SuperGroup ■ Plc

Interim results for the 26 weeks ended 24 October 2015

16 December 2015

Continued progress against strategy delivers positive sales and profit growth
Maiden interim dividend of 6.2p declared

SuperGroup Plc (‘SuperGroup’ or ‘Group’), owner of the Superdry brand, today announces interim results for the 26 weeks ended 24 October 2015 (‘1H16’ or the ‘period’).

FINANCIAL HIGHLIGHTS

- Strong trading performance with Group revenue up 22.3% to £254.7m (1H15: £208.2m)
  - Retail revenue up 30.8% to £172.1m (1H15: £131.6m)
  - Retail like-for-like[1] sales up 17.2% (1H15: -4.1%)
  - Online participation of retail sales increased to 19.2% (1H15: 13.9%)
  - Wholesale revenue increased by 7.8% to £82.6m (1H15: £76.6m)
- Underlying[2] Group gross margin up 110bps to 60.1% (1H15: 59.0%)
- Underlying profit before tax up 54.4% to £19.3m (1H15: £12.5m)
- Underlying profit before tax, excluding North America, up 73.6% to £21.7m (1H15: £12.5m)
- Underlying basic earnings per share 20.0p (1H15: 11.9p)
- Reported basic earnings per share 10.2p[3] (1H15: 17.2p)
- Strong net cash[4] position at the period end of £80.0m (1H15: £66.6m)

STRATEGIC PROGRESS

- 14 net new owned stores opened adding 63k sq. ft. or 9% of trading space since year-end
- 23 new international franchised and licensed stores taking the total to 244 stores
- Ongoing product innovation centred on Womenswear and successful launch of premium Idris Elba collection
- Effective combination of store and e-commerce stock into one inventory file, improving e-commerce product availability
- Turnaround of US business continuing and establishment of China JV progressing

Euan Sutherland, Chief Executive Officer, commented:
“SuperGroup has made good progress in realising its strategic objectives in the first half and has delivered profitable growth, while continuing to invest in the business. Central to this is the ongoing process to get ever closer to our customers who clearly appreciate the product innovation that is widening the Superdry offer.

“With a successful first half completed, the business is well placed for the significant peak trading period. Whilst comparatives in the second half are more challenging, the development of Superdry into a global lifestyle brand is proceeding with pace and this, together with the strength of our product offer and increasing efficiency, will enable us to deliver long-term sustainable growth.”

Notes:

1. Like-for-like sales ('LFL') growth is defined as the year-on-year sales growth for stores and concessions open more than one year and includes e-commerce revenues. Foreign currency sales are translated at the average rate for the month in which they were made.

2. Underlying is defined as reported results adjusted to reflect the impact of exceptional items and re-measurements (and the related income tax where appropriate). The Directors believe that the underlying results provide additional guidance to statutory measures to help understand the performance of the Group.

3. Reflects the period on period re-measurement of financial derivatives and exceptional items related to the North America licence buy-out.

4. Net cash includes cash and cash equivalents together with term deposits classified as other financial assets.

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

	1H16	**1H15**
Total Group revenue (£m)	254.7	208.2
Total Retail revenue (£m)	172.1	131.6
Retail LFL (%)	17.2	(4.1)
New Retail space added (sq.ft. '000s)	63	46
Average Retail Space (sq.ft. '000s)*	789	651
Number of owned stores	192	151
Payback on new stores opened FY12-FY15 (months)	22	22
Wholesale revenue (£m)	82.6	76.6
Online participation (%) (as % of Total Retail revenue)	19.2	13.9
Underlying gross margin (%)	60.1	59.0
Underlying operating margin (%)	7.6	5.8
Underlying EPS (p)	20.0	11.9
Operating cash flow (£m)	36.0	2.6
Net cash[3] position (£m)	80.0	66.6

*Includes North America from FY16.

6. The trading comparatives for each quarter of FY16 are detailed below (unaudited):

FY16	**Q1 16**	**% YOY**	**Q2 16**	**% YOY**	**1H16**
Total Retail	£80.6m	33.4%	£91.5m	28.5%	£172.1m
LFL	19.3%		15.5%		17.2%
Ave. Space (sq.ft '000s)	773	20.2%	805	22.2%	789

7. FY16 guidance (unaudited):

Unchanged		Updated	
Underlying profit	In line with analyst expectations *FY16 underlying profit before tax consensus: £72.1m*	**Space growth**	130k sq.ft. owned store expansion *Previous: 120–130k sq.ft.*
Selling and distribution costs	Increase with revenue	**Gross margin**	40–60bps accretion *Previous: 0–30bps*
Central costs	Grow ahead of revenue	**Capital expenditure**	c.£45m investment, *Previous: c.£35m*
Working capital	Grow slower than sales	**North America performance**	FY16: £3.0–3.5m loss FY17: Small loss *Previous: FY16 c.£2.5m loss* *FY17: breakeven*
		Effective Tax Rate	FY16: c.22%

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Market Briefing
Management will present these results today at 11.00 BST with a simultaneous webcast and teleconference.

The webcast can be accessed via www.supergroup.co.uk. Please click on the relevant link on the homepage or paste the following link in your web browser http://supergroup.emincote.com/results/2016interims

The teleconference will be available on +44 20 3059 8125.

An archive of the webcast will be available shortly after the event.

Financial calendar

Peak trading update — 14 January 2016

Notes to Editors
SuperGroup is the owner of British global lifestyle brand Superdry. A brand designed for attitude not age with affordable, premium-quality clothing, accessories, footwear and cosmetics.

As we develop the breadth and nature of our product range, we continue to appeal to a much broader, aspirational age group. Those who want to feel amazing in what they wear and appreciate style, quality and attention to detail.

Already well established in the UK – our home market – we operate a significant and continually expanding international business, selling through our websites, wholesale partners, a network of franchise stores and, increasingly, our independent stores. We are becoming a more efficient business as we improve our process from design to customer and refine our wholesale model. Simultaneously, we are focused on expanding our business globally with a clear strategy for growing our e-commerce business as well as our operations in key markets within Europe, North America and China.

Over the past 12 years, we have expanded rapidly, with a physical presence in 51 countries and 613 stores and concessions globally. We also have a successful e-commerce business with 26 international websites across 18 countries covering 12 different languages and delivering to 169 countries.

