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## SmartGuy Group A/S is growing and will move its warehousing to Poland

SmartGuy has today announced the decision to move its warehousing from Denmark to Poland. The decision will prepare the company for the future and create optimal conditions for further expansion and growth in Europe. SmartGuy continues to experience high growth with a continuous demand for wide and deep fashion product assortments. This strong growth outlook requires an expansion of warehousing capacity.

"The competition in European e-commerce will be intensified in the coming years, and we want to prepare the SmartGuy Group A/S to be among the strongest e-fashion retailers in Europe." says Nicolai Kærgaard.

SmartGuy Group A/S has decided to move the warehouse from Jyderup (Denmark) to Szczecin (Poland). The movement abroad will result in the layoff of 120 warehouse employees in Denmark. As part of today's announcement the company has implemented an HR program to assist the affected employees with courses and assistance to ensure that employees are supported during the upcoming transition phase.

Future warehousing operations in Poland will ensure that SmartGuy Group can retain a competitive advantage with lower handling costs than some of the main competitors.

The relocation of warehousing is expected to contribute with an annual saving of DKK 25 mill. with financial effect from the beginning of the calendar year 2014 and the Group's long term EBITDA margin will be structurally improve by 5% as a result of this relocation.

Moving and transition costs in connection with the relocation will amount to DKK 20 mill. These costs will be booked as extraordinary provisions in the financial year 2012/13. It has also decided to make an additional impairment provision of DKK 20 mill. in connection with the valuation of the current properties owned in Denmark. The impairment provision will affect the financial results 2012/13. The total income effect for the financial year 2012/13 will be DKK 40 mill. consisting of extraordinary moving expenses of DKK 20 mill. and a write-down of fixed assets of DKK 20 mill.

SmartGuy Group A/S has via a newly established subsidiary in Poland purchased a nearly completed building in Poland with final completion planned in July 2013. The investment in buildings and infrastructure amounts to DKK 55 mill.

The transition phase will commence in August 2013 and will run until December 2013. The first part of the transition entails movement of the "Kids" and "Sports" segments. As of August 2013 the Group expects to start dispatching orders from Poland. SmartGuy Group A/S expects to be finished with the total transition phase in January 2014, when all warehouse functions will be fully operational in Poland.

SmartGuy customers will not experience any changes as a result of the movement.

Questions regarding this announcement may be addressed to Nicolai Kærgaard, CEO, on mobile: +45 26 22 99 11 and Marc Jeilman, CFO, on mobile: +45 20 35 25 80.

SmartGuy Group A/S