SuperGroup Plc

Interim results for the 26 weeks ended 27 October 2013

"Progress on all fronts"

12 December 2013

SuperGroup Plc ('SuperGroup' or 'the Group'), owner of the Superdry brand, today announces interim results for the 26 weeks ended 27 October 2013.

Financial summary:

		October 2013	October 2012	Change
Group revenue	£m	**192.1**	158.2	+21.4%
Group gross margin	%	**56.8%**	56.3%	+50bps
Profit before tax – underlying*	£m	**17.9**	14.7	+21.8%
Basic earnings per share - underlying	Pence	**16.3**	12.7	+28.3%
Profit before tax	£m	**9.9**	13.9	-28.8%
Basic earnings per share	Pence	**2.6**	9.6	-72.9%
Cash and cash equivalents	£m	**61.5**	16.9	+263.9%

*Adjusting for fair value re-measurements and exceptional items (see note below)

Financial highlights:
- Retail revenue up 19.3%; like-for-like sales growth 8.1%;
- Full price internet sales up 29.3%, strong performances in key European markets supported by significant developments to the e-commerce sites;
- Wholesale revenue up 25.0%;
- Improved divisional operating margins; and
- Underlying profit before income tax up 21.8%.

Operational highlights:
- Infrastructure and systems investment projects are on track and on budget;
- Improved womenswear ranges support sales growth;
- 8 new owned stores opened adding 38,000 square feet to the portfolio;
- 35 new international franchised and licensed stores taking the total to net 192 stores; and
- First 8 Spanish concessions opened in El Cortes Ingles department stores.

Julian Dunkerton, Chief Executive Officer of SuperGroup Plc, commented:

"In a year that the Group is focusing on significant infrastructure investment our trading momentum has continued with strong increases in revenue and underlying profit giving us confidence for the future. The product developments across the two most recent seasons, in particular in womenswear, have helped to deliver like-for-like growth. I am also pleased to report that the spring/summer 2014 order book is showing growth of circa 26%, demonstrating the continuing momentum in the Wholesale business.

"E-commerce continues to thrive and international sales represented a greater proportion of internet sales than the UK, indicating strong global demand for the brand. Superdry products are now sold globally through stores in 41 countries and the 16 international websites which, together with the Group's investment plans, will continue to drive further international awareness of the brand."

Note:

Underlying is defined as reported results adjusted to reflect the impact of the gain/loss recognised on re-measurements (being the fair valuation of deferred contingent share consideration and financial derivatives), exceptional items and, when appropriate, the related income tax. The directors believe that the underlying results provide additional guidance to statutory measures to help understand the performance of the Group. Further details of the adjustments are included in note 6. All references to underlying are after making these adjustments. Retail and Wholesale segments are presented before inter-segment royalties.

Enquiries:

SuperGroup

Shaun Wills	Chief Financial Officer	+44 (0) 020 7457 2020 on the day
Tony Newbould	Investor Relations Officer	

College Hill

Matthew Smallwood	+44 (0) 020 7457 2020
Mark Reed	

Forthcoming News flow

Q3 Interim Management Statement	6 February 2014
Q4 Trading Update	8 May 2014

Group results

		October 2013 £m	October 2012 £m	Change
Revenue:	Retail	**117.0**	98.1	+19.3%
	Wholesale	**75.1**	60.1	+25.0%
Total revenue		**192.1**	158.2	+21.4%
Gross profit		**109.2**	89.0	+22.7%
Gross profit %		***56.8%***	*56.3%*	*+50bps*
Underlying operating profit		**17.7**	14.6	+21.2%
Underlying operating margin		***9.2%***	*9.2%*	*0bps*
Non-underlying adjustments:				
	Fair value re-measurements	**(4.3)**	(0.8)	
	Exceptional items	**(3.7)**	-	
Total non-underlying adjustments		**(8.0)**	(0.8)	
Operating profit		**9.7**	13.8	-29.7%
Net finance income		**0.2**	0.1	
Profit before tax		**9.9**	13.9	-28.8%

Strong revenue growth in both the Retail and Wholesale divisions has delivered total Group revenue of £192.1m, up £33.9m, an increase of 21.4% on the same period in the prior year.

Gross profit, at £109.2m, was up by 22.7% on the same period last year and represents a gross margin of 56.8%. The 50 basis points ("bps") improvement in gross margin percentage reflects the strong performance through full-price channels, reduced eBay clearance activity, and some further small sourcing gains through better price negotiation.

Underlying operating profit for the period was £17.7m, up 21.2% on the year. The growth in sales and gross margin is slightly offset by cost increases attributable to new space and the ongoing investment in the operations and personnel of the business. Operating profit margin percentage is in line with the corresponding period last year and is represented by improving operating margins in both the Retail and Wholesale divisions offset by an increase in central costs.

Reported operating profit was £9.7m, a decrease of 29.7% compared with the same period last year. The non-underlying adjustments constitute the half yearly fair value re-measurement of forward foreign exchange contracts and deferred contingent share consideration (£4.3m), and exceptional items (£3.7m). Exceptional items relate to the continuing investment in the Group's future growth, being the set-up of the new Retail distribution centre (£1.6m, of which £1.4m is included in the Retail division and £0.2m in central costs), and the buy-out of the Spanish distribution agreement (£2.1m).

Space growth and international expansion

At the end of October the Group sold its products through 447 Superdry branded stores and concessions throughout the world, spanning 41 countries. 72 new locations have opened up in the last 12 months, of which 46 have opened since the financial year-end.

