17 September 2019

FRENCH CONNECTION GROUP PLC

Interim Results for the six-month period ending 31 July 2019

"Building on good progress, on track to meet expectations"

French Connection Group PLC ("French Connection" or "the Group") today announces results for the six month period ending 31 July 2019.

Highlights:

- Group revenue of £51.0m (2018: £58.1m) down 12.2% (down 14.0% at constant currency) with the ongoing reduction of the store portfolio and a shift in timing of wholesale shipments into the second half of the year.
- UK/Europe retail and ecommerce LFL sales in UK/Europe of 1.4% (2018: down 7.0%) achieved despite difficult trading environment.
- Composite gross margin improvement to 42.7% (2018: 41.5%) with higher full price sales in wholesale partially offset by a larger mix of outlet store sales in retail.
- Seven non-contributing stores and two outlets closed during the half. One new store in Central London.
- Wholesale revenue down 11.7% (down 14.4% at constant currency) driven by later phasing of UK/Europe shipments.
- Growth in licensing income to £2.7m (2018: £2.6m) with DFS performing strongly again.
- Underlying operating loss pre-IFRS 16 adjustments reduced to £5.3m, an improvement of £0.2m (2018: loss of £5.5m).
- Operating loss of £3.7m including IFRS 16 and onerous lease provision adjustments.
- Period for Strategic Review and Formal Sale Process extended until the end of the financial year.
- Closing cash of £10.0m (2018: £12.8m).
- Group results in line with expectations.

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

"I am pleased that the changes we have made to the business over the last few years continue to move us forward. There is no doubt that progress has not been helped by the trading conditions in which we operate in the UK, although our retail performance has been resilient, overall the wholesale business is strong and we continue to see good stability in the licence income. The order books we have provide a clear outlook for the second half of the year in wholesale but it appears that retail conditions will continue to be challenging. Underpinned by these results we remain fully on track to achieve our expectations for the financial year."

Notes:

1. Key performance indicators for the 26 week trading period are outlined below:

	H1 19/20	H1 18/19	Var %
Total Group revenue (£m)	**51.0**	58.1	(12.2%)
Total Retail revenue (£m)	**23.8**	27.3	(12.8%)
Total Wholesale revenue (£m)	**27.2**	30.8	(11.7%)
Total Licensing income (£m)	**2.7**	2.6	+3.8%
Retail LFL (%)	**1.4**	(7.0)	
Average UK/Europe Retail Space (sq.ft. ‘000s)	**151.0**	164.5	(8.2%)
Average Group Retail Space (sq.ft. ‘000s)	**161.3**	177.1	(8.9%)
Number of stores/concessions:			
- Operated	**90**	103	(12.6%)
- Franchised, Licensed & JV	**185**	204	(9.3%)
Underlying gross margin (%)	**41.8**	41.5	+30bps
Underlying operating loss before taxation (£m)	**(5.3)**	(5.5)	+3.6%
Net cash position (£m)	**10.0**	12.8	(21.9%)

Notes:

1. Operating Loss excludes adjusting items and discontinued operations.
2. Underlying Operating Loss excludes adjusting items, discontinued operations, onerous lease releases and IFRS 16 adjustments.
3. Underlying Gross Margin excludes IFRS 16 adjustments.
4. Constant Currency is calculated translating the half year ending 31 July 2019 at 31 July 2018 rates to remove the impact of exchange rate fluctuations.
5. 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.

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

I am pleased to report that during the first half of the year we have built on the good progress we achieved last year, where we returned the Group to underlying profitability. This has been achieved against a trading background in the UK that has continued to be extremely challenging particularly in the retail sector.

The wholesale business again grew strongly during the period in the USA although we were impacted by a change in the ordering profile of certain larger customers in UK/Europe with a shift of sales into the second half of the year. Given the general trading environment, Retail performed well, achieving a 1.4% increase in like for like sales. Overall the underlying operating loss, excluding the IFRS 16 and Onerous Lease adjustments, improved by £0.2m in the period to £(5.3)m. The operating loss from continuing operations was £(3.7)m (2018: £(5.5)m).

The growth trend we have seen with those wholesale customers in UK/Europe who have significant online businesses as well as with the department stores in the USA, is continuing during the second half of the year and is reflected in our current level of Winter 19 orders and the change in the phasing of deliveries into the second half of the year.

Licence income improved reflecting a strong performance again from DFS, some new licences but this was partially offset by reduced income from fragrance.

Wholesale
Revenue decreased by 11.7% to £27.2m (14.4% at constant currency). We achieved continued good growth in the USA but this was offset by the shift in sales for the UK/Europe division from the first to the second half of the year. Our major customers in the UK continued to grow their orders overall, despite the general trading conditions, particularly those with online operations, both pure play and multi-channel. In the USA good progress was made with the department stores, especially Bloomingdales and Nordstrom, where the sell through was strong again.

