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KENDAL GROUP EXPANDS INTO WOMEN'S ACTIVEWEAR

The Kendal Group, the investment firm focused on building a portfolio of sports and leisurewear brands, announces the acquisition of Danish firm PureLime, a leading designer and producer of high quality clothing for the fast growing women's aerobic and fitness wear market.

This transaction follows the acquisition of Zoggs, a swimwear brand worn by Prince William, in 2003. The Kendal Group acquired Zoggs in July 2003 and since then has grown sales by over 25% with profits growing by over 30%. The Group plans to build PureLime in a similar manner and believes there are opportunities for geographic expansion and introduction of new products.

The acquisition of PureLime fits The Kendal Group's strategy of building a group of sport and leisure-related brands. The Group aims to have five businesses within the next two to three years with a turnover in excess of £50m.

Daniel Gestetner, Kendal Group Director, said: "This is an exciting opportunity for TKG. Women's fitness wear is a fast expanding market both in the UK and internationally with significant further growth potential. There are considerable synergies between PureLime and Zoggs and our challenge is to fulfill their potential and turn them into globally recognized brands over the next few years.

"We are very excited by building a new force in the sportswear market. We believe there is great potential to improve the value, style and quality of goods in the market place. In three years time, we expect The Kendal Group to be a major force in the sports and leisure-related market."

Mark Hammersley, The Kendal Group Director in charge of Zoggs and PureLime, said: "This gives the Group the opportunity to expand PureLime into a larger and stronger brand in sports and leisure-related markets as we have done with Zoggs".

www.thekendalgroup.com

www.zoggs.com

www.purelime.com

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About PureLime

Founded in 1995 as an “underground” style business, PureLime has grown into a provider of stylish and practical female sports and leisure wear for both indoor and outdoor training.

Garments produced by PureLime are carefully designed and crafted and currently sell into England, Scandinavia and the US.

Kendal plans to expand distribution initially throughout the UK and into Australia where Zoggs is a leading brand. Eventually PureLime’s products will be rolled out worldwide alongside Zoggs, which produces a full range of swimwear including costumes, caps, training aids for tots and juniors, bags and footwear.

The Kendal Group

Having sold their shopping portal, ShopSmart, to Barclaycard, Daniel and Leo Gestetner formed The Kendal Group in early 2003 with the aim of acquiring a number of brands in the sports and leisure sectors.

They bought Zoggs, the market leading swimwear and swim equipment brand, with offices in Australia, Hong Kong and the UK, in July 2003. Zoggs’s products are sold in over 26 countries globally.

Kendal’s management team includes executives experienced in sports, leisure and consumer goods industries. Its non-executive directors have experience across a wide range of sectors including M&A, investment and accountancy.

Background on Mark Hammersley (46) – Director

Mark has 20 years experience in the sporting goods industry in a variety of sales and marketing roles with companies such as Dunlop Slazenger, Reebok and Rockport culminating in him being President International of Speedo from 1993 to 1998. He is currently CEO of Zoggs Ltd and a director of The Kendal Group. Mark is also President of the UK Sports Federation.