	October 2013	**October 2012**	April 2013	Net change during H1
UK/ROI:				
Owned	**91**	**81**	85	6
Franchise	**1**	**5**	3	(2)
Concessions	**67**	**71**	69	(2)
Europe:				
Owned	**30**	**24**	28	2
Franchise	**122**	**81**	96	26
Concessions	**20**	**5**	10	10
Rest of World:				
Franchises:				
Asia	**24**	**13**	17	7
Middle East	**16**	**15**	15	1
South/Central America	**7**	**8**	8	(1)
Africa	**3**	**2**	3	-
Concessions:				
USA	**4**	**4**	4	-
Asia	**41**	**47**	42	(1)
Australia	**1**	**0**	1	-
Licensed:				
USA	**13**	**12**	13	-
Australia	**7**	**7**	7	-
Total worldwide retail locations	**447**	**375**	**401**	**46**

Since the financial year ended 28 April 2013 the Group has opened a net eight owned stores and grown owned retail space by 7% from 536,000 to 574,000 square feet. That represents an increase of 17% on the corresponding period last year. Consequently the Group remains on track to deliver its full year guidance of between 80,000 and 100,000 square feet of incremental selling space.

In the UK and the Republic of Ireland the Group opened six new stores, increasing the number of owned stores to 91. In total, 29,000 square feet has been added during the half taking the total to 518,000 square feet; an increase of 6% and representing a year-on-year increase of 15%.

The Group operates from 30 owned stores in Europe: 19 in Belgium, five in the Netherlands, five in France and one in Germany. Together these stores equate to 56,000 square feet of trading space, which is an increase of 18% during the first half of the year and 45% against this time last year.

Europe continues to deliver the largest growth in total store numbers with the opening of 26 new franchise stores during the period. Five were located in both Spain and France; three in each of Austria, Italy and Switzerland; two in Turkey; and one in each of Denmark, Germany, Monaco, The Netherlands and Norway.

Outside Europe, three franchise stores opened in India and one in each of Indonesia, Macau, The Philippines, Thailand, Taiwan and The United Arab Emirates. Franchised stores in South Korea and Venezuela closed during the period.

The Group has, and will continue to, explore potential opportunities to buy back existing master franchise and agency agreements with a view to accelerating the pace of store roll-out programmes by investing its own capital whilst simultaneously improving the margins on the Wholesale operations in those territories. On 9 July an agreement was reached to buy-out the distribution agreement in Spain. Costs, treated as exceptional items, were £2.0m, of which £0.2m will be settled in shares. Professional fees associated with this deal totalled £0.1m. On 31 October 2013 a deal to acquire the agency operation in Germany was completed for a consideration of £3.5m of which £0.7m will be settled in shares.

Germany

With more than 200 independent Superdry stockists, eight franchised stores and a rapidly growing e-commerce operation, Germany is already the Group's second biggest market and still offers significant opportunity for growth. The first larger-sized owned store, opened in Oberhausen last year, has performed ahead of plan and has given the business confidence to open further stores of this nature. Presently the pipeline includes stores in Hamburg and Munich. Subsequent to the period end the Group completed a deal with the German agent and acquired seven franchised stores in mainly prime locations, representing 14,000 square feet of retail space.

Spain

Following the buy-out of the distribution agreement and during the first half of the year eight concessions were opened in El Corte Ingles department stores, with a similar number planned in the second half. Five franchised stores opened in Spain during the period taking the total to 25. Future plans include the opening of a Wholesale showroom in Barcelona.

France

In October the Group opened an owned store of 7,000 square feet in the new Aeroville retail development near Charles de Gaulle airport. Further large owned stores are planned to open in the retail developments in Les Halles, Paris, and Marseille. Five franchised stores opened during the period taking the total to 42.

The Netherlands

Since the half-year end a first owned store, trading from 5,000 square feet, was opened in central Amsterdam. This takes the total number of stores in the Netherlands to six.

E-commerce

Full price internet revenues were up by 29.3% on the comparable period last year. Total internet sales were up by 18.7%, diluted by the reduced activity on eBay. The growth in internet business from Europe was particularly notable with strong growth from Germany, The Netherlands and France. Total e-commerce sales from overseas were greater than UK sales for the first time, which is an important milestone for the Group and demonstrates the international appeal and potential for the business.

On a rolling 12-month basis total internet penetration was 11.0% of Group sales (2012: 10.2%).

The business now operates through 17 country or language specific websites (including the UK) (2012: 12) having added two new sites since the year-end in the United States and China. Websites in Australia, Taiwan and South Korea are planned to go-live during the second half of the financial year.

The Group has made good progress with its website initiatives and during the first half saw the introduction of:

- 'click and collect' which allows customers to pick up their internet purchases from a store;
- improved delivery options including later cut-off times for next day delivery;

- the introduction of a virtual fitting room; and
- improved zoom on product images.

Product range

Industry commentators have noted that there has been a significant move forward in the Superdry product ranges through the spring/summer 2013 and autumn/winter 2013 seasons. These improvements are particularly notable in womenswear where more feminine silhouettes and fabrics, many with more subtle branding cues, now augment the more traditional Superdry offering. A good example of these developments is the new dress range, which has grown from a very low base to circa 7% of womenswear sales. Management believes that these products are bringing a new customer into the store as well as encouraging lapsed customers to reconsider Superdry. Certainly the press coverage over the last six months, particularly about the new cosmetics range and the introduction of Timothy Everest tailoring into womenswear, will have led to a great number of women being tempted to revisit the stores or website.

