



boohoo.com plc - Interim results for the six months to 31 August 2015

“The Global Fashion Leader for a Social Generation”

£000	6 months ended 31 August 2015	6 months ended 31 August 2014	Change
Revenue	90,784	67,197	+35%
Gross profit	54,539	41,843	+30%
<i>Gross margin</i>	60.1%	62.3%	-220bps
Operating profit	5,976	4,326	+38%
EBITDA (adjusted) ⁽¹⁾	7,613	6,794	+12%
Profit before tax	6,270	4,500	+39%
Cash at period end	60,360	55,817	+8%
Earnings per share	0.45p	0.29p	+55%

(1): EBITDA (adjusted) is pre-exceptional costs of £nil (2014:£1.2m) and share based payment costs of £0.3m (2014: £0.4m)

Highlights for the six months to 31 August 2015

- Revenue up 35% (39% CER⁽²⁾)
 - UK up 30%, rest of Europe up 19% (34% CER), rest of world up 65% (75% CER)
 - International now represents 35% of total revenue
- Gross margin 60.1%
- 8.4% EBITDA (adjusted) margin (2014: 10.1%), reflecting investment in price, promotions and marketing
- 3.5m active customers⁽³⁾, up 32% on prior year
- UK app launched and responsive websites introduced for European sites, improving mobile and tablet offering (now 65% of sessions)
- Warehouse extension completed and now in use
- Strong balance sheet with net cash of £60m

(2): CER designates Constant Exchange Rate translation of foreign currency revenue

(3): Active customers defined as having shopped in the last year

Mahmud Kamani and Carol Kane, joint CEOs, commented:

“We are pleased to report a successful first half, with strong revenue growth driven by acquiring new customers through our investments in price, promotions and marketing spend. We continue to invest in our brand internationally and our strategy to focus on key markets where we see the greatest growth potential remains unchanged.

The autumn/winter marketing campaign #WeAreNow is supporting a good start to the second half. We are also pleased with the response to our new app and responsive websites and will continue to invest in building customer value and market reach in the second half of the year.”

Investor and Analyst Meeting

A meeting for analysts will be held at the offices of Buchanan, 107 Cheapside, London, EC2V 6DN on 29 September 2015 commencing at 8.30am. boohoo.com plc's Interim Results 2015 are available at www.boohooplc.com.

Enquiries

boohoo.com plc

Mahmud Kamani, Joint Chief Executive

Carol Kane, Joint Chief Executive

Neil Catto, Chief Financial Officer

c/o Buchanan Tel: +44 (0)20 7466 5000

Buchanan - Financial PR adviser

Richard Oldworth

Helen Chan

Gabriella Clinkard

Tel: +44 (0)20 7466 5000

boohoo@buchanan.uk.com

Zeus Capital - Nominated adviser and joint broker

Nick Cowles

Andrew Jones

John Goold

Tel: +44 (0)161 831 1512

Tel: +44 (0)20 3829 2001

Jefferies Hoare Govett - joint broker

Nick Adams

Max Jones

Tel: +44 (0)20 7029 8000

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 retailers, 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.

www.boohoo.com

www.boohoo.com/europe/page/home

www.boohoo.com/usa/page/home

www.boohoo.com/canada/page/home

www.boohoo.com/aus/page/home

www.boohoo.com/newz/page/home

www.boohoo.com/sweden/page/home

www.boohoo.com/denmark/page/home

www.boohoo.com/norway/page/home

fr.boohoo.com

de.boohoo.com

it.boohoo.com

nl.boohoo.com

es.boohoo.com

Business review

Performance during the 6 months to 31 August 2015

Revenue for the first half year increased to £90.8 million, up 35% (39% CER) on the previous year.

Growth in the UK was 30%, continuing the improved momentum we saw in the first quarter of the year.

Revenue growth in the rest of Europe was 19% (34% CER), impacted by the weak euro. Rest of the world growth revenue growth of 65% (75% CER) was very encouraging, driven by a strong performance in the Australian and US markets.

We have commenced a successful wholesale trial of boohoo branded products to a number of UK and overseasetailers. We plan to extend the range of partners we work with in the second half of the year and see the use of a wholesale channel as an effective strategy to build our brand internationally and broaden our customer reach.

