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MEDIA RELEASE

Art & Fragrance launches IPO on the BX Berne eXchange

Press conference today at 11 a.m., Hotel Park Hyatt, Beethovenstrasse 21, Zurich

Legal information: not for publication or distribution in the USA

Zollikerberg near Zurich, 11 September 2007 – With the publication of its offering circular, Art & Fragrance SA – a company specializing in the creation, development, marketing and worldwide distribution of perfumes and cosmetics – has today launched its entry onto the BX Berne eXchange. The price range per registered share with a nominal value of CHF 0.20 is CHF 20 to CHF 23. Following the conclusion of the IPO this corresponds to a market capitalisation of approx. CHF 100 million to CHF 115 million. The free float will amount to a maximum of 20%. It is envisaged that 19 September 2007 will be the first day of trading. No new shares will be created within the framework of the IPO.

As part of the IPO, up to 1,000,000 of the total 5,000,000 Art & Fragrance shares belonging to founder and current sole shareholder Silvio Denz will be placed in the public sphere. The IPO comprises a public offering in Switzerland and private placements with selected institutional investors outside Switzerland and the USA. Individuals close to the company are being given the opportunity to subscribe to up to 500,000 registered shares at the placement price. No new shares will be created within the framework of the IPO.

Bookbuilding will commence on 11 September 2007 and will run until 12.00 noon CET on 18 September 2007. It is envisaged that the Art & Fragrance share will be traded for the first time under ticker symbol ARTN on 19 September 2007. Silvio Denz is subject to a two-year staggered lock-up agreement with effect from the listing date. This will apply to shares that were in his possession prior to the IPO and were not part of the public offering. Bank Vontobel AG is the lead manager and bookrunner.

Silvio Denz, Chairman of the Board of Directors: "The aim of the flotation on the Berne stock exchange is to broaden our ownership structure and increase our visibility. We are pursuing an ambitious growth strategy, the aim of which is not only to exploit the potential of our brand portfolio more fully, but also to acquire additional brands and take on strategic holdings. As a listed company we will create additional transparency and therefore raise confidence among existing and new partners."

Results for 2006 and the first six months of 2007

Over the last few months Art & Fragrance has realigned its group structure. To make clear the impact that these changes have had and to achieve better comparability with future results, the company has adjusted its 2006 consolidated accounts, drawn up in accordance with IFRS, to the current group structure on a pro-forma basis. The adjustments relate to the inclusion of Ultrasun AG, acquired in January 2007, the acquisition of the brand exploitation companies Parfums Alain Delon SA and Parfums Grès SA as of February 2007 (both brands were previously held under licence) and the exclusion of certain sideline activities that do not form part of the core business and were discontinued at the end of 2006.

On a pro-forma basis, Art & Fragrance generated operating revenue of CHF 40.3 million in 2006. The EBIT (Earnings Before Interest and Tax) amounted to CHF 7.7 million and the EBIT margin stood at 19.2 %. In the first six months of 2007, operating revenue of CHF 16.8 million was achieved, EBIT amounted to CHF 4.1 million and the EBIT margin was 24.5%. The net group profit for the first half of 2007 amounted to CHF 7.1 million.



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Successful niche player

Art & Fragrance was established in 2000 by Silvio Denz. The entrepreneur, who resides in the UK, owned the Alrodo Group from 1980 until 2000. He developed Alrodo into the largest perfumery chain in Switzerland with over 750 employees and sold it in the year 2000 to the French group Marionnaud Parfumeries. The distribution of Parfums Alain Delon provided the foundation for Art & Fragrance, which currently employs thirty personnel.

Art & Fragrance takes responsibility for all the steps in the development of perfume and cosmetics, from its creation through to its positioning on retail shelves. The brand portfolio includes the following brands which are distributed worldwide:

- **Parfums Alain Delon**
Acquisition of licence: 2000; acquisition of brand: 2007
Products: Samouraï (in top 5 in Japan since licence taken over by Art & Fragrance)
Sales: Asia 61%, Europe 21%, Americas 11%, Middle East 7%
- **Parfums Grès**
Acquisition of licence: 2001; acquisition of brand: 2007
Products: Cabochard, Ambre de Cabochard, Cabotine, Fleur de Cabotine, Cabaret, Caline
Sales: Europe 42%, Asia 26%, Middle East 16%, Americas 15%, Other 1%
- **Jaguar Fragrances**
Acquisition of licence: 2002; contract runs until 2011 with option to extend
Products: Jaguar Classic, Jaguar Performance, Jaguar Woman, Jaguar Fresh
Sales: Europe 37%, Middle East 30%, Americas 18%, Asia 12%, Other 3%
- **Ultrasun**
Acquisition of brand: 2007
Leading Swiss quality products in the area of sun protection
Sales: Central and northern Europe 90%, rest of the world 10%

Roger von der Weid, Chief Executive Officer: "Our recipe for success in a market that is largely dominated by multinational companies and luxury goods groups is based in the first instance on our many years' experience and competence, our international network of contacts and our streamlined, efficient structures. Thanks to consistent outsourcing we have a good cost structure and, in terms of flexibility and time to market, are already up there with the leading players in the industry. We are convinced that the public offering will allow us to develop our position as a successful niche player even further."

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Art & Fragrance is a successful niche player in the creation, development, marketing and worldwide distribution of perfumes and cosmetics. The company, which was founded in 2000 and is based in Zollikerberg near Zurich, achieved a turnover of CHF 40 million in 2006 and employs thirty personnel.
www.art-fragrance.com

Development of key figures for Art & Fragrance from 2005 to the first half of 2007

CHF millions

	2005 IFRS	2006 IFRS	2006 Pro-forma ¹	H1 2007 IFRS
Operating revenue	44.8	40.0	40.3	16.8
Operating revenue from core business ²	36.1	34.6	40.3	16.8
Gross result	16.2	14.5	20.0	8.8
Salaries & wages	- 2.8	- 3.5	- 3.3	- 1.8
Other operating expenses	- 5.1	- 3.8	- 6.1	- 2.5
EBITDA	8.3	7.1	10.5	4.5
EBIT	6.8	5.8	7.7	4.1
EBIT from core business ²	6.1	5.1	7.7	4.5
EBIT margin	15.1%	14.5%	19.2%	24.5%
EBIT margin (core business) ²	16.8%	14.6%	19.2%	27.0%
Financial income	3.4	7.3	NA	4.6
Net group profit	7.5	11.2	NA	7.1

CHF

Earnings per share	37.66	56.16	NA	29.68
Earnings per share (new capital structure) ³	1.51	2.25	NA	1.42

CHF millions

	31.12.2005	31.12.2006	31.12.2006	30.6.2007
Total equity	44.7	50.9	NA	68.6
Equity ratio	77.5%	83.1%	NA	80.1%

¹ Adjusted to current group structure, i.e. including the acquisition of Ultrason AG as of January 2007 and the acquisition of the brand exploitation companies Parfums Alain Delon SA and Parfums Grès SA as of February 2007 (both brands were previously held under licence), and excluding certain sideline activities that do not form part of the core business and were discontinued at the end of 2006.

² Excl. certain sideline activities that were discontinued at the end of 2006

³ Following reduction of the share capital from CHF 6 million to CHF 1 million, divided into 5,000,000 registered shares with a nominal value of CHF 0.20, as of 25 July 2007



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