In the first half of the year womenswear has seen a 110 basis point improvement in its sales mix as a percentage of Group revenue compared to the same period last year.

Menswear, still the biggest element of the product offering, continues to perform well and accessories have increased their share of the sales mix still further, reflecting an increase in the depth of the range into areas such as underwear, cosmetics, and hat, scarf and glove sets, all of which provide great gifting opportunities heading towards Christmas.

Infrastructure

Information Technology

The Group's significant system replacement projects are presently on track and within budget. These projects will underpin the Group's medium- and long-term growth plans.

The Merchandise Management System (MMS) has now entered the user acceptance testing phase and preparations are underway for staff training to commence once the Christmas peak trading period has passed. The rollout of the store infrastructure for merchandising stock management was completed and cutover will take place in a phased approach over four weeks from the end of February. Initial development of the new Point of Sale (PoS) system has been completed by BT Expedite and is currently in system testing.

A new Human Resources system went live at the end of August. One of the benefits from the new system will be the generation of store rosters, which will drive scheduling efficiencies in store operations.

After an extensive Finance system selection process CODA has been selected and phase one, to replace the core ledgers, is scheduled to go live early in the new financial year.

Distribution

The fit-out of the distribution centre in Burton-upon-Trent was completed on budget and ahead of schedule with the formal handover of the site to the Group being completed on 15 November. During the first half of the year the Group incurred £1.6m costs in respect of the distribution centre, representing the site set-up costs and accelerated depreciation of the Gloucester warehouses. Given the timing of the site becoming operational there are no dual running costs in the period. Whilst still very much in transition mode, the warehouse currently operates with a headcount of 59 that includes 20 operatives that have transferred from the Gloucester sites.

The transition plan remains on schedule with the first deliveries of stock for outlet stores and key UK wholesale customers being received at the Burton site during October and November 2013. The two Gloucester warehouses will continue to supply full-price stores and internet orders through the important Christmas trading period whilst all stock for the new spring / summer season will be received into Burton-upon-Trent. It is anticipated that operations at the main warehouse on Gloucester Business Park will cease during February 2014 and that the further e-commerce site in Barnwood will close during April

2014, completing the full switchover to Burton-upon-Trent. During the second half of the financial year, exceptional distribution costs of circa £2m are expected to be incurred in completing the switchover.

Divisional performance

Retail

	October 2013 £m	October 2012 £m	Change
Revenue	**117.0**	98.1	+19.3%
Underlying operating profit	**13.9**	11.2	+24.1%
Underlying operating profit margin	***11.9%***	*11.4%*	*+50 bps*
Non-underlying adjustments:			
Fair value of forward foreign exchange contracts	**(1.1)**	0.7	
Set-up costs	**(1.4)**	-	
Profit before tax, royalties and Group overheads	**11.4**	11.9	-4.2%

Retail like-for-like growth in the first half of the financial year was 8.1% (2012: 3.1%) with positive contributions from both internet and stores.

Underlying operating profit margin improved by 50 basis points which reflects reduced eBay clearance activity and small sourcing improvements in the period. These benefits are partially offset by increased operating costs from additional store space driving increases in store payroll, rent and occupancy costs, and a reduction in rent receivable for the office space above the Regent Street store whilst it is refurbished.

After a fair value re-measurement in respect of forward foreign exchange contracts and exceptional set-up costs, the Retail division generated a profit before tax, royalties and Group overheads of £11.4m (2012: £11.9m).

Wholesale

	October 2013 £m	October 2012 £m	Change
Revenue	**75.1**	60.1	+25.0%
Underlying operating profit	**23.9**	17.5	+36.6%
Underlying operating profit margin	***31.8%***	*29.1%*	*+270 bps*
Non-underlying adjustments:			
Fair value of forward foreign exchange contracts	**(1.3)**	0.6	
Profit before tax, royalties and Group overheads	**22.6**	18.1	+24.9%

	October 2013 £m	October 2012 £m	Change
Wholesale revenue by territory:			
UK and Republic of Ireland	**20.7**	19.2	+7.8%
Europe	**44.3**	32.4	+36.7%
Rest of World	**10.1**	8.5	+18.8%
Total Wholesale	**75.1**	60.1	+25.0%

The Wholesale division has enjoyed good growth across all territories, both domestic and international, with Germany's performance having been particularly strong.

The underlying operating profit margin improvement reflects the operational leverage from strong sales growth coupled with small improvements in intake margins from improved sourcing, partially offset by the year-on-year fall in other income. In the prior year other income benefited from third party contributions to stock clearance activity.

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 £22.6m (2012: £18.1m).

Group central costs

Underlying Group central costs were £19.9m (2012: £14.0m), a 42.1% increase on the same period last year. The £5.9m movement year-on-year is primarily attributable to the increase in head office payroll and payroll-related costs. During the last 12 months there has been significant investment in the strengthening of the senior management team and their support functions. Through the recruitment and retention of high calibre talent the Group is investing in a structure to support the Group's medium- and long-term growth strategy. In addition there has been an increase in professional fees in support of recruitment, international trading advice and brand protection.

When recruitment costs annualise, the payroll element of Group's central costs will normalise and will be leveraged through revenue growth. However the significant fixed asset investment will lead to higher depreciation costs.

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 of £0.7m (2012: £0.7m).