Gross margin was 60.1% (2014: 62.3%) in spite of adverse exchange rate movements and increased promotions. Adjusted EBITDA was £7.6 million for the half year, an increase of 12% on the prior year. The 8.4% adjusted EBITDA margin (2014: 10.1%) reflects our investment in price, promotions and marketing to drive strong revenue growth during the first half of the year.

Fashion

We launch up to 100 new styles every day, with constant “new in” updates on our websites, so that our customers are offered the very latest trends and fashion. 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 around 15,000 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 of dresses, tops, jackets and footwear have continued to perform strongly. The Petite range, launched in autumn 2014 has been highly successful, with robust month-on-month growth mirroring the success of the Plus Size range. Plus Size has continued to grow significantly and has been very well received in our international markets. Swimwear sales have grown strongly, continuing last year’s success, as boohoo becomes a shopping destination of choice. We are excited about the introduction of our new range, boohoo Tall, in the second half.

In the spring, we launched boohoo brands, which has made shopping for a chosen look or occasion much easier and more enjoyable, collating similar styles and co-ordinates in categories, such as boohoo Nights and boohoo Blue. Not only is searching time reduced, but complementary items are also easier to find. The “inspire me” and Stylefix pages ensure our customer sees the latest trends and receives the latest fashion tips.

Marketing

Our spring/summer 2015 campaign, “#WeAreUs” featured 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 could share images, music, health and lifestyle tips. Highly engaging with our young consumers, who enjoy developing connections with their interest groups, the campaign aimed to promote loyalty through building a greater emotional connection with our customers, expressing our brand personality and the core values of fun, inclusivity and individuality.

Marketing activity has been focussed on our key markets and included TV advertising, media events, college ambassador programmes and social media influencers. In these markets we have engaged local bloggers and well-known social media personalities to promote the brand. Our most recent celebrity signing is hit singer/song writer Charli XCX, who has entered into an exclusive design collaboration for a series of ranges over the next 18 months, the first of which will be launched before Christmas 2015. Charli XCX has a following of 2.5 million Facebook fans and is hugely popular amongst our targeted demographic.

The autumn/winter 2015 campaign “#WeAreNow” is successfully building on the “#WeAreUs” theme earlier in the year and introduces the new season ranges, supported by a new TV ad, celebrities and influencers. In the UK we are launching a student ambassador programme at key universities, whilst in France we will have a pop-up store and will continue with sponsorship of Secret Story, the reality TV series.

Marketing expenditure was 12.6% of revenue over the period compared to 14.5% in the previous year, with a higher focus on price and delivery promotions compared to the previous year.

Customer interaction

We served 3.5 million customers in the 12 months to 31 August 2015, an increase of 32% on the same period a year ago. Website traffic grew strongly, with 182 million sessions recorded in the year, up 27% on the previous 12 months. Our social media statistics reveal we have 0.4 million followers on Twitter, 1.1 million on Instagram, 2.2 million Facebook likes and 2.5 million views recorded on YouTube. We also feature on other social media sites including Vine, Snapchat and Pinterest.

We have a multi-lingual customer services team responding to customer queries from a variety of media and aim for excellence in response time and problem resolution. We constantly measure our performance internally and monitor external customer review websites such as Trustpilot to ensure we maintain best-in-class standards.

Our customers are able to choose from a range of delivery options, which we are constantly refining as new opportunities become available. Last year we introduced a 9pm cut off for next day delivery, Sunday delivery and collect+ in the UK. This year we have reduced the shipping time to Australia by one day and have plans to introduce more collection and return options via third party stores and distribution networks. Customers will shortly be able to use a website portal to choose their preferred return option.

Technology

In the first half of this year, we converted the remaining European websites, including France and Germany, to fully responsive sites (meaning the website layout responds to the size of the device being used by the customer). Now all our websites function according to the device used, improving viewing and ease of use.

Android and iPhone Apps have been introduced in the UK and will be rolled out to other territories in the second half. Mobile and tablet use continues to rise and now accounts for 65% of sessions.

Warehouse

The new warehouse extension entered service in August this year, with 270,000 additional square feet of storage space made available from three mezzanine floors. Capacity can be rapidly expanded in future by another 275,000 square feet from three more mezzanine floor layers, to cater for significant future growth. Total warehouse capacity now stands at 525,000 square feet, equivalent in size to over six football pitches.

