F&F

CE & Turkey Clothing

– Leveraging skill and scale –

A strong presence across our network

Number of stores with an F&F clothing range

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Overview of model

- Central team in UK
  - Responsible for Buying, Merchandising, Marketing, Finance, Operations
  - Created in 2007 supporting Poland, Hungary, Czech Republic and Slovakia
  - Including Turkey from 2011
- Central planning and budgeting
- Central distribution centre in Bratislava
- P&L for each country

- 85% direct via International Sourcing
- 40% common bought with UK towards a target of 65%
- Suppliers split across more than 10 countries

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Market overviews

	2011 Clothing Market size (£bn)	2010 Growth	Market Position
CZ	£1.8	7%	1st
SK	£0.9	5%	1st
HU	£1.2	5%	1st
PL	£6.4	8%	7th
UK	£40.8	4.4%	

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Competitor set

UK

PRIMARK
GEORGE
YOUR M&S
next
Clarks

CE

Takko FASHION
Carrefour
Auchan
NEW YORKER Dress for the moment
DEICHMANN
globus
C&A
H&M

Strategy and positioning

- To become a destination international clothing retailer, delivering desirable affordable fashion for all
- Requires us to match specialists on
  - Range
  - Fashionability
  - Quality
- …and beat them on price
- Focusing on our core brand - F&F
- Leveraging our infrastructure
  - Footfall
  - Property
  - Scale

Growth drivers

Brand

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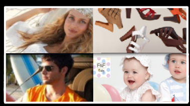
Customer awareness more than doubled from 34% to 83% in 2 years (measured via exit interviews)

Range



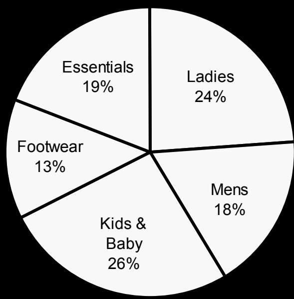
Variety of customer needs catered for, e.g.

- **F&F Basics** for everyday products, everyday prices
- **F&F** True for larger sizes
- **F&F** Blue for denim
- **F&F** Black for suits

Pricing

- We aim to be cheaper than specialists and in line with hypermarket competitors.
- Last year we were on average 75% cheaper than specialists and 30% cheaper than other hypermarkets
- Regular promotions across different mechanics

Sales mix



Continued investment in infrastructure and space to drive growth

Space

- 13,900 sq. m opened in 2010
- 12,700 sq. m more planned in 2011

→ Overall sales capacity

Refits

- 38 stores refitted in 2010
- 78 more planned in 2011

→ Sales density

Operations

- Enhanced operating structures
- Ensuring we have the right staff hours in the right places to better serve customers

→ Cost efficiency & reaction time

Share of hypermarket clothing sector has increased in every country

	Hypermarket clothing market share		
	2008	2009	2010
CZ	51%	54%	58%
SK	76%	83%	85%
HU	51%	62%	66%
PL	25%	33%	36%

Total clothing / footwear market leaders in the Czech Republic and Hungary*

* Data not available for Poland and Slovakia

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Creating a highly valued brand

- Future growth drivers
  - Improved range
  - Development of Extra format
  - Introduction of F&F into smaller formats
  - New format concepts (e.g. stand-alone store)
  - Investing in design capacity

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