14 March 2012

FRENCH CONNECTION GROUP PLC

Preliminary Results for the year ended 31 January 2012

French Connection Group PLC ("French Connection", "the Group") today announces results for its latest financial year ended 31 January 2012.

Results of the continuing operations are as follows:

- Revenue up 5% to £215.4 million (2011: £205.0 million*)
- Profit before tax of £5.0 million (2011: £7.3 million*)
- Adjusted Earnings Per Share of 4.7 pence (2011: 7.5 pence*)
- Group Earnings Per Share of 5.5 pence (2011: loss of (2.4) pence)
- Closing net cash of £34.2 million (2011: £34.1 million) and no debt
- Final dividend proposed of 1.0p giving 1.6p for the full year (2011: 1.5p)

Commenting on this announcement, Stephen Marks, Chairman and Chief Executive of French Connection said:

During the past year our wholesale, international and licensing businesses have performed well, however, in the most difficult Winter season I have seen in all the years I have been in business, our UK retail division has been very disappointing and this has had a significant effect on our results for the year.

The French Connection brand has demonstrated its core strength through some good performances globally. The UK/Europe wholesale channel achieved a 17% increase in revenue over last year and we are pleased to have generated an operating profit of £3.3 million in North America, a significant improvement over previous years. Our licensees in Asia and Australia continue to perform well and our Joint Ventures in Hong Kong and China have both achieved strong growth in like-for-like sales. We will see further expansion of our international operations in the coming year. Further, brand licensing income grew strongly, increasing by 47% to £8.5 million from £5.8 million last year.

In the light of the performance of the UK retail division we are reviewing our retail operations in order to improve sales and margin in this core business. We are very aware that there will be no quick solutions and that changes we make will take time to have an impact. We are working very hard on improving the performance of the retail stores, although clearly the state of the UK economy is not helping the position.

We have demonstrated our ability to produce fashionable, wearable products over the last 40 years and will continue to do so. With the help of the review of operations, a strong balance sheet and our global brand, we will return the business to the level of profitability we feel the Group deserves.

Notes

* The comparative figures reflect the core continuing operations of the Group excluding the trading results of closed and discontinued operations (including the Nicole Farhi business and certain US retail stores which were sold or closed by 31 January 2011).

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Notes to Editors:

French Connection:
The French Connection Group comprises retail and wholesale businesses in the UK, Europe, the US, Canada, Hong Kong and China along with licensed partners operating in a number of other countries most notably Australia, India, Russia, Singapore, Vietnam and South Africa. In addition the Group operates successful brand licences under which partners produce fragrances, jewellery, toiletries, shoes and eyewear. Along with the French Connection brand, the Group operates Great Plains, a wholesale-only ladies' wear range, Toast, an e-commerce fashion and home wares brand, and YMC, a small men's and women's wear brand.

CHAIRMAN'S STATEMENT

Dear Shareholders,

During the past year our wholesale, international and licensing businesses have performed well, however, in the most difficult Winter season I have seen in all the years I have been in business, our UK retail division has been very disappointing and this has had a significant effect on our results for the year.

In the year ended 31 January 2012 the continuing operations achieved:

- total revenue of £215.4 million, a 5% increase;
- profit before tax of £5.0 million compared to £7.3 million last year; and
- closing cash of £34.2 million (2011: £34.1 million) with no borrowings.

In the light of the poor performance of the UK retail division we are reviewing our retail operations in order to improve sales and margin in this core business. We are very aware that there will be no quick solutions and that changes we make will take time to have an impact. We are working very hard on improving the performance of the retail stores, although clearly the state of the UK economy is not helping the position.

The rest of the Group has performed well over the last year:

- the UK/Europe wholesale channel achieved a 17% increase in revenue largely from new customers, although with a lower gross margin;
- we are pleased to have achieved an operating profit of £3.3 million (2011: £nil) in our North America region with a good performance in the wholesale division as retailers sold the product extremely well;
- our licensees in Asia and Australia continue to perform well, as can be seen from an increase in revenue and profit generated in our operation in Hong Kong;
- our Joint Ventures in Hong Kong and China have also performed well, both achieving strong growth in like-for-like sales; and
- Group licensing income grew strongly, increasing by 47% to £8.5 million (2011: £5.8 million). This performance shows the strength of our brand globally and gives us confidence in the core strength of the business. The licensing income is derived from products carrying the brand in toiletries, eyewear, suiting, fragrance and for the first time includes income from our collaboration with Li & Fung and Sears in the US for the "UK Style" brand.

We have demonstrated our ability to produce fashionable, wearable products over the last 40 years and will continue to do so. With the help of the review of operations, a strong balance sheet and our global brand, we will return the business to the level of profitability we feel the Group deserves. I remain confident that we have the management, design talent and operational capabilities in place to make this happen.

The Group remains debt-free and generated positive cash flow during the year, ending with a cash position of £34.2 million, slightly ahead of last year, including payment of a dividend. We have decided to propose a final dividend of 1.0 pence per share bringing the full year dividend to 1.6 pence (2011: 1.5 pence).

I expect that the UK retail environment will remain subdued over the next twelve months and we are planning accordingly. We will, however, continue to work hard to improve our financial performance. We have added a new premium range in our stores and will be adding a range of home wares to our larger stores and on-line in April. We expect to see further growth in our wholesale channels, in international and additional store openings in China, Hong Kong and India. Our brand licensees continue to perform well.

I would like to thank all our staff around the world for their continuing efforts and hard work in these difficult economic times.

Stephen Marks
Chairman and Chief Executive

13 March 2012

BUSINESS REVIEW

Introduction
Our principal brand is *French Connection* which accounts for over 90% of the Group's revenues and operates through owned retail locations in the UK, Ireland, Europe, US and Canada. Branded products are also available through our wholesale divisions to retailers worldwide. In addition, we have extended the brand into complementary products through our licensing programme.

French Connection Group also operates three other successful branded businesses – Toast, Great Plains and YMC:

- Toast has continued to grow its niche customer base and to increase revenues profitably. Our aim is to drive faster growth within this business and to this end the founders are building the capabilities of their team by recruiting further experienced management to work alongside them;
- Great Plains continues to be a highly successful wholesale brand creating relaxed, classic styles which sell very well in independent boutiques and department stores across the UK; and
- YMC creates stylish, alternative, modern clothing and has two stand-alone stores in London as well as a growing wholesale customer base worldwide.

