



The small company specialists

COMPANY INFORMATION

Jacques Vert PLC (LSE:JQV)

Info sheet compiled March 2007

Company Eye Ranking

31/50

EDITOR'S NOTE

Jacques Vert Plc is a United Kingdom-based clothing retailer and wholesaler.

Its core business is in branded products, particularly in women's contemporary clothing, that are mainly sold via concession outlets. In addition to the Jacques Vert brand the group also owns the Windsmoor, Planet and Précis Petite brands.

Since the year end, trading conditions in the retail sector,

particularly fashion retail, have continued to be tough.

Nevertheless the Group's brands have experienced a reasonable start to the new financial year. The trading results for the 26 weeks to 28 October 2006 show pleasing progress.

In our opinion the company should bring healthy return for a short/medium term investment.

1 YEAR CHART



FUNDAMENTALS

Company Name	Jacques Vert PLC
Current Price	22.5
Status	AIM
Market Cap	43.31 m.
Shares in Issue	192.47 m.
Price-to-Book Ratio	6.2
Activities	Design, manufacturing and the wholesale and retail sale of ladies' and mens' fashion wear and other clothing
Sector	General Retailers
Corporate advisor	Seymour Pierce
Registrar	Computershare Investor Services

HISTORY

Jacques Vert Plc was founded in 1972 and became a public company in 1977. In late 2000 Alchemy acquired a 29.4% stake in the quoted group William Baird Plc. Until 2002, it concentrated on retailing the Jacques Vert womens wear brand, primarily within the UK. In 2002 the Baird stake was exchanged for an approx. 25% stake in Jacques Vert Plc as part of Jacques Vert takeover offer for

William Baird. The holding has since been increased to over 26%. The company acquired the larger William Baird plc, in December 2002. This acquisition added 3 further womenswear brands - Windsmoor, Planet and Précis Petite, a menswear brand - Melka, an outer clothing brand - Tenson, and a garment manufacturer in Sri Lanka.

THE BUSINESS

The Company comprises two divisions: Retail, involved in selling four womenswear brands, such as Jacques Vert, Windsmoor, Planet and Précis, and Wholesale, involved in selling a menswear brand, such as Mekia and an outdoor clothing brand, Tenson throughout Europe.

The Retail division operates in United Kingdom, Canada and Ireland. During the fiscal year ended April 29, 2006 (fiscal 2006), the Company operated from 878 outlets on average of which 102 were clearance outlets.



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COMPANY INFORMATION

ACTIVITIES

The Group's principal activities are the design, manufacture, and the wholesale and retail sale of ladies' and men's fashion wear and other clothing. It is comprised of two divisions: Retail owns four womenswear brands -

Jacques Vert, Planet, Windsmoor and Precis Petite - sold in around 900 outlets in the United Kingdom, Canada and Eire, including host store concessions and stand alone stores.

DIVISIONS

Womenswear Retail Division

The 4 brands are retailed in over 900 outlets, primarily concessions within host department stores, but also within a number of stand alone stores. While the majority of these are currently located in the UK, the brands are sold in over 30 stores in Canada and in an expanding number of stores in the Republic of Ireland.

The divisional Head Office is based, together with the Plc function, in London. Support operations, including warehousing, are located in the North East of England.

Manufacturing

A large and modern factory in central Sri Lanka produces garments for the group's brands and also for a number of blue chip clothing brands.

BRANDS

Precis Petite

Precis Petite was established in 1988 as the first petite brand on the high street. Now situated within a highly competitive market Precis Petite offers contemporary modern clothing for the petite woman, 5'3" and under.

The philosophy behind Precis Petite is as a niche lifestyle brand offering a variety of tailored classics and soft feminine pieces, in sizes 8-16.

Jacques Vert

Jacques Vert is a brand known for its beautiful occasion-wear. Established for over 30 years Jacques Vert provides aspirational, high spirited 40+ woman with the opportunity to shop for the 'total outfit'.

Windsmoor

Windsmoor is a middle market brand that provides co-ordinated fashion for the confident, contemporary, 45+ woman. Windsmoor offers a fashionable range of exclusively designed garments, in sizes 8-20, reflecting the target customers event and interest led lifestyle.

