

SimplyBe  
FASHION WITHOUT LIMITS

**Jacamo**  
IT'S NO ORDINARY MENSWEAR COLLECTION

**fashion**  
WORLD

Julipa  
your personal department store

J Williams  
Look great, feel good

**Premier**  
MAN

Marisota\*  
Designed with you in mind

**N BROWN GROUP PLC**  
**FULL YEAR RESULTS 2013**

**Fifty plus**

**HIGH AND MIGHTY**  
CLOTHES MAKE THE MAN

HOUSE of BATH  
HOME OF INSPIRATION

GRAY & OSBOURN

 figleaves

# BRAND PORTFOLIO



<p><b>Ladieswear</b></p>	<p>SimplyBe sizes 14 to 32</p> <p><b>fashion</b> WORLD SIZES 12-34</p>	<p>Marisota* Designed with you in mind</p> <p>J Williams Look great, feel good</p> <p>Fifty plus Fashion that fits your lifestyle</p> <p>Julipa</p>
<p><b>Menswear</b></p>	<p><b>Jacamo</b> IT'S NO ORDINARY MENSWEAR COLLECTION</p>	<p>HIGH AND MIGHTY CLOTHING MAKE THE MAN</p> <p>Premier MAN</p>
<p><b>Stand Alone Upmarket Brands</b></p>	<p> figleaves</p>	<p>GRAY &amp; OSBOURN 0871 987 1166</p> <p>HOUSE of BATH HOME OF INSPIRATION</p>

# RESULTS SUMMARY

		53 Weeks		52 Weeks	
	2013 £m	2012 £m	%	2012 £m	%
<b>Revenue</b>	784.7	753.2	+4.2	740.3	+6.0
<b>Operating Profit</b>	102.2	102.0	+0.2	99.1	+3.1
<b>Adjusted Pre-tax Profit</b>	95.1	95.6	-0.5	92.7	+2.6
<b>Adjusted EPS (p)</b>	28.15	28.91	-2.6	28.16	-
<b>Total Dividend (p)</b>	13.68	13.03	+5.0	13.03	+5.0

# RESULTS SUMMARY

£m	Revenue			Operating Profit		
	2013	2012	%	2013	2012	%
Reported	784.7	740.3	+6.0	102.2	99.1	+3.1
International	(30.2)	(30.7)		1.9	1.5	
Stores	(4.6)	(0.7)		2.2	0.4	
Incremental Recruitment	-	-		2.7		
<b>Underlying</b>	<b>750.1</b>	<b>708.9</b>	<b>+5.9</b>	<b>109.0</b>	<b>101.0</b>	<b>+7.9</b>

# KEY FEATURES

- Strongest revenue growth since 2009 + 5.5% LFL
- Recruitment costs +£6m
  - impact on 2012/13 profit
  - growth in active customers
- Online growth trend continues
- Price cuts drives strong home & gift sales
- Winning market share
- Strategic investment in International and stores
- Current trading +6.1% LFL

# HOME SHOPPING CUSTOMERS

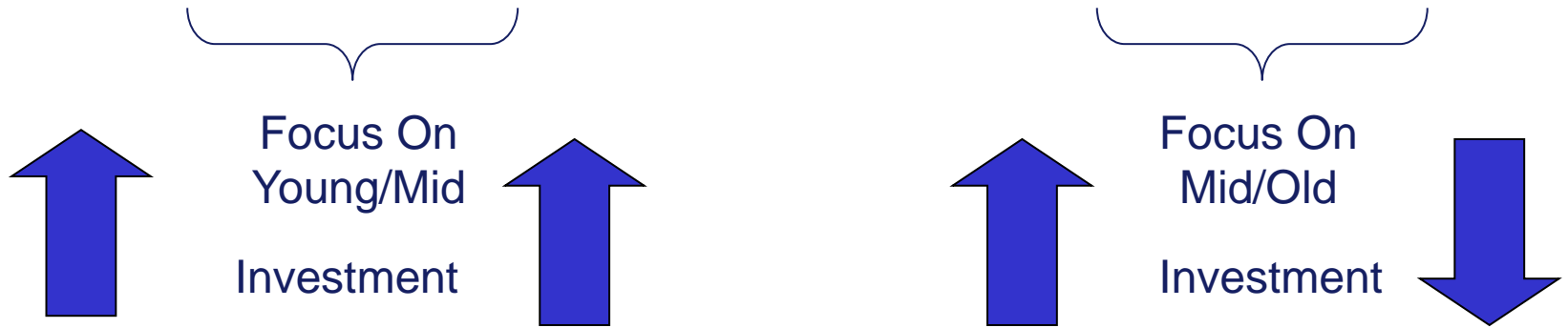
Brands	Target Age	£m	% of Total	% Change
	<50	305	39	+15
SimplyBe sizes 14 to 32		jacamo IT'S NO ORDINARY MENSWEAR COLLECTION	fashion LONDON SIZES 12-34	figleaves
	>50	480	61	+1
Jwilliams Look great, feel good		Marisota Designed with you in mind	HOUSE of BATH HOME OF INSPIRATION	Julipa
		<b>785</b>	<b>100</b>	<b>+6</b>

