FRENCH CONNECTION GROUP PLC

Preliminary Results for the year ended 31 January 2020

French Connection Group PLC ("French Connection" or "the Group") today announces results for its financial year ended 31 January 2020.

Highlights:

- Group revenue of £119.9m (2019: £135.3m), down 11.4% (down (11.1%) CCY) being impacted by the planned closure of stores and the difficult retail trading environment in the UK
- Underlying loss² of £(2.9)m compared to a restated⁴ underlying profit of £0.8m in the comparative period
- Wholesale revenue down 4.8% ((4.6%) CCY) although up 15.7% (16.1% CCY) in North America
- Decline in LFL sales in UK/Europe of 2.5% (2019: down 6.8%) reflecting poor UK retail trading conditions on the High Street generally in the second half of the year
- Planned closure of non-contributing stores has continued with 11 stores and three outlets closed in the period
- Underlying composite gross margin of 38.3% (2019: 42.3%) due to the increased proportion of Wholesale in the mix together with additional import duty in the US and reduced FX benefit
- Closure of the China and Hong Kong joint venture during the year contributing £(0.5)m loss
- Closing cash of £8.1m (2019: £16.2m)

Commenting on the results, Stephen Marks, Chairman and Chief Executive said:

"The performance this year has not been as anticipated and we are not being assisted by the continued difficult trading conditions in the UK and potential uncertainty due to the COVID-19 coronavirus. I am however, pleased with the continued good performance of the wholesale business in the USA and we have good forward order banks in the UK to be delivered during the first half of the year. The initial reaction to the winter ranges has been positive, particularly at our recent New York Fashion Show.

We believe the trading landscape in the UK is unlikely to improve in the short term and this has a potential impact on both the retail and wholesale businesses. Against this background we are working hard to ensure we are operating as efficiently and cost effectively as possible while working closely with all our trading partners to maximise business with them."

Notes:

Key performance indicators for the 52 week trading period are outlined below:

| | FY20 | FY19 ⁴ | Var % |
|---|-------|-------------------|----------|
| Total Group revenue (£m) | 119.9 | 135.3 | (11.4%) |
| Total Retail revenue (£m) | 46.7 | 58.4 | (20.0%) |
| Total Wholesale revenue (£m) | 73.2 | 76.9 | (4.8%) |
| Underlying (loss)/profit (£m) | (2.9) | 0.8 | |
| Retail LFL ¹ (%) | -2.5 | -6.8 | |
| Stock (£m) | 26.8 | 28.4 | (5.6%) |
| Average UK/Europe Retail Space (sq.ft. '000s) | 143.7 | 165.6 | (13.2%) |
| Average Group Retail Space (sq.ft. '000s) | 154.0 | 178.2 | (13.6%) |
| Number of stores/concessions: | | | |
| - Operated | 81 | 96 | (15.6%) |
| - Franchised, Licensed & JV | 173 | 195 | (11.3%) |
| Underlying gross margin (%) | 38.3 | 42.3 | (400bps) |
| Net cash position (£m) | 8.1 | 16.2 | (50.0%) |

Notes:

- 1. LFL or "Like-for-Like" sales growth is defined as the year-on-year sales growth for owned stores and concessions open more than one year, including ecommerce revenues, removing the impact of closed stores and reported in constant currency.
- 2. Underlying Operating result excludes adjusting items (Note 6) and discontinued operations (Note 3).
- 3. Constant Currency (CCY) is calculated by translating the year ending January 2020 at 2019 rates to remove the impact of exchange rate fluctuations.
- 4. The comparative information has been restated to show the discontinued operations separately from the continued operations. See discontinued operations Note 3.

The Directors believe these measures are best reflective of how the business is managed and are informative to shareholders in understanding the performance of the business.

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CHAIRMAN'S STATEMENT

After making further progress during the first half of the year, the overall result for the financial year is disappointing. Performance during the second half has been considerably worse than expected, particularly during the fourth quarter in the UK, reflecting the continued difficult trading conditions and a shift in the phasing of wholesale deliveries to customers into the New Year. Encouragingly however, the strong sales growth we have seen recently in the USA wholesale business continued, helped by another excellent sell through at the major department stores, although this was adversely impacted by the additional import duties imposed.

The underlying loss for the year was £2.9m (2019: profit of £0.8m), reflecting the poor result in the UK, which was partially offset by the improvement in the USA and despite the significant cost of the additional import duties imposed there since the beginning of September.

As announced at the end of January, the strategic review and formal sale process have been brought to a conclusion and going forward we will continue to focus on the following key areas:

- further right sizing of the store portfolio while renegotiating the cost base of the ongoing stores
- close collaboration with the key wholesale customers to continue growing the business, particularly in the US
- increased investment in the online platform to enhance the customer experience and improve conversion, coupled with additional spend on marketing to drive traffic
- development of the range of license arrangements to seek to increase the product categories available while expanding the current businesses
- pursuit of other areas of potential cost savings

Wholesale

Revenue decreased by 4.8% in the year (-4.6% CCY). The strong growth that we saw last year in North America has continued, with good progress being made with all the department stores, especially Bloomingdales and Nordstrom, who saw further improved sell through and increased overall volumes. In addition we had the launch of the fcuk capsule collection with Urban Outfitters. In UK/Europe however sales reduced due to a combination of the difficult market conditions through the second half of the year resulting in considerably lower in season orders being received, together with a change of the phasing of new summer season deliveries when compared to last year.

Gross margins at 30.2% were 2.3% down on last year reflecting the additional import duties incurred in the USA during the second half of the year and a lower level of foreign exchange gains than in the previous year in the UK. In response to the decrease in revenue, costs were tightly controlled and were reduced by 3.1% (2.8% CCY) (exc. IFRS 16). Overall this has resulted in a 23% reduction in underlying operating result to £11.7m excluding IFRS 16 adjustments.

Retail

Predominantly due to the continued store closure programme with a further 18 locations closed during the year (11 stores, 3 outlets and 4 concessions), overall revenue decreased by 20.0% (-19.7% CCY). This also included a reduction in like for like sales of 2.5% for UK/Europe, despite having been 1.4% up at the half year. Included in the closures was our store in Oxford Street in May and in response to this we opened the new concept Duke Street Studios store nearby to maintain a West End presence. As anticipated, negotiations on individual properties in general have become considerably more favourable, and while not always enough to ensure we remain in the store, certain locations have continued to be traded given the improved economics. This is likely to continue although the number of leases coming to the end or with a break clause, reduces considerably over the next couple of years leaving less opportunity for renegotiation. We currently expect 2 further locations to close this year. The average lease length of the remaining UK/Europe stores is 2.5 years (2019: 2.3 years).

