

# SPECIALTY FASHION | GROUP

ASX Announcement

2 July 2018

## **Specialty Fashion Group completes divestment of five brands**

Specialty Fashion Group (the Group or SFH) today confirmed the successful completion of the previously announced sale of the Millers, Katies, Crossroads, Autograph and Rivers businesses to Noni B Limited.

Under the sale agreement, Noni B has acquired all assets and liabilities relating to these businesses for cash consideration of \$31.0 million (before working capital adjustments, transaction and separation costs). The sale proceeds will be used to strengthen SFH's balance sheet by paying down debt and enhancing the Group's cash position to support City Chic's growth plans.

SFH Chairman, Ms Anne McDonald, said completion of the sale marks a new beginning for SFH as a company focused wholly on City Chic's strategic priorities and growth agenda.

"City Chic has effectively embraced the forces disrupting retail and, with online sales of 37 percent is one of Australia's most cohesive and successful multi-channel retailers," she said.

"With the right corporate and capital structure now in place, City Chic is well positioned to further strengthen its customer-led approach and execute its strategy to become a global brand.

"The Board sincerely thanks the Millers, Katies, Crossroads, Autograph and Rivers employees transitioning to Noni B for their contribution to the Group. We look forward to watching them continue to develop and grow these businesses with an owner that is well placed to support the next stage of their journey," said Ms McDonald.

### **Loan facility amendment**

The Company advises that an amendment to its existing external funding liability has been agreed which will result in the bank loan facility reducing from \$22 million to \$15 million from 1 July 2018. SFH was also successful in securing a term extension to 28 February 2021. The Group expects to report significant unused facilities available for funding requirements post completion of the transaction.

### **Board renewal**

Following the successful completion of the Divestment, an orderly renewal of the Board will commence to reflect the new structure and requirements of the Company, with a search now underway.

## **About City Chic**

City Chic is a leading Australian multichannel retailer specialising in the plus-size (size 14+) women's apparel, accessories and footwear market. Its customer-led offer appeals to young, fashion-forward women. Lifestyle driven and accessible, the City Chic brand has a strong following in Australia and New Zealand, with a rapidly growing presence in North America and Europe.

City Chic's multichannel model comprises: a network of 110 stores across Australia/New Zealand; two websites operating in Australia/NZ and USA; drop-ship partnerships with major US retailers such as Macys, Nordstrom and Amazon; and a wholesale business with US partners such as Macy's and Nordstrom, and European partners such as ASOS, Evans and Zalando.

**ENDS**

### **Investor enquiries**

Tim Fawaz  
Chief Financial Officer  
+61(2) 8303 5601

### **Media enquiries**

Lisa Keenan  
Nightingale Communications  
+61 (0)409 150 771

Olivia Reith  
Nightingale Communications  
+61 (0)438 212 853