of time or at all.

In addition, the Intercreditor Agreement places limitations on the ability of the Security Agent to cause the sale of some of the Collateral. These limitations may include requirements that some or all of the Collateral be

disposed of only pursuant to public auctions or only at a price confirmed by a valuation. See "*Description of Other Indebtedness—Intercreditor Agreement*."

The Trustee for the Notes has, and by accepting a Note, each Holder will be deemed to have:

- irrevocably appointed Deutsche Bank AG, London Branch, as Security Agent to act as its agent under the Intercreditor Agreement and the other relevant documents to which it is a party (including, without limitation, the Security Documents);
- irrevocably authorized the Security Agent to (i) perform the duties and exercise the rights, powers and discretions that are specifically given to it under the Intercreditor Agreement or other documents to which it is a party (including, without limitation, the Security Documents), together with any other incidental rights, power and discretions; and (ii) execute each document, waiver, modification, amendment, renewal or replacement expressed to be executed by the Security Agent on its behalf; and
- accepted the terms and conditions of the Intercreditor Agreement and any Additional Intercreditor Agreement (as defined below) and each Holder will also be deemed to have authorized the Trustee to enter into any such Additional Intercreditor Agreement.

Priority

The relative priority with regard to the Collateral as between (a) the lenders under the Revolving Credit Facility Agreement and the Permitted Trade L/C Facilities, (b) the counterparties under certain Hedging Agreements, (c) the Trustee and the Holders under the Indenture and (d) the trustee and the holders under the Senior Notes Indenture is established by the terms of the Intercreditor Agreement and the Security Documents, which provide that the obligations under the Notes will receive proceeds or enforcement of security over the Collateral only after the claims of lenders under the Revolving Credit Facility Agreement and the issuers of the Permitted Trade L/C Facilities and certain Hedging Obligations are satisfied. The holders under the Senior Notes will receive proceeds from enforcement of the Collateral only after claims of Holders of the Notes, lenders under the Revolving Credit Facility, and the issuers of the Permitted Trade L/C Facilities and certain Hedging Obligations are satisfied in full. See "*Description of Other Indebtedness—Intercreditor Agreement*." In addition, pursuant to the Intercreditor Agreement or Additional Intercreditor Agreements entered into after the Issue Date, the Collateral may be pledged to secure other Indebtedness. See "*—Release of Liens," "—Certain Covenants—Impairment of Security Interest" and "—Certain Definitions—Permitted Collateral Liens."*

Release of Liens

The Security Agent will, in addition to the circumstances described above, take any action required to effectuate any release of Collateral required by a Security Document:

(1) in connection with any disposition of Collateral, directly or indirectly, to (a) any Person other than the Company or any of its Restricted Subsidiaries (but excluding any transaction subject to "*—Certain Covenants—Merger and Consolidation—The Company and the Issuer*") that is permitted by the Indenture (with respect to the Lien on such Collateral) or (b) the Company or any Restricted Subsidiary consistent with the Intercreditor Agreement;

(2) in the case of a Guarantor that is released from its Notes Guarantee in accordance with the Indenture, the release of the property, assets and Capital Stock of such Guarantor;

(3) if the Company designates any of its Restricted Subsidiaries (other than the Issuer) to be an Unrestricted Subsidiary in accordance with the applicable provisions of the Indenture, the release of the property, assets and Capital Stock of such Restricted Subsidiary;

(4) upon legal defeasance, covenant defeasance or satisfaction and discharge of the Indenture as provided below under the captions "*—Defeasance*" and "*—Satisfaction and Discharge";*

(5) upon payments in full of principal, interest and all other obligations in respect of the Notes issued under the Indenture;

(6) as described under the caption "*—Amendment and Waiver";*

(7) as described under the caption "*—Certain Covenants—Impairment of Security Interest*";

(8) as described in the second paragraph under the caption "*—Certain Covenants—Limitation on Liens";* or

(9) as otherwise provided in the Intercreditor Agreement.

Each of these releases shall be effected by the Security Agent and the Trustee without the consent of the Holders.

The Issuer, the Company and its Restricted Subsidiaries may also, among other things, without any release or consent by the Trustee or the Security Agent, conduct ordinary course activities with respect to Collateral, including, without limitation, (i) selling or otherwise disposing of, in any transaction or series of related transactions, any property subject to the Lien under the Security Documents which has become worn out, defective or obsolete or not used or useful in the business; (ii) selling, transferring or otherwise disposing of current assets in the ordinary course of business; and (iii) any other action permitted by the Security Documents or the Intercreditor Agreement.

Amendments to the Intercreditor Agreement and Additional Intercreditor Agreements

In connection with the Incurrence of any Indebtedness by the Company or any of its Restricted Subsidiaries that is permitted to share the Collateral, the Trustee and the Security Agent shall, at the request of the Company, enter into with the Company, the relevant Restricted Subsidiaries and the holders of such Indebtedness (or their duly authorized representatives) one or more intercreditor agreements or deeds (including a restatement, replacement, amendment or other modification of the Intercreditor Agreement) (an "Additional Intercreditor Agreement"), on substantially the same terms as the Intercreditor Agreement (or terms that are not materially less favorable to the Holders) and substantially similar as applies to sharing of the proceeds of security and enforcement of security, priority and release of security; *provided* that such Additional Intercreditor Agreement will not impose any personal obligations on the Trustee or Security Agent or adversely affect the personal rights, duties, liabilities, indemnification or immunities of the Trustee or the Security Agent under the Indenture or the Intercreditor Agreement. In connection with the foregoing, the Company shall furnish to the Trustee such documentation in relation thereto as it may reasonably require. As used herein, a reference to the Intercreditor Agreement will also include any Additional Intercreditor Agreement.

In relation to the Intercreditor Agreement, the Trustee shall consent on behalf of the holders to the payment, repayment, purchase, repurchase, defeasance, acquisition, retirement or redemption of any obligations subordinated to the Notes thereby; *provided, however*, that such transaction would comply with the covenant described herein under "*—Certain Covenants—Limitation on Restricted Payments*."

The Indenture also provides that, at the written direction of the Issuer and without the consent of Holders, the Trustee and the Security Agent shall from time to time enter into one or more amendments to any Intercreditor Agreement to: (1) cure any ambiguity, omission, defect or inconsistency of any such agreement, (2) increase the amount or types of Indebtedness covered by any such Intercreditor Agreement that may be Incurred by the Company or its Restricted Subsidiaries that is subject to any such Intercreditor Agreement (*provided* that such Indebtedness is Incurred in compliance with the Indenture), (3) add Guarantors or other Restricted Subsidiaries to the Intercreditor Agreement, (4) further secure the Notes (including Additional Notes), (5) make provision for equal and ratable pledges of the Collateral to secure Additional Notes (*provided* that such Additional Notes are permitted to be secured by the Collateral under the Indenture) or to implement any Permitted Collateral Liens or (6) make any other change to any such agreement that does not adversely affect the Holders of Notes in any material respect. The Issuer shall not otherwise direct the Trustee or Security Agent to enter into any amendment to any Intercreditor Agreement without the consent of the Holders of a majority in aggregate principal amount of the Notes then outstanding, except as otherwise permitted below under "*—Amendments and Waivers*" or as permitted by the terms of such Intercreditor Agreement, and the Issuer may only direct the Trustee or Security Agent to enter into any amendment to the extent such amendment does not impose any personal obligations on the Trustee or Security Agent or, in the opinion of the Trustee or Security Agent, adversely affect their respective rights, duties, liabilities or immunities under the Indenture or any Intercreditor Agreement.

The Indenture also provides that each Holder, by accepting a Note, shall be deemed to have agreed to and accepted the terms and conditions of the Intercreditor Agreement (whether then entered into or entered into in the future pursuant to the provisions described herein) and to have authorized the Trustee and the Security Agent to enter into the Intercreditor Agreement, any amendment referenced in the preceding paragraph and any Additional Intercreditor Agreement on each Holder's behalf.

A copy of the Intercreditor Agreement or any Additional Intercreditor Agreement shall be made available to the Holders upon request and will be made available for inspection during normal business hours on any Business Day upon prior written request at the office of the Issuer and, for so long as any Notes are admitted for trading on the Euro MTF market of the Luxembourg Stock Exchange, at the offices of the Registrar in Luxembourg.

The Senior Secured Notes Proceeds Loans

Upon the issuance of the Notes, the Issuer, as lender, and the Company, as borrower, entered into the Senior Secured Notes Proceeds Loan Agreements comprising of: the Sterling Fixed Rate Notes Proceeds Loan, pursuant to which the Issuer lent to the Company the proceeds of the Sterling Fixed Rate Notes and the Floating Rate Notes Proceeds Loan, pursuant to which the Issuer lent to the Company the proceeds of the Floating Rate Notes.

The Senior Secured Notes Proceeds Loans are denominated in sterling in aggregate principal amount equal to the proceeds of the Sterling Notes and are denominated in euros in aggregate principal amount equal to the proceeds of the Euro Notes. The Senior Secured Notes Proceeds Loans bear interest at a rate at least equal to the interest rates of the Notes. Interest on the Sterling Fixed Rate Notes Proceeds Loan is payable semi-annually in arrears on or prior to the corresponding date for the payment of interest on the Sterling Fixed Rate Notes. Interest on the Floating Rate Notes Proceeds Loan is payable quarterly in arrears on or prior to the corresponding date for the payment of interest on the Floating Rate Notes.

The Senior Secured Notes Proceeds Loan Agreements provides that the Company will pay the Issuer interest and principal due and payable on the Notes and any Additional Amounts due thereunder. All amounts payable under the Senior Secured Notes Proceeds Loans are payable to such account or accounts with such Person or Persons as the Issuer may designate. The maturity date of the Senior Secured Notes Proceeds Loans is the same as the maturity date of the Notes. Except as otherwise required by law, all payments under the Senior Secured Notes Proceeds Loan Agreements will be made without deductions or withholding for, or on account of, any applicable tax. In the event that the Company is required to make any such deduction or withholding, such entity shall gross-up each payment to the Issuer to ensure that the Issuer receives and retains a net payment equal to the payment which it would have received had no such deduction or withholding been made.

The Senior Secured Notes Proceeds Loans provide that the Company will make all payments pursuant thereto on a timely basis in order to ensure that the Issuer can satisfy its payment obligations under the Notes and the Indenture, taking into account the administrative and timing requirements under the Indenture with respect to amounts payable on the Notes.

An assignment of (or to the extent not validly assigned, a fixed charge over) the Issuer's rights under the Senior Secured Notes Proceeds Loan Agreements has been granted in favor of the Security Agent as part of the Collateral, as described above under "*—Security—The Collateral*."

Optional Redemption

Optional Redemption of the Sterling Fixed Rate Notes

Except as set forth herein and under "*—Redemption for Taxation Reasons*" and "*—Escrow of Proceeds; Special Mandatory Redemption*," the Sterling Fixed Rate Notes are not redeemable at the option of the Issuer.

At any time prior to June 24, 2018, the Issuer may redeem the Sterling Fixed Rate Notes in whole or in part, at its option, upon not less than 10 nor more than 60 days prior notice at a redemption price equal to 100% of the principal amount of such Sterling Fixed Rate Notes plus the relevant Applicable Premium as of, and accrued and unpaid interest and Additional Amounts, if any, to, but not including, the redemption date.

At any time and from time to time on or after June 24, 2018, the Issuer may redeem the Sterling Fixed Rate Notes in whole or in part, at its option, upon not less than 10 nor more than 60 days prior notice, at a redemption price equal to the percentage of principal amount set forth below plus accrued and unpaid interest to, but not including, the redemption date:

Twelve month period commencing June 24 in	Percentage
2018	103.250%
2019	101.625%
2020 and thereafter	100.000%

At any time and from time to time prior to June 24, 2018, upon not less than 10 nor more than 60 days' prior notice, the Issuer may redeem up to 40% of the original aggregate principal amount of the Notes (including Additional Notes) at a redemption price equal to (i) 106.5% of the aggregate principal amount thereof, with an amount equal to or less than the net cash proceeds of one or more Equity Offerings, plus (ii) accrued and unpaid interest thereon, if any, to, but not including, the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date); *provided* that:

(1) in each case the redemption takes place not later than 180 days after the closing of the related Equity Offering; and

(2) not less than 60% of the original aggregate principal amount of the Sterling Fixed Rate Notes being redeemed (including the aggregate principal amount of any Additional Sterling Fixed Rate Notes) remain outstanding immediately thereafter.

Notice of any redemption upon any Equity Offering may be given prior to the completion thereof.

Optional Redemption of the Floating Rate Notes

Except as set forth herein and under "*—Redemption for Taxation Reasons*" and "*—Escrow of Proceeds; Special Mandatory Redemption*," the Floating Rate Notes are not redeemable at the option of the Issuer.

At any time prior to June 24, 2016, the Issuer may redeem the Floating Rate Notes in whole or in part, at its option, upon not less than 10 nor more than 60 days' prior notice at a redemption price equal to 100% of the principal amount of such Notes plus the relevant Floating Rate Applicable Premium as of, and accrued and unpaid interest and Additional Amounts, if any, to, but not including, the redemption date.

At any time and from time to time on or after June 24, 2016, the Issuer may redeem the Floating Rate Notes in whole or in part, at its option, upon not less than 10 nor more than 60 days' prior notice, at a redemption price equal to the percentage of principal amount set forth below plus accrued and unpaid interest to the redemption date:

Twelve month period commencing June 24 in	**Percentage**
2016	101.0%
2017 and thereafter	100.0%

General

Any redemption and notice of redemption may, at the Issuer's discretion, be subject to the satisfaction of one or more conditions precedent (including, in the case of a redemption related to an Equity Offering, the consummation of such Equity Offering).

If the Issuer effects an optional redemption of a series of the Notes, it will, for so long as such Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF market and the rules of the Luxembourg Stock Exchange so require, inform the Luxembourg Stock Exchange of such optional redemption and confirm the aggregate principal amount of such Notes that will remain outstanding immediately after such redemption.

If the optional redemption date is on or after an interest record date and on or before the related interest payment date, the accrued and unpaid interest will be paid to the Person in whose name such Note is registered at the close of business on such record date, and no additional interest will be payable to Holders whose Notes will be subject to redemption by the Issuer.

Sinking Fund

The Issuer is not be required to make mandatory redemption payments or sinking fund payments with respect to the Notes.

Selection and Notice

If less than all of the Notes of a series are to be redeemed at any time, the Trustee or the Registrar, as applicable, will select such Notes for redemption in compliance with the requirements of the principal securities exchange, if any, on which such Notes are listed, as certified to the Trustee or the Registrar, as applicable, by the Issuer, and in compliance with the requirements of Euroclear or Clearstream, or if such Notes are not so listed or such exchange prescribes no method of selection and such Notes are not held through Euroclear or Clearstream or Euroclear or Clearstream prescribe no method of selection, on a *pro rata* basis or by use of a pool factor; *provided, however*, that no Note of (x) £100,000 in aggregate principal amount or less shall be redeemed in part in relation to Sterling Notes and (y) €100,000 aggregate principal amount or less shall be redeemed in part in relation to Euro Notes and Notes in excess of (x) £100,000 will be redeemed in part in integral multiples of £1,000 in relation to Sterling Notes and (y) €100,000 will be redeemed in part in integral multiples of €1,000 in relation to Euro Notes. Neither the Trustee nor the Registrar will be liable for any selections made by it in accordance with this paragraph.

So long as any Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF market and the rules of the Luxembourg Stock Exchange so require, any such notice to the Holders of the Notes shall to the extent and in the manner permitted by such rules be posted on the official website of the Luxembourg Stock Exchange (*www.bourse.lu*) and in addition to such release, not less than 10 days nor more than 60 days prior to the redemption date, the Issuer will mail, or at the expense of the Issuer, cause to be mailed, such notice to Holders by first-class mail, postage prepaid, at their respective addresses as they appear on the registration books of the Registrar. Such notice of redemption may also be posted on the

website of the Luxembourg Stock Exchange (*www.bourse.lu*), to the extent and in the manner permitted by the rules of the Luxembourg Stock Exchange. In addition, for so long as any Notes are represented by Global Notes, all notices to Holders of the Notes may be delivered to Euroclear and Clearstream in substitution for the aforesaid mailing each of which will give such notices to the holders of Book-Entry Interests.

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note shall state the portion of the principal amount thereof to be redeemed, in which case a portion of the original Note will be issued in the name of the Holder thereof upon cancellation of the original Note. In the case of a Global Note, an appropriate notation will be made on such Note to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof. Subject to the terms of the applicable redemption notice (including any conditions contained therein), Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Notes or portions of them called for redemption.

Redemption for Taxation Reasons

The Issuer or Successor Company, as defined below, may redeem, and a Guarantor may cause the Issuer or a Successor Company to redeem, the Notes in whole, but not in part, at any time upon giving not less than 10 nor more than 60 days' notice to the Holders of the Notes (which notice will be irrevocable) at a redemption price equal to 100% of the outstanding principal amount thereof, together with accrued and unpaid interest, if any, to, but not including, the date fixed for redemption (a "Tax Redemption Date") (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date) and all Additional Amounts (see "—*Withholding Taxes*"), if any, then due and which will become due on the Tax Redemption Date as a result of the redemption or otherwise, if any, as a result of:

(1) any change in, or amendment to, the law (or any regulations or rulings promulgated thereunder) of a Relevant Taxing Jurisdiction (as defined below) affecting taxation; or

(2) any change in, or amendment to, the application, administration or interpretation of such laws, treaties, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction or a change in published practice) of a Relevant Taxing Jurisdiction (each of the foregoing in clauses (1) and (2), a "*Change in Tax Law*"),

the Issuer, Successor Company or Guarantor are, or on the next interest payment date in respect of such Notes would be, required to pay any Additional Amounts and such obligation cannot be avoided by taking reasonable measures available to the Issuer, Successor Company or Guarantor (including, for the avoidance of doubt, the appointment of a new Paying Agent or, in the case of a Guarantor, having another Guarantor make payment, in each case to the extent such measure is reasonable and not including assignment of the obligation to make payment with respect to such Notes). In the case of redemption due to withholding as a result of a Change in Tax Law in a jurisdiction that is a Relevant Taxing Jurisdiction at the date of the Offering Memorandum, such Change in Tax Law must become effective on or after the date of the Offering Memorandum. In the case of redemption due to withholding as a result of a Change in Tax Law in a jurisdiction that becomes a Relevant Taxing Jurisdiction after the date of the Offering Memorandum, such Change in Tax Law must become effective on or after the date the jurisdiction becomes a Relevant Taxing Jurisdiction, unless the Change in Tax Law would have applied to the predecessor of the Successor Company. Notice of redemption for taxation reasons will be published in accordance with the procedures described under "—*Selection and Notice*." Notwithstanding the foregoing, no such notice of redemption will be given (a) earlier than 90 days prior to the earliest date on which the Payor would be obliged to make such payment of Additional Amounts if a payment in respect of such Notes were then due and (b) unless at the time such notice is given, such obligation to pay such Additional Amounts remains in effect. Prior to the publication or mailing of any notice of redemption of such Notes pursuant to the foregoing, the Issuer or Successor Company will deliver to the Trustee (a) an Officer's Certificate stating that it is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to its right so to redeem have been satisfied and (b) an opinion of an independent tax counsel of recognized standing to the effect that the Issuer, Successor Company or Guarantor has or have been or will become obligated to pay Additional Amounts as a result of a Change in Tax Law. The Trustee will accept such Officer's Certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent described above, without further inquiry, in which event it will be conclusive and binding on the Holders.

The foregoing will apply mutatis mutandis to any jurisdiction in which any successor to the Issuer is incorporated or organized or otherwise considered to be a resident or doing business for tax purposes, or any jurisdiction from or through which such successor makes any payment on the Notes or any Notes Guarantees, and any political subdivision or taxing authority or agency thereof or therein.

Withholding Taxes

All payments made by the Issuer, a Successor Company or Guarantor (each, a "Payor") on the Notes or the Notes Guarantees will be made free and clear of and without withholding or deduction for, or on account of, any Taxes unless the withholding or deduction of such Taxes is then required by law. If any deduction or withholding for, or on account of, any Taxes imposed or levied by or on behalf of:

(1) the United Kingdom or any political subdivision or Governmental Authority thereof or therein having power to tax;

(2) any jurisdiction from or through which payment on any such Note or Notes Guarantee is made by the Issuer, Successor Company, Guarantor or their agents, or any political subdivision or Governmental Authority thereof or therein having the power to tax; or

(3) any other jurisdiction in which the Payor is incorporated or organized, resident for tax purposes, or any political subdivision or Governmental Authority thereof or therein having the power to tax (each of clause (1), (2) and (3), a "Relevant Taxing Jurisdiction"),

will at any time be required from any payments made by a Payor with respect to any Note or Notes Guarantee, including payments of principal, redemption price, premium, if any, or interest, the Payor will pay (together with such payments) such additional amounts (the "Additional Amounts") as may be necessary in order that the net amounts received in respect of such payments by the Holders or the Trustee, as the case may be, after such withholding or deduction (including any such deduction or withholding from such Additional Amounts), will equal the amounts which would have been received in respect of such payments on any such Note or Notes Guarantee in the absence of such withholding or deduction; *provided, however*, that no such Additional Amounts will be payable for or on account of:

(1) any Taxes that would not have been so imposed but for the existence of any present or former connection between the relevant Holder or the beneficial owner of a Note (or between a fiduciary, settlor, beneficiary, partner, member or shareholder of, or possessor of power over the relevant Holder or beneficial owner, if the relevant Holder or beneficial owner is an estate, nominee, trust, partnership, limited liability company or corporation) and the Relevant Taxing Jurisdiction (including, but not limited to, being a citizen or resident or national or domiciliary of, or carrying on a business or maintaining a permanent establishment, a dependent agent, a place of business or a place of management present or deemed present in, or being physically present in, the Relevant Taxing Jurisdiction) but excluding, in each case, any connection arising solely from the acquisition, ownership or holding of such Note or enforcement of rights thereunder or under any Note Guarantee or the receipt of any payment in respect thereof;

(2) any Taxes that are imposed, withheld or deducted by reason of the failure by the Holder or the beneficial owner of the Note to comply with a written request of the Payor addressed to the Holder, after reasonable notice, to provide certification, information, documents or other evidence concerning the nationality, residence, identity or connection with the Relevant Taxing Jurisdiction of the Holder or such beneficial owner or to make any declaration or similar claim or satisfy any certification, identification, information or other reporting requirement relating to such matters, which is required by applicable law, statute, treaty, regulation or administrative practice of the Relevant Taxing Jurisdiction as a precondition to exemption from all or part of such Taxes;

(3) any Taxes that are payable otherwise than by deduction or withholding from a payment under or with respect to the Notes or any Note Guarantee;

(4) any estate, inheritance, gift, value added, sales, excise, use, transfer, personal property or similar tax, assessment or other governmental charge;

(5) any Taxes that are required to be deducted or withheld on a payment to a Holder or beneficial owner and that are required to be made pursuant to Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of November 26-27, 2000 on taxation of savings income or any law implementing or complying with, or introduced in order to conform to such Directives or pursuant to the Luxembourg law of December 23, 2005 introducing a withholding tax on certain savings income paid to Luxembourg;

(6) any Taxes imposed in connection with a Note presented for payment (where presentation is permitted or required for payment) by or on behalf of a Holder or beneficial owner who would have been able to avoid such Tax by presenting the relevant Note to, or otherwise accepting payment from, another Paying Agent;

(7) any Taxes that are imposed pursuant to Section 1471 through 1474 of the Code (or any amended or successor version of such sections that is substantively comparable and not materially more onerous to

comply with), any regulations promulgated thereunder, any official interpretations thereof or any similar law or regulation implementing an intergovernmental agreement between a non-U.S. jurisdiction and the United States with respect to the foregoing or any agreements entered into pursuant to Section 1471(b)(1) of the Code; or

(8) any combination of the above.

Such Additional Amounts will also not be payable (x) if the payment could have been made without such deduction or withholding if the beneficiary of the payment had presented the Note for payment (where presentation is permitted or required for payment) within 30 days after the relevant payment was first made available for payment to the Holder (except to the extent that the Holder or beneficial owner would have been entitled to Additional Amounts had the Note been presented on any day during such 30 day period) or (y) where, had the beneficial owner of the Note been the Holder, such beneficial owner would not have been entitled to payment of Additional Amounts by reason of any of clauses (1) to (8) inclusive above.

In addition, no Additional Amounts shall be paid with respect to any payment to any Holder who is a fiduciary or a partnership or other than the sole beneficial owner of such Notes to the extent that the beneficiary or settlor with respect to such fiduciary, the member of such partnership or the beneficial owner of such Notes would not have been entitled to Additional Amounts had such beneficiary, settlor, member or beneficial owner held such Notes directly.

The Payor will (i) make any required withholding or deduction and (ii) remit the full amount deducted or withheld to the Relevant Taxing Jurisdiction in accordance with applicable law. The Payor will use all reasonable efforts to obtain certified copies of tax receipts evidencing the payment of any Taxes so deducted or withheld from each Relevant Taxing Jurisdiction imposing such Taxes, in such form as provided in the ordinary course by the Relevant Taxing Jurisdiction and as is reasonably available to the Payor and will provide such certified copies to the Trustee. Such copies shall be made available to the Holders upon request and will be made available at the offices of the Registrar in Luxembourg if the Notes are then admitted for trading on the Euro MTF market.

If any Payor becomes aware that it will be obligated to pay Additional Amounts under or with respect to any payment made on any Note or Notes Guarantee, at least 30 days prior to the date of such payment, the Payor will deliver to the Trustee an Officer's Certificate stating the fact that Additional Amounts will be payable and the amount so payable and such other information necessary to enable the Paying Agent to pay Additional Amounts to Holders on the relevant payment date (unless such obligation to pay Additional Amounts arises, or Payor becomes aware of such obligation, less than 45 days prior to the relevant payment date, in which case the Payor may deliver such Officer's Certificate as promptly as practicable after the date that is 30 days prior to the payment date). The Trustee will be entitled to rely solely on such Officer's Certificate as conclusive proof that such payments are necessary.

Wherever in either the Indenture, the Notes Guarantees or this "*Description of the Senior Secured Notes*" there are mentioned, in any context:

(1) the payment of principal;

(2) purchase price in connection with a purchase of Notes;

(3) interest; or

(4) any other amount payable on or with respect to any of the Notes,

such reference shall be deemed to include payment of Additional Amounts as described under this heading to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The Payor will pay any present or future stamp, court or documentary Taxes, or any other property or similar Taxes that arise in any jurisdiction from the execution, delivery, registration or enforcement of any Notes, any Notes Guarantee, the Indenture, the Senior Secured Notes Proceeds Loan Agreements, the Security Documents or any other document or instrument in relation thereto (other than a transfer or exchange of the Notes after this Offering), excluding any such taxes, charges or levies imposed by any jurisdiction that is not a Relevant Taxing Jurisdiction, and the Payor agrees to indemnify the Holders for any such taxes paid by such Holders. The foregoing obligations of this paragraph will survive any termination, defeasance or discharge of the Indenture and will apply mutatis mutandis to any jurisdiction in which any successor to the Issuer is organized or otherwise considered to be a resident or doing business for tax purposes, or any jurisdiction from or through which such successor makes any payment on the Notes or any Note Guarantees or any political subdivision or taxing authority or agency thereof or therein.

Change of Control

If a Change of Control occurs, subject to the terms hereof, each Holder will have the right to require the Issuer to repurchase all or part (equal to (x) £100,000 aggregate principal amount and integral multiples of £1,000 in excess thereof in relation to Sterling Notes and (y) €100,000 aggregate principal amount and integral multiples of €1,000 in excess thereof in relation to Euro Notes), as the case may be, of such Holder's Notes at a purchase price in cash equal to 101% of the principal amount of such Notes, plus accrued and unpaid interest to the date of purchase (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date); *provided, however*, that the Issuer shall not be obliged to repurchase Notes as described under this "*—Change of Control*" section in the event and to the extent that it has unconditionally exercised its right to redeem all of the Notes as described under "*—Optional Redemption*" or all conditions to such redemption have been satisfied or waived.

Unless the Issuer has unconditionally exercised its right to redeem all the Notes of each series as described under *"—Optional Redemption*" or all conditions to such redemption have been satisfied or waived, no later than the date that is 60 days after any Change of Control, the Issuer will mail a notice (the "Change of Control Offer") to each Holder of any such Notes, with a copy to the Trustee:

(1) stating that a Change of Control has occurred or may occur and that such Holder has the right to require the Issuer to purchase such Holder's Notes at a purchase price in cash equal to 101% of the principal amount of such Notes plus accrued and unpaid interest to, but not including, the date of purchase (subject to the right of Holders of record on a record date to receive interest on the relevant interest payment date) (the "Change of Control Payment");

(2) stating the repurchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is mailed) (the "Change of Control Payment Date");

(3) describing the circumstances and relevant facts regarding the transaction or transactions that constitute the Change of Control;

(4) describing the procedures determined by the Issuer, consistent with the Indenture, that a Holder must follow in order to have its Notes repurchased; and

(5) if such notice is mailed prior to the occurrence of a Change of Control, stating that the Change of Control Offer is conditional on the occurrence of such Change of Control.

On the Change of Control Payment Date, if the Change of Control shall have occurred, the Issuer will, to the extent lawful:

(1) accept for payment all such Notes properly tendered pursuant to the Change of Control Offer;

(2) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Notes so tendered;

(3) deliver or cause to be delivered to the Trustee an Officer's Certificate stating the aggregate principal amount of Notes or portions thereof being purchased by the Issuer in the Change of Control Offer;

(4) in the case of Global Notes, deliver, or cause to be delivered, to the Paying Agent such Global Notes in order to reflect thereon the portion of such Notes or portions thereof that have been tendered to and purchased by the Issuer; and

(5) in the case of Definitive Registered Notes, deliver, or cause to be delivered, to the relevant Registrar for cancellation all such Definitive Registered Notes accepted for purchase by the Issuer.

If any Definitive Registered Notes of a series have been issued, the Paying Agent will promptly mail to each Holder of such Definitive Registered Notes so tendered the Change of Control Payment for such Notes, and the Trustee will promptly authenticate (or cause to be authenticated) and mail (or cause to be transferred by book entry) to each Holder of Definitive Registered Notes a new Note equal in aggregate principal amount to the unpurchased portion of such Notes surrendered, if any; *provided* that each such new Note will be in an aggregate principal amount that is at least (x) £100,000 and integral multiples of £1,000 in excess thereof in relation to Sterling Notes and (y) €100,000 and integral multiples of €1,000 in excess thereof in relation to Euro Notes.

If and for so long as the Notes of a series are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF market and the rules of the Luxembourg Stock Exchange so require, the Issuer will publish notices relating to the Change of Control Offer as soon as reasonably practicable after the

Change of Control Payment Date in a leading newspaper of general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, to the extent and in the manner permitted by such rules, post such notices on the official website of the Luxembourg Stock Exchange (*www.bourse.lu*).

The Change of Control provisions described above will be applicable whether or not any other provisions of the Indenture are applicable. Except as described above with respect to a Change of Control, the Indenture does not contain provisions that permit the Holders to require that the Issuer repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction. The existence of a Holder's right to require the Issuer to repurchase such Holder's Notes upon the occurrence of a Change of Control may deter a third party from seeking to acquire the Company or its Subsidiaries in a transaction that would constitute a Change of Control.

The Issuer will not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Issuer and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer.

The Issuer will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations (or rules of any exchange on which the Notes are then listed) in connection with the repurchase of Notes pursuant to this covenant. To the extent that the provisions of any securities laws or regulations (or exchange rules) conflict with provisions of the Indenture, the Issuer will comply with the applicable securities laws and regulations (or exchange rules) and will not be deemed to have breached its obligations, or require a repurchase of the Notes, under the Change of Control provisions of the Indenture by virtue of the conflict.

The occurrence of a change of control permits the lenders under the Revolving Credit Facility to require the repayment of such debt. Future debt of the Company or its Subsidiaries may prohibit the Issuer from purchasing Notes in the event of a Change of Control or provide that a Change of Control is a default or requires repurchase upon a Change of Control. Moreover, the exercise by the Holders of their right to require the Issuer to purchase the Notes could cause a default under, or require a repurchase of, other debt, even if the Change of Control itself does not, due to the financial effect of the purchase on the Issuer.

Finally, the Issuer's ability to pay cash to the Holders following the occurrence of a Change of Control may be limited by the Issuer's then existing financial resources. There can be no assurance that sufficient funds will be available when necessary to make the required purchase of the Notes. See "*Risk Factors—Risks Related to the Notes and Our Structure—We may not have the ability to raise the funds necessary to finance an offer to repurchase the Notes upon the occurrence of certain events constituting a change of control as required by the Indentures and the change of control provision contained in the Indentures may not necessarily afford you protection in the event of certain important corporate events*."

Holders of the Notes may not be entitled to require the Issuer to purchase their Notes in certain circumstances involving a significant change in the composition of the Company's board of directors, including in connection with a proxy contest, where the Company's board of directors initially publicly opposes the election of a dissident slate of directors, but subsequently approves such directors for the purposes of the Indenture. This may result in a change in the composition of the board of directors that, but for such subsequent approval, would have otherwise constituted a Change of Control requiring a repurchase offer under the terms of the Indenture. You should note that case law suggests that, in the event that incumbent directors are replaced as a result of a contested election, the Company may nevertheless avoid triggering a change of control under a clause similar to clause (2) of the definition of "Change of Control," if the outgoing directors were to approve the new directors for the purpose of such change of control clause.

The definition of "Change of Control" includes a disposition of all or substantially all of the property and assets of the Company and its Restricted Subsidiaries taken as a whole to specified other Persons. Although there is limited case law interpreting the phrase "substantially all," there is no precise established definition of the phrase "substantially all" under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of "all or substantially all" of the property or assets of a Person. As a result, it may be unclear as to whether a Change of Control has occurred and whether a Holder may require the Issuer to make an offer to repurchase the Notes as described above.

The provisions of the Indenture relating to the Issuer's obligation to make an offer to repurchase the Notes as a result of a Change of Control may be waived or modified with the written consent of Holders of a majority in outstanding aggregate principal amount of the Notes under the Indenture.

Certain Covenants

Limitation on Indebtedness

The Company will not, and will not permit any of its Restricted Subsidiaries to, Incur any Indebtedness (including Acquired Indebtedness); *provided, however*, that the Company and any Restricted Subsidiary may Incur Indebtedness if on the date of such Incurrence and after giving pro forma effect thereto (including pro forma application of the proceeds thereof), the Fixed Charge Coverage Ratio for the Company and its Restricted Subsidiaries is greater than 2.0 to 1.0 and *provided, further*, that the maximum aggregate principal amount of Indebtedness that may be Incurred by Restricted Subsidiaries that are not Guarantors or the Issuer pursuant to this paragraph shall not exceed £40 million.

The first paragraph of this covenant will not prohibit the Incurrence of the following Indebtedness:

(1) Indebtedness Incurred by the Company, the Issuer, any Guarantor, or any other Restricted Subsidiary which is not required to give a Notes Guarantee pursuant to the Agreed Security Principles, pursuant to any Credit Facility (including letters of credit or bankers' acceptances issued or created under any Credit Facility), and any Refinancing Indebtedness in respect thereof and Notes Guarantees in respect of such Indebtedness in a maximum aggregate principal amount at any time outstanding not exceeding the greater of (a) £100 million and (b) 45% of Consolidated EBITDA, plus, in the case of any refinancing of any Indebtedness permitted under this clause (1) or any portion thereof, the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses Incurred in connection with such refinancing;

(2) (a) Guarantees by the Company or any Restricted Subsidiary of Indebtedness of the Company or any Restricted Subsidiary in each case so long as the Incurrence of such Indebtedness being guaranteed is permitted under the terms of the Indenture; or

(b) without limiting the covenant described under "—*Limitation on Liens*," Indebtedness arising by reason of any Lien granted by or applicable to such Person securing Indebtedness of the Company or any Restricted Subsidiary so long as the Incurrence of such Indebtedness is permitted under the terms of the Indenture;

(3) Indebtedness of the Company owing to and held by any Restricted Subsidiary or Indebtedness of a Restricted Subsidiary owing to and held by the Company or any Restricted Subsidiary; *provided, however*, that:

(a) if the Issuer or any Guarantor is the obligor on any such Indebtedness and the obligee is not a Guarantor or the Issuer, it is unsecured and expressly subordinated in right of payment to prior payment in full in cash (whether upon Stated Maturity, acceleration or otherwise) and the performance in full of its obligations under the Notes or Notes Guarantee, as applicable, to the extent required by the Intercreditor Agreement; and

(b) (i) any subsequent issuance or transfer of Capital Stock or any other event which results in any such Indebtedness being beneficially held by a Person other than the Company or a Restricted Subsidiary of the Company and (ii) any sale or other transfer of any such Indebtedness to a Person other than the Company or a Restricted Subsidiary of the Company, shall be deemed, in each case, to constitute an Incurrence of such Indebtedness by the Company or such Restricted Subsidiary, as the case may be;

(4) Indebtedness represented by (a) the Notes (other than any Additional Notes) and the Senior Notes (other than any additional Senior Notes), (b) any Indebtedness (other than Indebtedness described in clauses (1) and (3) of this paragraph) outstanding on the Issue Date, (c) Refinancing Indebtedness Incurred in respect of any Indebtedness described in this clause (4) or clause (5) of this paragraph or Incurred pursuant to the first paragraph of this covenant, (d) Management Advances and (e) the Proceeds Loans;

(5) Indebtedness of any Person (i) Incurred and outstanding on the date on which such Person becomes a Restricted Subsidiary of the Company or another Restricted Subsidiary of the Company or is merged, consolidated, amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) the Company or any Restricted Subsidiary or (ii) Incurred to provide all or any portion of the funds utilized to consummate the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was otherwise acquired by the Company or a Restricted Subsidiary; *provided*, however, with respect to each of clause (5)(i) and (5)(ii), that at the time of such acquisition or other transaction (x) the Company or a Restricted Subsidiary would have been able to Incur £1.00 of additional Indebtedness pursuant to the first paragraph of this covenant after giving effect to the Incurrence of such Indebtedness pursuant to this clause (5) or (y) the Fixed Charge Coverage Ratio would not be lower than it was immediately prior to giving effect to such acquisition or other transaction;

(6) Indebtedness under Currency Agreements, Interest Rate Agreements and Commodity Hedging Agreements entered into for *bona fide* hedging purposes of the Company or its Restricted Subsidiaries and not for speculative purposes (as determined in good faith by the Board of Directors or Senior Management of the Company);

(7) Indebtedness represented by Capitalized Lease Obligations or Purchase Money Obligations, and in each case any Refinancing Indebtedness in respect thereof, in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this clause (7) and then outstanding, will not exceed at any time outstanding the greater of (A) £20 million and (B) 2.0% of Total Assets;

(8) Indebtedness in respect of (a) workers' compensation claims, self-insurance obligations, performance, indemnity, surety, judgment, appeal, advance payment, customs, VAT or other tax or other guarantees or other similar bonds, instruments or obligations and completion guarantees and warranties provided by the Company or a Restricted Subsidiary or relating to liabilities, obligations or guarantees Incurred in the ordinary course of business, (b) letters of credit, bankers' acceptances, guarantees or other similar instruments or obligations issued or relating to liabilities or obligations Incurred in the ordinary course of business; *provided, however*, that, other than in the case of a letter of credit or similar instrument that is permitted to be secured, and is secured, by a Permitted Trade L/C Lien, upon the drawing of such letters of credit or similar instruments, the obligations are reimbursed within 30 days following such drawing, (c) the financing of insurance premiums in the ordinary course of business and (d) any customary cash management, cash pooling or netting or setting off arrangements in the ordinary course of business;

(9) Indebtedness arising from agreements providing for customary guarantees, indemnification, obligations in respect of earn-outs or other adjustments of purchase price or, in each case, similar obligations, in each case, Incurred or assumed in connection with the acquisition or disposition of any business or assets or Person or any Capital Stock of a Subsidiary (other than Guarantees of Indebtedness Incurred by any Person acquiring or disposing of such business or assets or such Subsidiary for the purpose of financing such acquisition or disposition); *provided* that the maximum liability of the Company and its Restricted Subsidiaries in respect of all such Indebtedness shall at no time exceed the gross proceeds, including the fair market value of non-cash proceeds (measured at the time received and without giving effect to any subsequent changes in value), actually received by the Company and its Restricted Subsidiaries in connection with such disposition;

(10) (a) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; *provided, however*, that such Indebtedness is extinguished within five Business Days of Incurrence;

(b) Customer deposits and advance payments received in the ordinary course of business from customers for goods purchased in the ordinary course of business; and

(c) Indebtedness incurred by a Restricted Subsidiary in connection with bankers acceptances, discounted bills of exchange or the discounting or factoring of receivables for credit management of bad debt purposes, in each case incurred or undertaken in the ordinary course of business on arm's length commercial terms on a recourse basis;

(11) Indebtedness in an aggregate outstanding principal amount which, when taken together with any Refinancing Indebtedness in respect thereof and the aggregate principal amount of all other Indebtedness Incurred pursuant to this clause (11) and then outstanding, will not exceed the greater of £75 million and 5.5% of Total Assets; *provided* that the maximum aggregate principal amount of Indebtedness that may be Incurred by Restricted Subsidiaries that are not Guarantors pursuant to this paragraph shall not exceed £25 million;

(12) Indebtedness in an aggregate outstanding principal amount which, when taken together with any Refinancing Indebtedness in respect thereof and the principal amount of all other Indebtedness Incurred pursuant to this clause (12) and then outstanding, will not exceed 100% of the Net Cash Proceeds received by the Company from the issuance or sale (other than to a Restricted Subsidiary) of its Subordinated Shareholder Funding or its Capital Stock (other than Disqualified Stock, Designated Preference Shares or an Excluded Contribution) or otherwise contributed to the equity (other than through the issuance of Disqualified Stock, Designated Preference Shares or an Excluded Contribution) of the Company, in each case, subsequent to the Issue Date; *provided, however*, that (i) any such Net Cash Proceeds that are so received or contributed shall be excluded for purposes of making Restricted Payments under the first paragraph and clauses (1), (6) and (10) of the third paragraph of the covenant described below under "*—Limitation on Restricted Payments*" to the extent the Company and its Restricted Subsidiaries incur Indebtedness in reliance thereon and (ii) any Net Cash Proceeds that are so received or contributed shall be

excluded for purposes of Incurring Indebtedness pursuant to this clause (12) to the extent the Company or any of its Restricted Subsidiaries makes a Restricted Payment under the first paragraph and clauses (1), (6) and (10) of the third paragraph of the covenant described below under "*—Limitation on Restricted Payments*" in reliance thereon; and

(13) Indebtedness under daylight borrowing facilities incurred in connection with the Refinancing Transactions or any refinancing of Indebtedness (including by way of set-off or exchange) so long as any such Indebtedness is repaid within three days of the date on which such Indebtedness is Incurred.

For purposes of determining compliance with, and the outstanding principal amount of any particular Indebtedness Incurred pursuant to and in compliance with this covenant:

(1) in the event that Indebtedness meets the criteria of more than one of the types of Indebtedness described in the first and second paragraphs of this covenant, the Company, in its sole discretion, will classify, and may from time to time reclassify, such item of Indebtedness and only be required to include the amount and type of such Indebtedness in one of the clauses of the second paragraph or the first paragraph of this covenant;

(2) all Indebtedness outstanding on the Issue Date under the Revolving Credit Facility Agreement shall be deemed initially Incurred under clause (1) of the second paragraph of the description of this covenant and not the first paragraph or clause (4)(b) of the second paragraph of the description of this covenant, and any such Indebtedness may not be reclassified pursuant to clause (1) of this paragraph;

(3) Guarantees of, or obligations in respect of letters of credit, bankers' acceptances or other similar instruments relating to, or Liens securing, Indebtedness that is otherwise included in the determination of a particular amount of Indebtedness shall not be included;

(4) if obligations in respect of letters of credit, bankers' acceptances or other similar instruments are Incurred pursuant to any Credit Facility and are being treated as Incurred pursuant to the first paragraph above or clause (1), (7) or (11) of the second paragraph above and the letters of credit, bankers' acceptances or other similar instruments relate to other Indebtedness, then such other Indebtedness shall not be included;

(5) the principal amount of any Disqualified Stock of the Company or a Restricted Subsidiary, or Preferred Stock of a Restricted Subsidiary, will be equal to the greater of the maximum mandatory redemption or repurchase price (not including, in either case, any redemption or repurchase premium) or the liquidation preference thereof;

(6) Indebtedness permitted by this covenant need not be permitted solely by reference to one provision permitting such Indebtedness but may be permitted in part by one such provision and in part by one or more other provisions of this covenant permitting such Indebtedness;

(7) the amount of Indebtedness issued at a price that is less than the principal amount thereof will be equal to the amount of the liability in respect thereof determined on the basis of IFRS; and

(8) the amount of Indebtedness shall be calculated as described under the definition of "*Indebtedness*."

Accrual of interest, accrual of dividends, the accretion of accreted value, the accretion or amortization of original issue discount, the payment of interest in the form of additional Indebtedness, the payment of dividends in the form of additional shares of Preferred Stock or Disqualified Stock or the reclassification of commitments or obligations not treated as Indebtedness due to a change in IFRS, including a change of IFRS to U.S. GAAP, will not be deemed to be an Incurrence of Indebtedness for purposes of the covenant described under this covenant. The amount of any Indebtedness outstanding as of any date shall be calculated as specified under the definition of "Indebtedness."

If at any time an Unrestricted Subsidiary becomes a Restricted Subsidiary, any Indebtedness of such Subsidiary shall be deemed to be Incurred by a Restricted Subsidiary of the Company as of such date.

For purposes of determining compliance with any sterling-denominated restriction on the Incurrence of Indebtedness, the Sterling Equivalent of the aggregate principal amount of Indebtedness denominated in another currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred, in the case of term Indebtedness, or, at the option of the Company, first committed, in the case of Indebtedness Incurred under a revolving credit facility; *provided* that (a) if such Indebtedness is Incurred to refinance other Indebtedness denominated in a currency other than sterling, and such refinancing would cause the applicable sterling-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such sterling-denominated restriction shall be deemed not to have been exceeded so long as the aggregate principal amount of such Refinancing Indebtedness does not exceed the aggregate principal amount of such Indebtedness being refinanced; (b) the Sterling Equivalent of the aggregate

principal amount of any such Indebtedness outstanding on the Issue Date shall be calculated based on the relevant currency exchange rate in effect on the Issue Date; and (c) if and for so long as any such Indebtedness is subject to a Currency Agreement with respect to the currency in which such Indebtedness is denominated covering principal and interest on such Indebtedness, the amount of such Indebtedness, if denominated in sterling, will be the amount of the principal payment required to be made under such Currency Agreement and, otherwise, the Sterling Equivalent of such amount plus the Sterling Equivalent of any premium which is at such time due and payable but is not covered by such Currency Agreement.

Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Company or a Restricted Subsidiary may Incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rate of currencies. The principal amount of any Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Refinancing Indebtedness is denominated that is in effect on the date of such refinancing.

Limitation on Restricted Payments

The Company will not, and will not permit any of its Restricted Subsidiaries, directly or indirectly, to:

(1) declare or pay any dividend or make any distribution on or in respect of the Company's or any Restricted Subsidiary's Capital Stock (including any payment in connection with any merger or consolidation involving the Company or any of its Restricted Subsidiaries) except:

  (a) dividends or distributions payable in Capital Stock of the Company (other than Disqualified Stock) or in Subordinated Shareholder Funding; and

  (b) dividends or distributions payable to the Company or a Restricted Subsidiary (and, in the case of any such Restricted Subsidiary making such dividend or distribution, to holders of its Capital Stock other than the Company or another Restricted Subsidiary on no more than a *pro rata* basis, measured by value);

(2) purchase, redeem, retire or otherwise acquire for value any Capital Stock of the Company or any direct or indirect Parent of the Company held by Persons other than the Company or a Restricted Subsidiary of the Company (other than in exchange for Capital Stock of the Company (other than Disqualified Stock));

(3) make any principal payment on, or purchase, repurchase, redeem, defease or otherwise acquire or retire for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment, any Subordinated Indebtedness (other than (a) any such payment, purchase, repurchase, redemption, defeasance or other acquisition or retirement or in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case, due within six months of the date of purchase, repurchase, redemption, defeasance or other acquisition or retirement and (b) any Indebtedness Incurred pursuant to clause (3) of the second paragraph of the covenant described under "*—Limitation on Indebtedness*");

(4) make any payment (other than by capitalization of interest) on or with respect to, or purchase, repurchase, redeem, defease or otherwise acquire or retire for value, any Subordinated Shareholder Funding or any indebtedness under the Senior Notes; or

(5) make any Restricted Investment in any Person;

(any such dividend, distribution, payment, purchase, redemption, repurchase, defeasance, other acquisition, retirement or Restricted Investment referred to in clauses (1) through (5) are referred to herein as a "Restricted Payment"), if at the time the Company or such Restricted Subsidiary makes such Restricted Payment:

(a) a Default shall have occurred and be continuing (or would result immediately thereafter therefrom);

(b) the Company or a Restricted Subsidiary is not able to Incur an additional £1.00 of Indebtedness pursuant to the first paragraph under the "*—Limitation on Indebtedness*" covenant after giving effect, on a pro forma basis, to such Restricted Payment; or

(c) the aggregate amount of such Restricted Payment and all other Restricted Payments made subsequent to the Issue Date (and not returned or rescinded) (including Permitted Payments permitted below by clauses (6), (10), (11), (12) and (17) of the second succeeding paragraph, but excluding all other Restricted Payments permitted by the second succeeding paragraph) would exceed the sum of (without duplication):

  (i) (x) 50% of Consolidated Net Income for the period (treated as one accounting period) from the first day of the first fiscal quarter commencing prior to the Issue Date to the end of the most recent fiscal quarter ending prior to the date of such Restricted Payment for which internal consolidated financial

statements of the Company and its Restricted Subsidiaries are available (or, in the case such Consolidated Net Income is a deficit, minus 100% of such deficit) plus (y) the Existing Build-Up Amount;

(ii) 100% of the aggregate Net Cash Proceeds, and the fair market value (as determined in accordance with the next succeeding paragraph) of property or assets or marketable securities, received by the Company from the issue or sale of its Capital Stock (other than Disqualified Stock or Designated Preference Shares) or Subordinated Shareholder Funding subsequent to the Issue Date or otherwise contributed to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares) of the Company subsequent to the Issue Date (other than (x) Net Cash Proceeds or property or assets or marketable securities received from an issuance or sale of such Capital Stock to a Restricted Subsidiary or an employee stock ownership plan or trust established by the Company or any Subsidiary of the Company for the benefit of its employees to the extent funded by the Company or any Restricted Subsidiary, (y) Net Cash Proceeds or property or assets or marketable securities to the extent that any Restricted Payment has been made from such proceeds in reliance on clause (6) of the second succeeding paragraph and (z) Excluded Contributions);

(iii) 100% of the aggregate Net Cash Proceeds, and the fair market value (as determined in accordance with the next succeeding paragraph) of property or assets or marketable securities, received by the Company or any Restricted Subsidiary from the issuance or sale (other than to the Company or a Restricted Subsidiary of the Company or an employee stock ownership plan or trust established by the Company or any Subsidiary of the Company for the benefit of its employees to the extent funded by the Company or any Restricted Subsidiary) by the Company or any Restricted Subsidiary subsequent to the Issue Date of any Indebtedness that has been converted into or exchanged for Capital Stock of the Company (other than Disqualified Stock or Designated Preference Shares) or Subordinated Shareholder Funding (plus the amount of any cash, and the fair market value (as determined in accordance with the next succeeding paragraph) of property or assets or marketable securities, received by the Company or any Restricted Subsidiary upon such conversion or exchange);

(iv) the amount equal to the net reduction in Restricted Investments made by the Company or any of its Restricted Subsidiaries resulting from:

(A) repurchases, redemptions or other acquisitions or retirements of any such Restricted Investment, proceeds realized upon the sale or other disposition to a Person other than the Company or a Restricted Subsidiary of any such Restricted Investment, repayments of loans or advances or other transfers of assets (including by way of dividend, distribution, interest payments or returns of capital) to the Company or any Restricted Subsidiary; or

(B) the redesignation of Unrestricted Subsidiaries as Restricted Subsidiaries (valued, in each case, as provided in the definition of "Investment") not to exceed, in the case of any Unrestricted Subsidiary, the amount of Investments previously made by the Company or any Restricted Subsidiary in such Unrestricted Subsidiary, which amount, in each case under this clause (iv), was included in the calculation of the amount of Restricted Payments referred to in the first sentence of this clause (c); *provided, however*, that no amount will be included in Consolidated Net Income for purposes of the preceding clause (i) to the extent that it is (at the Company's option) included under this clause (iv); and

(v) the amount of the cash and the fair market value (as determined in accordance with the next succeeding paragraph) of property or assets or of marketable securities received by the Company or any of its Restricted Subsidiaries in connection with:

(A) the sale or other disposition (other than to the Company or a Restricted Subsidiary or an employee stock ownership plan or trust established by the Company or any Subsidiary of the Company for the benefit of its employees to the extent funded by the Company or any Restricted Subsidiary) of Capital Stock of an Unrestricted Subsidiary of the Company; and

(B) any dividend or distribution made by an Unrestricted Subsidiary or Affiliate to the Company or a Restricted Subsidiary;

provided, however, that no amount will be included in Consolidated Net Income for purposes of the preceding clause (i) to the extent that it is (at the Company's option) included under this clause (v); *provided further*, however, that such amount under this clause (v) shall not exceed the amount included in the calculation of the amount of Restricted Payments referred to in the first sentence of this clause (c).

The fair market value of property or assets other than cash covered by the preceding sentence shall be the fair market value thereof as determined in good faith by the Board of Directors of the Company.

The foregoing provisions will not prohibit any of the following (collectively, "Permitted Payments"):

(1) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Capital Stock, Disqualified Stock, Designated Preference Shares, Subordinated Shareholder Funding or Subordinated Indebtedness made by exchange for or out of the proceeds of the substantially concurrent sale of (other than to the Company or a Restricted Subsidiary or an employee stock ownership plan or trust established by the Company or any Subsidiary of the Company for the benefit of its employees to the extent funded by the Company or any Restricted Subsidiary) Capital Stock of the Company (other than Disqualified Stock or Designated Preference Shares), Subordinated Shareholder Funding or a substantially concurrent contribution to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or through an Excluded Contribution) of the Company; *provided, however*, that to the extent so applied, the Net Cash Proceeds, or fair market value (as determined in accordance with the preceding sentence) of property or assets or of marketable securities, from such sale of Capital Stock, Subordinated Shareholder Funding or such contribution will be excluded from clause (c)(ii) of the preceding paragraph;

(2) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness made by exchange for, or out of the proceeds of the substantially concurrent sale of, Refinancing Indebtedness permitted to be Incurred pursuant to the covenant described under "*—Limitation on Indebtedness*" above;

(3) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Preferred Stock of the Company or a Restricted Subsidiary made by exchange for or out of the proceeds of the substantially concurrent sale of Preferred Stock of the Company or a Restricted Subsidiary, as the case may be, that, in each case, is permitted to be Incurred pursuant to the covenant described under "*—Limitation on Indebtedness*" above, and that in each case, constitutes Refinancing Indebtedness;

(4) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness:

  (a) (i) from Net Available Cash to the extent permitted under "*—Limitation on Sales of Assets and Subsidiary Stock*" below, but only if the Company shall have first complied with the terms described under "*—Limitation on Sales of Assets and Subsidiary Stock*" and purchased all Notes tendered pursuant to any offer to repurchase all the Notes required thereby, prior to purchasing, repurchasing, redeeming, defeasing or otherwise acquiring or retiring such Subordinated Indebtedness and (ii) at a purchase price not greater than 100% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest;

  (b) to the extent required by the agreement governing such Subordinated Indebtedness, following the occurrence of a Change of Control (or other similar event described therein as a "change of control"), but only (i) if the Company shall have first complied with the terms described under "*—Change of Control*" and purchased all Notes tendered pursuant to the offer to repurchase all the Notes required thereby, prior to purchasing, repurchasing, redeeming, defeasing or otherwise acquiring or retiring such Subordinated Indebtedness and (ii) at a purchase price not greater than 101% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest; or

  (c) (i) consisting of Acquired Indebtedness (other than Indebtedness Incurred (A) to provide all or any portion of the funds utilized to consummate the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was otherwise acquired by the Company or a Restricted Subsidiary or (B) otherwise in connection with or contemplation of such acquisition) and (ii) at a purchase price not greater than 100% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest and any premium required by the terms of any Acquired Indebtedness;

(5) any dividends paid within 60 days after the date of declaration if at such date of declaration such dividend would have complied with this covenant;

(6) the purchase, repurchase, redemption, defeasance or other acquisition, cancellation or retirement for value of Capital Stock of the Company or any Parent and loans, advances, dividends or distributions by the Company to any Parent to permit any Parent to purchase, repurchase, redeem, defease or otherwise acquire, cancel or retire for value Capital Stock of any Parent or payment to purchase, repurchase, redeem, defease or otherwise acquire, cancel or retire for value Capital Stock of any Parent, in each case from Management Investors; *provided* that such payments, loans, advances, dividends or distributions do not exceed an amount (net of repayments of any such loans or advances) equal to (i) £10 million plus (ii) £5 million multiplied by the number of calendar years that have commenced since the Issue Date plus (iii) the Net Cash Proceeds

received by the Company or its Restricted Subsidiaries since the Issue Date (including through receipt of proceeds from the issuance or sale of its Capital Stock or Subordinated Shareholder Funding to a Parent) from, or as a contribution to the equity (in each case under this clause (6), other than through the issuance of Disqualified Stock or Designated Preference Shares) of the Company from, the issuance or sale to Management Investors of Capital Stock of any Parent, to the extent such Net Cash Proceeds are not included in any calculation under clause (c)(ii) of the first paragraph describing this covenant;

(7) the declaration and payment of dividends to holders of any class or series of Disqualified Stock, or of any Preferred Stock of a Restricted Subsidiary, Incurred in accordance with the terms of the covenant described under "*—Limitation on Indebtedness*" above;

(8) purchases, repurchases, redemptions, defeasances or other acquisitions or retirements of Capital Stock deemed to occur upon the exercise of stock options, warrants or other rights in respect thereof if such Capital Stock represents a portion of the exercise price thereof;

(9) dividends, loans, advances or distributions to any Parent or other payments by the Company or any Restricted Subsidiary in amounts equal to (without duplication):

  (a) the amounts required for any Parent to pay any Parent Expenses or any Related Taxes; or

  (b) amounts constituting or to be used for purposes of making payments to the extent specified in clauses (2), (3), (5), (7), (11) and (12) of the second paragraph under "*—Limitation on Affiliate Transactions*"; *provided* that for the purposes of clause (7), if and for so long as the Company is a member of a group filing a consolidated or combined tax return with any Parent or party to a Tax Sharing Agreement, payments in respect of any Taxes measured by income for which such Parent is liable may be for up to an amount not to exceed with respect to such Taxes the amount of any such Taxes that the Company and its Subsidiaries would have been required to pay on a separate company basis or on a consolidated basis if the Company and its Subsidiaries had paid tax on a consolidated, combined, group, affiliated or unitary basis on behalf of an affiliated group consisting only of the Company and its Subsidiaries;

(10) so long as no Default or Event of Default has occurred and is continuing (or would result from), the declaration and payment by the Company of, or loans, advances, dividends or distributions to any Parent to pay, dividends on the common stock or common equity interests of the Company or any Parent following a Public Offering of such common stock or common equity interests, in an amount not to exceed in any fiscal year the greater of (a) 6% of the Net Cash Proceeds received by the Company from such Public Offering or contributed to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or through an Excluded Contribution) of the Company or loaned as Subordinated Shareholder Funding to the Company and (b) following an Initial Public Offering, an amount equal to the greater of (A) 5% of the Market Capitalization and (B) 5% of the IPO Market Capitalization; *provided* that, in the case of clause (b) of this paragraph, after giving pro forma effect to such loans, advances, dividends or distributions, the Consolidated Net Leverage Ratio of the Company and its Restricted Subsidiaries shall be equal to or less than 3.25 to 1.00;

(11) so long as no Default or Event of Default has occurred and is continuing (or would result from), Restricted Payments (including loans or advances) in an aggregate amount outstanding at any time not to exceed £50 million or, if greater, 4.0% of Total Assets;

(12) payments by the Company, or loans, advances, dividends or distributions to any Parent to make payments, to holders of Capital Stock of the Company or any Parent in lieu of the issuance of fractional shares of such Capital Stock, *provided, however*, that any such payment, loan, advance, dividend or distribution shall not be for the purpose of evading any limitation of this covenant or otherwise to facilitate any dividend or other return of capital to the holders of such Capital Stock (as determined in good faith by the Board of Directors of the Company);

(13) Investments in an aggregate amount outstanding at any time not to exceed the aggregate cash amount of Excluded Contributions, or consisting of non-cash Excluded Contributions, or Investments to the extent made in exchange for or using as consideration Investments previously made under this clause (13);

(14) (i) the declaration and payment of dividends to holders of any class or series of Designated Preference Shares of the Company issued after the Issue Date; and (ii) the declaration and payment of dividends to any Parent or any Affiliate thereof, the proceeds of which will be used to fund the payment of dividends to holders of any class or series of Designated Preference Shares of such Parent issued after the Issue Date; *provided, however*, that, in the case of clauses (i) and (ii), the amount of all dividends declared or paid pursuant to this clause (14) shall not exceed the Net Cash Proceeds received by the Company or the

aggregate amount contributed in cash to the equity (other than through the issuance of Disqualified Stock or an Excluded Contribution or, in the case of Designated Preference Shares by Parent or an Affiliate, the issuance of Designated Preference Shares) of the Company or loaned as Subordinated Shareholder Funding to the Company, from the issuance or sale of such Designated Preference Shares;

(15) dividends or other distributions of Capital Stock of Unrestricted Subsidiaries;

(16) payment of any Receivables Fees and purchases of Receivables Assets pursuant to a Receivables Repurchase Obligation in connection with a Qualified Receivables Financing;

(17) so long as no Default or Event of Default has occurred and is continuing (or would result therefrom), any dividend, distribution, loan or other payment to any Parent; *provided* that the Consolidated Net Leverage Ratio on a pro forma basis after giving effect to any such dividend, distribution, loan or other payment does not exceed 3.0 to 1.0 (or, in the case of Restricted Payments made to repurchase or repay Indebtedness outstanding under the Senior Notes, 3.75 to 1.0); and

(18) so long as no Default or Event of Default has occurred and is continuing (or would result therefrom), and only on or prior to the second anniversary of the Issue Date, any payment, purchase, defeasance, redemption or other acquisition or retirement of, and loans, advances, dividends or distributions by the Company to make any payment, purchase, defeasance, redemption or other acquisition or retirement of obligations under the Senior Notes, in an amount not to exceed £25 million per 12 month period elapsed since the Issue Date (commencing with the 12 month period commencing on the Issue Date).

The amount of all Restricted Payments (other than cash) shall be the fair market value on the date of such Restricted Payment of the asset(s) or securities proposed to be paid, transferred or issued by the Company or such Restricted Subsidiary, as the case may be, pursuant to such Restricted Payment. The fair market value of any cash Restricted Payment shall be its face amount, and the fair market value of any non-cash Restricted Payment shall be determined conclusively by the Board of Directors of the Company acting in good faith.

Limitation on Liens

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create, Incur or suffer to exist any Lien upon any of its property or assets (including Capital Stock of a Restricted Subsidiary of the Company), whether owned on the Issue Date or acquired after that date, or any interest therein or any income or profits therefrom, which Lien is securing any Indebtedness or Trade L/C Obligations (such Lien, the "Initial Lien"), except (a) in the case of any property or asset that does not constitute Collateral, (1) Permitted Liens or (2) Liens on property or assets that are not Permitted Liens if the Notes and the Indenture (or a Notes Guarantee in the case of Liens of a Guarantor) are directly secured equally and ratably with, or prior to, in the case of Liens with respect to Subordinated Indebtedness, the Indebtedness or Trade L/C Obligations secured by such Initial Lien for so long as such Indebtedness is so secured (except that a Lien to secure Indebtedness incurred under clauses (1) or (6) of the second paragraph of the covenant described under "*—Limitation on Indebtedness*" and the Permitted Trade L/C Liens may have priority not materially less favorable to the Holders than that accorded to the Revolving Credit Facility on the Issue Date pursuant to the Intercreditor Agreement), and (b) in the case of any property or asset that constitutes Collateral, Permitted Collateral Liens.

Any such Lien created in favor of the Notes pursuant to clause (a)(2) of the preceding paragraph will be automatically and unconditionally released and discharged upon (i) the release and discharge of the Initial Lien to which it relates, and (ii) otherwise as set forth under "*—Security—Release of Liens*."

Limitation on Restrictions on Distributions from Restricted Subsidiaries

The Company will not, and will not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any consensual encumbrance or consensual restriction on the ability of any Restricted Subsidiary to:

(A) pay dividends or make any other distributions in cash or otherwise on its Capital Stock or pay any Indebtedness or other obligations owed to the Issuer or the Company;

(B) make any loans or advances to the Issuer or the Company; or

(C) sell, lease or transfer any of its property or assets to the Issuer or the Company,

provided that (x) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock and (y) the subordination of (including the application of any standstill requirements to) loans or advances made to the Company or any Restricted

Subsidiary to other Indebtedness Incurred by the Company or any Restricted Subsidiary shall not be deemed to constitute such an encumbrance or restriction.

The provisions of the preceding paragraph will not prohibit:

(1) any encumbrance or restriction pursuant to (a) any Credit Facility (including the Revolving Credit Facility), (b) the Senior Notes Indenture or (c) any other agreement or instrument, in each case, in effect at or entered into on the Issue Date;

(2) any encumbrance or restriction pursuant to an agreement or instrument of a Person or relating to any Capital Stock or Indebtedness of a Person, entered into on or before the date on which such Person was acquired by or merged, consolidated or otherwise combined with or into the Company or any Restricted Subsidiary, or was designated as a Restricted Subsidiary or on which such agreement or instrument is assumed by the Company or any Restricted Subsidiary in connection with an acquisition of assets (other than Capital Stock or Indebtedness Incurred as consideration in, or to provide all or any portion of the funds utilized to consummate, the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was acquired by the Company or was merged, consolidated or otherwise combined with or into the Company or any Restricted Subsidiary entered into or in connection with such transaction) and outstanding on such date; *provided* that, for the purposes of this clause (2), if another Person is the Successor Company, any Subsidiary thereof or agreement or instrument of such Person or any such Subsidiary shall be deemed acquired or assumed by the Company or any Restricted Subsidiary when such Person becomes the Successor Company;

(3) any encumbrance or restriction pursuant to an agreement or instrument effecting a refinancing of Indebtedness Incurred pursuant to, or that otherwise refinances, an agreement or instrument referred to in clause (1) or (2) of this paragraph or this clause (3) (an "Initial Agreement") or contained in any amendment, supplement or other modification to an agreement referred to in clause (1) or (2) of this paragraph or this clause (3); *provided, however*, that the encumbrances and restrictions with respect to such Restricted Subsidiary contained in any such agreement or instrument are no less favorable in any material respect to the Holders taken as a whole than the encumbrances and restrictions contained in the Initial Agreement or Initial Agreements to which such refinancing or amendment, supplement or other modification relates (as determined in good faith by the Company);

(4) any encumbrance or restriction:

  (a) that restricts in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease, license or similar contract, or the assignment or transfer of any lease, license or other contract;

  (b) contained in mortgages, pledges, charges or other security agreements permitted under the Indenture or securing Indebtedness of the Company or a Restricted Subsidiary permitted under the Indenture to the extent such encumbrances or restrictions restrict the transfer of the property or assets subject to such mortgages, pledges, charges or other security agreements; or

  (c) pursuant to customary provisions restricting dispositions of real property interests set forth in any reciprocal easement agreements of the Company or any Restricted Subsidiary;

(5) any encumbrance or restriction pursuant to Purchase Money Obligations and Capitalized Lease Obligations permitted under the Indenture, in each case, that impose encumbrances or restrictions on the property so acquired or any encumbrance or restriction pursuant to a joint venture agreement that imposes restrictions on the transfer of the assets of the joint venture;

(6) any encumbrance or restriction with respect to a Restricted Subsidiary (or any of its property or assets) imposed pursuant to an agreement entered into for the direct or indirect sale or disposition to a Person of all or substantially all the Capital Stock or assets of such Restricted Subsidiary (or the property or assets that are subject to such restriction) pending the closing of such sale or disposition;

(7) customary provisions in leases, licenses, joint venture agreements and other similar agreements and instruments entered into in the ordinary course of business;

(8) encumbrances or restrictions arising or existing by reason of applicable law or any applicable rule, regulation or order, or required by any regulatory authority;

(9) any encumbrance or restriction on cash or other deposits or net worth imposed by customers under agreements entered into in the ordinary course of business;

(10) any encumbrance or restriction pursuant to Currency Agreements, Interest Rate Agreements or Commodity Hedging Agreements;

(11) any encumbrance or restriction arising pursuant to an agreement or instrument relating to any Indebtedness permitted to be Incurred subsequent to the Issue Date pursuant to the provisions of the covenant described under "*—Limitation on Indebtedness*" if the encumbrances and restrictions contained in any such agreement or instrument taken as a whole are not materially less favorable to the Holders than (i) the encumbrances and restrictions contained in the Revolving Credit Facility Agreement and the Intercreditor Agreement, together with the Security Documents associated therewith as in effect on the Issue Date or (ii) in comparable financings (as determined in good faith by the Company) or where the Company determines when such Indebtedness is Incurred that such encumbrances or restrictions will not adversely affect, in any material respect, the Company's ability to make principal or interest payments on the Proceeds Loans;

(12) any encumbrance or restriction existing by reason of any lien permitted under "*—Limitation on Liens*"; or

(13) restrictions effected in connection with a Qualified Receivables Financing that, in the good faith determination of the Board of Directors of the Company, are necessary or advisable to effect such Qualified Receivables Financing.

Limitation on Sales of Assets and Subsidiary Stock

The Company will not, and will not permit any of its Restricted Subsidiaries to, make any Asset Disposition unless:

(1) the Company or such Restricted Subsidiary, as the case may be, receives consideration (including by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise) at least equal to the fair market value (such fair market value to be determined on the date of contractually agreeing to such Asset Disposition), as determined in good faith by the Board of Directors of the Company, of the shares and assets subject to such Asset Disposition (including, for the avoidance of doubt, if such Asset Disposition is a Permitted Asset Swap);

(2) in any such Asset Disposition, or series of related Asset Dispositions (except to the extent the Asset Disposition is a Permitted Asset Swap), at least 75% of the consideration from such Asset Disposition (excluding any consideration by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise, other than Indebtedness) received by the Company or such Restricted Subsidiary, as the case may be, is in the form of cash, Cash Equivalents or Temporary Cash Investments; and

(3) an amount equal to 100% of the Net Available Cash from such Asset Disposition is applied by the Company or such Restricted Subsidiary, as the case may be:

   (a) to the extent the Company or any Restricted Subsidiary, as the case may be, elects (or is required by the terms of any Indebtedness of a Restricted Subsidiary), (i) to prepay, repay or purchase any Indebtedness of a non-Guarantor Restricted Subsidiary (in each case, other than Indebtedness owed to the Company or any Restricted Subsidiary) or Indebtedness under clause (1) of the second paragraph of the covenant described under "*—Limitation on Indebtedness*" (or any Refinancing Indebtedness in respect thereof) within 365 days from the later of (A) the date of such Asset Disposition and (B) the receipt of such Net Available Cash; *provided, however*, that, in connection with any prepayment, repayment or purchase of Indebtedness pursuant to this clause (a), the Company or such Restricted Subsidiary will retire such Indebtedness and will cause the related commitment (if any) (except in the case of any revolving Indebtedness, including but not limited, to the Revolving Credit Facility) to be permanently reduced in an amount equal to the principal amount so prepaid, repaid or purchased; or (ii) to prepay, repay or purchase Pari Passu Indebtedness at a price of no more than 100% of the principal amount of such Pari Passu Indebtedness plus accrued and unpaid interest to the date of such prepayment, repayment or purchase; *provided* that the Company shall redeem, repay or repurchase Pari Passu Indebtedness that is Public Debt pursuant to this clause (ii) only if the Company makes (at such time or subsequently in compliance with this covenant) an offer to the Holders of each series of the Notes to purchase their Notes in accordance with the provisions set forth below for an Asset Disposition Offer in an aggregate principal amount at least equal to the proportion that (x) the total aggregate principal amount of Notes of such series outstanding bears to (y) the sum of the total aggregate principal amount of Notes of all series outstanding plus the total aggregate principal amount outstanding of such Pari Passu Indebtedness; or

   (b) to the extent the Company or such Restricted Subsidiary elects, to invest in or commit to invest in Additional Assets (including by means of an investment in Additional Assets by a Restricted Subsidiary with Net Available Cash received by the Company or another Restricted Subsidiary) within

365 days from the later of (i) the date of such Asset Disposition and (ii) the receipt of such Net Available Cash; *provided, however*, that any such reinvestment in Additional Assets made pursuant to a definitive binding agreement or a commitment approved by the Board of Directors of the Company that is executed or approved within such time will satisfy this requirement, so long as such investment is consummated within 180 days of such 365th day,

provided that, pending the final application of any such Net Available Cash in accordance with clause (a) or clause (b) above, the Company and its Restricted Subsidiaries may temporarily reduce Indebtedness or otherwise invest such Net Available Cash in any manner not prohibited by the Indenture.

Any Net Available Cash from Asset Dispositions that is not applied or invested or committed to be applied or invested as provided for in the preceding paragraph will be deemed to constitute "Excess Proceeds" under the Indenture. On the 366th day after an Asset Disposition, or at such earlier date that the Company elects, if the aggregate amount of Excess Proceeds under the Indenture exceeds £25 million, the Company will be required to make an offer ("Asset Disposition Offer") to all Holders of Notes of each series issued under the Indenture and, to the extent the Company elects, to all holders of other outstanding Pari Passu Indebtedness, to purchase the maximum aggregate principal amount of Notes of all series and any such Pari Passu Indebtedness to which the Asset Disposition Offer applies that may be purchased out of the Excess Proceeds, at an offer price in respect of the Notes of a series in an amount equal to (and, in the case of any Pari Passu Indebtedness, an offer price of no more than) 100% of the principal amount of such Notes and 100% of the principal amount of such Pari Passu Indebtedness, in each case, plus accrued and unpaid interest, if any, to, but not including, the date of purchase, in accordance with the procedures set forth in the Indenture or the agreements governing such Pari Passu Indebtedness, as applicable, and in minimum denominations of (x) £100,000 and in integral multiples of £1,000 in excess thereof in relation to Sterling Notes and (y) €100,000 and integral multiples of €1,000 in excess thereof in relation to Euro Notes.

To the extent that the aggregate amount of Notes and Pari Passu Indebtedness so validly tendered and not properly withdrawn pursuant to an Asset Disposition Offer is less than the Excess Proceeds, the Company may use any remaining Excess Proceeds for general corporate purposes, subject to other covenants contained in the Indenture. If the aggregate principal amount of the Notes of all series surrendered in any Asset Disposition Offer by Holders and other Pari Passu Indebtedness surrendered by holders or lenders, collectively, exceeds the amount of Excess Proceeds, the Excess Proceeds shall be allocated among the Notes and Pari Passu Indebtedness to be purchased on a *pro rata* basis on the basis of the aggregate principal amount of tendered Notes and Pari Passu Indebtedness. For the purposes of calculating the aggregate principal amount of any such Indebtedness not denominated in sterling, such Indebtedness shall be calculated by converting any such aggregate principal amounts into their Sterling Equivalent determined as of a date selected by the Company that is within the Asset Disposition Offer Period (as defined below). Upon completion of any Asset Disposition Offer, the amount of Excess Proceeds shall be reset at zero.

Any Net Available Cash payable in respect of the Notes pursuant to this covenant will be allocated between the Sterling Fixed Rate Notes and Floating Rate Notes in proportion to the respective aggregate principal amounts of such Fixed Rate Notes and Floating Rate Notes validly tendered and not withdrawn, based upon the Sterling Equivalent of the aggregate principal amount of such Euro Notes determined as of a date selected by the Company that is within the Asset Disposition Offer Period.

To the extent that any portion of Net Available Cash payable in respect of the Notes is denominated in a currency other than the currency in which a series of Notes is denominated, the amount thereof payable in respect of such Notes shall not exceed the net amount of funds in the currency in which such Notes are denominated that is actually received by the Company upon converting such portion into such currency.

The Asset Disposition Offer, in so far as it relates to the Notes, will remain open for a period of not less than 20 Business Days following its commencement (the "Asset Disposition Offer Period"). No later than five Business Days after the termination of the Asset Disposition Offer Period (the "Asset Disposition Purchase Date"), the Company will purchase the aggregate principal amount of Notes and, to the extent they elect, Pari Passu Indebtedness required to be purchased pursuant to this covenant (the "Asset Disposition Offer Amount") or, if less than the Asset Disposition Offer Amount has been so validly tendered, all Notes and Pari Passu Indebtedness validly tendered in response to the Asset Disposition Offer.

On or before the Asset Disposition Purchase Date, the Company will, to the extent lawful, accept for payment, on a *pro rata* basis to the extent necessary, the Asset Disposition Offer Amount of Notes and Pari Passu Indebtedness or portions of Notes and such Pari Passu Indebtedness so validly tendered and not properly withdrawn pursuant to the Asset Disposition Offer, or if less than the Asset Disposition Offer Amount has been validly tendered and not properly withdrawn, all Notes and Pari Passu Indebtedness so validly tendered and not

properly withdrawn and in minimum denominations of (x) £100,000 and in integral multiples of £1,000 in excess thereof in relation to Sterling Notes and (y) €100,000 and integral multiples of €1,000 in excess thereof in relation to Euro Notes. The Company will deliver to the Trustee an Officer's Certificate stating that such Notes or portions thereof were accepted for payment by the Company in accordance with the terms of this covenant. The Company or the Paying Agent, as the case may be, will promptly (but in any case not later than five Business Days after termination of the Asset Disposition Offer Period) mail or deliver to each tendering Holder of Notes an amount equal to the purchase price of the Notes so validly tendered and not properly withdrawn by such Holder, and accepted by the Company for purchase, and the Company will promptly issue a new Note (or amend the Global Note), and the Trustee, upon delivery of an Officer's Certificate from the Company, will authenticate and mail or deliver (or cause to be transferred by book entry) such new Note to such Holder, in an aggregate principal amount equal to any unpurchased portion of the Note surrendered; *provided* that each such new Note will be in an aggregate principal amount with a minimum denomination of (x) £100,000 in relation to Sterling Notes and (y) €100,000 in relation to Euro Notes. Any Note not so accepted will be promptly mailed or delivered (or transferred by book entry) by the Company to the Holder thereof.

For the purposes of clause (2) of the first paragraph of this covenant, the following will be deemed to be cash:

(1) the assumption by the transferee of Indebtedness of the Company or Indebtedness of a Restricted Subsidiary (other than Subordinated Indebtedness of the Company or a Guarantor) and the release of the Company or such Restricted Subsidiary from all liability on such Indebtedness in connection with such Asset Disposition;

(2) securities, notes or other obligations received by the Company or any Restricted Subsidiary of the Company from the transferee that are converted by the Company or such Restricted Subsidiary into cash or Cash Equivalents within 180 days following the closing of such Asset Disposition;

(3) Indebtedness of any Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Disposition, to the extent that the Company and each other Restricted Subsidiary are released from any Guarantee of payment of such Indebtedness in connection with such Asset Disposition;

(4) consideration consisting of Indebtedness of the Company (other than Subordinated Indebtedness) received after the Issue Date from Persons who are not the Company or any Restricted Subsidiary; and

(5) any Designated Non-Cash Consideration received by the Company or any Restricted Subsidiary in such Asset Dispositions having an aggregate fair market value, taken together with all other Designated Non-Cash Consideration received pursuant to this covenant that is at that time outstanding, not to exceed the greater of £25 million and 2.0% of Total Assets (with the fair market value of each item of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value).

The Company will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations (or rules of any exchange on which the Notes are then listed) in connection with the repurchase of Notes pursuant to the Indenture. To the extent that the provisions of any securities laws or regulations (or exchange rules) conflict with provisions of this covenant, the Company will comply with the applicable securities laws and regulations (or exchange rules) and will not be deemed to have breached its obligations under the Indenture by virtue of any conflict.

Limitation on Affiliate Transactions

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, enter into or conduct any transaction (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any Affiliate of the Company (an "*Affiliate Transaction*") involving aggregate value in excess of £10 million unless:

(1) the terms of such Affiliate Transaction taken as a whole are not materially less favorable to the Company or such Restricted Subsidiary, as the case may be, than those that could be obtained in a comparable transaction at the time of such transaction or the execution of the agreement providing for such transaction in arm's length dealings with a Person who is not such an Affiliate; and

(2) in the event such Affiliate Transaction involves an aggregate value in excess of £20 million, the terms of such transaction have been approved by a majority of the members of the Board of Directors of the Company.

The provisions of the preceding paragraph will not apply to:

(1) any Restricted Payment permitted to be made pursuant to the covenant described under *"—Limitation on Restricted Payments,*" any Permitted Payments (other than pursuant to clause (9)(b) of the third paragraph

of the covenant described under "—*Limitation on Restricted Payments*") or any Permitted Investment (other than Permitted Investments as defined in paragraphs (l)(b), (2) and (15) of the definition thereof);

(2) any issuance or sale of Capital Stock, other equity-related interests or other securities, or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, or entering into, or maintenance of, any employment, consulting, collective bargaining or benefit plan, program, agreement or arrangement, related trust or other similar agreement and other compensation arrangements, to purchase Capital Stock of the Company, any Restricted Subsidiary or any Parent, restricted stock plans, long-term incentive plans, stock appreciation rights plans, participation plans or similar employee benefits or consultants' plans (including valuation, health, insurance, deferred compensation, severance, retirement, savings or similar plans, programs or arrangements) or indemnities provided on behalf of officers, employees, directors or consultants approved by the Board of Directors of the Company, in each case in the ordinary course of business;

(3) any Management Advances and any waiver or transaction with respect thereto;

(4) any transaction between or among the Company and any Restricted Subsidiary (or entity that becomes a Restricted Subsidiary as a result of such transaction), or between or among Restricted Subsidiaries;

(5) the payment of reasonable fees and reimbursement of expenses to, and customary indemnities (including under customary insurance policies) and employee benefit and pension expenses provided on behalf of, directors, officers, consultants or employees of the Company, any Restricted Subsidiary of the Company or any Parent (whether directly or indirectly and including through any Person owned or controlled by any of such directors, officers or employees);

(6) the Refinancing Transactions and the entry into and performance of obligations of the Company or any of its Restricted Subsidiaries under the terms of any transaction arising out of, and any payments pursuant to or for purposes of funding, any agreement or instrument in effect as of or on the Issue Date, as these agreements and instruments may be amended, modified, supplemented, extended, renewed or refinanced from time to time in accordance with the other terms of this covenant or to the extent not more disadvantageous to the Holders in any material respect and the entry into and performance of any registration rights or other listing agreement in connection with any Public Offering;

(7) execution, delivery and performance of any Tax Sharing Agreement or the formation and maintenance of any consolidated group for tax, accounting or cash pooling or management purposes in the ordinary course of business;

(8) transactions with customers, clients, suppliers or purchasers or sellers of goods or services, in each case in the ordinary course of business, which are fair to the Company or the relevant Restricted Subsidiary in the reasonable determination of the Board of Directors or the Senior Management of the Company or the relevant Restricted Subsidiary, or are on terms no less favorable than those that could reasonably have been obtained at such time from an unaffiliated party;

(9) any transaction in the ordinary course of business between or among the Company or any Restricted Subsidiary and any Affiliate of the Company or an Associate or similar entity that would constitute an Affiliate Transaction solely because the Company or a Restricted Subsidiary owns an equity interest in or otherwise controls such Affiliate, Associate or similar entity;

(10) (a) issuances or sales of Capital Stock (other than Disqualified Stock or Designated Preference Shares) of the Company or Subordinated Shareholder Funding; *provided* that the interest rate and other financial terms of such Subordinated Shareholder Funding are approved by a majority of the members of the Board of Directors of the Company in their reasonable determination and (b) any amendment, waiver or other transaction with respect to any Subordinated Shareholder Funding in compliance with the other provisions of the Indenture;

(11) without duplication in respect of payments made pursuant to clause (12) hereof, (a) payments by the Company or any Restricted Subsidiary to any Permitted Holder (whether directly or indirectly, including through any Parent) of annual customary management, consulting, monitoring or advisory fees and related expenses in an aggregate amount not to exceed £2.5 million per year and (b) customary payments by the Company or any Restricted Subsidiary to any Permitted Holder (whether directly or indirectly, including through any Parent) for financial advisory, financing, underwriting or placement services or in respect of other investment banking activities, including in connection with acquisitions or divestitures, which payments in respect of this clause (b) are approved by a majority of the Board of Directors of the Company in good faith;

(12) payment to any Permitted Holder of all reasonable out-of-pocket expenses Incurred by such Permitted Holder in connection with its direct or indirect investment in the Company and its Subsidiaries; and

(13) any transaction effected as part of a Qualified Receivables Financing.

Reports

For so long as any Notes are outstanding, the Company will provide to the Trustee the following reports:

(1) within 120 days after the end of the Company's fiscal year beginning with the fiscal year ending in March 26, 2016, annual reports containing, to the extent applicable, the following information: (a) audited consolidated balance sheets of the Company or its predecessor as of the end of the two most recent fiscal years and audited consolidated income statements and statements of cash flow of the Company or its predecessor for the two most recent fiscal years, including complete footnotes to such financial statements and the report of the independent auditors on the financial statements; (b) unaudited pro forma income statement information and balance sheet information of the Company (which, for the avoidance of doubt, shall not include the provision of a full income statement or balance sheet to the extent not reasonably available), together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the most recently completed fiscal year; (c) an operating and financial review of the audited financial statements, including a discussion of the results of operations, financial condition, and liquidity and capital resources of the Company, and a discussion of material commitments and contingencies and critical accounting policies, with a similar scope to that included in the Offering Memorandum; (d) description of the business, management and shareholders of the Company, all material affiliate transactions and a description of all material contractual arrangements, including material debt instruments; and (e) a description of material risk factors and material recent developments;

(2) within 60 days following the end of each of the first three fiscal quarters in each fiscal year of the Company beginning with the fiscal quarter ending in June 27, 2015, all quarterly reports of the Company containing the following information: (a) an unaudited condensed consolidated balance sheet as of the end of such quarter and unaudited condensed statements of income and cash flow for the most recent quarter year-to-date period ending on the unaudited condensed balance sheet date, and the comparable prior year periods, together with condensed footnote disclosure; (b) unaudited pro forma income statement information and balance sheet information of the Company (which, for the avoidance of doubt, shall not include the provision of a full income statement or balance sheet to the extent not reasonably available), together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the relevant quarter; (c) an operating and financial review of the unaudited financial statements, including a discussion of the results of operations, financial condition, EBITDA and material changes in liquidity and capital resources of the Company, and a discussion of material changes not in the ordinary course of business in commitments and contingencies since the most recent report; and (d) material recent developments; and

(3) promptly after the occurrence of any material acquisition, disposition or restructuring or any senior executive officer changes at the Company or change in auditors of the Company or any other material event that the Company or any of its Restricted Subsidiaries announces publicly, a report containing a description of such event.

All financial statement and pro forma financial information shall be prepared in accordance with IFRS as in effect on the date of such report or financial statement (or otherwise on the basis of IFRS as then in effect) and on a consistent basis for the periods presented; *provided, however*, that the reports set forth in clauses (1), (2) and (3) above may, in the event of a change in applicable IFRS, present earlier periods on a basis that applied to such periods. Except as provided for above, no report need include separate financial statements for any Subsidiaries of the Company. The filing of an Annual Report on Form 20-F within the time period specified in (1) will satisfy such provision. At the Company's election, it may also include financial statements of New Look Retail Group Limited in lieu of those for the Company; *provided* that if the financial statements of New Look Retail Group Limited are included in such report, a reasonably detailed description of material differences between the financial statements of the Company, on one hand, and New Look Retail Group Limited, on the other, shall be included for any period after the Issue Date.

Following an Initial Public Offering on the Capital Stock of the Company or any parent thereof and/or the listing of such Capital Stock on a recognized European stock exchange, the requirements of paragraphs (1), (2) and (3) above shall be considered to have been fulfilled if the IPO Entity complies with the reporting requirements of such stock exchange *provided* that (x) the IPO Entity shall, in any case, provide financial statements consistent with the requirements of clause (2)(a) above for any applicable quarterly period pursuant to clause (2) above after the Issue Date and (y) to the extent such IPO Entity relies on such stock exchange reporting requirements to fulfill the requirements of clauses (1), (2) and (3) above, a reasonably detailed description of material differences

between the financial statements of such IPO Entity and the financial statements of the Company shall be included for any period after the Issue Date.

At any time that any of the Company's Subsidiaries are Unrestricted Subsidiaries and any such Unrestricted Subsidiary or group of Unrestricted Subsidiaries, if taken together as one Subsidiary, constitutes a Significant Subsidiary of the Company, then the annual and quarterly financial information required by clauses (1) and (2) of the first paragraph of this covenant shall include either (i) a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, of the financial condition and results of operations of the Company and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Company or (ii) stand-alone audited or unaudited financial statements, as the case may be, of such Unrestricted Subsidiary or Unrestricted Subsidiaries (as a group or otherwise) together with an unaudited reconciliation to the financial information of the Company and its Subsidiaries, which reconciliation shall include the following items: revenues, EBITDA, net income, cash, total assets, total debt, shareholders equity, capital expenditures and interest expense.

Substantially concurrently with the issuance to the Trustee of the reports specified in clauses (1), (2) and (3) of the first paragraph of this covenant, the Company shall also (a) use its commercially reasonable efforts (i) to post copies of such reports on such website as may be then maintained by the Company and its Subsidiaries or (ii) otherwise to provide substantially comparable availability of such reports (as determined by the Company in good faith) or (b) to the extent the Company determines in good faith that it cannot make such reports available in the manner described in the preceding clause (a) owing to applicable law or after the use of its commercially reasonable efforts, furnish such reports to the Holders and, upon request, prospective purchasers of the Notes. The Company will also make available copies of all reports required by clauses (1) through (3) of the first paragraph of this covenant, if and so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF market and the rules of the Luxembourg Stock Exchange so require, at the offices of the Registrar in Luxembourg or, to the extent and in the manner permitted by such rules, post such reports on the official website of the Luxembourg Stock Exchange.

In addition, so long as the Notes remain outstanding and during any period during which the Company is not subject to Section 13 or 15(d) of the Exchange Act nor exempt therefrom pursuant to Rule 12g3-2(b), the Company shall furnish to the Holders and, upon their request, prospective purchasers of the Notes, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

Merger and Consolidation

The Company and the Issuer

Neither the Company nor the Issuer will consolidate with or merge with or into, or convey, transfer or lease all or substantially all its assets to, any Person, unless:

(1) the resulting, surviving or transferee Person (the "Successor Company") will be a Person organized and existing under the laws of any member state of the European Union or the United States of America, any State of the United States or the District of Columbia, Canada or any province of Canada, Norway or Switzerland and the Successor Company (if not the Company or the Issuer, as applicable) will expressly assume (a) by supplemental indenture, executed and delivered to the Trustee, in form reasonably satisfactory to the Trustee, all the obligations of the Company under the Parent Guarantee and the Indenture or the Issuer under the Notes and the Indenture, as applicable, and (b) all obligations of the Company under the Security Documents and the Proceeds Loan Agreements (and, to the extent required by the Intercreditor Agreement, the Intercreditor Agreement);

(2) immediately after giving effect to such transaction (and treating any Indebtedness that becomes an obligation of the Successor Company or any Subsidiary of the Successor Company as a result of such transaction as having been Incurred by the Successor Company or such Subsidiary at the time of such transaction), no Default or Event of Default shall have occurred and be continuing;

(3) only in the case of a transaction involving the Company, immediately after giving effect to such transaction, either (a) the Successor Company would be able to Incur at least an additional £1.00 of Indebtedness pursuant to the first paragraph of the covenant described under "*—Limitation on Indebtedness*" or (b) the Fixed Charge Coverage Ratio would not be lower than it was immediately prior to giving effect to such transaction; and

(4) the Company shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each to the effect that such consolidation, merger or transfer and such supplemental indenture (if any) comply with the Indenture and an Opinion of Counsel to the effect that such supplemental indenture (if any) has been

duly authorized, executed and delivered and is a legal, valid and binding agreement enforceable against the Successor Company (in each case, in form and substance reasonably satisfactory to the Trustee), *provided* that in giving an Opinion of Counsel, counsel may rely on an Officer's Certificate as to any matters of fact, including as to satisfaction of clauses (2) and (3) above.

Any Indebtedness that becomes an obligation of the Company or any Restricted Subsidiary (or that is deemed to be Incurred by any Restricted Subsidiary that becomes a Restricted Subsidiary) as a result of any such transaction undertaken in compliance with this covenant, and any Refinancing Indebtedness with respect thereto, shall be deemed to have been Incurred in compliance with the covenant described under "*—Limitation on Indebtedness*."

For purposes of this covenant, the sale, lease, conveyance, assignment, transfer, or other disposition of all or substantially all of the properties and assets of one or more Subsidiaries of the Company, which properties and assets, if held by the Company instead of such Subsidiaries, would constitute all or substantially all of the properties and assets of the Company on a consolidated basis, shall be deemed to be the transfer of all or substantially all of the properties and assets of the Company. The foregoing provisions (other than the requirements of clauses (1)(b) and (2) of the first paragraph of this covenant) will not apply to the creation of a new subsidiary of the Company that becomes a parent of one or more of the Company's Subsidiaries.

The foregoing provisions (other than the requirements of clauses (1)(b) and (2) of the first paragraph of this covenant) will not apply to the creation of a new Subsidiary of the Company that becomes a parent of one or more of the Company's Subsidiaries.

The Successor Company will succeed to, and be substituted for, and may exercise every right and power of, the Company under the Indenture but in the case of a lease of all or substantially all its assets, the predecessor company will not be released from its obligations under such Indenture or the Notes.

Notwithstanding the preceding clauses (2) and (3) and the provisions described below under "*—Subsidiary Guarantors*" (which do not apply to transactions referred to in this sentence) and, other than with respect to the third preceding paragraph, clause (4) of the first paragraph of this covenant, (a) any Restricted Subsidiary of the Company may consolidate or otherwise combine with, merge into or transfer all or part of its properties and assets to the Company, (b) any Restricted Subsidiary may consolidate or otherwise combine with, merge into or transfer all or part of its properties and assets to any other Restricted Subsidiary and (c) the Company and its Restricted Subsidiaries may undertake the Refinancing Transactions. Notwithstanding the preceding clauses (2), (3) and (4) (which do not apply to the transactions referred to in this sentence), the Company may consolidate or otherwise combine with or merge into an Affiliate incorporated or organized for the purpose of changing the legal domicile of the Company, reincorporating the Company in another jurisdiction, or changing the legal form of the Company.

There is no precise established definition of the phrase "substantially all" under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve "all or substantially all" of the property or assets of a Person.

The foregoing provisions (other than the requirements of clause (2) of the first paragraph of this covenant) will not apply to the creation of a new subsidiary as a Restricted Subsidiary of the Company.

Subsidiary Guarantors

No Guarantor that is a Subsidiary of the Company (a "*Subsidiary Guarantor*") may:

(1) consolidate with or merge with or into any Person;

(2) sell, convey, transfer or dispose of, all or substantially all its assets as an entirety or substantially as an entirety, in one transaction or a series of related transactions, to any Person; or

(3) permit any Person to merge with or into such Guarantor,

unless

(A) the other Person is the Company or any Restricted Subsidiary that is a Guarantor or becomes a Guarantor concurrently with the transaction); or

(B) (1) either (x) a Guarantor is the continuing Person or (y) the resulting, surviving or transferee Person expressly assumes all of the obligations of the Subsidiary Guarantor under its Notes Guarantee, the Indenture and the Security Documents (and, to the extent required by the Intercreditor Agreement, the Intercreditor Agreement); and

(2) immediately after giving effect to the transaction, no Default has occurred and is continuing; or

(C) the transaction constitutes a sale or other disposition (including by way of consolidation or merger) of the Subsidiary Guarantor or the sale or disposition of all or substantially all the assets of the Subsidiary Guarantor (in each case other than to the Company or a Restricted Subsidiary) otherwise permitted by the Indenture.

Notwithstanding the preceding clause (3)(B)(2) and the provisions described above under "*—The Company and the Issuer,*" (which do not apply to transactions referred to in this sentence), (a) any Restricted Subsidiary may consolidate or otherwise combine with, merge into or transfer all or part of its properties and assets to a Subsidiary Guarantor, (b) any Subsidiary Guarantor may consolidate or otherwise combine with, merge into or transfer all or part of its properties and assets to any other Subsidiary Guarantor and (c) the Subsidiary Guarantors may undertake the Refinancing Transactions. Notwithstanding the preceding clause (3)(B)(2) (which does not apply to the transactions referred to in this sentence), a Subsidiary Guarantor may consolidate or otherwise combine with or merge into an Affiliate incorporated or organized for the purpose of changing the legal domicile of the Subsidiary Guarantor reincorporating the Subsidiary Guarantor in another jurisdiction, or changing the legal form of the Subsidiary Guarantor.

There is no precise established definition of the phrase "substantially all" under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve "all or substantially all" of the property or assets of a Person.

Suspension of Covenants on Achievement of Investment Grade Status

If on any date following the Issue Date, the Notes have achieved Investment Grade Status and no Default or Event of Default has occurred and is continuing (a "Suspension Event"), then, beginning on that day and continuing until the Reversion Date, the provisions of the Indenture summarized under the following captions will not apply to such Notes: "*—Limitation on Restricted Payments*," "*—Limitation on Indebtedness*," "*—Limitation on Restrictions on Distributions from Restricted Subsidiaries*," "*—Limitation on Affiliate Transactions*," "*—Limitation on Sales of Assets and Subsidiary Stock*," "*—Additional Notes Guarantees and Collateral*," "*—Lines of Business*," and the provisions of clause (3) of the first paragraph of the covenant described under "*—Merger and Consolidation—The Company and the Issuer,*" and, in each case, any related default provision of such Indenture will cease to be effective and will not be applicable to the Company and its Restricted Subsidiaries. Such covenants and any related default provisions will again apply according to their terms from the first day on which a Suspension Event ceases to be in effect. Such covenants will not, however, be of any effect with regard to actions of the Company properly taken during the continuance of the Suspension Event, and the *"—Limitation on Restricted Payments*" covenant will be interpreted as if it has been in effect since the date of such Indenture except that no default will be deemed to have occurred solely by reason of a Restricted Payment made while that covenant was suspended. On the Reversion Date, all Indebtedness Incurred during the continuance of the Suspension Event will be classified, at the Company's option, as having been Incurred pursuant to the first paragraph of the covenant described under "*—Limitation on Indebtedness*" or one of the clauses set forth in the second paragraph of such covenant (to the extent such Indebtedness would be permitted to be Incurred thereunder as of the Reversion Date and after giving effect to Indebtedness Incurred prior to the Suspension Event and outstanding on the Reversion Date). To the extent such Indebtedness would not be so permitted to be incurred under the first two paragraphs of the covenant described under "*—Limitation on Indebtedness*," such Indebtedness will be deemed to have been outstanding on the Issue Date, so that it is classified as permitted under clause (4)(b) of the second paragraph of the covenant described under "*—Limitation on Indebtedness*."

Additional Notes Guarantees and Collateral

The Company will not cause or permit any of its Restricted Subsidiaries that are not Guarantors, directly or indirectly, to Guarantee (a) any Indebtedness of the Issuer or a Guarantor incurred under the Revolving Credit Facility Agreement (or other Indebtedness that is incurred under clause (1) of the second paragraph of the covenant described under "*—Limitation on Indebtedness*"), (b) Public Debt or (c) any Indebtedness in excess of £10 million principal amount, unless, in each case, such Restricted Subsidiary becomes a Guarantor on the date on which such other Guarantee is Incurred and, if applicable, executes and delivers to the Trustee a supplemental indenture in the form attached to the Indenture pursuant to which such Restricted Subsidiary will provide a Notes Guarantee, which Notes Guarantee will be senior to or pari passu with such Restricted Subsidiary's Guarantee of such other Indebtedness; *provided* that if the Indebtedness guaranteed by such other Guarantee is subordinated in right of payment to the Notes or a Notes Guarantee, then such other Guarantee must be subordinated to the such Restricted Subsidiary's Notes Guarantee to at least the same extent as such other Indebtedness is subordinated to the Notes or other Notes Guarantee of the Notes.

A Restricted Subsidiary that is not a Guarantor may become a Guarantor if it executes and delivers to the Trustee a supplemental indenture in the form attached to the Indenture pursuant to which such Restricted Subsidiary will provide a Notes Guarantee.

Concurrently with the provision of any additional Notes Guarantees as described above, subject to the Intercreditor Agreement and any Additional Intercreditor Agreement (if such security is being granted in respect

of the other Indebtedness), and subject to the Agreed Security Principles, any such Guarantor will provide security over certain of its material assets (excluding any assets of such Guarantor which are subject to a Permitted Lien at the time of the execution of such supplemental indenture if providing such security interest would not be permitted by the terms of such Permitted Lien or by the terms of any obligations secured by such Permitted Lien) to secure its Notes Guarantee on a first priority basis consistent with the Collateral.

In addition, subject to the Agreed Security Principles, if material property is acquired by the Company or any Guarantor that is not automatically subject to a perfected security interest under the Security Documents and which will be subject to a security interest in favor of the lenders under the Revolving Credit Facility Agreement, then (to the extent the security interest is not already granted in favor of the Security Agent for the Holders of the Notes) the Company or such Guarantor will within 10 Business Days provide security over this property in favor of the Security Agent (*provided* that such date need not be earlier than the date such security is granted in favor of the lenders under the Revolving Credit Facility Agreement).

Each additional Notes Guarantee or security will be limited as necessary to recognize certain defenses generally available to guarantors (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, thin capitalization, distributable reserves, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally) or other considerations under applicable law.

Notwithstanding the foregoing paragraphs, the Company shall not be obligated to cause such Restricted Subsidiary to Guarantee the Notes or grant security to the extent and for so long as the Incurrence of such Notes Guarantee or the grant of such security would be inconsistent with the Agreed Security Principles or the Intercreditor Agreement. In particular, it is not anticipated that, as a result of the Agreed Security Principles, any Guarantee or security will be provided by any of the Company's current Subsidiaries located in France.

Impairment of Security Interest

The Company shall not, and shall not permit any Restricted Subsidiary to, take or omit to take any action that would have the result of materially impairing the security interest with respect to the Collateral (it being understood that the Incurrence of Permitted Collateral Liens shall under no circumstances be deemed to materially impair the security interest with respect to the Collateral) for the benefit of the Trustee and the Holders, and the Company shall not, and shall not permit any Restricted Subsidiary to, grant to any Person other than the Security Agent, for the benefit of the Trustee and the Holders and the other beneficiaries described in the Security Documents, any Lien over any of the Collateral that is prohibited by the covenant entitled "*—Limitation on Liens*"; *provided,* that the Company and its Restricted Subsidiaries may Incur Permitted Collateral Liens and the Collateral may be discharged, transferred or released in accordance with the Indenture, the Intercreditor Agreement or the applicable Security Documents.

Notwithstanding the above, nothing in this covenant shall restrict the discharge and release of any Liens in accordance with the Indenture and the Intercreditor Agreement. Subject to the foregoing, the Security Documents may be amended, extended, renewed, restated, supplemented or otherwise modified or released (followed by an immediate retaking of a Lien of at least equivalent ranking over the same assets) to (i) cure any ambiguity, omission, defect or inconsistency therein; (ii) provide for Permitted Collateral Liens; (iii) add to the Collateral; or (iv) make any other change thereto that does not adversely affect the Holders in any material respect; *provided, however*, that (except with respect to any amendment, extension, renewal, restatement or other modification or release in accordance with the Indenture or the Intercreditor Agreement or to effect or facilitate the creation of Permitted Collateral Liens for the benefit of the Trustee, the Security Agent and holders of other Indebtedness Incurred in accordance with the Indenture), none of the Security Documents may be amended, extended, renewed, restated or otherwise modified or released (followed by an immediate retaking of a Lien of at least equivalent ranking over the same assets), unless contemporaneously with such amendment, extension, renewal, restatement or modification or release (followed by an immediate retaking of a Lien of at least equivalent ranking over the same assets), the Company delivers to the Security Agent and the Trustee, either (1) a solvency opinion, in form and substance reasonably satisfactory to the Security Agent and the Trustee, from an independent financial advisor or appraiser or investment bank of international standing which confirms the solvency of the Company and its Subsidiaries, taken as a whole, after giving effect to any transactions related to such amendment, extension, renewal, restatement, modification or release (followed by an immediate retaking of a lien of at least equivalent ranking over the same assets), (2) a certificate from the chief financial officer or the Board of Directors of the relevant Person which confirms the solvency of the person granting Liens after giving effect to any transactions related to such amendment, extension, renewal, restatement, modification or replacement, or (3) an opinion of counsel (subject to any qualifications customary for this type of opinion of counsel), in form and substance reasonably satisfactory to the Security Agent and the Trustee, confirming that,

after giving effect to any transactions related to such amendment, extension, renewal, restatement, modification or release (followed by an immediate retaking of a lien of at least equivalent ranking over the same assets), the Lien or Liens created under the Security Document, so amended, extended, renewed, restated, modified or released and replaced are valid and perfected Liens not otherwise subject to any limitation, imperfection or new hardening period, in equity or at law, that such Lien or Liens were not otherwise subject to immediately prior to such amendment, extension, renewal, restatement, modification or replacement and to which the new Indebtedness secured by the Permitted Collateral Lien is not subject.

In the event that the Company and its Restricted Subsidiaries comply with the requirements of this covenant, the Trustee and the Security Agent shall (subject to customary protections and indemnifications) consent to such amendments without the need for instructions from the Holders.

Limitation on Activities of the Issuer

The Issuer will not engage in any business activity or undertake any other activity, except any activity (a) subject to compliance with the terms of the Indenture, related to the offering, sale or issuance of the Notes or the incurrence of Indebtedness by the Issuer represented by the Notes or any Public Debt, (b) undertaken with the purpose of, and directly related to, fulfilling its obligations under the Notes, the Indenture and any other document relating to the Notes (including the Senior Secured Notes Proceeds Loans), the Security Documents, the Intercreditor Agreement, the Revolving Credit Facility or any document relating to any Public Debt; (c) related to the establishment and maintenance of the Issuer's corporate existence, (d) related to using amounts received by the Issuer to make investments in cash or Cash Equivalents in a manner not otherwise prohibited by the Indenture, or (e) reasonably related to the foregoing. The Issuer will not (a) incur any indebtedness (except to the Company or a Wholly Owned Subsidiary) other than, subject to compliance with the terms of the Indenture, the Notes or any Public Debt, (b) issue any Capital Stock (other than to the Company or a Wholly Owned Subsidiary) or (c) undertake any transaction that will require the Issuer to register as an "investment company" or an entity "controlled by an investment company" as defined in the U.S. Investment Company Act of 1940, as amended, and the rules and regulations thereunder.

Except in accordance with the covenant described under the caption *"—Merger and Consolidation,"* the Issuer:

(1) will not merge, consolidate, amalgamate or otherwise combine with or into another Person (whether or not the Issuer is the surviving corporation);

(2) will not sell, convey, assign, transfer, lease or otherwise dispose of all or substantially all of its properties or assets to any Person or group of persons;

(3) will remain a wholly-owned Restricted Subsidiary of the Company; and

(4) will not change its centre of main interests (as that term is used in Article 3(1) of The Council of the European Union Regulation No. 1346/2000 on Insolvency Proceedings) to be in any jurisdiction outside of the United Kingdom.

Lines of Business

The Company will not, and will not permit any Restricted Subsidiary to, engage in any business other than a Similar Business, except to such extent as would not be material to the Company and its Restricted Subsidiaries, taken as a whole.

Maintenance of Listing

The Company and the Issuer will use their commercially reasonable efforts to obtain and maintain the listing of the Notes on the Euro MTF Market of the Luxembourg Stock Exchange for so long as such Notes are outstanding; *provided* that if the Company and the Issuer are unable to obtain admission to such listing or if at any time the Company determines that it will not maintain such listing, it will obtain (where the Notes are initially so listed, prior to the delisting of the Notes from the Euro MTF Market), and thereafter use commercially reasonable efforts to maintain, a listing of such Notes on another "recognized stock exchange" as defined in Section 1005 of the Income Tax Act 2007 of the United Kingdom.

Payments for Consent

The Indenture provides that the Company will not, and will not permit any of its Restricted Subsidiaries to pay or cause to be paid any fee to or for the benefit of any Holder for or as an inducement to any consent, waiver or amendment of any of the terms of the provisions of the Indenture or the Notes unless such consideration is offered to all Holders and is paid to all Holders that so consent, waive or agree to amend in the time frame set

forth in the solicitation documents relating to such consent, waiver or agreement. Notwithstanding the foregoing, the Issuer, the Company and its Restricted Subsidiaries shall be permitted, in any offer or payment of consideration for, or as an inducement to, any consent, waiver or amendment of any of the terms or provisions of the Indenture or the Notes, to exclude Holders in any jurisdiction where (i) the solicitation of such consent, waiver or amendment, including in connection with an exchange offer or an offer to purchase for cash, or (ii) the payment of the consideration therefor (A) would require the Issuer, the Company or any of its Restricted Subsidiaries to file a registration statement, prospectus or similar document under any applicable securities laws (including, but not limited to, the United States federal securities laws and the laws of the European Union or its member states), which the Issuer and the Company in their sole discretion determine (acting in good faith) would be materially burdensome in the good faith judgment of the Issuer; or (B) such solicitation would otherwise not be permitted under applicable law in such jurisdiction.

Events of Default

Each of the following is an Event of Default under the Indenture:

(1) default in any payment of interest or Additional Amounts, if any, on any Note when due and payable, continued for 30 days;

(2) default in the payment of the principal amount of or premium, if any, on any Note issued under the Indenture when due at its Stated Maturity, upon optional redemption, upon required repurchase, upon declaration or otherwise;

(3) failure by the Issuer or the relevant Guarantor to comply with the provisions described under the covenant described under "*Certain Covenants—Merger and Consolidation*";

(4) failure to comply for 30 days after written notice by the Trustee on behalf of the Holders or by the Holders of 30% in aggregate principal amount of the outstanding Notes with any of the Company's obligations under the covenants described under "—*Change of Control*" above or under the covenants described under "—*Certain Covenants*" above (in each case, other than a failure to purchase Notes which will constitute an Event of Default under clause (2) above or a breach which is specifically dealt with in clause (3) above;

(5) failure by the Company or any of its Restricted Subsidiaries to comply for 60 days after written notice by the Trustee on behalf of the Holders or by the Holders of 30% in aggregate principal amount of the outstanding Notes with its other agreements contained in the Indenture;

(6) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Company or any of its Restricted Subsidiaries (or the payment of which is Guaranteed by the Company or any of its Restricted Subsidiaries) other than Indebtedness owed to the Company or a Restricted Subsidiary whether such Indebtedness or Guarantee now exists, or is created after the date hereof, which default:

   (a) is caused by a failure to pay principal at stated maturity on such Indebtedness, immediately upon the expiration of the grace period provided in such Indebtedness ("*payment default*"); or

   (b) results in the acceleration of such Indebtedness prior to its maturity (the "*cross acceleration provision*");

   and, in each case, the aggregate principal amount of any such Indebtedness, together with the aggregate principal amount of any other such Indebtedness under which there has been a payment default or the maturity of which has been so accelerated, aggregates £20 million or more;

(7) certain events of bankruptcy, insolvency or court protection of the Company, the Issuer or a Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Company and its Restricted Subsidiaries), would constitute a Significant Subsidiary (the "*bankruptcy provision*");

(8) failure by the Company, the Issuer or any Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Company and its Restricted Subsidiaries), would constitute a Significant Subsidiary to pay final judgments aggregating in excess of £20 million (exclusive of any amounts that a solvent insurance company has acknowledged liability for), which judgments are not paid, discharged or stayed for a period of 30 days after the judgment becomes final (the "*judgment default provision*");

(9) any security interest under the Security Documents on any material Collateral shall, at any time, cease to be in full force and effect (other than in accordance with the terms of the relevant Security Document, the

Intercreditor Agreement and the Indenture) for any reason other than the satisfaction in full of all obligations under the Indenture or the release or amendment of any such security interest in accordance with the terms of the Indenture, the Intercreditor Agreement or such Security Document or any such security interest created thereunder shall be declared invalid or unenforceable or the Company or any Restricted Subsidiary shall assert in writing that any such security interest is invalid or unenforceable and any such Default continues for 10 days (the "*security default provision*"); and

(10) any Notes Guarantee of the Company or any Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Company and its Restricted Subsidiaries), would constitute a Significant Subsidiary ceases to be in full force and effect (other than in accordance with the terms of such Notes Guarantee or the Indenture) or is declared invalid or unenforceable in a judicial proceeding or any Guarantor denies or disaffirms in writing its obligations under its Notes Guarantee and any such Default continues for 10 days (the "*guarantee provision*").

However, a default under clauses (4), (5), (6) or (8) of this paragraph will not constitute an Event of Default until the Trustee at the direction of the Holders of 30% in aggregate principal amount of the outstanding Notes notify the Company of the default and, with respect to clauses (4), (5), (6) or (8), the Company does not cure such default within the time specified in clauses (4), (5), (6) or (8), as applicable, of this paragraph after receipt of such notice.

If an Event of Default (other than an Event of Default described in clause (7) above) occurs and is continuing, the Trustee by notice to the Company or the Holders of at least 30% in aggregate principal amount of the outstanding Notes by written notice to the Company and the Trustee, may, and the Trustee at the request of such Holders shall, declare the principal of, premium, if any, and accrued and unpaid interest, including Additional Amounts, if any, on all the Notes to be due and payable. Upon such a declaration, such principal, premium and accrued and unpaid interest, including Additional Amounts, if any, will be due and payable immediately. In the event of a declaration of acceleration of the Notes because an Event of Default described in clause (6) under "Events of Default" has occurred and is continuing, the declaration of acceleration of the Notes shall be automatically annulled if the event of default or payment default triggering such Event of Default pursuant to clause (6) shall be remedied or cured, or waived by the holders of the Indebtedness, or the Indebtedness that gave rise to such Event of Default shall have been discharged in full, within 30 days after the declaration of acceleration with respect thereto and if (1) the annulment of the acceleration of the Notes would not conflict with any judgment or decree of a court of competent jurisdiction and (2) all existing Events of Default, except nonpayment of principal, premium or interest, including Additional Amounts, if any, on the Notes that became due solely because of the acceleration of the Notes, have been cured or waived.

If an Event of Default described in clause (7) above occurs and is continuing, the principal of, premium, if any, and accrued and unpaid interest, including Additional Amounts, if any, on all the Notes will become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holders.

The Holders of a majority in aggregate principal amount of the outstanding Notes under the Indenture may waive all past or existing Defaults or Events of Default (except with respect to nonpayment of principal, premium or interest, or Additional Amounts, if any) and rescind any such acceleration with respect to such Notes and its consequences if rescission would not conflict with any judgment or decree of a court of competent jurisdiction.

Subject to the provisions of the Indenture relating to the duties of the Trustee, if an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under the Indenture at the request or direction of any of the Holders unless such Holders have offered to the Trustee indemnity and/or security satisfactory to the Trustee against any loss, liability or expense. Except to enforce the right to receive payment of principal or interest when due, no Holder may pursue any remedy with respect to the Indenture or the Notes unless:

(1) such Holder has previously given the Trustee written notice that an Event of Default is continuing;

(2) Holders of at least 30% in aggregate principal amount of the outstanding Notes have requested in writing the Trustee to pursue the remedy;

(3) such Holders have offered in writing the Trustee security and/or indemnity satisfactory to the Trustee against any loss, liability or expense;

(4) the Trustee has not complied with such request within 60 days after the receipt of the written request and the offer of security and/or indemnity; and

(5) the Holders of a majority in aggregate principal amount of the outstanding Notes have not given the Trustee a written direction that, in the opinion of the Trustee, is inconsistent with such request within such 60-day period.

Subject to certain restrictions, the Holders of a majority in aggregate principal amount of the outstanding Notes are given the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. The Indenture provides that, in the event an Event of Default has occurred and is continuing, the Trustee will be required in the exercise of its powers to use the degree of care that a prudent person would use in the conduct of its own affairs. The Trustee, however, may refuse to follow any direction that conflicts with law or the Indenture or that the Trustee determines is unduly prejudicial to the rights of any other Holder or that would involve the Trustee in personal liability. Prior to taking any action under the Indenture, the Trustee will be entitled to indemnification or security satisfactory to it against all losses and expenses caused by taking or not taking such action.

The Indenture provides that if a Default occurs and is continuing and the Trustee is informed of such occurrence by the Company, the Trustee must give notice of the Default to the Holders within 60 days after being notified by the Company. Except in the case of a Default in the payment of principal of, or premium, if any, or interest on any Note, the Trustee may withhold notice if and so long as a committee of trust officers of the Trustee in good faith determines that withholding notice is in the interests of the Holders. The Company is required to deliver to the Trustee, within 120 days after the end of each fiscal year, an Officer's Certificate indicating whether the signers thereof know of any Default that occurred during the previous year. The Company is required to deliver to the Trustee, within 30 days after the occurrence thereof, written notice of any events of which it is aware which would constitute certain Defaults, their status and what action the Company is taking or proposes to take in respect thereof.

The Notes provide for the Trustee to take action on behalf of the Holders in certain circumstances, but only if the Trustee is indemnified to its satisfaction. It may not be possible for the Trustee to take certain actions in relation to the Notes and, accordingly, in such circumstances the Trustee will be unable to take action, notwithstanding the provision of an indemnity to it, and it will be for Holders to take action directly.

Holders of the Notes may not enforce the Indenture or the Notes except as provided in the Indenture and may not enforce the Security Documents except as provided in such Security Documents and the Intercreditor Agreement or any Additional Intercreditor Agreement.

Amendments and Waivers

Subject to certain exceptions, the Note Documents may be amended, supplemented or otherwise modified with the consent of the Holders of a majority in aggregate principal amount of the Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, such Notes) and, subject to certain exceptions, any default or compliance with any provisions thereof may be waived with the consent of the Holders of a majority in aggregate principal amount of the Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, such Notes); *provided* that, if any amendment, waiver or other modification will only amend, waive or modify one series of the Notes, only the consent of a majority in aggregate principal amount of the then outstanding Notes of such series shall be required. However, without the consent of Holders holding not less than 90% of the then outstanding aggregate principal amount of Notes affected, or if any amendment, waiver or other modification will only amend, waive or modify one series of the Notes, without the consent of Holders holding not less than 90% of the then outstanding aggregate principal amount of Notes of such series amended, waived or modified, an amendment or waiver may not, with respect to any such series of the Notes held by a non-consenting Holder:

(1) reduce the principal amount of such Notes whose Holders must consent to an amendment;

(2) reduce the stated rate of or extend the stated time for payment of interest on any such Note;

(3) reduce the principal of or extend the Stated Maturity of any such Note;

(4) reduce the premium payable upon the redemption of any such Note or change the time at which any such Note may be redeemed, in each case as described above under "*—Optional Redemption*";

(5) make any such Note payable in money other than that stated in such Note;

(6) impair the right of any Holder to receive payment of principal of and interest on such Holder's Notes on or after the due dates therefor or to institute suit for the enforcement of any such payment on or with respect to such Holder's Notes;

(7) make any change in the provision of the Indenture described under "*—Withholding Taxes*" that adversely affects the right of any Holder of such Notes in any material respect or amends the terms of such Notes in a way that would result in a loss of an exemption from any of the Taxes described thereunder or an exemption

from any obligation to withhold or deduct Taxes so described thereunder unless the Payor agrees to pay Additional Amounts, if any, in respect thereof;

(8) release all or substantially all (i) the security interest granted for the benefit of the Holders in the Collateral or (ii) any Notes Guarantee, in each case, other than pursuant to the terms of the Security Document or the Indenture, as applicable, except as permitted by the Intercreditor Agreement;

(9) waive a Default or Event of Default with respect to the nonpayment of principal, premium or interest (except pursuant to a rescission of acceleration of the Notes by the Holders of at least a majority in aggregate principal amount of such Notes and a waiver of the payment default that resulted from such acceleration); or

(10) make any change in the amendment or waiver provisions which require the Holders' consent described in this sentence.

Notwithstanding the foregoing, without the consent of any Holder, the Company, the Trustee and the other parties thereto, as applicable, may amend or supplement any Note Documents to:

(1) cure any ambiguity, omission, defect, error or inconsistency, conform any provision of any Note Documents to this "*Description of the Senior Secured Notes*," or reduce the minimum denomination of the Notes;

(2) provide for the assumption by a successor Person of the obligations of the Company, the Issuer or any Guarantor under any Note Document;

(3) provide for uncertificated Notes in addition to or in place of certificated Notes (*provided* that the uncertificated Notes are issued in registered form for purposes of Section 163(f) of the Code, or in a manner such that the uncertificated Notes are described in Section 163(f)(2)(B) of the Code);

(4) add to the covenants or provide for a Notes Guarantee for the benefit of the Holders or surrender any right or power conferred upon the Company or any Restricted Subsidiary;

(5) make any change that does not adversely affect the rights of any Holder in any material respect;

(6) at the Company's election, comply with any requirement of the SEC in connection with the qualification of the Indenture under the Trust Indenture Act, if such qualification is required;

(7) make such provisions as necessary (as determined in good faith by the Company) for the issuance of Additional Notes;

(8) provide for any Restricted Subsidiary to provide a Notes Guarantee in accordance with the covenant described under "*—Certain Covenants—Limitation on Indebtedness*" and "*—Certain Covenants—Additional Notes Guarantees and Collateral*," to add *Notes Guarantee*s with respect to the Notes, to add security to or for the benefit of the Notes, or to confirm and evidence the release, termination, discharge or retaking of any *Notes Guarantee* or Lien (including the Collateral and the Security Documents) with respect to or securing the Notes when such release, termination, discharge or retaking is provided for under the Indenture, the Intercreditor Agreement or the Security Documents;

(9) evidence and provide for the acceptance and appointment under the Indenture of a successor Trustee pursuant to the requirements thereof or to provide for the accession by the Trustee to any Note Document; or

(10) in the case of the Security Documents, to mortgage, pledge, hypothecate or grant a security interest in favor of the Security Agent for the benefit of parties to the Revolving Credit Facility Agreement or the Senior Notes, in any property which is required by the Revolving Credit Facility Agreement or the Senior Notes (each as in effect on the Issue Date) to be mortgaged, pledged or hypothecated, or in which a security interest is required to be granted to the Security Agent, or to the extent necessary to grant a security interest for the benefit of any Person; *provided* that the granting of such security interest is not prohibited by the Indenture and the covenant described under "*—Certain Covenants—Impairment of Security Interest*" is complied with.

In formulating its decisions on such matters, the Trustee shall be entitled to rely on such evidence as it deems appropriate including Officer's Certificates and Opinions of Counsel.

For purposes of determining whether holders of the requisite aggregate principal amount of Notes of a series have taken any action under the Indenture, the aggregate principal amount of any series of Notes will be deemed to be the Sterling Equivalent of the aggregate principal amount of such Notes as of (i) such date (if a record date has been set with respect to the taking of such action) or (ii) the date the taking of such action by holders of the

requisite aggregate principal amount of such Notes has been certified to the Trustee by the Issuer (if no such record date has been set).

The consent of the Holders is not necessary under the Indenture to approve the particular form of any proposed amendment of any Note Document. It is sufficient if such consent approves the substance of the proposed amendment. A consent to any amendment or waiver under the Indenture by any Holder of Notes given in connection with a tender of such Holder's Notes will not be rendered invalid by such tender.

Acts by Holders

In determining whether the Holders of the required aggregate principal amount of the Notes of a series have concurred in any direction, waiver or consent, any such Notes owned by the Company or by any Person directly or indirectly controlled, or controlled by, or under direct or indirect common control with, the Company will be disregarded and deemed not to be outstanding.

Defeasance

The Issuer at any time may terminate all its and each Guarantor's obligations under the Notes of a series and the Indenture ("*legal defeasance*") and cure all then existing Defaults and Events of Default, except for certain obligations, including those respecting the defeasance trust, the rights, powers, trusts, duties, immunities and indemnities of the Trustee and the obligations of the Issuer in connection therewith and obligations concerning issuing temporary Notes of such series, registrations of Notes of such series, mutilated, destroyed, lost or stolen Notes of such series and the maintenance of an office or agency for payment and money for security payments held in trust. Subject to the foregoing, if the Issuer exercises its legal defeasance option, the Security Documents in effect at such time will terminate (other than with respect to the defeasance trust).

The Issuer at any time may terminate its and the Guarantor's obligations under the covenants described under "*—Certain Covenants*" (other than with respect to clauses (1) and (2) of each of the covenants described under "*—Certain Covenants—Merger and Consolidation—The Company and the Issuer,*" "*—Certain Covenants—Merger and Consolidation—Subsidiary Guarantors*") and "*—Change of Control*" and the default provisions relating to such covenants described under "*—Events of Default*" above, the operation of the cross-default upon a payment default, the cross acceleration provision, the bankruptcy provision with respect to the Issuer, the Company and its Significant Subsidiaries (other than the Issuer), the judgment default provision, the security default provision and the guarantee provision described under "*—Events of Default*" above ("*covenant defeasance*").

The Issuer at its option at any time may exercise its legal defeasance option notwithstanding its prior exercise of its covenant defeasance option. If the Issuer exercises its legal defeasance option with respect to a series of Notes, payment of such Notes may not be accelerated because of an Event of Default with respect to such Notes. If the Issuer exercises its covenant defeasance option with respect to a series of Notes, payment of such Notes may not be accelerated because of an Event of Default specified in clause (3) (other than with respect to clauses (1) and (2) of the covenant described under "*—Certain Covenants—Merger and Consolidation—The Company and the Issuer*" and the covenant described under "*—Certain Covenants—Merger and Consolidation—Subsidiary Guarantors*"), (4), (5), (6), (7) (other than with respect to the Issuer), (8), (9) or (10) under "*—Events of Default*" above.

In order to exercise either defeasance option with respect to a series of Notes, the Issuer must irrevocably deposit in trust (the "defeasance trust") with the Trustee (or such entity designated or appointed (as Agent of the Trustee) pursuant to the relevant provisions of the Indenture by the Trustee for this purpose), (x) cash in sterling, non-callable UK Government Obligations or a combination thereof (in the case of the Sterling Notes) or (y) cash in euros or European Government Obligations, or a combination thereof (in the case of the Euro Notes), in each case in such amounts as will be sufficient, in the good faith determination of the Issuer, for the payment of principal, premium, if any, and interest on such Sterling Notes and Euro Notes to redemption or maturity, as the case may be; *provided*, that upon any redemption that requires the payment of the Applicable Premium or the Floating Rate Applicable Premium, as the case may be, the amount deposited shall be sufficient for purposes of the Indenture to the extent that an amount is deposited with the Trustee equal to the Applicable Premium or the Floating Rate Applicable Premium, as the case may be, calculated as of the date of the notice of redemption, with any deficit as of the date of redemption (any such amount, the "Applicable Premium Deficit") only required to be deposited with the Trustee on or prior to the date of redemption. Any Applicable Premium Deficit shall be set forth in an Officer's Certificate delivered to the Trustee simultaneously with the deposit of such Applicable Premium Deficit that confirms that such Applicable Premium Deficit shall be applied toward such redemption.

In addition, the Issuer must comply with certain other conditions, including delivery to the Trustee of:

(1) an Opinion of Counsel in the United States to the effect that Holders of such Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such deposit and defeasance and will be subject to U.S. federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred (and in the case of legal defeasance only, such Opinion of Counsel in the United States must be based on a ruling of the U.S. Internal Revenue Service or other change in applicable U.S. federal income tax law since the issuance of the Notes);

(2) an Officer's Certificate stating that the deposit was not made by the Issuer with the intent of defeating, hindering, delaying, defrauding or preferring any creditors of the Issuer;

(3) an Officer's Certificate and an Opinion of Counsel (which opinion of counsel may be subject to customary assumptions and exclusions), each stating that that all conditions precedent provided for or relating to legal defeasance or covenant defeasance, as the case may be, have been complied with;

(4) an Opinion of Counsel to the effect that the trust resulting from the deposit does not constitute, or is qualified as, a regulated investment company under the U.S. Investment Company Act of 1940; and

(5) all other documents or other information that the Trustee may reasonably require in connection with either defeasance option.

