SuperGroup Plc

Interim results for the 26 weeks ended 28 October 2012

12 December 2012

SuperGroup Plc ('SuperGroup' or 'the Group'), owner of the Superdry brand, today announces interim results for the 26 weeks ended 28 October 2012.

Summary results

	H1 2012	H1 2011	Change
	£m	£m	
Group revenue	**158.2**	136.1	+16.2%
Group gross margin %	**56.3%**	55.4%	+90bps
Profit before tax ("PBT")	**13.9**	20.3	-31.5%
Underlying[1] PBT	**14.7**	13.0	+13.1%
Basic earnings per share ("EPS") (pence)	**9.6**	18.4	-47.8%
Underlying[1] basic EPS (pence)	**12.7**	11.7	+8.5%
Cash position	**16.9**	8.2	+106.1%

Highlights

- Group revenue up 16.2% to £158.2m.
- Retail revenue up 26.4%; like-for-like[2] sales growth 3.9% (2011: 4.0%).
- International expansion: 37 franchise and licensed stores opened including the first franchise store in India.
- Internet now represents 10.2%[3] of Group revenue (2011: 8.2%).
- International websites launched in Canada, Switzerland, Spain and Italy.
- 90 bps gross margin improvement, reflecting falling cotton prices and improved supplier terms.
- Underlying[1] PBT up 13.1%.

Julian Dunkerton, Chief Executive of SuperGroup Plc, commented:

"Although the trading environment has remained challenging and volatile, the Group's sales performance in the first half of the year has been encouraging. There have been a number of positive factors that have supported this performance but it is clear that the ongoing investment in design and the growing presence of the brand have enhanced sales both in the UK and overseas.

"International sales have again been strong and represent a substantial opportunity as the brand gains acceptance globally.

"During the last six months there has been significant change in the Group's management structure as we commit to building a solid platform to support our future growth. Good progress is being made but the full infrastructure upgrades, and the associated benefits, will take a number of years to deliver.

"The economic outlook remains uncertain but I am confident in our strategy and our ability to maximise the opportunities we have in the UK and internationally and deliver our full year profit targets."

Notes

1. *Underlying results have been adjusted to reflect the impact of the gain/loss recognised on fair valuing deferred contingent consideration, financial derivatives and exceptional items. All references to underlying in this statement are after making these adjustments. Retail and Wholesale are presented before Group overheads and royalties unless stated otherwise.*
2. *Like-for-like "(LFL") revenue growth is defined as year-on-year revenue increases for stores open for more than one year and includes eCommerce revenue.*
3. *This measure is calculated on a rolling 12-month basis.*

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Forthcoming news flow

Q3 Interim Management Statement	7 February 2013
Q4 Trading Update	9 May 2013

Group results

		H1 2012 £m	H1 2011 £m	Growth
Revenue:	Retail	**92.4**	73.1	+26.4%
	Wholesale	**65.8**	63.0	+4.4%
Total revenue		**158.2**	136.1	+16.2%
Gross profit		**89.0**	75.4	+18.0%
Gross profit %		***56.3%***	*55.4%*	*+90bps*
Underlying[1] operating profit		**14.6**	13.0	+12.3%
Underlying[1] operating margin		***9.2%***	*9.5%*	*-30bps*
Non-underlying adjustments:				
	Fair value of forward foreign exchange contracts	**1.3**	1.2	
	Fair value of deferred share consideration[4]	**(2.1)**	6.1	
Total non-underlying adjustments		**(0.8)**	7.3	
Operating profit		**13.8**	20.3	-32.0%
Finance income		**0.1**	-	
Profit before tax		**13.9**	20.3	-31.5%

Notes:

4. *Statement of comprehensive income (charge)/credit to reflect the fair value movement in share price for the deferred contingent consideration related to the acquisition of SuperGroup Europe BVBA.*

Strong revenue growth in the Retail division and a solid performance from the Wholesale division has delivered total Group revenue of £158.2m, up £22.1m, an increase of 16.2% on the same period in the previous year.

Gross profit at £89.0m (2011: £75.4m) was up by 18.0% on the same period last year and represents a gross margin of 56.3% (2011: 55.4%). The 90bps movement in gross margin percentage reflects the benefit of falling cotton prices and improved supplier terms offset by the decline in Retail margin driven by the planned activity through “off price” channels.

Underlying operating profit for the period was £14.6m (2011: £13.0m) and represents the Group’s revenue growth and gross margin improvement offset in part by higher store and distribution costs.

Operating profit was £13.8m (2011: £20.3m), a decrease of 32.0% compared with the same period last year, having been impacted by fair value adjustments; a positive adjustment arising from the valuation of foreign exchange contracts has been offset by the fair value of the deferred share consideration relating to the acquisition of SuperGroup Europe BVBA.

Space growth and international expansion

At the end of October the Group sold its products through 375 Superdry stores and concessions throughout the world, 93 locations having opened year-on-year, of which 45 opened since the financial year end.