After the fair value re-measurements and exceptional items, reported Group central costs were £24.1m (2012: £16.1m).

Fair value re-measurements and exceptional items

Fair value re-measurements are made up of the revaluation of the deferred contingent share consideration in respect of the SuperGroup Europe BVBA acquisition (£1.9m charge; 2012: £2.1m charge), and the revaluation of forward foreign exchange contracts (£2.4m charge; 2012: £1.3m gain).

Exceptional items include relocation costs of £1.6m (2012: nil) and the buy-out of the Spanish distribution agreement of £2.1m (2012: nil).

Finance costs and income

Finance income net of finance costs amounted to £0.2m (2012: £0.1m).

Taxation

The Group's underlying income tax expense for the period ended October 2013 of £4.6m (October 2012: £4.4m) represents an effective tax rate of 25.7% (October 2012: 29.9%), which is based on the full-year forecast effective rate. The Group's underlying tax rate of 25.7% is higher than the statutory rate of 22.83%, primarily due to depreciation on non-qualifying assets and the impact of overseas profits taxed at a higher rate in respective territories.

As announced in the March 2013 budget, the UK corporation tax rate reduced from 23% to 21% with effect from 1 April 2014, with a further reduction to 20% with effect from 1 April 2015. The deferred income tax balance as at 27 October 2013 has been re-measured resulting in an exceptional deferred tax charge of £4.1m.

Discussions with HMRC in respect of the tax-deductible goodwill arising on the March 2010 reorganisation are ongoing. 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.

Earnings per share

Underlying basic earnings per share was 16.3 pence (2012: 12.7 pence). Reported basic earnings per share was 2.6 pence (2012: 9.6 pence), calculated using the basic weighted average number of ordinary shares outstanding for the period of 80,472,658 (2012: 80,234,588).

Diluted earnings per share is 2.6 pence (2012: 9.5 pence) based on a diluted weighted average of 81,589,980 shares (2012: 80,993,290).

Capital expenditure

Capital expenditure on tangible fixed assets in the period was £14.6m (2012: £8.9m), principally attributable to the investment in:

- new store openings and store refurbishment (£9.4m);
- the fit-out costs of the Burton-on-Trent distribution centre (£3.5m);
- IT systems development (£0.8m); and
- leasehold improvements (£0.6m).

The net book value of property, plant and equipment was £69.4m (2012: £64.9m), up 6.9% year-on-year, and an increase of £5.7m, up 8.9%, since the end of the financial year.

Full year guidance for capital expenditure remains in the range £26.0m to £32.0m.

Intangible assets

Intangible assets have increased by £0.8m in the period. There have been software additions of £2.6m and amortisation charges of the Regent Street store lease premium (£0.5m), SuperGroup Europe distribution agreements (£0.7m), and website and software (£0.6m).

Working capital investment

		October 2013 £m	October 2012 £m	Change	April 2013 £m
Working capital:	Inventories	**75.3**	80.5	-6.5%	72.5
	Trade receivables	**45.0**	31.7	+42.0%	28.3
	Trade payables	**(40.5)**	(35.7)	+13.4%	(32.4)
Total working capital investment		**79.8**	**76.5**	+4.3%	68.4

The year-on-year decrease in inventories of 6.5% reflects an improvement in management of stock flows and the liquidation of some old and faulty stock in advance of the closure of the Gloucester distribution centres.

Trade receivables are primarily attributable to the Wholesale division, which has seen revenues increase by 25%. The remainder of the increase is due to a higher level of dispatches to Wholesale accounts being made before the half-year cut-off compared to the corresponding period last year.

Cash flow

In the 26 weeks to 27 October 2013 cash generated from operations before working capital movements was £23.8m (26 weeks to 28 October 2012: £22.3m).

The cash outflow impact of working capital movements was £1.8m (2012: £26.9m); capital expenditure totaled £17.2m (2012: £9.2m), of which intangibles assets were £2.6m (2012: £0.3m); taxation paid amounted to £0.9m (2012: £1.9m), and the cash contribution received from landlords was £3.0m (2012: £1.9m).

Cash and cash equivalents at the end of the period was £61.5m (2012: £16.9m) and compares to £54.5m at the financial year-end.

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

The comparatives for quarter three are more challenging than those experienced so far this year (2012 Q3 LFL: +9.4%). Despite this, the first weeks of the Christmas trading period have been encouraging and demonstrated a continuation of the trading momentum delivered during the first half. The Group has been, and will continue to be, focused on full-price trading during this period to optimise profitability.

The Wholesale spring / summer order book for 2014 has now closed and the Group is pleased that, at circa 26% up on 2013, the growth rate delivered in autumn / winter has been maintained for a further season and continues to demonstrate the international growth potential.

Weekly reporting

The Group will be changing the way it reports its weekly sales during the second half. From March 2014 reporting periods that currently end on a Sunday will move to periods ending on a Saturday. Consequently the 2014 financial year will be the 363 days ending 26 April 2014. The Group will communicate the impact, where material, at the quarter three Interim Management Statement in February 2014.

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 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 remain unchanged. These are as described in note 17 of this document.

Board approval

On 11 December 2013 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 28 April 2013. There have been no changes to the board of directors.

