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### **SmartGuy Group A/S – Change of financial outlook for the year 2013/14**

The management of SmartGuy Group A/S has decided to reduce its forecast for 2013/14 based on the preliminary results of the Christmas sales, which have been adversely affected by a surprising further deterioration of market conditions with continued competition.

The market conditions have resulted in a declining growth rate in the Nordic markets and SmartGuy Group A/S is currently defending its market position with increased marketing spend and lower pricing reducing gross profits. Both factors leading to a deterioration of EBITDA margins.

SmartGuy Group A/S is taking steps to strengthen its competitive position, including a relocation to the new logistics warehouse and SmartGuy Group A/S has recruited Thomas Wandahl as new CEO from January 1. with continued efforts to strengthen the sales and marketing organization. Finally, an assessment of the brand positioning in the market has been initiated.

In light of the disappointing Christmas sales and the highly intensified competition, management does not expect that market conditions will improve in the short term, and has therefore amended the financial outlook for the financial year 2013/14 which is now expected to generate revenues of DKK 475-500 million compared with the previous forecast of DKK 520-545 million.

The earnings outlook is also amended from a previous guidance of earnings before special items (EBITDA before special items) in the range of DKK 10 to 20 million to an expected loss with EBITDA before special items of DKK -30 to -20 million.

The relocation to the new distribution center has been implemented as planned and special Items (related to the relocation to the new distribution center) are expected to amount to DKK 18 million in 2013/14 versus the previously announced level DKK 15 million. The new warehouse and distribution center is now fully operational and is meeting all performance expectations.

SmartGuy Group A/S has a strong position to withstand the fierce competition. In response to the intensified competitive pressures, management expects that the consolidation of the industry will be accelerated.

Questions regarding this notice should be addressed to CEO Nicolai Kærgaard on mobile number +45 26 22 99 11 or CFO Marc Jeilman on mobile number +45 20 35 25 80

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