Gross margin was 51.0%, down from 55.1% last year. This reflects increased markdowns in the second half of the year to assist stock clearance, the lower level of foreign exchange gains compared to the previous year and the increased proportion of sales through the outlet stores at lower margins. Underlying overheads fell by 5.5% reflecting the rent renegotiations achieved during the year partially offset by some inflationary pressures particularly on staff costs. Overall underlying operating result for the year decreased by £1.3m excluding IFRS 16 adjustments.

Within retail, overall revenue for ecommerce was slightly down on last year, reflecting the general trading environment but also the changes in team that have been made during the year both in the UK and USA. In addition in the USA there was a conscious move to reduce the level of promotional periods which again impacted sales volumes. We did start to see some benefits of the improvements we have made feed through particularly on personalisation and in the social media channels towards the end of the second half of the year. We intend to build on this as we go forward. The ecommerce business both with our own site and through third party customer platforms will play a significant part in the growth of the business in the future.

CHAIRMAN'S STATEMENT

Licensing

Licensing income for the year was £5.5m compared to £5.8m last year. This reflects overall a steady performance with DFS again growing but offset by the closure of our bag licensee in North America. We have new ladies footwear, kidswear and hosiery licences commencing deliveries in North America in the second half of the year.

Operating expenses, adjusted for store closures and currency movements, were slightly down on the year with inflationary pressures especially from staff costs. These were offset by rent renegotiations and group wide cost saving initiatives including a restructure within the retail head office.

The Group ended the year with a cash position of £8.1m (2019: £16.2m), reflecting the trading losses, payments to exit stores during the year and capital expenditure on stores and IT infrastructure. The Board have decided that there will be no dividend payable for the year.

The performance this year has not been as anticipated and we are not being assisted by the continued difficult trading conditions in the UK and also uncertainty as to the impact of COVID-19 coronavirus, both due to the spread of the infection to further territories and the potential impact on our supply chain. We are monitoring this situation closely and will take whatever actions are necessary to manage any delays that may arise.

I am however, pleased with the continued good performance of the wholesale business in the USA and we have good forward order banks in the UK to be delivered during the first half of the year. Initial reaction to the winter ranges has been good. The consistent performance of the licensing business will continue and will be strengthened by the new collections. The trading landscape in the UK is unlikely to improve in the short term and this has a potential impact on both the retail and wholesale businesses. Against this background we are working hard to ensure we are operating as efficiently and cost effectively as possible while working closely with all our trading partners to maximise business with them.

All our staff have worked hard over the year in testing conditions and for this I thank them. We have a lot to do to return the business to the positive progress we had been making prior to this year but I am confident we are well positioned to achieve this.

Stephen Marks Chairman and Chief Executive

Notes:

- 1. Underlying Operating result excludes adjusting items (Note 6) and discontinued operations (Note 3)
- 2. LFL or "Like-for-Like" sales growth is defined as the year-on-year sales growth for owned stores and concessions open more than one year, including ecommerce revenues, removing the impact of closed stores and reported in constant currency.
- 3. Constant Currency (CCY) is calculated by translating the year ending January 2020 at 2019 rates to remove the impact of exchange rate fluctuations.
- 4. Underlying overheads consist of LFL store overheads.
- Adjusting items include provisions for bad debts, store closure and dilapidation costs, impairment provisions and other professional fees
- 6. Continuing operations exclude the discontinued results from the disposed Hong Kong & China joint ventures.

The Directors believe these measures are best reflective of how the business is managed and are informative to shareholders in understanding the performance of the business.

Overall financial performance

Although the first half of the financial year saw an improvement in underlying profitability, the second half of the year has proved to be particularly challenging. A tough economic climate, particularly in the UK, provided headwinds that impacted on our ability to build on the improvement in the first six months. Underlying result¹ for the full year to January 2020 was a loss of £(2.9)m compared to an underlying profit of £0.8m in the comparative period. The underlying result excludes adjusting items and discontinued operations.

Adjusting items⁴ of £4.4m (2019: £9.4m) in the year relate to non-recurring expenses including bad debts, impairment and dilapidation provisions and professional fees relating to the conclusion of the strategic review, as announced in January. Further information is provided in Note 6 to the Group accounts. Discontinued operations in the current year relate to the cessation of our joint venture operation in Asia. The closure of all of our fourteen joint venture stores in China and Hong Kong was completed in the second half of the financial year and generated a total loss of £(0.5)m. The joint venture trading result has been re-presented within discontinued operations in the comparative year.

The current reporting period is inclusive of the implementation of IFRS 16 which has resulted in presentational changes to the Income Statement, Statement of Financial Position and Cash Flow. In addition, the underlying result on a like-for-like basis has benefitted from the adoption of IFRS 16 'modified retrospective' approach as illustrated in Note 10 'Impact of application of IFRS 16'. The like-for-like underlying result for the year, adjusted to exclude the impact of IFRS 16, is a loss of £(4.5)m (2019: restated profit of £0.8m).

Including adjusting items and discontinued operations, the Group reported a total loss for the year of £(7.8)m (2019: £0.0m).

Revenue

Group revenue from continuing operations of £119.9m decreased by 11.4% (11.1% at constant currency²) (2019: £135.3m). Wholesale revenue grew in North America but contracted in UK/Europe due to shipment timing, resulting in an overall decline of 4.8% (4.6% at constant currency). Retail sales decreased by 20.0% (19.7% at constant currency) reflecting a reduced store portfolio reducing average operated space by 13.6% with net fifteen store/concession closures in the year as well as UK/Europe retail like-for-like sales³ decline of 2.5%.

Gross margin

Composite Group gross margin at 38.3% was 400bps lower than the prior period (2019: 42.3%) impacted by higher input prices including increased tariffs imposed by the US on imports from China, less favourable FX variances and the larger proportion of retail outlet sales and relatively fixed overheads as we continue to close full-price stores.

Wholesale

Group wholesale revenue from continuing operations of £73.2m was 4.8% (4.6% at constant currency) lower than the prior period (2019: £76.9m). Strong continued growth of 15.7% was generated from the core department store business in North America. However, this was offset by a decline in UK/Europe revenue of 18.0% due to reduction in clearance sales and change in phasing of year-end Spring product despatches. The Rest of the World wholesale business contracted impacted by the closure of our joint venture partners in Asia.