Planet

Planet is a middle market brand offering high quality professional clothes for the modern woman. The versatile range reflects the active work and social life of the confident self assured modern 30+ woman.

DIRECTORS

Derek Lovelock - Non-executive Chairman

Aged 56, he joined the Board in April 2002 and was appointed Chairman in May 2003. He is CEO of Mosaic Fashions, the design led retailer of ladies fashion clothing and accessories. He was previously Chief Executive of Sears Clothing Limited.

Paul Allen - Chief Executive

Aged 42, he joined the Company from Price Waterhouse in October 1994 and was appointed Finance Director in August 1997 and Chief Executive in May 2003.

Christopher Baker - Non-executive Deputy Chairman

Aged 54, he joined the Board in March 1999 and is Chairman of the Audit and Remuneration Committees. Previously Corporate Strategy Director at Littlewoods Plc, he is non-executive Deputy Chairman of Blooms of Bressingham Holdings Plc and a Director of a number of other quoted companies. He is also Chairman of the Baird Group Pension Scheme Trustee.

Steve Bodger - Non-executive Director

Aged 57, he was appointed a non-executive Director in November 2004. He is a Director of Alchemy Venture Partners Ltd, Armour Group PLC and Work Group PLC and is the Chairman of a number of private companies.

Ian Johnson - Finance Director

Aged 46, he joined the Board in November 2003. He qualified as a Chartered Accountant with Coopers & Lybrand in 1984 and has previously held a number of finance directorships of listed and private companies.

Shena MacDonald - Managing Director, Womenswear Division.

Aged 44, she was appointed a Director in June 2004. She was formerly the Business Unit Director of Argos Additions and has held senior positions within the retail industry including at BHS, Next Plc, Storehouse Plc and J Sainsbury Plc.



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SHAREHOLDINGS

	Number	%
Henderson Global Investors	11,937,500	6.2
A.M. Green	1,467,006	4.80

	Number	%
Derek Lovelock	100,000	1
Paul Allen	263,593	1.36
Ian Johnson	160,609	0.83

FINANCIAL HISTORY

Profit and loss account for six months to 28th October 2006

£000	6 months to 28th October 2006	Year ended 29th April 2006
Continuing operations	57,717	108,953
Discontinued operations	11,067	24,349
Turnover	68,784	133,302
Cost of sales	(26,816)	(51,543)
Gross profit	41,968	81,759
Operating expenses before exceptional items	(39,672)	(78,297)
Operating profit before exceptional items: - continuing operations	2,426	3,255
Operating profit before exceptional items: - discontinued operations	(130)	207
Net exceptional items	10,047	1,256
Operating profit from continuing operations	12,907	4,511
Operating profit from discontinued operations	(564)	207
Operating profit	12,343	4,718
Net interest payable	(214)	(303)
Unwinding of discount on provisions and similar items	18	(801)
Profit on ordinary activities before taxation	12,147	3,614
Tax (charge) / credit on profit on ordinary activities	(60)	(834)
Profit on ordinary activities after taxation and retained profit for the period	12,087	2,780
Basic earnings per share - total	6.39p	1.47p
Basic earnings per share - continuing operations	6.73p	1.50p
Diluted earnings per share - total	6.23p	1.47p
Diluted earnings per share - continuing operations	6.56p	1.50p

Balance Sheet as at 28th October 2006

£000	As at 28th October 2006	As at 29th April 2006
Intangible assets	2,359	2,431
Tangible assets	6,630	6,889
Fixed Assets	8,989	9,320
Stocks	30,120	28,309
Debtors: amounts due within one year	19,517	19,984
Current asset investment	-	-
Cash at bank and in hand	4,847	3,065
Current assets	54,484	51,358
Borrowings	(5,854)	(3,463)
Trade and other creditors	(29,071)	(23,703)
Creditors: amounts due within one year	(34,925)	(27,166)
Net current assets	19,559	24,192
Total assets less current liabilities	28,548	33,512
Provisions for liabilities and charges	(9,592)	(26,489)
Net assets	18,956	7,023
Capital and reserves		
Called up equity share capital	19,244	19,244
Share premium account	4,599	4,599
Merger reserve	969	969
Profit and loss deficit	(5,856)	(17,789)
Equity shareholders' funds	18,956	7,023