The restructuring implemented in 2010 resulted in the sale and closure of unprofitable businesses. The continuing operations which have operated throughout the year ended 31 January 2012 comprise five operating divisions based on geographic location and channels to market with an additional and growing profit stream from brand licensing.

The UK/Europe retail division comprises the portfolio of *French Connection* branded retail stores and department store concessions across the UK, Ireland, Spain and Portugal. This division also includes the French Connection e-commerce business, Toast (which operates both mail-order and retail stores) and two YMC stores. E-commerce is now a significant and successful channel within our owned retail business, accounting for 17% of retail revenues. We continue to invest in this channel to ensure we have excellent on-line functionality and competitive delivery services.

The UK/Europe wholesale division supplies French Connection, Great Plains and YMC branded products to third party retailers such as specialist fashion independents, department stores and e-commerce sites based in the UK and Europe.

In North America the retail division comprises two businesses; a portfolio of eight stores (and e-commerce) in the US and twelve stores in Canada. In addition our wholesale division supplies department stores and independents across North America.

The Hong Kong wholesale business supplies product to French Connection licensees in Asia, Australia, South Africa and the Middle East.

French Connection product licences cover a number of different categories including toiletries, eyewear, watches, suiting, fragrances, shoes and jewellery, with a global footprint. This part of the Group's business leverages off our investment in the French Connection brand and is a growing and profitable activity.

This Business Review will focus on the results of the continuing operations and then separately comment on the results of the discontinued operations.

Overview of Group Results
In the year ended 31 January 2012 the financial performance of the Group included good growth in our wholesale divisions and our international businesses combined with a significant step-up in brand licensing income. These elements of growth were offset by a poor trading performance in our core retail markets in the UK resulting in Group profit before tax of £5.0 million compared to £7.3 million for the equivalent businesses in the previous year.

Total revenue was 5% ahead of last year reflecting continued good growth in wholesale volumes in both the UK/Europe and North America. Retail revenue in UK/Europe was broadly flat in both total and like-for-like terms, with growth in the first half offset by a poor winter season. Similarly, like-for-like retail revenue in North America was also broadly flat.

Group gross margin decreased by 390 basis points to 48.1%. There were a number of elements contributing to this decline, including increased production costs, a greater weighting of franchise customers in the wholesale channel, higher levels of clearance of old-season product and a greater weighting of revenue generated during the retail sales periods. The most significant divisional contributor to the decline was the UK/Europe retail business which accounted for 220 basis points of the difference.

Group overhead costs have benefited from £0.4 million of gains on the disposal of retail stores. The underlying increase in overheads was restricted to 2.1% despite additional investment in the e-commerce channel and the effect of retail space increases last year for YMC and Toast.

BUSINESS REVIEW

Licence income increased by £2.7 million as a result of the first contribution from the "UK Style by French Connection" licence in the US and continued good contributions from other licensees.

The resulting operating profit was £3.3 million (2011: £5.6 million).

Finance income has benefited from a one-off £0.8 million credit arising from exchange gains on the repayment of intra-group financing.

Our retail joint ventures in Hong Kong and China have continued to perform well with both businesses achieving strong growth in like-for-like revenue. Although the Group's share of the profits of these businesses showed a decrease from £1.5 million to £0.8 million in the year, the decrease reflected a £0.5 million one-off credit last year and some changes in the retail portfolio in Hong Kong.

BUSINESS REVIEW

Divisional analysis, continuing operations

These tables set out the segmental analysis of the core continuing operations for the two years ended 31 January 2012.

Year ended 31 January 2012

	UK/Europe			North America			Hong Kong	Intra Group	Total
	Retail £m	**Whole-sale £m**	**Total £m**	**Retail £m**	**Whole-sale £m**	**Total £m**	**Whole-sale £m**	**£m**	**£m**
Revenue	111.0	42.1	153.1	22.2	24.3	46.5	15.8		215.4
Gross profit	61.7	13.4	75.1	12.7	9.3	22.0	3.0	3.5	103.6
Gross margin	*55.6%*	*31.8%*	*49.1%*	*57.2%*	*38.3%*	*47.3%*	*19.0%*		*48.1%*
Trading overheads	(69.9)	(7.3)	(77.2)	(14.0)	(3.6)	(17.6)	(1.5)		(96.3)
Operating contribution	(8.2)	6.1	(2.1)	(1.3)	5.7	4.4	1.5	3.5	7.3
Common overhead costs			(4.6)			(3.1)			(7.7)
Other income			6.8			2.0	3.2	(3.5)	8.5
Divisional operating profit			**0.1**			**3.3**	**4.7**	-	8.1
Group management overheads									(4.8)
Operating profit									**3.3**
Net finance income									0.9
Share of joint ventures									0.8
Profit before taxation									**5.0**

Year ended 31 January 2011

	UK/Europe			North America			Hong Kong	Intra Group	Total
	Retail £m	**Whole-sale £m**	**Total £m**	**Retail £m**	**Whole-sale £m**	**Total £m**	**Whole-sale £m**	**£m**	**£m**
Revenue	110.8	36.1	146.9	23.2	19.5	42.7	15.4		205.0
Gross profit	66.4	13.2	79.6	13.6	7.5	21.1	2.8	3.1	106.6
Gross margin	*59.9%*	*36.6%*	*54.2%*	*58.6%*	*38.5%*	*49.4%*	*18.2%*		*52.0%*
Trading overheads	(68.0)	(7.4)	(75.4)	(14.2)	(3.4)	(17.6)	(1.3)		(94.3)
Operating contribution	(1.6)	5.8	4.2	(0.6)	4.1	3.5	1.5	3.1	12.3
Common overhead costs			(4.2)			(3.5)			(7.7)
Other income			6.9			-	2.0	(3.1)	5.8
Divisional operating profit			**6.9**			**-**	**3.5**	-	10.4
Group management overheads									(4.8)
Operating profit									**5.6**
Net finance income									0.2
Share of joint ventures									1.5
Profit before taxation									**7.3**

BUSINESS REVIEW

United Kingdom and Europe
Retail
Total retail revenue in the UK/Europe division was broadly flat on last year both in total and on a like-for-like basis; average retail space barely changed. This overall performance was made up of a 4.6% growth in like-for-like sales in the first half which was then entirely off-set by a decline in the second half. The sales performance of ladies' wear and men's wear have been similar and the e-commerce channel has performed in-line with the retail stores. Both Toast and YMC have continued to achieve growth in like-for-like sales despite the current retail situation, albeit at a low level.

