For Immediate Release 6 May 2015

boohoo.com plc - results for the year ended 28 February 2015

"The Global Fashion Leader for a Social Generation"

£000	**Year ended 28 February 2015**	Year ended 28 February 2014	Change
Revenue	**139,851**	109,791	*+27%*
Gross profit	**85,045**	64,912	*+31%*
Gross margin	***60.8%***	*59.1%*	*+170bps*
Operating profit (pre-exceptional)	**11,832**	11,196	*+6%*
Operating profit	**10,578**	10,821	*-2%*
Adjusted EBITDA(2)	**14,126**	12,175	*+16%*
Profit before tax	**11,068**	10,737	*+3%*
		pro forma(1)	
Gross profit	**85,045**	68,900	*+23%*
Gross margin	***60.8%***	*62.8%*	*-200bps*
Adjusted EBITDA(2)	**14,126**	16,007	*-12%*

(1): Adjustment to 28 February 2014 to reflect direct sourcing by boohoo.com plc, not via (now discontinued) related party companies;
(2): Adjusted EBITDA is pre-exceptional costs of £1.3m and share-based payment costs of £0.3m

Financial Highlights

- Revenue up 27% (31% CER(3))
  - UK up 33%, rest of Europe up 39% (47% CER), rest of world up 7% (16% CER)
  - One third of revenue is generated outside the UK
- Gross margin 60.8%
- Adjusted EBITDA £14.1m, 10.1% of revenue
- Strong balance sheet with net cash of £54.1m

Operational Highlights

- Over three million active customers(4), up 29% on prior year
- New fully responsive website a success with 64% of traffic via mobile device, up from 47% in the prior year
- International growth accelerated through focus on key markets
- Investment in warehouse increasing capacity by 33%, with extension to be completed mid-2015
- Successful implementation of new warehouse management system
- Product range continues to be extended with the successful launch of boohoo Petite and boohoo FIT, adding to the rapidly growing boohoo Plus range

(3): CER designates Constant Exchange Rate translation of foreign currency revenue
(4): Active customers defined as having shopped in the last year

Mahmud Kamani and Carol Kane, joint CEOs, commented:

"We are pleased to report a year of significant progress on so many fronts. While delivering a result in line with our revised guidance, we have also taken major steps operationally to ensure boohoo is prepared for the anticipated growth ahead.

Our customers' reaction to our product ranges across markets continues to be very encouraging and we are excited by our new launches including petite, fit and forthcoming tall collections and the success of our rapidly growing plus size collection.

We continue to invest in the brand as we develop in key markets (UK, Australia, USA, Ireland and France) where we see the greatest long term growth potential. All the while we are constantly improving the customer experience and our country specific pricing remains agile to ensure we stay on top of our game.

As we focus on growth and creating value for our shareholders, we have made the investment to support the business including new systems, an expanded warehouse and enlarged and stronger teams.

We remain confident in our proven business model and in the continued development of the on-line fashion market globally in which we are steadily increasing our market share. Having increased marketing spend towards levels seen in the first quarter last year (as a percentage of sales) we have seen a good start to the new financial year with improved momentum in the UK. Our international momentum has continued, reflecting greater focus on our key markets. Overall, the business continues to trade in line with management's expectations."

Investor and Analyst Meeting

A meeting for analysts will be held today at the office of Buchanan, 107 Cheapside, London, EC2V 6DN commencing at 9.00am. boohoo.com plc's results 2015 are available at www.boohooplc.com.

For further information:

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About boohoo.com

"24/7 Global Fashion"

Keeping one step ahead of the trends or making a subtle style change is easy with boohoo.com and with up to 100 pieces hitting the site every day and a new collection each week, boohoo.com never stops - it's 24/7 fashion at its best.
From the UK's best kept fashion secret to one of the fastest growing own brand, international e-tailers, boohoo.com has quickly evolved into a global fashion leader of its generation. Combining cutting-edge, aspirational design with an affordable price tag, boohoo.com has been pushing boundaries since 2006 to bring its customers all the latest looks for less.

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boohoo.com plc – final results for the year ended 28 February 2015

"The Global Fashion Leader for a Social Generation"

Performance during the year

We achieved revenue of £139.9 million, up 27% (31% CER) for the year ended 28 February 2015.

Our largest market continues to be the UK, where revenue for the year grew by 33%. Revenue growth in the first half of the year in the UK was strong at 47% and moderated in the second half to 22%. The lower second half growth rate was impacted by heavy discounting by UK high street retailers arising from the warm autumn season.