- New Customer Sales +24%
  - Active established customer accounts +1%
  - Sales per established customer account +2%
- +6% 12m actives

# CUSTOMER RECRUITMENT

Online                      TV/2<sup>nd</sup> Stage                      Mini Catalogues                      Press Advertising

TY	34%	20%	14%	32%
LY	31%	18%	12%	37%



64% of all first orders are placed online

# HOME SHOPPING PRODUCTS

	Revenue £m	% of Total	% Change
Ladieswear	362	46	+1
Footwear	87	11	+5
Menswear	100	13	+8
Home & Leisure	236	30	+15
	<b>785</b>	<b>100</b>	<b>+6</b>

Ladieswear 52% Size 20-38

Corsetry { 76% D-L Cup  
83% 38-56" Back

Menswear 81% 38"- 64" Waist

Footwear { 78% E-EEEEEE  
40% Size 7+



# PRODUCT USPS



**MAGISCUPT**  
IT'S ALL UNDER CONTROL

3 LEVELS OF CONTROL - LIGHT, MEDIUM & FIRM

- 1 LIGHT CONTROL - SMOOTH LINES
- 2 MEDIUM CONTROL - CURVE SUPPORT
- 3 FIRM CONTROL - ALL ROUND POWER

WITH BODYSHAPING TECHNOLOGY & SHAPE ENHANCING SOLUTIONS



**WOW TRULY**

OPTICAL ILLUSION DESIGNS TO BOOST YOUR CURVES

ILLUSION THROUGH DESIGN  
Clever touches to draw the eye



*Dolcis*



**Wide Fits**

**E**

**EEE**

# CELEBRITIES & DESIGNERS



**jeffrey & paula**

**ANNA SCHOLZ**  
FOR SIMPLY BE

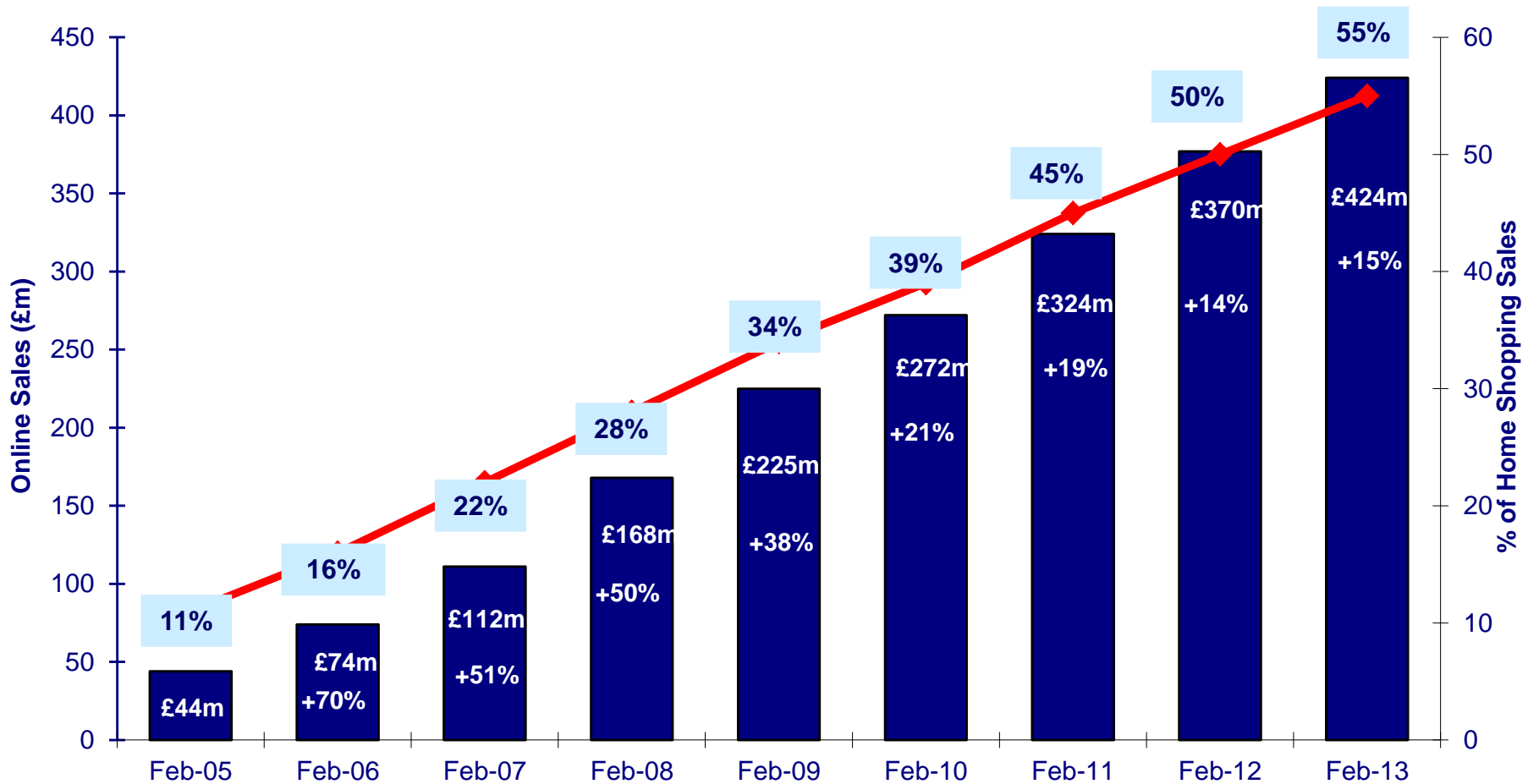


# PRODUCT GROSS MARGIN RATE



	<b>SS12</b>	<b>AW12</b>	<b>12/13</b>
Product mix	-ve	--ve	
Amazing value lines	--ve	-ve	
Marketing discounts	-	+ve	
Stock clearance	-	+ve	
Online trading	-ve	-ve	
<b>Net impact</b>	<b>-90bps</b>	<b>+220bps</b>	<b>+70bps</b>