Underlying gross margin increased strongly to 32.7% (2018: 30.8%) reflecting an increased proportion of full price sales, an improvement in the underlying margins and reduced customer support. Tight control of operating costs meant that although they increased by 2.0%, this was mainly due to the translation of US costs into sterling, with costs declining by 2.4% at constant currencies resulting in the overall underlying contribution from the wholesale division only reducing by £0.7m to £3.9m excluding IFRS 16 and onerous lease adjustments.

We expect to increase sales, compared to last year, over the remainder of the year, given the existing Winter 19 order books and the positive reaction that we have received so far to the Summer 20 collections.

Retail
Overall revenue decreased by 12.8% to £23.8m (13.5% at constant currency). This was the combination of the planned reduction in our store portfolio with an 8.9% reduction in Group average space traded offset by a 1.4% increase in like for like sales in UK/Europe. The period started and finished well for us with some softness around Easter, however we were pleased with the overall performance given the general market conditions. Our Oxford Street store closed as planned during the period. In response to this and the desire to maintain a central London presence in July we opened a new concept store close by in Duke Street, called the Studio, showcasing exclusive merchandise and a curated selection of product. The result so far has been encouraging, but it is still early days.

Underlying gross margin was 52.1% (2018: 53.5%), reduced by the impact of the higher proportion of sales through our outlet stores as the full price store portfolio reduced as planned and a higher level of promotional activity to clear stock during the sale period. Overheads were 16.1% lower due to the reduced store portfolio, in particular Oxford Street closed during the period. Underlying overheads were 3.1% lower overall after some business rates and payroll cost increases were offset by lower rentals achieved on lease extensions. As a result overall the underlying loss from the retail division reduced to £6.7m (2018: £7.2m) excluding IFRS 16 and onerous leases adjustments.

Within this, ecommerce revenue reduced slightly. A new team is in place and progress has been made with the site particularly around personalisation of communication, with further customer experience enhancements to be rolled out during the second half of the year to drive engagement and conversion, together with an increased investment in digital marketing spend to drive traffic. We expect the impact of this to grow towards the later part of the second half of the year. As we further develop the site, the key focus is very much on the experience for mobile users and the activity generated through mobile continues to grow with visits at 63.6% up from 56.4% last year.

Licensing
Licence income was slightly up on last year at £2.7m (2018: £2.6m). DFS has continued to perform strongly and we expanded the selection with some good results. We saw an initial contribution from our new luggage licence and further development of homeware ranges in the US although sales within the fragrance category were more challenging than in the previous year.

Operating expenses

Group underlying operating expenses dropped by 8.5% (10.0% at constant currency). The majority of the saving was in relation to the net store closures but there was also a small reduction in overall costs reflecting the continued focus in this area.

Other items
Adjusting items incurred during the period amount to £1.0m. This is made up of store closure costs, the reorganisation of some of our overseas franchise relationships and the cost of a head office restructuring.

Cash at the period end was £10.0m (2018: £12.8m), reflecting the losses made during the first half of the year. We continue to believe that the business is best served by retaining our current cash reserves to support the turnaround of the business especially with the increased working capital requirements given the growth in the wholesale business and therefore do not recommend the payment of an interim dividend.

In October last year, following press speculation regarding the potential sale of the Group, we announced that we were in the process of reviewing all strategic options in order to deliver maximum value for shareholders. Alongside several potential strategic options, the review includes the consideration of all types of corporate and brand transactions, including seeking offers for the Group. As disclosed at the time, we had commenced preliminary discussions with several interested parties and we have had conversations with several other interested parties regarding the Group's plans. Discussions are still ongoing with a number of parties. We initially expected this strategic review (including the formal sale process) to conclude during the first half of 2019, but as announced on 28 June, given the active ongoing discussions, we extended this process to now. We believe that further time is required to bring the process to a successful conclusion and expect the process to be concluded by the end of our current financial year.

Outlook
I am pleased that the changes we have made to the business over the last few years continue to move us forward. There is no doubt that progress has not been helped by the trading conditions in which we operate in the UK, nevertheless our retail performance has been resilient, the wholesale business is strong and we continue to see good stability in our licence income. The order books we have provide a clear outlook for the second half of the year in wholesale but it appears that retail conditions will continue to be challenging. Underpinned by these results we remain fully on track to achieve our expectations for the financial year.

Stephen Marks
Chairman and Chief Executive
17 September 2019

Notes:
1. Operating Loss excludes adjusting items and discontinued operations.
2. Underlying Operating Loss excludes adjusting items, discontinued operations, onerous lease releases and IFRS 16 adjustments.
3. Underlying Gross Margin excludes IFRS 16 adjustments.
4. Underlying overheads consist of LFL store overheads.
5. 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.
6. Constant Currency is calculated translating the half year ending 31 July 2019 at 31 July 2018 rates to remove the impact of exchange rate fluctuations.

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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.

FINANCIAL REVIEW

Financial results overview

The start to the financial year has seen a continued improvement in underlying profitability. The first half, which is a traditionally low point in the year, generated an operating loss from continuing operations of £(3.7)m, an improvement of £1.8m (32.7%) on the previous year (2018: £(5.5m)). Including adjusting items, the Group reported total loss for the period of £(4.7)m (2018: £(5.8)m).