Satisfaction and Discharge

The Indenture, and the rights of the Trustee and the Holders under the Security Documents will be discharged and cease to be of further effect (except as to surviving rights of conversion or transfer or exchange of the Notes of a series, as expressly provided for in the Indenture) as to all outstanding Notes of a series when (1) either (a) all such Notes previously authenticated and delivered (other than certain lost, stolen or destroyed Notes of such series and certain Notes for which provision for payment was previously made and thereafter the funds have been released to the Company) have been delivered to the Trustee for cancellation; or (b) all Notes of such series not previously delivered to the Trustee for cancellation (i) have become due and payable, (ii) will become due and payable at their Stated Maturity within one year or (iii) are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Issuer; (2) the Issuer has deposited or caused to be deposited with the Trustee (or such entity designated or appointed (as Agent of the Trustee) pursuant to the relevant provisions of the Indenture by the Trustee for this purpose), (x) sterling or non-callable UK Government Obligations, or a combination thereof (in the case of the Sterling Notes) or (y) euros or European Government Obligations, or a combination thereof (in the case of the Euro Notes), as applicable, in an amount sufficient to pay and discharge the entire Indebtedness of the Notes of such series not previously delivered to the Trustee for cancellation, for principal, premium, if any, and interest to the date of deposit (in the case of Notes of a series that have become due and payable), or to the Stated Maturity or redemption date, as the case may be; (3) the Issuer has paid or caused to be paid all other sums payable under the Indenture; (4) the Issuer has delivered irrevocable instructions under the Indenture to apply the deposited money towards payment of the Notes at maturity or on the redemption date, as the case may be; and (5) the Issuer has delivered to the Trustee an Officer's Certificate and an Opinion of Counsel each to the effect that all conditions precedent under the Indenture relating to the satisfaction and discharge of the Indenture have been complied with, *provided* that any such counsel may rely on any Officer's Certificate as to matters of fact (including as to compliance with the foregoing clauses (1), (2) and (3)).

No Personal Liability of Directors, Officers, Employees and Shareholders

No director, officer, employee, incorporator or shareholder of the Company or any of its Subsidiaries or Affiliates, as such, shall have any liability for any obligations of the Company under the Note Documents or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. Such waiver may not be effective to waive liabilities under the U.S. federal securities laws and it is the view of the SEC that such a waiver is against public policy.

Concerning the Trustee and Certain Agents

Deutsche Trustee Company Limited has been appointed as Trustee under the Indenture. The Indenture provides that, except during the continuance of an Event of Default, the Trustee will perform only such duties as are set forth specifically in such Indenture. During the existence of an Event of Default, the Trustee will exercise such of the rights and powers vested in it under the Indenture and use the same degree of care that a prudent Person would use in conducting its own affairs. The permissive rights of the Trustee to take or refrain from taking any action enumerated in the Indenture will not be construed as an obligation or duty.

The Trustee is permitted to engage in other transactions with the Company and its Affiliates and Subsidiaries.

The Indenture sets out the terms under which the Trustee may retire or be removed, and replaced. Such terms include, *inter alios*, (1) that the Trustee may be removed at any time by the Holders of a majority in aggregate principal amount of the then outstanding Notes, or may resign at any time by giving written notice to the Company and (2) that if the Trustee at any time (a) has or acquires a conflict of interest that is not eliminated within 30 days, or (b) becomes incapable of acting as Trustee or becomes insolvent or bankrupt, then the Company may remove the Trustee, or any Holder who has been a *bona fide* Holder for not less than six months may petition any court for removal of the Trustee and appointment of a successor Trustee.

Any removal or resignation of the Trustee shall not become effective until the acceptance of appointment by the successor Trustee.

The Indenture contains provisions for the indemnification of the Trustee for any loss, liability, taxes and expenses incurred without negligence, willful misconduct or bad faith on its part, arising out of or in connection with the acceptance or administration of the Indenture.

Notices

All notices to Holders of Notes will be validly given if (as long the Notes are in certificated definitive form) mailed to them at their respective addresses in the register of the Holders of the Notes, if any, maintained by the Registrar. In addition, for so long as any of the Notes are listed on the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange shall so require, notices with respect to the Notes will be published in a newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, to the extent and in the manner permitted by such rules, posted on the official website of the Luxembourg Stock Exchange (*www.bourse.lu*). In addition, for so long as any Notes are represented by Global Notes, all notices to Holders of the Notes will be delivered to Euroclear and Clearstream, each of which will give such notices to the holders of Book-Entry Interests. Such notices may also be published on the website of the Luxembourg Stock Exchange (*www.bourse.lu*), to the extent and in the manner permitted by the rules of the Luxembourg Stock Exchange.

Each such notice shall be deemed to have been given on the date of such publication or, if published more than once on different dates, on the first date on which publication is made; *provided* that, if notices are mailed, such notice shall be deemed to have been given on the later of such publication and the seventh day after being so mailed. Any notice or communication mailed to a Holder shall be mailed to such Person by first-class mail or other equivalent means and shall be sufficiently given to such Holder if so mailed within the time prescribed. Failure to mail, cause to be delivered or send a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders. If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it.

Prescription

Claims against the Issuer or any Guarantor for the payment of principal, or premium, if any, on the Notes of a series will be prescribed five years after the applicable due date for payment thereof. Claims against the Issuer for the payment of interest on such Notes will be prescribed three years after the applicable due date for payment of interest.

Currency Indemnity

In the case of the Sterling Notes, sterling, and in the case of the Euro Notes, euro, is respectively the sole currency of account and payment for all sums payable by the Company and the Guarantors under or in connection with the Sterling Notes and the Euro Notes, respectively and the relevant Notes Guarantees, as the case may be, including damages. Any amount received or recovered in a currency other than sterling (in the case of the Sterling Notes) or euro (in the case of the Euro Notes) whether as a result of, or the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer, any Guarantor or otherwise by any Holder or by the Trustee, in respect of any sum expressed to be due to it from the Issuer or a Guarantor will only constitute a discharge to the Issuer or such Guarantor, as applicable, to the extent of the sterling amount or the euro amount, as the case may be, which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so).

If that sterling amount is less than the sterling amount expressed to be due to the recipient or the Trustee under any Sterling Note or if that euro amount is less than the euro amount expressed to be due to the recipient or the Trustee under any Euro Note, the Issuer and the Guarantors will indemnify them against any loss sustained by such recipient or the Trustee as a result. In any event, the Issuer and the Guarantors will indemnify the recipient

or the Trustee on a joint or several basis against the cost of making any such purchase. For the purposes of this currency indemnity provision, it will be prima facie evidence of the matter stated therein for the Holder of a Note or the Trustee to certify in a manner reasonably satisfactory to the Issuer (indicating the sources of information used) the loss it Incurred in making any such purchase. These indemnities constitute a separate and independent obligation from the Issuer's and the Guarantors' other obligations, will give rise to a separate and independent cause of action, will apply irrespective of any waiver granted by any Holder of a Note or the Trustee (other than a waiver of the indemnities set out herein) and will continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note, any Notes Guarantee or to the Trustee.

Except as otherwise specifically set forth herein, for purposes of determining compliance with any sterling-denominated restriction herein, the Sterling Equivalent amount for purposes hereof that is denominated in a non- sterling currency shall be calculated based on the relevant currency exchange rate in effect on the date such non- sterling amount is Incurred or made, as the case may be.

Enforceability of Judgments

Since substantially all the assets of the Company are held by Subsidiaries located outside the United States, any judgment obtained in the United States against the Issuer or any Guarantor, including judgments with respect to the payment of principal, premium, if any, interest, Additional Amounts, if any, and any redemption price and any purchase price with respect to the Notes or the Notes Guarantees, may not be collectable within the United States.

Consent to Jurisdiction and Service

In relation to any legal action or proceedings arising out of or in connection with the Indenture and the Notes and the Notes Guarantees, the Issuer and each Guarantor in the Indenture irrevocably submit to the jurisdiction of the federal and state courts in the Borough of Manhattan in the City of New York, County and State of New York, United States.

Governing Law

The Indenture and the Notes, including any Notes Guarantees, and the rights and duties of the parties thereunder are governed by and construed in accordance with the laws of the State of New York.

Certain Definitions

"*Acquired Indebtedness*" means Indebtedness (1) of a Person or any of its Subsidiaries existing at the time such Person becomes a Restricted Subsidiary, or (2) assumed in connection with the acquisition of assets from such Person, in each case whether or not Incurred by such Person in connection with such Person becoming a Restricted Subsidiary of the Company or such acquisition or (3) of a Person at the time such Person merges with or into or consolidates or otherwise combines with the Company or any Restricted Subsidiary. Acquired Indebtedness shall be deemed to have been Incurred, with respect to clause (1) of the preceding sentence, on the date such Person becomes a Restricted Subsidiary and, with respect to clause (2) of the preceding sentence, on the date of consummation of such acquisition of assets and, with respect to clause (3) of the preceding sentence, on the date of the relevant merger, consolidation or other combination.

"*Acquisition*" means the acquisition of NLRGL pursuant to the Acquisition Agreement.

"*Acquisition Agreement*" means the Agreement for the Sale and Purchase of New Look Retail Group Limited, dated as of May 14, 2015, by and among Top Gun Bidco Limited, Brait Mauritius Limited and the other parties thereto, as may be amended or supplemented from time to time.

"*Additional Assets*" means:

(1) any property or assets (other than Indebtedness and Capital Stock) used or to be used by the Company, a Restricted Subsidiary or otherwise useful in a Similar Business (it being understood that capital expenditures on property or assets already used in Similar Business or to replace any property or assets that are the subject of such Asset Disposition shall be deemed an investment in Additional Assets);

(2) the Capital Stock of a Person that is engaged in a Similar Business and becomes a Restricted Subsidiary as a result of the acquisition of such Capital Stock by the Company or a Restricted Subsidiary of the Company; or

(3) Capital Stock constituting a minority interest in any Person that at such time is a Restricted Subsidiary of the Company.

"*Affiliate*" of any specified Person means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"*Agreed Security Principles*" means the Agreed Security Principles as set out in an annex to the Revolving Credit Facility Agreement as in effect on the Issue Date, as applied *mutatis mutandis* with respect to the Notes in good faith by the Company.

"*Applicable Premium*" means, with respect to any Sterling Fixed Rate Note, the greater of:

(A) 1% of the principal amount of such Sterling Fixed Rate Note; and

(B) the excess (to the extent positive) of:

(i) the present value at such redemption date of (i) the redemption price of such Sterling Fixed Rate Note at June 24, 2018 (such redemption price (expressed in percentage of principal amount) being set forth in the table under "*—Optional Redemption—Optional Redemption of the Sterling Fixed Rate Notes*" (excluding accrued but unpaid interest)), plus (ii) all required interest payments due on such Sterling Fixed Rate Note to and including such date set forth in clause (i) (excluding accrued but unpaid interest), computed upon the redemption date using a discount rate equal to the applicable Gilt Rate at such redemption date plus 50 basis points; over

(ii) the outstanding principal amount of such Sterling Fixed Rate Note,

in each case as calculated by the Company or on behalf of the Company by such Person as the Company shall designate, which for the avoidance of doubt, will not be the Trustee or the Paying Agent unless otherwise agreed with the Issuer.

"*Asset Disposition*" means any direct or indirect sale, lease (other than an operating lease entered into in the ordinary course of business), transfer, issuance or other disposition, or a series of related sales, leases (other than operating leases entered into in the ordinary course of business), transfers, issuances or dispositions that are part of a common plan, of shares of Capital Stock of a Subsidiary (other than directors' qualifying shares), property or other assets (each referred to for the purposes of this definition as a "disposition") by the Company or any of its Restricted Subsidiaries, including any disposition by means of a merger, consolidation or similar transaction. Notwithstanding the preceding provisions of this definition, the following items shall not be deemed to be Asset Dispositions:

(1) a disposition by a Restricted Subsidiary to the Company or by the Company or a Restricted Subsidiary to a Restricted Subsidiary;

(2) a disposition of cash, Cash Equivalents, Temporary Cash Investments or Investment Grade Securities;

(3) a disposition of inventory or other assets in the ordinary course of business;

(4) a disposition of obsolete, surplus or worn out equipment or other assets or equipment or other assets that are no longer useful in the conduct of the business of the Company and its Restricted Subsidiaries;

(5) transactions permitted under "*—Certain Covenants—Merger and Consolidation—The Company*" or a transaction that constitutes a Change of Control;

(6) an issuance of Capital Stock by a Restricted Subsidiary to the Company or to another Restricted Subsidiary or as part of or pursuant to an equity incentive or compensation plan approved by the Board of Directors of the Company;

(7) any dispositions of Capital Stock, properties or assets in a single transaction or series of related transactions with a fair market value (as determined in good faith by the Company) of less than £10 million;

(8) any Restricted Payment that is permitted to be made, and is made, under the covenant described above under "*—Certain Covenants—Limitation on Restricted Payments*" and the making of any Permitted Payment or Permitted Investment or, solely for purposes of clause (3) of the first paragraph under "*—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*," asset sales, the proceeds of which are used to make such Restricted Payments or Permitted Investments;

(9) dispositions in connection with Permitted Liens;

(10) dispositions of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;

(11) the licensing or sub-licensing of intellectual property or other general intangibles and licenses, sub-licenses, leases or subleases of other property, in each case, in the ordinary course of business;

(12) foreclosure, condemnation or any similar action with respect to any property or other assets;

(13) the sale or discount (with or without recourse, and on customary or commercially reasonable terms and for credit management purposes) of accounts receivable or notes receivable arising in the ordinary course of business, or the conversion or exchange of accounts receivable for notes receivable;

(14) any disposition of Capital Stock, Indebtedness or other securities of an Unrestricted Subsidiary;

(15) any disposition of Capital Stock of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a Person (other than the Company or a Restricted Subsidiary) from whom such Restricted Subsidiary was acquired, or from whom such Restricted Subsidiary acquired its business and assets (having been newly formed in connection with such acquisition), made as part of such acquisition and in each case comprising all or a portion of the consideration in respect of such sale or acquisition;

(16) any surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims of any kind;

(17) any disposition of assets to a Person who is providing services related to such assets, the provision of which have been or are to be outsourced by the Company or any Restricted Subsidiary to such Person; *provided, however*, that the Board of Directors of the Company shall certify that in the opinion of the Board of Directors, the outsourcing transaction will be economically beneficial to the Company and its Restricted Subsidiaries (considered as a whole); *provided, further*, that the fair market value of the assets disposed of, when taken together with all other dispositions made pursuant to this clause (17), does not exceed £20 million or, if greater, 2.0% of Total Assets;

(18) any disposition with respect to property built, owned or otherwise acquired by the Company or any Restricted Subsidiary pursuant to customary sale and leaseback transactions, asset securitizations and other similar financings permitted by the Indenture; and

(19) sales or dispositions of receivables in connection with any Qualified Receivables Financing or any factoring transaction or in the ordinary course of business;

"*Associate*" means (i) any Person engaged in a Similar Business of which the Company or its Restricted Subsidiaries are the legal and beneficial owners of between 20% and 50% of all outstanding Voting Stock and (ii) any joint venture entered into by the Company or any Restricted Subsidiary of the Company.

"*Board of Directors*" means (1) with respect to the Company or any corporation, the board of directors or managers, as applicable, of the corporation, or any duly authorized committee thereof; (2) with respect to any partnership, the board of directors or other governing body of the general partner of the partnership or any duly authorized committee thereof; and (3) with respect to any other Person, the board or any duly authorized committee of such Person serving a similar function. For the purposes of the definition of Change of Control only, Board of Directors of the Company shall mean the Company's supervisory board or its managing board. Whenever any provision requires any action or determination to be made by, or any approval of, a Board of Directors, such action, determination or approval shall be deemed to have been taken or made if approved by a majority of the directors (excluding employee representatives, if any) on any such Board of Directors (whether or not such action or approval is taken as part of a formal board meeting or as a formal board approval).

"*Bund Rate*" means the yield to maturity at the time of computation of direct obligations of the Federal Republic of Germany (*Bunds or Bundesanleihen*) with a constant maturity (as officially compiled and published in the most recent financial statistics that has become publicly available at least two Business Days (but not more than five Business Days) prior to the redemption date (or, if such financial statistics are not so published or available, any publicly available source of similar market data selected by the Company in good faith)) most nearly equal to the period from the redemption date to June 24, 2016; *provided, however*, that if the period from the redemption date to June 24, 2016 is not equal to the constant maturity of a direct obligation of the Federal Republic of Germany for which a weekly average yield is given, the Bund Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of direct obligations of the Federal Republic of Germany for which such yields are given, except that if the period from such redemption date to June 24, 2016 is less than one year, the weekly average yield on actually traded direct obligations of the Federal Republic of Germany adjusted to a constant maturity of one year shall be used.

"*Business Day*" means each day that is not a Saturday, Sunday or other day on which banking institutions in Luxembourg, London, United Kingdom, or New York, New York, United States are authorized or required by law to close.

"*Capital Stock*" of any Person means any and all shares of, rights to purchase, warrants or options for, or other equivalents of or partnership or other interests in (however designated), equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity.

"*Capitalized Lease Obligations*" means an obligation that is required to be classified and accounted for as a capitalized lease for financial reporting purposes on the basis of IFRS. The amount of Indebtedness represented by such obligation will be the capitalized amount of such obligation at the time any determination thereof is to be made as determined on the basis of IFRS, and the Stated Maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date such lease may be terminated without penalty.

"*Cash Equivalents*" means:

(1) securities issued or directly and fully Guaranteed or insured by the United States or Canadian governments, a Permissible Jurisdiction, Switzerland or Norway or, in each case, any agency or instrumentality of thereof (*provided* that the full faith and credit of such country or such member state is pledged in support thereof), having maturities of not more than two years from the date of acquisition;

(2) certificates of deposit, time deposits, eurodollar time deposits, overnight bank deposits or bankers' acceptances having maturities of not more than one year from the date of acquisition thereof issued by any lender or by any bank or trust company (a) whose commercial paper is rated at least "A-1" or the equivalent thereof by S&P or at least "P-1" or the equivalent thereof by Moody's (or if at the time neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) or (b) (in the event that the bank or trust company does not have commercial paper which is rated) having combined capital and surplus in excess of €500 million;

(3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clauses (1) and (2) entered into with any bank meeting the qualifications specified in clause (2) above;

(4) commercial paper rated at the time of acquisition thereof at least "A-2" or the equivalent thereof by S&P or "P-2" or the equivalent thereof by Moody's or carrying an equivalent rating by a Nationally Recognized Statistical Rating Organization, if both of the two named rating agencies cease publishing ratings of investments or, if no rating is available in respect of the commercial paper, the issuer of which has an equivalent rating in respect of its long-term debt, and in any case maturing within one year after the date of acquisition thereof;

(5) readily marketable direct obligations issued by any state of the United States of America, any province of Canada, any Permissible Jurisdiction, Switzerland or Norway or any political subdivision thereof, in each case, having one of the two highest rating categories obtainable from either Moody's or S&P (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) with maturities of not more than two years from the date of acquisition;

(6) Indebtedness or preferred stock issued by Persons with a rating of "BBB–" or higher from S&P or "Baa3" or higher from Moody's (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) with maturities of 12 months or less from the date of acquisition;

(7) bills of exchange issued in the United States, Canada, a Permissible Jurisdiction, Switzerland, Norway or Japan eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent);

(8) interests in any investment company, money market or enhanced high yield fund which invests 95% or more of its assets in instruments of the type specified in clauses (1) through (7) above; and

(9) for purposes of clause (2) of the definition of "Asset Disposition," the marketable securities portfolio owned by the Company and its Subsidiaries on the Issue Date.

"*Change of Control*" means:

(1) the Company becomes aware of (by way of a report or any other filing pursuant to Section 13(d) of the Exchange Act, proxy, vote, written notice or otherwise) any "person" or "group" of related persons (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act as in effect on the Issue Date), other than one or more Permitted Holders, is or becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act as in effect on the Issue Date), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the Company, *provided* that for the purposes of this clause, (x) no Change of Control shall be deemed to occur by reason of the Company becoming a Subsidiary of a Successor Parent and (y) any Voting Stock of which any Permitted Holder is the "beneficial owner" (as so defined), shall not be included in any Voting Stock of which any such person or group is the "beneficial owner" (as so defined) unless that person or group is not an affiliate of a Permitted Holder and has greater voting power with respect to that Voting Stock than any other Permitted Holder;

(2) following the Initial Public Offering of the Company or any Parent, during any period of two consecutive years, individuals who at the beginning of such period constituted the majority of the directors (excluding any employee representatives, if any) on the Board of Directors of the Company or any Parent (together with any new directors whose election by the majority of such directors on such Board of Directors of the Company or any Parent or whose nomination for election by shareholders of the Company or any Parent, as applicable, was approved by a vote of the majority of such directors on the Board of Directors of the Company or any Parent then still in office who were either directors at the beginning of such period or whose election or nomination for election was previously so approved) ceased for any reason to constitute the majority of the directors (excluding any employee representatives, if any) on the Board of Directors of the Company or any Parent, then in office; or

(3) the sale, lease, transfer, conveyance or other disposition (other than by way of merger, consolidation or other business combination transaction), in one or a series of related transactions, of all or substantially all of the assets of the Company and its Restricted Subsidiaries taken as a whole to a Person, other than a Restricted Subsidiary or one or more Permitted Holders.

"*Clearstream"* means Clearstream Banking, a société anonyme as currently in effect or any successor securities clearing agency.

"*Code*" means the United States Internal Revenue Code of 1986, as amended.

"*Commodity Hedging Agreements*" means, in respect of a Person, any commodity purchase contract, commodity futures or forward contract, commodities option contract or other similar contract (including commodities derivative agreements or arrangements), to which such Person is a party or a beneficiary.

"*Consolidated EBITDA*" for any period means, without duplication, the Consolidated Net Income for such period, plus the following to the extent deducted in calculating such Consolidated Net Income:

(1) Consolidated Interest Expense and Receivables Fees;

(2) Consolidated Income Taxes;

(3) consolidated depreciation expense;

(4) consolidated amortization or impairment expense;

(5) any expenses, charges or other costs related to any Equity Offering, Investment, acquisition (including one-time amounts paid in connection with the acquisition or retention of one or more individuals comprising part of a management team retained to manage the acquired business; *provided* that such payments are made in connection with such acquisition and are consistent with the customary practice in the industry at the time of such acquisition), disposition, recapitalization or the Incurrence of any Indebtedness permitted by the Indenture (in each case whether or not successful) (including any such fees or charges related to the Refinancing Transactions), in each case, as determined in good faith by an Officer of the Company;

(6) any minority interest expense (whether paid or not) consisting of income attributable to minority equity interests of third parties in such period;

(7) the amount of management, monitoring, consulting and advisory fees and related expenses paid in such period to the Permitted Holders to the extent permitted by the covenant described under "*—Certain Covenants—Limitation of Affiliate Transactions";* and

(8) other non-cash charges, write-downs or items reducing Consolidated Net Income (excluding any such non-cash charge, write-down or item to the extent it represents an accrual of or reserve for cash charges in any future period) or other items classified by the Company as extraordinary, exceptional, unusual or nonrecurring items less other non-cash items of income increasing Consolidated Net Income (excluding any such non-cash item of income to the extent it represents a receipt of cash in any future period).

For the purposes of determining "Consolidated EBITDA" as specified in the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*," pro forma effect shall be given to the calculation of Consolidated EBITDA consistently with the calculation of the Consolidated Net Leverage Ratio.

"Consolidated Financial Interest Expense" means, for any period (in each case, determined on the basis of IFRS), the consolidated net interest income/expense of the Company and its Restricted Subsidiaries related to Indebtedness (including (a) all commissions, discounts and other fees and charges owed with respect to letters of credit or bankers acceptances, (b) the interest component of Capitalized Lease Obligations, and (c) net payments, if any, pursuant to interest rate Hedging Obligations with respect to Indebtedness) but not including any pension liability interest cost, amortization of debt discount, debt issuance cost and premium, commissions, discounts and

other fees and charges owed or paid with respect to financings, or costs associated with Hedging Obligations (other than those described in (c) and interest in connection with the Senior Notes).

"*Consolidated Income Taxes*" means taxes or other payments, including deferred Taxes, based on income, profits or capital (including without limitation withholding taxes), trade taxes and franchise taxes of any of the Company and its Restricted Subsidiaries whether or not paid, estimated, accrued or required to be remitted to any Governmental Authority.

"*Consolidated Interest Expense*" means, for any period (in each case, determined on the basis of IFRS), the consolidated net interest income/expense of the Company and its Restricted Subsidiaries, including any pension liability interest cost, plus or including (without duplication) any interest, costs and charges consisting of:

(1) interest expense attributable to Capitalized Lease Obligations;

(2) amortization of debt discount, debt issuance cost and premium;

(3) non-cash interest expense;

(4) commissions, discounts and other fees and charges owed with respect to financings not included in clause (2) above;

(5) costs associated with Hedging Obligations;

(6) dividends on other distributions in respect of all Disqualified Stock of the Company and all Preferred Stock of any Restricted Subsidiary, to the extent held by Persons other than the Company or a Subsidiary of the Company;

(7) the consolidated interest expense that was capitalized during such period; and

(8) interest actually paid by the Company or any Restricted Subsidiary under any Guarantee of Indebtedness or other obligation of any other Person.

"*Consolidated Leverage*" means the sum of the aggregate outstanding Indebtedness of the Company and its Restricted Subsidiaries (excluding Hedging Obligations except to the extent provided in clause (c) of the penultimate paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*").

"*Consolidated Net Income*" means, for any period, the net income (loss) of the Company and its Restricted Subsidiaries determined on a consolidated basis on the basis of IFRS; *provided, however*, that there will not be included in such Consolidated Net Income:

(1) subject to the limitations contained in clause (3) below, any net income (loss) of any Person if such Person is not a Restricted Subsidiary, except that the Company's equity in the net income of any such Person for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents actually distributed by such Person during such period to the Company or a Restricted Subsidiary as a dividend or other distribution or return on investment or could have been distributed, as reasonably determined by an Officer of the Company (subject, in the case of a dividend or other distribution or return on investment to a Restricted Subsidiary, to the limitations contained in clause (2) below);

(2) solely for the purpose of determining the amount available for Restricted Payments under clause (c)(i) of the first paragraph of the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*," any net income (loss) of any Restricted Subsidiary (other than Guarantors) if such Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or the making of distributions by such Restricted Subsidiary, directly or indirectly, to the Company or a Guarantor by operation of the terms of such Restricted Subsidiary's charter or any agreement, instrument, judgment, decree, order, statute or governmental rule or regulation applicable to such Restricted Subsidiary or its shareholders (other than (a) restrictions that have been waived or otherwise released, (b) restrictions pursuant to the Notes or the Indenture, (c) restrictions of the type on the Issue Date with respect to such Restricted Subsidiary and other restrictions that, taken as a whole, are not materially less favorable to the Holders than such restrictions that exist on the Issue Date and (d) restrictions specified in clause (11)(i) of the second paragraph not prohibited by the covenant described under "*—Certain Covenants—Limitation on Restrictions on Distributions from Restricted Subsidiaries*," except that the Company's equity in the net income of any such Restricted Subsidiary for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents actually distributed or that could have been distributed by such Restricted Subsidiary during such period to the Company or another Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend to another Restricted Subsidiary, to the limitation contained in this clause);

(3) any net gain (or loss) realized upon the sale or other disposition of any asset or disposed operations of the Company or any Restricted Subsidiaries (including pursuant to any sale/leaseback transaction) which is not sold or otherwise disposed of in the ordinary course of business (as determined in good faith by an Officer or the Board of Directors of the Company);

(4) any extraordinary, exceptional, unusual or nonrecurring gain, loss or charge (including for the avoidance of doubt, any tax referable to any payments, dividends or other distributions made or declared intra-group) or any charges or reserves in respect of any restructuring, redundancy or severance expense or other costs related to the Refinancing Transactions, in each case, as determined in good faith by the Company;

(5) the cumulative effect of a change in accounting principles;

(6) any non-cash compensation charge or expense arising from any grant of stock, stock options or other equity based awards and any non-cash deemed finance charges in respect of any pension liabilities or other provisions;

(7) all deferred financing costs written off and premiums paid or other expenses incurred directly in connection with any early extinguishment of Indebtedness and any net gain (loss) from any write-off or forgiveness of Indebtedness;

(8) any unrealized gains or losses in respect of Hedging Obligations or any ineffectiveness recognized in earnings related to qualifying hedge transactions or the fair value of changes therein recognized in earnings for derivatives that do not qualify as hedge transactions, in each case, in respect of Hedging Obligations;

(9) any unrealized foreign currency transaction gains or losses in respect of Indebtedness of any Person denominated in a currency other than the functional currency of such Person and any unrealized foreign exchange gains or losses relating to translation of assets and liabilities denominated in foreign currencies;

(10) any unrealized foreign currency translation or transaction gains or losses in respect of Indebtedness or other obligations of the Company or any Restricted Subsidiary owing to the Company or any Restricted Subsidiary;

(11) any purchase accounting effects including, but not limited to, adjustments to inventory, property and equipment, software and other intangible assets and deferred revenues in component amounts required or permitted by IFRS and related authoritative pronouncements (including the effects of such adjustments pushed down to the Company and the Restricted Subsidiaries), as a result of any consummated acquisition or the amortization or write-off of any amounts thereof (including any write-off of in process research and development);

(12) any goodwill or other intangible asset impairment, charge, amortization or write-off;

(13) Consolidated Income Taxes to the extent in excess of cash payments made in respect of such Consolidated Income Taxes;

(14) consolidated depreciation expense, to the extent in excess of capital expenditure related to tangible assets for the relevant period; and

(15) the impact of capitalized, accrued or accreting or pay-in-kind interest or principal on Subordinated Shareholder Funding.

"*Consolidated Net Indebtedness*" means, with respect to any Person, (x) Consolidated Leverage as of the relevant date of calculation less (y) the amount of cash and Cash Equivalents that would be stated on the balance sheet of such Person and its Restricted Subsidiaries as of such date, in each case, on a consolidated basis on the basis of IFRS.

"*Consolidated Net Leverage Ratio*" means, as of any date of determination, the ratio of (x) Consolidated Net Indebtedness at such date to (y) the aggregate amount of Consolidated EBITDA for the period of the most recent four consecutive fiscal quarters ending prior to the date of such determination for which internal consolidated financial statements of the Company and its Restricted Subsidiaries are available; *provided, however*, that for the purposes of calculating Consolidated EBITDA for such period, if, as of such date of determination:

(1) since the beginning of such period the Company or any Restricted Subsidiary has disposed of any company, any business, or any group of assets constituting an operating unit of a business (any such disposition, a "Sale") or if the transaction giving rise to the need to calculate the Consolidated Net Leverage Ratio is such a Sale, Consolidated EBITDA for such period will be reduced by an amount equal to the Consolidated EBITDA (if positive) attributable to the assets which are the subject of such Sale for such period or increased by an amount equal to the Consolidated EBITDA (if negative) attributable thereto for such period;

provided that if any such sale constitutes "discontinued operations" in accordance with IFRS, Consolidated Net Income shall be reduced by an amount equal to the Consolidated Net Income (if positive) attributable to such operations for such period or increased by an amount equal to the Consolidated Net Income (if negative) attributable thereto for such period;

(2) since the beginning of such period, the Company or any Restricted Subsidiary (by merger or otherwise) has made an Investment in any Person that thereby becomes a Restricted Subsidiary, or otherwise has acquired any company, any business, or any group of assets constituting an operating unit of a business (any such Investment or acquisition, a "Purchase"), including any such Purchase occurring in connection with a transaction causing a calculation to be made hereunder, Consolidated EBITDA for such period will be calculated after giving pro forma effect thereto, including anticipated synergies and cost savings calculated in good faith by a responsible financial or chief accounting officer of the Company, as if such Purchase occurred on the first day of such period; and

(3) since the beginning of such period, any Person (that became a Restricted Subsidiary or was merged or otherwise combined with or into the Company or any Restricted Subsidiary since the beginning of such period) will have made any Sale or any Purchase that would have required an adjustment pursuant to clause (1) or (2) above if made by the Company or a Restricted Subsidiary since the beginning of such period, Consolidated EBITDA for such period will be calculated after giving pro forma effect thereto, including anticipated synergies and cost savings calculated in good faith by a responsible financial or chief accounting officer of the Company, as if such Sale or Purchase occurred on the first day of such period.

For the purposes of this definition and the definitions of Consolidated EBITDA, Consolidated Income Taxes, Consolidated Interest Expense, Consolidated Net Income and Fixed Charge Coverage Ratio, (a) calculations will be as determined in good faith by a responsible financial or chief accounting officer of the Company (including in respect of cost savings and synergies), and will also include cost savings reasonably anticipated by management to occur from programs implemented during the relevant period as though the full run-rate effect of such synergies and cost savings were realized on the first day of the relevant period, and (b) in determining the amount of Indebtedness outstanding on any date of determination, pro forma effect shall be given to any Incurrence, repayment, repurchase, defeasance or other acquisition, retirement or discharge of Indebtedness as if such transaction had occurred on the first day of the relevant period.

"*Consolidated Permitted Trade L/C Commitments Ratio*" means, as of any date of determination, the ratio, expressed as a percentage, of (x) the aggregate Trade L/C Facility Amount of all Trade L/C Facilities outstanding at the time of determination to (y) the consolidated net revenues of the Company and its Restricted Subsidiaries for the period of the most recent four consecutive fiscal quarters ending prior to the date of such determination for which internal consolidated financial statements of the Company and its Restricted Subsidiaries are available.

"*Consolidated Secured Leverage Ratio*" means the Consolidated Net Leverage Ratio, but calculated by excluding all Indebtedness other than Secured Indebtedness.

"*Contingent Obligations*" means, with respect to any Person, any obligation of such Person guaranteeing in any manner, whether directly or indirectly, any operating lease, dividend or other obligation that does not constitute Indebtedness ("primary obligations") of any other Person (the "primary obligor"), including any obligation of such Person, whether or not contingent:

(1) to purchase any such primary obligation or any property constituting direct or indirect security therefor;

(2) to advance or supply funds:

  (a) for the purchase or payment of any such primary obligation; or

  (b) to maintain the working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or

(3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

"*Credit Facility*" means, with respect to the Company or any of its Subsidiaries, one or more debt facilities, indentures or other arrangements (including the Revolving Credit Facility Agreement or commercial paper facilities and overdraft facilities) with banks, other financial institutions or investors providing for revolving credit loans, term loans, notes, receivables financing (including through the sale of receivables to such institutions or to special purpose entities formed to borrow from such institutions against such receivables), letters of credit or other Indebtedness, in each case, as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time (and whether in

whole or in part and whether or not with the original administrative agent and lenders or another administrative agent or agents or other banks or institutions and whether provided under the original Revolving Credit Facility Agreement or one or more other credit or other agreements, indentures, financing agreements or otherwise) and in each case including all agreements, instruments and documents executed and delivered pursuant to or in connection with the foregoing (including any notes and letters of credit issued pursuant thereto and any Guarantee and collateral agreement, patent and trademark security agreement, mortgages or letter of credit applications and other Guarantees, pledges, agreements, security agreements and collateral documents). Without limiting the generality of the foregoing, the term "Credit Facility" shall include any agreement or instrument (1) changing the maturity of any Indebtedness Incurred thereunder or contemplated thereby, (2) adding Subsidiaries of the Company as additional borrowers or guarantors thereunder, (3) increasing the amount of Indebtedness Incurred thereunder or available to be borrowed thereunder or (4) otherwise altering the terms and conditions thereof.

"*Currency Agreement*" means in respect of a Person any foreign exchange contract, currency swap agreement, currency futures contract, currency option contract, currency derivative or other similar agreement to which such Person is a party or beneficiary.

"*Deemed Interest Payments*" means, with respect to any series of Floating Rate Notes, the amount of interest payments, as determined by the Issuer (in consultation with the Paying Agent) as of the relevant date, using the interest rate in effect in respect of such Floating Rate Notes at the date of giving the notice of redemption.

"*Default*" means any event which is, or after notice or passage of time or both would be, an Event of Default.

"*Designated Non-Cash Consideration*" means the fair market value (as determined in good faith by the Company) of non-cash consideration received by the Company or one of its Restricted Subsidiaries in connection with an Asset Disposition that is so designated as Designated Non-Cash Consideration pursuant to an Officer's Certificate, setting forth the basis of such valuation, less the amount of cash, Cash Equivalents or Temporary Cash Investments received in connection with a subsequent payment, redemption, retirement, sale or other disposition of such Designated Non-Cash Consideration. A particular item of Designated Non-Cash Consideration will no longer be considered to be outstanding when and to the extent it has been paid, redeemed or otherwise retired or sold or otherwise disposed of in compliance with the covenant described under "*—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*."

"*Designated Preference Shares*" means, with respect to the Company or any Parent, Preferred Stock (other than Disqualified Stock) (a) that is issued for cash (other than to the Company or a Subsidiary of the Company or an employee stock ownership plan or trust established by the Company or any such Subsidiary for the benefit of their employees to the extent funded by the Company or such Subsidiary) and (b) that is designated as "Designated Preference Shares" pursuant to an Officer's Certificate of the Company at or prior to the issuance thereof, the Net Cash Proceeds of which are excluded from the calculation set forth in clause (c)(ii) of the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*."

"*Disqualified Stock*" means, with respect to any Person, any Capital Stock of such Person which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable) or upon the happening of any event:

(1) matures or is mandatorily redeemable for cash or in exchange for Indebtedness pursuant to a sinking fund obligation or otherwise;

(2) is convertible or exchangeable for Indebtedness or Disqualified Stock (excluding Capital Stock which is convertible or exchangeable solely at the option of the Company or a Restricted Subsidiary); or

(3) is or may become (in accordance with its terms) upon the occurrence of certain events or otherwise redeemable or purchasable for cash or in exchange for Indebtedness at the option of the holder of the Capital Stock in whole or in part, in each case on or prior to the earlier of (a) the Stated Maturity of the Notes or (b) the date on which there are no Notes outstanding; *provided, however*, that (i) only the portion of Capital Stock which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date will be deemed to be Disqualified Stock and (ii) any Capital Stock that would constitute Disqualified Stock solely because the holders thereof have the right to require the Company to repurchase such Capital Stock upon the occurrence of a change of control or asset sale (howsoever defined or referred to) shall not constitute Disqualified Stock if any such redemption or repurchase obligation is subject to compliance by the relevant Person with the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*."

"*Equity Offering*" means (x) a sale of Capital Stock of the Company (other than Disqualified Stock) other than offerings registered on Form S-8 (or any successor form) under the Securities Act or any similar offering in other

jurisdictions, or (y) the sale of Capital Stock or other securities, the proceeds of which are contributed to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or through an Excluded Contribution) of, or as Subordinated Shareholder Funding to, the Company.

"*Escrowed Proceeds*" means the proceeds from the offering of any debt securities or other Indebtedness paid into an escrow account with an independent escrow agent on the date of the applicable offering or Incurrence pursuant to escrow arrangements that permit the release of amounts on deposit in such escrow account upon satisfaction of certain conditions or the occurrence of certain events. The term "Escrowed Proceeds" shall include any interest earned on the amounts held in escrow.

"*Euroclear*" means Euroclear Bank SA/NV, or any successor securities clearing agency.

"*European Government Obligations*" means any security that is a direct obligation of, or obligations guaranteed by, a country that is a member of the European Monetary Union on the date of the Indenture (other than Greece, Portugal, Italy or Cyprus), and the payment for which such country pledges its full faith and credit.

"*European Union*" means all members of the European Union as of January 1, 2004.

"*Exchange Act*" means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder, as amended.

"*Excluded Contribution*" means Net Cash Proceeds or property or assets received by the Company as capital contributions to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares) of the Company after the Issue Date or from the issuance or sale (other than to a Restricted Subsidiary or an employee stock ownership plan or trust established by the Company or any Subsidiary of the Company for the benefit of its employees to the extent funded by the Company or any Restricted Subsidiary) of Capital Stock (other than Disqualified Stock or Designated Preference Shares) of the Company, in each case, to the extent designated as an Excluded Contribution pursuant to an Officer's Certificate of the Company.

"*Existing Build-Up Amount*" is an amount equal to £40.0 million.

"*Existing Notes*" means £500 million aggregate principal amount of 8.75% Senior Secured Notes due 2018, $250 million aggregate principal amount of 8.375% Senior Secured Notes due 2018 and €175 million aggregate principal amount of Floating Rate Senior Secured Notes due 2018, each issued by New Look Bondco I plc pursuant to the indenture dated as of May 14, 2013.

"*fair market value*" may be conclusively established by means of an Officer's Certificate or a resolution of the Board of Directors of the Company setting out such fair market value as determined by such Officer or such Board of Directors in good faith.

"*Fixed Charge Coverage Ratio*" means, with respect to any Person on any determination date, the ratio of Consolidated EBITDA of such Person for the most recently completed four consecutive fiscal quarters ending immediately prior to such determination date for which internal consolidated financial statements of the Company and its Restricted Subsidiaries are available to the Fixed Charges of such Person and its Restricted Subsidiaries for such four consecutive fiscal quarters. In the event that the Company or any Restricted Subsidiary Incurs, assumes, Guarantees, redeems, defeases, retires or extinguishes any Indebtedness (other than Indebtedness incurred under any revolving credit facility unless such Indebtedness has been permanently repaid and has not been replaced) or issues or redeems Disqualified Stock or Preferred Stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated but prior to or simultaneously with the event for which the calculation of the Fixed Charge Coverage Ratio is made (the "*Fixed Charge Coverage Ratio Calculation Date*"), then the Fixed Charge Coverage Ratio shall be calculated giving *pro forma* effect to such Incurrence, assumption, Guarantee, redemption, defeasance, retirement or extinguishment of Indebtedness, or such issuance or redemption of Disqualified Stock or Preferred Stock, as if the same had occurred at the beginning of the applicable four-quarter period; *provided*, *however*, that the *pro forma* calculation of Fixed Charges shall not give effect to (i) any Indebtedness incurred on the Fixed Charge Coverage Ratio Calculation Date pursuant to the provisions described in the second paragraph under "*—Certain Covenants—Limitation on Indebtedness*" or (ii) the discharge on the Fixed Charge Coverage Ratio Calculation Date of any Indebtedness to the extent that such discharge results from the proceeds incurred pursuant to the provisions described in the second paragraph under "*—Certain Covenants—Limitation on Indebtedness*."

For purposes of making the computation referred to above, any Investment, acquisitions, dispositions, mergers, consolidations and disposed operations that have been made by the Company or any of its Restricted Subsidiaries during the four-quarter reference period or subsequent to such reference period and on or prior to or simultaneously with the Fixed Charge Coverage Ratio Calculation Date shall be calculated on a *pro forma* basis assuming that all such Investments, acquisitions, dispositions, mergers, consolidations and disposed or

discontinued operations (and the change in any associated fixed charge obligations and the change in Consolidated EBITDA resulting therefrom) had occurred on the first day of the four-quarter reference period. If since the beginning of such period any Person that subsequently became a Restricted Subsidiary or was merged with or into the Company or any of its Restricted Subsidiaries since the beginning of such period shall have made any Investment, acquisition, disposition, merger, consolidation or disposed or discontinued any operation that would have required adjustment pursuant to this definition, then the Fixed Charge Coverage Ratio shall be calculated giving *pro forma* effect thereto, including anticipated synergies and cost savings, for such period as if such Investment, acquisition, disposition, merger, consolidation or disposed operation had occurred at the beginning of the applicable four-quarter period.

For purposes of this definition, whenever *pro forma* effect is to be given to a transaction, the *pro forma* calculations shall be made in good faith by a responsible financial or chief accounting officer of the Company (including synergies and cost savings). If any Indebtedness bears a floating rate of interest and is being given *pro forma* effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the Fixed Charge Coverage Ratio Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligations applicable to such Indebtedness). Interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a responsible financial or accounting officer of the Company to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with IFRS. For purposes of making the computation referred to above, interest on any Indebtedness under a revolving credit facility computed on a *pro forma* basis shall be computed based upon the average daily balance of such Indebtedness during the applicable period except as set forth in the first paragraph of this definition. Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rate, shall be determined to have been based upon the rate actually chosen, or if none, then based upon such optional rate chosen as the Company may designate.

"*Fixed Charges*" means, with respect to any Person for any period, the sum of:

(1) Consolidated Financial Interest Expense of such Person for such period;

(2) all cash and non-cash dividends or other distributions payable (excluding items eliminated in consolidation) on any series of Preferred Stock during such period;

(3) all cash and non-cash dividends or other distributions payable (excluding items eliminated in consolidation) on any series of Disqualified Stock during this period; and

(4) any interest expense on Indebtedness of another person that is guaranteed by such Person or its Restricted Subsidiaries or secured by a Lien on assets of such Person or its Restricted Subsidiaries, but only to the extent such interest expense is actually paid;

determined on a consolidated basis in accordance with IFRS.

"*Floating Rate Applicable Premium*" means the greater of (A) 1% of the principal amount of such Floating Rate Note and (B) with respect to any Floating Rate Note on any redemption date, the excess (to the extent positive) of:

(a) the present value at such redemption date of (i) % of the principal amount of the Floating Rate Note, plus (ii) the Deemed Interest Payments due on the Floating Rate Note from the commencement of the current Interest Period to and including June 24, 2016 (excluding accrued but unpaid interest), computed upon the redemption date using a discount rate equal to the applicable Bund Rate at such redemption date plus 50 basis points; over

(b) the outstanding principal amount of such Floating Rate Note,

in each case, as calculated by the Issuer or on behalf of the Issuer by such Person as the Issuer shall designate.

"*Floating Rate Notes Proceeds Loan*" means the loan of the proceeds of the Floating Rate Notes pursuant to the Floating Rate Notes Proceeds Loan Agreement and all loans directly or indirectly replacing or refinancing such loan or any portion thereof and any loan of a portion of the proceeds of Additional Floating Rate Notes pursuant to the Floating Rate Notes Proceeds Loan Agreement.

"*Floating Rate Notes Proceeds Loan Agreement*" means the loan agreement in connection with the proceeds of the Floating Rate Notes originally entered into on the Redemption Date by the Company, as borrower and the Issuer, as Lender.

"*Gilt Rate*" means, with respect to any redemption date, the yield to maturity as of such redemption date of UK Government Obligations with a fixed maturity (as compiled by the Office for National Statistics and published in the most recent Financial Statistics that have become publicly available at least two Business Days in London

prior to such redemption date (or, if such Financial Statistics are no longer published, any publicly available source of similar market data)) most nearly equal to the period from such redemption date to June 24, 2018; *provided*, however, that if the period from such redemption date to June 24, 2018 is less than one year, the weekly average yield on actually traded UK Government Obligations denominated in sterling adjusted to a fixed maturity of one year shall be used; and *provided further*, that in no case shall the Gilt Rate be less than zero.

"*Governmental Authority*" means any nation, sovereign or government, any state, province, territory or other political subdivision thereof, and any entity or authority exercising executive, legislative, judicial, regulatory, self-regulatory or administrative functions of or pertaining to government, including a central bank or stock exchange.

"*Guarantee*" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person, including any such obligation, direct or indirect, contingent or otherwise, of such Person:

(1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such other Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take-or-pay or to maintain financial statement conditions or otherwise); or

(2) entered into primarily for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part);

provided, however, that the term "Guarantee" will not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb has a corresponding meaning.

"*Guarantor*" means, upon grant of the relevant Guarantee, each of the Company, Hamperwood Limited, the Senior Notes Issuer, New Look Group Limited, New Look Limited, New Look Overseas Limited, and New Look Retailers Limited together with any other Restricted Subsidiary that Guarantees the Notes.

"*Hedging Obligations*" of any Person means the obligations of such Person pursuant to any Interest Rate Agreement, Currency Agreement or Commodity Hedging Agreement (each, a "*Hedging Agreement*").

"*Holder*" means each Person in whose name the Notes are registered on the Registrar's books, which shall initially be the respective nominee of Clearstream and Euroclear.

"*IFRS*" means International Financial Reporting Standards (formerly International Accounting Standards) ("IFRS") endorsed from time to time by the European Union or any variation thereof with which the Company or its Restricted Subsidiaries are, or may be, required to comply; *provided* that at any date after the Issue Date the Company may make an irrevocable election to establish that "IFRS" shall mean IFRS as in effect on a date that is on or prior to the date of such election.

"*Incur*" means issue, create, assume, enter into any Guarantee of, incur, extend or otherwise become liable for; *provided, however*, that any Indebtedness or Capital Stock of a Person existing at the time such Person becomes a Restricted Subsidiary (whether by merger, consolidation, acquisition or otherwise) will be deemed to be Incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary and the terms "Incurred," "Incurring" and "Incurrence" have meanings correlative to the foregoing and any Indebtedness pursuant to any revolving credit or similar facility shall only be "Incurred" at the time any funds are borrowed thereunder.

"*Indebtedness*" means, with respect to any Person on any date of determination (without duplication):

(1) the principal of indebtedness of such Person for borrowed money;

(2) the principal of obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

(3) all reimbursement obligations of such Person in respect of letters of credit, bankers' acceptances or other similar instruments (except to the extent such reimbursement obligations relate to trade payables and such obligations are satisfied within 30 days of Incurrence), in each case only to the extent that the underlying obligation in respect of which the instrument was issued would be treated as Indebtedness;

(4) the principal component of all obligations of such Person to pay the deferred and unpaid purchase price of property (except trade payables), where the deferred payment is arranged primarily as a means of raising finance, which purchase price is due more than one year after the date of placing such property in service or taking final delivery and title thereto;

(5) Capitalized Lease Obligations of such Person;

(6) the principal component of all obligations, or liquidation preference, of such Person with respect to any Disqualified Stock or, with respect to any Restricted Subsidiary, any Preferred Stock (but excluding, in each case, any accrued dividends);

(7) the principal component of all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; *provided, however*, that the amount of such Indebtedness will be the lesser of (a) the fair market value of such asset at such date of determination (as determined in good faith by the Company) and (b) the amount of such Indebtedness of such other Persons;

(8) Guarantees by such Person of the principal component of Indebtedness of other Persons to the extent Guaranteed by such Person; and

(9) to the extent not otherwise included in this definition, net obligations of such Person under Currency Agreements and Interest Rate Agreements (the amount of any such obligations to be equal at any time to the termination value of such agreement or arrangement giving rise to such obligation that would be payable by such Person at such time).

The term "Indebtedness" shall not include Subordinated Shareholder Funding or any lease, concession or license of property (or Guarantee thereof) which would be considered an operating lease under IFRS as in effect on the Issue Date, any asset retirement obligations, any prepayments of deposits received from clients or customers in the ordinary course of business, or obligations under any license, permit or other approval (or Guarantees given in respect of such obligations) Incurred prior to the Issue Date or in the ordinary course of business.

The amount of Indebtedness of any Person at any time in the case of a revolving credit or similar facility shall be the total amounts of funds borrowed and then outstanding. The amount of Indebtedness of any Person at any date shall be determined as set forth above or otherwise provided in the Indenture, and (other than with respect to letters of credit or Guarantees or Indebtedness specified in clause (7) or (8) above) shall equal the amount thereof that would appear on a balance sheet of such Person (excluding any notes thereto) prepared on the basis of IFRS.

Notwithstanding the above provisions, in no event shall the following constitute Indebtedness:

(i) Contingent Obligations or Permitted Trade L/C Facilities Incurred in the ordinary course of business, and obligations under or in respect of Qualified Receivables Financings;

(ii) in connection with the purchase by the Company or any Restricted Subsidiary of any business, any post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing; *provided, however*, that, at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid within 30 days thereafter; or

(iii) for the avoidance of doubt, any obligations in respect of workers' compensation claims, early retirement or termination obligations, pension fund obligations or contributions or similar claims, obligations or contributions or social security or wage Taxes.

"*Initial Investors*" means Tom Singh and any Related Person, Brait SE and any funds or partnerships managed or advised, directly or indirectly, by Brait SE or an Affiliate thereof, and, solely in their capacity as such, any limited partner of any such partnership or fund.

"*Initial Public Offering*" means an Equity Offering of common stock or other common equity interests of the Company or any Parent or any successor of the Company or any Parent (the "IPO Entity") following which there is a Public Market and, as a result of which, the shares of common stock or other common equity interests of the IPO Entity in such offering are listed on an internationally recognized exchange or traded on an internationally recognized market.

"*Intercreditor Agreement*" means the Intercreditor Agreement dated the date of the consummation of the Acquisition among, *inter alios*, the Issuer, the Guarantors, the Trustee, the Security Agent, the lenders and agent under the Revolving Credit Facility Agreement and certain counterparties under hedging obligations, as amended, restated or modified from time to time.

"*Interest Rate Agreement*" means, with respect to any Person, any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement or other similar agreement or arrangement to which such Person is party or a beneficiary.

"*Investment*" means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of any direct or indirect advance, loan or other extensions of credit (other than advances or

extensions of credit to customers, suppliers, directors, officers or employees of any Person in the ordinary course of business, and excluding any debt or extension of credit represented by a bank deposit other than a time deposit) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or the Incurrence of a Guarantee of any obligation of, or any purchase or acquisition of Capital Stock, Indebtedness or other similar instruments issued by, such other Persons and all other items that are or would be classified as investments on a balance sheet prepared on the basis of IFRS; *provided, however*, that endorsements of negotiable instruments and documents in the ordinary course of business will not be deemed to be an Investment. If the Company or any Restricted Subsidiary issues, sells or otherwise disposes of any Capital Stock of a Person that is a Restricted Subsidiary such that, after giving effect thereto, such Person is no longer a Restricted Subsidiary, any Investment by the Company or any Restricted Subsidiary in such Person remaining after giving effect thereto will be deemed to be a new Investment at such time.

For purposes of "*—Certain Covenants—Limitation on Restricted Payments*:"

(1) "Investment" will include the portion (proportionate to the Company's equity interest in a Restricted Subsidiary to be designated as an Unrestricted Subsidiary) of the fair market value of the net assets of such Restricted Subsidiary of the Company at the time that such Restricted Subsidiary is designated an Unrestricted Subsidiary; *provided, however*, that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Company will be deemed to continue to have a permanent "Investment" in an Unrestricted Subsidiary in an amount (if positive) equal to (a) the Company's "Investment" in such Subsidiary at the time of such redesignation less (b) the portion (proportionate to the Company's equity interest in such Subsidiary) of the fair market value of the net assets (as conclusively determined by the Board of Directors of the Company in good faith) of such Subsidiary at the time that such Subsidiary is so re-designated a Restricted Subsidiary; and

(2) any property transferred to or from an Unrestricted Subsidiary will be valued at its fair market value at the time of such transfer, in each case as determined in good faith by the Board of Directors of the Company.

The amount of any Investment outstanding at any time shall be the original cost of such Investment, reduced (at the Company's option) by any dividend, distribution, interest payment, return of capital, repayment or other amount or value received in respect of such Investment.

"*Investment Grade Securities*" means:

(1) securities issued or directly and fully Guaranteed or insured by the United States or Canadian government or any agency or instrumentality thereof (other than Cash Equivalents);

(2) securities issued or directly and fully guaranteed or insured by a Permissible Jurisdiction or Switzerland, Norway or any agency or instrumentality thereof (other than Cash Equivalents);

(3) debt securities or debt instruments with a rating of "A–" or higher from S&P or "A3" or higher by Moody's or the equivalent of such rating by such rating organization or, if no rating of Moody's or S&P then exists, the equivalent of such rating by any other Nationally Recognized Statistical Ratings Organization, but excluding any debt securities or instruments constituting loans or advances among the Company and its Subsidiaries; and

(4) investments in any fund that invests exclusively in investments of the type described in clauses (1), (2) and (3) above which fund may also hold cash and Cash Equivalents pending investment or distribution.

"*Investment Grade Status*" shall occur when the Notes receive both of the following:

(1) a rating of "BBB–" or higher from S&P; and

(2) a rating of "Baa3" or higher from Moody's;

(3) or the equivalent of such rating by either such rating organization or, if no rating of Moody's or S&P then exists, the equivalent of such rating by any other Nationally Recognized Statistical Ratings Organization.

"*IPO Market Capitalization*" means an amount equal to (i) the total number of issued and outstanding shares of common stock or common equity interests of the IPO Entity at the time of closing of the Initial Public Offering multiplied by (ii) the price per share at which such shares of common stock or common equity interests are sold in such Initial Public Offering.

"*Issue Date*" means June 24, 2015.

"*Lien*" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof).

"*Management Advances*" means loans or advances made to, or Guarantees with respect to loans or advances made to, directors, officers, employees or consultants of any Parent, the Company or any Restricted Subsidiary:

(1) (a) in respect of travel, entertainment or moving related expenses Incurred in the ordinary course of business or (b) for purposes of funding any such person's concurrent purchase of Capital Stock or Subordinated Shareholder Funding (or similar obligations) of the Company, its Subsidiaries or any Parent with (in the case of this sub-clause (b)) the approval of the Board of Directors of the Company;

(2) in respect of moving related expenses Incurred in connection with any closing or consolidation of any facility or office; or

(3) not exceeding £5 million in the aggregate outstanding at any time.

"*Management Investors*" means the officers, directors, employees and other members of the management of or consultants to any Parent, the Company or any of their respective Subsidiaries, or spouses, family members or relatives thereof, or any trust, partnership or other entity for the benefit of or the beneficial owner of which (directly or indirectly) is any of the foregoing, or any of their heirs, executors, successors and legal representatives, who at any date beneficially own or have the right to acquire, directly or indirectly, Capital Stock of the Company, any Restricted Subsidiary or any Parent.

"*Market Capitalization*" means an amount equal to (i) the total number of issued and outstanding shares of common stock or common equity interests of the IPO Entity on the date of the declaration of the relevant dividend multiplied by (ii) the arithmetic mean of the closing prices per share of such common stock or common equity interests for the 30 consecutive trading days immediately preceding the date of declaration of such dividend.

"*Moody's*" means Moody's Investors Service, Inc. or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

"*Nationally Recognized Statistical Rating Organization*" means a nationally recognized statistical rating organization within the meaning of Section 3(a)(62) of the Exchange Act.

"*Net Available Cash*" from an Asset Disposition means cash payments received (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise and net proceeds from the sale or other disposition of any securities received as consideration, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring person of Indebtedness or other obligations relating to the properties or assets that are the subject of such Asset Disposition or received in any other non-cash form) therefrom, in each case net of:

(1) all legal, accounting, investment banking, title and recording tax expenses, commissions and other fees and expenses Incurred, and all Taxes paid or required to be paid or accrued as a liability under IFRS (after taking into account any available tax credits or deductions and any tax sharing agreements), as a consequence of such Asset Disposition;

(2) all payments made on any Indebtedness which is secured by any assets subject to such Asset Disposition, in accordance with the terms of any Lien upon such assets, or which by its terms or by applicable law are required to be repaid out of the proceeds from such Asset Disposition;

(3) all distributions and other payments required to be made to minority interest holders (other than any Parent, the Company or any of their respective Subsidiaries) in Subsidiaries or joint ventures as a result of such Asset Disposition; and

(4) the deduction of appropriate amounts required to be provided by the seller as a reserve, on the basis of IFRS, against any liabilities associated with the assets disposed of in such Asset Disposition and retained by the Company or any Restricted Subsidiary after such Asset Disposition.

"*Net Cash Proceeds*," with respect to any issuance or sale of Capital Stock or Subordinated Shareholder Funding, means the cash proceeds of such issuance or sale net of attorneys' fees, accountants' fees, underwriters' or placement agents' fees, listing fees, discounts or commissions and brokerage, consultant and other fees and charges actually Incurred in connection with such issuance or sale and net of taxes paid or payable as a result of such issuance or sale (after taking into account any available tax credit or deductions and any tax sharing arrangements).

"*Note Documents*" means the Notes (including Additional Notes), the Indenture, the Senior Secured Notes Proceeds Loan Agreements and the Security Documents.

"*Obligations*" means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities or amounts payable under the documentation governing any Indebtedness.

"*Offering Memorandum*" means the offering memorandum dated June 12, 2015 in relation to the Notes.

"*Officer*" means, with respect to any Person, (1) the Chairman of the Board of Directors, the Chief Executive Officer, the President, the Chief Financial Officer, any Vice President, the Treasurer, any Managing Director, or the Secretary (a) of such Person or (b) if such Person is owned or managed by a single entity, of such entity, or (2) any other individual designated as an "Officer" for the purposes of the Indenture by the Board of Directors of such Person.

"*Officer's Certificate*" means, with respect to any Person, a certificate signed by one Officer of such Person.

"*Opinion of Counsel*" means a written opinion from legal counsel reasonably satisfactory to the Trustee. The counsel may be an employee of or counsel to the Company or its Subsidiaries.

"*Parent*" means any Person of which the Company at any time is or becomes a Subsidiary after the Issue Date and any holding companies established by any Permitted Holder for purposes of holding its investment in any Parent.

"*Parent Expenses*" means:

(1) costs (including all professional fees and expenses) Incurred by any Parent in connection with reporting obligations under or otherwise Incurred in connection with compliance with applicable laws, rules or regulations of any governmental, regulatory or self-regulatory body or stock exchange, the Indenture or any other agreement or instrument relating to Indebtedness of the Company or any Restricted Subsidiary, including in respect of any reports filed with respect to the Securities Act, Exchange Act or the respective rules and regulations promulgated thereunder;

(2) customary indemnification obligations of any Parent owing to directors, officers, employees or other Persons under its charter or by-laws or pursuant to written agreements with any such Person to the extent relating to the Company and its Subsidiaries;

(3) obligations of any Parent in respect of director and officer insurance (including premiums therefor) to the extent relating to the Company and its Subsidiaries;

(4) fees and expenses payable by any Parent in connection with the Refinancing Transactions or disclosed in the Offering Memorandum;

(5) general corporate overhead expenses, including (a) professional fees and expenses and other operational expenses of any Parent related to the ownership or operation of the business of the Company or any of its Restricted Subsidiaries or (b) costs and expenses with respect to any litigation or other dispute relating to the Refinancing Transactions or the ownership, directly or indirectly, by any Parent;

(6) other fees, expenses and costs relating directly or indirectly to activities of the Company and its Subsidiaries or any Parent or any other Person established for purposes of or in connection with the Refinancing Transactions or which holds directly or indirectly any Capital Stock or Subordinated Shareholder Funding of the Company, in an amount not to exceed £2 million in any fiscal year; and

(7) expenses Incurred by any Parent in connection with any Public Offering or other sale of Capital Stock or Indebtedness:

  (x) where the net proceeds of such offering or sale are intended to be received by or contributed to the Company or a Restricted Subsidiary;

  (y) in a pro-rated amount of such expenses in proportion to the amount of such net proceeds intended to be so received or contributed; or

  (z) otherwise on an interim basis prior to completion of such offering so long as any Parent shall cause the amount of such expenses to be repaid to the Company or the relevant Restricted Subsidiary out of the proceeds of such offering promptly if completed.

"*Pari Passu Indebtedness*" means Indebtedness of the Company or any Guarantor if such Indebtedness or Guarantee ranks equally in right of payment to the Notes or the Notes Guarantees, as the case may be, and, in each case, is secured by a Lien on the Collateral.

"*Paying Agent*" means any Person authorized by the Company to pay the principal of (and premium, if any) or interest on any Note on behalf of the Company.

"*Permissible Jurisdiction*" means any member state of the European Union (other than Greece).

"*Permitted Asset Swap*" means the concurrent purchase and sale or exchange of assets used or useful in a Similar Business or a combination of such assets and cash, Cash Equivalents or Temporary Cash Investments between the Company or any of its Restricted Subsidiaries and another Person; *provided* that any cash or Cash

Equivalents received in excess of the value of any cash or Cash Equivalents sold or exchanged must be applied in accordance with the covenant described under "*—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*."

"Permitted Collateral Liens" means (A) Liens on the Collateral (i) that are described in one or more of clauses (3), (4) and (9) of the definition of "Permitted Liens" or which are secured on assets that are subject to a floating charge in favor of the Notes, or (ii) that are Liens on bank accounts equally and ratably granted to cash management banks securing cash management obligations; (B) (x) Liens on the Collateral to secure Indebtedness of the Company or a Restricted Subsidiary that is permitted to be Incurred under clauses (1), (2) (in the case of (2), to the extent such Guarantee is in respect of Indebtedness otherwise permitted to be secured and specified in this definition of Permitted Collateral Liens), (4)(a), 4(c) (if the original Indebtedness was so secured), (5)(i) (covering only the shares and assets of the acquired Person the Indebtedness of which is so secured), (5)(ii) (but only if after giving effect to such Incurrence on that date, the Consolidated Secured Leverage Ratio is either (a) less than 4.00 to 1.0 or (b) not greater than prior to such Incurrence), (6), (7), (11) or (12) of the second paragraph of the covenant described under *"—Certain Covenants—Limitation on Indebtedness"* and any Refinancing Indebtedness in respect of such Indebtedness, and Permitted Trade L/C Liens; *provided*, *however*, that such Lien will not give an entitlement to be repaid with proceeds of enforcement of the Collateral in a manner which is inconsistent with the Intercreditor Agreement and any Additional Intercreditor Agreement; (C) Liens on the Collateral securing Indebtedness incurred under the first paragraph of "*—Certain Covenants—Limitation on Indebtedness*"; *provided* that, in the case of this clause (C), after giving effect to such incurrence on that date, the Consolidated Secured Leverage Ratio is less than 4.00 to 1.0; *provided* that only Liens securing Indebtedness incurred pursuant to clause (1) or clause (6) of the second paragraph of the covenant described under *"—Certain Covenants—Limitation on Indebtedness"* or Permitted Trade L/C Liens may secure obligations on a basis having priority to the Notes and the Notes Guarantees under the Intercreditor Agreement or Additional Intercreditor Agreement, as the case may be, on terms not materially less favorable to the Holders; and (D) Liens on the Collateral that secure Indebtedness on a basis junior to the Notes; and *provided further* that each of the parties to Indebtedness secured by Liens pursuant to clauses (B), (C) or (D) hereof or their agent, representative or trustee will have entered into the Intercreditor Agreement or an Additional Intercreditor Agreement.

"*Permitted Holders*" means, collectively, (1) the Initial Investors and any Affiliate thereof, (2) Senior Management and Related Persons, (3) any Person who is acting as an underwriter in connection with a public or private offering of Capital Stock of any Parent or the Company, acting in such capacity and (4) any "group" (as such term is defined under Section 13(d)(3) of the Exchange Act) of which Tom Singh or a Related Person of Tom Singh is a member. Any person or group whose acquisition of beneficial ownership constitutes a Change of Control in respect of which a Change of Control Offer is made in accordance with the requirements of the Indenture will thereafter, together with its Affiliates, constitute an additional Permitted Holder.

"*Permitted Investment*" means (in each case, by the Company or any of its Restricted Subsidiaries):

(1) Investments in (a) a Restricted Subsidiary (including the Capital Stock of a Restricted Subsidiary) or the Company or (b) a Person (including the Capital Stock of any such Person) that is engaged in any Similar Business and such Person will, upon the making of such Investment, become a Restricted Subsidiary;

(2) Investments in another Person if such Person is engaged in any Similar Business and as a result of such Investment such other Person is merged, consolidated or otherwise combined with or into, or transfers or conveys all or substantially all its assets to, the Company or a Restricted Subsidiary;

(3) Investments in cash, Cash Equivalents, Temporary Cash Investments or Investment Grade Securities;

(4) Investments in receivables owing to the Company or any Restricted Subsidiary created or acquired in the ordinary course of business;

(5) Investments in payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business;

(6) Management Advances;

(7) Investments in Capital Stock, obligations or securities received in settlement of debts created in the ordinary course of business and owing to the Company or any Restricted Subsidiary, or as a result of foreclosure, perfection or enforcement of any Lien, or in satisfaction of judgments or pursuant to any plan of reorganization or similar arrangement including upon the bankruptcy or insolvency of a debtor;

(8) Investments made as a result of the receipt of non-cash consideration from a sale or other disposition of property or assets, including an Asset Disposition (but excluding a Permitted Asset Swap), in each case, that was made in compliance with "*—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*";

(9) Investments in existence on, or made pursuant to legally binding commitments in existence on, the Issue Date;

(10) Currency Agreements, Interest Rate Agreements, Commodity Hedging Agreements and related Hedging Obligations, which transactions or obligations are Incurred in compliance with "*—Certain Covenants—Limitation on Indebtedness*";

(11) Investments, taken together with all other Investments made pursuant to this clause (11) and at any time outstanding, in an aggregate amount at the time of such Investment not to exceed £40 million; *provided* that, if an Investment is made pursuant to this clause in a Person that is not a Restricted Subsidiary and such Person subsequently becomes a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary pursuant to the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*," such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (2) of the definition of "Permitted Investments" and not this clause;

(12) pledges or deposits with respect to leases or utilities provided to third parties in the ordinary course of business or Liens otherwise described in the definition of "Permitted Liens" or made in connection with Liens permitted under the covenant described under "*—Certain Covenants—Limitation on Liens*";

(13) any Investment to the extent made using Capital Stock of the Company (other than Disqualified Stock) or Capital Stock of any Parent as consideration;

(14) any transaction to the extent constituting an Investment that is permitted and made in accordance with the provisions of the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Affiliate Transactions*" (except those described in clauses (1), (3), (6), (8), (9) and (12) of that paragraph);

(15) Investments consisting of purchases and acquisitions of inventory, supplies, materials and equipment or licenses or leases of intellectual property, in any case, in the ordinary course of business and in accordance with the Indenture;

(16) guarantees, keepwells and similar arrangements not prohibited by the covenant described under "*—Certain Covenants—Limitation on Indebtedness*"; and

(17) Investments in the Notes and Investments pursuant to the Senior Secured Notes Proceeds Loans.

"*Permitted Liens*" means, with respect to any Person:

(1) Liens on assets or property of a Restricted Subsidiary that is not the Issuer or a Guarantor securing any Indebtedness of any Restricted Subsidiary that is not the Issuer or a Guarantor;

(2) pledges, deposits or Liens under workmen's compensation laws, unemployment insurance laws, social security laws or similar legislation, or insurance related obligations (including pledges or deposits securing liability to insurance carriers under insurance or self-insurance arrangements), or in connection with bids, tenders, completion guarantees, contracts (other than for borrowed money) or leases, or to secure utilities, licenses, public or statutory obligations, or to secure surety, indemnity, judgment, appeal or performance bonds, guarantees of government contracts (or other similar bonds, instruments or obligations), or as security for contested taxes or import or customs duties or for the payment of rent, or other obligations of like nature, in each case Incurred in the ordinary course of business;

(3) Liens imposed by law, including carriers', warehousemen's, mechanics', landlords', materialmen's and repairmen's or other like Liens, in each case for sums not yet overdue for a period of more than 60 days or that are bonded or being contested in good faith by appropriate proceedings;

(4) Liens for taxes, assessments or other governmental charges not yet delinquent or which are being contested in good faith by appropriate proceedings; *provided* that appropriate reserves required pursuant to IFRS have been made in respect thereof;

(5) Liens in favor of the issuers of surety, performance or other bonds, guarantees or letters of credit or bankers' acceptances (not issued to support Indebtedness for borrowed money) issued pursuant to the request of and for the account of such Person in the ordinary course of its business; *provided* that such letters of credit do not constitute Indebtedness;

(6) encumbrances, ground leases, easements (including reciprocal easement agreements), survey exceptions, or reservations of, or rights of others for, licenses, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning, building codes or other restrictions (including minor defects or irregularities in title and similar encumbrances) as to the use of real properties or Liens incidental to the conduct of the business of the Company and its Restricted Subsidiaries or to the ownership of its properties

which do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of the Company and its Restricted Subsidiaries;

(7) Liens on assets or property of the Company or any Restricted Subsidiary securing Hedging Obligations permitted under the Indenture, or over assets or property of any Restricted Subsidiary which is not required to give a Notes Guarantee pursuant to the Agreed Security Principles and which Lien is in favor of obligations under the Revolving Credit Facility Agreement or is a Permitted Trade L/C Lien;

(8) leases, licenses, subleases and sublicenses of assets (including real property and intellectual property rights), in each case entered into in the ordinary course of business;

(9) Liens arising out of judgments, decrees, orders or awards not giving rise to an Event of Default so long as any appropriate legal proceedings which may have been duly initiated for the review of such judgment, decree, order or award have not been finally terminated or the period within which such proceedings may be initiated has not expired;

(10) Liens on assets or property of the Company or any Restricted Subsidiary for the purpose of securing Capitalized Lease Obligations or Purchase Money Obligations, or securing the payment of all or a part of the purchase price of, or securing other Indebtedness Incurred to finance or refinance the acquisition, improvement or construction of, assets or property acquired or constructed in the ordinary course of business; *provided* that (a) the aggregate principal amount of Indebtedness secured by such Liens is otherwise permitted to be Incurred under the Indenture and (b) any such Lien may not extend to any assets or property of the Company or any Restricted Subsidiary other than assets or property acquired, improved, constructed or leased with the proceeds of such Indebtedness and any improvements or accessions to such assets and property;

(11) Liens arising by virtue of any statutory or common law provisions relating to banker's Liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a depositary or financial institution;

(12) Liens arising from Uniform Commercial Code financing statement filings (or similar filings in other applicable jurisdictions) regarding operating leases entered into by the Company and its Restricted Subsidiaries in the ordinary course of business;

(13) Liens existing on the Issue Date, excluding Liens securing the Revolving Credit Facility Agreement, the Hedging Obligations, the Notes, the Senior Notes and Trade L/C Obligations;

(14) Liens on property, other assets or shares of stock of a Person at the time such Person becomes a Restricted Subsidiary (or at the time the Company or a Restricted Subsidiary acquires such property, other assets or shares of stock, including any acquisition by means of a merger, consolidation or other business combination transaction with or into the Company or any Restricted Subsidiary); *provided, however*, that such Liens are not created, Incurred or assumed in anticipation of or in connection with such other Person becoming a Restricted Subsidiary (or such acquisition of such property, other assets or stock); *provided, further*, that such Liens are limited to all or part of the same property, other assets or stock (plus improvements, accession, proceeds or dividends or distributions in connection with the original property, other assets or stock) that secured (or, under the written arrangements under which such Liens arose, could secure) the obligations to which such Liens relate;

(15) Liens on assets or property of any Restricted Subsidiary that is not a Guarantor securing Indebtedness or other obligations of such Restricted Subsidiary or any other Restricted Subsidiary that is not a Guarantor owing to the Company or another Restricted Subsidiary, or Liens by such Restricted Subsidiary in favor of the Company or any Restricted Subsidiary;

(16) Liens (other than Permitted Collateral Liens) securing Refinancing Indebtedness Incurred to refinance Indebtedness that was previously so secured, and permitted to be secured under the Indenture; *provided* that any such Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure) the Indebtedness being refinanced or is in respect of property that is or could be the security for or subject to a Permitted Lien hereunder;

(17) any interest or title of a lessor under any Capitalized Lease Obligation or operating lease;

(18) (a) mortgages, liens, security interests, restrictions, encumbrances or any other matters of record that have been placed by any government, statutory or regulatory authority, developer, landlord or other third party on property over which the Company or any Restricted Subsidiary of the Company has easement rights or on

any leased property and subordination or similar arrangements relating thereto and (b) any condemnation or eminent domain proceedings affecting any real property;

(19) any encumbrance or restriction (including put and call arrangements) with respect to Capital Stock of any joint venture or similar arrangement pursuant to any joint venture or similar agreement;

(20) Liens on property or assets under construction (and related rights) in favor of a contractor or developer or arising from progress or partial payments by a third party relating to such property or assets;

(21) Liens on cash accounts securing Indebtedness incurred under clause (10) of the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*" with local financial institutions;

(22) Liens on Escrowed Proceeds for the benefit of the related holders of debt securities or other Indebtedness (or the underwriters or arrangers thereof) or on cash set aside at the time of the Incurrence of any Indebtedness or government securities purchased with such cash, in either case to the extent such cash or government securities prefund the payment of interest on such Indebtedness and are held in an escrow account or similar arrangement to be applied for such purpose;

(23) Liens securing or arising by reason of any netting or set-off arrangement entered into in the ordinary course of banking or other trading activities, or liens over cash accounts securing cash pooling arrangements;

(24) Liens arising out of conditional sale, title retention, hire purchase, consignment or similar arrangements for the sale of goods entered into in the ordinary course of business;

(25) Liens Incurred in the ordinary course of business with respect to obligations which do not exceed £20 million at any one time outstanding;

(26) Permitted Collateral Liens;

(27) Liens on Capital Stock or other securities or assets of any Unrestricted Subsidiary that secure Indebtedness of such Unrestricted Subsidiary;

(28) any security granted over the marketable securities portfolio described in clause (9) of the definition of "Cash Equivalents" in connection with the disposal thereof to a third party;

(29) Liens on Receivables Assets Incurred in connection with a Qualified Receivables Financing;

(30) Liens on Indebtedness permitted to be Incurred pursuant to clause (13) of the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*"; and

(31) any cash collateral arrangement securing the obligations of an ancillary lender in respect of ancillary facilities of the Company or its Restricted Subsidiaries.

"*Permitted Trade L/C Facilities*" means any Trade L/C Facility, the Trade L/C Facility Amount of which, at the date of commitment under such Trade L/C Facilities, did not, together with all other Trade L/C Facility Amounts then outstanding, exceed an aggregate amount equal to the lesser of:

(i) £145 million; and

(ii) an amount such that the Consolidated Permitted Trade L/C Commitments Ratio for the period of the most recent four consecutive fiscal quarters ending prior to the date of such determination for which internal consolidated financial statements of the Company and its Restricted Subsidiaries are available is less than 6.5%, determined, in each case, on a pro forma basis as if the commitment under such Trade L/C Facility had occurred at the beginning of such four-quarter period; *provided* that notwithstanding the foregoing, the maximum amount of Permitted Trade L/C Facilities will at no times be less than £100 million in the aggregate.

"*Permitted Trade L/C Liens*" means Liens on Collateral to secure Trade L/C Obligations Incurred from time to time under Permitted Trade L/C Facilities.

"*Person*" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company, government or any agency or political subdivision thereof or any other entity.

"*Preferred Stock*," as applied to the Capital Stock of any Person, means Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

"*Proceeds Loans*" means the Senior Secured Notes Proceeds Loans and the Senior Notes Proceeds Loan.

"*Public Debt*" means any Indebtedness consisting of bonds, debentures, notes or other similar debt securities issued in (1) a public offering registered under the Securities Act or (2) a private placement to institutional investors that is underwritten for resale in accordance with Rule 144A or Regulation S under the Securities Act, whether or not it includes registration rights entitling the holders of such debt securities to registration thereof with the SEC for public resale.

"*Public Market*" means any time after:

(1) an Equity Offering has been consummated; and

(2) at least 20% of the total issued and outstanding ordinary shares or common equity of the IPO Entity has been distributed to investors other than the Permitted Holders or any other direct or indirect shareholders of the Company as of the Issue Date.

"*Public Offering*" means any offering, including an Initial Public Offering, of shares of common stock or other common equity interests that are listed on an exchange or publicly offered (which shall include an offering pursuant to Rule 144A and/or Regulation S under the Securities Act to professional market investors or similar persons).

"*Purchase Money Obligations*" means any Indebtedness Incurred to finance or refinance the acquisition, leasing, construction or improvement of property (real or personal) or assets (including Capital Stock), and whether acquired through the direct acquisition of such property or assets or the acquisition of the Capital Stock of any Person owning such property or assets, or otherwise.

"*Qualified Receivables Financing*" means any Receivables Financing of a Receivables Subsidiary that meets the following conditions: (1) the Board of Directors of the Company shall have determined in good faith that such Qualified Receivables Financing (including financing terms, covenants, termination events and other provisions) is in the aggregate economically fair and reasonable to the Company and the Receivables Subsidiary, (2) all sales of accounts receivable and related assets to the Receivables Subsidiary are made at fair market value (as determined in good faith by the Company), and (3) the financing terms, covenants, termination events and other provisions thereof shall be on market terms (as determined in good faith by the Company) and may include Standard Securitization Undertakings.

The grant of a security interest in any accounts receivable of the Company or any of its Restricted Subsidiaries (other than a Receivables Subsidiary) to secure Indebtedness under a Credit Facility or Indebtedness in respect of the Notes shall not be deemed a Qualified Receivables Financing.

"*Receivables Assets*" means any assets that are or will be the subject of a Qualified Receivables Financing.

"*Receivables Fees*" means distributions or payments made directly or by means of discounts with respect to any participation interest issued or sold in connection with, and other fees paid to a Person that is not a Restricted Subsidiary in connection with, any Receivables Financing.

"*Receivables Financing*" means any transaction or series of transactions that may be entered into by the Company or any of its Subsidiaries pursuant to which the Company or any of its Subsidiaries may sell, convey or otherwise transfer to (a) a Receivables Subsidiary (in the case of a transfer by the Company or any of its Subsidiaries), or (b) any other Person (in the case of a transfer by a Receivables Subsidiary), or may grant a security interest in, any accounts receivable (whether now existing or arising in the future) of the Company or any of its Subsidiaries, and any assets related thereto, including all collateral securing such accounts receivable, all contracts and all guarantees or other obligations in respect of such accounts receivable, proceeds of such accounts receivable and other assets which are customarily transferred or in respect of which security interest are customarily granted in connection with asset securitization transactions involving accounts receivable and any Hedging Obligations entered into by the Company or any such Subsidiary in connection with such accounts receivable.

"*Receivables Repurchase Obligation*" means any obligation of a seller of receivables in a Qualified Receivables Financing to repurchase receivables arising as a result of a breach of a representation, warranty or covenant or otherwise, including as a result of a receivable or portion thereof becoming subject to any asserted defense, dispute, off-set or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller.

"*Receivables Subsidiary*" means a Wholly Owned Subsidiary of the Company (or another Person formed for the purposes of engaging in a Qualified Receivables Financing with the Company in which the Company or any Subsidiary of the Company makes an Investment and to which the Company or any Subsidiary of the Company transfers accounts receivable and related assets) which engages in no activities other than in connection with the financing of accounts receivable of the Company and its Subsidiaries, all proceeds thereof and all rights

(contractual or other), collateral and other assets relating thereto, and any business or activities incidental or related to such business, and which is designated by the Board of Directors of the Company (as provided below) as a Receivables Subsidiary and:

(1) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which (i) is guaranteed by the Company or any other Restricted Subsidiary of the Company (excluding guarantees of obligations (other than the principal of, and interest on, Indebtedness) pursuant to Standard Securitization Undertakings), (ii) is subject to terms that are substantially equivalent in effect to a guarantee of any losses on securitized or sold receivables by the Company or any other Restricted Subsidiary of the Company, (iii) is recourse to or obligates the Company or any other Restricted Subsidiary of the Company in any way other than pursuant to Standard Securitization Undertakings, or (iv) subjects any property or asset of the Company or any other Restricted Subsidiary of the Company, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings;

(2) with which neither the Company nor any other Restricted Subsidiary of the Company has any contract, agreement, arrangement or understanding other than on terms which the Company reasonably believes to be no less favorable to the Company or such Restricted Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of the Company; and

(3) to which neither the Company nor any other Restricted Subsidiary of the Company has any obligation to maintain or preserve such entity's financial condition or cause such entity to achieve certain levels of operating results.

Any such designation by the Board of Directors of the Company shall be evidenced to the Trustee by filing with the Trustee a copy of the resolution of the Board of Directors of the Company giving effect to such designation and an Officer's Certificate certifying that such designation complied with the foregoing conditions.

"*Redemption Date*" means the date of redemption of the Existing Notes, which occurred on June 26, 2015.

"*Refinance*" means refinance, refund, replace, renew, repay, modify, restate, defer, substitute, supplement, reissue, resell, extend or increase (including pursuant to any defeasance or discharge mechanism) and the terms "refinances," "refinanced" and "refinancing" as used for any purpose in the Indenture shall have a correlative meaning.

"*Refinancing Indebtedness*" means Indebtedness that is Incurred to refund, refinance, replace, exchange, renew, repay or extend (including pursuant to any defeasance or discharge mechanism) any Indebtedness existing on the date of the Indenture or Incurred in compliance with the Indenture (including Indebtedness of the Company that refinances Indebtedness of any Restricted Subsidiary and Indebtedness of any Restricted Subsidiary that refinances Indebtedness of the Company or another Restricted Subsidiary) including Indebtedness that refinances Refinancing Indebtedness; *provided, however*, that:

(1) if the Indebtedness being refinanced constitutes Subordinated Indebtedness, the Refinancing Indebtedness has a final Stated Maturity at the time such Refinancing Indebtedness is Incurred that is the same as or later than the final Stated Maturity of the Indebtedness being refinanced or, if shorter, six months after the Stated Maturity of the Notes;

(2) such Refinancing Indebtedness is Incurred in an aggregate principal amount (or if issued with original issue discount, an aggregate issue price) that is equal to or less than the sum of the aggregate principal amount (or if issued with original issue discount, the aggregate accreted value) then outstanding of the Indebtedness being refinanced (plus, without duplication, any additional Indebtedness Incurred to pay interest or premiums required by the instruments governing such existing Indebtedness and costs, expenses and fees Incurred in connection therewith); and

(3) if the Indebtedness being refinanced is expressly subordinated to the Notes or the Guarantees, such Refinancing Indebtedness is subordinated to the Notes or the Notes Guarantees on terms at least as favorable to the Holders as those contained in the documentation governing the Indebtedness being refinanced,

provided, however, that Refinancing Indebtedness shall not include Indebtedness of the Company or a Restricted Subsidiary that refinances Indebtedness of an Unrestricted Subsidiary.

Refinancing Indebtedness in respect of any Credit Facility or any other Indebtedness may be Incurred from time to time after the termination, discharge or repayment of any such Credit Facility or other Indebtedness.

"*Refinancing Transactions*" means the issuance of the Notes and the Notes Guarantees, the issuance of the Senior Notes and the guarantees of the Senior Notes, the entry into the Revolving Credit Facility, the entry into the

Security Documents, the Senior Secured Notes Proceeds Loans and the Senior Notes Proceeds Loan, the redemption of the Existing Notes, the repayment or discharge of indebtedness under the Company's existing revolving credit facility and the existing PIK loans of New Look Finance II plc, the settlement of Hedging Obligations pursuant to the foregoing, any transactions in connection with, related to, incidental to or necessary to give effect to any of the foregoing, and the payment or incurrence of any fees, expenses or charges associated with any of the foregoing.

"*Related Person*" with respect to any Permitted Holder means:

(1) any controlling equity holder or Subsidiary of such Person; or

(2) in the case of an individual, any spouse, family member or relative of such individual, any trust or partnership for the benefit of one or more of such individual and any such spouse, family member or relative, or the estate, executor, administrator, committee or beneficiaries of any thereof; or

(3) any trust, corporation, partnership or other Person for which one or more of the Permitted Holders and other Related Persons of any thereof constitute the beneficiaries, stockholders, partners or owners thereof, or Persons beneficially holding in the aggregate a majority (or more) controlling interest therein; or

(4) in the case of the Initial Investors any investment fund or vehicle managed, sponsored or advised by such Person or any successor thereto, or by any Affiliate of such Person or any such successor.

"*Related Taxes*" means

(1) any Taxes, including sales, use, transfer, rental, ad valorem, value added, stamp, property, consumption, franchise, license, capital, registration, business, customs, net worth, gross receipts, excise, occupancy, intangibles or similar Taxes (other than (x) Taxes measured by income and (y) withholding imposed on payments made by any Parent), required to be paid (provided such Taxes are in fact paid) by any Parent by virtue of its:

   (a) being organized or having Capital Stock outstanding (but not by virtue of owning stock or other equity interests of any corporation or other entity other than, directly or indirectly, the Company or any of the Company's Subsidiaries);

   (b) issuing or holding Subordinated Shareholder Funding;

   (c) being a holding company parent, directly or indirectly, of the Company or any of the Company's Subsidiaries;

   (d) receiving dividends from or other distributions in respect of the Capital Stock of, directly or indirectly, the Company or any of the Company's Subsidiaries; or

   (e) having made any payment in respect to any of the items for which the Company is permitted to make payments to any Parent pursuant to "*—Certain Covenants—Limitation on Restricted Payments*"; or

(2) if and for so long as the Company is a member of a group filing a consolidated or combined tax return with any Parent, any Taxes measured by income for which such Parent is liable up to an amount not to exceed with respect to such Taxes the amount of any such Taxes that the Company and its Subsidiaries would have been required to pay on a separate company basis or on a consolidated basis if the Company and its Subsidiaries had paid tax on a consolidated, combined, group, affiliated or unitary basis on behalf of an affiliated group consisting only of the Company and its Subsidiaries.

"*Restricted Investment*" means any Investment other than a Permitted Investment.

"*Restricted Subsidiary*" means any Subsidiary of the Company other than an Unrestricted Subsidiary.

"*Reversion Date*" means, after the Notes have achieved Investment Grade Status, the date, if any, that such Notes shall cease to have such Investment Grade Status.

"*Revolving Credit Facility Agreement*" means the revolving credit facility agreement dated the date of the consummation of the Acquisition among the Company, certain of the Company's Subsidiaries, as borrowers and guarantors, the lenders named therein, and Deutsche Bank AG, London Branch, as facility agent and security agent as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time as such facility thereunder is referred to as the "*Revolving Credit Facility*."

"S&P" means Standard & Poor's Investors Ratings Services or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

"*SEC*" means the U.S. Securities and Exchange Commission or any successor thereto.

"*Secured Indebtedness*" means any Indebtedness secured by a Lien on a basis *pari passu* with or senior to the security in favor of the Notes.

"*Securities Act*" means the U.S. Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder, as amended.

"*Security Documents*" means the Intercreditor Agreement and each debenture, share charge, security agreement or other document under which collateral is pledged to secure the Notes.

"*Senior Management*" means the officers, directors, and other members of senior management of the Company or any of its Subsidiaries, who at any date beneficially own or have the right to acquire, directly or indirectly, Capital Stock of the Company or any Parent and with an equity investment in excess of £250,000.

"*Senior Notes*" means the £200 million aggregate principal amount of the Senior Notes due 2023 issued by the Senior Notes Issuer on the Issue Date.

"*Senior Notes Indenture*" means the indenture dated the Issue Date governing the Senior Notes by and among, *inter alios*, the Senior Notes Issuer and Deutsche Trustee Company Limited, as trustee.

"*Senior Notes Issuer*" means New Look Senior Issuer plc, incorporated in England and Wales under the Companies Act 2006 on May 28, 2015 and registered with number 09612440.

"*Senior Notes Proceeds Loan Agreement*" means the loan agreement in connection with the proceeds of the Senior Notes originally entered into on the Redemption Date by the Company, as borrower and the Senior Notes Issuer, as Lender.

"*Senior Notes Proceeds Loan*" means the loans of the proceeds of the Senior Notes pursuant to the Senior Notes Proceeds Loan Agreement and all loans directly or indirectly replacing or refinancing such loans or any portion thereof and any loan of a portion of the proceeds of additional Senior Notes pursuant to the Senior Notes Proceeds Loan Agreement.

"*Senior Secured Notes Proceeds Loans*" means, collectively, the Sterling Fixed Rate Notes Proceeds Loan and the Floating Rate Notes Proceeds Loan.

"*Senior Secured Notes Proceeds Loan Agreements*" means, collectively, the Sterling Fixed Rate Notes Proceeds Loan Agreement and the Floating Rate Notes Proceeds Loan Agreement.

"*Significant Subsidiary*" means any Restricted Subsidiary that meets any of the following conditions:

(1) the Company's and its Restricted Subsidiaries' investments in and advances to the Restricted Subsidiary exceed 10% of the total assets of the Company and its Restricted Subsidiaries on a consolidated basis as of the end of the most recently completed fiscal year;

(2) the Company's and its Restricted Subsidiaries' proportionate share of the total assets (after intercompany eliminations) of the Restricted Subsidiary exceeds 10% of the total assets of the Company and its Restricted Subsidiaries on a consolidated basis as of the end of the most recently completed fiscal year; or

(3) the Company's and its Restricted Subsidiaries' equity in the income from continuing operations before income taxes, extraordinary items and cumulative effect of a change in accounting principle of the Restricted Subsidiary exceeds 10% of such income of the Company and its Restricted Subsidiaries on a consolidated basis for the most recently completed fiscal year.

"*Similar Business*" means (a) any businesses, services or activities engaged in by the Company or any of its Subsidiaries or any Associates on the Issue Date, (b) retailing of clothing, footwear and accessories, including through franchises and e-commerce and (c) any businesses, services and activities engaged in by the Company or any of its Subsidiaries or any Associates that are related, complementary, incidental, ancillary or similar to any of the foregoing or are extensions or developments of any thereof.

"*Standard Securitization Undertakings*" means representations, warranties, covenants, indemnities and guarantees of performance entered into by the Company or any Subsidiary of the Company which the Company has determined in good faith to be customary in a Receivables Financing, including those relating to the servicing of the assets of a Receivables Subsidiary, it being understood that any Receivables Repurchase Obligation shall be deemed to be a Standard Securitization Undertaking.

"*Stated Maturity*" means, with respect to any security, the date specified in such security as the fixed date on which the payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision, but shall not include any contingent obligations to repay, redeem or repurchase any such principal prior to the date originally scheduled for the payment thereof.

"*Sterling Equivalent*" means, with respect to any monetary amount in a currency other than sterling, at any time of determination thereof by the Company or the Trustee, the amount of sterling obtained by converting such currency other than sterling involved in such computation into sterling at the spot rate for the purchase of sterling with the applicable currency other than sterling as published in *The Financial Times* in the "Currency Rates" section (or, if *The Financial Times* is no longer published, or if such information is no longer available in *The Financial Times*, such source as may be selected in good faith by the Company) on the date of such determination.

"*Sterling Fixed Rate Notes Proceeds Loan*" means the loan of the proceeds of the Sterling Fixed Rate Notes pursuant to the Sterling Fixed Rate Notes Proceeds Loan Agreement and all loans directly or indirectly replacing or refinancing such loan or any portion thereof and any loan of a portion of the proceeds of Additional Sterling Fixed Rate Notes pursuant to the Sterling Fixed Rate Notes Proceeds Loan Agreement.

"*Sterling Fixed Rate Notes Proceeds Loan Agreement*" means the loan agreement in connection with the proceeds of the Sterling Fixed Rate Notes originally entered into on the Redemption Date by the Company, as borrower and the Issuer, as Lender.

"*Subordinated Indebtedness*" means, with respect to any person, any Indebtedness (whether outstanding on the Issue Date or thereafter Incurred) which is expressly subordinated in right of payment to the Notes or its Notes Guarantees pursuant to a written agreement.

"*Subordinated Shareholder Funding*" means, collectively, any funds provided to the Company by a Parent in exchange for or pursuant to any security, instrument or agreement other than Capital Stock, in each case issued to and held by a Parent or a Permitted Holder, together with any such security, instrument or agreement and any other security or instrument other than Capital Stock issued in payment of any obligation under any Subordinated Shareholder Funding; *provided, however*, that such Subordinated Shareholder Funding:

(1) does not mature or require any amortization, redemption or other repayment of principal or any sinking fund payment prior to the first anniversary of the Stated Maturity of the Notes (other than through conversion or exchange of such funding into Capital Stock (other than Disqualified Stock) of the Company or any funding meeting the requirements of this definition);

(2) does not require, prior to the first anniversary of the Stated Maturity of the Notes, payment of cash interest, cash withholding amounts or other cash gross-ups, or any similar cash amounts;

(3) contains no change of control or similar provisions and does not accelerate and has no right to declare a default or event of default or take any enforcement action or otherwise require any cash payment, in each case, prior to the first anniversary of the Stated Maturity of the Notes;

(4) does not provide for or require any security interest or encumbrance over any asset of the Company or any of its Subsidiaries; and

(5) pursuant to its terms is fully subordinated and junior in right of payment to the Notes pursuant to subordination, payment blockage and enforcement limitation terms which are customary in all material respects for similar funding.

"*Subsidiary*" means, with respect to any Person:

(1) any corporation, association, or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time of determination owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof; or

(2) any partnership, joint venture, limited liability company or similar entity of which:

   (a) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof whether in the form of membership, general, special or limited partnership interests or otherwise; and

   (b) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

"*Successor Parent*" with respect to any Person means any other Person with more than 50% of the total voting power of the Voting Stock of which is, at the time the first Person becomes a Subsidiary of such other Person, "beneficially owned" (as defined below) by one or more Persons that "beneficially owned" (as defined below)

more than 50% of the total voting power of the Voting Stock of the first Person immediately prior to the first Person becoming a Subsidiary of such other Person. For purposes hereof, "beneficially own" has the meaning correlative to the term "beneficial owner," as such term is defined in Rules 13d-3 and 13d-5 under the Exchange Act (as in effect on the Issue Date).

"*Taxes*" means all present and future taxes, levies, imposts, deductions, charges, duties, assessments and withholdings and any charges of a similar nature (including interest, penalties and other liabilities with respect thereto) that are imposed or levied by any government or other taxing authority.

"*Tax Sharing Agreement*" means any tax sharing or profit and loss pooling or similar agreement with customary or arm's-length terms entered into with any Parent or Unrestricted Subsidiary, as the same may be amended, supplemented, waived or otherwise modified from time to time in accordance with the terms thereof and of the Indenture.

"*Temporary Cash Investments*" means any of the following:

(1) any investment in

  (a) direct obligations of, or obligations Guaranteed by, (i) the United States of America or Canada, (ii) any Permissible Jurisdiction, (iii) Switzerland or Norway, (iv) any country in whose currency funds are being held specifically pending application in the making of an investment or capital expenditure by the Company or a Restricted Subsidiary in that country with such funds or (v) any agency or instrumentality of any such country or member state; or

  (b) direct obligations of any country recognized by the United States of America rated at least "A" by S&P or "A-1" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

(2) overnight bank deposits, and investments in time deposit accounts, certificates of deposit, bankers' acceptances and money market deposits (or, with respect to foreign banks, similar instruments) maturing not more than one year after the date of acquisition thereof issued by:

  (a) any lender under the Revolving Credit Facility Agreement;

  (b) any institution authorized to operate as a bank in any of the countries or member states referred to in sub clause (1)(a) above; or

  (c) any bank or trust company organized under the laws of any such country or member state or any political subdivision thereof,

  in each case, having capital and surplus aggregating in excess of €250 million (or the foreign currency equivalent thereof) and whose long-term debt is rated at least "A" by S&P or "A-2" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization) at the time such Investment is made;

(3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (1) or (2) above entered into with a Person meeting the qualifications described in clause (2) above;

(4) Investments in commercial paper, maturing not more than 270 days after the date of acquisition, issued by a Person (other than the Company or any of its Subsidiaries), with a rating at the time as of which any Investment therein is made of "P-2" (or higher) according to Moody's or "A-2" (or higher) according to S&P (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

(5) Investments in securities maturing not more than one year after the date of acquisition issued or fully Guaranteed by any state, commonwealth or territory of the United States of America, Canada, any Permissible Jurisdiction or Switzerland, Norway or by any political subdivision or taxing authority of any such state, commonwealth, territory, country or member state, and rated at least "BBB" by S&P or "Baa3" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

(6) bills of exchange issued in the United States, Canada, a Permissible Jurisdiction, Switzerland, Norway or Japan eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent);

(7) any money market deposit accounts issued or offered by a commercial bank organized under the laws of a country that is a member of the Organization for Economic Co-operation and Development, in each case, having capital and surplus in excess of €250 million (or the foreign currency equivalent thereof) or whose long term debt is rated at least "A" by S&P or "A2" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization) at the time such Investment is made;

(8) investment funds investing 95% of their assets in securities of the type described in clauses (1) through (7) above (which funds may also hold reasonable amounts of cash pending investment and/or distribution); and

(9) investments in money market funds complying with the risk limiting conditions of Rule 2a-7 (or any successor rule) of the SEC under the U.S. Investment Company Act of 1940, as amended.

"*Total Assets*" means the consolidated total assets of the Company and its Restricted Subsidiaries in accordance with IFRS as shown on the most recent consolidated balance sheet of the Company or calculated based on the most recent consolidated balance sheet of the Company.

"*Trade L/C Facility*" means, with respect to any of the Company or Guarantors, one or more facilities with commercial banks providing for the issuance of letters of credit, supplier financing arrangements, bankers' acceptances or other similar instruments that relate to payables in foreign trade transactions, in each case, as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time (and whether in whole or in part and whether or not with the original administrative agent and lenders or another administrative agent or agents or other commercial banks).

"*Trade L/C Facility Amount*" means, with respect to any Trade L/C Facility, the total permitted amount under such Trade L/C Facility (including all unutilized amounts of such Trade L/C Facility, the aggregate undrawn and unexpired amount of letters of credit or other instruments issued under such Trade L/C Facilities and the aggregate amount of drawings thereunder that have not been reimbursed) but not including amounts that are provided in relation to Hedging Obligations.

"*Trade L/C Obligations*" means all reimbursement obligations of a Person in respect of letters of credit, bankers' acceptances or other similar instruments (the amount of such obligations being equal at any time to the aggregate then undrawn and unexpired amount of such letters of credit or other instruments plus the aggregate amount of drawings thereunder that have not been reimbursed) that relate to payables in foreign trade transactions and, when Incurred, do not constitute Indebtedness.

"*Trust Indenture Act*" means the Trust Indenture Act of 1939, as amended.

"*UK Government Obligations*" means direct obligations of, or obligations guaranteed by, the United Kingdom, and the payment for which the United Kingdom pledges its full faith and credit.

"*U.S. GAAP*" means generally accepted accounting principles in the United States of America as in effect from time to time.

"*Uniform Commercial Code*" means the New York Uniform Commercial Code.

"*Unrestricted Subsidiary*" means:

(1) any Subsidiary of the Company that at the time of determination is an Unrestricted Subsidiary (as designated by the Board of Directors of the Company in the manner provided below); and

(2) any Subsidiary of an Unrestricted Subsidiary.

The Board of Directors of the Company may designate any Subsidiary of the Company (including any newly acquired or newly formed Subsidiary or a Person becoming a Subsidiary through merger, consolidation or other business combination transaction, or Investment therein but not including the Issuer) to be an Unrestricted Subsidiary only if:

(1) such Subsidiary or any of its Subsidiaries does not own any Capital Stock or Indebtedness of, or own or hold any Lien on any property of, the Company or any other Subsidiary of the Company which is not a Subsidiary of the Subsidiary to be so designated or otherwise an Unrestricted Subsidiary; and

(2) such designation and the Investment of the Company in such Subsidiary complies with "*—Certain Covenants—Limitation on Restricted Payments*."

Any such designation by the Board of Directors of the Company shall be evidenced to the Trustee by filing with the Trustee a resolution of the Board of Directors of the Company giving effect to such designation and an Officer's Certificate certifying that such designation complies with the foregoing conditions.

The Board of Directors of the Company may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided,* that immediately after giving effect to such designation (1) no Default or Event of Default would result therefrom and (2)(x) the Company or a Restricted Subsidiary could Incur at least £1.00 of additional Indebtedness pursuant to the first paragraph of the "*Limitation on Indebtedness*" covenant or (y) the Fixed Charge Coverage Ratio would not be lower than it was immediately prior to giving effect to such designation, in each case, on a pro forma basis taking into account such designation. Any such designation by the Board of Directors of the Company shall be evidenced to the Trustee by promptly filing with the Trustee a copy of the resolution of such Board of Directors giving effect to such designation or an Officer's Certificate certifying that such designation complied with the foregoing provisions.

"*U.S. Government Obligations*" means any security that is a direct obligation of, or obligations guaranteed by, the United State of America, and the payment for which the United States of America pledges its full faith and credit.

"*Voting Stock*" of a Person means all classes of Capital Stock of such Person then outstanding and normally entitled to vote in the election of directors.

"*Wholly Owned Subsidiary*" means a Restricted Subsidiary of the Company, all of the Voting Stock of which (other than directors' qualifying shares or shares required by any applicable law or regulation to be held by a Person other than the Company or another Wholly Owned Subsidiary) is owned by the Company or another Wholly Owned Subsidiary.

DESCRIPTION OF THE SENIOR NOTES

The following is a description of the £200 million aggregate principal amount of 8.0% Senior Notes due 2023 (the "Notes"). The Notes were issued by New Look Senior Issuer plc (the "Issuer"), a public limited company organized as a special purpose finance subsidiary to facilitate the offering of the Notes and which has no operations other than its rights under the loan lending the proceeds of the Notes to the Company, under an indenture (the "Indenture") dated June 24, 2015, among, *inter alios*, the Issuer, New Look Finance Limited (the "Company"), Deutsche Trustee Company Limited, as trustee (the "Trustee"), and Deutsche Bank AG, London Branch, as security agent, in a private transaction that is not subject to the registration requirements of the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act").

The terms of the Notes include those set forth in the Indenture. The Indenture will not be qualified under, incorporate provisions by reference or be subject to the U.S. Trust Indenture Act of 1939.

The proceeds of the offering of the Notes sold on the Issue Date were used by the Issuer, together with the proceeds from the offering of the Senior Secured Notes, to make the Senior Secured Notes Proceeds Loans (as defined below) and the Senior Notes Proceeds Loan (as defined below), respectively, to the Company, which in turn allowed the Company to redeem in full the Existing Notes, to discharge and terminate our existing revolving credit facility, to repay in full the indebtedness under the existing PIK facility agreement and to discharge and terminate such facility, to settle our currency hedging obligations in connection with the Existing Notes and to pay fees, costs and expenses payable in connection therewith, in all cases as set forth in this listing circular under the caption "*Use of Proceeds*." In connection with the Refinancing Transactions, the Company entered into, on the Issue Date, a new £100 million revolving credit facility agreement with, *inter alios*, Deutsche Bank AG, London Branch, as facility agent and security agent (the "Revolving Credit Facility Agreement"). See "*Description of Other Indebtedness—Revolving Credit Facility Agreement*."

Pending consummation of the Acquisition and the satisfaction of certain other conditions as described below, the initial purchasers, concurrently with the closing of the offering of the Notes on the Issue Date, deposited the gross proceeds of this offering of the Notes less certain deductions with respect to fees and expenses into an escrow account (the "Senior Notes Escrow Account") pursuant to the terms of an escrow deed (the "Senior Notes Escrow Agreement") dated as of the Issue Date among, *inter alios*, the Issuer, the Trustee and Deutsche Bank AG, London Branch, as Senior Notes Escrow Agent (the "Escrow Agent"). The Acquisition was consummated on June 25, 2015 and the proceeds were released from escrow on the same date.

The following description is a summary of the material provisions of the Indenture, the Notes, the Senior Notes Proceeds Loan Agreement and the Senior Notes Escrow Agreement and refers to the Intercreditor Agreement. This does not restate those agreements in their entirety. We urge you to read the Indenture, the Notes and the Intercreditor Agreement because they, and not this description, define your rights as holders of the Notes. Copies of the Indenture, the form of Notes and the Intercreditor Agreement will be available as set forth below under "*Where You Can Find More Information.*"

Certain defined terms used in this description but not defined below under "*—Certain Definitions*" have the meanings assigned to them in the Indenture. You can find the definitions of certain terms used in this description under the subheading "*—Certain Definitions.*" In this description, the term "Issuer" refers only to New Look Senior Issuer plc and its successors, and the "Company" refers to New Look Finance Limited and its successors and not to any of its Subsidiaries.

The registered holder of a Note will be treated as the owner of it for all purposes. Only registered holders have rights under the Indenture.

Brief Description of the Notes and the Notes Guarantees

The Notes

- are general, senior obligations of the Issuer;
- rank *pari passu* in right of payment with all existing and future indebtedness of the Issuer that is not subordinated in right of payment to the Notes (including the senior guarantee given by the Issuer in favor of the Revolving Credit Facility and the Senior Secured Notes), but are subject to restrictions on payment in certain circumstances described under "*Description of Certain Financing Arrangements—Intercreditor Agreement*";
- rank senior in right of payment to all existing and future indebtedness of the Issuer that is expressly subordinated to the Notes;
- are secured on a subordinated basis by liens over the Collateral, as described below under "*Security—The Collateral*";

- are effectively subordinated to any existing and future secured indebtedness of the Issuer that is secured by liens ranking ahead of the liens securing the Notes or by property or assets that do not secure the Notes, to the extent of the value of the property or assets securing such indebtedness (including the Senior Secured Notes and the Revolving Credit Facility); and
- are unconditionally guaranteed as to all of the Issuer's obligations on a senior subordinated basis by the Guarantors, subject to the guarantee limitations described herein and in "*Risk Factors—Risks Related to the Notes and Our Structure—Each Notes Guarantee will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit its validity and enforceability*."

The Notes Guarantees

- are the senior subordinated obligations of the relevant Guarantor;
- are subordinated in right of payment to all existing and future subordinated indebtedness of the Guarantors, including the guarantees in respect of the Senior Secured Notes, the Revolving Credit Facility, and certain Hedging Obligations;
- rank *pari passu* in right of payment with all existing and future senior subordinated indebtedness of the relevant Guarantors
- rank senior in right of payment to all existing and future obligations of the relevant Guarantor that is expressly subordinated to such Notes Guarantee;
- are effectively subordinated to any existing and future indebtedness of the Guarantors that is secured by liens senior to the liens securing the Guarantors' guarantees or secured with property or assets that do not secure the Guarantors' guarantees of the Notes on an equal basis, to the extent of the value of the property or assets securing such indebtedness;
- are effectively subordinated to any existing and future indebtedness of subsidiaries of the Company that do not guarantee the Notes;
- are secured on a subordinated basis by liens over the Collateral, as described below under "*Security—The Collateral*"; and
- are subject to limitations described herein and in "*Risk Factors—Risks Related to the Notes and Our Structure—Each Notes Guarantee will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit its validity and enforceability*."

Payment under the Notes Guarantees is expressly subordinated in right of payment to the payment when due of all Senior Indebtedness of the Guarantors (including without limitation Indebtedness Incurred under the Revolving Credit Facility, the Senior Secured Notes, and certain Hedging Obligations). As a result of this subordination, holders of Senior Indebtedness of any Guarantor will be entitled to receive full payment on all obligations owed to them before any payment can be made to the holders of the Notes in respect of the Notes Guarantees.

Subordination of Notes Guarantees on the Basis of the Intercreditor Agreement

Each of the Notes Guarantees is a senior subordinated Notes Guarantee, which means that, pursuant to the terms of the Intercreditor Agreement, each such Notes Guarantee ranks behind, and is expressly subordinated to, all the existing and future Senior Indebtedness of the relevant Guarantor, including any obligations owed by the relevant Guarantor under the Revolving Credit Facility and the Senior Secured Notes. The ability to take enforcement action against the Guarantors under their Notes Guarantees is subject to significant restrictions imposed by the Intercreditor Agreement and the terms of the Notes Guarantees, and potentially any Additional Intercreditor Agreements entered into after the Issue Date. See "*Description of Certain Financing Arrangements—Intercreditor Agreement*."

Because of the foregoing subordination provisions, it is likely that holders of Senior Indebtedness and other creditors (including trade creditors) of a Guarantor would recover disproportionately more than the holders of the Notes recover in any insolvency or similar proceeding relating to such Guarantor. In any such case, there may be insufficient assets, or no assets, remaining to pay the principal or interest on the Notes.

Principal, Maturity and Interest

The Issuer issued £200 million in aggregate principal amount of Notes on the Issue Date. The Notes will mature on July 1, 2023. The reimbursement price of the Notes at maturity will be 100% of the principal amount then

outstanding. The Notes are issued in minimum denominations of £100,000 and in integral multiples of £1,000 in excess thereof.

The rights of holders of beneficial interests in the Notes to receive the payments on such Notes will be subject to applicable procedures of Euroclear and Clearstream. If the due date for any payment in respect of any Notes is not a Business Day at the place at which such payment is due to be paid, the Holder thereof will not be entitled to payment of the amount due until the next succeeding Business Day at such place, and will not be entitled to any further interest or other payment as a result of any such delay.

Interest on the Notes will accrue at the rate of 8.0% per annum and will be payable, in cash, semi-annually in arrears on May 15 and November 15 of each year, commencing on November 15, 2015, to holders of record on the immediately preceding May 1 and November 1, respectively. Interest on the Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the date of original issuance. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months. Each interest period shall end on (but not include) the relevant interest payment date.

Additional Notes

From time to time, subject to the Issuer's compliance with the covenants described under the headings *"—Certain Covenants—Limitation on Indebtedness" and "—Certain Covenants—Limitation on Liens,"* the Issuer is permitted to issue additional Notes, which shall have terms substantially identical to the Notes, except in respect of any of the following terms which shall be set forth in an Officer's Certificate supplied to the Trustee ("Additional Notes"):

(1) the title of such Additional Notes;

(2) the aggregate principal amount of such Additional Notes;

(3) the date or dates on which such Additional Notes have been issued;

(4) the rate or rates (which may be fixed or floating) at which such Additional Notes shall bear interest and, if applicable, the interest rate basis, formula or other method of determining such interest rate or rates, the date or dates from which such interest shall accrue, the interest payment dates on which such interest shall be payable or the method by which such dates will be determined, the record dates for the determination of holders thereof to whom such interest is payable and the basis upon which such interest will be calculated;

(5) the currency or currencies in which such Additional Notes shall be denominated and the currency in which cash or government obligations in connection with such series of Additional Notes may be payable;

(6) the date or dates and price or prices at which, the period or periods within which, and the terms and conditions upon which, such Additional Notes may be redeemed, in whole or in part;

(7) if other than denominations of £100,000 and in integral multiples of £1,000 in excess thereof in relation to the Additional Notes, the denominations in which such Additional Notes shall be issued and redeemed; and

(8) the ISIN, Common Code, CUSIP or other securities identification numbers with respect to such Additional Notes.

Such Additional Notes will be treated, along with all other series of Notes, as a single class for the purposes of the Indenture with respect to waivers, amendments and all other matters which are not specifically distinguished for such series; provided that if the Additional Notes are not fungible with the Notes for U.S. federal income tax purposes, such Additional Notes will be issued with a separate identification code from the Notes. Unless the context otherwise requires, for all purposes of the Indenture and this *"Description of the Senior Notes,"* references to "Notes" shall be deemed to include references to the Notes initially issued on the Issue Date as well as any Additional Notes. Additional Notes may also be designated as "Additional 8.0% Senior Notes," but only if having terms substantially identical in all material respects to the initial Senior Notes issued on the Issue Date. The initial Senior Notes and any Additional 8.0% Senior Notes shall be deemed to form one series and references to the "Senior Notes" shall be deemed to refer to the Senior Notes initially issued on the Issue Date as well as any Additional 8.0% Senior Notes.

Methods of Receiving Payments on the Notes

Principal, premium, if any, interest and Additional Amounts (as defined below), if any, on the Global Notes (as defined below) will be payable at the specified office or agency of the applicable Paying Agent; *provided* that all such payments with respect to any series of Notes represented by one or more Global Note registered in the name of or held by a nominee of the common depositary of Euroclear and Clearstream will be made by wire transfer of

immediately available funds to the account specified by the Holder or Holders thereof in accordance with the procedures of Euroclear or Clearstream.

Principal, premium, if any, interest and Additional Amounts, if any, on any certificated securities ("Definitive Registered Notes") will be payable at the specified office or agency of the applicable Paying Agent in the City of London maintained for such purposes. In addition, interest on the Definitive Registered Notes may be paid by check mailed to the person entitled thereto as shown on the register for the Definitive Registered Notes. See "*—Paying Agent and Registrar for the Notes*."

Paying Agent and Registrar for the Notes

The Issuer will maintain one or more paying agents for the Notes in the City of London (each, a "Paying Agent"). The Issuer will also undertake, to the extent possible, to use reasonable efforts to maintain a paying agent in a member state of the European Union that will not be obliged to withhold or deduct tax pursuant to the European Council Directive 2003/48/EC regarding the taxation of savings income (the "Directive"). The Paying Agent will be Deutsche Bank AG, London Branch in London.

The Issuer will also maintain one or more registrars (each, a "Registrar") with offices in Luxembourg, for so long as the Notes are held in registered form. The Issuer will also maintain a transfer agent in Luxembourg (the "Transfer Agent"). The initial Registrar and Transfer Agent will be Deutsche Bank Luxembourg S.A. in Luxembourg. The Registrar and the Transfer Agent will also maintain a register reflecting ownership of Definitive Registered Notes and Global Notes outstanding from time to time, if any, and will make payments on and facilitate transfers of Definitive Registered Notes on behalf of the Issuer. Each Transfer Agent shall perform the functions of a transfer agent.

The Issuer may change any Paying Agent, Registrar or Transfer Agent for the Notes without prior notice to the Holders of the Notes. The Issuer, the Company or any of its Subsidiaries may act as Paying Agent or Registrar in respect of the Notes. For so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF market and the rules of the Luxembourg Stock Exchange so require, the Issuer will publish a notice of any change of Paying Agent, Registrar or Transfer Agent in a newspaper having a general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, to the extent and in the manner permitted by such rules, post such notice on the official website of the Luxembourg Stock Exchange (*www.bourse.lu*).

Transfer and Exchange

The Notes are initially issued in the form of registered notes in global form without interest coupons, as follows:

- The Notes sold within the United States to qualified institutional buyers pursuant to Rule 144A under the Securities Act are initially represented by one or more global notes in registered form without interest coupons attached (the "144A Global Notes"). The 144A Global Notes are, upon issuance, deposited with the common depositary for the accounts of Euroclear and Clearstream and registered in the name of its nominee.
- The Notes sold outside the United States pursuant to Regulation S under the Securities Act are initially represented by one or more global notes in registered form without interest coupons attached (the "Regulation S Global Notes" and, together with the 144A Global Notes, the "Global Notes"). The Regulation S Global Notes are, upon issuance, deposited with the common depositary for the accounts of Euroclear and Clearstream and registered in the name of its nominee.

Ownership of interests in the Global Notes ("Book-Entry Interests") is limited to persons that have accounts with Euroclear or Clearstream or persons that may hold interests through such participants. Ownership of interests in the Book-Entry Interests and transfers thereof is subject to the restrictions on transfer and certification requirements summarized below and described more fully under "*Notice to Investors.*" In addition, transfers of Book-Entry Interests between participants in Euroclear or participants in Clearstream will be effected by Euroclear or Clearstream pursuant to customary procedures and subject to the applicable rules and procedures established by Euroclear or Clearstream and their respective participants.

Book-Entry Interests in the 144A Global Notes may be transferred to a person who takes delivery in the form of Book-Entry Interests in the Regulation S Global Notes only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Regulation S under the Securities Act.

Prior to 40 days after the date of initial issuance of the Notes, ownership of Book-Entry Interests in Regulation S Global Notes will be limited to persons that have accounts with Euroclear or Clearstream or persons who hold

interests through Euroclear or Clearstream, and any sale or transfer of such interest to U.S. persons shall not be permitted during such period unless such resale or transfer is made pursuant to Rule 144A under the Securities Act. Subject to the foregoing, Regulation S Book-Entry Interests may be transferred to a person who takes delivery in the form of 144A Book-Entry Interests only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made to a person who the transferor reasonably believes is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A or otherwise in accordance with the transfer restrictions described under "*Notice to Investors*" and in accordance with any applicable securities law of any other jurisdiction.

Any Book-Entry Interest that is transferred as described in the immediately preceding paragraphs will, upon transfer, cease to be a Book-Entry Interest in the Global Note from which it was transferred and will become a Book-Entry Interest in the Global Note to which it was transferred. Accordingly, from and after such transfer, it will become subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in the Global Note to which it was transferred.

If Definitive Registered Notes are issued, they will be issued only in minimum denominations of £100,000 aggregate principal amount and integral multiples of £1,000 in excess thereof, upon receipt by the Registrar of instructions relating thereto and any certificates, opinions and other documentation required by the Indenture. It is expected that such instructions will be based upon directions received by Euroclear or Clearstream, from the participant that owns the relevant Book-Entry Interests. Definitive Registered Notes issued in exchange for a Book-Entry Interest will, except as set forth in the Indenture or as otherwise determined by the Issuer to be in compliance with applicable law, be subject to, and will have a legend with respect to, the restrictions on transfer summarized below and described more fully under "*Transfer Restrictions*."

Subject to the restrictions on transfer referred to above, Notes issued as Definitive Registered Notes may be transferred or exchanged, in whole or in part, in minimum denominations of £100,000 in aggregate principal amount and integral multiples of £1,000 in excess thereof. In connection with any such transfer or exchange, the Indenture requires the transferring or exchanging holder to, among other things, furnish appropriate endorsements and transfer documents, to furnish information regarding the account of the transferee at Euroclear or Clearstream, to furnish certain certificates and opinions, and to pay any taxes, duties and governmental charges in connection with such transfer or exchange. Any such transfer or exchange will be made without charge to the Holder, other than any taxes, duties and governmental charges payable in connection with such transfer.

Notwithstanding the foregoing, the Registrar is not required to register the transfer or exchange of any Notes:

(1) for a period of 15 days prior to any date fixed for the redemption of such Notes;

(2) for a period of 15 days immediately prior to the date fixed for selection of such Notes to be redeemed in part;

(3) for a period of 15 days prior to the record date with respect to any interest payment date applicable to such Notes; or

(4) which the Holder has tendered (and not withdrawn) for repurchase in connection with a Change of Control Offer or an Asset Disposition Offer.

The Issuer, the Trustee, the Registrar and the Paying Agent will be entitled to treat the Holder of a Note as the owner of it for all purposes.

Restricted Subsidiaries and Unrestricted Subsidiaries

Immediately after the issuance of the Notes and upon the Issue Date, all of the Company's Subsidiaries were Restricted Subsidiaries. In the circumstances described below under "*—Certain Definitions—Unrestricted Subsidiary,*" the Company will be permitted to designate Restricted Subsidiaries (other than the Issuer) as Unrestricted Subsidiaries. Unrestricted Subsidiaries will not be subject to any of the restrictive covenants in the Indenture.

Escrow of Proceeds

Concurrently with the closing of the offering of the Notes on the Issue Date, the Issuer entered into the Senior Notes Escrow Agreement with, *inter alios*, the Trustee and the Escrow Agent, pursuant to which the initial purchasers deposited with the Escrow Agent an amount equal to the gross proceeds of this offering of the Notes less certain deductions with respect to fees and expenses into the Senior Notes Escrow Account. The initial funds

deposited in the Senior Notes Escrow Account, and all other funds, securities, interest, dividends, distributions and other property and payments credited to the Senior Notes Escrow Account (less any property and/or funds paid in accordance with the Senior Notes Escrow Agreement) are referred to, collectively, as the "Senior Notes Escrowed Property."

In order to cause the Escrow Agent to release the Senior Notes Escrowed Property to the Issuer or to such account as may be designated by the Issuer (the "Release"), the Escrow Agent and the Trustee shall have received from the Issuer, on or before September 30, 2015 (the "Escrow Longstop Date"), an Officer's Certificate to the effect that:

(1) (i) the Acquisition has been or will be consummated, promptly following (and no later than the Business Day after) the release of the Senior Notes Escrowed Property, and (ii) no material term or condition of the Acquisition Agreement has been amended or waived in a manner or to an extent that would be materially prejudicial to the interests of Holders of the Notes, other than any amendment or waiver made with the consent of Holders of a majority of the outstanding Notes (provided that if the Majority Lenders, as defined in, and pursuant to the Revolving Credit Facility Agreement shall have consented to any such amendment or waiver (or the Revolving Credit Facility is drawn without any such consent being required) then the consent of the Holders of a majority of the outstanding Notes shall be deemed to have been granted to such amendment or waiver);

(2) immediately after consummation of the Acquisition, the Permitted Holders will own, directly or indirectly, the entire share capital of New Look Retail Group Limited and substantially all of the assets and operations of New Look Retail Group Limited and its subsidiaries as described in the Offering Memorandum; and

(3) as of the Release Date (as defined below), there are no events of bankruptcy, insolvency or court protection with respect to the Company or the Issuer.

The Release took place on June 25, 2015 (the "Release Date"). Upon the Release, the Senior Notes Escrowed Property was paid out in accordance with the Senior Notes Escrow Agreement and the Senior Notes Escrow Account was reduced to zero.

Notes Guarantees

The obligations of the Issuer pursuant to the Notes, including any payment obligation resulting from a Change of Control, will (subject to the Agreed Security Principles) be guaranteed jointly and severally on a senior subordinated basis by the Company and each subsidiary of the Company that is a guarantor under the Revolving Credit Facility Agreement (each a "Guarantor" and such guarantee, a "Notes Guarantee").

The Notes are guaranteed by the following initial Guarantors:

Guarantor:	Jurisdiction of Incorporation:
Hamperwood Limited	England and Wales
New Look Finance Limited	England and Wales
New Look Group Limited	England and Wales
New Look Limited	England and Wales
New Look Overseas Limited	England and Wales
New Look Retailers Limited	England and Wales
New Look Secured Issuer plc	England and Wales

As of and for the 52 week period ended March 28, 2015, the initial Guarantors generated 83% and 95% of the consolidated revenue and Adjusted EBITDA of the Company and its Subsidiaries, respectively, and represented 80% of the consolidated total assets of the Company and its Subsidiaries.

In addition, as described below under "*—Certain Covenants—Additional Notes Guarantees and Collateral*" and subject to the Intercreditor Agreement and the Agreed Security Principles, each Restricted Subsidiary of the Issuer that guarantees the Revolving Credit Facility Agreement, Public Debt or certain other indebtedness shall also enter into a supplemental indenture as a Guarantor of the Notes and accede to the Intercreditor Agreement.

The Agreed Security Principles apply to the granting of guarantees and security in favor of obligations under the Revolving Credit Facility Agreement, the Notes and the Senior Secured Notes. The Agreed Security Principles include restrictions on the granting of guarantees where, among other things, such grant would be restricted by general statutory or other legal limitations or requirements, financial assistance, corporate benefit, fraudulent preference, "thin capitalization" rules, retention of title claims and similar matters.

Each Notes Guarantee will be limited to the maximum amount that would not render the Guarantor's obligations subject to avoidance under applicable fraudulent conveyance provisions of the United States Bankruptcy Code or

any comparable provision of foreign or state law, or as otherwise required under the Agreed Security Principles to comply with corporate benefit, financial assistance and other laws. By virtue of this limitation, a Guarantor's obligation under its *Notes Guarantee* could be significantly less than amounts payable with respect to the Notes, or a Guarantor may have effectively no obligation under its *Notes Guarantee*. See "*Risk Factors—Risks Related to the Notes and Our Structure—Each Notes Guarantee will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit its validity and enforceability," "Risk Factors—Risks Related to the Notes and Our Structure—There are circumstances other than repayment or discharge of the Notes under which the Collateral securing the Notes and the Notes Guarantees will be released automatically, without your consent or the consent of the Trustee"* and *"Risk Factors—Risks Related to the Notes and Our Structure—English insolvency laws and other jurisdictions may provide you with less protection than U.S. bankruptcy law*."

The Notes Guarantee of a Guarantor will terminate and release upon:

(1) except in the case of the Notes Guarantee given by the Company (the "Parent Guarantee"), a sale, exchange, disposition, exchange or other transfer (including by way of consolidation, merger, amalgamation or combination) of ownership interests in the Guarantor (directly or through a parent company) such that the Guarantor does not remain a Restricted Subsidiary, including for the avoidance of doubt, the liquidation or dissolution of Hamperwood Limited and/or New Look Group Limited, or the sale or disposition of all or substantially all the assets of the Guarantor (other than to the Company or a Restricted Subsidiary), in each case, otherwise permitted by the Indenture;

(2) except in the case of the Parent Guarantee, if the Company designates any Restricted Subsidiary that is a Guarantor to be an Unrestricted Subsidiary in accordance with the applicable provisions of the Indenture;

(3) in accordance with the provisions of the Intercreditor Agreement or any Additional Intercreditor Agreement;

(4) upon legal defeasance, covenant defeasance or satisfaction and discharge of the Indenture as provided below under the captions "*—Defeasance" and "—Satisfaction and Discharge";*

(5) upon the full and final payment of the Notes; or

(6) as described under the caption "*—Amendment and Waiver.*"

Substantially all the operations of the Company are conducted through its Subsidiaries. Claims of creditors of non-guarantor Subsidiaries, including trade creditors, secured creditors and creditors holding debt and guarantees issued by those Subsidiaries, and claims of preferred stockholders (if any) of those Subsidiaries generally will have priority with respect to the assets and earnings of those Subsidiaries over the claims of creditors of the Issuer and the Guarantors, including Holders of the Notes. The Notes and each Notes Guarantee therefore will be effectively subordinated to creditors (including trade creditors) and preferred stockholders (if any) of Subsidiaries of the Company (other than the Guarantors).

As of March 28, 2015, except for the indebtedness represented by the Existing Notes and the existing PIK loans which has been redeemed and repaid in full as part of the Refinancing Transactions, the Company and its Subsidiaries that will not guarantee the Notes did not have any outstanding third-party financial indebtedness. Although the Indenture limits the incurrence of Indebtedness (which includes Disqualified Stock and Preferred Stock of Restricted Subsidiaries), the limitation is subject to a number of significant exceptions. Moreover, the Indenture does not impose any limitation on the incurrence by Restricted Subsidiaries of liabilities that are not considered Indebtedness under the Indenture. See "*—Certain Covenants—Limitation on Indebtedness*."

Security

The Collateral

From the Issue Date to the Release Date, the Senior Notes Escrow Accounts will be subject to security on a first ranking basis in favor of the Trustee and the Holders of the Notes.

Subject to the operation of the Agreed Security Principles, certain perfection requirements and any Permitted Collateral Liens, each of the Issuer, the Company and the other Guarantors have granted in favour of the Security Agent, fixed and floating charges over substantially all the assets of the Issuer and the Guarantors, including: shares of capital stock of each of the Issuer, certain Guarantors and other subsidiaries (granted by the Company and its subsidiaries); certain bank accounts; certain real property; certain intellectual property; an assignment of (or to the extent not validly assigned, a fixed charge over) the rights of the Issuer under the Senior Notes Proceeds Loans; and an assignment of (or to the extent not validly assigned, a fixed charge over) the rights of the Senior Secured Notes Issuer under the Senior Secured Notes Proceeds Loans (collectively, the "Initial Collateral"). The security will be limited and subject to certain statutory preferences under English law as

described under "*Risk Factors—Risks Related to the Notes and Our Structure—Each Notes Guarantee will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defences that may limit its validity and enforceability*." The rights of the Holders and the Trustee to benefit from and enforce any rights in the Collateral are subject to the Intercreditor Agreement, and will be subordinated to obligations secured in the Collateral on a senior basis to the Notes and the Guarantees, including without limitation obligations under the Revolving Credit Facilities, under Permitted Trade L/C Liens and under the Senior Secured Notes.