This performance in part reflects the general economic situation which has caused the consumer to be very cautious throughout the year. Where there was added impetus, for instance from good weather, the additional bank holiday or promotional discounts, the consumer reacted well to our ranges, but the main periods of full price trading were subdued. While our trading reflects the general economic situation we also recognise that our comparative performance has been very disappointing and therefore we are taking actions to improve our performance.

The gross margin achieved in the retail channel was poor at 55.6% (2011: 59.9%). There were a number of reasons for this decline, each of which is receiving close attention. As reported previously, increases in production costs were driven by rises in the cost of cotton and other commodity prices along with wage inflation pressures in some of the countries in which we source our garments. We chose not to pass all of the increase on to our customers through our retail selling prices, resulting in a decrease in our input margins of 90 basis points over the year. Although consumers have been much more cautious during the year we saw they were more willing to spend during discount periods. This, combined with the price transparency presented by other retailers on the internet means that it is increasingly difficult to maintain our full-price stance as we have done previously and to remain competitive. The impact of this change in shopping habits is that a higher proportion of our sales in the year were made during our two end-of-season sale periods, reducing the gross margin by 180 basis points. Further, with lower sales through the autumn season we have ended the year with more inventory than in previous years which has resulted in us taking a prudent approach with a higher level of provision against the cost of the inventory. This will be liquidated in the short term through both our wholesale and retail outlet channels.

Retail operating overheads increased by £1.9 million in the year. Overheads have been managed prudently and the majority of the increase can be accounted for by additional investment in e-commerce for both French Connection and Toast to support future growth in this channel. The increase in costs were associated with upgrading the website platform, increased customer acquisition investments and increased staff support for the web-sites including in-house studio facilities. Costs within the core French Connection retail store portfolio were at a similar level to the previous year. The rate of increase in rental settlements has slowed significantly and looking forward we expect this to continue. Further, the disposal of a store towards the end of the financial year gave rise to a gain of £0.7 million which has helped to limit the reported increase in overheads.

Overall the UK/Europe retail business generated a loss of £(8.2) million in the year (2011: £(1.6) million), a very disappointing outcome. As a result of the down-turn in results, we have started a detailed review of all aspects of our operations in the UK with the aim of significantly improving performance. Actions will be implemented as soon as possible but it is likely this will take some time and subsequent improvements in trading may take a number of seasons to bear fruit. We are confident that the Group has more than sufficient resources and strength to carry this process through and to create value for the long term. We will provide an update of the review along with our next interim management statement in May.

We have successfully operated at the upper-end of the middle market with a fashion-led product range for forty years. We consider that there are significant strengths in our approach to the business, particularly our ability, proven over many years, to move forward with the fashions and to constantly renew our customer base. However it is clear that improvements need to be made in order to revitalise our trading performance and retail results, particularly in the UK. New projects include the introduction of a range of premium women's wear for the Spring season which is exclusive to our stores and e-commerce and, in order to broaden our branded offer, we will shortly launch a selection of home wares within our larger stores and through e-commerce. We are aiming to improve the margin performance through both continued management of the production costs, the minimisation of the sale periods and a reduction in the level of marks downs required. The key to improved profitability in our retail business lies in increasing the full-price sales densities in our stores which has the double effect of higher revenues and higher gross margins as the impact of discounted sales is diluted. Strong product ranges, supportive marketing, appropriate pricing and careful inventory management are important elements of achieving this and we are making all efforts to improve performance in each of these areas.

We continue to manage our portfolio of retail stores closely in order to find opportunities to improve the overall performance. Six store leases come to an end during the new financial year and a further eight the following year. Our experience so far has been that landlords are prepared to negotiate lower rentals in the current environment but where this is not possible and stores are uneconomic it is likely that we will reduce the size of the portfolio.

BUSINESS REVIEW

While no areas of the business will be omitted from the review we will ensure that the core strengths of the brand and our product which have proven successful over a long period and continue to be highly attractive in global markets are not diluted.

Looking to the near future, it appears unlikely that the economic environment will ease in the coming year and we are planning accordingly. As ever, we are working to maximise the performance of our stores and our ranges and will continue to work tirelessly to do so. We expect that our retail sales performance will remain under pressure and that it will take time for the effects of our review and actions to feed through to the financial results of this part of the business.

Toast had another good year despite the difficult market conditions. Sales continue to grow driven by its highly-anticipated and beautifully presented catalogues, interesting and comfortable stores and accessible website. Further, a selection of Toast products is now available in selected John Lewis stores, generating a new income stream. The business is closely managed in Swansea by its founders with support from the French Connection central team. We continue to develop a strategy to significantly grow the business's profitability so that it will add materially to the value of the Group.

YMC has also continued to perform well, increasing revenues and maintaining profitability. This is a youthful brand early in its development with significant opportunities for growth.

United Kingdom and Europe
Wholesale
Revenue in the wholesale business in UK/Europe increased by 17% in the year on top of the 11% increase achieved in the previous year. Growth has been achieved in both domestic and export markets and reflects both increased orders as a result of good rates of sell-through by our existing customers and new customers either placing orders for the first time or returning after a hiatus. In addition sales to our franchise network increased by over 50% with the introduction of new franchises in Russia, Hungary, Turkey, Israel and Jordan.

The combination of the pressures on production costs, a higher proportion of sales to our franchise partners to whom we give structured volume discounts and higher levels of clearance has resulted in a reduction in our gross margin to 31.8% (2011: 36.6%). As commented above, the production cost pressures appear to be easing for the new financial year.

Great Plains and YMC have also had successful years despite very strong competition and a difficult trading environment which has affected our independent store customers.

Our forward orders for Spring/Summer 2012, a proportion of which was delivered in January 2012, were ahead of the equivalent orders for last year. Orders for Autumn/Winter 2012 are still being taken and while our customers have been pleased with the performance of our product in their stores there is an air of caution in their approach to Winter 2012 given the challenges recently experienced. Their reaction to our product, however, has been very positive.

Overhead costs within the division have been tightly controlled during the year, resulting in a small reduction.

This combination of factors lead to an increase in profit generated by the division to £6.1 million (2011: £5.8 million). The division retains considerable opportunity for growth and we expect to see some further increase in revenue in the new financial year. Through the business review we aim to enhance the positioning of our brand and attractiveness of our offer to our wholesale customers as well as improving the retail performance.