Overall we have seen a good performance in our Retail division compared with the market as a whole, with like-for-like growth of 1.4% in the half. Licensing has also moved forward slightly on the year. However, the timing of winter orders, a reduction in expected reorders and a lower level of clearance deals in the half has impacted the performance of our Wholesale division.

The current reporting period is inclusive of the implementation of IFRS 16 which has resulted in presentational changes to the Income Statement, Balance Sheet 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 (see Note 8 'Change in Accounting Policy').

Adjusted underlying operating result, excluding the impact of IFRS 16 and onerous leases recognised in previous years, is a loss of £(5.3)m, an improvement of £0.2m compared to loss of £(5.5)m in the previous year.

Revenue overview

Total H1 2019 revenue of £51.0m was 12.2% (14.0% at constant currency) lower than the previous year (2018: £58.1m) due in part to a reduced store portfolio. Wholesale revenue grew in North America, but fell in UK/Europe due to shipment timing, with an overall decline of 11.7% (14.4% at constant currency) in the period. Overall retail sales reduced by 12.8% (13.5% at constant currency) following continued reduction in stores, with a UK/Europe LFL performance of +1.4% (2018: -7.0%).

Gross margin

Composite gross margin of 42.7% was up by 120bps (2018: 41.5%). The Wholesale margin at 34.2% was up on the year by 340bps (2018: 30.8%) reflecting the impact of reduced clearance sales. Retail margin was 52.5% which was down on the year by 100bps (2018: 53.5%), driven by a larger proportion of outlet sales.

Wholesale

Wholesale revenue decreased with sales of £27.2m, down £3.6m (11.7%) on last year (14.4% at constant currency). We saw continued growth in North America of 12.4% driven by the Department Store business but a decline in UK/Europe of 23.4% due to the reduction in clearance sales and timing over the half year of winter despatches. In our Rest of World segment, there was a continued reduction in sales (at a lower margin) to our partners in Australia and Hong Kong.

Group wholesale gross margin improved to 34.2% (2018: 30.8%) reflecting an increased proportion of full price sales in the half as well as the reduced customer support. However, US stock levels were higher following earlier intake of stock than the previous year.

Sell through rates across the board have been good, but particularly in the US department stores where we continue to do well. This has been reflected in the strong order books that we have for Winter 19 and the positive feedback we have received to the Spring 20 collection.

Underlying wholesale profitability, excluding the impact of IFRS 16 and onerous leases, was £3.9m (2018: £4.6m), with costs increasing by 2.0%. Statutory reported wholesale operating profit was £4.8m (2018: £4.6m).

Retail

Group retail revenues of £23.8m were 12.8% lower than the prior year (2018: £27.3m) (13.5% lower at constant currency) mainly due to the reduced store portfolio but offset slightly by LFL improvement of 1.4% in UK/Europe. Nine non-contributing stores including two outlets in the last six months and three concessions closed, with another two concessions being opened. Our Oxford Street store closed during the period but to maintain a Central London presence, we opened a new concept store close by in Duke Street, called The Studio.

Retail gross margins of 52.5% (2018: 53.5%) were lower on the year, mainly as we continue to see the impact on the sales mix of closing full price stores faster than outlets.

The underlying retail loss, excluding the impact of IFRS 16 and onerous leases, of £(6.7)m was a welcome step forward in performance of the division following the previous decline in 2018 to a loss of £(7.2)m. The improvement was driven by the return to LFL growth and store closures. We continue to review each store depending upon circumstances and opportunities available to us. We however continue to see upward cost pressures from a combination of rates and wages but have successfully renegotiated several leases to reduce overall rent for continuing stores. Statutory reported retail operating loss was £(5.2)m (2018: £(7.2)m).

Ecommerce revenue as a proportion of Group Retail revenue at 22.3% continues to increase (H1 2018: 21.5%). Mobile comprises 63.6% of ecommerce traffic (H1 2018: 56.4%) and 48.0% of transactions (H1 2018: 41.9%) as we continue to focus on and develop our CRM capability and targeted social media advertising.

Geographical analysis
The geographical revenue break-down sees the UK/Europe reduce slightly its dominance of the Group, moving back to 72.5% of Group revenues (2018: 76.8%). This reduction has been driven through the continued strong performance in the US together with overall reduced revenues in UK/Europe. The North America proportion is now at 25.1% (2018: 20.8%) while the Rest of World has remained stable at 2.4%. The improvement in the UK/Europe retail division has largely contributed to the reduction in the UK/Europe loss by 31.8% to £(1.5)m (2018: £(2.2)m). Continued growth in North America has generated a regional profit of £1.4m (2018: loss of £(0.3)m).

Licensing income
Licensing income of £2.7m was generated during the period, which was slightly ahead on the prior year (2018: £2.6m). DFS continues to increase its contribution to the business, with expansion to the range. We saw an initial contribution from our new luggage licence and further development of homeware ranges in the US. But sales within the fragrance category were more challenging than in the previous year.