Group wholesale gross margin deteriorated to 30.2% (2019: 32.5%) due to increased input prices as a result of continuing weak Sterling throughout the year and increased tariffs on Chinese imports imposed by the US.

The decline in overall wholesale sales and a softer margin resulted in a profitability decrease in underlying profit for the year to £13.2m (2019: £15.2m). Excluding the impact of IFRS 16, adjusted underlying wholesale profit was £11.7m (£15.2m).

Retail

Group retail revenue from continuing operations of £46.7m was 20.0% lower than the comparative period (2019: £58.4m) due to the continuing targeted reduction in the store portfolio and 2.5% decline in UK/Europe like-for-like sales. During the year, we closed fourteen non-contributing stores and four concessions, with another two concessions opening. Our Oxford Street store closed in the first half of the year but to maintain a Central London presence, we opened a new concept store nearby in Duke Street, called The Studio. Total operated locations at the year-end was 81 (2019: 96) reflecting a 26% reduction in total selling space.

Disappointingly, total ecommerce revenue also contracted by 8.1% across our websites. However, ecommerce still increased penetration of total Group retail sales, growing to 24.2% (2019: 21.1%). Mobile phone transactions as a proportion of ecommerce traffic also increased to 63.8% of all online transactions (2019: 56.8%) reflecting the continued focus and development of our CRM capability and targeted social media advertising.

The overall retail performance in the year was a marginal improvement in the underlying result to a loss of £(10.0)m (2019: £(10.3)m). Excluding the impact of IFRS 16, adjusted underlying retail loss was £(11.6)m (2019: £(10.3)m).

We continue to review the Group retail portfolio and opportunities available to renegotiate or terminate leases. However, we also continue to experience upward cost pressures from a combination of both rates and wages.

Geographical analysis

The continued strong performance in the North America wholesale business has contributed to the increase in North America share of Group revenue to 33.9% (2019: 27.2%) and the corresponding decrease in UK/Europe share to 64.7% (2019: 70.7%). The closure of the Asian joint ventures has resulted in fall in Rest of the World revenue to 1.4% (2019: 2.1%).

Underlying operating result from North America has improved to £5.5m (2019: £3.7m) as a result of the continued wholesale growth. UK/Europe underlying result has generated a loss of £(1.6)m (2019: profit of £2.1m) due to contracting wholesale and retail revenues. Rest of the World underlying loss increased to £(0.8)m (2019: £(0.6)m).

Licensing income

Global licensing of £5.5m (2019: £5.8m) was generated in the year. DFS continues to increase its licensing revenues with range expansion during the year. However, some of the UK historic licensing income has contracted in the year as a direct result of the challenging UK economic climate and the North America shoe licence closure.

Operating expenses

Total Group operating expenses, excluding adjusting items, of £52.8m (2019: £62.2m) were 15.1% lower than the prior period primarily due to store closure savings and a focus on cost control.

Total operating expenses including adjusting items were £57.2m (2019: £71.6m).

Adjusting items

Adjusting items of £4.4m (2019: £9.4m) have been recognised in the period relating to non-recurring items including bad debt provisions relating to wholesale export customers of £1.0m, store closure and dilapidation costs of £1.6m, right of use and fixed asset impairments of £1.4m and professional fees of £0.4m with regards to the conclusion of the strategic review.

Discontinued operations

The Group closed its joint venture operations in Asia in the second half of the year. The closure of all of our fourteen stores in China and Hong Kong generated a total loss of $\mathfrak{L}(0.5)$ m. The joint venture trading result has disclosed within discontinued operations.

The prior year trading loss of the joint ventures of $\mathfrak{L}(0.7)$ m has been re-presented within discontinued operations in the Income Statement and consolidated with the prior year profit from disposal of our subsidiary, Toast (Mail Order) Limited, generated a total comparative discontinued operations profit of £8.6m.

Balance sheet

The Group balance sheet at 31 January 2020 remains strong with net assets of £29.1m (2019: £46.2m) including closing cash of £8.1m (2019: £16.2m) and no bank borrowings. Opening net assets at 1 February 2019 have been reduced by £8.3m following the implementation of IFRS 16 (see Note 10 'Impact of application of IFRS 16').

Inventory levels reduced to £26.8m (2019: £28.4m) due to the reduction in wholesale sales and the timing of Spring shipments. Similarly, trade and other receivables have decreased to £19.5m (2019: £24.1m) as a result of contracting wholesale revenues and increased provisions. Trade and other payables have reduced to £19.2m (£25.4m) reflecting the reduction in the retail portfolio.

Following the implementation of IFRS 16, the balance sheet at the year-end now includes a right of use asset of £17.9m and related lease liabilities of £30.0m relating to future discounted lease rentals.

Cash flow

The trading operations of the Group generated cash of £5.7m (2019: £(3.1)m outflow) reflecting the new cash flow presentation under IFRS 16. However, on a like-for-like presentational basis, excluding the impact of IFRS 16, adjusting items and discontinued operations in both the current and prior years, the Group consumed cash of £(5.7)m in the year (2019: £(2.6)m). The increase in cash consumption reflects the decrease in underlying profitability in the year tempered by tighter control of working capital.

Cash outflows from investing activities of £2.2m include capital expenditure of £1.1m (2019: £0.8m) relating to IT costs, investment in upgrading the ecommerce CRM platform and retail improvements including the shopfit of the new London store. Store closure costs of £1.1m (2019: £0.9m) have been incurred in the period relating to the closure of fourteen stores.

We continue to target the closure of non-contributing stores and expect to close more in the current year. Prior year cash inflow from investing activities of £10.0m included the funds received from the disposal of the subsidiary, Toast (Mail Order) Limited. Cash outflows from financing activities of £(11.4)m in the current year relate to IFRS 16 lease liability rental payments and interest.

IFRS 16

The Group has implemented IFRS 16 'Leases' for the accounting year-ended 31 January 2020. The Group has adopted the 'modified retrospective' method and accordingly the comparative 2019 results under this methodology have not been restated on transition at 1 February 2019.

In summary, IFRS 16 aligns the presentation of leased assets more closely to owned assets resulting in historic operating leases being brought onto the Balance Sheet and part of what was previously reported as operating lease costs being recorded as a finance interest expense. Historic operating lease expenses are to be replaced by depreciation and interest.