Notwithstanding the foregoing, certain assets will not be pledged (or the Liens not perfected) in accordance with the Agreed Security Principles, including:

- if the cost of providing security is not proportionate to the benefit accruing to the Holders;
- if there is material incremental cost involved in creating security over all assets of a Guarantor in a particular category of assets, only the material assets in that category will be subject to security;
- if providing such security requires consent before such assets may be secured or where providing such security would give a third party the right to terminate or otherwise amend any rights, benefits and/or obligations of the Company, the Issuer or any of their Subsidiaries in respect of those assets or require any of them to take any action materially adverse to their interests and where (subject to certain conditions being met) such consent cannot be obtained after the use of reasonable endeavors;
- if providing such security would be prohibited by applicable law, general statutory limitations, financial assistance, corporate benefit, fraudulent preference, "thin capitalization" rules or similar matters or providing security would be outside the applicable pledgor's capacity or conflict with fiduciary duties of directors or cause material risk of personal or criminal liability after the use of reasonable endeavors to overcome such prohibitions (if possible);
- if in certain jurisdictions it may be either impossible or impractical to create security over certain categories of assets, security will not be taken over such assets in such jurisdictions;
- if providing such security would have a material adverse effect (as reasonably determined in good faith by such Subsidiary) on the ability of such Subsidiary to conduct its operations and business in the ordinary course as otherwise permitted by the Indenture and any requirement under the Agreed Security Principles to seek consent of any person or take or not take any other action shall be subject to this principle;
- no perfection action will be required in jurisdictions where a Guarantor is not located but perfection action may be required in the jurisdiction of one Guarantor in relation to security granted by another Guarantor located in a different jurisdiction and (where otherwise consistent with the Agreed Security Principles) in any supra-national registries agreed between the Company and the Security Agent from time to time;
- in the case of bank accounts, if providing such security or perfecting liens thereon would require giving notice to the banks with whom the accounts are maintained, such notice will only be provided after the Notes are accelerated; and
- in the case of receivables, notification of receivables security to debtors and of security over goods held by third parties will only be provided after the Notes are accelerated, subject to certain exceptions.

The Collateral, which will secure the Notes on a subordinated basis, will also secure, on a prior basis, the liabilities under the Senior Secured Notes, the Revolving Credit Facility Agreement, the Permitted Trade L/C Facilities and certain Hedging Obligations, which will receive proceeds from the enforcement of the Collateral in priority to holders of the Notes. Pursuant to the Intercreditor Agreement, any liabilities in respect of obligations under the Revolving Credit Facility Agreement, the Permitted Trade L/C Facilities, certain Hedging Obligations and certain additional Indebtedness permitted to be incurred under the covenant *"—Certain Covenants—Limitation on Indebtedness*" and permitted to be secured on the Collateral on a priority basis under the covenant "*—Certain Covenants—Limitation on Liens*" will receive priority over the Holders with respect to any proceeds received upon any enforcement action over any Collateral. Subject to certain conditions, including compliance with the covenant described under "*—Certain Covenants—Impairment of Security Interest*," the Company is permitted to grant security over the Collateral in connection with future issuances of its Indebtedness or Indebtedness of its Restricted Subsidiaries, including any Additional Notes, in each case, as permitted under the Indenture and the Intercreditor Agreement. Any proceeds received upon any enforcement over any Collateral, after all liabilities in respect of obligations under the Revolving Credit Facility Agreement, the Permitted Trade L/C Facilities, certain Hedging Obligations and the Senior Secured Notes, and any additional Indebtedness or obligations permitted to be secured on a priority basis to the Notes, have been discharged from such recoveries, will be applied *pro rata* in payment of all liabilities in respect of obligations under the Indenture and the Notes

and any other Indebtedness of the Company or its Restricted Subsidiaries permitted to be incurred and secured on a subordinated basis by the Collateral pursuant to the Indenture and the Intercreditor Agreement.

Administration of Security and Enforcement of Liens

The Security Documents and the Collateral will be administered by the Security Agent, in each case pursuant to the Intercreditor Agreement for the benefit of all holders of secured obligations. The enforcement of the Security Documents will be subject to the procedures set forth in the Intercreditor Agreement. In general, the rights of the Security Agent (acting on its own behalf or on behalf of the Holders) to take enforcement action under the Security Documents with respect to the Collateral are subject to certain standstill provisions and payment blockage and other limitations on enforcement. See "*Description of Other Indebtedness—Intercreditor Agreement.*"

The ability of holders of the Notes to realize upon the Collateral will be subject to various bankruptcy law limitations in the event of the Issuer's or a Guarantor's bankruptcy. See "*Risk Factors—Risks Related to the Notes and Our Structure—Each Notes Guarantee will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit its validity and enforceability"* and *"Risk Factors—Risks Related to the Notes and Our Structure—English insolvency laws and other jurisdictions may provide you with less protection than U.S. bankruptcy law*."

Pursuant to the Agreed Security Principles, the terms of the Security Documents themselves provide for assets to cease to be subject to security in certain circumstances without need for a formal release, such as the sale of assets which are subject to a charge, or the exclusion of certain assets from a debenture if such assets may not be subject to security (such as, for example, assets that may not be validly pledged, or assets that are subject to a Permitted Lien).

In addition, the enforcement of the Collateral will be limited to the maximum amount required under the Agreed Security Principles to comply with corporate benefit, financial assistance and other laws. As a result of these limitations, the amounts recoverable for the benefit of secured creditors from the enforcement of such Collateral could be significantly less than the value of such Collateral and could be nothing. See "*Risk Factors—Risks Related to the Notes and Our Structure—Each Notes Guarantee will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit its validity and enforceability."*

Subject to the terms of the Security Documents, the Issuer and the Guarantors have the right to remain in possession and retain exclusive control of the Collateral securing the Notes (other than as set forth in the Security Documents), to freely operate the Collateral and to collect, invest and dispose of any income therefrom.

No appraisals of any of the Collateral have been prepared by or on behalf of the Issuer in connection with the issuance of the Notes. There can be no assurance that the proceeds from the sale of the Collateral would be sufficient to satisfy the obligations owed to the holders of the Notes after satisfying the senior obligations owed to the holders of the Senior Secured Notes and paying obligations under the Revolving Credit Facility Agreement, the Permitted Trade L/C Facilities and any Hedging Obligations. By its nature, some or all of the Collateral will be illiquid and may have no readily ascertainable market value. Accordingly, there can be no assurance that the Collateral can be sold in a short period of time or at all.

In addition, the Intercreditor Agreement places limitations on the ability of the Security Agent to cause the sale of some of the Collateral. These limitations may include requirements that some or all of the Collateral be disposed of only pursuant to public auctions or only at a price confirmed by a valuation. See "*Description of Other Indebtedness—Intercreditor Agreement*."

The Trustee for the Notes has, and by accepting a Note, each Holder will be deemed to have:

- irrevocably appointed Deutsche Bank AG, London Branch, as Security Agent to act as its agent under the Intercreditor Agreement and the other relevant documents to which it is a party (including, without limitation, the Security Documents);
- irrevocably authorized the Security Agent to (i) perform the duties and exercise the rights, powers and discretions that are specifically given to it under the Intercreditor Agreement or other documents to which it is a party (including, without limitation, the Security Documents), together with any other incidental rights, power and discretions; and (ii) execute each document, waiver, modification, amendment, renewal or replacement expressed to be executed by the Security Agent on its behalf; and
- accepted the terms and conditions of the Intercreditor Agreement and any Additional Intercreditor Agreement (as defined below) and each Holder will also be deemed to have authorized the Trustee to enter into any such Additional Intercreditor Agreement.

Priority

The relative priority with regard to the Collateral as between (a) the lenders under the Revolving Credit Facility Agreement and the Permitted Trade L/C Facilities, (b) the counterparties under certain Hedging Agreements, (c) the Trustee and the Holders under the Indenture and (d) the trustee and the holders under the Senior Secured Notes Indenture is established by the terms of the Intercreditor Agreement and the Security Documents, which provide that the obligations under the Notes and the Senior Secured Notes will receive proceeds or enforcement of security over the Collateral only after the claims of lenders under the Revolving Credit Facility Agreement and the issuers of the Permitted Trade L/C Facilities and certain Hedging Obligations are satisfied, and the holders under the Senior Notes will receive proceeds from enforcement of the relevant Collateral only after claims of Holders of the Senior Secured Notes, lenders under the Revolving Credit Facility, and the issuers of the Permitted Trade L/C Facilities and certain Hedging Obligations are satisfied in full. See "*Description of Other Indebtedness—Intercreditor Agreement*." In addition, pursuant to the Intercreditor Agreement or Additional Intercreditor Agreements entered into after the Issue Date, the Collateral may be pledged to secure other Indebtedness. See "*—Release of Liens," "—Certain Covenants—Impairment of Security Interest" and "—Certain Definitions—Permitted Collateral Liens."*

Release of Liens

The Security Agent will, in addition to the circumstances described above, take any action required to effectuate any release of Collateral required by a Security Document:

(1) in connection with any disposition of Collateral, directly or indirectly, to (a) any Person other than the Company or any of its Restricted Subsidiaries (but excluding any transaction subject to "*—Certain Covenants—Merger and Consolidation—The Company and the Issuer*") that is permitted by the Indenture (with respect to the Lien on such Collateral) or (b) the Company or any Restricted Subsidiary consistent with the Intercreditor Agreement;

(2) in the case of a Guarantor that is released from its Notes Guarantee in accordance with the Indenture, the release of the property, assets and Capital Stock of such Guarantor;

(3) if the Company designates any of its Restricted Subsidiaries (other than the Issuer) to be an Unrestricted Subsidiary in accordance with the applicable provisions of the Indenture, the release of the property, assets and Capital Stock of such Restricted Subsidiary;

(4) upon legal defeasance, covenant defeasance or satisfaction and discharge of the Indenture as provided below under the captions "*—Defeasance*" and "*—Satisfaction and Discharge";*

(5) upon payments in full of principal, interest and all other obligations in respect of the Notes issued under the Indenture;

(6) as described under the caption "*—Amendment and Waiver";*

(7) as described under the caption "*—Certain Covenants—Impairment of Security Interest*";

(8) as described in the second paragraph under the caption "*—Certain Covenants—Limitation on Liens";* or

(9) as otherwise provided in the Intercreditor Agreement.

Each of these releases shall be effected by the Security Agent and the Trustee without the consent of the Holders.

The Issuer, the Company and its Restricted Subsidiaries may also, among other things, without any release or consent by the Trustee or the Security Agent, conduct ordinary course activities with respect to Collateral, including, without limitation, (i) selling or otherwise disposing of, in any transaction or series of related transactions, any property subject to the Lien under the Security Documents which has become worn out, defective or obsolete or not used or useful in the business; (ii) selling, transferring or otherwise disposing of current assets in the ordinary course of business; and (iii) any other action permitted by the Security Documents or the Intercreditor Agreement.

Amendments to the Intercreditor Agreement and Additional Intercreditor Agreements

In connection with the Incurrence of any Indebtedness by the Company or any of its Restricted Subsidiaries that is permitted to share the Collateral, the Trustee and the Security Agent shall, at the request of the Company, enter into with the Company, the relevant Restricted Subsidiaries and the holders of such Indebtedness (or their duly authorized representatives) one or more intercreditor agreements or deeds (including a restatement, replacement, amendment or other modification of the Intercreditor Agreement) (an "Additional Intercreditor Agreement"), on substantially the same terms as the Intercreditor Agreement (or terms that are not materially less favorable to the

Holders) and substantially similar as applies to sharing of the proceeds of security and enforcement of security, priority and release of security; *provided* that such Additional Intercreditor Agreement will not impose any personal obligations on the Trustee or Security Agent or adversely affect the personal rights, duties, liabilities, indemnification or immunities of the Trustee or the Security Agent under the Indenture or the Intercreditor Agreement. In connection with the foregoing, the Company shall furnish to the Trustee such documentation in relation thereto as it may reasonably require. As used herein, a reference to the Intercreditor Agreement will also include any Additional Intercreditor Agreement.

In relation to the Intercreditor Agreement, the Trustee shall consent on behalf of the holders to the payment, repayment, purchase, repurchase, defeasance, acquisition, retirement or redemption of any obligations subordinated to the Notes thereby; *provided, however*, that such transaction would comply with the covenant described herein under "*—Certain Covenants—Limitation on Restricted Payments*."

The Indenture also provides that, at the written direction of the Issuer and without the consent of Holders, the Trustee and the Security Agent shall from time to time enter into one or more amendments to any Intercreditor Agreement to: (1) cure any ambiguity, omission, defect or inconsistency of any such agreement, (2) increase the amount or types of Indebtedness covered by any such Intercreditor Agreement that may be Incurred by the Company or its Restricted Subsidiaries that is subject to any such Intercreditor Agreement (*provided* that such Indebtedness is Incurred in compliance with the Indenture), (3) add Guarantors or other Restricted Subsidiaries to the Intercreditor Agreement, (4) further secure the Notes (including Additional Notes), (5) make provision for equal and ratable pledges of the Collateral to secure Additional Notes (*provided* that such Additional Notes are permitted to be secured by the Collateral under the Indenture) or to implement any Permitted Collateral Liens or (6) make any other change to any such agreement that does not adversely affect the Holders of Notes in any material respect. The Issuer shall not otherwise direct the Trustee or Security Agent to enter into any amendment to any Intercreditor Agreement without the consent of the Holders of a majority in aggregate principal amount of the Notes then outstanding, except as otherwise permitted below under "*—Amendments and Waivers*" or as permitted by the terms of such Intercreditor Agreement, and the Issuer may only direct the Trustee or Security Agent to enter into any amendment to the extent such amendment does not impose any personal obligations on the Trustee or Security Agent or, in the opinion of the Trustee or Security Agent, adversely affect their respective rights, duties, liabilities or immunities under the Indenture or any Intercreditor Agreement.

The Indenture also provides that each Holder, by accepting a Note, shall be deemed to have agreed to and accepted the terms and conditions of the Intercreditor Agreement (whether then entered into or entered into in the future pursuant to the provisions described herein) and to have authorized the Trustee and the Security Agent to enter into the Intercreditor Agreement, any amendment referenced in the preceding paragraph and any Additional Intercreditor Agreement on each Holder's behalf.

A copy of the Intercreditor Agreement or any Additional Intercreditor Agreement shall be made available to the Holders upon request and will be made available for inspection during normal business hours on any Business Day upon prior written request at the office of the Issuer and, for so long as any Notes are admitted for trading on the Euro MTF market of the Luxembourg Stock Exchange, at the offices of the Registrar in Luxembourg.

The Senior Notes Proceeds Loan

Upon the issuance of the Notes, the Issuer, as lender, and the Company, as borrower, entered into the Senior Notes Proceeds Loan Agreement, pursuant to which the Issuer lent to the Company the proceeds of the Notes. The Senior Notes Proceeds Loan is denominated in sterling in aggregate principal amount equal to the proceeds of the Notes. The Senior Notes Proceeds Loan bears interest at a rate at least equal to the interest rate of the Notes. Interest on the Senior Notes Proceeds Loan is payable semi-annually in arrears on or prior to the corresponding date for the payment of interest on the Notes.

The Senior Notes Proceeds Loan Agreement provides that the Company will pay the Issuer interest and principal due and payable on the Notes and any Additional Amounts due thereunder. All amounts payable under the Senior Notes Proceeds Loan are payable to such account or accounts with such Person or Persons as the Issuer may designate. The maturity date of the Senior Notes Proceeds Loan is the same as the maturity date of the Notes. Except as otherwise required by law, all payments under the Senior Notes Proceeds Loan Agreement will be made without deductions or withholding for, or on account of, any applicable tax. In the event that the Company is required to make any such deduction or withholding, such entity shall gross-up each payment to the Issuer to ensure that the Issuer receives and retains a net payment equal to the payment which it would have received had no such deduction or withholding been made.

The Senior Notes Proceeds Loan provides that the Company will make all payments pursuant thereto on a timely basis in order to ensure that the Issuer can satisfy its payment obligations under the Notes and the Indenture,

taking into account the administrative and timing requirements under the Indenture with respect to amounts payable on the Notes.

An assignment of (or to the extent not validly assigned, a fixed charge over) the Issuer's rights under the Senior Notes Proceeds Loan Agreement will be granted in favor of the Security Agent as part of the Collateral, as described above under "*—Security—The Collateral*."

Optional Redemption

Except as set forth herein and under "*—Redemption for Taxation Reasons*" and "*—Escrow of Proceeds; Special Mandatory Redemption*," the Notes are not redeemable at the option of the Issuer.

At any time prior to June 24, 2018, the Issuer may redeem the Notes in whole or in part, at its option, upon not less than 10 nor more than 60 days prior notice at a redemption price equal to 100% of the principal amount of such Sterling Fixed Rate Notes plus the relevant Applicable Premium as of, and accrued and unpaid interest and Additional Amounts, if any, to, but not including, the redemption date.

At any time and from time to time on or after June 24, 2018, the Issuer may redeem the Notes in whole or in part, at its option, upon not less than 10 nor more than 60 days prior notice, at a redemption price equal to the percentage of principal amount set forth below plus accrued and unpaid interest to, but not including, the redemption date:

Twelve month period commencing June 24 in	Percentage
2018	104.0%
2019	102.0%
2020 and thereafter	100.0%

At any time and from time to time prior to June 24, 2018, upon not less than 10 nor more than 60 days' prior notice, the Issuer may redeem up to 40% of the original aggregate principal amount of the Notes (including Additional Notes) at a redemption price equal to (i) 108.0% of the aggregate principal amount thereof, with an amount equal to or less than the net cash proceeds of one or more Equity Offerings, plus (ii) accrued and unpaid interest thereon, if any, to, but not including, the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date); *provided* that:

(1) in each case the redemption takes place not later than 180 days after the closing of the related Equity Offering; and

(2) not less than 60% of the original aggregate principal amount of the Notes being redeemed (including the aggregate principal amount of any Additional Notes) remain outstanding immediately thereafter.

Notice of any redemption upon any Equity Offering may be given prior to the completion thereof.

Any redemption and notice of redemption may, at the Issuer's discretion, be subject to the satisfaction of one or more conditions precedent (including, in the case of a redemption related to an Equity Offering, the consummation of such Equity Offering).

If the Issuer effects an optional redemption of a series of the Notes, it will, for so long as such Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF market and the rules of the Luxembourg Stock Exchange so require, inform the Luxembourg Stock Exchange of such optional redemption and confirm the aggregate principal amount of such Notes that will remain outstanding immediately after such redemption.

If the optional redemption date is on or after an interest record date and on or before the related interest payment date, the accrued and unpaid interest will be paid to the Person in whose name such Note is registered at the close of business on such record date, and no additional interest will be payable to Holders whose Notes will be subject to redemption by the Issuer.

Sinking Fund

The Issuer is not required to make mandatory redemption payments or sinking fund payments with respect to the Notes.

Selection and Notice

If less than all of the Notes of a series are to be redeemed at any time, the Trustee or the Registrar, as applicable, will select such Notes for redemption in compliance with the requirements of the principal securities exchange, if

any, on which such Notes are listed, as certified to the Trustee or the Registrar, as applicable, by the Issuer, and in compliance with the requirements of Euroclear or Clearstream, or if such Notes are not so listed or such exchange prescribes no method of selection and such Notes are not held through Euroclear or Clearstream or Euroclear or Clearstream prescribe no method of selection, on a *pro rata* basis or by use of a pool factor; *provided, however*, that no Note of £100,000 in aggregate principal amount or less shall be redeemed in part and Notes in excess of £100,000 will be redeemed in part in integral multiples of £1,000. Neither the Trustee nor the Registrar will be liable for any selections made by it in accordance with this paragraph.

So long as any Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF market and the rules of the Luxembourg Stock Exchange so require, any such notice to the Holders of the Notes shall to the extent and in the manner permitted by such rules be posted on the official website of the Luxembourg Stock Exchange (*www.bourse.lu*) and in addition to such release, not less than 10 days nor more than 60 days prior to the redemption date, the Issuer will mail, or at the expense of the Issuer, cause to be mailed, such notice to Holders by first-class mail, postage prepaid, at their respective addresses as they appear on the registration books of the Registrar. Such notice of redemption may also be posted on the website of the Luxembourg Stock Exchange (*www.bourse.lu*), to the extent and in the manner permitted by the rules of the Luxembourg Stock Exchange. In addition, for so long as any Notes are represented by Global Notes, all notices to Holders of the Notes may be delivered to Euroclear and Clearstream in substitution for the aforesaid mailing, each of which will give such notices to the holders of Book-Entry Interests.

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note shall state the portion of the principal amount thereof to be redeemed, in which case a portion of the original Note will be issued in the name of the Holder thereof upon cancellation of the original Note. In the case of a Global Note, an appropriate notation will be made on such Note to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof. Subject to the terms of the applicable redemption notice (including any conditions contained therein), Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Notes or portions of them called for redemption.

Redemption for Taxation Reasons

The Issuer or Successor Company, as defined below, may redeem, and a Guarantor may cause the Issuer or a Successor Company to redeem, the Notes in whole, but not in part, at any time upon giving not less than 10 nor more than 60 days' notice to the Holders of the Notes (which notice will be irrevocable) at a redemption price equal to 100% of the outstanding principal amount thereof, together with accrued and unpaid interest, if any, to, but not including, the date fixed for redemption (a "Tax Redemption Date") (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date) and all Additional Amounts (see "—*Withholding Taxes*"), if any, then due and which will become due on the Tax Redemption Date as a result of the redemption or otherwise, if any, as a result of:

(1) any change in, or amendment to, the law (or any regulations or rulings promulgated thereunder) of a Relevant Taxing Jurisdiction (as defined below) affecting taxation; or

(2) any change in, or amendment to, the application, administration or interpretation of such laws, treaties, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction or a change in published practice) of a Relevant Taxing Jurisdiction (each of the foregoing in clauses (1) and (2), a "*Change in Tax Law*"),

the Issuer, Successor Company or Guarantor are, or on the next interest payment date in respect of such Notes would be, required to pay any Additional Amounts and such obligation cannot be avoided by taking reasonable measures available to the Issuer, Successor Company or Guarantor (including, for the avoidance of doubt, the appointment of a new Paying Agent or, in the case of a Guarantor, having another Guarantor make payment, in each case to the extent such measure is reasonable and not including assignment of the obligation to make payment with respect to such Notes). In the case of redemption due to withholding as a result of a Change in Tax Law in a jurisdiction that is a Relevant Taxing Jurisdiction at the date of the Offering Memorandum, such Change in Tax Law must become effective on or after the date of the Offering Memorandum. In the case of redemption due to withholding as a result of a Change in Tax Law in a jurisdiction that becomes a Relevant Taxing Jurisdiction after the date of the Offering Memorandum, such Change in Tax Law must become effective on or after the date the jurisdiction becomes a Relevant Taxing Jurisdiction, unless the Change in Tax Law would have applied to the predecessor of the Successor Company. Notice of redemption for taxation reasons will be published in accordance with the procedures described under "—*Selection and Notice*." Notwithstanding the foregoing, no such notice of redemption will be given (a) earlier than 90 days prior to the earliest date on which the Payor would be obliged to make such payment of Additional Amounts if a payment in respect of such Notes were then due and (b) unless at the time such notice is given, such obligation to pay such Additional Amounts

remains in effect. Prior to the publication or mailing of any notice of redemption of such Notes pursuant to the foregoing, the Issuer or Successor Company will deliver to the Trustee (a) an Officer's Certificate stating that it is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to its right so to redeem have been satisfied and (b) an opinion of an independent tax counsel of recognized standing to the effect that the Issuer, Successor Company or Guarantor has or have been or will become obligated to pay Additional Amounts as a result of a Change in Tax Law. The Trustee will accept such Officer's Certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent described above, without further inquiry, in which event it will be conclusive and binding on the Holders.

The foregoing will apply *mutatis mutandis* to any jurisdiction in which any successor to the Issuer is incorporated or organized or otherwise considered to be a resident or doing business for tax purposes, or any jurisdiction from or through which such successor makes any payment on the Notes or any Notes Guarantees, and any political subdivision or taxing authority or agency thereof or therein.

Withholding Taxes

All payments made by the Issuer, a Successor Company or Guarantor (each, a "Payor") on the Notes or the Notes Guarantees will be made free and clear of and without withholding or deduction for, or on account of, any Taxes unless the withholding or deduction of such Taxes is then required by law. If any deduction or withholding for, or on account of, any Taxes imposed or levied by or on behalf of:

(1) the United Kingdom or any political subdivision or Governmental Authority thereof or therein having power to tax;

(2) any jurisdiction from or through which payment on any such Note or Notes Guarantee is made by the Issuer, Successor Company, Guarantor or their agents, or any political subdivision or Governmental Authority thereof or therein having the power to tax; or

(3) any other jurisdiction in which the Payor is incorporated or organized, resident for tax purposes, or any political subdivision or Governmental Authority thereof or therein having the power to tax (each of clause (1), (2) and (3), a "Relevant Taxing Jurisdiction"),

will at any time be required from any payments made by a Payor with respect to any Note or Notes Guarantee, including payments of principal, redemption price, premium, if any, or interest, the Payor will pay (together with such payments) such additional amounts (the "Additional Amounts") as may be necessary in order that the net amounts received in respect of such payments by the Holders or the Trustee, as the case may be, after such withholding or deduction (including any such deduction or withholding from such Additional Amounts), will equal the amounts which would have been received in respect of such payments on any such Note or Notes Guarantee in the absence of such withholding or deduction; *provided, however*, that no such Additional Amounts will be payable for or on account of:

(1) any Taxes that would not have been so imposed but for the existence of any present or former connection between the relevant Holder or the beneficial owner of a Note (or between a fiduciary, settlor, beneficiary, partner, member or shareholder of, or possessor of power over the relevant Holder or beneficial owner, if the relevant Holder or beneficial owner is an estate, nominee, trust, partnership, limited liability company or corporation) and the Relevant Taxing Jurisdiction (including, but not limited to, being a citizen or resident or national or domiciliary of, or carrying on a business or maintaining a permanent establishment, a dependent agent, a place of business or a place of management present or deemed present in, or being physically present in, the Relevant Taxing Jurisdiction) but excluding, in each case, any connection arising solely from the acquisition, ownership or holding of such Note or enforcement of rights thereunder or under any Note Guarantee or the receipt of any payment in respect thereof;

(2) any Taxes that are imposed, withheld or deducted by reason of the failure by the Holder or the beneficial owner of the Note to comply with a written request of the Payor addressed to the Holder, after reasonable notice, to provide certification, information, documents or other evidence concerning the nationality, residence, identity or connection with the Relevant Taxing Jurisdiction of the Holder or such beneficial owner or to make any declaration or similar claim or satisfy any certification, identification, information or other reporting requirement relating to such matters, which is required by applicable law, statute, treaty, regulation or administrative practice of the Relevant Taxing Jurisdiction as a precondition to exemption from all or part of such Taxes;

(3) any Taxes that are payable otherwise than by deduction or withholding from a payment under or with respect to the Notes or any Note Guarantee;

(4) any estate, inheritance, gift, value added, sales, excise, use, transfer, personal property or similar tax, assessment or other governmental charge;

(5) any Taxes that are required to be deducted or withheld on a payment to a Holder or beneficial owner and that are required to be made pursuant to Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of November 26-27, 2000 on taxation of savings income or any law implementing or complying with, or introduced in order to conform to such Directives or pursuant to the Luxembourg law of December 23, 2005 introducing a withholding tax on certain savings income paid to Luxembourg;

(6) any Taxes imposed in connection with a Note presented for payment (where presentation is permitted or required for payment) by or on behalf of a Holder or beneficial owner who would have been able to avoid such Tax by presenting the relevant Note to, or otherwise accepting payment from, another Paying Agent;

(7) any Taxes that are imposed pursuant to Section 1471 through 1474 of the Code (or any amended or successor version of such sections that is substantively comparable and not materially more onerous to comply with), any regulations promulgated thereunder, any official interpretations thereof or any similar law or regulation implementing an intergovernmental agreement between a non-U.S. jurisdiction and the United States with respect to the foregoing or any agreements entered into pursuant to Section 1471(b)(1) of the Code; or

(8) any combination of the above.

Such Additional Amounts will also not be payable (x) if the payment could have been made without such deduction or withholding if the beneficiary of the payment had presented the Note for payment (where presentation is permitted or required for payment) within 30 days after the relevant payment was first made available for payment to the Holder (except to the extent that the Holder or beneficial owner would have been entitled to Additional Amounts had the Note been presented on any day during such 30 day period) or (y) where, had the beneficial owner of the Note been the Holder, such beneficial owner would not have been entitled to payment of Additional Amounts by reason of any of clauses (1) to (8) inclusive above.

In addition, no Additional Amounts shall be paid with respect to any payment to any Holder who is a fiduciary or a partnership or other than the sole beneficial owner of such Notes to the extent that the beneficiary or settlor with respect to such fiduciary, the member of such partnership or the beneficial owner of such Notes would not have been entitled to Additional Amounts had such beneficiary, settlor, member or beneficial owner held such Notes directly.

The Payor will (i) make any required withholding or deduction and (ii) remit the full amount deducted or withheld to the Relevant Taxing Jurisdiction in accordance with applicable law. The Payor will use all reasonable efforts to obtain certified copies of tax receipts evidencing the payment of any Taxes so deducted or withheld from each Relevant Taxing Jurisdiction imposing such Taxes, in such form as provided in the ordinary course by the Relevant Taxing Jurisdiction and as is reasonably available to the Payor and will provide such certified copies to the Trustee. Such copies shall be made available to the Holders upon request and will be made available at the offices of the Registrar in Luxembourg if the Notes are then admitted for trading on the Euro MTF market.

If any Payor becomes aware that it will be obligated to pay Additional Amounts under or with respect to any payment made on any Note or Notes Guarantee, at least 30 days prior to the date of such payment, the Payor will deliver to the Trustee an Officer's Certificate stating the fact that Additional Amounts will be payable and the amount so payable and such other information necessary to enable the Paying Agent to pay Additional Amounts to Holders on the relevant payment date (unless such obligation to pay Additional Amounts arises, or Payor becomes aware of such obligation, less than 45 days prior to the relevant payment date, in which case the Payor may deliver such Officer's Certificate as promptly as practicable after the date that is 30 days prior to the payment date). The Trustee will be entitled to rely solely on such Officer's Certificate as conclusive proof that such payments are necessary.

Wherever in either the Indenture, the Notes Guarantees or this "*Description of the Senior Notes*" there are mentioned, in any context:

(1) the payment of principal;

(2) purchase price in connection with a purchase of Notes;

(3) interest; or

(4) any other amount payable on or with respect to any of the Notes,

such reference shall be deemed to include payment of Additional Amounts as described under this heading to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The Payor will pay any present or future stamp, court or documentary Taxes, or any other property or similar Taxes that arise in any jurisdiction from the execution, delivery, registration or enforcement of any Notes, any Notes Guarantee, the Indenture, the Senior Secured Notes Proceeds Loan Agreements, the Security Documents or any other document or instrument in relation thereto (other than a transfer or exchange of the Notes after this Offering), excluding any such taxes, charges or levies imposed by any jurisdiction that is not a Relevant Taxing Jurisdiction, and the Payor agrees to indemnify the Holders for any such taxes paid by such Holders. The foregoing obligations of this paragraph will survive any termination, defeasance or discharge of the Indenture and will apply mutatis mutandis to any jurisdiction in which any successor to the Issuer is organized or otherwise considered to be a resident or doing business for tax purposes, or any jurisdiction from or through which such successor makes any payment on the Notes or any Note Guarantees or any political subdivision or taxing authority or agency thereof or therein.

Change of Control

If a Change of Control occurs, subject to the terms hereof, each Holder will have the right to require the Issuer to repurchase all or part (equal to £100,000 aggregate principal amount and integral multiples of £1,000 in excess thereof), as the case may be, of such Holder's Notes at a purchase price in cash equal to 101% of the principal amount of such Notes, plus accrued and unpaid interest to the date of purchase (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date); *provided, however*, that the Issuer shall not be obliged to repurchase Notes as described under this "*—Change of Control*" section in the event and to the extent that it has unconditionally exercised its right to redeem all of the Notes as described under "*—Optional Redemption*" or all conditions to such redemption have been satisfied or waived.

Unless the Issuer has unconditionally exercised its right to redeem all the Notes of each series as described under *"—Optional Redemption*" or all conditions to such redemption have been satisfied or waived, no later than the date that is 60 days after any Change of Control, the Issuer will mail a notice (the "Change of Control Offer") to each Holder of any such Notes, with a copy to the Trustee:

(1) stating that a Change of Control has occurred or may occur and that such Holder has the right to require the Issuer to purchase such Holder's Notes at a purchase price in cash equal to 101% of the principal amount of such Notes plus accrued and unpaid interest to, but not including, the date of purchase (subject to the right of Holders of record on a record date to receive interest on the relevant interest payment date) (the "Change of Control Payment");

(2) stating the repurchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is mailed) (the "Change of Control Payment Date");

(3) describing the circumstances and relevant facts regarding the transaction or transactions that constitute the Change of Control;

(4) describing the procedures determined by the Issuer, consistent with the Indenture, that a Holder must follow in order to have its Notes repurchased; and

(5) if such notice is mailed prior to the occurrence of a Change of Control, stating that the Change of Control Offer is conditional on the occurrence of such Change of Control.

On the Change of Control Payment Date, if the Change of Control shall have occurred, the Issuer will, to the extent lawful:

(1) accept for payment all such Notes properly tendered pursuant to the Change of Control Offer;

(2) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Notes so tendered;

(3) deliver or cause to be delivered to the Trustee an Officer's Certificate stating the aggregate principal amount of Notes or portions thereof being purchased by the Issuer in the Change of Control Offer;

(4) in the case of Global Notes, deliver, or cause to be delivered, to the Paying Agent such Global Notes in order to reflect thereon the portion of such Notes or portions thereof that have been tendered to and purchased by the Issuer; and

(5) in the case of Definitive Registered Notes, deliver, or cause to be delivered, to the relevant Registrar for cancellation all such Definitive Registered Notes accepted for purchase by the Issuer.

If any Definitive Registered Notes of a series have been issued, the Paying Agent will promptly mail to each Holder of such Definitive Registered Notes so tendered the Change of Control Payment for such Notes, and the Trustee will promptly authenticate (or cause to be authenticated) and mail (or cause to be transferred by book

entry) to each Holder of Definitive Registered Notes a new Note equal in aggregate principal amount to the unpurchased portion of such Notes surrendered, if any; *provided* that each such new Note will be in an aggregate principal amount that is at least £100,000 and integral multiples of £1,000 in excess thereof.

If and for so long as the Notes of a series are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF market and the rules of the Luxembourg Stock Exchange so require, the Issuer will publish notices relating to the Change of Control Offer as soon as reasonably practicable after the Change of Control Payment Date in a leading newspaper of general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, to the extent and in the manner permitted by such rules, post such notices on the official website of the Luxembourg Stock Exchange (*www.bourse.lu*).

The Change of Control provisions described above will be applicable whether or not any other provisions of the Indenture are applicable. Except as described above with respect to a Change of Control, the Indenture does not contain provisions that permit the Holders to require that the Issuer repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction. The existence of a Holder's right to require the Issuer to repurchase such Holder's Notes upon the occurrence of a Change of Control may deter a third party from seeking to acquire the Company or its Subsidiaries in a transaction that would constitute a Change of Control.

The Issuer will not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Issuer and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer.

The Issuer will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations (or rules of any exchange on which the Notes are then listed) in connection with the repurchase of Notes pursuant to this covenant. To the extent that the provisions of any securities laws or regulations (or exchange rules) conflict with provisions of the Indenture, the Issuer will comply with the applicable securities laws and regulations (or exchange rules) and will not be deemed to have breached its obligations, or require a repurchase of the Notes, under the Change of Control provisions of the Indenture by virtue of the conflict.

The occurrence of a change of control permits the lenders under the Revolving Credit Facility to require the repayment of such debt and the holders of the Senior Secured Notes to require an offer to repurchase the Senior Secured Notes. Future debt of the Company or its Subsidiaries may prohibit the Issuer from purchasing Notes in the event of a Change of Control or provide that a Change of Control is a default or requires repurchase upon a Change of Control. Moreover, the exercise by the Holders of their right to require the Issuer to purchase the Notes could cause a default under, or require a repurchase of, other debt, even if the Change of Control itself does not, due to the financial effect of the purchase on the Issuer.

Finally, the Issuer's ability to pay cash to the Holders following the occurrence of a Change of Control may be limited by the Issuer's then existing financial resources. There can be no assurance that sufficient funds will be available when necessary to make the required purchase of the Notes. See "*Risk Factors—Risks Related to the Notes and Our Structure—We may not have the ability to raise the funds necessary to finance an offer to repurchase the Notes upon the occurrence of certain events constituting a change of control as required by the Indentures and the change of control provision contained in the Indentures may not necessarily afford you protection in the event of certain important corporate events*."

Holders of the Notes may not be entitled to require the Issuer to purchase their Notes in certain circumstances involving a significant change in the composition of the Company's board of directors, including in connection with a proxy contest, where the Company's board of directors initially publicly opposes the election of a dissident slate of directors, but subsequently approves such directors for the purposes of the Indenture. This may result in a change in the composition of the board of directors that, but for such subsequent approval, would have otherwise constituted a Change of Control requiring a repurchase offer under the terms of the Indenture. You should note that case law suggests that, in the event that incumbent directors are replaced as a result of a contested election, the Company may nevertheless avoid triggering a change of control under a clause similar to clause (2) of the definition of "Change of Control," if the outgoing directors were to approve the new directors for the purpose of such change of control clause.

The definition of "Change of Control" includes a disposition of all or substantially all of the property and assets of the Company and its Restricted Subsidiaries taken as a whole to specified other Persons. Although there is limited case law interpreting the phrase "substantially all," there is no precise established definition of the phrase "substantially all" under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of "all or substantially all" of the

property or assets of a Person. As a result, it may be unclear as to whether a Change of Control has occurred and whether a Holder may require the Issuer to make an offer to repurchase the Notes as described above.

The provisions of the Indenture relating to the Issuer's obligation to make an offer to repurchase the Notes as a result of a Change of Control may be waived or modified with the written consent of Holders of a majority in outstanding aggregate principal amount of the Notes under the Indenture.

Certain Covenants

Limitation on Indebtedness

The Company will not, and will not permit any of its Restricted Subsidiaries to, Incur any Indebtedness (including Acquired Indebtedness); *provided, however*, that the Company and any Restricted Subsidiary may Incur Indebtedness if on the date of such Incurrence and after giving pro forma effect thereto (including pro forma application of the proceeds thereof), the Fixed Charge Coverage Ratio for the Company and its Restricted Subsidiaries is greater than 2.0 to 1.0 and *provided, further*, that the maximum aggregate principal amount of Indebtedness that may be Incurred by Restricted Subsidiaries that are not Guarantors or the Issuer pursuant to this paragraph shall not exceed £40 million.

The first paragraph of this covenant will not prohibit the Incurrence of the following Indebtedness:

(1) Indebtedness Incurred by the Company, the Issuer, any Guarantor, or any other Restricted Subsidiary which is not required to give a Notes Guarantee pursuant to the Agreed Security Principles, pursuant to any Credit Facility (including letters of credit or bankers' acceptances issued or created under any Credit Facility), and any Refinancing Indebtedness in respect thereof and Notes Guarantees in respect of such Indebtedness in a maximum aggregate principal amount at any time outstanding not exceeding the greater of (a) £100 million and (b) 45% of Consolidated EBITDA, plus, in the case of any refinancing of any Indebtedness permitted under this clause (1) or any portion thereof, the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses Incurred in connection with such refinancing;

(2) (a) Guarantees by the Company or any Restricted Subsidiary of Indebtedness of the Company or any Restricted Subsidiary in each case so long as the Incurrence of such Indebtedness being guaranteed is permitted under the terms of the Indenture; or

(b) without limiting the covenant described under "—*Limitation on Liens*," Indebtedness arising by reason of any Lien granted by or applicable to such Person securing Indebtedness of the Company or any Restricted Subsidiary so long as the Incurrence of such Indebtedness is permitted under the terms of the Indenture;

(3) Indebtedness of the Company owing to and held by any Restricted Subsidiary or Indebtedness of a Restricted Subsidiary owing to and held by the Company or any Restricted Subsidiary; *provided, however*, that:

(a) if the Issuer or any Guarantor is the obligor on any such Indebtedness and the obligee is not a Guarantor or the Issuer, it is unsecured and expressly subordinated in right of payment to prior payment in full in cash (whether upon Stated Maturity, acceleration or otherwise) and the performance in full of its obligations under the Notes or Notes Guarantee, as applicable, to the extent required by the Intercreditor Agreement; and

(b) (i) any subsequent issuance or transfer of Capital Stock or any other event which results in any such Indebtedness being beneficially held by a Person other than the Company or a Restricted Subsidiary of the Company and (ii) any sale or other transfer of any such Indebtedness to a Person other than the Company or a Restricted Subsidiary of the Company, shall be deemed, in each case, to constitute an Incurrence of such Indebtedness by the Company or such Restricted Subsidiary, as the case may be;

(4) Indebtedness represented by (a) the Notes (other than any Additional Notes) and the Senior Secured Notes (other than any additional Senior Notes), (b) any Indebtedness (other than Indebtedness described in clauses (1) and (3) of this paragraph) outstanding on the Issue Date, (c) Refinancing Indebtedness Incurred in respect of any Indebtedness described in this clause (4) or clause (5) of this paragraph or Incurred pursuant to the first paragraph of this covenant, (d) Management Advances and (e) the Proceeds Loan;

(5) Indebtedness of any Person (i) Incurred and outstanding on the date on which such Person becomes a Restricted Subsidiary of the Company or another Restricted Subsidiary of the Company or is merged, consolidated, amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) the Company or any Restricted Subsidiary or (ii) Incurred to provide all or any portion of the funds utilized to consummate the transaction or series of related transactions pursuant to

which such Person became a Restricted Subsidiary or was otherwise acquired by the Company or a Restricted Subsidiary; *provided*, however, with respect to each of clause (5)(i) and (5)(ii), that at the time of such acquisition or other transaction (x) the Company or a Restricted Subsidiary would have been able to Incur £1.00 of additional Indebtedness pursuant to the first paragraph of this covenant after giving effect to the Incurrence of such Indebtedness pursuant to this clause (5) or (y) the Fixed Charge Coverage Ratio would not be lower than it was immediately prior to giving effect to such acquisition or other transaction;

(6) Indebtedness under Currency Agreements, Interest Rate Agreements and Commodity Hedging Agreements entered into for *bona fide* hedging purposes of the Company or its Restricted Subsidiaries and not for speculative purposes (as determined in good faith by the Board of Directors or Senior Management of the Company);

(7) Indebtedness represented by Capitalized Lease Obligations or Purchase Money Obligations, and in each case any Refinancing Indebtedness in respect thereof, in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this clause (7) and then outstanding, will not exceed at any time outstanding the greater of (A) £20 million and (B) 2.0% of Total Assets;

(8) Indebtedness in respect of (a) workers' compensation claims, self-insurance obligations, performance, indemnity, surety, judgment, appeal, advance payment, customs, VAT or other tax or other guarantees or other similar bonds, instruments or obligations and completion guarantees and warranties provided by the Company or a Restricted Subsidiary or relating to liabilities, obligations or guarantees Incurred in the ordinary course of business, (b) letters of credit, bankers' acceptances, guarantees or other similar instruments or obligations issued or relating to liabilities or obligations Incurred in the ordinary course of business; *provided, however*, that, other than in the case of a letter of credit or similar instrument that is permitted to be secured, and is secured, by a Permitted Trade L/C Lien, upon the drawing of such letters of credit or similar instruments, the obligations are reimbursed within 30 days following such drawing, (c) the financing of insurance premiums in the ordinary course of business and (d) any customary cash management, cash pooling or netting or setting off arrangements in the ordinary course of business;

(9) Indebtedness arising from agreements providing for customary guarantees, indemnification, obligations in respect of earn-outs or other adjustments of purchase price or, in each case, similar obligations, in each case, Incurred or assumed in connection with the acquisition or disposition of any business or assets or Person or any Capital Stock of a Subsidiary (other than Guarantees of Indebtedness Incurred by any Person acquiring or disposing of such business or assets or such Subsidiary for the purpose of financing such acquisition or disposition); *provided* that the maximum liability of the Company and its Restricted Subsidiaries in respect of all such Indebtedness shall at no time exceed the gross proceeds, including the fair market value of non-cash proceeds (measured at the time received and without giving effect to any subsequent changes in value), actually received by the Company and its Restricted Subsidiaries in connection with such disposition;

(10) (a) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; *provided, however*, that such Indebtedness is extinguished within five Business Days of Incurrence;

(b) Customer deposits and advance payments received in the ordinary course of business from customers for goods purchased in the ordinary course of business; and

(c) Indebtedness incurred by a Restricted Subsidiary in connection with bankers acceptances, discounted bills of exchange or the discounting or factoring of receivables for credit management of bad debt purposes, in each case incurred or undertaken in the ordinary course of business on arm's length commercial terms on a recourse basis;

(11) Indebtedness in an aggregate outstanding principal amount which, when taken together with any Refinancing Indebtedness in respect thereof and the aggregate principal amount of all other Indebtedness Incurred pursuant to this clause (11) and then outstanding, will not exceed the greater of £75 million and 5.5% of Total Assets; *provided* that the maximum aggregate principal amount of Indebtedness that may be Incurred by Restricted Subsidiaries that are not Guarantors pursuant to this paragraph shall not exceed £25 million;

(12) Indebtedness in an aggregate outstanding principal amount which, when taken together with any Refinancing Indebtedness in respect thereof and the principal amount of all other Indebtedness Incurred pursuant to this clause (12) and then outstanding, will not exceed 100% of the Net Cash Proceeds received by the Company from the issuance or sale (other than to a Restricted Subsidiary) of its Subordinated

Shareholder Funding or its Capital Stock (other than Disqualified Stock, Designated Preference Shares or an Excluded Contribution) or otherwise contributed to the equity (other than through the issuance of Disqualified Stock, Designated Preference Shares or an Excluded Contribution) of the Company, in each case, subsequent to the Issue Date; *provided, however*, that (i) any such Net Cash Proceeds that are so received or contributed shall be excluded for purposes of making Restricted Payments under the first paragraph and clauses (1), (6) and (10) of the third paragraph of the covenant described below under "*—Limitation on Restricted Payments*" to the extent the Company and its Restricted Subsidiaries incur Indebtedness in reliance thereon and (ii) any Net Cash Proceeds that are so received or contributed shall be excluded for purposes of Incurring Indebtedness pursuant to this clause (12) to the extent the Company or any of its Restricted Subsidiaries makes a Restricted Payment under the first paragraph and clauses (1), (6) and (10) of the third paragraph of the covenant described below under "*—Limitation on Restricted Payments*" in reliance thereon; and

(13) Indebtedness under daylight borrowing facilities incurred in connection with the Refinancing Transactions or any refinancing of Indebtedness (including by way of set-off or exchange) so long as any such Indebtedness is repaid within three days of the date on which such Indebtedness is Incurred.

For purposes of determining compliance with, and the outstanding principal amount of any particular Indebtedness Incurred pursuant to and in compliance with this covenant:

(1) in the event that Indebtedness meets the criteria of more than one of the types of Indebtedness described in the first and second paragraphs of this covenant, the Company, in its sole discretion, will classify, and may from time to time reclassify, such item of Indebtedness and only be required to include the amount and type of such Indebtedness in one of the clauses of the second paragraph or the first paragraph of this covenant;

(2) all Indebtedness outstanding on the Issue Date under the Revolving Credit Facility Agreement shall be deemed initially Incurred under clause (1) of the second paragraph of the description of this covenant and not the first paragraph or clause (4)(b) of the second paragraph of the description of this covenant, and any such Indebtedness may not be reclassified pursuant to clause (1) of this paragraph;

(3) Guarantees of, or obligations in respect of letters of credit, bankers' acceptances or other similar instruments relating to, or Liens securing, Indebtedness that is otherwise included in the determination of a particular amount of Indebtedness shall not be included;

(4) if obligations in respect of letters of credit, bankers' acceptances or other similar instruments are Incurred pursuant to any Credit Facility and are being treated as Incurred pursuant to the first paragraph above or clause (1), (7) or (11) of the second paragraph above and the letters of credit, bankers' acceptances or other similar instruments relate to other Indebtedness, then such other Indebtedness shall not be included;

(5) the principal amount of any Disqualified Stock of the Company or a Restricted Subsidiary, or Preferred Stock of a Restricted Subsidiary, will be equal to the greater of the maximum mandatory redemption or repurchase price (not including, in either case, any redemption or repurchase premium) or the liquidation preference thereof;

(6) Indebtedness permitted by this covenant need not be permitted solely by reference to one provision permitting such Indebtedness but may be permitted in part by one such provision and in part by one or more other provisions of this covenant permitting such Indebtedness;

(7) the amount of Indebtedness issued at a price that is less than the principal amount thereof will be equal to the amount of the liability in respect thereof determined on the basis of IFRS; and

(8) the amount of Indebtedness shall be calculated as described under the definition of "*Indebtedness*."

Accrual of interest, accrual of dividends, the accretion of accreted value, the accretion or amortization of original issue discount, the payment of interest in the form of additional Indebtedness, the payment of dividends in the form of additional shares of Preferred Stock or Disqualified Stock or the reclassification of commitments or obligations not treated as Indebtedness due to a change in IFRS, including a change of IFRS to U.S. GAAP, will not be deemed to be an Incurrence of Indebtedness for purposes of the covenant described under this covenant. The amount of any Indebtedness outstanding as of any date shall be calculated as specified under the definition of "Indebtedness."

If at any time an Unrestricted Subsidiary becomes a Restricted Subsidiary, any Indebtedness of such Subsidiary shall be deemed to be Incurred by a Restricted Subsidiary of the Company as of such date.

For purposes of determining compliance with any sterling-denominated restriction on the Incurrence of Indebtedness, the Sterling Equivalent of the aggregate principal amount of Indebtedness denominated in another

currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred, in the case of term Indebtedness, or, at the option of the Company, first committed, in the case of Indebtedness Incurred under a revolving credit facility; *provided* that (a) if such Indebtedness is Incurred to refinance other Indebtedness denominated in a currency other than sterling, and such refinancing would cause the applicable sterling-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such sterling-denominated restriction shall be deemed not to have been exceeded so long as the aggregate principal amount of such Refinancing Indebtedness does not exceed the aggregate principal amount of such Indebtedness being refinanced; (b) the Sterling Equivalent of the aggregate principal amount of any such Indebtedness outstanding on the Issue Date shall be calculated based on the relevant currency exchange rate in effect on the Issue Date; and (c) if and for so long as any such Indebtedness is subject to a Currency Agreement with respect to the currency in which such Indebtedness is denominated covering principal and interest on such Indebtedness, the amount of such Indebtedness, if denominated in sterling, will be the amount of the principal payment required to be made under such Currency Agreement and, otherwise, the Sterling Equivalent of such amount plus the Sterling Equivalent of any premium which is at such time due and payable but is not covered by such Currency Agreement.

Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Company or a Restricted Subsidiary may Incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rate of currencies. The principal amount of any Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Refinancing Indebtedness is denominated that is in effect on the date of such refinancing.

Limitation on Restricted Payments

The Company will not, and will not permit any of its Restricted Subsidiaries, directly or indirectly, to:

(1) declare or pay any dividend or make any distribution on or in respect of the Company's or any Restricted Subsidiary's Capital Stock (including any payment in connection with any merger or consolidation involving the Company or any of its Restricted Subsidiaries) except:

  (a) dividends or distributions payable in Capital Stock of the Company (other than Disqualified Stock) or in Subordinated Shareholder Funding; and

  (b) dividends or distributions payable to the Company or a Restricted Subsidiary (and, in the case of any such Restricted Subsidiary making such dividend or distribution, to holders of its Capital Stock other than the Company or another Restricted Subsidiary on no more than a *pro rata* basis, measured by value);

(2) purchase, redeem, retire or otherwise acquire for value any Capital Stock of the Company or any direct or indirect Parent of the Company held by Persons other than the Company or a Restricted Subsidiary of the Company (other than in exchange for Capital Stock of the Company (other than Disqualified Stock));

(3) make any principal payment on, or purchase, repurchase, redeem, defease or otherwise acquire or retire for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment, any Subordinated Indebtedness (other than (a) any such payment, purchase, repurchase, redemption, defeasance or other acquisition or retirement or in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case, due within six months of the date of purchase, repurchase, redemption, defeasance or other acquisition or retirement and (b) any Indebtedness Incurred pursuant to clause (3) of the second paragraph of the covenant described under "*—Limitation on Indebtedness*");

(4) make any payment (other than by capitalization of interest) on or with respect to, or purchase, repurchase, redeem, defease or otherwise acquire or retire for value, any Subordinated Shareholder Funding or any indebtedness under the Senior Notes; or

(5) make any Restricted Investment in any Person;

(any such dividend, distribution, payment, purchase, redemption, repurchase, defeasance, other acquisition, retirement or Restricted Investment referred to in clauses (1) through (5) are referred to herein as a "Restricted Payment"), if at the time the Company or such Restricted Subsidiary makes such Restricted Payment:

(a) a Default shall have occurred and be continuing (or would result immediately thereafter therefrom);

(b) the Company or a Restricted Subsidiary is not able to Incur an additional £1.00 of Indebtedness pursuant to the first paragraph under the "*—Limitation on Indebtedness*" covenant after giving effect, on a pro forma basis, to such Restricted Payment; or

(c) the aggregate amount of such Restricted Payment and all other Restricted Payments made subsequent to the Issue Date (and not returned or rescinded) (including Permitted Payments permitted below by clauses (6), (10), (11), (12) and (17) of the second succeeding paragraph, but excluding all other Restricted Payments permitted by the second succeeding paragraph) would exceed the sum of (without duplication):

(i) (x) 50% of Consolidated Net Income for the period (treated as one accounting period) from the first day of the first fiscal quarter commencing prior to the Issue Date to the end of the most recent fiscal quarter ending prior to the date of such Restricted Payment for which internal consolidated financial statements of the Company and its Restricted Subsidiaries are available (or, in the case such Consolidated Net Income is a deficit, minus 100% of such deficit) plus (y) the Existing Build-Up Amount;

(ii) 100% of the aggregate Net Cash Proceeds, and the fair market value (as determined in accordance with the next succeeding paragraph) of property or assets or marketable securities, received by the Company from the issue or sale of its Capital Stock (other than Disqualified Stock or Designated Preference Shares) or Subordinated Shareholder Funding subsequent to the Issue Date or otherwise contributed to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares) of the Company subsequent to the Issue Date (other than (x) Net Cash Proceeds or property or assets or marketable securities received from an issuance or sale of such Capital Stock to a Restricted Subsidiary or an employee stock ownership plan or trust established by the Company or any Subsidiary of the Company for the benefit of its employees to the extent funded by the Company or any Restricted Subsidiary, (y) Net Cash Proceeds or property or assets or marketable securities to the extent that any Restricted Payment has been made from such proceeds in reliance on clause (6) of the second succeeding paragraph and (z) Excluded Contributions);

(iii) 100% of the aggregate Net Cash Proceeds, and the fair market value (as determined in accordance with the next succeeding paragraph) of property or assets or marketable securities, received by the Company or any Restricted Subsidiary from the issuance or sale (other than to the Company or a Restricted Subsidiary of the Company or an employee stock ownership plan or trust established by the Company or any Subsidiary of the Company for the benefit of its employees to the extent funded by the Company or any Restricted Subsidiary) by the Company or any Restricted Subsidiary subsequent to the Issue Date of any Indebtedness that has been converted into or exchanged for Capital Stock of the Company (other than Disqualified Stock or Designated Preference Shares) or Subordinated Shareholder Funding (plus the amount of any cash, and the fair market value (as determined in accordance with the next succeeding paragraph) of property or assets or marketable securities, received by the Company or any Restricted Subsidiary upon such conversion or exchange);

(iv) the amount equal to the net reduction in Restricted Investments made by the Company or any of its Restricted Subsidiaries resulting from:

(A) repurchases, redemptions or other acquisitions or retirements of any such Restricted Investment, proceeds realized upon the sale or other disposition to a Person other than the Company or a Restricted Subsidiary of any such Restricted Investment, repayments of loans or advances or other transfers of assets (including by way of dividend, distribution, interest payments or returns of capital) to the Company or any Restricted Subsidiary; or

(B) the redesignation of Unrestricted Subsidiaries as Restricted Subsidiaries (valued, in each case, as provided in the definition of "Investment") not to exceed, in the case of any Unrestricted Subsidiary, the amount of Investments previously made by the Company or any Restricted Subsidiary in such Unrestricted Subsidiary, which amount, in each case under this clause (iv), was included in the calculation of the amount of Restricted Payments referred to in the first sentence of this clause (c); *provided, however*, that no amount will be included in Consolidated Net Income for purposes of the preceding clause (i) to the extent that it is (at the Company's option) included under this clause (iv); and

(v) the amount of the cash and the fair market value (as determined in accordance with the next succeeding paragraph) of property or assets or of marketable securities received by the Company or any of its Restricted Subsidiaries in connection with:

(A) the sale or other disposition (other than to the Company or a Restricted Subsidiary or an employee stock ownership plan or trust established by the Company or any Subsidiary of the Company for the benefit of its employees to the extent funded by the Company or any Restricted Subsidiary) of Capital Stock of an Unrestricted Subsidiary of the Company; and

(B) any dividend or distribution made by an Unrestricted Subsidiary or Affiliate to the Company or a Restricted Subsidiary;

provided, however, that no amount will be included in Consolidated Net Income for purposes of the preceding clause (i) to the extent that it is (at the Company's option) included under this clause (v); *provided further*, however, that such amount under this clause (v) shall not exceed the amount included in the calculation of the amount of Restricted Payments referred to in the first sentence of this clause (c).

The fair market value of property or assets other than cash covered by the preceding sentence shall be the fair market value thereof as determined in good faith by the Board of Directors of the Company.

The foregoing provisions will not prohibit any of the following (collectively, "Permitted Payments"):

(1) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Capital Stock, Disqualified Stock, Designated Preference Shares, Subordinated Shareholder Funding or Subordinated Indebtedness made by exchange for or out of the proceeds of the substantially concurrent sale of (other than to the Company or a Restricted Subsidiary or an employee stock ownership plan or trust established by the Company or any Subsidiary of the Company for the benefit of its employees to the extent funded by the Company or any Restricted Subsidiary) Capital Stock of the Company (other than Disqualified Stock or Designated Preference Shares), Subordinated Shareholder Funding or a substantially concurrent contribution to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or through an Excluded Contribution) of the Company; *provided, however*, that to the extent so applied, the Net Cash Proceeds, or fair market value (as determined in accordance with the preceding sentence) of property or assets or of marketable securities, from such sale of Capital Stock, Subordinated Shareholder Funding or such contribution will be excluded from clause (c)(ii) of the preceding paragraph;

(2) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness made by exchange for, or out of the proceeds of the substantially concurrent sale of, Refinancing Indebtedness permitted to be Incurred pursuant to the covenant described under "*—Limitation on Indebtedness*" above;

(3) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Preferred Stock of the Company or a Restricted Subsidiary made by exchange for or out of the proceeds of the substantially concurrent sale of Preferred Stock of the Company or a Restricted Subsidiary, as the case may be, that, in each case, is permitted to be Incurred pursuant to the covenant described under "*—Limitation on Indebtedness*" above, and that in each case, constitutes Refinancing Indebtedness;

(4) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness:

   (a) (i) from Net Available Cash to the extent permitted under "*—Limitation on Sales of Assets and Subsidiary Stock*" below, but only if the Company shall have first complied with the terms described under "*—Limitation on Sales of Assets and Subsidiary Stock*" and purchased all Notes tendered pursuant to any offer to repurchase all the Notes required thereby, prior to purchasing, repurchasing, redeeming, defeasing or otherwise acquiring or retiring such Subordinated Indebtedness and (ii) at a purchase price not greater than 100% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest;

   (b) to the extent required by the agreement governing such Subordinated Indebtedness, following the occurrence of a Change of Control (or other similar event described therein as a "change of control"), but only (i) if the Company shall have first complied with the terms described under "*—Change of Control*" and purchased all Notes tendered pursuant to the offer to repurchase all the Notes required thereby, prior to purchasing, repurchasing, redeeming, defeasing or otherwise acquiring or retiring such Subordinated Indebtedness and (ii) at a purchase price not greater than 101% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest; or

   (c) (i) consisting of Acquired Indebtedness (other than Indebtedness Incurred (A) to provide all or any portion of the funds utilized to consummate the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was otherwise acquired by the Company or a Restricted Subsidiary or (B) otherwise in connection with or contemplation of such acquisition) and (ii) at a purchase price not greater than 100% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest and any premium required by the terms of any Acquired Indebtedness;

(5) any dividends paid within 60 days after the date of declaration if at such date of declaration such dividend would have complied with this covenant;

(6) the purchase, repurchase, redemption, defeasance or other acquisition, cancellation or retirement for value of Capital Stock of the Company or any Parent and loans, advances, dividends or distributions by the

Company to any Parent to permit any Parent to purchase, repurchase, redeem, defease or otherwise acquire, cancel or retire for value Capital Stock of any Parent or payment to purchase, repurchase, redeem, defease or otherwise acquire, cancel or retire for value Capital Stock of any Parent, in each case from Management Investors; *provided* that such payments, loans, advances, dividends or distributions do not exceed an amount (net of repayments of any such loans or advances) equal to (i) £10 million plus (ii) £5 million multiplied by the number of calendar years that have commenced since the Issue Date plus (iii) the Net Cash Proceeds received by the Company or its Restricted Subsidiaries since the Issue Date (including through receipt of proceeds from the issuance or sale of its Capital Stock or Subordinated Shareholder Funding to a Parent) from, or as a contribution to the equity (in each case under this clause (6), other than through the issuance of Disqualified Stock or Designated Preference Shares) of the Company from, the issuance or sale to Management Investors of Capital Stock of any Parent, to the extent such Net Cash Proceeds are not included in any calculation under clause (c)(ii) of the first paragraph describing this covenant;

(7) the declaration and payment of dividends to holders of any class or series of Disqualified Stock, or of any Preferred Stock of a Restricted Subsidiary, Incurred in accordance with the terms of the covenant described under "*—Limitation on Indebtedness*" above;

(8) purchases, repurchases, redemptions, defeasances or other acquisitions or retirements of Capital Stock deemed to occur upon the exercise of stock options, warrants or other rights in respect thereof if such Capital Stock represents a portion of the exercise price thereof;

(9) dividends, loans, advances or distributions to any Parent or other payments by the Company or any Restricted Subsidiary in amounts equal to (without duplication):

  (a) the amounts required for any Parent to pay any Parent Expenses or any Related Taxes; or

  (b) amounts constituting or to be used for purposes of making payments to the extent specified in clauses (2), (3), (5), (7), (11) and (12) of the second paragraph under "*—Limitation on Affiliate Transactions*"; *provided* that for the purposes of clause (7), if and for so long as the Company is a member of a group filing a consolidated or combined tax return with any Parent or party to a Tax Sharing Agreement, payments in respect of any Taxes measured by income for which such Parent is liable may be for up to an amount not to exceed with respect to such Taxes the amount of any such Taxes that the Company and its Subsidiaries would have been required to pay on a separate company basis or on a consolidated basis if the Company and its Subsidiaries had paid tax on a consolidated, combined, group, affiliated or unitary basis on behalf of an affiliated group consisting only of the Company and its Subsidiaries;

(10) so long as no Default or Event of Default has occurred and is continuing (or would result from), the declaration and payment by the Company of, or loans, advances, dividends or distributions to any Parent to pay, dividends on the common stock or common equity interests of the Company or any Parent following a Public Offering of such common stock or common equity interests, in an amount not to exceed in any fiscal year the greater of (a) 6% of the Net Cash Proceeds received by the Company from such Public Offering or contributed to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or through an Excluded Contribution) of the Company or loaned as Subordinated Shareholder Funding to the Company and (b) following an Initial Public Offering, an amount equal to the greater of (A) 5% of the Market Capitalization and (B) 5% of the IPO Market Capitalization; *provided* that, in the case of clause (b) of this paragraph, after giving pro forma effect to such loans, advances, dividends or distributions, the Consolidated Net Leverage Ratio of the Company and its Restricted Subsidiaries shall be equal to or less than 3.25 to 1.00;

(11) so long as no Default or Event of Default has occurred and is continuing (or would result from), Restricted Payments (including loans or advances) in an aggregate amount outstanding at any time not to exceed £50 million or, if greater, 4.0% of Total Assets;

(12) payments by the Company, or loans, advances, dividends or distributions to any Parent to make payments, to holders of Capital Stock of the Company or any Parent in lieu of the issuance of fractional shares of such Capital Stock, *provided, however*, that any such payment, loan, advance, dividend or distribution shall not be for the purpose of evading any limitation of this covenant or otherwise to facilitate any dividend or other return of capital to the holders of such Capital Stock (as determined in good faith by the Board of Directors of the Company);

(13) Investments in an aggregate amount outstanding at any time not to exceed the aggregate cash amount of Excluded Contributions, or consisting of non-cash Excluded Contributions, or Investments to the extent made in exchange for or using as consideration Investments previously made under this clause (13);

(14) (i) the declaration and payment of dividends to holders of any class or series of Designated Preference Shares of the Company issued after the Issue Date; and (ii) the declaration and payment of dividends to any Parent or any Affiliate thereof, the proceeds of which will be used to fund the payment of dividends to holders of any class or series of Designated Preference Shares of such Parent issued after the Issue Date; *provided, however*, that, in the case of clauses (i) and (ii), the amount of all dividends declared or paid pursuant to this clause (14) shall not exceed the Net Cash Proceeds received by the Company or the aggregate amount contributed in cash to the equity (other than through the issuance of Disqualified Stock or an Excluded Contribution or, in the case of Designated Preference Shares by Parent or an Affiliate, the issuance of Designated Preference Shares) of the Company or loaned as Subordinated Shareholder Funding to the Company, from the issuance or sale of such Designated Preference Shares;

(15) dividends or other distributions of Capital Stock of Unrestricted Subsidiaries;

(16) payment of any Receivables Fees and purchases of Receivables Assets pursuant to a Receivables Repurchase Obligation in connection with a Qualified Receivables Financing;

(17) so long as no Default or Event of Default has occurred and is continuing (or would result therefrom), any dividend, distribution, loan or other payment to any Parent; *provided* that the Consolidated Net Leverage Ratio on a pro forma basis after giving effect to any such dividend, distribution, loan or other payment does not exceed 3.0 to 1.0 (or, in the case of Restricted Payments made to repurchase or repay Indebtedness outstanding under the Senior Notes, 3.75 to 1.0); and

(18) so long as no Default or Event of Default has occurred and is continuing (or would result therefrom), and only on or prior to the second anniversary of the Issue Date, any payment, purchase, defeasance, redemption or other acquisition or retirement of, and loans, advances, dividends or distributions by the Company to make any payment, purchase, defeasance, redemption or other acquisition or retirement of obligations under the Senior Notes, in an amount not to exceed £25 million per 12 month period elapsed since the Issue Date (commencing with the 12 month period commencing on the Issue Date).

The amount of all Restricted Payments (other than cash) shall be the fair market value on the date of such Restricted Payment of the asset(s) or securities proposed to be paid, transferred or issued by the Company or such Restricted Subsidiary, as the case may be, pursuant to such Restricted Payment. The fair market value of any cash Restricted Payment shall be its face amount, and the fair market value of any non-cash Restricted Payment shall be determined conclusively by the Board of Directors of the Company acting in good faith.

Limitation on Liens

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create, Incur or suffer to exist any Lien upon any of its property or assets (including Capital Stock of a Restricted Subsidiary of the Company), whether owned on the Issue Date or acquired after that date, or any interest therein or any income or profits therefrom, which Lien is securing any Indebtedness or Trade L/C Obligations (such Lien, the "Initial Lien"), except (a) in the case of any property or asset that does not constitute Collateral, (1) Permitted Liens or (2) Liens on property or assets that are not Permitted Liens if the Notes and the Indenture (or a Notes Guarantee in the case of Liens of a Guarantor) are directly secured equally and ratably with (in the case of Pari Passu Indebtedness), prior to (in the case of Liens with respect to Subordinated Indebtedness) or junior to (in the case of Senior Indebtedness) the Indebtedness or Trade L/C Obligations secured by such Initial Lien for so long as such Indebtedness is so secured, and (b) in the case of any property or asset that constitutes Collateral, Permitted Collateral Liens.

Any such Lien created in favor of the Notes pursuant to clause (a)(2) of the preceding paragraph will be automatically and unconditionally released and discharged upon (i) the release and discharge of the Initial Lien to which it relates, and (ii) otherwise as set forth under "*—Security—Release of Liens*."

Limitation on Restrictions on Distributions from Restricted Subsidiaries

The Company will not, and will not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any consensual encumbrance or consensual restriction on the ability of any Restricted Subsidiary to:

(A) pay dividends or make any other distributions in cash or otherwise on its Capital Stock or pay any Indebtedness or other obligations owed to the Issuer or the Company;

(B) make any loans or advances to the Issuer or the Company; or

(C) sell, lease or transfer any of its property or assets to the Issuer or the Company,

provided that (x) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock and (y) the subordination of (including the application of any standstill requirements to) loans or advances made to the Company or any Restricted Subsidiary to other Indebtedness Incurred by the Company or any Restricted Subsidiary shall not be deemed to constitute such an encumbrance or restriction.

The provisions of the preceding paragraph will not prohibit:

(1) any encumbrance or restriction pursuant to (a) any Credit Facility (including the Revolving Credit Facility), (b) the Senior Secured Notes Indenture or (c) any other agreement or instrument, in each case, in effect at or entered into on the Issue Date;

(2) any encumbrance or restriction pursuant to an agreement or instrument of a Person or relating to any Capital Stock or Indebtedness of a Person, entered into on or before the date on which such Person was acquired by or merged, consolidated or otherwise combined with or into the Company or any Restricted Subsidiary, or was designated as a Restricted Subsidiary or on which such agreement or instrument is assumed by the Company or any Restricted Subsidiary in connection with an acquisition of assets (other than Capital Stock or Indebtedness Incurred as consideration in, or to provide all or any portion of the funds utilized to consummate, the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was acquired by the Company or was merged, consolidated or otherwise combined with or into the Company or any Restricted Subsidiary entered into or in connection with such transaction) and outstanding on such date; *provided* that, for the purposes of this clause (2), if another Person is the Successor Company, any Subsidiary thereof or agreement or instrument of such Person or any such Subsidiary shall be deemed acquired or assumed by the Company or any Restricted Subsidiary when such Person becomes the Successor Company;

(3) any encumbrance or restriction pursuant to an agreement or instrument effecting a refinancing of Indebtedness Incurred pursuant to, or that otherwise refinances, an agreement or instrument referred to in clause (1) or (2) of this paragraph or this clause (3) (an "Initial Agreement") or contained in any amendment, supplement or other modification to an agreement referred to in clause (1) or (2) of this paragraph or this clause (3); *provided, however*, that the encumbrances and restrictions with respect to such Restricted Subsidiary contained in any such agreement or instrument are no less favorable in any material respect to the Holders taken as a whole than the encumbrances and restrictions contained in the Initial Agreement or Initial Agreements to which such refinancing or amendment, supplement or other modification relates (as determined in good faith by the Company);

(4) any encumbrance or restriction:

  (a) that restricts in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease, license or similar contract, or the assignment or transfer of any lease, license or other contract;

  (b) contained in mortgages, pledges, charges or other security agreements permitted under the Indenture or securing Indebtedness of the Company or a Restricted Subsidiary permitted under the Indenture to the extent such encumbrances or restrictions restrict the transfer of the property or assets subject to such mortgages, pledges, charges or other security agreements; or

  (c) pursuant to customary provisions restricting dispositions of real property interests set forth in any reciprocal easement agreements of the Company or any Restricted Subsidiary;

(5) any encumbrance or restriction pursuant to Purchase Money Obligations and Capitalized Lease Obligations permitted under the Indenture, in each case, that impose encumbrances or restrictions on the property so acquired or any encumbrance or restriction pursuant to a joint venture agreement that imposes restrictions on the transfer of the assets of the joint venture;

(6) any encumbrance or restriction with respect to a Restricted Subsidiary (or any of its property or assets) imposed pursuant to an agreement entered into for the direct or indirect sale or disposition to a Person of all or substantially all the Capital Stock or assets of such Restricted Subsidiary (or the property or assets that are subject to such restriction) pending the closing of such sale or disposition;

(7) customary provisions in leases, licenses, joint venture agreements and other similar agreements and instruments entered into in the ordinary course of business;

(8) encumbrances or restrictions arising or existing by reason of applicable law or any applicable rule, regulation or order, or required by any regulatory authority;

(9) any encumbrance or restriction on cash or other deposits or net worth imposed by customers under agreements entered into in the ordinary course of business;

(10) any encumbrance or restriction pursuant to Currency Agreements, Interest Rate Agreements or Commodity Hedging Agreements;

(11) any encumbrance or restriction arising pursuant to an agreement or instrument relating to any Indebtedness permitted to be Incurred subsequent to the Issue Date pursuant to the provisions of the covenant described under "*—Limitation on Indebtedness*" if the encumbrances and restrictions contained in any such agreement or instrument taken as a whole are not materially less favorable to the Holders than (i) the encumbrances and restrictions contained in the Revolving Credit Facility Agreement and the Intercreditor Agreement, together with the Security Documents associated therewith as in effect on the Issue Date or (ii) in comparable financings (as determined in good faith by the Company) or where the Company determines when such Indebtedness is Incurred that such encumbrances or restrictions will not adversely affect, in any material respect, the Company's ability to make principal or interest payments on the Proceeds Loans;

(12) any encumbrance or restriction existing by reason of any lien permitted under "*—Limitation on Liens*"; or

(13) restrictions effected in connection with a Qualified Receivables Financing that, in the good faith determination of the Board of Directors of the Company, are necessary or advisable to effect such Qualified Receivables Financing.

Limitation on Sales of Assets and Subsidiary Stock

The Company will not, and will not permit any of its Restricted Subsidiaries to, make any Asset Disposition unless:

(1) the Company or such Restricted Subsidiary, as the case may be, receives consideration (including by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise) at least equal to the fair market value (such fair market value to be determined on the date of contractually agreeing to such Asset Disposition), as determined in good faith by the Board of Directors of the Company, of the shares and assets subject to such Asset Disposition (including, for the avoidance of doubt, if such Asset Disposition is a Permitted Asset Swap);

(2) in any such Asset Disposition, or series of related Asset Dispositions (except to the extent the Asset Disposition is a Permitted Asset Swap), at least 75% of the consideration from such Asset Disposition (excluding any consideration by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise, other than Indebtedness) received by the Company or such Restricted Subsidiary, as the case may be, is in the form of cash, Cash Equivalents or Temporary Cash Investments; and

(3) an amount equal to 100% of the Net Available Cash from such Asset Disposition is applied by the Company or such Restricted Subsidiary, as the case may be:

   (a) to the extent the Company or any Restricted Subsidiary, as the case may be, elects (or is required by the terms of any Indebtedness of a Restricted Subsidiary), (i) to prepay, repay or purchase any Senior Indebtedness of the Company or any Restricted Subsidiaries or any Indebtedness of a non-Guarantor Restricted Subsidiary (in each case, other than Indebtedness owed to the Company or any Restricted Subsidiary) or Indebtedness under clause (1) of the second paragraph of the covenant described under "*—Limitation on Indebtedness*" (or any Refinancing Indebtedness in respect thereof) within 395 days from the later of (A) the date of such Asset Disposition and (B) the receipt of such Net Available Cash; *provided, however*, that, in connection with any prepayment, repayment or purchase of Indebtedness pursuant to this clause (a), the Company or such Restricted Subsidiary will retire such Indebtedness and will cause the related commitment (if any) (except in the case of any revolving Indebtedness, including but not limited, to the Revolving Credit Facility) to be permanently reduced in an amount equal to the principal amount so prepaid, repaid or purchased; or (ii) to prepay, repay or purchase Pari Passu Indebtedness at a price of no more than 100% of the principal amount of such Pari Passu Indebtedness plus accrued and unpaid interest to the date of such prepayment, repayment or purchase; *provided* that the Company shall redeem, repay or repurchase Pari Passu Indebtedness that is Public Debt pursuant to this clause (ii) only if the Company makes (at such time or subsequently in compliance with this covenant) an offer to the Holders of each series of the Notes to purchase their Notes in accordance with the provisions set forth below for an Asset Disposition Offer in an aggregate principal amount at least equal to the proportion that (x) the total aggregate principal amount of Notes of such series outstanding bears to (y) the sum of the total aggregate principal amount of Notes of all series outstanding plus the total aggregate principal amount outstanding of such Pari Passu Indebtedness; or

   (b) to the extent the Company or such Restricted Subsidiary elects, to invest in or commit to invest in Additional Assets (including by means of an investment in Additional Assets by a Restricted

Subsidiary with Net Available Cash received by the Company or another Restricted Subsidiary) within 395 days from the later of (i) the date of such Asset Disposition and (ii) the receipt of such Net Available Cash; *provided, however*, that any such reinvestment in Additional Assets made pursuant to a definitive binding agreement or a commitment approved by the Board of Directors of the Company that is executed or approved within such time will satisfy this requirement, so long as such investment is consummated within 180 days of such 395th day,

provided that, pending the final application of any such Net Available Cash in accordance with clause (a) or clause (b) above, the Company and its Restricted Subsidiaries may temporarily reduce Indebtedness or otherwise invest such Net Available Cash in any manner not prohibited by the Indenture.

Any Net Available Cash from Asset Dispositions that is not applied or invested or committed to be applied or invested as provided for in the preceding paragraph will be deemed to constitute "Excess Proceeds" under the Indenture. On the 396th day after an Asset Disposition, or at such earlier date that the Company elects, if the aggregate amount of Excess Proceeds under the Indenture exceeds £25 million, the Company will be required to make an offer ("Asset Disposition Offer") to all Holders of Notes of each series issued under the Indenture and, to the extent the Company elects, to all holders of other outstanding Pari Passu Indebtedness, to purchase the maximum aggregate principal amount of Notes of all series and any such Pari Passu Indebtedness to which the Asset Disposition Offer applies that may be purchased out of the Excess Proceeds, at an offer price in respect of the Notes of a series in an amount equal to (and, in the case of any Pari Passu Indebtedness, an offer price of no more than) 100% of the principal amount of such Notes and 100% of the principal amount of such Pari Passu Indebtedness, in each case, plus accrued and unpaid interest, if any, to, but not including, the date of purchase, in accordance with the procedures set forth in the Indenture or the agreements governing such Pari Passu Indebtedness, as applicable, and in minimum denominations of £100,000 and in integral multiples of £1,000 in excess thereof.

To the extent that the aggregate amount of Notes and Pari Passu Indebtedness so validly tendered and not properly withdrawn pursuant to an Asset Disposition Offer is less than the Excess Proceeds, the Company may use any remaining Excess Proceeds for general corporate purposes, subject to other covenants contained in the Indenture. If the aggregate principal amount of the Notes of all series surrendered in any Asset Disposition Offer by Holders and other Pari Passu Indebtedness surrendered by holders or lenders, collectively, exceeds the amount of Excess Proceeds, the Excess Proceeds shall be allocated among the Notes and Pari Passu Indebtedness to be purchased on a *pro rata* basis on the basis of the aggregate principal amount of tendered Notes and Pari Passu Indebtedness. For the purposes of calculating the aggregate principal amount of any such Indebtedness not denominated in sterling, such Indebtedness shall be calculated by converting any such aggregate principal amounts into their Sterling Equivalent determined as of a date selected by the Company that is within the Asset Disposition Offer Period (as defined below). Upon completion of any Asset Disposition Offer, the amount of Excess Proceeds shall be reset at zero.

To the extent that any portion of Net Available Cash payable in respect of the Notes is denominated in a currency other than the currency in which a series of Notes is denominated, the amount thereof payable in respect of such Notes shall not exceed the net amount of funds in the currency in which such Notes are denominated that is actually received by the Company upon converting such portion into such currency.

The Asset Disposition Offer, in so far as it relates to the Notes, will remain open for a period of not less than 20 Business Days following its commencement (the "Asset Disposition Offer Period"). No later than five Business Days after the termination of the Asset Disposition Offer Period (the "Asset Disposition Purchase Date"), the Company will purchase the aggregate principal amount of Notes and, to the extent they elect, Pari Passu Indebtedness required to be purchased pursuant to this covenant (the "Asset Disposition Offer Amount") or, if less than the Asset Disposition Offer Amount has been so validly tendered, all Notes and Pari Passu Indebtedness validly tendered in response to the Asset Disposition Offer.

On or before the Asset Disposition Purchase Date, the Company will, to the extent lawful, accept for payment, on a *pro rata* basis to the extent necessary, the Asset Disposition Offer Amount of Notes and Pari Passu Indebtedness or portions of Notes and such Pari Passu Indebtedness so validly tendered and not properly withdrawn pursuant to the Asset Disposition Offer, or if less than the Asset Disposition Offer Amount has been validly tendered and not properly withdrawn, all Notes and Pari Passu Indebtedness so validly tendered and not properly withdrawn and in minimum denominations of £100,000 and in integral multiples of £1,000 in excess thereof. The Company will deliver to the Trustee an Officer's Certificate stating that such Notes or portions thereof were accepted for payment by the Company in accordance with the terms of this covenant. The Company or the Paying Agent, as the case may be, will promptly (but in any case not later than five Business Days after termination of the Asset Disposition Offer Period) mail or deliver to each tendering Holder of Notes an amount equal to the purchase price of the Notes so validly tendered and not properly withdrawn by such Holder, and

accepted by the Company for purchase, and the Company will promptly issue a new Note (or amend the Global Note), and the Trustee, upon delivery of an Officer's Certificate from the Company, will authenticate and mail or deliver (or cause to be transferred by book entry) such new Note to such Holder, in an aggregate principal amount equal to any unpurchased portion of the Note surrendered; *provided* that each such new Note will be in an aggregate principal amount with a minimum denomination of £100,000. Any Note not so accepted will be promptly mailed or delivered (or transferred by book entry) by the Company to the Holder thereof.

For the purposes of clause (2) of the first paragraph of this covenant, the following will be deemed to be cash:

(1) the assumption by the transferee of Indebtedness of the Company or Indebtedness of a Restricted Subsidiary (other than Subordinated Indebtedness of the Company or a Guarantor) and the release of the Company or such Restricted Subsidiary from all liability on such Indebtedness in connection with such Asset Disposition;

(2) securities, notes or other obligations received by the Company or any Restricted Subsidiary of the Company from the transferee that are converted by the Company or such Restricted Subsidiary into cash or Cash Equivalents within 180 days following the closing of such Asset Disposition;

(3) Indebtedness of any Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Disposition, to the extent that the Company and each other Restricted Subsidiary are released from any Guarantee of payment of such Indebtedness in connection with such Asset Disposition;

(4) consideration consisting of Indebtedness of the Company (other than Subordinated Indebtedness) received after the Issue Date from Persons who are not the Company or any Restricted Subsidiary; and

(5) any Designated Non-Cash Consideration received by the Company or any Restricted Subsidiary in such Asset Dispositions having an aggregate fair market value, taken together with all other Designated Non-Cash Consideration received pursuant to this covenant that is at that time outstanding, not to exceed the greater of £25 million and 2.0% of Total Assets (with the fair market value of each item of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value).

The Company will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations (or rules of any exchange on which the Notes are then listed) in connection with the repurchase of Notes pursuant to the Indenture. To the extent that the provisions of any securities laws or regulations (or exchange rules) conflict with provisions of this covenant, the Company will comply with the applicable securities laws and regulations (or exchange rules) and will not be deemed to have breached its obligations under the Indenture by virtue of any conflict.

Limitation on Affiliate Transactions

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, enter into or conduct any transaction (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any Affiliate of the Company (an "*Affiliate Transaction*") involving aggregate value in excess of £10 million unless:

(1) the terms of such Affiliate Transaction taken as a whole are not materially less favorable to the Company or such Restricted Subsidiary, as the case may be, than those that could be obtained in a comparable transaction at the time of such transaction or the execution of the agreement providing for such transaction in arm's length dealings with a Person who is not such an Affiliate; and

(2) in the event such Affiliate Transaction involves an aggregate value in excess of £20 million, the terms of such transaction have been approved by a majority of the members of the Board of Directors of the Company.

The provisions of the preceding paragraph will not apply to:

(1) any Restricted Payment permitted to be made pursuant to the covenant described under *"—Limitation on Restricted Payments,*" any Permitted Payments (other than pursuant to clause (9)(b) of the third paragraph of the covenant described under "*—Limitation on Restricted Payments*") or any Permitted Investment (other than Permitted Investments as defined in paragraphs (l)(b), (2) and (15) of the definition thereof);

(2) any issuance or sale of Capital Stock, other equity-related interests or other securities, or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, or entering into, or maintenance of, any employment, consulting, collective bargaining or benefit plan, program, agreement or arrangement, related trust or other similar agreement and other compensation arrangements, to purchase

Capital Stock of the Company, any Restricted Subsidiary or any Parent, restricted stock plans, long-term incentive plans, stock appreciation rights plans, participation plans or similar employee benefits or consultants' plans (including valuation, health, insurance, deferred compensation, severance, retirement, savings or similar plans, programs or arrangements) or indemnities provided on behalf of officers, employees, directors or consultants approved by the Board of Directors of the Company, in each case in the ordinary course of business;

(3) any Management Advances and any waiver or transaction with respect thereto;

(4) any transaction between or among the Company and any Restricted Subsidiary (or entity that becomes a Restricted Subsidiary as a result of such transaction), or between or among Restricted Subsidiaries;

(5) the payment of reasonable fees and reimbursement of expenses to, and customary indemnities (including under customary insurance policies) and employee benefit and pension expenses provided on behalf of, directors, officers, consultants or employees of the Company, any Restricted Subsidiary of the Company or any Parent (whether directly or indirectly and including through any Person owned or controlled by any of such directors, officers or employees);

(6) the Refinancing Transactions and the entry into and performance of obligations of the Company or any of its Restricted Subsidiaries under the terms of any transaction arising out of, and any payments pursuant to or for purposes of funding, any agreement or instrument in effect as of or on the Issue Date, as these agreements and instruments may be amended, modified, supplemented, extended, renewed or refinanced from time to time in accordance with the other terms of this covenant or to the extent not more disadvantageous to the Holders in any material respect and the entry into and performance of any registration rights or other listing agreement in connection with any Public Offering;

(7) execution, delivery and performance of any Tax Sharing Agreement or the formation and maintenance of any consolidated group for tax, accounting or cash pooling or management purposes in the ordinary course of business;

(8) transactions with customers, clients, suppliers or purchasers or sellers of goods or services, in each case in the ordinary course of business, which are fair to the Company or the relevant Restricted Subsidiary in the reasonable determination of the Board of Directors or the Senior Management of the Company or the relevant Restricted Subsidiary, or are on terms no less favorable than those that could reasonably have been obtained at such time from an unaffiliated party;

(9) any transaction in the ordinary course of business between or among the Company or any Restricted Subsidiary and any Affiliate of the Company or an Associate or similar entity that would constitute an Affiliate Transaction solely because the Company or a Restricted Subsidiary owns an equity interest in or otherwise controls such Affiliate, Associate or similar entity;

(10) (a) issuances or sales of Capital Stock (other than Disqualified Stock or Designated Preference Shares) of the Company or Subordinated Shareholder Funding; *provided* that the interest rate and other financial terms of such Subordinated Shareholder Funding are approved by a majority of the members of the Board of Directors of the Company in their reasonable determination and (b) any amendment, waiver or other transaction with respect to any Subordinated Shareholder Funding in compliance with the other provisions of the Indenture;

(11) without duplication in respect of payments made pursuant to clause (12) hereof, (a) payments by the Company or any Restricted Subsidiary to any Permitted Holder (whether directly or indirectly, including through any Parent) of annual customary management, consulting, monitoring or advisory fees and related expenses in an aggregate amount not to exceed £2.5 million per year and (b) customary payments by the Company or any Restricted Subsidiary to any Permitted Holder (whether directly or indirectly, including through any Parent) for financial advisory, financing, underwriting or placement services or in respect of other investment banking activities, including in connection with acquisitions or divestitures, which payments in respect of this clause (b) are approved by a majority of the Board of Directors of the Company in good faith;

(12) payment to any Permitted Holder of all reasonable out-of-pocket expenses Incurred by such Permitted Holder in connection with its direct or indirect investment in the Company and its Subsidiaries; and

(13) any transaction effected as part of a Qualified Receivables Financing.

Limitation on Layering

The Company will not permit any Guarantor to, and no Guarantor shall, Incur any Indebtedness that is or purports by its terms (or by the terms of any agreement governing such Indebtedness) to be subordinated in right

of payment to any Senior Indebtedness of such Guarantor unless such Indebtedness is *pari passu* with the Guarantee of such Guarantor or is also by its terms (or by the terms of any agreement governing such Indebtedness) made subordinated in right of payment to the Guarantee of such Guarantor, *provided* that the foregoing limitation shall not apply to distinctions between categories of Senior Indebtedness that exist by reason of any Liens or guarantees arising or created in respect of some but not all such Senior Indebtedness; *provided, further,* that Indebtedness under a Credit Facility that is Senior Indebtedness of a Guarantor may provide for an ordering of payments among the tranches of such Credit Facility.

Reports

For so long as any Notes are outstanding, the Company will provide to the Trustee the following reports:

(1) within 120 days after the end of the Company's fiscal year beginning with the fiscal year ending in March 26, 2016, annual reports containing, to the extent applicable, the following information: (a) audited consolidated balance sheets of the Company or its predecessor as of the end of the two most recent fiscal years and audited consolidated income statements and statements of cash flow of the Company or its predecessor for the two most recent fiscal years, including complete footnotes to such financial statements and the report of the independent auditors on the financial statements; (b) unaudited pro forma income statement information and balance sheet information of the Company (which, for the avoidance of doubt, shall not include the provision of a full income statement or balance sheet to the extent not reasonably available), together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the most recently completed fiscal year; (c) an operating and financial review of the audited financial statements, including a discussion of the results of operations, financial condition, and liquidity and capital resources of the Company, and a discussion of material commitments and contingencies and critical accounting policies, with a similar scope to that included in the Offering Memorandum; (d) description of the business, management and shareholders of the Company, all material affiliate transactions and a description of all material contractual arrangements, including material debt instruments; and (e) a description of material risk factors and material recent developments;

(2) within 60 days following the end of each of the first three fiscal quarters in each fiscal year of the Company beginning with the fiscal quarter ending in June 27, 2015, all quarterly reports of the Company containing the following information: (a) an unaudited condensed consolidated balance sheet as of the end of such quarter and unaudited condensed statements of income and cash flow for the most recent quarter year-to-date period ending on the unaudited condensed balance sheet date, and the comparable prior year periods, together with condensed footnote disclosure; (b) unaudited pro forma income statement information and balance sheet information of the Company (which, for the avoidance of doubt, shall not include the provision of a full income statement or balance sheet to the extent not reasonably available), together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the relevant quarter; (c) an operating and financial review of the unaudited financial statements, including a discussion of the results of operations, financial condition, EBITDA and material changes in liquidity and capital resources of the Company, and a discussion of material changes not in the ordinary course of business in commitments and contingencies since the most recent report; and (d) material recent developments; and

(3) promptly after the occurrence of any material acquisition, disposition or restructuring or any senior executive officer changes at the Company or change in auditors of the Company or any other material event that the Company or any of its Restricted Subsidiaries announces publicly, a report containing a description of such event.

All financial statement and pro forma financial information shall be prepared in accordance with IFRS as in effect on the date of such report or financial statement (or otherwise on the basis of IFRS as then in effect) and on a consistent basis for the periods presented; *provided, however*, that the reports set forth in clauses (1), (2) and (3) above may, in the event of a change in applicable IFRS, present earlier periods on a basis that applied to such periods. Except as provided for above, no report need include separate financial statements for any Subsidiaries of the Company. The filing of an Annual Report on Form 20-F within the time period specified in (1) will satisfy such provision. At the Company's election, it may also include financial statements of New Look Retail Group Limited in lieu of those for the Company; *provided* that if the financial statements of New Look Retail Group Limited are included in such report, a reasonably detailed description of material differences between the financial statements of the Company, on one hand, and New Look Retail Group Limited, on the other, shall be included for any period after the Issue Date.

Following an Initial Public Offering on the Capital Stock of the Company or any parent thereof and/or the listing of such Capital Stock on a recognized European stock exchange, the requirements of paragraphs (1), (2) and (3) above shall be considered to have been fulfilled if the IPO Entity complies with the reporting requirements of such stock exchange *provided* that (x) the IPO Entity shall, in any case, provide financial statements consistent with the requirements of clause (2)(a) above for any applicable quarterly period pursuant to clause (2) above after the Issue Date and (y) to the extent such IPO Entity relies on such stock exchange reporting requirements to fulfill the requirements of clauses (1), (2) and (3) above, a reasonably detailed description of material differences between the financial statements of such IPO Entity and the financial statements of the Company shall be included for any period after the Issue Date.

At any time that any of the Company's Subsidiaries are Unrestricted Subsidiaries and any such Unrestricted Subsidiary or group of Unrestricted Subsidiaries, if taken together as one Subsidiary, constitutes a Significant Subsidiary of the Company, then the annual and quarterly financial information required by clauses (1) and (2) of the first paragraph of this covenant shall include either (i) a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, of the financial condition and results of operations of the Company and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Company or (ii) stand-alone audited or unaudited financial statements, as the case may be, of such Unrestricted Subsidiary or Unrestricted Subsidiaries (as a group or otherwise) together with an unaudited reconciliation to the financial information of the Company and its Subsidiaries, which reconciliation shall include the following items: revenues, EBITDA, net income, cash, total assets, total debt, shareholders equity, capital expenditures and interest expense.

Substantially concurrently with the issuance to the Trustee of the reports specified in clauses (1), (2) and (3) of the first paragraph of this covenant, the Company shall also (a) use its commercially reasonable efforts (i) to post copies of such reports on such website as may be then maintained by the Company and its Subsidiaries or (ii) otherwise to provide substantially comparable availability of such reports (as determined by the Company in good faith) or (b) to the extent the Company determines in good faith that it cannot make such reports available in the manner described in the preceding clause (a) owing to applicable law or after the use of its commercially reasonable efforts, furnish such reports to the Holders and, upon request, prospective purchasers of the Notes. The Company will also make available copies of all reports required by clauses (1) through (3) of the first paragraph of this covenant, if and so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF market and the rules of the Luxembourg Stock Exchange so require, at the offices of the Registrar in Luxembourg or, to the extent and in the manner permitted by such rules, post such reports on the official website of the Luxembourg Stock Exchange.

In addition, so long as the Notes remain outstanding and during any period during which the Company is not subject to Section 13 or 15(d) of the Exchange Act nor exempt therefrom pursuant to Rule 12g3-2(b), the Company shall furnish to the Holders and, upon their request, prospective purchasers of the Notes, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

Merger and Consolidation

The Company and the Issuer

Neither the Company nor the Issuer will consolidate with or merge with or into, or convey, transfer or lease all or substantially all its assets to, any Person, unless:

(1) the resulting, surviving or transferee Person (the "Successor Company") will be a Person organized and existing under the laws of any member state of the European Union or the United States of America, any State of the United States or the District of Columbia, Canada or any province of Canada, Norway or Switzerland and the Successor Company (if not the Company or the Issuer, as applicable) will expressly assume (a) by supplemental indenture, executed and delivered to the Trustee, in form reasonably satisfactory to the Trustee, all the obligations of the Company under the Parent Guarantee and the Indenture or the Issuer under the Notes and the Indenture, as applicable, and (b) all obligations of the Company under the Security Documents and the Proceeds Loan Agreement (and, to the extent required by the Intercreditor Agreement, the Intercreditor Agreement);

(2) immediately after giving effect to such transaction (and treating any Indebtedness that becomes an obligation of the Successor Company or any Subsidiary of the Successor Company as a result of such transaction as having been Incurred by the Successor Company or such Subsidiary at the time of such transaction), no Default or Event of Default shall have occurred and be continuing;

(3) only in the case of a transaction involving the Company, immediately after giving effect to such transaction, either (a) the Successor Company would be able to Incur at least an additional £1.00 of Indebtedness

pursuant to the first paragraph of the covenant described under "—*Limitation on Indebtedness*" or (b) the Fixed Charge Coverage Ratio would not be lower than it was immediately prior to giving effect to such transaction; and

(4) the Company shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each to the effect that such consolidation, merger or transfer and such supplemental indenture (if any) comply with the Indenture and an Opinion of Counsel to the effect that such supplemental indenture (if any) has been duly authorized, executed and delivered and is a legal, valid and binding agreement enforceable against the Successor Company (in each case, in form and substance reasonably satisfactory to the Trustee), *provided* that in giving an Opinion of Counsel, counsel may rely on an Officer's Certificate as to any matters of fact, including as to satisfaction of clauses (2) and (3) above.

Any Indebtedness that becomes an obligation of the Company or any Restricted Subsidiary (or that is deemed to be Incurred by any Restricted Subsidiary that becomes a Restricted Subsidiary) as a result of any such transaction undertaken in compliance with this covenant, and any Refinancing Indebtedness with respect thereto, shall be deemed to have been Incurred in compliance with the covenant described under "—*Limitation on Indebtedness*."

For purposes of this covenant, the sale, lease, conveyance, assignment, transfer, or other disposition of all or substantially all of the properties and assets of one or more Subsidiaries of the Company, which properties and assets, if held by the Company instead of such Subsidiaries, would constitute all or substantially all of the properties and assets of the Company on a consolidated basis, shall be deemed to be the transfer of all or substantially all of the properties and assets of the Company. The foregoing provisions (other than the requirements of clauses (1)(b) and (2) of the first paragraph of this covenant) will not apply to the creation of a new subsidiary of the Company that becomes a parent of one or more of the Company's Subsidiaries.

The foregoing provisions (other than the requirements of clauses (1)(b) and (2) of the first paragraph of this covenant) will not apply to the creation of a new Subsidiary of the Company that becomes a parent of one or more of the Company's Subsidiaries.

The Successor Company will succeed to, and be substituted for, and may exercise every right and power of, the Company under the Indenture but in the case of a lease of all or substantially all its assets, the predecessor company will not be released from its obligations under such Indenture or the Notes.

Notwithstanding the preceding clauses (2) and (3) and the provisions described below under "—*Subsidiary Guarantors*" (which do not apply to transactions referred to in this sentence) and, other than with respect to the third preceding paragraph, clause (4) of the first paragraph of this covenant, (a) any Restricted Subsidiary of the Company may consolidate or otherwise combine with, merge into or transfer all or part of its properties and assets to the Company, (b) any Restricted Subsidiary may consolidate or otherwise combine with, merge into or transfer all or part of its properties and assets to any other Restricted Subsidiary and (c) the Company and its Restricted Subsidiaries may undertake the Refinancing Transactions. Notwithstanding the preceding clauses (2), (3) and (4) (which do not apply to the transactions referred to in this sentence), the Company may consolidate or otherwise combine with or merge into an Affiliate incorporated or organized for the purpose of changing the legal domicile of the Company, reincorporating the Company in another jurisdiction, or changing the legal form of the Company.

There is no precise established definition of the phrase "substantially all" under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve "all or substantially all" of the property or assets of a Person.

The foregoing provisions (other than the requirements of clause (2) of the first paragraph of this covenant) will not apply to the creation of a new subsidiary as a Restricted Subsidiary of the Company.

Subsidiary Guarantors

No Guarantor that is a Subsidiary of the Company (a "*Subsidiary Guarantor*") may:

(1) consolidate with or merge with or into any Person;

(2) sell, convey, transfer or dispose of, all or substantially all its assets as an entirety or substantially as an entirety, in one transaction or a series of related transactions, to any Person; or

(3) permit any Person to merge with or into such Guarantor,

unless

(A) the other Person is the Company or any Restricted Subsidiary that is a Guarantor or becomes a Guarantor concurrently with the transaction); or

(B) (1) either (x) a Guarantor is the continuing Person or (y) the resulting, surviving or transferee Person expressly assumes all of the obligations of the Subsidiary Guarantor under its Notes Guarantee, the Indenture and the Security Documents (and, to the extent required by the Intercreditor Agreement, the Intercreditor Agreement); and

(2) immediately after giving effect to the transaction, no Default has occurred and is continuing; or

(C) the transaction constitutes a sale or other disposition (including by way of consolidation or merger) of the Subsidiary Guarantor or the sale or disposition of all or substantially all the assets of the Subsidiary Guarantor (in each case other than to the Company or a Restricted Subsidiary) otherwise permitted by the Indenture.

Notwithstanding the preceding clause (3)(B)(2) and the provisions described above under "*—The Company and the Issuer,*" (which do not apply to transactions referred to in this sentence), (a) any Restricted Subsidiary may consolidate or otherwise combine with, merge into or transfer all or part of its properties and assets to a Subsidiary Guarantor, (b) any Subsidiary Guarantor may consolidate or otherwise combine with, merge into or transfer all or part of its properties and assets to any other Subsidiary Guarantor and (c) the Subsidiary Guarantors may undertake the Refinancing Transactions. Notwithstanding the preceding clause (3)(B)(2) (which does not apply to the transactions referred to in this sentence), a Subsidiary Guarantor may consolidate or otherwise combine with or merge into an Affiliate incorporated or organized for the purpose of changing the legal domicile of the Subsidiary Guarantor reincorporating the Subsidiary Guarantor in another jurisdiction, or changing the legal form of the Subsidiary Guarantor.

There is no precise established definition of the phrase "substantially all" under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve "all or substantially all" of the property or assets of a Person.

Suspension of Covenants on Achievement of Investment Grade Status

If on any date following the Issue Date, the Notes have achieved Investment Grade Status and no Default or Event of Default has occurred and is continuing (a "Suspension Event"), then, beginning on that day and continuing until the Reversion Date, the provisions of the Indenture summarized under the following captions will not apply to such Notes: "*—Limitation on Restricted Payments*," "*—Limitation on Indebtedness*," "*—Limitation on Restrictions on Distributions from Restricted Subsidiaries*," "*—Limitation on Affiliate Transactions*," "*—Limitation on Sales of Assets and Subsidiary Stock*," "*—Additional Notes Guarantees and Collateral*," "*—Lines of Business*," and the provisions of clause (3) of the first paragraph of the covenant described under "*—Merger and Consolidation—The Company and the Issuer,*" and, in each case, any related default provision of such Indenture will cease to be effective and will not be applicable to the Company and its Restricted Subsidiaries. Such covenants and any related default provisions will again apply according to their terms from the first day on which a Suspension Event ceases to be in effect. Such covenants will not, however, be of any effect with regard to actions of the Company properly taken during the continuance of the Suspension Event, and the *"—Limitation on Restricted Payments*" covenant will be interpreted as if it has been in effect since the date of such Indenture except that no default will be deemed to have occurred solely by reason of a Restricted Payment made while that covenant was suspended. On the Reversion Date, all Indebtedness Incurred during the continuance of the Suspension Event will be classified, at the Company's option, as having been Incurred pursuant to the first paragraph of the covenant described under "*—Limitation on Indebtedness*" or one of the clauses set forth in the second paragraph of such covenant (to the extent such Indebtedness would be permitted to be Incurred thereunder as of the Reversion Date and after giving effect to Indebtedness Incurred prior to the Suspension Event and outstanding on the Reversion Date). To the extent such Indebtedness would not be so permitted to be incurred under the first two paragraphs of the covenant described under "*—Limitation on Indebtedness*," such Indebtedness will be deemed to have been outstanding on the Issue Date, so that it is classified as permitted under clause (4)(b) of the second paragraph of the covenant described under "*—Limitation on Indebtedness*."

Additional Notes Guarantees and Collateral

The Company will not cause or permit any of its Restricted Subsidiaries that are not Guarantors, directly or indirectly, to Guarantee (a) any Indebtedness of the Issuer or a Guarantor incurred under the Revolving Credit Facility Agreement (or other Indebtedness that is incurred under clause (1) of the second paragraph of the covenant described under "*—Limitation on Indebtedness*"), (b) Public Debt or (c) any Indebtedness in excess of £10 million principal amount, unless, in each case, such Restricted Subsidiary becomes a Guarantor on the date on which such other Guarantee is Incurred and, if applicable, executes and delivers to the Trustee a supplemental indenture in the form attached to the Indenture pursuant to which such Restricted Subsidiary will provide a Notes Guarantee, which Notes Guarantee will be subordinated to such Restricted Subsidiary's Guarantee of such other Indebtedness; *provided* that if the Indebtedness guaranteed by such other Guarantee is subordinated in right of payment to the Notes or a Notes Guarantee, then such other Guarantee must be subordinated to the such Restricted Subsidiary's Notes Guarantee to at least the same extent as such other Indebtedness is subordinated to the Notes or other Notes Guarantee of the Notes.

A Restricted Subsidiary that is not a Guarantor may become a Guarantor if it executes and delivers to the Trustee a supplemental indenture in the form attached to the Indenture pursuant to which such Restricted Subsidiary will provide a Notes Guarantee.

In addition, subject to the Agreed Security Principles, if material property is acquired by the Company or any Guarantor that is not automatically subject to a perfected security interest under the Security Documents and which will be subject to a security interest in favor of the lenders under the Revolving Credit Facility Agreement, then (to the extent the security interest is not already granted in favor of the Security Agent for the Holders of the Notes) the Company or such Guarantor will within 10 Business Days provide security over this property in favor of the Security Agent (*provided* that such date need not be earlier than the date such security is granted in favor of the lenders under the Revolving Credit Facility Agreement).

Each additional Notes Guarantee or security will be limited as necessary to recognize certain defenses generally available to guarantors (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, thin capitalization, distributable reserves, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally) or other considerations under applicable law.

Notwithstanding the foregoing paragraphs, the Company shall not be obligated to cause such Restricted Subsidiary to Guarantee the Notes or grant security to the extent and for so long as the Incurrence of such Notes Guarantee or the grant of such security would be inconsistent with the Agreed Security Principles or the Intercreditor Agreement. In particular, it is not anticipated that, as a result of the Agreed Security Principles, any Guarantee or security will be provided by any of the Company's current Subsidiaries located in France.

Impairment of Security Interest

The Company shall not, and shall not permit any Restricted Subsidiary to, take or omit to take any action that would have the result of materially impairing the security interest with respect to the Collateral (it being understood that the Incurrence of Permitted Collateral Liens shall under no circumstances be deemed to materially impair the security interest with respect to the Collateral) for the benefit of the Trustee and the Holders, and the Company shall not, and shall not permit any Restricted Subsidiary to, grant to any Person other than the Security Agent, for the benefit of the Trustee and the Holders and the other beneficiaries described in the Security Documents, any Lien over any of the Collateral that is prohibited by the covenant entitled "*—Limitation on Liens*"; *provided,* that the Company and its Restricted Subsidiaries may Incur Permitted Collateral Liens and the Collateral may be discharged, transferred or released in accordance with the Indenture, the Intercreditor Agreement or the applicable Security Documents.

Notwithstanding the above, nothing in this covenant shall restrict the discharge and release of any Liens in accordance with the Indenture and the Intercreditor Agreement. Subject to the foregoing, the Security Documents may be amended, extended, renewed, restated, supplemented or otherwise modified or released (followed by an immediate retaking of a Lien of at least equivalent ranking over the same assets) to (i) cure any ambiguity, omission, defect or inconsistency therein; (ii) provide for Permitted Collateral Liens; (iii) add to the Collateral; or (iv) make any other change thereto that does not adversely affect the Holders in any material respect; *provided, however*, that (except with respect to any amendment, extension, renewal, restatement or other modification or release in accordance with the Indenture or the Intercreditor Agreement or to effect or facilitate the creation of Permitted Collateral Liens for the benefit of the Trustee, the Security Agent and holders of other Indebtedness Incurred in accordance with the Indenture), none of the Security Documents may be amended, extended, renewed, restated or otherwise modified or released (followed by an immediate retaking of a Lien of at least equivalent ranking over the same assets), unless contemporaneously with such amendment, extension, renewal, restatement or modification or release (followed by an immediate retaking of a Lien of at least equivalent ranking over the same assets), the Company delivers to the Security Agent and the Trustee, either (1) a solvency opinion, in form and substance reasonably satisfactory to the Security Agent and the Trustee, from an independent financial advisor or appraiser or investment bank of international standing which confirms the solvency of the Company and its Subsidiaries, taken as a whole, after giving effect to any transactions related to such amendment, extension, renewal, restatement, modification or release (followed by an immediate retaking of a lien of at least equivalent ranking over the same assets), (2) a certificate from the chief financial officer or the Board of Directors of the relevant Person which confirms the solvency of the person granting Liens after giving effect to any transactions related to such amendment, extension, renewal, restatement, modification or replacement, or (3) an opinion of counsel (subject to any qualifications customary for this type of opinion of counsel), in form and substance reasonably satisfactory to the Security Agent and the Trustee, confirming that, after giving effect to any transactions related to such amendment, extension, renewal, restatement, modification or release (followed by an immediate retaking of a lien of at least equivalent ranking over the same assets), the

Lien or Liens created under the Security Document, so amended, extended, renewed, restated, modified or released and replaced are valid and perfected Liens not otherwise subject to any limitation, imperfection or new hardening period, in equity or at law, that such Lien or Liens were not otherwise subject to immediately prior to such amendment, extension, renewal, restatement, modification or replacement and to which the new Indebtedness secured by the Permitted Collateral Lien is not subject.

In the event that the Company and its Restricted Subsidiaries comply with the requirements of this covenant, the Trustee and the Security Agent shall (subject to customary protections and indemnifications) consent to such amendments without the need for instructions from the Holders.

Limitation on Activities of the Issuer

The Issuer will not engage in any business activity or undertake any other activity, except any activity (a) subject to compliance with the terms of the Indenture, related to the offering, sale or issuance of the Notes or the incurrence of Indebtedness by the Issuer represented by the Notes or any Public Debt, (b) undertaken with the purpose of, and directly related to, fulfilling its obligations under the Notes, the Indenture and any other document relating to the Notes (including the Senior Notes Proceeds Loan), the Security Documents, the Intercreditor Agreement, the Revolving Credit Facility or any document relating to any Public Debt; (c) related to the establishment and maintenance of the Issuer's corporate existence, (d) related to using amounts received by the Issuer to make investments in cash or Cash Equivalents in a manner not otherwise prohibited by the Indenture, or (e) reasonably related to the foregoing. The Issuer will not (a) incur any indebtedness (except to the Company or a Wholly Owned Subsidiary) other than, subject to compliance with the terms of the Indenture, the Notes or any Public Debt, (b) issue any Capital Stock (other than to the Company or a Wholly Owned Subsidiary) or (c) undertake any transaction that will require the Issuer to register as an "investment company" or an entity "controlled by an investment company" as defined in the U.S. Investment Company Act of 1940, as amended, and the rules and regulations thereunder.

Except in accordance with the covenant described under the caption *"—Merger and Consolidation,"* the Issuer:

(1) will not merge, consolidate, amalgamate or otherwise combine with or into another Person (whether or not the Issuer is the surviving corporation);

(2) will not sell, convey, assign, transfer, lease or otherwise dispose of all or substantially all of its properties or assets to any Person or group of persons;

(3) will remain a wholly-owned Restricted Subsidiary of the Company; and

(4) will not change its centre of main interests (as that term is used in Article 3(1) of The Council of the European Union Regulation No. 1346/2000 on Insolvency Proceedings) to be in any jurisdiction outside of the United Kingdom.

Lines of Business

The Company will not, and will not permit any Restricted Subsidiary to, engage in any business other than a Similar Business, except to such extent as would not be material to the Company and its Restricted Subsidiaries, taken as a whole.

Maintenance of Listing

The Company and the Issuer will use their commercially reasonable efforts to obtain and maintain the listing of the Notes on the Euro MTF Market of the Luxembourg Stock Exchange for so long as such Notes are outstanding; *provided* that if the Company and the Issuer are unable to obtain admission to such listing or if at any time the Company determines that it will not maintain such listing, it will obtain (where the Notes are initially so listed, prior to the delisting of the Notes from the Euro MTF Market), and thereafter use commercially reasonable efforts to maintain, a listing of such Notes on another "recognized stock exchange" as defined in Section 1005 of the Income Tax Act 2007 of the United Kingdom.

Payments for Consent

The Indenture provides that the Company will not, and will not permit any of its Restricted Subsidiaries to pay or cause to be paid any fee to or for the benefit of any Holder for or as an inducement to any consent, waiver or amendment of any of the terms of the provisions of the Indenture or the Notes unless such consideration is offered to all Holders and is paid to all Holders that so consent, waive or agree to amend in the time frame set forth in the solicitation documents relating to such consent, waiver or agreement. Notwithstanding the foregoing, the Issuer, the Company and its Restricted Subsidiaries shall be permitted, in any offer or payment of

consideration for, or as an inducement to, any consent, waiver or amendment of any of the terms or provisions of the Indenture or the Notes, to exclude Holders in any jurisdiction where (i) the solicitation of such consent, waiver or amendment, including in connection with an exchange offer or an offer to purchase for cash, or (ii) the payment of the consideration therefor (A) would require the Issuer, the Company or any of its Restricted Subsidiaries to file a registration statement, prospectus or similar document under any applicable securities laws (including, but not limited to, the United States federal securities laws and the laws of the European Union or its member states), which the Issuer and the Company in their sole discretion determine (acting in good faith) would be materially burdensome in the good faith judgment of the Issuer; or (B) such solicitation would otherwise not be permitted under applicable law in such jurisdiction.

Events of Default

Each of the following is an Event of Default under the Indenture:

(1) default in any payment of interest or Additional Amounts, if any, on any Note when due and payable, continued for 30 days;

(2) default in the payment of the principal amount of or premium, if any, on any Note issued under the Indenture when due at its Stated Maturity, upon optional redemption, upon required repurchase, upon declaration or otherwise;

(3) failure by the Issuer or the relevant Guarantor to comply with the provisions described under the covenant described under "*Certain Covenants—Merger and Consolidation*";

(4) failure to comply for 30 days after written notice by the Trustee on behalf of the Holders or by the Holders of 30% in aggregate principal amount of the outstanding Notes with any of the Company's obligations under the covenants described under "*—Change of Control*" above or under the covenants described under "*—Certain Covenants*" above (in each case, other than a failure to purchase Notes which will constitute an Event of Default under clause (2) above or a breach which is specifically dealt with in clause (3) above;

(5) failure by the Company or any of its Restricted Subsidiaries to comply for 60 days after written notice by the Trustee on behalf of the Holders or by the Holders of 30% in aggregate principal amount of the outstanding Notes with its other agreements contained in the Indenture;

(6) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Company or any of its Restricted Subsidiaries (or the payment of which is Guaranteed by the Company or any of its Restricted Subsidiaries) other than Indebtedness owed to the Company or a Restricted Subsidiary whether such Indebtedness or Guarantee now exists, or is created after the date hereof, which default:

   (a) is caused by a failure to pay principal at stated maturity on such Indebtedness, immediately upon the expiration of the grace period provided in such Indebtedness ("*payment default*"); or

   (b) results in the acceleration of such Indebtedness prior to its maturity (the "*cross acceleration provision*");

   and, in each case, the aggregate principal amount of any such Indebtedness, together with the aggregate principal amount of any other such Indebtedness under which there has been a payment default or the maturity of which has been so accelerated, aggregates £20 million or more;

(7) certain events of bankruptcy, insolvency or court protection of the Company, the Issuer or a Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Company and its Restricted Subsidiaries), would constitute a Significant Subsidiary (the "*bankruptcy provision*");

(8) failure by the Company, the Issuer or any Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Company and its Restricted Subsidiaries), would constitute a Significant Subsidiary to pay final judgments aggregating in excess of £20 million (exclusive of any amounts that a solvent insurance company has acknowledged liability for), which judgments are not paid, discharged or stayed for a period of 30 days after the judgment becomes final (the "*judgment default provision*");

(9) any security interest under the Security Documents on any material Collateral shall, at any time, cease to be in full force and effect (other than in accordance with the terms of the relevant Security Document, the Intercreditor Agreement and the Indenture) for any reason other than the satisfaction in full of all obligations under the Indenture or the release or amendment of any such security interest in accordance with the terms

of the Indenture, the Intercreditor Agreement or such Security Document or any such security interest created thereunder shall be declared invalid or unenforceable or the Company or any Restricted Subsidiary shall assert in writing that any such security interest is invalid or unenforceable and any such Default continues for 10 days (the "*security default provision*"); and

(10) any Notes Guarantee of the Company or any Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Company and its Restricted Subsidiaries), would constitute a Significant Subsidiary ceases to be in full force and effect (other than in accordance with the terms of such Notes Guarantee or the Indenture) or is declared invalid or unenforceable in a judicial proceeding or any Guarantor denies or disaffirms in writing its obligations under its Notes Guarantee and any such Default continues for 10 days (the "*guarantee provision*").

However, a default under clauses (4), (5), (6) or (8) of this paragraph will not constitute an Event of Default until the Trustee at the direction of the Holders of 30% in aggregate principal amount of the outstanding Notes notify the Company of the default and, with respect to clauses (4), (5), (6) or (8), the Company does not cure such default within the time specified in clauses (4), (5), (6) or (8), as applicable, of this paragraph after receipt of such notice.

If an Event of Default (other than an Event of Default described in clause (7) above) occurs and is continuing, the Trustee by notice to the Company or the Holders of at least 30% in aggregate principal amount of the outstanding Notes by written notice to the Company and the Trustee, may, and the Trustee at the request of such Holders shall, declare the principal of, premium, if any, and accrued and unpaid interest, including Additional Amounts, if any, on all the Notes to be due and payable. Upon such a declaration, such principal, premium and accrued and unpaid interest, including Additional Amounts, if any, will be due and payable immediately. In the event of a declaration of acceleration of the Notes because an Event of Default described in clause (6) under "Events of Default" has occurred and is continuing, the declaration of acceleration of the Notes shall be automatically annulled if the event of default or payment default triggering such Event of Default pursuant to clause (6) shall be remedied or cured, or waived by the holders of the Indebtedness, or the Indebtedness that gave rise to such Event of Default shall have been discharged in full, within 30 days after the declaration of acceleration with respect thereto and if (1) the annulment of the acceleration of the Notes would not conflict with any judgment or decree of a court of competent jurisdiction and (2) all existing Events of Default, except nonpayment of principal, premium or interest, including Additional Amounts, if any, on the Notes that became due solely because of the acceleration of the Notes, have been cured or waived.

If an Event of Default described in clause (7) above occurs and is continuing, the principal of, premium, if any, and accrued and unpaid interest, including Additional Amounts, if any, on all the Notes will become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holders.

The Holders of a majority in aggregate principal amount of the outstanding Notes under the Indenture may waive all past or existing Defaults or Events of Default (except with respect to nonpayment of principal, premium or interest, or Additional Amounts, if any) and rescind any such acceleration with respect to such Notes and its consequences if rescission would not conflict with any judgment or decree of a court of competent jurisdiction.

Subject to the provisions of the Indenture relating to the duties of the Trustee, if an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under the Indenture at the request or direction of any of the Holders unless such Holders have offered to the Trustee indemnity and/or security satisfactory to the Trustee against any loss, liability or expense. Except to enforce the right to receive payment of principal or interest when due, no Holder may pursue any remedy with respect to the Indenture or the Notes unless:

(1) such Holder has previously given the Trustee written notice that an Event of Default is continuing;

(2) Holders of at least 30% in aggregate principal amount of the outstanding Notes have requested in writing the Trustee to pursue the remedy;

(3) such Holders have offered in writing the Trustee security and/or indemnity satisfactory to the Trustee against any loss, liability or expense;

(4) the Trustee has not complied with such request within 60 days after the receipt of the written request and the offer of security and/or indemnity; and

(5) the Holders of a majority in aggregate principal amount of the outstanding Notes have not given the Trustee a written direction that, in the opinion of the Trustee, is inconsistent with such request within such 60-day period.

Subject to certain restrictions, the Holders of a majority in aggregate principal amount of the outstanding Notes are given the right to direct the time, method and place of conducting any proceeding for exercising any remedy

available to the Trustee or of exercising any trust or power conferred on the Trustee. The Indenture provides that, in the event an Event of Default has occurred and is continuing, the Trustee will be required in the exercise of its powers to use the degree of care that a prudent person would use in the conduct of its own affairs. The Trustee, however, may refuse to follow any direction that conflicts with law or the Indenture or that the Trustee determines is unduly prejudicial to the rights of any other Holder or that would involve the Trustee in personal liability. Prior to taking any action under the Indenture, the Trustee will be entitled to indemnification or security satisfactory to it against all losses and expenses caused by taking or not taking such action.

The Indenture provides that if a Default occurs and is continuing and the Trustee is informed of such occurrence by the Company, the Trustee must give notice of the Default to the Holders within 60 days after being notified by the Company. Except in the case of a Default in the payment of principal of, or premium, if any, or interest on any Note, the Trustee may withhold notice if and so long as a committee of trust officers of the Trustee in good faith determines that withholding notice is in the interests of the Holders. The Company is required to deliver to the Trustee, within 120 days after the end of each fiscal year, an Officer's Certificate indicating whether the signers thereof know of any Default that occurred during the previous year. The Company is required to deliver to the Trustee, within 30 days after the occurrence thereof, written notice of any events of which it is aware which would constitute certain Defaults, their status and what action the Company is taking or proposes to take in respect thereof.

The Notes provide for the Trustee to take action on behalf of the Holders in certain circumstances, but only if the Trustee is indemnified to its satisfaction. It may not be possible for the Trustee to take certain actions in relation to the Notes and, accordingly, in such circumstances the Trustee will be unable to take action, notwithstanding the provision of an indemnity to it, and it will be for Holders to take action directly.

Holders of the Notes may not enforce the Indenture or the Notes except as provided in the Indenture and may not enforce the Security Documents except as provided in such Security Documents and the Intercreditor Agreement or any Additional Intercreditor Agreement.

Amendments and Waivers

Subject to certain exceptions, the Note Documents may be amended, supplemented or otherwise modified with the consent of the Holders of a majority in aggregate principal amount of the Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, such Notes) and, subject to certain exceptions, any default or compliance with any provisions thereof may be waived with the consent of the Holders of a majority in aggregate principal amount of the Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, such Notes); provided that, if any amendment, waiver or other modification will only amend, waive or modify one series of the Notes, only the consent of a majority in aggregate principal amount of the then outstanding Notes of such series shall be required. However, without the consent of Holders holding not less than 90% of the then outstanding aggregate principal amount of Notes affected, or if any amendment, waiver or other modification will only amend, waive or modify one series of the Notes, without the consent of Holders holding not less than 90% of the then outstanding aggregate principal amount of Notes of such series amended, waived or modified, an amendment or waiver may not, with respect to any such series of the Notes held by a non-consenting Holder:

(1) reduce the principal amount of such Notes whose Holders must consent to an amendment;

(2) reduce the stated rate of or extend the stated time for payment of interest on any such Note;

(3) reduce the principal of or extend the Stated Maturity of any such Note;

(4) reduce the premium payable upon the redemption of any such Note or change the time at which any such Note may be redeemed, in each case as described above under "*—Optional Redemption*";

(5) make any such Note payable in money other than that stated in such Note;

(6) impair the right of any Holder to receive payment of principal of and interest on such Holder's Notes on or after the due dates therefor or to institute suit for the enforcement of any such payment on or with respect to such Holder's Notes;

(7) make any change in the provision of the Indenture described under "*—Withholding Taxes*" that adversely affects the right of any Holder of such Notes in any material respect or amends the terms of such Notes in a way that would result in a loss of an exemption from any of the Taxes described thereunder or an exemption from any obligation to withhold or deduct Taxes so described thereunder unless the Payor agrees to pay Additional Amounts, if any, in respect thereof;

(8) release all or substantially all (i) the security interest granted for the benefit of the Holders in the Collateral or (ii) any Notes Guarantee, in each case, other than pursuant to the terms of the Security Document or the Indenture, as applicable, except as permitted by the Intercreditor Agreement;

(9) waive a Default or Event of Default with respect to the nonpayment of principal, premium or interest (except pursuant to a rescission of acceleration of the Notes by the Holders of at least a majority in aggregate principal amount of such Notes and a waiver of the payment default that resulted from such acceleration); or

(10) make any change in the amendment or waiver provisions which require the Holders' consent described in this sentence.

Notwithstanding the foregoing, without the consent of any Holder, the Company, the Trustee and the other parties thereto, as applicable, may amend or supplement any Note Documents to:

(1) cure any ambiguity, omission, defect, error or inconsistency, conform any provision of any Note Documents to this "*Description of the Senior Notes*," or reduce the minimum denomination of the Notes;

(2) provide for the assumption by a successor Person of the obligations of the Company, the Issuer or any Guarantor under any Note Document;

(3) provide for uncertificated Notes in addition to or in place of certificated Notes (*provided* that the uncertificated Notes are issued in registered form for purposes of Section 163(f) of the Code, or in a manner such that the uncertificated Notes are described in Section 163(f)(2)(B) of the Code);

(4) add to the covenants or provide for a Notes Guarantee for the benefit of the Holders or surrender any right or power conferred upon the Company or any Restricted Subsidiary;

(5) make any change that does not adversely affect the rights of any Holder in any material respect;

(6) at the Company's election, comply with any requirement of the SEC in connection with the qualification of the Indenture under the Trust Indenture Act, if such qualification is required;

(7) make such provisions as necessary (as determined in good faith by the Company) for the issuance of Additional Notes;

(8) provide for any Restricted Subsidiary to provide a Notes Guarantee in accordance with the covenant described under "*—Certain Covenants—Limitation on Indebtedness*" and "*—Certain Covenants—Additional Notes Guarantees and Collateral*," to add *Notes Guarantee*s with respect to the Notes, to add security to or for the benefit of the Notes, or to confirm and evidence the release, termination, discharge or retaking of any *Notes Guarantee* or Lien (including the Collateral and the Security Documents) with respect to or securing the Notes when such release, termination, discharge or retaking is provided for under the Indenture, the Intercreditor Agreement or the Security Documents;

(9) evidence and provide for the acceptance and appointment under the Indenture of a successor Trustee pursuant to the requirements thereof or to provide for the accession by the Trustee to any Note Document; or

(10) in the case of the Security Documents, to mortgage, pledge, hypothecate or grant a security interest in favor of the Security Agent for the benefit of parties to the Revolving Credit Facility Agreement or the Senior Secured Notes, in any property which is required by the Revolving Credit Facility Agreement or the Senior Secured Notes (each as in effect on the Issue Date) to be mortgaged, pledged or hypothecated, or in which a security interest is required to be granted to the Security Agent, or to the extent necessary to grant a security interest for the benefit of any Person; *provided* that the granting of such security interest is not prohibited by the Indenture and the covenant described under "*—Certain Covenants—Impairment of Security Interest*" is complied with.

In formulating its decisions on such matters, the Trustee shall be entitled to rely on such evidence as it deems appropriate including Officer's Certificates and Opinions of Counsel.

The consent of the Holders is not necessary under the Indenture to approve the particular form of any proposed amendment of any Note Document. It is sufficient if such consent approves the substance of the proposed amendment. A consent to any amendment or waiver under the Indenture by any Holder of Notes given in connection with a tender of such Holder's Notes will not be rendered invalid by such tender.

Acts by Holders

In determining whether the Holders of the required aggregate principal amount of the Notes of a series have concurred in any direction, waiver or consent, any such Notes owned by the Company or by any Person directly or indirectly controlled, or controlled by, or under direct or indirect common control with, the Company will be disregarded and deemed not to be outstanding.

Defeasance

The Issuer at any time may terminate all its and each Guarantor's obligations under the Notes of a series and the Indenture ("*legal defeasance*") and cure all then existing Defaults and Events of Default, except for certain obligations, including those respecting the defeasance trust, the rights, powers, trusts, duties, immunities and indemnities of the Trustee and the obligations of the Issuer in connection therewith and obligations concerning issuing temporary Notes of such series, registrations of Notes of such series, mutilated, destroyed, lost or stolen Notes of such series and the maintenance of an office or agency for payment and money for security payments held in trust. Subject to the foregoing, if the Issuer exercises its legal defeasance option, the Security Documents in effect at such time will terminate (other than with respect to the defeasance trust).

The Issuer at any time may terminate its and the Guarantor's obligations under the covenants described under "*—Certain Covenants*" (other than with respect to clauses (1) and (2) of each of the covenants described under "*—Certain Covenants—Merger and Consolidation—The Company and the Issuer,*" "*—Certain Covenants—Merger and Consolidation—Subsidiary Guarantors*") and "*—Change of Control*" and the default provisions relating to such covenants described under "*—Events of Default*" above, the operation of the cross-default upon a payment default, the cross acceleration provision, the bankruptcy provision with respect to the Issuer, the Company and its Significant Subsidiaries (other than the Issuer), the judgment default provision, the security default provision and the guarantee provision described under "*—Events of Default*" above ("*covenant defeasance*").