Review of the 26 weeks ended 24 October 2015

Strategic Progress

We have made good progress in the first half of this year against each of our four strategic pillars:

- **Embed - Our brand values for long-term sustainable growth;**
- **Enable - Investment in people, systems and infrastructure;**
- **Extend - Achieving growth potential in key categories; and**
- **Execute - Growth opportunities in new markets and online.**

Embed: We have extended our customer insight programme, which we started in the UK approximately a year ago, to Germany, USA and to key product areas to further improve the customer experience by embedding this insight into our ongoing product innovation programme. To ensure that our colleagues have a real appreciation for and understanding of our brand, we conducted our first engagement programme in the Summer and stemming from this is an action plan to take us from being a 'really good' to being a 'great' company to work for.

Enable: Our process and infrastructure development agenda is continuing as planned. The most significant development in the period was the combination of our store and e-commerce inventory into a single stock pool. This initiative was successfully completed well in advance of peak season trading and will provide much improved product availability to e-commerce customers. Other developments linked to improving our design to customer process include the introduction of a merchandising planning system which complements our existing merchandising management system (Mercatus), increased in-season sales to our Wholesale partners and our first global supplier conference hosted at our headquarters in Cheltenham.

We have completed the recruitment of the Executive team with the appointment of Nick Tatum as Global Retail Director on 30 November. Nick has responsibility for the Group's retail operations and logistics and joins us after an extensive career at Tesco PLC where he held a wide range of senior leadership roles in store retail operations and commercial category management.

The second half of the financial year will see us progress our plans to introduce third party retail distribution centres in both EU and North America. Locating inventory closer to our growing customer base in each of these territories will improve availability and deliver cost efficiencies in the medium term.

Extend: Womenswear was our fastest growing category during the period which is testament to the improvements we have made following our customer insight studies. We also launched a broader, more technical Superdry Snow collection following the success from last season. The rugby range we developed is a natural extension for the brand, to bring style to fans of the sport. The range was a success adding 1% to our like-for-like sales during the Autumn.

We are very encouraged with the initial customer reaction to Superdry Sport for women and have confidence in the extended range to be launched in the New Year, co-incident with the peak sales period for such product.

In addition, the Idris Elba and Superdry collaboration came to fruition with the successful launch of this premium collection on 26 November. This exciting new range consisting of 250 garments will be sold globally in selected stores, online and through our Wholesale partnerships and will introduce a 'best' offer across all of our key categories. We are also confident that the collaboration will prompt reconsideration of our brand by new as well as existing customers.

Execute: Our Retail channel continued to see good growth. Positive like-for-like sales were achieved across stores and e-commerce with our digital channel continuing to be our fastest growing route to market. Our new store opening programme is progressing well. Through 14 net new store openings, of which 11 were outside the UK, we have achieved half our FY16 target of adding approximately 130k sq.ft. of owned store space within Europe. Recognising our future focus on store expansion concentrated in Europe, we have put in place a dedicated team based in Germany to lead this programme.

Our Wholesale division continued to perform well, despite the headwind from strengthening sterling against the Euro, benefitting from improved selling processes, new revenue from the Group's North

American operation and the addition of 23 new franchise and licensed stores across 14 countries during the period.

The initial steps necessary to reset our US business have been completed, though marginally later than originally anticipated. We have enhanced our product range, improved the store experience particularly through enhanced product density and re-established a full-price strategy at levels in line with the UK. We have made good progress in reducing operating costs. The set-up of the China joint venture with Trendy International Group is also progressing well.

Financial Review

The Group delivered a strong financial performance during the first half of the year with positive trends seen across all of the businesses' key performance metrics.

Group profit and loss

		Unaudited 1H16 £m	Unaudited 1H15* £m	% change
Revenue:	Retail	**172.1**	131.6	30.8%
	Wholesale	**82.6**	76.6	7.8%
Group revenue		**254.7**	208.2	22.3%
Underlying gross profit		**153.1**	122.8	24.7%
Underlying gross profit margin %		***60.1%***	*59.0%*	
Sales and distribution costs		***(107.9)***	*(90.4)*	
Central costs		***(30.3)***	*(22.2)*	
Other gains and losses		***4.4***	*1.9*	
Underlying operating profit		**19.3**	12.1	59.5%
Underlying operating margin		***7.6%***	*5.8%*	
Re-measurements and exceptional items:				
	Fair value re-measurements	**(5.5)**	6.3	
	Exceptional items	**(2.3)**	(1.6)	
Total non-underlying adjustments		**(7.8)**	4.7	
Operating profit		**11.5**	16.8	(31.5)%
Net finance income		**-**	0.4	
Profit before tax		**11.5**	17.2	(33.1)%

*26 weeks ended 25 October 2014

Group revenue increased £46.5m to £254.7m (22.3%) on the same period last year, driven by growth across all three routes to customer: Wholesale, Retail and e-commerce.

Underlying gross profit increased to £153.1m, representing an underlying gross profit margin of 60.1%, an increase of 110bps on the previous year. The positive impact from enhanced sourcing was broadly in line with our guidance of an increase between 0bps to 30bps for FY16 with the stronger year on year increase reflecting the strong participation of higher margin Retail sales during the period. While the impact of unfavourable currency movements is anticipated to increase in the remainder of the financial year, we now expect full year gross margins to accrete by 40 to 60bps.

Selling and distribution costs include costs associated with delivery of product, operating of retail stores and fulfilment costs of e-commerce and wholesale orders. These costs increased by 19.4% to £107.9m (1H15: £90.4m) – less than the increase in sales, reflecting the cost leverage from a strong like for like performance. Within this, the cost of operating stores is largely driven by our continuing store opening programme where total average space has increased 21.2% year on year.

We continue to invest in our global infrastructure to support the ongoing growth of the business with central costs (excluding Incentives & North America) growing by approximately 20% year on year, broadly in line with our guidance. Including the impact of returning variable pay to normal levels and the new costs of our North American operation, central costs increased by 36.5% year on year to £30.3m (1H15: £22.2m), an increase of 1.2% as a percentage of sales.

Underlying operating profit before income tax for the period was £19.3m, an increase of 59.5% on the prior period (1H15: £12.1m). Excluding the operating loss of £2.4m in North America, underlying operating profit before income tax for the period was £21.7m, an increase of 79.3% on the prior period. The operating loss of North America during the period is due to the seasonality of the business but also due to the greater elapsed time to fully reset the customer proposition post the buy-out of the North American licence in March 2015. Whilst we expect that performance to improve as a result of management action, this delay in correcting the customer offer until mid-way through the peak trading period means we now anticipate an operating loss of £3.0-£3.5m in FY16.

The re-measurements and exceptional items are the half yearly fair value re-measurement of forward foreign exchange contracts of £5.5m loss (1H15: £6.3m gain) and exceptional loss of £2.3m (1H15: £1.6m), which in FY16 relates to the fair value adjustment to inventories acquired in the US licence buy-out. The acquired inventory was valued at sale price less cost to sell, increasing the value of the inventory at the previous year-end by £2.4m. The substantial majority of this inventory has been sold in the period.

