

AURORA

FASHIONS

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CONTACTS:

Company Jessica Wilks Aurora Fashions Tel: +44 (0)207 452 1000	Press Alistair Mackinnon-Musson Nathan Field Hudson Sandler Tel: +44 (0)20 7796 4133 Email: aurora@hspr.com
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PHOTOGRAPHS: Available from Hudson Sandler

Aurora Fashions:

(Karen Millen, Coast, Warehouse & Oasis)

New Exec Chairman, New Chief Exec & Financial Update

“Strong first half and in great shape to face the future”

Aurora Fashions – the Group behind the well known international high street fashion brands Karen Millen, Coast, Warehouse and Oasis – announces the appointment of a new Executive Chairman and a new Chief Executive. It also reveals that it has performed strongly over the last six months, together with its plans for continued success.

Aurora, which operates internationally from 1,427 stores in 45 countries including the UK, was created only six months ago from the major brands of Mosaic Fashions.

Board Changes

Mike Shearwood (46), former Deputy Chief Executive Officer, has today been appointed the Group’s new Chief Executive. Mike joined Mosaic in September 2007 from Inditex where he was the UK Managing Director and he transferred to Aurora in March 2009, at its inception.

Derek Lovelock (59), the Group’s former Chief Executive, will become Executive Chairman of Aurora. Mike will take over the day to day running of the Group whilst Derek will focus on strategy, exploring development opportunities and supporting the brands on product, sourcing and supply chain.

Derek and Mike, together with the other Aurora Executive Board members, Richard Glanville, CFO and Meg Lustman, Chief Strategy Officer, spearheaded the formation of Aurora from Mosaic’s most successful brands.

Stewart Binnie, previously Non-Executive Chairman, will remain on the board as President and senior Non-Executive.

Financial Update

Aurora has annual global retail sales of circa £720 million, net debt of approximately £110 million and is strongly cash generative. Performance at the end of the first half was significantly ahead of the bank plan, as set out at Aurora's inception in March 2009 and the Group is well positioned for future growth.

Margins suffered initially in the first half due to the weakness of sterling and the lack of a foreign exchange hedging facility, an arrangement that had been lost under Mosaic. Recently Aurora has successfully negotiated a new hedging facility with Barclays and now has substantial forward cover. Group stock levels have remained clean throughout the period.

In the last six months Aurora has rationalised its infrastructure, consolidated its distribution operations from three sites into one, migrated all of its four brands to a single IT platform and completed a comprehensive cost reduction programme.

UK Investment – New Outlets

In the first half the Group opened 137 new outlets, 110 of these in international markets. Included in the 27 UK openings are six new standalone stores with all four of the Group's brands opening in Aberdeen and Warehouse also opening stores in Livingstone and York. The Group has also added a further 21 UK concessions in its major department store partners that include John Lewis, House of Fraser and Debenhams, with a further 18 UK concessions and 8 standalone stores due to open in the next six months. Once opened, this will bring the number of UK outlets to 863 – see detailed breakdown in the Notes to Editors below for stores already open.

International Investment – New Outlets

Of the 110 international outlets recently opened, 78 are company owned stores and 32 are franchise stores. A substantial proportion of the company owned expansion is in mainland Europe with 40 openings in Germany and the successful launch of Karen Millen in Spain, with two new standalone stores and 15 new concessions in El Corte Ingles department stores.

The Group's international expansion will continue with two new standalone openings secured in Chicago and Seattle, taking Karen Millen to 14 stores in the US. There will be a further 25 openings in the Group's international markets during the remainder of 2009. Once these new stores have opened, Aurora's international business will trade from over 600 overseas stores in 45 countries – see detailed breakdown in the Notes to Editors below for stores already open.

Aurora Online

Aurora has seen significant growth through e-commerce with the brands' own sites increasing sales by more than 20% on last year and strong performance continuing through partner sites such as ASOS. In the last six months the brands have expanded their e-commerce operations to international territories, now delivering to customers in 26 international markets, including the US and mainland Europe.

Outlook

This is an exciting time for Aurora and the Group has made much progress over its first six months. It is well-placed to face the future, with robust finances and a strong balance sheet.

With planned new store openings, international expansion and a number of initiatives to significantly improve the customer experience, including a major store refurbishment programme in Oasis, we are confident of delivering further growth in what remains a difficult domestic market.

Commenting, Derek Lovelock, Executive Chairman said:

“I am delighted to welcome Mike into his new role as Chief Executive. He’s certainly earned this position from the contribution he’s made to a team that has successfully dealt with some of the biggest challenges any of us have faced in our respective careers.”

“The business is in great shape, morale in the teams is high and we have an excellent supply base and strong relationships with our retail and business partners. We know the brands have great potential and we have plans to develop them further, something that I am personally going to concentrate on in my new role.”

“On behalf of the whole company, I would also like to thank Stewart Binnie for being a superb Non-Executive Chairman and successfully stewarding the Board through some very difficult and complex times. We are delighted he will remain with us as President and senior Non-Executive Director as his wise counsel has been invaluable and without him Aurora may not have happened.”

Mike Shearwood, Chief Executive, added:

“This is a very exciting time to take the helm at Aurora. We have achieved a great deal in the last six months and I’m very much looking forward to working with our teams, our retail and business partners and our suppliers to build on our recent success and to drive our future growth and expansion through all sales channels in both domestic and international markets.”

- ENDS -

Notes to Editors

Aurora Fashions owns, develops and manages the performance of some of the UK’s most respected women’s fashion brands – Karen Millen, Coast, Warehouse and Oasis, which are all aimed at the higher end of the market.

The Group is focused on providing an environment that enables each individual brand to flourish independently, while optimising economies of scale by sharing a common infrastructure for operations, finance and senior management resource.

Aurora’s four fashions brands are among the most recognised in the UK and internationally, with 1,427 stores in 45 countries.

The store portfolio breaks down as follows:

	UK	International
Karen Millen	89	166
Coast	204	78
Oasis	242	235
Warehouse	302	111

Derek Lovelock

Derek joined Oasis Stores in 1999 as CEO, prior to completing an MBO of Oasis in 2001, from which Mosaic was formed.

Prior to Oasis, Derek was a main Board Director of Sears and Chief Executive of Sears Clothing, running a group comprising Adams, Wallis, Warehouse, Miss Selfridge, Richards and The Outfit.

Derek is also the Chairman of the Richard House Children's Hospice Trading Company.

Mike Shearwood

Mike was previously UK Managing Director of Inditex, having joined in January 2000 as Managing Director for Zara UK. Over the subsequent seven years and prior to joining Mosaic, Mike introduced five other Inditex brands to the UK and Irish markets. Prior to Inditex, Mike held various senior roles at Vision Express.

Mike is also a member of the Board of the British Fashion Council.

Stewart Binnie

Stewart Binnie has been Non-Executive Chairman of Aurora (and its predecessors, Oasis and Mosaic) since 2001. He is also Chairman of Schroders Private Equity Funds of Funds business; legal and commercial adviser to its Asia-Pacific private equity funds and a member of SVG's Strategic Advisory Board.

Stewart was previously a Partner at Schroder Ventures and UK Senior Partner at Schroder Finance Partners. He was also Chairman of Lipsy prior to its sale to Next plc in 2008.