The depreciation of the right-of-use asset will be charged on a straight line basis whilst the interest charged on the outstanding lease liability will be front-loaded and higher in the earlier years decreasing over the life of the lease. However, the total expense recognised in the Income Statement over the life of the lease will be unaffected by the new standard.

A right-of-use asset and lease liability have been presented on the Balance Sheet with the lease liability recognised at the present value of future lease payments. The right-of-use asset has been matched in value to the lease liability at inception subject to any rent-free or lease inducements. However, the respective assets and liabilities have been charged/(credited) independently over the life of the lease.

The adoption of the standard has had no impact on the daily operations or cash flows of the Group. However, there has been a material impact on the presentation of the financial statements including the Income Statement, Balance Sheet and Cash Flow Statement.

More details are available in Note 10 'Impact of application of IFRS 16'.

Taxation

The total Group tax charge for the year of £Nil (2019: £Nil) represents tax payable on current profits generated in Hong Kong and the US offset by historic losses. The Group has unused tax trading losses with a potential value of £15.3m, of which £13.6m has not been recognised in these financial statements. These tax losses can be utilised when the Group returns to profitability.

Dividends

The Board of Directors remain of the view that the business is best served by retaining current cash reserves to support the turnaround of the business, and therefore do not recommend the payment of a dividend. The Board intend to keep the shareholder distribution policy under close review during the year.

Market capitalisation

It is noted that as at the financial year-end 31 January 2020, the net assets of the Group of £29.1m are in excess of the Company's market capitalisation. However, the Directors believe, based on the latest budget and long range plan, the current market price undervalues the future forecast profitability of the business and that the net asset position of the Group is a fairer representation. In accordance with accounting standards, the Company acknowledges that current market capitalisation is a potential indicator of impairment. A subsequent impairment review of the Group's net assets has been performed in the year with resulting right of use asset and tangible fixed asset impairments.

Going concern

Having reviewed the cash forecasts and the sources of cash funding available to the Group, the Board has concluded that it is appropriate to prepare the Group financial statements on a going concern basis. Furthermore, the Group has additional levers available to manage cash including reducing discretionary spend such as Capex, accelerating the liquidation of older season stock and bringing forward wholesale customer payments where deemed appropriate. We have also post year-end, subject to a due diligence review, secured a three year credit line facility of approximately £10m.

Brexit

The long term implications and full economic impact remain unclear. The Group considers the principal risk factors to be macro-economic uncertainty leading to a downturn in the UK economy, trading restrictions leading to friction at the borders, the imposition of tariffs, further exchange rate volatility and other recruitment concerns. Tariff increases or trading restrictions are mitigated through the Group's suppliers predominantly being located outside of the EU. The potential fall in the value of Sterling and further exchange rate volatility following Brexit is partly mitigated within the Group due to the proportion of our business which is transacted in US\$ and Euros. This leads to a relatively large natural hedge. For the remainder we hedge in advance. The likely contraction in the labour market is considered a minor risk to the Group, with no senior positions currently held by non-UK EU citizens and minimal disruption to retail staffing. The Group has communicated across the organisation the steps and procedures required to assist any EU citizens to take advantage of the EU Settlement Scheme to remain in the UK following any transition period. The Board will continue to monitor Brexit developments and assess the potential impact on the business when there is greater certainty and clarity over potential outcomes.

COVID-19 Coronavirus

The impact following the recent emergence of the global coronavirus is still unknown. We have engaged with employees to provide further information as we receive it and have also put in place materials to try and reduce the spread. To offset the impact of periods of self-isolation we have enabled all office based colleagues to be able to work from home, should the need arise. We are reviewing the impact that this may have on our supply chains for Winter products coming from the Far East but do not know for sure just yet how this will play out. A major concern is that the outbreak leads to further reductions in footfall on the High Street, though with our reduced exposure to pure retail, we are less exposed than others. We will continue to monitor the situation closely.

Lee Williams Chief Financial Officer

Notes:

- 1. Underlying Operating result excludes adjusting items and discontinued operations.
- 2. Constant Currency (CCY) is calculated by translating the year ending January 2020 and January 2019 at a consistent rate to remove the impact of exchange rate fluctuations.
- 3. LFL or "Like-for-Like" sales growth is defined as the year-on-year sales growth for owned stores and concessions open more than one year, including ecommerce revenues, removing the impact of closed stores and reported in constant currency.
- 4. Adjusting items include provisions for bad debts, store closure and dilapidation costs, impairment provisions and other professional fees
- 5. Continuing operations exclude the discontinued results from the disposed Hong Kong and China joint ventures (Note 3).

The Directors believe these measures are best reflective of how the business is managed and are informative to shareholders in understanding the performance of the business.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 January 2020

Restated* Year ended 31 January 2020 Year ended 31 January 2019 Adjusting Adjusting **Before** items and Before items and adjusting discontinued adjusting discontinued Total items operations** items operations** Total £m Note £m £m £m £m £m **Continuing operations** 2 119.9 119.9 Revenue 135.3 135.3 Cost of sales (74.0)(74.0)(78.1)(78.1)2 **Gross profit** 45.9 45.9 57.2 57.2 Operating expenses (52.8)(4.4)(57.2)(62.2)(9.4)(71.6)Other operating income 5 5.5 5.5 5.8 5.8 (1.5)(1.5)Finance expense (Loss)/profit before taxation 6 (2.9)(4.4)(7.3)8.0 (9.4)(8.6)**Taxation** (Loss)/profit for the year from continuing operations (2.9)(4.4)(7.3)8.0 (9.4)(8.6)**Discontinued operations** (Loss)/profit from discontinued operations, net of tax 3 (0.5)(0.5)8.6 8.6 (Loss)/profit for the year (2.9)(4.9)(7.8)8.0 (8.0)

^{*} The comparative statement has been restated re-presenting discontinued operations and continuing operations.

