

Phase Eight-owner Foschini weighs bid to rescue Joules

The South African owner of British high street brands including Phase Eight and Hobbs is exploring a bid to take control of Joules, the fashion retailer whose collapse this week put 1,600 jobs at risk.

Sky News has learnt that The Foschini Group (TFG) was in discussions with Joules for several weeks prior to it calling in administrators about investing in the business in return for a substantial stake.

Retail industry sources said that its UK arm, TFG London, was now examining whether it could take control of Joules from Interpath Advisory, the insolvency practitioner.

TFG, which also owns the Whistles women's fashion brand, is likely to face tough competition to secure a deal for Joules.

Next, Mike Ashley's Frasers Group and Marks & Spencer are all expected to be among the interested suitors for a business which suffered a calamitous decline in value on the London stock market this year.

Based in Market Harborough, Leicestershire, Joules operates a total of 132 stores across the UK, employing more than 1,600 people.

Its stores will remain open during the administration process.

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Will Wright, head of restructuring at Interpath and joint administrator, said this week that Joules was “one of the most recognisable names on the high street, with a unique brand identity and loyal customer base”.

“We have had an overwhelming amount of interest from interested parties.

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“We will be working hard over the days ahead to assess this

interest, but at this stage we are optimistic that we will be able to secure a future for this great British brand.”

Joules had been in talks with Next about a strategic investment earlier in the autumn but the two sides were unable to agree the terms of a deal as the smaller company’s share price continued to sink.

It then hired Interpath to consider an insolvency procedure – known as a company voluntary arrangement – that would have allowed it to slash its overheads through store closures, rent reductions and job cuts.

Joules said in August that it was aiming to secure an equity investment of about £15m, after warning that it would deliver a loss bigger than previous market expectations.

It also appointed Jonathon Brown, a former John Lewis and Kingfisher executive, as its new CEO.

Joules has been listed on the London stock market since 2016, having been founded in 1989 when Tom Joule began selling clothes from a country show stall in Leicestershire.

Mr Joule has also been involved in the recent discussions about raising new capital.

TFG did not respond to a request for comment, while Interpath declined to comment.