The Issuer at its option at any time may exercise its legal defeasance option notwithstanding its prior exercise of its covenant defeasance option. If the Issuer exercises its legal defeasance option with respect to a series of Notes, payment of such Notes may not be accelerated because of an Event of Default with respect to such Notes. If the Issuer exercises its covenant defeasance option with respect to a series of Notes, payment of such Notes may not be accelerated because of an Event of Default specified in clause (3) (other than with respect to clauses (1) and (2) of the covenant described under "*—Certain Covenants—Merger and Consolidation—The Company and the Issuer*" and the covenant described under "*—Certain Covenants—Merger and Consolidation—Subsidiary Guarantors*"), (4), (5), (6), (7) (other than with respect to the Issuer), (8), (9) or (10) under "*—Events of Default*" above.

In order to exercise either defeasance option, the Issuer must irrevocably deposit in trust (the "defeasance trust") with the Trustee (or such entity designated or appointed (as Agent of the Trustee) pursuant to the relevant provisions of the Indenture by the Trustee for this purpose) cash in sterling, non-callable UK Government Obligations or a combination thereof in such amounts as will be sufficient, in the good faith determination of the Issuer, for the payment of principal, premium, if any, and interest on such Notes to redemption or maturity, as the case may be; *provided*, that upon any redemption that requires the payment of the Applicable Premium, the amount deposited shall be sufficient for purposes of the Indenture to the extent that an amount is deposited with the Trustee equal to the Applicable Premium, calculated as of the date of the notice of redemption, with any deficit as of the date of redemption (any such amount, the "Applicable Premium Deficit") only required to be deposited with the Trustee on or prior to the date of redemption. Any Applicable Premium Deficit shall be set forth in an Officer's Certificate delivered to the Trustee simultaneously with the deposit of such Applicable Premium Deficit that confirms that such Applicable Premium Deficit shall be applied toward such redemption.

In addition, the Issuer must comply with certain other conditions, including delivery to the Trustee of:

(1) an Opinion of Counsel in the United States to the effect that Holders of such Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such deposit and defeasance and will be subject to U.S. federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred (and in the case of legal defeasance only, such Opinion of Counsel in the United States must be based on a ruling of the U.S. Internal Revenue Service or other change in applicable U.S. federal income tax law since the issuance of the Notes);

(2) an Officer's Certificate stating that the deposit was not made by the Issuer with the intent of defeating, hindering, delaying, defrauding or preferring any creditors of the Issuer;

(3) an Officer's Certificate and an Opinion of Counsel (which opinion of counsel may be subject to customary assumptions and exclusions), each stating that that all conditions precedent provided for or relating to legal defeasance or covenant defeasance, as the case may be, have been complied with;

(4) an Opinion of Counsel to the effect that the trust resulting from the deposit does not constitute, or is qualified as, a regulated investment company under the U.S. Investment Company Act of 1940; and

(5) all other documents or other information that the Trustee may reasonably require in connection with either defeasance option.

Satisfaction and Discharge

The Indenture, and the rights of the Trustee and the Holders under the Security Documents will be discharged and cease to be of further effect (except as to surviving rights of conversion or transfer or exchange of the Notes of a series, as expressly provided for in the Indenture) as to all outstanding Notes when (1) either (a) all such Notes previously authenticated and delivered (other than certain lost, stolen or destroyed Notes of such series and certain Notes for which provision for payment was previously made and thereafter the funds have been released to the Company) have been delivered to the Trustee for cancellation; or (b) all Notes not previously delivered to the Trustee for cancellation (i) have become due and payable, (ii) will become due and payable at their Stated Maturity within one year or (iii) are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Issuer; (2) the Issuer has deposited or caused to be deposited with the Trustee (or such entity designated or appointed (as Agent of the Trustee) pursuant to the relevant provisions of the Indenture by the Trustee for this purpose), (x) sterling or non-callable UK Government Obligations, or a combination thereof, in an amount sufficient to pay and discharge the entire Indebtedness of the Notes not previously delivered to the Trustee for cancellation, for principal, premium, if any, and interest to the date of deposit (in the case of Notes of a series that have become due and payable), or to the Stated Maturity or redemption date, as the case may be; (3) the Issuer has paid or caused to be paid all other sums payable under the Indenture; (4) the Issuer has delivered irrevocable instructions under the Indenture to apply the deposited money towards payment of the Notes at maturity or on the redemption date, as the case may be; and (5) the Issuer has delivered to the Trustee an Officer's Certificate and an Opinion of Counsel each to the effect that all conditions precedent under the Indenture relating to the satisfaction and discharge of the Indenture have been complied with, *provided* that any such counsel may rely on any Officer's Certificate as to matters of fact (including as to compliance with the foregoing clauses (1), (2) and (3)).

No Personal Liability of Directors, Officers, Employees and Shareholders

No director, officer, employee, incorporator or shareholder of the Company or any of its Subsidiaries or Affiliates, as such, shall have any liability for any obligations of the Company under the Note Documents or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. Such waiver may not be effective to waive liabilities under the U.S. federal securities laws and it is the view of the SEC that such a waiver is against public policy.

Concerning the Trustee and Certain Agents

Deutsche Trustee Company Limited has been appointed as Trustee under the Indenture. The Indenture provides that, except during the continuance of an Event of Default, the Trustee will perform only such duties as are set forth specifically in such Indenture. During the existence of an Event of Default, the Trustee will exercise such of the rights and powers vested in it under the Indenture and use the same degree of care that a prudent Person would use in conducting its own affairs. The permissive rights of the Trustee to take or refrain from taking any action enumerated in the Indenture will not be construed as an obligation or duty.

The Trustee is permitted to engage in other transactions with the Company and its Affiliates and Subsidiaries.

The Indenture sets out the terms under which the Trustee may retire or be removed, and replaced. Such terms include, *inter alia*, (1) that the Trustee may be removed at any time by the Holders of a majority in aggregate principal amount of the then outstanding Notes, or may resign at any time by giving written notice to the Company and (2) that if the Trustee at any time (a) has or acquires a conflict of interest that is not eliminated within 30 days, or (b) becomes incapable of acting as Trustee or becomes insolvent or bankrupt, then the Company may remove the Trustee, or any Holder who has been a *bona fide* Holder for not less than six months may petition any court for removal of the Trustee and appointment of a successor Trustee.

Any removal or resignation of the Trustee shall not become effective until the acceptance of appointment by the successor Trustee.

The Indenture contains provisions for the indemnification of the Trustee for any loss, liability, taxes and expenses incurred without negligence, willful misconduct or bad faith on its part, arising out of or in connection with the acceptance or administration of the Indenture.

Notices

All notices to Holders of Notes will be validly given if (as long the Notes are in certificated definitive form) mailed to them at their respective addresses in the register of the Holders of the Notes, if any, maintained by the Registrar. In addition, for so long as any of the Notes are listed on the Luxembourg Stock Exchange and the rules

of the Luxembourg Stock Exchange shall so require, notices with respect to the Notes will be published in a newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, to the extent and in the manner permitted by such rules, posted on the official website of the Luxembourg Stock Exchange (*www.bourse.lu*). In addition, for so long as any Notes are represented by Global Notes, all notices to Holders of the Notes will be delivered to Euroclear and Clearstream, each of which will give such notices to the holders of Book-Entry Interests. Such notices may also be published on the website of the Luxembourg Stock Exchange (*www.bourse.lu*), to the extent and in the manner permitted by the rules of the Luxembourg Stock Exchange.

Each such notice shall be deemed to have been given on the date of such publication or, if published more than once on different dates, on the first date on which publication is made; *provided* that, if notices are mailed, such notice shall be deemed to have been given on the later of such publication and the seventh day after being so mailed. Any notice or communication mailed to a Holder shall be mailed to such Person by first-class mail or other equivalent means and shall be sufficiently given to such Holder if so mailed within the time prescribed. Failure to mail, cause to be delivered or send a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders. If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it.

Prescription

Claims against the Issuer or any Guarantor for the payment of principal, or premium, if any, on the Notes of a series will be prescribed five years after the applicable due date for payment thereof. Claims against the Issuer for the payment of interest on such Notes will be prescribed three years after the applicable due date for payment of interest.

Currency Indemnity

Sterling is the sole currency of account and payment for all sums payable by the Company and the Guarantors under or in connection with the Notes and the relevant Notes Guarantees, as the case may be, including damages. Any amount received or recovered in a currency other than sterling whether as a result of, or the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer, any Guarantor or otherwise by any Holder or by the Trustee, in respect of any sum expressed to be due to it from the Issuer or a Guarantor will only constitute a discharge to the Issuer or such Guarantor, as applicable, to the extent of the sterling amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so).

If that sterling amount is less than the sterling amount expressed to be due to the recipient or the Trustee, the Issuer and the Guarantors will indemnify them against any loss sustained by such recipient or the Trustee as a result. In any event, the Issuer and the Guarantors will indemnify the recipient or the Trustee on a joint or several basis against the cost of making any such purchase. For the purposes of this currency indemnity provision, it will be prima facie evidence of the matter stated therein for the Holder of a Note or the Trustee to certify in a manner reasonably satisfactory to the Issuer (indicating the sources of information used) the loss it Incurred in making any such purchase. These indemnities constitute a separate and independent obligation from the Issuer's and the Guarantors' other obligations, will give rise to a separate and independent cause of action, will apply irrespective of any waiver granted by any Holder of a Note or the Trustee (other than a waiver of the indemnities set out herein) and will continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note, any Notes Guarantee or to the Trustee.

Except as otherwise specifically set forth herein, for purposes of determining compliance with any sterling-denominated restriction herein, the Sterling Equivalent amount for purposes hereof that is denominated in a non-sterling currency shall be calculated based on the relevant currency exchange rate in effect on the date such non-sterling amount is Incurred or made, as the case may be.

Enforceability of Judgments

Since substantially all the assets of the Company are held by Subsidiaries located outside the United States, any judgment obtained in the United States against the Issuer or any Guarantor, including judgments with respect to the payment of principal, premium, if any, interest, Additional Amounts, if any, and any redemption price and any purchase price with respect to the Notes or the Notes Guarantees, may not be collectable within the United States.

Consent to Jurisdiction and Service

In relation to any legal action or proceedings arising out of or in connection with the Indenture and the Notes and the Notes Guarantees, the Issuer and each Guarantor in the Indenture irrevocably submit to the jurisdiction of the federal and state courts in the Borough of Manhattan in the City of New York, County and State of New York, United States.

Governing Law

The Indenture and the Notes, including any Notes Guarantees, and the rights and duties of the parties thereunder are governed by and construed in accordance with the laws of the State of New York.

Certain Definitions

"*Acquired Indebtedness*" means Indebtedness (1) of a Person or any of its Subsidiaries existing at the time such Person becomes a Restricted Subsidiary, or (2) assumed in connection with the acquisition of assets from such Person, in each case whether or not Incurred by such Person in connection with such Person becoming a Restricted Subsidiary of the Company or such acquisition or (3) of a Person at the time such Person merges with or into or consolidates or otherwise combines with the Company or any Restricted Subsidiary. Acquired Indebtedness shall be deemed to have been Incurred, with respect to clause (1) of the preceding sentence, on the date such Person becomes a Restricted Subsidiary and, with respect to clause (2) of the preceding sentence, on the date of consummation of such acquisition of assets and, with respect to clause (3) of the preceding sentence, on the date of the relevant merger, consolidation or other combination.

"*Acquisition*" means the acquisition of NLRGL pursuant to the Acquisition Agreement.

"*Acquisition Agreement*" means the Agreement for the Sale and Purchase of New Look Retail Group Limited, dated as of May 14, 2015, by and among Top Gun Bidco Limited, Brait Mauritius Limited and the other parties thereto, as may be amended or supplement from time to time.

"*Additional Assets*" means:

(1) any property or assets (other than Indebtedness and Capital Stock) used or to be used by the Company, a Restricted Subsidiary or otherwise useful in a Similar Business (it being understood that capital expenditures on property or assets already used in Similar Business or to replace any property or assets that are the subject of such Asset Disposition shall be deemed an investment in Additional Assets);

(2) the Capital Stock of a Person that is engaged in a Similar Business and becomes a Restricted Subsidiary as a result of the acquisition of such Capital Stock by the Company or a Restricted Subsidiary of the Company; or

(3) Capital Stock constituting a minority interest in any Person that at such time is a Restricted Subsidiary of the Company.

"*Affiliate*" of any specified Person means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"*Agreed Security Principles*" means the Agreed Security Principles as set out in an annex to the Revolving Credit Facility Agreement as in effect on the Issue Date, as applied *mutatis mutandis* with respect to the Notes in good faith by the Company.

"*Applicable Premium*" means, with respect to a Note, the greater of:

(A) 1% of the principal amount of such Note; and

(B) with respect to any Note on any redemption date, the excess (to the extent positive) of:

  (1) the present value at such redemption date of (i) the redemption price of such Note at June 24, 2018 (such redemption price (expressed in percentage of principal amount) being set forth in the table under "*—Optional Redemption—Optional Redemption of the Notes*" (excluding accrued but unpaid interest)), plus (ii) all required interest payments due on such Note to and including such date set forth in clause (i) (excluding accrued but unpaid interest), computed upon the redemption date using a discount rate equal to the applicable Gilt Rate at such redemption date plus 50 basis points; over

  (2) the outstanding principal amount of such Note, and

in each case, as calculated by the Company or on behalf of the Company by such Person as the Company shall designate, which for the avoidance of doubt, will not be the Trustee or the Paying Agent unless otherwise agreed with the Issuer.

"*Asset Disposition*" means any direct or indirect sale, lease (other than an operating lease entered into in the ordinary course of business), transfer, issuance or other disposition, or a series of related sales, leases (other than

operating leases entered into in the ordinary course of business), transfers, issuances or dispositions that are part of a common plan, of shares of Capital Stock of a Subsidiary (other than directors' qualifying shares), property or other assets (each referred to for the purposes of this definition as a "disposition") by the Company or any of its Restricted Subsidiaries, including any disposition by means of a merger, consolidation or similar transaction. Notwithstanding the preceding provisions of this definition, the following items shall not be deemed to be Asset Dispositions:

(1) a disposition by a Restricted Subsidiary to the Company or by the Company or a Restricted Subsidiary to a Restricted Subsidiary;

(2) a disposition of cash, Cash Equivalents, Temporary Cash Investments or Investment Grade Securities;

(3) a disposition of inventory or other assets in the ordinary course of business;

(4) a disposition of obsolete, surplus or worn out equipment or other assets or equipment or other assets that are no longer useful in the conduct of the business of the Company and its Restricted Subsidiaries;

(5) transactions permitted under "*—Certain Covenants—Merger and Consolidation—The Company*" or a transaction that constitutes a Change of Control;

(6) an issuance of Capital Stock by a Restricted Subsidiary to the Company or to another Restricted Subsidiary or as part of or pursuant to an equity incentive or compensation plan approved by the Board of Directors of the Company;

(7) any dispositions of Capital Stock, properties or assets in a single transaction or series of related transactions with a fair market value (as determined in good faith by the Company) of less than £10 million;

(8) any Restricted Payment that is permitted to be made, and is made, under the covenant described above under "*—Certain Covenants—Limitation on Restricted Payments*" and the making of any Permitted Payment or Permitted Investment or, solely for purposes of clause (3) of the first paragraph under "*—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*," asset sales, the proceeds of which are used to make such Restricted Payments or Permitted Investments;

(9) dispositions in connection with Permitted Liens;

(10) dispositions of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;

(11) the licensing or sub-licensing of intellectual property or other general intangibles and licenses, sub-licenses, leases or subleases of other property, in each case, in the ordinary course of business;

(12) foreclosure, condemnation or any similar action with respect to any property or other assets;

(13) the sale or discount (with or without recourse, and on customary or commercially reasonable terms and for credit management purposes) of accounts receivable or notes receivable arising in the ordinary course of business, or the conversion or exchange of accounts receivable for notes receivable;

(14) any disposition of Capital Stock, Indebtedness or other securities of an Unrestricted Subsidiary;

(15) any disposition of Capital Stock of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a Person (other than the Company or a Restricted Subsidiary) from whom such Restricted Subsidiary was acquired, or from whom such Restricted Subsidiary acquired its business and assets (having been newly formed in connection with such acquisition), made as part of such acquisition and in each case comprising all or a portion of the consideration in respect of such sale or acquisition;

(16) any surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims of any kind;

(17) any disposition of assets to a Person who is providing services related to such assets, the provision of which have been or are to be outsourced by the Company or any Restricted Subsidiary to such Person; *provided, however*, that the Board of Directors of the Company shall certify that in the opinion of the Board of Directors, the outsourcing transaction will be economically beneficial to the Company and its Restricted Subsidiaries (considered as a whole); *provided, further*, that the fair market value of the assets disposed of, when taken together with all other dispositions made pursuant to this clause (17), does not exceed £20 million or, if greater, 2.0% of Total Assets;

(18) any disposition with respect to property built, owned or otherwise acquired by the Company or any Restricted Subsidiary pursuant to customary sale and leaseback transactions, asset securitizations and other similar financings permitted by the Indenture; and

(19) sales or dispositions of receivables in connection with any Qualified Receivables Financing or any factoring transaction or in the ordinary course of business;

"*Associate*" means (i) any Person engaged in a Similar Business of which the Company or its Restricted Subsidiaries are the legal and beneficial owners of between 20% and 50% of all outstanding Voting Stock and (ii) any joint venture entered into by the Company or any Restricted Subsidiary of the Company.

"*Board of Directors*" means (1) with respect to the Company or any corporation, the board of directors or managers, as applicable, of the corporation, or any duly authorized committee thereof; (2) with respect to any partnership, the board of directors or other governing body of the general partner of the partnership or any duly authorized committee thereof; and (3) with respect to any other Person, the board or any duly authorized committee of such Person serving a similar function. For the purposes of the definition of Change of Control only, Board of Directors of the Company shall mean the Company's supervisory board or its managing board. Whenever any provision requires any action or determination to be made by, or any approval of, a Board of Directors, such action, determination or approval shall be deemed to have been taken or made if approved by a majority of the directors (excluding employee representatives, if any) on any such Board of Directors (whether or not such action or approval is taken as part of a formal board meeting or as a formal board approval).

"*Business Day*" means each day that is not a Saturday, Sunday or other day on which banking institutions in Luxembourg, London, United Kingdom, or New York, New York, United States are authorized or required by law to close.

"*Capital Stock*" of any Person means any and all shares of, rights to purchase, warrants or options for, or other equivalents of or partnership or other interests in (however designated), equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity.

"*Capitalized Lease Obligations*" means an obligation that is required to be classified and accounted for as a capitalized lease for financial reporting purposes on the basis of IFRS. The amount of Indebtedness represented by such obligation will be the capitalized amount of such obligation at the time any determination thereof is to be made as determined on the basis of IFRS, and the Stated Maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date such lease may be terminated without penalty.

"*Cash Equivalents*" means:

(1) securities issued or directly and fully Guaranteed or insured by the United States or Canadian governments, a Permissible Jurisdiction, Switzerland or Norway or, in each case, any agency or instrumentality of thereof (*provided* that the full faith and credit of such country or such member state is pledged in support thereof), having maturities of not more than two years from the date of acquisition;

(2) certificates of deposit, time deposits, eurodollar time deposits, overnight bank deposits or bankers' acceptances having maturities of not more than one year from the date of acquisition thereof issued by any lender or by any bank or trust company (a) whose commercial paper is rated at least "A-1" or the equivalent thereof by S&P or at least "P-1" or the equivalent thereof by Moody's (or if at the time neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) or (b) (in the event that the bank or trust company does not have commercial paper which is rated) having combined capital and surplus in excess of €500 million;

(3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clauses (1) and (2) entered into with any bank meeting the qualifications specified in clause (2) above;

(4) commercial paper rated at the time of acquisition thereof at least "A-2" or the equivalent thereof by S&P or "P-2" or the equivalent thereof by Moody's or carrying an equivalent rating by a Nationally Recognized Statistical Rating Organization, if both of the two named rating agencies cease publishing ratings of investments or, if no rating is available in respect of the commercial paper, the issuer of which has an equivalent rating in respect of its long-term debt, and in any case maturing within one year after the date of acquisition thereof;

(5) readily marketable direct obligations issued by any state of the United States of America, any province of Canada, any Permissible Jurisdiction, Switzerland or Norway or any political subdivision thereof, in each case, having one of the two highest rating categories obtainable from either Moody's or S&P (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) with maturities of not more than two years from the date of acquisition;

(6) Indebtedness or preferred stock issued by Persons with a rating of "BBB–" or higher from S&P or "Baa3" or higher from Moody's (or, if at the time, neither is issuing comparable ratings, then a comparable rating of

another Nationally Recognized Statistical Rating Organization) with maturities of 12 months or less from the date of acquisition;

(7) bills of exchange issued in the United States, Canada, a Permissible Jurisdiction, Switzerland, Norway or Japan eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent);

(8) interests in any investment company, money market or enhanced high yield fund which invests 95% or more of its assets in instruments of the type specified in clauses (1) through (7) above; and

(9) for purposes of clause (2) of the definition of "Asset Disposition," the marketable securities portfolio owned by the Company and its Subsidiaries on the Issue Date.

"*Change of Control*" means:

(1) the Company becomes aware of (by way of a report or any other filing pursuant to Section 13(d) of the Exchange Act, proxy, vote, written notice or otherwise) any "person" or "group" of related persons (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act as in effect on the Issue Date), other than one or more Permitted Holders, is or becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act as in effect on the Issue Date), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the Company, *provided* that for the purposes of this clause, (x) no Change of Control shall be deemed to occur by reason of the Company becoming a Subsidiary of a Successor Parent and (y) any Voting Stock of which any Permitted Holder is the "beneficial owner" (as so defined), shall not be included in any Voting Stock of which any such person or group is the "beneficial owner" (as so defined) unless that person or group is not an affiliate of a Permitted Holder and has greater voting power with respect to that Voting Stock than any other Permitted Holder;

(2) following the Initial Public Offering of the Company or any Parent, during any period of two consecutive years, individuals who at the beginning of such period constituted the majority of the directors (excluding any employee representatives, if any) on the Board of Directors of the Company or any Parent (together with any new directors whose election by the majority of such directors on such Board of Directors of the Company or any Parent or whose nomination for election by shareholders of the Company or any Parent, as applicable, was approved by a vote of the majority of such directors on the Board of Directors of the Company or any Parent then still in office who were either directors at the beginning of such period or whose election or nomination for election was previously so approved) ceased for any reason to constitute the majority of the directors (excluding any employee representatives, if any) on the Board of Directors of the Company or any Parent, then in office; or

(3) the sale, lease, transfer, conveyance or other disposition (other than by way of merger, consolidation or other business combination transaction), in one or a series of related transactions, of all or substantially all of the assets of the Company and its Restricted Subsidiaries taken as a whole to a Person, other than a Restricted Subsidiary or one or more Permitted Holders.

"*Clearstream*" means Clearstream Banking, a société anonyme as currently in effect or any successor securities clearing agency.

"*Code*" means the United States Internal Revenue Code of 1986, as amended.

"*Commodity Hedging Agreements*" means, in respect of a Person, any commodity purchase contract, commodity futures or forward contract, commodities option contract or other similar contract (including commodities derivative agreements or arrangements), to which such Person is a party or a beneficiary.

"*Consolidated EBITDA*" for any period means, without duplication, the Consolidated Net Income for such period, plus the following to the extent deducted in calculating such Consolidated Net Income:

(1) Consolidated Interest Expense and Receivables Fees;

(2) Consolidated Income Taxes;

(3) consolidated depreciation expense;

(4) consolidated amortization or impairment expense;

(5) any expenses, charges or other costs related to any Equity Offering, Investment, acquisition (including one-time amounts paid in connection with the acquisition or retention of one or more individuals comprising part of a management team retained to manage the acquired business; *provided* that such payments are made in connection with such acquisition and are consistent with the customary practice in the industry at the time of such acquisition), disposition, recapitalization or the Incurrence of any Indebtedness permitted by the

Indenture (in each case whether or not successful) (including any such fees or charges related to the Refinancing Transactions), in each case, as determined in good faith by an Officer of the Company;

(6) any minority interest expense (whether paid or not) consisting of income attributable to minority equity interests of third parties in such period;

(7) the amount of management, monitoring, consulting and advisory fees and related expenses paid in such period to the Permitted Holders to the extent permitted by the covenant described under "*—Certain Covenants—Limitation of Affiliate Transactions*"; and

(8) other non-cash charges, write-downs or items reducing Consolidated Net Income (excluding any such non-cash charge, write-down or item to the extent it represents an accrual of or reserve for cash charges in any future period) or other items classified by the Company as extraordinary, exceptional, unusual or nonrecurring items less other non-cash items of income increasing Consolidated Net Income (excluding any such non-cash item of income to the extent it represents a receipt of cash in any future period).

For the purposes of determining "Consolidated EBITDA" as specified in the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*," pro forma effect shall be given to the calculation of Consolidated EBITDA consistently with the calculation of the Consolidated Net Leverage Ratio.

"Consolidated Financial Interest Expense" means, for any period (in each case, determined on the basis of IFRS), the consolidated net interest income/expense of the Company and its Restricted Subsidiaries related to Indebtedness (including (a) all commissions, discounts and other fees and charges owed with respect to letters of credit or bankers acceptances, (b) the interest component of Capitalized Lease Obligations, and (c) net payments, if any, pursuant to interest rate Hedging Obligations with respect to Indebtedness) but not including any pension liability interest cost, amortization of debt discount, debt issuance cost and premium, commissions, discounts and other fees and charges owed or paid with respect to financings, or costs associated with Hedging Obligations (other than those described in (c) and interest in connection with the Senior Notes).

"*Consolidated Income Taxes*" means taxes or other payments, including deferred Taxes, based on income, profits or capital (including without limitation withholding taxes), trade taxes and franchise taxes of any of the Company and its Restricted Subsidiaries whether or not paid, estimated, accrued or required to be remitted to any Governmental Authority.

"*Consolidated Interest Expense*" means, for any period (in each case, determined on the basis of IFRS), the consolidated net interest income/expense of the Company and its Restricted Subsidiaries, including any pension liability interest cost, plus or including (without duplication) any interest, costs and charges consisting of:

(1) interest expense attributable to Capitalized Lease Obligations;

(2) amortization of debt discount, debt issuance cost and premium;

(3) non-cash interest expense;

(4) commissions, discounts and other fees and charges owed with respect to financings not included in clause (2) above;

(5) costs associated with Hedging Obligations;

(6) dividends on other distributions in respect of all Disqualified Stock of the Company and all Preferred Stock of any Restricted Subsidiary, to the extent held by Persons other than the Company or a Subsidiary of the Company;

(7) the consolidated interest expense that was capitalized during such period; and

(8) interest actually paid by the Company or any Restricted Subsidiary under any Guarantee of Indebtedness or other obligation of any other Person.

"*Consolidated Leverage*" means the sum of the aggregate outstanding Indebtedness of the Company and its Restricted Subsidiaries (excluding Hedging Obligations except to the extent provided in clause (c) of the penultimate paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*").

"*Consolidated Net Income*" means, for any period, the net income (loss) of the Company and its Restricted Subsidiaries determined on a consolidated basis on the basis of IFRS; *provided, however*, that there will not be included in such Consolidated Net Income:

(1) subject to the limitations contained in clause (3) below, any net income (loss) of any Person if such Person is not a Restricted Subsidiary, except that the Company's equity in the net income of any such Person for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash

Equivalents actually distributed by such Person during such period to the Company or a Restricted Subsidiary as a dividend or other distribution or return on investment or could have been distributed, as reasonably determined by an Officer of the Company (subject, in the case of a dividend or other distribution or return on investment to a Restricted Subsidiary, to the limitations contained in clause (2) below);

(2) solely for the purpose of determining the amount available for Restricted Payments under clause (c)(i) of the first paragraph of the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*," any net income (loss) of any Restricted Subsidiary (other than Guarantors) if such Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or the making of distributions by such Restricted Subsidiary, directly or indirectly, to the Company or a Guarantor by operation of the terms of such Restricted Subsidiary's charter or any agreement, instrument, judgment, decree, order, statute or governmental rule or regulation applicable to such Restricted Subsidiary or its shareholders (other than (a) restrictions that have been waived or otherwise released, (b) restrictions pursuant to the Notes or the Indenture, (c) restrictions of the type on the Issue Date with respect to such Restricted Subsidiary and other restrictions that, taken as a whole, are not materially less favorable to the Holders than such restrictions that exist on the Issue Date and (d) restrictions specified in clause (11)(i) of the second paragraph not prohibited by the covenant described under "*—Certain Covenants—Limitation on Restrictions on Distributions from Restricted Subsidiaries*," except that the Company's equity in the net income of any such Restricted Subsidiary for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents actually distributed or that could have been distributed by such Restricted Subsidiary during such period to the Company or another Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend to another Restricted Subsidiary, to the limitation contained in this clause);

(3) any net gain (or loss) realized upon the sale or other disposition of any asset or disposed operations of the Company or any Restricted Subsidiaries (including pursuant to any sale/leaseback transaction) which is not sold or otherwise disposed of in the ordinary course of business (as determined in good faith by an Officer or the Board of Directors of the Company);

(4) any extraordinary, exceptional, unusual or nonrecurring gain, loss or charge (including for the avoidance of doubt, any tax referable to any payments, dividends or other distributions made or declared intra-group) or any charges or reserves in respect of any restructuring, redundancy or severance expense or other costs related to the Refinancing Transactions, in each case, as determined in good faith by the Company;

(5) the cumulative effect of a change in accounting principles;

(6) any non-cash compensation charge or expense arising from any grant of stock, stock options or other equity based awards and any non-cash deemed finance charges in respect of any pension liabilities or other provisions;

(7) all deferred financing costs written off and premiums paid or other expenses incurred directly in connection with any early extinguishment of Indebtedness and any net gain (loss) from any write-off or forgiveness of Indebtedness;

(8) any unrealized gains or losses in respect of Hedging Obligations or any ineffectiveness recognized in earnings related to qualifying hedge transactions or the fair value of changes therein recognized in earnings for derivatives that do not qualify as hedge transactions, in each case, in respect of Hedging Obligations;

(9) any unrealized foreign currency transaction gains or losses in respect of Indebtedness of any Person denominated in a currency other than the functional currency of such Person and any unrealized foreign exchange gains or losses relating to translation of assets and liabilities denominated in foreign currencies;

(10) any unrealized foreign currency translation or transaction gains or losses in respect of Indebtedness or other obligations of the Company or any Restricted Subsidiary owing to the Company or any Restricted Subsidiary;

(11) any purchase accounting effects including, but not limited to, adjustments to inventory, property and equipment, software and other intangible assets and deferred revenues in component amounts required or permitted by IFRS and related authoritative pronouncements (including the effects of such adjustments pushed down to the Company and the Restricted Subsidiaries), as a result of any consummated acquisition or the amortization or write-off of any amounts thereof (including any write-off of in process research and development);

(12) any goodwill or other intangible asset impairment, charge, amortization or write-off;

(13) Consolidated Income Taxes to the extent in excess of cash payments made in respect of such Consolidated Income Taxes;

(14) consolidated depreciation expense, to the extent in excess of capital expenditure related to tangible assets for the relevant period; and

(15) the impact of capitalized, accrued or accreting or pay-in-kind interest or principal on Subordinated Shareholder Funding.

"*Consolidated Net Indebtedness*" means, with respect to any Person, (x) Consolidated Leverage as of the relevant date of calculation less (y) the amount of cash and Cash Equivalents that would be stated on the balance sheet of such Person and its Restricted Subsidiaries as of such date, in each case, on a consolidated basis on the basis of IFRS.

"*Consolidated Net Leverage Ratio*" means, as of any date of determination, the ratio of (x) Consolidated Net Indebtedness at such date to (y) the aggregate amount of Consolidated EBITDA for the period of the most recent four consecutive fiscal quarters ending prior to the date of such determination for which internal consolidated financial statements of the Company and its Restricted Subsidiaries are available; *provided, however*, that for the purposes of calculating Consolidated EBITDA for such period, if, as of such date of determination:

(1) since the beginning of such period the Company or any Restricted Subsidiary has disposed of any company, any business, or any group of assets constituting an operating unit of a business (any such disposition, a "Sale") or if the transaction giving rise to the need to calculate the Consolidated Net Leverage Ratio is such a Sale, Consolidated EBITDA for such period will be reduced by an amount equal to the Consolidated EBITDA (if positive) attributable to the assets which are the subject of such Sale for such period or increased by an amount equal to the Consolidated EBITDA (if negative) attributable thereto for such period; *provided* that if any such sale constitutes "discontinued operations" in accordance with IFRS, Consolidated Net Income shall be reduced by an amount equal to the Consolidated Net Income (if positive) attributable to such operations for such period or increased by an amount equal to the Consolidated Net Income (if negative) attributable thereto for such period;

(2) since the beginning of such period, the Company or any Restricted Subsidiary (by merger or otherwise) has made an Investment in any Person that thereby becomes a Restricted Subsidiary, or otherwise has acquired any company, any business, or any group of assets constituting an operating unit of a business (any such Investment or acquisition, a "Purchase"), including any such Purchase occurring in connection with a transaction causing a calculation to be made hereunder, Consolidated EBITDA for such period will be calculated after giving pro forma effect thereto, including anticipated synergies and cost savings calculated in good faith by a responsible financial or chief accounting officer of the Company, as if such Purchase occurred on the first day of such period; and

(3) since the beginning of such period, any Person (that became a Restricted Subsidiary or was merged or otherwise combined with or into the Company or any Restricted Subsidiary since the beginning of such period) will have made any Sale or any Purchase that would have required an adjustment pursuant to clause (1) or (2) above if made by the Company or a Restricted Subsidiary since the beginning of such period, Consolidated EBITDA for such period will be calculated after giving pro forma effect thereto, including anticipated synergies and cost savings calculated in good faith by a responsible financial or chief accounting officer of the Company, as if such Sale or Purchase occurred on the first day of such period.

For the purposes of this definition and the definitions of Consolidated EBITDA, Consolidated Income Taxes, Consolidated Interest Expense, Consolidated Net Income and Fixed Charge Coverage Ratio, (a) calculations will be as determined in good faith by a responsible financial or chief accounting officer of the Company (including in respect of cost savings and synergies), and will also include cost savings reasonably anticipated by management to occur from programs implemented during the relevant period as though the full run-rate effect of such synergies and cost savings were realized on the first day of the relevant period, and (b) in determining the amount of Indebtedness outstanding on any date of determination, pro forma effect shall be given to any Incurrence, repayment, repurchase, defeasance or other acquisition, retirement or discharge of Indebtedness as if such transaction had occurred on the first day of the relevant period.

"*Consolidated Permitted Trade L/C Commitments Ratio*" means, as of any date of determination, the ratio, expressed as a percentage, of (x) the aggregate Trade L/C Facility Amount of all Trade L/C Facilities outstanding at the time of determination to (y) the consolidated net revenues of the Company and its Restricted Subsidiaries for the period of the most recent four consecutive fiscal quarters ending prior to the date of such determination for which internal consolidated financial statements of the Company and its Restricted Subsidiaries are available.

"*Consolidated Secured Leverage Ratio*" means the Consolidated Net Leverage Ratio, but calculated by excluding all Indebtedness other than Secured Indebtedness.

"*Contingent Obligations*" means, with respect to any Person, any obligation of such Person guaranteeing in any manner, whether directly or indirectly, any operating lease, dividend or other obligation that does not constitute

Indebtedness ("primary obligations") of any other Person (the "primary obligor"), including any obligation of such Person, whether or not contingent:

(1) to purchase any such primary obligation or any property constituting direct or indirect security therefor;

(2) to advance or supply funds:

  (a) for the purchase or payment of any such primary obligation; or

  (b) to maintain the working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or

(3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

"*Credit Facility*" means, with respect to the Company or any of its Subsidiaries, one or more debt facilities, indentures or other arrangements (including the Revolving Credit Facility Agreement or commercial paper facilities and overdraft facilities) with banks, other financial institutions or investors providing for revolving credit loans, term loans, notes, receivables financing (including through the sale of receivables to such institutions or to special purpose entities formed to borrow from such institutions against such receivables), letters of credit or other Indebtedness, in each case, as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time (and whether in whole or in part and whether or not with the original administrative agent and lenders or another administrative agent or agents or other banks or institutions and whether provided under the original Revolving Credit Facility Agreement or one or more other credit or other agreements, indentures, financing agreements or otherwise) and in each case including all agreements, instruments and documents executed and delivered pursuant to or in connection with the foregoing (including any notes and letters of credit issued pursuant thereto and any Guarantee and collateral agreement, patent and trademark security agreement, mortgages or letter of credit applications and other Guarantees, pledges, agreements, security agreements and collateral documents). Without limiting the generality of the foregoing, the term "Credit Facility" shall include any agreement or instrument (1) changing the maturity of any Indebtedness Incurred thereunder or contemplated thereby, (2) adding Subsidiaries of the Company as additional borrowers or guarantors thereunder, (3) increasing the amount of Indebtedness Incurred thereunder or available to be borrowed thereunder or (4) otherwise altering the terms and conditions thereof.

"*Currency Agreement*" means in respect of a Person any foreign exchange contract, currency swap agreement, currency futures contract, currency option contract, currency derivative or other similar agreement to which such Person is a party or beneficiary.

"*Default*" means any event which is, or after notice or passage of time or both would be, an Event of Default.

"*Designated Non-Cash Consideration*" means the fair market value (as determined in good faith by the Company) of non-cash consideration received by the Company or one of its Restricted Subsidiaries in connection with an Asset Disposition that is so designated as Designated Non-Cash Consideration pursuant to an Officer's Certificate, setting forth the basis of such valuation, less the amount of cash, Cash Equivalents or Temporary Cash Investments received in connection with a subsequent payment, redemption, retirement, sale or other disposition of such Designated Non-Cash Consideration. A particular item of Designated Non-Cash Consideration will no longer be considered to be outstanding when and to the extent it has been paid, redeemed or otherwise retired or sold or otherwise disposed of in compliance with the covenant described under "*—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*."

"*Designated Preference Shares*" means, with respect to the Company or any Parent, Preferred Stock (other than Disqualified Stock) (a) that is issued for cash (other than to the Company or a Subsidiary of the Company or an employee stock ownership plan or trust established by the Company or any such Subsidiary for the benefit of their employees to the extent funded by the Company or such Subsidiary) and (b) that is designated as "Designated Preference Shares" pursuant to an Officer's Certificate of the Company at or prior to the issuance thereof, the Net Cash Proceeds of which are excluded from the calculation set forth in clause (c)(ii) of the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*."

"*Disqualified Stock*" means, with respect to any Person, any Capital Stock of such Person which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable) or upon the happening of any event:

(1) matures or is mandatorily redeemable for cash or in exchange for Indebtedness pursuant to a sinking fund obligation or otherwise;

(2) is convertible or exchangeable for Indebtedness or Disqualified Stock (excluding Capital Stock which is convertible or exchangeable solely at the option of the Company or a Restricted Subsidiary); or

(3) is or may become (in accordance with its terms) upon the occurrence of certain events or otherwise redeemable or purchasable for cash or in exchange for Indebtedness at the option of the holder of the Capital Stock in whole or in part, in each case on or prior to the earlier of (a) the Stated Maturity of the Notes or (b) the date on which there are no Notes outstanding; *provided, however*, that (i) only the portion of Capital Stock which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date will be deemed to be Disqualified Stock and (ii) any Capital Stock that would constitute Disqualified Stock solely because the holders thereof have the right to require the Company to repurchase such Capital Stock upon the occurrence of a change of control or asset sale (howsoever defined or referred to) shall not constitute Disqualified Stock if any such redemption or repurchase obligation is subject to compliance by the relevant Person with the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*."

"*Equity Offering*" means (x) a sale of Capital Stock of the Company (other than Disqualified Stock) other than offerings registered on Form S-8 (or any successor form) under the Securities Act or any similar offering in other jurisdictions, or (y) the sale of Capital Stock or other securities, the proceeds of which are contributed to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or through an Excluded Contribution) of, or as Subordinated Shareholder Funding to, the Company.

"*Escrowed Proceeds*" means the proceeds from the offering of any debt securities or other Indebtedness paid into an escrow account with an independent escrow agent on the date of the applicable offering or Incurrence pursuant to escrow arrangements that permit the release of amounts on deposit in such escrow account upon satisfaction of certain conditions or the occurrence of certain events. The term "Escrowed Proceeds" shall include any interest earned on the amounts held in escrow.

"*Euroclear*" means Euroclear Bank SA/NV, or any successor securities clearing agency.

"*European Union*" means all members of the European Union as of January 1, 2004.

"*Exchange Act*" means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder, as amended.

"*Excluded Contribution*" means Net Cash Proceeds or property or assets received by the Company as capital contributions to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares) of the Company after the Issue Date or from the issuance or sale (other than to a Restricted Subsidiary or an employee stock ownership plan or trust established by the Company or any Subsidiary of the Company for the benefit of its employees to the extent funded by the Company or any Restricted Subsidiary) of Capital Stock (other than Disqualified Stock or Designated Preference Shares) of the Company, in each case, to the extent designated as an Excluded Contribution pursuant to an Officer's Certificate of the Company.

"*Existing Build-Up Amount*" is an amount equal to £40.0 million.

"*Existing Notes*" means £500 million aggregate principal amount of 8.75% Senior Secured Notes due 2018, $250 million aggregate principal amount of 8.375% Senior Secured Notes due 2018 and €175 million aggregate principal amount of Floating Rate Senior Secured Notes due 2018, each issued by New Look Bondco I plc pursuant to the indenture dated as of May 14, 2013.

"*fair market value*" may be conclusively established by means of an Officer's Certificate or a resolution of the Board of Directors of the Company setting out such fair market value as determined by such Officer or such Board of Directors in good faith.

"*Fixed Charge Coverage Ratio*" means, with respect to any Person on any determination date, the ratio of Consolidated EBITDA of such Person for the most recently completed four consecutive fiscal quarters ending immediately prior to such determination date for which internal consolidated financial statements of the Company and its Restricted Subsidiaries are available to the Fixed Charges of such Person and its Restricted Subsidiaries for such four consecutive fiscal quarters. In the event that the Company or any Restricted Subsidiary Incurs, assumes, Guarantees, redeems, defeases, retires or extinguishes any Indebtedness (other than Indebtedness incurred under any revolving credit facility unless such Indebtedness has been permanently repaid and has not been replaced) or issues or redeems Disqualified Stock or Preferred Stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated but prior to or simultaneously with the event for which the calculation of the Fixed Charge Coverage Ratio is made (the "*Fixed Charge Coverage Ratio Calculation Date*"), then the Fixed Charge Coverage Ratio shall be calculated giving *pro forma* effect to such Incurrence, assumption, Guarantee, redemption, defeasance, retirement or extinguishment of Indebtedness, or such issuance or redemption of Disqualified Stock or Preferred Stock, as if the same had occurred at the beginning of the applicable four-quarter period; *provided*, *however*, that the *pro forma* calculation of Fixed Charges shall not give effect to (i) any Indebtedness incurred on the Fixed Charge Coverage Ratio

Calculation Date pursuant to the provisions described in the second paragraph under "—*Certain Covenants—Limitation on Indebtedness*" or (ii) the discharge on the Fixed Charge Coverage Ratio Calculation Date of any Indebtedness to the extent that such discharge results from the proceeds incurred pursuant to the provisions described in the second paragraph under "—*Certain Covenants—Limitation on Indebtedness*."

For purposes of making the computation referred to above, any Investment, acquisitions, dispositions, mergers, consolidations and disposed operations that have been made by the Company or any of its Restricted Subsidiaries during the four-quarter reference period or subsequent to such reference period and on or prior to or simultaneously with the Fixed Charge Coverage Ratio Calculation Date shall be calculated on a *pro forma* basis assuming that all such Investments, acquisitions, dispositions, mergers, consolidations and disposed or discontinued operations (and the change in any associated fixed charge obligations and the change in Consolidated EBITDA resulting therefrom) had occurred on the first day of the four-quarter reference period. If since the beginning of such period any Person that subsequently became a Restricted Subsidiary or was merged with or into the Company or any of its Restricted Subsidiaries since the beginning of such period shall have made any Investment, acquisition, disposition, merger, consolidation or disposed or discontinued any operation that would have required adjustment pursuant to this definition, then the Fixed Charge Coverage Ratio shall be calculated giving *pro forma* effect thereto, including anticipated synergies and cost savings, for such period as if such Investment, acquisition, disposition, merger, consolidation or disposed operation had occurred at the beginning of the applicable four-quarter period.

For purposes of this definition, whenever *pro forma* effect is to be given to a transaction, the *pro forma* calculations shall be made in good faith by a responsible financial or chief accounting officer of the Company (including synergies and cost savings). If any Indebtedness bears a floating rate of interest and is being given *pro forma* effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the Fixed Charge Coverage Ratio Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligations applicable to such Indebtedness). Interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a responsible financial or accounting officer of the Company to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with IFRS. For purposes of making the computation referred to above, interest on any Indebtedness under a revolving credit facility computed on a *pro forma* basis shall be computed based upon the average daily balance of such Indebtedness during the applicable period except as set forth in the first paragraph of this definition. Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rate, shall be determined to have been based upon the rate actually chosen, or if none, then based upon such optional rate chosen as the Company may designate.

"*Fixed Charges*" means, with respect to any Person for any period, the sum of:

(1) Consolidated Financial Interest Expense of such Person for such period;

(2) all cash and non-cash dividends or other distributions payable (excluding items eliminated in consolidation) on any series of Preferred Stock during such period;

(3) all cash and non-cash dividends or other distributions payable (excluding items eliminated in consolidation) on any series of Disqualified Stock during this period; and

(4) any interest expense on Indebtedness of another person that is guaranteed by such Person or its Restricted Subsidiaries or secured by a Lien on assets of such Person or its Restricted Subsidiaries, but only to the extent such interest expense is actually paid;

determined on a consolidated basis in accordance with IFRS.

"*Floating Rate Notes*" means the €415 million aggregate principal amount of the Floating Rate Senior Secured Notes due 2022 issued by the Senior Secured Notes Issuer on the Issue Date.

"*Floating Rate Notes Proceeds Loan*" means the loan of the proceeds of the Floating Rate Notes pursuant to the Floating Rate Notes Proceeds Loan Agreement and all loans directly or indirectly replacing or refinancing such loan or any portion thereof and any loan of a portion of the proceeds of Additional Floating Rate Notes pursuant to the Floating Rate Notes Proceeds Loan Agreement.

"*Floating Rate Notes Proceeds Loan Agreement*" means the loan agreement in connection with the proceeds of the Floating Rate Notes originally entered into on the Redemption Date by the Company, as borrower and the Senior Secured Notes Issuer, as Lender.

"*Gilt Rate*" means, with respect to any redemption date, the yield to maturity as of such redemption date of UK Government Obligations with a fixed maturity (as compiled by the Office for National Statistics and published in the most recent Financial Statistics that have become publicly available at least two Business Days in London

prior to such redemption date (or, if such Financial Statistics are no longer published, any publicly available source of similar market data)) most nearly equal to the period from such redemption date to June 24, 2018; *provided*, however, that if the period from such redemption date to June 24, 2018 is less than one year, the weekly average yield on actually traded UK Government Obligations denominated in sterling adjusted to a fixed maturity of one year shall be used; and *provided further*, that in no case shall the Gilt Rate be less than zero.

"*Governmental Authority*" means any nation, sovereign or government, any state, province, territory or other political subdivision thereof, and any entity or authority exercising executive, legislative, judicial, regulatory, self-regulatory or administrative functions of or pertaining to government, including a central bank or stock exchange.

"*Guarantee*" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person, including any such obligation, direct or indirect, contingent or otherwise, of such Person:

(1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such other Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take-or-pay or to maintain financial statement conditions or otherwise); or

(2) entered into primarily for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part);

provided, however, that the term "Guarantee" will not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb has a corresponding meaning.

"*Guarantor*" means, upon grant of the relevant Guarantee, each of the Company, Hamperwood Limited, the Senior Secured Notes Issuer, New Look Group Limited, New Look Limited, New Look Overseas Limited, and New Look Retailers Limited together with any other Restricted Subsidiary that Guarantees the Notes.

"*Hedging Obligations*" of any Person means the obligations of such Person pursuant to any Interest Rate Agreement, Currency Agreement or Commodity Hedging Agreement (each, a "*Hedging Agreement*").

"*Holder*" means each Person in whose name the Notes are registered on the Registrar's books, which shall initially be the respective nominee of Clearstream and Euroclear.

"*IFRS*" means International Financial Reporting Standards (formerly International Accounting Standards) ("IFRS") endorsed from time to time by the European Union or any variation thereof with which the Company or its Restricted Subsidiaries are, or may be, required to comply; *provided* that at any date after the Issue Date the Company may make an irrevocable election to establish that "IFRS" shall mean IFRS as in effect on a date that is on or prior to the date of such election.

"*Incur*" means issue, create, assume, enter into any Guarantee of, incur, extend or otherwise become liable for; *provided, however*, that any Indebtedness or Capital Stock of a Person existing at the time such Person becomes a Restricted Subsidiary (whether by merger, consolidation, acquisition or otherwise) will be deemed to be Incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary and the terms "Incurred," "Incurring" and "Incurrence" have meanings correlative to the foregoing and any Indebtedness pursuant to any revolving credit or similar facility shall only be "Incurred" at the time any funds are borrowed thereunder.

"*Indebtedness*" means, with respect to any Person on any date of determination (without duplication):

(1) the principal of indebtedness of such Person for borrowed money;

(2) the principal of obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

(3) all reimbursement obligations of such Person in respect of letters of credit, bankers' acceptances or other similar instruments (except to the extent such reimbursement obligations relate to trade payables and such obligations are satisfied within 30 days of Incurrence), in each case only to the extent that the underlying obligation in respect of which the instrument was issued would be treated as Indebtedness;

(4) the principal component of all obligations of such Person to pay the deferred and unpaid purchase price of property (except trade payables), where the deferred payment is arranged primarily as a means of raising finance, which purchase price is due more than one year after the date of placing such property in service or taking final delivery and title thereto;

(5) Capitalized Lease Obligations of such Person;

(6) the principal component of all obligations, or liquidation preference, of such Person with respect to any Disqualified Stock or, with respect to any Restricted Subsidiary, any Preferred Stock (but excluding, in each case, any accrued dividends);

(7) the principal component of all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; *provided, however*, that the amount of such Indebtedness will be the lesser of (a) the fair market value of such asset at such date of determination (as determined in good faith by the Company) and (b) the amount of such Indebtedness of such other Persons;

(8) Guarantees by such Person of the principal component of Indebtedness of other Persons to the extent Guaranteed by such Person; and

(9) to the extent not otherwise included in this definition, net obligations of such Person under Currency Agreements and Interest Rate Agreements (the amount of any such obligations to be equal at any time to the termination value of such agreement or arrangement giving rise to such obligation that would be payable by such Person at such time).

The term "Indebtedness" shall not include Subordinated Shareholder Funding or any lease, concession or license of property (or Guarantee thereof) which would be considered an operating lease under IFRS as in effect on the Issue Date, any asset retirement obligations, any prepayments of deposits received from clients or customers in the ordinary course of business, or obligations under any license, permit or other approval (or Guarantees given in respect of such obligations) Incurred prior to the Issue Date or in the ordinary course of business.

The amount of Indebtedness of any Person at any time in the case of a revolving credit or similar facility shall be the total amounts of funds borrowed and then outstanding. The amount of Indebtedness of any Person at any date shall be determined as set forth above or otherwise provided in the Indenture, and (other than with respect to letters of credit or Guarantees or Indebtedness specified in clause (7) or (8) above) shall equal the amount thereof that would appear on a balance sheet of such Person (excluding any notes thereto) prepared on the basis of IFRS.

Notwithstanding the above provisions, in no event shall the following constitute Indebtedness:

(i) Contingent Obligations or Permitted Trade L/C Facilities Incurred in the ordinary course of business, and obligations under or in respect of Qualified Receivables Financings;

(ii) in connection with the purchase by the Company or any Restricted Subsidiary of any business, any post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing; *provided, however*, that, at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid within 30 days thereafter; or

(iii) for the avoidance of doubt, any obligations in respect of workers' compensation claims, early retirement or termination obligations, pension fund obligations or contributions or similar claims, obligations or contributions or social security or wage Taxes.

"*Initial Investors*" means Tom Singh and any Related Person, Brait SE and any funds or partnerships managed or advised, directly or indirectly, by Brait SE or an Affiliate thereof, and, solely in their capacity as such, any limited partner of any such partnership or fund.

"*Initial Public Offering*" means an Equity Offering of common stock or other common equity interests of the Company or any Parent or any successor of the Company or any Parent (the "IPO Entity") following which there is a Public Market and, as a result of which, the shares of common stock or other common equity interests of the IPO Entity in such offering are listed on an internationally recognized exchange or traded on an internationally recognized market.

"*Intercreditor Agreement*" means the Intercreditor Agreement dated the date of the consummation of the Acquisition among, *inter alios*, the Issuer, the Guarantors, the Trustee, the Security Agent, the lenders and agent under the Revolving Credit Facility Agreement and certain counterparties under hedging obligations, as amended, restated or modified from time to time.

"*Interest Rate Agreement*" means, with respect to any Person, any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement or other similar agreement or arrangement to which such Person is party or a beneficiary.

"*Investment*" means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of any direct or indirect advance, loan or other extensions of credit (other than advances or extensions of credit to customers, suppliers, directors, officers or employees of any Person in the ordinary course of business, and excluding any debt or extension of credit represented by a bank deposit other than a time deposit) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or

services for the account or use of others), or the Incurrence of a Guarantee of any obligation of, or any purchase or acquisition of Capital Stock, Indebtedness or other similar instruments issued by, such other Persons and all other items that are or would be classified as investments on a balance sheet prepared on the basis of IFRS; *provided, however*, that endorsements of negotiable instruments and documents in the ordinary course of business will not be deemed to be an Investment. If the Company or any Restricted Subsidiary issues, sells or otherwise disposes of any Capital Stock of a Person that is a Restricted Subsidiary such that, after giving effect thereto, such Person is no longer a Restricted Subsidiary, any Investment by the Company or any Restricted Subsidiary in such Person remaining after giving effect thereto will be deemed to be a new Investment at such time.

For purposes of "*—Certain Covenants—Limitation on Restricted Payments*:"

(1) "Investment" will include the portion (proportionate to the Company's equity interest in a Restricted Subsidiary to be designated as an Unrestricted Subsidiary) of the fair market value of the net assets of such Restricted Subsidiary of the Company at the time that such Restricted Subsidiary is designated an Unrestricted Subsidiary; *provided, however*, that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Company will be deemed to continue to have a permanent "Investment" in an Unrestricted Subsidiary in an amount (if positive) equal to (a) the Company's "Investment" in such Subsidiary at the time of such redesignation less (b) the portion (proportionate to the Company's equity interest in such Subsidiary) of the fair market value of the net assets (as conclusively determined by the Board of Directors of the Company in good faith) of such Subsidiary at the time that such Subsidiary is so re-designated a Restricted Subsidiary; and

(2) any property transferred to or from an Unrestricted Subsidiary will be valued at its fair market value at the time of such transfer, in each case as determined in good faith by the Board of Directors of the Company.

The amount of any Investment outstanding at any time shall be the original cost of such Investment, reduced (at the Company's option) by any dividend, distribution, interest payment, return of capital, repayment or other amount or value received in respect of such Investment.

"*Investment Grade Securities*" means:

(1) securities issued or directly and fully Guaranteed or insured by the United States or Canadian government or any agency or instrumentality thereof (other than Cash Equivalents);

(2) securities issued or directly and fully guaranteed or insured by a Permissible Jurisdiction or Switzerland, Norway or any agency or instrumentality thereof (other than Cash Equivalents);

(3) debt securities or debt instruments with a rating of "A–" or higher from S&P or "A3" or higher by Moody's or the equivalent of such rating by such rating organization or, if no rating of Moody's or S&P then exists, the equivalent of such rating by any other Nationally Recognized Statistical Ratings Organization, but excluding any debt securities or instruments constituting loans or advances among the Company and its Subsidiaries; and

(4) investments in any fund that invests exclusively in investments of the type described in clauses (1), (2) and (3) above which fund may also hold cash and Cash Equivalents pending investment or distribution.

"*Investment Grade Status*" shall occur when the Notes receive both of the following:

(1) a rating of "BBB–" or higher from S&P; and

(2) a rating of "Baa3" or higher from Moody's;

(3) or the equivalent of such rating by either such rating organization or, if no rating of Moody's or S&P then exists, the equivalent of such rating by any other Nationally Recognized Statistical Ratings Organization.

"*IPO Market Capitalization*" means an amount equal to (i) the total number of issued and outstanding shares of common stock or common equity interests of the IPO Entity at the time of closing of the Initial Public Offering multiplied by (ii) the price per share at which such shares of common stock or common equity interests are sold in such Initial Public Offering.

"*Issue Date*" means June 24, 2015.

"*Lien*" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof).

"*Management Advances*" means loans or advances made to, or Guarantees with respect to loans or advances made to, directors, officers, employees or consultants of any Parent, the Company or any Restricted Subsidiary:

(1) (a) in respect of travel, entertainment or moving related expenses Incurred in the ordinary course of business or (b) for purposes of funding any such person's concurrent purchase of Capital Stock or Subordinated

Shareholder Funding (or similar obligations) of the Company, its Subsidiaries or any Parent with (in the case of this sub-clause (b)) the approval of the Board of Directors of the Company;

(2) in respect of moving related expenses Incurred in connection with any closing or consolidation of any facility or office; or

(3) not exceeding £5 million in the aggregate outstanding at any time.

"*Management Investors*" means the officers, directors, employees and other members of the management of or consultants to any Parent, the Company or any of their respective Subsidiaries, or spouses, family members or relatives thereof, or any trust, partnership or other entity for the benefit of or the beneficial owner of which (directly or indirectly) is any of the foregoing, or any of their heirs, executors, successors and legal representatives, who at any date beneficially own or have the right to acquire, directly or indirectly, Capital Stock of the Company, any Restricted Subsidiary or any Parent.

"*Market Capitalization*" means an amount equal to (i) the total number of issued and outstanding shares of common stock or common equity interests of the IPO Entity on the date of the declaration of the relevant dividend multiplied by (ii) the arithmetic mean of the closing prices per share of such common stock or common equity interests for the 30 consecutive trading days immediately preceding the date of declaration of such dividend.

"*Moody's*" means Moody's Investors Service, Inc. or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

"*Nationally Recognized Statistical Rating Organization*" means a nationally recognized statistical rating organization within the meaning of Section 3(a)(62) of the Exchange Act.

"*Net Available Cash*" from an Asset Disposition means cash payments received (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise and net proceeds from the sale or other disposition of any securities received as consideration, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring person of Indebtedness or other obligations relating to the properties or assets that are the subject of such Asset Disposition or received in any other non-cash form) therefrom, in each case net of:

(1) all legal, accounting, investment banking, title and recording tax expenses, commissions and other fees and expenses Incurred, and all Taxes paid or required to be paid or accrued as a liability under IFRS (after taking into account any available tax credits or deductions and any tax sharing agreements), as a consequence of such Asset Disposition;

(2) all payments made on any Indebtedness which is secured by any assets subject to such Asset Disposition, in accordance with the terms of any Lien upon such assets, or which by its terms or by applicable law are required to be repaid out of the proceeds from such Asset Disposition;

(3) all distributions and other payments required to be made to minority interest holders (other than any Parent, the Company or any of their respective Subsidiaries) in Subsidiaries or joint ventures as a result of such Asset Disposition; and

(4) the deduction of appropriate amounts required to be provided by the seller as a reserve, on the basis of IFRS, against any liabilities associated with the assets disposed of in such Asset Disposition and retained by the Company or any Restricted Subsidiary after such Asset Disposition.

"*Net Cash Proceeds*," with respect to any issuance or sale of Capital Stock or Subordinated Shareholder Funding, means the cash proceeds of such issuance or sale net of attorneys' fees, accountants' fees, underwriters' or placement agents' fees, listing fees, discounts or commissions and brokerage, consultant and other fees and charges actually Incurred in connection with such issuance or sale and net of taxes paid or payable as a result of such issuance or sale (after taking into account any available tax credit or deductions and any tax sharing arrangements).

"*Note Documents*" means the Notes (including Additional Notes), the Indenture, the Senior Notes Proceeds Loan Agreement and the Security Documents.

"*Obligations*" means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities or amounts payable under the documentation governing any Indebtedness.

"*Offering Memorandum*" means the offering memorandum dated June 12, 2015, in relation to the Notes.

"*Officer*" means, with respect to any Person, (1) the Chairman of the Board of Directors, the Chief Executive Officer, the President, the Chief Financial Officer, any Vice President, the Treasurer, any Managing Director, or

the Secretary (a) of such Person or (b) if such Person is owned or managed by a single entity, of such entity, or (2) any other individual designated as an "Officer" for the purposes of the Indenture by the Board of Directors of such Person.

"*Officer's Certificate*" means, with respect to any Person, a certificate signed by one Officer of such Person.

"*Opinion of Counsel*" means a written opinion from legal counsel reasonably satisfactory to the Trustee. The counsel may be an employee of or counsel to the Company or its Subsidiaries.

"*Parent*" means any Person of which the Company at any time is or becomes a Subsidiary after the Issue Date and any holding companies established by any Permitted Holder for purposes of holding its investment in any Parent.

"*Parent Expenses*" means:

(1) costs (including all professional fees and expenses) Incurred by any Parent in connection with reporting obligations under or otherwise Incurred in connection with compliance with applicable laws, rules or regulations of any governmental, regulatory or self-regulatory body or stock exchange, the Indenture or any other agreement or instrument relating to Indebtedness of the Company or any Restricted Subsidiary, including in respect of any reports filed with respect to the Securities Act, Exchange Act or the respective rules and regulations promulgated thereunder;

(2) customary indemnification obligations of any Parent owing to directors, officers, employees or other Persons under its charter or by-laws or pursuant to written agreements with any such Person to the extent relating to the Company and its Subsidiaries;

(3) obligations of any Parent in respect of director and officer insurance (including premiums therefor) to the extent relating to the Company and its Subsidiaries;

(4) fees and expenses payable by any Parent in connection with the Refinancing Transactions or disclosed in the Offering Memorandum;

(5) general corporate overhead expenses, including (a) professional fees and expenses and other operational expenses of any Parent related to the ownership or operation of the business of the Company or any of its Restricted Subsidiaries or (b) costs and expenses with respect to any litigation or other dispute relating to the Refinancing Transactions or the ownership, directly or indirectly, by any Parent;

(6) other fees, expenses and costs relating directly or indirectly to activities of the Company and its Subsidiaries or any Parent or any other Person established for purposes of or in connection with the Refinancing Transactions or which holds directly or indirectly any Capital Stock or Subordinated Shareholder Funding of the Company, in an amount not to exceed £2 million in any fiscal year; and

(7) expenses Incurred by any Parent in connection with any Public Offering or other sale of Capital Stock or Indebtedness:

  (x) where the net proceeds of such offering or sale are intended to be received by or contributed to the Company or a Restricted Subsidiary;

  (y) in a pro-rated amount of such expenses in proportion to the amount of such net proceeds intended to be so received or contributed; or

  (z) otherwise on an interim basis prior to completion of such offering so long as any Parent shall cause the amount of such expenses to be repaid to the Company or the relevant Restricted Subsidiary out of the proceeds of such offering promptly if completed.

"*Pari Passu Indebtedness*" means Indebtedness of the Company or any Guarantor if such Indebtedness or Guarantee ranks equally in right of payment to the Notes or the Notes Guarantees, as the case may be, and, in each case, is secured by a Lien on the Collateral.

"*Paying Agent*" means any Person authorized by the Company to pay the principal of (and premium, if any) or interest on any Note on behalf of the Company.

"*Permissible Jurisdiction*" means any member state of the European Union (other than Greece).

"*Permitted Asset Swap*" means the concurrent purchase and sale or exchange of assets used or useful in a Similar Business or a combination of such assets and cash, Cash Equivalents or Temporary Cash Investments between the Company or any of its Restricted Subsidiaries and another Person; *provided* that any cash or Cash Equivalents received in excess of the value of any cash or Cash Equivalents sold or exchanged must be applied in

accordance with the covenant described under "*—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*."

"Permitted Collateral Liens" means (A) Liens on the Collateral (i) that are described in one or more of clauses (3), (4) and (9) of the definition of "Permitted Liens" or which are secured on assets that are subject to a floating charge in favor of the Notes, or (ii) that are Liens on bank accounts granted to cash management banks securing cash management obligations; (B) (x) Liens on the Collateral to secure Indebtedness of the Company or a Restricted Subsidiary that is permitted to be Incurred under clauses (1), (2) (in the case of (2), to the extent such Guarantee is in respect of Indebtedness otherwise permitted to be secured and specified in this definition of Permitted Collateral Liens), (4)(a), 4(c) (if the original Indebtedness was so secured), (5)(i) (covering only the shares and assets of the acquired Person the Indebtedness of which is so secured), (5)(ii) (but only if after giving effect to such Incurrence on that date, the Consolidated Secured Leverage Ratio is either (a) less than 4.00 to 1.0 or (b) not greater than prior to such Incurrence), (6), (7), (11) or (12) of the second paragraph of the covenant described under *"—Certain Covenants—Limitation on Indebtedness"* and any Refinancing Indebtedness in respect of such Indebtedness, and Permitted Trade L/C Liens; *provided*, *however*, that such Lien will not give an entitlement to be repaid with proceeds of enforcement of the Collateral in a manner which is inconsistent with the Intercreditor Agreement and any Additional Intercreditor Agreement; (C) Liens on the Collateral securing Indebtedness incurred under the first paragraph of "*—Certain Covenants—Limitation on Indebtedness*"; *provided* that, in the case of this clause (C), after giving effect to such incurrence on that date, the Consolidated Secured Leverage Ratio is less than 4.00 to 1.0, and (D) Liens on the Collateral that secure Indebtedness on a basis equally with or junior to the Notes; and *provided* that each of the parties to Indebtedness secured by Liens pursuant to clauses (B), (C) or (D) hereof or their agent, representative or trustee will have entered into the Intercreditor Agreement or an Additional Intercreditor Agreement.

"*Permitted Holders*" means, collectively, (1) the Initial Investors and any Affiliate thereof, (2) Senior Management and Related Persons, (3) any Person who is acting as an underwriter in connection with a public or private offering of Capital Stock of any Parent or the Company, acting in such capacity and (4) any "group" (as such term is defined under Section 13(d)(3) of the Exchange Act) of which Tom Singh or a Related Person of Tom Singh is a member. Any person or group whose acquisition of beneficial ownership constitutes a Change of Control in respect of which a Change of Control Offer is made in accordance with the requirements of the Indenture will thereafter, together with its Affiliates, constitute an additional Permitted Holder.

"*Permitted Investment*" means (in each case, by the Company or any of its Restricted Subsidiaries):

(1) Investments in (a) a Restricted Subsidiary (including the Capital Stock of a Restricted Subsidiary) or the Company or (b) a Person (including the Capital Stock of any such Person) that is engaged in any Similar Business and such Person will, upon the making of such Investment, become a Restricted Subsidiary;

(2) Investments in another Person if such Person is engaged in any Similar Business and as a result of such Investment such other Person is merged, consolidated or otherwise combined with or into, or transfers or conveys all or substantially all its assets to, the Company or a Restricted Subsidiary;

(3) Investments in cash, Cash Equivalents, Temporary Cash Investments or Investment Grade Securities;

(4) Investments in receivables owing to the Company or any Restricted Subsidiary created or acquired in the ordinary course of business;

(5) Investments in payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business;

(6) Management Advances;

(7) Investments in Capital Stock, obligations or securities received in settlement of debts created in the ordinary course of business and owing to the Company or any Restricted Subsidiary, or as a result of foreclosure, perfection or enforcement of any Lien, or in satisfaction of judgments or pursuant to any plan of reorganization or similar arrangement including upon the bankruptcy or insolvency of a debtor;

(8) Investments made as a result of the receipt of non-cash consideration from a sale or other disposition of property or assets, including an Asset Disposition (but excluding a Permitted Asset Swap), in each case, that was made in compliance with "*—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*";

(9) Investments in existence on, or made pursuant to legally binding commitments in existence on, the Issue Date;

(10) Currency Agreements, Interest Rate Agreements, Commodity Hedging Agreements and related Hedging Obligations, which transactions or obligations are Incurred in compliance with "*—Certain Covenants—Limitation on Indebtedness*";

(11) Investments, taken together with all other Investments made pursuant to this clause (11) and at any time outstanding, in an aggregate amount at the time of such Investment not to exceed £40 million; *provided* that, if an Investment is made pursuant to this clause in a Person that is not a Restricted Subsidiary and such Person subsequently becomes a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary pursuant to the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*," such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (2) of the definition of "Permitted Investments" and not this clause;

(12) pledges or deposits with respect to leases or utilities provided to third parties in the ordinary course of business or Liens otherwise described in the definition of "Permitted Liens" or made in connection with Liens permitted under the covenant described under "*—Certain Covenants—Limitation on Liens*";

(13) any Investment to the extent made using Capital Stock of the Company (other than Disqualified Stock) or Capital Stock of any Parent as consideration;

(14) any transaction to the extent constituting an Investment that is permitted and made in accordance with the provisions of the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Affiliate Transactions*" (except those described in clauses (1), (3), (6), (8), (9) and (12) of that paragraph);

(15) Investments consisting of purchases and acquisitions of inventory, supplies, materials and equipment or licenses or leases of intellectual property, in any case, in the ordinary course of business and in accordance with the Indenture;

(16) guarantees, keepwells and similar arrangements not prohibited by the covenant described under "*—Certain Covenants—Limitation on Indebtedness*"; and

(17) Investments in the Notes and Investments pursuant to the Senior Notes Proceeds Loan.

"*Permitted Liens*" means, with respect to any Person:

(1) Liens on assets or property of a Restricted Subsidiary that is not the Issuer or a Guarantor securing any Indebtedness of any Restricted Subsidiary that is not the Issuer or a Guarantor;

(2) pledges, deposits or Liens under workmen's compensation laws, unemployment insurance laws, social security laws or similar legislation, or insurance related obligations (including pledges or deposits securing liability to insurance carriers under insurance or self-insurance arrangements), or in connection with bids, tenders, completion guarantees, contracts (other than for borrowed money) or leases, or to secure utilities, licenses, public or statutory obligations, or to secure surety, indemnity, judgment, appeal or performance bonds, guarantees of government contracts (or other similar bonds, instruments or obligations), or as security for contested taxes or import or customs duties or for the payment of rent, or other obligations of like nature, in each case Incurred in the ordinary course of business;

(3) Liens imposed by law, including carriers', warehousemen's, mechanics', landlords', materialmen's and repairmen's or other like Liens, in each case for sums not yet overdue for a period of more than 60 days or that are bonded or being contested in good faith by appropriate proceedings;

(4) Liens for taxes, assessments or other governmental charges not yet delinquent or which are being contested in good faith by appropriate proceedings; *provided* that appropriate reserves required pursuant to IFRS have been made in respect thereof;

(5) Liens in favor of the issuers of surety, performance or other bonds, guarantees or letters of credit or bankers' acceptances (not issued to support Indebtedness for borrowed money) issued pursuant to the request of and for the account of such Person in the ordinary course of its business; *provided* that such letters of credit do not constitute Indebtedness;

(6) encumbrances, ground leases, easements (including reciprocal easement agreements), survey exceptions, or reservations of, or rights of others for, licenses, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning, building codes or other restrictions (including minor defects or irregularities in title and similar encumbrances) as to the use of real properties or Liens incidental to the conduct of the business of the Company and its Restricted Subsidiaries or to the ownership of its properties which do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of the Company and its Restricted Subsidiaries;

(7) Liens on assets or property of the Company or any Restricted Subsidiary securing Hedging Obligations permitted under the Indenture, or over assets or property of any Restricted Subsidiary which is not required to give a Notes Guarantee pursuant to the Agreed Security Principles and which Lien is in favor of obligations under the Revolving Credit Facility Agreement or is a Permitted Trade L/C Lien;

(8) leases, licenses, subleases and sublicenses of assets (including real property and intellectual property rights), in each case entered into in the ordinary course of business;

(9) Liens arising out of judgments, decrees, orders or awards not giving rise to an Event of Default so long as any appropriate legal proceedings which may have been duly initiated for the review of such judgment, decree, order or award have not been finally terminated or the period within which such proceedings may be initiated has not expired;

(10) Liens on assets or property of the Company or any Restricted Subsidiary for the purpose of securing Capitalized Lease Obligations or Purchase Money Obligations, or securing the payment of all or a part of the purchase price of, or securing other Indebtedness Incurred to finance or refinance the acquisition, improvement or construction of, assets or property acquired or constructed in the ordinary course of business; *provided* that (a) the aggregate principal amount of Indebtedness secured by such Liens is otherwise permitted to be Incurred under the Indenture and (b) any such Lien may not extend to any assets or property of the Company or any Restricted Subsidiary other than assets or property acquired, improved, constructed or leased with the proceeds of such Indebtedness and any improvements or accessions to such assets and property;

(11) Liens arising by virtue of any statutory or common law provisions relating to banker's Liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a depositary or financial institution;

(12) Liens arising from Uniform Commercial Code financing statement filings (or similar filings in other applicable jurisdictions) regarding operating leases entered into by the Company and its Restricted Subsidiaries in the ordinary course of business;

(13) Liens existing on the Issue Date, excluding Liens securing the Revolving Credit Facility Agreement, the Hedging Obligations, the Notes, the Senior Secured Notes and Trade L/C Obligations;

(14) Liens on property, other assets or shares of stock of a Person at the time such Person becomes a Restricted Subsidiary (or at the time the Company or a Restricted Subsidiary acquires such property, other assets or shares of stock, including any acquisition by means of a merger, consolidation or other business combination transaction with or into the Company or any Restricted Subsidiary); *provided, however*, that such Liens are not created, Incurred or assumed in anticipation of or in connection with such other Person becoming a Restricted Subsidiary (or such acquisition of such property, other assets or stock); *provided, further*, that such Liens are limited to all or part of the same property, other assets or stock (plus improvements, accession, proceeds or dividends or distributions in connection with the original property, other assets or stock) that secured (or, under the written arrangements under which such Liens arose, could secure) the obligations to which such Liens relate;

(15) Liens on assets or property of any Restricted Subsidiary that is not a Guarantor securing Indebtedness or other obligations of such Restricted Subsidiary or any other Restricted Subsidiary that is not a Guarantor owing to the Company or another Restricted Subsidiary, or Liens by such Restricted Subsidiary in favor of the Company or any Restricted Subsidiary;

(16) Liens securing Refinancing Indebtedness Incurred to refinance Indebtedness that was previously so secured, and permitted to be secured under the Indenture; *provided* that any such Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure) the Indebtedness being refinanced or is in respect of property that is or could be the security for or subject to a Permitted Lien hereunder;

(17) any interest or title of a lessor under any Capitalized Lease Obligation or operating lease;

(18) (a) mortgages, liens, security interests, restrictions, encumbrances or any other matters of record that have been placed by any government, statutory or regulatory authority, developer, landlord or other third party on property over which the Company or any Restricted Subsidiary of the Company has easement rights or on any leased property and subordination or similar arrangements relating thereto and (b) any condemnation or eminent domain proceedings affecting any real property;

(19) any encumbrance or restriction (including put and call arrangements) with respect to Capital Stock of any joint venture or similar arrangement pursuant to any joint venture or similar agreement;

(20) Liens on property or assets under construction (and related rights) in favor of a contractor or developer or arising from progress or partial payments by a third party relating to such property or assets;

(21) Liens on cash accounts securing Indebtedness incurred under clause (10) of the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*" with local financial institutions;

(22) Liens on Escrowed Proceeds for the benefit of the related holders of debt securities or other Indebtedness (or the underwriters or arrangers thereof) or on cash set aside at the time of the Incurrence of any Indebtedness or government securities purchased with such cash, in either case to the extent such cash or government securities prefund the payment of interest on such Indebtedness and are held in an escrow account or similar arrangement to be applied for such purpose;

(23) Liens securing or arising by reason of any netting or set-off arrangement entered into in the ordinary course of banking or other trading activities, or liens over cash accounts securing cash pooling arrangements;

(24) Liens arising out of conditional sale, title retention, hire purchase, consignment or similar arrangements for the sale of goods entered into in the ordinary course of business;

(25) Liens Incurred in the ordinary course of business with respect to obligations which do not exceed £20 million at any one time outstanding;

(26) (x) Permitted Collateral Liens; and (y) Liens securing any Senior Indebtedness that are not secured on the Collateral;

(27) Liens on Capital Stock or other securities or assets of any Unrestricted Subsidiary that secure Indebtedness of such Unrestricted Subsidiary;

(28) any security granted over the marketable securities portfolio described in clause (9) of the definition of "Cash Equivalents" in connection with the disposal thereof to a third party;

(29) Liens on Receivables Assets Incurred in connection with a Qualified Receivables Financing;

(30) Liens on Indebtedness permitted to be Incurred pursuant to clause (13) of the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*"; and

(31) any cash collateral arrangement securing the obligations of an ancillary lender in respect of ancillary facilities of the Company or its Restricted Subsidiaries.

"*Permitted Trade L/C Facilities*" means any Trade L/C Facility, the Trade L/C Facility Amount of which, at the date of commitment under such Trade L/C Facilities, did not, together with all other Trade L/C Facility Amounts then outstanding, exceed an aggregate amount equal to the lesser of:

(i) £145 million; and

(ii) an amount such that the Consolidated Permitted Trade L/C Commitments Ratio for the period of the most recent four consecutive fiscal quarters ending prior to the date of such determination for which internal consolidated financial statements of the Company and its Restricted Subsidiaries are available is less than 6.5%, determined, in each case, on a pro forma basis as if the commitment under such Trade L/C Facility had occurred at the beginning of such four-quarter period; *provided* that notwithstanding the foregoing, the maximum amount of Permitted Trade L/C Facilities will at no times be less than £100 million in the aggregate.

"*Permitted Trade L/C Liens*" means Liens on Collateral to secure Trade L/C Obligations Incurred from time to time under Permitted Trade L/C Facilities.

"*Person*" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company, government or any agency or political subdivision thereof or any other entity.

"*Preferred Stock*," as applied to the Capital Stock of any Person, means Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

"*Proceeds Loans*" means the Senior Secured Notes Proceeds Loans and the Senior Notes Proceeds Loan.

"*Public Debt*" means any Indebtedness consisting of bonds, debentures, notes or other similar debt securities issued in (1) a public offering registered under the Securities Act or (2) a private placement to institutional investors that is underwritten for resale in accordance with Rule 144A or Regulation S under the Securities Act, whether or not it includes registration rights entitling the holders of such debt securities to registration thereof with the SEC for public resale.

"*Public Market*" means any time after:

(1) an Equity Offering has been consummated; and

(2) at least 20% of the total issued and outstanding ordinary shares or common equity of the IPO Entity has been distributed to investors other than the Permitted Holders or any other direct or indirect shareholders of the Company as of the Issue Date.

"*Public Offering*" means any offering, including an Initial Public Offering, of shares of common stock or other common equity interests that are listed on an exchange or publicly offered (which shall include an offering pursuant to Rule 144A and/or Regulation S under the Securities Act to professional market investors or similar persons).

"*Purchase Money Obligations*" means any Indebtedness Incurred to finance or refinance the acquisition, leasing, construction or improvement of property (real or personal) or assets (including Capital Stock), and whether acquired through the direct acquisition of such property or assets or the acquisition of the Capital Stock of any Person owning such property or assets, or otherwise.

"*Qualified Receivables Financing*" means any Receivables Financing of a Receivables Subsidiary that meets the following conditions: (1) the Board of Directors of the Company shall have determined in good faith that such Qualified Receivables Financing (including financing terms, covenants, termination events and other provisions) is in the aggregate economically fair and reasonable to the Company and the Receivables Subsidiary, (2) all sales of accounts receivable and related assets to the Receivables Subsidiary are made at fair market value (as determined in good faith by the Company), and (3) the financing terms, covenants, termination events and other provisions thereof shall be on market terms (as determined in good faith by the Company) and may include Standard Securitization Undertakings.

The grant of a security interest in any accounts receivable of the Company or any of its Restricted Subsidiaries (other than a Receivables Subsidiary) to secure Indebtedness under a Credit Facility or Indebtedness in respect of the Notes shall not be deemed a Qualified Receivables Financing.

"*Receivables Assets*" means any assets that are or will be the subject of a Qualified Receivables Financing.

"*Receivables Fees*" means distributions or payments made directly or by means of discounts with respect to any participation interest issued or sold in connection with, and other fees paid to a Person that is not a Restricted Subsidiary in connection with, any Receivables Financing.

"*Receivables Financing*" means any transaction or series of transactions that may be entered into by the Company or any of its Subsidiaries pursuant to which the Company or any of its Subsidiaries may sell, convey or otherwise transfer to (a) a Receivables Subsidiary (in the case of a transfer by the Company or any of its Subsidiaries), or (b) any other Person (in the case of a transfer by a Receivables Subsidiary), or may grant a security interest in, any accounts receivable (whether now existing or arising in the future) of the Company or any of its Subsidiaries, and any assets related thereto, including all collateral securing such accounts receivable, all contracts and all guarantees or other obligations in respect of such accounts receivable, proceeds of such accounts receivable and other assets which are customarily transferred or in respect of which security interest are customarily granted in connection with asset securitization transactions involving accounts receivable and any Hedging Obligations entered into by the Company or any such Subsidiary in connection with such accounts receivable.

"*Receivables Repurchase Obligation*" means any obligation of a seller of receivables in a Qualified Receivables Financing to repurchase receivables arising as a result of a breach of a representation, warranty or covenant or otherwise, including as a result of a receivable or portion thereof becoming subject to any asserted defense, dispute, off-set or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller.

"*Receivables Subsidiary*" means a Wholly Owned Subsidiary of the Company (or another Person formed for the purposes of engaging in a Qualified Receivables Financing with the Company in which the Company or any Subsidiary of the Company makes an Investment and to which the Company or any Subsidiary of the Company transfers accounts receivable and related assets) which engages in no activities other than in connection with the financing of accounts receivable of the Company and its Subsidiaries, all proceeds thereof and all rights (contractual or other), collateral and other assets relating thereto, and any business or activities incidental or related to such business, and which is designated by the Board of Directors of the Company (as provided below) as a Receivables Subsidiary and:

(1) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which (i) is guaranteed by the Company or any other Restricted Subsidiary of the Company (excluding guarantees of obligations (other than the principal of, and interest on, Indebtedness) pursuant to Standard Securitization Undertakings), (ii) is subject to terms that are substantially equivalent in effect to a guarantee of any losses on securitized or sold receivables by the Company or any other Restricted Subsidiary of the Company, (iii) is recourse to or obligates the Company or any other Restricted Subsidiary of the Company in any way other than pursuant to Standard Securitization Undertakings, or (iv) subjects any property or asset of the Company or any other Restricted Subsidiary of the Company, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings;

(2) with which neither the Company nor any other Restricted Subsidiary of the Company has any contract, agreement, arrangement or understanding other than on terms which the Company reasonably believes to be no less favorable to the Company or such Restricted Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of the Company; and

(3) to which neither the Company nor any other Restricted Subsidiary of the Company has any obligation to maintain or preserve such entity's financial condition or cause such entity to achieve certain levels of operating results.

Any such designation by the Board of Directors of the Company shall be evidenced to the Trustee by filing with the Trustee a copy of the resolution of the Board of Directors of the Company giving effect to such designation and an Officer's Certificate certifying that such designation complied with the foregoing conditions.

"*Redemption Date*" means the date of redemption of the Existing Notes, which occurred on June 26, 2015.

"*Refinance*" means refinance, refund, replace, renew, repay, modify, restate, defer, substitute, supplement, reissue, resell, extend or increase (including pursuant to any defeasance or discharge mechanism) and the terms "refinances," "refinanced" and "refinancing" as used for any purpose in the Indenture shall have a correlative meaning.

"*Refinancing Indebtedness*" means Indebtedness that is Incurred to refund, refinance, replace, exchange, renew, repay or extend (including pursuant to any defeasance or discharge mechanism) any Indebtedness existing on the date of the Indenture or Incurred in compliance with the Indenture (including Indebtedness of the Company that refinances Indebtedness of any Restricted Subsidiary and Indebtedness of any Restricted Subsidiary that refinances Indebtedness of the Company or another Restricted Subsidiary) including Indebtedness that refinances Refinancing Indebtedness; *provided, however*, that:

(1) if the Indebtedness being refinanced constitutes Subordinated Indebtedness, the Refinancing Indebtedness has a final Stated Maturity at the time such Refinancing Indebtedness is Incurred that is the same as or later than the final Stated Maturity of the Indebtedness being refinanced or, if shorter, six months after the Stated Maturity of the Notes;

(2) such Refinancing Indebtedness is Incurred in an aggregate principal amount (or if issued with original issue discount, an aggregate issue price) that is equal to or less than the sum of the aggregate principal amount (or if issued with original issue discount, the aggregate accreted value) then outstanding of the Indebtedness being refinanced (plus, without duplication, any additional Indebtedness Incurred to pay interest or premiums required by the instruments governing such existing Indebtedness and costs, expenses and fees Incurred in connection therewith); and

(3) if the Indebtedness being refinanced is expressly subordinated to the Notes or the Guarantees, such Refinancing Indebtedness is subordinated to the Notes or the Notes Guarantees on terms at least as favorable to the Holders as those contained in the documentation governing the Indebtedness being refinanced,

provided, however, that Refinancing Indebtedness shall not include Indebtedness of the Company or a Restricted Subsidiary that refinances Indebtedness of an Unrestricted Subsidiary.

Refinancing Indebtedness in respect of any Credit Facility or any other Indebtedness may be Incurred from time to time after the termination, discharge or repayment of any such Credit Facility or other Indebtedness.

"*Refinancing Transactions*" means the issuance of the Notes and the Notes Guarantees, the issuance of the Senior Notes and the guarantees of the Senior Notes, the entry into the Revolving Credit Facility, the entry into the Security Documents, the Senior Secured Notes Proceeds Loans and the Senior Notes Proceeds Loan, the redemption of the Existing Notes, the repayment or discharge of indebtedness under the Company's existing revolving credit facility and the existing PIK loans of New Look Finance II plc, the settlement of Hedging Obligations pursuant to the foregoing, any transactions in connection with, related to, incidental to or necessary to give effect to any of the foregoing, and the payment or incurrence of any fees, expenses or charges associated with any of the foregoing.

"*Related Person*" with respect to any Permitted Holder means:

(1) any controlling equity holder or Subsidiary of such Person; or

(2) in the case of an individual, any spouse, family member or relative of such individual, any trust or partnership for the benefit of one or more of such individual and any such spouse, family member or relative, or the estate, executor, administrator, committee or beneficiaries of any thereof; or

(3) any trust, corporation, partnership or other Person for which one or more of the Permitted Holders and other Related Persons of any thereof constitute the beneficiaries, stockholders, partners or owners thereof, or Persons beneficially holding in the aggregate a majority (or more) controlling interest therein; or

(4) in the case of the Initial Investors any investment fund or vehicle managed, sponsored or advised by such Person or any successor thereto, or by any Affiliate of such Person or any such successor.

"*Related Taxes*" means

(1) any Taxes, including sales, use, transfer, rental, ad valorem, value added, stamp, property, consumption, franchise, license, capital, registration, business, customs, net worth, gross receipts, excise, occupancy, intangibles or similar Taxes (other than (x) Taxes measured by income and (y) withholding imposed on payments made by any Parent), required to be paid (provided such Taxes are in fact paid) by any Parent by virtue of its:

  (a) being organized or having Capital Stock outstanding (but not by virtue of owning stock or other equity interests of any corporation or other entity other than, directly or indirectly, the Company or any of the Company's Subsidiaries);

  (b) issuing or holding Subordinated Shareholder Funding;

  (c) being a holding company parent, directly or indirectly, of the Company or any of the Company's Subsidiaries;

  (d) receiving dividends from or other distributions in respect of the Capital Stock of, directly or indirectly, the Company or any of the Company's Subsidiaries; or

  (e) having made any payment in respect to any of the items for which the Company is permitted to make payments to any Parent pursuant to "*—Certain Covenants—Limitation on Restricted Payments*"; or

(2) if and for so long as the Company is a member of a group filing a consolidated or combined tax return with any Parent, any Taxes measured by income for which such Parent is liable up to an amount not to exceed with respect to such Taxes the amount of any such Taxes that the Company and its Subsidiaries would have been required to pay on a separate company basis or on a consolidated basis if the Company and its Subsidiaries had paid tax on a consolidated, combined, group, affiliated or unitary basis on behalf of an affiliated group consisting only of the Company and its Subsidiaries.

"*Restricted Investment*" means any Investment other than a Permitted Investment.

"*Restricted Subsidiary*" means any Subsidiary of the Company other than an Unrestricted Subsidiary.

"*Reversion Date*" means, after the Notes have achieved Investment Grade Status, the date, if any, that such Notes shall cease to have such Investment Grade Status.

"*Revolving Credit Facility Agreement*" means the revolving credit facility agreement dated the date of the consummation of the Acquisition among the Company, certain of the Company's Subsidiaries, as borrowers and guarantors, the lenders named therein, and Deutsche Bank AG, London Branch, as facility agent and security agent as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time as such facility thereunder is referred to as the "*Revolving Credit Facility*."

"S&P" means Standard & Poor's Investors Ratings Services or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

"*SEC*" means the U.S. Securities and Exchange Commission or any successor thereto.

"*Secured Indebtedness*" means any Indebtedness secured by a Lien on a basis *pari passu* with or senior to the security in favor of the Senior Secured Notes.

"*Securities Act*" means the U.S. Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder, as amended.

"*Security Documents*" means the Intercreditor Agreement and each debenture, share charge, security agreement or other document under which collateral is pledged to secure the Notes.

"*Senior Indebtedness*" means, whether outstanding on the Issue Date or thereafter Incurred, all amounts payable by, under or in respect of all other Indebtedness of the Issuer or any Guarantor, including premiums and accrued and unpaid interest (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to the Issuer or such Guarantor at the rate specified in the documentation with respect thereto whether or not a claim for post filing interest is allowed in such proceeding) and fees relating thereto; *provided, however*, that Senior Indebtedness will not include:

(1) any obligation of any Guarantor to the Issuer or any Restricted Subsidiary;

(2) any liability for taxes owed or owing by the Issuer or any Restricted Subsidiary;

(3) any Indebtedness, guarantee or obligation of any Guarantor that is expressly subordinate or junior in right of payment to any other Indebtedness, guarantee or obligation of such Guarantor;

(4) any Indebtedness under the Notes or obligations that are similarly ranked pursuant to the Intercreditor Agreement; or

(5) any Capital Stock.

"*Senior Management*" means the officers, directors, and other members of senior management of the Company or any of its Subsidiaries, who at any date beneficially own or have the right to acquire, directly or indirectly, Capital Stock of the Company or any Parent and with an equity investment in excess of £250,000.

"*Senior Notes Proceeds Loan Agreement*" means the loan agreement in connection with the proceeds of the Senior Notes originally entered into on the Redemption Date by the Company, as borrower and the Issuer, as Lender.

"*Senior Notes Proceeds Loan*" means the loans of the proceeds of the Senior Notes pursuant to the Senior Notes Proceeds Loan Agreement and all loans directly or indirectly replacing or refinancing such loans or any portion thereof and any loan of a portion of the proceeds of additional Senior Notes pursuant to the Senior Notes Proceeds Loan Agreement.

"*Senior Secured Notes*" means, collectively, the Sterling Fixed Rate Notes and the Floating Rate Notes.

"*Senior Secured Notes Indenture*" means the indenture dated the Issue Date governing the Senior Secured Notes by and among, *inter alios*, the Senior Secured Notes Issuer and Deutsche Trustee Company Limited, as trustee.

"*Senior Secured Notes Issuer*" means New Look Secured Issuer plc, incorporated in England and Wales under the Companies Act 2006 on May 28, 2015 and registered with number 09613066.

"*Senior Secured Notes Proceeds Loans*" means, collectively, the Sterling Fixed Rate Notes Proceeds Loan and the Floating Rate Notes Proceeds Loan.

"*Senior Secured Notes Proceeds Loan Agreements*" means, collectively, the Sterling Fixed Rate Notes Proceeds Loan Agreement and the Floating Rate Notes Proceeds Loan Agreement.

"*Significant Subsidiary*" means any Restricted Subsidiary that meets any of the following conditions:

(1) the Company's and its Restricted Subsidiaries' investments in and advances to the Restricted Subsidiary exceed 10% of the total assets of the Company and its Restricted Subsidiaries on a consolidated basis as of the end of the most recently completed fiscal year;

(2) the Company's and its Restricted Subsidiaries' proportionate share of the total assets (after intercompany eliminations) of the Restricted Subsidiary exceeds 10% of the total assets of the Company and its Restricted Subsidiaries on a consolidated basis as of the end of the most recently completed fiscal year; or

(3) the Company's and its Restricted Subsidiaries' equity in the income from continuing operations before income taxes, extraordinary items and cumulative effect of a change in accounting principle of the Restricted Subsidiary exceeds 10% of such income of the Company and its Restricted Subsidiaries on a consolidated basis for the most recently completed fiscal year.

"*Similar Business*" means (a) any businesses, services or activities engaged in by the Company or any of its Subsidiaries or any Associates on the Issue Date, (b) retailing of clothing, footwear and accessories, including through franchises and e-commerce and (c) any businesses, services and activities engaged in by the Company or any of its Subsidiaries or any Associates that are related, complementary, incidental, ancillary or similar to any of the foregoing or are extensions or developments of any thereof.

"*Standard Securitization Undertakings*" means representations, warranties, covenants, indemnities and guarantees of performance entered into by the Company or any Subsidiary of the Company which the Company has determined in good faith to be customary in a Receivables Financing, including those relating to the servicing of the assets of a Receivables Subsidiary, it being understood that any Receivables Repurchase Obligation shall be deemed to be a Standard Securitization Undertaking.

"*Stated Maturity*" means, with respect to any security, the date specified in such security as the fixed date on which the payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision, but shall not include any contingent obligations to repay, redeem or repurchase any such principal prior to the date originally scheduled for the payment thereof.

"*Sterling Equivalent*" means, with respect to any monetary amount in a currency other than sterling, at any time of determination thereof by the Company or the Trustee, the amount of sterling obtained by converting such

currency other than sterling involved in such computation into sterling at the spot rate for the purchase of sterling with the applicable currency other than sterling as published in *The Financial Times* in the "Currency Rates" section (or, if *The Financial Times* is no longer published, or if such information is no longer available in *The Financial Times*, such source as may be selected in good faith by the Company) on the date of such determination.

"*Sterling Fixed Rate Notes*" means the £700 million aggregate principal amount of the Fixed Rate Senior Secured Notes due 2022 issued by the Senior Secured Notes Issuer on the Issue Date.

"*Sterling Fixed Rate Notes Proceeds Loan*" means the loan of the proceeds of the Sterling Fixed Rate Notes pursuant to the Sterling Fixed Rate Notes Proceeds Loan Agreement and all loans directly or indirectly replacing or refinancing such loan or any portion thereof and any loan of a portion of the proceeds of Additional Sterling Fixed Rate Notes pursuant to the Sterling Fixed Rate Notes Proceeds Loan Agreement.

"*Sterling Fixed Rate Notes Proceeds Loan Agreement*" means the loan agreement in connection with the proceeds of the Sterling Fixed Rate Notes originally entered into on the Redemption Date by the Company, as borrower and the Senior Secured Notes Issuer, as Lender.

"*Subordinated Indebtedness*" means, with respect to any person, any Indebtedness (whether outstanding on the Issue Date or thereafter Incurred) which is expressly subordinated in right of payment to the Notes or its Notes Guarantees pursuant to a written agreement.

"*Subordinated Shareholder Funding*" means, collectively, any funds provided to the Company by a Parent in exchange for or pursuant to any security, instrument or agreement other than Capital Stock, in each case issued to and held by a Parent or a Permitted Holder, together with any such security, instrument or agreement and any other security or instrument other than Capital Stock issued in payment of any obligation under any Subordinated Shareholder Funding; *provided, however*, that such Subordinated Shareholder Funding:

(1) does not mature or require any amortization, redemption or other repayment of principal or any sinking fund payment prior to the first anniversary of the Stated Maturity of the Notes (other than through conversion or exchange of such funding into Capital Stock (other than Disqualified Stock) of the Company or any funding meeting the requirements of this definition);

(2) does not require, prior to the first anniversary of the Stated Maturity of the Notes, payment of cash interest, cash withholding amounts or other cash gross-ups, or any similar cash amounts;

(3) contains no change of control or similar provisions and does not accelerate and has no right to declare a default or event of default or take any enforcement action or otherwise require any cash payment, in each case, prior to the first anniversary of the Stated Maturity of the Notes;

(4) does not provide for or require any security interest or encumbrance over any asset of the Company or any of its Subsidiaries; and

(5) pursuant to its terms is fully subordinated and junior in right of payment to the Notes pursuant to subordination, payment blockage and enforcement limitation terms which are customary in all material respects for similar funding.

"*Subsidiary*" means, with respect to any Person:

(1) any corporation, association, or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time of determination owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof; or

(2) any partnership, joint venture, limited liability company or similar entity of which:

  (a) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof whether in the form of membership, general, special or limited partnership interests or otherwise; and

  (b) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

"*Successor Parent*" with respect to any Person means any other Person with more than 50% of the total voting power of the Voting Stock of which is, at the time the first Person becomes a Subsidiary of such other Person, "beneficially owned" (as defined below) by one or more Persons that "beneficially owned" (as defined below)

more than 50% of the total voting power of the Voting Stock of the first Person immediately prior to the first Person becoming a Subsidiary of such other Person. For purposes hereof, "beneficially own" has the meaning correlative to the term "beneficial owner," as such term is defined in Rules 13d-3 and 13d-5 under the Exchange Act (as in effect on the Issue Date).

"*Taxes*" means all present and future taxes, levies, imposts, deductions, charges, duties, assessments and withholdings and any charges of a similar nature (including interest, penalties and other liabilities with respect thereto) that are imposed or levied by any government or other taxing authority.

"*Tax Sharing Agreement*" means any tax sharing or profit and loss pooling or similar agreement with customary or arm's-length terms entered into with any Parent or Unrestricted Subsidiary, as the same may be amended, supplemented, waived or otherwise modified from time to time in accordance with the terms thereof and of the Indenture.

"*Temporary Cash Investments*" means any of the following:

(1) any investment in

  (a) direct obligations of, or obligations Guaranteed by, (i) the United States of America or Canada, (ii) any Permissible Jurisdiction, (iii) Switzerland or Norway, (iv) any country in whose currency funds are being held specifically pending application in the making of an investment or capital expenditure by the Company or a Restricted Subsidiary in that country with such funds or (v) any agency or instrumentality of any such country or member state; or

  (b) direct obligations of any country recognized by the United States of America rated at least "A" by S&P or "A-1" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

(2) overnight bank deposits, and investments in time deposit accounts, certificates of deposit, bankers' acceptances and money market deposits (or, with respect to foreign banks, similar instruments) maturing not more than one year after the date of acquisition thereof issued by:

  (a) any lender under the Revolving Credit Facility Agreement;

  (b) any institution authorized to operate as a bank in any of the countries or member states referred to in sub clause (1)(a) above; or

  (c) any bank or trust company organized under the laws of any such country or member state or any political subdivision thereof,

  in each case, having capital and surplus aggregating in excess of €250 million (or the foreign currency equivalent thereof) and whose long-term debt is rated at least "A" by S&P or "A-2" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization) at the time such Investment is made;

(3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (1) or (2) above entered into with a Person meeting the qualifications described in clause (2) above;

(4) Investments in commercial paper, maturing not more than 270 days after the date of acquisition, issued by a Person (other than the Company or any of its Subsidiaries), with a rating at the time as of which any Investment therein is made of "P-2" (or higher) according to Moody's or "A-2" (or higher) according to S&P (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

(5) Investments in securities maturing not more than one year after the date of acquisition issued or fully Guaranteed by any state, commonwealth or territory of the United States of America, Canada, any Permissible Jurisdiction or Switzerland, Norway or by any political subdivision or taxing authority of any such state, commonwealth, territory, country or member state, and rated at least "BBB" by S&P or "Baa3" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

(6) bills of exchange issued in the United States, Canada, a Permissible Jurisdiction, Switzerland, Norway or Japan eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent);

(7) any money market deposit accounts issued or offered by a commercial bank organized under the laws of a country that is a member of the Organization for Economic Co-operation and Development, in each case, having capital and surplus in excess of €250 million (or the foreign currency equivalent thereof) or whose long term debt is rated at least "A" by S&P or "A2" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization) at the time such Investment is made;

(8) investment funds investing 95% of their assets in securities of the type described in clauses (1) through (7) above (which funds may also hold reasonable amounts of cash pending investment and/or distribution); and

(9) investments in money market funds complying with the risk limiting conditions of Rule 2a-7 (or any successor rule) of the SEC under the U.S. Investment Company Act of 1940, as amended.

"*Total Assets*" means the consolidated total assets of the Company and its Restricted Subsidiaries in accordance with IFRS as shown on the most recent consolidated balance sheet of the Company or calculated based on the most recent consolidated balance sheet of the Company.

"*Trade L/C Facility*" means, with respect to any of the Company or Guarantors, one or more facilities with commercial banks providing for the issuance of letters of credit, supplier financing arrangements, bankers' acceptances or other similar instruments that relate to payables in foreign trade transactions, in each case, as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time (and whether in whole or in part and whether or not with the original administrative agent and lenders or another administrative agent or agents or other commercial banks).

"*Trade L/C Facility Amount*" means, with respect to any Trade L/C Facility, the total permitted amount under such Trade L/C Facility (including all unutilized amounts of such Trade L/C Facility, the aggregate undrawn and unexpired amount of letters of credit or other instruments issued under such Trade L/C Facilities and the aggregate amount of drawings thereunder that have not been reimbursed) but not including amounts that are provided in relation to Hedging Obligations.

"*Trade L/C Obligations*" means all reimbursement obligations of a Person in respect of letters of credit, bankers' acceptances or other similar instruments (the amount of such obligations being equal at any time to the aggregate then undrawn and unexpired amount of such letters of credit or other instruments plus the aggregate amount of drawings thereunder that have not been reimbursed) that relate to payables in foreign trade transactions and, when Incurred, do not constitute Indebtedness.

"*Trust Indenture Act*" means the Trust Indenture Act of 1939, as amended.

"*UK Government Obligations*" means direct obligations of, or obligations guaranteed by, the United Kingdom, and the payment for which the United Kingdom pledges its full faith and credit.

"*U.S. GAAP*" means generally accepted accounting principles in the United States of America as in effect from time to time.

"*Uniform Commercial Code*" means the New York Uniform Commercial Code.

"*Unrestricted Subsidiary*" means:

(1) any Subsidiary of the Company that at the time of determination is an Unrestricted Subsidiary (as designated by the Board of Directors of the Company in the manner provided below); and

(2) any Subsidiary of an Unrestricted Subsidiary.

The Board of Directors of the Company may designate any Subsidiary of the Company (including any newly acquired or newly formed Subsidiary or a Person becoming a Subsidiary through merger, consolidation or other business combination transaction, or Investment therein but not including the Issuer) to be an Unrestricted Subsidiary only if:

(1) such Subsidiary or any of its Subsidiaries does not own any Capital Stock or Indebtedness of, or own or hold any Lien on any property of, the Company or any other Subsidiary of the Company which is not a Subsidiary of the Subsidiary to be so designated or otherwise an Unrestricted Subsidiary; and

(2) such designation and the Investment of the Company in such Subsidiary complies with "*—Certain Covenants—Limitation on Restricted Payments*."

Any such designation by the Board of Directors of the Company shall be evidenced to the Trustee by filing with the Trustee a resolution of the Board of Directors of the Company giving effect to such designation and an Officer's Certificate certifying that such designation complies with the foregoing conditions.

The Board of Directors of the Company may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided,* that immediately after giving effect to such designation (1) no Default or Event of Default would result therefrom and (2)(x) the Company or a Restricted Subsidiary could Incur at least £1.00 of additional Indebtedness pursuant to the first paragraph of the "*Limitation on Indebtedness*" covenant or (y) the Fixed Charge Coverage Ratio would not be lower than it was immediately prior to giving effect to such designation, in each case, on a pro forma basis taking into account such designation. Any such designation by the Board of Directors of the Company shall be evidenced to the Trustee by promptly filing with the Trustee a copy of the resolution of such Board of Directors giving effect to such designation or an Officer's Certificate certifying that such designation complied with the foregoing provisions.

"*U.S. Government Obligations*" means any security that is a direct obligation of, or obligations guaranteed by, the United State of America, and the payment for which the United States of America pledges its full faith and credit.

"*Voting Stock*" of a Person means all classes of Capital Stock of such Person then outstanding and normally entitled to vote in the election of directors.

"*Wholly Owned Subsidiary*" means a Restricted Subsidiary of the Company, all of the Voting Stock of which (other than directors' qualifying shares or shares required by any applicable law or regulation to be held by a Person other than the Company or another Wholly Owned Subsidiary) is owned by the Company or another Wholly Owned Subsidiary.

TAXATION

If you are a prospective investor, you should consult your tax advisor as to the possible tax consequences of purchasing, holding or selling any Notes under the laws of your country of citizenship, residence or domicile, including the effect of any local taxes applicable to you. The discussions that follow do not purport to be a comprehensive description of all tax considerations that may be relevant to a decision to purchase, hold or sell Notes. In particular, these discussions do not consider any specific facts or circumstances that may apply to you. The discussions that follow for each jurisdiction are based upon the applicable laws and interpretations thereof as in effect as of the date of this listing circular. These tax laws and interpretations are subject to change, possibly with retroactive or retrospective effect.

Certain U.S. Federal Income Tax Consequences

The following is a summary of certain U.S. federal income tax consequences of the purchase, ownership and disposition of Notes as of the date hereof. Except where noted, this summary deals only with Notes that are held as capital assets by a U.S. holder (as defined below) who acquired our Notes for cash upon original issuance at their "issue price," which for any particular series of Notes will be the first price at which a substantial amount of such Notes are sold to the investors (excluding sales to bond houses, brokers or similar persons or organisations acting in the capacity of underwriter, placement agent or wholesaler).

A "U.S. holder" means a person that is for U.S. federal income tax purposes any of the following:

- an individual citizen or resident of the U.S.;
- a corporation (or any other entity treated as a corporation for U.S. federal income tax purposes) created or organised in or under the laws of the U.S., any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if it (1) is subject to the primary supervision of a court within the U.S. and one or more U.S. persons have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

If any entity or arrangement classified as a partnership for U.S. federal income tax purposes holds Notes, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. If you are a partnership or a partner in a partnership considering an investment in the Notes, you should consult your own tax advisors.

This summary does not represent a detailed description of the U.S. federal income tax consequences applicable to you if you are a person subject to special tax treatment under the U.S. federal income tax laws, including, without limitation:

- a dealer in securities or currencies;
- a financial institution;
- a regulated investment company;
- a real estate investment trust;
- a tax-exempt entity;
- an insurance company;
- a person holding the Notes as part of a hedging, integrated, conversion or constructive sale transaction or a straddle;
- a trader in securities that has elected the mark-to-market method of accounting for your securities;
- a person liable for alternative minimum tax;
- a partnership or other pass-through entity for U.S. federal income tax purposes (or an investor in such an entity);
- a U.S. holder whose "functional currency" is not the U.S. dollar;
- a "controlled foreign corporation";
- a "passive foreign investment company"; or
- a U.S. expatriate.

This summary is based on the Internal Revenue Code of 1986, as amended (the "Code"), U.S. Treasury regulations, administrative rulings and judicial decisions as of the date hereof. Those authorities may be changed, possibly on a retroactive basis, so as to result in U.S. federal income tax consequences different from those summarised below. We have not sought and do not expect to seek any rulings from the Internal Revenue Service ("IRS") regarding the matters discussed below. There can be no assurance that the IRS will not take positions concerning the tax consequences of the ownership or disposition of the Notes that are different from those discussed below.

This summary does not represent a detailed description of the U.S. federal income tax consequences to you in light of your particular circumstances and does not address the Medicare tax on certain investment income or the effects of any state, local or non-U.S. tax laws. It is not intended to be, and should not be construed to be, legal or tax advice to any particular purchaser of Notes. If you are considering the purchase of Notes, you should consult your own tax advisors concerning the particular U.S. federal income tax consequences to you of the ownership of the Notes, as well as the consequences to you arising under other U.S. federal tax laws (including the estate and gift tax) and under the laws of any other taxing jurisdiction.

Payments of Stated Interest

Stated interest on the Notes generally will be taxable to you as ordinary income at the time it is received or accrued, depending on your method of accounting for U.S. federal income tax purposes.

If you receive stated interest payments in euro or pound sterling and you use the cash basis method of accounting, you will be required to include in income the U.S. dollar value of the amount received, determined by translating the euro or pound sterling (as applicable) received at the "spot rate" of exchange in effect on the date of receipt regardless of whether the payment is in fact converted into U.S. dollars. You will not recognise foreign currency exchange gain or loss with respect to the receipt of such payment.

If you use the accrual method of accounting, you may determine the amount of income recognised with respect to such interest in accordance with either of two methods. Under the first method, you will be required to include in income for each taxable year the U.S. dollar value of the stated interest that has accrued during such year, determined by translating such interest at the average rate of exchange for the period or periods during which such interest accrued. Under the second method, you may elect to translate stated interest income at the spot rate of exchange on (i) the last day of the accrual period, (ii) the last day of the taxable year if the accrual period straddles your taxable year, or (iii) the date the stated interest payment is received if such date is within five days of the end of the accrual period. Upon receipt of a stated interest payment (including amounts received upon the sale, exchange, retirement or other taxable disposition of a Note attributable to accrued but unpaid interest), you will recognise foreign currency exchange gain or loss, generally treated as U.S. source ordinary income or loss, in an amount equal to the difference, if any, between the U.S. dollar value of such payment (determined by translating the euro or pound sterling (as applicable) received at the spot rate of exchange in effect on the date of receipt) and the U.S. dollar value of the stated interest income that you have previously included in income with respect to such payment.

Interest income on a Note generally will be considered foreign source income and, for purposes of the U.S. foreign tax credit, generally will be considered passive category income. You generally will be denied a foreign tax credit for foreign taxes imposed with respect to the Notes where you do not meet a minimum holding period requirement during which you are not protected from risk of loss. The rules governing the foreign tax credit are complex. You are urged to consult your tax advisors regarding the availability of the foreign tax credit under your particular circumstances.

Sale, Exchange, Retirement or Other Taxable Disposition of Notes

Upon the sale, exchange, retirement or other taxable disposition of a Note, you generally will recognise gain or loss equal to the difference between the amount you realise upon the sale, exchange, retirement or other taxable disposition (less an amount equal to any accrued but unpaid stated interest, which will be taxable as interest income to the extent not previously included in income) and your adjusted tax basis in the Note. Your adjusted tax basis in a Note will, in general, be your U.S. dollar cost for such Note, reduced by any cash payments on the Note other than stated interest. If you purchased a Note with euro or pound sterling, your cost generally will be the U.S. dollar value of the euro or pound sterling paid for such Note determined at the spot rate of exchange on the date of such purchase (or, in the case of a cash basis or electing accrual basis taxpayer, the settlement date of the purchase, if the applicable series of Notes is treated as traded on an established securities market for U.S. federal income tax purposes). If your Note is sold, exchanged, retired or otherwise disposed of in a taxable transaction for euro or pound sterling, then your amount realised generally will be based on the spot rate of

exchange in effect on the date of such sale, exchange, retirement or other taxable disposition. If you are a cash method taxpayer and a series of the Notes are traded on an established securities market, euro or pound sterling paid or received with respect to such Notes will be translated into U.S. dollars at the spot rate of exchange on the settlement date of the purchase or sale. An accrual method taxpayer may elect the same treatment with respect to the purchase and sale of such Notes, provided that the election is applied consistently. An accrual method taxpayer that does not make the election described above will recognise foreign currency exchange gain or loss (taxable as ordinary income or loss) upon the sale, exchange, retirement or other taxable disposition of such Notes to the extent that the U.S. dollar value of the euro or pound sterling received (based on the spot rate of exchange on the settlement date) differs from the U.S. dollar value of the amount realised.

Subject to the discussion below, such gain or loss recognised will be capital gain or loss and will generally be treated as U.S. source gain or loss. Capital gains of non-corporate U.S. holders (including individuals) derived in respect of capital assets held for more than one year are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

If you hold a Euro Note or a Sterling Note, a portion of your gain or loss with respect to the principal amount of such Note may be treated as foreign currency exchange gain or loss. Such foreign currency exchange gain or loss will be treated as ordinary income or loss and generally will be U.S. source gain or loss. For these purposes, the principal amount of the Note is your purchase price for the Note calculated in euro or pound sterling (as applicable) on the date of purchase, and the amount of exchange gain or loss is equal to the difference between (i) the U.S. dollar value of the principal amount determined on the date of the sale, exchange, retirement or other taxable disposition (or deemed disposition) of the Note and (ii) the U.S. dollar value of the principal amount on the date you purchased (or were deemed to purchase) the Note (or, possibly, in the case of a cash basis or electing accrual basis taxpayer, the settlement dates of such purchase and taxable disposition, if the applicable series of Notes is treated as traded on an established securities market for U.S. federal income tax purposes). The amount of exchange gain or loss will be limited to the amount of overall gain or loss realised on the disposition of the Note.

Exchange Gain or Loss with Respect to Foreign Currency

If you hold a Euro Note or a Sterling Note, your tax basis in euro or pound sterling received as interest on a Note will be the U.S. dollar value thereof at the spot rate of exchange in effect on the date the foreign currency is received. Upon the sale, exchange, retirement or other taxable disposition of a Note, if the applicable series of Notes is traded on an established securities market, a cash basis taxpayer (or, upon election, an accrual basis taxpayer) will have a basis in the foreign currency received equal to the U.S. dollar value thereof at the spot rate of exchange in effect on the settlement date of such sale, exchange, retirement or disposition (that is, the same date that the foreign currency is valued for purposes of determining the amount realised on the Note). As described above, an accrual method taxpayer that does not make such election will recognise foreign currency exchange gain or loss (taxable as ordinary income or loss) upon the sale, exchange, retirement or other taxable disposition of such Notes to the extent that the U.S. dollar value of the euro or pound sterling received (based on the spot rate of exchange on the settlement date) differs from the U.S. dollar value of the amount realised, and such taxpayer's basis in the foreign currency received will equal the U.S. dollar value of the foreign currency, based on the spot rate of exchange in effect on the date of receipt.

Any gain or loss recognised by you on a sale, exchange or other disposition of the foreign currency will be ordinary income or loss and generally will be U.S. source gain or loss.

Reportable Transactions

U.S. Treasury regulations issued under the Code meant to require the reporting of certain tax shelter transactions could be interpreted to cover transactions generally not regarded as tax shelters, including certain foreign currency transactions. Under the U.S. Treasury regulations, certain transactions are required to be reported to the IRS, including, in certain circumstances, a sale, exchange, retirement or other taxable disposition of a Note or euro or pound sterling received in respect of a Note to the extent that such sale, exchange, retirement or other taxable disposition results in a tax loss in excess of a threshold amount. You should consult with your own tax advisors to determine the tax return obligations, if any, with respect to an investment in the Notes, including any requirement to file IRS Form 8886 (Reportable Transaction Disclosure Statement).

Foreign Financial Asset Reporting

Certain U.S. holders are required to report information relating to an interest in the Notes, subject to certain exceptions (including an exception for notes held in accounts maintained by certain financial institutions), by attaching a complete IRS Form 8938, Statement of Specified Foreign Financial Assets, with their tax return for

each year in which they hold an interest in the Notes. You are urged to consult your own tax advisors regarding information reporting requirements relating to your ownership of the Notes.

Backup Withholding and Information Reporting

Generally, information reporting requirements will apply to all payments we make to you and the proceeds from a sale of a Note paid to you, unless you are an exempt recipient. Additionally, if you fail to provide your taxpayer identification number, or in the case of interest payments, fail either to report in full dividend and interest income or to make certain certifications, you may be subject to backup withholding.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules generally will be allowed as a refund or a credit against your U.S. federal income tax liability provided the required information is timely furnished to the IRS.

Certain UK Taxation Considerations

The following is a summary of certain United Kingdom withholding and other tax considerations at the date hereof in relation to payments of principal and interest in respect of and disposal of the Notes. It is based on current law and the practice of Her Majesty's Revenue and Customs ("HMRC"), which may be subject to change, sometimes with retrospective effect. The comments do not deal with other United Kingdom tax aspects of acquiring, holding or disposing of Notes. The comments relate only to the position of persons who are absolute beneficial owners of the Notes and may not apply to certain classes of persons, such as dealers, certain professional investors or persons connected with the Issuers. The following is a general guide for information purposes and should be treated with appropriate caution. It is not intended as tax advice and it does not purport to describe all of the tax considerations that may be relevant to a prospective purchaser. Noteholders who are in any doubt as to their tax position should consult their professional advisers. Noteholders who may be liable to taxation in jurisdictions other than the United Kingdom in respect of their acquisition, holding or disposal of the Notes are particularly advised to consult their professional advisers as to whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to certain United Kingdom taxation aspects of payments in respect of and disposal of the Notes. In particular, Noteholders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Notes, even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.

Interest on the Notes

The Notes issued by each Issuer will carry a right to interest and will constitute "quoted Eurobonds" provided they are and continue to be listed on a recognised stock exchange. While the Notes are and continue to be quoted Eurobonds, payments of interest on the Notes may be made without withholding or deduction for or on account of United Kingdom income tax.

Securities will be "listed on a recognised stock exchange" for this purpose if they are admitted to trading on an exchange designated as a recognised stock exchange by an order made by the Commissioners for HMRC and either they are included in the United Kingdom official list (within the meaning of Part 6 of the Financial Services and Markets Act 2000) or they are officially listed, in accordance with provisions corresponding to those generally applicable in European Economic Area states, in a country outside the United Kingdom in which there is a recognised stock exchange.

The Luxembourg Stock Exchange is a recognised stock exchange. The Issuers' understanding of current HMRC practice is that securities which are officially listed and admitted to trading on the Euro MTF Market of that Exchange may be regarded as "listed on a recognised stock exchange" for these purposes.

In all cases falling outside the exemption described above, interest on the Notes may fall to be paid under deduction of United Kingdom income tax at the basic rate (currently 20%) subject to such relief as may be available following a direction from HMRC pursuant to the provisions of any applicable double taxation treaty, or to any other exemption which may apply.

Where Notes are issued on terms in which a premium is, or may be, payable on redemption it is possible such element of premium will constitute a payment of interest and be subject to withholding or deduction for or on account of United Kingdom income tax as outlined in the preceding paragraphs.

The interest may be chargeable to United Kingdom tax by direct assessment even where paid without withholding or deduction. Where the interest is paid without withholding or deduction, the interest will generally not be assessed to United Kingdom tax in the hands of Noteholders who do not (in t he case of an individual)

have a "U.K. representative", within the meaning of the Income Tax Act 2007, through whom the Noteholder carries on a trade, profession or vocation in the United Kingdom and to which the interest is attributable or (in the case of a company) carry on a trade in the United Kingdom.

Noteholders should note that the provisions relating to additional amounts referred to in "*Description of the Senior Secured Notes—Withholding Taxes*" and "*Description of the Senior Notes—Withholding Taxes*" above would not apply if HMRC sought to assess directly the person entitled to the relevant interest to United Kingdom tax. However, exemption from, or reduction of such United Kingdom tax liability might be available under an applicable double taxation treaty.

The above description of the UK withholding tax position assumes that there will be no substitution of an Issuer and does not consider the tax consequences of any such substitution. Any references to "interest" in this section are to "interest" as understood in UK tax law. The statements herein do not take any account of any different definitions of "interest" which may prevail under any other law.

Taxation on Disposal (including redemption) and Return (including interest)

Corporate Noteholders

Noteholders within the charge to United Kingdom corporation tax (including non-resident holders whose Notes are issued, held or acquired for the purposes of a trade carried on in the United Kingdom though a permanent establishment in the United Kingdom) will be subject to tax as income for United Kingdom corporation tax purposes on all profits, gains and losses in respect of the Notes and fluctuations in the value of the Notes (whether attributable to currency fluctuations or otherwise) in accordance with the "loan relationship" rules in Part 5 of the Corporation Tax Act 2009 (as amended from time to time) on a basis broadly in accordance with the treatment in their statutory accounts. Such Noteholders will generally be charged in each accounting period by reference to interest and other amounts which, in accordance with generally accepted accounting practice, are recognised in determining their profit or loss for that period.

Individual Noteholders

Noteholders who are either individuals or trustees and are resident for tax purposes in the United Kingdom or who carry on a trade, profession or vocation in the United Kingdom through a branch or agency to which the Notes are attributable will generally be liable to United Kingdom income tax on the amount of any interest received in respect of the Notes.

Dependent, among other things, on the discount (if any) at which the Notes are issued, the Notes may be deemed to constitute "deeply discounted securities" for the purposes of Chapter 8 of Part 4 of the Income Tax (Trading and Other Income) Act 2005. If the Notes are deemed to be deeply discounted securities, any profit made on a disposal (including redemption) of a Note by an individual or trustee who is resident for tax purposes in the United Kingdom or who is subject to United Kingdom income tax by virtue of carrying on a trade, profession or vocation in the United Kingdom through a branch or agency to which the Notes are attributable will be taxed as income.

Where the Notes are not deemed to constitute deeply discounted securities, then the tax treatment of a disposal of the Notes by a Noteholder will differ depending on whether the Notes are Sterling Notes or Euro Notes. In the case of Sterling Notes, due to the fact that the Sterling Notes should be "qualifying corporate bonds" within the meaning of section 117 of the Taxation of Chargeable Gains Act 1992, on a disposal of the Sterling Notes neither chargeable gains nor allowable losses should arise for the purposes of taxation of capital gains. In the case of Euro Notes, such Euro Notes will not constitute "qualifying corporate bonds" and, accordingly, a disposal of Euro Notes may (depending on the Noteholders individual circumstances, including the availability of any exemptions or reliefs) give rise to a chargeable gain or an allowable loss for the purposes of taxation of chargeable gains. In calculating any gain or loss on disposal of Euro Notes, sterling values are compared at acquisition and disposal. Accordingly, a taxable profit can arise even where the foreign currency amount received on a disposal is less than or the same as the amount paid for the relevant Note.

On a disposal of Notes by a Noteholder, any interest which has accrued since the last interest payment date may be chargeable to tax as income under the rules of the accrued income scheme as set out in Part 12 of the Income Tax Act 2007 if that Noteholder is resident in the United Kingdom or carries on a trade in the United Kingdom through a branch or agency to which the Notes are attributable.

Notes Guarantee Payments

If a Guarantor makes any payments in respect of interest on the Notes (or other amounts due under the Notes other than the repayment of amounts subscribed for the Notes) such payments may be subject to United Kingdom

withholding tax at the basic rate (currently 20%) subject to such relief as may be available following a direction by HMRC pursuant to the provisions of any applicable double taxation treaty, or to any other exemption which may apply. Such payments by a Guarantor may not be eligible for any of the other exemptions described above.

Provision of Information

Holders should note that, in certain circumstances, HMRC has power to obtain information (including the name and address of the beneficial owner of the interest) from any person in the United Kingdom who either pays or credits interest to or receives interest for the benefit of a Holder. In certain circumstances, the information so obtained may be passed by HMRC to the tax authorities of certain other jurisdictions.

For the above purposes, "interest" should be taken, for practical purposes, as including payments made by a guarantor in respect of interest on Notes.

Information may also be required to be reported in accordance with regulations made pursuant to the EU Savings Directive (see below).

Stamp Duty and Stamp Duty Reserve Tax

No United Kingdom stamp duty or stamp duty reserve tax should be payable on the issue of the Notes or on the transfer of the Notes, in each case as contemplated in this document.

Certain European Taxation Considerations

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments, each Member State is required to provide to the tax authorities, or (to the extent relevant) any other relevant authority, of another Member State details of payments of interest or other similar income paid or secured by a person within its jurisdiction to, or for the benefit of, an individual resident or certain limited types of entity established in that other Member State; however, for a transitional period, Austria has instead opted to apply a withholding system in relation to such payments, deducting tax at a rate of 35% unless during such period it elects otherwise. The transitional period is to terminate following agreement by certain non-EU countries to the exchange of information relating to such payments.

A number of non-EU countries and territories, including Switzerland, have adopted similar measures (a withholding system in the case of Switzerland).

On March 24, 2014, the Council of the European Union adopted a directive amending the Savings Directive which, when implemented, will amend and broaden the scope of the requirements described above. In particular, the amending directive aims at extending the scope of the Savings Directive to new types of savings income and products that generate interest or equivalent income. In addition, the Savings Directive will notably expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported and tax authorities will in that perspective be required in certain circumstances to take steps to identify the beneficial owner of interest payments (through a look through approach). This approach will apply to payments made to persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union. The EU Member States will have until January 1, 2016 to adopt the national legislation necessary to comply with this amending directive and shall apply these new requirements from January 1, 2017.

If a payment were to be made or collected through an EU Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment under the Savings Directive, neither the relevant Issuer nor any other person would be obligated to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuers will use reasonable efforts to maintain a Paying Agent in a Member State that is not obligated to withhold or deduct tax pursuant to the Savings Directive.

The European Commission has proposed that the Savings Directive should be repealed generally with effect from January 1, 2016 or, in the case of Austria, from 1 January 2017 in order to avoid overlap with Council Directive 2011/16/EU on administrative cooperation in the field of taxation (as amended by Council Directive 2014/107/EU), pursuant to which Member States will be required to apply new measures on mandatory automatic exchange of information. The proposal also provides that, if it proceeds, Member States will not be required to apply the new requirements of the amending directive.

Investors who are in any doubt as to their position should consult their professional advisers.

The proposed financial transactions tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission's proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**").

The Commission's proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

Under the Commission's proposal, FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

Joint statements issued by participating Member States indicate an intention to implement the FTT by 1 January 2016. However, the FTT proposal remains subject to negotiation between the participating Member States and the scope of any such tax is uncertain. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

CERTAIN LIMITATIONS ON VALIDITY AND ENFORCEABILITY

Set out below is a summary of certain limitations on the enforceability of the Notes Guarantees and the security interests relating to the Notes, and of certain insolvency law considerations in each of the jurisdictions in which the Issuer, the Guarantors and the providers of security (as of the date hereof) are organised or incorporated. It is a summary only. Bankruptcy or insolvency proceedings or a similar event could be initiated in any of these jurisdictions and/or in the jurisdiction of organisation or incorporation of a future guarantor under the Notes. The application of these various laws in multiple jurisdictions could trigger disputes over which jurisdictions' law should apply and could adversely affect your ability to enforce your rights and to collect payment in full under the Notes, the Notes Guarantees and any security securing the Notes.

European Union

The Issuers and the Guarantors are organised or incorporated under the laws of EU Member States. Pursuant to Council Regulation (EC) no. 1346/2000 on insolvency proceedings (the "EU Insolvency Regulation"), the court which shall have jurisdiction to open insolvency proceedings in relation to a company is the court of the EU Member State (other than Denmark) where the company concerned has its "centre of main interest" (as that term is used in Article 3(1) of the EU Insolvency Regulation). The determination of where any such company has its "centre of main interest" is a question of fact on which the courts of the different EU Member States may have differing and even conflicting views.

The term "centre of main interest" is not a static concept. Although there is a rebuttable presumption under Article 3(1) of the EU Insolvency Regulation that any such company has its "centre of main interests" in the EU Member State in which it has its registered office, Preamble 13 of the EU Insolvency Regulation states that the "centre of main interests" of a debtor should correspond to the place where the debtor conducts the administration of its interests on a regular basis and "is therefore ascertainable by third parties." In that respect, factors such as where board meetings are held, the location where the company conducts the majority of its business and the perception of the company's creditors as regards to the centre of the company's business operations may all be relevant in the determination of the place where the company has its "centre of main interests."

If the "centre of main interest" of a company is and will remain located in the state in which it has its registered office, the main insolvency proceedings in respect of the company under the EU Insolvency Regulation would be commenced in such jurisdiction and accordingly a court in such jurisdiction would be entitled to commence the types of insolvency proceedings referred to in Annex A to the EU Insolvency Regulation with these proceedings being governed by the *lex fori concursus*, i.e., the local laws of the court opening such main insolvency proceedings. Insolvency proceedings opened in one EU Member State under the EU Insolvency Regulation are to be recognised automatically in the other EU Member States (other than Denmark). If the "centre of main interests" of a debtor is in one EU Member State (other than Denmark), under Article 3(2) of the EU Insolvency Regulation, the courts of another EU Member State (other than Denmark) have jurisdiction to open "territorial proceedings" only in the event that such debtor has an "establishment" in the territory of such other EU Member State. If the main insolvency proceedings have been opened by the court of the EU Member State where the centre of main interest of the debtor is situated, and are outstanding, then the territorial proceedings (entitled "secondary" proceedings) can only be winding-up proceedings. If no such main insolvency proceedings are outstanding, the territorial proceedings could still be opened in another EU Member State (except Denmark) under certain circumstances as set forth in Article 3(4) of the EU Insolvency Regulation. The effects of those territorial proceedings are restricted to the assets of the debtor situated in the territory of such other EU Member State. If the company does not have an establishment in any other EU Member State, no court of any other EU Member State has jurisdiction to open territorial proceedings in respect of such company under the EU Insolvency Regulation.

In the event that any one or more of the Issuers, the Guarantors or any of their subsidiaries experience financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings would be commenced, or the outcome of such proceedings. Applicable insolvency laws may affect the enforceability of the obligations and the security of the Issuers and the Guarantors.

