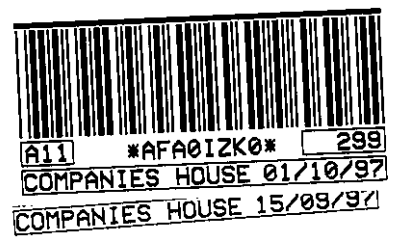


FRENCH CONNECTION OVERSEAS LIMITED

Director's Report and Accounts

31 January 1997

Registered no: 1364202



FRENCH CONNECTION OVERSEAS LIMITED

DIRECTOR'S REPORT

The Director presents his annual report and the audited accounts for the year ended 31 January 1997.

Principal Activity

The Company did not trade during the year.

Results and Dividend

The Director does not recommend a dividend for the year (1996: £Nil).

Director and Director's interests

The Director who served the Company during the year was:

Stephen Marks (Chairman and Managing Director)

On the 18 March 1997 Nicholas Mather was appointed alternate Director of Stephen Marks.

Both Stephen Marks and Nicholas Mather are Directors of the ultimate holding Company at 31 January 1997 and their interests in the shares of Group companies are disclosed in the Directors' report of that Company.

Auditors

In accordance with the provisions of section 250 of the Companies Act 1985 the Company has passed a resolution dispensing with the need to appoint Auditors.

By order of the Board



D Shah
Company Secretary

9 April 1997

1, Old Burlington Street
London W1X 1LA.

FRENCH CONNECTION OVERSEAS LIMITED

STATEMENT OF THE DIRECTOR'S RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the Director to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those accounts, the Director is required to:

- a) select suitable accounting policies and then apply them consistently;
- b) make judgements and estimates that are reasonable and prudent;
- c) state whether applicable accounting standards have been followed, subject to any material departure disclosed and explained in the accounts;
- d) prepare accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Director is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable him to ensure that the accounts comply with the Companies Act 1985. The Director has general responsibility for taking such steps as are reasonably open to him to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

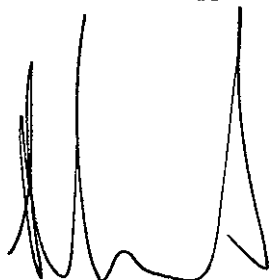
FRENCH CONNECTION OVERSEAS LIMITED

BALANCE SHEET AT 31 JANUARY 1997

	Note	1997 £	1996 £
Current Assets			
Amounts owed by Group undertakings		100	100
Net Assets		<hr/> 100 <hr/>	<hr/> 100 <hr/>
Capital and Reserves			
Called up share capital	2	100	100
Shareholders' Funds - equity	3	<hr/> 100 <hr/>	<hr/> 100 <hr/>
<i>The Company was dormant throughout the financial year.</i>			

The attached notes form part of these accounts.

These accounts were approved by the Director and signed on 9 April 1997.



Stephen Marks
Director

FRENCH CONNECTION OVERSEAS LIMITED

NOTES TO THE ACCOUNTS

1. Basis of Accounting

The accounts have been prepared under the historical cost accounting rules and in accordance with applicable accounting standards.

2. Profit and Loss Account

During the financial year and the preceding financial year, the Company did not trade and received no income and incurred no expenditure. Consequently, during these years the Company made neither a profit nor a loss.

There were no recognised gains or losses in either year.

3. Called Up Share Capital

	1997 £	1996 £
Equity:		
Authorised:/		
10,000 ordinary shares of £1 each	10,000	10,000
	<hr/>	<hr/>
Allotted, called up and fully paid:		
100 ordinary shares of £1 each	100	100
	<hr/>	<hr/>

4. Reconciliation of Movements in Shareholders' Funds

	1997 £	1996 £
Profit for the financial year	-	-
Dividends - equity	-	-
	<hr/>	<hr/>
Opening shareholders' funds	100	100
	<hr/>	<hr/>
Closing shareholders' funds	100	100
	<hr/>	<hr/>

FRENCH CONNECTION OVERSEAS LIMITED

NOTES (continued)

5. Contingent Liabilities

The Group holding company raises finance for, and guarantees the bank borrowings of certain subsidiary undertakings. Subsidiary undertakings may, within certain constraints, be obliged to meet these Group banking liabilities. The banking facility is secured by a first legal charge over the freehold land and buildings of Group companies which are registered in the United Kingdom and Hong Kong and by a floating charge over all the assets owned by Group companies which are registered in the United Kingdom and Hong Kong. At 31 January 1997 the Group and the Group holding company had no borrowings in respect of this facility.

6. Ultimate Holding Company

The ultimate holding Company is French Connection Group PLC, which is incorporated in Great Britain and registered in England and Wales. Copies of the Group accounts may be obtained from Companies House.