^{**} Adjusting items (Note 6). Discontinued operations (Note 3).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 January 2020 (continued)

| | Note | 2020 £m | Restated* 2019 £m |
|---|------|-------------------------|--------------------------|
| (Loss)/profit for the year | | (7.8) | - |
| Other comprehensive income Items that are or may be reclassified subsequently to profit or loss Currency translation differences for overseas operations Currency translation differences on foreign currency loans, net of tax Recycling of translation differences due to disposal of discontinued operation Effective portion of changes in fair value of cash flow hedges | | (0.1) (0.2) (0.7) | 0.5 (0.2) - 0.1 |
| Other comprehensive income for the year, net of tax | | (1.0) | 0.4 |
| Total comprehensive income for the year | | (8.8) | 0.4 |
| (Loss)/profit attributable to: | | | |
| Equity holders of the Company Non-controlling interests | | (7.9) 0.1 | 0.1 (0.1) |
| (Loss)/profit for the year | | (7.8) | - |
| Total comprehensive income attributable to: | | | |
| Equity holders of the Company Non-controlling interests | | (8.9) 0.1 | 0.5 (0.1) |
| Total income and expense recognised for the year | | (8.8) | 0.4 |
| (Losses)/earnings per share Basic and diluted (losses)/earnings per share | 8 | (8.2)p | 0.1p |
| Continuing operations Basic and diluted losses per share | 8 | (7.7)p | (8.9)p |
| Discontinued operations Basic and diluted (losses)/earnings per share | 8 | (0.5)p | 9.0p |

^{*} The comparative statement has been restated re-presenting continuing and discontinued operations (Note 3).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 January 2020

| | Note | 2020 £m | 2019 £m |
|--|---------------------------------------|------------|------------|
| Assets | | | |
| Non-current assets | | | |
| Intangible assets | | 0.2 | 0.2 |
| Property, plant and equipment | | 2.0 | 2.5 |
| Right-of-use asset | | 17.9 | 2.5 - |
| Investments in joint ventures | | 17.5 | 1.8 |
| Deferred tax assets | | 4.5 | 4.3 |
| Deferred tax assets | | 4.5 | 4.3 |
| Total non-current assets | | 24.6 | 8.8 |
| Current assets | | | |
| Inventories | | 26.8 | 28.4 |
| Trade and other receivables | | 19.5 | 24.1 |
| Cash and cash equivalents | 9 | 8.1 | 16.2 |
| Cash and Cash equivalents | · · · · · · · · · · · · · · · · · · · | 0.1 | 10.2 |
| Total current assets | | 54.4 | 68.7 |
| Total assets | | 79.0 | 77.5 |
| Non-current liabilities | | | |
| Lease liabilities | | 20.9 | _ |
| Provisions | | 0.3 | 3.5 |
| FIUVISIONS | | 0.3 | 3.3 |
| Total non-current liabilities | | 21.2 | 3.5 |
| Current liabilities | | | |
| Trade and other payables | | 19.2 | 25.4 |
| Lease liabilities | | 9.1 | - |
| Provisions | | 0.4 | 2.4 |
| Total current liabilities | | 28.7 | 27.8 |
| Total liabilities | | 49.9 | 31.3 |
| Net assets | | 29.1 | 46.2 |
| | | | |
| Equity | | | |
| Called-up share capital | | 1.0 | 1.0 |
| Share premium account | | 9.8 | 9.8 |
| Translation reserve | | 6.4 | 7.4 |
| Retained earnings | | 11.8 | 28.0 |
| Total equity attributable to equity holders of the Company | | 29.0 | 46.2 |
| Non-controlling interests | | 0.1 | - |
| Total equity | | 29.1 | 46.2 |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | Share capital £m | Share premium £m | Hedging reserve £m | Translation reserve £m | Retained earnings £m | Total £m | Non- controlling interests £m | Total equity £m |
|---|------------------------|------------------------|--------------------------|------------------------------|----------------------------|-------------|--|-----------------------|
| Balance at 31 January 2018 | 1.0 | 9.6 | (0.1) | 7.1 | 27.9 | 45.5 | 1.2 | 46.7 |
| Profit/(loss) for the year ended 31 January 2019 | | | | | 0.1 | 0.1 | (0.1) | - |
| Other comprehensive income Currency translation differences for overseas operations | | | | 0.5 | | 0.5 | | 0.5 |
| Currency translation differences on foreign currency loans, net of tax Effective portion of changes in fair | | | | (0.2) | | (0.2) | | (0.2) |
| value of cash flow hedges | | | 0.1 | | | 0.1 | | 0.1 |
| Transactions with owners recorded directly in equity Share options exercised | | 0.2 | | | | 0.2 | | 0.2 |
| Transactions with non-controlling interests, recorded directly in equity Dividends | | | | | | | (0.5) | (0.5) |
| Disposal of discontinued operation | | | | | | | (0.6) | (0.6) |
| Balance at 31 January 2019, as previously reported | 1.0 | 9.8 | - | 7.4 | 28.0 | 46.2 | - | 46.2 |
| Impact of change in accounting policy of IFRS 16 (Note 10) | | | | | (8.3) | (8.3) | | (8.3) |
| Adjusted balance at 1 February 2019 | 1.0 | 9.8 | - | 7.4 | 19.7 | 37.9 | - | 37.9 |
| (Loss)/profit for the year ended 31 January 2020 | | | | | (7.9) | (7.9) | 0.1 | (7.8) |
| Other comprehensive income | | | | | | | | |
| Currency translation differences for overseas operations | | | | (0.1) | | (0.1) | | (0.1) |
| Currency translation differences on foreign currency loans, net of tax | | | | (0.2) | | (0.2) | | (0.2) |
| Disposal of discontinued operation (Note 3) | | | | (0.7) | | (0.7) | | (0.7) |
| Balance at 31 January 2020 | 1.0 | 9.8 | - | 6.4 | 11.8 | 29.0 | 0.1 | 29.1 |

Share capital and premium reserve

Share capital is the nominal value of shares issued. Share premium represents the difference between the market price and nominal.

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

Translation reserve

The translation reserve comprises foreign currency differences arising from the translation of the financial statements of foreign operations as well as from the translation of foreign currency loans. The translation reserve carried forward is net of £0.2m (2019: £0.4m) deferred tax.