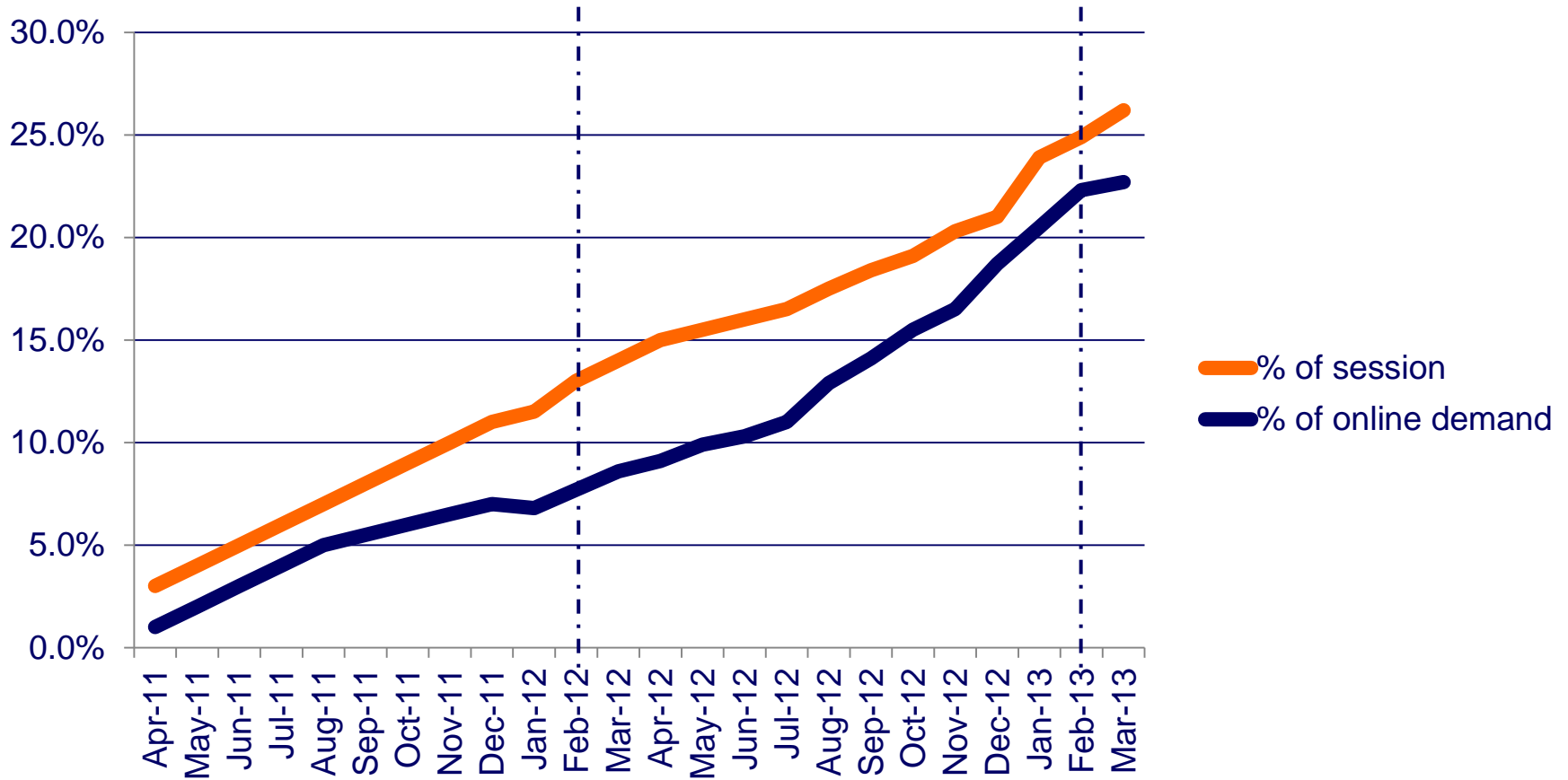
# INTERNET PENETRATION



# INTERNET SALES BY CUSTOMER GROUP

Brand Target Age	% Penetration		% Growth
	TY	LY	
<50	72	67	+22
>50	44	41	+8
	<b>55</b>	<b>50</b>	<b>+15</b>

# MOBILES & TABLETS



- All sites/emails/adverts optimised
- Anytime. Anywhere
- Save time. Kill time

# ONLINE SALES DRIVERS

- Mobile
- Recruitment & customer mix
- PPC and SEO – retargeting
- Online exclusives - £42m
- Email programme – 130m >1000 campaigns
- Site developments - conversion rate optimisation
  - size guides
  - page load speed
- Social media – high engagement scores
- AOV £76 + 25% vs. offline
- Visitors > 1m/week
- Page views > 24m/week

# CUSTOMER SERVICE

- Next day delivery cut-off from 2pm – 6pm
- Next day delivery income +25%
- Contact Centre orders -9%
  - Affinity sales +£15m
- Lowest ever claims for G.L.I.T: 0.21%
- Enquiry to order ratio improved by 5.4%



# INTERNATIONAL

	Revenue		Operating Profit/(Loss)	
	2013	2012	2013	2012
Ireland	14.2	16.7	1.7	3.3
Figleaves	5.4	5.6	0.3	-
Simply Be USA	8.4	4.8	(3.0)	(3.5)
Simply Be Germany	2.2	3.6	(0.9)	(1.3)
<b>Total</b>	<b>30.2</b>	<b>30.7</b>	<b>(1.9)</b>	<b>(1.5)</b>

- USA
  - Drive recruitment
  - Customise offer
  - Marisota & Jacamo
  - Improve service
- Figleaves
  - Focus on USA
- Germany
  - Online only
  - International portal
- Ireland
  - Price transparency
  - Improve website

# MULTICHANNEL STORES



## 2012/13

- Opened Simply Be
  - Gateshead, Teesside, Leicester, Doncaster, Manchester
- Added Jacamo
  - Gateshead, Liverpool, Leicester,
  - 46% sales
- Results- Revenue £4.6m
  - Loss £2.2m
- Online halo +6%

## 2013/14

- Add Jacamo
  - Teesside, Bury
- Evaluate ROCE
- Operational improvements
- Increase credit take-up
- Identify new sites