	2012 H1	2011 H1	Year End 29 April 2012	Net change During H1
UK/ROI:				
Owned	**81**	72	79	+2
Franchise	**5**	6	5	-
Concessions	**71**	74	71	-
Europe:				
Owned	**24**	20	24	-
Franchise	**81**	42	60	+21
Concessions	**5**	3	4	+1
Rest of World:				
Franchises:				
Asia	**13**	8	9	+4
Middle East	**15**	3	8	+7
South/Central America	**8**	5	6	+2
Africa	**2**	-	1	+1
Licensed:				
USA	**12**	9	10	+2
Australia	**7**	8	7	-
Concessions:				
USA	**4**	1	4	-
Asia	**47**	31	42	+5
Total worldwide retail locations	**375**	**282**	**330**	**+45**

In the UK and the Republic of Ireland the Group opened three new stores in total (2011: 14 stores) and closed one store (2011: two re-sites) increasing the total number of owned stores to 81 (2011: 72 stores). In total, 21,000 square feet has been added during the half taking the total to 452,000 square feet (2011: 369,000 square feet) including 4,370 square feet from the opening of the second floor in the Regent Street store and 4,700 square feet through other store extensions (2011: Nil).

The Group operates from 24 owned stores in Europe (2011: 20 stores); 18 in Belgium, five in the Netherlands and one in France, representing, in total, 39,000 square feet. Following the period end the Group opened its first store in Germany. Oberhausen was opened on 22 November 2012 in a shopping centre near Essen, close to the Dutch-German border, and trades from about 5,000 square feet. Europe represented the largest territorial growth with the opening of 21 new franchises during the period, of which nine were in Spain and six in France. The execution of the European growth strategy continues to be managed through the knowledge and expertise of the SuperGroup Europe management team based in Belgium.

The Group continues to search for quality locations and is making good progress in identifying potential sites both in the UK and Europe.

Beyond Europe, other international growth during the period has been driven through 14 new franchise stores, predominantly in the Middle East and Asia; five concessions, of which three were located in South Korea; and two licensed stores in the United States. The first franchise store in India was opened in Mumbai on 27 October 2012 by the Group's partner Reliance and further stores are planned to open before the end of the calendar year.

The Group retains its full year guidance of adding between 70,000 and 90,000 square feet new retail space, with the majority, including one store extension, scheduled to open during the final quarter of the financial year.

Online offer

Internet revenue continues to grow strongly, with sales increasing year-on-year by 24%. On a rolling 12-month basis, a more useful measure of performance as it removes the impact of the Wholesale division's seasonal peak impact on Group revenues, internet penetration was 10.2% (2011: 8.2%) and compares to the year end position of 10.0%.

The business now operates through 12 overseas websites (2011: four) and has added six sites since the year end in Switzerland (French and German language); Canada (French and English language); Spain and Italy. Over the last 12 months the Group has sold to more than 100 countries.

Infrastructure

The investment in the Group's infrastructure is an on-going programme. Progress made in the first half of the financial year includes the successful implementation in June of the second phase of the warehouse management system and the commencement of the merchandising management system ("MMS") and point of sale ("POS") systems implementation.

The Group will continue to strengthen the business through the recruitment of key management positions, which includes an international director to replace Theo Karpathios who left the business in August 2012.

Divisional performance

Retail

	H1 2012 £m	H1 2011 £m	Growth
Revenue	**92.4**	73.1	+26.4%
Underlying[1] operating profit	**7.1**	7.1	
Underlying[1] operating margin	***7.7%***	*9.7%*	*-200bps*
Non-underlying adjustment:			
Fair value of forward foreign exchange contracts	**0.7**	0.4	
Profit before tax, royalties and Group overheads	**7.8**	7.5	+4.0%

Retail like-for-like growth in the first half of the financial year was 3.9% (2011: 4.0%). Despite the summer being impacted by the London Olympics and unseasonal weather conditions the Retail division produced a resilient performance driven by its broad assortment, which saw good sales performances from jackets, gilets and sweatshirts. The period's performance also benefitted from the sell through of clearance lines and soft sales comparatives driven by the anniversary of last year's warehouse management system implementation. `

Underlying operating profit is flat year-on-year but with revenue growing by 26.4% this performance has led to a 200 bps dilution in the division's operating margin.

Underlying operating margin has been adversely impacted by the gross margin dilution arising from the clearance activity, noted above, offset in part by improvement in input costs. Warehousing costs have increased by more than the growth in sales and reflect the first year of operation from the new warehouse site at Gloucester Business Park, which became fully operational in March 2012, and the costs of maintaining the Barnett Way site, which closed with the expiry of the lease during November 2012. The warehousing infrastructure that the Group now operates provides a greater level of functionality than 12 months ago, but there is still work to be undertaken as the Group looks to optimise the warehouse systems and efficiencies which represent an opportunity for future cost leverage.

After a fair value adjustment in respect of forward foreign exchange contracts, the Retail division generated a profit before tax, royalties and Group overheads of £7.8m.