Operating expenses
Total Group underlying operating expenses, excluding the impact of IFRS 16 and onerous leases, of £29.2m were 8.5% lower (10.0% at constant currency) than last year (2018: £31.9m). Much of these savings have come from store closures although other opportunities have also arisen. We continue to focus on cost control against the pressure of ongoing rent and rates rises and the impact of the living wage increases. Group operating expenses were £27.3m (2018: £31.9m).

Adjusting items
Adjusting items of £1.0m have been recognised in the period. A provision for the reorganisation of our franchises in some territories has incurred a cost of £0.6m, while other store closures and other departmental restructures has made up the balance.

Balance sheet
The Group balance sheet at 31 July 2019 remains strong, with net assets of £33.4m (2018: £40.9m) including closing cash of £10.0m (2018: £12.8m) 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 8 ‘Change in Accounting Policy’).

Inventory increased by £1.7m (5.5%) to £32.8m reflecting the earlier intake of winter stock in the US. Trade and other receivables have reduced to £21.5m (2018: £25.3m) due to reduction in UK/Europe wholesale revenues and provisions noted above. Trade and other payables have reduced by £5.3m to £26.4m (2018: £31.7m) reflecting the reduction in the retail portfolio.

Cash flow
On a like for like presentational basis, excluding the impact of IFRS 16 and onerous leases, the trading operations of the Group consumed cash of £(4.6)m in the six months to 31 July 2019 (2018: £(7.0)m) due to improved Group profitability and working capital inflow reflecting the half-year timing of the winter wholesale orders. Statutory cash inflow from operations was £1.1m (2018: outflow of £(7.0)m).

Cash outflows from financing activities in the current period post-IFRS 16 include £5.8m of capital and interest lease payments and conversely cash inflows from operating activities include the same value of adjustments thereby improving the operating cash flows from trading operations referenced above.

Capital expenditure of £0.6m (2018: £0.3m) includes IT costs, investment in upgrading the ecommerce CRM platform and retail improvements including the shopfit of the new London store. Store closure costs of £0.9m (2018: £0.7m) have been incurred in the period relating to closure of nine stores in the first half. We continue to target the closure of non-contributing stores and expect more to close in the current year.

IFRS 16
The Group has implemented IFRS 16 'Leases' for the accounting year-ended 31 January 2020 and has applied IFRS 16 in these condensed half-year financial statements for the six-month period ended 31 July 2019. 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 8 to the Half-Year Statement 'Change in Accounting Policy'.

Taxation
The tax charge for the half was £Nil (2018: £Nil).

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 an interim dividend. The Board intend to keep the shareholder distribution policy under close review during the year.

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.

Principal risks and uncertainties
The principal risks and uncertainties were outlined in the Director's Report within the 2019 Annual Report and remain unchanged. These are described in Note 8 to these financial statements.

Related party transactions
There have been no additional related party transactions to those disclosed in the Group's Annual Report and Accounts for the year ended 31 January 2019.

By order of the Board

Lee Williams
Chief Financial Officer
17 September 2019

Notes:
1. Operating Loss excludes adjusting items and discontinued operations.
2. Underlying Operating Loss excludes adjusting items, discontinued operations, onerous lease releases and IFRS 16 adjustments.
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. Constant Currency is calculated translating the half year ending 31 July 2019 at 31 July 2018 rates to remove the impact of exchange rate fluctuations.
5. Underlying overheads consist of LFL store overheads.

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.

RESPONSIBILITY STATEMENT OF THE DIRECTORS IN RESPECT OF THE HALF-YEARLY FINANCIAL REPORT

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU;
- the interim management report includes a fair review of the information required by:
  - (a) DTR rule 4.2.7R of the *Disclosure and Transparency Rules*, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
  - (b) DTR rule 4.2.8R of the *Disclosure and Transparency Rules*, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

By order of the Board

Stephen Marks
Chairman and Chief Executive
17 September 2019

Lee Williams
Chief Financial Officer

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Six months 31 July 2019			Six months 31 July 2018			Year ended 31 Jan 2019		
		Before adjusting items	Adjusting items*	Total	Before adjusting items	Adjusting items*	Total	Before adjusting items	Adjusting items*	Total
	Note	£m	£m	£m	£m	£m	£m	£m	£m	£m
Continuing operations										
Revenue	1	**51.0**	**-**	**51.0**	58.1	-	58.1	135.3	-	135.3
Cost of sales		**(29.2)**	**-**	**(29.2)**	(34.0)	-	(34.0)	(78.1)	-	(78.1)
Gross profit	1	**21.8**	**-**	**21.8**	24.1	-	24.1	57.2	-	57.2
Operating expenses		**(27.3)**	**(1.0)**	**(28.3)**	(31.9)	(9.6)	(41.5)	(62.2)	(9.4)	(71.6)
Other operating income	4	**2.7**	**-**	**2.7**	2.6	-	2.6	5.8	-	5.8
Finance expense		**(0.8)**	**-**	**(0.8)**	-	-	-	-	-	-
Share of loss of joint ventures, net of tax		**(0.1)**	**-**	**(0.1)**	(0.3)	-	(0.3)	(0.7)	-	(0.7)
(Loss)/profit before taxation	3	**(3.7)**	**(1.0)**	**(4.7)**	(5.5)	(9.6)	(15.1)	0.1	(9.4)	(9.3)
Taxation		**-**	**-**	**-**	-	-	-	-	-	-
(Loss)/profit for the period from continuing operations		**(3.7)**	**(1.0)**	**(4.7)**	(5.5)	(9.6)	(15.1)	0.1	(9.4)	(9.3)
Discontinued operations										
Profit from discontinued operations, net of tax	2	**-**	**-**	**-**	9.3	-	9.3	9.3	-	9.3
(Loss)/profit for the period		**(3.7)**	**(1.0)**	**(4.7)**	3.8	(9.6)	(5.8)	9.4	(9.4)	-