United Kingdom and Europe region
Together, the retail and wholesale businesses in UK/Europe incurred an operating loss of £(2.1) million in the year (2011: profit of £4.2 million). Common overhead costs for the region include shared accounting services and general brand advertising and marketing. The advertising budget for the year was increased from the previous year, resulting in the reported increase in costs but other expenditure was held steady.

Other income in the UK/Europe region of £6.8 million (2011: £6.9 million) includes both royalty receipts from external licensees and intra-group royalties which are eliminated from the Group result. The licence income from external sources in the UK held steady at £5.8 million with continued strong trading performances by Boots in relation to their toiletries licence, Specsavers in relation to their eyewear licence, and our suiting, jewellery and watch licensees. Further, we received increased royalties from our licensees in Australia, India and South Africa.

The operating result for the entire UK/Europe division was a profit of £0.1 million compared to £6.9 million in the previous year. Clearly we are extremely focused on improving the performance of this division of our business and in particular, as described above, the retail channel. We are confident that the combination of our significant experience, strong asset base, highly regarded brand, detailed approach to management and wide-ranging review will return this business to growth for the long-term.

BUSINESS REVIEW

North America
Retail
Revenue in our retail stores in North America fell to £22.2 million from £23.2 million in the year, partly due to the impact of changing exchange rates. On a like-for-like basis, revenue was broadly flat with the decrease arising from the closure of an under-performing store in Canada. Increased production costs and higher discounting in Canada caused the gross margin to be lower at 57.2% compared to 58.6% last year. Retail trading overheads in Sterling terms show a small decrease, due to the exchange rate changes. In Dollar terms the small increase in overheads was the result of the loss on disposal of the Canadian stores of £(0.3) million. Overall, this resulted in a divisional loss of £(1.3) million (2011: £(0.6) million).

As with the UK stores we are working to increase the revenue in our stores in North America and this will focus on ensuring that the products we offer are attractive to our customer base and ensuring that operationally we maximise the opportunities. We also continue to review the store portfolio in order to deal with underperforming locations where possible.

North America
Wholesale
Operating contribution from our North America wholesale division made a very good step forward to £5.7 million for the year compared to £4.1 million in the previous year. This represented a 39% increase in profits on a 25% increase in revenue to £24.3 million. Increases came from both existing and new customers and we have achieved further customer acquisitions for the 2012 season, including another major department store group.

North America division
Together the two North America divisions generated a contribution of £4.4 million (2011: £3.5 million) in the year. Common overhead costs have been reduced compared to last year resulting in a contribution from trading of £1.3 million, compared to break-even last year. This highlights the significant impact of the restructuring implemented during 2010.

In addition this year we are reporting £2.0 million of licensing income generated from the North America division. This included the first minimum royalty contribution arising from our licence with Li & Fung to supply the "UK Style by French Connection" range of clothing to Sears department stores across the US. The launch of the range went well and our licensee and their customer are working to build momentum behind the range. This heading also includes royalty income in relation to our fragrance licensee based in the US. During the year a new fragrance line, "FCUK Friction" was launched which has added significantly to branded sales and royalty income.

Very pleasingly, the North America division generated an operating profit of £3.3 million compared to break-even last year.

Hong Kong
Wholesale
Revenue from our wholesale business based in Hong Kong increased by 6% in local currency and 3% in Sterling. Growth came from sales to our regional licensees in China, Korea, Malaysia and India, amongst others. The gross margin generated by this business is affected by the mix of the different supply arrangements with customers and while core margins were unchanged, the blended gross margin increased to 19.0% from 18.2%.

Reported overheads reflect a £0.2 million increase due to a reclassification of some commission income compared to last year. Underlying overheads have not changed significantly.

Other income in Hong Kong of £3.2 million (2011: £2.0 million) includes both buyng office commission paid by Group companies in relation to shipments from Hong Kong to other divisions and buyng office commissions and royalties payable. Of the £3.2 million, £2.5 million (2011: £2.0 million) is generated from intra-group business and is eliminated within the Group results.

Overall the Hong Kong business generated an operating profit of £4.7 million (2011: £3.5 million).

Group management and net finance income
The overheads relating to the Group management function were £4.8 million, the same as the previous year.

Net finance income in the year of £0.9 million (2011: £0.2 million) includes an exchange gain of £0.8 million recycled from reserves. The gain arose over a number of years and is now recycled as a result of the unwinding of intra-group loans. The core finance income represents the continued low interest rates earned on our cash balances.

Share of profits of joint ventures
The Group is party to two joint ventures, each operating French Connection retail stores, one in Hong Kong and the other in China. The joint ventures are directly managed by local management teams with strategic input from the Group. From the perspective of the French Connection Group we benefit from not only our share of the profits generated by the joint venture but also from gross profit generated from supplying product to the businesses and the receipt of brand royalties.

The Group's share of net profits generated by the joint ventures during the year was £0.8 million, net of local taxes. The share of profits reported for the prior year of £1.5 million included a non-recurring credit of £0.5 million. The decrease in underlying profits is due to the closure of profitable stores in Hong Kong at the end of their leases. Both businesses continue to perform well, achieving strong like-for-like growth in sales.

Group profit before tax
The profit before tax of the Group for the year was £5.0 million compared to £7.3 million in the previous year for the equivalent businesses.

Following the restructuring in 2010 the Group has refocused on its core businesses and territories and achieved a return to profitability while successfully protecting our cash balances. It is therefore frustrating that these latest results are worse than our expectations. This is largely due to a disappointing result from the UK/Europe retail division where the performance has deteriorated in contrast to growth in our international businesses and licensing.

As described above, we have started a detailed review of the business with the aim of identifying strategies to return the retail division to profitability while enhancing the wholesale and licensing businesses further. It is likely that this review, the ensuing actions and the benefit from the changes will take some time to bear fruit and in the meantime all efforts are focused on operating the businesses to best effect.

Taxation
The tax charge in the year of £0.5 million (2011: £0.2 million) mainly reflects tax charged on profits generated in Hong Kong. No benefit has been recorded for tax losses incurred in the UK in the year. Historical tax losses generated in the US (which were not previously recognised in the accounts) are being utilised to offset the tax charge arising on profits in the US and therefore only a minimum tax charge of £0.1 million has been recorded in relation to these profits in the income statement.