Revenue in the rest of Europe grew by 39% (47% CER), and despite the impact of the weakening euro, we were able to maintain momentum by re-pricing competitively. Rest of the world growth was also impacted by adverse currency movements in the first half, when revenues declined by 11%, but recovered in the second half after implementation of a re-pricing strategy in Australia. Second half growth in rest of the world was 29% (33% CER), a substantial turnaround, and the resultant full year growth was 7% (16% CER).

Gross margin was 60.8% in spite of investing in our pricing proposition globally and adverse exchange rate movements. Adjusted EBITDA was £14.1 million for the year, an increase of 16% on the prior year reported figure, reflecting the infrastructure investment in the conversion to a publicly-listed company and foundations built for sustainable future growth.

International expansion

International sales growth was 17% (26% CER), assisted by the creation of new foreign language sites, multiple payment methods, currency options and locally optimised marketing strategies, but fell short of our expectations in some countries.

Revenue growth in the rest of Europe was 39% (47% CER). Growth in France was particularly strong whilst growth in Germany, Spain and Scandinavia was strong but from a low base and did not reach the levels we had expected. Despite adverse currency movements we remained price competitive in our key markets.

In Australia, sales declined in the first half of the year as currency movements eroded our competitive pricing advantage. When the pricing was re-based in the summer, sales returned to growth on a constant currency basis. Australia is our second largest market and we appointed a dedicated country manager to direct marketing activity to improve its effectiveness and extend our reach. boohoo.com moved up three places to seventh position in Hitwise internet traffic rankings in Australia, reflecting our improving market position and the success of our marketing campaigns.

Following a major brand marketing campaign in New York City in autumn 2014, including a pop-up store, growth in US sales accelerated and attained 44% CER for the year. Marketing was carefully targeted to our audience through college ambassador programmes, media events and social media. The US market remains a significant opportunity for growth and our recent success based on a relatively modest marketing spend suggests there is unfulfilled appetite for affordable fast fashion.

Fashion

The ability of our talented teams to identify the very latest fashion trends and convert them into product offerings in short timeframes is demonstrated by the launch of up to 100 new styles every day, with constant "new in" updates on our websites. The combination of high fashion, great value prices and effective marketing encourages customers to shop for every occasion on a regular basis from a choice of over 10,000 styles. Our test-and-repeat model reduces stock holding risk, whilst rapid response enables us to reorder strong selling lines to quickly satisfy demand.

Our core womenswear ranges have continued to grow well, with dresses being our largest category, followed by women's tops and then footwear. We have continued to broaden our product ranges and this has also been integral to revenue growth. Menswear grew by 39% and now represents 4.2% of total sales and a significant opportunity for future growth.

boohoo Plus, a range of larger women's sizes, attracted much media attention, being voted "Best for Curves" in Cosmopolitan Magazine's fashion awards in September 2014. Sales growth has been outstanding, from zero to 2.8% of group sales in the year, and we continue to develop this range to capitalise upon the global potential of this sector. We see significant opportunity for smaller sizes and boohoo Petite, which was launched in the autumn, has made a very promising start.

Our range of active wear, boohoo FIT, was launched in December 2014 and has performed well in the "back-to-health" period following Christmas. For autumn/winter 2015, we continue to broaden our product range and will create a tall range of womenswear, boohoo Tall.

Marketing

Our summer 2014 marketing campaign, "#experienceeverything", was highly successful, trending in the UK on launch, and driving sales growth and new customer acquisitions. The message was delivered through TV advertising across our key markets, as well as above the line advertising on the underground, digital display, banners and video, blogger outreach, and direct mail.

The autumn campaign, "#wherewestand", launched on social media, had a strong music element and went into the UK top 10 adverts on Shazam within the first week of launch. We have developed a number of associations with successful music artists, which are highly complementary to the interests of many of our target consumers. Such associations enable us to extend our reach and appeal to a larger audience.

Our social media team is highly skilled in identifying influencers and trends in fashion and music. We constantly feature highly on a range of social media sites. Influencers, such as international blogger Nadia Aboulhosn, who supported our plus size range with live tweets in the autumn with a reach of 1.4 million followers, and YouTube star Zoella with 7.8 million subscribers, who posted videos wearing boohoo outfits, generate significant consumer interest and immediate increases in visitors to our website.

In the USA, we created a "pop-up shop" in New York to support a series of promotional events, including music sessions, blogger meet and greets, a student ambassador programme and college fashion weeks in several states. Results from the campaign were highly successful, driving a greatly increased growth rate in US sales over the following months. In Australia, the summer campaign included outdoor advertising, blogger outreach, online activity and TV advertising, driving a turnaround in revenue growth in the second half of the year.