After fair value re-measurements and exceptional items, Group profit before tax at £11.5m was 33.1% lower than the prior year. (1H15: £17.2m).

Our Retail division (including e-commerce)

	Unaudited 1H16 £m	Unaudited 1H15 £m	Change
External revenues	**172.1**	131.6	30.8%
% of Group Revenue	67.6%	63.2%	
Underlying operating profit	**19.1**	14.0	36.4%
Underlying operating profit margin	***11.1%***	*10.6%*	*50bps*
Re-measurements and exceptional items:			
Fair value of forward foreign exchange	**(1.5)**	2.8	n/a
Exceptional items	**(2.1)**	-	n/a
Retail operating profit	**15.5**	16.8	(7.7)%

Sales in our retail division grew by 30.8% to £172.1m in 1H16 (1H15: £131.6m) with like-for-like growth of 17.2% compared to a decline of 4.1% in the same period last year.

The strong growth in Retail sales reflects the continued expansion of owned stores in the EU (average retail square footage increased by 21.2% to 789k sq.ft, (1H15: 651k sq.ft.)) together with positive like-for-like growth, driven in particular by a strong performance in e-commerce. We opened 14 new stores including four stores in Germany as well as stores in France, the Netherlands and Austria. The participation of e-commerce of retail sales has increased from 13.9% in 1H15 to 19.2% in 1H16, reflecting continued consumer preference for the convenience that e-commerce provides and the further development of our online customer proposition.

Underlying operating profit for our Retail division of £19.1m was 36.4% up on the same period last year (1H15: £14.0m). The underlying profit margin was 11.1% (1H15: 10.6%), an improvement of 50bps as sales increased markedly on the previous year. Excluding the negative impact from the Group’s North American business, operating margins of 12.0% were 140bps above the prior year.

The Group has revalued its forward foreign exchange contracts to fair value, which is included as a re-measurement. After this adjustment, and exceptional items, the Retail division generated an operating profit before tax, royalties, and Group overheads of £15.5m (1H15: £16.8m).

Our Wholesale division

Wholesale revenue by territory	**Unaudited 1H16 £m**	Unaudited 1H15 £m	Change
Wholesale revenue by territory:			
UK and Republic of Ireland	17.5	18.6	(5.9)%
Europe	50.3	45.7	10.1%
Rest of World	14.8	12.3	20.3%
Total Wholesale revenue	**82.6**	**76.6**	**7.8%**

Wholesale division	**Unaudited 1H16 £m**	Unaudited 1H15 (restated) £m	Change
External revenues	**82.6**	76.6	7.8%
% of Group Revenue	32.4%	36.8%	
Underlying operating profit	**28.4**	20.3	39.9%
Underlying operating profit margin	***34.4%***	*26.5%*	*790bps*
Re-measurements and exceptional items:			
Fair value of forward foreign exchange	**(4.0)**	3.5	n/a
Exceptional items	**(0.2)**	0.7	n/a
Wholesale operating profit	**24.2**	**24.5**	**(1.2)%**

Our Wholesale division increased sales by 7.8% year on year delivering revenue of £82.6m in 1H16 (1H15: £76.6m). Revenue growth in Wholesale was achieved mainly through the growth in our European franchises and the inclusion of our US wholesale business, partly offset by a reduction in clearance activity which served to enhance achieved gross margins.

The underlying operating profit was £28.4m, a 39.9% improvement on 1H15 (£20.3m). As referenced above the underlying operating margin has benefitted from margin improvement from a higher proportion of full price wholesale sales and other income increasing as a result of continued growth in our franchise network.

After a fair value adjustment in respect of forward foreign exchange contracts and exceptional items the Wholesale division generated a profit before tax, royalties, and Group overheads of £24.2m (1H15: £24.5m).

Re-measurements and exceptional items
Fair value re-measurements and exceptional items are detailed in note 6.

Finance costs and income
Finance income net of finance costs amounted to £nil (1H15: £0.4m).

Taxation
The Group's underlying income tax expense for 1H16 of £3.0m (1H15: £2.8m) represents an effective tax rate of 15.5% (1H15: 22.4%). The Group's underlying tax rate of 15.5% is lower than the UK statutory rate of 20.0%, primarily due to the recognition of losses in jurisdictions which attract tax relief at higher rates.

The full year tax rate is also anticipated to be impacted by continued losses within North America and is currently expected to be approximately 22.0% (FY15: 23.4 %).

Earnings per share
Underlying basic earnings per share was 20.0p (1H15: 11.9p). Reported basic earnings per share was 10.2p (1H15: 17.2p), calculated using the basic weighted average number of ordinary shares outstanding for the period of 81,075,521 (1H15: 80,961,744).

Diluted earnings per share is 10.2p (1H15: 17.1p) based on a diluted weighted average of 81,278,994 shares (1H15: 81,352,992 shares).

Dividends
We announce our maiden dividend today and will pay an interim dividend of 6.2 pence per share (c.£5.0m) on 5 February 2016 to shareholders who appear on the register on 22 January 2016. The introduction of an ordinary dividend acknowledges our confidence in the Superdry brand as well as our ability to deliver sustainable profitable growth, cash generation and return on capital. The policy also recognises the significant range of investment opportunities available to us to grow shareholder value and provides flexibility for the organic and other opportunities that may require investment concentrated within a short time period.

Key parameters of our dividend policy are as follows:

- we intend to adopt a progressive dividend policy at a prudent earnings cover targeting 3.0x – 3.5x;
- we intend to adopt a dividend formula so that the interim dividend will be the equivalent of approximately one-third of the total dividend for the previous year; and
- if, over an extended period, excess capital has not been deployed, we will consider one-off returns to shareholders whilst maintaining flexibility through a positive cash balance.

Cash-flow, investments and working capital
We remain financially strong and highly cash generative, retaining net cash balances (including cash equivalents and term deposits classified as other financial assets) of £80.0m (FY15: £77.6m) after funding continued investment across our business.

Property, plant and equipment and intangible assets totalled £137.7m, increasing by £13.3m (10.7%) from the financial year-end. This has been driven by our continued programme of store expansion within the EU and ongoing information technology investments to strengthen our central capability and facilitate our future planned growth.

During the period, £29.2m (1H15: £18.0m) of capital additions were made, of which £20.3m (1H15: £10.0m) relates to leasehold improvements across the Group. We continue to generate strong returns on these investments with the average payback from stores within our payback target of 30 months. The cash outflow of these investments totalled £22.2m. Landlord contributions of £1.1m were received during the period and will be amortised over the length of the respective leases.