England and Wales

The Issuers and a number of the Guarantors are companies incorporated under the laws of England and Wales. Therefore, any main insolvency proceedings in respect of an English Obligor would likely be commenced in England and conducted in accordance with the requirements of English insolvency laws. However, pursuant to the EU Insolvency Regulation, where an English company conducts business in another member state of the European Union, the jurisdiction of the English courts may be limited if the company's "centre of main interests"

is found to be in another Member State (see "—*European Union*"). There are a number of factors that are taken into account to ascertain the centre of main interests. The centre of main interests should correspond to the place where the company conducts the administration of its interests on a regular basis and is therefore ascertainable by third parties. The place of the registered office of the company is presumed to be the centre of main interests in the absence of proof to the contrary. The point at which this issue falls to be determined is at the time that the relevant insolvency proceedings are opened.

Fixed and Floating Charges

There are a number of ways in which fixed charge security has an advantage over floating charge security: (a) an administrator appointed to a charging company can convert floating charge assets to cash and use such cash, or use cash subject to a floating charge, to meet administration expenses (which can include the costs of continuing to operate the charging company's business while in administration) in priority to the claims of the floating charge holder; (b) a fixed charge, even if created after the date of a floating charge, may have priority as against the floating charge over the charged assets (provided the fixed charge holder has no notice of any restrictions); (c) general costs and expenses (including the liquidator's remuneration) properly incurred in a winding-up are payable out of the company's assets (including the assets that are the subject of the floating charge) in priority to floating charge claims; (d) until the floating charge security crystallises, a company is entitled to deal with assets that are subject to floating charge security in the ordinary course of business, meaning that such assets can be effectively disposed of by the charging company so as to give a third-party good title to the assets free of the floating charge; (e) floating charge security is subject to certain challenges under English insolvency law (see "—*Grant of floating charge*"); and (f) floating charge security is subject to the claims of preferential creditors (such as occupational pension scheme contributions and salaries owed to employees) and to ring-fencing (see "—*Administration and floating charges*").

Under English law there is a possibility that a court could recharacterise fixed security interests purported to be created by a security document as floating charges; the description given to security interests by the parties is not determinative. Whether security interests labelled as fixed will be upheld as fixed security interests rather than floating security interests will depend on, among other things, whether the chargee has the requisite degree of control over the relevant chargor's ability to deal in the relevant assets and the proceeds thereof and, if so, whether such control is exercised by the chargee in practice. Where the chargor is free to deal with the secured assets without the consent of the chargee prior to crystallisation, the court is likely to hold that the security interest in question constitutes a floating charge, notwithstanding that it may be described as a fixed charge in the security documents.

Administration and Floating Charges

The relevant English insolvency statute empowers English courts to make an administration order in respect of an English company in certain circumstances. An administrator can also be appointed out of court by the company, its directors or the holder of a qualifying floating charge and different procedures apply according to the identity of the appointor. During the administration, in general no proceedings or other legal process may be commenced or continued against the company in administration, or security enforced over that company's property, except with leave of the court or the consent of the administrator. Certain creditors of a company in administration may be able to realise their security over that company's property notwithstanding the statutory moratorium. This is by virtue of the disapplication of the administration moratorium in relation to a "security financial collateral agreement" (generally, cash or financial instruments such as shares, bonds or tradable capital market debt instruments and credit claims) under the Financial Collateral Arrangements (No. 2) Regulations 2003 (as amended). If an English Obligor were to enter into administration, it is likely that the security granted by it or the Notes Guarantee granted by it may not be enforced while it is in administration. In addition, other than in limited circumstances, no administrative receiver can be appointed by a secured creditor in preference to an administrator, and any already appointed receiver must resign if requested to do so by the administrator. Where the company is already in administration no other receiver may be appointed.

In order to empower the Security Agent to appoint an administrative receiver or an administrator to the company, the floating charge granted by the relevant English Obligor must constitute a "qualifying floating charge" for the purposes of English insolvency law and, in the case of the ability to appoint an administrative receiver, the qualifying floating charge must, unless the security document pre-dates September 15, 2003, fall within one of the exceptions in the UK Insolvency Act 1986 (as amended) to the prohibition on the appointment of administrative receivers. In order to constitute a qualifying floating charge, the floating charge must be created by an instrument which (a) states that the relevant statutory provision applies to it, (b) purports to empower the holder to appoint an administrator of the company or (c) purports to empower the holder to appoint an administrative receiver within the meaning given by Section 29(2) of the UK Insolvency Act 1986 (as amended).

The Security Agent will be the holder of a qualifying floating charge if such floating charge security, together (if necessary) with the fixed charge security interests, relate to the whole or substantially the whole of the relevant English Obligor's property and at least one such security interest is a qualifying floating charge. The most relevant exception to the prohibition on the appointment of an administrative receiver is the exception relating to "capital market arrangements" (as defined in the UK Insolvency Act 1986, as amended), which will apply if an English Obligor creates a debt of at least £50,000,000 for the relevant company during the life of the arrangement and the arrangement involves the issue of a "capital markets investment" (which is defined in the UK Insolvency Act 1986, as amended, but is generally a rated, listed or traded debt instrument).

An administrator, receiver (including administrative receiver) or liquidator of the company will be required to ring-fence a certain percentage of the proceeds of enforcement of floating charge security (after making full provision for preferential creditors and expenses (floating charge realisations)) for the benefit of unsecured creditors. Under current law, this applies to 50% of the first £10,000 of floating charge realisations and 20% of the remainder over £10,000, with a maximum aggregate cap of £600,000. Whether the assets that are subject to the floating charges and other security will constitute substantially the whole of the relevant English Obligor's assets at the time that the floating charges are enforced will be a question of fact at that time.

There are circumstances under English insolvency law in which the granting by an English company of security and guarantees can be challenged. In most cases this will only arise if the company is placed into administration or liquidation within a specified period (as set out in more detail below) of the granting of the guarantee or security. Therefore, if during the specified period an administrator or liquidator is appointed to an English company, he may challenge the validity of the guarantee or security given by such company.

The following potential grounds for challenge may apply under English law to guarantees and security interests:

Transaction at an Undervalue

Under English insolvency law, a liquidator or administrator of an English company could apply to the court for an order to set aside the creation of a security interest or a guarantee if such liquidator or administrator believes that the creation of such security interest or guarantee constituted a transaction at an undervalue. There will only be a transaction at an undervalue, if at the time of the transaction or as a consequence of the transaction, the English company was or becomes unable to pay its debts (as defined in the UK Insolvency Act 1986, as amended) and if the English company enters into liquidation or administration proceedings within a period of two years from the date the English company grants the security interest or the guarantee. A transaction might be a transaction at an undervalue if the company makes a gift to a person, if the company receives no consideration or if the company receives consideration of significantly less value, in money or money's worth, than the consideration given by such company. However, a court will not make an order if it is satisfied that the company entered into the transaction in good faith and for the purpose of carrying on its business and that, at the time it did so, there were reasonable grounds for believing the transaction would benefit it. If the court determines that the transaction was a transaction at an undervalue, the court can make such order as it thinks fit to restore the position to what it would have been in if the transaction had not been entered into. In any proceedings, it is for the administrator or liquidator to demonstrate that the English company was insolvent unless a beneficiary of the transaction was a connected person (as defined in the UK Insolvency Act 1986, as amended), in which case there is a presumption of insolvency and the connected person must demonstrate the solvency of the English company in such proceedings.

Preference

Under English insolvency law, a liquidator or administrator of an English company could apply to the court for an order to set aside the creation of a security interest or a guarantee if such liquidator or administrator believes that the creation of such security interest or such guarantee constituted a preference. There will only be a preference if, at the time the transaction was entered into, the English company was unable to pay its debts (as defined in the UK Insolvency Act 1986 (as amended)) or the English company becomes unable to pay its debts (as defined in the UK Insolvency Act 1986 (as amended)) as a consequence of its entry into the transaction and if the English company enters into liquidation or administration proceedings within a period of six months (if the beneficiary of the security or the guarantee is not a connected person) or two years (if the beneficiary is a connected person) from the date the English company takes the decision to grant the security interest or the guarantee. A transaction will constitute a preference if it has the effect of putting a creditor of the English company (or a surety or guarantor for any of the company's debts or liabilities) in a better position (in the event of the company going into insolvent liquidation) than such creditor, guarantor or surety would otherwise have been in had that transaction not been entered into. If the court determines that the transaction constituted such a preference, the court has very wide powers for restoring the position to what it would have been if that preference had not been given, which could, in this case, include reducing payments under the Notes and the Notes

Guarantees. However, for the court to do so, it must be shown that in deciding to give the preference the English company was influenced by a desire to produce the preferential effect. In any proceedings, it is for the administrator or liquidator to demonstrate that the English company was insolvent at the relevant time and that the company was influenced by a desire to produce the preferential effect, unless the beneficiary of the transaction was a connected person, in which case there is a presumption of insolvency and that the company was influenced by a desire to produce the preferential effect and the connected person must demonstrate in such proceedings that there was no such influence.

Transaction Defrauding Creditors

Under English insolvency law, where it can be shown that a transaction was at an undervalue and was made for the purposes of putting assets beyond the reach of a person who is making, or may make, a claim against a company, or of otherwise prejudicing the interests of a person in relation to the claim which that person is making or may make, the transaction may be set aside by the court as a transaction defrauding creditors. An application to the court for an order to set aside the transaction may be made by an administrator, a liquidator and, subject to certain conditions, the UK Financial Conduct Authority (which has, as of April 1, 2013, assumed the corporate identity of the UK Financial Services Authority) and the UK Pensions Regulator. In addition, any person who is, or who is capable of being, prejudiced by the transaction may (with the leave of the court in the case of a company in administration or liquidation) also bring an application to set aside such transaction. There is no time limit in the English insolvency legislation within which the challenge must be made and the relevant company does not need to be insolvent at the time of the transaction. If the court determines that the transaction was a transaction defrauding creditors, the court can make such orders as it thinks fit to restore the position to what it would have been if the transaction had not been entered into and to protect the interests of the victims of the transaction. The relevant court order may affect the property of, or impose any obligation on, any person, whether or not he is the person with whom the transaction was entered into. However, such an order will not prejudice any interest in property which was acquired from a person other than the debtor company in good faith, for value and without notice of the relevant circumstances and will not require a person who received a benefit from the transaction in good faith, for value and without notice of the relevant circumstances, to pay any sum unless such person was a party to the transaction.

Grant of Floating Charge

Under English insolvency law, if an English Obligor is unable to pay its debts at the time of (or as a result of) granting the floating charge, and the floating charge was granted within the specified period referred to below, then such floating charge can be avoided except to the extent of the value of the money paid to, or goods or services supplied to, or any discharge or reduction of any debt of, the relevant English Obligor at the same time as or after the creation of the floating charge (plus certain interest).

The requirement for the English Obligor to be insolvent at the time of (or as a result of) granting the floating charge does not apply where the floating charge is granted to a connected person. If the floating charge is granted to a connected person, and the floating charge was granted within the specified period referred to below, then the floating charge is invalid except to the extent of the value of the money paid to, or goods or services supplied to, or any discharge or reduction of any debt of, the relevant English Obligor at the same time as or after the creation of the floating charge (plus certain interest), whether the relevant English Obligor is solvent or insolvent at the time of grant.

The granting of the floating charge can be challenged only if the relevant English Obligor enters into liquidation or administration proceedings within a period of one year (if the beneficiary is not a connected person) or two years (if the beneficiary is a connected person) from the date the relevant English Obligor grants the floating charge. However, if the Floating Charge qualifies as a "security financial collateral agreement" under the Financial Collateral Arrangements (No. 2) Regulations 2003 (as amended), the floating charge will not be subject to challenge as described in this paragraph.

BOOK-ENTRY, DELIVERY AND FORM

General

On the Issue Date, the Global Notes were deposited with, and registered in the name of, the nominee of a common depositary for Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking, *société anonyme* ("Clearstream"). Notes sold within the United States to qualified institutional buyers in reliance on Rule 144A are initially represented by one or more global notes in registered form without interest coupons attached (the "144A Global Notes"). Notes sold outside the United States in reliance on Regulation S are initially represented by one or more global note in registered form without interest coupons attached (the "Regulation S Global Notes" and, together with the 144A Global Notes, the "Global Notes").

After the closing date, book-entry interests will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by Euroclear, Clearstream or their respective participants. Ownership of interests in the Global Notes ("book-entry interests") is limited to persons that have accounts with Euroclear or Clearstream, in each case as applicable, or persons that may hold interests through those participants. In addition, while the Notes are in global form, holders of book-entry interests will not be considered the owners or "holder" of Notes for any purpose.

So long as the Notes are held in global form, the nominee of the common depositary for Euroclear and Clearstream will be considered the sole holder of the Global Notes for all purposes under the Indentures governing the Notes. Accordingly, participants must rely on the procedures of Euroclear and Clearstream, as applicable, and indirect participants must rely on the procedures of the participants through which they own book-entry interests, to transfer the interests or in order to exercise any rights of holders under the Indentures governing the Notes.

The Issuers, the Trustee, the Paying Agent, the Registrar, the Transfer Agent the nominee of the common depositary for Euroclear and Clearstream and their respective nominees and any of their respective agents will not have any responsibility or be liable for any aspect of the records relating to the book-entry interests.

Issuance of Definitive Registered Notes

The book-entry interests will not be held in definitive form. Instead, Euroclear or Clearstream will credit on their respective book-entry registration and transfer systems a participant's account with the interest beneficially owned by that participant. The laws of some jurisdictions, including some states of the United States, may require that certain purchasers of securities take physical delivery of those securities in definitive form. The foregoing limitations may impair your ability to own, transfer or pledge book-entry interests. In addition, while the Notes are in global form, "holders" of book-entry interests will not be considered the owners or "holders" of Notes for any purpose.

Under the terms of the Indentures governing the Notes, to the extent permitted by Euroclear or Clearstream, owners of book-entry interests will receive definitive Notes in registered form ("Definitive Registered Notes"):

- if Euroclear or Clearstream notifies the Issuers that it is unwilling or unable to continue to act and we do not appoint a successor within 90 days; or
- if the owner of a book-entry interest requests such exchange in writing delivered through Euroclear or Clearstream following an event of default under the Indentures and enforcement action is being taken in respect thereof under the Indentures.

In such an event, the applicable Registrar will issue Definitive Registered Notes, registered in the name or names and issued in any approved denominations, requested by or on behalf of Euroclear and Clearstream, in each case as applicable (in accordance with their respective customary procedures and based upon directions received from participants reflecting the beneficial ownership of the book-entry interests). Those definitive registered Notes will bear the restrictive legend described under "*Transfer Restrictions*" unless that legend is not required at the time by the Indentures governing the Notes or applicable law.

Redemption of Global Notes

In the event any Global Note (or any portion thereof) is redeemed, Euroclear or Clearstream (or their respective nominees), as applicable, will redeem an equal amount of the book-entry interests in that Global Note from the amount received by it in respect of the redemption of the Global Note. The redemption price payable in connection with the redemption of the book-entry interests will be equal to the amount received by Euroclear or Clearstream, as applicable, in connection with the redemption of the Global Note (or any portion thereof). We understand that, under existing practices of Euroclear and Clearstream if fewer than all of the Notes are to be redeemed at any time, Euroclear and Clearstream will credit their respective participants' accounts on a

proportionate basis (with adjustments to prevent fractions) or by lot or on any other basis that they deem fair and appropriate (including the pool factor); *provided, however*, that no book-entry interest of less than €100,000 principal amount may be redeemed in part.

Payments on Global Notes

Payments of any amounts owing in respect of the Sterling Notes will be made by the applicable Issuer in pound sterling to the applicable Paying Agent. Payments of any amounts owing in respect of the Euro Notes will be made by the applicable Issuer in euros to the applicable Paying Agent. The applicable Paying Agent will, in turn, make payments to the common depositary or its nominee for Euroclear or Clearstream which will distribute those payments to participants in accordance with its procedures. Under the terms of the Indentures governing the Notes, the Issuers, the Trustee, the Paying Agent, the Registrar and the Transfer Agent will treat the registered holder of the Global Notes (Euroclear or Clearstream (or their respective nominees)) as the owner of the Notes for the purpose of receiving payments and for all other purposes. Consequently, neither the Issuers, the Trustee, the Paying Agent, the Registrar, the Transfer Agent nor any of their agents has or will have any responsibility or liability for:

- any aspect of the records of (or maintaining, supervising or reviewing the records of) Euroclear, Clearstream or any participant or indirect participant relating to or payments made on account of a book-entry interest;
- any other matter relating to the actions and practices of Euroclear, Clearstream or any participants or indirect participants; or
- the common depositary, Euroclear, Clearstream or any participant or indirect participant.

Payments by participants to owners of book-entry interests held through participants are the responsibility of those participants, as is the case with securities held for the accounts of customers registered in "street name."

To the extent permitted by law, the Issuers, the Trustee, the Paying Agent, the Transfer Agent and the Registrars shall be entitled to treat the registered holder of any Global Notes as the absolute owner thereof and no person will be liable for treating the registered holder as such. Ownership of the Global Notes will be evidenced through registration from time to time at the registered office of the respective Issuers, and such registration is a means of evidencing title to the Notes.

The Issuers will not impose any fees or other charges in respect of the Notes; however, owners of the book-entry interests may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear and Clearstream.

Action by Owners of Book-Entry Interests

Euroclear and Clearstream have advised us that they will take any action permitted to be taken by a Noteholder only at the direction of one or more participants to whose account the book-entry interests in the Global Notes are credited and only in respect of the portion of the aggregate principal amount of Notes for which the participant or participants has or have given direction. Euroclear and Clearstream will not exercise any discretion in the granting of consents, waivers or the taking of any other action in respect of the Global Notes. However, if there is an event of default under the Notes, each of Euroclear and Clearstream reserves the right to exchange the relevant Global Notes for definitive registered Notes in certificated form, and to distribute those definitive registered Notes to its participants.

Transfers

The Global Notes bear a legend as described under "*Transfer Restrictions.*" Book-entry interests in the Global Notes are subject to restrictions on transfer described under "*Transfer Restrictions.*"

Book-entry interests in a Rule 144A Global Note ("restricted book-entry interests") may be transferred to a person who takes delivery in the form of book-entry interests in a corresponding Regulation S Global Note ("unrestricted book-entry interests") only upon delivery by the transferor of a written certification (in the form provided in the Indentures governing the Notes) to the effect that the transfer is made in accordance with Regulation S and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

Prior to 40 days after the date of initial issuance of the Notes, any sale or transfer of interests to U.S. persons will not be permitted unless the resale or transfer is made pursuant to Rule 144A.

Unrestricted book-entry interests may be transferred to a person who takes delivery in the form of restricted book-entry interests only upon delivery by the transferor of a written certification (in the form provided in the Indentures governing the Notes) to the effect that the transfer is being made to a person who the transferor

reasonably believes is a qualified institutional buyer within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

Any book-entry interest in one of the Global Notes that is transferred to a person who takes delivery in the form of a book-entry interest in another Global Note will, upon transfer, cease to be a book-entry interest in the former Global Note and become a book-entry interest in the other Global Note, and accordingly, will thereafter be subject to all Transfers, if any, and other procedures applicable to book-entry interest in that other Global Note for as long as that person retains the book-entry interest.

Definitive Registered Notes, if any, may be transferred and exchanged for book-entry interests in a Global Note only pursuant to the terms of the Indentures governing the Notes and, if required, only after the transferor first delivers to the trustee a written certificate (in the form provided in the Indentures governing the Notes) to the effect that the transfer will comply with the appropriate Transfers applicable to those Notes.

Global Clearance and Settlement under the Book-Entry System

Although Euroclear and Clearstream currently follow the foregoing procedures in order to facilitate transfers of interests in the Global Notes among participants in Euroclear or Clearstream, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or modified at any time. None of the Issuers, the Guarantors, the Initial Purchasers, the Trustee, the Paying Agent, the Registrar, the Transfer Agent nor any of their respective agents will have any responsibility for the performance by Euroclear, Clearstream or their participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Initial Settlement

Initial settlement for the Sterling Notes was made in pound sterling. Initial settlement for the Euro Notes was made in euro. Book-entry interests owned through Euroclear or Clearstream accounts follow the settlement procedures applicable to conventional bonds in registered form. Book-entry interests were credited to the securities custody account of Euroclear and Clearstream holders on the business day following the settlement date against payment for value on the settlement date.

Secondary Market Trading

The book-entry interests trade through participants of Euroclear and Clearstream and settle in same-day funds. Since the sale determines the place of delivery, it is important to establish at the time of trading of any book-entry interests where both the purchasers' and seller's accounts are located to ensure that settlement can be made on the desired value date.

Trustee's Powers

In considering the interests of the holders of Notes, while title to the Notes is registered in the name of a nominee of a clearing system, the Trustee may have regard to, and rely on, any information provided to it by that clearing system as to the identity (either individually or by category) of its accountholders with entitlements to Notes and may consider such interests as if such accountholders were the holders of the Notes.

Enforcement

For the purposes of enforcement of the provisions of the Indentures against the Trustee, the persons named in a certificate of the holder of the Notes in respect of which a Global Note is issued shall be recognised as the beneficiaries of the trust set out in the Indentures to the extent of the principal amounts of their interests in the Notes set out in the certificate of the holder, as if they were themselves the Noteholders in such principal amounts.

Information Concerning Euroclear and Clearstream

All Book-Entry Interests are subject to the operations and procedures of Euroclear and Clearstream, as applicable. We provide the following summaries of those operations and procedures solely for the convenience of investors. The operations and procedures of the settlement system are controlled by the settlement system and may be changed at any time. None of the Issuers, any of the Initial Purchasers, the Trustee, the Paying Agent, the Registrar, the Transfer Agent nor any of their respective agents is responsible for those operations or procedures.

We understand the following with respect to Euroclear and Clearstream:

- Euroclear and Clearstream hold securities for participating organisations and facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of those participants. Euroclear and Clearstream provide to their participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream interface with domestic securities markets.
- Euroclear and Clearstream participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organisations. Indirect access to Euroclear or Clearstream is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodian relationship with a Euroclear and Clearstream participant, either directly or indirectly.

TRANSFER RESTRICTIONS

The following restrictions apply to the Notes. You are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of the Notes. See "*Description of the Senior Secured Notes*" and "*Description of the Senior Notes*."

None of the Notes have been registered under the U.S. Securities Act, and they may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Accordingly, the Notes are being offered and sold only (A) to qualified institutional buyers in compliance with Rule 144A and (B) outside the United States to non-U.S. persons in accordance with Regulation S. A non-U.S. person shall include any dealer or other professional fiduciary in the United States which is acting on a discretionary basis for non-U.S. beneficial owners (other than an estate or trust) in reliance upon Regulation S. As used in this section, the terms "United States" and "U.S. person" have the meanings given to them in Regulation S.

Each purchaser of Notes will be deemed to have acknowledged, represented and agreed with us, the Initial Purchasers as follows:

(1) It is purchasing the Notes for its own account or for an account with respect to which it exercises sole investment discretion and that it and any such account is either (A) a qualified institutional buyer, and is aware that the sale to it is being made in reliance on Rule 144A or (B) at the time the buy order for the Notes is originated, a non-U.S. person that is outside the United States (or a non-U.S. person that is a dealer or other fiduciary as referred to above).

(2) It acknowledges that the Notes are being offered for resale in a transaction not involving a public offering in the United States (within the meaning of the U.S. Securities Act) and have not been registered under the U.S. Securities Act or any other securities laws and may not be reoffered, resold, pledged or otherwise transferred within the United States or to, or for the account or benefit of, U.S. persons except as set forth below.

(3) It shall not offer, resell, pledge or otherwise transfer the Notes except (A) to NLRGL or any of its subsidiaries, (B) inside the United States to a qualified institutional buyer in a transaction complying with Rule 144A or (C) outside the United States in an offshore transaction in compliance with Regulation S under the U.S. Securities Act. It acknowledges that the exemption provided by Rule 144 for resale of the Notes is not available.

(4) It agrees that it will give to each person to whom it transfers the Notes notice of any restrictions on transfer of such Notes.

(5) It is relying on the information contained in the offering memorandum in making its investment decision with respect to the Notes. It acknowledges that neither we nor the Initial Purchasers have made any representation to it with respect to us or the offering or sale of any Notes, other than the information contained in the offering memorandum which has been delivered to it and upon which it is relying in making its investment decision with respect to the Notes. It has had access to such financial and other information concerning us and the Notes as it has deemed necessary in connection with its decision to purchase the Notes, including an opportunity to ask questions of and request information from us and the Initial Purchasers.

(6) It acknowledges that prior to any proposed transfer of Notes in certificated form or of beneficial interests in a Global Note (in each case other than pursuant to an effective registration statement), the Noteholder or the holder of beneficial interests in a Global Note, as the case may be, may be required to provide certifications and other documentation relating to the manner of such transfer and submit such certifications and other documentation as provided in the Indentures governing the Notes.

(7) It understands that all of the Notes will bear a legend to the following effect unless otherwise agreed by us and the holder thereof:

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND, ACCORDINGLY, NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. BY ITS ACQUISITION HEREOF, THE HOLDER (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE U.S. SECURITIES ACT) OR

(B) IT IS NOT A U.S. PERSON AND IS ACQUIRING THE SECURITY IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 904 UNDER THE U.S. SECURITIES ACT, (2) AGREES THAT IT WILL NOT PRIOR TO THE DATE THAT IS, IN THE CASE OF NOTES ISSUED IN RELIANCE ON RULE 144A, ONE YEAR, AND IN THE CASE OF NOTES ISSUED UNDER REGULATION S, 40 DAYS AFTER THE LATER OF THE ORIGINAL ISSUANCE OF THIS SECURITY, THE DATE OF ISSUANCE OF ANY ADDITIONAL NOTES OF THE SAME SERIES AS THE ORIGINAL ISSUANCE, AND THE LAST DATE ON WHICH THE ISSUER OR NEW LOOK FINANCE LIMITED OR ANY OF THEIR AFFILIATES WAS THE OWNER OF THIS SECURITY, OFFER, RESELL OR OTHERWISE TRANSFER THIS SECURITY EXCEPT (A) TO THE ISSUER OR NEW LOOK FINANCE LIMITED OR ANY SUBSIDIARY BUYER THEREOF, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE U.S. SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A, TO A PERSON IT REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE U.S. SECURITIES ACT OR (E) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, SUBJECT IN EACH OF THE FOREGOING CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF ITS PROPERTY OR THE PROPERTY OF SUCH INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL AND TO COMPLIANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION, AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS AND FURTHER SUBJECT TO THE ISSUER'S AND THE TRUSTEE'S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER (I) PURSUANT TO CLAUSE (E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM AND (II) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE REVERSE OF THIS NOTE IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE AND (3) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION," "UNITED STATES," AND "U.S. PERSON" HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE U.S. SECURITIES ACT.

(8) It acknowledges that the Trustee is not required to accept for registration of transfer any Notes acquired by it, except upon presentation of evidence satisfactory to us and the Trustee that the restrictions set forth above have been complied with.

(9) It acknowledges that we, the Initial Purchasers and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of the acknowledgements, representations or agreements deemed to have been made by its purchase of the Notes is no longer accurate, it shall promptly notify us and the Initial Purchasers. If it is acquiring the Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole discretion with respect to each such account and it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each account.

Each purchaser and subsequent transferee of a Note will be deemed to have represented and warranted that either (i) no portion of the assets used by such purchaser or transferee to acquire and hold the Notes constitutes assets of any employee benefit plan subject to Title I of the U.S. Employee Retirement Income Security Act, as amended ("ERISA"), any plan, individual retirement account or other arrangement subject to Section 4975 of the Code or provisions under any federal, state, local non-U.S. or other laws or regulations that are similar to such provisions of ERISA or the Code (collectively, "Similar Law"), or any entity whose underlying assets are considered to include "plan assets" of any such plan, account or arrangement or (ii) the purchase and holding of the Notes by such purchaser or transferee will not constitute a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation under any applicable Similar Law.

PLAN OF DISTRIBUTION

Subject to the terms and conditions set forth in a purchase agreements (the "Purchase Agreement") dated June 12, 2015, the Issuers have agreed to sell to each Initial Purchaser, and each such Initial Purchaser has agreed, severally and not jointly, to purchase the Notes from the Issuers. The Initial Purchasers are Goldman Sachs International; J.P. Morgan Securities plc; Nomura International plc; Deutsche Bank AG, London Branch; HSBC Bank plc; Lloyds Bank plc; and The Royal Bank of Scotland plc.

The Purchase Agreement provides that the obligations of the Initial Purchasers to pay for and accept delivery of the Notes are subject to customary closing conditions.

During the period from June 12, 2015 through and including the date that is 90 days thereafter, neither the Company nor any of its subsidiaries or other controlled affiliates will, without the prior written consent of the Representatives, offer, sell, contract to sell, issue or otherwise dispose of any debt securities, issued or guaranteed by any of the Issuers or the Guarantors and having a tenor of more than one year (other than the Notes and the Notes Guarantees).

The Initial Purchasers propose to offer the Notes initially at the respective offering prices set forth on the cover page of this listing circular and may include selling group members who might be granted a selling concession. After the initial Offering, the offering price and other selling terms of such Notes may from time to time be changed by the Initial Purchasers without notice. The Initial Purchasers may make offers and sales in the United States through their respective U.S. broker dealer affiliates.

The Purchase Agreement provides that we have agreed, jointly and severally, to indemnify and hold harmless the Initial Purchasers against certain liabilities, including liabilities under the U.S. Securities Act, or to contribute to payments that they may be required to make in that respect.

The Notes and the Notes Guarantees have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except to qualified institutional buyers in reliance on Rule 144A under the U.S. Securities Act and outside the United States to non-U.S. persons in offshore transactions in reliance on Regulation S under the U.S. Securities Act. Terms used in this paragraph have the meanings given them by Regulation S under the U.S. Securities Act. Resale of the Notes is restricted as described under "*Transfer Restrictions*." Each purchaser of the Notes will be deemed to have made acknowledgments, representations and agreements as described under "*Transfer Restrictions*."

In addition, until 40 days after the commencement of the Offering, an offer or sale of the Notes within the United States by a broker dealer (whether or not it is participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than pursuant to Rule 144A under the U.S. Securities Act.

Persons who purchase Notes from the Initial Purchasers may be required to pay stamp duty, taxes and other charges in accordance with the laws and practice of the country of purchase in addition to the offering price of the Notes set forth on the cover page of this listing circular.

No action has been taken in any jurisdiction, including the United States and the United Kingdom, by any of the Issuers, Guarantors or the Initial Purchasers that would permit a public offering of the Notes or the possession, circulation or distribution of this listing circular or any other material relating to the Issuers, Guarantors or the Notes in any jurisdiction where action for this purpose is required. This listing circular does not constitute an offer to sell or a solicitation of an offer to purchase in any jurisdiction where such offer or solicitation would be unlawful. Persons into whose possession this listing circular comes are advised to inform themselves about and to observe any restrictions relating to the Offering, the distribution of this listing circular and resale of Notes. See "*Transfer Restrictions.*"

The Issuers and each Guarantor have also agreed that they will not at any time offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any securities under circumstances in which such offer, sale, pledge, contract or disposition would cause the exemption afforded by Section 4(a)(2) of the U.S. Securities Act or the safe harbour of Rule 144A and Regulation S to cease to be applicable to the offer and sale of the Notes.

The Notes are a new issue of securities for which there currently is no market. The Issuers have made an application to list the Notes on the Official List of the Luxembourg Stock Exchange and to admit the Notes for trading on the Luxembourg Stock Exchange's Euro MTF market. However, we cannot assure you that the Notes will be admitted to trading or that such admission to trading will be maintained. The Initial Purchasers have advised us that they intend to make a market in the Notes as permitted by applicable law. The Initial Purchasers are not obliged, however, to make a market in the Notes, and any market making activity may be discontinued at any time at their sole discretion without notice. In addition, any such market making activity will be subject to

the limits imposed by the U.S. Securities Act and the U.S. Exchange Act. Accordingly, we cannot assure you that any market for the Notes will develop, or that it will be liquid if it does develop or that you will be able to sell any Notes at a particular time or at a price which will be favourable to you.

The Initial Purchasers may engage in over-allotment, stabilising transactions, covering transactions and penalty bids in accordance with Regulation M under the U.S. Exchange Act.

Over-allotment involves sales in excess of the relevant Offering size, which creates a short position for the Initial Purchasers. Stabilising transactions permit bidders to purchase the underlying security so long as the stabilising bids do not exceed a specified maximum. Covering transactions involve purchases of the Notes in the open market after the distribution has been completed in order to cover short positions. Penalty bids permit the Initial Purchasers to reclaim a selling concession from a broker/dealer when the Notes originally sold by that broker dealer are purchased in a stabilising or covering transaction to cover short positions.

These stabilising transactions, covering transactions and penalty bids may cause the price of the Notes to be higher than it would otherwise be in the absence of these transactions. These transactions, if commenced, may be discontinued at any time.

Each Initial Purchaser has represented and agreed that:

- it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "FSMA")) received by it in connection with the issue or sale of the Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuers or any Guarantor; and
- it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes, in from or otherwise involving the United Kingdom.

Delivery of the Notes was made against payment on the Notes on June 24, 2015, which was eight business days (as such term is used for purposes of Rule 15c6-1 of the U.S. Exchange Act) following the date of pricing of the Notes (this settlement cycle is being referred to as "T + 8"). Under Rule 15c6-1 of the U.S. Exchange Act, trades in the secondary market generally are required to settle in three business days unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wished to trade the Notes on the date of pricing or the following five business days were required to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of the Notes who wished to make such trades were advised to consult their own advisors.

The Issuers have agreed to pay the Initial Purchasers certain customary fees for their services in connection with the Offering and to reimburse them for certain out-of-pocket expenses.

From time to time, the Initial Purchasers and their affiliates have provided, and may in the future provide, investment banking, commercial banking, financial advisory and other services to us and our affiliates for which they have received or may receive customary fees and commissions. In addition, certain of the Initial Purchasers or their affiliates are arrangers and lenders under the Existing PIK Facility and the Existing Revolving Credit Facility, both of which were repaid with proceeds from the Notes. The Initial Purchasers or their affiliates are arrangers and lenders under the Revolving Credit Facility. The Initial Purchasers or their affiliates also may enter into hedging arrangements with the Group in connection with the Notes. Further, certain of the Initial Purchasers or their affiliates may act in more than one capacity in relation to the Refinancing Transactions and may have conflicting interests in respect of such different capacities.

In the ordinary course of their various business activities, the Initial Purchasers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of any of the Issuers or the Guarantors, including the Notes.

LEGAL MATTERS

Various legal matters have been passed upon for us by Simpson Thacher & Bartlett LLP, as to matters of United States federal, New York state and English law. Certain legal matters have been passed upon for the Initial Purchasers by Shearman & Sterling (London) LLP, as to matters of United States federal and New York state law. Certain legal matters have been passed upon for the Initial Purchasers by Allen & Overy LLP, as to matters of English law.

INDEPENDENT AUDITORS

The consolidated financial statements of NLRGL as of and for the 53 week period ended March 30, 2013, as of and for the 52 week period ended March 29, 2014 and as of and for the 52 week period ended March 28, 2015, included in this listing circular, have been audited by PricewaterhouseCoopers LLP, independent auditors, as stated in their reports appearing herein. PricewaterhouseCoopers LLP has an address at: Savannah House, 3 Ocean Way, Southampton, SO14 3TJ, United Kingdom.

Each of the reports of PricewaterhouseCoopers LLP, with respect to such audited consolidated financial statements state, in accordance with guidance issued by the Institute of Chartered Accountants in England and Wales: "This report, including the opinions, have been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the UK Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands they may come save where expressly agreed by our prior consent in writing." Investors in the Notes should understand these statements are intended to disclaim any liability to parties (such as the purchasers of the Notes) other than the shareholders of NLRGL with respect to those reports. In the context of the offering of the Notes, our auditors have reconfirmed to us that they do not intend their duty of care to extend to any party other than those to whom their reports were originally addressed (*i.e.*, the shareholders of NLRGL).

The SEC would not permit the language quoted in the above paragraph to be included in a registration statement or a prospectus used in connection with an offering of securities registered under the U.S. Securities Act or in a report filed under the U.S. Exchange Act. The effect of such language is untested by a U.S. court (or any other court) and thus may or may not be effective to limit the direct liability of the auditors under U.S. law or under any other law to persons, such as investors in the Notes.

ENFORCEABILITY OF JUDGMENTS

NLRGL and the Issuers are incorporated under the laws of England and Wales. All our directors and executive officers live outside the United States. Substantially all our and their assets are located outside the United States. As a result, although we have appointed an agent for service of process under the Indentures governing the Notes, it may be difficult for you to serve process on those persons or us in the United States or to enforce judgments obtained in U.S. courts against them or us based on civil liability provisions of the securities laws of the United States.

England and Wales

The following discussion with respect to the enforceability of certain U.S. court judgments in England and Wales is based upon advice provided to the Issuers and the Guarantors by their English counsel. The United States and the United Kingdom do not have a treaty providing for the reciprocal recognition and enforcement of judgments in civil and commercial matters (although the United States and the United Kingdom are both parties to the New York Convention on Arbitral Awards). Any judgment rendered by any federal or state court in the United States based on civil liability, whether or not predicated solely upon U.S. federal securities law, would not be directly enforceable in England and Wales. In order to enforce any such judgment in England and Wales, proceedings must be initiated by way of civil law action on the judgment debt before a court of competent jurisdiction in England and Wales. In this type of action, an English court generally will not (subject to the matters identified below) reinvestigate the merits of the original matter decided by a U.S. court if:

- the relevant U.S. court had jurisdiction (under English rules of private international law) to give the judgment; and
- the judgment is final and conclusive on the merits of the claim and is for a definite sum of money (not being a sum payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty or otherwise based on a U.S. law that an English court considers to be a penal, revenue or other public law).

An English court may refuse to enforce such a judgment on a number of grounds, including, if it is established that:

- the relevant U.S. court lacked jurisdiction (under English rules of private international law) or the judgment is not final and conclusive;
- the enforcement of such judgment would contravene public policy or statute in England and Wales;
- the enforcement of the judgment is prohibited by statute (including, without limitation, if the amount of the judgment has been arrived at by doubling, trebling or otherwise multiplying a sum assessed as compensation for the loss or damage sustained);
- the English proceedings were not commenced within the relevant limitation period;
- the U.S. court judgment is inconsistent with a previous judgment of an English court in proceedings involving the same issues in question and between the same parties;
- the judgment has been obtained by fraud or in proceedings in which the English principles of natural or substantial justice were breached;
- the bringing of proceedings in the relevant U.S. court was contrary to an agreement under which the dispute in question was to be settled otherwise than by proceedings in that court (to whose jurisdiction the judgment debtor did not submit), for example, by way of arbitration or proceedings in a different court;
- the enforcement of the judgment is restricted by the provisions of the Protection of Trading Interests Act of 1980; or
- an order has been made and remains effective under section 9 of the UK Foreign Judgments (Reciprocal Enforcement) Act 1933 applying that section to U.S. courts including the relevant U.S. court.

If an English court gives judgment for the sum payable under a U.S. judgment, the English judgment will be enforceable by methods generally available for this purpose. These methods generally permit the court discretion to prescribe the manner of enforcement. It may not be possible to obtain an English judgment or to enforce that judgment if the judgment debtor is subject to any insolvency or similar proceedings, or if the judgment debtor has any set-off or counterclaim against the judgment creditor.

Subject to the foregoing, investors may be able to enforce in England and Wales judgments in civil and commercial matters obtained from U.S. federal or state courts in the manner described above.

It is, however, uncertain whether an English court would impose liability on the Group in an action predicated upon the U.S. federal securities law brought in England and Wales.

WHERE YOU CAN FIND MORE INFORMATION

Each purchaser of the Notes from the Initial Purchasers will be furnished with a copy of the offering memorandum and any related amendments or supplements to the offering memorandum. Each person receiving this listing circular and any related amendments or supplements to this listing circular acknowledges that:

- such person has been afforded an opportunity to request from us, and to review and has received, all additional information considered by it to be necessary to verify the accuracy and completeness of the information herein;
- such person has not relied on the Initial Purchasers or any person affiliated with the Initial Purchasers in connection with its investigation of the accuracy of such information or its investment decision; and
- except as provided pursuant to the first bullet point above, no person has been authorised to give any information or to make any representation concerning the Notes other than those contained herein and, if given or made, such other information or representation should not be relied upon as having been authorised by us and the Initial Purchasers.

For so long as the Notes are "restricted securities" within the meaning of the Rule 144(a)(3) under the U.S. Securities Act, we will, during any period in which we are neither subject to the reporting requirements of Section 13 or 15(d) of the U.S. Exchange Act, nor exempt from the reporting requirements under Rule 12g3-2(b) of the U.S. Exchange Act, provide to the holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner, in each case upon the written request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the U.S. Securities Act.

We are not currently subject to the periodic reporting and other information requirements of the U.S. Exchange Act. Pursuant to the Indentures governing the Notes and so long as the Notes are outstanding, we will, however, furnish periodic information to Noteholders. See "*Description of the Senior Secured Notes—Certain Covenants—Reports*" and "*Description of the Senior Notes—Certain Covenants—Reports*."

For so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange for trading on the Euro MTF market and the rules of that exchange so require, copies of the Issuers' organisational documents and the Indentures governing the Notes and our most recent consolidated financial statements published by us may be inspected and obtained at the office of the Registrar in Luxembourg. See "*Listing and General Information.*"

LISTING AND GENERAL INFORMATION

Listing

Application has been made to list each series of Notes on the Official List of the Luxembourg Stock Exchange and for trading on the Euro MTF market of the Luxembourg Stock Exchange (the "Euro MTF").

So long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and are admitted to trading on the Euro MTF market of that exchange and the rules and regulations of the Luxembourg Stock Exchange so require, the Issuers will publish or make available any notices (including financial notices) to the public in written form at places indicated by announcements to be published in a leading newspaper having a general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or on the website of the Luxembourg Stock Exchange (*www.bourse.lu*) or by any other means considered equivalent by the Luxembourg Stock Exchange.

For so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and are admitted to trading on the Euro MTF and the rules of the Luxembourg Stock Exchange so require, copies of the following documents may be obtained at the specified office of the listing agents in Luxembourg and the registered office of the Issuers during normal business hours on any weekday (Saturdays, Sundays and public holidays excluded):

- the organisational documents of each of the Issuers and each of the Guarantors;
- the financial statements included in this listing circular;
- our most recent audited consolidated financial information, any interim financial information published by us and the most recent audited unconsolidated financial information published by the Issuers;
- the Senior Secured Notes Indenture (which includes the Senior Secured Notes Guarantees and the form of the Senior Secured Notes)
- the Senior Notes Indenture (which includes the Senior Notes Guarantees and the form of the Senior Notes);
- the Intercreditor Agreement; and
- the Security Document, which create the security interests contemplated by the Indentures.

The Issuers have appointed Deutsche Bank Luxembourg S.A. in separate capacities as Luxembourg Listing Agent, Transfer Agent and Registrar, and have appointed Deutsche Bank AG, London Branch as Paying Agent, *inter alia*, to make payments on, when applicable, and register transfers of the Notes. The Issuers reserve the right to change this appointment in accordance with the terms of the relevant Indenture. Application may also be made to the Euro MTF market to have the Notes removed from listing on the Euro MTF market, including if necessary to avoid any new withholding taxes in connection with the listing.

The Issuers accept responsibility for the information contained in this listing circular. The Issuers declare that, having taken all reasonable care to ensure that such is the case, to the best of their knowledge, the information contained in this listing circular is in accordance with the facts and does not omit anything likely to affect its import. This listing circular may only be used for the purposes for which it has been published.

Clearing Information

The Fixed Rate Senior Secured Notes sold pursuant to Regulation S under the U.S. Securities Act and the Fixed Rate Senior Secured Notes sold pursuant to Rule 144A under the U.S. Securities Act have been accepted for clearance and settlement through the facilities of Euroclear and Clearstream under common codes 124851661 and 124851637, respectively. The international securities identification number for the Fixed Rate Senior Secured Notes sold pursuant to Regulation S under the U.S. Securities Act is XS1248516616 and the international securities identification number for the Fixed Rate Senior Secured Notes sold pursuant to Rule 144A under the U.S. Securities Act is XS1248516376.

The Floating Rate Senior Secured Notes sold pursuant to Regulation S under the U.S. Securities Act and the Floating Rate Senior Secured Notes sold pursuant to Rule 144A under the U.S. Securities Act have been accepted for clearance and settlement through the facilities of Euroclear and Clearstream under common codes 124851734 and 124851718, respectively. The international securities identification number for the Floating Rate Senior Secured Notes sold pursuant to Regulation S under the U.S. Securities Act is XS1248517341 and the international securities identification number for the Floating Rate Senior Secured Notes sold pursuant to Rule 144A under the U.S. Securities Act is XS1248517184.

The Senior Notes sold pursuant to Regulation S under the U.S. Securities Act and the Senior Notes sold pursuant to Rule 144A under the U.S. Securities Act have been accepted for clearance and settlement through the facilities of Euroclear and Clearstream under common codes 124851815 and 124851823, respectively. The international securities identification number for the Senior Notes sold pursuant to Regulation S under the U.S. Securities Act is XS1248518158 and the international securities identification number for the Senior Notes sold pursuant to Rule 144A under the U.S. Securities Act is XS1248518232.

Legal Information

Senior Secured Notes Issuer

The Senior Secured Notes Issuer is a public limited company incorporated under the laws of England and Wales on May 28, 2015. The Senior Secured Notes Issuer has a share capital of £50,000 comprised of 50,000 shares with a par value of £1 each, each being fully paid. The Senior Secured Notes Issuer's registered office is at New Look House, Mercery Road, Weymouth, Dorset, DT3 5HJ, United Kingdom. The Senior Secured Notes Issuer is registered with the Companies House of England and Wales under registration number 9613066. The Senior Secured Notes Issuer is a Finance subsidiary of the Company and has no operating activities or subsidiaries of its own.

The Senior Secured Notes Issuer has been formed to engage in the granting of loans or other forms of financing, as well as the borrowing, raising and securing payment of money through the issuance of notes and other debt instruments.

The Senior Secured Notes Issuer has obtained all necessary consents, approvals and authorisations in the jurisdiction of its incorporation in connection with the issuance and performance of the Notes. The creation and issuance of the Notes was authorised by the Senior Secured Notes Issuer's board of directors on June 5, 2015 and June 12, 2015.

Senior Notes Issuer

The Senior Notes Issuer is a public limited company incorporated under the laws of England and Wales on May 28, 2015. The Senior Notes Issuer has a share capital of £50,000 comprised of 50,000 shares with a par value of £1 nominal value each, each being fully paid. The Senior Notes Issuer's registered office is at New Look House, Mercery Road, Weymouth, Dorset, DT3 5HJ United Kingdom. The Senior Notes Issuer is registered with the Companies House of England and Wales under registration number 9612440. The Senior Notes Issuer is a Finance subsidiary of the Company and has no operating activities or subsidiaries of its own.

The Senior Notes Issuer has been formed to engage in the granting of loans or other forms of financing, as well as the borrowing, raising and securing payment of money through the issuance of notes and other debt instruments.

The Senior Notes Issuer has obtained all necessary consents, approvals and authorisations in the jurisdiction of its incorporation in connection with the issuance and performance of the Notes. The creation and issuance of the Notes was authorised by the Senior Notes Issuer's board of directors on June 5, 2015 and June 12, 2015.

Guarantors

The companies, other than the Issuers, that are Guarantors have the following corporate information:

a) Hamperwood Limited is a private limited company with an issued share capital of £79,203.32 comprised of 792,033,166 ordinary shares of £0.0001 nominal value each. Hamperwood Limited was incorporated on January 14, 2004 and is registered at New Look House, Mercery Road, Weymouth, Dorset, DT3 5HJ, United Kingdom. Hamperwood Limited is registered with the Companies House of England and Wales with registered number 05014765 is a direct wholly-owned subsidiary of the Company and is a holding company operating in the retail sector.

b) The Company is a private limited company with an issued share capital of £83,621.94 comprised of 836,219,374 ordinary shares of £0.0001 nominal value each. The Company was incorporated on March 26, 2013 and is registered at New Look House, Mercery Road, Weymouth, Dorset, DT3 5HJ, United Kingdom. The Company is registered with the Companies House of England and Wales with registered number 8462233 and is a holding company operating in the retail sector. The Company has no convertible debt securities, exchangeable debt securities or debt securities with warrants attached outstanding.

c) New Look Group Limited is a private limited company with an issued share capital of £7,326.14 comprised of 73,261,378 ordinary shares of £0.0001 nominal value each. New Look Group Limited was incorporated

on October 13, 1995 and is registered at New Look House, Mercery Road, Weymouth, Dorset, DT3 5HJ, United Kingdom. New Look Group Limited is registered with the Companies House of England and Wales with registered number 03113468 is an indirect wholly-owned subsidiary of the Company and is a holding company operating in the retail sector.

d) New Look Limited is a private limited company with an issued share capital of £379,639.20 comprised of 7,592,784 ordinary shares of £0.05 nominal value each. New Look Limited was incorporated on March 5, 1986 and is registered at New Look House, Mercery Road, Weymouth, Dorset, DT3 5HJ, United Kingdom. New Look Limited is registered with the Companies House of England and Wales with registered number 01996366 is an indirect wholly-owned subsidiary of the Company and is a holding company operating in the retail sector.

e) New Look Overseas Limited is a private limited company with an issued share capital of £23,916.71 divided into 1,000 ordinary shares of £1.00 nominal value each and 2,291,671 Irredeemable Preference shares of £0.01 nominal value each. New Look Overseas Limited was incorporated on November 17, 1986 and is registered at New Look House, Mercery Road, Weymouth, Dorset, DT3 5HJ, United Kingdom. New Look Overseas Limited is registered with the Companies House of England and Wales with registered number 02074839 is an indirect wholly-owned subsidiary of the Company and is a holding company operating in the retail sector.

f) New Look Retailers Limited is a private limited company with an issued share capital of £1,000.00 comprised of 1,000 ordinary shares of £1.00 nominal value each. New Look Retailers Limited was incorporated on March 1, 1982 and is registered at New Look House, Mercery Road, Weymouth, Dorset, DT3 5HJ, United Kingdom. New Look Retailers Limited is registered with the Companies House of England and Wales with registered number 01618428 is an indirect wholly-owned subsidiary of the Company and is a holding company operating in the retail sector.

General Information

Except as disclosed in this listing circular:

- there has been no material adverse change in the prospects of NLRGL since March 28, 2015, the date of its last unaudited condensed consolidated financial information;
- there has been no material adverse change in the Issuers' financial positions since their respective dates of incorporation; and
- neither NLRGL, the Issuers, nor any of NLRGL's other direct or indirect subsidiaries has been involved in any litigation, administrative proceeding or arbitration relating to claims or amounts which are material in the context of the issuance of the Notes, and, so far as we are aware, no such litigation, administrative proceeding or arbitration is pending or threatened.

For the avoidance of doubt, any website referred to in this listing circular and the information on the referenced website does not form part of this listing circular prepared in connection with the listing of the Notes.

Material Contracts

Contracts not entered into in the ordinary course of the Issuers' businesses that could result in any member of the Group being under an obligation or entitlement that is material to such Issuer's ability to meet its obligations to Noteholders in respect of the Notes are summarised in "*Related Party Transactions*," "*Description of the Senior Secured Notes*," "*Description of the Senior Notes*" and "*Description of Other Indebtedness*."

INDEX TO FINANCIAL STATEMENTS

	Page
New Look Retail Group Limited consolidated financial statements as at and for the 52 week period ended March 28, 2015	
Independent Auditors' Report	F-2
Consolidated Income Statement	F-4
Consolidated Statement of Comprehensive Income	F-5
Consolidated Balance Sheet	F-6
Consolidated Statement of Changes in Equity	F-7
Consolidated Statement of Cash Flows	F-8
Notes to the Group Financial Statements	F-9
New Look Retail Group Limited consolidated financial statements as at and for the 52 week period ended March 29, 2014	
Independent auditors' report	F-68
Consolidated income statement	F-70
Consolidated statement of comprehensive income	F-71
Consolidated balance sheet	F-72
Consolidated statement of changes in equity	F-73
Consolidated statement of cash flows	F-74
Notes to the Group financial statements	F-75
New Look Retail Group Limited consolidated financial statements as at and for the 53 week period ended March 30, 2013	
Independent auditors' report	F-129
Consolidated income statement	F-131
Consolidated statement of comprehensive income	F-132
Consolidated balance sheet	F-133
Consolidated statement of changes in equity	F-134
Consolidated statement of cash flows	F-135
Notes to the Group financial statements	F-136
New Look Retail Group Limited unconsolidated financial statements as at and for the 52 week period ended March 28, 2015	
Independent auditors' report	F-187
New Look Retail Group Limited balance sheet	F-189
Notes to New Look Retail Group Limited's financial statements	F-190
New Look Retail Group Limited unconsolidated financial statements as at and for the 52 week period ended March 29, 2014	
Independent auditors' report	F-198
New Look Retail Group Limited balance sheet	F-200
Notes to New Look Retail Group Limited's financial statements	F-201
New Look Retail Group Limited unconsolidated financial statements as at and for the 53 week period ended March 30, 2013	
Independent auditors' report	F-207
New Look Retail Group Limited balance sheet	F-209
Notes to New Look Retail Group Limited's financial statements	F-210
New Look Finance Limited unconsolidated financial statements as at and for the 52 week period ended March 29, 2014	
Strategic Report	F-219
Director's Report	F-221
Independent auditor's report	F-223
New Look Finance Limited profit and loss account	F-225
New Look Finance Limited balance sheet	F-226
Notes to New Look Finance Limited's financial statements	F-227
New Look Secured Issuer plc balance sheet as of May 28, 2015	F-233
New Look Senior Issuer plc balance sheet as of May 28, 2015	F-234

Financial statements

Independent Auditors' Report to the Members of New Look Retail Group Limited

Report on the Group financial statements

Our opinion

In our opinion, New Look Retail Group Limited's group financial statements (the "financial statements"):

- give a true and fair view of the state of the Group's affairs as at 28 March 2015 and of its profit and cash flows for the 52 week period (the "period") then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

New Look Retail Group Limited's financial statements comprise:

- the Consolidated Balance Sheet as at 28 March 2015;
- the Consolidated Income Statement and Consolidated Statement of Comprehensive Income for the period then ended;
- the Consolidated Statement of Changes in Equity for the period then ended;
- the Consolidated Statement of Cash Flows for the period then ended; and
- the Notes to the Group Financial Statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and IFRSs as adopted by the European Union.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion, we have not received all the information and explanations we require for our audit. We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 65, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the group's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report and Accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Other matter

We have reported separately on the Company financial statements of New Look Retail Group Limited for the 52 week period ended 28 March 2015.

Rosemary Shapland

Rosemary Shapland
(Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors,
Southampton

22 May 2015

New Look Retail Group Limited
Consolidated Income Statement

	Notes	For the financial periods: 52 weeks ended 28 March 2015 £m	52 weeks ended 29 March 2014 Restated £m
Continuing operations			
Revenue	5, 6	**1,414.5**	1,368.0
Cost of sales		**(668.7)**	(645.9)
Gross profit		**745.8**	722.1
Administrative expenses		**(596.9)**	(585.2)
Operating profit	7	**148.9**	136.9
Finance income	9	**16.8**	7.7
Finance expense	9	**(115.0)**	(123.5)
Share of post tax loss from joint venture	15	**(0.1)**	(0.4)
Profit before taxation		**50.6**	20.7
Taxation	11	**(1.6)**	(7.2)
Profit from continuing operations		**49.0**	13.5
Discontinued operations			
Profit/(loss) from discontinued operations	17	**3.9**	(67.1)
Profit/(loss) attributable to the owners of New Look Retail Group Limited	34	**52.9**	(53.6)

The notes on pages F-9 to F-67 are an integral part of these consolidated financial statements.

New Look Retail Group Limited
Consolidated Statement of Comprehensive Income

	Notes	For the financial periods: 52 weeks ended 28 March 2015 £m	52 weeks ended 29 March 2014 £m
Profit/(loss) for the financial period		**52.9**	(53.6)
Other comprehensive income/(expense):			
Items that will not be reclassified to profit or loss:			
Actuarial gain on post-employment benefit obligations	36	**0.1**	—
Items that may be subsequently reclassified to profit or loss:			
Cash flow hedges	27, 34	**38.0**	(28.2)
Exchange differences on translation of foreign operations	34	**(7.0)**	(2.4)
Tax on currency translation differences	11, 34	**—**	0.3
Tax on cash flow hedges	11, 34	**(8.2)**	6.6
Items that have been reclassified to profit or loss:			
Disposal of discontinued operations	34	**1.7**	—
Other comprehensive income/(expense) for the period, net of tax		**24.6**	(23.7)
Total comprehensive income/(expense) for the period		**77.5**	(77.3)

The income tax relating to each component of other comprehensive income is disclosed in note 11.

The notes on pages F-9 to F-67 are an integral part of these consolidated financial statements.

Underlying operating profit is calculated as follows:

	Notes	For the financial periods: 52 weeks ended 28 March 2015 £m	52 weeks ended 29 March 2014 Restated £m
Continuing operations			
Operating profit		**148.9**	136.9
Add back/(deduct):			
Exceptional items	10	**6.8**	(7.0)
Share based payment (credit)/expense	32	**(3.2)**	6.3
Fair value movement of financial instruments	27	**(2.1)**	3.2
Impairment charge of tangible and intangible assets	13, 14	**7.0**	—
Onerous lease (credit)/charge		**(4.2)**	1.6
Underlying operating profit from continuing operations	5	**153.2**	141.0
Discontinued operations			
Operating loss	17	**(2.7)**	(75.7)
Add back/(deduct):			
Operating exceptional items	10	**(0.6)**	9.7
Impairment charge of tangible and intangible assets	13, 14	**0.1**	55.1
Onerous lease (credit)/charge		**(0.6)**	0.8
Underlying operating loss from discontinued operations	5	**(3.8)**	(10.1)
Group underlying operating profit	5	**149.4**	130.9

New Look Retail Group Limited
Consolidated Balance Sheet

	Notes	As at 28 March 2015 £m	As at 29 March 2014 £m
Non-current assets			
Property, plant and equipment	13	**136.9**	149.6
Intangible assets	14	**695.6**	703.0
Available for sale financial assets	18	**—**	0.3
Other receivables	20	**19.5**	27.4
Derivative financial instruments	21	**5.4**	—
Deferred income tax assets	11	**21.4**	27.0
		878.8	907.3
Current assets			
Inventories	19	**148.2**	138.1
Trade and other receivables	20	**80.0**	64.6
Income tax assets		**2.9**	—
Derivative financial instruments	21	**24.5**	0.3
Cash and cash equivalents	22	**127.1**	111.1
		382.7	314.1
Total assets		**1,261.5**	1,221.4
Current liabilities			
Trade and other payables	23	**(265.2)**	(255.4)
Derivative financial instruments	25	**(0.7)**	(17.2)
Provisions	30	**(2.1)**	(4.4)
Income tax liabilities		**—**	(9.0)
		(268.0)	(286.0)
Non-current liabilities			
Deferred income and other payables	23	**(70.1)**	(86.5)
Financial liabilities	24	**(1,165.0)**	(1,156.9)
Derivative financial instruments	25	**(0.1)**	(11.8)
Provisions	30	**(4.8)**	(10.4)
Deferred income tax liabilities	11	**(66.7)**	(61.1)
		(1,306.7)	(1,326.7)
Total liabilities		**(1,574.7)**	(1,612.7)
Net liabilities		**(313.2)**	(391.3)
Equity attributable to the owners of New Look Retail Group Limited			
Share capital	33	**10.4**	10.4
Share premium	33	**0.6**	0.6
Treasury shares	33	**(23.2)**	(23.3)
Other reserves	34	**19.7**	(4.8)
Reverse acquisition reserve	34	**(285.3)**	(285.3)
Accumulated losses	34	**(35.4)**	(88.9)
Total equity		**(313.2)**	(391.3)

The notes on pages F-9 to F-67 are an integral part of these consolidated financial statements.

The financial statements on pages F-4 to F-67 were authorised for issue by the Board of Directors on 22 May 2015 and were signed on its behalf by:

Anders Kristiansen
Chief Executive Officer

New Look Retail Group Limited
Registration number: 05810406

New Look Retail Group Limited
Consolidated Statement of Changes in Equity

	Notes	Attributable to the shareholders of New Look Retail Group Limited					
		Share capital £m	Share premium £m	Treasury shares £m	Other reserves £m	Accumulated losses £m	Total equity £m
Balance at 30 March 2013	33,34	10.4	0.6	(21.9)	(266.4)	(36.6)	(313.9)
Comprehensive expense							
Loss for the financial period	34	—	—	—	—	(53.6)	(53.6)
Other comprehensive income and expense							
Exchange differences on translation of foreign companies	34	—	—	—	(2.4)	—	(2.4)
Movements in hedged financial instruments	34	—	—	—	(28.2)	—	(28.2)
Tax on items recognised directly in equity	11	—	—	—	6.9	—	6.9
Total other comprehensive income and expense		—	—	—	(23.7)	—	(23.7)
Total comprehensive expense		—	—	—	(23.7)	(53.6)	(77.3)
Transactions with owners:							
Employee share option scheme: – value of employee services	34	—	—	—	—	(0.1)	(0.1)
Purchase of treasury shares	33	—	—	(1.4)	—	1.4	—
Total transactions with owners		—	—	(1.4)	—	1.3	(0.1)
Balance at 29 March 2014	33, 34	10.4	0.6	(23.3)	(290.1)	(88.9)	(391.3)
Comprehensive income							
Profit for the financial period	34	—	—	—	—	52.9	52.9
Other comprehensive income and expense							
Exchange differences on translation of foreign companies	34	—	—	—	(7.0)	—	(7.0)
Movements in hedged financial instruments	34	—	—	—	38.0	—	38.0
Tax on items recognised directly in equity	11	—	—	—	(8.2)	—	(8.2)
Actuarial gain on post-employment benefit obligations	36	—	—	—	—	0.1	0.1
Disposal of discontinued operations	11, 34	—	—	—	1.7	—	1.7
Total other comprehensive income and expense		—	—	—	24.5	0.1	24.6
Total comprehensive income		—	—	—	24.5	53.0	77.5
Transactions with owners:							
Employee share option scheme: – value of employee services	34	—	—	—	—	0.2	0.2
Purchase of treasury shares	33	—	—	(0.3)	—	0.3	—
Disposal of treasury shares		—	—	0.4	—	—	0.4
Total transactions with owners		—	—	0.1	—	0.5	0.6
Balance at 28 March 2015	33, 34	10.4	0.6	(23.2)	(265.6)	(35.4)	(313.2)

The notes on pages F-9 to F-67 are an integral part of these consolidated financial statements.

New Look Retail Group Limited
Consolidated Statement of Cash Flows

	Notes	For the financial periods 52 weeks ended 28 March 2015 £m	52 weeks ended 29 March 2014 £m
Cash flows from operating activities			
Operating profit		**148.9**	136.9
Depreciation of property, plant and equipment		**48.0**	53.3
Impairment of property, plant and equipment		**4.7**	(0.6)
Amortisation and impairment of intangible assets		**13.5**	10.5
Write back of impairment loss on investment in joint venture		**(0.1)**	(0.1)
Loss / (gain) on disposal of property, plant and equipment and intangible assets		**0.1**	(9.0)
Net gain on acquisition of foreign subsidiary		**(0.6)**	(2.9)
Share based payment (credit) / expense		**(3.2)**	6.3
Fair value (gains) / losses on financial instruments		**(2.1)**	3.2
Foreign exchange losses on operating activities		**1.4**	1.2
Amortisation of lease inducements		**(11.9)**	(11.5)
(Increase) / decrease in inventories		**(27.8)**	1.4
(Increase) / decrease in trade and other receivables		**(12.3)**	2.4
Increase / (decrease) in trade and other payables		**40.1**	(10.1)
Decrease in provisions		**(6.3)**	(1.4)
Income taxes paid		**(10.3)**	(5.4)
Disposal of treasury shares		**0.4**	—
Purchase of treasury shares		**(0.3)**	(1.4)
Net cash flow from operating activities (continuing operations)		**182.2**	172.8
Net cash flow from operating activities (discontinued operations)		**(4.7)**	1.6
Cash flows from investing activities			
Purchase of property, plant and equipment		**(42.6)**	(39.3)
Purchase of intangible assets		**(17.7)**	(9.6)
Proceeds from sale of property, plant and equipment		**—**	16.2
Proceeds from disposal of subsidiaries		**14.2**	—
Acquisition of foreign subsidiary (net of cash acquired)		**0.6**	(0.1)
Net cash flow from investing activities (continuing operations)		**(45.5)**	(32.8)
Net cash flow from investing activities (discontinued operations)		**(4.3)**	(3.8)
Cash flows from financing activities			
Interest paid		**(70.2)**	(48.6)
Interest received		**0.3**	0.4
Repayment of borrowings		**(37.6)**	(880.7)
Proceeds from issuance of bonds		**—**	789.9
Net (investment in)/withdrawal from discontinued operations		**(2.7)**	0.5
Net cash flow from financing activities (continuing operations)		**(110.2)**	(138.5)
Net cash flow from financing activities (discontinued operations)		**2.7**	(0.5)
Net increase/(decrease) in cash and cash equivalents	22	**20.2**	(1.2)
Opening cash and cash equivalents	22	**111.1**	113.6
Exchange losses on cash and cash equivalents	22	**(4.2)**	(1.3)
Closing cash and cash equivalents	22	**127.1**	111.1

The notes on pages F-9 to F-67 are an integral part of these consolidated financial statements.

1. Authorisation of financial statements and statement of compliance with IFRSs

The consolidated financial statements of the Group for the 52 weeks ended 28 March 2015 were authorised for issue by the Board of Directors ("the Board") on 22 May 2015 and the balance sheet was signed on the Board's behalf by Anders Kristiansen. New Look Retail Group Limited is a private limited company incorporated and domiciled in England & Wales whose registered office is New Look House, Mercery Road, Weymouth, Dorset, England, DT3 5HJ. The registered number of the company is 05810406.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these Group financial statements are set out below. These policies have been applied consistently to all the periods presented, unless otherwise stated.

2.1 Basis of preparation

The Group financial statements have been prepared on a going concern basis in accordance with International Financing Reporting Standards as adopted for use in the European Union (IFRSs as adopted by the EU), International Financial Reporting Standards Interpretations Committee (IFRSIC) interpretations and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The consolidated financial statements are presented in Pound Sterling and all values are rounded to the nearest million (£m) except where otherwise indicated.

There are no material differences between the results shown in the consolidated income statement and the results prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivatives) at fair value through the income statement.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

On 22 November 2014, the Group fully disposed of Mim SAS, Mim Belgique and SCI Geometry Properties France ("Mim"—part of the International segment) to Main Asia (HK) Limited, an independent company advised by Asia Global (see note 17). The result of the disposal group for the period to the date of disposal has been reported as discontinued operations in the profit for the period. The result of the disposal group for the period ended 29 March 2014 has been reported as discontinued operations in the profit for that period, and as such the results for the period ended 29 March 2014 have been restated.

2.1.1 Going concern

The Directors report that, having reviewed current performance and forecasts, they have a reasonable expectation that the Group has adequate resources to continue its operations for the foreseeable future. For this reason, they have continued to adopt the going concern basis in preparing the financial statements.

2.1.2 Changes in accounting policy and disclosures

a) Standards, amendments and interpretations that were effective in the period and were adopted by the Group in preparing the financial statements.

IAS 32 and IFRS 7 (amendment) 'Financial instruments on asset and liability offsetting'—effective for accounting periods beginning on or after 1 January 2014. The amendment is to the application guidance in IAS 32 that clarifies some of the requirements for offsetting financial assets and financial liabilities on the balance sheet, plus amendments to IFRS 7 to facilitate comparison between those entities that prepare IFRS financial statements to those that prepare financial statements in accordance with US GAAP. This amendment does not have a material impact on the Group's financial statements.

IFRS 10 'Consolidated financial statements'—effective for accounting periods beginning on or after 1 January 2014. This standard builds on the existing concept of control in determining whether an entity should be included within consolidated financial statements. This amendment does not have a material impact on the Group's financial statements.

2. Summary of significant accounting policies (continued)

IFRS 11 'Joint arrangements'—effective for accounting periods beginning on or after 1 January 2014. This standard provides for revised principles on the treatment of joint arrangements by focusing on rights and obligations rather than legal form. This revision does not have a material impact on the Group's financial statements.

IFRS 12 'Disclosure of interest in other entities'—effective for accounting periods beginning on or after 1 January 2014. This standard includes the disclosure requirements for all forms of interest in other entities. This revision does not have a material impact on the Group's financial statements.

IAS 28 (revised) 'Investments in associates and joint ventures'—effective for accounting periods beginning on or after 1 January 2014. This standard requires joint ventures and associates to be equity accounted in accordance with the issue of IFRS 11 'Joint arrangements'. This revision does not have a material impact on the Group's financial statements.

IFRS 10, 11 and 12 (amendments) on transition guidance—effective for accounting periods beginning on or after 1 January 2014. These amendments also provide additional transition relief in IFRSs 10, 11, 12, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. For disclosures related to unconsolidated structured entities, the amendments will remove the requirement to present comparative information for periods before IFRS 12 is first applied. This amendment does not have a material impact on the Group's financial statements.

IAS 36 (amendment) 'Impairment of assets'—effective for accounting periods beginning on or after 1 January 2014. This amendment addresses the disclosure of information about the recoverable amount of impaired assets if the recoverable amount is based on fair value less costs of disposal. Disclosures relating to the recoverable amounts of impaired assets will be included in the Group's financial statements.

IAS 39 (amendment) 'Financial instruments: Recognition and measurement' on novation of derivatives and hedge accounting—effective for accounting periods beginning on or after 1 January 2014. These narrow-scope amendments allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met. This amendment does not have a material impact on the Group's financial statements.

b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Group. The Group is still considering the impact of these changes, but any impact is not expected to be material to the Group's financial statements, unless stated otherwise below. No other existing standards that are not effective are relevant to the Group's operations.

IFRS 9 'Financial instruments' (amendment) on general hedge accounting—effective for accounting periods beginning on or after 1 January 2018. These amendments to IFRS 9, 'Financial instruments', bring into effect a substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the financial statements.

IFRS 9 'Financial instruments' on classification and measurement of financial assets—effective for accounting periods beginning on or after 1 January 2018. This is part of the new standard that will replace IAS 39 and will have two measurement categories for financial assets: amortised cost and fair value.

IFRS 9 'Financial instruments' on classification and measurement of financial liabilities—effective for accounting periods beginning on or after 1 January 2018. This is the addition to IFRS 9 for dealing with financial liabilities and replacing IAS 39.

IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates' (amendments)—effective for accounting periods beginning on or after 1 January 2016. These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 dealing with the sale or contribution of assets between an investor and its associate or joint venture, and clarify the application of the consolidation exception for investment entities and their subsidiaries.

2. Summary of significant accounting policies (continued)

IFRS 11 'Joint arrangements' (amendment) on acquisition of an interest in a joint operation—effective for accounting periods beginning on or after 1 January 2016. This amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business.

IAS 1 'Presentation of financial statements' on the disclosure initiative—effective for accounting periods beginning on or after 1 January 2016. These amendments are as part of the IASB initiative to improve presentation and disclosure in financial reports.

IAS 16 'Property, plant and equipment' and IAS 38 'Intangible Assets', on depreciation and amortisation—effective for accounting periods beginning on or after 1 January 2016. This amendment clarifies the use of revenue-based methods to calculate the depreciation of an asset.

IAS 19 'Employee benefits' (amendment) on defined benefit plans—effective for accounting periods beginning on or after 1 July 2014. These narrow scope amendments apply to contributions from employees or third parties to defined benefit plans to simplify the accounting for contributions that are independent of the number of years of employee service.

IFRS 15 'Revenue from contracts with customers'—effective for accounting periods beginning on or after 1 January 2017. This standard will replace IAS 18 and IAS 11 and is based on a single model that distinguishes between promises to a customer that are satisfied at a point in time and those that are satisfied over time.

IAS 27 'Separate financial statements' (amendment)—effective for accounting periods beginning on or after 1 January 2016. This amendment allows entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.

Annual improvements 2014—effective for accounting periods beginning on or after 1 January 2016.

2.2 Basis of consolidation

The Group financial statements incorporate the financial statements of the Company, its subsidiary undertakings and joint venture. Joint ventures are accounted for using the equity method, see 2.3.

Subsidiaries are all entities over which the Company has control. The Group controls an entity when the Group is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns with its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. Subsidiaries are de-consolidated from the date that control ceases. When the Group ceases to have control, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Acquisitions of subsidiaries by the Group prior to 1 July 2009 have been included in the Group financial statements using the purchase method of accounting that measures the assets and liabilities given, incurred or assumed at their fair value at the acquisition date, plus costs directly attributable to the acquisition. For all acquisitions occurring on or after 1 July 2009, costs relating to the acquisition are expensed.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

Acquisitions which result from a newly created company issuing shares to achieve a business combination are treated as a group reorganisation. When the acquiree has not been combined with any other business and continues to meet the definition of a business then reverse acquisition accounting has been applied.

All intra-group transactions, balances, income and expenses are eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2. Summary of significant accounting policies (continued)

2.3 Interest in joint ventures

The Group applies IFRS 11 to all joint arrangements. Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has an investment in a joint arrangement which is jointly controlled through a separate legal entity. The Group has assessed the nature of its joint arrangement and determined it to be a joint venture. Joint ventures are accounted for using the equity method of accounting.

The investment was initially recorded at cost and adjusted thereafter for the post acquisition changes in the Group's share of net assets less distributions received less any impairment in value. The Group's share of the entity's profit or loss after taxation is included in the consolidated income statement with the Group's share of any income and expense outside profit and loss recognised in the consolidated statement of comprehensive income.

2.4 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents amounts received and receivable for goods and services provided to customers outside the Group, stated net of returns, staff discounts, and value added and other sales taxes.

The Group recognises revenue when the amount of revenue can be measured reliably, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities as described below:

- Sales of goods and concession income are recognised when goods are delivered and title passed. Income from rendering of services is recognised when the services have been performed. Internet sales are recognised when the goods are despatched to the customer. Store card arrangement fees are recognised over the life of the agreement with the store card provider.

- Revenue from concessions is shown on a net basis, being the commission received rather than the gross value achieved by the concessionaire on the sale.

- Rental income in respect of sub-leased stores is recognised on a straight-line basis over the period of the sub-lease.

- Franchise income is received in connection with the franchise of the Group's brand name overseas. Franchise royalty income represents the release of the upfront exclusivity fee that has been spread on a straight-line basis over the term of the agreement.

- Monthly franchise fee income is recognised in accordance with the related underlying trading performance of the franchisee. Monthly income covering the supply of goods to the franchisee is included in the sale of goods.

The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. For example, it is the Group's policy to sell its products to the end customer with a right of return. Accumulated experience is used to estimate and provide for such returns.

2.5 Cost of sales

Cost of sales consists of expenses incurred in bringing products to a saleable position and condition. Such costs principally include purchasing of products from suppliers, packaging, freight and distribution costs.

Also included are volume based performance rebate income from suppliers. These rebates are recognised when a rachet level will be met. The amount of rebate recognised is the proportion of the total rebate due based on actual volumes achieved in the year.

2. Summary of significant accounting policies (continued)

2.6 Finance income and expense

Interest income and expense is accounted for on the accruals basis, by reference to the principal outstanding and the applicable effective interest rate, which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

2.7 Exceptional items

Significant non-recurring items of income and expense are disclosed in the underlying operating profit reconciliation as exceptional items. The separate reporting of exceptional items helps provide an indication of the Group's underlying business performance.

Items which may be classified as exceptional include costs of restructuring and reorganisation of the business (such as redundancies, directly related legal and professional costs, relocation costs and duplicate facility costs), writing down inventories by material amounts to net realisable value, writing down trade and other receivables by material amounts to their recoverable amount, litigation settlements, costs incurred as part of the review of business financing, including abortive costs and refinancing costs not eligible to be treated as debt issue costs, one-off bonus incentives, gains or losses on acquisition or disposal of subsidiaries and directly related legal costs and the subsequent unwinding of acquisition fair value adjustments and gains or losses resulting from the disposal of the Mercery Road, Weymouth site.

2.8 Foreign currencies

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

Transactions in foreign currencies, which are those other than the functional currency of an entity, are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the rates ruling at the balance sheet date. Resulting exchange gains or losses are recognised in the income statement for the period except when deferred in other comprehensive income as qualifying cash flow hedges. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within finance income and finance expense.

Upon consolidation, assets and liabilities of the Group's overseas subsidiary undertakings are translated into Sterling at the rate of exchange ruling at the balance sheet date and income statements are translated at the average exchange rate during the period. Differences on translation are recognised in a separate reserve. On disposal of an overseas subsidiary, the cumulative exchange differences for that subsidiary are recognised in the income statement as part of the profit or loss on disposal.

2.9 Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any provision for impairment in value. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the items will flow to the Group and the cost of the item can be measured reliably and are depreciated over the asset's remaining useful economic life. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Asset Category	Useful life
Freehold buildings	50 years
Fixtures and equipment	3 to 15 years

2. Summary of significant accounting policies (continued)

Depreciation is provided to write down the cost of fixed assets to their estimated residual values, based on current prices at the balance sheet date, over their remaining useful lives on a straight-line basis.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's net carrying amount is written down immediately to its recoverable amount if the asset's net carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the net carrying amount.

2.10 Intangible assets

(a) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisition of subsidiaries is included in 'intangible assets'. Goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate a potential impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units (CGUs) for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose.

(b) Other intangible assets

Intangible assets acquired separately are capitalised at cost and those acquired as part of a business acquisition are capitalised at fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Internally generated intangible assets are capitalised when certain criteria are met in accordance with IAS 38, otherwise this expenditure is charged against income in the year in which it is incurred.

The useful lives of these intangible assets are assessed to be either finite or indefinite. Intangible assets with an indefinite life are not amortised but are subject to an impairment test as described in note 2.11. Where amortisation is charged on assets with finite lives, this expense is taken to the consolidated income statement, on a straight-line basis, through administrative expenses, based on the useful life shown below:

Category	Useful life
Brand	Indefinite
Trademarks and licences	Indefinite
Recoverable leasehold property premiums	Indefinite
Software licences	1 to 5 years

Intangible assets with finite lives are assessed for impairment in accordance with note 2.11.

2.11 Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the net carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows, cash generating units (CGUs) and impairment is tested for groups of CGUs not larger than operating segments which are country sub-groups of each of the Group's brands, in line with internal management reporting.

2. Summary of significant accounting policies (continued)

For non-financial assets other than goodwill, impairment losses are reviewed for possible reversal at each reporting date. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement unless the asset is carried at a revalued amount.

2.12 Financial instruments

(a) Derivative financial instruments

Derivative financial instruments ('derivatives') are used to manage risks arising from changes in foreign currency exchange rates relating to the purchase of overseas sourced products and changes in interest rates relating to the Group's debt. In accordance with its treasury policy, the Group does not enter into derivatives for speculative purposes.

Derivatives falling under the classifications laid out in IAS 39 are stated at fair value in the balance sheet.

The fair value of derivative contracts is their market value at the balance sheet date. Market values are calculated using mathematical models and are based on the duration of the derivative instrument together with quoted market data including interest rates, foreign exchange rates and market volatility at the balance sheet date. The fair value of interest rate contracts is the estimated amount that the Group would receive or pay to terminate them at the balance sheet date, taking into account prevailing interest rates.

(b) Hedge accounting

For the purpose of hedge accounting, hedges are classified as either fair value hedges where they hedge the exposure to changes in the fair value of a recognised asset or liability; or cash flow hedges where they hedge exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a forecast transaction.

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents the assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

For derivatives that are designated and qualify as cash flow hedges, the effective portion of changes in fair value is recognised in other comprehensive income through the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the income statement. Amounts accumulated in equity are reclassified to the income statement in the periods when the hedged item affects profit or loss.

When a cash flow hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in the hedging reserve in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in the hedging reserve in equity is immediately transferred to the income statement for the period.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. If the hedge no longer meets the criteria for hedge accounting, the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged and continues to be accounted for in the manner that was applicable prior to it being hedged.

Changes in the fair value of derivatives which do not qualify for hedge accounting are recognised in the income statement as they arise.

2. Summary of significant accounting policies (continued)

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts. The unrealised gains and losses on embedded derivatives are taken directly to the income statement.

(c) Non-derivative financial instruments

All loans and borrowings are initially recognised at the fair value of the consideration received net of issue costs associated with the borrowing. All deposits are initially recognised at cost.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

Interest costs are expensed in the income statement so as to achieve a constant finance cost as a proportion of the related outstanding borrowings.

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost less any provision for impairment.

A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's net carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate.

Trade payables are initially recognised at fair value and subsequently measured at amortised cost.

The Group's unlisted investments were classified as available for sale and are stated at their historic cost less any impairment. They were previously included in non-current assets since management did not intend to dispose of the investments within 12 months of the balance sheet date. The investment was disposed of as part of the Mim divestment.

2.13 Inventories

Inventories are valued at the lower of cost and net realisable value, using the weighted average cost basis.

Costs include the direct costs (measured at actual cost) incurred in bringing inventories to their current location and condition and an attributable proportion of distribution overheads.

Net realisable value is based on estimated selling price less further costs to be incurred to disposal.

2.14 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, short term deposits with an original maturity of three months or less, and bank overdrafts. In the consolidated balance sheet, bank overdrafts are shown within current financial liabilities.

2.15 Taxation

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are relevant to the financial period.

2. Summary of significant accounting policies (continued)

Deferred tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Group financial statements, with the following exceptions:

Where the temporary difference arises from the initial recognition of goodwill or a non business combination asset or liability;

- In respect of taxable temporary differences associated with investments in subsidiaries and the joint venture, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and

- Deferred tax assets are recognised only to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are offset against each other when there is a legally enforceable right to offset current tax assets against current tax liabilities, when the deferred income taxes relate to income taxes levied by the same tax jurisdiction and when the Group intends to settle its current tax assets and liabilities on a net basis.

Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.16 Employee benefit costs

(a) Pension obligations

The Group accounts for pensions and other post-retirement benefits under IAS 19.

The Group only operates defined contribution pension schemes in the UK and ROI. The Group has no further payment obligations once the contributions have been paid. Payments to defined contribution plans are recognised as an expense when the contributions fall due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

The French subsidiary is subject to a statutory scheme which consists of a single payment at the date of retirement which is classified as a defined benefit plan under IFRS. In respect of this plan, obligations are measured at the discounted present value by a qualified actuary.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in equity in other comprehensive income or expense in the period in which they arise.

(b) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the balance sheet date are discounted to their present value.

2.17 Share based payments

The Group operates a number of share based payment schemes: the Senior Management Scheme, the 2004 Share Scheme, the 2006 Option Plan, the 2008 Share Plan and the 2014 Option Plan. Each scheme features both equity and cash-settled components.

2. Summary of significant accounting policies (continued)

The cost of the equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. Fair value is determined using an IFRS 2 compliant pricing model. The 2006 Option Plan is accounted for as a cash-settled scheme on the basis that employees may exercise their options for cash settlement now that they are fully vested prior to an exit.

At each balance sheet date, the Group revises its estimates of the number of options or shares that are expected to vest. The impact of the revision, if any, is recognised in the income statement with a corresponding adjustment to reserves. For the 2008 Share Plan, in anticipation of a potential exit event, management modified the scheme rules to accelerate all vesting on an exit event. The result of the modification accelerated the recognition of the fair value charge to the income statement during the current financial period.

The Group provides for the expected cost of 'Good Leavers' which are settled in cash by estimating at each balance sheet date the likely amount of 'Good Leavers' until the date when vesting conditions are met. A provision is created on the balance sheet and a corresponding charge is made to the income statement. 'Good Leavers' could arise from redundancy, disability, injury or death. The actual cost of 'Good Leavers' in the period is charged against the provision brought forward.

Under the 2006 Option Plan and the 2008 Share Plan the number of shares that would vest under the 'Good Leaver' provision would be pro-rated to take into account the length of the holding period since the date of the grant and this pro-rated amount of shares would then be cash-settled. Under the Senior Management Scheme and the 2004 Share Scheme the change in equity value from the date of the grant or issue of the shares using an appropriate valuation model is payable to the 'Good Leavers' in cash. Under the 2014 Option Plan, 'Good Leavers' retain vested amounts until exit.

'Other Leavers' under the 2004 Share Scheme and the 2008 Share Plan are entitled to a cash payment. Provision is made for the cash to which Other Leavers are entitled.

2.18 Shares held by the ESOPs

The Employee Share Option Plan Trusts (ESOPs) were set up to allow the issue of shares to Group employees and are consolidated. The shares acquired by the ESOPs are included as treasury shares within capital and reserves at cost. Gains made by the ESOPs on purchasing and selling New Look Retail Group Limited shares are recorded within a separate ESOP reserve.

2.19 Provisions

A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Provisions for restructuring costs are recognised when the Group has a detailed formal plan for the restructuring that has been communicated to affected parties.

2.20 Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards of ownership to the Group. All other leases are classified as operating leases.

Where an arrangement is dependent on the use of a specified asset or assets, or conveys the right to use an asset, it is determined to contain a lease although this may not be its legal form. The lease element of the arrangement is accounted for as either a finance or operating lease.

2. Summary of significant accounting policies (continued)

Rentals payable under operating leases are charged to income on a straight-line basis over the period of the lease. Premiums payable on entering an operating lease are recognised as a prepayment and charged to the income statement on a straight-line basis over the lease term. Rent free periods and lease inducements receivable on entering an operating lease are recognised as deferred income and released to the income statement on a straight-line basis over the lease term. Capital contributions from landlords are reflected as lease incentives in the same way.

Recoverable leasehold property premiums are capitalised on the balance sheet within intangible assets. The assets are not subject to annual amortisation because they are deemed to be recoverable and instead they are subject to annual impairment reviews.

Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and the finance charges. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

2.21 Share capital

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

2.22 Segment reporting

Operating segments by brand and geography are determined in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board.

2.23 Underlying operating profit

In addition to the information required by IFRS and to assist with the understanding of earnings trends, the Group has included within its financial statements a non-IFRS measure referred to as underlying operating profit. Management consider that underlying operating profit reflects the trading performance of the Group. Underlying operating profit is operating profit before exceptional items, share based payment expense or credit, the movements in fair value of financial instruments under IFRS, the impairment charge or write back of tangible and intangible assets and the income statement charge or credit in relation to the onerous lease provision.

3. Treasury and financial risk management

The Group's activities expose it to a variety of financial risks: liquidity risk, market risk (including foreign exchange rate risk and interest rate risk) and credit risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The Group operates a centralised treasury function which is responsible for managing the liquidity, interest and currency risks associated with the Group's activities. As part of its strategy for the management of those risks, the Group uses derivative financial instruments. In accordance with the Group's treasury policy, derivative instruments are not entered into for speculative purposes.

The Group's principal financial instruments, other than derivatives, are cash and short-term deposits, bank overdrafts and loans. The main purpose of these financial instruments is to raise finance for the Group's operations. In addition, the Group has various other financial assets and liabilities such as trade receivables and trade payables arising directly from its operations.

3. Treasury and financial risk management (continued)

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions in order to meet operational needs. Due to the dynamic nature of the underlying businesses, Group treasury maintains certainty of funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Group's liquidity position which comprise an undrawn revolving credit facility of £75.0 million (2014: £75.0 million), an overdraft limit of £5.0 million (2014: £5.0 million) and cash and short-term deposits (note 22) on the basis of expected cash flow.

The Group monitors compliance against all its financial obligations and it is Group policy to manage the performance and position of the Group so as to operate within covenanted restrictions at all times.

Currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Euro and US dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

Foreign currency risk is the risk that the fair value of a financial commitment, recognised financial assets or financial liabilities will fluctuate due to changes in foreign currency rates.

The Group's principal foreign currency exposures arise from the purchase of overseas sourced products. Group policy is to hedge a proportion of these exposures for up to 15 months ahead in order to limit the volatility in the ultimate Sterling cost. This hedging activity involves the use of spot, forward and option contracts. To the extent that the translation of overseas assets is not offset by the effect of translating overseas liabilities, the effects are not currently hedged and are recognised within consolidated reserves.

To manage the foreign exchange risk arising from future commercial transactions and recognised financial assets and financial liabilities, forward contracts, managed by Group treasury, are used.

The periodic effects are determined by relating the hypothetical changes in the risk variables to the balance of financial instruments at the reporting date. It is assumed that the balance at the reporting date is representative for the period as a whole.

During the period to 14 May 2013, debt Tranches B2, B5, C2 and C5 were denominated in Euros before being settled in full as part of the Group refinancing transaction. During the period 14 May 2013 to 28 March 2015, the Group had bond tranches denominated in Euros and US dollars. All other group borrowings were in Sterling.

The Group uses a currency swap to manage the foreign exchange exposure on the US dollar bond to convert the US dollar interest payments and the end of term repayment into Sterling.

During the period ended 28 March 2015, if Sterling had weakened by 5.0% against the Euro with all other variables held constant, post-tax gain (2014: loss) for the period would have been £3.8 million lower (2014: £6.2 million higher), mainly as a result of the translation of Euro denominated bonds partially offset by the translation of Euro cash balances held; post-tax decrease (2014: increase) in shareholders' equity would have been £1.7 million higher (2014: £3.2 million higher) due to the consolidation of net assets and liabilities of foreign subsidiaries with their functional currency as Euro.

During the period ended 28 March 2015, if Sterling had weakened by 5.0% against the US dollar with all other variables held constant, post-tax gain (2014: loss) for the period would have been £2.1 million lower (2014: £1.3 million higher), mainly as a result of revaluation of overseas trade creditors; post-tax increase (2014: decrease) in shareholders' equity would have been £14.7 million (2014: £14.6 million) higher as a result of the movement in forward currency contracts.

3. Treasury and financial risk management (continued)

Interest rate risk

The Group uses interest rate derivatives to manage the cost of its floating rate debt by entering into fixed rate derivatives, so as to reduce exposure to changes in interest rates.

The Group analyses its interest rate exposure on a dynamic basis. Various forecasting is simulated taking into consideration refinancing, alternative financing and hedging. Based on these forecasts, the Group calculates the impact on profit and loss of a defined interest rate shift. For each forecast, the same interest rate shift is used across all currencies. The scenarios are only run for liabilities that represent the major interest-bearing positions. The forecasting is done on a regular basis to verify that the maximum loss potential is within the limit given by management.

Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Since the Group refinancing transaction on 14 May 2013, the Group has hedged 100% of the floating rate exposure. Prior to the refinancing, Group policy was to hedge 50-75% of floating rate exposure.

The Group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps and interest rate caps. This has the economic effect of converting borrowings from floating rates to fixed rates.

Interest rate risks are presented by way of sensitivity analyses in accordance with IFRS 7. These show the effects of changes in market interest rates on interest payments, interest income and expense and other income components.

The interest rate sensitivity analyses are based on the following assumptions:

- In the case of fair value hedges designed for hedging interest rate risk, the changes in the fair value of the hedged item and the hedging instrument attributable to interest rate movements balance out almost completely in the income statement in the same period. As a consequence, these financial instruments are not exposed to interest rate risk.
- Certain financial instruments are designated as hedging instruments in a cash flow hedge to hedge payment fluctuations resulting from interest rate movements. Changes in the market interest rate affect the hedging reserve in shareholders' equity and are therefore taken into consideration in the equity-related sensitivity calculations.
- Changes in the market interest rate of interest rate derivatives affect other financial income or expense and are therefore taken into consideration in the income-related sensitivity calculations.
- Currency derivatives are not exposed to interest rate risks and are therefore not included in the interest rate sensitivity calculations.

During the period ended 28 March 2015, if interest rates on cash and cash equivalent deposit balances had been 100 basis points higher (2014: 100 bp) with all other variables held constant, post-tax gain (2014: loss) for the period would have been £0.5 million higher (2014: £0.4 million lower), mainly as a result of an increase in interest income on floating rate deposits; post-tax movement in equity would be unaffected (2014: £0.6 million higher) as a result of no movement in cash flow hedges.

During the period ended 28 March 2015, if interest rates on Euro denominated borrowings had been 100 basis points higher (2014: 100 bp) with all other variables held constant, post-tax gain (2014: loss) for the period would have been unaffected (2014: unaffected) due to the equal and opposite offset of the interest rate swaps held to convert the floating rate interest to fixed rate interest.

Credit risk

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions. If wholesale customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the

3. Treasury and financial risk management (continued)

credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards.

The credit ratings of banks with which the Group has investments of cash surpluses, borrowings or derivative financial instruments are reviewed regularly by management. Each bank is assessed individually with reference to the credit it holds and deposit limits are set, which are approved by the Board and reconsidered if the Fitch, Moody or S&P credit rating falls below an "A" rating.

Receivable balances are monitored on an on-going basis and provision is made for estimated irrecoverable amounts.

Capital risk management

The Group's principal objective when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholders and benefits for stakeholders.

The Group had debt covenants imposed by its lenders to be achieved in order to maintain the level of borrowings. Covenant tests were carried out quarterly and at the end of each financial period. There were no breaches of the covenants up to the date on which the Group refinanced.

As a result of the refinancing on 14 May 2013, the quarterly debt covenant reporting requirements were ceased. New covenant measures commenced on 30 June 2014. There were no breaches of the new covenants up to 28 March 2015. For further details on the refinancing transaction see note 29.

The Group must ensure sufficient capital resources are available for working capital requirements and meeting principal and interest payment obligations as they fall due.

As at 28 March 2015, net debt was £1,037.9 million (2014: £1,045.8 million), see note 28.

4. Critical accounting estimates, judgements and assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below:

(a) Estimated impairment of intangible assets with indefinite lives

The Group tests whether intangible assets with indefinite lives have suffered any impairment in accordance with the accounting policy stated in note 2.11. The recoverable amounts of cash-generating units have been determined based on the higher of value in use or fair value less cost to sell. These calculations require the use of estimates as detailed in note 14.

(b) Estimated impairment of intangible assets with finite lives

The Group tests whether tangible or intangible assets with finite lives have suffered any impairment in accordance with the accounting policy in note 2.11. The recoverable amounts or cash-generating units have been determined based on the higher of value in use or fair value less costs to sell. These calculations require the use of estimates as detailed in note 14.

4. Critical accounting estimates, judgements and assumptions (continued)

(c) Income taxes

The Group is subject to income taxes in numerous jurisdictions. At each financial period end, judgement is required in determining the Group provision for income taxes. There are some transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax issues based on the best estimates of whether additional taxes will be due at the balance sheet date. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which such determination is made, as presented in note 11.

(d) Share based payments

The share based payment expense or income is recognised in each period as it is incurred, based on a fair value model, and estimates of the likely future cash payments to Good Leavers. The key assumptions of this model for each scheme are presented in note 32.

(e) Estimated useful life of intangibles, property, plant and equipment

The Group estimates the useful life and residual values of intangible assets, property, plant and equipment and reviews these estimates at each financial period end. The Group also tests for impairment when a trigger event occurs, or annually as appropriate.

(f) Onerous lease provisions

When a property ceases to be used for the purposes of the business, a provision is made to the extent that the recoverable amount of the interest in the property is expected to be insufficient to cover the future obligations relating to the lease. Where possible, the property is subleased at the prevailing rent.

A provision is also booked on loss making stores where the discounted future cash flows are not expected to cover future payments under the lease contract. The key assumptions to these provisions are the estimated future cash flows and applied discount rates.

(g) Impairment of financial assets

The Group follows the guidance of IAS 39 to determine when a financial asset is impaired. This determination requires significant judgement. In making this judgement, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

(h) Inventory provisions

The Group estimates a slow moving inventory provision based on prior movements and current market conditions.

(i) Exceptional items

The Group applies judgement in identifying the significant non-recurring items of income and expense that are recognised as exceptional to help provide an indication of the Group's underlying business performance. See note 2.7 for a description of exceptional items.

5. Segment information

Management has determined the operating segments based on the reports reviewed by the Board that are used to make strategic decisions.

5. Segment information (continued)

The Board considers the business from both a New Look brand and geographic perspective. Geographically, management considers the performance of the UK (UK Retail and E-commerce) and International (all other streams).

The reportable segments derive their revenue primarily from the sale of retail goods and gross concession sales. New Look brand & UK segments include rental income and store card income.

The Board assesses the performance of the operating segments based on revenue grossed up to include the sales of store concessions ('segmental gross transactional value') and on a measure of underlying operating profit (see definition in note 2.23). This measurement basis excludes the effects of exceptional items, share-based payments, unrealised gains/losses on financial instruments, the impairment charge or write back of tangible and intangible assets and the income statement charge or credit in relation to the onerous lease provision. Interest income and expenditure are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Group. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

The segment information provided to the Board for the reportable segments by brand and by geographic segment, is as follows:

	For the financial periods	
	52 weeks ended 28 March 2015 £m	52 weeks ended 29 March 2014 Restated £m
External revenue		
Continuing operations		
New Look brand		
—UK Retail	**1,048.4**	1,034.3
—E-commerce	**200.7**	149.8
—International	**149.1**	152.6
—Franchise	**46.1**	59.9
Total New Look brand	**1,444.3**	1,396.6
Adjustment to state concession income on a net basis for statutory reporting purposes	**(29.8)**	(28.6)
Total external revenue from continuing operations	**1,414.5**	1368.0
Discontinued operations		
Mim brand—owned stores	**98.0**	160.8
Total Group external revenue	**1,512.5**	1,528.8

	For the financial periods	
	52 weeks ended 28 March 2015 £m	52 weeks ended 29 March 2014 Restated £m
External revenue		
Continuing operations		
UK	**1,249.1**	1,184.1
International	**195.2**	212.5
Segmental gross transactional value	**1,444.3**	1,396.6
Adjustment to state concession income on a net basis for statutory reporting purposes	**(29.8)**	(28.6)
Total external revenue from continuing operations	**1,414.5**	1,368.0
Discontinued operations		
International	**98.0**	160.8
Total Group external revenue	**1,512.5**	1,528.8

5. Segment information (continued)

The revenue from external parties reported to the Board is measured in a manner consistent with that in the income statement except for the gross up of store concessions sales.

	For the financial periods	
	52 weeks ended 28 March 2015 £m	52 weeks ended 29 March 2014 Restated £m
Underlying operating profit		
Continuing operations		
New Look brand		
—UK Retail	**110.6**	97.3
—E-commerce	**45.3**	35.2
—International	**(9.5)**	1.0
—Franchise	**6.8**	7.5
Total underlying operating profit from continuing operations	**153.2**	141.0
Discontinued operations		
Mim brand—owned stores	**(3.8)**	(10.1)
Total Group underlying operating profit	**149.4**	130.9

	For the financial periods	
	52 weeks ended 28 March 2015 £m	52 weeks ended 29 March 2014 Restated £m
Underlying operating profit		
Continuing operations		
UK	**155.9**	132.5
International	**(2.7)**	8.5
Total underlying operating profit from continuing operations	**153.2**	141.0
Discontinued operations		
International	**(3.8)**	(10.1)
Total Group underlying operating profit	**149.4**	130.9

Underlying operating profit is defined in note 2.23 and is reconciled to operating profit on page F-5.

	For the financial periods	
	52 weeks ended 28 March 2015 £m	52 weeks ended 29 March 2014 Restated £m
Capital expenditure		
Continuing operations		
New Look brand		
—UK Retail	**50.4**	44.2
—E-commerce	**3.3**	2.5
—International	**8.1**	7.5
—Franchise	**—**	—
Total capital expenditure from continuing operations	**61.8**	54.2
Discontinued operations		
Mim brand—owned stores	**1.6**	4.3
Total Group capital expenditure	**63.4**	58.5

5. Segment information (continued)

	For the financial periods	
	52 weeks ended 28 March 2015 £m	52 weeks ended 29 March 2014 Restated £m
Capital expenditure		
Continuing operations		
UK	**53.7**	46.7
International	**8.1**	7.5
Total capital expenditure from continuing operations	**61.8**	54.2
Discontinued operations		
International	**1.6**	4.3
Total Group capital expenditure	**63.4**	58.5

	For the financial periods	
	52 weeks ended 28 March 2015 £m	52 weeks ended 29 March 2014 Restated £m
Depreciation and amortisation		
Continuing operations		
New Look brand		
—UK Retail	**47.5**	52.2
—E-commerce	**4.5**	4.7
—International	**7.2**	6.3
—Franchise	**—**	—
Total depreciation and amortisation from continuing operations	**59.2**	63.2
Discontinued operations		
Mim brand—owned stores	**0.6**	6.1
Total Group depreciation and amortisation	**59.8**	69.3

	For the financial periods	
	52 weeks ended 28 March 2015 £m	52 weeks ended 29 March 2014 Restated £m
Depreciation and amortisation		
Continuing operations		
UK	**52.0**	56.9
International	**7.2**	6.3
Total depreciation and amortisation from continuing operations	**59.2**	63.2
Discontinued operations		
International	**0.6**	6.1
Total Group depreciation and amortisation	**59.8**	69.3

5. Segment information (continued)

Analyses of the Group's external revenues (by customer location) and non-current assets (excluding investments, deferred tax assets and other financial assets) by geographical location are detailed below:

	For the financial periods	
	52 weeks ended 28 March 2015 £m	52 weeks ended 29 March 2014 Restated £m
External revenue		
Continuing operations		
United Kingdom	**1,199.6**	1,142.5
France	**59.4**	67.9
Rest of Europe	**106.3**	113.0
Middle East	**33.0**	35.3
Rest of World	**16.2**	9.3
Total external revenue from continuing operations	**1,414.5**	1,368.0
Discontinued operations		
France	**96.9**	158.6
Rest of Europe	**1.1**	2.2
Total Group external revenue	**1,512.5**	1,528.8

	For the financial periods	
	52 weeks ended 28 March 2015 £m	52 weeks ended 29 March 2014 Restated £m
Non-current assets		
United Kingdom	**805.1**	772.0
France	**17.7**	74.1
Rest of Europe	**26.6**	33.1
Rest of World	**2.6**	0.8
	852.0	880.0

6. Revenue

	For the financial periods	
	52 weeks ended 28 March 2015 £m	52 weeks ended 29 March 2014 Restated £m
Continuing operations		
Sale of goods	**1,389.3**	1,344.2
Rental income	**1.6**	1.8
Store card arrangement fees	**2.7**	2.8
Franchise royalty income	**0.4**	0.4
Concession income (net)	**20.5**	18.8
Total external revenue from continuing operations	**1,414.5**	1,368.0
Discontinued operations		
Sale of goods	**98.0**	160.8
Total Group external revenue	**1,512.5**	1,528.8

Included within rental income is contingent rent of £0.5 million (2014: £0.5 million).

7. Operating profit

	For the financial periods	
	52 weeks ended 28 March 2015 £m	52 weeks ended 29 March 2014 Restated £m
Group operating profit from continuing operations is stated after charging/(crediting):		
Staff costs (note 8a)	**192.6**	196.7
Depreciation of property, plant and equipment	**48.0**	53.3
Impairment loss/(reversal) of property, plant and equipment	**4.7**	(0.6)
Amortisation of intangible assets	**11.2**	9.9
Impairment loss of intangible assets	**2.3**	0.6
Impairment reversal of investment in joint venture	**(0.1)**	(0.1)
Amortisation of lease incentives	**(6.6)**	(6.3)
Gain on disposal of property, plant and equipment	**—**	(9.5)
Loss on disposal of intangible assets	**0.1**	0.5
Operating lease charges:		
—Minimum lease payments	**160.5**	156.7
—Contingent rent payments	**—**	0.2
Net foreign exchange differences	**3.8**	(1.9)
Cost of inventories recognised as an expense through cost of sales	**572.6**	566.0
Write down of inventories to net realisable value through cost of sales	**23.4**	14.9
Auditors' remuneration:		
Fees payable to the company's auditor for the audit of the Group and parent company	**0.3**	0.2
Fees payable to the company's auditor and its associates for other services:		
—The audit of the company's subsidiaries pursuant to legislation	**0.3**	0.2
—Tax compliance services	**0.1**	0.1
—Tax advisory services	**0.3**	0.6
—Other assurance services	**0.8**	0.3
—All other services	**0.5**	0.8

Included in auditors' remuneration are out of pocket expenses paid to Group auditors.

8a. Staff costs

	For the financial periods	
	52 weeks ended 28 March 2015 £m	52 weeks ended 29 March 2014 Restated £m
Continuing operations		
Wages and salaries	**179.9**	174.0
Social security costs	**14.0**	13.9
Other pension costs (note 36)	**2.2**	2.5
	196.1	190.4
Share based payment (credit)/expense (note 32)	**(3.2)**	6.3
	192.9	196.7
Discontinued operations		
Staff costs	**23.8**	38.2
	216.7	234.9

In addition to the above, costs relating to temporary and contract staff of continuing operations totaled £9.0 million (2014: £5.4 million). Costs relating to temporary and contract staff of discontinued operations totaled £nil (2014: £0.9 million).

8a. Staff costs (continued)

The average monthly number of employees of the Group (including Directors) during the period was:

	For the financial periods	
	52 weeks ended 28 March 2015 Number	52 weeks ended 29 March 2014 Restated Number
Continuing operations		
Administration and distribution	**2,451**	2,332
Retailing	**15,429**	15,917
	17,880	18,249
Discontinued operations		
Average monthly number of employees*	**1,783**	1,824

* Average over 8 months

If the number of part-time hours were converted on the basis of a full working week, the equivalent average number of full-time employees for continuing operations would be 8,925 (2014: 9,160), and for discontinued operations would be 1,507 (2014: 1,533).

Compensation for key management personnel

The compensation for key management personnel, including the Directors, was as follows:

	For the financial periods	
	52 weeks ended 28 March 2015 £m	52 weeks ended 29 March 2014 £m
Short term employee benefits	**1.9**	5.1
Termination benefits	**0.2**	0.2
Post-employment benefits	**0.1**	0.1
Aggregate gains made by Directors on the sale of shares	**0.3**	1.0
	2.5	6.4

Retirement benefits are accruing to two members of key management (2014: two) and one Director at the end of the period. Directors' remuneration is detailed in note 8b.

8b. Directors' remuneration

(a) Historical aggregate emoluments

The Directors' emoluments table below includes aggregate emoluments of all Executive and Non-Executive Directors of New Look Retail Group Limited who provided qualifying services during the financial periods ended 28 March 2015 and 29 March 2014.

	For the financial periods	
	52 weeks ended 28 March 2015 £m	52 weeks ended 29 March 2014 £m
Aggregate emoluments in respect of qualifying services	**1.4**	4.4
Compensation for loss of office	**0.2**	—
Company contributions paid in respect of pension schemes	**—**	—

There have been no waivers of emoluments by any of the Directors in the reporting period. One (2014: none) Directors exercised share options, one (2014: one) Director sold an interest in shares and two (2014: none) Directors were granted shares in the period. Retirement benefits are accruing to one (2014: none) Director at the end of the period.

8b. Directors' remuneration (continued)

(b) Directors' details

Directors

A Kristiansen, T Singh, M Garland, E Nyborg, M Halusa, S Giambelli, T de Santos, P Mason and M Iddon were Directors as at 28 March 2015. A Miller resigned on 11 April 2014, A McGeorge resigned on 31 May 2014, C Bamberger Bro resigned on 22 July 2014 and N Lane resigned on 4 March 2015. E Nyborg and T de Santos were appointed on 22 July 2014, P Mason was appointed on 16 September 2014, M Iddon was appointed on 22 September 2014 and S Giambelli was appointed on 4 March 2015.

In the financial period ended 28 March 2015, each of the following were Executive Directors: A McGeorge, A Kristiansen, A Miller and M Iddon (2014: A McGeorge, T Singh, A Kristiansen and A Miller).

As representatives of Permira, M Garland and E Nyborg have an indirect economic interest in the shares of the Company held by the Permira Funds. As representatives of Apax, S Giambelli and M Halusa have an indirect economic interest in the shares of the Company held by the Apax Funds. During the financial period, monitoring fees of £205,000 (2014: £201,000) were payable to Apax and £205,000 (2014: £150,000) were payable to Permira. In addition, a further £243,000 of fees were paid to Permira in respect of prior periods.

For details of transactions with the Directors, including payment-in-kind (PIK) interest, see note 37.

Highest paid Director

	For the financial periods	
	52 weeks ended 28 March 2015 £m	52 weeks ended 29 March 2014 £m
Aggregate emoluments in respect of qualifying services	**0.9**	1.6
Company contributions paid in respect of pension schemes	**—**	—

9. Finance income and expense

	For the financial periods	
	52 weeks ended 28 March 2015 £m	52 weeks ended 29 March 2014 £m
Finance income		
Interest on bank deposits	**0.3**	0.4
Exchange rate gain on revaluation of Euro bond	**16.5**	4.0
Exchange rate gain on revaluation of US dollar bond*	**—**	2.9
Exchange rate gain on revaluation of Euro cash	**—**	0.4
Total finance income	**16.8**	7.7
Finance expense		
Interest on bonds, bank loans and overdrafts	**68.1**	68.3
Interest on PIK debt	**42.5**	47.8
Premium on PIK prepayment	**1.2**	1.2
Exchange rate loss on revaluation of Euro loans	**—**	0.4
Exchange rate loss on revaluation of US dollar bond*	**—**	—
Amortisation of issue costs on loans	**3.2**	2.6
Finance expense before exceptional expenses	**115.0**	120.3
Exceptional items—finance expense		
Refinancing costs	**—**	3.2
Total finance expense	**115.0**	123.5

* During the financial period, £17.7 million of gains (2014: £10.9 million losses) resulting from the movement in fair value of the US dollar cross currency derivative were recycled from reserves into finance expense (2014: finance income) in the consolidated income statement and net against £17.7 million of losses (2014: £13.8 million gain) on the revaluation of the US dollar bond.

9. Finance income and expense (continued)

Premium on PIK prepayment

As permitted under the PIK facility agreement dated 14 May 2013, New Look Finance II Plc gave notice to debt investors on 23 April 2014 that the Group intended to prepay an amount of the new PIK debt equal to a principal amount of £37.6 million plus accrued interest of £1.2 million and a redemption premium of £1.2 million. The prepayment was settled on 27 May 2014.

In the period ended 29 March 2014, New Look Finance II Plc gave notice to debt investors on 20 February 2014 that the Group intended to prepay an amount of the new PIK debt equal to a principal amount of £38.4 million plus accrued interest of £0.4 million and a redemption premium of £1.2 million. The prepayment was settled on 24 March 2014.

Refinancing costs

As a result of the Group refinancing during the financial period ended 29 March 2014, £18.0 million of costs incurred were capitalised into the value of the borrowings. During the financial period ended 28 March 2015, £3.2 million (2014: £2.6 million) of these capitalised debt costs have been amortised. In addition, £3.2 million of exceptional costs were incurred during the period ended 29 March 2014.

10. Exceptional items

	For the financial periods	
	52 weeks ended 28 March 2015 £m	52 weeks ended 29 March 2014 Restated £m
Continuing operations		
Operating exceptional items		
Loss/(gain) on acquisition of foreign subsidiary	**0.2**	(2.5)
Loss/(gain) on joint venture	**3.7**	(0.1)
Exceptional bonus incentive	**—**	2.3
Restructuring operating base	**—**	0.1
Review of business financing and capital structure	**2.9**	0.9
Redevelopment of Mercery Road	**—**	(9.1)
Franchise receivable impairment	**—**	1.4
Total operating exceptional items	**6.8**	(7.0)
Refinancing costs (note 9)	**—**	3.2
Total exceptional items from continuing operations	**6.8**	(3.8)
Discontinued operations		
Operating exceptional items	**(0.6)**	9.7
Non-operating exceptional items	**(7.4)**	—
Total Group exceptional items	**(1.2)**	5.9

Loss/(gain) on acquisition of foreign subsidiary

On 14 February 2014, the Group acquired two subsidiary companies from its former Franchise Partner in Poland. The difference between the consideration paid and the assets acquired and liabilities assumed on acquisition resulted in an initial gain on acquisition of £3.2 million. Legal costs incurred directly relating to the acquisition of £0.4 million and an unwinding of the fair value adjustment on inventories of £0.3 million were also included above in the net gain on acquisition in the period ended 29 March 2014. Further details of the acquisition are included in note 16.

During the financial period ended 28 March 2015, final adjustments to the purchase price were agreed and a further gain of £0.6 million has been credited to the income statement. In addition, a cost of £0.8 million has been recognised as a result of unwinding the remaining fair value adjustment on inventories arising on the acquisition of the companies.

10. Exceptional items (continued)

Loss/(gain) on joint venture

During the financial period ended 28 March 2015, the Board took the decision to divest its 50% interest in NLT Tekstil Sanayi Ve Ticaret Limited Şirketi. A fee of £3.8 million was agreed in settlement of the Group's outstanding obligations in respect of a service agreement with the joint venture. The sale of shares in NLT Tekstil Sanayi Ve Ticaret Limited Şirketi held by the Group is anticipated to complete in June 2015.

During the financial period ended 24 March 2012, an impairment loss was recorded in relation to the recoverability of the 50% joint interest in NLT Tekstil Sanayi Ve Ticaret Limited Sirketi. During the periods ended 28 March 2015 and 29 March 2014, £0.1 million of that impairment was reversed.

Exceptional bonus incentive

In a previous period, the Board of Directors approved a one-off incentive scheme for a small number of Executive Directors. Under this scheme, two bonus payments become payable in the event that the Group's EBITDA reaches a certain threshold, as agreed by the Board. The Group incurred a charge of £2.3 million with respect to the first bonus payment under this scheme in the financial period ended 29 March 2014. Depending on the Group's future EBITDA performance, the Group may incur a second charge in a future period.

Restructuring operating base

During the financial period ended 30 March 2013, the Group incurred £3.4 million in reviewing and restructuring its operating cost base to align the Group's strategies, structures and costs to the challenging macro-economic environment. This included £2.6 million which was incured in preparation for the termination and relocation of the Group's E-commerce logistics operations which were previously outsourced before being brought in-house to the main distribution site at Lymedale. An additional £0.1 million was incurred during the financial period ended 29 March 2014.

Review of business financing, refinancing costs and capital structure

During the financial period ended 29 March 2014, the Group undertook a debt refinancing. Total costs incurred were £22.1 million, of which £18.0 million were capitalised as debt issue costs, £3.2 million recognised as an exceptional finance expense (note 9) and £0.9 million as an operational expense.

During the period ended 28 March 2015, the Group undertook a number of investigative and preparatory steps in connection with a review of the Group's capital structure and optimising its financing arrangements. Total costs incurred in the period were £2.9 million.

Redevelopment of Mercery Road

During the financial period ended 29 March 2014, as part of the redevelopment of the Group's land on its Mercery Road, Weymouth site, a gain on disposal was recognised in relation to the sale of the land to Sainsbury's. See note 13 for further details.

Franchise receivable impairment

During the financial period ended 30 March 2013, the outstanding receivable balance with the Russian franchise partner of £4.3 million was fully impaired as it was no longer expected to be recoverable due to the on-going financial difficulties experienced by the partner. An additional receivable balance of £1.4 million arising in the financial period ended 29 March 2014 was fully impaired due to the continuation of the partner's financial difficulties.

Discontinued operations exceptional items

A charge of £0.1 million was incurred in the period ended 29 March 2014 in relation to reviewing and restructuring the operating cost base of the discontinued operations to align it with the continuing Group's strategies, structures and costs and to the challenging macro–economic environment.

10. Exceptional items (continued)

During the financial period ended 29 March 2014, management also reviewed the value in use of the Mim business based on the latest 3 year forecast of future operating cash flows. As a result, the carrying value of the Mim net assets held by the Group was written down to its value in use. This included an impairment of trade and other receivables of £9.6 million. Prior to disposal in the period ended 28 March 2015, £0.6 million of this impairment was reversed. Details of the assumptions used in these calculations are included in note 14.

Following this strategic review, the Board determined that the Mim business was not a strategic focus for the Group going forward. On 22 November 2014, the Group completed the sale of Mim to Main Asia (HK) Limited, an independent company advised by Asia Global, resulting in a net gain on disposal of £7.4 million in the period to 28 March 2015. Legal costs incurred directly relating to the disposal of £0.4 million and bonus payments to the senior management of Mim of £0.6 million have been included in the net gain on disposal. Further details of the disposal are included in note 17.

11. Taxation

	For the financial periods	
	52 weeks ended 28 March 2015 £m	52 weeks ended 29 March 2014 Restated £m
Continuing operations		
Current tax:		
UK corporation tax on profits for the period	**3.8**	1.5
Double tax relief	**(0.1)**	(0.2)
UK adjustments in respect of prior periods	**(5.3)**	3.5
Overseas tax	**0.2**	0.8
Overseas adjustment in respect of prior periods	**(0.6)**	(0.1)
Total current tax from continuing operations	**(2.0)**	5.5
Deferred tax:		
Origination and reversal of temporary differences	**6.8**	7.5
Impact of change in UK corporation tax rate	**—**	(5.5)
Adjustment in respect of prior periods	**(3.2)**	(0.3)
Total deferred tax from continuing operations	**3.6**	1.7
Income tax charge from continuing operations	**1.6**	7.2
Discontinued operations		
Income tax charge/(credit) from discontinued operations	**0.8**	(8.6)
Total income tax charge/(credit)	**2.4**	(1.4)

11. Taxation (continued)

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits and losses of the consolidated entities as follows:

	For the financial periods	
	52 weeks ended 28 March 2015 £m	52 weeks ended 29 March 2014 Restated £m
Continuing operations		
Profit before taxation	**50.6**	20.7
Tax charge on profit at standard rate of 21% (2014: 23%)	**10.6**	4.8
Reasons affecting charge for the period:		
Depreciation on non-qualifying assets	**1.8**	4.2
(Non-taxable income)/expenses not deductible for tax purposes	**(1.5)**	0.6
Deferred tax liability reversed following impairment	**—**	(0.3)
Foreign tax charged at a different rate than UK standard rate	**(1.1)**	(0.2)
Tax losses for which no deferred income tax asset was recognised	**0.9**	0.5
Re-measurement of deferred tax – change in the UK corporation tax rate	**—**	(5.5)
Adjustment to current tax charge in respect of prior periods	**(5.9)**	3.4
Adjustment to deferred tax charge in respect of prior periods	**(3.2)**	(0.3)
Income tax charge from continuing operations	**1.6**	7.2
Discontinued operations		
Income tax charge/(credit) from discontinued operations	**0.8**	(8.6)
Total income tax charge/(credit)	**2.4**	(1.4)

The Finance Act 2013 was substantively enacted on 17 July 2013 and reduced the main rate of corporation tax to 21.0% with effect from 1 April 2014 and 20.0% from 1 April 2015. Deferred tax balances are measured using tax rates and basis that are consistent with the manor in which the Group expects to recover or settle the deferred tax balances. Closing deferred tax balances have therefore been valued at 20.0% (2014: 20.0%).

In addition to the amount charged to the consolidated income statement, tax movements recognised directly in equity as shown in the consolidated statements of comprehensive income and of changes in equity were as follows:

	For the financial periods	
	52 weeks ended 28 March 2015 £m	52 weeks ended 29 March 2014 £m
Deferred tax:		
Foreign exchange movements from translation reserve (continuing operations)	**—**	0.3
Foreign exchange movements from translation reserve (discontinued operations)	**2.6**	—
Tax on cash flow hedges	**(8.2)**	6.6
Tax (expense)/credit on items recognised directly in equity	**(5.6)**	6.9

11. Taxation (continued)

Deferred income tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same tax authority.

	For the financial periods	
	52 weeks ended 28 March 2015 £m	52 weeks ended 29 March 2014 £m
Deferred tax asset to be recovered within 12 months	**6.8**	13.9
Deferred tax asset to be recovered after more than 12 months	**14.6**	13.1
	21.4	27.0
Deferred tax liability falling due within 12 months	**—**	—
Deferred tax liability falling due after more than 12 months	**(66.7)**	(61.1)
	(66.7)	(61.1)
	(45.3)	(34.1)

The movement in the period is as follows:

	Accelerated capital allowances £m	Brand £m	Other temporary differences £m	Total £m
At 30 March 2013	(1.8)	77.5	(27.8)	47.9
(Credited)/charged to income statement (continuing operations)	(2.4)	(8.2)	12.3	1.7
(Credited)/charged to income statement (discontinued operations)	—	(10.6)	2.0	(8.6)
Recognised directly in equity	—	(0.3)	(6.6)	(6.9)
At 29 March 2014	(4.2)	58.4	(20.1)	34.1
(Credited)/charged to income statement (continuing operations)	(0.9)	—	5.3	4.4
(Removed from)/recognised directly in equity	—	(2.6)	8.2	5.6
Transferred to disposal group	—	—	1.2	1.2
At 28 March 2015	**(5.1)**	**55.8**	**(5.4)**	**45.3**

There is a deferred tax asset in respect of capital losses of £2.1 million (2014: £1.9 million) that has not been recognised due to uncertainty as to whether there will be sufficient taxable profits in the future against which the asset could be utilised.

Onerous lease cost and expected reversal of ESOT loan impairment (2014: PIK interest and onerous lease cost) are the main items included in other temporary differences.

Deferred tax assets of £11.4 million (2014: £5.9 million) relating to losses in New Look France SAS, New Look Belgium SA and New Look Holland BV have not been recognised at a Group level as there is no certainty when these losses will be relieved.

No liability has been recognised in respect of temporary differences associated with investments in subsidiaries, branches and interests in the joint venture, where the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future. The aggregate amount of temporary differences associated with these investments, for which a deferred tax liability has not been recognised, is £5.0 million (2014: £8.9 million).

12. Dividends

No dividends have been proposed, declared or paid during the periods ended 28 March 2015 or 29 March 2014.

13. Property, plant and equipment

	Freehold land and buildings £m	Fixtures and equipment £m	Total £m
Cost			
At 30 March 2013	18.7	552.0	570.7
Exchange movement	—	(3.2)	(3.2)
Additions*	(1.3)	44.7	43.4
Acquisitions (note 16)	—	3.2	3.2
Disposals	(6.4)	(19.0)	(25.4)
At 29 March 2014	11.0	577.7	588.7
Exchange movement	—	(12.1)	(12.1)
Additions*	(0.2)	42.7	42.5
Disposals	—	(22.4)	(22.4)
Transferred to disposal group	—	(65.3)	(65.3)
At 28 March 2015	10.8	520.6	531.4
Accumulated depreciation			
At 30 March 2013	(0.2)	(388.3)	(388.5)
Exchange movement	—	2.8	2.8
Depreciation charge***	(0.2)	(58.8)	(59.0)
Impairment loss****	—	(14.4)	(14.4)
Reclassification**	—	1.7	1.7
Disposals	—	18.3	18.3
At 29 March 2014	(0.4)	(438.7)	(439.1)
Exchange movement	—	10.2	10.2
Depreciation charge***	(0.3)	(47.8)	(48.1)
Impairment loss****	—	(4.7)	(4.7)
Disposals	—	22.4	22.4
Transferred to disposal group	—	64.8	64.8
At 28 March 2015	(0.7)	(393.8)	(394.5)
Net Book Value			
28 March 2015	**10.1**	**126.8**	**136.9**
29 March 2014	10.6	139.0	149.6

* Freehold land and buildings includes a release of £0.2 million (2014: £2.1 million) capital accrual

** Reclassification of depreciation/amortisation to software within intangible assets

*** Includes £0.1 million (2014: £5.7 million) of depreciation relating to discontinued operations

**** Includes £nil (2014: £15.0 million) of impairment loss relating to discontinued operations.

Freehold land of £1.2 million (2014: £1.2 million) is not depreciated.

Included within fixtures and equipment are assets in the course of construction of £5.3 million (2014: £7.0 million), which are not depreciated.

At 28 March 2015, the Group has entered into contractual commitments for the acquisition of property, plant and equipment amounting to £8.6 million (2014: £10.3 million).

On 27 April 2011, the Weymouth and Portland Borough Council made the decision to support New Look's outline planning application for its Weymouth Gateway regeneration plans to redevelop the Group's land on its Mercery Road, Weymouth site. The plans included a new office building for New Look, a Sainsbury's supermarket, a hotel, family restaurant, and additional commercial units.

During the financial period ended 30 March 2013, the Group recognised a gain on the disposal of land following completion of clearance works. During the financial period ended 29 March 2014, the Group recognised a further gain on disposal of land in relation to the site sold to Sainsbury's (see note 10).

14. Intangible assets

	Goodwill £m	Brands, trademarks and licences £m	Recoverable leasehold property premiums £m	Software licences £m	Total £m
Cost					
At 30 March 2013	365.3	318.4	28.0	65.6	777.3
Exchange movement	—	(0.8)	(0.6)	—	(1.4)
Additions	—	1.3	0.7	9.8	11.8
Acquisitions (note 16)	—	—	—	0.1	0.1
Disposals	—	—	(0.7)	(2.0)	(2.7)
At 29 March 2014	365.3	318.9	27.4	73.5	785.1
Exchange movement	—	(1.6)	(2.1)	(0.1)	(3.8)
Additions	—	0.2	0.3	20.4	20.9
Disposals	—	—	(0.6)	(4.5)	(5.1)
Transferred to disposal group	—	(35.9)	(15.8)	(2.2)	(53.9)
At 28 March 2015	365.3	281.6	9.2	87.1	743.2
Accumulated amortisation and impairment					
At 30 March 2013	—	—	(2.5)	(30.1)	(32.6)
Exchange movement	—	0.7	0.3	—	1.0
Amortisation charge**	—	—	(0.3)	(10.0)	(10.3)
Impairment loss***	—	(38.2)	(2.0)	(0.5)	(40.7)
Reclassification*	—	—	—	(1.7)	(1.7)
Disposals	—	—	0.3	1.9	2.2
At 29 March 2014	—	(37.5)	(4.2)	(40.4)	(82.1)
Exchange movement	—	1.6	0.2	0.1	1.9
Amortisation charge**	—	—	(0.3)	(11.4)	(11.7)
Impairment loss***	—	—	(1.1)	(1.3)	(2.4)
Disposals	—	—	0.5	4.5	5.0
Transferred to disposal group	—	35.9	4.2	1.6	41.7
At 28 March 2015	—	—	(0.7)	(46.9)	(47.6)
Net Book Value					
At 28 March 2015	**365.3**	**281.6**	**8.5**	**40.2**	**695.6**
At 29 March 2014	365.3	281.4	23.2	33.1	703.0

* Reclassification of depreciation/amortisation from fixtures and equipment within property, plant and equipment

** Includes £0.5 million (2014: £0.4 million) of amortisation relating to discontinued operations

*** Includes £0.1 million (2014: £40.1 million) of impairment losses relating to discontinued operations

As at 28 March 2015, the Group had entered into contractual commitments for the acquisition of software amounting to £1.7 million (2014: £0.6 million).

The lowest CGUs within the Group are individual stores, however for the purpose of intangible impairment review; the lowest group of CGUs are the country sub-groups of the Group's brands, which is in line with internal management reporting. Brands, trademarks and licences, lease premiums and software licences have been allocated between these groups. Goodwill arising from business combinations is all allocated to the UK.

As at 28 March 2015, brands represents the New Look brand acquired through business combinations. Fair value was established by independent valuers and was based on the relief from royalty method. The Group is committed to the continuing development of the New Look brand and has concluded that it has an indefinite useful life.

As at 29 March 2014, brands also included the Mim brand, acquired through business combinations. Fair value was established by independent valuers and was based on the relief from royalty method and subsequently impaired in full. As part of the disposal of Mim in November 2014, the Mim brand was disposed of (see note 17).

14. Intangible assets (continued)

Certain premiums paid on acquisition of short leasehold property in mainland Europe are expected to be recoverable from subsequent tenants. Recoverable leasehold property premiums are pledged as security for the related lease rental liabilities. To support the recoverable amount, value in use calculations were performed and in some cases independent third party valuations were obtained on the premiums paid resulting in an impairment loss of £1.1 million (2014: £1.0 million).

The value in use of relevant groups of CGUs for impairment testing purposes have been determined based on calculations using cash flow projections from the financial plans approved by the Board covering a three year period from the balance sheet date.

The calculation of value in use is most sensitive to the following assumptions:

- The forecast operating cash flows for the next three years are based on approved budgets and plans. These budgets and plans are based on past performance and expectations for the market development of the relevant groups of CGUs;
- An estimate of the long-term effective tax rate for the CGU; and
- The rate of growth used to extrapolate cash flows beyond the three year plan period is 2.0% per annum (2014: 2.0%). This growth rate is based on published estimates of the long–term growth in Gross Domestic Product in the respective CGUs and inflation.

For the New Look brand, the resulting cash flows were discounted using a pre–tax discount rate of 10.0% (2014: 10.1%). This rate reflects management's estimate of the cost of capital for the business. In the period ended 29 March 2014, for the Mim brand, the resulting cash flows were discounted using a pre–tax discount rate of 7.7%. These rates reflect management's estimate of the cost of capital for the business.

Management does not believe that any reasonable change in any of the above key assumptions would cause the carrying value of goodwill or the New Look brand to exceed their recoverable amounts.

During the period ended 29 March 2014, management calculated the value in use of the Mim brand as described above. The resulting value in use did not support the carrying value and therefore an impairment loss of £14.9 million on property, plant and equipment; £39.7 million on intangible assets and £9.6 million on trade and other receivables was recognised.

Sensitivity to changes in assumptions

In analysing the impairment of Mim's net assets made in the period ended 29 March 2014, if the pre–tax discount rate had been 1% higher or 1% lower, the Group's operating profit would have been £0.5 million lower or £0.7 million higher. If the terminal growth rate had been 1% higher or 1% lower, the Group's operating profit would have been £0.7 million higher or £0.5 million lower.

