



ASX and Media Release – August 25, 2017

Gazal announces the sale of Bisley Workwear

Gazal Corporation Limited (“Gazal” or “the Company”) has entered into a conditional agreement to sell its Bisley Workwear business and related assets to DG Holdco Pty Ltd, a company owned by Mr David Gazal.

Whilst as one of Australia’s leading workwear brands Bisley continues to gain market share and deliver a positive cash contribution to the Company, the divestment of Bisley will simplify the Gazal Group’s operating model and allow the Gazal management team to focus fully on maximising the significant growth opportunities in its joint venture partnership with PVH Corp., particularly for brands *CALVIN KLEIN*, *TOMMY HILFIGER* and *Van Heusen*.

The sale price for the Bisley Workwear business and related assets is \$35 million, subject to final closing adjustments. As Mr David Gazal is a related party, the transaction is subject to shareholder approval.

Mr David Gazal proposes to fund his purchase of Bisley partly from the proceeds of the sale of all his interests in 14 million Gazal shares (24% of Gazal). It is proposed that the Company will buy back 9.8 million shares at \$2.50 per share (“Selective Buyback”) while Mr David Gazal will sell his remaining 4.2 million shares at \$2.50 per share to third parties, including to existing shareholder, PVH Corp. which will increase its stake from 10.0% to 19.9% as a result of the transaction. The sale by Mr David Gazal to third parties, including PVH Corp., of Gazal shares is dependent on the consummation of the Bisley sale and the Selective Buyback.

The sale of Bisley and the Selective Buyback are inter-conditional and, as noted, are subject to Gazal shareholder approval. The Independent Directors of Gazal have appointed Deloitte Corporate Finance Pty Ltd to prepare an independent expert’s report on whether the transactions are fair and reasonable to non-associated shareholders. It is proposed that a copy of the independent expert’s

report, along with a notice of meeting and an explanatory memorandum, will be distributed to shareholders in early October 2017.

If approved by shareholders, the sale of Bisley and the Selective Buy Back will be completed in late December 2017.

In the financial year ended June 30, 2017 the Bisley Workwear business recorded net sales of \$62 million and earnings before interest and tax of \$5.7 million. At the sale value of \$35 million, the Company expects to realise a profit on the sale of approximately \$10 million.

For further information please contact the Company Secretary, Peter Wood on +61 2 9316 2801.

About Gazal

Based in Sydney and listed on the Australian Securities Exchange, Gazal is a leading apparel supplier and retailer in Australasia. The Company jointly owns and manages PVH Brands Australia Pty Limited, a joint venture company ("the JV") with PVH Corp. (NYSE: PVH) one of the largest branded lifestyle apparel companies in the world. The JV licenses and operates PVH's iconic lifestyle apparel brands led by *CALVIN KLEIN* and *TOMMY HILFINGER* as well as other licensed and JV owned brand names such as *Van Heusen*, *Pierre Cardin*, *Bracks*, *Nancy Ganz*, *Spanx* and *HoldmeTight*. In addition, Gazal owns and operates the *Bisley Workwear* brand.