

LTH

Settlement of Lawsuit Against Link Theory Holdings and its Officers

December 9, 2008 Tokyo, Japan - Link Theory Holdings Co., Ltd. (“LTH”) hereby announces that the lawsuit brought by Elie Tahari and the Elie Tahari 2003 Grantor Retained Annuity Trust (collectively “Tahari”) against LTH and certain of its officers and subsidiaries (collectively the “Company”) has been withdrawn as a result of a settlement agreement having been reached between the Company and Tahari on December 8, 2008.

1. Summary of the lawsuit

On September 5, 2006, Tahari brought a lawsuit against the Company in a New York State court alleging, amongst others, claims for breach of fiduciary duty, fraud, unjust enrichment and breach of contract in relation to the acquisition by LTH of Theory LLC in 2003. It was alleged that Tahari incurred damages in excess of \$182 million, in addition to certain other requested relief.

The court, in a ruling issued in June 2007, dismissed without leave to amend six of the seven causes of action alleged in Tahari’s complaint, including the breach of fiduciary duty, fraud and unjust enrichment claims, leaving only a breach of contract claim related to alleged unpaid royalties.

Tahari appealed the ruling and, pending consideration of the appeal, the parties also have been involved in other related proceedings before the court.

2. Settlement agreement

The settlement agreement provides that LTH shall cause to be paid to Tahari the sum of \$6,250,360 (the “Settlement Payment”) in full settlement of the case. The parties have filed stipulations of discontinuance of the case and withdrawal of all appeals with prejudice.

3. Background of the settlement

LTH believes that it is in the best interest of the Company to settle and terminate the lawsuit at this stage of the proceedings, considering the substantial costs, time and resources associated with the lawsuit.

INVESTOR RELATIONS

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