Investments in intangible assets were £2.9m since the financial year-end. Additions in the period included a major upgrade to our wholesale management system, changes to our warehouse management system to enable the consolidation of our retail inventory and preparatory work for a merchandise planning system that was successfully implemented early in the second half year.

Reflecting the strength of our new store pipeline, full year guidance for capital expenditure is expected to be c.£45m.

		1H16 £m	1H15 £m	Movement %
Working capital	Inventories	**117.7**	**108.2**	(8.8)%
	Trade receivables	**54.3**	**49.7**	(9.3)%
	Trade payables	**(91.4)**	**(65.7)**	39.1%
Total working capital		**80.6**	**92.2**	
Net cash[1]		**80.0**	**66.6**	

[1]Net cash includes cash and cash equivalent together with term deposits classified as another financial asset.

Investment in inventories, trade receivables and trade payables reduced year on year by £11.6m to £80.6m (1H15: £92.2m).

Inventories have increased by 8.8%, with the significant majority of this increase reflecting the inventory placed into new stores together with stock related to our North American business that was bought back in March 2015. Like-for-like inventory levels have reduced marginally year on year.

Trade receivables remain well managed with the year on year growth broadly in line with the increase in wholesale revenue during the period. Trade payables increased by 39.1% to £91.4m (1H15: £65.7m) reflecting the timing of autumn/winter deliveries and the progressive movement of suppliers from Letters of Credit to standard trading terms.

Going concern

The directors report that, having reviewed current performance and forecasts, they have a reasonable expectation that the Group has adequate resources to continue operations for the foreseeable future. For this reason they have continued to adopt the 'going concern' basis in preparing the financial information.

Principal risks and uncertainties

The principal risks and uncertainties were outlined in the Director's Report within the 2015 Annual Report and remain unchanged. These are as described in note 17 of this document.

Outlook

The first half year has seen good progress on our strategic objectives and healthy growth in profits. In the near-term, our main focus is to deliver a successful peak trading period and the remainder of this financial year will see continued growth in our Retail business through a strong new store pipeline in our targeted European markets and through ongoing growth in e-commerce. In our Wholesale business, we will make further improvements in our selling process together with growing our franchise stores in Europe and the US.

In the longer term, we are building Superdry into global lifestyle brand by successfully executing our global growth opportunities across all routes to customer. This, combined with increasing efficiency in the business, gives the Board confidence in our ability to deliver long-term, sustainable growth.

Responsibility statement of the directors in respect of the condensed consolidated interim financial information

On 15 December 2015 the board of directors of SuperGroup Plc approved this statement.

The directors confirm that to the best of their knowledge:

- The condensed financial information has been prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU; and

- The interim management report includes a fair review of the information required by:

  a) DTR 4.2.7R of the *Disclosure and Transparency Rules,* being an indication of important events that have occurred during the first 26 weeks of the financial year and their impact on the condensed financial information, and a description of the principal risks and uncertainties for the remaining 26 weeks of the financial year;

  b) DTR 4.2.8R of the *Disclosure and Transparency Rules,* being related party transactions that have taken place in the first 26 weeks 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.

The directors of SuperGroup Plc are listed on page 51 and 52 of the 2015 Annual Report.

On behalf of the board

Euan Sutherland
Chief Executive Officer
15 December 2015

Nick Wharton
Chief Financial Officer
15 December 2015

Cautionary statement

This report contains certain forward-looking statements with respect to the financial condition, results of the operations, and businesses of SuperGroup Plc. These statements and forecasts involve risk, uncertainty and assumptions because they relate to events and depend upon circumstances that will occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements. These forward-looking statements are made only as at the date of this announcement. Nothing in this announcement should be construed as a profit forecast. Except as required by law, SuperGroup Plc has no obligation to update the forward-looking statements or to correct any inaccuracies therein.

Condensed Group Statement of Comprehensive Income (unaudited)

	Note	**Underlying October 2015**	**Re-measurements and exceptional items (note 6)**	**Total October 2015**	Underlying October 2014	Re-measurements and exceptional items (note 6)	Total October 2014
		£m	**£m**	**£m**	£m	£m	£m
Revenue	5	254.7	-	254.7	208.2	-	208.2
Cost of sales		(101.6)	(2.3)	(103.9)	(85.4)	-	(85.4)
Gross profit		**153.1**	**(2.3)**	**150.8**	**122.8**	**-**	**122.8**
Selling, general and administrative expenses		(138.2)	-	(138.2)	(112.6)	(1.6)	(114.2)
Other gains and losses (net)		4.4	(5.5)	(1.1)	1.9	6.3	8.2
Operating profit		**19.3**	**(7.8)**	**11.5**	**12.1**	**4.7**	**16.8**
Net finance income		-	-	-	0.4	-	0.4
Profit before tax		**19.3**	**(7.8)**	**11.5**	**12.5**	**4.7**	**17.2**
Income tax expense	7	(3.0)	(0.1)	(3.1)	(2.8)	(0.4)	(3.2)
Profit for the period		**16.3**	**(7.9)**	**8.4**	**9.7**	**4.3**	**14.0**
Attributable to:							
Owners of the Company		16.2	(7.9)	8.3	9.6	4.3	13.9
Non-controlling interests		0.1	-	0.1	0.1	-	0.1
		16.3	**(7.9)**	**8.4**	**9.7**	**4.3**	**14.0**
Other comprehensive income net of tax:							
Items that may be subsequently reclassified to profit or loss							
Currency translation differences		(0.5)	-	(0.5)	(0.9)	-	(0.9)
Total comprehensive income for the period		**15.8**	**(7.9)**	**7.9**	**8.8**	**4.3**	**13.1**
Attributable to:							
Owners of the Company				7.8			13.0
Non-controlling interests				0.1			0.1
				7.9			**13.1**
Earnings per share							
Basic	14	20.0		10.2	11.9		17.2
Diluted	14	20.0		10.2	11.8		17.1

