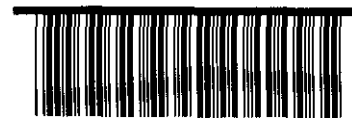


THE FRENCH CONNECTION OVERSEAS LIMITED

Directors' Report and Accounts

31 January 2002

Registered No: 1364202



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THE FRENCH CONNECTION OVERSEAS LIMITED

DIRECTORS' REPORT

The Directors present their annual report and the audited accounts for the year ended 31 January 2002.

Principal Activity

The Company is an investment holding Company.

Results and Dividend

The results for the year are set out in the profit and loss account on page 4. The Directors do not recommend the payment of a final dividend (2001: £Nil).

Directors and Directors' interests

The Directors who served the Company during the year were:

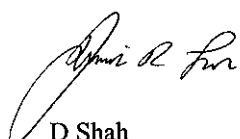
Stephen Marks	(Chairman and Managing Director)
Neil Williams	(Director)
Roy Naismith	(Director - appointed 1 May 2001)

Stephen Marks, Neil Williams and Roy Naismith are Directors of the ultimate holding Company at 31 January 2002 and their interests in the shares of Group companies are disclosed in the Directors' report of that Company.

Auditors

In accordance with Section 384 of the Companies Act 1985 a resolution to reappoint KPMG Audit plc as auditors to the Company will be proposed at the forthcoming Annual General Meeting.

By order of the Board



D Shah
Company Secretary
16 APRIL 2002

1, Old Burlington Street
London W1S 3NL

THE FRENCH CONNECTION OVERSEAS LIMITED

STATEMENT OF THE DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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

THE FRENCH CONNECTION OVERSEAS LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS OF FRENCH CONNECTION OVERSEAS LIMITED

We have audited the financial statements on pages 4 to 7.

Respective responsibilities of Directors and Auditors

The Directors are responsible for preparing the Directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

Basis of Audit Opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 January 2002 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

30 August 2002

THE FRENCH CONNECTION OVERSEAS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JANUARY 2002**

	2002 £	2001 £
Write down of investment in subsidiary undertaking	-	(66,236)
	<hr/>	<hr/>
Retained result for the financial year	-	(66,236)
	<hr/>	<hr/>

The attached notes form part of these accounts.

There are no recognised gains or losses other than the result stated in the current financial year.

No adjustment is required to restate the result for the year to the historical cost result for the year.

The Company's results were entirely from continuing operations; there were no acquisitions or discontinued operations in either year.

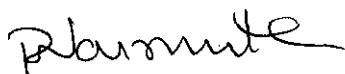
THE FRENCH CONNECTION OVERSEAS LIMITED

**BALANCE SHEET
AT 31 JANUARY 2002**

	Note	2002 £	2001 £
Fixed assets			
Investments in subsidiary undertakings	2	-	-
Creditors due within one year			
Amount owed to Group undertakings		(66,136)	(66,136)
Net (liabilities)/assets		<u>(66,136)</u>	<u>(66,136)</u>
Capital and reserves			
Called up share capital	3	100	100
Profit and loss account	4	(66,236)	(66,236)
Equity shareholders' (deficit)/funds	5	<u>(66,136)</u>	<u>(66,136)</u>

The attached notes form part of these accounts.

These accounts were approved by the Directors.



Roy Naismith
Director

16 APRIL 2002

THE 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.

The accounts are prepared on a going concern basis because the parent company has agreed to provide ongoing support and meet any liabilities of French Connection Overseas Limited as and when they fall due.

Under Section 228 of the Companies Act 1985, the Company is exempt from preparing consolidated accounts. The results of the Company and of its subsidiaries are consolidated within the Financial Statements of French Connection Group PLC.

Under Financial Reporting Standard No. 1 (Revised), the Company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly-owned subsidiary of an EC parent undertaking.

Under Financial Reporting Standard No. 8, the Company has taken advantage of the exemption not to disclose transactions or balances with entities which are part of the Group on the grounds that it is a wholly owned subsidiary of an EC parent undertaking, the accounts for which are publicly available.

Deferred taxation

In line with the requirements of Financial Reporting Standard 19 the Group has changed its accounting policy in respect of deferred taxation.

Full provision has been made for deferred taxation arising from timing differences between the recognition of income and expenditure for taxation and accounting purposes.

Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Transactions during the period are translated into sterling at the rates of exchange ruling on the date of transaction or at hedged rates. Exchange differences are dealt with through the profit and loss account.

2. Investments in Subsidiary Undertakings

At 31 January 2002 the Company owned all of the issued share capital of the following subsidiary undertakings.

Company	Country of Incorporation, Registration and Operation	Principal Activity
PreTex Textilhandels GmbH	Germany	Wholesaling of fashion clothing
Lilajoy GmbH	Germany	Retailing of fashion clothing

Full provision was made in the year-ended 31 January 1993 against the cost of the shareholding in PreTex Textilhandels GmbH.

On 1 February 2001, the businesses of the two wholly owned subsidiaries, Pretex Textilhandels GmbH and Lilajoy GmbH merged into a single entity called Pretex Textilhandels GmbH.

THE FRENCH CONNECTION OVERSEAS LIMITED

3. Called Up Share Capital

	2002 £	2001 £
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. Profit and Loss Account

	£
At 1 February 2001	(66,236)
Result for the financial year	-
	<hr/>
At 31 January 2002	(66,236)

5. Reconciliation of Movements in Shareholders' Deficit

	2002 £	2001 £
Opening shareholders' (deficit)/funds	(66,136)	100
Result for the financial year	-	(66,236)
	<hr/>	<hr/>
Closing shareholders' deficit	(66,136)	(66,136)

6. 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 2002 the Group and the Group holding company had no borrowings in respect of this facility.

7. 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.