

NASDAQ OMX Copenhagen A/S
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Announcement concerning non-cash contribution transaction

Announcement no. 25 / 2012

SmartGuy Group A/S completes non-cash contribution transaction and plans an offering of new shares to support the SmartGuy Group's growth strategy and to ensure an adequate free float of shares.

SmartGuy Group A/S (the "Company") has today signed an agreement (the "Non-cash Contribution Agreement") with Kusk Investering ApS ("Kusk Investering"), Las Atalayas ApS ("Las Atalayas"), NK Invest ApS ("NK Invest") (together the "Major Shareholders") and Aktieselskabet af 14.10.2012, a wholly-owned subsidiary of the Bestseller Group (Aktieselskabet af 14.10.2012 is hereinafter referred to as "Bestseller"), who together hold all the shares in SmartGuy A/S, under which the Major Shareholders and Bestseller contribute all their shares in SmartGuy A/S into the Company against the Company issuing to the shareholders of SmartGuy A/S 225,000,000 new shares with a nominal value of DKK 1 each at DKK 2 per share, equivalent to a total market capitalisation of SmartGuy of DKK 450 million.

To support the growth strategy of the SmartGuy Group and to ensure an adequate free float of shares on the stock exchange, the Company plans to make an Offering of new shares in order to raise net proceeds of DKK 77 million (the "Offering"). Closing of the Offering is expected to take place in 2012. Prior to the non-cash contribution transaction and as part of the preparation of the Offering, Bestseller acquired 10.38 % of the shares of SmartGuy A/S from Kusk Investering.

Following the completion of the non-cash contribution, SmartGuy A/S will be a wholly-owned subsidiary of the Company. As the Company did not have any operating activities prior to the non-cash contribution, the activities operated by SmartGuy are thus the sole activity of the SmartGuy Group.

Nicolai Kærgaard, CEO at SmartGuy Group A/S, says: *"It's an important day and a key milestone event for SmartGuy. We are now launching our IPO with a strong commitment from Bestseller, which now holds 10% of the shares. It is an important start to our offering of shares."*

Selected financial information for SmartGuy

The selected historical financial information below for SmartGuy covers the financial years ending June 30. 2012 (2011/12), June 30. 2011 (2010/11) and June 30. 2010 (2009/10) as well as selected financial information for SmartGuy for the three-month period 1 July – 30 September 2012 with comparative figures for the three-month period 1 July – 30 September 2011..

(DKKm, except ratios)	2011/12	2010/11	2009/10	3 mths. 2012/13	3 mths. 2011/12
	1/7-30/6	1/7-30/6	1/7-30/6	1/7-30/9	1/7-30/9
	IFRS	IFRS	IFRS	Unaudited IAS 34	Unaudited IAS 34
Income statement					
Revenue	340.2	238.3	195.8	94.1	61.3
Cost of sales and distribution	(204.5)	(141.9)	(117.8)	(59.5)	(35.9)
Sales promotion costs	(49.1)	(24.4)	(15.8)	(12.3)	(9.8)
Administrative expenses	(8.8)	(7.1)	(8.0)	(2.6)	(1.8)
Staff costs	(53.5)	(34.3)	(26.8)	(13.2)	(9.8)
EBITDA	20.3	28.7	25.4	5.5	3.1
EBIT	15.4	25.8	21.9	4.3	2.0
Profit before tax	11.6	26.3	20.6	4.0	1.2
Profit for the year	8.6	20.7	15.3	3.0	0.9
Balance sheet, assets					
Property, plant and equipment	61.4	61.5	31.7	60.9	61.7
Inventories	82.7	46.8	49.8	110.8	68.0
Cash and cash equivalents	2.5	7.6	4.9	1.7	3.1
Total assets	165.9	127.4	94.0	198.0	146.0
Balance sheet, equity and liabilities					
Equity	58.4	67.5	46.6	60.9	67.3
Non-current liabilities	42.3	26.3	24.1	48.1	27.7
Current liabilities	65.7	33.5	23.4	89.1	51.0
Total equity and liabilities	165.9	127.4	94.0	198.0	146.0
Cash flow statement					
Cash flows from operating activities	(10.9)	21.9	9.8	(15.1)	(8.6)
Cash flows from investing activities	(7.4)	(29.2)	(11.7)	(1.3)	(0.1)
Cash flows from financing activities	14.1	9.0	(0.8)	0.1	(0.1)
Nøgletal					
Gross margin (%)	39.9 %	40.4 %	39.8 %	36.7 %	41.5 %
EBITDA margin (%)	6.0 %	12.1 %	13.0 %	5.8 %	5.0 %
Profit margin (%)	4.5 %	10.8 %	11.2 %	4.5 %	3.3 %
Equity ratio (%)	35.2 %	53.0 %	48.6 %	31.0 %	46.1 %
Net working capital	52.8	27.8	14.4	73.4	38.3
Net interest bearing debt	43.5	22.2	18.2	64.6	31.9

Working capital and net interest-bearing debt (NIBD) as of September 30th 2012 of SmartGuy A/S are affected by seasonal fluctuations as a result of stockpiling in preparation for the Christmas sales

Non-cash contribution of the shares in SmartGuy A/S

The Company has today signed an agreement with the Major Shareholders and Bestseller under which the shareholders of SmartGuy A/S have contributed all the shares in SmartGuy A/S into the Company against the Company issuance of 25,000,000 shares at DKK 2 per share, equivalent to a total market capitalisation of SmartGuy A/S of DKK 450 million.