Wholesale

	H1 2012 £m	H1 2011 £m	Growth
Revenue	**65.8**	63.0	+4.4%
Underlying[1] operating profit	**15.1**	12.6	+19.8%
Underlying[1] operating margin	***22.9%***	*20.0%*	*+290bps*
Non-underlying adjustment:			
Fair value of forward foreign exchange contracts	**0.6**	0.8	
Profit before tax, royalties and Group overheads	**15.7**	13.4	+17.2%

Revenue for the period was £65.8m (2011: £63.0m), an increase of 4.4% and representing 41.6% of Group revenue (2011: 46.3%). Good growth has been delivered across all international territories, and in particular Germany, the Middle East and South-East Asia, while the UK has continued to decline.

	H1 2012 £m	H1 2011 £m	Growth
Wholesale revenue by territory:			
UK and Republic of Ireland	**15.5**	20.7	-25.1%
Europe[3]	**41.9**	36.9	+13.6%
Rest of World	**8.4**	5.4	+55.6%
Total Wholesale	**65.8**	63.0	+4.4%

Note: 3. Revenue from Euro denominated currencies has been negatively impacted by £2.2m of currency translation, representing the year-on-year movement of the average Euro exchange rate in the first half of the year.

The Wholesale division delivered an underlying operating profit of £15.1m (2011: £12.6m) an operating profit margin of 22.9% (2011: 20.0%). The underlying operating margin improvement reflects gross margin accretion during the period from the impact of falling cotton prices and better cost price negotiation from the sourcing team. In addition, other income includes contributions from third party partners, increased recoveries from trademark infringements and franchise royalties, including a royalty from a new range of perfumes.

After a fair value adjustment in respect of forward foreign exchange contracts, the Wholesale division generated a profit before tax, royalties and Group overheads of £15.7m.

Group central costs

Underlying Group overheads were £7.6m (2011: £6.7m), a 13.4% increase on the same period last year. Included in Group central costs is the non-cash amortisation charge of the intangible assets recognised as part of the acquisition of SuperGroup Europe BVBA in 2011 at £0.7m (2011: £0.7m).

The loss recognised on the fair value of deferred consideration in respect of the SuperGroup Europe BVBA acquisition in 2011 adds an additional £2.1m of costs (2011: £6.1m benefit) and after finance income of £0.1m (2011: nil) results in Group central costs of £9.6m (2011: £0.6m).

Finance costs and income

The Group has cash balances at the half year, net of overdrafts, of £16.9m (2011: £8.2m) compared with £30.9m at the year-end. Finance income net of finance costs amounted to £0.1m (2011: Nil).

Taxation

The Group's effective tax rate on underlying activities for the 26 weeks ended 28 October 2012 was 29.9% (the 26 weeks ended 30 October 2011 was 27.7%). This is higher than the hybrid statutory rate of 23.9%, primarily due to depreciation on non-qualifying assets and the impact of overseas profits taxed at a higher rate.

The UK corporation tax rate reduction from 24% to 23% with effect from 1 April 2013 is substantively enacted at the balance sheet date so the deferred tax asset balances as at 28 October 2012 have been re-measured resulting in an exceptional deferred tax charge of £1.4m.

Discussion with HMRC in respect of the tax deductible goodwill arising from the March 2010 corporate reorganisation has made significant progress. Written confirmation has been received from HMRC that they will not challenge the commercial nature of the reorganization transactions. The Group considers, therefore, that the related deferred tax asset in respect of the goodwill continues to be recoverable.

Earnings per share

In the first six months of this financial year basic earnings per share is 9.6 pence (2011: 18.4 pence), calculated using the basic weighted average number of ordinary shares outstanding for the period of 80,234,588 (2011: 80,234,588). Underlying basic earnings per share is 12.7 pence (2011: 11.7 pence).

Diluted earnings per share is 9.5 pence (2011: 18.3 pence) based on a diluted weighted average of 80,993,290 shares (2011: 80,621,965).

Capital expenditure

Capital expenditure spent on tangible assets in the period was £8.9m, attributable to the investment in systems development and the opening of three new stores. The net book value of property, plant and equipment is £64.9m, up 25.8% year-on-year (2011: £51.6m) and up 1.7%, an increase of £1.1m, since the end of the last financial year.

Intangible assets

Intangible assets have decreased by £1.5m in the period; £0.5m representing the amortisation on the lease premium paid for the Regent Street store; and amortisation of £0.7m in respect of the Group's SuperGroup Europe distribution agreements.

Working capital investment

		H1 2012 £m	H1 2011 £m	Growth	FY 2012 £m
Working capital:	Inventories	**80.5**	69.3	+16.2%	55.5
	Trade receivables	**31.7**	29.7	+6.7%	23.5
	Trade payables	**(35.7)**	(38.3)	-6.8%	(36.2)
Total working capital investment		**76.5**	60.7	+26.0%	42.8

The year-on-year increase in inventories of 16.2% is in line with the total Group revenue growth. The inventories movement since the last financial year end reflects the seasonal stock build for autumn/winter.

Cash flow

In the 26 weeks to 28 October 2012 cash generated from operations before working capital movements was £22.3m (26 weeks to 30 October 2011: £18.3m).

In the cash flow generated from operating activities, the amount of cash invested in working capital was £26.9m (2011: £9.4m); capital expenditure totaled £9.2m (2011: £33.1m), of which intangibles assets were £0.3m (2011: £15.2m); taxation paid amounted to £1.9m (2011: £4.5m); the cash contribution received from landlords was £1.9m (2011: £4.9m) and other cash outflows of £0.1m. Net cash at the end of the period was £16.9m (2011: £8.2m).