Our spring/summer 2015 campaign is entitled "#WeAreUs" and will feature an innovative approach to marketing with behind-the-scenes videos relating to the brand and its people, shown on boohoo TV and social media, where customers can share images, music, health and lifestyle tips. We expect this style of marketing to be engaging with our young consumers, who enjoy developing connections with their interest groups. The aim of the campaign is to drive loyalty through building a greater emotional connection with our customers, expressing our brand personality and the core values of fun, inclusivity and individuality.

Marketing expenditure was 13.2% of revenue over the year compared to 14.0% in the previous year. Marketing expenditure in the second half of the year was reduced in territories where the growth rates had slowed and was redirected to key markets with greater potential (namely UK, Australia, USA, Ireland and France). The strategy for the next financial year is to continue to focus marketing expenditure on those key markets, with a moderate level in developing markets.

Customer interaction

Traffic to our websites continues to grow strongly, with 159 million sessions recorded in the year, up 25% on the previous 12 months. The number of customers we served in the 12 months to 28 February 2015 reached 3.0 million, up from 2.3 million in the previous 12 months. On social media, we have 0.4 million followers on Twitter, 0.7 million on Instagram, 2.2 million Facebook likes and 1.9 million views recorded on YouTube. We have a presence on up-and-coming social media sites such as Vine, Snapchat and Tunepics and we also feature on Pinterest.

Our multi-lingual customer services team handle customer queries from a variety of media and aim for the highest standards in response time and problem resolution. In addition to live internal performance measurement, we monitor external customer review websites to ensure we maintain best-in-class standards. Our rating on Trustpilot from over 110,000 reviews in February 2015 remained strong at four stars.

Delivery performance and flexibility is something that is very important to our customers and we have made many improvements during the year. The new warehouse management system has enabled us to move to a 9pm cut-off for next day UK delivery and we now offer Sunday deliveries. In the UK, Collect+ is available for customers to return goods at designated drop-off sites and we will introduce more delivery and returns choices in the spring.

Our style advice magazine, Stylefix, is now available online, showing the latest trends and suggestions for co-ordinating clothes for a great look, and our customers can click and buy directly from the magazine. The website also features “shops” to make buying for a certain look or occasion easier and more fun and this kind of categorisation will be extended so customers can enjoy a full brand showcase.

Technology

We made significant progress during the year in the use of technology to deliver the best possible customer experience on our websites and to increase operational efficiency. Website improvements were concentrated on delivering foreign language sites, more currency options and converting to a responsive web design. Operational improvements were achieved through the implementation of a warehouse management system.

We added Spanish, German and Italian language websites on our in-house developed platform in mid-2014, following on from the French language website launched in November 2013. Scandinavian currency payment options were added in June, the Ideal payment option for our Dutch customers in September and the Klarna payment option, largely for the German market, in December. These additions have improved conversion.

The website design was given a major refresh in mid-year and converted to fully responsive technology in September (responsive technology adapts the display to the screen size of the device the customer is using). This greatly improved the user experience of customers who use mobile and tablet devices, which now account for 64% of online sessions. Conversion rates for smartphone users improved by 40% following the responsive upgrade. Overall, conversion rates improved by 9% to 3.6%.

We utilise two different website platforms, one being externally developed and managed and the other internally. This strategy provides security and flexibility, enabling us to deliver local look, language, feel and pricing to international sites in a relatively short timescale.

Warehouse

Our warehouse investment programme now includes the completed construction of mezzanine floors within the existing warehouse, increasing capacity by 78,000 sq. ft. Work is nearing completion on the building of a £7 million extension to the existing warehouse, giving us extra capacity to support up to £500 million of gross sales. The 110,000 sq. ft. extension has multiple floors and will add 670,000 sq. ft. of storage space, enough to store 8 million units, compared to the current 2.7 million unit capacity.

The new £1.5 million warehouse management system went live successfully in early September 2014. The system increases efficiency through optimisation of the pickers’ routes using Wi-Fi arm-mounted units, improving order management, fulfilment accuracy and stock control.

We have converted a large number of warehouse operatives’ contracts from agency to permanent and revised our pay structure to attract and retain capable and experienced teams to meet the demands of our expanding business. Agency staff are engaged to support the operation in peak periods, optimising the efficient use of labour resources.