# RESULTS SUMMARY

- Strong growth from
  - <50 brands
  - Recruitment
  - USPs and pricing
  - Online
- Product gross margin recovered
- Strategic investments
  - USA
  - Stores
- H2 +7.1% LFL

**N Brown Group plc**

**DEAN MOORE**  
**Group Finance Director**

# HIGHLIGHTS

52 weeks to 2 March 2013

	2013	2012	vs.LY
	£m	(52 wks) £m	%
Turnover	784.7	740.3	+6.0%
Operating profit	102.2	99.1	+3.1%
Trading profit	95.1	92.7	+2.6%
Pre-tax profit	96.4	94.0	+2.6%
Adjusted earnings per share	28.15p	28.16p	-
Dividends per share	13.68p	13.03p	+5.0%
Borrowings	188.7	192.5	-2.0%
Receivables	527.8	501.8	+5.2%

# GROUP TRADING ACCOUNT

52 weeks to 2 March 2013 (vs 52 weeks)

	2013	2012	vs.LY
	£m	£m	%
	52 wks	52 wks	
Group Turnover	784.7	740.3	+6.0%
Gross Profit	416.1	392.0	+6.1%
Gross Margin %	53.0%	53.0%	-
Distribution Costs	(66.3)	(63.8)	+3.9%
Sales and Administration	(247.6)	(229.1)	+8.1%
Group Operating Profit	102.2	99.1	+3.1%
Operating Margin	13.0%	13.4%	

# GROUP PROFIT & LOSS ACCOUNT

52 weeks to 2 March 2013 (vs 52 weeks)

	2013	2012	vs.LY
	£m	£m	%
	52 wks	52 wks	
Group Operating Profit	102.2	99.1	+3.1%
Finance Costs (net)	(7.1)	(6.4)	+10.9%
Group Trading Profit	95.1	92.7	+2.6%
Unrealised FX movement	1.3	1.3	-
Profit Before Tax	96.4	94.0	+2.6%
Taxation	(17.0)	(15.2)	+11.8%
Profit After Tax	79.4	78.8	+0.8%

# REVENUE SPLIT

52 weeks to 2 March 2013

	<b>2013</b> <b>£m</b>	<b>2012</b> <b>£m</b>	<b>vs.LY</b> <b>%</b>
Product Sales	557.8	526.5	+5.9
Services	226.9	213.8	+6.1
	<hr/> 784.7	<hr/> 740.3	<hr/> +6.0



# PRE-TAX MARGIN

52 weeks to 2 March 2013

• Gross Margin	Product	+70bps
	Bad Debt /Financial Income Yield	-70bps
• Operating Costs	Store Expansion	
	Recruitment Drive	
	Depreciation	-40bps
• Pre-tax margin (12.1%)		-40bps