Retained earnings

Earnings available for distribution to shareholders under the Companies Act 2006.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 January 2020

| | Note | 2020 £m | 2019 £m |
|---|------|------------|-------------------|
| Operating activities | | | |
| (Loss)/profit for the period | | (7.8) | _ |
| Adjustments for: | | (-, | |
| Depreciation of property, plant and equipment | | 1.2 | 1.2 |
| Depreciation of right-of-use asset | | 6.6 | - |
| Share of loss of joint ventures | 3 | 0.5 | 0.7 |
| Finance expense | | 1.5 | - (2 =) |
| Profit on sale of subsidiary | 3 | - | (9.7) |
| Adjusting items Income tax credit | 6 | 4.4 | 9.4 (0.1) |
| income tax credit | | | (0.1) |
| Operating cash flows before changes in working capital and provisions | | 6.4 | 1.5 |
| Decrease in inventories | | 1.6 | 0.4 |
| Decrease/(increase) in trade and other receivables | | 2.7 | (2.0) |
| (Decrease) in trade and other payables | | (5.0) | (3.0) |
| Cash flows from operations | | 5.7 | (3.1) |
| Income tax (paid)/received | | (0.1) | 0.2 |
| Cash flows from operating activities | | 5.6 | (2.9) |
| Investing activities | | | |
| Investment in joint ventures | | - | _ |
| Acquisition of property, plant and equipment | | (1.1) | (8.0) |
| Disposal of subsidiary | 3 | ` - | ì1.7 [′] |
| Net costs from store closures | | (1.1) | (0.9) |
| Cash flows from investing activities | | (2.2) | 10.0 |
| Financing activities | | | |
| Payment of lease liabilities | | (9.9) | _ |
| Interest paid | | (1.5) | _ |
| Proceeds from exercise of share options | | ` - | 0.2 |
| Dividends paid | 7 | - | (0.5) |
| Cash flows from financing activities | | (11.4) | (0.3) |
| Net (decrease)/increase in cash and cash equivalents | | (8.0) | 6.8 |
| Cash and cash equivalents at 1 February | | 16.2 | 9.5 |
| Exchange rate fluctuations on cash held | | (0.1) | (0.1) |
| Cash and cash equivalents at 31 January | 9 | 8.1 | 16.2 |

1 Basis of preparation

Consolidated financial statements and accounting policies

The preliminary announcement for the year ended 31 January 2020 has been prepared in accordance with International Accounting Standards and International Financial Reporting Standards as adopted by the European Union (EU) at 31 January 2020. The annual financial information presented in the preliminary announcement for the year ended 31 January 2020 is based on, and is consistent with, that in the Group's unaudited Financial Statements for the year ended 31 January 2020, and those Financial Statements will be delivered to the Registrar of Companies following the Company's Annual General Meeting.

These consolidated financial statements have been prepared using the historical cost convention, modified for certain items carried at fair value, as stated in the accounting policies.

Statutory accounts

The financial information set out above does not constitute the Company's statutory accounts for the years ended 31 January 2020 or 2019. The financial information for 31 January 2019 is derived from the statutory accounts for 2019 which have been delivered to the Registrar of Companies. The auditor has reported on the 2019 accounts; their report was (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The statutory accounts for 2020 will be finalised on the basis of the financial information presented by the Directors in this preliminary announcement and will be delivered to the Registrar of Companies and made available for viewing and download from the Group's website at www.frenchconnection.com in due course. The Annual Report will be circulated in printed form to shareholders in the second week of April 2019.

2 **Operating segments**

| egment revenue and results | | Restated* |
|---|---------|-----------|
| | 2020 | 2019 |
| Income Statement | £m | £m |
| Revenue | | |
| Retail | 46.7 | 58.4 |
| Wholesale | 73.2 | 76.9 |
| Group revenue | 119.9 | 135.3 |
| Gross profit | 45.9 | 57.2 |
| D-4-11 | E4 00/ | EE 41 |
| Retail | 51.0% | 55.19 |
| Wholesale | 30.2% | 32.5 |
| Group gross margin | 38.3% | 42.3 |
| Jnderlying operating (loss)/profit | / | |
| Retail | (10.0) | (10.3 |
| Vholesale | 13.2 | 15.2 |
| Licence income | 5.5 | 5.8 |
| Common and Group overheads | (10.1) | (9.9 |
| Finance expense | (1.5) | (5.0 |
| Inderlying Group operating (loss)/profit** | (2.9) | 0.8 |
| Jnderlying operating margin | | |
| Retail | (21.4)% | (17.6) |
| Wholesale | 18.0% | 19.8 |
| Jnderlying Group operating margin | (2.4)% | 0.6 |
| eographical information | | |
| • . | | Restated |
| | 2020 | 201 |
| | £m | £ |
| Revenue | | |
| JK/Europe | 64.7% | 70.7 |
| North America | 33.9% | 27.2 |
| Rest of the World | 1.4% | 2.1 |
| Divisional operating (loss)/profit | // A) | |
| JK/Europe | (1.6) | 2.1 |
| North America | 5.5 | 3.7 |
| Rest of the World | (0.8) | (0.6 |
| Group overheads and finance income | (6.0) | (4.4 |
| Underlying Group operating (loss)/profit)** | (2.9) | 0.8 |

^{*} comparative results have been restated reflecting the re-presentation of continuing and discontinued operations **excludes adjusting items (Note 6) and discontinued operations (Note 3)

3 **Discontinued operations**

The Group closed its entire joint venture operation in Asia during the current financial year. The closure of all of the eleven retail stores in China was completed by October 2019 and similarly the closure of all of the three retail stores in Hong Kong was completed by August 2019. This division was not classified as discontinued operations in the prior year and the comparative statement of comprehensive income has been restated to highlight the discontinued operations separately from continuing operations. The closure of the Asian joint venture operation generated a total loss in the current year of £(0.5)m (2019; £(0.7)m).

In the prior year, on 30 April 2018, French Connection Group PLC together with the 25% interest minority shareholders, sold the entire issued share capital of Toast (Mail Order) Limited to Bestseller United A/S for gross proceeds of £23.3 million, comprising consideration of £21.3 million and a pre-completion dividend of £2.0 million. After the payment of management exit awards and transaction costs, the Group received net proceeds of £13.2m comprising cash of £11.7m and £1.5m dividend (75% share) utilised to pay down intercompany debt.