People

During the year, we have strengthened our talented management team through the appointments of an HR director, a merchandising director and a marketing director. We have also continued to add new starters to our e-commerce, marketing and IT functions to support our international expansion programme and to focus on improving our knowledge of overseas markets and gaining consumer insight. Multi-lingual advisors have been added to our customer service team to service our foreign language websites. Office headcount has increased by 97 and warehouse headcount by 235 through new recruits and agency workers converted to permanent contracts. We now employ a total of 784 people.

Financial review

The group has achieved a satisfactory performance with revenues and profits increasing in all territories.

Sales revenue by geographical market

	2015	2014	Change
	£000	£000	%
UK	**94,342**	70,992	33%
Rest of Europe	**18,086**	13,058	39%
Rest of world	**27,423**	25,741	7%
	139,851	109,791	27%

Sales revenue at constant exchange rate

	2015	2014	Change
	£000	£000	%
UK	**94,342**	70,992	33%
Rest of Europe	**18,086**	12,335	47%
Rest of world	**27,423**	23,742	16%
	139,851	107,069	31%

Growth in sterling terms has been impacted by currency headwinds across our international business, especially in Australia. In the second half of the year, Australia sales, in sterling and on a local currency basis, returned to growth following the revised pricing strategy.

KPIs

	2015	2014	Change
Active customers(1)	**3.0 million**	2.3 million	+29%
Number of orders	**5.8 million**	4.2 million	+36%
Conversion rate to sale (2)	**3.6%**	3.3%	+30bps
Average order value(3)	**£35.28**	£36.59	-3.6%
Number of items per basket	**2.56**	2.38	+7.3%

1. Defined as having shopped in the last year
2. Defined as the percentage of orders taken to internet sessions
3. Calculated as gross sales including sales tax divided by the number of orders

Our business is continuing to attract new customers and retain existing customers, with active customer numbers increasing by 29% compared to the prior year. Conversion rates have increased to 3.6%, despite an increase in traffic from mobile devices, where we observe lower conversion rates. Average order value has seen a decline of 3.6% to £35.28 as we have sought to keep our prices highly competitive and target product at price points most appealing to our young customers, which has also underpinned the growth in the number of items per basket increasing by 7.3%.

Consolidated income statement

	Actual			Pro forma	
	2015	2014	**Change**	2014	Change
	£000	£000		£000	
Revenue	**139,851**	109,791	**+27%**	109,791	+27%
Cost of sales	**(54,806)**	(44,879)		(40,891)	
Gross profit	**85,045**	64,912	**+31%**	68,900	+23%
Gross margin	***60.8%***	*59.1%*	***+170bps***	*62.8%*	-200bps
Distribution costs	**(30,653)**	(24,290)		(24,290)	
Administrative expenses	**(43,814)**	(30,289)		(30,445)	
Other income	**-**	488		488	
Operating profit	**10,578**	10,821	**-2%**	14,653	-28%
Finance income/(expense)	**490**	(84)		(84)	
Profit before tax	**11,068**	10,737	**+3%**	14,569	-24%
Adjusted EBITDA	**14,126**	12,175	**+16%**	16,007	-12%
Calculation of adjusted EBITDA					
Operating profit	**10,578**	10,821		14,653	
Depreciation and amortisation	**2,002**	979		979	
Share-based payments	**292**	-		-	
Exceptional items	**1,254**	375		375	
Adjusted EBITDA	**14,126**	12,175		16,007	

In the table above, the pro forma results last year are the reported results plus the profits that were made by related companies in supplying inventory to boohoo.com. From late 2013, boohoo.com sourced all of its products direct from suppliers and not through related companies. The cost of personnel performing the sourcing activity in the related companies has also been added to the prior year reported figures to reflect the subsequent transfer of these employees to boohoo.com.

Reported gross margin rose from 59.1% to 60.8% due to direct sourcing of inventory from suppliers compared to the prior year, when a proportion of inventory came from related parties. The pro forma margin of 62.8% last year was higher than the margin of 60.8% this year because of a combination of factors, with roughly equal weighting: the increase this year in the proportion of UK sales, where margin is lower than in the international markets; adverse currency movements in international sales; and a small reduction in selling prices in the UK, driving growth and increased profits.

Distribution costs and administrative expenses have increased due to business expansion, higher marketing expenditure and investment in improved, more efficient systems and in talented people to support the transition to a publicly-listed company and future growth. Administration costs relating to corporate governance, finance and legal resources associated with being listed amounted to an additional £2.1 million of costs over the same period last year.

The exceptional items of £1.3 million this year, included in administrative expenses, relate to IPO expenses. IPO expenses written off to share premium amounted to £12.6 million.