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# NET ASSET SUMMARY

At 2 March 2013

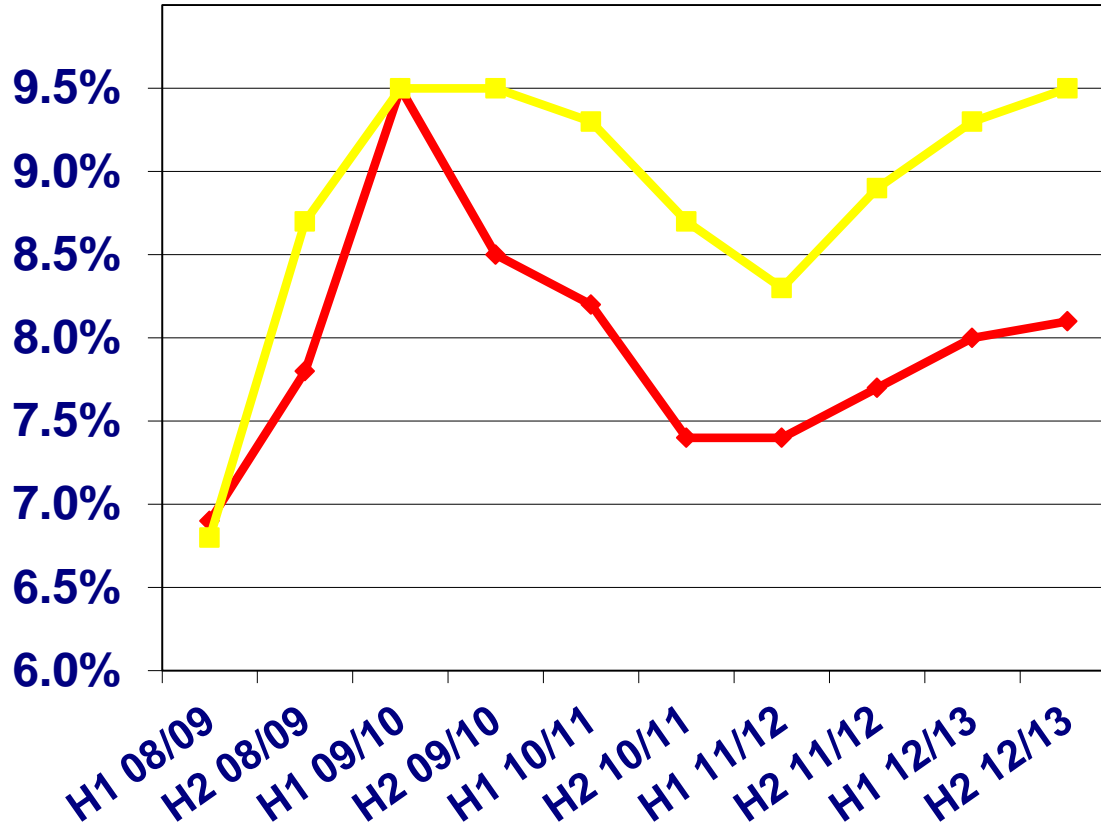
	2013 £m	2012 £m	vs.LY %
Non Current Assets	139.4	131.9	+5.7%
Inventories	86.5	82.6	+4.7%
Receivables/Prepayments	549.9	522.0	+5.3%
Creditors/Accruals	(137.8)	(140.7)	-2.1%
Retirement Benefit Deficit	(3.3)	(1.0)	-
Net Borrowings	(188.7)	(192.5)	-2.0%
	<hr/> 446.0	<hr/> 402.3	<hr/> +10.9%
Gearing	42%	48%	

# RECEIVABLES AND PROVISIONING

52 weeks to 2 March 2013

	2013 £m	2012 £m	vs. LY
Gross Trade Receivables	583.5	551.1	+5.7%
Opening Bad Debt Provision	49.3	45.1	
Bad Debt Charge	63.2	58.0	+9.0%
Debtors Written Off	(56.8)	(53.8)	+5.6%
Closing Bad Debt Provision	55.7	49.3	+13.0%
Bad Debt Provision %	9.5%	8.9%	
Bad Debt Charge %	8.1%	7.7%	
Average Balance	380	354	+7.3%

# BAD DEBT PERFORMANCE



- Policy based on recruitment drive
- Arrears remain stable
- Cash collect remain strong
- Recovery rates strengthened

◆ Charge % Turnover

■ Provision % Receivables

# OPERATING CASHFLOW

52 weeks to 2 March 2013

	2013	2012
	£m	£m
Operating Profit	102.2	102.0
Depreciation & Amortisation/Share Option Charge	21.1	18.4
Increase in Stock	(3.9)	(4.5)
Increase in Receivables	(26.4)	(30.7)
Increase/(Decrease) in Payables	3.1	(7.5)
	<hr/>	<hr/>
	96.1	77.7
Pension Obligation	(1.9)	(1.6)
Cash Generated from Operations	<hr/>	<hr/>
	94.2	76.1

# GROUP CASHFLOW

52 weeks to 2 March 2013

	2013	2012
	£m	£m
Cash generated from Operations	94.2	76.1
Taxation Paid	(21.8)	(19.6)
Dividends Paid	(36.8)	(35.0)
Investing Activities	(25.0)	(24.9)
Share Issue (Purchases)/Proceeds	-	(0.4)
Finance Costs (net)	(6.8)	(7.8)
Net Cash Inflow/(Outflow)	3.8	(11.6)
Opening Borrowings	(192.5)	(180.9)
Closing Borrowings	(188.7)	(192.5)
Total Bank Facilities in place until March 2016	379.0	379.0