* Adjusting items (see Note 3)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)

	Note	Six months 31 July 2019 £m	Six months 31 July 2018 £m	Year ended 31 Jan 2019 £m
Loss for the period		**(4.7)**	(5.8)	-
Other comprehensive income				
Currency translation differences for overseas operations		**(0.6)**	0.3	0.5
Currency translation differences on foreign currency loans, net of tax		**0.8**	0.1	(0.2)
Effective portion of changes in fair value of cash flow hedges		**-**	0.6	0.1
Other comprehensive income for the period, net of tax		**0.2**	1.0	0.4
Total comprehensive income for the period		**(4.5)**	(4.8)	0.4
Loss attributable to:				
Equity holders of the Company	5	**(4.8)**	(5.7)	0.1
Non-controlling interests		**0.1**	(0.1)	(0.1)
Loss for the period		**(4.7)**	(5.8)	-
Total comprehensive income attributable to:				
Equity holders of the Company		**(4.6)**	(4.7)	0.5
Non-controlling interests		**0.1**	(0.1)	(0.1)
Total income and expense recognised for the period		**(4.5)**	(4.8)	0.4
(Losses)/earnings per share				
Basic and diluted (losses)/earnings per share	5	**(5.0)p**	(5.9)p	0.1p
Continuing operations				
Basic and diluted losses per share	5	**(5.0)p**	(15.7)p	(9.6)p

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	31 July 2019 £m	31 July 2018 £m	31 Jan 2019 £m
Assets				
Non-current assets				
Intangible assets		**0.2**	0.2	0.2
Property, plant and equipment		**2.6**	2.6	2.5
Right-of-use asset		**23.0**	-	-
Investments in joint ventures		**1.7**	2.2	1.8
Deferred tax assets		**4.3**	4.3	4.3
Total non-current assets		**31.8**	9.3	8.8
Current assets				
Inventories		**32.8**	31.1	28.4
Trade and other receivables		**21.5**	25.3	24.1
Cash and cash equivalents	6	**10.0**	12.8	16.2
Derivative financial instruments		**-**	0.5	-
Total current assets		**64.3**	69.7	68.7
Total assets		**96.1**	79.0	77.5
Non-current liabilities				
Lease liabilities		**25.4**	-	-
Provisions	7	**-**	-	3.5
Total non-current liabilities		**25.4**	-	3.5
Current liabilities				
Trade and other payables		**26.4**	31.7	25.4
Lease liabilities		**10.7**	-	-
Provisions	7	**0.2**	6.4	2.4
Total current liabilities		**37.3**	38.1	27.8
Total liabilities		**62.7**	38.1	31.3
Net assets		**33.4**	40.9	46.2
Equity				
Called-up share capital		**1.0**	1.0	1.0
Share premium account		**9.8**	9.7	9.8
Other reserves		**7.6**	8.0	7.4
Retained earnings		**14.9**	22.2	28.0
Total equity attributable to equity holders of the Company		**33.3**	40.9	46.2
Non-controlling interests		**0.1**	-	-
Total equity		**33.4**	40.9	46.2

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Six months 31 July 2019	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 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 8)					(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 for the period ended 31 July 2019					**(4.8)**	**(4.8)**	0.1	**(4.7)**
Other comprehensive income								
Currency translation differences for overseas operations				(0.6)		**(0.6)**		**(0.6)**
Currency translation differences on foreign currency loans, net of tax				0.8		**0.8**		**0.8**
Balance at 31 July 2019	**1.0**	**9.8**	**-**	**7.6**	**14.9**	**33.3**	**0.1**	**33.4**

