

# **THE TALBOTS, INC.** **LI & FUNG LIMITED** *(Incorporated in Bermuda with limited liability)*

## **TALBOTS AND LI & FUNG ENTER INTO EXCLUSIVE GLOBAL SOURCING AGENCY AGREEMENT**

**Hong Kong, August 13, 2009** -- The Talbots, Inc. (NYSE:TLB) and Hong Kong-based global consumer goods exporter Li & Fung Ltd. (SEHK: 494) today announced that they have entered into a buying agency agreement whereby Li & Fung will act as the exclusive global apparel sourcing agent for the Talbots brand. As part of the agreement, Li & Fung will serve as the exclusive agent for substantially all Talbots apparel products. Li & Fung will also be non-exclusive agent for swimwear, intimate apparel, footwear, jewelry, handbags and accessories. Going forward, Talbots will pay an agency commission on its product purchases through Li & Fung.

Trudy F. Sullivan, Talbots President and Chief Executive Officer, commented, “We have made tremendous strides over the past year executing our long-range strategic plan, and we believe that this partnership with Li & Fung represents another significant step towards enhancing our operating performance. By leveraging Li & Fung’s position as a best-in-class sourcing agent, we will be able to simplify and centralize our sourcing activities, which we anticipate will further reduce our costs of goods sold and internal operating expenses while improving our time to market. Together with Li & Fung, we plan to develop a single, world-class supply chain organization that will strengthen our competitive position.”

Mr. Bruce Rockowitz, President of Li & Fung (Trading) Limited, said, “We are delighted to see the execution of this strategic outsourcing deal with Talbots today. Under Talbots new leadership, we see great potential for their business going forward. With our strong network of over 80 offices in over 40 economies, we are confident that our dedicated merchandising team will be able to further strengthen the positioning of the Talbots brand as we deliver the highest quality products.”

The new buying agency arrangement with Li & Fung will go into effect in September 2009.

### **About The Talbots, Inc.**

The Talbots, Inc. is a leading specialty retailer and direct marketer of women’s apparel, shoes and accessories. At the end of first quarter 2009, the Company operated 586 Talbots brand stores in 47 states, the District of Columbia, and Canada. Talbots brand on-line shopping site is located at [www.talbots.com](http://www.talbots.com).

## About Li & Fung

Li & Fung Limited is the world's leading consumer goods supply chain management company, managing the supply chain for retailers and brands worldwide. Headquartered in Hong Kong, the Group services its customers globally through a sourcing network of over 80 offices in more than 40 economies. Corporate website: [www.lifung.com](http://www.lifung.com).

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