Dividends

The board of directors remain of the view that the business is best served by retaining current cash reserves to support growth. The board will keep the policy under review by considering the Group's profitability, underlying growth, availability of cash and distributable reserves, as well as the investment opportunities open to the business.

Current trading & outlook

In the six weeks since the end of the period the Group has performed broadly in line with internal expectations and generated positive like-for-like retail sales.

Although the consumer climate remains challenging and the Group is trading against a strong December sales performance last year, which saw like-for-like sales at +9.3%, the Superdry stores are well positioned ahead of this year's peak trading period.

Going concern

The directors report that, having reviewed the current performance forecasts, they have a reasonable expectation that the Group has adequate resources to continue their 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 Annual Report and there are no changes since that time. These are as described in note 17 to the financial information.

Board approval

On 11 December 2012 the board of directors of SuperGroup Plc approved this statement.

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

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 30 and 31 of the annual report and financial statements for the 52 weeks to 29 April 2012. Theo Karpathos resigned from the board on 14 August 2012. On the 23 November 2012 the board announced that Minnow Powell and Euan Sutherland have been appointed non-executive directors with effect from 1 December 2012. Steven Glew and Indira Thambiah, both current non-executive directors, have decided to step down at the end of their three-year term in February 2013. There have been no further changes to the board of directors.

By order of the board

Julian Dunkerton	Shaun Wills
Chief Executive Officer	Chief Financial Officer
11 December 2012	11 December 2012

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[1] October 2012**	**Non-underlying and exceptional items**	**Total October 2012**	Underlying[1] October 2011	Non-underlying and exceptional items	Total October 2011
		£m	**£m**	**£m**	£m	£m	£m
Revenue	5	158.2	-	158.2	136.1	-	136.1
Cost of sales		(69.2)	-	(69.2)	(60.7)	-	(60.7)
Gross profit		**89.0**	**-**	**89.0**	**75.4**	**-**	**75.4**
Selling, general and administrative expenses		(77.4)	(2.1)	(79.5)	(63.2)	6.1	(57.1)
Other gains and losses (net)		3.0	1.3	4.3	0.8	1.2	2.0
Operating profit		**14.6**	**(0.8)**	**13.8**	**13.0**	**7.3**	**20.3**
Finance income		0.1	-	0.1	-	-	-
Profit before tax		**14.7**	**(0.8)**	**13.9**	**13.0**	**7.3**	**20.3**
Income tax expense	7	(4.4)	(1.7)	(6.1)	(3.6)	(1.9)	(5.5)
Profit for the period		**10.3**	**(2.5)**	**7.8**	**9.4**	**5.4**	**14.8**
Attributable to:							
Owners of the Company		10.2	(2.5)	7.7	9.4	5.4	14.8
Non-controlling interests		0.1	-	0.1	-	-	-
		10.3	**(2.5)**	**7.8**	**9.4**	**5.4**	**14.8**
Other comprehensive income net of tax:							
Currency translation differences		(0.7)	-	(0.7)	(0.4)	-	(0.4)
Total comprehensive income for the period		**9.6**	**(2.5)**	**7.1**	**9.0**	**5.4**	**14.4**
Attributable to:							
Owners of the Company				7.0			14.4
Non-controlling interests				0.1			-
				7.1			**14.4**
Earnings per share							
Basic	14	12.7		9.6	11.7		18.4
Diluted	14	12.6		9.5	11.7		18.3

[1] Underlying results have been adjusted to reflect the impact of the gain/ loss recognised on fair valuing deferred consideration, financial derivatives and exceptional items. Further details of the adjustments are included in note 6. All references to underlying in this statement are after making these adjustments. Retail and Wholesale are presented before Group overheads and royalties unless stated otherwise.

The results for the financial period are derived from continuing operations.

Condensed Group Balance Sheet

	Note	Unaudited October 2012 £m	Unaudited October 2011 £m	Audited April 2012 £m
ASSETS				
Non-current assets				
Property, plant and equipment	9	64.9	51.6	63.8
Intangible assets		39.2	43.6	40.7
Deferred income tax assets		36.1	42.0	38.0
Total non-current assets		**140.2**	**137.2**	**142.5**
Current assets				
Inventories	11	80.5	69.3	55.5
Trade and other receivables		48.4	41.7	42.6
Derivative financial instruments		0.1	-	-
Cash and cash equivalents	16	16.9	8.2	30.9
Total current assets		**145.9**	**119.2**	**129.0**
LIABILITIES				
Current liabilities				
Borrowings	16	0.2	-	0.2
Trade and other payables		53.5	47.5	47.4
Current income tax liabilities		7.0	5.8	4.4
Derivative financial instruments		-	0.3	1.2
Total current liabilities		**60.7**	**53.6**	**53.2**
Non-current liabilities				
Borrowings	16	0.2	0.8	0.4
Trade and other payables		31.2	32.9	30.8
Provisions for other liabilities and charges		0.7	0.5	0.6
Deferred income tax liabilities		2.2	2.9	2.5
Total non-current liabilities		**34.3**	**37.1**	**34.3**
Net assets		**191.1**	**165.7**	**184.0**
EQUITY				
Share capital	12	4.0	4.0	4.0
Share premium		138.6	138.6	138.6
Translation reserve		(2.8)	1.3	(2.1)
Merger reserve		(302.5)	(342.3)	(302.5)
Retained earnings		353.7	364.1	346.0
Equity attributable to the owners of the Company		**191.0**	**165.7**	**184.0**
Non-controlling interests		0.1	-	-
Total equity		**191.1**	**165.7**	**184.0**