Six months 31 July 2018	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**
Loss for the period ended 31 July 2018					(5.7)	**(5.7)**	(0.1)	**(5.8)**
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				0.1		**0.1**		**0.1**
Effective portion of changes in fair value of cash flow hedges			0.6			**0.6**		**0.6**
Transactions with owners recorded directly in equity								
Share options exercised		0.1				**0.1**		**0.1**
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 July 2018	**1.0**	**9.7**	**0.5**	**7.5**	**22.2**	**40.9**	**-**	**40.9**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Six months 31 July 2019 £m	Six months 31 July 2018 £m	Year ended 31 Jan 2019 £m
Operating activities				
(Loss)/profit for the period		**(4.7)**	(5.8)	-
Adjustments for:				
Depreciation and impairment of property, plant and equipment		**0.6**	0.6	1.2
Depreciation of right-of-use asset		**3.3**	-	-
Share of loss of joint ventures		**0.1**	0.3	0.7
Finance expense		**0.8**	-	-
Profit on sale of subsidiary	2	**-**	(9.7)	(9.7)
Provisions	3	**1.0**	9.6	9.4
Income tax credit		**-**	(0.1)	(0.1)
Operating cash flows before changes in working capital and provisions		**1.1**	(5.1)	1.5
(Increase)/decrease in inventories		**(4.0)**	(2.3)	0.4
Decrease/(increase) in trade and other receivables		**0.8**	(2.7)	(2.0)
Increase/(decrease) in trade and other payables		**3.3**	3.1	(3.0)
Cash flows from operations		**1.2**	(7.0)	(3.1)
Income tax (paid)/received		**(0.1)**	-	0.2
Cash flows from operating activities		**1.1**	(7.0)	(2.9)
Investing activities				
Acquisition of property, plant and equipment		**(0.6)**	(0.3)	(0.8)
Disposal of subsidiary	2	**-**	11.7	11.7
Net costs from store closures		**(0.9)**	(0.7)	(0.9)
Cash flows from investing activities		**(1.5)**	10.7	10.0
Financing activities				
Payment of lease liabilities		**(5.0)**	-	-
Interest paid		**(0.8)**	-	-
Proceeds from exercise of share options		**-**	0.1	0.2
Dividends paid	2	**-**	(0.5)	(0.5)
Cash flows from financing activities		**(5.8)**	(0.4)	(0.3)
Net (decrease)/increase in cash and cash equivalents	6	**(6.2)**	3.3	6.8
Cash and cash equivalents at 1 February	6	**16.2**	9.5	9.5
Exchange rate fluctuations on cash held	6	**-**	-	(0.1)
Cash and cash equivalents at period end	6	**10.0**	12.8	16.2

NOTES TO THE HALF-YEAR STATEMENT

1. Segment revenue and results

Income Statement	Six months 31 July 2019 £m	Six months 31 July 2018 £m	Year ended 31 Jan 2019 £m
Revenue			
Retail	**23.8**	27.3	58.4
Wholesale	**27.2**	30.8	76.9
Group revenue	**51.0**	58.1	135.3
Gross profit	**21.8**	24.1	57.2
Retail	**52.5%**	53.5%	55.1%
Wholesale	**34.2%**	30.8%	32.5%
Group gross margin	**42.7%**	41.5%	42.3%
Operating (loss)/profit			
Retail	**(5.2)**	(7.2)	(10.3)
Wholesale	**4.8**	4.6	15.2
Licence income	**2.7**	2.6	5.8
Common and Group overheads	**(5.1)**	(5.2)	(9.9)
Finance expense	**(0.8)**	-	-
Share of loss from joint ventures	**(0.1)**	(0.3)	(0.7)
Group operating (loss)/profit*	**(3.7)**	(5.5)	0.1
Operating margin			
Retail	**(21.8)%**	(26.4)%	(17.6)%
Wholesale	**17.6%**	14.9%	19.8%
Group operating margin	**(7.3)%**	(9.5)%	0.1%
Geographical information			
Revenue			
UK/Europe	**72.5%**	76.8%	70.7%
North America	**25.1%**	20.8%	27.2%
Rest of the World	**2.4%**	2.4%	2.1%
Divisional operating (loss)/profit			
UK/Europe	**(1.5)**	(2.2)	2.1
North America	**1.4**	(0.3)	3.7
Rest of the World	**(0.5)**	(0.6)	(1.3)
Group overheads and finance expense	**(3.1)**	(2.4)	(4.4)
Group operating (loss)/profit*	**(3.7)**	(5.5)	0.1

* excludes adjusting items and discontinued operations

NOTES TO THE HALF-YEAR STATEMENT

2. Discontinued operations

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 was provided at the date of disposal 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 generated a total profit on sale of £9.7 million in the prior year.

Results of discontinued operations	**Six months 31 July 2019 £m**	**Six months 31 July 2018 £m**	**Year ended 31 Jan 2019 £m**
Revenue	-	3.3	3.3
Expenses	-	(3.8)	(3.8)
Results from operating activities before tax	-	(0.5)	(0.5)
Taxation	-	0.1	0.1
Results from operating activities, net of tax	-	(0.4)	(0.4)
Profit on sale of discontinued operations	-	9.7	9.7
Effect on profit for the period	-	9.3	9.3

NOTES TO THE HALF-YEAR STATEMENT

3. Loss before taxation

Reconciliation of loss before tax to operating (loss)/profit	Six months 31 July 2019 £m	Six months 31 July 2018 £m	Year ended 31 Jan 2019 £m
Loss before tax	**(4.7)**	(15.1)	(9.3)
Adjusting items:			
Provisions for bad debts	**0.6**	2.8	2.8
Store disposals and onerous lease provisions	**0.4**	6.8	6.6
	1.0	9.6	9.4
Operating (loss)/profit	**(3.7)**	(5.5)	0.1

Provisions for bad debts, net of VAT recoverable, of £0.6m (2018: £2.8m) have been expensed in the period relating to unpaid contractual debt.