At 30 April 2018, the Toast subsidiary comprised net assets of £2.1 million, of which French Connection Group PLC directly owned £1.5 million being 75% of the net assets. Further, French Connection will support the transition of the Toast business into new ownership by providing support office functions and other transitional services for up to two years at no cost to the Purchaser. £0.4 million has been provided in relation to these future costs. Transactional costs of £1.1 million comprising legal and other advisory fees have been expensed by French Connection Group PLC as part of the profit on disposal. The transaction has generated a total profit on sale of £9.7 million in the prior year. Inclusive of operating loss of £(0.4)m, the sale of the Toast subsidiary generated a total profit in the comparative year of £9.3m.

| Results of discontinued operations | Year ended 31 Jan 2020 £m | Year ended 31 Jan 2019 £m |
|---|---------------------------------------|---------------------------------------|
| Revenue Expenses Share of loss of joint ventures, net of tax Currency translation differences | (0.4) 0.7 | 3.3 (3.8) (0.7) |
| Results from operating activities before tax | 0.3 | (1.2) |
| Taxation | - | 0.1 |
| Results from operating activities, net of tax | 0.3 | (1.1) |
| (Loss)/profit on disposal of discontinued operations | (0.8) | 9.7 |
| Effect on (loss)/profit for the period | (0.5) | 8.6 |

4 Revenue and gross margin

| | Continuing operations | | Discontinued operations* | | Consolidated operations | |
|---------------|-----------------------|-------|--------------------------|------|-------------------------|-------|
| Sale of goods | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| | £m | £m | £m | £m | £m | £m |
| Revenue | 119.9 | 135.3 | - | 3.3 | 119.9 | 138.6 |
| Gross margin | 45.9 | 57.2 | | 2.4 | 45.9 | 59.6 |

The revenue from external customers is derived from the sale of clothing and accessories.

5 Other operating income

| | 2020 £m | 2019 £m |
|------------------|------------|------------|
| Licensing income | 5.5 | 5.8 |

Voor

6 (Loss)/profit before taxation

| | Year ended | Year ended |
|---|---------------|---------------|
| | 31 Jan | 31 Jan |
| | 2020 | 2019 |
| Reconciliation of loss before tax to underlying operating (loss)/profit | £m | £m |
| Loss/(profit) before tax | (7.8) | - |
| Adjusting items: | | |
| Provisions for bad debts and bad debt write-offs | 1.0 | 2.8 |
| Fixed asset impairments | 0.4 | - |
| Right of use asset impairment | 1.0 | - |
| Onerous lease provision | - | 5.2 |
| Store disposal and dilapidation costs | 1.6 | 1.4 |
| Other professional fees | 0.4 | - |
| | 4.4 | 9.4 |
| Discontinued operations (Note 3) | 0.5 | (8.6) |
| Underlying operating (loss)/profit | (2.9) | 0.8 |

Provisions for bad debts, net of VAT recoverable, of £1.0m have been expensed in the period relating to unpaid contractual debt due from wholesale export customers. Prior year charge of £2.8m related to unpaid debt from our Indian licensing partner and a UK concession partner in administration.

Right of use asset impairment of £1.0m (2019: onerous lease provision of £5.2m) has been expensed relating to UK stores whereby the future contractual obligation costs exceed the economic benefits forecast to be received. Current year charge of £0.9m (2019: £0.7m) has been expensed in the period relating to store closure costs. Provisions for store disposal and dilapidation costs of £0.7m (2019: £0.7m) have been recognised in the period.

Other professional fees in the current year of £0.4m (2019: £Nil) relate to fees incurred in relation to the conclusion of the strategic review.

^{*} see discontinued operations (Note 3).

7 Dividends - equity

The Board is proposing that no dividend should be paid for the year (2019: £Nil). Dividends of £Nil were paid during the year to the minority shareholders of a subsidiary undertaking of the Group (2019: £0.5m).

8 (Losses)/earnings per share

Basic and diluted (losses)/earnings per share are calculated on 96,612,634 (2019: 96,404,508) shares being the weighted average number of ordinary shares during the year.

Basic and diluted losses per share of (8.2) pence per share (2019: earnings of 0.1 pence) is based on losses of £(7.9)m (2019: profit of £0.1m) attributable to equity shareholders.

On continuing operations the basic losses per share of (7.7) pence per share (2019: (8.9) pence) is based on losses of $\mathfrak{L}(7.4)$ m (2019: $\mathfrak{L}(8.6)$ m) relating to continuing operations.

On discontinued operations the basic losses per share of (0.5) pence per share (2019: earnings of 9.0 pence) is based on losses of £(0.5)m (2019: profits of £8.7m) relating to discontinued operations.

The reconciliation from basic and diluted (losses)/earnings per share to adjusted losses per share is as follows:

| | 2020 £m | 2020 pence per share | 2019 £m* | 2019 pence per share* |
|---|---------------------|----------------------------|---------------------|-----------------------------|
| (Loss)/profit attributable to equity shareholders Adjusting items (Note 6) Discontinued operations (Note 3) | (7.9) 4.4 0.5 | (8.2)p 4.6p 0.5p | 0.1 9.4 (8.6) | 0.1p 9.7p (8.9)p |
| Adjusted (loss)/profit attributable to equity shareholders | (3.0) | (3.1)p | 0.9 | 0.9p |

The adjusted losses per share relates to the underlying operations and in the opinion of the Directors, gives a better measure of the Group's underlying performance than the basic losses per share.

9 Cash and cash equivalents

| | 2020 £m | 2019 £m |
|--|------------|------------|
| Cash and cash equivalents in the balance sheet and cash flow | 8.1 | 16.2 |

^{*} The comparative has been restated reflecting the re-presentation of discontinued operations in the prior year Income Statement.

10 Impact of application of IFRS 16

i) Transition

At the date of transition, 1 February 2019, the Group has adopted the 'modified retrospective' approach and has accordingly reviewed significant individual leases on a lease-by-lease basis. For these respective leases, the Group has recalculated the 'right-of-use' assets from lease commencement date as if IFRS 16 'fully retrospective' method had been adopted. For all other leases previously classified as operating leases, a corresponding 'right-of-use' asset has been matched at an amount equal to the lease liability for the remaining lease payments discounted using the incremental borrowing rate as at the transition date.

The Group has a portfolio of leased properties, including stores and warehouses, in addition to leased vehicles. At 31 January 2019, the Group lease commitment with regards to future lease commitments under non-cancellable operating leases, as reported in the Annual Report for the year ended 31 January 2019, (Note 26 to the Group Accounts 'Commitments') was £45.2m.

Furthermore, onerous lease provisions of £5.2m* and net working capital assets/liabilities of £0.8m** as at 31 January 2019 have been reclassified on the Balance Sheet within right-of-use assets and equity reserves on transition at 1 February 2019.

The impact to the financial statements upon the adoption of IFRS 16, with regards to the above lease portfolio, is as follows:

a) Right-of-use asset

The Group has recognised a 'right-of-use' asset of £24.2m, (net of reclassification of onerous lease provisions and working capital adjustments (rent payments in advance or arrears at transition date)).