The effective tax rate in future years will vary depending on the level of profit generated and the different geographic locations where it is taxed since the three principal countries of operation have significantly different tax rates and the Group has substantial tax losses which should be available to offset profits earned in the UK and US.

Discontinued operations
As previously reported the Group completed a strategic review in 2010 and implemented a range of actions which successfully returned the Group to profit and cash generation. The review resulted in a number of actions including the sale of the Nicole Farhi business in July 2010. The "discontinued operations" (as defined in IFRS 5) reported in the income statements for the two years ended 31 January 2012 reflect the trading results and loss on sale of this business.

In the year ended 31 January 2011 the trading results of these operations and the net costs of their disposal generated a loss of £(11.1) million.

In the year ended 31 January 2012 the discontinued operations generated an income of £0.8 million. This comprised a further £1.0 million of income in relation to the disposal of the Nicole Farhi business, made up of two payments described below, offset by the costs of disposal of two remaining stores.

Following the disposal in 2010, the Group held certain fixed and floating charges over the assets of the business as security in relation to the deferred contingent consideration. In April 2011, the Group agreed to alter those charges to allow the Nicole Farhi business to secure new bank lending. In return for this, the new owner of the business, OpenGate Capital, made a cash payment of £0.6 million. In January 2012 OpenGate entered into an agreement with Kelso Place Asset Management LLP ("Kelso Place") under which Kelso Place made a significant investment in Nicole Farhi alongside OpenGate. As a result of this, the Group will receive a further £0.4 million from OpenGate on, or before, 31 January 2013 and has been granted a call option by OpenGate over a 5% interest in the Nicole Farhi business exercisable for nominal consideration.

Thus far the Group has received £1.6 million for the sale of the Nicole Farhi business and the payment referred to above will bring the total to £2.0 million. Other than these arrangements, the Company will receive no further Deferred Consideration.

BUSINESS REVIEW

Closed businesses
The trading results of the stores in the US which were closed by the end of the previous financial year were shown separately on the face of the income statement for the year ended 31 January 2011, identified as "closed operations". These operations gave rise to a profit in the year of £1.6 million as shown in the income statement. Combined with the loss from discontinued operations, the total loss for the year ended 31 January 2011 from closed or discontinued operations was £(9.5) million.

Further details of the disposals and closures are given in the Notes to the Group Accounts.

Non-controlling interests
The non-controlling interest of £0.0 million (2011: loss of £(0.1) million) reported in the income statement represents the net share of results attributable to the 25% ownership held by local management in Canada, Toast and YMC.

Earnings and dividend
Net earnings attributable to equity shareholders arising from the core continuing operations amounted to a profit of £4.5 million (2011: £7.2 million) and on the same basis adjusted earnings per share was 4.7 pence (2011: 7.5 pence).

Total net earnings for the year attributable to equity shareholders including the effect of discontinued operations was £5.3 million (2011: loss of £(2.3) million including both closed and discontinued operations) giving earnings per share of 5.5 pence per share (2011: loss of (2.4) pence per share).

The Board has recommended payment of a final dividend of 1.0 pence per share (2011: 1.0 pence per share) which, combined with the interim dividend of 0.6 pence per share, gives a dividend of 1.6 pence per share for the full year (2011: 1.5 pence per share). The increase in the dividend is a reflection of the Board's confidence in the future profitability and cash generation capabilities of the Group. The Board's intention is to increase the dividend in the future in line with increases in profits. Subject to approval at the Annual General Meeting, the final dividend will be paid on 4 July 2012 to shareholders on the register on 23 March 2012 (ex-dividend date 21 March 2012).

Balance sheet and cash flow
The Group balance sheet remains strong with £34.2 million of cash (2011: £34.1 million) and no bank borrowings. The trading operations of the Group generated net cash of £0.4 million, restricted by the increase in inventory at the year end.

Additional investment in fixed assets has been low in recent periods and this year the Group invested £1.6 million (2011: £1.0 million), being mainly in respect of stores and IT equipment, particularly in relation to the e-commerce business. The restricted capital expenditure over recent years has resulted in a reduced depreciation charge of £2.8 million (2011: £3.7 million). Our development and growth plans focus on developing the products and customer service and therefore are not capital-intensive. However should any store refurbishments be implemented then the level of capital expenditure would increase. It is expected that capital expenditure in the current financial year will be in the region of £2.0 million, subject to any plans arising from the business review.

The Board's policy is to maintain a strong capital base, including liquid funds, in order to maintain investor, creditor and market confidence and to sustain future development of the business.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 January 2012

	Note	2012 £m	2011 Core £m	2011 Closed* £m	2011 £m
Continuing operations					
Revenue	4	**215.4**	205.0	8.8	213.8
Cost of sales		**(111.8)**	(98.4)	(4.8)	(103.2)
Gross profit	4	**103.6**	106.6	4.0	110.6
Operating expenses	5	**(108.8)**	(106.8)	(5.9)	(112.7)
Other operating income	6	**8.5**	5.8	-	5.8
Operating profit/(loss) before financing		**3.3**	5.6	(1.9)	3.7
Closure costs		**-**	-	3.5	3.5
Finance income		**0.9**	0.2	-	0.2
Finance expenses		**-**	-	-	-
Net financing income	8	**0.9**	0.2	-	0.2
Operating profit		**4.2**	5.8	1.6	7.4
Share of profit of joint ventures, net of tax	15	**0.8**	1.5	-	1.5
Profit before taxation	9	**5.0**	7.3	1.6	8.9
Income tax expense – UK		**-**	-	-	-
Income tax expense – overseas		**(0.5)**	(0.2)	-	(0.2)
Total income tax expense	10	**(0.5)**	(0.2)	-	(0.2)
Profit for the year from continuing operations		**4.5**	7.1	1.6	8.7
Discontinued operations					
Profit/(loss) from discontinued operations, net of tax	3	**0.8**	-	(11.1)	(11.1)
Profit/(loss) for the year		**5.3**	7.1	(9.5)	(2.4)