People

Our senior management team was strengthened last year with a number of new positions, providing the expertise we need for the growth of the business. This year we have added one more senior position, that of International Director, which we see as a key appointment for the execution of our international growth strategy. The rate of growth in revenue has required an increase in personnel in the volume-related functions in customer service and warehousing. The total workforce now stands at 876, up from 784 at 28 February 2015.

Financial review

During the first half we have invested in acquiring new customers which has delivered revenue growth ahead of our initial expectations with profits in line with our financial plans.

Sales revenue by geographical market

	6 months to 31 August 2015 £000	6 months to 31 August 2014 £000	Change	Change CER
UK	59,128	45,605	+30%	+30%
Rest of Europe	10,403	8,719	+19%	+34%
Rest of world	21,253	12,873	+65%	+75%
	90,784	67,197	+35%	+39%

At constant exchange rates [CER], all regions showed growth compared with the same period last year. Growth in sterling terms has been impacted by currency headwinds across our international business, especially in Australia and Europe.

KPIs

	6 months to 31 August 2015	6 months to 31 August 2014	Change
Active customers ⁽¹⁾	3.5 million	2.7 million	+32%
Number of orders	3.8 million	2.7 million	+43%
Conversion rate to sale ⁽²⁾	3.8%	3.5%	+30bps
Average order value ⁽³⁾	£33.91	£36.90	-8.1%
Number of items per basket	2.74	2.68	+2.2%

(1) Defined as having shopped in the past 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 32% compared to a twelve month period one year ago. Conversion rates have increased to 3.8%. Average order value has seen a small decline of 8.1% to £33.91 as we have sought to keep our prices highly competitive and target product at price points most appealing to our young customers, whilst the number of items per basket increased by 2.2% to 2.74.

Consolidated income statement

	6 months to 31 August 2015 £000	6 months to 31 August 2014 £000	Change
Revenue	90,784	67,197	35%
Cost of sales	(36,245)	(25,354)	
Gross profit	54,539	41,843	30%
<i>Gross margin</i>	60.1%	62.3%	
Distribution costs	(21,513)	(14,618)	
Administrative expenses	(27,409)	(22,899)	
Other income	359	-	
Operating profit	5,976	4,326	38%
Finance income	294	174	
Profit before tax	6,270	4,500	39%
Calculation of EBITDA (adjusted)			
Operating profit	5,976	4,326	
Depreciation and amortisation	1,363	824	
Share-based payments	274	417	
Exceptional items	-	1,227	
EBITDA (adjusted)	7,613	6,794	12%

Reported gross margin reduced from 62.3% to 60.1%, due in equal parts to adverse exchange rate movements, higher promotional discounts and investment in international pricing, the latter two driving demand.

Distribution costs and administrative expenses have increased due to business expansion, higher marketing expenditure, investment in improved, more efficient, systems and in talented people to support the business growth, recruited in the second half of last year.

The exceptional items of £1.2m in H1 last year, included in administrative expenses, related to IPO expenses.

EBITDA (adjusted) increased by 12% from £6.8m to £7.6m.

Statement of financial position

	At 31 August 2015 £000	At 31 August 2014 £000
Intangible assets	4,479	3,770
Property, plant and equipment	15,277	7,037
Deferred tax	101	121
Non-current assets	19,857	10,928
Working capital	(8,407)	(4,798)
Net financial assets	1,406	(56)
Cash and cash equivalents	60,360	55,817
Interest bearing loans and borrowings	-	(99)
Current tax liability	(1,316)	(1,291)
Net assets	71,900	60,501

Net assets have increased by £11.4m. Working capital has reduced primarily due to increased trade creditors and accruals for unbilled goods and services at the month end driven by increased trading activity.

Liquidity and financial resources

Free cash flow was £6.8m compared to £7.0m in H1 2014. Working capital requirements decreased: inventories increased due to the requirement to hold more products to serve our growing customer base; receivables, payables and accruals increased in line with trading activity. Capital expenditure was £5.7m as we have continued to invest in our warehouse and IT systems to support projected growth in trade. The closing cash balance was £60.4m.

