

# LI & FUNG LIMITED

*(Incorporated in Bermuda with limited liability)*

## PRESS RELEASE

### **Li & Fung buys leading licensed brand company Acquires assets of Wear Me Apparel**

*Hong Kong, 19 October 2009* – Hong Kong-based global consumer goods exporter Li & Fung Limited (“Li & Fung” or “the Group”, SEHK: 494) today announced that its wholly-owned subsidiary, LF USA Inc. (“LF USA”), has acquired substantially all of the assets of Wear Me Apparel, LLC (“The Company”), doing business as Kids Headquarters, a leading designer, marketer and seller of young men’s and children’s apparel in the U.S.

Net sales for Wear Me Apparel were approximately US\$700 million for 2008. The purchase consideration was approximately US\$100 million plus performance based, contingent payments over the next five years. The initial purchase consideration will be satisfied in cash and financed by Li & Fung’s internal cash reserves. Completion of the acquisition is expected to take place prior to end of November, 2009.

Kids Headquarters manages a prominent portfolio of licensed national brands, proprietary brands, private labels and character licenses. These include Calvin Klein, Ecko, Timberland, Hurley, Rocawear, US Polo Association, Disney, Marvel, Nickelodeon, Warner Brothers and Hasbro. As part of this transaction, New York-based Kids Headquarters will become the sixth operating division of LF USA and will focus on building its strong portfolio of brands. The Company’s brands are distributed through traditional and mid-tier department stores and mass merchants including Macy’s, Kohl’s and Wal-Mart.

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“This acquisition dramatically strengthens LF USA’s growth platform. By leveraging our global sourcing capabilities and deep retail relationships, we will be able to expand into new markets and categories including young men’s and junior’s,” said Rick Darling, President of LF USA. “This acquisition will make us a stronger and more valuable partner to retailers, and therefore will benefit our entire portfolio of brands and private label businesses.”

“My father and I are excited and thrilled to be joining LF USA,” said Jason Rabin, President of Wear Me Apparel. “Their significant resources, global reach, sourcing network and retail relationships afford us tremendous new growth opportunities for our portfolio of brands.”

Mr. Darling continued, “We are pleased to welcome Artie, Jason and their entire team at Kids Headquarters to LF USA. They bring many years of industry experience and an exceptional track record of proven leadership that has allowed them to build one of the best companies in the market. The entire management team will continue to oversee the operations.”

Mr Bruce Rockowitz, President of Li & Fung (Trading) Limited, said: “We are very pleased with this acquisition as Wear Me Apparel is a great company and represents a tremendous value proposition for all involved. We will continue to pursue our acquisition strategy and this deal is only one of the many opportunities that we are currently looking at. The pipeline of deals is strong and it’s almost unprecedented that we’ve seen so many great opportunities.”

- Ends -

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## **About Li & Fung Limited**

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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