* See discontinued operations Note 3.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	2012 £m	2011 £m
Profit/(loss) for the year		**5.3**	(2.4)
Other comprehensive income			
Currency translation differences for overseas operations		**0.3**	-
Currency translation differences on foreign currency loans, net of tax		**(0.2)**	0.3
Effective portion of changes in fair value of cash flow hedges		**0.1**	0.1
Currency translation differences transferred to profit and loss, net of tax		**(0.5)**	2.5
Other comprehensive income for the year, net of tax		**(0.3)**	2.9
Total comprehensive income for the year		**5.0**	0.5
Profit/(loss) attributable to:			
Equity holders of the Company		**5.3**	(2.3)
Non-controlling interests		**-**	(0.1)
Profit/(loss) for the year		**5.3**	(2.4)
Total comprehensive income attributable to:			
Equity holders of the Company		**5.0**	0.6
Non-controlling interests		**-**	(0.1)
Total income and expense recognised for the year		**5.0**	0.5
Earnings per share			
Basic and diluted earnings/(losses) per share	7	**5.5p**	(2.4)p
Continuing operations			
Basic and diluted earnings per share	7	**4.7p**	9.2p

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 January 2012

	Note	2012 £m	2011 £m
Assets			
Non-current assets			
Intangible assets		**2.4**	2.4
Property, plant and equipment		**7.1**	8.5
Investments in joint ventures		**3.5**	3.4
Deferred tax assets		**4.4**	4.1
Total non-current assets		**17.4**	18.4
Current assets			
Inventories		**46.9**	40.3
Trade and other receivables		**26.5**	25.6
Cash and cash equivalents		**34.2**	34.1
Derivative financial instruments		**0.1**	-
Total current assets		**107.7**	100.0
Total assets		**125.1**	118.4
Non-current liabilities			
Deferred tax liabilities		**0.9**	0.9
Total non-current liabilities		**0.9**	0.9
Current liabilities			
Trade and other payables		**48.0**	43.1
Current tax payable		**0.5**	1.1
Provisions		**0.6**	1.5
Total current liabilities		**49.1**	45.7
Total liabilities		**50.0**	46.6
Net assets		**75.1**	71.8
Equity			
Called-up share capital		**1.0**	1.0
Share premium account		**9.4**	9.4
Other reserves		**5.4**	5.7
Retained earnings		**58.3**	54.6
Total equity attributable to equity holders of the Company		**74.1**	70.7
Non-controlling interests		**1.0**	1.1
Total equity		**75.1**	71.8

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 2010	**1.0**	**9.4**	**(0.1)**	**2.9**	**57.9**	**71.1**	**1.2**	**72.3**
Loss					**(2.3)**	**(2.3)**	**(0.1)**	**(2.4)**
Other comprehensive income								
Currency translation differences for overseas operations				-		**-**		**-**
Currency translation differences on foreign currency loans, net of tax				0.3		**0.3**		**0.3**
Currency translation differences transferred to profit and loss, net of tax				2.5		**2.5**		**2.5**
Effective portion of changes in fair value of cash flow hedges			0.1			**0.1**		**0.1**
Transactions with owners recorded directly in equity								
Dividends					(1.0)	**(1.0)**		**(1.0)**
Balance at 31 January 2011	**1.0**	**9.4**	**-**	**5.7**	**54.6**	**70.7**	**1.1**	**71.8**
Profit					**5.3**	**5.3**	**-**	**5.3**
Other comprehensive income								
Currency translation differences for overseas operations				0.3		**0.3**		**0.3**
Currency translation differences on foreign currency loans, net of tax				(0.2)		**(0.2)**		**(0.2)**
Currency translation differences transferred to profit and loss, net of tax				(0.5)		**(0.5)**		**(0.5)**
Effective portion of changes in fair value of cash flow hedges			0.1			**0.1**		**0.1**
Transactions with owners recorded directly in equity								
Dividends					(1.6)	**(1.6)**		**(1.6)**
Transactions with non-controlling interests, recorded directly in equity								
Dividends							(0.1)	**(0.1)**
Balance at 31 January 2012	**1.0**	**9.4**	**0.1**	**5.3**	**58.3**	**74.1**	**1.0**	**75.1**

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.

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.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 January 2012

	Note	2012 £m	2011 £m
Operating activities			
Profit/(loss) for the period		**5.3**	(2.4)
Adjustments for:			
Depreciation and impairment		**2.8**	3.7
Restructuring costs		**-**	(3.5)
(Gain)/loss on disposal of discontinued operation, net of tax		**(0.9)**	5.7
Finance income		**(0.3)**	(0.2)
Currency translation differences		**(0.6)**	2.6
Share of profit of joint ventures		**(0.8)**	(1.5)
Non-operating profit on property, plant and equipment		**(0.4)**	(0.2)
Income tax expense		**0.5**	0.2
Operating profit before changes in working capital and provisions		**5.6**	4.4
(Increase)/decrease in inventories		**(6.9)**	0.8
Increase in trade and other receivables		**(1.0)**	(1.8)
Increase/(decrease) in trade and other payables		**3.4**	(0.6)
Cash flows from operations		**1.1**	2.8
Income tax (paid)/received		**(0.7)**	0.3
Cash flows from operating activities		**0.4**	3.1
Investing activities			
Interest received		**0.3**	0.2
Proceeds from investment in joint ventures		**0.8**	0.7
Acquisition of property, plant and equipment		**(1.6)**	(1.0)
Net proceeds from sale of property, plant and equipment		**0.7**	0.3
Disposal of discontinued and closed operations		**1.3**	(4.2)
Cash flows from investing activities		**1.5**	(4.0)
Financing activities			
Dividends paid	6	**(1.7)**	(1.0)
Cash flows from financing activities		**(1.7)**	(1.0)
Net increase/(decrease) in cash and cash equivalents		**0.2**	(1.9)
Cash and cash equivalents at 1 February		**34.1**	35.7
Exchange rate fluctuations on cash held		**(0.1)**	0.3
Cash and cash equivalents at 31 January		**34.2**	34.1

NOTES

1 Basis of preparation

Consolidated financial statements and accounting policies
The preliminary announcement for the year ended 31 January 2012 has been prepared in accordance with International Accounting Standards and International Financial Reporting Standards as adopted by the European Union (EU) at 31 January 2012. The annual financial information presented in the preliminary announcement for the year ended 31 January 2012 is based on, and is consistent with, that in the Group's audited Financial Statements for the year ended 31 January 2012, and those Financial Statements will be delivered to the Registrar of Companies following the Company's Annual General Meeting. The auditor's report on those Financial Statements is unqualified and does not contain any statement under Section 498 (2) or (3) of the Companies Act 2006.