Condensed Group Balance Sheet

	Note	**Unaudited October 2015 £m**	Unaudited October 2014 £m	Audited April 2015 £m
ASSETS				
Non-current assets				
Property, plant and equipment	9	86.5	72.0	72.3
Intangible assets		51.2	50.1	52.1
Investments accounted for using the equity method		-	0.3	0.7
Other non-current financial assets		0.6	-	-
Deferred income tax assets		30.2	30.1	27.8
Derivative financial instruments	18	0.3	-	0.7
Total non-current assets		**168.8**	**152.5**	**153.6**
Current assets				
Inventories	11	117.7	108.2	107.9
Trade and other receivables		79.2	60.3	70.3
Derivative financial instruments	18	5.3	3.9	10.4
Other financial assets		10.0	-	10.0
Cash and cash equivalents	16	70.0	66.6	67.6
Total current assets		**282.2**	**239.0**	**266.2**
LIABILITIES				
Current liabilities				
Borrowings	16	-	0.1	-
Trade and other payables		107.9	75.9	79.8
Current income tax liabilities		7.3	10.8	13.0
Total current liabilities		**115.2**	**86.8**	**92.8**
Non-current liabilities				
Trade and other payables		31.1	27.8	28.0
Provisions for other liabilities and charges		1.3	1.3	2.9
Deferred income tax liabilities		1.4	1.8	0.9
Total non-current liabilities		**33.8**	**30.9**	**31.8**
Net assets		**302.0**	**273.8**	**295.2**
EQUITY				
Share capital	12	4.0	4.0	4.0
Share premium		148.0	147.3	147.5
Translation reserve		(13.2)	(2.2)	(12.7)
Merger reserve		(302.5)	(302.5)	(302.5)
Retained earnings		465.7	424.8	456.0
Other reserves		-	0.7	0.7
Equity attributable to the owners of the Company		**302.0**	**272.1**	**293.0**
Non-controlling interests		-	1.7	2.2
Total equity		**302.0**	**273.8**	**295.2**

Condensed Group Cash Flow Statement (unaudited)

	Note	**October 2015 £m**	October 2014 £m
Cash flow from operating activities			
Profit before tax		11.5	17.2
Adjusted for:			
Re-measurements and exceptional items	6	7.8	(7.0)
Depreciation of property, plant and equipment		11.3	11.0
Amortisation of intangible assets		3.9	2.1
Loss on disposal of property, plant and equipment		0.1	-
Gain on part disposal of investment accounted for using the equity method		(1.6)	-
Net impact of lease incentives		-	(0.9)
Net finance income		-	(0.4)
Foreign exchange losses on operating activities		1.2	0.2
Long term incentive plan	13	0.7	(0.5)
Changes in working capital:			
Increase in inventories		(9.8)	(29.6)
Increase in trade and other receivables		(4.0)	(4.4)
Increase in trade and other payables		14.9	14.9
Cash generated from operations		**36.0**	**2.6**
Interest received		-	0.4
Tax paid		(12.0)	(4.9)
Net cash generated from/(used in) operating activities		**24.0**	**(1.9)**
Cash flow from investing activities			
Acquisitions (net of cash acquired)		-	(3.0)
Purchase of property, plant and equipment		(19.3)	(12.3)
Purchase of intangible assets		(2.9)	(2.0)
Proceeds on part-disposal of investment accounted for using the equity method		1.5	-
Purchase of non-controlling interests		(2.2)	-
Net cash used in investing activities		**(22.9)**	**(17.3)**
Net increase/(decrease) in cash and cash equivalents	16	**1.1**	**(19.2)**
Cash and cash equivalents, net of overdraft, at beginning of period		67.6	86.2
Exchange gains/(losses) on cash and cash equivalents		1.3	(0.4)
Cash and cash equivalents at end of period, net of overdraft		**70.0**	**66.6**

Condensed Group Statement of Changes in Equity for October 2015 (unaudited)

	Attributable to the owners of the Company								
	Share capital £m	Share premium £m	Translation reserve £m	Merger reserve £m	Retained earnings £m	Other £m	**Total £m**	Non-controlling interests £m	**Total equity £m**
Balance at 25 April 2015	**4.0**	**147.5**	**(12.7)**	**(302.5)**	**456.0**	**0.7**	**293.0**	**2.2**	**295.2**
Comprehensive income									
Profit for the period	-	-	-	-	8.3	-	**8.3**	0.1	**8.4**
Other comprehensive income									
Purchase of non-controlling interests	**-**	**0.5**	**-**	**-**	0.7	(0.7)	**0.5**	(2.3)	**(1.8)**
Currency translation differences	-	-	(0.5)	-	-	-	**(0.5)**	-	**(0.5)**
Total other comprehensive income	**-**	**0.5**	**(0.5)**	**-**	**-**	-	**-**	-	**-**
Total comprehensive income for the period	**-**	**0.5**	**(0.5)**	**-**	**9.0**	**(0.7)**	**8.3**	**(2.2)**	**6.1**
Transactions with owners									
Employee share award scheme	-	-	-	-	0.7	-	**0.7**	-	**0.7**
Total transactions with owners	**-**	**-**	**-**	**-**	**0.7**	-	**0.7**	-	**0.7**
Balance at 24 October 2015	**4.0**	**148.0**	**(13.2)**	**(302.5)**	**465.7**	**-**	**302.0**	-	**302.0**

	Attributable to the owners of the Company								
	Share capital £m	Share premium £m	Translation reserve £m	Merger reserve £m	Retained earnings £m	Other £m	**Total £m**	Non-controlling interests £m	**Total equity £m**
Balance at 27 April 2014	**4.0**	**147.3**	**(1.3)**	**(302.5)**	**411.4**	**0.7**	**259.6**	**1.6**	**261.2**
Comprehensive income									
Profit for the period	-	-	-	-	13.9	-	**13.9**	0.1	**14.0**
Other comprehensive income									
Currency translation differences	-	-	(0.9)	-	-	-	**(0.9)**	-	**(0.9)**
Total other comprehensive income	**-**	**-**	**(0.9)**	**-**	**-**	-	**(0.9)**	-	**(0.9)**
Total comprehensive income for the period	**-**	**-**	**(0.9)**	**-**	**13.9**	-	**13.0**	**0.1**	**13.1**
Transactions with owners									
Employee share award scheme	-	-	-	-	(0.5)	-	**(0.5)**	-	**(0.5)**
Total transactions with owners	**-**	**-**	**-**	**-**	**(0.5)**	-	**(0.5)**	-	**(0.5)**
Balance at 25 October 2014	**4.0**	**147.3**	**(2.2)**	**(302.5)**	**424.8**	**0.7**	**272.1**	**1.7**	**273.8**

Condensed Group Statement of Changes in Equity for 25 April 2015 (audited)