Consolidated cash flow statement

	6 months to 31 August 2015 £000	6 months to 31 August 2014 £000
Profit for the period	5,000	3,282
Depreciation charges and amortisation	1,363	824
Share-based payments charges	274	417
Tax expense	1,270	1,218
Finance income	(294)	(174)
Increase in inventories	(7,959)	(1,317)
(Increase)/decrease in trade and other receivables	(2,488)	332
Increase in trade and other payables	15,377	4,793
Capital expenditure	(5,704)	(2,380)
Free cash flow	6,839	6,995
Net proceeds raised from IPO	-	47,515
Purchase of own shares by Employee Benefit Trust	(331)	(400)
Interest received	304	174
Tax paid	(1,182)	(1,162)
Non-cash charges and exchange differences	584	(73)
Repayment of borrowings	-	(2,643)
Net cash flow	6,214	50,406
Cash and cash equivalents at beginning of period	54,146	5,411
Cash and cash equivalents at end of period	60,360	55,817

Fixed and intangible asset additions

	At 31 August 2015 £000	At 31 August 2014 £000
IT intangible assets	628	1,024
Warehouse extension	4,736	629
IT equipment, office fixtures and fittings	340	727
	5,704	2,380

Outlook

We continue to invest in our brand internationally and our strategy to focus on key markets where we see the greatest growth potential remains unchanged.

Our wholesale business trial has performed well and we plan to continue to extend the number of partners we work with in the second half of the year. We will continue to refine the customer experience through a combination of technological improvements, more delivery and return options whilst retaining what we are best at: offering great fashionable product at affordable prices.

During the first half of the year we have invested in acquiring new customers with revenue growth exceeding our initial expectations. We now anticipate revenue growth for the full of year of between 30% and 35%. During the second half we will continue to look at opportunities to invest in building customer lifetime value and market reach which may impact margins in the short term. We are trading in line with current market expectations for EBITDA.

We remain focussed on driving growth in our business and we are pleased with the start we have made to the AW15 season.

Mahmud Kamani

Joint Chief Executive

Carol Kane

Joint Chief Executive

Neil Catto

Chief Financial Officer

28 September 2015

Unaudited consolidated statement of comprehensive income

for the 6 months ended 31 August 2015

	Note	6 months to 31 August 2015	6 months to 31 August 2014	Year to 28 February 2015
		£000	£000	£000
Revenue	3	90,784	67,197	139,851
Cost of sales		(36,245)	(25,354)	(54,806)
Gross profit		54,539	41,843	85,045
Distribution costs		(21,513)	(14,618)	(30,653)
Administrative expenses		(27,409)	(22,899)	(43,814)
Other income	4	359	-	-
Operating profit		5,976	4,326	10,578
Finance income		294	174	490
Profit before tax		6,270	4,500	11,068
Taxation		(1,270)	(1,218)	(2,663)
Profit for the period		5,000	3,282	8,405
Net fair value gain/(loss) on cash flow hedges		584	(73)	802
Total comprehensive income for the period		5,584	3,209	9,207
Earnings per share	6			
Basic		0.45p	0.29p	0.75p
Diluted		0.44p	0.29p	0.74p

All activities relate to continuing operations.

Administrative expenses includes the following exceptional items: £nil (2014: IPO expenses £1,254,000).

Unaudited consolidated statement of financial position

at 31 August 2015

	Note	At 31 August 2015 £000	At 31 August 2014 £000	At 28 February 2015 £000
Assets				
Non-current assets				
Intangible assets		4,479	3,770	4,561
Property, plant and equipment		15,277	7,037	10,854
Deferred tax	7	101	121	46
		19,857	10,928	15,461
Current assets				
Inventories	8	19,147	11,112	11,188
Trade and other receivables	9	5,532	3,693	3,845
Financial assets		1,643	27	852
Cash and cash equivalents		60,360	55,817	54,146
Total current assets		86,682	70,649	70,031
Total assets		106,539	81,577	85,492
Liabilities				
Current liabilities				
Trade and other payables	10	(33,086)	(19,603)	(17,915)
Interest bearing loans and borrowings	11	-	(99)	-
Financial liabilities		(237)	(83)	(31)
Current tax liability		(1,316)	(1,291)	(1,173)
Total current liabilities		(34,639)	(21,076)	(19,119)
Net assets		71,900	60,501	66,373
Equity				
Share capital	12	11,231	11,231	11,231
Share premium	12	551,612	551,591	551,612
Capital redemption reserve		100	100	100
Hedging reserve		1,406	(53)	822
EBT reserve		(761)	(429)	(430)
Reconstruction reserve		(515,282)	(515,261)	(515,282)
Retained earnings		23,594	13,322	18,320
Total equity		71,900	60,501	66,373