Adjusted EBITDA increased by 16% from £12.2 million to £14.1 million on an actual basis and reduced from £16.0 million on a pro forma basis.

Taxation

The effective rate of tax for the year was 24.1% (2014: 21.5%), which is different to the UK statutory rate of tax of 21.1% (2014: 23.1%) due to disallowable items, principally IPO costs and share-based payments, and expenditure qualifying for additional tax relief.

Earnings per share

Basic underlying earnings per share (calculated before exceptional items) increased by 14.7% from 0.75p to 0.86p. Basic earnings per share remained 0.75p in both years.

Statement of financial position

	2015	2014
	£000	£000
Intangible assets	**4,561**	3,052
Property, plant and equipment	**10,854**	6,199
Deferred tax	**46**	33
Non-current assets	**15,461**	9,284
Working capital	**(2,882)**	(1,147)
Net financial assets	**821**	101
Cash and cash equivalents	**54,146**	5,411
Interest-bearing loans and borrowings	**-**	(2,742)
Current tax liability	**(1,173)**	(1,147)
Net assets	**66,373**	9,760

Net assets have increased by £56.6 million, driven by profits and the net IPO proceeds of £47.5 million. Working capital has reduced primarily due to payables relating to increased trading activity.

Liquidity and financial resources

Free cash flow was £5.8 million compared to £3.2 million the previous year. Working capital decreased primarily due to payables and accruals increasing in line with trading activity, offset by inventories increasing (due to the requirement to hold more products to serve our growing customer base across a larger product range). Capital expenditure was £8.2 million as we have continued to invest in our warehouse and IT systems to support projected growth in trade. The net IPO proceeds were £47.5 million and the closing cash balance was £54.1 million.

Consolidated cash flow statement

	2015	2014
	£000	£000
Profit for the year	**8,405**	8,427
Depreciation charges and amortisation	**2,002**	979
Share-based payments charge	**292**	-
Tax expense	**2,663**	2,310
Finance (expense)/income	**(490)**	84
Increase in inventories	**(1,393)**	(2,955)
Increase in trade and other receivables	**(523)**	(3,179)
Increase in trade and other payables	**3,053**	2,147
Capital expenditure	**(8,166)**	(4,637)
Free cash flow	**5,843**	3,176
Net proceeds raised from IPO	**47,515**	-
Purchase of own shares by Employee Benefit Trust	**(401)**	-
Interest received/(paid)	**368**	(84)
Tax paid	**(2,650)**	(1,810)
Non-cash changes and exchange differences	**802**	20
Proceeds from new loans	**-**	199
Redemption of preference shares	**-**	(100)
Dividends paid	**-**	(400)
Repayment of borrowings	**(2,742)**	(197)
Net cash flow	**48,735**	804
Cash and cash equivalents at beginning of year	**5,411**	4,607
Cash and cash equivalents at end of year	**54,146**	5,411

Outlook

Having increased marketing spend towards levels seen in the first quarter last year (as a percentage of sales) we have seen a good start to the new financial year with improved momentum in the UK. Our international momentum has continued, reflecting greater focus on our key markets. Overall, the business continues to trade in line with management's expectations. Looking forward, we will continue to focus on our four pillars of growth, both in the UK and abroad, in order to strengthen our brand and create long-term value for our shareholders.

We will support our growth with the launch of new collections, further expansion and development of existing and highly successful ranges, additional refinements to our website experience, more delivery options and regional pricing to ensure our offering is both competitive and profitable in each country.

Mahmud Kamani	**Carol Kane**	**Neil Catto**
Joint Chief Executive	Joint Chief Executive	Chief Financial Officer

Consolidated statement of comprehensive income

for the year ended 28 February 2015

	Note	**2015**	2014
		£000	£000
Revenue	*2*	**139,851**	109,791
Cost of sales		**(54,806)**	(44,879)
Gross profit		**85,045**	64,912
Distribution costs		**(30,653)**	(24,290)
Administrative expenses		**(43,814)**	(30,289)
Other income	*3*	**-**	488
Operating profit		**10,578**	10,821
Finance income/(expense)	*4*	**490**	(84)
Profit before tax		**11,068**	10,737
Taxation	*7*	**(2,663)**	(2,310)
Profit for the year		**8,405**	8,427
Other comprehensive income for the year, net of income tax			
Net fair value gain on cash flow hedges [1]		802	20
Total comprehensive income for the year		**9,207**	8,447
Earnings per share	*6*		
Basic		0.75p	0.75p
Diluted		0.74p	0.74p

Administrative expenses includes the following exceptional items: IPO expenses £1,254,000 (2014: capital reorganisation fees £375,000).

