

# LTH

## Link Theory Holdings Announces Sale of All Shares in its Subsidiary

December 30, 2008 Tokyo, Japan - Link Theory Holdings Co., Ltd. ("LTH") hereby makes the following announcement: At a meeting of the Board of Directors of LTH held on the date hereof, the Board of Directors authorized the sale of all shares of Rosner GmbH & Co. KG ("Rosner"), its wholly-owned subsidiary. A sale agreement also was signed on the date hereof.

### 1. Reasons for the Transaction

In November 2005, LTH acquired all of the shares of Rosner, with the aim of expanding the Theory business in Europe. After the acquisition, however, Rosner has recorded losses since FY2006 due to the underperformance of the Rosner business, and LTH conducted group-wide efforts to turn around Rosner. LTH decided to sell Rosner after concluding that LTH's other European subsidiaries would provide a suitable platform for expanding the Theory business in the region and to optimize the brand portfolio.

### 2. Profile of Rosner

- (1) Company name Rosner GmbH & Co. KG
- (2) Representative Christian Schulz  
Holger Philipps
- (3) Headquarters Schölnhammerstrasse 25, 85055 Ingolstadt, Germany
- (4) Year of establishment December, 1967
- (5) Main business Product planning, production management, store operation and sales management for the rosner brand
- (6) Fiscal year-end June 30
- (7) Financial results of the last three fiscal years

(Millions of Euro)

	FY2006 (Note 1)	FY2007 (Note 2)	FY2008
Net Sales	35.5	52.1	42.0
Gross profit	15.2	18.7	17.0
Operating income	-4.3	-8.4	-6.9
Net income	-3.1	-3.5	-8.6
Total assets	27.5	20.0	17.5
Net assets	5.2	1.7	-6.8

(Note 1) Eight months results due to the year of acquisition

(Note 2) Numbers above do not include impairment losses (31.6 million Euro) on Rosner's

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goodwill, trademark and tangible fixed assets in FY2007. Rosner also recorded a 7 million Euro gain on a debt waiver in FY2007 as non-operating profit.

### 3. Details of the Transaction

- (1) % of shares held by LTH 100%  
before the transaction
- (2) Total sale price 1 Euro
- (3) % of shares held by LTH 0%  
after the transaction
- (4) Seller obligation Link Theory Holdings (Europe) GmbH, a wholly owned subsidiary of LTH, will make a 5 million Euro subordinated loan (note 3) to Rosner

(Note3) The Subordinated loan has no maturity. When Rosner generates positive free cash flow, a 20% of that will be appropriated for repayment of principal and interest of the loan.

### 4. Purchaser of the Shares

- (1) Company name CFC Sechste Zwischenholding GmbH, 100% subsidiary of CFC Industriebeteiligungen GmbH & Co. KGaA
- (2) Representative Marcus Linnepe
- (3) Headquarters Westfalendamm 9, 44141 Dortmund, Germany
- (4) Year of establishment CFC Sechste Zwischenholding GmbH in 2008  
CFC Industriebeteiligungen GmbH & Co. KGaA in 2006
- (5) Main business Investment in equity
- (6) Relationship with the seller No personnel, capital and business relationships with LTH

### 5. Schedule

- (1) Resolution of the board of directors December 30, 2008
- (2) Signing of the sale agreement December 30, 2008

### 6. Impact on Financial Statements

LTH will incur a certain amount of extraordinary loss on the consolidated interim and full-year financials of FY2009. On the other hand, loss-making Rosner will be no longer consolidated for the last half of the current fiscal year. LTH is currently reviewing its interim and full-year forecast for the current fiscal year and will disclose a revised forecast as soon as practicable.

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INVESTOR RELATIONS

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