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Kering acquires the *haute horlogerie* brand Ulysse Nardin

- ∞ **An innovative watchmaking business built on outstanding tradition and manufacturing expertise**
- ∞ **One of the few Swiss watchmakers to have its own production capacity for critical watch components, particularly regulating systems**
- ∞ **A highly profitable company with solid prospects for growth**
- ∞ **Great synergies with the Kering 'Luxury – Watches and Jewellery' division**

Paris (France) – Le Locle (Switzerland). Kering and Ulysse Nardin have signed an agreement for Kering to acquire 100% of the capital of Ulysse Nardin. The brand will join Kering's 'Luxury – Watches and Jewellery' division, headed by Albert Bensoussan, and the management team will remain in place. The deal is subject to the consent of the competition authorities and should be finalised during the second half of 2014.

Founded by Mr Ulysse Nardin in 1846 with its roots in the nautical world, the eponymous watchmaking house was taken over and re-launched in 1983 by Rolf W. Schnyder who transformed it into a highly profitable business in a healthy financial position. The company benefits from a very strong brand identity based on its historical expertise in marine chronometers and ultra-complication watches. Ulysse Nardin has long been one of the most innovative independent watchmakers. The brand was a pioneer in the use of cutting edge technologies and state-of-the-art materials like silicium, which today ensures that it has the in-house expertise, particularly in regulating systems, to produce its own components. Its coherent range of watches positioned in price segments that are growing and its efficient distribution network are also major assets.

This acquisition constitutes a structural development enabling Kering to strengthen its 'Luxury – Watches and Jewellery' division with a clearly positioned business that complements its other brands. Over and above the opportunity for Ulysse Nardin's geographical expansion, especially in the Asia-Pacific region, it will enable the deployment of the numerous synergies linked to Ulysse Nardin's technical and industrial expertise and its excellent distribution network – contributing to accelerate the growth of the whole division.

François-Henri Pinault, Kering's Chairman and CEO, stated: *"Ulysse Nardin benefits from a rich heritage, high profitability and solid growth prospects. Independent high-end watchmaking manufactures are rare. This is an opportunity that we had to seize, particularly because this structural acquisition will enable us to take advantage of numerous synergies with our existing brands. We have great ambitions for this company and we will help it continue its international expansion whilst staying faithful to its roots and its identity. In this regard, I am pleased that Mrs Schnyder accepted to remain a member of its board of directors. I have long admired Ulysse Nardin and I am delighted that this brand is joining our 'Luxury – Watches and Jewellery' division."*

Mrs Chai Schnyder, Chairman of Ulysse Nardin's Board of Directors, stated: *"Joining Kering is an opportunity for Ulysse Nardin. It will allow the brand to carry on with its international expansion and continue to innovate, while assuring the long-term future of its knowledge and expertise and*

the retention of its identity. I am delighted that Ulysse Nardin has found the best partner in Kering.”

About Ulysse Nardin

Swiss Watch Manufacturer Ulysse Nardin, founded in 1846, has been dedicated to excellence for over 168 years in manufacturing mechanical watches. Among the most reliable ever made, Ulysse Nardin's marine chronometers are still sought by collectors around the world. Ulysse Nardin continues to be in the forefront of watchmaking technology by pioneering new materials in manufacturing high precision movement components and most innovative timepieces equipped with in-house created and manufactured calibers.

About Kering

A world leader in apparel and accessories, Kering develops an ensemble of powerful Luxury and Sport & Lifestyle brands: Gucci, Bottega Veneta, Saint Laurent, Alexander McQueen, Balenciaga, Brioni, Christopher Kane, McQ, Stella McCartney, Tomas Maier, Sergio Rossi, Boucheron, Dodo, Girard-Perregaux, JeanRichard, Pomellato, Qeelin, Puma, Volcom, Cobra, Electric and Tretorn. By 'empowering imagination' in the fullest sense, Kering encourages its brands to reach their potential, in the most sustainable manner.

Present in more than 120 countries, the Group generated revenues of €9.7 billion in 2013 and had more than 35,000 employees at year end. The Kering (previously PPR) share is listed on Euronext Paris (FR 0000121485, KER.PA, KER.FP).

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