1. Net fair value gains on cash flow hedges will be reclassified to profit or loss during the year to 28 February 2016.

Consolidated statement of financial position
at 28 February 2015

	Note	2015	2014
		£000	£000
Assets			
Non-current assets			
Intangible assets		**4,561**	3,052
Property, plant and equipment		**10,854**	6,199
Deferred tax		**46**	33
		15,461	9,284
Current assets			
Inventories		**11,188**	9,795
Trade and other receivables	*8*	**3,845**	3,927
Financial assets		**852**	125
Cash and cash equivalents		**54,146**	5,411
Total current assets		**70,031**	19,258
Total assets		**85,492**	28,542
Liabilities			
Current liabilities			
Trade and other payables	*9*	**(17,915)**	(14,869)
Interest-bearing loans and borrowings		**-**	(384)
Financial liabilities		**(31)**	(24)
Current tax liability		**(1,173)**	(1,147)
Total current liabilities		**(19,119)**	(16,424)
Non-current liabilities			
Interest-bearing loans and borrowings		**-**	(2,358)
Total liabilities		**(19,119)**	(18,782)
Net assets		**66,373**	9,760
Equity			
Share capital	*10*	**11,231**	-
Share premium		**551,612**	-
Capital redemption reserve		**100**	100
Hedging reserve		**822**	20
EBT reserve		**(430)**	-
Reconstruction reserve	*10*	**(515,282)**	17
Retained earnings		**18,320**	9,623
Total equity		**66,373**	9,760

Consolidated statement of changes in equity

	Share capital	Share premium	Capital redemption reserve	Hedging reserve	EBT reserve	Recon-struction reserve	Retained earnings	Total equity
	£000	£000	£000	£000	£000	£000	£000	£000
Balance as at 1 March 2013	-	-	-	-	-	117	1,696	1,813
Profit for the year	-	-	-	-	-	-	8,427	8,427
Other comprehensive income for the year	-	-	-	20	-	-	-	20
Redemption of preference shares	-	-	100	-	-	(100)	(100)	(100)
Dividends	-	-	-	-	-	-	(400)	(400)
Balance at 28 February 2014	-	-	100	20	-	17	9,623	9,760
Issue of shares	11,231	551,612	-	-	-	(515,299)	-	47,544
Purchase of shares by EBT	-	-	-	-	(430)	-	-	(430)
Share-based payments credit	-	-	-	-	-	-	292	292
Profit for the year	-	-	-	-	-	-	8,405	8,405
Other comprehensive income for the year	-	-	-	802	-	-	-	802
Balance at 28 February 2015	**11,231**	**551,612**	**100**	**822**	**(430)**	**(515,282)**	**18,320**	**66,373**

Consolidated cash flow statement

for the year ended 28 February 2015

	Note	2015	2014
		£000	£000
Cash flows from operating activities			
Profit for the year		**8,405**	8,427
Adjustments for:			
Share-based payments charge		**292**	-
Depreciation charges and amortisation		**2,002**	979
Gain on sale of property, plant and equipment		**-**	(60)
Transfer from hedging reserves		**802**	20
Finance (income)/expense		**(490)**	84
Tax expense		**2,663**	2,310
Profit before tax before changes in working capital and provisions		**13,674**	11,760
Increase in inventories		**(1,393)**	(2,955)
Increase in trade and other receivables	*8*	**(523)**	(3,179)
Increase in trade and other payables	*9*	**3,053**	2,147
Cash generated from operations		**14,811**	7,773
Finance expense		**-**	(84)
Tax paid		**(2,650)**	(1,810)
Net cash inflow from operating activities		**12,161**	5,879
Cash flows from investing activities			
Acquisition of intangible assets		**(2,442)**	(2,762)
Acquisition of tangible property, plant and equipment		**(5,724)**	(1,875)
Proceeds from sale of property, plant and equipment		**-**	60
Finance income		**368**	-
Net cash used in investing activities		**(7,798)**	(4,577)
Cash flows from financing activities			
Proceeds from the issue of ordinary shares		**300,000**	-
Payment of convertible loan notes to shareholders of ABK Limited		**(239,899)**	-
Share issue costs written off to share premium		**(12,586)**	-
Purchase of own shares by EBT		**(401)**	-
Proceeds from new loan		**-**	199
Redemption of preference shares		**-**	(100)
Dividends paid		**-**	(400)
Repayment of borrowings		**(2,742)**	(197)
Net cash generated from/(used in) financing activities		**44,372**	(498)
Increase in cash and cash equivalents		**48,735**	804
Cash and cash equivalents at beginning of year		**5,411**	4,607
Cash and cash equivalents at end of year		**54,146**	5,411

Notes

(forming part of the financial information)

1 Preparation of the audited consolidated financial information

Basis of preparation

This condensed consolidated financial information for the year ended 28 February 2015 has been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards as adopted by the European Union ("Adopted IFRSs"), IFRS IC Interpretations and the Companies (Jersey) Law 1991.

