

# Brazin Limited Media Release

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22 September 2003

## **BRAZIN SELLS UK MUSIC BUSINESS AND BOOKS SIGNIFICANT PROFIT**

Brazin Limited ("Brazin") today announced that it has sold its entire UK music business, Sanity Entertainment (UK) Limited, to Primemist Limited, a London based company, for approximately £5 million (A\$12 million).

The sale, effective today, will result in Brazin realising a significant profit before tax (net of transaction costs) of approximately A\$10 million. This profit will be booked in the current financial year.

The sale is subject to Brazin warranting the net assets of Sanity Entertainment (UK).

Brazin purchased the initial tranche of 77 Our Price stores from the Virgin Group in 2001 for £2 and purchased an additional 41 stores in 2002 for £1. In the past two years Brazin has implemented a successful rebranding and cost reduction strategy that has seen the UK music business increase its profitability.

However, due to its low market share of a competitive music market in the UK, the Brazin Board previously announced its intention to exit the UK music business and to refocus the company's resources and efforts on more profitable, low risk businesses.

The previously announced plan of piloting street footwear and surfwear in the UK will be re-evaluated by the Board in the near future.

Brazin CEO, Brett Blundy, said the sale of the Sanity Entertainment (UK) business was another step in the process of ensuring the company's investment dollars are spent in high-growth sectors of the retail market, where Brazin can exhibit clear industry leadership.

"The price achieved from the sale of Sanity Entertainment (UK) is testament to the job our management team has done to maximise value from our investment there," Mr Blundy said.

"Brazin has taken a business that we purchased for £3 and turned it into a highly sought after, and well valued, business.

"The sale to Primemist Limited will enable Sanity Entertainment (UK) to achieve its full potential through further growth under its new owner while also allowing Brazin to reinvest the proceeds in businesses we believe will lead to greater shareholder returns.

"An important element of the transaction is that the sale has been completed with minimal staff disruptions.

"The experience of having successfully operated in the UK retail market has also been invaluable for the company.

SANITY  
ENTERTAINMENT



***Brazin Limited is a major retailer of recorded music, primarily compact discs and DVD's and of women's lingerie, sleepwear and swimwear. It is also a designer and marketer of women's surfwear.***

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