



## PRESS RELEASE

### **Art & Fragrance acquires the long-established French company Lalique S.A.**

*Zollikerberg near Zurich / Paris, 14 February 2008* – **Art & Fragrance S.A.** – a Swiss company listed on the **BX Berne eXchange (ARTN)** – announced today that it has acquired the French luxury goods company **Lalique S.A.** from the **Pochet group** for **EUR 44 million**. With the acquisition, **Art & Fragrance** aims to significantly boost growth, make headway in the prestige segment with its perfume brand portfolio and expand its activities in the luxury goods sector.

The acquisition of Lalique S.A by Art & Fragrance S.A has been signed and closed today. The EUR 44 million transaction has been financed by cash reserves from Art & Fragrance worth EUR 16 million, a EUR 12.5 million subordinated shareholder loan from majority shareholder and Chairman Silvio Denz and debt capital worth EUR 15.5 million. Lalique will be integrated as a legally independent subsidiary of Art & Fragrance.

#### **Significant strengthening and a considerable boost for the growth of Art & Fragrance**

Art & Fragrance is a successful niche player in the luxury goods sector specialising in the creation, development and worldwide distribution of perfumes and cosmetics, which is now also moving into crystal and jewellery production. The company based in Zollikerberg near Zurich, which was founded in 2000, expects a turnover of around CHF 35 million and a net profit of around CHF 8 million for the year 2007.

Lalique expects to report a turnover of approximately EUR 67 million for the year 2007, of which around EUR 11 million from its perfume activities, and a balanced operating result (EBIT). With the acquisition, Art & Fragrance expects to increase its turnover to over CHF 140 million, of which more than CHF 52 million stemming from the perfume and cosmetics segments.

Silvio Denz, Chairman of the Boards of Directors of Art & Fragrance and now also of Lalique: "I am very pleased about the acquisition of Lalique with its loyal, highly qualified staff. Art & Fragrance will be an active, committed owner. Lalique is set to quickly achieve attractive profits thanks to sustainable investments and a consistent business approach. I firmly believe that Lalique will greatly profit from our competences in global brand management, substantial potential synergies and our proven track record and wealth of experience".

Roger von der Weid, CEO of Art & Fragrance: "The long-established company Lalique was an ideal opportunity under our declared strategy of pursuing growth through acquisitions. Our acquisition of this unique global brand has enabled us to significantly expand our perfume portfolio and move into the coveted prestige perfume segment. We have also extended our activities into new areas within the luxury goods sector. The acquisition is a quantum leap forward for the development of Art & Fragrance, a great challenge and an opportunity to prove our potential."

#### **Lalique – a global brand**

Lalique is one of the world's best known companies in the crystal, jewellery and perfume business, renowned for its unique expertise in the manufacture of crystal. Founded by René Lalique in the early twentieth century, the company specialises in the creation, production and distribution of luxury goods, jewellery made of crystal and high-quality perfumes. The work of Lalique is part of French cultural heritage. Lalique employs around 600 people and has a global sales network with over 1,200 points of sale – including 44 company-owned – at exclusive addresses. The brand represents luxury and prestige worldwide, as proven by the Lalique membership of the renowned Comité Colbert, an association of 68 French luxury houses. Works by René Lalique are on display in over 40 museums worldwide. Lalique was owned by the French group Pochet from 1994 until its acquisition by Art & Fragrance.



## Accelerated growth strategy for Lalique

In order to realise the Lalique brand's full potential, Art & Fragrance has developed a growth plan to accelerate the current strategy. It envisages measures over the next three to five years including the strengthening of the brand, increased production capacities in the crystal manufacture, optimisation of the value chain and increased efficiency in sales. The plan involves investments of around EUR 12 million until 2012 which are planned to be financed in part by Lalique's own profits. Art & Fragrance expects Lalique's net profit to be positive in 2009 and gradually increase from 2010.

The strategic and operational development of Lalique will be principally managed and supervised by Silvio Denz – who built up Alrodo into one of the leading Swiss perfume chains with over 750 employees before founding Art & Fragrance – as Chairman and CEO. Roger von der Weid, CEO of Art & Fragrance, will also take up a seat on the Board of Directors of Lalique in order to contribute to the strategic positioning.

## Utilisation of synergies in the perfume segment

With Lalique Parfums, Art & Fragrance is complementing its perfume portfolio with a prestigious brand, which has successfully launched new product lines in recent years and recorded sales growth of 15% in 2007. The move thus represents a significant quantitative and qualitative appreciation of Art & Fragrance's portfolio. The company expects the acquisition to lead to considerable synergies, particularly at sales level. "In today's fast-paced perfume industry, where several hundred new products are launched and just as many disappear from the market every year, ownership of an established traditional brand from the top tier of the luxury goods segment represents real and sustainable added value," says Roger von der Weid.

### **Note to editors:**

The following press conferences will be held in France tomorrow, Friday 15 February 2008:

- 9:00 a.m. Usine Lalique, Quartier René Lalique, 67290 Wingen-sur-Moder
- 2:30 p.m. Lalique, 11 Rue Royale, 75008 Paris

Registrations requested to Catherine Vincent-Dolor, Head of Communications at Lalique, tel. +33 1 5305 1248, [cvincentdolor@lalique.fr](mailto:cvincentdolor@lalique.fr). The respective press documentation will be available on the internet at [www.art-fragrance.com](http://www.art-fragrance.com) from 7 a.m. on 15 February.

Further details on the acquisition of Lalique will follow in March 2008 together with information on the 2007 financial results for Art & Fragrance.

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*Art & Fragrance is a successful niche player in the luxury goods sector specialising in the creation, development and worldwide distribution of perfumes and cosmetics. Founded in 2000 and headquartered in Zollikerberg near Zurich, the company employs a staff of 30. The long-established French company Lalique S.A. became a subsidiary of Art & Fragrance in February 2008. The registered shares of Art & Fragrance (ARTN) are listed on the BX Berne eXchange.*  
[www.art-fragrance.com](http://www.art-fragrance.com)