	Attributable to the owners of the Company								
	Share capital £m	Share premium £m	Translation reserve £m	Merger reserve £m	Retained earnings £m	Other £m	**Total £m**	Non-controlling interests £m	**Total equity £m**
Balance at 26 April 2014	**4.0**	**147.3**	**(1.3)**	**(302.5)**	**411.4**	**0.7**	**259.6**	**1.6**	**261.2**
Comprehensive income	**-**	**-**	**-**	**-**	**45.4**	**-**	**45.4**	**0.6**	**46.0**
Profit for the period									
Other comprehensive income									
Currency translation differences	-	-	(11.4)	-	-	**-**	**(11.4)**	-	**(11.4)**
Total other comprehensive income	-	-	(11.4)	-	-	**-**	**(11.4)**	-	**(11.4)**
Total comprehensive income for the period	**-**	**-**	**(11.4)**	**-**	**45.4**	**-**	**34.0**	**0.6**	**34.6**
Transactions with owners									
Employee share award schemes	-	-	-	-	(0.8)	**-**	**(0.8)**	-	**(0.8)**
Shares issued	-	0.2	-	-	-	**-**	**0.2**	-	**0.2**
Total transactions with owners	**-**	**0.2**	**-**	**-**	**(0.8)**	**-**	**(0.6)**	**-**	**(0.6)**
Balance at 25 April 2015	**4.0**	**147.5**	**(12.7)**	**(302.5)**	**456.0**	**0.7**	**293.0**	**2.2**	**295.2**

Explanatory Notes to the Interim Financial Statements (unaudited)

1. Basis of preparation

SuperGroup Plc is a company domiciled in the United Kingdom. The condensed interim financial information ("interim financial information") of SuperGroup Plc for the 26 weeks ended 24 October 2015 ("October 2015") comprise the Company and its subsidiaries (together referred to as "the Group"). The prior comparative period is for the 26 weeks ended 25 October 2014 ("October 2014").

This interim financial information does not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. The Group statutory financial statements for the 52 weeks ended 25 April 2015 ("April 2015") are available upon request from the Company's registered office at SuperGroup Plc, Unit 60, The Runnings, Cheltenham, Gloucestershire, GL51 9NW or www.supergroup.co.uk.

This interim financial information has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and the requirements of the Disclosures and Transparency Rules. They do not include all of the information required for full annual financial statements and should be read in conjunction with the Group financial statements as at and for the 52 weeks ended 25 April 2015, which have been prepared in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the European Union. This interim financial information was approved by the board of directors on 15 December 2015.

The comparative figures for April 2015 are extracted from the Group's statutory accounts for that financial year. Those accounts have been reported on by the Company's auditors and delivered to the registrar of companies. The report of the auditors (i) was 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. These sections address whether proper accounting records have been kept, whether the Group's accounts are in agreement with these records and whether the auditors have obtained all the information and explanations necessary for the purposes of the audit.

The financial information in this document is unaudited, but has been reviewed by the auditors in accordance with the Auditing Practices Board guidance on Review of Interim Financial Information.

2. Significant accounting policies

The interim financial information has been prepared using the same accounting policies as used in the preparation of the Group's financial statements for April 2015 and as discussed therein. Adoption of new standards, new interpretations, and amendments to published standards and interpretations have no material impact on the financial position and performance of the Group.

The accounting policies adopted are consistent with those of the previous financial year except for IFRS 10 'Consolidated financial statements' and IFRS 11, 'Joint arrangements' which are relevant but have no impact on the results for the period.

Other amendments to IFRSs effective for the financial year ending April 2016 are not expected to have a material impact on the group.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

3. Critical accounting estimates and judgements in applying accounting policies

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation were the same as those that applied to the consolidated financial statements for the 52 weeks ended 25 April 2015, as set out on page 111 of those financial statements.

4. Seasonality of operations

Due to the seasonal nature of the Retail segment, higher revenues and operating profits are usually expected in the second half of the year than the first six months. This will be compounded by the impact of the store opening programme, which has historically been weighted to the second half of the year, and the fact that currently the Retail business does not have the traditional post season sales. Wholesale seasonality is more evenly spread across the year.

In the financial period ended 25 April 2015, 42.8% of total revenues accumulated in the first half of the year, with 57.2% accumulating in the second half.

5. Segmental information

The Group's operating segments under IFRS 8 have been determined based on the reports reviewed by the Group's Chief Operating Decision Maker (executive board members "the CODM"). The CODM assesses the performance of the operating segments based on profit before income tax and before inter-segment royalties. The CODM considers the business from a customer perspective only, being Retail and Wholesale. The CODM reviews the balance sheet at a Group level. No separate balance sheet measures are provided between the Retail and Wholesale segments.

The CODM receives information, reviews the performance of the business, allocates resources and approves budgets for two operating segments, and therefore information is disclosed in respect of the following two segments:

- Retail - principal activities comprise the operation of UK, Republic of Ireland, European and US stores, concessions and all internet sites. Revenue is derived from the sale to individual consumers of own brand clothing, footwear and accessories;

- Wholesale - principal activities comprise the ownership of brands, wholesale distribution of own brand products (clothing, footwear and accessories) worldwide and trade sales.

Segment results and assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. The Group reports and manages central functions (which includes design, finance, HR, IT, legal, marketing, merchandising, property, sourcing and the goodwill and intangibles arising on consolidation) separately to the Retail and Wholesale operations.

The revenue from external parties reported to the board is measured in a manner consistent with that of the IFRS financial statements.

Inter-segment royalties, transfers or transactions entered into under a cost plus pricing structure are not reflected in the performance of each business segment.

Segment information for the main reportable business segments of the Group for October 2015 is set out below:

October 2015 segmental analysis (unaudited)	Retail	Wholesale	Central	**Group**
	£m	£m	£m	**£m**
Total segment revenue	176.6	88.0	-	**264.6**
Inter-segment revenue	(4.5)	(5.4)	-	**(9.9)**
Revenue from external customers	**172.1**	**82.6**	**-**	**254.7**

The following additional information is considered useful to the reader and should be read in conjunction with note 6.

	Underlying October 2015	Re-measurements	Exceptional items	Reported October 2015
	£m	£m	£m	£m
Revenue				
Retail	172.1	-	-	172.1
Wholesale	82.6	-	-	82.6
Total revenue	**254.7**	**-**	**-**	**254.7**
Operating profit				
Retail	19.1	(1.5)	(2.1)	15.5
Wholesale	28.4	(4.0)	(0.2)	24.2
Central	(28.2)	-	-	(28.2)
Total operating profit	**19.3**	**(5.5)**	**(2.3)**	**11.5**
Profit before tax				
Retail	19.1	(1.5)	(2.1)	15.5
Wholesale	28.4	(4.0)	(0.2)	24.2
Central	(28.2)	-	-	(28.2)
Total profit before tax	**19.3**[1]	**(5.5)**	**(2.3)**	**11.5**

[1] Other gains and losses of £4.4m have been allocated £0.4m in Retail, £1.9m in Wholesale and £2.1m in Central.