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
Information in this preliminary announcement does not constitute statutory accounts of French Connection Group and its subsidiaries ("the Group") within the meaning of Section 240 of the Companies Act 1985. Statutory accounts for the year ended 31 January 2011 have been filed with the Registrar of Companies. The auditor's report on those accounts was unqualified and did not contain statements under Section 498(2) or (3) of the Companies Act 2006.

The Group's Annual Report for the year ended 31 January 2012 will be made available in due course and will be available for viewing and download from the Group's website at www.frenchconnection.com. The Annual Report will be circulated in printed form to shareholders in the second week of April 2012.

NOTES

2 Operating segments

2012	UK Europe			North America			Hong Kong	Intra Group	Total
	Retail £m	**Whole-sale £m**	**Total £m**	**Retail £m**	**Whole-sale £m**	**Total £m**	**Whole-sale £m**	**£m**	**£m**
Revenue (Note 4)	111.5	42.1	**153.6**	22.3	24.3	**46.6**	**15.8**		**216.0**
Gross profit (Note 4)	61.8	13.4	**75.2**	12.8	9.3	**22.1**	**3.0**	3.5	**103.8**
Gross margin	*55.4%*	*31.8%*	***49.0%***	*57.4%*	*38.3%*	***47.4%***	***19.0%***		***48.1%***
Trading overheads	(70.2)	(7.3)	**(77.5)**	(14.0)	(3.6)	**(17.6)**	**(1.5)**		**(96.6)**
Operating contribution	(8.4)	6.1	**(2.3)**	(1.2)	5.7	**4.5**	**1.5**	3.5	**7.2**
Common overhead costs			**(4.6)**			**(3.1)**			**(7.7)**
Other income			**6.8**			**2.0**	**3.2**	(3.5)	**8.5**
Divisional operating profit/(loss)			**(0.1)**			**3.4**	**4.7**	-	**8.0**
Group management overheads									**(4.8)**
Operating profit before financing and closure costs									**3.2**
Represented by:									
Profit from continuing operations									**3.3**
Loss from discontinued operations (Note 3)									**(0.1)**
									3.2

	Retail £m	Whole-sale £m	Total £m	Retail £m	Whole-sale £m	Total £m	Hong Kong Whole-sale £m	Intra Group £m	Total £m
Total assets	41.8	56.0	**97.8**	8.6	9.7	**18.3**	**9.0**	-	**125.1**
Total liabilities	18.1	17.9	**36.0**	2.0	2.9	**4.9**	**9.1**	-	**50.0**
Non-current asset additions	1.0	0.4	**1.4**	0.1	-	**0.1**	**0.1**		**1.6**
Depreciation	1.4	0.8	**2.2**	0.6	-	**0.6**	**-**		**2.8**
Impairment losses	-	-	**-**	-	-	**-**	**-**		**-**

The share of the results of the joint venture operations of £0.8 million (2011: £1.5 million) relate to Rest of the World retail operations and are not disclosed in the information above.

NOTES

2 **Operating segments** continued

2011	UK Europe			North America			Hong Kong	Intra Group	Total
	Retail £m	Whole-sale £m	Total £m	Retail £m	Whole-sale £m	Total £m	Whole-sale £m	£m	£m
Revenue (Note 4)	117.7	37.6	**155.3**	33.5	19.6	**53.1**	**15.4**		**223.8**
Gross profit (Note 4)	70.2	13.2	**83.4**	18.5	7.5	**26.0**	**2.8**	3.6	**115.8**
Gross margin	*59.6%*	*35.1%*	***53.7%***	*55.2%*	*38.3%*	***49.0%***	***18.2%***		***51.7%***
Trading overheads	(73.4)	(7.9)	**(81.3)**	(21.4)	(3.5)	**(24.9)**	**(1.5)**		**(107.7)**
Operating contribution	(3.2)	5.3	**2.1**	(2.9)	4.0	**1.1**	**1.3**	3.6	**8.1**
Common overhead costs			**(4.8)**			**(3.5)**			**(8.3)**
Other income			**7.2**				**2.3**	(3.6)	**5.9**
Divisional operating profit/(loss)			**4.5**			**(2.4)**	**3.6**	-	**5.7**
Group management overheads									**(4.8)**
Operating profit before financing impairments and closure costs									**0.9**
Represented by:									
Profit from continuing operations									**3.7**
Loss from discontinued operations (Note 3)									**(2.8)**
									0.9

	UK Retail	UK Wholesale	UK Total	NA Retail	NA Wholesale	NA Total	Hong Kong Wholesale	Intra Group	Total
Total assets	39.2	55.0	**94.2**	8.7	8.6	**17.3**	**6.9**	-	**118.4**
Total liabilities	18.9	13.7	**32.6**	2.5	4.9	**7.4**	**6.6**	-	**46.6**
Non-current asset additions	0.9	0.1	**1.0**	-	-	**-**	**-**		**1.0**
Depreciation	1.6	0.8	**2.4**	1.1	0.1	**1.2**	**-**		**3.6**
Impairment losses	-	-	**-**	0.1	-	**0.1**	**-**		**0.1**

Excess provisions of £3.5 million were released in the year to 31 January 2011 relating to the closure of the US retail business (refer to Note 3).

The table above has been revised to reallocate a small amount of overheads between North America trading overheads and common overhead costs.

NOTES

3 Discontinued operations

In the financial year ended 31 January 2011, the Group completed the sale of the trading, assets and liabilities of the Nicole Farhi business to OpenGate Capital. The trading losses of the discontinued operations and the loss on sale from the disposal (along with recycled exchange translation differences) resulted in a total loss from discontinued operations of £(11.1) million reported in the income statement in the comparative financial year ended 31 January 2011.

The total profit from discontinued operations net of tax in the year to 31 January 2012 was £0.8 million comprising the following elements.

During the year, the Group received a payment of £0.6 million from OpenGate Capital relating to the release of the Group's charge over the intellectual property rights of the Nicole Farhi business.

On 11 January 2012 OpenGate Capital entered into an agreement with Kelso Place Asset Management LLP ("Kelso Place") under which Kelso Place made a significant investment in Nicole Farhi alongside OpenGate. As part of this arrangement, the Group will receive £0.4 million from OpenGate on, or before, 31 January 2013. This income has been accounted for within discontinued operations in the current year. Further, the Company has been granted a call option by OpenGate Capital over a 5% interest in the Nicole Farhi business exercisable for a nominal consideration. The Directors have assessed the value of the call option and deemed the value to be a nominal amount. Other than these arrangements, the Company will receive no further Deferred Consideration in relation to the sale of the Nicole Farhi business.