Condensed Group Cash Flow Statement (unaudited)

	Note	**October 2012 £m**	October 2011 £m
Cash flow from operating activities			
Profit before tax		13.9	20.3
Adjusted for:			
Depreciation of property, plant and equipment		7.7	5.0
Amortisation of intangible assets		1.4	0.9
Net impact of lease incentives		(1.6)	(1.0)
Net finance income		(0.1)	-
Fair value gains on derivative financial Instruments		(1.3)	(1.2)
Foreign exchange losses on operating activities		0.2	0.1
Fair value losses/ (gains) on deferred share consideration	6	2.1	(6.1)
Long term incentive plan	13	-	0.3
Changes in working capital:			
Increase in inventories		(25.1)	(16.8)
Increase in trade and other receivables		(7.1)	(4.8)
Increase in trade and other payables		5.3	12.2
Cash (used in)/ generated from operations		**(4.6)**	**8.9**
Interest received		0.1	-
Tax paid		(1.9)	(4.5)
Net cash (used in)/ generated from operating activities		**(6.4)**	**4.4**
Cash flow from investing activities			
Acquisition of subsidiaries (net of cash acquired)		-	(0.3)
Purchase of property, plant and equipment		(8.9)	(17.9)
Purchase of intangible assets		(0.3)	(15.2)
Net cash used in investing activities		**(9.2)**	**(33.4)**
Cash flow from financing activities			
Cash contributions received from landlords		1.9	4.9
Repayment of borrowings	16	(0.2)	(0.1)
Net cash generated from financing activities		**1.7**	**4.8**
Net decrease in cash and cash equivalents	16	**(13.9)**	**(24.2)**
Cash and cash equivalents, net of overdraft, at beginning of period		30.9	32.2
Exchange (losses)/ gains on cash and cash equivalents		(0.1)	0.2
Cash and cash equivalents at end of period, net of overdraft		**16.9**	**8.2**

Condensed Group Statement of Changes in Equity for October 2012 (unaudited)

	Attributable to the owners of the Company							
	Share capital £m	Share premium £m	Translation reserve £m	Merger reserve £m	Retained earnings £m	**Total £m**	Non-controlling interests £m	**Total equity £m**
Balance at 29 April 2012	**4.0**	**138.6**	**(2.1)**	**(302.5)**	**346.0**	**184.0**	**-**	**184.0**
Comprehensive income								
Profit for the period	-	-	-	-	7.7	**7.7**	0.1	**7.8**
Other comprehensive income								
Currency translation differences	-	-	(0.7)	-	-	**(0.7)**	-	**(0.7)**
Total other comprehensive income	**-**	**-**	**(0.7)**	**-**	**-**	**(0.7)**	**-**	**(0.7)**
Total comprehensive income for the period	**-**	**-**	**(0.7)**	**-**	**7.7**	**7.0**	**0.1**	**7.1**
Balance at 28 October 2012	**4.0**	**138.6**	**(2.8)**	**(302.5)**	**353.7**	**191.0**	**0.1**	**191.1**

Condensed Group Statement of Changes in Equity for October 2011 (unaudited)

	Attributable to the owners of the Company							
	Share capital £m	Share premium £m	Translation reserve £m	Merger reserve £m	Retained earnings £m	**Total £m**	Non-controlling interests £m	**Total equity £m**
Balance at 1 May 2011	**4.0**	**138.6**	**1.7**	**(342.3)**	**348.8**	**150.8**	**-**	**150.8**
Comprehensive income								
Profit for the period	-	-	-	-	14.8	**14.8**	-	**14.8**
Other comprehensive income								
Currency translation differences	-	-	(0.4)	-	-	**(0.4)**	-	**(0.4)**
Total other comprehensive income	**-**	**-**	**(0.4)**	**-**	**-**	**(0.4)**	**-**	**(0.4)**
Total comprehensive income for the period	**-**	**-**	**(0.4)**	**-**	**14.8**	**14.4**	**-**	**14.4**
Transactions with owners								
Employee share award schemes	-	-	-	-	0.5	**0.5**	-	**0.5**
Total transactions with owners	**-**	**-**	**-**	**-**	**0.5**	**0.5**	**-**	**0.5**
Balance at 30 October 2011	**4.0**	**138.6**	**1.3**	**(342.3)**	**364.1**	**165.7**	**-**	**165.7**

Condensed Group Statement of Changes in Equity for 29 April 2012 (audited)