Store disposal costs of £0.4m have been expensed in the current period relating to UK/Europe store closures.

4. Other operating income

	Six months 31 July 2019 £m	Six months 31 July 2018 £m	Year ended 31 Jan 2019 £m
Licensing income	**2.7**	2.6	5.8

NOTES TO THE HALF-YEAR STATEMENT

5. (Losses)/earnings per share

Basic and diluted (losses)/earnings per share are calculated on the following weighted average number of ordinary shares during the period.

	Six months 31 July 2019	**Six months 31 July 2018**	**Year ended 31 Jan 2019**
Weighted average number of ordinary shares	**96,612,934**	96,304,524	96,404,508

Basic and diluted losses per share of 5.0 pence per share (2018: losses of 5.9 pence) is based on losses of £4.8m (2018: losses of £5.7m) attributable to equity shareholders.

On continuing operations the basic losses per share of 5.0 pence per share (2018: losses of 15.7 pence) is based on losses of £4.8m (2018: losses of £15.1m) attributable to equity shareholders.

On discontinued operations basic losses per share of £Nil pence per share (2018: earnings of 9.8 pence) is based on losses of £Nil (2018: profits of £9.4m) attributable to equity shareholders.

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

	Six months 31 July 2019		**Six months 31 July 2018**		**Year ended 31 Jan 2019**	
	£m	**pence per share**	**£m**	**pence per share**	**£m**	**pence per share**
(Loss)/profit attributable to equity shareholders	(4.8)	(5.0)p	(5.7)	(5.9)p	0.1	0.1p
Profit on sale of subsidiary	-	-	(9.7)	(10.1)p	(9.7)	(10.0)p
Adjusting items (see Note 3)	1.0	1.1p	9.6	10.0p	9.4	9.7p
Adjusted loss	**(3.8)**	**(3.9)p**	**(5.8)**	**(6.0)p**	**(0.2)**	**(0.2)p**

6. Cash and cash equivalents

	31 January 2019 £m	**Cash flow £m**	**Non cash changes £m**	**31 July 2019 £m**	**31 July 2018 £m**
Cash and cash equivalents in the balance sheet and cash flow	16.2	(6.2)	-	**10.0**	12.8

7. Provisions

Store disposals and onerous leases	Six months 31 July 2019 £m	Six months 31 July 2018 £m	Year ended 31 Jan 2019 £m
Balance at 1 February	**5.9**	0.3	0.3
Reclassified to ‘right-of-use’ asset on IFRS 16 transition (Note 8)	**(5.2)**	-	
Utilised during the period	**(0.5)**	(0.3)	(0.3)
Increase during the period	**-**	6.4	5.9
Balance at period end	**0.2**	6.4	5.9
Current liabilities	**0.2**	6.4	2.4
Non-current liabilities	**-**	-	3.5

Provisions are recorded to reflect the estimated committed closure costs of identified underperforming retail stores including onerous leases whereby the future contractual obligations exceed the forecast economic benefits. The associated costs are forecast to be incurred over the remaining lease period.

8. Statutory accounts and basis of preparation of half-year financial statements

Reporting entity
French Connection Group PLC (the “Company”) is a company domiciled in the United Kingdom, whose shares are publicly traded on the London Stock Exchange. These financial statements are presented in millions of pounds sterling rounded to the nearest one decimal place. These condensed consolidated half-year financial statements of the Company as at and for the six months ended 31 July 2019 comprise the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in joint ventures.

The consolidated financial statements of the Group as at and for the year ended 31 January 2019 are available upon request from the Company’s registered office at First Floor, Centro One, 39 Plender Street, London NW1 0DT or can be found on the Group website *www.frenchconnection.com*.

Principal activities
The principal activity of the Group is the international retailing and wholesaling of branded fashion clothing and accessories and the licensing of its brands.

Statement of compliance
These condensed consolidated half-year financial statements have been prepared in accordance with the requirements of IAS 34 ‘Interim Financial Reporting’ as adopted by the EU.

As required by the Disclosure and Transparency Rules (“the DTR”) of the Financial Conduct Authority, the condensed consolidated half-year financial statements have been prepared applying the accounting policies and presentation that were applied in the preparation of the Company’s published consolidated financial statements for the year ended 31 January 2019, which were prepared in accordance with IFRS as adopted by the EU.

These condensed consolidated half-year financial statements have not been audited or reviewed by auditors pursuant to the Auditing Practices Board guidance on *Review of Interim Financial Information*. The comparative figures for the year ended 31 January 2019 are not the Company’s statutory accounts for that period. Those accounts have been reported on by the Company’s auditors and have been delivered to the Registrar of Companies. The report of the auditors was (i) unqualified, (ii) did not include a reference to any matters to which the auditors 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 Board of Directors approved the condensed consolidated half-year financial statements on 17 September 2019.

