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Talbots Inc. secures \$50 million loan to fund turnaround from Aeon Co.

June 26, 2008 - Retail

According to The Talbots Inc. it is borrowing \$50 million from Aeon Co. Ltd.

The unsecured loan from the Japanese company will provide working capital to support the clothier's turnaround plan, and will increase the capital lines of credit from \$165 million to \$215 million.

Earlier this month, Talbots announced it was going to cut about 129 jobs or about 9% of its workforce; earlier this year the company announced it was cutting 5% of its workforce and was dropping its men's and children's line of clothing.

Talbots Inc. operates the Talbots and J. Jill women's apparel brands.

"While we believe we had in place sufficient liquidity to fund the turnaround of our business, this new credit facility will provide us with an additional level of assurance and even greater flexibility to weather the current uncertainty in the credit markets," said Trudy Sullivan, Talbots' president and CEO, in a statement. "We appreciate Aeon's demonstration of confidence in our strategic plan and in our ability to successfully execute it."

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