On behalf of the board

Julian Dunkerton	Shaun Wills
Chief Executive Officer	Chief Financial Officer
11 December 2013	11 December 2013

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 2013	Non-underlying and exceptional items	Total October 2013	Underlying October 2012	Non-underlying and exceptional items	Total October 2012
		£m	**£m**	**£m**	£m	£m	£m
Revenue	5	192.1	-	192.1	158.2	-	158.2
Cost of sales		(82.9)	-	(82.9)	(69.2)	-	(69.2)
Gross profit		**109.2**	**-**	**109.2**	**89.0**	**-**	**89.0**
Selling, general and administrative expenses		(92.8)	(5.6)	(98.4)	(77.4)	(2.1)	(79.5)
Other gains and losses (net)		1.3	(2.4)	(1.1)	3.0	1.3	4.3
Operating profit		**17.7**	**(8.0)**	**9.7**	**14.6**	**(0.8)**	**13.8**
Finance income		0.2	-	0.2	0.1	-	0.1
Profit before tax		**17.9**	**(8.0)**	**9.9**	**14.7**	**(0.8)**	**13.9**
Income tax expense	7	(4.6)	(3.0)	(7.6)	(4.4)	(1.7)	(6.1)
Profit for the period		**13.3**	**(11.0)**	**2.3**	**10.3**	**(2.5)**	**7.8**
Attributable to:							
Owners of the Company		13.1	(11.0)	2.1	10.2	(2.5)	7.7
Non-controlling interests		0.2	-	0.2	0.1	-	0.1
		13.3	**(11.0)**	**2.3**	**10.3**	**(2.5)**	**7.8**
Other comprehensive income net of tax:							
Items that may be subsequently reclassified to profit or loss							
Currency translation differences		0.1	-	0.1	(0.7)	-	(0.7)
Total comprehensive income for the period		**13.4**	**(11.0)**	**2.4**	**9.6**	**(2.5)**	**7.1**
Attributable to:							
Owners of the Company				2.2			7.0
Non-controlling interests				0.2			0.1
				2.4			**7.1**
Earnings per share							
Basic	14	16.3		2.6	12.7		9.6
Diluted	14	16.1		2.6	12.6		9.5

Underlying is defined as reported results adjusted to reflect the impact of the gain/loss recognised on re-measurements (being the fair valuation of deferred contingent share consideration and financial derivatives), exceptional items and, when appropriate, the related income tax. The directors believe that the underlying results provide additional guidance to statutory measures to help understand the performance of the Group. Further details of the adjustments are included in note 6. All references to underlying are after making these adjustments. Retail and Wholesale segments are presented before inter-segment royalties.

Condensed Group Balance Sheet

	Note	**Unaudited October 2013 £m**	Unaudited October 2012 £m	Audited April 2013 £m
ASSETS				
Non-current assets				
Property, plant and equipment	9	69.4	64.9	63.7
Intangible assets		42.3	39.2	41.5
Deferred income tax assets		31.7	36.1	34.0
Total non-current assets		**143.4**	**140.2**	**139.2**
Current assets				
Inventories	11	75.3	80.5	72.5
Trade and other receivables		57.7	48.4	45.9
Derivative financial instruments		-	0.1	1.4
Cash and cash equivalents	16	61.5	16.9	54.5
Total current assets		**194.5**	**145.9**	**174.3**
LIABILITIES				
Current liabilities				
Borrowings	16	0.3	0.2	0.2
Trade and other payables		65.9	53.5	49.2
Current income tax liabilities		12.5	7.0	8.0
Derivative financial instruments		1.0	-	-
Total current liabilities		**79.7**	**60.7**	**57.4**
Non-current liabilities				
Borrowings	16	-	0.2	0.2
Trade and other payables		28.5	31.2	29.1
Provisions for other liabilities and charges		1.1	0.7	0.9
Deferred income tax liabilities		1.8	2.2	2.0
Total non-current liabilities		**31.4**	**34.3**	**32.2**
Net assets		**226.8**	**191.1**	**223.9**
EQUITY				
Share capital	12	4.0	4.0	4.0
Share premium		140.2	138.6	140.1
Translation reserve		(0.4)	(2.8)	(0.5)
Merger reserve		(302.5)	(302.5)	(302.5)
Retained earnings		384.9	353.7	382.4
Equity attributable to the owners of the Company		**226.2**	**191.0**	**223.5**
Non-controlling interests		0.6	0.1	0.4
Total equity		**226.8**	**191.1**	**223.9**

Condensed Group Cash Flow Statement (unaudited)

	Note	**October 2013 £m**	October 2012 £m
Cash flow from operating activities			
Profit before tax		9.9	13.9
Adjusted for:			
Depreciation of property, plant and equipment		8.9	7.7
Amortisation of intangible assets		1.8	1.4
Net impact of lease incentives		(2.1)	(1.6)
Net finance income		(0.2)	(0.1)
Fair value losses/ (gains) on derivative financial Instruments	6	2.4	(1.3)
Foreign exchange losses on operating activities		0.1	0.2
Fair value losses on deferred share consideration	6	1.9	2.1
Long term incentive plan	13	0.4	-
Non-cash element to buy-out Spanish distribution agreement	6	0.7	-
Changes in working capital:			
Increase in inventories		(2.7)	(25.1)
Increase in trade and other receivables		(13.0)	(7.1)
Increase in trade and other payables		13.9	5.3
Cash generated from/ (used in) operations		**22.0**	**(4.6)**
Interest received		0.2	0.1
Tax paid		(0.9)	(1.9)
Net cash generated from/ (used in) operating activities		**21.3**	**(6.4)**
Cash flow from investing activities			
Purchase of property, plant and equipment		(14.6)	(8.9)
Purchase of intangible assets		(2.6)	(0.3)
Net cash used in investing activities		**(17.2)**	**(9.2)**
Cash flow from financing activities			
Cash contributions received from landlords		3.0	1.9
Repayment of borrowings	16	(0.1)	(0.2)
Net cash generated from financing activities		**2.9**	**1.7**
Net increase/ (decrease) in cash and cash equivalents	16	**7.0**	**(13.9)**
Cash and cash equivalents, net of overdraft, at beginning of period		54.5	30.9
Exchange losses on cash and cash equivalents		-	(0.1)
Cash and cash equivalents at end of period, net of overdraft		**61.5**	**16.9**