The Group has elected not to recognise right-of-use assets and lease liabilities for short term leases and leases of low-value assets. Payments associated with those assets will be recognised as an expense on a straight-line basis. Turnover rents are outside the scope of IFRS 16 and therefore continue to be expensed as incurred.

| Right-of-use asset | Group £m |
|--|--------------|
| Right-of-use asset (asset = liability) | 15.4 |
| Right-of-use asset recalculated, on lease-by-lease basis | 13.1 |
| Right-of-use asset recalculated on a 'modified retrospective' approach | 28.5 |
| Onerous lease provision* Working capital adjustments** | (5.2) 0.9 |
| Right-of-use asset at 1 February 2019 | 24.2 |

^{*} reclassification from current and non-current liabilities on the balance sheet as at 31 January 2019

^{**} reclassification from current assets and current liabilities on the balance sheet as at 31 January 2019

10 Impact of application of IFRS 16 (continued)

b) Lease liabilities

The Group has recognised a total lease liability of £38.5m, being the discounted present value of the lease commitment as at 31 January 2019.

The Group has used a portfolio approach to determine a single discount rate for the portfolio of leases within each separate geographical operating segment reported. The Group believes that this approach would not differ materially from calculating discount rates for each individual lease. The discount rates have been determined using local borrowing rates in each geographic territory. The discount rate applied for each geographical segment ranges from 4% to 6%.

| Lease liabilities | Group £m |
|--|-------------------|
| Total lease commitments as at 31 January 2019 (per Note 26 to the 2019 Annual Report) | 45.2 |
| Short term leases and low value assets excluded and other timing adjustments | (2.1) |
| Lease commitment (undiscounted) Interest | 43.1 (4.6) |
| Lease liabilities discounted at 1 February 2019 | 38.5 |
| c) Reserves | |
| Reserves adjustment | £m |
| Right-of-use asset recalculated, on lease-by-lease basis Working capital adjustments** | 10.0 (1.7) |
| Adjustment to retained earnings at 1 February 2019 | 8.3 |

^{**} reclassification from current assets and current liabilities on the balance sheet as at 31 January 2019

li) Current accounting period

The impact of the adoption of IFRS 16 is as follows:

Consolidated Statement of Comprehensive Income

- Operating expenses include depreciation of the right-of-use asset, replacing the lease expense that was
 previously charged to the Income Statement
- Finance expense includes the interest charge on the outstanding lease liabilities
- Earnings/(losses) per share is adversely impacted in the earlier years of adoption due to the combination of depreciation and interest expensed to the Income Statement being higher than the previous charge due to the front-loading of the respective interest charge.

10 Impact of application of IFRS 16 (continued)

| Reconciliation of underlying result before tax to underlying result pre-IFRS 16 | Underlying result 2020 £m | IFRS 16 impact 2020 £m | Adjusted underlying result 2020 £m |
|---|------------------------------------|---------------------------------|--|
| Revenue | 119.9 | - | 119.9 |
| Gross profit | 45.9 | (1.4) | 44.5 |
| Operating expenses Other operating income Finance expense | (52.8) 5.5 (1.5) | (1.7) - 1.5 | (54.5) 5.5 - |
| Underlying operating loss | (2.9) | (1.6) | (4.5) |

Consolidated Statement of Financial Position

- Non-current assets include a 'right-of-use' asset, representing the value of the lease liabilities at IFRS 16 inception, adjusted for any rent-free or lease inducements. In addition, in accordance with the 'modified retrospective' approach applied, on a 'lease by lease' basis, significant individual lease 'right-of-use' assets have been recalculated as if IFRS 16 'fully retrospective' method had been adopted. The 'right-of-use' asset is net of the onerous lease provision brought forward at the previous financial year-end that was previously disclosed within current and non-current liabilities.
- Current and non-current liabilities include 'Lease liabilities' representing the net present value of future lease payments due within one year and after more than one year respectively.
- Provisions within current and non-current liabilities included 'onerous lease' provision for the comparative financial year-ended 31 January 2019. The onerous lease provision is now netted off against the 'right-of-use' asset reported within non-current assets.

Consolidated Statement of Cash Flows

The adoption of IFRS 16 has no impact on actual cash flows. However, the presentation of the Cash Flow Statement is changed as follows:

i) Operating activities

- Add-back adjustment for 'right-of-use' asset depreciation representing straight-line amortisation of the 'right-of-use' asset
- Finance expense add-back adjustment includes the interest charged on the outstanding lease liability. The interest expense will be front-loaded and higher in the earlier years decreasing over the life of the lease.

ii) Financing activities

- Payment of lease liabilities reported representing the 'capital' element of the cash lease payments within the reporting period
- Interest paid relates to 'financing' element of the actual cash lease payments during the period

11 Retail locations

| | | 31 January 2020 | | 31 January 2019 | |
|--|-------------|-----------------|---------|-----------------|--------|
| | | Locations | sq ft | Locations | sq |
| Operated legations | | | | | |
| Operated locations UK/Europe | | | | | |
| French Connection | Stores | 31 | 79,768 | 43 | 120,46 |
| French Connection/Great Plains | Concessions | 45 | 40,418 | 47 | 43,21 |
| YMC | Stores | 3 | 1,805 | 3 | 1,80 |
| | | | .,,,,, | | .,00 |
| | | 79 | 121,991 | 93 | 165,48 |
| North America | | | | | |
| French Connection US | Stores | 2 | 9,102 | 2 | 9,10 |
| | Stores | - | - | 1 | 2,35 |
| | | 2 | 9,102 | 3 | 11,45 |
| Total operated locations | | 81 | 131,093 | 96 | 176,94 |
| French Connection licensed and | franchised | | | | |
| UK/Europe | | 2 | 2,553 | 4 | 4,14 |
| North America | | 1 | 2,346 | 1 | 2,34 |
| Middle East | | 7 | 11,678 | 10 | 15,68 |
| Australia | | 148 | 75,013 | 140 | 72,55 |
| Hong Kong | | - | - | 3 | 3,37 |
| China | | - | - | 11 | 16,61 |
| India | | - | - | 7 | 3,71 |
| | | 15 | 11,446 | 19 | 14,24 |
| Other | | | | | |
| Other Total licensed and franchised loc | ations | 173 | 103,036 | 195 | 132,67 |