**N Brown Group plc**

**ALAN WHITE  
CHIEF EXECUTIVE**

# KEY AREAS OF FOCUS 2013/14





# REVENUE DRIVERS

Product  
Dev't

Increase market share in USPs

Brand  
Dev't

Buying and marketing reorganisation

Terms of  
Trade

Promote account and cash options

Customer  
Service

Expand delivery options

Int'l

Increase penetration in USA

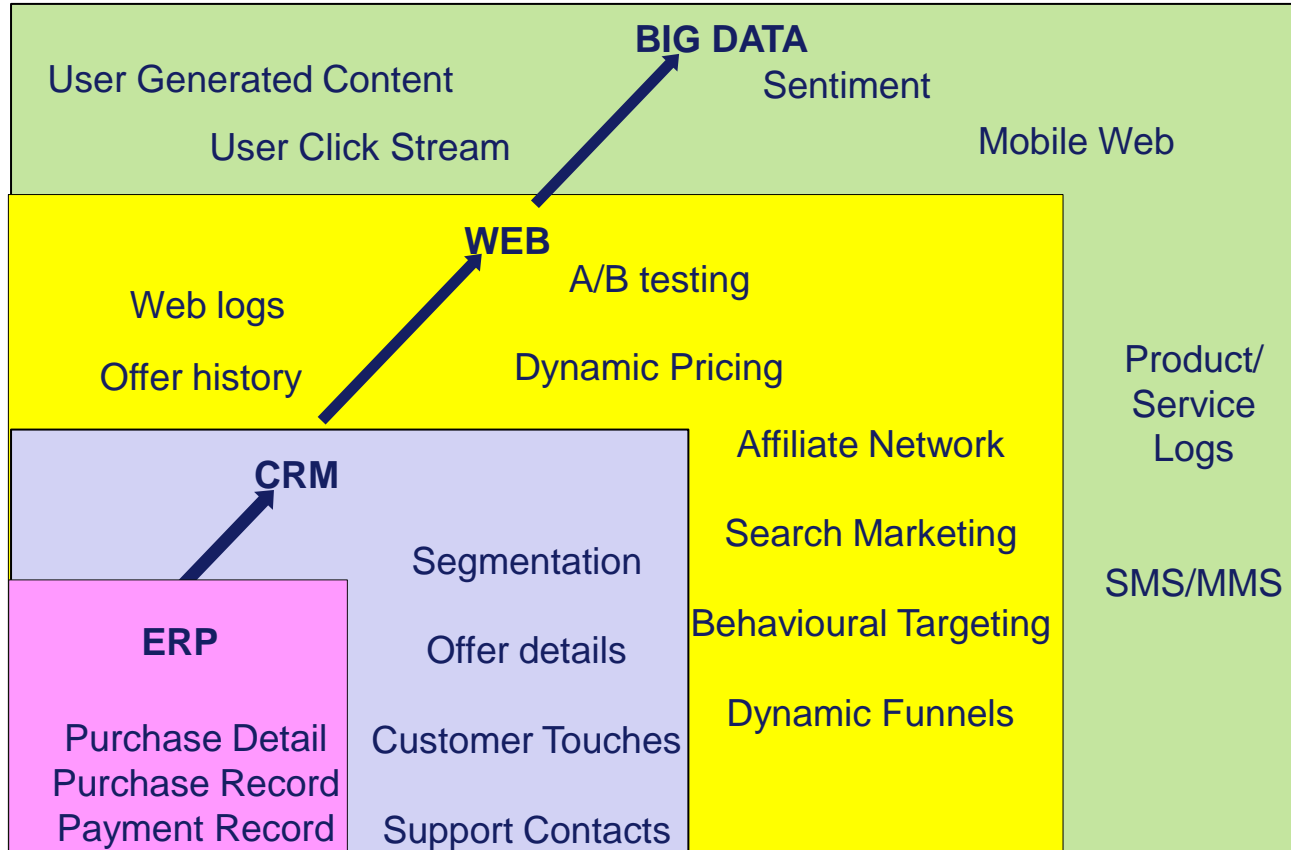
M'channel  
Stores

Improve and expand stores

Online  
Trading

Trade the web channel

# ONLINE PERSONALISATION JOURNEY



# PROFIT DRIVERS

Online  
Trading

Operational cost savings

Contact  
Optimisation

Reduce catalogue mailings

M'channel  
Stores

Increase credit penetration

# CURRENT TRADING – 7 WEEKS TO 20 APRIL 2013

- Total Sales 6.3%
- Like for Like 6.1%
- Menswear & Home strong, Ladieswear soft
- Summer of 2012 – wet comps
- Gross Margin – mix effect

# SUMMARY

- Good organic growth
- Strong financial position
- High revenue and capital investment levels
- Increased dividend
- Current trading promising
- Group board changes

# **N Brown Group plc**

## **FULL YEAR RESULTS 2013**