The financial information contained in this preliminary announcement for the years ended 28 February 2015 and 28 February 2014 does not comprise the group's statutory financial statements within the meaning of Companies (Jersey) Law 1991. Statutory accounts for the year ended 28 February 2015 will be filed with the Jersey Companies Registry in due course. The auditors' report on the statutory accounts for each of the years ended 28 February 2015 and 28 February 2014 is unqualified, does not draw attention to any matters by way of emphasis and does not contain any statement under any matters that are required to be reported by exception under Companies (Jersey) Law 1991.

Basis of consolidation

boohoo.com plc acquired the group on 14 March 2014 simultaneous with its flotation and admission to the AIM. The group financial statements consolidate those of its subsidiaries and the Employee Benefit Trust. All intercompany transactions between group companies are eliminated.

The directors have considered the accounting policy that should be applied in respect of the consolidation of the group formed upon acquisition of the group on 14 March 2014, the date of flotation and admission to AIM. They have concluded that the transaction described above represented a combination of entities under common control and in accordance with IAS 8 "Accounting policies, changes in accounting estimates and errors" have considered FRS 6, "Acquisitions and mergers", under UK GAAP, which the directors believe reflects the economic substance of the transaction. Under this standard, assets and liabilities are recorded at book value, not fair value, intangible assets and contingent liabilities are recognised only to the extent that they were recognised by the legal acquirer, no goodwill is recognised, any expenses of the combination are written off immediately to the statement of comprehensive income and comparative amounts, if applicable, are restated as if the combination had taken place at the beginning of the earliest accounting period presented. Therefore, although the group reconstruction did not take place until 14 March 2014, this consolidated financial information is presented as if the group structure had always been in place, using predecessor accounting principles.

Going concern

The directors have reviewed the group's forecast and projections, including assumptions concerning capital expenditure and expenditure commitments and their impact on cash flows, and have a reasonable expectation that the group has adequate financial 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.

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

Changes to accounting standards

There have been no changes to accounting standards during the year which have had or are expected to have any significant impact on the group.

2 Segmental analysis

IFRS 8, "Operating Segments", requires operating segments to be determined based on the group's internal reporting to the chief operating decision maker. The chief operating decision maker has been determined to be the executive board and has determined that the primary segmental reporting format of the group is geographical by customer location, based on the group's management and internal reporting structure.

The executive board assesses the performance of each segment based on revenue and gross profit after distribution expenses, which excludes administrative expenses.

	Year ended 28 February 2015			
	UK	**Rest of Europe**	**Rest of world**	**Total**
	£000	**£000**	**£000**	**£000**
Revenue	**94,342**	**18,086**	**27,423**	**139,851**
Cost of sales	**(37,911)**	**(7,275)**	**(9,620)**	**(54,806)**
Gross profit	**56,431**	**10,811**	**17,803**	**85,045**
Distribution expenses	**(19,078)**	**(3,953)**	**(7,622)**	**(30,653)**
Segment result	**37,353**	**6,858**	**10,181**	**54,392**
Administrative expenses	**-**	**-**	**-**	**(43,814)**
Operating profit				**10,578**
Finance income	**-**	**-**	**-**	**490**
Profit before tax				**11,068**

	Year ended 28 February 2014			
	UK	Rest of Europe	Rest of world	Total
	£000	£000	£000	£000
Revenue	70,992	13,058	25,741	109,791
Cost of sales	(31,017)	(5,210)	(8,652)	(44,879)
Gross profit	39,975	7,848	17,089	64,912
Distribution expenses	(12,660)	(4,402)	(7,228)	(24,290)
Segment result	27,315	3,446	9,861	40,622
Administrative expenses	-	-	-	(30,289)
Other income	-	-	-	488
Operating profit				10,821
Finance expense	-	-	-	(84)
Profit before tax				10,737

3 Other income

	2015	2014
	£000	£000
Gift to group from director for benefit of employees	**-**	450
Waiver of loan from director in ABK Limited	**-**	38
	-	488