The operating loss in North America for Retail and Wholesale was £2.4m.

October 2014 segmental analysis (unaudited)	Retail	Wholesale	Central	Group
	£m	£m	£m	£m
Total segment revenue	144.5	85.6	-	**230.1**
Inter-segment revenue	(12.9)	(9.0)	-	**(21.9)**
Revenue from external customers	**131.6**	**76.6**	**-**	**208.2**

The following additional information is considered useful to the reader.

	Underlying October 2014[1] £m	Re-measurements £m	Exceptional items £m	Reported October 2014 £m
Revenue				
Retail	131.6	-	-	131.6
Wholesale	76.6	-	-	76.6
Total revenue	**208.2**	**-**	**-**	**208.2**
Operating profit				
Retail	14.0	2.8	-	16.8
Wholesale	20.3	3.5	0.7	24.5
Central	(22.2)	-	(2.3)	(24.5)
Total operating profit	**12.1**	**6.3**	**(1.6)**	**16.8**
Net finance income – Central	0.4	-	-	0.4
Profit before tax				
Retail	14.0	2.8	-	16.8
Wholesale	20.3	3.5	0.7	24.5
Central	(21.8)	-	(2.3)	(24.1)
Total profit before tax	**12.5**[1]	**6.3**	**(1.6)**	**17.2**

[1] Other gains and losses of £1.9m have been allocated in Wholesale.

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[1] These prior period segmental operating profits have been restated to classify some costs previously treated as Central to the Wholesale segment, and primarily relate to bad debt expense and marketing costs attributable to the Wholesale segment.

The Group has subsidiaries which are incorporated and resident in the UK and overseas. Revenue from external customers in the UK and the total revenue from external customers from other countries are:

	Unaudited October 2015	Unaudited October 2014
	£m	£m
External revenue – UK	132.4	117.9
External revenue – Europe	97.9	76.6
External revenue – Rest of world	24.4	13.7
Total external revenue	**254.7**	**208.2**

Included within non-UK external revenue is £51.0m (October 2014: £32.1m) generated by our overseas subsidiaries.

The total of non-current assets, other than deferred tax assets, located in the UK is £68.4m (October 2014: £74.6m, April 2015: £70.8m), and the total of non-current assets located in other countries is £63.2m (October 2014: £47.8m, April 2015: £55.0m)

6. Re-measurements and exceptional items

Non-underlying adjustments constitute the fair value re-measurement of foreign exchange contracts and exceptional items. Exceptional items are defined as being items that are material in size, unusual or infrequent in nature, and are disclosed separately as exceptional items in the Group statement of comprehensive income.

	Unaudited October 2015	Unaudited October 2014
	£m	£m
Re-measurements		
(Loss)/gain on financial derivatives	(5.5)	6.3
Exceptional items		
Impact of IFRS 3 (revised) on inventory acquired at date of acquisition	(2.3)	-
Buy-out of Spanish agent	-	0.7
Acquisition of distributor	-	(0.3)
Restructuring and redundancy costs	-	(2.0)
Re-measurements and exceptional items	**(7.8)**	**4.7**
Taxation		
Income tax	1.1	(1.1)
Deferred income tax (note 7)	(1.2)	0.7
Taxation on re-measurements and exceptional items	**(0.1)**	**(0.4)**
Total re-measurements and exceptional items after taxation	**(7.9)**	**4.3**
Re-measurements and exceptional items are included within:		
Cost of sales	(2.3)	-
Selling, general and administrative expenses	-	(1.6)
Other gains and losses (net)	(5.5)	6.3
Re-measurements and exceptional items	**(7.8)**	**4.7**

Impact of IFRS 3 (revised) on inventory acquired at date of acquisition

On 25 March 2015, SuperGroup Plc acquired the exclusive rights to distribute Superdry products in North America, by terminating the 30 year license previously granted to SDUSA LLC, the Group's US license partner.

The acquired inventory was valued at sale price less cost to sell, increasing the value of the inventory at the previous year-end by £2.4m.The majority of the acquired inventory has been sold in the period.

Exceptional items in the prior period comprised:

- Buy-out of Spanish agent: Deferred consideration of £0.7m on the buy-out of the Spanish agent was released as the amount was deemed no longer payable.

- Acquisition of distributor (Denmark, Finland and Norway): Acquisition related costs of £0.3m including professional fees relating to the distributor were incurred in completing this acquisition in the period to October 2014.

- Restructuring and redundancy costs: During the comparative period, restructuring and redundancy costs totaling £2.0m were incurred in relation to strategic realignment of management responsibilities.

7. Income tax expenses

The Group's underlying income tax expense for the period ended October 2015 of £3.0m (October 2014: £2.8m) represents an effective tax rate of 15.5% (October 2014: 22.4%) which reflects the expected full year effective rate. The Group's underlying tax rate of 15.5% is lower (2014: higher) than the UK statutory rate of 20.0% (2014: 20.9%) primarily due to tax losses in jurisdictions that attract a higher rate of tax.

8. Dividends

An interim dividend of 6.2p per share is proposed, to be paid to shareholders on 5 February 2016. No dividends were proposed or paid by the board for the period ended October 2014 or the year ended April 2015.

9. Property, plant and equipment

The Group made improvements to leasehold buildings and acquired furniture, fixtures and fittings and computer equipment at a total cost of £26.3m in October 2015 (£12.3m in period ended October 2014 and £22.1m in year ended April 2015).

10. Capital expenditure commitments

The Group is committed to capital expenditure on property, plant and equipment of £15.5m at October 2015 (£3.0m at October 2014 and £2.9m at April 2015).

11. Inventory write-downs

The Group has provided for inventory write downs of £3.2m at October 2015 (£3.4m at October 2014 and £3.2m at April 2015). During the period, the charge for inventory write downs was £0.6m, and the amounts utilised were £0.6m.

12. Equity securities

164,203 ordinary shares of 5p each were authorised, allotted and issued in the period under the SuperGroup Share based Long Term Incentive Plans and Save As You Earn schemes.

On 17 July 2015, as part of the agreement to purchase the remaining 30% of shareholding in Superdry Germany from Ranft Soller Holdings GmbH, 39,635 ordinary shares of 5p each were authorized, allotted and issued.

13. Share based Long Term Incentive Plans "LTIP"

Equity settled awards are granted to employees in the form of share awards. No consideration is payable by the employees when share awards vest. The vesting period is three years. Share awards will also expire if the employee leaves the Group prior to the exercise or vesting date subject to the discretionary powers of the remuneration committee.