ROLLING EPS



PE RATIO





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COMPANY INFORMATION

RISK FACTORS

In addition to the other relevant information, the following specific factors should be considered carefully when evaluating whether to make an investment in the Company. The investment offered in this document may not be suitable for all of its recipients. Before making an investment decision, prospective Investors should consult a person authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities. A prospective Investor should consider carefully whether an investment in the Company is suitable for him/her in the light of his/her personal circumstances and the financial resources available to him/her. There are various risk and other factors associated with an investment of the type described in this document. In particular:

The value of an investment in the Company is largely dependent upon the expertise of the Directors and their ability to identify and acquire or invest in suitable companies or businesses. There can be no certainty that the Company will be able to identify suitable acquisition targets or complete the purchase of any identified targets at a price the Directors consider acceptable. In the event of an aborted acquisition it is likely that resources may have been expended on investigative work and due diligence, which cannot be recovered. The acquisition of other businesses can involve significant commercial and financial risks and there can be no certainty that any acquired business will not have a material adverse effect on the operations, results or financial position of the Company.

CONTACT

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RANKING

	Ranking out of 50 (50 being highest)
Business model - competitive advantage	
Competition	34
Customers	29
Low cost	30
Management	
- corporate governance	36
- quality	
- shareholding	27
Product	27
Sector	28
Financial evaluation	
Early and profitable exit potential	30
Financial strength	
- cash flow	
- conservative accounting	33
- need for funding	
Growth at a reasonable price	30
Risk	35
Overall average rating	31



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FURTHER INFORMATION ABOUT THE RANKING

Competitive advantage

Companies are assessed according to their business model and how this translates into strong and sustainable competitive advantage. This can only be achieved with low cost activities and doing something different from the competition. This 'differentiation' must add value to the customer who is then prepared to pay a premium price. The differentiation is most obvious in the product but it can exist anywhere in the company's

value chain of activities, such as easy payment terms, convenient locations, superior management, and quality of suppliers. Companies that do not achieve competitive advantage because they have the same costs and/or do the same as the competition are marooned in a profitless zone. They helplessly try to compete with the one weapon left open to them, which is the disaster of cutting prices and typically leads to similar retaliation by competitors, with disastrous results.

THE FOLLOWING ELABORATES ON THE RANKING CRITERIA

Competition

How intense is the competition and are there barriers to entry?

Customers

Is the company controlling its customers and therefore its revenue streams? Are customers glued to the company and providing valuable and reliable recurring revenue or are they one-off, or 'transactional', providing shaky revenue? The company should ideally have weak and numerous customers.

Low costs

Has the company achieved low cost activities thus allowing more of the top line revenue to trickle down to the profit line?

Management

Is there good corporate governance? What is the quality of management, as this is crucial to any business? Are the directors' shareholdings significant but not so large that they control the company?

Product

Is the product different from the competition and adds value to the customer? Are there threatening substitutes? Does it have a powerful brand?

Sector

Is the company in an attractive sector that is profitable and adds value?

Services tend to be more protected than products from international competition. Does the sector ride the tailwind of multi-year mega trends? Is the business well positioned in the current stage of the economic cycle? What is its resistance to a recession?

Profitable exit potential

What is the potential for selling the share profitably? This is more applicable to pre-flotation investments.

Financial strength

Does the company have strong cash flow, the lifeblood of any business? Is the accounting conservative or is there 'accounting for growth'? Does it need more funding? Is the profit margin healthy and at least equal to its sector? What has been the track record in the growth rate of profits?

Growth at a reasonable price

Does the share offer growth at a reasonable price? This is commonly measured using the PEG. This is the price earnings ratio (PE) divided by the forecast growth rate in earnings per share (EPS). The lower the PEG the better and under 1.0 is considered good for a blue chip company and under 0.6 for a small growth company.

Risk

What is the risk rating of the share due to factors such as new markets, its business model and strategies?

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