	Attributable to the owners of the Company							
	Share capital £m	Share premium £m	Translation reserve £m	Merger reserve £m	Retained earnings £m	**Total £m**	Non-controlling interests £m	**Total equity £m**
Balance at 1 May 2011	**4.0**	**138.6**	**1.7**	**(342.3)**	**348.8**	**150.8**	**-**	**150.8**
Comprehensive income								
Profit for the period	-	-	-	-	36.1	**36.1**	-	**36.1**
Other comprehensive income								
Currency translation differences	-	-	(3.8)	-	-	**(3.8)**	-	**(3.8)**
Total other comprehensive income	**-**	**-**	**(3.8)**	**-**	**-**	**(3.8)**	**-**	**(3.8)**
Total comprehensive income for the period	**-**	**-**	**(3.8)**	**-**	**36.1**	**32.3**	**-**	**32.3**
Transactions with owners								
Employee share award schemes	-	-	-	-	0.9	**0.9**	-	**0.9**
Impairment of goodwill	-	-	-	39.8	(39.8)	**-**		**-**
Total transactions with owners	**-**	**-**	**-**	**39.8**	**(38.9)**	**0.9**	**-**	**0.9**
Balance at 29 April 2012	**4.0**	**138.6**	**(2.1)**	**(302.5)**	**346.0**	**184.0**	**-**	**184.0**

Notes to the Condensed Interim Financial Information (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 28 October 2012 ("October 2012") comprise the Company and its subsidiaries (together referred to as "the Group"). The prior comparative period is for the 26 weeks ended 30 October 2011 ("October 2011").

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 29 April 2012 ("April 2012") 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 29 April 2012, 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 11 December 2012.

The comparative figures for April 2012 are extracted from the Group's statutory accounts for that financial year. Those accounts have been reported on by the Group'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 2012 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.

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 29 April 2012, as set out on page 74 of those financial statements, with the exception of taxation as described above.

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 between the two half years.

In the financial year ended 29 April 2012, 43% of total revenues accumulated in the first half of the year, with 57% accumulating in the second half.

5. Segmental information

The Group's segments under IFRS 8 have been determined based on the reports reviewed by the Group's Chief Operating Decision Maker (executive board members "the board"). The board assesses the performance of the segments based on profit before tax, before inter-segment royalties. The board considers the business to comprise of two key routes to market, being Retail and Wholesale, supported by a number of shared central support functions which are not easily attributed to either sales channel.

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

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

- Wholesale - principal activities comprise the design and ownership of brands, wholesale distribution of own brand products (clothing, footwear and accessories) worldwide and the operation of European stores; and

- Central costs - principal activity comprise the management of shared central support functions. The segment also includes the goodwill and intangibles arising on consolidation.

Segment results and assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Sales between segments are carried out at arms' length. The revenue from external parties reported to the board is measured in a manner consistent with that of the IFRS financial statements.

Royalties charged between segments have been reflected in the performance of each business segment. Inter-segment 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 Group's main reportable businesses for October 2012 is set out below:

October 2012 segmental analysis (unaudited)	Retail	Wholesale	Central costs	**Group**
	£m	£m	£m	**£m**
Total segment revenue	92.5	68.0	-	**160.5**
Inter-segment revenue	(0.1)	(2.2)	-	**(2.3)**
Revenue from external customers	**92.4**	**65.8**	**-**	**158.2**
Finance income	-	-	0.1	**0.1**
Profit/ (loss) before tax before inter-segment royalties	7.8	15.7	(9.6)	**13.9**
Inter-segment royalties	(7.1)	7.1	-	**-**
Profit/ (loss) before tax	**0.7**	**22.8**	**(9.6)**	**13.9**
Total assets	112.4	152.9	20.8	**286.1**

The following additional information is considered useful to the reader.

	Underlying[1] October 2012 £m	Loss recognised on fair value of deferred consideration £m	Financial derivatives £m	Reported October 2012 £m
Revenue				
Retail	92.4	-	-	92.4
Wholesale	65.8	-	-	65.8
Total revenue	**158.2**	**-**	**-**	**158.2**
Gross profit	**89.0**	**-**	**-**	**89.0**
Operating profit before royalties				
Retail	7.1	-	0.7	7.8
Wholesale	15.1	-	0.6	15.7
Central costs	(7.6)	(2.1)	-	(9.7)
Total operating profit before royalties	**14.6**	**(2.1)**	**1.3**	**13.8**
Net finance income – Central costs	0.1	-	-	0.1
Profit before tax before royalties				
Retail	7.1	-	0.7	7.8
Wholesale	15.1	-	0.6	15.7
Central costs	(7.5)	(2.1)	-	(9.6)
Total profit before tax before royalties	**14.7**	**(2.1)**	**1.3**	**13.9**

Segment information for the main reportable business segments of the Group for October 2011 is set out below:

October 2011 segmental analysis (unaudited)	Retail	Wholesale	Central costs	Group
	£m	£m	£m	£m

Total segment revenue	73.1	64.1	-	137.2
Inter-segment revenue	-	(1.1)	-	(1.1)
Revenue from external customers	**73.1**	**63.0**	**-**	**136.1**
Profit/ (loss) before tax before inter-segment royalties	7.5	13.4	(0.6)	20.3
Inter-segment royalties	(5.4)	5.4	-	-
Profit before tax	**2.1**	**18.8**	**(0.6)**	**20.3**
Total assets	111.4	132.5	12.5	256.4

The following additional information is considered useful to the reader.