Unaudited consolidated statement of changes in equity
for the 6 months ended 31 August 2015

	Called up share capital £000	Share premium £000	Capital redemption reserve £000	Hedging reserve £000	EBT reserve £000	Recon- struction reserve £000	Retained earnings £000	Total equity £000
Balance as at 1 March 2015	11,231	551,612	100	822	(430)	(515,282)	18,320	66,373
Purchase of shares by EBT	-	-	-	-	(331)	-	-	(331)
Share-based payment charge	-	-	-	-	-	-	274	274
Profit for the period	-	-	-	-	-	-	5,000	5,000
Fair value gain on cash flow hedges	-	-	-	584	-	-	-	584
Balance at 31 August 2015	11,231	551,612	100	1,406	(761)	(515,282)	23,594	71,900

	Called up share capital £000	Share premium £000	Capital redemption reserve £000	Hedging reserve £000	EBT reserve £000	Recon- struction reserve £000	Retained earnings £000	Total equity £000
Balance as at 1 March 2014	-	-	100	20	-	17	9,623	9,760
Issue of shares	11,231	551,591	-	-	(29)	(515,278)	-	47,515
Purchase of shares by EBT	-	-	-	-	(400)	-	-	(400)
Share-based payment charge	-	-	-	-	-	-	417	417
Profit for the period	-	-	-	-	-	-	3,282	3,282
Fair value loss on cash flow hedges	-	-	-	(73)	-	-	-	(73)
Balance at 31 August 2014	11,231	551,591	100	(53)	(429)	(515,261)	13,322	60,501

	Called up share capital £000	Share premium £000	Capital redemption reserve £000	Hedging reserve £000	EBT reserve £000	Recon- struction reserve £000	Retained earnings £000	Total equity £000
Balance as at 1 March 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

Unaudited consolidated cash flow statement
for the 6 months ended 31 August 2015

	<i>Note</i>	6 months to 31 August 2015 £000	6 months to 31 August 2014 £000	Year to 28 February 2015 £000
Cash flows from operating activities				
Profit for the period		5,000	3,282	8,405
<i>Adjustments for:</i>				
Depreciation charges and amortisation		1,363	824	2,002
Share-based payment charge		274	417	292
Transfer from hedging reserves		584	(73)	802
Finance income		(294)	(174)	(490)
Tax expense		1,270	1,218	2,663
Profit before tax before changes in working capital and provisions		8,197	5,494	13,674
Increase in inventories	8	(7,959)	(1,317)	(1,393)
(Increase)/decrease in trade and other receivables	9	(2,488)	332	(523)
Increase in trade and other payables	10	15,377	4,793	3,053
Cash generated from operations		13,127	9,302	14,811
Tax paid		(1,182)	(1,162)	(2,650)
Net cash inflow from operating activities		11,945	8,140	12,161
Cash flows from investing activities				
Acquisition of intangible assets		(628)	(1,024)	(2,442)
Acquisition of tangible property, plant and equipment		(5,076)	(1,356)	(5,724)
Finance income		304	174	368
Net cash used in investing activities		(5,400)	(2,206)	(7,798)
Cash flows from financing activities				
Proceeds from the issue of ordinary shares		-	300,000	300,000
Payment of convertible loan notes to shareholders of ABK Limited		-	(239,899)	(239,899)
Share issue costs written off to share premium		-	(12,586)	(12,586)
Purchase of own shares by EBT		(331)	(400)	(401)
Repayment of borrowings		-	(2,643)	(2,742)
Net cash (used in)/generated from financing activities		(331)	44,472	44,372
Increase in cash and cash equivalents		6,214	50,406	48,735
Cash and cash equivalents at beginning of period		54,146	5,411	5,411
Cash and cash equivalents at end of period		60,360	55,817	54,146

Notes

(forming part of the interim report and accounts)

1 Basis of preparation

The interim financial statements for the six months ended 31 August 2015 have been prepared in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. The interim financial statements should be read in conjunction with the group's Annual Report and Accounts for the year ended 28 February 2015, prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), IFRIC Interpretations and the Companies (Jersey) Law 1991 applicable to companies reporting under IFRS.