15. Investment in joint venture

The Group has a 50% interest in NLT Tekstil Sanayi Ve Ticaret Limited Şirketi, a jointly controlled entity incorporated in Turkey, which sources product on behalf of the Group.

	As at	
Joint venture's balance sheet	**28 March 2015 £m**	29 March 2014 £m
Non-current assets	**—**	—
Current assets	**3.3**	2.4
Current liabilities	**(3.9)**	(2.8)
Non-current liabilities	**—**	—
Total net liabilities	**(0.6)**	(0.4)
50% share of net liabilities	**(0.3)**	(0.2)
Loan to joint venture	**0.8**	0.8
Impairment loss*	**(0.5)**	(0.6)
Total investment in joint venture	**—**	—

15. Investment in joint venture (continued)

Joint venture's result	For the financial periods: **52 weeks ended 28 March 2015 £m**	52 weeks ended 29 March 2014 £m
Revenue	**13.5**	9.0
Cost of sales	**(12.4)**	(8.2)
Administrative expenses	**(1.3)**	(1.6)
Loss before taxation	**(0.2)**	(0.8)
Taxation	**—**	—
Loss for the financial period	**(0.2)**	(0.8)
50% share of joint venture's result	**(0.1)**	(0.4)

The share capital of the joint venture is 3,040,000 YTLs (being equivalent to £1,272,020 at a conversion rate of 2.39 YTLs to each Pound Sterling) divided into 121,600 shares of 25 YTLs each. New Look Retailers Limited and Global Tekstil Danismanlik Sanayi Ve Ticaret Limited Şirketi each own 60,800 shares in the company.

There is no recourse to Group companies in respect of the borrowings of the joint venture and there are no commitments or contingent liabilities at the period end.

During the period ended 28 March 2015, the Board took the decision to divest its 50% interest in NLT Tekstil Sanayi Ve Ticaret Limited Şirketi (see note 10).

16. Business combinations

On 14 February 2014, New Look Overseas Limited, a subsidiary of the Group, acquired 100% of the share capital of Cenzora Enterprises Limited, the Cypriot holding company of Polish company Fashion Look Sp. z. o.o. from its former Franchise partner Empik Media & Fashion S.A. of Poland for provisional consideration of £0.3 million subject to final agreement of the purchase price in accordance with the agreed terms of the executed share purchase agreement.

As a result of the acquisition, the Group will continue to trade under the New Look brand and expand its presence in Poland.

A net exceptional gain arising from the acquisition of £2.5 million was recognised in the period ended 29 March 2014 and is attributable to the indebtedness owing to the Group prior to acquisition. During the financial period ended 28 March 2015, final adjustments to the purchase price were agreed and a further gain of £0.6 million has been credited to the income statement. In addition, a cost of £0.8 million has been recognised as a result of unwinding the remaining fair value adjustment on inventories arising on the acquisition of the companies. See note 10 for further details.

16. Business combinations (continued)

The following table summarises the consideration paid for the companies, the provisional fair value of the assets acquired and liabilities assumed at the acquisition date:

	Provisional fair value as at 14 February 2014 £m
Consideration:	
Cash	0.3
Total consideration transferred	0.3
Recognised amounts of identifiable assets acquired and liabilities assumed:	
Cash and cash equivalents	0.2
Property, plant & equipment (note 13)	3.2
Intangible assets (note 14)	0.1
Inventories	1.9
Trade and other receivables	—
Trade and other payables	(2.4)
Net deferred tax asset	0.5
Total identifiable net assets	3.5
Gain on acquisition	(3.2)
Total	0.3

Legal costs incurred relating directly to the acquisition of £0.4 million were included in the calculation of the exceptional gain on acquisition of foreign subsidiary (see note 10).

Inventories were fair valued at the date of acquisition to the recommended retail price to the final customer in Poland and the difference between cost and the fair value unwound through exceptional items as the inventories were sold. During the financial period, the remaining £0.8 million (2014: £0.3 million) of the fair value adjustment had been released.

The revenue included in the Group's income statement for the period 14 February 2014 to 29 March 2014 contributed by Fashion Look Sp z. o.o. was £0.7 million and an operating loss of £0.1 million.

Had Cenzora Enterprises Limited and Fashion Look Sp. z. o.o. been consolidated from the beginning of the financial period ended 29 March 2014, the Group's income statement for that period would include revenue of £7.4 million and operating losses of £1.3 million.

17. Discontinued operations

Following a strategic review performed in the period ended 29 March 2014, the Board determined that the Mim business was not a strategic focus for the Group going forward. On 22 November 2014, the Group fully disposed of Mim SAS, Mim Belgique and SCI Geometry Properties France ("Mim"—part of the International segment) to Main Asia (HK) Limited, an independent company advised by Asia Global.

The result of the disposal group for the period to the date of disposal has been reported as discontinued operations in the profit for the period.

17. Discontinued operations (continued)

Analysis of the result of discontinued operations, and the result recognised in the re-measurement of assets of the disposal group, is as follows;

	For the financial periods	
	52 weeks ended 28 March 2015 £m	52 weeks ended 29 March 2014 £m
Revenue	**98.0**	160.8
Cost of sales	**(45.2)**	(77.0)
Gross profit	**52.8**	83.8
Administrative expenses*	**(55.5)**	(159.5)
Operating loss	**(2.7)**	(75.7)
Gain on disposal	**7.4**	—
Finance income	**—**	—
Finance expense	**—**	—
Profit/(loss) before taxation	**4.7**	(75.7)
Taxation	**(0.8)**	8.6
Profit/(loss) after taxation	**3.9**	(67.1)

* Administrative expenses for the 52 weeks ended 29 March 2014 includes £55.1 million of impairment of property, plant and equipment and intangible assets and a further £9.1 million impairment of trade and other receivables.

Cumulative income or expense recognised in other comprehensive income relating to the disposal group:

	For the financial periods	
	52 weeks ended 28 March 2015 £m	52 weeks ended 29 March 2014 £m
Foreign exchange translation gain	**—**	4.6
Total income in other comprehensive income	**—**	4.6

Cash flows of the discontinued operation included within the consolidated cash flow statement of the Group, are as follows:

	For the financial periods	
	52 weeks ended 28 March 2015 £m	52 weeks ended 29 March 2014 £m
Operating cash flows	**(4.7)**	1.6
Investing cash flows	**(4.3)**	(3.8)
Financing cash flows	**2.7**	(0.5)
Total cash flows	**(6.3)**	(2.7)

18. Available for sale financial assets

	As at	
	28 March 2015 £m	29 March 2014 £m
Unlisted investments available for sale	—	0.3

The investments included above were investments held by Mim SAS in unlisted equity securities which were carried at cost being fair value at inception. The investments were carried at cost since they did not have a quoted price in an active market nor a fair value which could be reliably measured. The investments had no maturity or coupon rate and were denominated in Euros.

18. Available for sale financial assets (continued)

There were no disposals or impairment provisions on available for sale financial assets in the period ended 29 March 2014. The investments were part of the Mim disposal group that was disposed of in the financial period ended 28 March 2015 (note 17).

19. Inventories

	As at	
	28 March 2015 £m	29 March 2014 £m
Raw materials and work in progress	**1.4**	1.8
Finished goods	**146.8**	136.3
	148.2	138.1

Inventories with a value of £2.1 million (2014: £2.3 million) are carried at fair value less costs to sell, this being lower than cost. Cost of inventories recognised as an expense and any write downs of inventory are disclosed in note 7.

20. Trade and other receivables

	As at	
	28 March 2015 £m	29 March 2014 £m
Current		
Trade receivables	**24.4**	16.9
Other receivables	**11.0**	8.1
Prepayments	**40.8**	36.4
Accrued income	**3.8**	3.2
	80.0	64.6
Non-current		
Other receivables	**0.4**	5.0
Prepayments	**18.9**	22.4
Accrued income	**0.2**	—
	19.5	27.4

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

	As at	
	28 March 2015 £m	29 March 2014 £m
Sterling	**83.3**	73.0
Euro	**12.4**	14.6
US dollar	**0.7**	1.2
Roubles	**0.7**	1.2
Renminbi	**2.3**	2.0
Zloty	**0.1**	—
	99.5	92.0

Included within the trade and other receivables balance is a bad debt provision for £6.3 million (2014: £6.5 million). There was a bad debt charge in the income statement of £0.5 million (2014: £1.4 million).

An impairment loss of £9.6 million was recognised as at 29 March 2014 to write down prepayments and other receivables of Mim resulting from the impairment review of Mim's net assets. See note 14 for more details.

20. Trade and other receivables (continued)

As at 28 March 2015, trade and other receivables of £33.9 million (2014: £26.9 million) were fully performing. As at 28 March 2015, trade and other receivables of £4.8 million (2014: £3.1 million) were past due but not classed as impaired.

The ageing analysis of these is as follows:

	As at	
	28 March 2015 £m	29 March 2014 £m
Up to 2 months	**4.1**	0.9
2 to 6 months	**0.7**	2.2
	4.8	3.1

As at 28 March 2015, trade and other receivables of £6.3 million (2014: £6.5 million) were impaired and £6.3 million (2014: £6.5 million) were provided for. The ageing of these receivables is as follows:

	As at	
	28 March 2015 £m	29 March 2014 £m
Up to 2 months	**—**	2.0
2 to 6 months	**0.4**	4.5
6 to 12 months	**2.1**	—
>12 months	**3.8**	—
	6.3	6.5

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

	As at	
	28 March 2015 £m	29 March 2014 £m
At start of period	**6.5**	5.9
Provisions for receivables impairment	**0.5**	1.4
Receivables written off during the period	**(0.1)**	(0.8)
Foreign exchange movement	**(0.6)**	—
	6.3	6.5

The creation and release of the provision for impaired receivables has been included in administrative expenses. Amounts charged to the bad debt provisions are generally written off when there is no expectation of recovering additional cash. Subsequent recoveries of amounts previously written off are credited against administrative expenses. The other classes within trade and other receivables do not contain impaired assets.

The Group maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above.

21. Derivative financial instrument assets

	As at	
	28 March 2015 £m	29 March 2014 £m
Current assets		
Foreign currency contracts	**24.5**	0.1
Embedded foreign exchange derivatives	**—**	0.2
	24.5	0.3
Non-current asset		
Foreign currency contracts	**0.2**	—
Currency swaps	**5.2**	—
	5.4	—

22. Cash and cash equivalents

	As at	
	28 March 2015 £m	29 March 2014 £m
Cash at bank and in hand	**57.5**	45.8
Short-term deposits	**68.3**	63.7
Blocked cash	**1.3**	1.6
	127.1	111.1

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods between one day and three months depending on the cash requirements of the Group, and earn interest at market short-term deposit rates. Blocked cash relates to amounts held as guarantees over leases in mainland Europe.

23. Trade and other payables

	As at	
	28 March 2015 £m	29 March 2014 £m
Current		
Trade payables	110.8	100.6
Other taxation and social security	8.1	13.4
Other payables	1.2	1.3
Accruals	93.6	90.0
Interest accrual	21.7	21.9
Deferred income	28.8	26.7
Liability for cash-settled share based payments	1.0	1.5
	265.2	255.4
Non-current		
Liability for cash-settled share based payments	—	3.7
Other taxation and social security	—	0.1
Other payables	—	2.6
Deferred income	70.1	80.1
	70.1	86.5

Trade payables, other payables and accruals are non–interest bearing. Trade payables are normally settled on either 60 or 75 day terms. Included in accruals is £27.7 million (2014: £50.4 million) relating to inventory.

24. Financial liabilities

	As at	
	28 March 2015 £m	29 March 2014 £m
Non-current		
Bonds	**784.0**	779.6
PIK debt	**381.0**	377.3
	1,165.0	1,156.9

Financial liablilities are stated net of unamortised capitalised issue costs of £12.2 million (2014: £15.4 million).

Further disclosure in respect of loans is provided in note 29.

25. Derivative financial instrument liabilities

	As at	
	28 March 2015 £m	29 March 2014 £m
Current liabilities		
Foreign currency contracts	**0.3**	16.3
Currency swaps	**—**	0.9
Embedded foreign exchange derivatives	**0.4**	—
	0.7	17.2
Non-current liabilities		
Foreign currency contracts	**0.1**	—
Currency swaps	**—**	11.8
	0.1	11.8

Foreign currency contracts comprise forward contracts and options which are used to hedge exchange risk arising from the Group's overseas purchases. The instruments purchased are denominated in US dollars.

The interest rate swap agreements, currency swap agreements and foreign currency contracts are referred to within note 27.

Embedded foreign exchange derivatives arise within outstanding purchase orders, which are in currencies other than the functional currencies of the contracting parties.

26. Financial instruments

Fair values

The carrying values of each category of the Group's financial assets/liabilities in the Group's balance sheet, excluding short-term receivables and payables, are as follows:

	As at	
	28 March 2015 £m	29 March 2014 £m
Financial assets		
Cash and short-term deposits	**127.1**	111.1
Available for sale financial assets	**—**	0.3
Foreign currency contracts	**24.7**	0.1
Currency swaps	**5.2**	—
Embedded foreign exchange derivatives	**—**	0.2
Financial liabilities		
Bonds	**784.0**	779.6
PIK debt	**381.0**	377.3
Foreign currency contracts	**0.4**	16.3
Currency swaps	**—**	12.7
Embedded foreign exchange derivatives	**0.4**	—

Using market prices, as at the balance sheet date, the fair value of the PIK debt was approximately £21.0 million higher (2014: £18.5 million higher) than the carrying value.

The Directors consider that the carrying amounts of all other financial instruments recorded in these financial statements is equal to or approximate to their fair value.

The fair values of derivatives have been calculated by discounting the expected future cash flows at prevailing interest rates and are based on market prices at the balance sheet date. The total notional amount of outstanding foreign currency and interest rate contracts to which the Group was committed at the balance sheet date is as follows:

	As at	
	28 March 2015 £m	29 March 2014 £m
Notional amount of outstanding foreign currency contracts	**362.9**	357.0
Notional amount of outstanding currency swaps	**161.1**	161.1
Notional amount of outstanding interest rate swaps and cap	**65.8**	144.6

The foreign currency contracts have expiry terms of between 1 and 13 months (2014: 1 and 14 months). The interest rate swap contract has an expiry term of 2 months (2014: 3 and 15 months) and the interest rate swap contracts have been converted from the Euro notional amounts using the closing Euro rate of 1.366 (2014: 1.210). The currency swap contracts have expiry terms of between 2 and 38 months (2014: 2 and 50 months) and have Sterling notional amounts based on a swap contract US dollar rate of 1.552 (2014: 1.552).

26. Financial instruments (continued)

Category

The accounting policies for financial instruments have been applied to the line items below:

Assets per balance sheet	Loans and receivables £m	Assets at fair value through income statement £m	Derivatives used for hedging £m	Available for sale £m	**Total £m**
At 28 March 2015					
Derivative financial instruments	—	—	29.9	—	**29.9**
Trade and other receivables (excluding prepayments)	39.8	—	—	—	**39.8**
Cash and short-term deposits	127.1	—	—	—	**127.1**
	166.9	—	29.9	—	**196.8**

Liabilities per balance sheet	Liabilities at fair value through income statement £m	Derivatives used for hedging £m	Other financial liabilities at amortised cost £m	**Total £m**
At 28 March 2015				
Borrowings	—	—	1,165.0	**1,165.0**
Derivative financial instruments	0.4	0.4	—	**0.8**
Trade and other payables (excluding deferred income)	—	—	236.4	**236.4**
	0.4	0.4	1,401.4	**1,402.2**

Assets per balance sheet	Loans and receivables £m	Assets at fair value through income statement £m	Derivatives used for hedging £m	Available for sale £m	**Total £m**
At 29 March 2014					
Available for sale financial assets	—	—	—	0.3	**0.3**
Derivative financial instruments	—	0.2	0.1	—	**0.3**
Trade and other receivables (excluding prepayments)	33.2	—	—	—	**33.2**
Cash and short-term deposits	111.1	—	—	—	**111.1**
	144.3	0.2	0.1	0.3	**144.9**

Liabilities per balance sheet	Liabilities at fair value through income statement £m	Derivatives used for hedging £m	Other financial liabilities at amortised cost £m	**Total £m**
At 29 March 2014				
Borrowings	—	—	1,156.9	**1,156.9**
Derivative financial instruments	1.2	27.8	—	**29.0**
Trade and other payables (excluding deferred income)	—	—	235.1	**235.1**
	1.2	27.8	1,392.0	**1,421.0**

26. Financial instruments (continued)

The following table presents the Group's assets and liabilities that are measured at fair value at 28 March 2015:

Assets	Level 1 £m	Level 2 £m	Level 3 £m	**Total £m**
Foreign currency contracts	—	24.7	—	**24.7**
Currency swap	—	5.2	—	**5.2**
Total assets	—	29.9	—	**29.9**
Liabilities				
Foreign currency contracts	—	0.4	—	**0.4**
Embedded foreign exchange derivatives	—	0.4	—	**0.4**
Total liabilities	—	0.8	—	**0.8**

The following table presents the Group's assets and liabilities that are measured at fair value at 29 March 2014:

Assets	Level 1 £m	Level 2 £m	Level 3 £m	**Total £m**
Foreign currency contracts	—	0.1	—	**0.1**
Embedded foreign exchange derivatives	—	0.2	—	**0.2**
Total assets	—	0.3	—	**0.3**
Liabilities				
Foreign currency contracts	—	16.3	—	**16.3**
Currency swaps	—	12.7	—	**12.7**
Total liabilities	—	29.0	—	**29.0**

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves. The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value. The fair value of currency swaps is calculated as the present value of the future cash flows based on observable yield curves and forward exchange rates at the balance sheet date.

Credit quality

The credit quality of financial assets can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

26. Financial instruments (continued)

	As at	
	28 March 2015 £m	29 March 2014 £m
Trade Receivables		
Counterparties without external credit rating:		
Group 1	0.7	1.0
Group 2	0.3	0.6
Group 3	23.4	15.3
Total trade receivables	24.4	16.9

Group 1 – new customers (less than 6 months)

Group 2 – existing customers (more than 6 months) with no defaults in the past

Group 3 – existing customers (more than 6 months) with some defaults in the past

The Group limits its exposure to financial institutions by setting credit limits based on their credit ratings and generally only dealing with counterparties with a Fitch's credit rating of at least 'A'. Group treasury monitors counterparty credit ratings closely, adjusting limits and balances immediately following counterparty downgrades. At 28 March 2015, the Group had £120.0 million of cash and cash equivalents (2014: £106.1 million) held with institutions rated 'A' or above, £4.5 million (2014: £3.9 million) held with institutions rated 'A–' and £2.6 million (2014: £1.1 million) held with institutions rated 'BBB', with a combined credit limit of £660.0 million (2014: £620.0 million).

The Group limits its exposure with its counterparties to derivative financial instruments by engaging with counterparties with a Fitch credit rating of 'A' or above. At 28 March 2015, the Group had derivative financial assets of £29.9 million (2014: £0.1 million) with counterparties rated 'A' or above.

Maturity

The table below analyses the Group's financial liabilities and net–settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 28 March 2015	**<1 year £m**	**1–2 years £m**	**2–5 years £m**	**5+ years £m**
Borrowings	**—**	**—**	**1,165.0**	**—**
Trade and other payables (excluding deferred income)	**236.4**	**—**	**—**	**—**

At 29 March 2014	<1 year £m	1–2 years £m	2–5 years £m	5+ years £m
Borrowings	—	—	1,156.9	—
Trade and other payables (excluding deferred income)	228.7	2.7	3.7	—

The table below analyses the Group's derivative financial instruments which will be settled on a gross basis into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 28 March 2015	**<1 year £m**	**1–2 years £m**	**2–5 years £m**	**5+ years £m**
Forward foreign exchange contracts – cash flow hedges				
Outflow	**325.1**	**13.6**	**—**	**—**
Inflow	**349.9**	**13.5**	**—**	**—**
Currency swaps – cash flow hedges				
Outflow	**14.0**	**14.0**	**182.1**	**—**
Inflow	**14.1**	**14.1**	**187.3**	**—**

26. Financial instruments (continued)

At 29 March 2014	<1 year £m	1–2 years £m	2–5 years £m	5+ years £m
Forward foreign exchange contracts – cash flow hedges				
Outflow	361.7	15.1	—	—
Inflow	346.7	14.0	—	—
Currency swaps – cash flow hedges				
Outflow	14.0	15.1	196.2	—
Inflow	12.6	12.6	183.7	—

Embedded foreign exchange derivatives

At 28 March 2015, the Group had embedded foreign exchange derivatives comprising outstanding purchase orders which are in currencies other than the functional currencies of the contracting parties. Exceptions to this are where a non-functional currency is commonly used in the country of a contracting party. The fair values of the embedded derivatives under IAS 39 are as follows:

	As at	
	28 March 2015 £m	29 March 2014 £m
Fair value of embedded foreign exchange derivatives	**(0.4)**	0.2

27. Hedging activities

Foreign currency contracts

The Group uses derivatives in order to manage foreign currency exchange risk arising on expected future purchases of overseas sourced products. These derivatives comprise forward currency contracts and currency options, the terms of which have been negotiated to match the terms of the expected purchases.

The fair values of derivatives are as follows:

	As at	
	28 March 2015 £m	29 March 2014 £m
Fair value of hedging instruments, qualifying for hedge accounting	**24.3**	(15.0)
Fair value of hedging instruments, not qualifying for hedge accounting	**—**	(1.2)
	24.3	(16.2)

Interest rate swaps

At 28 March 2015, the Group had entered into interest rate swap agreements of £65.9 million (2014: £144.6 million) as partial cash flow hedges of the interest rate risk associated with the drawn down loans of the Group of £128.1 million (2014: £144.6 million). The Group pays a fixed rate on the swap agreement of 0.305% (2014: 0.236% to 0.305%). The interest rate swap expiry is June 2015 (2014: June 2014 and June 2015).

The fair values of the interest rate swaps are as follows:

	As at	
	28 March 2015 £m	29 March 2014 £m
Fair value of interest rate swaps, qualifying for hedge accounting	**—**	—
Fair value of interest swaps, not qualifying for hedge accounting	**—**	—
	—	—

27. Hedging activities (continued)

Currency swaps

At 28 March 2015, the Group had entered into currency swap agreements of £161.1 million (2014: £161.1 million) as cash flow hedges of the currency exchange risk associated with the Group's US dollar fixed rate notes of £161.1 million (2014: £161.1 million). The Group pays fixed rates on the swap agreements of between 8.668% and 8.768% (2014: 8.668% to 8.768%) and the US dollar swap rate of 1.552 (2014: 1.552). The currency swap expiry dates are May 2018. The fair values of the currency swaps are as follows:

	As at	
	28 March 2015 £m	29 March 2014 £m
Fair value of currency swaps, qualifying for hedge accounting	**5.2**	(12.7)
Fair value of currency swaps, not qualifying for hedge accounting	**—**	—
	5.2	(12.7)

Movement in fair values

	Currency swaps £m	Foreign exchange contracts £m	Interest rate swaps £m	Embedded derivatives £m	**Total £m**
Fair value at 30 March 2013	—	17.3	(3.2)	(0.7)	**13.4**
Fair value loss through income statement – finance	(10.9)	—	—	—	**(10.9)**
Fair value (loss)/gain through income statement – operating	(0.2)	(3.9)	—	0.9	**(3.2)**
Fair value gain through income statement – other	0.2	—	—	—	**0.2**
Fair value (loss)/gain to reserves	(1.8)	(29.6)	3.2	—	**(28.2)**
Fair value at 29 March 2014	(12.7)	(16.2)	—	0.2	**(28.7)**
Fair value gain through income statement – finance	17.7	—	—	—	**17.7**
Fair value gain/(loss) through income statement – operating	—	2.5	—	(0.6)	**1.9**
Fair value gain through income statement – other	0.2	—	—	—	**0.2**
Fair value gain to reserves	—	38.0	—	—	**38.0**
Fair value at 28 March 2015	5.2	24.3	—	(0.4)	**29.1**

The net fair value gain (2014: loss) to reserves comprises a net £24.3 million gain (2014: net £12.6 million loss) recognised in equity during the period and the recycling out of equity of a £13.7 million prior period loss on final settlement of contracts taken out in prior periods (2014: £15.6 million gain) included in operating gain during the financial period. The income statement includes £0.2 million (2014: £0.2 million) of amortisation of the difference between the spot and forward rate relating to the final exchange on cross currency swaps.

The income statement also includes £17.7 million of gains (2014: £10.9 million of losses) recognised within finance expense (2014: finance income) resulting from the US dollar cross currency derivatives, accounted for as a cash flow hedge, recycled from reserves. The £2.5 million gain (2014: £3.9 million loss) through the income statement relating to foreign exchange contracts includes a £1.3 million gain (2014: £1.2 million loss) relating to options not qualifying for hedge accounting and a £1.2 million gain (2014: £2.7 million gain) relating to maturing forward contracts during the period.

The ineffective portion recognised in the income statement that arises from cash flow hedges amounts to £nil (2014: £nil).

The embedded derivatives are referred to within note 26.

28. Analysis of net debt

	29 March 2014 £m	Cashflow £m	Non-cash changes £m	**28 March 2015 £m**
Cash and cash equivalents	111.1	20.2	(4.2)	**127.1**
Bonds	(779.6)	—	(4.4)	**(784.0)**
PIK debt	(377.3)	37.6	(41.3)	**(381.0)**
Total net debt	(1,045.8)	57.8	(49.9)	**(1,037.9)**

Included in PIK debt non-cash changes is £41.3 million of deferred interest rolled over to the carrying value of the PIK loan and cash changes includes £37.6 million of PIK prepayment. Included in bonds non-cash changes are; £3.2 million amortisation of capitalised fees, a loss on the revaluation of the US dollar bonds of £17.7 million reduced by a £16.5 million gain on the revaluation of the Euro bonds. The non-cash changes in cash and cash equivalents relates to the foreign exchanges movements on foreign denominated cash.

	30 March 2013 £m	Cashflow £m	Non-cash changes £m	**29 March 2014 £m**
Cash and cash equivalents	113.6	(1.2)	(1.3)	**111.1**
Bank loans	(468.1)	469.1	(1.0)	**—**
Bonds	—	(789.9)	10.3	**(779.6)**
PIK debt	(741.5)	411.6	(47.4)	**(377.3)**
Total net debt	(1,096.0)	89.6	(39.4)	**(1,045.8)**

Included in bank loans non-cash changes are £0.6 million deferred interest rolled over to the carrying value of the Mezzanine debt and £0.4 million loss on revaluation of Euro loan. Included in PIK debt non-cash changes is £47.4 million deferred interest rolled over to the carrying value of the PIK loan and cash changes includes £0.4 million of PIK interest paid as part of the prepayment (note 9). Included in bonds non-cash changes are; £2.6 million amortisation of capitalised fees, £4.9 million of foreign exchange losses on forward contracts that were taken out to fix the Sterling cash receipts on the Euro and US dollar bonds, reduced by a £17.8 million gain on revaluation of bonds. The non-cash changes in cash and cash equivalents relates to the foreign exchanges movements on foreign denominated cash.

29. Interest rate risk and liquidity risk

On 3 May 2013, New Look Retail Group Limited and its subsidiaries underwent a Group reorganisation and issued senior secured bonds. These bonds were issued on 14 May 2013. The finance raised was used to repay the existing debt under the Senior and Mezzanine Facility Agreements and to acquire 50% of the outstanding PIK debt in cash, with the remaining PIK debt being acquired for a new PIK instrument at par value.

The refinance included a restructure of the Group whereby Trinitybrook Limited sold its investment in Hamperwood Limited to New Look Finance Limited (a new intermediate holding company). New Look Finance Limited now holds the direct investment in Hamperwood Limited. New Look Finance Limited also has a direct investment in New Look Finance II Plc and New Look Bondco I Plc.

New Look Bondco I Plc issued the senior secured bonds which are made up of three tranches of Sterling, US dollar and Euro. The Sterling and US dollar bonds are at fixed coupon rates and the Euro bond is at the prevailing floating rate of interest based upon short-term inter-bank rates (EURIBOR) plus a fixed margin.

New Look Finance Limited purchased 50% of the existing PIK debt in cash and New Look Finance II Plc then issued a new PIK instrument in settlement of the remaining PIK debt.

Total transaction costs incurred as part of the refinance were £25.2 million. £3.1 million of these costs were incurred during the financial period ended 30 March 2013 and were expensed in full. Those costs that are directly attributable to the issue of the bonds were capitalised against the value of the new borrowings and amortised as a finance expense over the maturity period of the debt. Those costs that relate to the extinguishment of the Senior, Mezzanine and PIK debts were expensed in full (note 9).

29. Interest rate risk and liquidity risk (continued)

The table below provides details of the new debt tranches and the cash and PIK margins:

	Cash margin %	PIK margin %	Borrowings as at 30 March 2013 £m	Capitalised interest 31 March 2013 to 14 May 2013 £m	Translation of Euro borrowings £m	Repayments & bond issue £m	**Amended borrowings as at 14 May 2013 £m**
Senior – Tranche B1	2.75		25.3	—	—	(25.3)	**—**
Senior – Tranche B2 (Euro)*	2.75		3.6	—	0.1	(3.7)	**—**
Senior – Tranche B3	2.75		4.8	—	—	(4.8)	**—**
Senior – Tranche B4	4.75		96.4	—	—	(96.4)	**—**
Senior – Tranche B5 (Euro)*	4.75		21.8	—	0.2	(22.0)	**—**
Senior – Tranche C1	3.25		43.0	—	—	(43.0)	**—**
Senior – Tranche C2 (Euro)*	3.25		8.6	—	—	(8.6)	**—**
Senior – Tranche C4	4.75		95.3	—	—	(95.3)	**—**
Senior – Tranche C5 (Euro)*	4.75		21.5	—	0.1	(21.6)	**—**
Second Lien – Tranche D1	5.00		6.1	—	—	(6.1)	**—**
Second Lien – Tranche D2	6.00		65.6	—	—	(65.6)	**—**
Mezzanine Debt	4.50	6.50	76.1	0.6	—	(76.7)	**—**
PIK debt	—	9.00	741.5	4.9	—	(746.4)	**—**
New PIK debt	—	12.00	—	—	—	373.2	**373.2**
Senior bonds – Sterling	8.75		—	—	—	500.0	**500.0**
Senior bonds – US dollar**	8.375		—	—	—	164.1	**164.1**
Senior bonds – Euro*	6.25		—	—	—	148.7	**148.7**
			1,209.6	5.5	0.4	(29.5)	**1,186.0**

* The exchange rate for EUR/GBP as at 30 March 2013 was 1.8156 and 1.1771 as at the date of transaction.
** The exchange rate for USD/GBP as at the date of transaction was 1.5240.

The Group entered into foreign currency contracts on 3 May 2013 to hedge the exchange risk arising between pricing the bonds on 3 May 2013 and settlement on 14 May 2013. The hedged rates were 1.1878 for the Euro bond and 1.5581 for the US dollar bond. The foreign currency contracts fixed the total cash proceeds received in Sterling at £807.8 million.

The senior bonds are repayable in full on 14 May 2018. An early repayment option exists after two years and is repayable at par plus 50% coupon up to 14 May 2016 and at par plus 25% coupon up to 14 May 2017. After four years the bonds are repayable at par.

Interest on the PIK is rolled into the carrying value of the debt although an option does exist to pay the PIK interest in cash. The PIK debt matures in full on 14 November 2018.

On 3 May 2013 the Group also entered into a re–negotiated revolving credit facility for £75.0 million which has a final termination date of 3 February 2018. The revolving credit facility is subject to quarterly covenant leverage reporting on an annualised basis beginning on the quarter ending 28 June 2014.

The following table sets out the carrying amount, by maturity, of the Group's financial instruments that are exposed to interest rate risk:

Period ended 28 March 2015

Floating rate

	Within 1 year £m	1–2 years £m	2–3 years £m	3–4 years £m	4–5 years £m	More than 5 years £m	**Total £m**
Cash Assets	127.1	—	—	—	—	—	**127.1**
Bond – Euro	—	—	—	(128.1)	—	—	**(128.1)**
	127.1	—	—	(128.1)	—	—	**(1.0)**

29. Interest rate risk and liquidity risk (continued)

The following table sets out the carrying amount, by maturity, of the Group's financial instruments that are at fixed rates and therefore not exposed to interest rate risk:

Fixed rate

	Within 1 year £m	1–2 years £m	2–3 years £m	3–4 years £m	4–5 years £m	More than 5 years £m	**Total £m**
Bond – Sterling	—	—	—	(500.0)	—	—	**(500.0)**
Bond – US dollar	—	—	—	(168.0)	—	—	**(168.0)**
PIK debt	—	—	—	(381.0)	—	—	**(381.0)**
	—	—	—	(1,049.0)	—	—	**(1,049.0)**

Period ended 29 March 2014

Floating rate

	Within 1 year £m	1–2 years £m	2–3 years £m	3–4 years £m	4–5 years £m	More than 5 years £m	**Total £m**
Cash Assets	111.1	—	—	—	—	—	**111.1**
Bond – Euro	—	—	—	—	(144.6)	—	**(144.6)**
	111.1	—	—	—	(144.6)	—	**(33.5)**

The following table sets out the carrying amount, by maturity, of the Group's financial instruments that are at fixed rates and therefore not exposed to interest rate risk:

Fixed rate

	Within 1 year £m	1–2 years £m	2–3 years £m	3–4 years £m	4–5 years £m	More than 5 years £m	**Total £m**
Bond – Sterling	—	—	—	—	(500.0)	—	**(500.0)**
Bond – US dollar	—	—	—	—	(150.3)	—	**(150.3)**
PIK debt	—	—	—	—	(377.3)	—	**(377.3)**
	—	—	—	—	(1,027.6)	—	**(1,027.6)**

Interest on financial instruments classified as floating rate is re–priced at intervals of less than one year. Interest on financial instruments classified as fixed rate is fixed until the maturity of the instrument.

The closing balances of the Euro and US dollar bonds were converted at rates of 1.366 and 1.488 (2014: 1.210 and 1.664) respectively.

Borrowing facilities

At each period end, the Group had the following undrawn committed facilities available:

	As at	
	28 March 2015 £m	29 March 2014 £m
Expiring within one year	**5.0**	5.0
Expiring in more than one year	**75.0**	75.0

The facilities expiring within one year are annual facilities subject to an annual review. All facilities incur commitment fees at market rates and would provide funding at floating rates. £5.0 million (2014: £5.0 million) expires within one year and is an undrawn annual facility subject to an annual review.

29. Interest rate risk and liquidity risk (continued)

£75.0 million (2014: £75.0 million) is an undrawn committed multi–currency revolving credit facility and matures in more than one year. The Group's subsidiaries are party to a cross guarantee on the revolving credit facility.

In addition, the Group has arrangements in place with certain banks to provide standby letters of credit to the Group's suppliers. Letters of credit of £38.8 million (2014: £45.6 million) were outstanding under these arrangements.

The Group's management of interest rate risk, credit and market risk is explained in note 3.

30. Provisions

	Onerous Lease provisions £m	Dilapidations provisions £m	**Total £m**
At 30 March 2013	15.0	0.5	**15.5**
Arising during the period	7.7	—	**7.7**
Utilised	(3.0)	(0.1)	**(3.1)**
Reversal of unused amounts	(5.3)	—	**(5.3)**
At 29 March 2014	14.4	0.4	**14.8**
Arising during the period	1.3	0.4	**1.7**
Utilised	(1.9)	(0.4)	**(2.3)**
Reversal of unused amounts	(6.1)	—	**(6.1)**
Transferred to disposal group	(1.0)	—	**(1.0)**
Exchange difference	(0.2)	—	**(0.2)**
At 28 March 2015	6.5	0.4	**6.9**

	As at	
	28 March 2015 £m	29 March 2014 £m
Current	**2.1**	4.4
Non-current	**4.8**	10.4
	6.9	14.8

Onerous lease provisions

The provision relates to future lease costs of vacant properties for the remaining period of the lease, net of expected sub-letting income, which is estimated to be used over one to 24 months, and a provision for onerous lease contracts on loss making stores. A provision is booked on loss making stores where the discounted future cash flows are not expected to cover future rental payments under the lease contract. A provision is made for the lower of: discounted store cash outflows (including rental payments) and discounted rental payments. Future operating losses are not provided for.

Dilapidations provisions

The dilapidations provision of £0.4 million (2014: £0.4 million) is expected to be utilised over one to 12 months.

31. Operating lease commitments

Future minimum rentals payable under non-cancellable operating leases where the Group is the lessee:

	As at	
	28 March 2015 £m	29 March 2014 £m
Not later than one year	**154.7**	176.5
Later than one year and not later than five years	**526.2**	611.0
Later than five years	**353.2**	542.7
	1,034.1	1,330.2

The Group has entered into operating leases in respect of warehouses, offices and retail stores. Contingent rentals are payable on certain retail store leases based on store revenues.

At the balance sheet date, total future payments expected to be received under non–cancellable sub–leases were £3.6 million (2014: £3.9 million).

32. Share based payments

Senior Management Scheme

In April 2004, the senior management of the Group were invited to invest in the shares of the three Guernsey companies which comprised the holding companies of Trinitybrook Limited (the ultimate holding company of the Group at that time), being NL Company No. 1 Limited, NL Company No. 2 Limited and NL Company No. 3 Limited. These shares were purchased at fair value.

As part of the Group reorganisation and share for share exchange in June 2006, the shares held by employees in the three Guernsey companies, NL Company No. 1 Limited, NL Company No. 2 Limited, and NL Company No. 3 Limited and the ESOP1 holding in Trinitybrook Limited were exchanged for shares in New Look Retail Group Limited.

All of the shares held were originally issued at fair value determined by reference to the market value of a basket of comparator companies. Under the reorganisation a cash payment of £48.0 million was paid by Pedalgreen Limited (an immediate subsidiary company of New Look Retail Group Limited) to investors within the scope of IFRS 2, in consideration for the sale of a proportion of the shares in Guernsey 4 Limited (the holding company of the Group prior to the reorganisation in 2006) and the remaining shares were exchanged for shares in Pedalgreen Limited. Guernsey 4 Limited acquired its holding in the Group on 1 June 2006 by acquiring all the shares in NL Company No. 1 Limited, NL Company No. 2 Limited and NL Company No. 3 Limited. There was then a share for share exchange as part of which shares in Pedalgreen Limited were exchanged for shares in New Look Retail Group Limited. Accordingly the reorganisation was accounted for as a modification of an equity–settled arrangement under IFRS 2. The £48.0 million was charged directly to the retained earnings reserve.

	As at	
	28 March 2015 Number of shares 000s	29 March 2014 Number of shares 000s
Shares in issue at the beginning of the period	**21,537**	34,432
Shares purchased by ESOP from senior management in the period	**(2,400)**	(12,895)
Shares in issue at the end of the period	**19,137**	21,537

The 2004 Share Scheme and the 2008 Share Plan

In May 2004, under a new arrangement, Trinitybrook Limited loaned funds to ESOP1. ESOP1 then subscribed to Trinitybrook Limited to acquire a fixed allocation of shares. Between May 2004 and February 2006, certain employees were invited to acquire beneficial ownership of these shares at fair value determined by reference to the market value of a basket of comparator companies. As a result of the Group reorganisation in 2006, employees now hold the beneficial interest in shares in New Look Retail Group Limited.

32. Share based payments (continued)

Details of the 2004 Share Scheme shares outstanding during the period are as follows:

	As at	
	28 March 2015 Number of shares 000s	29 March 2014 Number of shares 000s
Shares in issue at the beginning of the period	**4,577**	5,521
Shares purchased by ESOP from key management in the period	**(775)**	(944)
Shares in issue at the end of the period	**3,802**	4,577

In April 2009, August 2009, August 2011, September 2012, February 2013, September 2013 and December 2013 certain employees were invited to acquire the beneficial interest in shares owned by ESOP1 at fair value determined by reference to the market value of a basket of comparator companies (the 2008 Share Plan).

These shares vest over a 4 year period. Under the first tranche, 20.0% vested on 30 April 2009, then 20.0% on 18 September 2009 and 20.0% on each anniversary of 18 September until the third anniversary. Under the second tranche, 20.0% vested on 21 August 2009 and 20.0% on each anniversary from the grant date until the fourth anniversary. Under the third tranche, 20.0% vested on 25 August 2011, 20.0% vested on 1 May 2012 and 20.0% on each anniversary of 1 May until the third anniversary. Under the fourth tranche, 20.0% vested on 18 September 2012 and 20.0% on each anniversary from the grant date until the fourth anniversary. Under the fifth tranche, 20.0% vested on 18 February 2013 and 20.0% on each anniversary from the grant date until the fourth anniversary. Under the sixth tranche, 20% vested on 1 September 2013 and 20% on each anniversary from the grant date until the fourth anniversary. Under the seventh tranche, 20.0% vested on 20 December 2013 and 20.0% on each anniversary from the grant date until the fourth anniversary. In anticipation of a potential exit event, management modified the scheme rules to accelerate all vesting on an exit event. The result of the modification accelerated the recognition of the fair value charge to the income statement during the current financial period.

Vesting affects the price at which the employee may be required to sell any shares which have not vested upon ceasing to be employed within the Group. The employee is generally not free to sell the shares until either a change in control of the Group or (subject to the vesting conditions) a listing.

The Group has issued shares to ESOP 2 for the purposes of meeting the liabilities in respect of Phantom options under the Phantom Plan granted to certain employees in France.

Under the 2008 Share Plan, shares have vested at various times throughout the year. The weighted average share price at vesting for all grants throughout the period was 18.0 pence (2014: 8.0 pence).

Until June 2007, the 2004 Share Scheme operated as an equity settled arrangement under which employees could be required to sell their shares in the event of a sale or listing of the Group. In June 2007, an amendment was introduced such that, in the event of a sale, the employees would be required to sell their shares but, in the event of a listing of the Group, they would remain entitled to their shares. The 2008 Share Plan contains similar features. The 2008 Share Plan also protects the employee from a fall in the value of New Look Retail Group Limited's shares. The 2008 Share Plan is therefore accounted for, in substance, as a share option arrangement.

32. Share based payments (continued)

Details of the 2008 Share Plan share options outstanding during the period are as follows:

	29 March 2014 - 28 March 2015 Number of share options 000s	30 March 2013 - 29 March 2014 Number of share options 000s
Outstanding at the beginning of the period	**64,565**	92,099
Granted in the period	**—**	8,900
Exercised in the period	**—**	—
Lapsed in the period	**—**	—
Forfeited in the period	**(6,109)**	(36,434)
Outstanding at the end of the period	**58,456**	64,565
Exercisable at the end of the period	**—**	—
Weighted average remaining contractual life (months)	**4 months**	26 months
Weighted average share price at the date of exercise (pence)	**—**	—
Weighted average exercise price (pence)	**4.0p**	4.0p
Market value at period end (pence)	**32.0p**	12.0p
Highest market value (pence)	**32.0p**	12.0p
Lowest market value (pence)	**12.0p**	1.0p

2006 Option Plan

In June 2006 and other times subsequently, key personnel in the Group were offered the opportunity to participate in the 2006 Option Plan. Share options are awarded to employees at the discretion of the Board. Options will normally vest after two years if an employee remains in service. Options will only vest before the two years continuous service when there has been a flotation or change of control in New Look Retail Group Limited (or its holding company), or when the employee leaves the Group as a result of redundancy, injury/ illness/disability or death.

Options may normally only be exercised during a period of eight years commencing on the second anniversary of the date of grant of the option, as long as the employee remains in service. At 28 March 2015, 1,215,000 (2014: 1,545,000) options were outstanding, with the earliest exercise date being 30 June 2008, assuming that the full vesting period is satisfied.

Up to 29 March 2014, the 2006 Option Plan was accounted for as an equity-settled scheme, however employees within the scheme have had the ability to exercise their options for cash since the two year vesting period ended. As this obligation exists, management have changed the method of accounting for the scheme to cash-settled. This has resulted in the creation of a provision of £0.3 million with the charge to reserves during the financial period ended 28 March 2015.

32. Share based payments (continued)

Details of the 2006 Option Plan share options outstanding during the period are as follows:

	29 March 2014 - 28 March 2015 Number of share options 000s	30 March 2013 - 29 March 2014 Number of share options 000s
Outstanding at the beginning of the period	**1,545**	1,882
Granted in the period	**—**	—
Exercised in the period	**(130)**	—
Lapsed in the period	**—**	—
Forfeited in the period	**(200)**	(377)
Outstanding at the end of the period	**1,215**	1,545
Exercisable at the end of the period	**1,215**	1,545
Weighted average remaining contractual life (months)	**4 months**	30 months
Weighted average share price at the date of exercise (pence)	**19.0p**	0.0p
Weighted average exercise price (pence)	**13.0p**	13.0p
Market value at period end (pence)	**32.0p**	12.0p
Highest market value (pence)	**32.0p**	12.0p
Lowest market value (pence)	**12.0p**	1.0p

2014 Option Plan

In June 2014 and other times subsequently, key personnel in the Group were offered the opportunity to participate in the 2014 Option Plan. Share options were awarded to employees at the discretion of the Board.

These shares vest over a four year period. Under the June 2014 tranche, 20.0% vested on 26 June 2014, then 20.0% on each anniversary of 26 June until the fourth anniversary. Under the September 2014 tranche, 20.0% vested on 22 September 2014, then 20.0% on each anniversary of 22 September until the fourth anniversary. Under the February 2015 tranche, 20.0% vested on 22 February 2015, then 20.0% on each anniversary of 22 February until the fourth anniversary. Upon exit all options vest in full.

Details of the 2014 Option Plan options outstanding during the period are as follows:

	29 March 2014 –28 March 2015 Number of share options 000s
Outstanding at the beginning of the period	**—**
Granted in the period	**16,755**
Exercised in the period	**—**
Lapsed in the period	**—**
Forfeited in the period	**—**
Outstanding at the end of the period	**16,755**
Exercisable at the end of the period	**—**
Weighted average remaining contractual life (months)	**4 months**
Weighted average share price at the date of exercise (pence)	**0.0p**
Weighted average exercise price (pence)	**17.0p**
Market value at period end (pence)	**32.0p**
Highest market value (pence)	**32.0p**
Lowest market value (pence)	**12.0p**

Fair value of equity-settled share based payment schemes

The cost of the equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted and the expense is spread to the estimated date of a change of control of the Group.

32. Share based payments (continued)

As the employees acquired the beneficial interest in their shares at fair value under the Senior Management Scheme and the 2004 Share Scheme, there is no charge to the income statement for these equity-settled transactions.

The weighted average fair value of the share options granted under the 2008 Share Plan and 2014 Option Plan was calculated at the date of grant using the Black-Scholes option pricing model. The following table lists the inputs to the model used for the 2008 Share Plan for the periods ended 28 March 2015 and 29 March 2014 and for the 2014 Option Plan for the period ended 28 March 2015:

	28 March 2015 2014 Option Plan	**28 March 2015 2008 Share Plan**	29 March 2014 2008 Share Plan
Weighted average fair value (pence)	**7.00**	**1.55**	1.93
Weighted average share price (pence)	**22.15**	**5.47**	4.42
Exercise price (pence)	**12.00 to 19.00**	**1.00 to 25.00**	1.00 to 25.00
Expected volatility (%)	**29.70**	**31.50 to 60.40**	31.50 to 44.10
Expected life of option (years)	**0.42 to 1.75**	**0.58 to 4.08**	2.30 to 6.92
Dividend yield (%)	**0.00**	**0.00 to 2.00**	0.00 to 2.00
Risk-free interest rate (%)	**2.75**	**1.00 to 4.75**	1.00 to 4.00

Expected share price volatility was determined through the assessment of the historical volatility of a comparable group of companies over a period consistent with the expected life of the award. It is indicative of future trends, which may not necessarily be the actual outcome. The expected life of the options is based on management's estimated date of a change of control of the Group and is not necessarily indicative of exercise patterns that may occur.

The table below reconciles the total number of unallocated shares controlled by the ESOPs for all share schemes operated by the Group for each period end.

	As at	
	28 March 2015 Number 000s	29 March 2014 Number 000s
Shares controlled by the ESOPs at the beginning of the period	**65,392**	23,682
Shares allocated under 2006 Option Plan	**—**	—
Shares allocated under 2008 Share Plan	**—**	(8,900)
Shares allocated under 2014 Option Plan	**(16,755)**	—
Share options exercised in 2006 Option Plan	**130**	—
Shares forfeited from 2006 Option Plan	**200**	337
Shares purchased from Senior Management Scheme	**2,400**	12,895
Shares sold to senior management	**(2,000)**	—
Shares purchased by the ESOPs in the period	**6,884**	37,378
Shares controlled by the ESOPs at the end of the period	**56,251**	65,392

Effect on financial statements

Share based payments also include a cash settled element for 'Good Leavers' and those individuals who fall outside the scope of equity settled arrangements under IFRS 2. The income statement is charged with the change in fair value relating to the estimate at the balance sheet date of the number of 'Good Leavers' likely to arise before any change in control of the Group.

32. Share based payments (continued)

The effect of accounting for share based payments, in accordance with IFRS 2, on the Group's profit before taxation (2014: loss) for the periods is as follows:

	As at	
	52 weeks ended 28 March 2015 £m	52 weeks ended 29 March 2014 £m
Equity-settled share based payment schemes	**0.6**	(0.1)
Cash-settled share based payment schemes	**(3.8)**	6.4
Total share based payment (credit)/charge	**(3.2)**	6.3

33. Share capital

	Share capital £m	Share premium £m	Treasury shares £m	**Total £m**
At 30 March 2013	10.4	0.6	(21.9)	**(10.9)**
Shares purchased in the period	—	—	(1.4)	**(1.4)**
At 29 March 2014	10.4	0.6	(23.3)	**(12.3)**
Shares purchased in the period	—	—	(0.3)	**(0.3)**
Shares disposed of in the period	—	—	0.4	**0.4**
At 28 March 2015	10.4	0.6	(23.2)	**(12.2)**

The total number of authorised Ordinary A shares is 200.0 million each period end and the total number of Ordinary B shares is 1,000.0 million each period end. All shares have a par value of 1.0p.

The total number of allotted, called up and fully paid Ordinary A shares is 157.6 million and the total number of allotted, called up and fully paid Ordinary B shares is 879.1 million at each period end. All shares have a par value of 1.0p.

The consideration paid for the ordinary shares of 1.0p each in the Company held by the ESOPs has been shown as a deduction in capital and reserves as treasury shares.

The A shares in the Company entitle holders to receive notice, attend and speak at general meetings but only confer a right to vote if no B shares are in issue. The shares also have a right to receive a dividend.

The B shares in the Company entitle holders to receive notice, attend, speak and vote at general meetings. The shares also have a right to receive a dividend.

34. Reconciliation of movements in reserves

	Reverse acquisition reserve £m	ESOPs reserve £m	Hedging reserve £m	Translation reserve £m	Accumulated losses £m	Total £m
At 30 March 2013	(285.3)	0.7	7.8	10.4	(36.6)	(303.0)
Total comprehensive expense for the period	—	—	(28.2)	(2.4)	(53.6)	(84.2)
Tax on total comprehensive expense for the period	—	—	6.6	0.3	—	6.9
Purchase of treasury shares (note 33)	—	—	—	—	1.4	1.4
Share based payment credit	—	—	—	—	(0.1)	(0.1)
At 29 March 2014	(285.3)	0.7	(13.8)	8.3	(88.9)	(379.0)
Total comprehensive income and expense for the period	—	—	38.0	(5.3)	53.0	85.7
Tax on total comprehensive income and expense for the period	—	—	(8.2)	—	—	(8.2)
Purchase of treasury shares (note 33)	—	—	—	—	0.3	0.3
Share based payment charge	—	—	—	—	0.2	0.2
At 28 March 2015	(285.3)	0.7	16.0	3.0	(35.4)	(301.0)

Reverse acquisition reserve

The reverse acquisition reserve arose on the acquisition by New Look Retail Group Limited in 2006 of the former Trinitybrook Limited Group, as permitted by IFRS 3 Business Combinations and represents the amount paid by New Look Retail Group Limited to acquire the existing shareholdings in Trinitybrook Limited.

ESOPs reserve

The ESOPs reserve represents the gain made by the trusts on the transfer of shares to employees at a higher price than purchased.

Hedging reserve

The hedging reserve reflects the changes in fair value of effective hedging instruments on forward exchange contracts which are carried forward to match the maturity of the future cash flows.

Translation reserve

The translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

35. Shares held by ESOPs

The ESOPs have an independent professional trustee resident in Guernsey and provide for the allocation of shares to Group employees, at the discretion of the trustee.

At 28 March 2015, the ESOPs held 115,745,783 (2014: 115,809,649) Ordinary A shares of 1.0p each in New Look Retail Group Limited and 323,408 (2014: 323,408) Ordinary B shares of 1.0p each in New Look Retail Group Limited.

The initial consideration paid for ordinary shares in New Look Retail Group Limited held by the ESOPs has been shown as a deduction in capital and reserves as treasury shares. All other assets, liabilities, income and costs of the ESOPs have been incorporated into the financial statements of the Group.

36. Retirement benefit schemes

The Group operates a defined contribution scheme in the UK. At 28 March 2015 £0.2 million (2014: £nil) was outstanding in respect of contributions payable to personal pension schemes in the UK. The Group pension cost recognised in the income statement was £1.5 million (2014: £1.7 million).

In France, the Group operates an unfunded defined benefit arrangement in accordance with French legal requirements which consists of a single payment at the date of retirement. The scheme is uninsured and has no assets. An actuarial assessment was carried out as at 31 March 2015 by an independent actuary, using the projected unit method. The major assumptions were:

	As at	
	28 March 2015 %	29 March 2014 %
Rate of increase in salaries	**2.0 – 2.5**	2.5 – 3.0
Discount rate	**1.75**	2.75
Price inflation	**2.0**	2.0

The pension liability at 28 March 2015 was £0.6 million (2014: £0.3 million), which is included in accruals and £1.7 million was transferred to discontinued operations in the period. The pension cost recognised in the income statement from continuing operations was £0.7 million (2014: £0.8 million). During the financial period ended 28 March 2015, a credit of £0.1 million (2014: £nil) was recognised in other comprehensive income in relation to actuarial gains on post–employment benefit obligations.

37. Related party transactions

ESOPs

At the end of the financial period, the ESOPs owed New Look Retail Group Limited and its subsidiaries £22.4 million (2014: £24.6 million).

Franchise Agreement

On 1 February 2012, the Group agreed a five year franchise agreement with RNA Resources Group Limited ("RNA"), a subsidiary of the Landmark Group International ("Landmark"), in which Mukesh Wadhumal Jagtiani and his wife, Renuka Mukesh Jagtiani own shares. Mukesh Jagtiani also owns 29,737,833 Ordinary B shares (2014: 29,737,833) in the Company in the name of Quillian Investments Corporation.

The agreement relates to the continued opening of new stores under the New Look brand in the Middle East.

In February 2012, the Group received a fee of £1.8 million in return for granting exclusivity to the New Look brand in the Middle East. In addition, the Group receives a royalty for the supply of goods based on a percentage of sales made by the franchisee.

Amortisation of the territory fee over the term of the agreement of £0.4 million (2014: £0.4 million) has been recognised through the income statement in the current financial period.

Transactions with franchisee

	For the financial periods	
	52 weeks ended 28 March 2015 £m	52 weeks ended 29 March 2014 £m
Sale of goods, handling charges and royalties	**32.9**	33.5
Franchise royalty income	**0.4**	0.4

37. Related party transactions (continued)

	As at	
	28 March 2015 £m	29 March 2014 £m
Balance due from franchisee at the end of the financial period	**5.2**	4.2

Included within the balance due from franchisee is a provision of £nil (2014: £nil).

	As at	
	28 March 2015 £m	29 March 2014 £m
Investment in PIK loan	**45.2**	44.2

During the financial period ended 28 March 2015, £4.9 million of interest was rolled up into the balance of the PIK. £nil (2014: £nil) of additional new PIK loan was purchased by the franchisee. On 27 May 2014, the Group prepaid an amount of the new PIK loan. The amount prepaid which related to the franchisee's investment in the PIK loan was £4.4 million. Up to the end of the financial period, an additional £0.5 million of interest was accrued.

On 14 May 2013, as part of the Group's reorganisation and refinancing, 50% of the PIK loan was settled in cash and the remaining 50% rolled into a new PIK loan. Up to the date of the refinancing, £1.2 million of interest was rolled up into the PIK and £44.3 million was disposed of by the franchisee. Following the refinancing, £4.5 million of interest was rolled up into the balance of the new PIK loan and £4.6 million was disposed of on 24 March 2014. For further details of the refinancing transaction see note 29.

Transactions with Directors and key management

As at 28 March 2015, there were loans outstanding with one key manager (2014: one), totalling £0.6 million (2014: £0.5 million) in connection with their purchase of the beneficial interest in shares under the 2008 Share Plan (note 32). Interest on the 2008 Share Plan loan is charged at the applicable HMRC rate and is repayable in full on exercise of shares and change in control of the business. In addition, under the 2008 Share Plan, one key manager acquired beneficial ownership of shares on 20 December 2013 by way of a loan from New Look Retail Group Limited.

As at 28 March 2015, the total of loans outstanding with Directors was £0.2 million (2014: £0.4 million), which are repayable in full on sale of the shares and change of control of the business. Interest is charged on these loans at the applicable HMRC rate.

In June 2006, certain Directors and key management used funds received from the sale of part of their existing shareholdings to reinvest £12.7 million in the PIK loan.

On 14 May 2013, as part of the Group's reorganisation and refinancing, 50% of the PIK loan was settled in cash and the remaining 50% rolled into a new PIK loan. Up to the date of the refinancing, £0.1 million of interest was rolled up into the PIK and £3.6 million was disposed of by Directors.

On 23 August 2013, £3.6 million of the new PIK loan was disposed of by Directors and key management. £nil of additional PIK loan was purchased by Directors and key management.

For further details of the refinancing transaction see note 29.

During the period a monitoring fee of £0.2 million (2014: £0.2 million) was payable to Rianta Capital Limited, an advisory company owned by Tom Singh's family trust.

Transactions with private equity investors

A monitoring fee was paid to each private equity investor during the period, details of which can be found in note 8b.

37. Related party transactions (continued)

On 14 May 2013, as part of the Group's reorganisation and refinancing, 50% of the PIK loan was settled in cash and the remaining 50% rolled into a new PIK loan. Up to the date of the refinancing, £0.8 million of interest was rolled up into the PIK and £54.6 million was disposed of by entities advised by a private equity investor. On 1 October 2013, £55.0 million of the new PIK loan was disposed of which included £0.4 million of additional rolled up interest.

For further details of the refinancing transaction see note 29.

Transactions with joint venture

	As at	
	52 weeks ended 28 March 2015 £m	52 weeks ended 29 March 2014 £m
Purchases from joint venture	**13.5**	9.0

Included within the trade receivables is a balance of £nil (2014: £nil) owed by the joint venture.

Included within trade payables is a balance of £2.0 million (2014: £1.5 million) owed to the joint venture.

During the financial period ended 28 March 2015, a fee of £3.8 million was agreed in settlement of the Group's outstanding obligations in respect of a service agreement with the joint venture (see note 10 for further details).

No other transactions that require disclosure under IAS 24 have occurred during the current financial period.

38. Investment in subsidiaries

The principal subsidiary companies in which New Look Retail Group Limited or its subsidiaries hold 100% of the ordinary shares and voting rights are listed below. These companies are consolidated into the financial results of the Group.

Subsidiary	Country of incorporation and operation	Main activity
Pedalgreen Limited(1)	England and Wales	Intermediate holding company
New Look Finance Limited	England and Wales	Intermediate holding company
New Look Finance II Plc	England and Wales	Intermediate holding company
New Look Bondco I Plc	England and Wales	Intermediate holding company
Trinitybrook Limited	England and Wales	Intermediate holding company
Hamperwood Limited	England and Wales	Intermediate holding company
New Look Group Limited	England and Wales	Intermediate holding company
New Look Limited	England and Wales	Intermediate holding company
New Look Retailers Limited	England and Wales	Fashion retail
Geometry Properties Limited	England and Wales	Property holding and rental
New Look Overseas Limited	England and Wales	Intermediate holding company
New Look Retailers (CI) Limited	Guernsey	Fashion retail
New Look Holdings (France) SAS	France	Intermediate holding company
New Look France SAS	France	Fashion retail
New Look Belgium SA	Belgium	Fashion retail
New Look Holland BV	Holland	Fashion retail
New Look (Singapore) PTE Limited	Singapore	Logistics and freight management
New Look Retailers (Ireland) Limited	Republic of Ireland	Fashion retail
New Look (Germany) GmbH	Germany	Fashion retail
Fashion Look Sp. z o.o.	Poland	Fashion retail
Cenzora Enterprises Limited	Cyprus	Intermediate holding company
New Look Commerce (Shanghai) Co. Limited	Peoples' Republic of China	Fashion retail

Note:
1. Pedalgreen Limited shareholding held directly whilst all others held indirectly through wholly owned subsidiaries.

During the financial period ended 28 March 2015, Mim SAS, Mim Belgique and SCI Geometry Properties were disposed of, see note 17.

During the financial period ended 29 March 2014, NL Bowline Limited, NL Company No. 1 Limited, NL Company No. 2 Limited, NL Company No.3 Limited and Guernsey 4 Limited were placed into liquidation and were struck off.

A full list of subsidiary undertakings as at 28 March 2015 will be annexed to New Look Retail Group Limited's next annual return.

In addition, the Group has a 50% stake in the ordinary share capital of NLT Tekstil Sanayi Ve Ticaret Limited Şirketi, a joint venture incorporated in Turkey, whose principal trading activity is retail manufacturing.

39. Events after the reporting period

As permitted under the PIK facility agreement dated 14 May 2013, New Look Finance II Plc gave notice to debt investors on 8 May 2015 that the Group intended to prepay an amount of the PIK debt equal to a principal amount of £36.7 million plus accrued interest of £1.0 million and a redemption premium of £2.3 million. The prepayment was settled on 14 May 2015.

During the financial period, the Board of New Look Retail Group Limited made the decision to take advice and preparatory steps towards either an exchange listing or a sale of the business.

39. Events after the reporting period (continued)

On 14 May 2015, the Group and its ultimate controlling parties, Apax and Permira signed a Share Sale and Purchase Agreement with Brait SE, an investment group based in South Africa, to sell circa 90% of the ordinary share capital of New Look Retail Group Limited. Tom Singh as Founder and senior management shareholders will acquire the remaining circa 10%. Completion of the sale is expected to be in June 2015.

40. Ultimate controlling party

New Look Retail Group Limited is the ultimate parent of the Group. Apax Funds own 27.7% and Permira Funds own 27.6% of the total issued share capital.

Copies of the financial statements can be obtained from New Look House, Mercery Road, Weymouth, Dorset, DT3 5HJ.

Independent auditors' report to the members of
New Look Retail Group Limited

Report on the Group financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the Group's affairs as at 29 March 2014 and of its loss and cash flows for the period then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The Group financial statements (the "financial statements"), which are prepared by New Look Retail Group Limited, comprise:

- Consolidated balance sheet as at 29 March 2014;
- Consolidated income statement and consolidated statement of comprehensive income for the period then ended;
- Consolidated statement of cash flows for the period then ended;
- Consolidated statement of changes in equity for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union.

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Group's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report & Accounts (the "Annual Report") to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion, we have not received all the information and explanations we require for our audit. We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 67 of the 2014 Annual Report, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other matter

We have reported separately on the parent company financial statements of New Look Retail Group Limited for the 52 week period ended 29 March 2014.

Alan Kinnear (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Southampton

23 May 2014

(a) The maintenance and integrity of the New Look Retail Group Limited website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

(b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

New Look Retail Group Limited
Consolidated income statement

	Notes	For the financial periods 52 weeks ended 29 March 2014 £m	 53 weeks ended 30 March 2013 £m
Revenue	5, 6	**1,528.8**	1,484.0
Cost of sales		**(722.9)**	(698.9)
Gross profit		**805.9**	785.1
Administrative expenses		**(744.7)**	(675.3)
Operating profit	7	**61.2**	109.8
Finance income	9	**7.7**	10.2
Finance expense	9	**(123.5)**	(116.6)
Share of post tax loss from joint venture	15	**(0.4)**	(0.3)
(Loss)/profit before taxation		**(55.0)**	3.1
Taxation	11	**1.4**	0.3
(Loss)/profit attributable to the owners of New Look Retail Group Limited	33	**(53.6)**	3.4

The notes on pages F-75 to F-128 are an integral part of these consolidated financial statements.

New Look Retail Group Limited
Consolidated statement of comprehensive income

	Notes	For the financial periods 52 weeks ended 29 March 2014 £m	53 weeks ended 30 March 2013 £m
(Loss)/profit for the period		**(53.6)**	3.4
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss:			
Cash flow hedges	26, 33	**(28.2)**	15.8
Exchange differences on translation of foreign operations	33	**(2.4)**	0.9
Tax credit on items recognised directly in equity	11	**6.9**	(4.0)
Actuarial loss on post employment benefit obligations	35	**—**	(0.5)
Other comprehensive (expense) / income for the period, net of tax		**(23.7)**	12.2
Total comprehensive (expense) / income for the period		**(77.3)**	15.6

The income tax relating to each component of other comprehensive income is disclosed in note 11.

The notes on pages F-75 to F-128 are an integral part of these consolidated financial statements.

Underlying operating profit is calculated as follows:

	Notes	For the financial periods 52 weeks ended 29 March 2014 £m	53 weeks ended 30 March 2013 £m
Operating profit		**61.2**	109.8
Add back/(deduct):			
Exceptional items	10	**57.8**	4.7
Share based payment expense/(credit)	31	**6.3**	(0.2)
Fair value movement of financial instruments	26	**3.2**	1.2
Underlying operating profit	5	**128.5**	115.5

New Look Retail Group Limited
Consolidated balance sheet

	Notes	As at 29 March 2014 £m	As at 30 March 2013 £m
Non-current assets			
Property, plant and equipment	13	**149.6**	182.2
Intangible assets	14	**703.0**	744.7
Investment in joint venture	15	**—**	0.3
Available for sale financial assets	17	**0.3**	0.3
Other receivables	19	**27.4**	39.2
Deferred income tax assets	11	**27.0**	29.8
		907.3	996.5
Current assets			
Inventories	18	**138.1**	144.1
Trade and other receivables	19	**64.6**	67.8
Derivative financial instruments	20	**0.3**	17.6
Cash and cash equivalents	21	**111.1**	113.6
		314.1	343.1
Total assets		**1,221.4**	1,339.6
Current liabilities			
Trade and other payables	22	**(255.4)**	(246.2)
Financial liabilities	23	**—**	(59.5)
Derivative financial instruments	24	**(17.2)**	(3.4)
Provisions	29	**(4.4)**	(5.7)
Income tax liabilities		**(9.0)**	(8.9)
		(286.0)	(323.7)
Non-current liabilities			
Deferred income and other payables	22	**(86.5)**	(91.4)
Financial liabilities	23	**(1,156.9)**	(1,150.1)
Derivative financial instruments	24	**(11.8)**	(0.8)
Provisions	29	**(10.4)**	(9.8)
Deferred income tax liabilities	11	**(61.1)**	(77.7)
		(1,326.7)	(1,329.8)
Total liabilities		**(1,612.7)**	(1,653.5)
Net liabilities		**(391.3)**	(313.9)
Deficit attributable to the owners of New Look Retail Group Limited			
Share capital	32	**10.4**	10.4
Share premium	32	**0.6**	0.6
Treasury shares	32	**(23.3)**	(21.9)
Other reserves	33	**(4.8)**	18.9
Reverse acquisition reserve	33	**(285.3)**	(285.3)
Accumulated losses	33	**(88.9)**	(36.6)
Total deficit		**(391.3)**	(313.9)

The notes on pages F-75 to F-128 are an integral part of these consolidated financial statements.

The financial statements on pages F-75 to F-128 were authorised for issue by the Board of Directors on 23 May 2014 and were signed on its behalf by:

Anders Kristiansen
CHIEF EXECUTIVE OFFICER

New Look Retail Group Limited
Registration number: 05810406

New Look Retail Group Limited
Consolidated statement of changes in equity

	Notes	Attributable to the shareholders of New Look Retail Group Limited					
		Share capital £m	Share premium £m	Treasury shares £m	Other reserves £m	Accumulated losses £m	Total equity £m
Balance at 24 March 2012	32, 33	10.4	0.6	(22.1)	(279.1)	(39.6)	(329.8)
Comprehensive income							
Profit for the financial period	33	—	—	—	—	3.4	3.4
Other comprehensive income							
Exchange differences on translation of foreign companies	33	—	—	—	0.9	—	0.9
Movements in hedged financial instruments	33	—	—	—	15.8	—	15.8
Tax on items recognised directly in equity	11	—	—	—	(4.0)	—	(4.0)
Actuarial loss on post employment benefit obligations	35	—	—	—	—	(0.5)	(0.5)
Total other comprehensive income		—	—	—	12.7	(0.5)	12.2
Total comprehensive income		—	—	—	12.7	2.9	15.6
Transactions with owners:							
Employee share option scheme: – value of employee services	33	—	—	—	—	0.1	0.1
Disposal of treasury shares	32	—	—	0.2	—	—	0.2
Total transactions with owners		—	—	0.2	—	0.1	0.3
Balance at 30 March 2013	32, 33	10.4	0.6	(21.9)	(266.4)	(36.6)	(313.9)
Comprehensive income and expense							
Loss for the financial period	33	—	—	—	—	(53.6)	(53.6)
Other comprehensive income							
Exchange differences on translation of foreign companies	33	—	—	—	(2.4)	—	(2.4)
Movements in hedged financial instruments	33	—	—	—	(28.2)	—	(28.2)
Tax on items recognised directly in equity	11	—	—	—	6.9	—	6.9
Total other comprehensive income and expense		—	—	—	(23.7)	—	(23.7)
Total comprehensive expense		—	—	—	(23.7)	(53.6)	(77.3)
Transactions with owners:							
Employee share option scheme: – value of employee services	33	—	—	—	—	(0.1)	(0.1)
Purchase of treasury shares	32	—	—	(1.4)	—	1.4	—
Total transactions with owners		—	—	(1.4)	—	1.3	(0.1)
Balance at 29 March 2014	32, 33	10.4	0.6	(23.3)	(290.1)	(88.9)	(391.3)

The notes on pages F-75 to F-128 are an integral part of these consolidated financial statements.

New Look Retail Group Limited
Consolidated statement of cash flows

	Notes	For the financial periods: 52 weeks ended 29 March 2014 £m	53 weeks ended 30 March 2013 £m
Cash flows from operating activities			
Operating profit		**61.2**	109.8
Depreciation of property, plant and equipment		**59.0**	65.5
Impairment of property, plant and equipment		**14.4**	2.7
Amortisation and impairment of intangible assets		**51.0**	6.7
Write back of investment in joint venture		**(0.1)**	—
Gain on disposal of property, plant and equipment and intangible assets		**(9.5)**	(7.4)
Net gain on acquisition of subsidiary		**(2.9)**	—
Share based payment expense/(credit)		**6.3**	(0.2)
Fair value losses in financial instruments		**3.2**	1.2
Foreign exchange losses/(gains) on operating activities		**1.2**	(0.1)
Amortisation of lease inducements		**(11.8)**	(11.9)
Decrease/(increase) in inventories		**7.3**	(11.0)
Decrease in trade and other receivables		**13.5**	4.5
Decrease in trade and other payables		**(10.9)**	(5.8)
Decrease in provisions		**(0.7)**	(3.7)
Income taxes (paid)/received		**(5.4)**	1.3
Purchase of treasury shares		**(1.4)**	—
Net cash flow generated from operating activities		**174.4**	151.6
Cash flows used in investing activities			
Purchase of property, plant and equipment		**(42.7)**	(45.9)
Purchase of intangibles		**(10.5)**	(15.8)
Proceeds from sale of property, plant and equipment		**16.7**	12.0
Net acquisition of foreign subsidiary		**(0.1)**	—
Net cash flow from investing activities		**(36.6)**	(49.7)
Cash flows used in financing activities			
Interest paid		**(48.6)**	(41.2)
Interest received		**0.4**	0.6
Repayment of borrowings		**(880.7)**	(161.0)
Proceeds from issuance of bonds		**789.9**	—
Net cash flow from financing activities		**(139.0)**	(201.6)
Net decrease in cash, cash equivalents and bank overdrafts	27	**(1.2)**	(99.7)
Opening cash, cash equivalents and bank overdrafts	27	**113.6**	212.3
Exchange (losses) / gains on cash, cash equivalents and bank overdrafts	27	**(1.3)**	1.0
Closing cash, cash equivalents and bank overdrafts	27	**111.1**	113.6

The notes on pages F-78 to F-128 are an integral part of these consolidated financial statements.

1. Authorisation of financial statements and statement of compliance with IFRSs

The consolidated financial statements of the Group for the 52 weeks ended 29 March 2014 were authorised for issue by the Board of Directors ("the Board") on 23 May 2014 and the balance sheet was signed on the Board's behalf by Anders Kristiansen. New Look Retail Group Limited is a private limited company incorporated and domiciled in England & Wales whose registered office is New Look House, Mercery Road, Weymouth, Dorset, England, DT3 5HJ. The registered number of the company is 05810406.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these Group financial statements are set out below. These policies have been applied consistently to all the periods presented, unless otherwise stated.

2.1 Basis of preparation

The Group financial statements have been prepared on a going concern basis in accordance with International Financing Reporting Standards as adopted for use in the European Union (IFRSs as adopted by the EU), International Financial Reporting Standards Interpretations Committee (IFRSIC) interpretations and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The consolidated financial statements are presented in Pound Sterling and all values are rounded to the nearest million (£m) except where otherwise indicated.

There are no material differences between the results shown in the consolidated income statement and the results prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivatives) at fair value through the income statement.

2.1.1 Going concern

The Directors report that, having reviewed current performance and forecasts, they have a reasonable expectation that the Group has adequate resources to continue its operations for the foreseeable future. For this reason, they have continued to adopt the going concern basis in preparing the financial statements.

a) Standards, amendments and interpretations that were effective in the period and were adopted by the Group in preparing the financial statements.

Amendment to IAS 1 'Financial statement presentation' on other comprehensive income (OCI)—effective for accounting periods beginning on or after 1 July 2012. This amendment requires items disclosed in an entity's statement of other comprehensive income to be separated into two groups dependent on whether they may be recycled to profit and loss in the future or not. This amendment does not have a material impact on the Group's financial statements.

IAS 19 (revised 2011) 'Employee benefits'—effective for accounting periods beginning on or after 1 January 2013 and is to be applied retrospectively. This amendment makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits and to the disclosures for all employee benefits. This revision does not have a material impact on the Group's financial statements.

IFRS 13 'Fair value measurement'—effective for accounting periods beginning on or after 1 January 2013. This standard provides the definition of fair value measurement and the disclosure requirements for use across IFRSs. Material differences between the fair value and carrying amount of items will be disclosed in the Group's financial statements.

The following standards were effective during the period but not relevant to the Group's operations:

- IAS 12 (amendment) 'Income taxes' on deferred tax relating to investment properties;
- IFRS 1 (amendments) 'First time adoption' on hyperinflation and fixed dates; and
- Annual improvements 2011.

2. Summary of significant accounting policies (continued)

b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Group. The Group is still considering the impact of these changes, but any impact is not expected to be material to the Group's financial statements, unless stated otherwise below. No other existing standards that are not effective are relevant to the Group's operations.

IAS 32 (amendment) 'Financial instruments on asset and liability offsetting'—IAS 32 amendments effective for accounting periods beginning on or after 1 January 2014. The amendment is to the application guidance in IAS 32 that clarifies some of the requirements for offsetting financial assets and financial liabilities on the balance sheet.

IFRS 10 'Consolidated financial statements'—effective for accounting periods beginning on or after 1 January 2014. This standard builds on the existing concept of control in determining whether an entity should be included within consolidated financial statements.

IFRS 11 'Joint arrangements'—effective for accounting periods beginning on or after 1 January 2014. This standard provides for revised principles on the treatement of joint arrangements by focusing on the rights and obligations rather than their legal form.

IFRS 12 'Disclosure of interest in other entities'—effective for accounting periods beginning on or after 1 January 2014. This standard includes the disclosure requirements for all forms of interests in other entities.

IAS 27 (revised) 'Separate financial statements'—effective for accounting periods beginning on or after 1 January 2014. This standard includes the provisions on separate financial statements of IAS 27 that have not been included in IFRS 10 'Consolidated financial statements'.

IAS 28 (revised) 'Investments in associates and joint ventures'—effective for accounting periods beginning on or after 1 January 2014. This standard requires joint ventures and associates to be equity accounted in accordance with the issue of IFRS 11 'Joint arrangements'.

IFRS 9 'Financial instruments' on deferral of mandatory effective date—effective for accounting periods beginning on or after 1 January 2015. This amendment delays the effective date to annual periods beginning on or after 1 January 2015. The original effective date was for annual periods beginning on or after 1 January 2013.

IFRS 10, 11 and 12 (amendments) on transition guidance—effective for accounting periods beginning on or after 1 January 2014. These amendments also provide additional transition relief in IFRSs 10, 11, 12, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. For disclosures related to unconsolidated structured entities, the amendments will remove the requirement to present comparative information for periods before IFRS 12 is first applied.

IFRS 10, 12 and IAS 27 (amendments) 'Investment entities'—effective for accounting periods beginning on or after 1 January 2014. These amendments permit many investment entities (funds or similar entities) to be exempt from consolidating controlled investees.

2.2 Basis of consolidation

The Group financial statements incorporate the financial statements of the Company, its subsidiary undertakings and joint venture. Joint ventures are accounted for using the equity method, see 2.3.

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Acquisitions of subsidiaries by the Group prior to 1 July 2009 have been included in the Group financial statements using the purchase method of accounting that measures the assets and liabilities given, incurred or

2. Summary of significant accounting policies (continued)

assumed at their fair value at the acquisition date, plus costs directly attributable to the acquisition. For all acquisitions occurring on or after 1 July 2009, costs relating to the acquisition shall be expensed.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

Acquisitions which result from a newly created company issuing shares to achieve a business combination are treated as a group reorganisation. When the acquiree has not been combined with any other business and continues to meet the definition of a business then reverse acquisition accounting has been applied.

All intra-group transactions, balances, income and expenses are eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.3 Interest in joint ventures

The Group has an investment in a joint venture which is jointly controlled through a separate legal entity. The Group recognises its interest using the equity method of accounting. The investment was initially recorded at cost and adjusted thereafter for the post acquisition changes in the Group's share of net assets less distributions received less any impairment in value. The Group's share of the entity's profit or loss after taxation is included in the consolidated income statement with the Group's share of any income and expense outside profit and loss recognised in the consolidated statement of comprehensive income.

2.4 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided to customers outside the Group, stated net of returns, staff discounts, and value added and other sales taxes.

The Group recognises revenue when the amount of revenue can be measured reliably, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. For example, it is the Group's policy to sell its products to the end customer with a right of return. Accumulated experience is used to estimate and provide for such returns.

Sales of goods and concession income are recognised when goods are delivered and title passed. Income from rendering of services is recognised when the services have been performed. Internet sales are recognised when the goods are despatched to the customer. Store card arrangement fees are recognised over the life of the agreement with the store card provider.

Revenue from concessions is shown on a net basis, being the commission received rather than the gross value achieved by the concessionaire on the sale.

Rental income in respect of sub-leased stores is recognised on a straight- line basis over the period of the sub-lease.

Franchise income is received in connection with the franchise of the Group's brand name overseas. Franchise royalty income represents the release of the upfront exclusivity fee that has been spread over the term of the agreement. Monthly franchise fee income is recognised in accordance with the related underlying trading performance of the franchisee. Monthly income covering the supply of goods to the franchisee is included in the sale of goods.

2. Summary of significant accounting policies (continued)

2.5 Cost of sales

Cost of sales consists of expenses incurred in getting products to a saleable position and condition. Such costs principally include purchasing of products from suppliers, packaging, freight and distribution costs.

2.6 Interest income

Interest income is accounted for on the accruals basis, by reference to the principal outstanding and the applicable effective interest rate, which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

2.7 Exceptional items

Significant non-recurring items of income and expense are disclosed in the underlying profit reconciliation as exceptional items. The separate reporting of exceptional items helps provide an indication of the Group's underlying business performance.

Costs which may be classified as exceptional include costs of restructuring and reorganisation of the business (such as redundancies, directly related legal and professional costs, relocation costs and duplicate facility costs), writing down inventories by material amounts to net realisable value, writing down trade and other receivables by material amounts to their recoverable amount, impairments or reversal of impairments of intangible assets, property, plant and equipment, litigation settlements, costs incurred as part of the review of business financing, including abortive costs and refinancing costs not eligible to be treated as debt issue costs, one off bonus incentives, gains on acquisition of subsidiaries and directly related legal costs and the subsequent unwinding of acquisition fair value adjustments and gains or losses resulting from the disposal of the Mercery Road, Weymouth site.

2.8 Foreign currencies

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency").

The consolidated financial statements are presented in Sterling, which is the Group's presentational currency.

Transactions in foreign currencies, which are those other than the functional currency of an entity, are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the rates ruling at the balance sheet date. Resulting exchange gains or losses are recognised in the income statement for the period.

Upon consolidation, assets and liabilities of the Group's overseas subsidiary undertakings are translated into Sterling at the rate of exchange ruling at the balance sheet date and income statements are translated at the average exchange rate during the period. Differences on translation are recognised in a separate reserve. On disposal of an overseas subsidiary, the cumulative exchange differences for that subsidiary are recognised in the income statement as part of the profit or loss on disposal.

2.9 Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any provision for impairment in value. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Asset Category	Useful life
Freehold buildings	50 years
Fixtures and equipment	3 to 15 years

2. Summary of significant accounting policies (continued)

Depreciation is provided to write down the cost of fixed assets to their estimated residual values, based on current prices at the balance sheet date, over their remaining useful lives on a straight-line basis.

Refurbishments are included in the asset's carrying amount only when it is probable that future economic benefits associated with the items will flow to the Group and the cost of the item can be measured reliably and are depreciated over the asset's remaining useful economic life. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's net carrying amount is written down immediately to its recoverable amount if the asset's net carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the net carrying amount.

2.10 Intangible assets

(a) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisition of subsidiaries is included in 'intangible assets'. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units (CGUs) for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose.

(b) Other intangible assets

Intangible assets acquired separately are capitalised at cost and those acquired as part of a business acquisition are capitalised at fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Internally generated intangible assets are capitalised when certain criteria are met in accordance with IAS 38, otherwise this expenditure is charged against income in the year in which it is incurred.

The useful lives of these intangible assets are assessed to be either finite or indefinite. Intangible assets with an indefinite life are not amortised but are subject to an impairment test as described in note 2.11. Where amortisation is charged on assets with finite lives, this expense is taken to the consolidated income statement, on a straight-line basis, through administrative expenses, based on the useful life shown below:

Category	Useful life
Brand	Indefinite
Software licences	1 to 5 years
Domain names	5 to 10 years
Recoverable leasehold property premiums	Indefinite

Intangible assets with finite lives are assessed for impairment in accordance with note 2.11.

2.11 Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or

2. Summary of significant accounting policies (continued)

changes in circumstances indicate that the net carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (CGUs) and impairment is tested for groups of CGUs not larger than operating segments which are country sub-groups of each of the Group's brands, in line with internal management reporting.

For non-financial assets other than goodwill, impairment losses are reviewed for possible reversal at each reporting date. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement unless the asset is carried at a revalued amount.

2.12 Financial instruments

(a) Derivative financial instruments

Derivative financial instruments ('derivatives') are used to manage risks arising from changes in foreign currency exchange rates relating to the purchase of overseas sourced products and changes in interest rates relating to the Group's debt. In accordance with its treasury policy, the Group does not enter into derivatives for speculative purposes.

Derivatives falling under the classifications laid out in IAS 39 are stated at fair value in the balance sheet.

The fair value of derivative contracts is their market value at the balance sheet date. Market values are calculated using mathematical models and are based on the duration of the derivative instrument together with quoted market data including interest rates, foreign exchange rates and market volatility at the balance sheet date. The fair value of interest rate contracts is the estimated amount that the Group would receive or pay to terminate them at the balance sheet date, taking into account prevailing interest rates.

(b) Hedge accounting

For the purpose of hedge accounting, hedges are classified as either fair value hedges where they hedge the exposure to changes in the fair value of a recognised asset or liability; or cash flow hedges where they hedge exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a forecast transaction.

For derivatives that are designated and qualify as cash flow hedges, the effective portion of changes in fair value is recognised in other comprehensive income through the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the income statement. Amounts accumulated in equity are reclassified to the income statement in the periods when the hedged item affects profit or loss.

When a cash flow hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in the hedging reserve in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in the hedging reserve in equity is immediately transferred to the income statement for the period.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. If the hedge no longer meets the criteria for hedge accounting, the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged and continues to be accounted for in the manner that was applicable prior to it being hedged.

2. Summary of significant accounting policies (continued)

Changes in the fair value of derivatives which do not qualify for hedge accounting are recognised in the income statement as they arise.

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts. The unrealised gains and losses on embedded derivatives are taken directly to the income statement.

(c) Non-derivative financial instruments

All loans and borrowings are initially recognised at the fair value of the consideration received net of issue costs associated with the borrowing. All deposits are initially recognised at cost.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

Interest costs are expensed in the income statement so as to achieve a constant finance cost as a proportion of the related outstanding borrowings.

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost less any provision for impairment.

A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's net carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate.

Trade payables are initially recognised at fair value and subsequently measured at amortised cost.

The Group's unlisted investments are classified as available for sale and are stated at their historic cost less any impairment. They are included in non-current assets since management does not intend to dispose of the investments within 12 months of the balance sheet date.

2.13 Inventories

Inventories are valued at the lower of cost and net realisable value, using the weighted average cost basis.

Costs include the direct costs, measured at actual cost, and an attributable proportion of distribution overheads incurred in bringing inventories to their current location and condition.

Net realisable value is based on estimated selling price, less further costs to be incurred to disposal.

2.14 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, short term deposits with an original maturity of three months or less, and bank overdrafts. In the consolidated balance sheet, bank overdrafts are shown within current financial liabilities.

2.15 Taxation

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the balance sheet date.

2. Summary of significant accounting policies (continued)

Deferred tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Group financial statements, with the following exceptions:

- Where the temporary difference arises from the initial recognition of goodwill or a non business combination asset or liability;
- In respect of taxable temporary differences associated with investments in subsidiaries and the joint venture, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
- Deferred tax assets are recognised only to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are offset against each other when there is a legally enforceable right to offset current tax assets against current tax liabilities, when the deferred income taxes relate to income taxes levied by the same tax jurisdiction and when the Group intends to settle its current tax assets and liabilities on a net basis.

Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.16 Employee benefit costs

(a) Pension obligations

The Group accounts for pensions and other post-retirement benefits under IAS 19.

The Group only operates defined contribution pension schemes in the UK and RoI. The Group has no further payment obligations once the contributions have been paid. Payments to defined contribution plans are recognised as an expense when the contributions fall due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

The French subsidiaries are subject to a statutory scheme which consists of a single payment at the date of retirement which is classified as a defined benefit plan under IFRS. In respect of this plan, obligations are measured at the discounted present value by a qualified actuary.

(b) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the balance sheet date are discounted to their present value.

2.17 Share based payments

The Group operates a number of share based payment schemes: the Senior Management Scheme, the 2004 Share Scheme, the 2006 Option Plan and the 2008 Share Plan. Each scheme features both equity and cash settled components.

The cost of the equity settled transactions with employees is measured by reference to the fair value at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. Fair value is determined using an IFRS 2 compliant pricing model.

2. Summary of significant accounting policies (continued)

At each balance sheet date, the Group revises its estimates of the number of options or shares that are expected to vest. The impact of the revision, if any, is recognised in the income statement with a corresponding adjustment to reserves.

The Group provides for the expected cost of 'Good Leavers' which are settled in cash by estimating at each balance sheet date the likely amount of 'Good Leavers' until the date when vesting conditions are met. A provision is created on the balance sheet and a corresponding charge is made to the income statement. 'Good Leavers' could arise from redundancy, disability, injury or death. The actual cost of 'Good Leavers' in the period is charged against the provision brought forward.

Under the 2006 Option Plan and the 2008 Share Plan the number of shares that would vest under the 'Good Leaver' provision would be pro-rated to take into account the length of the holding period since the date of the grant and this pro-rated amount of shares would then be cash settled. Under the Senior Management Scheme and the 2004 Share Scheme the change in equity value from the date of the grant or issue of the shares using an appropriate valuation model is payable to the 'Good Leavers' in cash.

Other Leavers under the 2004 Share Scheme and the 2008 Share Plan are entitled to a cash payment. Provision is made for the cash to which Other Leavers are entitled.

2.18 Shares held by the ESOPs

The Employee Share Option Plan Trusts (ESOPs) were set up to allow the issue of shares to Group employees and are consolidated. The shares acquired by the ESOPs are included as treasury shares within capital and reserves at cost. Gains made by the ESOPs on purchasing and selling New Look Retail Group Limited shares are recorded within a separate ESOP reserve.

2.19 Provisions

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

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Provisions for restructuring costs are recognised when the Group has a detailed formal plan for the restructuring that has been communicated to affected parties.

2.20 Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards of ownership to the Group. All other leases are classified as operating leases.

Where an arrangement is dependent on the use of a specified asset or assets, or conveys the right to use an asset, it is determined to contain a lease although this may not be its legal form. The lease element of the arrangement is accounted for as either a finance or operating lease.

Rentals payable under operating leases are charged to income on a straight line basis over the period of the lease. Premiums payable on entering an operating lease are charged to the income statement on a straight line basis over the lease term. Rent free periods and lease inducements receivable on entering an operating lease are recognised as deferred income and released to income on a straight-line basis over the lease term. Capital contributions from landlords are reflected as lease incentives.

2. Summary of significant accounting policies (continued)

2.21 Share capital

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

2.22 Segment reporting

Operating segments by brand and geography are determined in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board.

2.23 Underlying operating profit

In addition to the information required by IFRS and to assist with the understanding of earnings trends, the Group has included within its financial statements a non-GAAP measure referred to as underlying operating profit. Management consider that underlying operating profit reflects the trading performance of the Group which excludes the impacts of exceptional items, share based payments and the marking to market of financial instruments not realised in the period.

3. Treasury and financial risk management

The Group's activities expose it to a variety of financial risks: liquidity risk, market risk (including foreign exchange rate risk and interest rate risk) and credit risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The Group operates a centralised treasury function which is responsible for managing the liquidity, interest and currency risks associated with the Group's activities. As part of its strategy for the management of those risks, the Group uses derivative financial instruments. In accordance with the Group's treasury policy, derivative instruments are not entered into for speculative purposes.

The Group's principal financial instruments, other than derivatives, are cash and short-term deposits, bank overdrafts and loans. The main purpose of these financial instruments is to raise finance for the Group's operations. In addition, the Group has various other financial assets and liabilities such as trade receivables and trade payables arising directly from its operations.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, Group treasury maintains certainty of funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Group's liquidity position which comprise an undrawn revolving credit facility of £75.0 million (2013: £10.8 million) and an overdraft limit of £5.0 million (2013: £5.0 million) and cash and short-term deposits (note 21) on the basis of expected cash flow.

The Group monitors compliance against all its financial obligations and it is Group policy to manage the performance and position of the Group so as to operate within covenanted restrictions at all times.

Currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Euro and US dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

3. Treasury and financial risk management (continued)

Foreign currency risk is the risk that the fair value of a financial commitment, recognised financial assets or financial liabilities will fluctuate due to changes in foreign currency rates.

The Group's principal foreign currency exposures arise from the purchase of overseas sourced products. Group policy is to hedge a proportion of these exposures for up to 15 months ahead in order to limit the volatility in the ultimate Sterling cost. This hedging activity involves the use of spot, forward and option contracts. To the extent that the translation of overseas assets is not offset by the effect of translating overseas liabilities, the effects are not currently hedged and are recognised within consolidated reserves.

To manage the foreign exchange risk arising from future commercial transactions and recognised financial assets and financial liabilities, forward contracts, managed by Group treasury, are used.

The periodic effects are determined by relating the hypothetical changes in the risk variables to the balance of financial instruments at the reporting date. It is assumed that the balance at the reporting date is representative for the period as a whole.

During the period to 14 May 2013, debt Tranches B2, B5, C2 and C5 were denominated in Euros before being settled in full as part of the Group refinancing transaction. During the period 14 May 2013 to 29 March 2014, the Group had bond tranches denominated in Euros and US dollars. All other group borrowings were in Sterling.

The Group uses a currency swap to manage the foreign exchange exposure on the US dollar bond to convert the US dollar interest payments and the end of term repayment into Sterling.

During the period ended 29 March 2014, if Sterling had weakened by 5.0% against the Euro with all other variables held constant, post- tax loss (2013: gain) for the period would have been £6.2 million higher (2013: £0.5 million lower), mainly as a result of the translation of Euro denominated bonds; post-tax decrease (2013: decrease) in shareholder's deficit would have been £3.2 million higher (2013: £6.6 million lower) due to the consolidation of net assets and liabilities of foreign subsidiaries with their functional currency as Euro.

During the period ended 29 March 2014, if Sterling had weakened by 5.0% against the US dollar with all other variables held constant, post- tax loss (2013: gain) for the period would have been £1.3 million higher (2013: £2.5 million lower), mainly as a result of revaluation of overseas trade creditors; post-tax decrease (2013: decrease) in shareholders' deficit would have been £14.6 million higher (2013: £14.3 million higher) as a result of the movement in forward currency contracts.

The Group decided to hold cash in a Euro denominated bank account as a natural hedge for the effect of the revaluation of the Group's Euro denominated bank borrowing up until the Euro debt was settled on 14 May 2013 as part of the Group refinancing transaction. As at 30 March 2013, the amount of Euros held as a natural hedge was €65.8 million against the total Euro denominated bank borrowings of €65.8 million.

Interest rate risk

The Group uses interest rate derivatives to manage the cost of its floating rate debt by entering into fixed rate derivatives, so as to reduce exposure to changes in interest rates.

The Group analyses its interest rate exposure on a dynamic basis. Various forecasting is simulated taking into consideration refinancing, alternative financing and hedging. Based on these forecasts, the Group calculates the impact on profit and loss of a defined interest rate shift. For each forecast, the same interest rate shift is used across all currencies. The scenarios are only run for liabilities that represent the major interest-bearing positions. The forecasting is done on a regular basis to verify that the maximum loss potential is within the limit given by management.

Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Since the Group refinancing transaction on 14 May 2013, the Group has hedged 100% of the floating rate exposure. Prior to the refinancing, Group policy was to hedge 50-75% of floating rate exposure.

3. Treasury and financial risk management (continued)

The Group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps and interest rate caps. This has the economic effect of converting borrowings from floating rates to fixed rates.

Interest rate risks are presented by way of sensitivity analyses in accordance with IFRS 7. These show the effects of changes in market interest rates on interest payments, interest income and expense and other income components.

The interest rate sensitivity analyses are based on the following assumptions:

- In the case of fair value hedges designed for hedging interest rate risk, the changes in the fair value of the hedged item and the hedging instrument attributable to interest rate movements balance out almost completely in the income statement in the same period. As a consequence, these financial instruments are not exposed to interest rate risk;
- Certain financial instruments are designated as hedging instruments in a cash flow hedge to hedge payment fluctuations resulting from interest rate movements. Changes in the market interest rate affect the hedging reserve in shareholders' equity and are therefore taken into consideration in the equity-related sensitivity calculations;
- Changes in the market interest rate of interest rate derivatives affect other financial income or expense and are therefore taken into consideration in the income-related sensitivity calculations; and
- Currency derivatives are not exposed to interest rate risks and are therefore not included in the interest rate sensitivity calculations.

During the period ended 29 March 2014, if interest rates had been 100 basis points higher (2013: 100 bp) with all other variables held constant, post-tax loss (2013: profit) for the period would have been £0.4 million lower (2013: £8.4 million lower), mainly as a result of a higher interest income on floating rate deposits; post-tax movement in equity would be £0.6 million higher (2013: £2.3 million lower) as a result of movement in cash flow hedges.

During the period ended 29 March 2014, if interest rates on Euro denominated borrowings had been 100 basis points higher (2013: 100 bp) with all other variables held constant, post-tax loss (2013: profit) for the period would have been unaffected (2013: £0.6 million lower) due to the equal and opposite offset of the interest rate swaps held to convert the floating rate interest to fixed rate interest.

Credit risk

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions. If wholesale customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards.

The credit ratings of banks with which the Group has investments of cash surpluses, borrowings or derivative financial instruments are reviewed regularly by management. Each bank is assessed individually with reference to the credit it holds and deposit limits are set, which are approved by the Board and reconsidered if the Fitch, Moody or S&P credit rating falls below an "A" rating.

Receivable balances are monitored on an on-going basis and provision is made for estimated irrecoverable amounts.

3. Treasury and financial risk management (continued)

Capital risk management

The Group's principal objective when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholders and benefits for stakeholders.

The Group had debt covenants imposed by its lenders to be achieved in order to maintain the level of borrowings. Covenant tests were carried out quarterly and at the end of each financial period. There were no breaches of the covenants up to the date on which the Group refinanced (2013: none).

As a result of the refinancing on 14 May 2013, the quarterly debt covenant reporting requirements ceased. The Revolving Credit Facility Agreement requires the Group to comply with a leverage ratio, defined as the ratio of consolidated net indebtedness at such date to adjusted EBITDA for the period of the most recent 4 consecutive financial quarters. New covenant measures will be tested quarterly with the first date commencing on 28 June 2014. For further details on the refinancing transaction see note 28.

The Group must ensure sufficient capital resources are available for working capital requirements and meeting principal and interest payment obligations as they fall due.

As at 29 March 2014, net debt was £1,045.8 million (2013: £1,096.0 million), see note 27.

4. Critical accounting estimates, judgements and assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below:

(a) Estimated impairment of intangible assets with indefinite lives

The Group tests whether intangible assets with indefinite lives have suffered any impairment in accordance with the accounting policy stated. The recoverable amounts of cash-generating units have been determined based on the higher of value in use or fair value less cost to sell. These calculations require the use of estimates as detailed in note 14.

(b) Income taxes

The Group is subject to income taxes in numerous jurisdictions. At each financial period end, judgement is required in determining the Group provision for income taxes. There are some transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises anticipated tax liabilities based on the best estimates of whether additional taxes will be due at the balance sheet date. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which such determination is made.

(c) Share based payments

The share based payment expense is recognised in each period as it is incurred, based on a fair value model, and estimates of the likely future cash payments to leavers. The key assumptions include the estimated timing of a change in control of the Group or a listing. The remaining key assumptions of this model are presented in note 31.

4. Critical accounting estimates, judgements and assumptions (continued)

(d) Estimated useful life of intangibles, property, plant and equipment

The Group estimates the useful life and residual values of intangible assets, property, plant and equipment and reviews these estimates at each financial period end. The Group also tests for impairment when a trigger event occurs, or annually as appropriate.

(e) Onerous lease provisions

When a property ceases to be used for the purposes of the business, a provision is made to the extent that the recoverable amount of the interest in the property is expected to be insufficient to cover the future obligations relating to the lease. Where possible, the property is subleased at the prevailing rent.

A provision is also booked on loss making stores where the discounted future cash flows are not expected to cover future payments under the lease contract. The key assumptions to these provisions are the estimated future cash flows and applied discount rates.

(f) Impairment of financial assets

The Group follows the guidance of IAS 39 to determine when a financial asset is impaired. This determination requires significant judgement. In making this judgement, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

(g) Inventory provisions

The Group estimates a slow moving inventory provision based on prior movements and current market conditions.

(h) Exceptional items

The Group applies judgement in identifying the significant non-recurring items of income and expense that are recognised as exceptional to help provide an indication of the Group's underlying business performance.

5. Segment information

Management has determined the operating segments based on the reports reviewed by the Board that are used to make strategic decisions.

The Board considers the business from both a New Look brand and geographic perspective. Geographically, management considers the performance of the UK (UK Retail and E-commerce) and International (all other streams).

The reportable segments derive their revenue primarily from the sale of retail goods and gross concession sales. New Look brand & UK segments include rental income and store card income.

The Board assesses the performance of the operating segments based on revenue grossed up to include the sales of store concessions ('segmental gross transactional value') and on a measure of underlying operating profit (see definition in note 2.23). This measurement basis excludes the effects of exceptional items, share-based payments and unrealised gains/losses on financial instruments. Interest income and expenditure are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Group. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

5. Segment information (continued)

The segment information provided to the Board for the reportable segments by brand and by geographic segment, are as follows:

	For the financial periods	
	52 weeks ended 29 March 2014 £m	53 weeks ended 30 March 2013 £m
External revenue		
New Look brand		
—UK Retail*	**1,034.3**	1,061.2
—E-commerce*	**149.8**	91.4
—International	**152.6**	149.2
—Franchise	**59.9**	58.5
Total New Look brand	**1,396.6**	1,360.3
Mim brand		
—Owned stores	**160.8**	154.0
Total Mim brand	**160.8**	154.0
Segmental gross transactional value	**1,557.4**	1,514.3
Adjustment to state concession income on a net basis for statutory reporting purposes	**(28.6)**	(30.3)
Total Group external revenue	**1,528.8**	1,484.0

* A reclassification of £2.7 million for sale returns between UK Retail and E-commerce has been included in the comparative.

	For the financial periods	
	52 weeks ended 29 March 2014 £m	53 weeks ended 30 March 2013 £m
External revenue		
UK	**1,184.1**	1,152.6
International	**373.3**	361.7
Segmental gross transactional value	**1,557.4**	1,514.3
Adjustment to state concession income on a net basis for statutory reporting purposes	**(28.6)**	(30.3)
Total Group external revenue	**1,528.8**	1,484.0

The revenue from external parties reported to the Board is measured in a manner consistent with that in the income statement except for the gross up of store concessions sales.

	For the financial periods	
	52 weeks ended 29 March 2014 £m	53 weeks ended 30 March 2013 £m
Underlying operating profit		
New Look brand		
—UK Retail*	**94.3**	92.8
—E-commerce*	**35.2**	14.5
—International	**2.4**	0.9
—Franchise	**7.5**	9.4
Total New Look brand	**139.4**	117.6
Mim brand		
—Owned stores	**(10.9)**	(2.1)
Total Mim brand	**(10.9)**	(2.1)
Total Group underlying operating profit	**128.5**	115.5

5. Segment information (continued)

	For the financial periods	
	52 weeks ended 29 March 2014 £m	53 weeks ended 30 March 2013 £m
Underlying operating profit		
UK	**129.5**	107.3
International	**(1.0)**	8.2
Total Group underlying operating profit	**128.5**	115.5

* A reclassification of £1.3 million for sale returns between UK Retail and E-commerce has been included in the comparative.

Underlying operating profit is defined in note 2.23 and is reconciled to operating profit on page F-71.

	For the financial periods	
	52 weeks ended 29 March 2014 £m	53 weeks ended 30 March 2013 £m
Capital expenditure		
New Look brand		
—UK Retail	**44.2**	58.8
—E-commerce	**2.5**	3.5
—International	**7.5**	2.0
—Franchise	**—**	—
Total New Look brand	**54.2**	64.3
Mim brand		
—Owned stores	**4.3**	2.1
Total Mim brand	**4.3**	2.1
Total Group capital expenditure	**58.5**	66.4

	For the financial periods	
	52 weeks ended 29 March 2014 £m	53 weeks ended 30 March 2013 £m
Capital expenditure		
UK	**46.7**	62.3
International	**11.8**	4.1
Total Group capital expenditure	**58.5**	66.4

	For the financial periods	
	52 weeks ended 29 March 2014 £m	53 weeks ended 30 March 2013 £m
Depreciation and amortisation		
New Look brand		
—UK Retail	**52.2**	54.9
—E-commerce	**4.7**	3.4
—International	**6.3**	8.1
—Franchise	**—**	—
Total New Look brand	**63.2**	66.4
Mim brand		
—Owned stores	**6.1**	7.1
Total Mim brand	**6.1**	7.1
Total Group depreciation and amortisation	**69.3**	73.5

5. Segment information (continued)

	For the financial periods	
	52 weeks ended 29 March 2014 £m	53 weeks ended 30 March 2013 £m
Depreciation and amortisation		
UK	**56.9**	58.3
International	**12.4**	15.2
Total Group depreciation and amortisation	**69.3**	73.5

Analyses of the Group's external revenues (by customer location) and non-current assets (excluding investments, deferred tax assets and other financial assets) by geographical location are detailed below:

	External revenue		Non-current assets	
	52 weeks ended 29 March 2014 £m	53 weeks ended 30 March 2013 £m	**52 weeks ended 29 March 2014 £m**	53 weeks ended 30 March 2013 £m
United Kingdom	**1,142.5**	1,113.5	**772.0**	845.5
France	**226.5**	219.4	**74.1**	105.5
Rest of Europe	**115.2**	111.6	**33.1**	15.1
Middle East	**35.3**	31.0	**—**	—
Rest of World	**9.3**	8.5	**0.8**	—
	1,528.8	1,484.0	**880.0**	966.1

6. Revenue

	For the financial periods	
	52 weeks ended 29 March 2014 £m	53 weeks ended 30 March 2013 £m
Sale of goods	**1,505.0**	1,463.1
Rental income	**1.8**	2.0
Store card arrangement fee	**2.8**	2.9
Franchise royalty income	**0.4**	0.4
Concession income (net)	**18.8**	15.6
Revenue	**1,528.8**	1,484.0

Included within rental income is contingent rent of £0.5 million (2013: £0.6 million).

7. Operating profit

	For the financial periods	
	52 weeks ended 29 March 2014 £m	53 weeks ended 30 March 2013 £m
Group operating profit is stated after charging/(crediting):		
Staff costs (note 8a)	**234.9**	226.6
Depreciation of property, plant and equipment	**59.0**	65.5
Impairment loss of property, plant and equipment	**14.4**	2.7
Amortisation of intangible assets	**10.3**	8.0
Impairment loss/(reversal) of intangible assets	**40.7**	(1.3)
Impairment reversal of investment in joint venture	**(0.1)**	—
Amortisation of lease incentives	**(6.6)**	(7.0)
Gain on disposal of property, plant and equipment	**(10.0)**	(6.0)
Loss/(gain) on disposal of intangible assets	**0.5**	(1.4)
Operating lease charges:		
—Minimum lease payments	**178.5**	180.3
—Contingent rent payments	**0.2**	0.1
Net foreign exchange differences	**(1.9)**	1.7
Cost of inventories recognised as an expense through cost of sales	**636.8**	614.2
Write down of inventories to net realisable value through cost of sales	**15.3**	15.9
Auditors' remuneration:		
Fees payable to the company's auditor for the audit of the Group and parent company	**0.2**	0.2
Fees payable to the company's auditor and its associates for other services:		
—The audit of the company's subsidiaries pursuant to legislation	**0.3**	0.2
—Tax compliance services	**0.1**	0.1
—Tax advisory services	**0.6**	0.5
—Other assurance services	**0.3**	0.5
—All other services	**0.8**	0.4

Included in auditors' remuneration are out of pocket expenses paid to Group auditors.

8a. Staff costs

	For the financial periods	
	52 weeks ended 29 March 2014 £m	53 weeks ended 30 March 2013 £m
Wages and salaries	**202.4**	202.2
Social security costs	**23.4**	22.4
Other pension costs (note 35)	**2.8**	2.2
	228.6	226.8
Share based payment expense/(credit) (note 31)	**6.3**	(0.2)
	234.9	226.6

In addition to the above, costs relating to temporary and contract staff total £6.3 million (2013: £4.2 million).

The average monthly number of employees of the Group (including Directors) during the period was:

	For the financial periods	
	52 weeks ended 29 March 2014 Number	53 weeks ended 30 March 2013 Number
Administration and distribution	**2,332**	2,383
Retailing	**17,741**	18,765
	20,073	21,148

8a. Staff costs (continued)

If the number of part-time hours were converted on the basis of a full working week, the equivalent average number of full-time employees would be 10,693 (2013: 11,476).

Compensation for key management personnel

The compensation for key management personnel, including the Directors, was as follows:

	For the financial periods	
	52 weeks ended 29 March 2014 £m	53 weeks ended 30 March 2013 £m
Short term employee benefits	**5.1**	2.5
Termination benefits	**0.2**	—
Post employment benefits	**0.1**	—
Share based payments	**1.0**	—
	6.4	2.5

Retirement benefits are accruing to two members of key management (2013: two) at the end of the period. Directors' remuneration is detailed in note 8b.

8b. Directors' remuneration

(a) Historical aggregate emoluments

The Directors' emoluments table below includes aggregate emoluments of all Executive and Non-Executive Directors of New Look Retail Group Limited who provided qualifying services during the financial periods ended 29 March 2014 and 30 March 2013.

	For the financial periods	
	52 weeks ended 29 March 2014 £m	53 weeks ended 30 March 2013 £m
Aggregate emoluments in respect of qualifying services	4.4	2.1
Company contributions paid in respect of pension schemes	—	—

There have been no waivers of emoluments by any of the Directors in the reporting period. No (2013: none) Directors exercised share options, one (2013: none) Director sold an interest in shares and no (2013: three) Directors were granted shares in the period. Retirement benefits are accruing to no (2013: none) Directors at the end of the period.

(b) Directors' details

Directors

A McGeorge, T Lane, A Miller, M Garland, A Kristiansen,T Singh, C Bamberger Bro and M Halusa were Directors as at 29 March 2014. F Andreottola resigned on 18 December 2013 and O Pinya resigned on 18 February 2014. C Bamberger Bro was appointed on 18 December 2013 and M Halusa was appointed on 18 February 2014.

In the financial period ended 29 March 2014, each of the following were Executive Directors: A McGeorge, T Singh, A Kristiansen and A Miller (2013: A McGeorge, T Singh, A Kristiansen and A Miller).

During the financial period, A McGeorge and A Miller announced their intention to resign as Directors on 31 May 2014 and 11 April 2014 respectively.

As a representative of Permira, M Garland and C Bamberger Bro have an indirect economic interest in the shares of the Company held by the Permira Funds. As representatives of Apax, T Lane and M Halusa have an indirect

8b. Directors' remuneration (continued)

economic interest in the shares of the Company held by the Apax Funds. During the financial period, a monitoring fee of £201,000 (2013: £197,000) was payable to Apax and a monitoring fee of £150,000 (2013: £150,000) to Permira.

For details of transactions with the Directors, including payment-in-kind (PIK) interest, see note 36.

Highest paid Director

	For the financial periods	
	52 weeks ended 29 March 2014 £m	53 weeks ended 30 March 2013 £m
Aggregate emoluments in respect of qualifying services	**1.6**	0.7
Company contributions paid in respect of pension schemes	**—**	—

9. Finance income and expense

	For the financial periods	
	52 weeks ended 29 March 2014 £m	53 weeks ended 30 March 2013 £m
Finance income		
Interest on bank deposits	**0.4**	0.6
Exchange rate gain on revaluation of Euro bond	**4.0**	—
Exchange rate gain on revaluation of US dollar bond*	**2.9**	—
Exchange rate gain on revaluation of Euro cash	**0.4**	0.5
Gain on cancellation of PIK debt	**—**	9.1
Total finance income	**7.7**	10.2
Finance expense		
Interest on bonds, bank loans and overdrafts	**68.3**	35.4
Interest on other loans	**47.8**	71.5
Premium on PIK prepayment	**1.2**	—
Exchange rate loss on revaluation of Euro loans	**0.4**	0.5
Amortisation of issue costs on loans	**2.6**	6.8
Finance expense before exceptional expenses	**120.3**	114.2
Exceptional items—finance expense		
Refinancing costs	**3.2**	2.4
Total finance expense	**123.5**	116.6

* During the financial period, £10.9 million of losses resulting from the US dollar cross currency derivatives, accounted for as a cash flow hedge, were recycled from reserves into finance income in the consolidated income statement and net against the £13.8 million gain on revaluation of the US dollar bond.

Gain on cancellation of PIK debt

In July 2012, as part of the renegotiation of Senior and Mezzanine debt maturities, the Group was provided with the ability to repay part of the PIK debt. During the previous financial period, the Group achieved the required level of leverage to satisfy the covenant and bought back £47.1 million of PIK debt for consideration of £38.0 million.

Premium on PIK prepayment

As permitted under the PIK facility agreement dated 14 May 2013, New Look Finance II Plc gave notice to debt investors on 20 February 2014 that the Group intended to prepay an amount of the new PIK debt equal to a principal amount of £38.4 million plus accrued interest of £0.4 million and a redemption premium of £1.2 million. The prepayment was settled on 24 March 2014.

9. Finance income and expense (continued)

Refinancing costs

In 2012, the Group incurred £6.8 million of costs in relation to renegotiating its Senior and Mezzanine loans which were capitalised against the debt and released during the period. In February 2013, the Group began a number of investigative and preparatory steps in connection with a potential debt refinancing. £2.4 million of costs were incurred in relation to these steps.

As a result of the Group refinancing during the current financial period, £18.0 million of costs incurred were capitalised into the value of the borrowings and subsequently £2.6 million of these capitalised debt costs have been amortised and £3.2 million of costs were incurred.

10. Exceptional items

	For the financial periods	
	52 weeks ended 29 March 2014 £m	53 weeks ended 30 March 2013 £m
Operating exceptional items		
Impairment loss	**64.6**	1.4
Gain on acquisition of subsidiary	**(2.5)**	—
Exceptional bonus incentive	**2.3**	—
Restructuring operating base	**0.2**	4.3
Review of business financing	**0.9**	0.7
Redevelopment of Mercery Road	**(9.1)**	(6.0)
Franchise receivable impairment	**1.4**	4.3
Total operating exceptional items	**57.8**	4.7
Refinancing costs (note 9)	**3.2**	2.4
Total exceptional items	**61.0**	7.1

Impairment loss

An impairment charge has been recognised to write down tangible and intangible assets in stores to their recoverable amount as a result of a decline in trading conditions for certain stores. The recoverable amount was calculated based on the value in use of the individual stores. The calculation of value in use was most sensitive to the following assumptions:

- Forecast operating cash flows for the remaining period of the lease which were based on approved budgets and plans;
- The rate of growth used to extrapolate cash flows and the pre-tax discount rate are disclosed in note 14.

During the financial period, management also reviewed the value in use of the Mim business based on the latest 3 year forecast of future operating cash flows. As a result, the carrying value of the Mim net assets held by the Group has been written down to their value in use. Details of the assumptions used in these calculations are included in note 14.

During the financial period ended 24 March 2012, management reviewed its ability to recover the investment in its 50% interest in NLT Tekstil Sanayi Ve Ticaret Limited Şirketi. The recoverable amount of the joint venture was calculated based on the present value of the discounted future cash flows and a resulting impairment loss recorded in the income statement of £0.7 million. During the financial period ended 29 March 2014, £0.1 million of previously impaired investment was written back.

Gain on acquisition of subsidiary

On 14 February 2014, the Group acquired two subsidiary companies from its Franchise Partner in Poland. The difference between the consideration paid and the assets acquired and liabilities assumed on acquisition resulted in a gain on acquisition of £3.2 million. Legal costs incurred directly relating to the acquisition of £0.4 million and an unwinding of the fair value adjustment on inventories of £0.3 million have also been included above in the net gain on acquisition. Further details of the acquisition are included in note 16.

10. Exceptional items (continued)

Exceptional bonus incentive

In a previous period, the Board of Directors approved a one-off incentive scheme related to the turnaround of the Group's business performance for a small number of Executive Directors. Under this scheme, two bonus payments become payable in the event that the Group's EBITDA reaches a certain threshold, as agreed by the Board. The Group incurred a charge of £2.3 million with respect to the first bonus payment under this scheme in the financial period. Depending on the Group's future EBITDA performance, the Group may incur additional charges in a future period.

Restructuring operating base

During the financial period ended 30 March 2013, the Group incurred £4.3 million in reviewing and restructuring its operating cost base to align the Group's strategies, structures and costs to the challenging macro-economic environment. This included £2.6 million which was incurred in preparation for the termination and relocation of the Group's E-commerce logistics operations which were previously outsourced before being brought in house to the main distribution site at Lymedale. An additional £0.2 million was incurred during the financial period.

Review of business financing/refinancing costs

During the financial period ended 29 March 2014, the Group undertook a debt refinancing. Total costs incurred were £22.1 million, of which £18.0 million have been capitalised as debt issue costs, £3.2 million recognised as an exceptional finance expense (note 9) and £0.9 million as an operational expense.

During the financial period ended 30 March 2013, the Group incurred total costs of £3.1 million as part of the preparatory work for the refinancing of which £2.4 million were recognised as a finance expense (note 9).

Redevelopment of Mercery Road

During the financial periods ended 29 March 2014 and 30 March 2013, as part of the redevelopment of the Group's land on its Mercery Road, Weymouth site, a gain on disposal was recognised in relation to the sale of the land to Sainsburys. See note 13 for further information.

Franchise receivable impairment

During the financial period ended 30 March 2013, the outstanding receivable balance with the Russian franchise partner of £4.3 million was fully impaired as it was no longer expected to be recoverable due to the on-going financial difficulties experienced by the partner. An additional receivable balance of £1.4 million arising in the financial period ended 29 March 2014 was fully impaired due to the continuation of the partner's financial difficulties.

11. Taxation

	For the financial periods	
	52 weeks ended 29 March 2014 £m	53 weeks ended 30 March 2013 £m
Current tax:		
UK corporation tax on losses/profits of the period	**1.5**	8.1
Double tax relief	**(0.2)**	(0.2)
UK adjustment in respect of prior periods	**3.5**	(2.8)
Overseas tax	**0.8**	0.5
Overseas adjustment in respect of prior periods	**(0.1)**	0.1
Total current tax	**5.5**	5.7
Deferred tax:		
Origination and reversal of temporary differences	**(4.2)**	(1.7)
Impact of change in UK corporation tax rate	**(5.5)**	(3.5)
Adjustment in respect of prior period	**2.8**	(0.8)
Total deferred tax	**(6.9)**	(6.0)
Income tax credit	**(1.4)**	(0.3)

The tax on the Group's loss before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits and losses of the consolidated entities as follows:

	For the financial periods	
	52 weeks ended 29 March 2014 £m	53 weeks ended 30 March 2013 £m
(Loss)/profit before taxation	**(55.0)**	3.1
Tax (credit)/charge on (loss)/profit at standard rate of 23% (2013: 24%)	**(12.7)**	0.7
Reasons affecting credit charge for the period:		
Depreciation on non-qualifying assets	**4.2**	2.0
Expenses not deductible for tax purposes	**14.3**	1.5
Deferred tax liablity reversed following impairment	**(10.6)**	—
Foreign tax charged at a different rate than UK standard rate	**(0.3)**	(0.9)
Tax losses for which no deferred income tax asset was recognised	**3.0**	3.5
Re-measurement of deferred tax – change in the UK corporation tax rate	**(5.5)**	(3.5)
Adjustment to current tax charge in respect of prior periods	**3.4**	(2.8)
Adjustment to deferred tax charge in respect of prior periods	**2.8**	(0.8)
Income tax credit	**(1.4)**	(0.3)

The Finance Act 2013 was substantively enacted on 17 July 2013 and reduced the main rate of corporation tax to 21% with effect from 1 April 2014 and 20% from 1 April 2015. Closing deferred tax balances have therefore been valued at 20% (2013: 23%).

11. Taxation (continued)

In addition to the amount credited/charged to the consolidated income statement, tax movements recognised directly in equity as shown in the consolidated statements of comprehensive income and of changes in equity were as follows:

	For the financial periods	
	52 weeks ended 29 March 2014 £m	53 weeks ended 30 March 2013 £m
Deferred tax:		
Foreign exchange movements taken to translation reserve	**0.3**	(0.1)
Other temporary differences	**6.6**	(3.9)
Tax credit/(expense) on items recognised directly in equity	**6.9**	(4.0)

Deferred income tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same tax authority.

	As at	
	29 March 2014 £m	30 March 2013 £m
Deferred tax asset to be recovered within 12 months	**13.9**	17.3
Deferred tax asset to be recovered after more than 12 months	**13.1**	12.5
	27.0	29.8
Deferred tax liability falling due within 12 months	**—**	—
Deferred tax liability falling due after more than 12 months	**(61.1)**	(77.7)
	(61.1)	(77.7)
	(34.1)	(47.9)

The movement in the period is as follows:

	Accelerated capital allowances £m	Brand £m	Other temporary differences £m	Total £m
At 24 March 2012	2.3	83.0	(35.4)	49.9
(Credited)/charged to income statement	(4.1)	(5.6)	3.7	(6.0)
Recognised directly in equity	—	0.1	3.9	4.0
At 30 March 2013	(1.8)	77.5	(27.8)	47.9
(Credited)/charged to income statement	(2.4)	(18.8)	14.3	(6.9)
Recognised directly in equity	—	(0.3)	(6.6)	(6.9)
At 29 March 2014	**(4.2)**	**58.4**	**(20.1)**	**34.1**

There is a deferred tax asset in respect of capital losses of £1.9 million (2013: £2.1 million) that has not been recognised due to uncertainty as to whether there will be sufficient taxable profits in the future against which the asset could be utilised.

PIK interest and onerous lease cost are the main items included in other temporary differences.

Deferred tax assets of £14.3 million (2013: £15.2 million) relating to losses in Mim, New Look France, New Look Belgium and New Look Holland have not been recognised at a Group level as there is no certainty when these losses will be relieved.

No liability has been recognised in respect of temporary differences associated with investments in subsidiaries, branches and interests in the joint venture, where the Group is in a position to control the timing of the reversal of

11. Taxation (continued)

the temporary differences and it is probable that such differences will not reverse in the foreseeable future. The aggregate amount of temporary differences associated with these investments, for which a deferred tax liability has not been recognised, is £8.9 million (2013: £6.7 million).

12. Dividends

No dividends have been proposed, declared or paid during the periods ended 29 March 2014 or 30 March 2013.

13. Property, plant and equipment

	Freehold land and buildings £m	Fixtures and equipment £m	Total £m
Cost			
At 24 March 2012	15.8	532.5	548.3
Exchange movement	—	1.2	1.2
Additions	9.1	41.5	50.6
Disposals	(6.2)	(23.2)	(29.4)
At 30 March 2013	18.7	552.0	570.7
Exchange movement	—	(3.2)	(3.2)
Additions*	(1.3)	44.7	43.4
Acquisitions (note 16)	—	3.2	3.2
Disposals	(6.4)	(19.0)	(25.4)
At 29 March 2014	11.0	577.7	588.7
Accumulated depreciation			
At 24 March 2012	(3.4)	(341.5)	(344.9)
Exchange movement	—	(1.5)	(1.5)
Depreciation charge	(0.2)	(65.3)	(65.5)
Impairment reversal / (loss)	0.4	(3.1)	(2.7)
Disposals	3.0	23.1	26.1
At 30 March 2013	(0.2)	(388.3)	(388.5)
Exchange movement	—	2.8	2.8
Depreciation charge	(0.2)	(58.8)	(59.0)
Impairment loss	—	(14.4)	(14.4)
Reclassification**	—	1.7	1.7
Disposals	—	18.3	18.3
At 29 March 2014	(0.4)	(438.7)	(439.1)
Net Book Value			
29 March 2014	**10.6**	**139.0**	**149.6**
30 March 2013	18.5	163.7	182.2

* Freehold land and buildings includes a release of £2.1 million capital accrual

** Reclassification of depreciation/amortisation to software within intangible assets

Freehold land of £1.2 million (2013: £6.3 million) is not depreciated.

Included within fixtures and equipment are assets in the course of construction of £7.0 million (2013: £9.3 million), which are not depreciated.

At 29 March 2014, the Group has entered into contractual commitments for the acquisition of property, plant and equipment amounting to £10.3 million (2013: £3.3 million).

An impairment charge has been recognised to write down property, plant and equipment in stores and management also have reviewed the net assets of the Mim business which resulted in a further impairment loss. See note 14 for further details.

13. Property, plant and equipment (continued)

On 27 April 2011, the Weymouth and Portland Borough Council made the decision to support New Look's outline planning application for its Weymouth Gateway regeneration plans to redevelop the Group's land on its Mercery Road, Weymouth site. The plans included a new office building for New Look, a Sainsbury's supermarket, a hotel, family restaurant, and additional commercial units.

During the financial period ended 30 March 2013, the Group recognised a gain on the disposal of land following completion of clearance works.

During the financial period ended 29 March 2014, the Group recognised a further gain on disposal of land in relation to the site sold to Sainsbury's (see note 10).

14. Intangible assets

	Goodwill £m	Brands £m	Recoverable leasehold property premiums £m	Software licences £m	Total £m
Cost					
At 24 March 2012	365.3	317.9	29.7	52.8	765.7
Exchange movement	—	0.3	0.3	0.1	0.7
Additions	—	0.2	0.3	15.3	15.8
Disposals	—	—	(2.3)	(2.6)	(4.9)
At 30 March 2013	365.3	318.4	28.0	65.6	777.3
Exchange movement	—	(0.8)	(0.6)	—	(1.4)
Additions	—	1.3	0.7	9.8	11.8
Acquisitions (note 16)	—	—	—	0.1	0.1
Disposals	—	—	(0.7)	(2.0)	(2.7)
At 29 March 2014	365.3	318.9	27.4	73.5	785.1
Accumulated amortisation and impairment					
At 24 March 2012	—	—	(4.9)	(24.6)	(29.5)
Amortisation charge	—	—	—	(8.0)	(8.0)
Impairment reversal/(loss)	—	—	1.4	(0.1)	1.3
Disposals	—	—	1.0	2.6	3.6
At 30 March 2013	—	—	(2.5)	(30.1)	(32.6)
Exchange movement	—	0.7	0.3	—	1.0
Amortisation charge	—	—	(0.3)	(10.0)	(10.3)
Impairment loss	—	(38.2)	(2.0)	(0.5)	(40.7)
Reclassification*	—	—	—	(1.7)	(1.7)
Disposals	—	—	0.3	1.9	2.2
At 29 March 2014	—	(37.5)	(4.2)	(40.4)	(82.1)
Net book value					
At 29 March 2014	**365.3**	**281.4**	**23.2**	**33.1**	**703.0**
At 30 March 2013	365.3	318.4	25.5	35.5	744.7

* Reclassification of depreciation/amortisation from fixtures and equipment within property, plant and equipment

As at 29 March 2014, the Group had entered into contractual commitments for the acquisition of software amounting to £0.6 million (2013: £2.4 million).

The lowest CGUs within the Group are individual stores, however for the purpose of the Goodwill and Brand intangible impairment review; the lowest group of CGUs are the country sub-groups of the Group's brands, which is in line with internal management reporting. Brands have been allocated between these groups. Goodwill arising from business combinations is all allocated to the UK.

14. Intangible assets (continued)

Brands include the New Look and Mim brands acquired through business combinations. Fair value was established by independent valuers and was based on the relief from royalty method. The Group is committed to the continuing development of the New Look brand but conclude that brands have indefinite useful lives.

Certain premiums paid on acquisition of short leasehold property in mainland Europe are expected to be recoverable from subsequent tenants. Recoverable leasehold property premiums are pledged as security for the related lease rental liabilities. To support the recoverable amount, value in use calculations were performed at a store level and in some cases independent third party valuations were obtained on the premiums paid resulting in an impairment loss of £1.0 million (2013: impairment reversal of £1.4 million).

The value in use of relevant groups of CGUs for impairment testing purposes have been determined based on calculations using cash flow projections from the financial plans approved by the Board covering a three year period from the balance sheet date.

The calculation of value in use is most sensitive to the following assumptions:

- The forecast operating cash flows for the next three years are based on approved budgets and plans. These budgets and plans are based on past performance and expectations for the market development of the relevant groups of CGUs;
- An estimate of the long-term effective tax rate for the CGU; and
- The rate of growth used to extrapolate cash flows beyond the three year plan period is 2.0% per annum (2013: 2.0%). This growth rate is based on published estimates of the long-term growth in Gross Domestic Product in the respective CGUs and inflation.

For the New Look brand, the resulting cash flows were discounted using a pre-tax discount rate of 10.1% (2013: 11.1%). For the Mim brand, the resulting cash flows were discounted using a pre-tax discount rate of 7.7% (2013: 9.5%). These rates reflect management's estimate of the cost of capital for the business.

Management does not believe that any reasonable change in any of the above key assumptions would cause the carrying value of goodwill or the New Look brand to exceed their recoverable amounts.

During the period, management reviewed the carrying value of Mim's net assets which are recognised by the Group based on the value in use as described above. The resulting value in use did not support the carrying value of the net assets and therefore an impairment loss of £14.9 million on property, plant and equipment; £39.7 million on intangible assets and £9.5 million on trade and other receivables has been recognised.

Sensitivity to changes in assumptions

In analysing the impairment of Mim's net assets, if the pre-tax discount rate had been 1% higher or 1% lower, the Group's operating profit would have been £0.5 million lower or £0.7 million higher. If the terminal growth rate had been 1% higher or 1% lower, the Group's operating profit would have been £0.7 million higher or £0.5 million lower.

As at 30 March 2013, the recoverable amount exceeded the carrying amount by £73.8 million.

15. Investment in joint venture

The Group has a 50% interest in NLT Tekstil Sanayi Ve Ticaret Limited Şirketi, a jointly controlled entity incorporated in Turkey, which sources product on behalf of the Group.

