



**Press Release**  
**16 February 2009**

**Statement from Mosaic Fashions hf.**

As previously stated, Mosaic Fashions has entered into discussion with its senior creditor, Kaupthing Bank, to secure the long-term funding of the business. As part of these discussions the company is considering various restructuring options.

To date Kaupthing Bank has agreed to temporarily waive its rights in respect of certain financial covenants and to waive payments of interest and principal until the next payment date. Mosaic Fashions is also in the process of negotiating an additional working capital facility with Kaupthing Bank to provide working capital funding.

There has been considerable speculation in the UK press on the outcome of the discussions with Kaupthing Bank and on the future of Mosaic Fashions, however no conclusion on the restructuring discussions, which continue to progress satisfactorily, has yet been reached. The company will issue further announcements as new developments emerge.

The company has previously announced that they have commenced a sale process for The Shoe Studio and there will be a further announcement when this process concludes. Mosaic Fashions has also received a number of approaches to sell the Principles business and is considering these within the scope of the restructuring discussions. There is no intention to split up the group further.

Mosaic Fashions will be contacting the bondholders in due course for their support in relation to the issues addressed above.

- Ends -

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Information on Mosaic Fashions hf is available on the company website at [www.mosaic-fashions.co.uk](http://www.mosaic-fashions.co.uk)

High resolution images are available for media to view and download on [http://www.mosaic-fashions.co.uk/hi\\_res\\_images.php](http://www.mosaic-fashions.co.uk/hi_res_images.php)