

PRESS RELEASE

HVEG WANTS TO STRENGTHEN ITS POSITION WITHIN THE TEXTILE MARKET

ONE GROUP STRUCTURE, NEW COMPANY NAME, ONE NEW LOCATION

Veenendaal, March 2010 – Textile company HVEG Investments (HVEG) wants to further strengthen its position in the European textile and fashion accessories markets. The foundations for this will be laid in 2010, with the merging of individual textile companies (Low Land Fashion, A&Q Fashion and Debo) into one company at one location in Amersfoort. The textile companies will continue under the new name Fashion Linq. HVEG is expecting to be able to further improve the service level offered to its customers as a result of the combining of powers, whilst also expecting a rise in turnover and profit.

Future opportunities

Even though the economic recovery will be quite modest in 2010, HVEG has already identified plenty of future opportunities. For example, the textile company can see various different possibilities for further expanding its market positions and entering new product/market combinations. HVEG is exploring and developing new activities, such as non traditional sales channels for textiles and add on products. Further expansion within Europe is also part of the growth plan. The current group turnover is € 150 million and the company employs some 360 people, both in Europe and in Asia.

Growth

The integration of the textile companies will result in combining strengths, creating a centrally managed organisation with a single strategy, without losing the individual companies' strong aspects. At the same time the company will be organised along the lines of product specialist business units.

The fashion accessories activities of the group will also be integrated at one new location in Eindhoven. HVEG's strategy is focussed on continuing to improve the company's turnover and profit, partly through realising synergies between the various different businesses.

HVEG's objective is to grow in a changing market. In response to a consolidating and concentrating retail market, HVEG will be offering its customers more clearly marked out choices in product supply, by organising the company's new structure alongside product specialist divisions. HVEG is currently mainly active in the Benelux and Germany and also wants to further expand its position in other European markets. The role of the company's own purchasing offices in South East Asia, like Hong Kong, Shanghai, Ningbo and Bangladesh will continue to be of great importance.

Product specialist divisions

The new company will be divided into six product specialist divisions which consist of coordinated collections for: ladies, gentlemen, children, denim, outerwear and 'short term'. The style line "Blue Tribe" of the German sister company Menino will be incorporated in particularly the men's and outerwear divisions. There is also a 'production' division, which, in contrast to the other 5 business units, doesn't produce based on own designs, but based on customer designs. The fashion accessories activities, Belt, Wink (optics and fashion accessories) will also be brought together as business units at one location in Eindhoven at the beginning of 2010.

The more formal focus of the various different HVEG business units should also be contributing to an even further improvement of supply chain management in favour of the company's customers.

HVEG's ambition is to give further interpretation to the 'best in class' principle under the new Fashion Linq name, by supplying good products, at the right price and quality and at the right time.

HVEG Investments is a group of wholesale companies specialised in designing, sourcing and supplying private label goods in the clothing and fashion accessories markets in the medium and lower segments of the market. HVEG's customers are fashion retail chains in the European market's medium and lower segments. HVEG has its own overseas offices in South East Asia. The investment company GIMV has a majority interest in HVEG.