Condensed Group Statement of Changes in Equity for the period to 27 October 2013 (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 2013	**4.0**	**140.1**	**(0.5)**	**(302.5)**	**382.4**	**223.5**	**0.4**	**223.9**
Comprehensive income								
Profit for the period	-	-	-	-	2.1	**2.1**	0.2	**2.3**
Other comprehensive income								
Currency translation differences	-	-	0.1	-	-	**0.1**	-	**0.1**
Total other comprehensive income	**-**	**-**	**0.1**	**-**	**-**	**0.1**	**-**	**0.1**
Total comprehensive income for the period	**-**	**-**	**0.1**	**-**	**2.1**	**2.2**	**0.2**	**2.4**
Transactions with owners								
Employee share award scheme	-	-	-	-	0.4	**0.4**	-	**0.4**
Shares issued - note 12	-	0.1	-	-	-	**0.1**	-	**0.1**
Total transactions with owners	**-**	**0.1**	**-**	**-**	**0.4**	**0.5**	**-**	**0.5**
Balance at 27 October 2013	**4.0**	**140.2**	**(0.4)**	**(302.5)**	**384.9**	**226.2**	**0.6**	**226.8**

Condensed Group Statement of Changes in Equity for the period to 28 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 30 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 the period to 28 April 2013 (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 30 April 2012	**4.0**	**138.6**	**(2.1)**	**(302.5)**	**346.0**	**184.0**	**-**	**184.0**
Comprehensive income								
Profit for the period	-	-	-	-	35.9	**35.9**	0.4	**36.3**
Other comprehensive income								
Currency translation differences	-	-	1.6	-	-	**1.6**	-	**1.6**
Total other comprehensive income	**-**	**-**	**1.6**	**-**	**-**	**1.6**	**-**	**1.6**
Total comprehensive income for the period	**-**	**-**	**1.6**	**-**	**35.9**	**37.5**	**0.4**	**37.9**
Transactions with owners								
Employee share award schemes	-	-	-	-	0.5	**0.5**	-	**0.5**
Shares issued - note 12	-	1.5	-	-	-	**1.5**	-	**1.5**
Total transactions with owners		**1.5**	**-**	**-**	**0.5**	**2.0**	**-**	**2.0**
Balance at 28 April 2013	**4.0**	**140.1**	**(0.5)**	**(302.5)**	**382.4**	**223.5**	**0.4**	**223.9**

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 27 October 2013 (“October 2013”) comprises the Company and its subsidiaries (together referred to as “the Group”). The prior comparative period is for the 26 weeks ended 28 October 2012 (“October 2012”).

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 28 April 2013 (“April 2013”) 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 28 April 2013, 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 2013.

The comparative figures for April 2013 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 2013 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 as described below.

- IFRS 13 'Fair value measurement'. IFRS 13 measurement and disclosure requirements are applicable for the April 2014 year-end. The group has included the disclosures required by IAS 34 paragraph 16A(j). See Note 19.
- Amendment to IAS 1, 'Financial statement presentation' regarding other comprehensive income. The main change resulting from these amendments is a requirement for the Group to group items presented in 'other comprehensive income' on the basis of whether they are potentially reclassifiable to profit or loss subsequently.

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 28 April 2013, as set out on page 76 of the 2013 Report and Accounts.

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 28 April 2013, 44% of total revenues accumulated in the first half of the year, with 56% 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, 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 and European stores, concessions and all 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 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 separately to the Retail and Wholesale operations, which includes design, finance, HR, IT, legal, marketing, merchandising, property, sourcing and the goodwill and intangibles arising on consolidation.

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 2013 is set out below:

October 2013 segmental analysis (unaudited)	Retail	Wholesale	Central costs	**Group**
	£m	£m	£m	**£m**
Total segment revenue	120.9	84.5	-	**205.4**
Inter-segment revenue	(3.9)	(9.4)	-	**(13.3)**
Revenue from external customers	**117.0**	**75.1**	**-**	**192.1**
Finance income	-	-	0.2	**0.2**
Profit/ (loss) before tax	**11.4**	**22.6**	**(24.1)**	**9.9**

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

	Underlying October 2013 £m	Re-measurements £m	Exceptional costs £m	Reported October 2013 £m
Revenue				
Retail	117.0	-	-	117.0
Wholesale	75.1	-	-	75.1
Total revenue	**192.1**	**-**	**-**	**192.1**
Gross profit	**109.2**	**-**	**-**	**109.2**
Operating profit				
Retail	13.9	(1.1)	(1.4)	11.4
Wholesale	23.9	(1.3)	-	22.6
Central costs	(20.1)	(1.9)	(2.3)	(24.3)
Total operating profit	**17.7**	**(4.3)**	**(3.7)**	**9.7**
Net finance income – Central costs	0.2	-	-	0.2
Profit before tax				
Retail	13.9	(1.1)	(1.4)	11.4
Wholesale	23.9	(1.3)	-	22.6
Central costs	(19.9)	(1.9)	(2.3)	(24.1)
Total profit before tax	**17.9**	**(4.3)**	**(3.7)**	**9.9**