The interim financial statements contained in this report are not audited and do not constitute statutory accounts within the meaning of Companies (Jersey) Law 1991. The Annual Report and Accounts for the year ended 28 February 2015 have been filed with the Jersey Companies Registry. The auditors' reports on those accounts was unqualified, did not include reference to any matters on which the auditors were required to report by exception under Companies (Jersey) Law 1991.

The group's business activities together with the factors that are likely to affect its future developments, performance and position are set out in the Business Review. The Business Review describes the group's financial position, cash flows and borrowing facilities.

The interim financial statements are unaudited and were approved by the board of directors on 28 September 2015.

Going concern

The interim financial statements have been approved on the assumption that the group remains a going concern. The following paragraph summarises the issues and basis on which the directors have reached their conclusion.

The directors have reviewed the group's cash flow forecasts for a period exceeding 12 months from the date of authorisation of these interim financial statements. Following this review, the directors have formed a judgement that, at the time of approval of the interim financial statements, the group has sufficient resources to continue operating for the foreseeable future including the funding of necessary capital expenditure. For the reasons noted above, the directors continue to prepare the financial statements on a going concern basis.

Accounting policies

The interim financial statements have been prepared in accordance with the accounting policies set out in the group's Annual Report and Accounts for the year ended 28 February 2015.

2 Principal risks and uncertainties

The board considers the principal risks and uncertainties which could impact the group over the remaining six months of the financial year to 28 February 2016 to be unchanged from those set out in the group's Annual Report and Accounts for the year ended 28 February 2015, which in summary are: economic risk; competition risk; fashion and consumer demands risk; systems and technical risk; supply chain risk; reputational risk; financial risk; people risk; and loss of key facilities. These are set out in detail on pages 30 to 32 of the group's Annual Report and Accounts for the year ended 28 February 2015, a copy of which is available on the group's website, www.boohooplc.com.

3 Segmental analysis

	6 months to 31 August 2015			
	UK	Rest of Europe	Rest of world	Total
	£000	£000	£000	£000
Revenue	59,128	10,403	21,253	90,784
Cost of sales	(23,843)	(4,482)	(7,920)	(36,245)
Gross profit	35,285	5,921	13,333	54,539
Distribution expenses	(13,165)	(2,694)	(5,654)	(21,513)
Segment result	22,120	3,227	7,679	33,026
Administrative expenses	-	-	-	(27,409)
Other income	-	-	-	359
Operating profit				5,976
Finance income	-	-	-	294
Profit before tax	-	-	-	6,270

	6 months to 31 August 2014			
	UK	Rest of Europe	Rest of world	Total
	£000	£000	£000	£000
Revenue	45,605	8,719	12,873	67,197
Cost of sales	(17,688)	(3,373)	(4,293)	(25,354)
Gross profit	27,917	5,346	8,580	41,843
Distribution expenses	(8,765)	(2,097)	(3,756)	(14,618)
Segment result	19,152	3,249	4,824	27,225
Administrative expenses	-	-	-	(22,899)
Operating profit				4,326
Finance income	-	-	-	174
Profit before tax	-	-	-	4,500

	Year to 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

4 Other income

	6 months to 31 August 2015 £000	6 months to 31 August 2014 £000	Year to 28 February 2015 £000
Gift to group from director for benefit of employees	359	-	-

5 Profit before tax

Profit before tax is stated after charging:

	6 months to 31 August 2015 £000	6 months to 31 August 2014 £000	Year to 28 February 2015 £000
Operating lease rentals for buildings	374	290	588
Depreciation	653	518	1,069
Amortisation	710	306	933
Share-based payment charge	274	417	292
Exceptional items – IPO costs	-	1,227	1,254

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 Trusts are eliminated from the weighted average number of shares. 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.

	6 months to 31 August 2015	6 months to 31 August 2014	Year to 28 February 2015
Weighted average shares in issue for basic earnings per share	1,118,810,227	1,120,041,882	1,119,632,278
Dilutive share options	22,737,018	13,827,152	14,209,534
Weighted average shares in issue for diluted earnings per share	1,141,547,245	1,133,869,034	1,133,841,812
Earnings (£000)	5,000	3,282	8,405
Basic earnings per share	0.45p	0.29p	0.75p
Diluted earnings per share	0.44p	0.29p	0.74p

7 Deferred tax

	Depreciation in excess of capital allowances £000	Share-based payments £000	Total £000
At 1 March 2014	33	-	33
At 31 August 2014	33	88	121
At 28 February 2015	(12)	58	46
Recognised in statement of comprehensive income	-	55	55
At 31 August 2015	(12)	113	101

8 Inventories

	At 31 August 2015 £000	At 31 August 2014 £000	At 28 February 2015 £000
Finished goods	19,147	11,112	11,188

The value of inventories included within cost of sales for the period was £36,300,000 (2014: £25,354,000). The impairment provision was reduced by £55,000 (2014: increase of £342,000) and released to the statement of comprehensive income.