In continuation of the non-cash contribution agreement, the Company's Board of Directors today adopted a resolution to increase the Company' share capital by DKK 225,000,000 by issuing 225,000,000 shares to the shareholders of SmartGuy A/S as consideration for the non-cash contribution.

The non-cash contribution shares have been issued at the ratio of 7,003,125 shares to Kusk Investering, 112,593,656 shares to Las Atalayas, 82,059,469 shares to NK Invest and 23,343,750 shares to Bestseller, after which the shareholder composition is as follows

- Kusk Investering: 3.37 %
- Las Atalayas: 49.33 %
- NK Invest: 36.12 %
- Bestseller: 10.01 %
- Other shareholders: 1.17%

Following the completion of the non-cash contribution, Kusk Investering, Las Atalayas, NK Invest and Bestseller will hold a total of 98.83% of the share capital and votes in the Company. As a consequence thereof, the Company does not meet the NASDAQ OMX Copenhagen's requirement for an adequate distribution of shares to the public. NASDAQ OMX Copenhagen has stated that it is a prerequisite for retaining the Company's listing that the shares will be adequately distributed to the public. The Company intends to make an offering of new shares (see the description below). If the Offering cannot be completed, the Company does not expect to be able to retain its listing.

The capital increase has today been registered with the Danish Business Authority. Following the capital increase, the Company's share capital will be DKK 233,156,691 nominal value, divided into 233,156,691 shares with a nominal value DKK 1 each. Each share amount of DKK 1 nominal value carries one vote at the Company's general meetings. The non-cash contribution shares are issued under the temporary ISIN code DK0060407211. Application has not been made and will not be made for the temporary ISIN code to be admitted to trading and official listing on NASDAQ OMX Copenhagen, but it is expected to be merged with the existing ISIN code, DK0060046522, immediately after the publication of the prospectus for the Offering.

As a consequence of the non-cash contribution, SmartGuy A/S will be a wholly-owned subsidiary of the Company. As the Company did not have any operating activities prior to the non-cash contribution, the activities operated by SmartGuy A/S are thus the sole activity of the SmartGuy Group.

Description of SmartGuy

SmartGuy is a European online retailer of fashion apparel with a leading position in the Nordic region achieved through an unremitting commitment to profitable growth. SmartGuy has been named a growth gazelle by Danish business daily Børsen for six consecutive years and has received a number of awards, including the Danish e-Commerce Award on several occasions, for its strong business acumen and unique market position. SmartGuy's product offering extends from clothes, shoes, sportswear and sporting goods to personal care products and various accessories related to fashion apparel. SmartGuy caters to a wide range of consumers all over Europe.

SmartGuy sells around 1,000 different brands, has more than 1,500,000 registered users, more than 200 permanent staff and youth workers and its own warehouse and office of some 10,000 sqm in Jyderup on Zealand, Denmark. SmartGuy sells its products to customers throughout most of Europe, but continues to derive most of its revenue from sales to customers in Denmark. In addition to Denmark, SmartGuy has local websites, local offices or actual subsidiaries in Sweden, Norway, Germany, the UK, Russia, the Netherlands, Poland and Finland. Management has launched a growth

strategy, which is expected to increase the requirement for investment in additional staff, marketing, inventories and other operating assets. Management has high expectations for the economies of scale potentially achievable from having a presence in a number of international markets; both in terms of sourcing, as bulk sourcing will usually trigger better sourcing prices, and in terms of marketing and distribution, as SmartGuy's existing concepts and business relationships can be scaled across borders.

Offering of new shares

To support the SmartGuy Group's growth strategy and to ensure compliance with NASDAQ OMX Copenhagen's requirement for an adequate distribution of the shares to the public, the Company plans to make an offering of new shares with expected gross proceeds of DKK 90 million (equivalent to expected net proceeds of DKK 77 million). The offer price is expected to be DKK 2 per share.

Prior to the completion of the non-cash contribution and as part of the preparation of the Offering, Bestseller acquired 10.38% of the shares of SmartGuy A/S from Kusk Investering, equivalent to a total value of all the shares of SmartGuy A/S of DKK 450 million.

Bestseller has made a binding advance commitment to subscribe for a number of new shares in the Offering, subject to its interest in the Company not exceeding 9.99%. This has been agreed, to ensure that shares owned by Bestseller are included in the free float to ensure that the NASDAQ OMX Copenhagen requirement for an adequate distribution of the shares is fulfilled in connection with the closing of the Offering. If the Offering cannot be completed, the Company does not expect to be able to retain its listing

Inquiries regarding this announcement can be directed to CEO Nicolai Kærgaard, phone +45 26 22 99 11.

Sincerely,

SmartGuy Group A/S

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