Segment information for the main reportable business segments, restated using the revised segment methodology as referred to in the Group financial statements for April 2013, of the Group for October 2012 is set out below:

October 2012 segmental analysis (unaudited)	Retail (restated)	Wholesale (restated)	Central costs (restated)	Group (restated)
	£m	£m	£m	£m
Total segment revenue	98.1	62.4	-	160.5
Inter-segment revenue	-	(2.3)	-	(2.3)
Revenue from external customers	**98.1**	**60.1**	**-**	**158.2**
Finance income	**-**	**-**	**0.1**	**0.1**
Profit before tax	**11.9**	**18.1**	**(16.1)**	**13.9**

The following additional information is considered useful to the reader.

	Underlying October 2012 (restated) £m	Re-measurements £m	Reported October 2012 (restated) £m
Revenue			
Retail	98.1	-	98.1
Wholesale	60.1	-	60.1
Total revenue	**158.2**	**-**	**158.2**
Gross profit	**89.0**	**-**	**89.0**
Operating profit			
Retail	11.2	0.7	11.9
Wholesale	17.5	0.6	18.1
Central costs	(14.1)	(2.1)	(16.2)
Total operating profit	**14.6**	**(0.8)**	**13.8**
Net finance income – Central costs	0.1	-	0.1
Profit before tax			
Retail	11.2	0.7	11.9
Wholesale	17.5	0.6	18.1
Central costs	(14.0)	(2.1)	(16.1)
Total profit before tax	**14.7**	**(0.8)**	**13.9**

Revenue of approximately £6.0m (October 2012: £5.8m) in the Retail segment is 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 2013	Unaudited October 2012
	£m	£m
External revenue – UK	111.9	100.2
External revenue – overseas	80.2	58.0
Total external revenue	**192.1**	**158.2**

Included within external revenue overseas is £17.0m (October 2012: £12.9m) generated by overseas subsidiaries.

The total of non-current assets, other than deferred tax assets, located in the UK is £76.2m (October 2012: £73.2m, April 2013: £71.1m), and the total of non-current assets located in other countries is £35.5m (October 2012: £30.9m, April 2013: £34.1m)

6. Non-underlying adjustments

Non-underlying adjustments constitute the half-yearly fair value re-measurement of foreign exchange contracts and deferred contingent share consideration, 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 2013	Unaudited October 2012
	£m	£m
Re-measurements:		
Deferred contingent share consideration	**(1.9)**	(2.1)
(Loss)/gain on financial derivatives	**(2.4)**	1.3
Exceptional items:		
Set-up costs regarding the Retail distribution centre	**(1.6)**	-
Buy-out of Spanish distribution agreement	**(2.1)**	-
Re-measurements and exceptional items	**(8.0)**	(0.8)
Taxation:		
Tax impact on non-underlying adjustments	**1.1**	(0.3)
Re-measurement of deferred tax asset – exceptional (note 7)	**(4.1)**	(1.4)
	(3.0)	(1.7)
	(11.0)	(2.5)
Re-measurements and exceptional items are included within:		
Selling, general and administrative expenses	**(5.6)**	(2.1)
Other gains and losses	**(2.4)**	1.3
	(8.0)	(0.8)

Fair value re-measurement 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 £7.36 at April 2013 to £11.71 at October 2013 increased the liability by £1.9m (the share price movement from £3.50, at April 2012, to £6.70, at October 2012, increased the liability by £2.1m as at October 2012). The movements in the deferred share consideration have been recorded in the condensed group statement of comprehensive income.

Set-up costs regarding the Retail distribution centre

On the 15 April 2013 the Group announced that the Gloucester Retail and e-commerce distribution centres will close and the activities be moved to a site in Burton-upon-Trent. During the period £1.6m (2012: £nil) of set-up costs and accelerated depreciation was recognised.

Buy-out of Spanish distribution agreement

On the 9 July 2013 the Group completed the buy-out of the Spanish distribution agreement. An initial cash consideration of £1.3m and share consideration of £0.1m was agreed and settled in compensation. An additional deferred contingent consideration of £0.5m in cash and £0.1m in shares is contingent upon the achievement of certain performance targets and is payable on the 9 July 2014. Professional advisor fees amounted to £0.1m.

7. Income tax expense

The Group's underlying income tax expense for the period ended October 2013 of £4.6m (October 2012: £4.4m) represents an effective tax rate of 25.7% (October 2012: 29.9%), which is based on the full year, forecast effective rate. The Group's underlying tax rate of 25.7% is higher than the statutory rate of 22.83%, primarily due to depreciation on non-qualifying assets and the impact of overseas profits taxed at a higher rate.

As announced in the March 2013 Budget the UK corporation tax rate reduction from 23% to 21%, with effect from 1 April 2014, and a further reduction to 20%, with effect from 1 April 2015 were substantially enacted in July 2013. The deferred income tax balance as at 27 October 2013 has been re-measured resulting in an exceptional deferred tax charge of £4.1m.

Discussions with HMRC in respect of the tax-deductible goodwill arising on the March 2010 reorganisation are ongoing. 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 2013, October 2012 or April 2013.