4 Finance income/(expense)

	2015	2014
	£000	£000
Bank interest received/(paid)	**490**	(84)

5 Profit before tax

Profit before tax is stated after charging:	**2015**	2014
	£000	£000
Operating lease rentals for buildings	**588**	401
Depreciation of property, plant and equipment	**1,069**	643
Amortisation of intangible assets	**933**	336
Exceptional items – IPO and capital reorganisation fees	**1,254**	375

6 Earnings per share

Basic earnings per share is calculated by dividing profit after tax by the weighted average number of shares in issue during the year. Own shares held by the Employee Benefit Trust are eliminated from the weighted average number of shares. The prior year comparatives are stated using the number of shares in issue on the IPO date.

Diluted earnings per share is calculated by dividing the profit after tax by the weighted average number of shares in issue during the year, adjusted for potentially dilutive share options.

	2015	2014
Weighted average shares in issue for basic earnings per share	**1,119,632,278**	1,120,210,360
Dilutive share options	**14,209,534**	12,844,000
Weighted average shares in issue for diluted earnings per share	**1,133,841,812**	1,133,054,360
Earnings (£000)	**8,405**	8,427
Basic earnings per share	**0.75p**	0.75p
Diluted earnings per share	**0.74p**	0.74p

7 Taxation

	2015	2014
	£000	£000
Analysis of charge in year		
Current tax on income for the year	**2,621**	2,352
Adjustments in respect of prior year taxes	**55**	(42)
Deferred taxation	**(13)**	-
Tax on profit on ordinary activities	**2,663**	2,310

The total tax charge differs from the amount computed by applying the UK rate of 21.1% *(2014: 23.1%)* to profit before tax as a result of the following:

Profit on ordinary activities before tax	**11,068**	10,737
Profit before tax multiplied by the standard rate of corporation tax on the UK of 21.1% (*2014: 23.1%*)	**2,332**	2,478
Effects of:		
Expenses not deductible for tax purposes	**246**	-
Income not subject to tax	**-**	(32)
Adjustments in respect of prior year taxes	**55**	(42)
R&D tax credits	**-**	(114)
Depreciation in excess of capital allowances	**30**	20
Tax on profit on ordinary activities	**2,663**	2,310

A reduction in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014), and a further reduction to 20% with effect from 1 April 2015, was substantively enacted in July 2013. Accordingly, the group's profits for this accounting year are taxed at an effective rate of 21.1%. The deferred tax asset at 28 February 2015 has been calculated based on the rate of 20% at the reporting date.

8 Trade and other receivables

	2015	2014
	£000	£000
Amounts due from related party undertakings	**13**	1,156
Other receivables	**2,768**	1,610
Prepayments and accrued income	**1,064**	1,161
	3,845	3,927

9 Trade and other payables

	2015	2014
	£000	£000
Trade payables	**8,037**	8,469
Amounts owed to related party undertakings	**9**	192
Other payables	**90**	42
Accruals and deferred income	**8,326**	4,859
Taxes and social security payable	**1,453**	1,307
	17,915	14,869

10 Share capital and reserves

	2015	2014
	£000	£000
1,123,132,360 authorised and fully paid ordinary shares of 1p each *(2014: nil)*	**11,231**	-

During the prior year, the redeemable preference shares in boohoo.com UK Limited were redeemed at nominal value of £99,917.

On Admission, the company issued a total of 1,123,132,360 shares as follows: 600,000,000 were issued to institutional investors and company employees at 50 pence each for a total consideration of £300,000,000; 520,210,360 were issued in a share conversion and share for share exchange to the shareholders of ABK Limited for 100% of the shares of ABK Limited; and 2,922,000 were issued for the Share Incentive Plan for the benefit of employees of the company and for which there was no consideration. The aggregate nominal value of the shares issued was £11,231,324. The Admission date was 14 March 2014 and the market price of the shares was 50 pence each, as detailed in the Admission Document published on 5 March 2014.

Under merger accounting principles, as explained in note 1 “accounting policies”, a reconstruction reserve of £515,282,000 was created upon the acquisition of the group and flotation on 14 March 2014. This reserve largely eliminates, upon consolidation, the investment in the parent company’s accounts.

During the year, the Employee Share Trust bought £1 million shares at 40 pence each to be held for the benefit of employees in the ESOP scheme.

11 Capital commitments

Capital expenditure contracted for at the end of the reporting year but not yet incurred is as follows:

	2015	2014
	£000	£000
Property, plant and equipment	**2,622**	-