9 Trade and other receivables

	At 31 August 2015 £000	At 31 August 2014 £000	At 28 February 2015 £000
Amounts due from related party undertakings	42	51	13
Other receivables	3,793	2,542	2,768
Prepayments and accrued income	1,697	1,100	1,064
	5,532	3,693	3,845

10 Trade and other payables

	At 31 August 2015 £000	At 31 August 2014 £000	At 28 February 2015 £000
Trade payables	16,660	6,315	8,037
Amounts owed to related party undertakings	20	-	9
Other payables	125	121	90
Accruals and deferred income	15,079	10,775	8,326
Taxes and social security payable	1,202	2,392	1,453
	33,086	19,603	17,915

11 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the group's interest-bearing loans and borrowings, which are measured at amortised cost.

	At 31 August 2015 £000	At 31 August 2014 £000	At 28 February 2015 £000
Current liabilities			
Other loans	-	99	-

Terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity	At 31 August 2015 £000	At 31 August 2014 £000	At 28 February 2015 £000
Other loan	£	0%	2014	-	99	-

12 Share capital and share premium

	At 31 August 2015 £000	At 31 August 2014 £000	At 28 February 2015 £000
Authorised and fully paid			
1,123,132,360 Ordinary shares of 1p each	11,231	11,231	11,231
Share premium	551,612	551,591	551,612
	562,843	562,822	562,843

13 Related party transactions

Related party transactions during the six months to 31 August 2015 outside of the normal course of business comprise: the purchase of 1,168,641 shares for £331,244 by the Share Incentive Plan Trustee for which the cash was provided by the company; and the gift of £359,000 by Mahmud Kamani to the company for the benefit of employees.

14 Capital commitments

Capital expenditure contracted for at the period end but not incurred amounted to:

	At 31 August 2015 £000	At 31 August 2014 £000	At 28 February 2015 £000
Property, plant and equipment	2,988	-	2,622

Appendix – prior period revenues

Revenue by period for the six months ended 31 August 2015

£'000s	Q1	yoy %	yoy % CER	Q2	yoy %	yoy % CER	H1 FY16	yoy %	yoy % CER
Sales	41,322	35%	37%	49,462	35%	40%	90,784	35%	39%
UK	26,273	27%	27%	32,855	32%	32%	59,128	30%	30%
ROE	4,943	27%	45%	5,460	13%	26%	10,403	19%	34%
ROW	10,106	66%	70%	11,147	64%	81%	21,253	65%	75%

Revenue by period for the year ending 28 February 2015

£'000s	Q1	yoy %	yoy % CER	Q2	yoy %	yoy % CER	H1 FY15	yoy %	yoy % CER
Sales	30,659	24%	30%	36,538	37%	41%	67,197	31%	36%
UK	20,686	44%	44%	24,919	50%	50%	45,605	47%	47%
ROE	3,891	36%	40%	4,828	50%	61%	8,719	43%	51%
ROW	6,082	(20)%	(6)%	6,791	0%	8%	12,873	-11%	1%

£'000s	4m to Dec	yoy %	yoy % CER	2m to Feb	yoy %	yoy % CER	FY15	yoy %	yoy % CER
Sales	50,793	25%	27%	21,861	22%	24%	139,851	27%	31%
UK	34,179	26%	26%	14,558	13%	13%	94,342	33%	33%
ROE	6,464	35%	41%	2,903	32%	46%	18,086	39%	47%
ROW	10,150	19%	24%	4,400	56%	59%	27,423	7%	16%

CER in this appendix for the year ended 28 February 2015 is calculated using exchange rates prevailing during the year ending 28 February 2015.

Nomenclature: ROE – rest of Europe; ROW – rest of world; yoy – year-on-year; CER – constant exchange rate