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 £14.6m in October 2013 (£8.9m in October 2012 and £15.0m in April 2013).

10. Capital expenditure commitments

The Group is committed to capital expenditure on property, plant and equipment of £5.1m at October 2013 (£0.9m at October 2012 and £0.9m at April 2013).

11. Inventory write-downs

The Group has provided for inventory write-downs of £1.3m at October 2013 (£0.7m at October 2012 and £2.6m at April 2013). During the period the charge for inventory write-downs was £0.3m and the amounts utilised were £1.6m.

12. Equity securities

16,500 ordinary shares of 5p each were issued in the period in respect of the compensation to terminate the agreement with the Spanish distributor. A further 37,592 ordinary shares of 5p each were issued in the period under the SuperGroup Performance Share Plan. No shares were issued during the period ended October 2012 and 220,959 ordinary shares of 5p each were issued in respect of the deferred contingent share consideration for the period ended April 2013.

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 2013 are as follows:

Grant date	Type of award	Number of shares	Vesting period
August 2013	Share awards	224,871	3 years

The fair value of the shares awarded at the grant date during the period is £2.5m (2012: £2.8m). 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 £4.5m (2012: £3.2m).

During the period a total of 37,592 ordinary shares were exercised under the PSP with a fair value of £0.4m (2012: no shares were exercised under the PSP).

A charge of £0.4m has been recorded in the condensed group statement of comprehensive income for the period ended October 2013 (28 October 2012: £nil).

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 2013	Unaudited October 2012
	Number	Number
Number of shares at period end	80,509,639	80,234,588
Weighted average number of ordinary shares - basic	**80,472,658**	**80,234,588**
Effect of dilutive options and contingent shares	1,117,322	758,702
Weighted average number of ordinary shares - diluted	**81,589,980**	**80,993,290**
Earnings		
Profit for the period attributable to equity holders of the company (£m)	2.1	7.7
Basic earnings per share (pence)	**2.6**	**9.6**
Diluted earnings per share (pence)	**2.6**	**9.5**
Underlying basic earnings per share		
Underlying profit for the period attributable to equity holders of the company (£m)	13.1	10.2
Weighted average number of ordinary shares - basic	80,472,658	80,234,588
Underlying basic earnings per share (pence)	**16.3**	**12.7**
Weighted average number of ordinary shares - diluted	81,589,980	80,993,290
Underlying diluted earnings per share (pence)	**16.1**	**12.6**

Future earnings per share may be affected by the deferred contingent share consideration as disclosed in note 18 below.

15. Related parties

Directors of the Group and their immediate relatives control 44.7% of the voting shares of the Group.

16. Net cash

Analysis of net cash - October 2013 (unaudited)	April 2013 £m	Cash flow £m	Other non-cash changes £m	**October 2013 £m**
Cash and short term deposits	54.5	7.0	-	**61.5**
Cash and cash equivalents	**54.5**	**7.0**	**-**	**61.5**
Other loans	(0.4)	0.1	-	**(0.3)**
Total net cash	**54.1**	**7.1**	**-**	**61.2**

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**

17. Principal risks and uncertainties

The principal risks and uncertainties were outlined in the Annual Report (pages 23-25) and remain unchanged. The principal risks and uncertainties are as follows:

- Fashion and design trends may not be responded to;
- Risk of unfavourable changes in currency exchange rates;
- Economic and financial conditions result in challenging trading conditions;
- Ability to support planned growth of the Group by developing its supply base, infrastructure and people;
- Failure to deliver business critical projects;
- Failure to ensure compliance in the supplier base to ethical trading policy;
- Key infrastructure or IT systems may be unavailable due to operational problems or a major incident;
- Loss of key individuals or the inability to attract and retain talent;
- Brand damage may occur due to the over-exposure of the Superdry brand or counterfeit product;
- Regulatory and legal frameworks; and
- Execution of international expansion.

18. Post balance sheet event

On 31 October 2013 a deal to take control of the agency operation in Germany was completed. The Group acquired seven stores and the rights to the German market for a consideration of £3.5m, of which £0.7m will be settled in shares. The deferred share consideration is split into 19,818 ordinary shares on the first anniversary, 19,818 ordinary shares on the second anniversary and 19,817 ordinary shares on the third anniversary. This acquisition will allow the Group to benefit from improved Wholesale margins, accelerate the roll-out of German stores by investing its own capital, and retain the local operational and management expertise.

Due to the proximity of the acquisition date to the release of the condensed interim financial information, valuations of assets and liabilities acquired along with the disclosures required by IFRS 3 (Revised) have not been able to be prepared. Disclosure will be made in the annual financial statements.

19. 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 28 April 2013. 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 27 October 2013.

	Level 1 2013 £m	Level 2 2013 £m	Level 3 2013 £m	Level 1 2012 £m	Level 2 2012 £m	Level 3 2012 £m
Assets						
Derivative financial instruments - forward foreign exchange contracts	-	-	-	-	0.1	-
Liabilities						
Derivative financial instruments - forward foreign exchange contracts	-	1.0	-	-	-	-

.
There were no transfers between levels during the period.

The level 2 forward foreign exchange valuations are derived from HSBC models and are based on valuation techniques based on observable market data at each period end.

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

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

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 27 October 2013, 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 Conduct 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 Conduct 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 27 October 2013 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 Conduct Authority.

PricewaterhouseCoopers LLP

Chartered Accountants
Cornwall Court
19 Cornwall Street
Birmingham
B3 2DT

11 December 2013