	Underlying[1] October 2011 £m	Gain recognised on fair value of deferred consideration £m	Financial derivatives £m	Reported October 2011 £m
Revenue				
Retail	73.1	-	-	73.1
Wholesale	63.0	-	-	63.0
Total revenue	**136.1**	**-**	**-**	**136.1**
Gross profit	**75.4**	**-**	**-**	**75.4**
Operating profit before royalties				
Retail	7.1	-	0.4	7.5
Wholesale	12.6	-	0.8	13.4
Central costs	(6.7)	6.1	-	(0.6)
Total operating profit before royalties	**13.0**	**6.1**	**1.2**	**20.3**
Net finance income	-	-	-	-
Profit before tax before royalties				
Retail	7.1	-	0.4	7.5
Wholesale	12.6	-	0.8	13.4
Central costs	(6.7)	6.1	-	(0.6)
Total profit before tax before royalties	**13.0**	**6.1**	**1.2**	**20.3**

Revenue of approximately £5.8m (October 2011: £6.8m) in the Retail segment are derived from concessions within department stores which are all under common ownership.

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 2012	Unaudited October 2011
	£m	£m
External revenue – UK	100.2	88.6
External revenue – overseas	58.0	47.5
Total external revenue	**158.2**	**136.1**

Included within external revenue overseas is £12.9m (October 2011: £23.7m) generated by our overseas subsidiaries. The reduction in revenue reported by our overseas subsidiaries is due to a strategic decision to change SuperGroup Europe BVBA from a distributor to an agent. As a consequence of this change the revenue reported by our overseas subsidiaries has reduced whilst the revenue reported by the UK subsidiaries has increased by the same amount.

The total of non-current assets, other than deferred tax assets, located in the UK is £73.2m (October 2011: £60.2m, April 2012: £72.4m), and the total of non-current assets located in other countries is £30.9m (October 2011: £35.0m, April 2012: £32.1m)

6. Non-underlying and exceptional items

	Unaudited October 2012	Unaudited October 2011
	£m	£m
Non-underlying selling, general and administrative expenses		
Fair value movement of deferred share consideration	(2.1)	6.1
Total non-underlying selling, general and administrative expenses	**(2.1)**	**6.1**
Non-underlying other gains and losses (net)		
Gain on financial derivatives	1.3	1.2
Total non-underlying other gains and losses (net)	**1.3**	**1.2**
Non-underlying and exceptional income tax expense		
Tax impact on non-underlying items	(0.3)	(0.3)
Re-measurement of deferred tax asset - exceptional (note 7)	(1.4)	(1.6)
Total non-underlying and exceptional income tax expense	**(1.7)**	**(1.9)**
Total non-underlying and exceptional items	**(2.5)**	**5.4**

Fair value movement of deferred share consideration

The SuperGroup Europe acquisition in February 2011 included two tranches of deferred contingent consideration to be issued on the second and third anniversaries of the acquisition. The consideration is payable in SuperGroup Plc shares, and the shares will be issued in proportion to the percentage completion of certain sales and store number targets. The fair value of these shares at the acquisition date was £10.3m.

IFRS 3 (revised) requires deferred contingent consideration to be re-measured at each period end to reflect the estimated percentage completion of the targets and change in the Group share price. The share price movement from £3.50 at April 2012 to £6.70 at October 2012 increased the liability by £2.1m (the share price movement from £15.86, at April 2011, to £6.24, at October 2011, decreased the liability by £6.1m as at October 2011. The movements in the deferred share consideration have been recorded in the condensed group statement of comprehensive income.

7. Income tax expense

The Group's underlying income tax expense for the period ended October 2012 of £4.4m (October 2011: £3.6m) represents an effective tax rate of 29.9% (October 2011: 27.7%) which is based on the full year forecast effective rate. The Group's underlying tax rate of 29.9% is higher than the statutory rate of 23.9%, primarily due to depreciation on non-qualifying assets and the impact of overseas profits taxed at a higher rate.

The UK corporation tax rate reduction from 24% to 23%, with effect from 1 April 2013 is substantively enacted at the balance sheet date so the deferred tax asset balances as at October 2012 have been re-measured resulting in an exceptional deferred tax charge of £1.4m. A further reduction of 2% is expected in April 2014 which will reduce the UK corporation tax rate to 21%. The impact of reducing the corporation tax rate on deferred tax balances will be accounted for in the period when any rate change is substantively enacted.

Discussions with HMRC in respect of the tax deductible goodwill arising on the March 2010 reorganisation have significantly progressed. Written confirmation has been received from HMRC that they will not challenge the commercial nature of the transactions. The related deferred tax asset in respect of the goodwill therefore continues to be considered recoverable.

8. Dividends

No dividends were proposed or paid by the board for October 2012, October 2011 or April 2012.

9. Property, plant and equipment

The Group made improvements to leasehold buildings and acquired furniture, fixtures and fittings at a total cost of £7.4m in October 2012 (£15.2m in October 2011 and £31.8m in April 2012).