The total income arising in the year to 31 January 2012 in relation to the disposal of the Nicole Farhi business was therefore £1.0 million.

In addition, the Group incurred trading losses of £(0.1) million and disposal losses of £(0.1) million in relation to the sale of the final two stores formerly operated by the Nicole Farhi business.

3 **Discontinued operations** continued

Results of discontinued operations	2012 £m	2011 £m
Revenue	**0.6**	10.0
Expenses	**(0.7)**	(12.8)
Results from operating activities before financing, impairments and exceptional costs	**(0.1)**	(2.8)
Currency translation differences	**-**	(2.6)
Results from operating activities before taxation	**(0.1)**	(5.4)
Income tax	**-**	-
Results from operating activities, net of tax	**(0.1)**	(5.4)
Profit/(loss) on sale of discontinued operation	**0.9**	(5.7)
Effect on profit/(loss) for the period	**0.8**	(11.1)

Cash flows from discontinued operations	2012 £m	2011 £m
Net cash utilised in operating activities	**(0.3)**	(3.4)
Net cash from investing activities	**1.3**	(1.9)
Net cash from discontinued operations	**1.0**	(5.3)

Included within investing activities on the cash flow statement are £nil (2011: £2.3 million) of US closure costs relating to continuing operations.

Effect of disposal of the Nicole Farhi business on the financial position of the Group	31 January 2012 £m	31 January 2011 £m
Inventories	**(0.3)**	**(2.8)**
Trade and other receivables	**-**	**(2.4)**
Cash	**-**	**(1.0)**
Trade and other payables	**-**	**2.8**
Net assets and liabilities	**(0.3)**	**(3.4)**
Cash consideration net of costs of disposal	**1.2**	**(0.1)**
Provisions for cost of transitional services and restructuring costs	**-**	**(2.2)**
Loss on sale of discontinued operation	**0.9**	**(5.7)**

3 **Discontinued operations** continued

US retail stores closed

During the prior year ended 31 January 2011, the Group completed the planned closure of the majority of its under-performing retail stores in the US. Losses from these closed retail stores of £(1.9) million are included within the operating results of continuing operations in the comparative year. Together with the release of £3.5 million of unutilised closure provisions, the closed US stores generated a profit of £1.6 million in year to 31 January 2011.

4 **Revenue and gross margin**

	Continuing operations		Discontinued operations		Consolidated operations	
Sale of goods	**2012 £m**	**2011 £m**	**2012 £m**	**2011 £m**	**2012 £m**	**2011 £m**
Revenue	**215.4**	213.8	**0.6**	10.0	**216.0**	223.8
Gross margin	**103.6**	110.6	**0.2**	5.2	**103.8**	115.8

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

5 **Other operating income**

	2012 £m	**2011 £m**
Licensing income and buying office commission	**8.5**	5.8

Included within discontinued operations is £nil (2011: £0.1 million) of licensing income.

6 **Dividends - equity**

	2012 £m	**Pence per share**	**2011 £m**	**Pence per share**
Final paid for prior financial year	**1.0**	**1.0p**	0.5	0.5p
Interim paid for current financial year	**0.6**	**0.6p**	0.5	0.5p
Total dividends paid during the year	**1.6**	**1.6p**	1.0	1.0p

The Board is proposing a final dividend of 1.0 pence (2011: 1.0 pence) giving a total dividend for the current financial year of 1.6 pence per share (2011: 1.5 pence). £0.1 million (2011: £nil) of dividends were paid during the year to the minority shareholders of a subsidiary undertaking of the Group.

NOTES

7 Earnings/(losses) per share

Basic earnings/(losses) per share are calculated on 95,884,740 (2011: 95,879,754) shares being the weighted average number of ordinary shares during the year.

Diluted earnings/(losses) per share are calculated on 96,632,850 shares being the weighted average number of ordinary shares adjusted to assume the exercise of dilutive options (2011: 95,879,754; there being no dilutive effect from options).

Basic and diluted earnings/(losses) per share of 5.5 pence per share (2011: losses of (2.4) pence) is based on £5.3 million (2011: losses of £(2.3) million) being the profit/(loss) attributable to equity shareholders.

On continuing operations the basic earnings per share of 4.7 pence per share (2011: 9.2 pence) is based on £4.5 million (2011: £8.8 million) being the profit relating to continuing operations.

On discontinuing operations the basic earnings/(losses) per share of 0.8 pence per share (2011: losses of (11.6) pence) is based on £0.8 million (2011: losses of £(11.1) million) being the profit/(loss) relating to discontinued operations.

The reconciliation to adjusted earnings per share is as follows:

	2012 Continuing £m	**2012 Continuing pence per share**	**2011 Continuing £m**	**2011 Continuing pence per share**
Profit attributable to equity shareholders	**4.5**	**4.7p**	8.8	9.2p
US closed stores	**-**	**-**	1.9	2.0p
Closure costs provision	**-**	**-**	(3.5)	(3.7)p
Adjusted profit	**4.5**	**4.7p**	7.2	7.5p

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

RETAIL LOCATIONS

Core continuing operations		31 January 2012 Locations	sq ft	31 January 2011 Locations	sq ft
Operated locations					
UK/Europe					
French Connection	Stores	**71**	**214,468**	72	221,858
French Connection/Great Plains	Concessions	**46**	**32,550**	45	25,837
Toast	Stores	**9**	**10,578**	9	10,578
YMC	Stores	**2**	**1,355**	2	1,355
		128	**258,951**	128	259,628
North America					
French Connection	Stores	**20**	**71,162**	21	77,397
Total operated locations		**148**	**330,113**	149	337,025
French Connection licensed and franchised					
UK/Europe		**11**	**15,791**	13	18,460
North America		**1**	**2,000**	1	2,000
Middle East		**12**	**21,797**	13	25,331
Australia		**85**	**91,919**	80	84,800
Hong Kong		**7**	**9,521**	9	13,612
China		**18**	**25,383**	20	28,562
India		**32**	**27,645**	25	21,835
Other		**41**	**41,416**	41	42,035
Total licensed and franchised locations		**207**	**235,472**	202	236,635
Total branded locations		**355**	**565,585**	351	573,660