15. Investment in joint venture (continued)

The Group's share of the assets, liabilities, revenue and expenses of the jointly controlled entity are as follows:

Share of the joint venture's balance sheet	As at 29 March 2014 £m	As at 30 March 2013 £m
Non-current assets	**—**	—
Current assets	**1.2**	1.2
Current liabilities	**(1.4)**	(1.0)
Non-current liabilities	**—**	—
Share of net (liabilities) / assets	**(0.2)**	0.2
Loan to joint venture	**0.8**	0.8
Impairment loss	**(0.6)**	(0.7)
Total investment in joint venture	**—**	0.3

Details of the reversal of the impairment loss of £0.1 million (2013: £nil) are included in note 10.

Share of the joint venture's result	For the financial periods 52 weeks ended 29 March 2014 £m	For the financial periods 53 weeks ended 30 March 2013 £m
Revenue	**4.5**	5.2
Cost of sales	**(4.1)**	(4.6)
Administrative expenses	**(0.8)**	(0.9)
Loss before taxation	**(0.4)**	(0.3)
Taxation	**—**	—
Loss for the financial period	**(0.4)**	(0.3)

The share capital of the joint venture is 3,040,000 YTLs (being equivalent of £1,272,020 at a conversion rate of 2.39 YTLs to each Pound Sterling) divided into 121,600 shares of 25 YTLs each. New Look Retailers Limited and Global Tekstil Danismanlik Sanayi Ve Ticaret Limited Şirketi each own 60,800 shares in the company.

There is no recourse to Group companies in respect of the borrowings of the joint venture and there are no commitments or contingent liabilities at the year end.

16. Business combinations

On 14 February 2014, New Look Overseas Limited, a subsidiary of the Group, acquired 100% of the share capital of Cenzora Enterprises Limited, the Cypriot holding company of Polish company Fashion Look Sp. z o.o. from its former Franchise partner Empik Media & Fashion S.A. of Poland for provisional consideration of £0.3 million subject to final agreement of the purchase price in accordance with the agreed terms of the executed share purchase agreement.

As a result of the acquisition, the Group will continue to trade under the New Look brand and expand its presence in Poland.

The net exceptional gain arising from the acquisition of £2.5 million (note 10) is attributable to the indebtedness owing to the Group prior to acquisition.

The following table summarises the consideration paid for the companies, the provisional fair value of the assets acquired and liabilities assumed at the acquisition date:

	Provisional fair value as at 14 February 2014 £m
Consideration:	
Cash	**0.3**
Total consideration transferred	**0.3**

16. Business combinations (continued)

Recognised amounts of identifiable assets acquired and liabilities assumed:

Cash and cash equivalents	0.2
Property, plant & equipment (note 13)	3.2
Intangible assets (note 14)	0.1
Inventories	1.9
Trade and other receivables	—
Trade and other payables	(2.4)
Net deferred tax asset	0.5
Total identifiable net assets	3.5
Gain on acquisition	(3.2)
Total	0.3

Legal costs incurred relating directly to the acquisition of £0.4 million have been included in the calculation of the exceptional gain on acquisition of foreign subsidiary in note 10.

Inventories have been fair valued at the recommended retail price to the final customer in Poland and the difference between cost and the fair value will unwind through exceptional items as the inventories are sold. During the financial period, £0.3 million of the fair value adjustment had been released.

The revenue included in the Group's income statement since 14 February 2014 contributed by Fashion Look Sp z o.o. was £0.7 million and an operating loss of £0.1 million.

Had Cenzora Enterprises Limited and Fashion Look Sp. z o.o. been consolidated from the beginning of the financial period, the Group's income statement would include revenue of £7.4 million and operating losses of £1.3 million.

17. Available for sale financial assets

	As at	
	29 March 2014 £m	30 March 2013 £m
Unlisted investments available for sale	**0.3**	0.3

The investments included above are investments in unlisted equity securities which are carried at cost being fair value at inception. The investments continue to be carried at cost since they do not have a quoted price in an active market nor a fair value which can be reliably measured. The investments have no maturity or coupon rate and are denominated in Euros.

There were no disposals or impairment provisions on available for sale financial assets in any of the periods.

18. Inventories

	As at	
	29 March 2014 £m	30 March 2013 £m
Raw materials and work in progress	**1.8**	1.6
Finished goods	**136.3**	142.5
	138.1	144.1

Inventories with a value of £2.3 million (2013: £3.2 million) are carried at fair value less costs to sell, this being lower than cost. Cost of inventories recognised as an expense and any write downs of inventory are disclosed in note 7.

19. Trade and other receivables

	As at	
	29 March 2014 £m	30 March 2013 £m
Current		
Trade receivables	**16.9**	14.6
Other receivables	**8.1**	11.0
Prepayments	**36.4**	40.4
Accrued income	**3.2**	1.8
	64.6	67.8
Non-current		
Other receivables	**5.0**	9.7
Prepayments	**22.4**	29.5
	27.4	39.2

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

	As at	
	29 March 2014 £m	30 March 2013 £m
Sterling	**73.0**	78.0
Euro	**14.6**	26.8
US dollar	**1.2**	0.7
Roubles	**1.2**	1.5
Renminbi	**2.0**	—
	92.0	107.0

Included within the trade and other receivables balance is a bad debt provision for £6.5 million (2013: £5.9 million). There was a bad debt charge in the income statement of £1.4 million (2013: £4.5 million).

An impairment loss of £9.5 million has been recognised to write down prepayments and other receivables of Mim resulting from the impairment review of Mim's net assets. See note 14 for more details.

As at 29 March 2014, trade and other receivables of £26.9 million (2013: £33.0 million) were fully performing.

As at 29 March 2014, trade and other receivables of £3.1 million (2013: £2.2 million) were past due but not classed as impaired.

The ageing analysis of these is as follows:

	As at	
	29 March 2014 £m	30 March 2013 £m
Up to 2 months	**0.9**	0.1
2 to 6 months	**2.2**	2.1
	3.1	2.2

19. Trade and other receivables (continued)

As at 29 March 2014, trade and other receivables of £6.5 million (2013: £6.0 million) were impaired and £6.5 million (2013: £5.9 million) were provided for. The ageing of these receivables is as follows:

	As at	
	29 March 2014 £m	30 March 2013 £m
Up to 2 months	**2.0**	1.7
2 to 6 months	**4.5**	4.3
	6.5	6.0

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

	As at	
	29 March 2014 £m	30 March 2013 £m
At start of period	**5.9**	3.6
Provisions for receivables impairment	**1.4**	4.5
Receivables written off during the period	**(0.8)**	(2.2)
	6.5	5.9

The creation and release of the provision for impaired receivables has been included in administrative expenses. Amounts charged to the bad debt provisions are generally written off when there is no expectation of recovering additional cash. Subsequent recoveries of amounts previously written off are credited against administrative expenses. The other classes within trade and other receivables do not contain impaired assets.

The Group maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above.

20. Derivative financial instrument assets

	As at	
	29 March 2014 £m	30 March 2013 £m
Current assets		
Foreign currency contracts	**0.1**	17.5
Embedded foreign exchange derivatives	**0.2**	0.1
	0.3	17.6

Foreign currency contracts comprise forward contracts and options which are used to hedge exchange risk arising from the Group's overseas purchases. The instruments purchased are denominated in US dollars.

Foreign currency contracts are referred to within note 26.

Embedded foreign exchange derivatives arise within outstanding purchase orders, which are in currencies other than the functional currencies of the contracting parties.

21. Cash and cash equivalents

	As at	
	29 March 2014 £m	30 March 2013 £m
Cash at bank and in hand	**45.8**	43.5
Short-term deposits	**63.7**	67.9
Blocked cash	**1.6**	2.2
	111.1	113.6

21. Cash and cash equivalents (continued)

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods between one day and three months depending on the cash requirements of the Group, and earn interest at market short-term deposit rates. Blocked cash relates to amounts held as guarantees over leases in mainland Europe.

22. Trade and other payables

	As at	
	29 March 2014 £m	30 March 2013 £m
Current		
Trade payables	**100.6**	105.3
Other taxation and social security	**13.4**	11.5
Other payables	**1.3**	2.5
Accruals	**90.0**	89.8
Interest accrual	**21.9**	0.4
Deferred income	**26.7**	36.7
Liability for cash settled share based payments	**1.5**	—
	255.4	246.2
Non-current		
Liability for cash settled share based payments	**3.7**	0.7
Other taxation and social security	**0.1**	0.3
Other payables	**2.6**	2.4
Deferred income	**80.1**	88.0
	86.5	91.4

Trade payables, other payables and accruals are non-interest bearing. Trade payables are normally settled on either 60 or 75 day terms. Included in accruals is £50.4 million (2013: £41.5 million) relating to inventory.

23. Financial liabilities

	As at	
	29 March 2014 £m	30 March 2013 £m
Current		
Bank loans	**—**	59.5
	—	59.5
Non-current		
Bank loans	**—**	408.6
Bonds	**779.6**	—
PIK debt	**377.3**	741.5
	1,156.9	1,150.1

Further disclosure in respect of loans is provided in note 28.

24. Derivative financial instrument liabilities

	As at	
	29 March 2014 £m	30 March 2013 £m
Current liabilities		
Foreign currency contracts	**16.3**	0.2
Interest rate swaps	**—**	2.4
Currency swaps	**0.9**	—
Embedded foreign exchange derivatives	**—**	0.8
	17.2	3.4
Non-current liabilities		
Currency swaps	**11.8**	—
Interest rate swaps	**—**	0.8
	11.8	0.8

Foreign currency contracts comprise forward contracts and options which are used to hedge exchange risk arising from the Group's overseas purchases. The instruments purchased are denominated in US dollars.

The interest rate swap agreements, currency swap agreements and foreign currency contracts are referred to within note 26.

Embedded foreign exchange derivatives arise within outstanding purchase orders, which are in currencies other than the functional currencies of the contracting parties.

25. Financial instruments

Fair values

The carrying values of each category of the Group's financial assets/liabilities in the Group's balance sheet, excluding short-term receivables and payables, are as follows:

	As at	
	29 March 2014 Carrying amount £m	30 March 2013 Carrying amount £m
Financial assets		
Cash and short term deposits	**111.1**	113.6
Available for sale financial assets	**0.3**	0.3
Foreign currency contracts	**0.1**	17.5
Embedded foreign exchange derivatives	**0.2**	0.1
Financial liabilities		
Bank loans	**—**	468.1
Bonds	**779.6**	—
PIK debt	**377.3**	741.5
Foreign currency contracts	**16.3**	0.2
Currency swaps	**12.7**	—
Interest rate swaps	**—**	3.2
Embedded foreign exchange derivatives	**—**	0.8

Using market prices, as at the balance sheet date, the fair value of the PIK debt was approximately £18.5 million higher (2013: £74.2 million lower) than the carrying value.

The Directors consider that the carrying amounts of all other financial instruments recorded in these financial statements is equal to or approximate to their fair value.

The fair values of derivatives have been calculated by discounting the expected future cash flows at prevailing interest rates and are based on market prices at the balance sheet date.

25. Financial instruments (continued)

The total notional amount of outstanding foreign currency and interest rate contracts to which the Group was committed at the balance sheet date is as follows:

	As at	
	29 March 2014 £m	30 March 2013 £m
Notional amount of outstanding foreign currency contracts	**357.0**	350.9
Notional amount of outstanding currency swaps	**161.1**	—
Notional amount of outstanding interest rate swaps	**144.6**	275.0

The foreign currency contracts have expiry terms of between 1 and 14 months (2013: 1 and 12 months). The interest rate swap contracts have expiry terms of between 3 and 15 months (2013: 1 and 20 months) and the interest rate swap contracts have been converted from the Euro notional amounts using the closing Euro rate of 1.210. The currency swap contracts have expiry terms of between 2 and 50 months and have Sterling notional amounts based on a swap contract US dollar rate of 1.552.

Category

The accounting policies for financial instruments have been applied to the line items below:

Assets per balance sheet	Loans and receivables £m	Assets at fair value through income statement £m	Derivatives used for hedging £m	Available for sale £m	**Total £m**
At 29 March 2014					
Available for sale financial assets	—	—	—	0.3	**0.3**
Derivative financial instruments	—	0.2	0.1	—	**0.3**
Trade and other receivables (excluding prepayments)	33.2	—	—	—	**33.2**
Cash and short term deposits	111.1	—	—	—	**111.1**
	144.3	0.2	0.1	0.3	**144.9**

Liabilities per balance sheet	Liabilities at fair value through income statement £m	Derivatives used for hedging £m	Other financial liabilities at amortised cost £m	**Total £m**
At 29 March 2014				
Borrowings	—	—	1,156.9	**1,156.9**
Derivative financial instruments	1.2	27.8	—	**29.0**
Trade and other payables (excluding deferred income)	—	—	235.1	**235.1**
	1.2	27.8	1,392.0	**1,421.0**

Assets per balance sheet	Loans and receivables £m	Assets at fair value through income statement £m	Derivatives used for hedging £m	Available for sale £m	**Total £m**
At 30 March 2013					
Available for sale financial assets	—	—	—	0.3	**0.3**
Derivative financial instruments	—	0.1	17.5	—	**17.6**
Trade and other receivables (excluding prepayments)	37.1	—	—	—	**37.1**
Cash and short term deposits	113.6	—	—	—	**113.6**
	150.7	0.1	17.5	0.3	**168.6**

25. Financial instruments (continued)

Liabilities per balance sheet	Liabilities at fair value through income statement £m	Derivatives used for hedging £m	Other financial liabilities at amortised cost £m	**Total £m**
At 30 March 2013				
Borrowings	—	—	1,209.6	**1,209.6**
Derivative financial instruments	0.8	3.4	—	**4.2**
Trade and other payables (excluding deferred income)	—	—	212.9	**212.9**
	0.8	3.4	1,422.5	**1,426.7**

The following table presents the Group's assets and liabilities that are measured at fair value at 29 March 2014:

Assets	Level 1 £m	Level 2 £m	Level 3 £m	**Total £m**
Foreign currency contracts	—	0.1	—	**0.1**
Embedded foreign exchange derivatives	—	0.2	—	**0.2**
Total assets	—	0.3	—	**0.3**
Liabilities				
Foreign currency contracts	—	16.3	—	**16.3**
Currency swaps	—	12.7	—	**12.7**
Total liabilities	—	29.0	—	**29.0**

The following table presents the Group's assets and liabilities that are measured at fair value at 30 March 2013:

Assets	Level 1 £m	Level 2 £m	Level 3 £m	**Total £m**
Foreign currency contracts	—	17.5	—	**17.5**
Interest rate swaps	—	—	—	**—**
Embedded foreign exchange derivatives	—	0.1	—	**0.1**
Total assets	—	17.6	—	**17.6**
Liabilities				
Foreign currency contracts	—	0.2	—	**0.2**
Interest rate swaps	—	3.2	—	**3.2**
Embedded foreign exchange derivatives	—	0.8	—	**0.8**
Total liabilities	—	4.2	—	**4.2**

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

25. Financial instruments (continued)

The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves. The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value. The fair value of currency swaps is calculated as the present value of the future cash flows based on observable yield curves and forward exchange rates at the balance sheet date.

Credit quality

The credit quality of financial assets can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

	As at	
	29 March 2014 £m	30 March 2013 £m
Trade Receivables		
Counterparties without external credit rating:		
Group 1	**1.0**	2.3
Group 2	**0.6**	0.3
Group 3	**15.3**	12.0
Total trade receivables	**16.9**	14.6

Group 1 – new customers (less than 6 months)

Group 2 – existing customers (more than 6 months) with no defaults in the past

Group 3 – existing customers (more than 6 months) with some defaults in the past

The Group limits its exposure to financial institutions by setting credit limits based on their credit ratings and generally only with counterparties with a Fitch's credit rating of at least 'A'. Group treasury monitors counterparty credit ratings closely, adjusting limits and balances immediately following counterparty downgrades. At 29 March 2014, the Group had £106.1 million of cash and cash equivalents (2013: £108.5 million) held with institutions rated 'A' or above, £3.9 million (2013: £3.4 million) held with institutions rated 'A-' and £1.1 million (2013: £1.7 million) held with institutions rated 'BBB', with a combined credit limit of £620.0 million (2013: £540.0 million).

The Group limits its exposure with its counterparties to derivative financial instruments by engaging with counterparties with a Fitch credit rating of 'A' or above. At 29 March 2014, the Group had derivative financial assets of £0.1 million (2013: £17.5 million) with counterparties rated 'A' or above.

Maturity

The table below analyses the Group's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 29 March 2014	**<1 year £m**	**1-2 years £m**	**2-5 years £m**	**5+ years £m**
Borrowings	**—**	**—**	**1,156.9**	**—**
Trade and other payables (excluding deferred income)	**228.7**	**2.7**	**3.7**	**—**

25. Financial instruments (continued)

At 30 March 2013	<1 year £m	1-2 years £m	2-5 years £m	5+ years £m
Borrowings	59.5	31.9	1,118.2	—
Derivative financial instruments	2.4	0.8	—	—
Trade and other payables (excluding deferred income)	209.5	3.4	—	—

The table below analyses the Group's derivative financial instruments which will be settled on a gross basis into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 29 March 2014	**<1 year £m**	**1-2 years £m**	**2-5 years £m**	**5+ years £m**
Forward foreign exchange contracts – cash flow hedges				
Outflow	**361.7**	**15.1**	**—**	**—**
Inflow	**346.7**	**15.1**	**—**	**—**
Currency swaps – cash flow hedges				
Outflow	**14.0**	**14.0**	**196.2**	**—**
Inflow	**12.6**	**12.6**	**183.7**	**—**

At 30 March 2013	<1 year £m	1-2 years £m	2-5 years £m	5+ years £m
Forward foreign exchange contracts – cash flow hedges				
Outflow	333.6	0.6	—	—
Inflow	350.4	0.7	—	—

Embedded foreign exchange derivatives

At 29 March 2014, the Group had embedded foreign exchange derivatives comprising outstanding purchase orders which are in currencies other than the functional currencies of the contracting parties. Exceptions to this are where a non-functional currency is commonly used in the country of a contracting party. The fair values of the embedded foreign exchange derivatives under IAS 39 are as follows:

	As at	
	29 March 2014 £m	30 March 2013 £m
Fair value of embedded foreign exchange derivatives	**0.2**	(0.7)

26. Hedging activities

Foreign currency contracts

The Group uses derivatives in order to manage foreign currency exchange risk arising on expected future purchases of overseas sourced products. These derivatives comprise forward currency contracts and currency options, the terms of which have been negotiated to match the terms of the expected purchases.

26. Hedging activities (continued)

The fair values of derivatives are as follows:

	As at	
	29 March 2014 £m	30 March 2013 £m
Fair value of hedging instruments, qualifying for hedge accounting	**(15.0)**	17.3
Fair value of hedging instruments, not qualifying for hedge accounting	**(1.2)**	—
	(16.2)	17.3

Interest rate swaps

At 29 March 2014, the Group had entered into interest rate swap agreements of £144.6 million (2013: £275.0 million) as partial cash flow hedges of the interest rate risk associated with the drawn down loans of the Group of £144.6 million (2013: £1,209.6 million). The Group pays fixed rates on the swap agreements of between 0.236% to 0.305% (2013: 0.615% to 2.2475%). The interest rate swap expiry dates are between June 2014 and June 2015 (2013: June 2014 and December 2014).

The fair values of the interest rate swaps are as follows:

	As at	
	29 March 2014 £m	30 March 2013 £m
Fair value of interest rate swaps, qualifying for hedge accounting	**—**	(3.2)
Fair value of interest swaps, not qualifying for hedge accounting	**—**	—
	—	(3.2)

Currency swaps

At 29 March 2014, the Group had entered into currency swap agreements of £161.1 million (2013: £nil) as cash flow hedges of the currency exchange risk associated with the Group's US dollar fixed rate notes of £161.1 million (2013: £nil). The Group pays fixed rates on the swap agreements of between 8.668% to 8.768% and the US dollar swap rate of 1.552. The currency swap expiry dates are May 2018. The fair values of the currency swaps are as follows:

	As at	
	29 March 2014 £m	30 March 2013 £m
Fair value of currency swaps, qualifying for hedge accounting	**(12.7)**	—
Fair value of currency swaps, not qualifying for hedge accounting	**—**	—
	(12.7)	—

26. Hedging activities (continued)

Movement in fair values

	Currency swaps £m	Foreign exchange contracts £m	Interest rate swaps £m	Embedded derivatives £m	**Total £m**
Fair value at 24 March 2012	—	4.4	(6.1)	0.5	**(1.2)**
Fair value loss through income statement	—	—	—	(1.2)	**(1.2)**
Fair value gain to reserves	—	12.9	2.9	—	**15.8**
Fair value at 30 March 2013	—	17.3	(3.2)	(0.7)	**13.4**
Fair value (loss)/gain through income statement – operating	(11.1)	(3.9)	—	0.9	**(14.1)**
Fair value (loss)/gain through income statement – finance	0.2	—	—	—	**0.2**
Fair value (loss)/gain to reserves	(1.8)	(29.6)	3.2	—	**(28.2)**
Fair value at 29 March 2014	(12.7)	(16.2)	—	0.2	**(28.7)**

The net fair value loss (2013: gain) to reserves comprises a net £12.6 million loss (2013: net £18.8 million gain) recognised in equity during the period offset by the recycling out of equity of a £15.6 million prior period gain on final settlement of contracts taken out in prior periods (2013: £3.0 million gain) included in operating loss during the financial period. The income statement includes an operating charge of £3.0 million relating to the marking to market of financial instruments not realised in the period and £0.2 million of amortisation of the difference between the spot and forward rate relating to the final exchange on cross currency swaps. The income statement includes £10.9 million of losses recognised within finance income resulting from the US dollar cross currency derivatives, accounted for as a cash flow hedge, recycled from reserves. The £3.9 million loss through the income statement relating to foreign exchange contracts includes £1.2 million relating to options not qualifying for hedge accounting and £2.7 million relating to maturing forward contracts during the period.

The ineffective portion recognised in the income statement that arises from cash flow hedges amounts to £nil (2013: £nil).

The embedded derivatives are referred to within note 25.

27. Analysis of net debt

	30 March 2013 £m	Cashflow £m	Non-cash changes £m	**29 March 2014 £m**
Cash and cash equivalents	113.6	(1.2)	(1.3)	**111.1**
Bank loans	(468.1)	469.1	(1.0)	**—**
Bonds	—	(789.9)	10.3	**(779.6)**
PIK debt	(741.5)	411.6	(47.4)	**(377.3)**
Total net debt	(1,096.0)	89.6	(39.4)	**(1,045.8)**

Included in bank loans non-cash changes are £0.6 million deferred interest rolled over to the carrying value of the Mezzanine debt and £0.4 million loss on revaluation of Euro loan. Included in PIK debt non-cash changes is £47.4 million deferred interest rolled over to the carrying value of the PIK loan and cash changes includes £0.4 million of PIK interest paid as part of prepayment (note 9). Included in bonds non-cash changes are; £2.6 million amortisation of capitalised fees, £4.9 million of foreign exchange losses on forward contracts that were taken out to fix the Sterling cash receipts on the Euro and US dollar bonds, reduced by £17.8 million gain on revaluation of bonds.

27. Analysis of net debt (continued)

	24 March 2012 £m	Cashflow £m	Non-cash changes £m	**30 March 2013 £m**
Cash and cash equivalents	212.3	(99.7)	1.0	**113.6**
Bank loans	(585.8)	123.0	(5.3)	**(468.1)**
PIK debt	(717.1)	38.0	(62.4)	**(741.5)**
Total net debt	(1,090.6)	61.3	(66.7)	**(1,096.0)**

Included in non-cash changes are £4.8 million deferred interest rolled over to the carrying value of the Mezzanine debt, £71.5 million deferred interest rolled over to the carrying value of the PIK loan, £9.1 million gain on buyback of PIK debt below par and £0.5 million loss on Euro loan revaluations.

28. Interest rate risk and liquidity risk

On 4 July 2012, Trinitybrook Limited, a fully owned subsidiary in the Group executed an agreement with the Facility Agents HSBC and Unicredit Bank AG, London Branch which was supplemental to and amended the Senior Facility Agreement and the Mezzanine Facilities Agreement originally dated 24 May 2005 and subsequent amendments.

The executed agreement amended the Senior debt profile, with 5 new tranches (B4, B5, C4, C5 and D2) added to the existing 6 tranches and a reallocation of existing borrowings after a mandatory prepayment on the transaction date of £62.0 million.

The costs incurred by the Group to negotiate and execute the amend and extend agreements were £6.8 million (note 9).

Interest continued to be payable on the outstanding Sterling denominated tranche balances at the GBP Libor rate + cash margin + minimum liquid assets (MLA) rate. On Euro denominated tranches, interest was payable at Euribor + cash margin + MLA.

The PIK margin on the Mezzanine debt determined the amount of interest capitalised into the outstanding balance at each rollover date.

The table below provides detail of the amended debt profile, the new tranches and the cash and PIK margins:

	Cash margin %	PIK margin %	Borrowings at 24 March 2012 £m	Repayments 25 March 2012 to 3 July 2012 £m	Capitalised interest 25 March 2012 to 3 July 2012 £m	Translation of Euro borrowings £m	Reallocation of borrowings £m	**Amended borrowings at 4 July 2012 £m**
Tranche A†	1.75		8.3	(8.3)	—	—	—	**—**
Tranche A2†	1.75		3.5	(3.5)	—	—	—	**—**
Tranche B1	2.75		164.3	(20.3)	—	—	(91.2)	**52.8**
Tranche B2 (Euro)**	2.75		31.5	(1.3)	—	(1.4)	(21.6)	**7.2**
Tranche B3	2.75		22.8	(3.5)	—	—	(9.3)	**10.0**
Tranche B4	4.75		—	—	—	—	100.5	**100.5**
Tranche B5 (Euro)**	4.75		—	—	—	—	21.6	**21.6**
Tranche C1	3.25		164.3	(19.9)	—	—	(99.4)	**45.0**
Tranche C2 (Euro)**	3.25		31.5	(0.4)	—	(1.3)	(21.3)	**8.5**
Tranche C4	4.75		—	—	—	—	99.4	**99.4**
Tranche C5 (Euro)**	4.75		—	—	—	—	21.3	**21.3**
Tranche D1	5.00		80.0	(8.3)	—	—	(65.6)	**6.1**
Tranche D2	6.00		—	—	—	—	65.6	**65.6**
Mezzanine	4.50	6.50	79.6	(8.3)	1.2	—	—	**72.5**
			585.8	(73.8)	1.2	(2.7)	—	**510.5**

28. Interest rate risk and liquidity risk (continued)

* The PIK margin on the Mezzanine debt increased from 5.50% to 6.50% as a result of the amend and extend transaction.

** The exchange rate for EUR/GBP as at 24 March 2012 was 1.196 and as at the transaction date was 1.248.

† The balance of Tranche A & A2 borrowings were prepaid voluntarily on 26 April 2012 and therefore not included in the amendments.

On 3 May 2013, New Look Retail Group Limited and its subsidiaries underwent a Group reorganisation and issued senior secured bonds. These bonds were issued on 14 May 2013. The finance raised was used to repay the existing debt under the Senior and Mezzanine Facility Agreements and to acquire 50% of the outstanding PIK debt in cash, with the remaining PIK debt being acquired for a new PIK instrument at par value.

The refinance included a restructure of the Group whereby Trinitybrook Limited sold its investment in Hamperwood Limited to New Look Finance Limited (a new intermediate holding company). New Look Finance Limited now holds the direct investment in Hamperwood. New Look Finance Limited also has a direct investment in New Look Finance II Plc and New Look Bondco I Plc.

New Look Bondco I Plc issued the senior secured bonds which are made up of three tranches of Sterling, US dollar and Euro. The Sterling and US dollar bonds are at fixed coupon rates and the Euro bond is at the prevailing floating rate of interest based upon short-term inter-bank rates (EURIBOR) plus a fixed margin.

New Look Finance Limited purchased 50% of the existing PIK debt in cash and New Look Finance II Plc then issued a new PIK instrument in settlement of the remaining PIK debt.

Total transaction costs incurred as part of the refinance were £25.2 million. £3.1 million of these costs were incurred during the financial period ended 30 March 2013 and were expensed in full. Those costs that are directly attributable to the issue of the bonds were capitalised against the value of the new borrowings and amortised as a finance expense over the maturity period of the debt. Those costs that relate to the extinguishment of the Senior, Mezzanine and PIK debts will be expensed in full (note 9).

The table below provides details of the new debt tranches and the cash and PIK margins:

	Cash margin %	PIK margin %	Borrowings as at 30 March 2013 £m	Capitalised interest 31 March 2013 to 14 May 2013 £m	Translation of Euro borrowings £m	Repayments & bond issue £m	**Amended borrowings as at 14 May 2013 £m**
Senior—Tranche B1	2.75		25.3	—	—	(25.3)	**—**
Senior—Tranche B2 (Euro)*	2.75		3.6	—	0.1	(3.7)	**—**
Senior—Tranche B3	2.75		4.8	—	—	(4.8)	**—**
Senior—Tranche B4	4.75		96.4	—	—	(96.4)	**—**
Senior—Tranche B5 (Euro)*	4.75		21.8	—	0.2	(22.0)	**—**
Senior—Tranche C1	3.25		43.0	—	—	(43.0)	**—**
Senior—Tranche C2 (Euro)*	3.25		8.6	—	—	(8.6)	**—**
Senior—Tranche C4	4.75		95.3	—	—	(95.3)	**—**
Senior—Tranche C5 (Euro)*	4.75		21.5	—	0.1	(21.6)	**—**
Second Lien—Tranche D1	5.00		6.1	—	—	(6.1)	**—**
Second Lien—Tranche D2	6.00		65.6	—	—	(65.6)	**—**
Mezzanine Debt	4.50	6.50	76.1	0.6	—	(76.7)	**—**
PIK debt		9.00	741.5	4.9	—	(746.4)	**—**
New PIK debt		12.00	—	—	—	373.2	**373.2**
Senior bonds—Sterling	8.75		—	—	—	500.0	**500.0**
Senior bonds—US dollar**	8.375		—	—	—	164.1	**164.1**
Senior bonds—Euro*	6.25		—	—	—	148.7	**148.7**
			1,209.6	5.5	0.4	(29.5)	**1,186.0**

28. Interest rate risk and liquidity risk (continued)

* The exchange rate for EUR/GBP as at 30 March 2013 was 1.8156 and 1.1771 as at the date of transaction.
** The exchange rate for USD/GBP was 1.5240 as at the date of transaction.

The Group entered into foreign currency contracts on 3 May 2013 to hedge the exchange risk arising between pricing the bonds on 3 May 2013 and settlement on 14 May 2013. The hedged rates were 1.1878 for the Euro bond and 1.5581 for the US dollar bond. The foreign currency contracts fixed the total cash proceeds received in Sterling at £807.9 million.

The senior bonds are repayable in full on 14 May 2018. An early repayment option exists after two years and is repayable at par plus 50% coupon up to 14 May 2016 and at par plus 25% coupon up to 14 May 2017. After four years the bonds are repayable at par.

Interest on the PIK is rolled into the carrying value of the debt although an option does exist to pay the PIK interest in cash. The PIK debt matures in full on 14 November 2018.

On 3 May 2013 the Group also entered into a re-negotiated revolving credit facility for £75.0 million which has a final termination date of 3 February 2018. The revolving credit facility is subject to quarterly covenant leverage reporting on an annualised basis beginning on the quarter ending 28 June 2014.

The following table sets out the carrying amount, by maturity, of the Group's financial instruments that are exposed to interest rate risk:

Period ended 29 March 2014

Floating rate

	Within 1 year £m	1-2 years £m	2-3 years £m	3-4 years £m	4-5 years £m	More than 5 years £m	**Total £m**
Cash Assets	111.1	—	—	—	—	—	**111.1**
Bond – Euro	—	—	—	—	(144.6)	—	**(144.6)**
	111.1	—	—	—	(144.6)	—	**(33.5)**

The following table sets out the carrying amount, by maturity, of the Group's financial instruments that are at fixed rates and therefore not exposed to interest rate risk:

Fixed rate

	Within 1 year £m	1-2 years £m	2-3 years £m	3-4 years £m	4-5 years £m	More than 5 years £m	**Total £m**
Bond – Sterling	—	—	—	—	(500.0)	—	**(500.0)**
Bond – US dollar	—	—	—	—	(150.3)	—	**(150.3)**
PIK debt	—	—	—	—	(377.3)	—	**(377.3)**
	—	—	—	—	(1,027.6)	—	**(1,027.6)**

28. Interest rate risk and liquidity risk (continued)

Period ended 30 March 2013

Floating rate

	Within 1 year £m	1-2 years £m	2-3 years £m	3-4 years £m	4-5 years £m	More than 5 years £m	**Total £m**
Cash Assets	113.6	—	—	—	—	—	**113.6**
Senior term debt—Tranche B1	(25.3)	—	—	—	—	—	**(25.3)**
Senior term debt—Tranche B2	(3.6)	—	—	—	—	—	**(3.6)**
Senior term debt—Tranche B3	(4.8)	—	—	—	—	—	**(4.8)**
Senior term debt—Tranche B4	—	—	(96.4)	—	—	—	**(96.4)**
Senior term debt—Tranche B5	—	—	(21.8)	—	—	—	**(21.8)**
Senior term debt—Tranche C1	(21.5)	(21.5)	—	—	—	—	**(43.0)**
Senior term debt—Tranche C2	(4.3)	(4.3)	—	—	—	—	**(8.6)**
Senior term debt—Tranche C4	—	—	(95.3)	—	—	—	**(95.3)**
Senior term debt—Tranche C5	—	—	(21.5)	—	—	—	**(21.5)**
Senior term debt—Tranche D1	—	(6.1)	—	—	—	—	**(6.1)**
Senior term debt—Tranche D2	—	—	(65.6)	—	—	—	**(65.6)**
Mezzanine debt	—	—	(76.1)	—	—	—	**(76.1)**
PIK debt	—	—	(741.5)	—	—	—	**(741.5)**
	54.1	(31.9)	(1,118.2)	—	—	—	**(1,096.0)**

Interest on financial instruments classified as floating rate is re-priced at intervals of less than one year. Interest on financial instruments classified as fixed rate is fixed until the maturity of the instrument.

Senior term debt tranches B2, B5, C2 & C5 were denominated in Euros and converted at the date of settlement at 1.177 (2013: balance sheet date at 1.186).

The closing balances of the Euro and US dollar bonds were converted at rates of 1.210 and 1.664 respectively.

Interest bearing loans and borrowings

Borrowings under the mezzanine debt, senior term debt and the available ancillary facilities were at the prevailing floating rates of interest based upon short-term inter-bank rates (GBP LIBOR and EURIBOR for the interest period selected at the Group's discretion). Commitment fees were payable in respect of the undrawn amount of committed facilities.

The senior term debt, mezzanine debt and PIK loan were subject to quarterly covenant reporting.

Margins over Sterling LIBOR and Euro EURIBOR, applying to the senior term debt on all B tranches and C tranches were fixed and ranged from 2.75% to 4.75%. The margin applying to Second Lien tranche D debt ranged from 5.0% to 6.0%. The margin that applied to senior term debt tranche A was subject to a ratchet mechanism whereby it varied from 1.5% to 2.25% subject to the financial performance of the Group. The margin applying to the mezzanine debt was fixed at 11.0% of which 4.5% was settled in cash and 6.5% was capitalised at the end of each interest period. The margin applying to the old PIK debt was 9.0% subject to a margin adjustment linked to the consolidated EBITDA of Trinitybrook Limited and its subsidiaries.

During the financial period ended 30 March 2013, the Group had the ability to repay part of the PIK debt held by Pedalgreen Limited based on a covenant leverage test. Where, as at a reporting period end, the consolidated total net borrowings of the Group divided by the covenant LTM EBITDA of the Group was less than two and continued to remain less than two for 12 months from that reporting period end. Pedalgreen Limited could then pay down an amount of the PIK debt up to a limit of £25.0 million in the first year and then within the available excess cash PIK basket thereafter.

The PIK basket mechanism of buying back the PIK started at £25.0 million at the date of the transaction and continued to build using 50% of retained excess cash flow, calculated on a quarterly basis in line with filing of covenant compliance certificates.

28. Interest rate risk and liquidity risk (continued)

In November 2012, December 2012 and February 2013, the Group achieved the leverage test to enable three PIK debt buy back and cancellations. NL Bowline Limited, a wholly owned subsidiary of Pedalgreen Limited, was incorporated as a special purpose vehicle to facilitate the buy back. £47.1 million of PIK debt was repurchased for consideration of £38.0 million resulting in a gain on cancellation of £9.1 million (note 9).

Borrowing facilities

At 29 March 2014, the Group had the following undrawn committed facilities available:

	As at	
	29 March 2014 £m	30 March 2013 £m
Expiring within one year	**5.0**	5.0
Expiring in more than one year	**75.0**	10.8

The facilities expiring within one year are annual facilities subject to an annual review. All facilities incur commitment fees at market rates and would provide funding at floating rates. £5.0 million (2013: £5.0 million) expires within one year and is an undrawn annual facility subject to an annual review.

£75.0 million is an undrawn committed multi-currency revolving credit facility and matures in more than one year (2013: £10.8 million). The Group's subsidiaries are party to a cross guarantee on the revolving credit facility.

In addition, the Group has arrangements in place with certain banks to provide standby letters of credit to the Group's suppliers. Letters of credit of £45.6 million (2013: £48.1 million) were outstanding under these arrangements.

The Group's management of interest rate risk, credit and market risk is explained in note 3.

29. Provisions

	Onerous Lease provisions £m	Dilapidations provisions £m	**Total £m**
At 24 March 2012	18.4	0.8	**19.2**
Arising during the period	6.3	0.1	**6.4**
Utilised	(3.7)	(0.4)	**(4.1)**
Reversal of unused amounts	(6.1)	—	**(6.1)**
Exchange difference	0.1	—	**0.1**
At 30 March 2013	15.0	0.5	**15.5**
Arising during the period	7.7	—	**7.7**
Utilised	(3.0)	(0.1)	**(3.1)**
Reversal of unused amounts	(5.3)	—	**(5.3)**
At 29 March 2014	14.4	0.4	**14.8**

	As at	
	29 March 2014 £m	30 March 2013 £m
Current	**4.4**	5.7
Non-current	**10.4**	9.8
	14.8	15.5

29. Provisions (continued)

Onerous lease provisions

The provision relates to future lease costs of vacant properties for the remaining period of the lease, net of expected sub-letting income, which is estimated to be used over one to 24 months, and a provision for onerous lease contracts on loss making stores. A provision is booked on loss making stores where the discounted future cash flows are not expected to cover future rental payments under the lease contract. A provision is made for the lower of: discounted store cash outflows (including rental payments) and discounted rental payments. Future operating losses are not provided for.

Dilapidations provisions

The dilapidations provision of £0.4 million (2013: £0.5 million) is expected to be utilised over one to 12 months.

30. Operating lease commitments

Future minimum rentals payable under non-cancellable operating leases where the Group is the lessee:

	As at	
	29 March 2014 £m	30 March 2013 £m
Not later than one year	**176.5**	175.6
Later than one year and not later than five years	**611.0**	577.1
Later than five years	**542.7**	607.2
	1,330.2	1,359.9

The Group has entered into operating leases in respect of warehouses, offices and retail stores. Contingent rentals are payable on certain retail store leases based on store revenues.

At the balance sheet date, total future payments expected to be received under non-cancellable sub-leases were £3.9 million (2013: £3.6 million).

31. Share based payments

Senior Management Scheme

In April 2004, the senior management of the Group were invited to invest in the shares of the three Guernsey companies which comprised the holding companies of Trinitybrook Limited (the ultimate holding company of the Group at that time), being NL Company No. 1 Limited, NL Company No. 2 Limited and NL Company No. 3 Limited. These shares were purchased at fair value.

As part of the Group reorganisation and share for share exchange in June 2006, the shares held by employees in the three Guernsey companies, NL Company No. 1 Limited, NL Company No. 2 Limited, and NL Company No. 3 Limited and the ESOP1 holding in Trinitybrook Limited were exchanged for shares in New Look Retail Group Limited.

All of the shares held were originally issued at fair value determined by reference to the market value of a basket of comparator companies. Under the reorganisation a cash payment of £48.0 million was paid by Pedalgreen Limited (an immediate subsidiary company of New Look Retail Group Limited) to investors within the scope of IFRS 2, in consideration for the sale of a proportion of the shares in Guernsey 4 Limited (the holding company of the Group prior to the reorganisation in 2006) and the remaining shares were exchanged for shares in Pedalgreen Limited. Guernsey 4 Limited acquired its holding in the Group on 1 June 2006 by acquiring all the shares in NL Company No. 1 Limited, NL Company No. 2 Limited and NL Company No. 3 Limited. There was then a share for share exchange as part of which shares in Pedalgreen Limited were exchanged for shares in New Look Retail Group Limited. Accordingly the reorganisation was accounted for as a modification of an equity-settled arrangement under IFRS 2. The £48.0 million was charged directly to the retained earnings reserve.

31. Share based payments Senior (continued)

	As at	
	29 March 2014 Number 000s	30 March 2013 Number 000s
Shares in issue at the beginning of the period	**34,432**	40,432
Shares purchased by ESOP from senior management in the period	**(12,895)**	(6,000)
Shares in issue at the end of the period	**21,537**	34,432

The 2004 Share Scheme and the 2008 Share Plan

In May 2004, under a new arrangement, Trinitybrook Limited loaned funds to ESOP1. ESOP1 then subscribed to Trinitybrook Limited to acquire a fixed allocation of shares. Between May 2004 and February 2006, certain employees were invited to acquire beneficial ownership of these shares at fair value determined by reference to the market value of a basket of comparator companies. As a result of the Group reorganisation in 2006, employees now hold the beneficial interest in shares in New Look Retail Group Limited.

In April 2009, August 2009, August 2011, September 2012, February 2013, September 2013 and December 2013 certain employees were invited to acquire the beneficial interest in shares owned by ESOP1 at fair value determined by reference to the market value of a basket of comparator companies (the 2008 Share Plan).

These shares vest over a 4-year period. Under the first tranche, 20.0% vested on 30 April 2009, then 20.0% on 18 September 2009 and 20.0% on each anniversary of 18 September until the third anniversary. Under the second tranche, 20.0% vested on 21 August 2009 and 20.0% on each anniversary from the grant date until the fourth anniversary. Under the third tranche, 20.0% vested on 25 August 2011, 20.0% vested on 1 May 2012 and 20.0% on each anniversary of 1 May until the third anniversary. Under the fourth tranche, 20.0% vested on 18 September 2012 and 20.0% on each anniversary from the grant date until the fourth anniversary. Under the fifth tranche, 20.0% vested on 18 February 2013 and 20.0% on each anniversary from the grant date until the fourth anniversary. Under the sixth tranche, 20% vested on 1 September 2013 and 20% on each anniversary from the grant date until the fourth anniversary. Under the seventh tranche, 20.0% vested on 20 December 2013 and 20.0% on each anniversary from the grant date until the fourth anniversary.

Vesting affects the price at which the employee may be required to sell any shares which have not vested upon ceasing to be employed within the Group. The employee is generally not free to sell the shares until either a change in control of the Group or (subject to the vesting conditions) a listing.

The Group has issued shares to ESOP2 for the purposes of meeting the liabilities in respect of phantom options under the Phantom Plan granted to certain employees in France.

Under the 2008 Share Plan, shares have vested at various times throughout the year. The weighted average share price at vesting for all grants throughout the period was 8.0p (2013: 1.0p).

Until June 2007, the 2004 Share Scheme operated as an equity settled arrangement under which employees could be required to sell their shares in the event of a sale or listing of the Group. In June 2007, an amendment was introduced such that, in the event of a sale, the employees would be required to sell their shares but, in the event of a listing of the Group, they would remain entitled to their shares. The 2008 Share Plan contains similar features. The 2008 Share Plan also protects the employee from a fall in the value of New Look Retail Group Limited's shares. The 2008 Share Plan is therefore accounted for, in substance, as a share option arrangement.

31. Share based payments Senior (continued)

Details of the 2008 Share Plan share options outstanding during the period are as follows:

	March 2013 - March 2014 Number of share options 000s	March 2012 - March 2013 Number of share options 000s
Outstanding at the beginning of the period	**92,099**	32,719
Granted in the period	**8,900**	64,321
Exercised in the period	**—**	—
Lapsed in the period	**—**	—
Forfeited in the period	**(36,434)**	(4,941)
Outstanding at the end of the period	**64,565**	92,099
Exercisable at the end of the period	**—**	—
Weighted average remaining contractual life (months)	**26 months**	36 months
Weighted average share price at the date of exercise (pence)	**—**	
	—	
Weighted average exercise price (pence)	**4.0p**	4.0p
Market value at period end (pence)	**12.0p**	1.0p
Highest market value (pence)	**12.0p**	1.0p
Lowest market value (pence)	**1.0p**	1.0p

2006 Option Plan

In June 2006 and other times subsequently, key personnel in the Group were offered the opportunity to participate in the 2006 Option Plan. Share options are awarded to employees at the discretion of the Board. Options will normally vest after two years if an employee remains in service. Options will only vest before the two years continuous service when there has been a flotation or change of control in New Look Retail Group Limited (or its holding company), or when the employee leaves the Group as a result of redundancy, injury/ illness/disability or death.

Options may normally only be exercised during a period of eight years commencing on the second anniversary of the date of grant of the option, as long as the employee remains in service. At 29 March 2014, 1,545,000 (2013: 1,882,105) options were outstanding, with the earliest exercise date being 30 June 2008, assuming that the full vesting period is satisfied.

Details of the 2006 Option Plan share options outstanding during the period are as follows:

	March 2013 – March 2014 Number of share options 000s	March 2012 – March 2013 Number of share options 000s
Outstanding at the beginning of the period	**1,882**	2,612
Granted in the period	**—**	—
Exercised in the period	**—**	—
Lapsed in the period	**—**	—
Forfeited in the period	**(337)**	(730)
Outstanding at the end of the period	**1,545**	1,882
Exercisable at the end of the period	**1,545**	1,882
Weighted average remaining contractual life (months)	**30 months**	43 months
Weighted average share price at the date of exercise (pence)	**0.0p**	1.0p
Weighted average exercise price (pence)	**13.0p**	14.0p
Market value at period end (pence)	**12.0p**	1.0p
Highest market value (pence)	**12.0p**	1.0p
Lowest market value (pence)	**1.0p**	1.0p

Fair value of equity settled share based payment schemes

The cost of the equity settled transactions with employees is measured by reference to the fair value at the date at which they are granted and the expense is spread to the estimated date of a change of control of the Group.

31. Share based payments Senior (continued)

As the employees acquired the beneficial interest in their shares at fair value under the Senior Management Scheme and the 2004 Share Scheme, there is no charge to the income statement for these equity settled transactions.

The weighted average fair value of the share options granted under the 2006 Option Plan and the 2008 Share Plan was calculated at the date of grant using the Black-Scholes option pricing model. The following table lists the inputs to the model used for the two plans for the periods ended 29 March 2014 and 30 March 2013:

	29 March 2014 2006 Option Plan	**29 March 2014 2008 Share Plan**	30 March 2013 2006 Option Plan	30 March 2013 2008 Share Plan
Weighted average fair value (pence)	**—**	**1.93**	16.22	1.70
Weighted average share price (pence)	**—**	**4.42**	38.00	3.72
Exercise price (pence)	**—**	**1.00 to 25.00**	38.00	1.00 to 25.00
Expected volatility (%)	**—**	**31.50 to 44.10**	36.20	35.50 to 45.70
Expected life of option (years)	**—**	**2.30 to 6.92**	6.10	3.00 to 6.92
Dividend yield (%)	**—**	**0.00 to 2.00**	0.00	0.00 to 2.00
Risk-free interest rate (%)	**—**	**1.00 to 4.00**	4.00	1.75 to 4.00

Expected share price volatility was determined through the assessment of the historical volatility of a comparable group of companies over a period consistent with the expected life of the award. It is indicative of future trends, which may not necessarily be the actual outcome. The expected life of the options is based on management's estimated date of a change of control of the Group and is not necessarily indicative of exercise patterns that may occur.

The table below reconciles the total number of unallocated shares controlled by the ESOPs for all share schemes operated by the Group for each period end.

	As at	
	29 March 2014 Number 000s	30 March 2013 Number 000s
Shares controlled by the ESOPs at the beginning of the period	**23,682**	74,672
Shares allocated under 2006 Option Plan	**—**	—
Shares allocated under 2008 Share Plan	**(8,900)**	(64,321)
Share options exercised in 2006 Option Plan	**—**	—
Shares repurchased from 2006 Option Plan	**337**	730
Shares purchased from Senior Management Scheme	**12,895**	6,000
Shares purchased by the ESOPs in the period	**37,378**	6,601
Shares controlled by the ESOPs at the end of the period	**65,392**	23,682

Effect on financial statements

Share based payments also include a cash settled element for 'Good Leavers'. The income statement is charged with the change in fair value relating to the estimate at the balance sheet date of the number of 'Good Leavers' likely to arise before any change in control of the Group.

The effect of accounting for share based payments, in accordance with IFRS 2, on the Group's loss before taxation (2013: profit) for the periods is as follows:

	For the financial periods	
	52 weeks ended 29 March 2014 £m	53 weeks ended 30 March 2013 £m
Equity settled share based payment schemes	**(0.1)**	0.1
Cash settled share based payment schemes	**6.4**	(0.3)
Total share based payment expense / (credit)	**6.3**	(0.2)

32. Share capital

	Share capital £m	Share premium £m	Treasury shares £m	**Total £m**
At 24 March 2012	10.4	0.6	(22.1)	**(11.1)**
Shares disposed of in the period	—	—	0.2	**0.2**
At 30 March 2013	10.4	0.6	(21.9)	**(10.9)**
Shares purchased in the period	—	—	(1.4)	**(1.4)**
At 29 March 2014	10.4	0.6	(23.3)	**(12.3)**

The total number of authorised Ordinary A shares is 200.0 million each period end and the total number of Ordinary B shares is 1,000.0 million each period end. All shares have a par value of 1.0p.

The total number of allotted, called up and fully paid Ordinary A shares is 157.6 million and the total number of allotted, called up and fully paid Ordinary B shares is 879.1 million at each period end. All shares have a par value of 1.0p.

The consideration paid for the ordinary shares of 1.0p each in the Company held by the ESOPs has been shown as a deduction in capital and reserves as treasury shares.

The A shares in the Company entitle holders to receive notice, attend and speak at general meetings but only confer a right to vote if no B shares are in issue. The shares also have a right to receive a dividend.

The B shares in the Company entitle holders to receive notice, attend, speak and vote at general meetings. The shares also have a right to receive a dividend.

33. Reconciliation of movements in equity

	Reverse acquisition reserve £m	ESOPs reserve £m	Hedging reserve £m	Translation reserve £m	Accumulated losses £m	Total £m
At 24 March 2012	(285.3)	0.7	(4.1)	9.6	(39.6)	(318.7)
Total comprehensive income and expense for the period	—	—	15.8	0.9	3.4	20.1
Tax on total comprehensive income and expense for the period	—	—	(3.9)	(0.1)	—	(4.0)
Share based payment charge	—	—	—	—	0.1	0.1
Actuarial loss on post-employment benefit obligations	—	—	—	—	(0.5)	(0.5)
At 30 March 2013	(285.3)	0.7	7.8	10.4	(36.6)	(303.0)
Total comprehensive income and expense for the period	—	—	(28.2)	(2.4)	(53.6)	(84.2)
Tax on total comprehensive income and expense for the period	—	—	6.6	0.3	—	6.9
Purchase of treasury shares (note 32)	—	—	—	—	1.4	1.4
Share based payment charge	—	—	—	—	(0.1)	(0.1)
At 29 March 2014	(285.3)	0.7	(13.8)	8.3	(88.9)	(379.0)

Reverse acquisition reserve

The reverse acquisition reserve arose on the acquisition by New Look Retail Group Limited in 2006 of the former Trinitybrook Limited Group, as permitted by IFRS 3 Business Combinations and represents the amount paid by New Look Retail Group Limited to acquire the existing shareholdings in Trinitybrook Limited.

ESOPs reserve

The ESOPs reserve represents the gain made by the trusts on the transfer of shares to employees at a higher price than purchased.

33. Reconciliation of movements in equity (continued)

Hedging reserve

The hedging reserve reflects the changes in fair value of effective hedging instruments on forward exchange contracts which are carried forward to match the maturity of the future cash flows.

Translation reserve

The translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

34. Shares held by ESOPs

The ESOPs have an independent professional trustee resident in Guernsey and provide for the allocation of shares to Group employees, at the discretion of the trustee.

At 29 March 2014, the ESOPs held 115,809,649 (2013: 102,914,649) Ordinary A shares of 1.0p each in New Look Retail Group Limited and 323,408 (2013: 323,408) Ordinary B shares of 1.0p each in New Look Retail Group Limited.

The initial consideration paid for ordinary shares in New Look Retail Group Limited held by the ESOPs has been shown as a deduction in capital and reserves as treasury shares. All other assets, liabilities, income and costs of the ESOPs have been incorporated into the financial statements of the Group.

35. Retirement benefit schemes

The Group operates a defined contribution scheme in the UK. At 29 March 2014 £nil (2013: £0.2 million) was outstanding in respect of contributions payable to personal pension schemes. The pension cost recognised in the income statement was £1.7 million (2013: £1.2 million).

In France, the Group operates an unfunded defined benefit arrangement in accordance with French legal requirements which consists of a single payment at the date of retirement. The scheme is uninsured and has no assets. An actuarial assessment was carried out as at 31 March 2013 by an independent actuary, using the projected unit method. The major assumptions were:

	As at	
	29 March 2014	30 March 2013
	%	%
Rate of increase in salaries	**2.5 – 3.0**	2.5 – 3.0
Discount rate	**2.75**	2.75
Price inflation	**2.0**	2.0

The liability at 29 March 2014 was £2.0 million (2013: £1.7 million), which is included in accruals. The pension cost recognised in the income statement was £1.1 million (2013: £1.0 million). During the financial period ended 29 March 2014, a charge of £nil (2013: £0.5 million) was recognised in other comprehensive income in relation to actuarial losses on post employment benefit obligations.

36. Related party transactions

ESOPs

At the end of the financial period, the ESOPs owed New Look Retail Group Limited £24.6 million (2013: £25.1 million).

Franchise Agreement

On 1 February 2012, the Group agreed a five year franchise agreement with RNA Resources Group Limited ("RNA"), a subsidiary of the Landmark Group International ("Landmark"), in which Mukesh Wadhumal Jagtiani and his wife, Renuka Mukesh Jagtiani own shares. Mukesh Jagtiani also owns 29,737,833 Ordinary B shares (2013: 29,737,833) in the Company in the name of Quillian Investments Corporation.

36. Related party transactions (continued)

The agreement relates to the continued opening of new stores under the New Look brand in the Middle East.

In February 2012, the Group received a fee of £1.8 million in return for granting exclusivity to the New Look brand in the Middle East. In addition, the Group receives a royalty for the supply of goods based on a percentage of sales made by the franchisee.

Amortisation of the territory fee over the term of the agreement of £0.4 million (2013: £0.4 million) has been recognised through the income statement in the current financial period.

Transactions with franchisee

	For the financial periods	
	52 weeks ended 29 March 2014 £m	53 weeks ended 30 March 2013 £m
Sale of goods and handling charges	**28.0**	30.1
Franchise royalty income	**0.4**	0.4

	As at	
	29 March 2014 £m	30 March 2013 £m
Balance due from franchisee at the end of the financial period	**4.2**	3.0

Included within the balance due from franchisee is a provision of £nil (2013: £nil).

	As at	
	29 March 2014 £m	30 March 2013 £m
Investment in PIK loan	**44.2**	87.4

On 14 May 2013, as part of the Group's reorganisation and refinancing, 50% of the PIK loan was settled in cash and the remaining 50% rolled into a new PIK loan. Up to the date of the refinancing, £1.2 million of interest was rolled up into the PIK and £44.3 million was disposed of by the franchisee. Following the refinancing, £4.5 million of interest was rolled up into the balance of the new PIK loan and £4.6 million was disposed of on 24 March 2014. In the financial period ended 30 March 2013, £8.0 million of interest was rolled up into the balance of the PIK. £nil (2013: £nil) of additional new PIK loan was purchased by the franchisee.

For further details of the refinancing transaction see note 28.

Transactions with Director and key management

As at 29 March 2014, there were loans outstanding with one key manager (2013: one), totalling £0.5 million (2013: £0.5 million) in connection with their purchase of the beneficial interest in shares under the 2008 Share Plan (note 31). Interest on the 2008 Share Plan loan is charged at the applicable HMRC rate and is repayable in full on exercise of shares and change in control of the business. In addition, under the 2008 Share Plan, one key manager acquired beneficial ownership of shares on 20 December 2013 by way of a loan from New Look Retail Group Limited.

In the prior financial period under the 2008 Share Plan, T Singh acquired beneficial ownership of shares on both 18 September 2012 and 18 February 2013 by way of a cash payment to New Look Retail Group Limited, A McGeorge acquired beneficial ownership of shares on both 25 August 2011 and 18 September 2012 by way of a loan from New Look Retail Group Limited and A Kristiansen acquired beneficial ownership of shares on 18 February 2013 by way of a loan from New Look Retail Group Limited.

As at 29 March 2014, the total of loans outstanding with Directors was £0.4 million (2013: £0.4 million), which are repayable in full on sale of the shares and change of control of the business. Interest is charged on these loans at the applicable HMRC rate.

36. Related party transactions (continued)

The following transactions have occurred between the Group and Directors and key management:

	As at	
	29 March 2014 £m	30 March 2013 £m
Investment in PIK loan	**—**	7.1

In June 2006 certain Directors and key management used funds received from the sale of part of their existing shareholdings to reinvest £12.7 million in the PIK loan.

On 14 May 2013, as part of the Group's reorganisation and refinancing, 50% of the PIK loan was settled in cash and the remaining 50% rolled into a new PIK loan. Up to the date of the refinancing, £0.1 million (2013: £0.6 million) of interest was rolled up into the PIK and £3.6 million was disposed of by Directors.

On 23 August 2013, £3.6 million of the new PIK loan was disposed of by Directors and key management. £nil (2013: £nil) of additional PIK loan was purchased by Directors and key management.

For further details of the refinancing transaction see note 28.

During the period a monitoring fee of £0.2 million (2013: £0.1 million) was payable to Rianta Capital Limited, an advisory company owned by T Singh's Family Trust.

Transactions with private equity investors

A monitoring fee was paid to each private equity investor during the period, details of which can be found in note 8b.

	As at	
	29 March 2014 £m	30 March 2013 £m
Investment in PIK loan	**—**	108.4

On 14 May 2013, as part of the Group's reorganisation and refinancing, 50% of the PIK loan was settled in cash and the remaining 50% rolled into a new PIK loan. Up to the date of the refinancing, £0.8 million (2013: £12.6 million) of interest was rolled up into the PIK and £54.6 million (2013: £29.0 million) was disposed of by entities advised by a private equity investor. On 1 October 2013, £55.0 million of the new PIK loan was disposed of which included £0.4 million of additional rolled up interest. £nil (2013: £nil) of additional new PIK loan was purchased during the financial period.

For further details of the refinancing transaction see note 28.

Transactions with joint venture

	For the financial periods	
	52 weeks ended 29 March 2014 £m	53 weeks ended 30 March 2013 £m
Purchases from joint venture	**9.0**	10.4

Included within the trade receivables is a balance of £nil (2013: £nil) owed by the joint venture.

Included within trade payables is a balance of £1.5 million (2013: £nil) owed to the joint venture.

No other transactions that require disclosure under IAS 24 have occurred during the current financial period.

37. Investment in subsidiaries

The principal subsidiary companies in which New Look Retail Group Limited or its subsidiaries hold 100% of the ordinary shares and voting rights are listed below. These companies are consolidated into the financial results of the Group.

Subsidiary	Country of incorporation and operation	Country of incorporation and operation
Pedalgreen Limited(1)	England and Wales	Intermediate holding company
New Look Finance Limited	England and Wales	Intermediate holding company
New Look Finance II Plc	England and Wales	Intermediate holding company
New Look Bondco I Plc	England and Wales	Intermediate holding company
Trinitybrook Limited	England and Wales	Intermediate holding company
Hamperwood Limited	England and Wales	Intermediate holding company
New Look Group Limited	England and Wales	Intermediate holding company
New Look Limited	England and Wales	Intermediate holding company
New Look Retailers Limited	England and Wales	Fashion retail
Geometry Properties Limited	England and Wales	Property holding and rental
New Look Overseas Limited	England and Wales	Intermediate holding company
New Look Retailers (CI) Limited	Guernsey	Fashion retail
New Look Holdings (France) SAS	France	Intermediate holding company
Mim SAS	France	Fashion retail
SCI Geometry Properties France	France	Property holding and rental
New Look France SAS	France	Fashion retail
New Look Belgium SA	Belgium	Fashion retail
MIM Belgique	Belgium	Fashion retail
New Look Holland BV	Holland	Fashion retail
New Look (Singapore) PTE Limited	Singapore	Logistics and freight management
New Look Retailers (Ireland) Limited	Republic of Ireland	Fashion retail
New Look (Germany) GmbH	Germany	Fashion retail
Fashion Look Sp. z o.o.	Poland	Fashion retail
Cenzora Enterprises Limited	Cyprus	Intermediate holding company
New Look Commerce (Shanghai) Co. Limited	People's Republic of China	Fashion retail

Note:
1. Pedalgreen Limited shareholding held directly whilst all others held indirectly through wholly owned subsidiaries.

During the financial period ended 29 March 2014, NL Bowline Limited, NL Company No. 1 Limited, NL Company No. 2 Limited, NL Company No.3 Limited and Guernsey 4 Limited were placed in liquidation and were struck off.

A full list of subsidiary undertakings as at 29 March 2014 will be annexed to New Look Retail Group Limited's next annual return.

In addition, the Group has a 50% stake in the ordinary share capital of NLT Tekstil Sanayi Ve Ticaret Limited Şirketi, a joint venture incorporated in Turkey, whose principal trading activity is retail manufacturing.

38. Events after the reporting period

As permitted under the PIK facility agreement dated 14 May 2013, New Look Finance II Plc gave notice to debt investors on 23 April 2014 that the Group intends to prepay an amount of the new PIK debt equal to a principal amount of £37.6 million plus accrued interest of £1.2 million and a redemption premium of £1.2 million. The prepayment is due to be settled on 27 May 2014.

39. Ultimate controlling party

New Look Retail Group Limited is the ultimate parent of the Group. Apax Funds own 27.7% and Permira Funds own 27.6% of the total issued share capital. Copies of the financial statements can be obtained from New Look House, Mercery Road, Weymouth, Dorset.

Independent auditors' report to the members of New Look Retail Group Limited

We have audited the Group financial statements of New Look Retail Group Limited for the period ended 30 March 2013 which comprise the consolidated income statement, consolidated statement of comprehensive income, consolidated balance sheet, consolidated statement of changes in equity, consolidated statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 51 of the 2013 Annual Report, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the Group financial statements:

- give a true and fair view of the state of the Group's affairs as at 30 March 2013 and of its profit and cash flows for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the Group financial statements are prepared is consistent with the Group financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Other matter

We have reported separately on the parent company financial statements of New Look Retail Group Limited for the period ended 30 March 2013.

Alan Kinnear (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Southampton

24 May 2013

Notes:

(a) The maintenance and integrity of the New Look Retail Group Limited website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

(b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

New Look Retail Group Limited
Consolidated income statement

	Notes	For the financial periods: **53 weeks ended 30 March 2013**	For the financial periods: 52 weeks ended 24 March 2012
		£m	£m
Revenue	5, 6	**1,484.0**	1,447.5
Cost of sales		**(698.9)**	(710.6)
Gross profit		**785.1**	736.9
Administrative expenses		**(675.3)**	(687.6)
Operating profit	7	**109.8**	49.3
Finance income	9	**10.2**	4.7
Finance expense	9	**(116.6)**	(108.5)
Share of post tax loss from joint venture	15	**(0.3)**	—
Profit/(loss) before taxation		**3.1**	(54.5)
Taxation	11	**0.3**	16.5
Profit/(loss) attributable to equity holders of New Look Retail Group Limited	32	**3.4**	(38.0)

The notes on pages F-136 to F-186 are an integral part of these consolidated financial statements.

New Look Retail Group Limited
Consolidated statement
of comprehensive income

	Notes	For the financial periods: 53 weeks ended 30 March 2013 £m	52 weeks ended 24 March 2012 £m
Profit/(loss) for the period		**3.4**	(38.0)
Other comprehensive income			
Cash flow hedges	25, 32	**15.8**	11.1
Exchange differences on translation of foreign operations	32	**0.9**	(10.7)
Tax credit on items recognised directly in equity	11	**(4.0)**	(2.4)
Actuarial loss on post employment benefit obligations	34	**(0.5)**	—
Other comprehensive profit/(loss) for the period, net of tax		**12.2**	(2.0)
Total comprehensive profit/(loss) for the period		**15.6**	(40.0)

The income tax relating to each component of other comprehensive income is disclosed in note 11.

The notes on pages F-136 to F-186 are an integral part of these consolidated financial statements.

Underlying operating profit is calculated as follows:

	Notes	For the financial periods: 53 weeks ended 30 March 2013 £m	52 weeks ended 24 March 2012 £m
Operating profit		**109.8**	49.3
Add back/(deduct):			
Exceptional items	10	**4.7**	12.0
Share based payment (credit)/expense	30	**(0.2)**	0.9
Fair value movement of financial instruments	25	**1.2**	0.5
Underlying operating profit	5	**115.5**	62.7

New Look Retail Group Limited
Consolidated balance sheet

	Notes	As at 30 March 2013 £m	As at 24 March 2012 £m
Non-current assets			
Property, plant and equipment	13	**182.2**	203.4
Intangible assets	14	**744.7**	736.2
Investment in joint venture	15	**0.3**	0.6
Available for sale financial assets	16	**0.3**	0.3
Other receivables	18	**39.2**	42.0
Deferred income tax assets	11	**29.8**	33.1
		996.5	1,015.6
Current assets			
Inventories	17	**144.1**	132.7
Trade and other receivables	18	**67.8**	69.2
Derivative financial instruments	19	**17.6**	5.4
Cash and cash equivalents (excluding bank overdrafts)	20	**113.6**	212.3
		343.1	419.6
Total assets		**1,339.6**	1,435.2
Current liabilities			
Trade and other payables	21	**246.2**	241.3
Financial liabilities	22	**59.5**	121.1
Derivative financial instruments	23	**3.4**	5.1
Provisions	28	**5.7**	7.5
Income tax liabilities		**8.9**	1.9
		323.7	376.9
Non-current liabilities			
Deferred income and other payables	21	**91.4**	110.1
Financial liabilities	22	**1,150.1**	1,181.8
Derivative financial instruments	23	**0.8**	1.5
Provisions	28	**9.8**	11.7
Deferred income tax liabilities	11	**77.7**	83.0
		1,329.8	1,388.1
Total liabilities		**1,653.5**	1,765.0
Net liabilities		**(313.9)**	(329.8)
Deficit attributable to equity holders of New Look Retail Group Limited			
Share capital	31	**10.4**	10.4
Share premium	31	**0.6**	0.6
Treasury shares	31	**(21.9)**	(22.1)
Other reserves	32	**18.9**	6.2
Reverse acquisition reserve	32	**(285.3)**	(285.3)
Retained earnings	32	**(36.6)**	(39.6)
Total deficit		**(313.9)**	(329.8)

The notes on pages F-136 to F-186 are an integral part of these consolidated financial statements.

The financial statements on pages F-131 to F-186 were authorised for issue by the Board of Directors on 24 May 2013 and were signed on its behalf by:

Alastair Miller
Chief Financial Officer
New Look Retail Group Limited

Registration number: 05810406

New Look Retail Group Limited
Consolidated statement
of changes in equity

	Notes	Attributable to the shareholders of New Look Retail Group Limited					
		Share capital £m	Share premium £m	Treasury shares £m	Other reserves £m	Retained earnings £m	Total £m
Balance at 26 March 2011	31, 32	10.4	0.6	(19.1)	(277.0)	(3.8)	(288.9)
Comprehensive income							
Loss for the financial period	32	—	—	—	—	(38.0)	(38.0)
Other comprehensive income							
Exchange differences on translation of foreign companies	32	—	—	—	(10.7)	—	(10.7)
Movements in hedged financial instruments	32	—	—	—	11.1	—	11.1
Tax on items recognised directly in equity	11	—	—	—	(2.4)	—	(2.4)
Total other comprehensive income		—	—	—	(2.0)	—	(2.0)
Total comprehensive income		—	—	—	(2.0)	(38.0)	(40.0)
Transactions with owners:							
Employee share option scheme:							
– value of employee services	32	—	—	—	—	(0.9)	(0.9)
ESOPs shares unallocated	30, 32	—	—	—	(0.2)	0.2	—
Transfer of exercised shares	30, 32	—	—	—	0.1	(0.1)	—
Purchase of treasury shares	31	—	—	(3.0)	—	3.0	—
Total transactions with owners		—	—	(3.0)	(0.1)	2.2	(0.9)
Balance at 24 March 2012	31, 32	10.4	0.6	(22.1)	(279.1)	(39.6)	(329.8)
Comprehensive income							
Profit for the financial period	32	—	—	—	—	3.4	3.4
Other comprehensive income							
Exchange differences on translation of foreign companies	32	—	—	—	0.9	—	0.9
Movements in hedged financial instruments	32	—	—	—	15.8	—	15.8
Tax on items recognised directly in equity	11	—	—	—	(4.0)	—	(4.0)
Actuarial loss on post employment benefit obligations	34	—	—	—	—	(0.5)	(0.5)
Total other comprehensive income		—	—	—	12.7	(0.5)	12.2
Total comprehensive income		—	—	—	12.7	2.9	15.6
Transactions with owners:							
Employee share option scheme:							
– value of employee services	32	—	—	—	—	0.1	0.1
Disposal of treasury shares	31	—	—	0.2	—	—	0.2
Total transactions with owners		—	—	0.2	—	0.1	0.3
Balance at 30 March 2013	31, 32	10.4	0.6	(21.9)	(266.4)	(36.6)	(313.9)

The notes on pages F-136 to F-186 are an integral part of these consolidated financial statements.

New Look Retail Group Limited
Consolidated statement
of cash flows

	Notes	For the financial periods: **53 weeks ended 30 March 2013 £m**	52 weeks ended 24 March 2012 £m
Cash flows from operating activities			
Operating profit		**109.8**	49.3
Depreciation of property, plant and equipment		**65.5**	70.8
Impairment of property, plant and equipment		**2.7**	3.3
Amortisation and impairment of intangible assets		**6.7**	8.1
Impairment of investment in joint venture		**—**	0.7
(Gain)/loss on disposal of property, plant and equipment and intangible assets		**(7.4)**	0.4
Share based payment (credit)/expense		**(0.2)**	0.9
Fair value losses in financial instruments		**1.2**	0.5
Foreign exchange (gains)/losses on operating activities		**(0.1)**	0.3
Amortisation of lease inducements		**(11.9)**	(10.2)
(Increase)/decrease in inventories		**(11.0)**	15.3
Decrease in trade and other receivables		**4.5**	1.3
Decrease in trade and other payables		**(5.8)**	(7.9)
(Decrease)/increase in provisions		**(3.7)**	2.2
Income taxes received		**1.3**	3.4
ESOPs shares unallocated		**—**	(0.2)
Purchase of treasury shares		**—**	(3.0)
Net cash flow from operating activities		**151.6**	135.2
Cash flows from investing activities			
Purchase of property, plant and equipment		**(45.9)**	(44.7)
Purchase of intangible assets		**(15.8)**	(6.5)
Proceeds from sale of property, plant and equipment and intangible assets		**12.0**	0.5
Net cash flow from investing activities		**(49.7)**	(50.7)
Cash flows from financing activities			
Interest paid		**(41.2)**	(35.0)
Interest received		**0.6**	1.6
Repayment of borrowings		**(161.0)**	(26.0)
Net cash flow from financing activities		**(201.6)**	(59.4)
Net (decrease)/increase in cash, cash equivalents and bank overdrafts	26	**(99.7)**	25.1
Opening cash, cash equivalents and bank overdrafts	26	**212.3**	191.4
Exchange gains/(losses) on cash, cash equivalents and bank overdrafts	26	**1.0**	(4.2)
Closing cash, cash equivalents and bank overdrafts	26	**113.6**	212.3

The notes on pages F-136 to F-186 are an integral part of these consolidated financial statements.

1. Authorisation of financial statements and statement of compliance with IFRSs

The consolidated financial statements of the Group for the 53 weeks ended 30 March 2013 were authorised for issue by the Board of Directors ("the Board") on 24 May 2013 and the balance sheet was signed on the Board's behalf by Alastair Miller. New Look Retail Group Limited is a private limited company incorporated and domiciled in England & Wales whose registered office is New Look House, Mercery Road, Weymouth, Dorset, England, DT3 5HJ. The registered number of the company is 05810406.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these Group financial statements are set out below. These policies have been applied consistently to all the periods presented, unless otherwise stated.

2.1 Basis of Preparation

The Group financial statements have been prepared on a going concern basis in accordance with International Financing Reporting Standards as adopted for use in the European Union (IFRSs as adopted by the EU), International Financial Reporting Standards Interpretations Committee (IFRS IC) interpretations and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The consolidated financial statements are presented in Pound Sterling and all values are rounded to the nearest million (£m) except where otherwise indicated.

There are no material differences between the results shown in the consolidated income statement and the results prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivatives) at fair value through the income statement.

2.1.1 Going concern

The Directors report that, having reviewed current performance and forecasts, they have a reasonable expectation that the Group has adequate resources to continue its operations for the foreseeable future. For this reason, they have continued to adopt the going concern basis in preparing the financial statements.

a) Standards, amendments and interpretations that were effective in the period and were adopted by the Group in preparing the financial statements.

IFRS 7 (amendments) on transfers of financial assets – effective for accounting periods beginning on or after 1 July 2011. These amendments promote transparency in the reporting of transfer transactions and improve users' understanding of the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position, particularly those involving securitisation of financial assets. These amendments do not have a material impact on the Group's financial statements.

The following standards were effective during the period but not relevant to the Group's operations:

- IAS 12 (amendment) 'Income taxes' on deferred tax relating to investment properties
- IFRS 1 (amendments) 'First time adoption' on hyperinflation and fixed dates

b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Group. The Group is still considering the impact of these changes, but any impact is not expected to be material to the Group's financial statements, unless stated otherwise below. No other existing standards that are not effective are relevant to the Group's operations.

IAS 32 and IFRS 7 (amendments) 'Financial instruments on asset and liability offsetting'—IAS 32 amendments effective for accounting periods beginning on or after 1 January 2014; and IFRS 7 amendments effective for accounting periods beginning on or after 1 January 2013. These amendments are to the application guidance in IAS 32 that clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet.

IAS 19 (revised 2011) 'Employee benefits' – effective for accounting periods beginning on or after 1 January 2013 and is to be applied retrospectively. This amendment makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits and to the disclosures for all employee benefits.

2. Summary of significant accounting policies (continued)

Amendment to IAS 1 'Financial statement presentation' on other comprehensive income (OCI) – effective for accounting periods beginning on or after 1 July 2012.

This amendment requires items disclosed in an entity's statement of other comprehensive income to be separated into two groups dependent on whether they may be recycled to profit and loss in the future or not.

IFRS 10 'Consolidated financial statements' – effective for accounting periods beginning on or after 1 January 2013. This standard builds on the existing concept of control in determining whether an entity should be included within consolidated financial statements.

IFRS 11 'Joint arrangements' – effective for accounting periods beginning on or after 1 January 2013. This standard provides for reflection of joint arrangements by focusing on the rights and obligations rather than its legal form.

IFRS 12 'Disclosure of interest in other entities' – effective for accounting periods beginning on or after 1 January 2013. This standard includes the disclosure requirements for all forms of interests in other entities.

IFRS 13 'Fair value measurement' – effective for accounting periods beginning on or after 1 January 2013. This standard provides the definition of fair value measurement and the disclosure requirements for use across IFRSs.

IAS 27 (revised) 'Separate financial statements' – effective for accounting periods beginning on or after 1 January 2013. This standard includes the provisions on separate financial statements of IAS 27 that haven't been included in IFRS 10 'Consolidated financial statements'.

IAS 28 (revised) 'Investments in associates and joint ventures' – effective for accounting periods beginning on or after 1 January 2013. This standard requires joint ventures and associates to be equity accounted in accordance with the issue of IFRS 11 'Joint arrangements'.

IFRS 9 'Financial instruments', on 'Classification and measurement' of financial assets – effective for accounting periods beginning on or after 1 January 2013. This is part of the new standard that will replace IAS 39 and will have two measurement categories for financial assets: amortised cost and fair value.

IFRS 9 'Financial instruments', on 'Classification and measurement' of financial liabilities – effective for accounting periods beginning on or after 1 January 2013. This is the addition to IFRS 9 for dealing with financial liabilities and replacing IAS 39.

Annual improvements 2011—effective for accounting periods beginning on or after 1 January 2013. These annual improvements address 6 issues in the 2009-2011 reporting cycle.

IFRS 9 'Financial instruments' on deferral of mandatory effective date—effective for accounting periods beginning on or after 1 January 2015. This amendment delays the effective date to annual periods beginning on or after 1 January 2015. The original effective date was for annual periods beginning on or after 1 January 2013.

IFRS 10, 11 and 12 (amendments) on transition guidance – effective for accounting periods beginning on or after 1 January 2013. These amendments also provide additional transition relief in IFRSs 10, 11, 12, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. For disclosures related to unconsolidated structured entities, the amendments will remove the requirement to present comparative information for periods before IFRS 12 is first applied.

2.2 Basis of consolidation

The Group financial statements incorporate the financial statements of the Company, its subsidiary undertakings and joint venture. Joint ventures are accounted for using the equity method, see 2.3.

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

2. Summary of significant accounting policies (continued)

Acquisitions of subsidiaries by the Group prior to 1 July 2009 have been included in the Group financial statements using the purchase method of accounting that measures the assets and liabilities given, incurred or assumed at their fair value at the acquisition date, plus costs directly attributable to the acquisition. For all acquisitions occurring on or after 1 July 2009, costs relating to the acquisition shall be expensed.

Acquisitions which result from a newly created company issuing shares to achieve a business combination are treated as a group reorganisation. When the acquiree has not been combined with any other business and continues to meet the definition of a business then reverse acquisition accounting has been applied.

All intra-group transactions, balances, income and expenses are eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.3 Interest in joint ventures

The Group has an investment in a joint venture which is jointly controlled through a separate legal entity. The Group recognises its interest using the equity method of accounting. The investment was initially recorded at cost and adjusted thereafter for the post acquisition changes in the Group's share of net assets less distributions received less any impairment in value. The Group's share of the entity's profit or loss after taxation is included in the consolidated income statement with the Group's share of any income and expense outside profit and loss recognised in the consolidated statement of comprehensive income.

2.4 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided to customers outside the Group, stated net of returns, staff discounts, and value added and other sales taxes.

The Group recognises revenue when the amount of revenue can be measured reliably, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. For example, it is the Group's policy to sell its products to the end customer with a right of return. Accumulated experience is used to estimate and provide for such returns.

Sales of goods and concession income are recognised when goods are delivered and title passed. Income from rendering of services is recognised when the services have been performed. Internet sales are recognised when the goods are despatched to the customer. Store card arrangement fees are recognised over the life of the agreement with the store card provider.

Revenue from concessions is shown on a net basis, being the commission received rather than the gross value achieved by the concessionaire on the sale.

Rental income in respect of sub-leased stores is recognised on a straight-line basis over the period of the sub-lease.

Franchise income is received in connection with the franchise of the Group's brand name overseas. Franchise royalty income represents the release of the upfront exclusivity fee that has been spread over the term of the agreement. Monthly franchise fee income is recognised in accordance with the related underlying trading performance of the franchisee. Monthly income covering the supply of goods to the franchisee is included in the sale of goods.

2.5 Cost of sales

Cost of sales consists of expenses incurred in getting products to a saleable position and condition. Such costs principally include purchasing of products from suppliers, packaging, freight and distribution costs.

2. Summary of significant accounting policies (continued)

2.6 Interest income

Interest income is accounted for on the accruals basis, by reference to the principal outstanding and the applicable effective interest rate, which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

2.7 Exceptional items

Significant non-recurring items of income and expense are disclosed in the underlying profit reconciliation as exceptional items. The separate reporting of exceptional items helps provide an indication of the Group's underlying business performance.

Costs which may be classified as exceptional include costs of restructuring and reorganisation of the business (such as redundancies, directly related legal and professional costs, relocation costs and duplicate facility costs), writing down inventories by material amounts to net realisable value, writing down receivables by material amounts to their recoverable amount, impairments or reversal of impairments of intangible assets, property, plant and equipment, litigation settlements, costs incurred as part of the review of business financing, including abortive costs and refinancing costs not eligible to be treated as debt issue costs and gains or losses resulting from the disposal of the Mercery Road, Weymouth site.

2.8 Foreign currencies

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

Transactions in foreign currencies, which are those other than the functional currency of an entity, are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the rates ruling at the balance sheet date. Resulting exchange gains or losses are recognised in the income statement for the period.

Upon consolidation, assets and liabilities of the Group's overseas subsidiary undertakings are translated into Sterling at the rate of exchange ruling at the balance sheet date and income statements are translated at the average exchange rate during the period. Differences on translation are recognised in a separate reserve. On disposal of an overseas subsidiary, the cumulative exchange differences for that subsidiary are recognised in the income statement as part of the profit or loss on disposal.

2.9 Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any provision for impairment in value. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is provided to write down the cost of fixed assets to their estimated residual values, based on current prices at the balance sheet date, over their remaining useful lives on a straight-line basis.

Asset Category	*Useful life*
Freehold buildings	50 years
Fixtures and equipment	3 to 15 years

Refurbishments are included in the asset's carrying amount only when it is probable that future economic benefits associated with the items will flow to the Group and the cost of the item can be measured reliably and are depreciated over the asset's remaining useful economic life. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

2. Summary of significant accounting policies (continued)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's net carrying amount is written down immediately to its recoverable amount if the asset's net carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the net carrying amount.

2.10 Intangible assets

(a) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisition of subsidiaries is included in 'intangible assets'. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units (CGUs) for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose.

(b) Other intangible assets

Intangible assets acquired separately are capitalised at cost and those acquired as part of a business acquisition are capitalised at fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Internally generated intangible assets are capitalised when certain criteria are met in accordance with IAS 38, otherwise this expenditure is charged against income in the year in which it is incurred.

The useful lives of these intangible assets are assessed to be either finite or indefinite. Intangible assets with an indefinite life are not amortised but are subject to an impairment test as described in note 2.11. Where amortisation is charged on assets with finite lives, this expense is taken to the consolidated income statement, on a straight-line basis, through administrative expenses, based on the useful life shown below:

Intangible assets with finite lives are assessed for impairment in accordance with note 2.11.

Category	*Useful life*
Brand	Indefinite
Software licences	1 to 5 years
Domain names	5 to 10 years
Recoverable leasehold property premiums	Indefinite

2.11 Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the net carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (CGUs) and impairment is tested for groups of CGUs not larger than operating segments which are country sub-groups of each of the Group's brands, in line with internal management reporting.

For non-financial assets other than goodwill, impairment losses are reviewed for possible reversal at each reporting date. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment was recognised. The

2. Summary of significant accounting policies (continued)

reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement unless the asset is carried at a revalued amount.

2.12 Financial instruments

(a) Derivative financial instruments

Derivative financial instruments ('derivatives') are used to manage risks arising from changes in foreign currency exchange rates relating to the purchase of overseas sourced products and changes in interest rates relating to the Group's debt. In accordance with its treasury policy, the Group does not enter into derivatives for speculative purposes.

Derivatives falling under the classifications laid out in IAS 39 are stated at fair value in the balance sheet.

The fair value of derivative contracts is their market value at the balance sheet date. Market values are calculated using mathematical models and are based on the duration of the derivative instrument together with quoted market data including interest rates, foreign exchange rates and market volatility at the balance sheet date. The fair value of interest rate contracts is the estimated amount that the Group would receive or pay to terminate them at the balance sheet date, taking into account prevailing interest rates.

(b) Hedge accounting

For the purpose of hedge accounting, hedges are classified as either fair value hedges where they hedge the exposure to changes in the fair value of a recognised asset or liability; or cash flow hedges where they hedge exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a forecast transaction.

For derivatives that are designated and qualify as cash flow hedges, the effective portion of changes in fair value is recognised in other comprehensive income through the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the income statement. Amounts accumulated in equity are reclassified to the income statement in the periods when the hedged item affects profit or loss.

When a cash flow hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in the hedging reserve in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in the hedging reserve in equity is immediately transferred to the income statement for the period.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. If the hedge no longer meets the criteria for hedge accounting, the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged and continues to be accounted for in the manner that was applicable prior to it being hedged.

Changes in the fair value of derivatives which do not qualify for hedge accounting are recognised in the income statement as they arise.

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts. The unrealised gains and losses on embedded derivatives are taken directly to the income statement.

(c) Non-derivative financial instruments

All loans and borrowings are initially recognised at the fair value of the consideration received net of issue costs associated with the borrowing. All deposits are initially recognised at cost.

2. Summary of significant accounting policies (continued)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

Interest costs are expensed in the income statement so as to achieve a constant finance cost as a proportion of the related outstanding borrowings.

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost less any provision for impairment.

A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's net carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate.

Trade payables are initially recognised at fair value and subsequently measured at amortised cost.

The Group's unlisted investments are classified as available for sale and are stated at their historic cost less any impairment. They are included in non-current assets since management does not intend to dispose of the investments within 12 months of the balance sheet date.

2.13 Inventories

Inventories are valued at the lower of cost and net realisable value, using the weighted average cost basis.

Costs include the direct costs, measured at actual cost, and an attributable proportion of distribution overheads incurred in bringing inventories to their current location and condition.

Net realisable value is based on estimated selling price, less further costs to be incurred to disposal.

2.14 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, short term deposits with an original maturity of three months or less, and bank overdrafts. In the consolidated balance sheet, bank overdrafts are shown within current financial liabilities.

2.15 Taxation

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Group financial statements, with the following exceptions:

- Where the temporary difference arises from the initial recognition of goodwill or a non business combination asset or liability;
- In respect of taxable temporary differences associated with investments in subsidiaries and the joint venture, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
- Deferred tax assets are recognised only to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

2. Summary of significant accounting policies (continued)

Deferred tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are offset against each other when there is a legally enforceable right to offset current tax assets against current tax liabilities, when the deferred income taxes relate to income taxes levied by the same tax jurisdiction and when the Group intends to settle its current tax assets and liabilities on a net basis.

Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.16 Employee benefit costs

(a) Pension obligations

The Group accounts for pensions and other post-retirement benefits under IAS 19.

The Group only operates defined contribution pension schemes in the UK and RoI. The Group has no further payment obligations once the contributions have been paid. Payments to defined contribution plans are recognised as an expense when the contributions fall due.

The French subsidiaries are subject to a statutory scheme which consists of a single payment at the date of retirement which is classified as a defined benefit plan under IFRS. In respect of this plan, obligations are measured at the discounted present value by a qualified actuary.

(b) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the balance sheet date are discounted to their present value.

2.17 Share based payments

The Group operates a number of share based payment schemes: the Senior Management Scheme, the 2004 Share Scheme, the 2006 Option Plan and the 2008 Share Plan. Each scheme features both equity and cash settled components.

The cost of the equity settled transactions with employees is measured by reference to the fair value at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. Fair value is determined using an IFRS 2 compliant pricing model.

At each balance sheet date, the Group revises its estimates of the number of options or shares that are expected to vest. The impact of the revision, if any, is recognised in the income statement with a corresponding adjustment to reserves.

The Group provides for the expected cost of 'Good Leavers' which are settled in cash by estimating at each balance sheet date the likely amount of 'Good Leavers' until the date when vesting conditions are met. A provision is created on the balance sheet and a corresponding charge is made to the income statement. 'Good Leavers' could arise from redundancy, disability, injury or death. The actual cost of 'Good Leavers' in the period is charged against the provision brought forward.

Under the 2006 Option Plan and the 2008 Share Plan the number of shares that would vest under the 'Good Leaver' provision would be pro-rated to take into account the length of the holding period since the date of the grant and this pro-rated amount of shares would then be cash settled. Under the Senior Management Scheme and the 2004 Share Scheme the change in equity value from the date of the grant or issue of the shares using an appropriate valuation model is payable to the 'Good Leavers' in cash.

2. Summary of significant accounting policies (continued)

Other Leavers under the 2004 Share Scheme and the 2008 Share Plan are entitled to a cash payment. Provision is made for the cash to which Other Leavers are entitled.

2.18 Shares held by the ESOPs

The Employee Share Option Plan Trusts (ESOPs) were set up to allow the issue of shares to Group employees and are consolidated. The shares acquired by the ESOPs are included as treasury shares within capital and reserves at cost. Gains made by the ESOPs on purchasing and selling New Look Retail Group Limited shares are recorded within a separate ESOP reserve.

2.19 Provisions

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

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Provisions for restructuring costs are recognised when the Group has a detailed formal plan for the restructuring that has been communicated to affected parties.

2.20 Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards of ownership to the Group. All other leases are classified as operating leases.

Where an arrangement is dependent on the use of a specified asset or assets, or conveys the right to use an asset, it is determined to contain a lease although this may not be its legal form. The lease element of the arrangement is accounted for as either a finance or operating lease.

Rentals payable under operating leases are charged to income on a straight-line basis over the period of the lease. Premiums payable on entering an operating lease are charged to the income statement on a straight-line basis over the lease term. Rent free periods and lease inducements receivable on entering an operating lease are recognised as deferred income and released to income on a straight-line basis over the lease term. Capital contributions from landlords are reflected as lease incentives.

2.21 Share capital

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

2.22 Segment reporting

Operating segments by brand and geography are determined in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board.

2.23 Underlying operating profit

In addition to the information required by IFRS and to assist with the understanding of earnings trends, the Group has included within its financial statements a non-GAAP measure referred to as underlying operating profit. Management consider that underlying operating profit reflects the trading performance of the Group which excludes the impacts of exceptional items, share based payments and the marking to market of financial instruments not realised in the period.

3. Treasury and financial risk management

The Group's activities expose it to a variety of financial risks: liquidity risk, market risk (including foreign exchange rate risk and interest rate risk) and credit risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The Group operates a centralised treasury function which is responsible for managing the liquidity, interest and currency risks associated with the Group's activities. As part of its strategy for the management of those risks, the Group uses derivative financial instruments. In accordance with the Group's treasury policy, derivative instruments are not entered into for speculative purposes.

The Group's principal financial instruments, other than derivatives, are cash and short term deposits, bank overdrafts and loans. The main purpose of these financial instruments is to raise finance for the Group's operations. In addition, the Group has various other financial assets and liabilities such as trade receivables and trade payables arising directly from its operations.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, Group treasury maintains certainty of funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Group's liquidity position which comprise an undrawn revolving credit facility of £10.8m (2012: £50.0m) and an overdraft limit of £5.0m (2012: £5.0m) and cash and short term deposits (note 20) on the basis of expected cash flow.

As a result of the refinancing on 14 May 2013, the revolving credit facility and overdraft limit were ceased. For further details on the refinancing transaction see note 37.

The Group monitors compliance against all its financial obligations and it is Group policy to manage the performance and position of the Group so as to operate within covenanted restrictions at all times.

Currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Euro and US dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

Foreign currency risk is the risk that the fair value of a financial commitment, recognised financial assets or financial liabilities will fluctuate due to changes in foreign currency rates.

The Group's principal foreign currency exposures arise from the purchase of overseas sourced products. Group policy is to hedge a proportion of these exposures for up to 15 months ahead in order to limit the volatility in the ultimate Sterling cost. This hedging activity involves the use of spot, forward and option contracts. To the extent that the translation of overseas assets is not offset by the effect of translating overseas liabilities, the effects are not currently hedged and are recognised within consolidated reserves.

To manage the foreign exchange risk arising from future commercial transactions and recognised financial assets and financial liabilities, forward contracts, managed by Group treasury, are used.

The periodic effects are determined by relating the hypothetical changes in the risk variables to the balance of financial instruments at the reporting date. It is assumed that the balance at the reporting date is representative for the period as a whole.

During all periods, debt Tranches B2, B5, C2 and C5 were denominated in Euros and all other group borrowings were in Sterling.

3. Treasury and financial risk management (continued)

During the period ended 30 March 2013, if Sterling had weakened by 5.0% against the Euro with all other variables held constant, post-tax gain (2012: loss) for the period would have been £0.5 million lower (2012: £1.9 million higher), mainly as a result of the translation of subsidiaries with a functional currency of Euros.

During the period ended 30 March 2013, if Sterling had weakened by 5.0% against the US dollar with all other variables held constant, post-tax gain (2012: loss) for the period would have been £2.5 million lower (2012: £1.7 million higher), mainly as a result of revaluation of overseas trade creditors; post-tax decrease (2012: increase) in shareholders deficit would have been £14.3 million higher (2012: £0.2 million lower) as a result of the movement in forward currency contracts.

The Group has decided to hold cash in a Euro denominated bank account as a natural hedge for the effect of the revaluation of the Group's Euro denominated bank borrowing. At 30 March 2013, the amount of Euros held as a natural hedge was €65.8 million (2012: €75.4 million) against the total Euro denominated bank borrowings of €65.8 million (2012: €75.4 million).

Interest rate risk

The Group uses interest rate derivatives to manage the cost of its floating rate debt by entering into fixed rate derivatives, so as to reduce exposure to changes in interest rates.

The Group analyses its interest rate exposure on a dynamic basis. Various forecasting is simulated taking into consideration refinancing, alternative financing and hedging. Based on these forecasts, the Group calculates the impact on profit and loss of a defined interest rate shift. For each forecast, the same interest rate shift is used across all currencies. The scenarios are only run for liabilities that represent the major interest-bearing positions. The forecasting is done on a regular basis to verify that the maximum loss potential is within the limit given by management.

Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Group policy is to hedge approximately 50-75% of floating rate exposure.

The Group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps and interest rate caps. This has the economic effect of converting borrowings from floating rates to fixed rates.

Interest rate risks are presented by way of sensitivity analyses in accordance with IFRS 7. These show the effects of changes in market interest rates on interest payments, interest income and expense and other income components.

The interest rate sensitivity analyses are based on the following assumptions:

- In the case of fair value hedges designed for hedging interest rate risk, the changes in the fair value of the hedged item and the hedging instrument attributable to interest rate movements balance out almost completely in the income statement in the same period. As a consequence, these financial instruments are not exposed to interest rate risk.
- Certain financial instruments are designated as hedging instruments in a cash flow hedge to hedge payment fluctuations resulting from interest rate movements. Changes in the market interest rate affect the hedging reserve in shareholders' equity and are therefore taken into consideration in the equity-related sensitivity calculations.
- Changes in the market interest rate of interest rate derivatives affect other financial income or expense and are therefore taken into consideration in the income-related sensitivity calculations.
- Currency derivatives are not exposed to interest rate risks and are therefore not included in the interest rate sensitivity calculations.

During the period ended 30 March 2013, if interest rates had been 100 basis points higher (2012: 100bp) with all other variables held constant, post-tax profit (2012: loss) for the period would have been £8.4 million lower (2012: £8.2 million higher), mainly as a result of a higher interest expense on floating rate borrowings; post-tax movement in equity would be £2.3 million lower (2012: £2.1 million lower) as a result of movement in cash flow hedges.

3. Treasury and financial risk management (continued)

During the period ended 30 March 2013, if interest rates on Euro denominated borrowings had been 100 basis points higher (2012: 100bp) with all other variables held constant, post-tax profit (2012: loss) for the period would have been £0.6 million lower (2012: £0.6 million higher) due to the higher interest expense on Euro denominated borrowings.

Credit risk

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions. If wholesale customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards.

The credit ratings of banks with which the Group has investments of cash surpluses, borrowings or derivative financial instruments are reviewed regularly by management. Each bank is assessed individually with reference to the credit it holds and deposit limits are set, which are approved by the Board and reconsidered if the Fitch, Moody or S&P credit rating falls below an "A" rating.

Receivable balances are monitored on an ongoing basis and provision is made for estimated irrecoverable amounts.

Capital risk management

The Group's principal objective when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholders and benefits for stakeholders.

The Group has debt covenants imposed by its lenders which it must achieve in order to maintain its current level of borrowings. Covenant tests are carried out quarterly and at the end of each financial period. There have been no breaches of the covenants throughout the period (2012: none).

As a result of the refinancing on 14 May 2013, the quarterly debt covenant reporting requirements were ceased. For further details on the refinancing transaction see note 37.

The Group must ensure sufficient capital resources are available for working capital requirements and meeting principal and interest payment obligations as they fall due.

As at 30 March 2013, net debt was £1,096.0 million (2012: £1,090.6 million), see note 26.

4. Critical accounting estimates, judgements and assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below:

(a) Estimated impairment of intangible assets with indefinite lives

The Group tests whether intangible assets with indefinite lives have suffered any impairment in accordance with the accounting policy stated. The recoverable amounts of cash-generating units have been determined based on the higher of value in use or fair value less cost to sell. These calculations require the use of estimates as detailed in note 14.

4. Critical accounting estimates, judgements and assumptions (continued)

(b) Income taxes

The Group is subject to income taxes in numerous jurisdictions. At each financial period end, judgement is required in determining the Group provision for income taxes. There are some transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises anticipated tax liabilities based on the best estimates of whether additional taxes will be due at the balance sheet date. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which such determination is made.

(c) Share based payments

The share based payment expense is recognised in each period as it is incurred, based on a fair value model, and estimates of the likely future cash payments to leavers. The key assumptions include the estimated timing of a change in control of the Group or a listing. The remaining key assumptions of this model are presented in note 30.

(d) Estimated useful life of intangibles, property, plant and equipment

The Group estimates the useful life and residual values of intangible assets, property, plant and equipment and reviews these estimates at each financial period end. The Group also tests for impairment when a trigger event occurs, or annually as appropriate.

(e) Onerous lease provisions

When a property ceases to be used for the purposes of the business, a provision is made to the extent that the recoverable amount of the interest in the property is expected to be insufficient to cover the future obligations relating to the lease. Where possible, the property is subleased at the prevailing rent.

A provision is also booked on loss making stores where the discounted future cash flows are not expected to cover future payments under the lease contract. The key assumptions to these provisions are the estimated future cash flows and applied discount rates.

(f) Impairment of financial assets

The Group follows the guidance of IAS 39 to determine when a financial asset is impaired. This determination requires significant judgement. In making this judgement, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

(g) Inventory provisions

The Group estimates a slow moving inventory provision based on prior movements and current market conditions.

(h) Exceptional items

The Group applies judgement in identifying the significant non-recurring items of income and expense that are recognised as exceptional to help provide an indication of the Group's underlying business performance.

5. Segment information

Management has determined the operating segments based on the reports reviewed by the Board that are used to make strategic decisions.

The Board considers the business from both a New Look brand and geographic perspective. Geographically, management considers the performance of the UK (UK Retail and E-Commerce) and International (all other streams).

5. Segment information (continued)

The reportable segments derive their revenue primarily from the sale of retail goods and gross concession sales. New Look brand & UK segments include rental income and store card income.

The Board assesses the performance of the operating segments based on revenue grossed up to include the sales of store concessions ('segmental gross transactional value') and on a measure of underlying operating profit (see definition in note 2.23). This measurement basis excludes the effects of exceptional items, share-based payments and unrealised gains/losses on financial instruments. Interest income and expenditure are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Group. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

	For the financial periods	
	53 weeks ended 30 March 2013 £m	52 weeks ended 24 March 2012 £m
External revenue		
New Look brand		
—UK Retail	**1,058.5**	1,061.2
—International	**149.2**	145.9
Stores	**1,207.7**	1,207.1
E-Commerce	**94.1**	62.7
Franchise	**58.5**	58.6
Total New Look brand	**1,360.3**	1,328.4
Mim brand		
—Stores	**154.0**	161.9
Total Mim brand	**154.0**	161.9
Segmental gross transactional value	**1,514.3**	1,490.3
Adjustment to state concession income on a net basis for statutory reporting purposes	**(30.3)**	(42.8)
Total Group external revenue	**1,484.0**	1,447.5

	For the financial periods	
	53 weeks ended 30 March 2013 £m	52 weeks ended 24 March 2012 £m
External revenue		
UK	**1,152.6**	1,123.9
International	**361.7**	366.4
Segmental gross transactional value	**1,514.3**	1,490.3
Adjustment to state concession income on a net basis for statutory reporting purposes	**(30.3)**	(42.8)
Total Group external revenue	**1,484.0**	1,447.5

5. Segment information (continued)

The revenue from external parties reported to the Board is measured in a manner consistent with that in the income statement except for the gross up of store concessions sales.

	For the financial periods	
	53 weeks ended 30 March 2013 £m	52 weeks ended 24 March 2012 £m
Underlying operating profit		
New Look brand		
—UK Retail	**91.5**	60.5
—International	**0.9**	(4.9)
Stores	**92.4**	55.6
E-Commerce	**15.8**	5.9
Franchise	**9.4**	7.3
Total New Look brand	**117.6**	68.8
Mim brand		
—Stores	**(2.1)**	(6.1)
Total Mim brand	**(2.1)**	(6.1)
Total Group underlying operating profit	**115.5**	62.7

	For the financial periods	
	53 weeks ended 30 March 2013 £m	52 weeks ended 24 March 2012 £m
Underlying operating profit		
UK	**107.3**	66.4
International	**8.2**	(3.7)
Total Group underlying operating profit	**115.5**	62.7

Underlying operating profit is defined in note 2.23 and is reconciled to operating profit on page F-132.

	For the financial periods	
	53 weeks ended 30 March 2013 £m	52 weeks ended 24 March 2012 £m
Capital expenditure		
New Look brand		
—UK Retail	**58.8**	39.0
—International	**2.0**	3.2
Stores	**60.8**	42.2
E-Commerce	**3.5**	6.2
Franchise	**—**	—
Total New Look brand	**64.3**	48.4
Mim brand		
—Stores	**2.1**	3.8
Total Mim brand	**2.1**	3.8
Total Group capital expenditure	**66.4**	52.2

5. Segment information (continued)

	For the financial periods	
	53 weeks ended 30 March 2013 £m	52 weeks ended 24 March 2012 £m
Capital expenditure		
UK	**62.3**	45.2
International	**4.1**	7.0
Total Group capital expenditure	**66.4**	52.2

	For the financial periods	
	53 weeks ended 30 March 2013 £m	52 weeks ended 24 March 2012 £m
Depreciation and amortisation		
New Look brand		
—UK Retail	**54.9**	61.4
—International	**8.1**	5.5
Stores	**63.0**	66.9
E-Commerce	**3.4**	1.6
Franchise	**—**	—
Total New Look brand	**66.4**	68.5
Mim brand		
—Stores	**7.1**	8.0
Total Mim brand	**7.1**	8.0
Total Group depreciation and amortisation	**73.5**	76.5

	For the financial periods	
	53 weeks ended 30 March 2013 £m	52 weeks ended 24 March 2012 £m
Depreciation and amortisation		
UK	**58.3**	63.0
International	**15.2**	13.5
Total Group depreciation and amortisation	**73.5**	76.5

Analyses of the Group's external revenues (by customer location) and non-current assets (excluding investments, deferred tax assets and other financial assets) by geographical location are detailed below:

	External revenue		Non-current assets	
	53 weeks ended 30 March 2013 £m	52 weeks ended 24 March 2012* £m	**53 weeks ended 30 March 2013 £m**	52 weeks ended 24 March 2012 £m
United Kingdom	**1,113.5**	1,080.7	**845.5**	848.4
France	**219.4**	220.1	**105.5**	115.0
Rest of Europe	**111.6**	108.1	**15.1**	18.2
Middle East	**31.0**	31.6	**—**	—
Rest of World	**8.5**	7.0	**—**	—
	1,484.0	1,447.5	**966.1**	981.6

* Customer revenue from sales to Russia has been reclassified from Rest of World to Rest of Europe.

6. Revenue

	For the financial periods	
	53 weeks ended 30 March 2013 £m	52 weeks ended 24 March 2012 £m
Sale of goods	**1,463.1**	1,422.3
Rental income	**2.0**	2.5
Store card arrangement fee	**2.9**	2.9
Franchise royalty income	**0.4**	1.4
Concession income (net)	**15.6**	18.4
Revenue	**1,484.0**	1,447.5

Included within rental income is contingent rent of £0.6 million (2012: £0.6 million).

7. Operating profit

	For the financial periods	
	53 weeks ended 30 March 2013 £m	52 weeks ended 24 March 2012 £m
Group operating profit is stated after charging/(crediting):		
Staff costs (note 8a)	**226.6**	233.0
Depreciation on property, plant and equipment	**65.5**	70.8
Impairment of property, plant and equipment	**2.7**	3.3
Amortisation of intangible assets	**8.0**	5.7
Impairment (reversal)/charge of intangible assets	**(1.3)**	2.4
Impairment of investment in joint venture	**—**	0.7
Amortisation of lease incentives	**(7.0)**	(5.7)
(Gain)/loss on disposal of property, plant and equipment	**(6.0)**	0.4
Gain on disposal of intangible assets	**(1.4)**	—
Operating lease charges		
—Minimum lease payments	**180.3**	178.7
—Contingent rent payments	**0.1**	—
Net foreign exchange differences	**1.7**	(2.4)
Cost of inventories recognised as an expense through cost of sales	**614.2**	621.3
Write down of inventories to net realisable value through cost of sales	**15.9**	20.7
Auditors' remuneration:		
Fees payable to the company's auditor for the audit of the Group and parent company	**0.2**	0.2
Fees payable to the company's auditor and its associates for other services:		
—The audit of the company's subsidiaries pursuant to legislation	**0.2**	0.2
—Tax compliance services	**0.1**	0.1
—Tax advisory services	**0.5**	0.1
—Other assurance services	**0.5**	—
—All other services	**0.4**	0.1

Included in auditors' remuneration are out of pocket expenses paid to Group auditors.

8a. Staff costs

	For the financial periods	
	53 weeks ended 30 March 2013 £m	52 weeks ended 24 March 2012 £m
Wages and salaries	**202.2**	206.0
Social security costs	**22.4**	24.0
Other pension costs (note 34)	**2.2**	2.1
	226.8	232.1
Share based payment (credit)/expense (note 30)	**(0.2)**	0.9
	226.6	233.0

In addition to the above, costs relating to temporary and contract staff total £4.2 million (2012: £4.2 million).

The average monthly number of employees of the Group (including Directors) during the period was:

	For the financial periods	
	53 weeks ended 30 March 2013 Number	52 weeks ended 24 March 2012 Number
Administration and distribution	**2,383**	2,105
Retailing	**18,765**	20,500
	21,148	22,605

If the number of part-time hours were converted on the basis of a full working week, the equivalent average number of full-time employees would be 11,476 (2012: 11,819).

Compensation for key management personnel

The compensation for key management personnel, including the Directors, was as follows:

	For the financial periods	
	53 weeks ended 30 March 2013 £m	52 weeks ended 24 March 2012 £m
Short term employee benefits	**2.5**	1.6
Compensation for loss of office	**—**	0.2
Post employment benefits	**—**	0.3
Aggregate gains made by Directors on the sale of shares	**—**	—
	2.5	2.1

Retirement benefits are accruing to two members of key management (2012: four) at the end of the period. Directors' remuneration is detailed in note 8b on the following page.

8b. Directors' remuneration

(a) Historical aggregate emoluments

The Directors' emoluments table below includes aggregate emoluments of all Executive and Non-Executive Directors of New Look Retail Group Limited who provided qualifying services during the financial periods ended 30 March 2013 and 24 March 2012.

	For the financial periods	
	53 weeks ended 30 March 2013 £m	52 weeks ended 24 March 2012 £m
Aggregate emoluments in respect of qualifying services	**2.1**	0.9
Company contributions paid in respect of pension schemes	**—**	0.2

8b. Directors' remuneration (continued)

There have been no waivers of emoluments by any of the Directors in the reporting period. No (2012: none) Director exercised share options and three (2012: one) Directors were granted shares in the period. Retirement benefits are accruing to no (2012: one) Directors at the end of the period.

(b) Directors' details

Directors

A McGeorge, T Lane, A Miller, O Pinya, M Garland, F Andreottola, A Kristiansen and T Singh were Directors as at 30 March 2013. L Buckham and M Clarke resigned on 13 December 2012 and M Garland and F Andreottola were appointed on 13 December 2012. A Kristiansen was appointed on 16 January 2013.

In the financial period ended 30 March 2013, each of the following were Executive Directors: A McGeorge, T Singh, A Kristiansen and A Miller. (2012: A McGeorge and A Miller).

As a representative of Permira, M Garland and F Andreottola have an indirect economic interest in the shares of the Company held by the Permira Funds. As representatives of Apax, O Pinya and T Lane have an indirect economic interest in the shares of the Company held by the Apax Funds. During the period, a monitoring fee of £170,000 (2012: £150,000) was payable to each of Apax and Permira.

For details of transactions with the Directors, including lease payments and payment-in-kind (PIK) interest, see note 35.

Highest paid Director

	For the financial periods	
	53 weeks ended 30 March 2013 £m	52 weeks ended 24 March 2012 £m
Aggregate emoluments in respect of qualifying services	**0.7**	0.4
Company contributions paid in respect of pension schemes	**—**	0.1

9. Finance income and expense

	For the financial periods	
	53 weeks ended 30 March 2013 £m	52 weeks ended 24 March 2012 £m
Finance income		
Interest on bank deposits	**0.6**	1.4
Exchange rate gain on revaluation of Euro loans	**—**	3.3
Exchange rate gain on revaluation of Euro cash	**0.5**	—
Gain on cancellation of PIK debt	**9.1**	—
Total finance income	**10.2**	4.7
Finance expense		
Interest on bank loans and overdrafts	**35.4**	38.7
Interest on other loans	**71.5**	66.5
Exchange rate loss on revaluation of Euro cash	**—**	3.3
Exchange rate loss on revaluation of Euro loans	**0.5**	—
Amortisation of issue costs on loans	**6.8**	—
Finance expense before exceptional expenses	**114.2**	108.5
Exceptional items – finance expense		
Refinancing costs	**2.4**	—
Total finance expense	**116.6**	108.5

9. Finance income and expense (continued)

Gain on cancellation of PIK debt

In July 2012, as part of the renegotiation of Senior and Mezzanine debt maturities, the Group was provided with the ability to repay part of the PIK debt. During the financial period, the Group achieved the required level of leverage to satisfy the covenant and bought back £47.1 million of PIK debt for consideration of £38.0 million.

Refinancing cost

In July 2012, the Group renegotiated the maturity profile of the Senior and Mezzanine loans to extend repayments out to April 2015. £6.8 million was incurred relating to this transaction, capitalised against the debt and amortised over the period in line with the refinance that occurred shortly after the period end (see note 37). In February 2013, the Group began a number of investigative and preparatory steps in connection with a potential debt refinancing. £2.4 million of directly attributable costs were incurred in relation to these steps.

10. Exceptional items

	For the financial periods	
	53 weeks ended 30 March 2013 £m	52 weeks ended 24 March 2012 £m
Operating exceptional items		
Impairment loss	**1.4**	6.2
Change programme	**—**	(0.2)
Restructuring operating base	**4.3**	6.0
Review of business financing	**0.7**	—
Redevelopment of Mercery Road	**(6.0)**	—
Franchise receivable impairment	**4.3**	—
Total operating exceptional items	**4.7**	12.0
Refinancing costs (note 9)	**2.4**	—
Total exceptional items	**7.1**	12.0

Impairment loss

An impairment charge has been recognised to write down tangible and intangible assets in stores to their recoverable amount as a result of a decline in trading conditions for certain stores. The recoverable amount was calculated based on the value in use of the individual stores. The calculation of value in use was most sensitive to the following assumptions:

- Forecast operating cash flows for the remaining period of the lease which were based on approved budgets and plans;
- The rate of growth used to extrapolate cash flows and the pre-tax discount rates are disclosed in note 14.

During the financial period ended 24 March 2012, management reviewed its ability to recover the investment in its 50% interest in NLT Tekstil Sanayi Ve Ticaret Limited Şirketi. The recoverable amount of the joint venture was calculated based on the present value of the discounted future cash flows and a resulting impairment loss recorded in the income statement of £0.7 million.

Change programme

The change programme formed part of the Group's future operating model to deliver system, process and structure changes where needed, and to ensure New Look employees are customer and brand aligned in order to achieve the Group's strategy.

During the period to 27 March 2010 costs were incurred in relation to the relocation of commercial functions to London, ensuring New Look's Buying, Merchandising and Design functions are at the heart of London's fashion district.

10. Exceptional items (continued)

In the financial period ended 24 March 2012, the credit of £0.2 million relates to the reversal of unutilised accruals.

Restructuring operating base

During the financial period ended 24 March 2012, the Group incurred £6.0 million in reviewing and restructuring its operating cost base to align the Group's strategies, structures and costs to the challenging macro-economic environment. The review followed the appointment of the new Executive Chairman to ensure the direction of the Group is consistent with improving financial performance without diverging from the opportunities to leverage from New Look's core growth drivers, such as Multi-Channel and international expansion. During the period ended 30 March 2013, the Group incurred £1.7 million as the finalisation of these costs. In addition, for the period ended 30 March 2013, £2.6 million was incurred in preparation for and transition of the Group's Ecommerce logistics operations which involved the termination and relocation of previously outsourced operations that have now been brought in-house to the main distribution site at Lymedale.

Review of business financing/refinancing costs

During the period ended 30 March 2013, the Group undertook a number of investigative and preparatory steps in connection with a potential debt refinancing. Total costs incurred were £3.1 million, of which £2.4 million were directly attributable costs and have been recognised as a finance expense, see note 9.

Redevelopment of Mercery Road

During the financial period ended 30 March 2013, as part of the redevelopment of the Group's land on its Mercery Road, Weymouth site, a gain on disposal was recognised in relation to a sale of part of the land on which a supermarket, hotel and family restaurant will be constructed. See note 13 for further information.

Franchise receivable impairment

The outstanding receivable balance with the Russian franchise partner of £4.3 million has been fully impaired as it is no longer expected to be recoverable due to the on-going financial difficulties experienced by the partner.

11. Taxation

	For the financial periods	
	53 weeks ended 30 March 2013 £m	52 weeks ended 24 March 2012 £m
Current tax:		
UK corporation tax on profits of the period	**8.1**	2.5
Double tax relief	**(0.2)**	—
UK prior year adjustment	**(2.8)**	(4.4)
Overseas tax	**0.5**	0.1
Overseas prior year adjustment	**0.1**	0.1
Total current tax	**5.7**	(1.7)
Deferred tax:		
Origination and reversal of temporary differences	**(1.7)**	(8.8)
Impact of change in UK corporation tax rate	**(3.5)**	(3.4)
Adjustment in respect of prior period	**(0.8)**	(2.6)
Total deferred tax	**(6.0)**	(14.8)
Income tax credit	**(0.3)**	(16.5)

11. Taxation (continued)

The tax on the Group's profits before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

	For the financial periods	
	53 weeks ended 30 March 2013 £m	52 weeks ended 24 March 2012 £m
Profit/(loss) before taxation	**3.1**	(54.5)
Tax charge on profit at standard rate of 24% (2012: 26%)	**0.7**	(14.2)
Reasons affecting charge for the period:		
Depreciation on non-qualifying assets	**2.0**	3.8
Expenses not deductible for tax purposes	**1.5**	0.3
Foreign tax charged at a different rate than UK standard rate	**(0.9)**	(0.4)
Tax losses for which no deferred income tax asset was recognised	**3.5**	4.4
Re-measurement of deferred tax – change in the UK corporation tax rate	**(3.5)**	(3.4)
Adjustment to current tax charge in respect of prior periods	**(2.8)**	(4.4)
Adjustment to deferred tax charge in respect of prior periods	**(0.8)**	(2.6)
Income tax credit	**(0.3)**	(16.5)

On 5 July 2011, Finance Act 2011 was substantively enacted, reducing the main rate of corporation tax to 25% with effect from 1 April 2012. On 26 March 2012 a reduction to 24% with effect from 1 April 2012 was substantively enacted via a resolution passed by Parliament. Finance Act 2012 was substantively enacted on 3 July 2012 and reduced the main rate of corporation tax to 23% with effect from 1 April 2013. Closing deferred tax balances have therefore been valued at 23% (2012: 25%).

Recent Budget statements included proposals for further reductions to 21% from 1 April 2014 and 20% from 1 April 2015. These changes had not been substantively enacted at the balance sheet date and, therefore, the effects of these are not included in these financial statements.

In addition to the amount charged to the consolidated income statement, tax movements recognised directly in equity as shown in the consolidated statements of comprehensive income and of changes in equity were as follows:

	For the financial periods	
	53 weeks ended 30 March 2013 £m	52 weeks ended 24 March 2012 £m
Deferred tax:		
Foreign exchange movements taken to translation reserve	**(0.1)**	0.7
Other temporary differences	**(3.9)**	(3.1)
Tax expense on items recognised directly in equity	**(4.0)**	(2.4)

Deferred income tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same tax authority.

	As at	
	30 March 2013 £m	24 March 2012 £m
Deferred tax asset to be recovered within 12 months	**17.3**	22.6
Deferred tax asset to be recovered after more than 12 months	**12.5**	10.5
	29.8	33.1
Deferred tax liability falling due within 12 months	**—**	—
Deferred tax liability falling due after more than 12 months	**(77.7)**	(83.0)
	(77.7)	(83.0)
	(47.9)	(49.9)

11. Taxation (continued)

The movement in the period is as follows:

	Accelerated capital allowances £m	Brand £m	Other temporary differences £m	Total £m
At 26 March 2011	3.0	89.3	(30.0)	62.3
Credited to income statement	(0.7)	(5.6)	(8.5)	(14.8)
Recognised directly in equity	—	(0.7)	3.1	2.4
At 24 March 2012	2.3	83.0	(35.4)	49.9
(Credited)/charged to income statement	(4.1)	(5.6)	3.7	(6.0)
Recognised directly in equity	—	0.1	3.9	4.0
At 30 March 2013	(1.8)	77.5	(27.8)	47.9

There is a deferred tax asset in respect of capital losses of £2.1 million (2012: £2.2 million) that has not been recognised due to uncertainty as to whether there will be sufficient taxable profits in the future against which the asset could be utilised.

PIK interest and onerous lease cost are the main items included in other temporary differences.

Deferred tax assets of £15.2 million (2012: £11.7 million) relating to losses in Mim, New Look France, New Look Belgium and New Look Holland and have not been recognised at a Group level as there is no certainty when these losses will be relieved.

No liability has been recognised in respect of temporary differences associated with investments in subsidiaries, branches and interests in the joint venture, where the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future. The aggregate amount of temporary differences associated with these investments, for which a deferred tax liability has not been recognised, is £1,238.1 million (2012: £1,061.5 million).

12. Dividends

No dividends have been proposed, declared or paid during the periods ended 30 March 2013 or 24 March 2012.

13. Property, plant and equipment

	Freehold land and buildings £m	Fixtures and equipment £m	Total £m
Cost			
At 26 March 2011	11.5	580.6	592.1
Exchange movement	—	(7.8)	(7.8)
Additions	4.3	41.5	45.8
Disposals	—	(81.8)	(81.8)
At 24 March 2012	15.8	532.5	548.3
Exchange movement	—	1.2	1.2
Additions	9.1	41.5	50.6
Disposals	(6.2)	(23.2)	(29.4)
At 30 March 2013	18.7	552.0	570.7
Accumulated depreciation			
At 26 March 2011	(2.9)	(353.7)	(356.6)
Exchange movement	—	4.9	4.9
Depreciation charge	(0.5)	(70.3)	(70.8)
Impairment loss	—	(3.3)	(3.3)
Disposals	—	80.9	80.9
At 24 March 2012	(3.4)	(341.5)	(344.9)
Exchange movement	—	(1.5)	(1.5)
Depreciation charge	(0.2)	(65.3)	(65.5)
Impairment reversal/(loss)	0.4	(3.1)	(2.7)
Disposals	3.0	23.1	26.1
At 30 March 2013	(0.2)	(388.3)	(388.5)
Net Book Value			
30 March 2013	**18.5**	**163.7**	**182.2**
24 March 2012	12.4	191.0	203.4

Freehold land of £6.3 million (2012: £5.6 million) is not depreciated.

Included within fixtures and equipment are assets in the course of construction of £9.3 million (2012: £20.0 million), which are not depreciated.

At 30 March 2013, the Group has entered into contractual commitments for the acquisition of property, plant and equipment amounting to £3.3 million (2012: £23.1 million).

During the previous financial period, the redevelopment of the Group's land on its Mercery Road, Weymouth site, received planning consent. On 27 April 2011, the Weymouth and Portland Borough Council made the decision to support New Look's outline planning application for its Weymouth Gateway regeneration plans, marking a major milestone for the project. The plans include a new office building for New Look, a Sainsbury's supermarket, a hotel, family restaurant, and additional commercial units.

VINCI Construction was appointed as the primary contractor for Phase 1 of the project which commenced on 14 November 2011, Phase 1 includes the construction of the new New Look office building, construction of a new commercial unit and various highway and infrastructure works.

During the financial period ended 30 March 2013, the Group recognised a gain on the disposal of land following completion of clearance works (see note 10).

Further information can be found at www.weymouthgateway.co.uk.

14. Intangible assets

	Goodwill £m	Brands £m	Recoverable leasehold property premiums £m	Software Licences £m	Total £m
Cost					
At 26 March 2011	365.3	319.9	30.1	47.9	763.2
Exchange movement	—	(2.0)	(1.6)	(0.1)	(3.7)
Additions	—	—	1.4	5.0	6.4
Disposals	—	—	(0.2)	—	(0.2)
At 24 March 2012	365.3	317.9	29.7	52.8	765.7
Exchange movement	—	0.3	0.3	0.1	0.7
Additions	—	0.2	0.3	15.3	15.8
Disposals	—	—	(2.3)	(2.6)	(4.9)
At 30 March 2013	365.3	318.4	28.0	65.6	777.3
Accumulated amortisation and impairment					
At 26 March 2011	—	—	(3.2)	(18.6)	(21.8)
Exchange movement	—	—	0.2	—	0.2
Amortisation charge	—	—	—	(5.7)	(5.7)
Impairment loss	—	—	(2.1)	(0.3)	(2.4)
Disposals	—	—	0.2	—	0.2
At 24 March 2012	—	—	(4.9)	(24.6)	(29.5)
Exchange movement	—	—	—	—	—
Amortisation charge	—	—	—	(8.0)	(8.0)
Impairment reversal/(loss)	—	—	1.4	(0.1)	1.3
Disposals	—	—	1.0	2.6	3.6
At 30 March 2013	—	—	(2.5)	(30.1)	(32.6)
Net book value					
At 30 March 2013	**365.3**	**318.4**	**25.5**	**35.5**	**744.7**
At 24 March 2012	365.3	317.9	24.8	28.2	736.2

As at 30 March 2013, the Group had entered into contractual commitments for the acquisition of software amounting to £2.4 million (2012: £0.2 million).

The lowest CGUs within the Group are individual stores, however for the purpose of intangible impairment review; the lowest group of CGUs are the country sub-groups of the Group's brands, which is in line with internal management reporting. Brands, lease premiums and software licences have been allocated between these groups. Goodwill arising from business combinations is all allocated to the UK.

Brands include the New Look and Mim brands acquired through business combinations. Fair value was established by independent valuers and was based on the relief from royalty method. The Group is committed to the continuing development of these brands and has concluded that they have indefinite useful lives.

Certain premiums paid on acquisition of short leasehold property in mainland Europe are expected to be recoverable from subsequent tenants. Recoverable leasehold property premiums are pledged as security for the related lease rental liabilities. To support the recoverable amount, value in use calculations were performed and in some cases independent third party valuations were obtained on the premiums paid resulting in an impairment reversal of £1.4 million (2012: impairment loss of £2.1 million).

The value in use of relevant groups of CGUs for impairment testing purposes have been determined based on calculations using cash flow projections from the financial plans approved by the Board covering a three year period from the balance sheet date.

14. Intangible assets (continued)

The calculation of value in use is most sensitive to the following assumptions:

- The forecast operating cash flows for the next three years are based on approved budgets and plans. These budgets and plans are based on past performance and expectations for the market development of the relevant groups of CGUs;
- An estimate of the long-term effective tax rate for the CGU; and
- The rate of growth used to extrapolate cash flows beyond the three year plan period is 2.0% per annum (2012: 2.0%). This growth rate is based on published estimates of the long-term growth in Gross Domestic Product in the respective CGUs and inflation.

For the New Look brand, the resulting cash flows were discounted using a pre tax discount rate of 11.1% (2012: 11.0%). For the Mim brand, the resulting cash flows were discounted using a pre tax discount rate of 9.5% (2012: 10.6%). These rates reflect management's estimate of the cost of capital for the business.

Management does not believe that any reasonable change in any of the above key assumptions would cause the carrying value of goodwill or the New Look brand to exceed their recoverable amounts.

Sensitivity to changes in assumptions

With regard to the assessment of the value in use of the Mim brand, management does not believe that any reasonable change in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount. The recoverable amount exceeds the carrying amount by £73.8 million (2012: £26.4 million).

15. Investment in joint venture

The Group has a 50% interest in NLT Tekstil Sanayi Ve Ticaret Limited Şirketi, a jointly controlled entity incorporated in Turkey, which sources product on behalf of the Group.

The Group's share of the assets, liabilities, revenue and expenses of the jointly controlled entity are as follows:

	As at	
Share of the joint venture's balance sheet	**30 March 2013 £m**	24 March 2012 £m
Non-current assets	**—**	—
Current assets	**1.2**	2.2
Current liabilities	**(1.0)**	(1.6)
Non-current liabilities	**—**	(0.1)
Share of net assets	**0.2**	0.5
Loan to joint venture	**0.8**	0.8
Impairment loss	**(0.7)**	(0.7)
Total investment in joint venture	**0.3**	0.6

Details of the impairment loss of £0.7 million which was recognised in the prior period are included in note 10.

	For the financial periods	
Share of the joint venture's result	**53 weeks ended 30 March 2013 £m**	52 weeks ended 24 March 2012 £m
Revenue	**5.2**	11.8
Cost of sales	**(4.6)**	(11.0)
Administrative expenses	**(0.9)**	(0.8)
Loss before taxation	**(0.3)**	—
Taxation	**—**	—
Loss for the period	**(0.3)**	—

15. Investment in joint venture (continued)

The share capital of the joint venture is 3,040,000 YTLs (being equivalent of £1,272,020 at a conversion rate of 2.39 YTLs to each Pound Sterling) divided into 121,600 shares of 25 YTLs each. New Look Retailers Limited and Global Tekstil Danismanlik Sanayi Ve Ticaret Limited Şirketi each own 60,800 shares in the company.

There is no recourse to Group companies in respect of the borrowings of the joint venture and there are no commitments or contingent liabilities at the year end.

16. Available for sale financial assets

	As at	
	30 March 2013 £m	24 March 2012 £m
Unlisted investments available for sale	**0.3**	0.3

The investments included above are investments in unlisted equity securities which are carried at cost being fair value at inception. The investments continue to be carried at cost since they do not have a quoted price in an active market nor a fair value which can be reliably measured. The investments have no maturity or coupon rate and are denominated in Euros.

There were no disposals or impairment provisions on available for sale financial assets in any of the periods.

17. Inventories

	As at	
	30 March 2013 £m	24 March 2012 £m
Raw materials and work in progress	**1.6**	1.2
Finished goods	**142.5**	131.5
	144.1	132.7

Inventories with a value of £3.2 million (2012: £3.8 million) are carried at fair value less costs to sell, this being lower than cost. Cost of inventories recognised as an expense and any write downs of inventory are disclosed in note 7.

18. Trade and other receivables

	As at	
	30 March 2013 £m	24 March 2012 £m
Current		
Trade receivables	**14.6**	17.3
Other receivables	**11.0**	8.0
Prepayments	**40.4**	42.9
Accrued income	**1.8**	1.0
	67.8	69.2
Non-current		
Other receivables	**9.7**	7.6
Prepayments	**29.5**	34.4
	39.2	42.0

18. Trade and other receivables (continued)

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

	As at	
	30 March 2013 £m	24 March 2012 £m
Sterling	**78.0**	81.7
Euro	**26.8**	28.5
US Dollar	**0.7**	0.6
Roubles	**1.5**	0.4
	107.0	111.2

Included within the trade and other receivables balance is a bad debt provision for £5.9 million (2012: £3.6 million). There was a bad debt charge in the income statement of £4.5 million (2012: £2.7 million).

As at 30 March 2013, trade and other receivables of £33.0 million (2012: £23.3 million) were fully performing.

As at 30 March 2013, trade and other receivables of £2.2 million (2012: £9.1 million) were past due but not classed as impaired.

The ageing analysis of these is as follows:

	As at	
	30 March 2013 £m	24 March 2012 £m
Up to 2 months	**0.1**	8.2
2 to 6 months	**2.1**	0.9
	2.2	9.1

As of 30 March 2013, trade and other receivables of £6.0 million (2012: £4.1 million) were impaired and £5.9 million (2012: £3.6 million) were provided for. The ageing of these receivables is as follows:

	As at	
	30 March 2013 £m	24 March 2012 £m
Up to 2 months	**1.7**	0.8
2 to 6 months	**4.3**	3.3
	6.0	4.1

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

	As at	
	30 March 2013 £m	24 March 2012 £m
At start of period	**3.6**	1.5
Provisions for receivables impairment	**4.5**	2.7
Receivables written off during the period	**(2.2)**	(0.6)
	5.9	3.6

The creation and release of the provision for impaired receivables has been included in administrative expenses. Amounts charged to the bad debt provisions are generally written off when there is no expectation of recovering additional cash. Subsequent recoveries of amounts previously written off are credited against administrative expenses. The other classes within trade and other receivables do not contain impaired assets.

