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Change Capital Partners to sell Jil Sander to Onward and GIBO

Change Capital Partners LLP ("Change Capital Partners"), the private equity firm specialising in retail and consumer industries, is pleased to announce that it has reached agreement to sell Jil Sander AG ("Jil Sander"), the iconic fashion house which provides luxury women's and men's ready-to-wear, accessories, footwear and fragrances, to Onward Holdings Co., Ltd. ("Onward"), the Tokyo-listed apparel group, and its European subsidiary, GIBO Co. S.p.A. ("GIBO"), for an equity value of €167 million. The transaction, which will be structured through Onward's acquisition of Viole S.à.r.l., is expected to close shortly after having obtained regulatory clearance.

Since its acquisition by Change Capital Partners in April 2006, management of Jil Sander have completed a successful turnaround and created a solid platform for further growth. Operating EBITDA has been transformed from negative €12.9m in 2005 to positive €6.1m in 2007, and during this time, the business has strengthened its distribution network in USA, Europe and Japan, extended its product range, developed a strong wholesale operation and created a strong licensing position in fragrances, eyewear and lingerie/beachwear. Following new store openings in Japan, Germany and Italy and the relocation of stores in London, Paris and New York to optimise profitability, Jil Sander now has 61 stores in aggregate comprising 26 directly operated stores as well as an extensive franchise network encompassing Asia, Europe and North America.

Onward, through GIBO, has recently made a number of acquisitions in the luxury goods market in Europe including Iris, which manufactures high-end shoes for Marc Jacobs, Chloe, John Galliano and Viktor & Rolf, and Joseph, one of the UK's leading luxury apparel retailers with more than 60 sales points internationally. For this financial year, Onward's European businesses, including Jil Sander, are expected to achieve sales of around €470 million in aggregate, including sales from licensees of around €120 million.

Stephan Lobmeyr of Change Capital Partners said today:

"We are proud of what we have been able to achieve with Jil Sander. We are pleased to reach agreement with Onward for the sale of this fantastic company which has a great management team and excellent growth prospects. When we acquired Jil Sander from Prada, we saw a tremendous opportunity to re-establish the profitability of this iconic brand. Under our ownership Jil Sander has now achieved a successful turnaround and we have laid the foundations for significant growth in the coming years."

Takeshi Hirouchi, Chairman & CEO of Onward, said today:

"We are greatly honoured that Jil Sander, a luxury brand with exquisite design and spirit of innovation, is joining our group. The acquisition certainly enhances our stable of well known brands. We believe that there are considerable opportunities and synergies to drive the growth of Jil Sander, GIBO and the entire Onward Group."

Franco Pene, CEO of GIBO, said today:

"We are delighted to have Jil Sander as part of our European business. We are eager to work with management to develop the business and achieve new targets whilst maintaining the outstanding heritage of the brand. In particular, we believe our industrial network, know-how and experience will be important to drive further growth."

Gian Giacomo Ferraris, CEO of Jil Sander, said today:

“Change Capital Partners’ input into Jil Sander has been invaluable and came at a crucial time. The brand’s image has been restored under the creative directorship of one of the pre-eminent designers of this generation, Raf Simons, and there are tremendous opportunities to enter unexplored markets and further enhance the product range. We look forward to the ongoing success of Jil Sander under the new ownership of Onward.”

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Notes to editors

About Change Capital Partners

Change Capital Partners (www.changecapitalpartners.com) is an independent, privately owned private equity firm which focuses on mid-market deals throughout Western Europe and leverages its extensive retail and consumer industries expertise.

The firm was created in January 2003 by Luc Vandeveld, former Chairman of both Carrefour and Marks & Spencer, together with a dedicated team of professionals with complementary retail and private-equity experience.

Change Capital Partners is registered in the UK and is authorized and regulated by the FSA.

About Onward Holdings Co., Ltd.

Founded in 1947, Onward (www.onward-hd.co.jp) is the largest apparel company in Japan. Onward controls around 90 companies based in Japan and elsewhere in Asia, Europe and the US which design, manufacture and distribute womenswear and menswear.

Listed on the Tokyo Stock Exchange, Onward’s sales were around €1.8 billion in 2007.

About GIBO’ Co. S.p.A.

Based in Italy and a subsidiary of Onward, GIBO is a key player in the luxury goods market in Europe through its license business with high profile fashion designers including Marc Jacobs, John Galliano, Paul Smith, Chloe, Michael Kors, Roberto Cavalli and Antonio Maras.

During the last ten years, GIBO has also become well known in the fashion world as an incubator for many of the most talented young designers including Alexander McQueen, Helmut Lang, Victor & Rolf, Hussein Chalayan and Antonio Berardi.

In 2007, GIBO’s total sales were around €120 million with an EBITDA of approximately €20 million.

About Jil Sander AG

Founded in 1975, Jil Sander (www.jilsander.com) designs, produces and distributes luxury women's and men's ready-to-wear, accessories, footwear and fragrances. The “Jil Sander” brand is iconic with a pure, timeless and innovative image. Jil Sander is present in the world’s most important luxury goods markets through 26 directly operated stores and an extensive independent client network in Asia, Europe and North America.