10. Capital expenditure commitments

The Group is committed to capital expenditure on property, plant and equipment of £0.9m at October 2012 (£7.1m at October 2011 and £0.9m at April 2012).

11. Inventory write-downs

The Group has provided for inventory write downs of £0.7m at October 2012 (£1.6m at October 2011 and £0.8m at April 2012). During the period the charge for inventory write downs was £0.4m and the amounts reversed was £0.5m.

12. Equity securities

No shares were issued during the period ended October 2012, October 2011 or April 2012.

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 at grant, 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 2012 are as follows:

Grant date	Type of award	Number of shares	Vesting period
16 August 2012	Share awards	646,742	3 years

The fair value of the shares awarded at the grant date during the period is £2.8m (2011: £1.4m). The total fair value of all outstanding share awards granted total £5.3m (2011: £2.5m). The fair value of all the outstanding share awards, taking into consideration management's estimate of the share awards meeting the vesting conditions and achieving the performance targets, total £3.2m (2011: £2.5m).

No charge has been recorded in the condensed group statement of comprehensive income for the period ended October 2012 (30 October 2011: £0.3m) following a review of the vesting and non-market conditions of outstanding share awards.

No further disclosures are considered necessary as the impact of the scheme is currently not material to the Group.

14. Earnings per share

	Unaudited October 2012	Unaudited October 2011
	No	No
Number of shares at period end	80,234,588	80,234,588
Weighted average number of ordinary shares - basic	**80,234,588**	**80,234,588**
Effect of dilutive options and contingent shares	758,702	387,377
Weighted average number of ordinary shares - diluted	**80,993,290**	**80,621,965**
Earnings		
Profit for the period attributable to equity holders of the company (£m)	7.7	14.8
Basic earnings per share (pence)	**9.6**	**18.4**
Diluted earnings per share (pence)	**9.5**	**18.3**
Underlying[1] basic earnings per share		
Underlying[1] profit for the period attributable to equity holders of the company (£m)	10.2	9.4
Weighted average number of ordinary shares - basic	80,234,588	80,234,588
Underlying[1] basic earnings per share (pence)	**12.7**	**11.7**
Weighted average number of ordinary shares - diluted	80,993,290	80,621,965
Underlying[1] diluted earnings per share (pence)	**12.6**	**11.7**

There were no share related events after the balance sheet date that may affect earnings per share.

15. Related parties

Directors of the Group and their immediate relatives control 47.3% of the voting shares of the Group.

The Group occupies two properties owned by the J M Dunkerton SIPP pension fund, whose beneficiary and member trustee is Julian Dunkerton. The properties are rented to the Group on an arm's length basis.

16. Net cash

Analysis of net cash - October 2012 (unaudited)	April 2012 £m	Cash flow £m	Other non-cash changes £m	**October 2012 £m**
Cash and short term deposits	30.9	(13.9)	(0.1)	**16.9**
Cash and cash equivalents	**30.9**	**(13.9)**	**(0.1)**	**16.9**
Other loans	(0.6)	0.2	-	**(0.4)**
Total net cash	**30.3**	**(13.7)**	**(0.1)**	**16.5**

Analysis of net cash - October 2011 (unaudited)	May 2011 £m	Cash flow £m	Other non-cash changes £m	October 2011 £m
Cash and short term deposits	32.2	(24.2)	0.2	8.2
Cash and cash equivalents	**32.2**	**(24.2)**	**0.2**	**8.2**
Other loans	(0.9)	0.1	-	(0.8)
Total net cash	**31.3**	**(24.1)**	**0.2**	**7.4**

17. Principal risks and uncertainties

The principal risks and uncertainties were outlined in the Annual Report, (pages 22-25). These remain unchanged. The principal risks and uncertainties outlined in the Annual Report were as follows:

External

- Changing fashion trends;
- The Group bears the risk of unfavourable changes in currency exchanges despite its forward foreign exchange contracts;
- EU economic and financial conditions;

Internal

- The significant growth of the Group puts pressure on key resources;
- Business systems changes are not implemented effectively;
- The Group may not be able to effectively control and monitor its suppliers to comply with labour, employment and other laws;
- Business interruption at the Group's distribution centres;
- Loss of a key factory or supplier at a critical point in the design and manufacturing process that leaves no time to arrange alternative sources of supply;
- The Group's disaster recovery plans may not be sufficient;
- Loss of key individuals; and
- Breach of intellectual property and counterfeit product.

Independent review report to SuperGroup Plc

Introduction

We have been engaged by the company to review the condensed set of financial information in the half-yearly financial report for the 26 week period ended 28 October 2012, which comprises the condensed group statement of comprehensive income, condensed group balance sheet, condensed group cash flow statement, condensed group statement of changes in equity and related notes. 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 condensed set of financial statements.

Directors' responsibilities

The half-yearly financial report 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 and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 1 the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial information included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial information 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 the Disclosure and Transparency Rules of the Financial Services Authority and for no other purpose. We do not, in producing this report, 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.

Scope of review

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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial information in the half-yearly financial report for the 26 weeks ended 28 October 2012 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

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11 December 2012