The Group maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above.

19. Derivative financial instrument assets

	As at	
	30 March 2013 £m	24 March 2012 £m
Current assets		
Foreign currency contracts	**17.5**	4.8
Interest rate swaps	**—**	—
Embedded foreign exchange derivatives	**0.1**	0.6
	17.6	5.4

Foreign currency contracts comprise forward contracts and options which are used to hedge exchange risk arising from the Group's overseas purchases. The instruments purchased are denominated in US dollars.

The interest rate swap agreements and foreign currency contracts are referred to within note 25.

Embedded foreign exchange derivatives arise within outstanding purchase orders, which are in currencies other than the functional currencies of the contracting parties.

20. Cash and cash equivalents

	As at	
	30 March 2013 £m	24 March 2012 £m
Cash at bank and in hand	**43.5**	41.1
Short term deposits	**67.9**	169.2
Blocked cash	**2.2**	2.0
	113.6	212.3

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short term deposits are made for varying periods between one day and three months depending on the cash requirements of the Group, and earn interest at market short term deposit rates. Blocked cash relates to amounts held as guarantees over leases in mainland Europe.

21. Trade and other payables

	As at	
	30 March 2013 £m	24 March 2012 £m
Current		
Trade payables	**105.3**	93.0
Other taxation and social security	**11.5**	24.4
Other payables	**2.5**	13.9
Accruals	**89.8**	83.9
Interest accrual	**0.4**	1.8
Deferred income	**36.7**	23.8
Liability for cash settled share based payments	**—**	0.5
	246.2	241.3
Non-current		
Liability for cash settled share based payments	**0.7**	0.2
Other taxation and social security	**0.3**	0.5
Other payables	**2.4**	0.9
Deferred income	**88.0**	108.5
	91.4	110.1

Trade payables, other payables and accruals are non interest-bearing. Trade payables are normally settled on either 60 or 75 day terms. Included in accruals is £41.5 million (2012: £30.1 million) relating to inventory.

22. Financial liabilities

	As at	
	30 March 2013 £m	24 March 2012 £m
Current		
Bank loans	**59.5**	121.1
	59.5	121.1
Non-current		
Bank loans	**408.6**	464.7
PIK debt	**741.5**	717.1
	1,150.1	1,181.8

Further disclosure in respect of loans is provided in note 27.

23. Derivative financial instrument liabilities

	As at	
	30 March 2013 £m	24 March 2012 £m
Current liabilities		
Foreign currency contracts	**0.2**	0.4
Interest rate swaps	**2.4**	4.6
Embedded foreign exchange derivatives	**0.8**	0.1
	3.4	5.1
Non-current liabilities		
Interest rate swaps	**0.8**	1.5
	0.8	1.5

Foreign currency contracts comprise forward contracts and options which are used to hedge exchange risk arising from the Group's overseas purchases. The instruments purchased are denominated in US dollars.

The interest rate swap agreements and foreign currency contracts are referred to within note 25.

Embedded foreign exchange derivatives arise within outstanding purchase orders, which are in currencies other than the functional currencies of the contracting parties.

24. Financial instruments

Fair values

The fair values of each category of the Group's financial assets/liabilities and their carrying values in the Group's balance sheet, excluding short term receivables and payables, are as follows:

	As at	
	30 March 2013 Carrying amount and fair value £m	24 March 2012 Carrying amount and fair value £m
Financial assets		
Cash and short term deposits	**113.6**	212.3
Foreign currency contracts	**17.5**	4.8
Interest rate swaps	**—**	—
Available for sale financial assets	**0.3**	0.3
Embedded foreign exchange derivatives	**0.1**	0.6
Financial liabilities		
Bank loans	**468.1**	585.8
PIK debt	**741.5**	717.1
Foreign currency contracts	**0.2**	0.4
Interest rate swaps	**3.2**	6.1
Embedded foreign exchange derivatives	**0.8**	0.1

The fair values of derivatives have been calculated by discounting the expected future cash flows at prevailing interest rates, and are based on market prices at the balance sheet date.

Using market prices, as at the financial period end, the fair value of the PIK debt is approximately £74.2 million less than (2012: £322.7 million less than) the carrying value.

The Directors consider that the carrying amounts of all other financial instruments recorded in these financial statements is equal to or approximate to their fair value.

The total notional amount of outstanding foreign currency and interest rate contracts to which the Group was committed at the balance sheet date is as follows:

	As at	
	30 March 2013 £m	24 March 2012 £m
Notional amount of outstanding foreign currency contracts	**350.9**	275.0
Notional amount of outstanding interest rate swaps and cap	**275.0**	300.0

The foreign currency contracts have expiry terms of between 1 and 12 months (2012: 1 and 15 months). The interest rate swap contracts have expiry terms of between 1 and 20 months (2012: 1 and 30 months).

24. Financial instruments (continued)

Category

The accounting policies for financial instruments have been applied to the line items below:

Assets per balance sheet	Loans and receivables £m	Assets at fair value through income statement £m	Derivatives used for hedging £m	Available for sale £m	**Total £m**
At 30 March 2013					
Available for sale financial assets	—	—	—	0.3	**0.3**
Derivative financial instruments	—	0.1	17.5	—	**17.6**
Trade and other receivables (excluding prepayments)	37.1	—	—	—	**37.1**
Cash and short term deposits	113.6	—	—	—	**113.6**
	150.7	0.1	17.5	0.3	**168.6**

Liabilities per balance sheet	Liabilities at fair value through income statement £m	Derivatives used for hedging £m	Other financial liabilities at amortised cost £m	**Total £m**
At 30 March 2013				
Borrowings	—	—	1,209.6	**1,209.6**
Derivative financial instruments	0.8	3.4	—	**4.2**
Trade and other payables (excluding deferred income)	—	—	212.9	**212.9**
	0.8	3.4	1,422.5	**1,426.7**

Assets per balance sheet	Loans and receivables £m	Assets at fair value through income statement £m	Derivatives used for hedging £m	Available for sale £m	**Total £m**
At 24 March 2012					
Available for sale financial assets	—	—	—	0.3	**0.3**
Derivative financial instruments	—	0.6	4.8	—	**5.4**
Trade and other receivables (excluding prepayments)	33.9	—	—	—	**33.9**
Cash and short term deposits	212.3	—	—	—	**212.3**
	246.2	0.6	4.8	0.3	**251.9**

Liabilities per balance sheet	Liabilities at fair value through income statement £m	Derivatives used for hedging £m	Other financial liabilities at amortised cost £m	**Total £m**
At 24 March 2012				
Borrowings	—	—	1,302.9	**1,302.9**
Derivative financial instruments	0.1	6.5	—	**6.6**
Trade and other payables (excluding deferred income)	—	—	219.2	**219.2**
	0.1	6.5	1,522.1	**1,528.7**

24. Financial instruments (continued)

The following table presents the Group's assets and liabilities that are measured at fair value at 30 March 2013:

Assets	Level 1 £m	Level 2 £m	Level 3 £m	**Total £m**
Foreign currency contracts	—	17.5	—	**17.5**
Interest rate swaps	—	—	—	**—**
Embedded foreign exchange derivatives	—	0.1	—	**0.1**
Total assets	—	17.6	—	**17.6**
Liabilities				
Foreign currency contracts	—	0.2	—	**0.2**
Interest rate swaps	—	3.2	—	**3.2**
Embedded foreign exchange derivatives	—	0.8	—	**0.8**
Total liabilities	—	4.2	—	**4.2**

The following table presents the Group's assets and liabilities that are measured at fair value at 24 March 2012:

Assets	Level 1 £m	Level 2 £m	Level 3 £m	**Total £m**
Foreign currency contracts	—	4.8	—	**4.8**
Interest rate swaps	—	—	—	**—**
Embedded foreign exchange derivatives	—	0.6	—	**0.6**
Total assets	—	5.4	—	**5.4**
Liabilities				
Foreign currency contracts	—	0.4	—	**0.4**
Interest rate swaps	—	6.1	—	**6.1**
Embedded foreign exchange derivatives	—	0.1	—	**0.1**
Total liabilities	—	6.6	—	**6.6**

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves. The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value.

24. Financial instruments (continued)

Credit quality

The credit quality of financial assets can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

	As at	
	30 March 2013 £m	24 March 2012 £m
Trade receivables		
Counterparties without external credit rating:		
Group 1	**2.3**	1.7
Group 2	**0.3**	0.2
Group 3	**12.0**	15.4
Total trade receivables	**14.6**	17.3

Group 1 – new customers (less than 6 months)
Group 2 – existing customers (more than 6 months) with no defaults in the past
Group 3 – existing customers (more than 6 months) with some defaults in the past

The Group limits its exposure to financial institutions by setting credit limits based on their credit ratings and generally only with counterparties with a Fitch's credit rating of at least 'A'. Group treasury monitors counterparty credit ratings closely, adjusting limits and balances immediately following counterparty downgrades. At 30 March 2013, the Group had £108.5 million of cash and cash equivalents (2012: £209.8m) held with institutions rated 'A' or above, £3.4 million (2012: £1.8 million) held with institutions rated 'A-' and £1.7 million (2012: £0.7 million) held with institutions rated 'BBB', with a combined credit limit of £540.0 million (2012: £540.0 million).

The Group limits its exposure with its counterparties to derivative financial instruments by engaging with counterparties with a Fitch credit rating of 'A' or above. At 30 March 2013, the Group had derivative financial assets of £17.5 million (2012: £4.8 million) with counterparties rated 'A' or above.

Maturity

The table below analyses the Group's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 30 March 2013	**<1 year £m**	**1-2 years £m**	**2-5 years £m**	**5+ years £m**
Borrowings	**59.5**	**31.9**	**1,118.2**	**—**
Derivative financial instruments	**2.4**	**0.8**	**—**	**—**
Trade and other payables	**209.5**	**3.4**	**—**	**—**

At 24 March 2012	<1 year £m	1-2 years £m	2-5 years £m	5+ years £m
Borrowings	121.1	207.2	974.6	—
Derivative financial instruments	4.6	1.2	0.1	—
Trade and other payables	217.5	1.6	—	—

24. Financial instruments (continued)

The table below analyses the Group's derivative financial instruments which will be settled on a gross basis into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 30 March 2013	**<1 year £m**	**1-2 years £m**	**2-5 years £m**	**5+ years £m**
Forward foreign exchange contracts—cash flow hedges				
Outflow	**333.6**	**0.6**		
Inflow	**350.4**	**0.7**		

At 24 March 2012	<1 year £m	1-2 years £m	2-5 years £m	5+ years £m
Forward foreign exchange contracts—cash flow hedges				
Outflow	**260.4**	**10.4**	**—**	**—**
Inflow	**265.4**	**10.5**	**—**	**—**

Embedded foreign exchange derivatives

At 30 March 2013, the Group had embedded foreign exchange derivatives comprising outstanding purchase orders which are in currencies other than the functional currencies of the contracting parties. Exceptions to this are where a non-functional currency is commonly used in the country of a contracting party. The fair values of the embedded foreign exchange derivatives under IAS 39 are as follows:

	As at	
	30 March 2013 £m	24 March 2012 £m
Fair value of embedded foreign exchange derivatives	**(0.7)**	0.5

25. Hedging activities

Foreign currency contracts

The Group uses derivatives in order to manage foreign currency exchange risk arising on expected future purchases of overseas sourced products. These derivatives comprise forward currency contracts and currency options, the terms of which have been negotiated to match the terms of the expected purchases.

The fair values of derivatives are as follows:

	As at	
	30 March 2013 £m	24 March 2012 £m
Fair value of hedging instruments, qualifying for hedge accounting	**17.3**	4.4
Fair value of hedging instruments, not qualifying for hedge accounting	**—**	—
	17.3	4.4

Interest rate swaps

At 30 March 2013, the Group had entered into interest rate swaps of £275.0 million (2012: £300.0 million) as partial cash flow hedges of the interest rate risk associated with the drawn down loans of the Group of £1,209.6 million (2012: £1,302.9 million). The Group pays fixed rates on the swap agreements of between 0.615% to 2.2475% (2012: 1.09% to 5.22%). The interest rate swap expiry dates are between June 2014 and December 2014. The fair values of the interest rate swaps are as follows:

	As at	
	30 March 2013 £m	24 March 2012 £m
Fair value of interest rate swaps, qualifying for hedge accounting	**(3.2)**	(6.1)
Fair value of interest swaps, not qualifying for hedge accounting	**—**	—
	(3.2)	(6.1)

25. Hedging activities (continued)

Movement in fair values

	Foreign exchange contracts £m	Interest rate swaps £m	Embedded derivatives £m	**Total £m**
Fair value at 26 March 2011	(2.3)	(10.1)	0.6	**(11.8)**
Fair value (loss)/gain through income statement	(0.6)	0.2	(0.1)	**(0.5)**
Fair value gain to reserves	7.3	3.8	—	**11.1**
Fair value at 24 March 2012	4.4	(6.1)	0.5	**(1.2)**
Fair value loss through income statement	—	—	(1.2)	**(1.2)**
Fair value gain to reserves	12.9	2.9	—	**15.8**
Fair value at 30 March 2013	17.3	(3.2)	(0.7)	**13.4**

The fair value gain (2012: gain) to reserves comprises a net £18.8 million gain (2012: net £6.8 million) recognised in equity during the period offset by the recycling of a £3.0 million gain (2012: £4.3 million loss) removed from equity and included in operating profit during the period.

The ineffective portion recognised in the income statement that arises from cash flow hedges amounts to £nil (2012: loss £0.4 million).

The embedded derivatives are referred to within note 24.

26. Analysis of net debt

	24 March 2012 £m	Cashflow £m	Non-cash changes £m	**30 March 2013 £m**
Cash and cash equivalents	212.3	(99.7)	1.0	**113.6**
Bank loans	(585.8)	123.0	(5.3)	**(468.1)**
PIK debt	(717.1)	38.0	(62.4)	**(741.5)**
Total net debt	(1,090.6)	61.3	(66.7)	**(1,096.0)**

	26 March 2011 £m	Cashflow £m	Non-cash changes £m	24 March 2012 £m
Cash and cash equivalents	191.4	25.1	(4.2)	212.3
Bank loans	(610.9)	26.0	(0.9)	(585.8)
PIK debt	(650.6)	—	(66.5)	(717.1)
Total net debt	(1,070.1)	51.1	(71.6)	(1,090.6)

Included in non-cash changes are £4.8 million (2012: £4.2 million) deferred interest rolled over to the carrying value of the Mezzanine debt, £71.5 million (2012: £66.5 million) deferred interest rolled over to the carrying value of the PIK loan, £9.1 million gain on buy back of PIK debt below par and £0.5 million loss (2012: £3.3 million gain) on Euro loan revaluations.

27. Interest rate risk and liquidity risk

On 4 July 2012, Trinitybrook Limited, a fully owned subsidiary in the Group executed an agreement with the Facility Agents HSBC and Unicredit Bank AG, London Branch which was supplemental to and amended the Senior Facility Agreement and the Mezzanine Facilities Agreement originally dated 24 May 2005 and subsequent amendments.

The executed agreement amended the Senior debt profile, with 5 new tranches (B4, B5, C4, C5 and D2) added to the existing 6 tranches and a reallocation of existing borrowings after a mandatory prepayment on the transaction date of £62.0 million.

27. Interest rate risk and liquidity risk (continued)

The costs incurred by the Group to negotiate and execute the amend and extend agreements were £6.8 million, see note 9.

Interest continued to be payable on the outstanding Sterling denominated tranche balances at the GBP Libor rate + cash margin + minimum liquid assets (MLA) rate. On Euro denominated tranches, interest is payable at Euribor + cash margin + MLA.

The PIK margin on the Mezzanine debt determines the amount of interest capitalised into the outstanding balance at each rollover date.

	Cash margin %	PIK margin* %	Borrowings at 24 March 2012 £m	Repayments 25 March 2012 to 3 July 2012 £m	Capitalised interest 25 March 2012 to 3 July 2012 £m	Translation of Euro borrowings £m	Reallocation of borrowings £m	**Amended borrowings at 4 July 2012 £m**
Tranche A†	1.75		8.3	(8.3)	—	—	—	**—**
Tranche A2†	1.75		3.5	(3.5)	—	—	—	**—**
Tranche B1	2.75		164.3	(20.3)	—	—	(91.2)	**52.8**
Tranche B2 (Euro) **	2.75		31.5	(1.3)	—	(1.4)	(21.6)	**7.2**
Tranche B3	2.75		22.8	(3.5)	—	—	(9.3)	**10.0**
Tranche B4	4.75		—	—	—	—	100.5	**100.5**
Tranche B5 (Euro) **	4.75		—	—	—	—	21.6	**21.6**
Tranche C1	3.25		164.3	(19.9)	—	—	(99.4)	**45.0**
Tranche C2 (Euro) **	3.25		31.5	(0.4)	—	(1.3)	(21.3)	**8.5**
Tranche C4	4.75		—	—	—	—	99.4	**99.4**
Tranche C5 (Euro) **	4.75		—	—	—	—	21.3	**21.3**
Tranche D1	5.00		80.0	(8.3)	—	—	(65.6)	**6.1**
Tranche D2	6.00		—	—	—	—	65.6	**65.6**
Mezzanine	4.50	6.50	79.6	(8.3)	1.2	—	—	**72.5**
			585.8	(73.8)	1.2	(2.7)	—	**510.5**

* The PIK margin on the Mezzanine debt increased from 5.50% to 6.50% as a result of the amend and extend transaction.

** The exchange rate for EUR/GBP as at 24 March 2012 was 1.196 and as at the transaction date was 1.248.

† The balance of Tranche A & A2 borrowings were prepaid voluntarily on 26 April 2012 and therefore not included in the amendments.

27. Interest rate risk and liquidity risk (continued)

The following table sets out the carrying amount, by maturity, of the Group's financial instruments that are exposed to interest rate risk:

Period ended 30 March 2013

Floating rate

	Within 1 year £m	1-2 years £m	2-3 years £m	3-4 years £m	4-5 years £m	More than 5 years £m	**Total £m**
Cash Assets	113.6	—	—	—	—	—	**113.6**
Senior term debt – Tranche B1	(25.3)	—	—	—	—	—	**(25.3)**
Senior term debt – Tranche B2	(3.6)	—	—	—	—	—	**(3.6)**
Senior term debt – Tranche B3	(4.8)	—	—	—	—	—	**(4.8)**
Senior term debt – Tranche B4	—	—	(96.4)	—	—	—	**(96.4)**
Senior term debt – Tranche B5	—	—	(21.8)	—	—	—	**(21.8)**
Senior term debt – Tranche C1	(21.5)	(21.5)	—	—	—	—	**(43.0)**
Senior term debt – Tranche C2	(4.3)	(4.3)	—	—	—	—	**(8.6)**
Senior term debt – Tranche C4	—	—	(95.3)	—	—	—	**(95.3)**
Senior term debt – Tranche C5	—	—	(21.5)	—	—	—	**(21.5)**
Senior term debt – Tranche D1	—	(6.1)	—	—	—	—	**(6.1)**
Senior term debt – Tranche D2	—	—	(65.6)	—	—	—	**(65.6)**
Mezzanine debt	—	—	(76.1)	—	—	—	**(76.1)**
PIK debt	—	—	(741.5)	—	—	—	**(741.5)**
	54.1	(31.9)	(1,118.2)	—	—	—	**(1,096.0)**

Period ended 24 March 2012

Floating rate

	Within 1 year £m	1-2 years £m	2-3 years £m	3-4 years £m	4-5 years £m	More than 5 years £m	Total £m
Cash assets	212.3	—	—	—	—	—	212.3
Senior term debt – Tranche A	(8.3)	—	—	—	—	—	(8.3)
Senior term debt – Tranche A2	(3.5)	—	—	—	—	—	(3.5)
Senior term debt – Tranche B1	(82.1)	(82.2)	—	—	—	—	(164.3)
Senior term debt – Tranche B2	(15.8)	(15.7)	—	—	—	—	(31.5)
Senior term debt – Tranche B3	(11.4)	(11.4)	—	—	—	—	(22.8)
Senior term debt – Tranche C1	—	(82.1)	(82.1)	—	—	—	(164.2)
Senior term debt – Tranche C2	—	(15.8)	(15.7)	—	—	—	(31.5)
Senior term debt – Tranche D1	—	—	(80.0)	—	—	—	(80.0)
Mezzanine debt	—	—	—	(79.7)	—	—	(79.7)
PIK debt	—	—	—	(717.1)	—	—	(717.1)
	91.2	(207.2)	(177.8)	(796.8)	—	—	(1,090.6)

Interest on financial instruments classified as floating rate is re-priced at intervals of less than one year. Interest on financial instruments classified as fixed rate is fixed until the maturity of the instrument.

Senior term debt tranches B2, B5, C2 & C5 are denominated in Euros and converted at the period end rate of 1.186 (2012: 1.196).

27. Interest rate risk and liquidity risk (continued)

Interest bearing loans and borrowings

Mezzanine debt, senior term debt and other borrowings under the available ancillary facilities are subject to a Priority Agreement. Under this agreement, senior term debt and borrowings under the available ancillary facilities rank pari passu. The mezzanine debt ranks subordinate to the senior term debt and to borrowings under the available ancillary facilities. The PIK loan is unsecured and has a final maturity date of 30 November 2015.

Borrowings under the mezzanine debt, senior term debt and the available ancillary facilities are at the prevailing floating rates of interest based upon short term inter-bank rates (GBP LIBOR and EURIBOR for the interest period selected at the Group's discretion). Commitment fees are payable in respect of the undrawn amount of committed facilities.

The senior term debt, mezzanine debt and PIK loan are subject to quarterly covenant reporting.

Margins over Sterling LIBOR and Euro EURIBOR, applying to the senior term debt on all B tranches and C tranches are fixed and range from 2.75% to 4.75% (2012: 2.75% to 3.25%). The margin applying to Second Lien tranche D debt ranges from 5.0% to 6.0% (2012: 5.00%). The margin that applied to senior term debt tranche A was subject to a ratchet mechanism whereby it varied from 1.5% to 2.25% subject to the financial performance of the Group (margin applying at 26 April 2012 was 1.75% (2012: 1.75%)). The margin applying to the mezzanine debt is fixed at 11.0% of which 4.5% is settled in cash and 6.5% is capitalised at the end of each interest period. (2012: 10.0% - 4.5% cash settled and 5.5% capitalised). The margin applying to the PIK loan is 9.0% (2012: 9.0%) subject to a margin adjustment linked to the consolidated EBITDA of Trinitybrook Limited and its subsidiaries.

The amendment provided the Group with the ability to repay part of the PIK debt held by Pedalgreen Limited based on a covenant leverage test. Where, as at a reporting period end, the consolidated total net borrowings of the Group divided by the covenant LTM EBITDA of the Group is less than two and continues to remain less than two for 12 months from that reporting period end. Pedalgreen Limited can pay down an amount of the PIK debt up to a limit of £25.0 million in the first year and then within the available excess cash PIK basket thereafter.

The PIK basket mechanism of buying back the PIK starts at £25.0 million at the date of the transaction and continues to build using 50% of retained excess cash flow, calculated on a quarterly basis in line with filing of covenant compliance certificates.

In November 2012, December 2012 and February 2013, the Group achieved the leverage test to enable the three PIK debt buy back and cancellations during the financial period. NL Bowline Limited, a wholly owned subsidiary of Pedalgreen Limited, was incorporated as a special purpose vehicle to facilitate the buy back. £47.1 million of PIK debt was repurchased during the financial period for consideration of £38.0 million resulting in a gain on cancellation of £9.1 million (see note 9).

Borrowing facilities

At 30 March 2013, the Group had the following undrawn committed facilities available:

	As at	
	30 March 2013 £m	24 March 2012 £m
Expiring within one year	**5.0**	55.0
Expiring in more than one year	**10.8**	—

The facilities expiring within one year are annual facilities subject to an annual review. All facilities incur commitment fees at market rates and would provide funding at floating rates. £5.0 million (2012: £5.0 million) expires within one year and is an undrawn annual facility subject to an annual review.

£10.8 million is an undrawn committed revolving credit facility and matures in more than one year (2012: £50.0 million). The Group's subsidiaries are party to a cross guarantee on the revolving credit facility.

27. Interest rate risk and liquidity risk (continued)

As part of the 'Amend and Extend' agreement with the Senior and Mezzanine Facility Agents, the amount of the cross guarantee on the UK borrowing facilities was reduced to £15.8 million from £55.0 million. The £5.0 million undrawn annual facility remained unchanged. The undrawn committed revolving credit facility was reduced to £10.8 million and matures in more than one year.

As a result of the refinancing on 14 May 2013, the revolving credit facility and overdraft limit were ceased. For further details on the refinancing transaction see note 37.

In addition, the Group has arrangements in place with certain banks to provide standby letters of credit to the Group's suppliers. Letters of credit of £48.1 million (2012: £51.9 million) were outstanding under these arrangements.

The Group's management of interest rate risk, credit and market risk is explained in note 3.

28. Provisions

	Relocation provisions £m	Onerous Lease provisions £m	Dilapidations provisions £m	**Total £m**
At 26 March 2011	0.2	16.0	0.8	**17.0**
Arising during the period	—	11.5	0.2	**11.7**
Utilised	—	(4.8)	—	**(4.8)**
Reversal of unused amounts	(0.2)	(4.1)	(0.2)	**(4.5)**
Exchange difference	—	(0.2)	—	**(0.2)**
At 24 March 2012	—	18.4	0.8	**19.2**
Arising during the period	—	6.3	0.1	**6.4**
Utilised	—	(3.7)	(0.4)	**(4.1)**
Reversal of unused amounts	—	(6.1)	—	**(6.1)**
Exchange difference	—	0.1	—	**0.1**
At 30 March 2013	—	15.0	0.5	**15.5**

	As at	
	30 March 2013 £m	24 March 2012 £m
Current	**5.7**	7.5
Non-current	**9.8**	11.7
	15.5	19.2

Onerous lease provisions

The provision relates to future lease costs of vacant properties for the remaining period of the lease, net of expected sub-letting income, which is estimated to be used over one to 24 months, and a provision for onerous lease contracts on loss making stores. A provision is booked on loss making stores where the discounted future cash flows are not expected to cover future rental payments under the lease contract. A provision is made for the lower of: discounted store cash outflows (including rental payments), and discounted rental payments. Future operating losses are not provided for.

Dilapidations provisions

The dilapidations provision of £0.5 million (2012: £0.8 million) is expected to be utilised over one to 24 months.

Relocation provisions

The credit to the consolidated income statement in the period to 24 March 2012 for relocation costs is explained in note 10. The majority of the relocation provision related to redundancies and related costs and the balance of the unused provision was reversed during the period ended 24 March 2012.

29. Operating lease commitments

Future minimum rentals payable under non-cancellable operating leases where the Group is the lessee:

	As at	
	30 March 2013 £m	24 March 2012 £m
Not later than one year	**175.6**	174.9
Later than one year and not later than five years	**577.1**	598.5
Later than five years	**607.2**	714.8
	1,359.9	1,488.2

The Group has entered into operating leases in respect of warehouses, offices and retail stores. Contingent rentals are payable on certain retail store leases based on store revenues.

At the balance sheet date, total future payments expected to be received under non-cancellable sub-leases were £3.6 million (2012: £4.5 million).

30. Share based payments

Senior Management Scheme

In April 2004, the senior management of the Group were invited to invest in the shares of the three Guernsey companies which comprised the holding companies of Trinitybrook Limited (the ultimate holding company of the Group at that time), being NL Company No. 1 Limited, NL Company No. 2 Limited and NL Company No. 3 Limited. These shares were purchased at fair value.

As part of the Group reorganisation and share for share exchange in June 2006, the shares held by employees in the three Guernsey companies, NL Company No. 1 Limited, NL Company No. 2 Limited, and NL Company No. 3 Limited and the ESOP1 holding in Trinitybrook Limited were exchanged for shares in New Look Retail Group Limited.

All of the shares held were originally issued at fair value determined by reference to the market value of a basket of comparator companies. Under the reorganisation a cash payment of £48.0 million was paid by Pedalgreen Limited (an immediate subsidiary company of New Look Retail Group Limited) to investors within the scope of IFRS 2, in consideration for the sale of a proportion of the shares in Guernsey 4 Limited (the holding company of the Group prior to the reorganisation in 2006) and the remaining shares were exchanged for shares in Pedalgreen Limited. Guernsey 4 Limited acquired its holding in the Group on 1 June 2006 by acquiring all the shares in NL Company No. 1 Limited, NL Company No. 2 Limited and NL Company No. 3 Limited. There was then a share for share exchange as part of which shares in Pedalgreen Limited were exchanged for shares in New Look Retail Group Limited. Accordingly the reorganisation was accounted for as a modification of an equity settled arrangement under IFRS 2. The £48.0 million was charged directly to the retained earnings reserve.

	As at	
	30 March 2013 Number 000s	24 March 2012 Number 000s
Shares in issue at the beginning of the period	**40,432**	58,932
Shares purchased by ESOP from senior management in the period	**(6,000)**	(18,500)
Shares in issue at the end of the period	**34,432**	40,432

The 2004 Share Scheme and the 2008 Share Plan

In May 2004, under a new arrangement, Trinitybrook Limited loaned funds to ESOP1. ESOP1 then subscribed to Trinitybrook Limited to acquire a fixed allocation of shares. Between May 2004 and February 2006, certain employees were invited to acquire beneficial ownership of these shares at fair value determined by reference to the market value of a basket of comparator companies. As a result of the Group reorganisation in 2006, employees now hold the beneficial interest in shares in New Look Retail Group Limited.

30. Share based payments (continued)

In April 2009, August 2009, August 2011, September 2012 and February 2013 certain employees were invited to acquire the beneficial interest in shares owned by ESOP1 at fair value determined by reference to the market value of a basket of comparator companies (the 2008 Share Plan).

These shares vest over a 4-year period. Under the first tranche, 20.0% vested on 30 April 2009, then 20.0% on 18 September 2009 and 20.0% on each anniversary of 18 September until the third anniversary. Under the second tranche, 20.0% vested on 21 August 2009 and 20.0% on each anniversary from the grant date until the fourth anniversary. Under the third tranche, 20.0% vested on 25 August 2011, 20.0% vested on 1 May 2012 and 20.0% on each anniversary of 1 May until the third anniversary. Under the fourth tranche, 20.0% vested on 18 September 2012 and 20.0% on each anniversary from the grant date until the fourth anniversary. Under the fifth tranche, 20.0% vested on 18 February 2013 and 20.0% on each anniversary from the grant date until the fourth anniversary.

Vesting affects the price at which the employee may be required to sell any shares which have not vested upon ceasing to be employed within the Group. The employee is generally not free to sell the shares until either a change in control of the Group or (subject to the vesting conditions) a listing.

The Group has issued shares to ESOP2 for the purposes of meeting the liabilities in respect of phantom options under the Phantom Plan granted to certain employees in France.

Under the 2008 Share Plan, shares have vested at various times throughout the year. The weighted average share price at vesting for all grants throughout the period was 1.0p (2012: 1.0p).

Until June 2007, the 2004 Share Scheme operated as an equity settled arrangement under which employees could be required to sell their shares in the event of a sale or listing of the Group. In June 2007, an amendment was introduced such that, in the event of a sale, the employees would be required to sell their shares but, in the event of a listing of the Group, they would remain entitled to their shares. The 2008 Share Plan contains similar features. The 2008 Share Plan also protects the employee from a fall in the value of New Look Retail Group Limited's shares. The 2008 Share Plan is therefore accounted for, in substance, as a share option arrangement.

Details of the 2008 Share Plan share options outstanding during the period are as follows:

	March 2012 - March 2013 Number of share options 000s	March 2011 - March 2012 Number of share options 000s
Outstanding at the beginning of the period	**32,719**	35,147
Granted in the period	**64,321**	16,500
Exercised in the period	**—**	—
Lapsed in the period	**—**	—
Forfeited in the period	**(4,941)**	(18,928)
Outstanding at the end of the period	**92,099**	32,719
Exercisable at the end of the period	**—**	—
Weighted average remaining contractual life (months)	**36 months**	37 months
Weighted average share price at the date of exercise (pence)	**—**	—
Weighted average exercise price (pence)	**4.0p**	13.0p
Market value at period end (pence)	**1.0p**	1.0p
Highest market value (pence)	**1.0p**	6.0p
Lowest market value (pence)	**1.0p**	1.0p

2006 Option Plan

In June 2006 and other times subsequently, key personnel in the Group were offered the opportunity to participate in the 2006 Option Plan. Share options are awarded to employees at the discretion of the Board. Options will normally vest after two years if an employee remains in service. Options will only vest before the two years continuous service when there has been a flotation or change of control in New Look Retail Group Limited (or its holding company), or when the employee leaves the Group as a result of redundancy, injury/ illness/disability, or death.

30. Share based payments (continued)

Options may normally only be exercised during a period of eight years commencing on the second anniversary of the date of grant of the option, as long as the employee remains in service. At 30 March 2013, 1,882,105 (2012: 2,612,105) options were outstanding, with the earliest exercise date being 30 June 2008, assuming that the full vesting period is satisfied.

Details of the 2006 Option Plan share options outstanding during the period are as follows:

	March 2012 - March 2013 Number of share options 000s	March 2011 - March 2012 Number of share options 000s
Outstanding at the beginning of the period	**2,612**	5,398
Granted in the period	**—**	—
Exercised in the period	**—**	(745)
Lapsed in the period	**—**	—
Forfeited in the period	**(730)**	(2,041)
Outstanding at the end of the period	**1,882**	2,612
Exercisable at the end of the period	**1,882**	2,612
Weighted average remaining contractual life (months)	**43 months**	55 months
Weighted average share price at the date of exercise (pence)	**1.0p**	24.6p
Weighted average exercise price (pence)	**14.0p**	14.0p
Market value at period end (pence)	**1.0p**	1.0p
Highest market value (pence)	**1.0p**	6.0p
Lowest market value (pence)	**1.0p**	1.0p

Fair value of equity settled share based payment schemes

The cost of the equity settled transactions with employees is measured by reference to the fair value at the date at which they are granted and the expense is spread to the estimated date of a change of control of the Group.

As the employees acquired the beneficial interest in their shares at fair value under the Senior Management Scheme and the 2004 Share Scheme, there is no charge to the income statement for these equity settled transactions.

The weighted average fair value of the share options granted under the 2006 Option Plan and the 2008 Share Plan was calculated at the date of grant using the Black-Scholes option pricing model. The following table lists the inputs to the model used for the two plans for the periods ended 30 March 2013 and 24 March 2012:

	30 March 2013 2006 Option Plan	**30 March 2013 2008 Share Plan**	24 March 2012 2006 Option Plan	24 March 2012 2008 Share Plan
Weighted average fair value (pence)	**16.22**	**1.70**	14.46	3.98
Weighted average share price (pence)	**38.00**	**3.72**	38.00	11.00
Exercise price (pence)	**38.00**	**1.00 to 25.00**	38.00	1.00 to 25.00
Expected volatility (%)	**36.20**	**35.50 to 45.70**	38.10	31.90 to 46.70
Expected life of option (years)	**6.10**	**3.00 to 6.92**	5.10	3.00 to 5.92
Dividend yield (%)	**0.00**	**0.00 to 2.00**	0.00	0.00 to 2.00
Risk-free interest rate (%)	**4.00**	**1.75 to 4.00**	2.75	2.25 to 2.75

Expected share price volatility was determined through the assessment of the historical volatility of a comparable group of companies over a period consistent with the expected life of the award. It is indicative of future trends, which may not necessarily be the actual outcome. The expected life of the options is based on management's estimated date of a change of control of the Group and is not necessarily indicative of exercise patterns that may occur.

30. Share based payments (continued)

The table below reconciles the total number of unallocated shares controlled by the ESOPs for all share schemes operated by the Group for each period end.

	As at	
	30 March 2013 Number 000s	24 March 2012 Number 000s
Shares controlled by the ESOPs at the beginning of the period	**74,672**	45,965
Shares allocated under 2006 Option Plan	**—**	—
Shares allocated under 2008 Share Plan	**(64,321)**	(16,500)
Share options exercised in 2006 Option Plan	**—**	745
Shares repurchased from 2006 Option Plan	**730**	2,041
Shares purchased from Senior Management Scheme	**6,000**	18,500
Shares purchased by the ESOPs in the period	**6,601**	23,921
Shares controlled by the ESOPs at the end of the period	**23,682**	74,672

Effect on financial statements

Share based payments also include a cash settled element for 'Good Leavers'. The income statement is charged with the change in fair value relating to the estimate at the balance sheet date of the number of 'Good Leavers' likely to arise before any change in control of the Group.

The effect of accounting for share based payments, in accordance with IFRS 2, on the Group's profit before taxation (2012: loss) for the periods is as follows:

	For the financial periods	
	53 weeks ended 30 March 2013 £m	52 weeks ended 24 March 2012 £m
Equity settled share based payment schemes	**0.1**	(0.9)
Cash settled share based payment schemes	**(0.3)**	1.8
Total share based payment (credit)/expense	**(0.2)**	0.9

31. Share capital

	Share capital £m	Share premium £m	Treasury shares £m	**Total £m**
At 26 March 2011	10.4	0.6	(19.1)	**(8.1)**
Shares purchased in the period	—	—	(3.0)	**(3.0)**
At 24 March 2012	10.4	0.6	(22.1)	**(11.1)**
Shares disposed of in the period	—	—	0.2	**0.2**
At 30 March 2013	10.4	0.6	(21.9)	**(10.9)**

The total number of authorised Ordinary A shares is 200.0 million each period end and the total number of Ordinary B shares is 1,000.0 million each period end. All shares have a par value of 1.0p.

The total number of allotted, called up and fully paid Ordinary A shares is 157.6 million and the total number of allotted, called up and fully paid Ordinary B shares is 879.1 million at each period end. All shares have a par value of 1.0p.

The consideration paid for the ordinary shares of 1.0p each in the Company held by the ESOPs has been shown as a deduction in capital and reserves as treasury shares.

The A shares in the Company entitle holders to receive notice, attend and speak at general meetings but only confer a right to vote if no B shares are in issue. The shares also have a right to receive a dividend.

The B shares in the Company entitle holders to receive notice, attend, speak and vote at general meetings. The shares also have a right to receive a dividend.

32. Reconciliation of movements in equity

	Reverse acquisition reserve £m	ESOPs reserve £m	Hedging reserve £m	Translation reserve £m	Retained earnings £m	Total £m
At 26 March 2011	(285.3)	0.8	(12.1)	19.6	(3.8)	(280.8)
Total comprehensive income and expense for the period	—	—	11.1	(10.7)	(38.0)	(37.6)
Tax on total comprehensive income and expense for the period	—	—	(3.1)	0.7	—	(2.4)
Purchase of treasury shares (note 30)	—	—	—	—	3.0	3.0
Share based payment charge	—	—	—	—	(0.9)	(0.9)
ESOPs shares unallocated in the period	—	(0.2)	—	—	0.2	—
Reserve transfer for exercised shares in the period	—	0.1	—	—	(0.1)	—
At 24 March 2012	(285.3)	0.7	(4.1)	9.6	(39.6)	(318.7)
Total comprehensive income and expense for the period	—	—	15.8	0.9	3.4	20.1
Tax on total comprehensive income and expense for the period	—	—	(3.9)	(0.1)	—	(4.0)
Purchase of treasury shares (note 30)	—	—	—	—	—	—
Share based payment charge	—	—	—	—	0.1	0.1
ESOPs shares unallocated in the period	—	—	—	—	—	—
Reserve transfer for exercised shares in the period	—	—	—	—	—	—
Actuarial loss on post employment benefit obligations	—	—	—	—	(0.5)	(0.5)
At 30 March 2013	(285.3)	0.7	7.8	10.4	(36.6)	(303.0)

Reverse acquisition reserve

The reverse acquisition reserve arose on the acquisition by New Look Retail Group Limited in 2006 of the former Trinitybrook Limited Group, as permitted by IFRS 3 Business Combinations and represents the amount paid by New Look Retail Group Limited to acquire the existing shareholdings in Trinitybrook Limited.

ESOPs reserve

The ESOPs reserve represents the gain made by the trusts on the transfer of shares to employees at a higher price than purchased.

Hedging reserve

The hedging reserve reflects the changes in fair value of effective hedging instruments on forward exchange contracts which are carried forward to match the maturity of the future cash flows.

Translation reserve

The translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries

33. Shares held by ESOPs

The ESOPs have an independent professional trustee resident in Guernsey and provide for the allocation of shares to Group employees, at the discretion of the trustee.

At 30 March 2013, the ESOPs held 102,914,649 (2012: 117,185,649) Ordinary A shares of 1.0p each in New Look Retail Group Limited and 323,408 (2012: 323,408) Ordinary B shares of 1.0p each in New Look Retail Group Limited.

33. Shares held by ESOPs (continued)

The initial consideration paid for ordinary shares in New Look Retail Group Limited held by the ESOPs has been shown as a deduction in capital and reserves as treasury shares. All other assets, liabilities, income and costs of the ESOPs have been incorporated into the accounts of the Group.

34. Retirement benefit schemes

The Group operates a defined contribution scheme in the UK. At 30 March 2013, £0.2 million (2012: £0.1 million) was outstanding in respect of contributions payable to personal pension schemes. The pension cost recognised in the income statement was £1.2 million (2012: £1.2 million).

In France, the Group operates an unfunded defined benefit arrangement in accordance with French legal requirements which consists of a single payment at the date of retirement. The scheme is uninsured and has no assets. An actuarial assessment was carried out as at 31 March 2013 by an independent actuary, using the projected unit method. The major assumptions were:

	As at	
	30 March 2013 %	24 March 2012 %
Rate of increase in salaries	**2.5 – 3.0**	2.5 – 3.0
Discount rate	**2.75**	5.0
Price inflation	**2.0**	2.0

The liability at 30 March 2013 was £1.7 million (2012: £1.0 million), which is included in accruals. The pension cost recognised in the income statement was £1.0 million (2012: £0.9 million) and a charge of £0.5 million (2012: £nil) was recognised in Other Comprehensive Income in relation to actuarial losses.

35. Related party transactions

ESOPs

At the end of the financial period, the ESOPs owed New Look Retail Group Limited £25.1 million (2012: £24.4 million).

Lease Agreement

The Group paid rent of £nil (2012: £0.2 million) to the Singh Property Partnership in which T Singh is a partner, under the terms of a lease for ancillary offices and warehouses. The lease, which expired on 21 March 2013, was subject to five-yearly, upward only, rent reviews to market value. The Group also paid £0.5 million (2012: £nil) as final settlement for dilapidations following lease expiry.

Franchise Agreement

On 1 February 2007, the Group entered into a five year franchise agreement with RNA Resources Group Limited ("RNA"), a subsidiary of the Landmark Group International ("Landmark"), in which Mukesh Wadhumal Jagtiani and his wife, Renuka Mukesh Jagtiani own shares. Mukesh Jagtiani also owns 29,737,833 Ordinary B shares (2012: 29,737,833) in the Company in the name of Quillian Investments Corporation.

The agreement relates to the opening of new stores under the New Look brand in the Middle Eastern territories of UAE, Kuwait, Saudi Arabia, Qatar, Oman, Jordan and Bahrain. An amendment has been made to this agreement to exclude Oman and Jordan, replacing them with Egypt instead. In addition, payment terms were varied to 60 days from 30 days, the handling fee was removed from 1 January 2010 and the territory fee payment dates for UAE and Saudi Arabia were extended to the first renewal date in those territories rather than being due on 1 April 2009.

The Group receives fees in return for granting exclusivity in the territories mentioned, in addition to a royalty for the supply of goods. An amount of £nil (2012: £1.8 million) was agreed with and invoiced to Landmark in the financial period as a result of renewing the franchise agreement for another term. £0.4 million (2012: £1.4 million) has been recognised through the income statement in the current financial period, being the amortisation of territory fees over the term of the agreement.

35. Related party transactions (continued)

Transactions with franchisee

	For the financial periods	
	53 weeks ended 30 March 2013 £m	52 weeks ended 24 March 2012 £m
Sale of goods and handling charges	**30.1**	30.2
Franchise royalty income	**0.4**	1.4

	As at	
	30 March 2013 £m	24 March 2012 £m
Balance due from franchisee at the end of the financial period	**3.0**	5.0

Included within the balance due from franchisee is a provision of £nil (2012: £nil).

	As at	
	30 March 2013 £m	24 March 2012 £m
Investment in PIK loan	**87.4**	79.4

During the financial period £nil (2012: £nil) of PIK loans were purchased, £nil (2012: £nil) was disposed of by the franchisee and £8.0 million (2012: £7.4 million) of interest was rolled up into the PIK during the period.

As a result of the refinancing transaction on 14 May 2013, 50% of the investment in PIK loan was settled for cash and the remaining 50% was rolled forward into a new PIK loan. For further details of the refinancing transaction see note 37.

Transactions with Directors and key management

As at 30 March 2013, there were loans outstanding with one key manager (2012: one), totalling £0.5 million (2012: £0.4 million) in connection with their purchase of the beneficial interest in shares under the 2008 Share Plan (note 30). Interest on the 2008 Share Plan loan is charged at the applicable HMRC rate and is repayable in full on exercise of shares and change in control of the business. In addition, under the 2008 share plan, T Singh acquired beneficial ownership of shares on 18 September 2012 and 18 February 2013 by way of a cash payment to New Look Retail Group Limited, A McGeorge acquired beneficial ownership of shares on both 25 August 2011 and 18 September 2012 by way of a loan from New Look Retail Group Limited and A Kristiansen acquired beneficial ownership of shares on 18 February 2013 by way of a loan from New Look Retail Group Limited. As at 30 March 2013, the loan outstanding was £0.4 million (2012: £0.2 million), which is repayable in full on sale of the shares and change of control of the business. Interest is charged on this loan at the applicable HMRC rate.

The following transactions have occurred between the Group and Directors and key management:

	As at	
	30 March 2013 £m	24 March 2012 £m
Investment in PIK loan	**7.1**	6.5

In June 2006 certain Directors and key management used funds received from the sale of part of their existing shareholdings to reinvest £12.7 million in the PIK loan.

During the period £0.6 million (2012: £0.6 million) of interest was rolled up into the PIK, £nil (2012: £nil) of additional PIK loan was purchased and £nil (2012: £nil) disposed of by Directors and key management.

During the period, £0.1 million (2012: £nil) was payable in monitoring fees to Rianta Capital Limited, an advisory company owned by T Singh's Family Trusts.

As a result of the refinancing transaction on 14 May 2013, 50% of the investment in PIK loan was settled for cash and the remaining 50% was rolled forward into a new PIK loan. For further details of the refinancing transaction see note 37.

35. Related party transactions (continued)

Transactions with private equity investors

A monitoring fee was paid to each private equity investor during the period, details of which can be found in note 8b.

	As at	
	30 March 2013 £m	24 March 2012 £m
Investment in PIK loan	**108.4**	124.8

During the financial period £nil (2012: £nil) of PIK loans were purchased, £29.0 million (2012: £nil) was disposed of by entities advised by a private equity investor and £12.6 million (2012: £11.3 million) of interest was rolled up into the PIK during the period.

As a result of the refinancing transaction on 14 May 2013, 50% of the investment in PIK loan was settled for cash and the remaining 50% was rolled forward into a new PIK loan. For further details of the refinancing transaction see note 37.

Transactions with joint venture

	For the financial periods	
	53 weeks ended 30 March 2013 £m	52 weeks ended 24 March 2012 £m
Purchases from joint venture	**10.4**	23.6

Included within the trade receivables is a balance of £nil (2012: £2.1 million) owed by the joint venture, which was fully provided for in the prior period.

Included within trade payables is a balance of £nil (2012: £1.3 million) owed to the joint venture.

No other transactions that require disclosure under IAS 24 have occurred during the current financial period.

36. Investment in subsidiaries

The principal subsidiary companies in which New Look Retail Group Limited or its subsidiaries hold 100% of the ordinary shares and voting rights are listed below. These companies are consolidated into the financial results of the Group.

Subsidiary	Country of incorporation and operation	Main activity
Pedalgreen Limited[1]	England and Wales	Intermediate holding company
NL Bowline Limited	England and Wales	Debt buy back company
Trinitybrook Limited	England and Wales	Intermediate holding company
Hamperwood Limited	England and Wales	Intermediate holding company
New Look Group Limited	England and Wales	Intermediate holding company
New Look Limited	England and Wales	Intermediate holding company
New Look Retailers Limited	England and Wales	Fashion retail
Geometry Properties Limited	England and Wales	Property holding and rental
New Look Overseas Limited	England and Wales	Intermediate holding company
Weymouth Gateway Property Management Limited	England and Wales	Commercial property management
New Look Retailers (CI) Limited	Guernsey	Fashion retail
NL Company No.1 Limited	Guernsey	Intermediate holding company
NL Company No. 2 Limited	Guernsey	Intermediate holding company
NL Company No. 3 Limited	Guernsey	Intermediate holding company
Guernsey 4 Limited	Guernsey	Intermediate holding company
New Look Holdings (France) SAS	France	Intermediate holding company
Mim SAS	France	Fashion retail
SCI Geometry Properties France	France	Property holding and rental
New Look France SAS	France	Fashion retail
New Look Belgium SA	Belgium	Fashion retail
MIM Belgique	Belgium	Fashion retail
New Look Holland BV	Holland	Fashion retail
New Look (Singapore) PTE Limited	Singapore	Logistics and freight management
New Look Retailers (Ireland) Limited	Republic of Ireland	Fashion retail

Note:

1. Pedalgreen Limited shareholding held directly whilst all others held indirectly through wholly owned subsidiaries.

A full list of subsidiary undertakings as at 30 March 2013 will be annexed to New Look Retail Group Limited's next annual return.

In addition, the Group has a 50% stake in the ordinary share capital of NLT Tekstil Sanayi Ve Ticaret Limited Şirketi, a joint venture incorporated in Turkey, whose principal trading activity is retail manufacturing.

37. Events after the reporting period

On 3 May 2013, New Look Retail Group Limited and its subsidiaries underwent a Group reorganisation and issued senior secured bonds. These bonds were issued on 14 May 2013. The finance raised was used to repay the existing debt under the Senior and Mezzanine Facility Agreements and to acquire 50% of the outstanding PIK in cash, with the remaining PIK being acquired for a new PIK instrument at par value.

The refinance included a restructure of the Group whereby Trinitybrook Limited sold its investment in Hamperwood Limited to New Look Finance Limited (a new intermediate holding company). New Look Finance Limited now holds the direct investment in Hamperwood. New Look Finance Limited also has a direct investment in New Look Finance II plc and New Look Bondco I plc.

New Look Bondco I plc issued the senior secured bonds which are made up of three tranches of Sterling, USD and Euro. The Sterling and USD bonds are at fixed coupon rates and the Euro bond is at the prevailing floating rate of interest based upon short term inter-bank rates (EURIBOR) plus a fixed margin.

New Look Finance Limited purchased 50% of the existing PIK in cash and New Look Finance II plc then issued a new PIK instrument in exchange for the remaining PIK.

Total transaction costs incurred are expected to be approximately £27.0 million. £3.1 million of these costs were incurred in the 53 weeks to 30 March 2013 and have been expensed in full (see note 9 and 10). Those costs that are directly attributable to the issue of the bonds will be capitalised against the value of the new borrowings and amortised as an interest expense over the maturity period of the debt. Those costs that relate to the extinguishment of the Senior, Mezzanine and PIK debts will be expensed in full.

The table below provides details of the new debt tranches and the cash and PIK margins:

	Cash margin %	PIK margin %	Borrowings as at 30 March 2013	Capitalised interest 31 March 2013 to 14 May 2013	Translation of Euro borrowings	Purchases, repayments & bond issue	Amended borrowings as at 14 May 2013
Senior-Tranche B1	2.75		25.3	—	—	(25.3)	—
Senior-Tranche B2 (Euro)*	2.75		3.6	—	0.1	(3.7)	—
Senior-Tranche B3	2.75		4.8	—	—	(4.8)	—
Senior-Tranche B4	4.75		96.4	—	—	(96.4)	—
Senior-Tranche B5 (Euro)*	4.75		21.8	—	0.2	(22.0)	—
Senior-Tranche C1	3.25		43.0	—	—	(43.0)	—
Senior-Tranche C2 (Euro)*	3.25		8.6	—	—	(8.6)	—
Senior-Tranche C4	4.75		95.3	—	—	(95.3)	—
Senior-Tranche C5 (Euro)*	4.75		21.5	—	0.1	(21.6)	—
Second Lien-Tranche D1	5.00		6.1	—	—	(6.1)	—
Second Lien-Tranche D2	6.00		65.6	—	—	(65.6)	—
Mezzanine Debt	4.50	6.50	76.1	0.6	—	(76.7)	—
PIK debt		9.00	741.5	4.9	—	(746.4)	—
New PIK debt		12.00	—	—	—	373.2	373.2
Senior bonds – Sterling	8.75		—	—	—	500.0	500.0
Senior bonds – USD**	8.375		—	—	—	164.0	164.0
Senior bonds-Euro*	6.25		—	—	—	148.7	148.7
			1,209.6	5.5	0.4	(29.6)	1,185.9

* The exchange rate for EUR/GBP as at 30 March 2013 was 1.1856 and 1.1771 as at the date of transaction.
** The exchange rate for USD/GBP as at the date of transaction was 1.5240.

The Group entered into foreign currency contracts on 3 May 2013 to hedge the exchange risk arising between pricing the bond on 3 May 2013 and settlement on 14 May 2013. The hedged rates were 1.1878 for the Euro bond and 1.5581 for the USD bond. The foreign currency contracts fixed the total cash proceeds received in sterling at £807.8m.

37. Events after the reporting period (continued)

The senior bonds are repayable in full on 14 May 2018. An early repayment option exists after two years and is repayable at par plus 50% coupon up to 14 May 2016 and at par plus 25% coupon up to 14 May 2017. After four years the bonds are repayable at par.

Interest on the PIK is rolled into the carrying value of the debt although an option exists to pay the PIK interest in cash. The PIK debt matures in full on 14 November 2018.

On the 3 May 2013 the Group also entered into a re-negotiated revolving credit facility for £75 million which has a final termination date of 3 February 2018. The revolving credit facility is subject to quarterly covenant leverage reporting on an annualised basis beginning on the quarter ending 28 June 2014.

38. Ultimate controlling party

New Look Retail Group Limited is the ultimate parent of the Group. The Apax Funds and the Permira Funds each hold 27.7% of the total issued share capital.

Independent Auditors' Report to the Members of New Look Retail Group Limited

Report on the Company financial statements

Our opinion

In our opinion, New Look Retail Group Limited's company financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 28 March 2015;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

New Look Retail Group Limited's financial statements comprise:

- the Company Balance Sheet as at 28 March 2015; and
- the notes to the Company financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 65, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

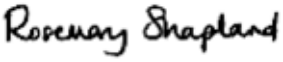
We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report and Accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Other matter

We have reported separately on the Group financial statements of New Look Retail Group Limited for the 52 week period ended 28 March 2015.



Rosemary Shapland
(SENIOR STATUTORY AUDITOR)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors,
Southampton

22 May 2015

New Look Retail Group Limited
Company Balance Sheet

	Notes	As at **28 March 2015 £m**	As at 29 March 2014 £m
Fixed assets			
Investments	5	**37.3**	40.5
Current assets			
Other debtors (2015: £nil (2014: £2.9 million) due after one year)		**—**	2.9
Cash at bank and in hand		**0.7**	0.4
Current liabilities			
Creditors: Amounts falling due within one year	6	**(30.3)**	(29.7)
Net current liabilities		**(29.6)**	(26.4)
Total assets less current liabilities		**7.7**	14.1
Creditors: Amounts falling due after more than one year	7	**—**	(6.3)
Net assets		**7.7**	7.8
Capital and reserves			
Called up share capital	9	**10.4**	10.4
Share premium account	10	**0.6**	0.6
Treasury shares	11	**(23.2)**	(23.3)
ESOP reserve	12	**0.7**	0.7
Profit and loss account	13	**19.2**	19.4
Total shareholders' funds	14	**7.7**	7.8

The financial statements on pages 126 to 131 were approved by the Board of Directors on 22 May 2015 and were signed on its behalf by:

Anders Kristiansen
CHIEF EXECUTIVE OFFICER

New Look Retail Group Limited
Registration number: 05810406

New Look Retail Group Limited
Notes to the Company Financial Statements

1. Authorisation of financial statements

The financial statements of New Look Retail Group Limited for the 52 weeks ended 28 March 2015 were authorised for issue by the Board of Directors on 22 May 2015 and the balance sheet was signed on the Board's behalf by Anders Kristiansen.

New Look Retail Group Limited, a private limited company, is incorporated in England and Wales and is the ultimate parent company of the New Look Group of companies.

2. Accounting policies

The financial statements of the Company, for the financial period ended 28 March 2015 have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable UK Generally Accepted Accounting Principles (UK GAAP). The principal accounting policies which have been applied consistently are set out below.

Basis of preparation

The Company has taken advantage of the exemption under the terms of FRS 1 (revised 1996) from the requirement to produce a cash flow statement. A consolidated cash flow statement is included in the Group's financial statements. The Company has also taken advantage of the exemption contained in FRS 8 from the requirement to disclose related party transactions with wholly owned group companies. The Company has taken advantage of the legal dispensation contained in section 408 of the Companies Act 2006 allowing it not to publish a separate profit and loss account and related notes.

Investments

Investments are stated at cost less provisions for impairment. The need for any impairment write down is assessed by comparison of the carrying value of the asset against the higher of its net realisable value or its value in use.

Taxation

Corporation tax payable is provided on taxable profits at the current rate.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable when, on the basis of all available evidence, it can be regarded as more likely than not there will be suitable taxable profits from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax has not been discounted.

Non-derivative financial assets and liabilities

Non-derivative financial assets and liabilities are recognised initially at fair value and subsequently at amortised cost using the effective interest rate method.

Share based payments

The grant by the Company of options over its equity instruments to the employees of a subsidiary undertaking in the Group is treated as a capital contribution. The fair value of employee services received, measured by

2. Accounting policies (continued)

reference to the grant date fair value of the equity instrument, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity. At each balance sheet date, the Company revises its estimates of the number of options or shares that are expected to vest. The impact of any revision, if any, is recognised as a capital contribution with a corresponding adjustment to reserves. A provision is booked for the liability arising on 'cash settled' share based payments on behalf of a subsidiary undertaking at each balance sheet date. Full disclosure of share based payments is given in note 32 of the Group financial statements.

Shares held by ESOPs

The ESOPs provide for the issue of shares to Group employees and is consolidated. The shares acquired by the ESOPs are included as treasury shares within capital and reserves at cost. Gains made by the ESOPs on purchasing and selling Company shares are recorded within a separate ESOP reserve.

3. Loss of the Company

The loss (2014: profit) for the financial period dealt with in the financial statements of the Company was £2,220,000 (2014: profit £2,202,000). The Company has no recognised gains or losses (2014: none) apart from the loss for the period and therefore no separate statement of gains and losses has been presented.

The fees payable for the audit are borne by another Group company. The aggregate remuneration paid to the auditors in relation to services received by the Group is disclosed in the consolidated financial statements in note 7.

4. Staff costs

New Look Retail Group Limited had no employees during the period (2014: none).

Directors' remuneration is borne by another group company. Details of Directors' remuneration are disclosed in note 8b to the Group consolidated financial statements.

5. Investments

	As at	
	28 March 2015 £m	29 March 2014 £m
Cost and NBV at the start of the period	**40.5**	34.3
Capital contribution in respect of share based payments	**(3.2)**	6.3
Disposed of in the period	**—**	(0.1)
Cost and NBV at the end of the period	**37.3**	40.5

Investments represent holdings in subsidiary undertakings.

The Directors believe that the carrying value of the investments is supported by their net assets or the trading results and net assets of the investments' subsidiaries.

The principal subsidiary companies in which New Look Retail Group Limited or its subsidiaries hold 100% of the ordinary shares and voting rights are listed below. These companies are consolidated into the financial results of the Group.

Subsidiary	Country of incorporation and operation	Main activity
Pedalgreen Limited(1)	England and Wales	Intermediate holding company
New Look Finance Limited	England and Wales	Intermediate holding company
New Look Finance II Plc	England and Wales	Intermediate holding company

5. Investments (continued)

Subsidiary	Country of incorporation and operation	Main activity
New Look Bondco I Plc	England and Wales	Intermediate holding company
Trinitybrook Limited	England and Wales	Intermediate holding company
Hamperwood Limited	England and Wales	Intermediate holding company
New Look Group Limited	England and Wales	Intermediate holding company
New Look Limited	England and Wales	Intermediate holding company
New Look Retailers Limited(2)	England and Wales	Fashion retail
Geometry Properties Limited	England and Wales	Property holding and rental
New Look Overseas Limited	England and Wales	Intermediate holding company
New Look Retailers (CI) Limited	Guernsey	Fashion retail
New Look Holdings (France) SAS	France	Intermediate holding company
New Look France SAS	France	Fashion retail
New Look Belgium SA	Belgium	Fashion retail
New Look Holland BV	Holland	Fashion retail
New Look (Singapore) PTE Limited	Singapore	Logistics and freight management
New Look Retailers (Ireland) Limited	Republic of Ireland	Fashion retail
New Look (Germany) GmbH	Germany	Fashion retail
Fashion Look Sp. z o.o.	Poland	Fashion retail
Cenzora Enterprises Limited	Cyprus	Intermediate holding company
New Look Commerce (Shanghai) Co. Limited	Peoples' Republic of China	Fashion retail

Note:
1. Pedalgreen Limited shareholding held directly whilst all others held indirectly through wholly owned subsidiaries.
2. New Look Retailers Limited has a 50% stake in the ordinary share capital of NLT Tekstil Sanayi Ve Ticaret Limited Şirketi, a joint venture incorporated in Turkey, whose principal trading activity is retail manufacturing.

During the financial period ended 28 March 2015, Mim SAS, Mim Belgique and SCI Geometry Properties were disposed of, see note 17 in the Group consolidated financial statements.

During the financial period ended 29 March 2014, NL Bowline Limited, NL Company No. 1 Limited, NL Company No. 2 Limited, NL Company No.3 Limited and Guernsey 4 Limited were placed into liquidation and were struck off.

A full list of subsidiary undertakings as at 28 March 2015 will be annexed to the Company's next annual return.

6. Creditors: amounts falling due within one year

	As at	
	28 March 2015 £m	29 March 2014 £m
Amounts owed to Group undertakings	**27.4**	28.1
Other taxation and social security	**0.1**	0.1
Corporation tax	**0.1**	0.1
Accruals	**1.7**	—
Liability for cash-settled share based payments	**1.0**	1.4
	30.3	29.7

Amounts owed to Group undertakings are interest free, are unsecured and repayable on demand.

7. Creditors: amounts falling due after more than one year

	As at	
	28 March 2015 £m	29 March 2014 £m
Other creditors	**—**	2.6
Other taxation and social security	**—**	0.1
Liability for cash-settled share based payments	**—**	3.6
	—	6.3

8. Financial commitments

The Company had no capital commitments at 28 March 2015 (2014: none).

9. Called up share capital

	As at	
	28 March 2015 £m	29 March 2014 £m
Authorised:		
200,000,000 Ordinary A shares of 1p each	**2.0**	2.0
1,000,000,000 Ordinary B shares of 1p each	**10.0**	10.0
	12.0	12.0
Allotted, called up and fully paid:		
157,617,228 Ordinary A shares of 1p each	**1.6**	1.6
879,126,079 Ordinary B shares of 1p each	**8.8**	8.8
	10.4	10.4

On 9 May 2006, New Look Retail Group Limited was incorporated with 1 Ordinary share of £1 issued to Instant Companies Limited. On 19 May 2006, New Look Retail Group Limited transferred the share to Permira Funds and issued 1 Ordinary share of £1 to Apax Funds so that it was jointly and equally held. On 1 June 2006 each £1 Ordinary share was converted into 100 Ordinary B shares of 1p.

On 7 June 2006, to acquire shares of Pedalgreen Limited, a further 287,183,785 Ordinary B shares of 1p each were issued to Apax Funds and a further 287,183,786 Ordinary B shares of 1p each were issued to Permira Funds and a coinvestor. 155,000,000 Ordinary A shares of 1p each and the remaining 304,758,308 Ordinary B shares of 1p each, were issued to the remaining shareholders of Pedalgreen Limited. At that date the Company became the ultimate holding company of Trinitybrook Limited as part of the Group reorganisation pursuant to the share for share exchange arrangement, in which 100% of the voting shares of Pedalgreen Limited were acquired by New Look Retail Group Limited.

In the 2007 financial statements New Look Retail Group Limited took advantage of section 131 Merger Relief under the Companies Act 1985 in preparing its financial statements. No share premium has been recognised on the issue of these shares.

On 30 April 2009 2,148,568 Ordinary A shares of 1p and on 21 August 2009 468,660 Ordinary A shares of 1p were issued at 25.0p for the purposes of the 2008 Share Plan. The share premium arising from these issues is shown in note 10. The 2008 Share Plan is one of the Group's share based payment arrangements shown in note 32 of the Group financial statements and is operated through an ESOP discussed in note 11.

The A shares in the Company entitle holders to receive notice, attend and speak at general meetings but only confer a right to vote if no B shares are in issue. The shares also have a right to receive a dividend.

The B shares in the Company entitle holders to receive notice, attend, speak and vote at general meetings. The shares also have a right to receive a dividend.

10. Share premium account

	As at	
	28 March 2015 £m	29 March 2014 £m
Share premium	**0.6**	0.6

11. Treasury shares

The initial consideration paid for ordinary shares in the Company held by the ESOPs has been shown as a deduction in capital and reserves as treasury shares. All other assets, liabilities, income and costs of the ESOPs have been incorporated into the financial statements of the Company.

The ESOPs have an independent professional trustee resident in Guernsey and provides for the issue of shares to Group employees, at the discretion of the Trustee.

At 28 March 2015 the ESOPs held 115,745,783 (2014: 115,809,649) Ordinary A shares of 1.0p each in the Company and 323,408 (2014: 323,408) Ordinary B shares of 1.0p each in the Company.

	As at	
	28 March 2015 £m	29 March 2014 £m
Opening treasury shares	**(23.3)**	(21.9)
Shares purchased in the period	**(0.3)**	(1.4)
Shares disposed of in the period	**0.4**	—
Closing treasury shares	**(23.2)**	(23.3)

12. ESOP reserve

	As at	
	28 March 2015 £m	29 March 2014 £m
ESOP reserve	**0.7**	0.7

13. Profit and loss account

	As at	
	28 March 2015 £m	29 March 2014 £m
Opening profit and loss account	**19.4**	15.9
(Loss)/profit for the financial period (note 3)	**(2.2)**	2.2
Capital contribution	**1.5**	—
Share based payment charge/(credit)	**0.2**	(0.1)
Purchase of treasury shares and beneficial rights	**0.3**	1.4
Closing profit and loss reserve	**19.2**	19.4

14. Reconciliation of movement in shareholders' funds

	As at	
	28 March 2015 £m	29 March 2014 £m
(Loss)/profit for the financial period (note 3)	**(2.2)**	2.2
Shares issued from/(to) ESOPs from treasury shares (note 11)	**0.1**	(1.4)
Purchase of treasury shares and beneficial rights (note 13)	**0.3**	1.4
Capital contribution	**1.5**	—
Share based payment charge/(credit) (note 13)	**0.2**	(0.1)
Net movement in shareholders' funds	**(0.1)**	2.1
Opening shareholders' funds	**7.8**	5.7
Closing shareholders' funds	**7.7**	7.8

15. Contingent liability

The Company is party to a cross guarantee on the UK borrowing facilities of the New Look Retail Group Limited Group, which amounts to £75.0 million (2014: 75.0 million) undrawn committed revolving multi-currency facility as at 28 March 2015. This facility expires in more than one year.

16. Related party transactions

The Directors of the Company had no material transactions with the Company during the period, other than the loans that were outstanding in connection with their purchase of the beneficial interest in shares under the 2008 Share Plan as disclosed in note 37 of the consolidated financial statements.

17. Events after the reporting period

As permitted under the PIK facility agreement dated 14 May 2013, New Look Finance II Plc gave notice to debt investors on 8 May 2015 that the Group intended to prepay an amount of the PIK debt equal to a principal amount of £36.7 million plus accrued interest of £1.0 million and a redemption premium of £2.3 million. The prepayment was settled on 14 May 2015.

During the financial period, the Board of the Company made the decision to take advice and preparatory steps towards either an exchange listing or a sale of the business.

On 14 May 2015, the Group and its ultimate controlling parties, Apax and Permira signed a Share Sale and Purchase Agreement with Brait SE, an investment group based in South Africa, to sell circa 90% of the ordinary share capital of the Company. Tom Singh as Founder and senior management shareholders will acquire the remaining circa 10%. Completion of the sale is expected to be in June 2015.

18. Ultimate controlling party

New Look Retail Group Limited is the ultimate parent of the Group, and is the largest and smallest group of undertakings to include these financial statements in their consolidation. Apax Funds owns 27.7% and Permira Funds own 27.6% of the total issued share capital.

Copies of the financial statements can be obtained from New Look House, Mercery Road, Weymouth, Dorset, DT3 5HJ.

Contacts

Registered office

New Look House
Mercery Road
Weymouth
Dorset
England
DT3 5HJ
Tel: +44(0) 1305 765000
Fax: +44(0) 1305 765001
Website: www.newlookgroup.com
Registered Number in England: 05810406

Investor relations

45 Mortimer Street
London
England
W1W 8HJ
Tel: +44(0) 20 3219 7000

Press office

45 Mortimer Street
London
England
W1W 8HJ
Tel: +44 (0) 20 3219 7000

Customer services

New Look House
Mercery Road
Weymouth
Dorset
England
DT3 5HJ
Tel: +44 (0) 500 454094

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Savannah House
3 Ocean Way
Ocean Village
Southampton
England
SO14 3TJ

Financial public relations

Tulchan Communications Group
85 Fleet Street
London
England
EC4Y 1AE
Tel: +44 (0) 20 7353 4200

Forward-looking statements

This annual report contains "forward-looking statements" within the meaning of the securities laws of certain jurisdictions, including statements under the captions "Overview", "Strategic report", "Business model", "Year in review", "Financial review", "Risks & uncertainties" and in other sections of this annual report. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the words "believes", "could", "estimates", "anticipates", "expects", "intends", "may", "will", "plans", "continue", "ongoing", "potential", "predict", "project", "target", "seek", "should" or "would" or, in each case, their negative or other variations or comparable terminology or by discussions of strategies, plans, objectives, targets, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this annual report and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy and the industry in which we operate.

By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. You should not place undue reliance on these forward-looking statements.

Many factors may cause our results of operations, financial condition, liquidity and the development of the industry in which we compete to differ materially from those expressed or implied by the forward-looking statements contained in this annual report.

These risks and others described under "Risks & Uncertainties" are not exhaustive. Other sections of this annual report describe additional factors that could adversely affect our results of operations, financial condition, liquidity and the development of the industry in which we operate. New risks can emerge from time to time, and it is not possible for us to predict all such risks, nor can we assess the impact of all such risks on our business or the extent to which any risks, or combination of risks and other factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, you should not rely on forward-looking statements as a prediction of actual results.

Any forward-looking statements are only made as of the date of this annual report and we do not intend, and do not assume any obligation, to update forward-looking statements set forth in this annual report. You should interpret all subsequent written or oral forward-looking statements attributable to us or to persons acting on our behalf as being qualified by the cautionary statements in this annual report. As a result, you should not place undue reliance on these forward-looking statements.

Independent auditors' report to the members of
New Look Retail Group Limited

Report on the parent company financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the parent company's affairs as at 29 March 2014;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The parent company financial statements (the "financial statements"), which are prepared by New Look Retail Group Limited, comprise:

- Company balance sheet as at 29 March 2014; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the parent company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report & Accounts (the "Annual Report") to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 67, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other matter

We have reported separately on the Group financial statements of New Look Retail Group Limited for the 52 week period ended 29 March 2014.

Alan Kinnear (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Southampton

23 May 2014

(a) The maintenance and integrity of the New Look Retail Group Limited website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

(b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

New Look Retail Group Limited
Company balance sheet

	Notes	As at 29 March 2014 £m	As at 30 March 2013 £m
Fixed assets			
Investments	5	**40.5**	34.3
Current assets			
Other debtors (including £2.9 million (2013: £3.4 million) due after one year		**2.9**	3.4
Cash at bank and in hand		**0.4**	0.3
Current liabilities			
Creditors: Amounts falling due within one year	6	**(29.7)**	(28.9)
Net current liabilities		**(26.4)**	(25.2)
Total assets less current liabilities		**14.1**	9.1
Creditors: Amounts falling due after more than one year	7	**(6.3)**	(3.4)
Net assets		**7.8**	5.7
Capital and reserves			
Called up share capital	9	**10.4**	10.4
Share premium account	10	**0.6**	0.6
Treasury shares	11	**(23.3)**	(21.9)
ESOP reserve	12	**0.7**	0.7
Profit and loss account	13	**19.4**	15.9
Total shareholders' funds	14	**7.8**	5.7

The financial statements on page 129 to 135 were approved by the Board of Directors on 23 May 2014 and were signed on its behalf by:

Anders Kristiansen
CHIEF EXECUTIVE OFFICER

New Look Retail Group Limited
Registration number: 05810406

New Look Retail Group Limited
Notes to the Company financial statements

1. Authorisation of financial statements

The financial statements of New Look Retail Group Limited for the 52 weeks ended 29 March 2014 were authorised for issue by the Board of Directors on 23 May 2014 and the balance sheet was signed on the Board's behalf by Anders Kristiansen.

New Look Retail Group Limited, a private limited company, is incorporated in England and Wales and is the ultimate parent company of the New Look Group of companies.

2. Accounting policies

The financial statements of the Company, for the financial period ended 29 March 2014 have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable UK Generally Accepted Accounting Principles (UK GAAP). The principal accounting policies which have been applied consistently are set out below.

Basis of preparation

The Company has taken advantage of the exemption under the terms of FRS 1 (revised 1996) from the requirement to produce a cash flow statement. A consolidated cash flow statement is included in the Group's financial statements. The Company has also taken advantage of the exemption contained in FRS 8 from the requirement to disclose related party transactions with wholly owned group companies. The Company has taken advantage of the legal dispensation contained in section 408 of the Companies Act 2006 allowing it not to publish a separate profit and loss account and related notes.

Investments

Investments are stated at cost less provisions for impairment. The need for any impairment write down is assessed by comparison of the carrying value of the asset against the higher of its net realisable value or its value in use.

Taxation

Corporation tax payable is provided on taxable profits at the current rate.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable when, on the basis of all available evidence, it can be regarded as more likely than not there will be suitable taxable profits from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax has not been discounted.

Non-derivative financial assets and liabilities

Non-derivative financial assets and liabilities are recognised initially at fair value and subsequently at amortised cost using the effective interest rate method.

Share based payments

The grant by the Company of options over its equity instruments to the employees of a subsidiary undertaking in the Group is treated as a capital contribution. The fair value of employee services received, measured by

2. Accounting policies (continued)

reference to the grant date fair value of the equity instrument, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity. At each balance sheet date, the Company revises its estimates of the number of options or shares that are expected to vest. The impact of any revision, if any, is recognised as a capital contribution with a corresponding adjustment to reserves. A provision is booked for the liability arising on 'cash settled' share based payments on behalf of a subsidiary undertaking at each balance sheet date. Full disclosure of share based payments is given in note 31 of the Group financial statements.

Shares held by ESOPs

The ESOPs provide for the issue of shares to Group employees and is consolidated. The shares acquired by the ESOPs are included as treasury shares within capital and reserves at cost. Gains made by the ESOPs on purchasing and selling Company shares are recorded within a separate ESOP reserve.

3. Profit of the Company

The profit (2013: loss) for the financial period dealt with in the financial statements of the Company was £2,202,000 (2013: loss £767,000). The Company has no recognised gains or losses (2013: none) apart from the profit for the period and therefore no separate statement of gains and losses has been presented.

The fees payable for the audit are borne by another Group company. The aggregate remuneration paid to the auditors in relation to services received by the Group is disclosed in the consolidated financial statements in note 7.

4. Staff costs

New Look Retail Group Limited had no employees during the period (2013: none).

Directors' remuneration is borne by another group company. Details of Directors' remuneration are disclosed in note 8b to the Group consolidated financial statements.

5. Investments

	As at	
	29 March 2014 £m	30 March 2013 £m
Cost and net book value at the start of the period	**34.3**	34.5
Capital contribution in respect of share based payments	**6.3**	(0.3)
(Disposed of) / acquired in the period	**(0.1)**	0.1
Cost and NBV at the end of the period	**40.5**	34.3

Investments represent holdings in subsidiary undertakings.

The Directors believe that the carrying value of the investments is supported by their net assets or the trading results and net assets of the investments' subsidiaries.

The principal subsidiary companies in which New Look Retail Group Limited or its subsidiaries hold 100% of the ordinary shares and voting rights are listed below. These companies are consolidated into the financial results of the Group.

Subsidiary	**Country of incorporation and operation**	**Main activity**
Pedalgreen Limited(1)	England and Wales	Intermediate holding company
New Look Finance Limited	England and Wales	Intermediate holding company
New Look Finance II Plc	England and Wales	Intermediate holding company

5. Investments (continued)

Subsidiary	Country of incorporation and operation	Main activity
New Look Bondco I Plc	England and Wales	Intermediate holding company
Trinitybrook Limited	England and Wales	Intermediate holding company
Hamperwood Limited	England and Wales	Intermediate holding company
New Look Group Limited	England and Wales	Intermediate holding company
New Look Limited	England and Wales	Intermediate holding company
New Look Retailers Limited	England and Wales	Fashion retail
Geometry Properties Limited	England and Wales	Property holding and rental
New Look Overseas Limited	England and Wales	Intermediate holding company
New Look Retailers (CI) Limited	Guernsey	Fashion retail
New Look Holdings (France) SAS	France	Intermediate holding company
Mim SAS	France	Fashion retail
SCI Geometry Properties France	France	Property holding and rental
New Look France SAS	France	Fashion retail
New Look Belgium SA	Belgium	Fashion retail
MIM Belgique	Belgium	Fashion retail
New Look Holland BV	Holland	Fashion retail
New Look (Singapore) PTE Limited	Singapore	Logistics and freight management
New Look Retailers (Ireland) Limited	Republic of Ireland	Fashion retail
New Look (Germany) GmbH	Germany	Fashion retail
Fashion Look Sp. z o.o.	Poland	Fashion retail
Cenzora Enterprises Limited	Cyprus	Intermediate holding company
New Look Commerce (Shanghai) Co. Limited	People's Republic of China	Fashion retail

Note:
1. Pedalgreen Limited shareholding held directly whilst all others held indirectly through wholly owned subsidiaries.

A full list of subsidiary undertakings as at 29 March 2014 will be annexed to the Company's next annual return.

During the financial period, NL Bowline Limited, NL Company No.1 Limited, NL Company No.2 Limited, NL Company No.3 Limited and Guernsey 4 Limited were placed in to liquidation and were struck off.

In addition, the Company has a 50% stake in the ordinary share capital of NLT Tekstil Sanayi Ve Ticaret Limited Şirketi, a joint venture incorporated in Turkey, whose principal trading activity is retail manufacturing

6. Creditors: amounts falling due within one year

	As at	
	29 March 2014 £m	30 March 2013 £m
Amounts owed to Group undertakings	**28.1**	28.7
Other taxation and social security	**0.1**	0.1
Corporation tax	**0.1**	0.1
Liability for cash settled share based payments	**1.4**	—
	29.7	28.9

Amounts owed to Group undertakings are interest free, are unsecured and repayable on demand.

7. Creditors: amounts falling due after more than one year

	As at	
	29 March 2014 £m	30 March 2013 £m
Other creditors	**2.6**	2.4
Other taxation and social security	**0.1**	0.3
Liability for cash settled share based payments	**3.6**	0.7
	6.3	3.4

8. Financial commitments

The Company had no capital commitments at 29 March 2014 (2013: none).

9. Called up share capital

	As at	
	29 March 2014 £m	30 March 2013 £m
Authorised:		
200,000,000 Ordinary A shares of 1p each	**2.0**	2.0
1,000,000,000 Ordinary B shares of 1p each	**10.0**	10.0
	12.0	12.0
Allotted, called up and fully paid:		
157,617,228 Ordinary A shares of 1p each	**1.6**	1.6
879,126,079 Ordinary B shares of 1p each	**8.8**	8.8
	10.4	10.4

On 9 May 2006, New Look Retail Group Limited was incorporated with 1 Ordinary share of £1 issued to Instant Companies Limited. On 19 May 2006, New Look Retail Group Limited transferred the share to Permira Funds and issued 1 Ordinary share of £1 to Apax Funds so that it was jointly and equally held. On 1 June 2006 each £1 Ordinary share was converted into 100 Ordinary B shares of 1p.

On 7 June 2006, to acquire shares of Pedalgreen Limited, a further 287,183,785 Ordinary B shares of 1p each were issued to Apax Funds and a further 287,183,786 Ordinary B shares of 1p each were issued to Permira Funds and a coinvestor. 155,000,000 Ordinary A shares of 1p each and the remaining 304,758,308 Ordinary B shares of 1p each, were issued to the remaining shareholders of Pedalgreen Limited. At that date the Company became the ultimate holding company of Trinitybrook Limited as part of the Group reorganisation pursuant to the share for share exchange arrangement, in which 100% of the voting shares of Pedalgreen Limited were acquired by New Look Retail Group Limited.

In the 2007 financial statements New Look Retail Group Limited took advantage of section 131 Merger Relief under the Companies Act 1985 in preparing its financial statements. No share premium has been recognised on the issue of these shares.

On 30 April 2009 2,148,568 Ordinary A shares of 1p and on 21 August 2009 468,660 Ordinary A shares of 1p were issued at 25.0p for the purposes of the 2008 Share Plan. The share premium arising from these issues is shown in note 10. The 2008 Share Plan is one of the Group's share based payment arrangements shown in note 31 of the Group financial statements and is operated through an ESOP discussed in note 11.

10. Share premium account

	As at	
	29 March 2014 £m	30 March 2013 £m
Share premium as at 29 March 2014 and 30 March 2013	**0.6**	0.6

11. Treasury shares

The initial consideration paid for ordinary shares in the Company held by the ESOPs has been shown as a deduction in capital and reserves as treasury shares. All other assets, liabilities, income and costs of the ESOPs have been incorporated into the financial statements of the Company.

The ESOPs have an independent professional trustee resident in Guernsey and provides for the issue of shares to Group employees, at the discretion of the Trustee.

At 29 March 2014 the ESOPs held 115,809,649 (2013:102,914,649) Ordinary A shares of 1.0p each in the Company and 323,408 (2013: 323,408) Ordinary B shares of 1.0p each in the Company.

	As at	
	29 March 2014 £m	30 March 2013 £m
Opening treasury shares	**(21.9)**	(22.1)
Share (purchased) / disposed of in the period	**(1.4)**	0.2
Closing treasury shares	**(23.3)**	(21.9)

12. ESOP reserve

	As at	
	29 March 2014 £m	30 March 2013 £m
ESOP reserve as at 29 March 2014 and 30 March 2013	**0.7**	0.7

13. Profit and loss account

	As at	
	29 March 2014 £m	30 March 2013 £m
Opening profit and loss account	**15.9**	16.6
Profit / (loss) for the financial period (note 3)	**2.2**	(0.8)
Share based payment (credit) / charge	**(0.1)**	0.1
Purchase of treasury shares and beneficial rights	**1.4**	—
Closing profit and loss reserve	**19.4**	15.9

14. Reconciliation of movement in shareholders' funds

	As at	
	29 March 2014 £m	30 March 2013 £m
Profit / (loss) for the financial period (note 3)	**2.2**	(0.8)
Shares issued from/(to) ESOPs from treasury shares (note 11)	**(1.4)**	0.2
Purchase of treasury shares and beneficial rights (note 13)	**1.4**	—
Share based payment (credit)/charge (note 13)	**(0.1)**	0.1
Net movement in shareholders' funds	**2.1**	(0.5)
Opening shareholders' funds	**5.7**	6.2
Closing shareholders' funds	**7.8**	5.7

15. Contingent liability

The Company is party to a cross guarantee on the UK borrowing facilities of the New Look Retail Group Limited Group, which amounts to £75.0 million (2013: £10.8 million) undrawn committed revolving multi-currency facility as at 29 March 2014. This facility expires in more than one year.

16. Related party transactions

The Directors of the Company had no material transactions with the Company during the period, other than the loans that were outstanding in connection with their purchase of the beneficial interest in shares under the 2008 Share Plan as disclosed in note 36 of the consolidated financial statements.

17. Events after the reporting period

As permitted under the PIK facility agreement dated 14 May 2013, New Look Finance II Plc gave notice to debt investors on 23 April 2014 that the Group intends to prepay an amount of the new PIK debt equal to a principal amount of £37.6 million plus accrued interest of £1.2 million and a redemption premium of £1.2 million. The prepayment is due to be settled on 27 May 2014.

18. Ultimate controlling party

New Look Retail Group Limited is the ultimate parent of the Group, and is the largest and smallest group of undertakings to include these financial statements in their consolidation. Apax Funds own 27.7% and Permira Funds own 27.6% of the total issued share capital. Copies of the financial statements can be obtained from New Look House, Mercery Road, Weymouth, Dorset.

Independent auditors' report to the members of
New Look Retail Group Limited

We have audited the parent company financial statements of New Look Retail Group Limited for the period ended 30 March 2013 which comprise the Company balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 51, the Directors are responsible for the preparation of the parent company financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the parent company financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the parent company financial statements:

- give a true and fair view of the state of the company's affairs as at 30 March 2013;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the parent company financial statements are prepared is consistent with the parent company financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Other matter

We have reported separately on the Group financial statements of New Look Retail Group Limited for the period ended 30 March 2013.

Alan Kinnear (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Southampton

24 May 2013

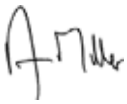
Notes:

- The maintenance and integrity of the New Look Retail Group Limited website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
- Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

New Look Retail Group Limited
Company balance sheet

	Notes	As at 30 March 2013 £m	As at 24 March 2012 £m
Fixed assets			
Investments	5	**34.3**	34.5
Current assets			
Other debtors (including £3.4 million (2012: £1.9 million) due after one year		**3.4**	1.9
Cash at bank and in hand		**0.3**	0.2
Current liabilities			
Creditors: Amounts falling due within one year	6	**(28.9)**	(28.3)
Net current liabilities		**(25.2)**	(26.2)
Total assets less current liabilities		**9.1**	8.3
Creditors: Amounts falling due after more than one year	7	**(3.4)**	(2.1)
Net assets		**5.7**	6.2
Capital and reserves			
Called up share capital	9	**10.4**	10.4
Share premium account	10	**0.6**	0.6
Treasury shares	11	**(21.9)**	(22.1)
ESOP reserve	12	**0.7**	0.7
Profit and loss account	13	**15.9**	16.6
Total shareholders' funds	14	**5.7**	6.2

The financial statements on page 110 to 117 were approved by the Board of Directors on 24 May 2013 and were signed on its behalf by:



Alastair Miller
Chief Financial Officer
New Look Retail Group Limited

Registration number: 05810406

New Look Retail Group Limited
Notes to the Company financial statements

1. Authorisation of financial statements

The financial statements of New Look Retail Group Limited for the 53 weeks ended 30 March 2013 were authorised for issue by the Board of Directors on 24 May 2013 and the balance sheet was signed on the Board's behalf by Alastair Miller.

New Look Retail Group Limited, a private limited company, is incorporated in England and Wales and is the ultimate parent company of the New Look Group of companies.

2. Accounting policies

The financial statements of the Company, for the financial period ended 30 March 2013 have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable UK Generally Accepted Accounting Principles (UK GAAP). The principal accounting policies which have been applied consistently are set out below.

Basis of preparation

The Company has taken advantage of the exemption under the terms of FRS 1 (revised 1996) from the requirement to produce a cash flow statement. A consolidated cash flow statement is included in the Group's financial statements. The Company has also taken advantage of the exemption contained in FRS 8 from the requirement to disclose related party transactions with wholly owned group companies. The Company has taken advantage of the legal dispensation contained in section 408 of the Companies Act 2006 allowing it not to publish a separate profit and loss account and related notes.

Investments

Investments are stated at cost less provisions for impairment. The need for any impairment write down is assessed by comparison of the carrying value of the asset against the higher of its net realisable value or its value in use.

Taxation

Corporation tax payable is provided on taxable profits at the current rate.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable when, on the basis of all available evidence, it can be regarded as more likely than not there will be suitable taxable profits from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax has not been discounted.

Non-derivative financial assets and liabilities

Non-derivative financial assets and liabilities are recognised initially at fair value and subsequently at amortised cost using the effective interest rate method.

Share based payments

The grant by the Company of options over its equity instruments to the employees of a subsidiary undertaking in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value of the equity instrument, is recognised over the vesting period as an increase to investment

2. Accounting policies (continued)

in subsidiary undertakings, with a corresponding credit to equity. At each balance sheet date, the Company revises its estimates of the number of options or shares that are expected to vest. The impact of any revision, if any, is recognised as a capital contribution with a corresponding adjustment to reserves. A provision is booked for the liability arising on 'cash settled' share based payments on behalf of a subsidiary undertaking at each balance sheet date. Full disclosure of share based payments is given in note 30 of the Group financial statements.

Shares held by ESOP

The ESOP provides for the issue of shares to Group employees and is consolidated. The shares acquired by the ESOP are included as treasury shares within capital and reserves at cost. Gains made by the ESOP on purchasing and selling Company shares are recorded within a separate ESOP reserve.

3. Loss of the Company

The loss for the financial period dealt with in the financial statements of the Company was £767,000 (2012: loss £740,000). The Company has no recognised gains or losses (2012: none) apart from the loss for the period and therefore no separate statement of gains and losses has been presented.

The fees payable for the audit are borne by another Group company (2012: £10,000). The aggregate remuneration paid to the auditors in relation to services received by the Group is disclosed in the consolidated financial statements in note 7.

4. Staff costs

New Look Retail Group Limited had no employees during the period.

Directors' remuneration is borne by another group company. Details of Directors' remuneration are disclosed in note 8b to the Group consolidated financial statements.

5. Investments

	As at	
	30 March 2013 £m	24 March 2012 £m
Cost and NBV at the start of the period	**34.5**	33.6
Capital contribution in respect of share based payments	**(0.3)**	0.9
Acquired in the period	**0.1**	—
Cost and NBV at the end of the period	**34.3**	34.5

Investments represent holdings in subsidiary undertakings.

The Directors believe that the carrying value of the investments is supported by their net assets or the trading results and net assets of the investments' subsidiaries.

The principal subsidiary companies in which New Look Retail Group Limited or its subsidiaries hold 100% of the ordinary shares and voting rights are listed below. These companies are consolidated into the financial results of the Group.

Subsidiary	Country of incorporation and operation	Main activity
Pedalgreen Limited(1)	England and Wales	Intermediate holding company
NL Bowline Limited	England and Wales	Debt buy back company
Trinitybrook Limited	England and Wales	Intermediate holding company
Hamperwood Limited	England and Wales	Intermediate holding company
New Look Group Limited	England and Wales	Intermediate holding company

5. Investments (continued)

Subsidiary	Country of incorporation and operation	Main activity
New Look Limited	England and Wales	Intermediate holding company
New Look Retailers Limited	England and Wales	Fashion retail
Geometry Properties Limited	England and Wales	Property holding and rental
New Look Overseas Limited	England and Wales	Intermediate holding company
Weymouth Gateway Property Management Limited	England and Wales	Commercial property management
New Look Retailers (CI) Limited	Guernsey	Fashion retail
NL Company No.1 Limited	Guernsey	Intermediate holding company
NL Company No. 2 Limited	Guernsey	Intermediate holding company
NL Company No. 3 Limited	Guernsey	Intermediate holding company
Guernsey 4 Limited	Guernsey	Intermediate holding company
New Look Holdings (France) SAS	France	Intermediate holding company
Mim SAS	France	Fashion retail
SCI Geometry Properties France	France	Property holding and rental
New Look France SAS	France	Fashion retail
New Look Belgium SA	Belgium	Fashion retail
MIM Belgique	Belgium	Fashion retail
New Look Holland BV	Holland	Fashion retail
New Look (Singapore) PTE Limited	Singapore	Logistics and freight management
New Look Retailers (Ireland) Limited	Republic of Ireland	Fashion retail

Note:
1. Pedalgreen Limited shareholding held directly whilst all others held indirectly through wholly owned subsidiaries.

A full list of subsidiary undertakings as at 30 March 2013 will be annexed to New Look Retail Group Limited's next annual return.

In addition, the Group has a 50% stake in the ordinary share capital of NLT Tekstil Sanayi Ve Ticaret Limited Şirketi, a joint venture incorporated in Turkey, whose principal trading activity is retail manufacturing.

6. Creditors: amounts falling due within one year

	As at	
	30 March 2013 £m	24 March 2012 £m
Amounts owed to Group undertakings	**28.7**	27.9
Other taxation and social security	**0.1**	0.3
Corporation tax	**0.1**	0.1
	28.9	28.3

Amounts owed to Group undertakings bear interest at LIBOR plus 2.25%, are unsecured and repayable on demand.

7. Creditors: amounts falling due after more than one year

	As at	
	30 March 2013 £m	24 March 2012 £m
Other creditors	**2.4**	0.9
Other taxation and social security	**0.3**	0.5
Liability for cash settled share based payments	**0.7**	0.7
	3.4	2.1

8. Financial commitments

The Company had no capital commitments at 30 March 2013 (2012: none).

9. Called up share capital

	As at	
	30 March 2013 £m	24 March 2012 £m
Authorised:		
200,000,000 Ordinary A shares of 1p each	**2.0**	2.0
1,000,000,000 Ordinary B shares of 1p each	**10.0**	10.0
	12.0	12.0
Allotted, called up and fully paid:		
157,617,228 Ordinary A shares of 1p each	**1.6**	1.6
879,126,079 Ordinary B shares of 1p each	**8.8**	8.8
	10.4	10.4

On 9 May 2006, New Look Retail Group Limited was incorporated with 1 Ordinary share of £1 issued to Instant Companies Limited. On 19 May 2006, New Look Retail Group Limited transferred the share to Permira Funds and issued 1 Ordinary share of £1 to Apax Funds so that it was jointly and equally held. On 1 June 2006 each £1 Ordinary share was converted into 100 Ordinary B shares of 1p.

On 7 June 2006, to acquire shares of Pedalgreen Limited, a further 287,183,785 Ordinary B shares of 1p each were issued to Apax Funds and a further 287,183,786 Ordinary B shares of 1p each were issued to Permira Funds and a coinvestor. 155,000,000 Ordinary A shares of 1p each and the remaining 304,758,308 Ordinary B shares of 1p each, were issued to the remaining shareholders of Pedalgreen Limited. At that date the Company became the ultimate holding company of Trinitybrook Limited as part of the Group reorganisation pursuant to the share for share exchange arrangement, in which 100% of the voting shares of Pedalgreen Limited were acquired by New Look Retail Group Limited.

In the 2007 financial statements New Look Retail Group Limited took advantage of section 131 Merger Relief under the Companies Act 1985 in preparing its financial statements. No share premium has been recognised on the issue of these shares.

On 30 April 2009 2,148,568 Ordinary A shares of 1p and on 21 August 2009 468,660 Ordinary A shares of 1p were issued at 25.0p for the purposes of the 2008 Share Plan. The share premium arising from these issues is shown in note 10. The 2008 Share Plan is one of the Group's share based payment arrangements shown in note 30 of the Group financial statements and is operated through an ESOP discussed in note 11.

10. Share premium account

	As at	
	30 March 2013 £m	24 March 2012 £m
Share premium as at 30 March 2013 and 24 March 2012	**0.6**	0.6

11. Treasury shares

The initial consideration paid for ordinary shares in the Company held by the ESOP has been shown as a deduction in capital and reserves as treasury shares. All other assets, liabilities, income and costs of the ESOP have been incorporated into the financial statements of the Company.

The ESOP has an independent professional trustee resident in Guernsey and provides for the issue of shares to Group employees, at the discretion of the Trustee.

At 30 March 2013 the ESOP held 102,914,649 (2012: 117,185,649) Ordinary A shares of 1.0p each in the Company and 323,408 (2012: 323,408) Ordinary B shares of 1.0p each in the Company.

11. Treasury shares (continued)

	As at	
	30 March 2013 £m	24 March 2012 £m
Opening treasury shares	**(22.1)**	(19.1)
Share disposed of/(purchased) in the period	**0.2**	(3.0)
Closing treasury shares	**(21.9)**	(22.1)

12. ESOP reserve

	As at	
	30 March 2013 £m	24 March 2012 £m
Opening ESOP reserve	**0.7**	0.8
Shares unallocated in the period	**—**	(0.2)
Reserve transfer for exercised shares in the period	**—**	0.1
Closing ESOP reserve	**0.7**	0.7

13. Profit and loss account

	As at	
	30 March 2013 £m	24 March 2012 £m
Opening profit and loss account	**16.6**	15.1
Loss for the financial period (note 3)	**(0.8)**	(0.7)
Reserve transfer for exercised shares in the period	**—**	(0.1)
Share based payment credit/(charge)	**0.1**	(0.9)
Purchase of treasury shares and beneficial rights	**—**	3.2
Closing profit and loss account	**15.9**	16.6

14. Reconciliation of movement in shareholders' funds

	As at	
	30 March 2013 £m	24 March 2012 £m
Loss for the financial period (note 3)	(0.8)	(0.7)
Shares issued from/(to) ESOP from treasury shares (note 11)	**0.2**	(3.0)
Shares purchased and unallocated in the period (note 12)	**—**	(0.2)
Purchase of treasury shares and beneficial rights (note 13)	**—**	3.2
Share based payment credit/(charge) (note 13)	**0.1**	(0.9)
Net movement in shareholders' funds	**(0.5)**	(1.6)
Opening shareholders' funds	**6.2**	7.8
Closing shareholders' funds	**5.7**	6.2

15. Contingent liability

The Company is party to a cross guarantee on the UK borrowing facilities of the New Look Retail Group Limited Group, which amounts to a £10.8 million (2012: £50.0 million) undrawn committed revolving multi-currency facility as at 30 March 2013. This facility expires in less than one year.

16. Related party transactions

The Directors of the Company had no material transactions with the Company during the period, other than the loans that were outstanding in connection with their purchase of the beneficial interest in shares under the 2008 Share Plan as disclosed in note 35 of the consolidated financial statements.

17. Events after the reporting period

On 3 May 2013, New Look Retail Group Limited and its subsidiaries entered into a series of transactions to issue senior secured bonds, these transactions were settled on the 14 May 2013. The finance raised was used to settle the existing debt under the Senior and Mezzanine Facility Agreements and 50% of the outstanding PIK in cash, with the remaining PIK being exchanged for a new PIK instrument at par value.

The refinance included a restructure of the Group whereby Trinitybrook Limited sold it's investment in Hamperwood to New Look Finance Limited (a new intermediate holding company). New Look Finance Limited now holds the direct investment in Hamperwood. New Look Finance Limited also has a direct investment in New Look Finance II plc and New Look Bondco I plc.

New Look Bondco I plc issued the senior secured bonds which are made up of three tranches of Sterling, USD and Euro. The Sterling and USD bonds are at fixed coupon rates and the Euro bond is at the prevailing floating rate of interest based upon short term inter-bank rates (EURIBOR) plus a fixed margin.

New Look Finance Limited settled 50% of the existing PIK in cash and New Look Finance II plc then issued a new PIK instrument in settlement of the remaining PIK.

Total transaction costs incurred as part of the refinance are expected to be approximately £27.0 million. £3.1 million of these costs were incurred in the 53 weeks to 30 March 2013 and have been expensed in full (see note 9 and 10 of the Group financial statements). Those costs that are directly attributable to the issue of the bonds will be capitalised against the value of the new borrowings and amortised as an interest expense over the maturity period of the debt. Those costs that relate to the extinguishment of the Senior, Mezzanine and PIK debts will be expensed in full.

The table below provides details of the new debt tranches and the cash and PIK margins:

	Cash margin %	PIK margin %	Borrowings as at 30 March 2013	Capitalised interest 31 March 2013 to 14 May 2013	Translation of Euro borrowings	Purchases, repayments & bond issue	Amended borrowings as at 14 May 2013
Senior—Tranche B1	2.75		25.3	—	—	(25.3)	—
Senior—Tranche B2 (Euro)*	2.75		3.6	—	0.1	(3.7)	—
Senior—Tranche B3	2.75		4.8	—	—	(4.8)	—
Senior—Tranche B4	4.75		96.4	—	—	(96.4)	—
Senior—Tranche B5 (Euro)*	4.75		21.8	—	0.2	(22.0)	—
Senior—Tranche C1	3.25		43.0	—	—	(43.0)	—
Senior—Tranche C2 (Euro)*	3.25		8.6	—	—	(8.6)	—
Senior—Tranche C4	4.75		95.3	—	—	(95.3)	—
Senior—Tranche C5 (Euro)*	4.75		21.5	—	0.1	(21.6)	—
Second Lien—Tranche D1	5.00		6.1	—	—	(6.1)	—
Second Lien—Tranche D2	6.00		65.6	—	—	(65.6)	—
Mezzanine Debt	4.50	6.50	76.1	0.6	—	(76.7)	—
PIK debt		9.00	741.5	4.9	—	(746.4)	—
New PIK debt		12.00	—	—	—	373.2	373.2
Senior bonds—Sterling	8.75		—	—	—	500.0	500.0
Senior bonds—USD**	8.375		—	—	—	164.0	164.0
Senior bonds—Euro*	6.25		—	—	—	148.7	148.7
			1,209.6	5.5	0.4	(29.6)	1,185.9

* The exchange rate for EUR/GBP as at 30 March 2013 was 1.1856 and 1.1771 as at the date of transaction.

** The exchange rate for USD/GBP as at the date of transaction was 1.5240.

The Group entered into foreign currency contracts on 3 May 2013 to hedge the exchange risk arising between pricing the bond on 3 May 2013 and settlement on 14 May 2013. The hedged rates were 1.1878 for the Euro bond and 1.5581 for the USD bond. The foreign currency contracts fixed the total cash proceeds received in sterling at £807.8m.

17. Events after the reporting period (continued)

The senior bonds are repayable in full on 14 May 2018. An early repayment option exists after two years and is repayable at par plus 50% coupon up to 14 May 2016 and at par plus 25% coupon up to 14 May 2017. After four years the bonds are repayable at par.

Interest on the PIK is rolled into the carrying value of the debt although an option exists to pay the PIK interest in cash. The PIK debt matures in full on 14 November 2018.

On the 3 May 2013 the Group also entered into a re-negotiated revolving credit facility for £75 million which has a final termination date of 3 February 2018. The revolving credit facility is subject to quarterly covenant leverage reporting on an annualised basis beginning on the quarter ending 28 June 2014.

18. Ultimate controlling party

New Look Retail Group Limited is the ultimate parent of the Group, and is the largest and smallest group of undertakings to include these financial statements in their consolidation. The Apax Funds and the Permira Funds each hold 27.7% of the total issued share capital.

Company number: 8462233

New Look Finance Limited
Annual report and financial statements
For the financial period 26 March 2013 to 29 March 2014

New Look Finance Limited
Annual report and financial statements
For the financial period 26 March 2013 to 29 March 2014

	Page(s)
Strategic report	F-219 -220
Directors' report	F-221 - 222
Independent auditors' report to the members of New Look Finance Limited	F-223 - 224
Profit and loss account	F-225
Balance sheet	F-226
Notes to the financial statements	F-227 - 232

New Look Finance Limited
Strategic report

The Directors present their Strategic report on New Look Finance Limited ("the Company") for the financial period from 26 March 2013 to 29 March 2014.

Principal activity

The principal activity of the Company is to act as an intermediate holding company.

Principal risks and uncertainties

As a wholly owned subsidiary, the principal risks and uncertainties of the Group are reported in the Strategic Report of New Look Retail Group Limited Annual Report 2014, on pages 56 and 57.

The Company's operations expose it to the following principal risks:

Interest rate risk

Borrowings issued at variable rates expose the Company to cash flow interest rate risk. The Company analyses its interest rate exposure on a dynamic basis. Various forecasting is simulated taking into consideration refinancing and alternative financing options.

Credit risk

The Company's receivable balances are monitored on an ongoing basis and a provision is made for estimated irrecoverable amounts.

Review of the business and future developments

The Company was incorporated on 26 March 2013 as part of the Group refinancing transaction and reorganisation during the financial period.

During the financial period, the Group refinanced its debt through the issue of three tranches of senior secured bonds extending debt maturities to 2018.

On 3 May 2013, New Look Retail Group Limited and its subsidiaries underwent a Group reorganisation and issued senior secured bonds. These bonds were issued on 14 May 2013. The finance raised was used to repay the existing debt under the Senior and Mezzanine Facility Agreements and to acquire 50% of the outstanding PIK debt in cash, with the remaining PIK debt being acquired for a new PIK instrument at par value.

The refinance included a restructure of the Group whereby Trinitybrook Limited sold its investment in Hamperwood Limited to the Company. The Company now holds the direct investment in Hamperwood Limited and also has a direct investment in New Look Finance II Plc and New Look Bondco I Plc.

New Look Bondco I Plc issued the senior secured bonds which are made up of three tranches of Sterling, US dollar and Euro. The Sterling and US dollar bonds are at fixed coupon rates and the Euro bond is at the prevailing floating rate of interest based upon short term inter-bank rates (EURIBOR) plus a fixed margin.

The Company settled 50% of the existing PIK debt in cash and New Look Finance II Plc then issued a new PIK instrument in exchange for the remaining PIK debt.

Total transaction costs incurred by the Group as part of the refinance were £25.2 million. £3.1 million of these costs were incurred in the 53 weeks to 30 March 2013 and were expensed in full in that period. Those costs that were directly attributable to the issue of the bonds were capitalised against the value of the new borrowings and are being amortised as an interest expense over two years. Those costs that related to the extinguishment of the Senior, Mezzanine and PIK debts were expensed in full.

The table below provides details of the repayment of the old debt tranches and the cash and PIK margins:

	Cash margin %	PIK margin %	Borrowings at 30 March 2013 £m	Capitalised interest 31 March 2013 to 14 May 2013 £m	Translation of Euro borrowings £m	Purchases, repayments & bond issue £m	Amended borrowings at 14 May 2013 £m
Senior Tranche B1	2.75		25.3	—	—	(25.3)	—
Senior Tranche B2 (Euro)*	2.75		3.6	—	0.1	(3.7)	—
Senior Tranche B3	2.75		4.8	—	—	(4.8)	—
Senior Tranche B4	4.75		96.4	—	—	(96.4)	—
Senior Tranche B5 (Euro)*	4.75		21.8	—	0.2	(22.0)	—
Senior Tranche Cl	3.25		43.0	—	—	(43.0)	—
Senior Tranche C2 (Euro)*	3.25		8.6	—	—	(8.6)	—
Senior Tranche C4	4.75		95.3	—	—	(95.3)	—
Senior Tranche C5 (Euro)*	4.75		21.5	—	0.1	(21.6)	—
Second Lien Tranche D1	5.00		6.1	—	—	(6.1)	—
Second Lien Tranche D2	6.00		65.6	—	—	(65.6)	—
Mezzanine	4.50	6.50	76.1	0.6	—	(76.7)	—
PIK Debt		9.00	741.5	4.9	—	(746.4)	—
New PIK debt		12.00	—	—	—	373.2	373.2
Senior bonds—Sterling	8.75		—			500.0	500.0
Senior bonds—USD**	8.38		—	—	—	164.1	164.1
Senior bonds—Euro*	6.25		—	—	—	148.7	148.7
			1,209.6	**5.5**	**0.4**	**(29.5)**	**1,186.0**

* The exchange rate for EUR/GBP as at 30 March 2013 was 1.1856 and 1.1771 as at the date of transaction.

** The exchange rate for USD/GBP as at the date of transaction was 1.5240.

The Directors are satisfied that there will be no significant changes to the future development of the business and it will continue to act as an intermediate holding company.

Results and dividends

The Company's profit for the financial period was £116,692,417. The Company's net assets were £846,587,538 at 29 March 2014.

During the financial period, a dividend in specie of £106,324,206 was received from Hamperwood Limited and a cash dividend of £74,334,206 was received from Hamperwood Limited.

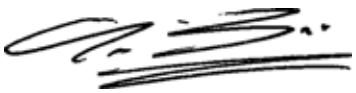
During the financial period a dividend in specie of £106,324,206 was paid to Trinitybrook Limited.

Key performance indicators (KPIs)

As a wholly-owned subsidiary within the New Look Retail Group, management and reporting of key performance indicators of the Company are undertaken at the Group level. As such, the Company's directors believe that analysis using KPIs is not necessary or appropriate to understand the business' development, performance or position. The KPIs of the Group are detailed in the Financial Review section of the Strategic Report on pages 46 to 53 of the New Look Retail Group Limited Annual Report 2014 which is publicly available.

The Strategic report above is authorised by the Board.

On behalf of the Board



Anders Kristiansen
Director

16 October 2014

New Look Finance Limited
Directors' report

The Directors present their Annual report and the financial statements of the Company for the financial period 26 March 2013 to 29 March 2014.

Directors

The Directors who served during the financial period and up to the date of signing of the financial statements were as follows:

Anders Kristiansen	(Appointed 10 June 2013)
Tom Singh	(Appointed 10 June 2013)
Roger Wightman	(Appointed 31 May 2014)
Alistair McGeorge	(Appointed 10 June 2013, Resigned 31 May 2014)
Alastair Miller	(Appointed 26 March 2013, Resigned 11 April 2014)
Guy Lister	(Appointed 26 March 2013, Resigned 10 June 2013)

Dividends

Dividends declared and paid in the year have been disclosed in the Strategic report.

Future developments and financial risk management

Future developments and financial risk management have been disclosed in the Strategic report.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic report, Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial period. Under that law, the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (UK Accounting Standards and applicable law). Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial period and is currently in force. The Company also purchased and maintained throughout the financial period Directors' and Officers' liability insurance in respect of itself and its Directors.

Disclosure of information to auditors

In respect of each Director who was a Director at the time when the report was approved:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the Director has taken all steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information, and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Independent auditors

PricewaterhouseCoopers LLP, have been appointed as independent auditors and have expressed their willingness to continue in office as auditors. A resolution proposing their re-appointment will be proposed at the Annual General Meeting.

On behalf of the Board

Anders Kristiansen
Director

16 October 2014

New Look Finance Limited
Independent auditors' report to the members of New Look Finance Limited

Report on the financial statements

Our opinion

In our opinion the financial statements defined below:

- give a true and fair view of the state of the Company's affairs as at 29 March 2014 and of its profit for the financial period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by New Look Finance Limited, comprise:

- the balance sheet as at 29 March 2014;
- the profit and loss account for the financial period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) (ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Strategic report, Directors' report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Director's remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Statement of Directors's Responsibilities set out on page 4 the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Alan Kinnear (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Southampton

16 October 2014

New Look Finance Limited
Profit and loss account
For the financial period 26 March 2013 to 29 March 2014

	Notes	Financial period 26 March 2013 to 29 March 2014 £'000
Administrative expenses		**(259)**
Exceptional administration expenses	3	**(220)**
Total administrative expenses and operating loss on ordinary activities before interest and taxation		**(479)**
Exceptional income	4	**100**
Dividends received	5	**180,658**
Net interest payable and similar charges	6	**(63,586)**
Profit on ordinary activities before taxation	7	**116,693**
Tax on profit on ordinary activities	9	**—**
Profit for the financial period	15	**116,693**

All amounts relate to continuing operations.

The Company has no recognised gains and losses other than as shown above and therefore no separate statement of total recognised gains and losses has been presented.

There are no material differences between the profit on ordinary activities before taxation and the profit for the financial period stated above, and their historical cost equivalents.

The notes on pages 10 to 17 form part of these financial statements.

New Look Finance Limited
Balance sheet
As at 29 March 2014

	Notes	29 March 2014 £'000
Fixed assets		
Investments	10	**1,995,527**
Current assets		
Debtors	11	**47,566**
Cash at bank and in hand		**8**
Creditors: amounts falling due within one year	12	**(1,197,018)**
Net current liabilities		**(1,149,444)**
Total assets less current liabilities		**846,083**
Creditors: amounts falling due after more than one year	13	**505**
Net assets		**846,588**
Capital and reserves		
Called up share capital	14	**84**
Profit and loss account	15	**846,504**
Total shareholders' funds	16	**846,588**

The notes on pages 10 to 17 form part of these financial statements.

The financial statements on pages 8 to 17 were approved by the Board of Directors on 16 October 2014 and were signed on its behalf by:

Anders Kristiansen
Director

New Look Finance Limited
Company number: 8462233

1 Authorisation of financial statements

The financial statements of the Company for the financial period 26 March 2013 to 29 March 2014 were authorised for issue by the Board of Directors on 16 October 2014 and the balance sheet was signed on the Board's behalf by Anders Kristiansen. New Look Finance Limited is a private limited company incorporated and domiciled in England and Wales whose registered office is New Look House, Mercery Road, Weymouth, Dorset, DT3 5HJ.

2 Accounting policies

The financial statements for the period ended 29 March 2014 have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the UK. The principal accounting policies which have been applied consistently are set out below.

Basis of preparation

The Company is a wholly owned subsidiary of Trinitybrook Limited and is included in the consolidated financial statements of the Group, which are publicly available. The Company is therefore exempt from the requirement to prepare group consolidated financial statements by virtue of s400 of the Companies Act 2006. The Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996) "Cash flow statements". The Company has also taken advantage of the exemption, under the terms of FRS 8 "Related party disclosures", from disclosing related party transactions with entities that are part of the Group.

Finance costs

Interest payable and receivable is accounted for on the accruals basis, by reference to the principal outstanding and the applicable effective interest rate. All loans and borrowings are initially recognised at the fair value of the consideration received net of issue costs associated with the borrowing. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs and any discount or premium on settlement.

Taxation

Corporation tax payable is provided on taxable profits at the current rate. Deferred tax is provided in full on an undiscounted basis, on all timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in tax computations in periods different from those in which they are included in the financial statements.

A net deferred tax asset is regarded as recoverable and is recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be sufficient taxable profits in the foreseeable future from which the reversal of the underlying timing differences can be deducted.

Financial assets and liabilities

Financial assets and liabilities are presented in accordance with paragraphs 15-50 of FRS 25, "Financial instruments—presentation" as the Company has not adopted FRS 26, "Financial instruments—recognition and measurement". Interest rate swaps are used to hedge interest rate exposures arising on outstanding loans.

3 Exceptional administration expenses

During the financial period, the Company incurred costs of £220,000 in undertaking steps in connection with the Group refinancing transaction.

4 Exceptional income

During the financial period, New Look Retail Group Limited and its subsidiaries underwent a Group reorganisation. As part of the reorganisation Hamperwood Limited released the Company from an amount payable of £100,000.

5 Dividends received

	2014 £'000
Dividend received from Hamperwood Limited	**74,334**
In Specie dividend received from Hamperwood Limited	**106,324**
Dividends received	**180,658**

6 Net interest payable and similar charges

	2014 £'000
Interest receivable and similar income:	
Receivable from group undertakings	**37,239**
Revaluation gain on amounts owed to group undertakings	**11,195**
	48,434
Interest payable and similar charges:	
Payable to group undertakings	**(106,566)**
Amortisation of capitalised debt issue costs	**(3,425)**
Bank interest payable	**(2,029)**
	(112,020)
Net interest payable and similar charges	**(63,586)**

On 3 May 2013, New Look Retail Group Limited and its subsidiaries underwent a Group reorganisation and refinancing and issued senior secure bonds. These bonds were issued on 14 May 2013. The finance raised was used to repay the existing debt under the Senior and Mezzanine Facility Agreements and to acquire 50% of the outstanding PIK debt in cash, with the remaining PIK debt being acquired for a new PIK instrument at par value.

New Look Bondco I Plc issued the senior secured bonds which are made up of three tranches of Sterling, US dollar and Euro. The Sterling and US dollar bonds are at fixed coupon rates and the Euro bond is at the prevailing floating rate of interest based upon short-term inter-bank rates (EURIBOR) plus a fixed margin.

New Look Finance Limited settled 50% of the existing PIK debt in cash from Pedalgreen Limited and New Look Finance II Plc then issued a new PIK instrument in exchange for the remaining PIK debt. Interest on the new PIK debt is rolled into the carrying value of the debt although an option does exist to pay the PIK interest in cash. The PIK debt matures in full on 14 November 2018.

As a result of the Group reorganisation and refinancing a series of back-to-back loans were created between group companies to facilitate the financing. The interest rates applicable to the loans are the same as the underlying transactions with the financing institutions.

Total transaction costs incurred as part of the refinance were £25.2 million. Those costs that were directly attributable to the issue of the bonds were capitalised against the value of the new borrowings and are being amortised as a finance expense over the maturity period of the debt in the Group's financial statements. The Company incurred capitalised costs of £7,838,000 which are being amortised over two years.

Bank interest payable relates to interest charges on interest rate swaps which are transacted to ensure that the Group manages its cash outflows on the settlement of the US dollar bond.

7 Profit on ordinary activities before taxation

Audit fees of £5,000 are borne by another group company.

8 Directors' remuneration and staff costs

A Miller, T Singh, A McGeorge, G Lister and A Kristiansen were paid by New Look Retailers Limited for their services to the Group. Their services as Directors of the Company were incidental to their other services within the Group. The company has no employees.

9 Tax on profit on ordinary activities

	2014 £'000
Current tax:	
UK corporation tax on profit for the period	—
Deferred tax:	
Origination of timing differences	—
Impact of change in UK corporation tax rate	—
Total deferred tax	—
Tax on profit on ordinary activities	—

The standard rate of tax for the period, based on the UK standard rate of corporation tax is 23%. The actual tax result is different from the standard rate for the reasons set out in the following reconciliation:

	2014 £'000
Profit on ordinary activities before taxation	**116,693**
Profit on ordinary activities multiplied by the standard rate of tax in the UK of 23%	**26,839**
Effects of:	
Income not taxable	**(41,574)**
Group relief surrendered for nil consideration	**14,735**
Total current tax	—

The factors affecting the tax charge for the period are expected to continue to have a similar effect in future periods, with the exception of the tax rate applied as detailed below.

The Finance Act 2013 was substantively enacted on 2 July 2013 and reduced the main rate of corporation tax to 21% with effect from 1 April 2014 and 20% from 1 April 2015. Closing deferred tax balances have therefore been valued at 20%.

10 Fixed asset investments

	Investment in other group companies £'000
Acquired during the period	**1,995,527**
Cost and net book value at 29 March 2014	**1,995,527**

During the period New Look Retail Group Limited and its subsidiaries underwent a Group reorganisation. Trinitybrook Limited sold its investment in Hamperwood Limited to the Company (a new intermediate holding company). The Company now holds the direct investment in Hamperwood Limited. The Company also has a direct investment in New Look Finance II Plc and New Look Bondco I Plc.

Fixed asset investments represent holdings in subsidiary undertakings.

10 Fixed asset investments (continued)

The principal subsidiary companies in which the Company or its subsidiaries hold 100% of the ordinary shares and voting rights are as follows:

Subsidiary	Country of incorporation and operation	Principal activity
Hamperwood Limited[1]	England and Wales	Intermediate holding company
New Look Finance II Plc[1]	England and Wales	Intermediate holding company
New Look Bondco I Plc[1]	England and Wales	Intermediate holding company
New Look Group Limited	England and Wales	Intermediate holding company
New Look Limited	England and Wales	Intermediate holding company
New Look Retailers Limited*	England and Wales	Fashion retail
Geometry Properties Limited	England and Wales	Property holding and rental
New Look Overseas Limited	England and Wales	Intermediate holding company
New Look (Germany) GmbH	Germany	Fashion retail
New Look Retailers (Cl) Limited	Guernsey	Fashion retail
New Look Holdings (France) SAS	France	Intermediate holding company
Mim SAS	France	Fashion retail
SCI Geometry Properties France	France	Property holding and rental
New Look France SAS	France	Fashion retail
New Look Belgium SA	Belgium	Fashion retail
MIM Belgique	Belgium	Fashion retail
New Look Holland BV	Holland	Fashion retail
New Look (Singapore) PTE Limited	Singapore	Logistics and freight management
New Look Retailers (Ireland) Limited	Republic of Ireland	Fashion retail
Fashion Look Sp. Z.o.o.	Poland	Fashion retail
Cenzora Enterprises Limited	Cyprus	Intermediate holding company
New Look Commerce (Shanghai) Co. Limited	People's Republic of China	Fashion retail

1 Hamperwood Limited, New Look Finance II Plc and New Look Bondco I Plc shareholding held directly whilst all others held indirectly through wholly owned subsidiaries.

* New Look Retailers Limited also has a 50% stake in the ordinary share capital of NLT Tekstil Sanayi Ve Ticaret Limited Sirketi, a joint venture incorporated in Turkey, whose principal trading activity is retail manufacturing.

The Directors believe that the carrying value of the investments is supported by their underlying net assets or by the projected earnings of their subsidiaries.

11 Debtors

	2014 £'000
Amounts owed by group undertakings	**47,546**
Prepayments	**20**
	47,566

Amounts owed by group undertakings are unsecured and repayable on demand.

As part of the group refinancing undertaken in May 2013, the Company bought in £373,177,316 of the old "PIK" debt directly from the PIK holders. The Company also bought in the remaining PIK debt of £373,177,316 in exchange for the issue of new PIK by New Look Finance II Limited.

This left an amount due from Pedalgreen Limited of £746,354,631 plus accrued interest to 15 May 2013 of £1,352,834. This receivable was partially offset by £326,987,939 in partial settlement of the Company's payable

11 Debtors (continued)

to Pedalgreen Limited arising on the acquisition of Hamperwood Limited. This left a remaining balance of £420,719,526 on which interest was charged to Pedalgreen Limited at LIBOR plus 9% and capitalised to the loan balance at the end of each interest period.

At 29 March 2014 the Company offset a further £410,719,526 of the PIK accrued interest Pedalgreen Limited owes to the Company. The remaining outstanding balance of £10,000,000 is the original principal amount. At 29 March 2014 £45,886,319 is receivable from Pedalgreen Limited, which consists of £10,000,000 principal plus interest of £35,886,319.

12 Creditors: amounts falling due within one year

	2014 £'000
Amounts owed to group undertakings	**(1,200,211)**
Capitalised debt issue costs (note 6)	**3,908**
Accruals and deferred income	**(715)**
	(1,197,018)

Included above is an amount due to New Look Bondco I Plc of £812,851,682 which reflects the back-to-back loan between the Company and New Look Bondco I Plc and which has all the same terms and conditions as the issued senior secured bonds held by New Look Bondco I Plc. Interest is payable by the Company based on the cash margin % applicable to the senior secured bonds which ranges from 6.25% to 8.75% plus £50,000 per annum. The senior bonds are repayable in full on 14 May 2018 with an early repayment option after 2 years.

Also included above is an amount due to New Look Finance II Plc of £377,366,010 which relates to a back-to-back loan between the Company and New Look Finance II Plc which has all the same terms and conditions as the new PIK debt and interest is payable at a fixed 12% margin plus £50,000 per annum.

There is no interest payable on the other intercompany balances.

13 Creditors: amounts falling due after more than one year

	2014 £'000
Capitalised debt issue costs (note 6)	**505**

14 Called up share capital

Allotted and fully paid:	
836,219,374 shares of £1 each	**836,219**
Capital reduction 836,219,374 from £1 nominal value to £0.0001	**(836,135)**
At 29 March 2014—836,219,374 shares of £0.0001 each	**84**

15 Profit and loss account

	2014 £'000
Profit for the financial period	**116,693**
Dividend paid	**(106,324)**
Capital reduction	**836,135**
At 29 March 2014	**846,504**

16 Reconciliation of movements in shareholders' funds

	2014 £'000
Share capital issued	**836,219**
Profit for the financial period	**116,693**
Dividend paid	**(106,324)**
Net increase in shareholders' funds	**846,588**
Opening shareholders' funds	**—**
Closing shareholders' funds	**846,588**

17 Related party transactions

Transactions with other group companies have not been disclosed, in accordance with the exemption permitted by FRS 8 "Related party disclosures". There were no other related party transactions which require disclosure in accordance with FRS 8 "Related party disclosures".

18 Contingent liability

The Company is party to a cross guarantee on the UK borrowing facilities of the New Look Retail Group Limited Group, which amounts to £75.0 million undrawn committed revolving multi-currency facility. This facility expires in more than one year.

To establish the relative rights of creditors under the Group's financing arrangements, the Company entered into an Intercreditor Agreement on 14 May 2013 with the Security Agent, the lenders under the Group's Senior Facilities Agreement, the Senior Agent under the Group's Senior Facilities Agreement and Deutsche Trustee Company Limited. The Intercreditor Agreement is governed by English law and sets out the relative ranking of certain indebtedness of the Debtors, the relative ranking of certain security granted by the Debtors, when payments can be made in respect of debt of the Debtors, when enforcement action can be taken in respect of that indebtedness, the terms pursuant to which certain of that indebtedness will be subordinated upon the occurrence of certain insolvency events and turnover provisions.

The Company is part of the guarantor group under the financing arrangements and as such is an obligor to the debenture.

19 Events after the reporting period

On 5 September 2014, the Group entered into an agreement with Main Asia HK Limited (a company based in Hong Kong), for the sale of its investments in MIM Belgique, MIM SAS and SCI Geometry Properties France. The sale is expected to complete in November 2014. The purchase price of approximately €18m will be received in two tranches - €5m deposit received on 5 September 2014 and the balance on completion.

20 Ultimate parent undertaking and controlling party

The immediate parent undertaking is Trinitybrook Limited, a company incorporated in England and Wales.

New Look Retail Group Limited, the ultimate parent and controlling party, is the parent undertaking of the smallest and largest group to consolidate these financial statements. The financial statements of New Look Retail Group Limited can be obtained from New Look House, Mercery Road, Weymouth, Dorset, DT3 5HJ or online at www.newlookgroup.com.

The Apax Funds own 27.7% and the Permira Funds own 27.6% of the total issued share capital of the Group.

New Look Secured Issuer Plc
Balance sheet
As at 28 May 2015

	Unaudited 28 May 2015 £
Current assets	
Amounts owed from group undertakings	**50,000**
Cash at bank and in hand	**—**
Creditors: amounts falling due within one year	**—**
Total assets less current liabilities	**50,000**
Creditors: amounts falling due after more than one year	**—**
Net assets	**50,000**
Capital and reserves	
Called up share capital	**50,000**
Profit and loss account	**—**
Total shareholders' funds	**50,000**

New Look Secured Issuer Plc
Company number: 9613066

New Look Senior Issuer Plc
Balance sheet
As at 28 May 2015

	Unaudited 28 May 2015 £
Current assets	
Amounts owed from group undertakings	**50,000**
Cash at bank and in hand	—
Creditors: amounts falling due within one year	—
Total assets less current liabilities	**50,000**
Creditors: amounts falling due after more than one year	—
Net assets	**50,000**
Capital and reserves	
Called up share capital	**50,000**
Profit and loss account	—
Total shareholders' funds	**50,000**

New Look Senior Issuer Plc
Company number: 9612440

THE ISSUERS

New Look Secured Issuer plc
New Look Senior Issuer plc
Mercery Road
Weymouth
Dorset DT3 5HJ
United Kingdom

LEGAL ADVISORS

To the Issuers

As to matters of U.S. and English Law
Simpson Thacher & Bartlett LLP
CityPoint, One Ropemaker Street
London EC2Y 9HU
United Kingdom

To the Initial Purchasers

As to matters of U.S. Law
Shearman & Sterling (London) LLP
9 Appold Street
London EC2A 2AP
United Kingdom

As to matters of English Law

Allen & Overy LLP
Spitalfields Arts Market
1 Bishops Square
London E1 6AD
United Kingdom

To the Trustee

White & Case LLP
5 Old Broad Street
London EC2N 1DW
United Kingdom

INDEPENDENT ACCOUNTANTS

PricewaterhouseCoopers LLP
Savannah House
3 Ocean Way Southampton
SO14 3TJ
United Kingdom

REGISTRAR AND TRANSFER AGENT

Deutsche Bank Luxembourg S.A.
2, Boulevard Konrad Adenauer
L-1115 Luxembourg
Grand Duchy of Luxembourg

LUXEMBOURG LISTING AGENT

Deutsche Bank Luxembourg S.A.
2, Boulevard Konrad Adenauer
L 1115 Luxembourg
Grand Duchy of Luxembourg

SECURITY AGENT

Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

TRUSTEE

Deutsche Trustee Company Limited
Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

PAYING AGENT

Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

ESCROW AGENT

Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

£1,201,200,000 (equivalent)

New Look Secured Issuer plc
New Look Senior Issuer plc

£700,000,000 6.5% Senior Secured Notes due 2022

€415,000,000 Floating Rate Senior Secured Notes due 2022

£200,000,000 8.0% Senior Notes due 2023

NEW LOOK

LISTING CIRCULAR

Joint Global Coordinators and Bookrunning Managers

Goldman Sachs International **J.P. Morgan** **Nomura**

Joint Bookrunners

Deutsche Bank **HSBC** **Lloyds Bank** **The Royal Bank of Scotland**