8. Statutory accounts and basis of preparation of half-year financial statements (continued)

Significant accounting policies
The accounting policies applied by the Group in these condensed consolidated half-year financial statements are the same as those that applied to the consolidated financial statements of the Group for the year ended 31 January 2019 with the following exception:

Change in accounting policy

Adoption of IFRS 16
The Group has implemented IFRS 16 'Leases' for the accounting year-ended 31 January 2020 and has applied IFRS 16 in these condensed half-year financial statements for the six-month period ended 31 July 2019.

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 Group has adopted the option not to recognise right-of-use assets and liabilities for short-term property leases that have a remaining lease term of less than twelve months and low-value asset leases. Leases with variable rent payments, notably turnover rents, are outside the scope of IFRS 16 and have also been excluded. These costs have been expensed to the Income Statement on a straight-line basis over the lease term.

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 as discussed below.

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:

NOTES TO THE HALF-YEAR STATEMENT

8. Statutory accounts and basis of preparation of half-year financial statements (continued)

Adoption of IFRS 16 (continued)

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	**£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*	(5.2)
Working capital adjustments**	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

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	**£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)	**43.1**
Interest	(4.6)
Lease liabilities discounted at 1 February 2019	**38.5**

NOTES TO THE HALF-YEAR STATEMENT

8. Statutory accounts and basis of preparation of half-year financial statements (continued)

Adoption of IFRS 16 (continued)

c) Reserves

Reserves adjustment	£m
Right-of-use asset recalculated, on lease-by-lease basis	10.0
Working capital adjustments**	(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

ii) Current accounting period

The impact of the adoption of IFRS 16 on the Interim Half-Year Statement for the six-month period to 31 July 2019 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.

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.

NOTES TO THE HALF-YEAR STATEMENT

8. Statutory accounts and basis of preparation of half-year financial statements (continued)

Adoption of IFRS 16 (continued)

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

Key sources of estimation uncertainty
In applying the accounting policies, management has made appropriate estimates in many areas, and the actual outcome may differ from those calculated. The key sources of estimation uncertainty at the balance sheet date were the same as those that applied to the consolidated financial statements of the Group for the year ended 31 January 2019.

Principal risks and uncertainties
Like all retailers we are susceptible to volatility in the propensity of consumers to spend, which is affected by macro-economic issues. As a wholesaler, we also face the risk of default from our customers and manage this through active relationship management by our dedicated customer accounts team.

The Group maintains a positive net cash balance throughout the year and we are conscious to manage the Group's working capital effectively.

The Group's approach to the management of risks was the same as that which applied to the consolidated financial statements of the Group for the year ended 31 January 2019. The Board confirms that there are ongoing procedures in place for identifying, evaluating and managing significant risks faced by the Group. There has been no change since the year end to the major risks faced by the Group.

Related party transactions
In the six months to 31 July 2019, there were no material changes in related parties nor any related party transactions. The Group's related party transactions and relationships were disclosed in the Notes to the Annual Report for the year ended 31 January 2019. All transactions with related parties are conducted on an arm's length basis and in accordance with normal business terms. Transactions between related parties that are Group subsidiaries are eliminated on consolidation.

Going concern
The Group has considerable cash resources, ending the half-year with £10.0m and with a minimum Group cash balance during the period of £8.0m. The Group has no debt.

Having reviewed the cash forecasts and the sources of cash funding available to the Group, the Board has concluded that the Group has a reasonable expectation to continue in operational existence for the foreseeable future. For this reason, the Board continues to adopt the going concern basis in preparing the accounts.

NOTES TO THE HALF-YEAR STATEMENT

9. Retail locations

		31 July 2019		31 January 2019		31 July 2018	
		Locations	sq ft	Locations	sq ft	Locations	sq ft
Operated locations							
UK/Europe							
French Connection	Stores	**36**	**91,467**	43	120,469	46	127,440
French Connection/Great Plains	Concessions	**49**	**43,325**	47	43,214	52	34,526
YMC	Stores	**3**	**1,805**	3	1,805	2	1,355
Total UK/Europe		**88**	**136,597**	93	165,488	100	163,321
North America							
French Connection US	Stores	**2**	**9,102**	2	9,102	2	9,102
French Connection Canada	Stores	**-**	**-**	1	2,350	1	2,350
Total North America		**2**	**9,102**	3	11,452	3	11,452
Total operated locations		**90**	**145,699**	96	176,940	103	174,773
French Connection licensed and franchised							
UK/Europe		**3**	**3,918**	4	4,142	5	5,642
North America		**1**	**2,346**	1	2,346	1	2,346
Middle East		**8**	**13,637**	10	15,686	10	15,686
Australasia		**141**	**72,293**	140	72,553	140	71,677
Hong Kong		**1**	**1,186**	3	3,378	3	3,378
China		**8**	**10,776**	11	16,614	10	14,644
India		**6**	**2,551**	7	3,710	14	7,779
Other		**17**	**12,716**	19	14,242	21	15,240
Total licensed and franchised locations		**185**	**119,423**	195	132,671	204	136,392
Total branded locations		**275**	**265,122**	291	309,611	307	311,165