Performance Share Plan

The award of shares is made under the SuperGroup Performance Share Plan ("PSP"). Shares have no value to the participant at the grant date, but subject to the satisfaction of earnings per share, share price and total shareholder return performance targets, can convert and give participants the right to be granted nil-cost shares at the end of the performance period.

The terms and conditions of the award of shares granted under the PSP during the period ended October 2015 are as follows:

Grant date	Type of award	Number of shares	Vesting period
August 2015	Share awards	347,675	3 years
October 2015	Share awards	23,842	3 years

The fair value of the shares awarded at the grant date during the period is £5.4m (2014: £5.0m). The total fair value of the entire outstanding share awards, taking into consideration management's estimate of the share awards meeting the vesting conditions and achieving the performance targets, total £6.9m (2014: £5.7m).

During the period, a total of 160,089 ordinary shares were exercised under the PSP with a fair value of £0.4m (2014: no ordinary shares were exercised under the PSP).

A charge of £0.7m has been recorded in the condensed Group statement of comprehensive income for the period ended October 2015 (A release of £0.5m was recorded in the condensed group statement of comprehensive income for the period ended October 2014).

14. Earnings per share

	Unaudited October 2015	Unaudited October 2014
	£m	£m
Earnings		
Profit for the period attributable to owners of the company	8.3	13.9
	Number	Number
Number of shares at period end	81,188,811	80,962,930
Weighted average number of ordinary shares - basic	**81,075,521**	**80,961,744**
Effect of dilutive options and contingent shares	203,473	391,248
Weighted average number of ordinary shares - diluted	**81,278,994**	**81,352,992**
Basic earnings per share (pence)	**10.2**	**17.2**
Diluted earnings per share (pence)	**10.2**	**17.1**

Underlying basic earnings per share

	Unaudited October 2015	Unaudited October 2014
	£m	£m
Earnings		
Underlying profit for the period attributable to owners of the company	16.2	9.6
	Number	**Number**
Weighted average number of ordinary shares - basic	81,075,521	80,961,744
Weighted average number of ordinary shares - diluted	81,278,994	81,352,992
Underlying basic earnings per share (pence)	**20.0**	**11.9**
Underlying diluted earnings per share (pence)	**20.0**	**11.8**

15. Related parties

Directors of the Group and their immediate relatives control 43.7% of the voting shares of the Group.

16. Net cash

Analysis of net cash - October 2015 (unaudited)	April 2015 £m	Cash flow £m	Other non-cash changes £m	**October 2015 £m**
Cash and short term deposits	67.6	1.1	1.3	**70.0**
Cash and cash equivalents	**67.6**	**1.1**	**1.3**	**70.0**
Total net cash	**67.6**	**1.1**	**1.3**	**70.0**

Analysis of net cash - October 2014 (unaudited)	April 2014 £m	Cash flow £m	Other non-cash changes £m	October 2014 £m
Cash and short term deposits	86.2	(19.2)	(0.4)	**66.6**
Cash and cash equivalents	**86.2**	**(19.2)**	**(0.4)**	**66.6**
Other loans	(0.1)	-	-	**(0.1)**
Total net cash	**86.1**	**(19.2)**	**(0.4)**	**66.5**

17. Principal risks and uncertainties

The principal risks and uncertainties were outlined in the 2015 Annual Report (pages 46-49). These remain unchanged. The principal risks and uncertainties outlined in the 2015 Annual Report were as follows:

- Fashion and design trends may not be responded to. This will become more significant for the Group as the mix of Womenswear revenue increases;
- Failure to achieve long-term business growth as a result of either the lack of an effective strategy or the failure to implement the strategy successfully;
- Failure to deliver on our business aspirations in North America;
- Failure to deliver business critical projects;
- Loss of key individuals or the inability to attract and retain talent;
- Economic and financial conditions result in challenging trading conditions or economic instability;
- Failure to ensure that working conditions in the supply base are in line with the Group's ethical trading policy;
- Key infrastructure or IT systems may be unavailable due to operational problems or a major incident;
- Brand damage may occur due to the over-exposure of the Superdry brand or counterfeit product;
- Failure to comply with legal and regulatory frameworks;
- The Group increasingly transmits data electronically, creating a growing security risk. There is also a risk of the loss of controlled data by authorised users; and
- Risk of significant changes in currency exchange rates.

18. Financial risk management and financial instruments

The Group’s activities expose it to a variety of financial risks including: market risk (including foreign currency risk and cash flow interest rate risk), credit risk and liquidity risk. The condensed interim financial information does not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Group's annual financial statements as at 25 April 2015. There have been no changes in the risk management department or in any risk management policies since the year end.

Liquidity risk

Compared to the year end, there was no material change in the contractual undiscounted cash out flows for financial liabilities.

Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the group's assets and liabilities that are measured at fair value at 24 October 2015.

	Level 1 2015 £m	Level 2 2015 £m	Level 3 2015 £m	Level 1 2014 £m	Level 2 2014 £m	Level 3 2014 £m
ASSETS						
Derivative financial instruments						
- Other non-current financial assets	-	-	0.6	-	-	-
- forward foreign exchange contracts	5.6	-	-	3.9	-	-
LIABILITIES						
Derivative financial instruments						
- forward foreign exchange contracts	-	-	-	-	-	-

There were no transfers between levels during the period.

The fair value of the following financial assets and liabilities is approximate to their carrying amount:

- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables

Independent review report to SuperGroup Plc

Report on the consolidated interim financial information

Our conclusion

We have reviewed SuperGroup Plc's consolidated interim financial information (the "interim financial statements") in the half-yearly financial report of SuperGroup Plc for the 6 month period ended 24 October 2015. Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Rules and Transparency Rules of the United Kingdom's Financial Conduct Authority.

What we have reviewed

· The interim financial statements comprise:

the condensed group balance sheet as at 24 October 2015;

the condensed group statement of comprehensive income for the period then ended;

the condensed group cash flow statement for the period then ended;

the condensed group statement of changes in equity for the period then ended; and

the explanatory notes to the interim financial statements.

· The interim financial statements included in the half-yearly financial report have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Rules and Transparency Rules of the United Kingdom's Financial Conduct Authority.

· As disclosed in note 1 to the interim financial statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the Group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

· The half-yearly financial report, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Rules and Transparency Rules of the United Kingdom's Financial Conduct Authority.

· Our responsibility is to express a conclusion on the interim financial statements in the half-yearly financial report based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Rules and Transparency Rules of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What a review of interim financial statements involves

· We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

· A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

· We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers LLP
Chartered Accountants

Birmingham
· 15 December 2015

a) The maintenance and integrity of the SuperGroup Plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the interim financial statements since they were initially presented on the website.

b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions