

## Kering enters into exclusive negotiations for the disposal of la Redoute and Relais Colis

Kering's board of directors met today to consider the four offers received for the takeover of La Redoute and Relais Colis.

Kering's management has taken the decision to enter into exclusive negotiations with Nathalie Balla, current chairman and CEO of La Redoute, who joined it in 2009, and Eric Courteille, Chief administrative officer of Redcats since 2009. They have presented a takeover plan for La Redoute and Relais Colis, supported by a team of managers from these companies.

Their takeover proposal complies with all the prior conditions required by Kering:

- a long-term, appropriate and realistic industrial plan to continue the necessary changes to the business and ensure its long-term future and development,
- a responsible plan in terms of job management and respect for the region,
- competent and experienced buyers guided by their commitment to La Redoute and Relais Colis, whose industrial and commercial expertise and in-depth knowledge of the businesses and their markets are the best assurances of the successful continuation of the transformation and modernisation of La Redoute and of the development of Relais Colis.

Mrs Balla's and Mr Courteille's industrial plan combines two complementary aspects:

- the distribution of an attractive and standard-setting product offer for women over thirty, centred on clothing and the home, that combines own brands, a selection of outside brands and a selective marketplace,
- excellent customer service, with the operational strengthening of La Redoute in three fundamental areas: the performance of the online store; the reliability and speed of delivery and the quality of after-sales service. La Redoute will continue to rely for deliveries on its preferred partner, Relais Colis, which will continue to grow its business in terms of new customers and accelerate the launch of new services.

The activity of the international subsidiaries will be given fresh impetus by marketing the offer in 24 countries, refocusing the company's own business on its key markets.

Under the terms of the negotiation offer, the buyers would create a new entity and would invest in it in a personal capacity. This body would be co-chaired by Mrs Balla and Mr Courteille, who would jointly have the majority shareholding, the remainder of the capital being held by a team of managers. This company would acquire all the shares of La Redoute, Redoute International and Relais Colis.



As promised, the Kering Group will assume corporate social responsibility for the company at the moment of transfer. Through a concomitant recapitalisation of La Redoute and Relais Colis on transfer of control, Kering will, on the one hand, ensure that both companies enjoy a healthy financial position backed by a significant cash surplus and, on the other, to fund the new companies' transformation and modernisation projects. This will be in three areas:

- commercial investment and the investment required to update the logistics and IT systems,
- interim losses as envisaged by the business plan,
- corporate support measures in the context of restructuring projects connected with the transformation of the businesses.

Mrs Balla and Mr Courteille will present the details of the methods and procedures of their business plan to the staff representative bodies as part of the normal information-consultation process prior to the transfer, which they expect to take place in the first half of 2014.

Nathalie Balla and Eric Courteille stated: *"Because we know it well, we have a very precise vision of the future of La Redoute and what is needed to turn it around. Following its sales and marketing move to digital, we want to continue and accelerate the transformation of the company within the framework of a long-term industrial plan, capable of ensuring a return to growth. We intend to enable Relais Colis to accelerate its development. This plan will get all La Redoute and Relais Colis staff working together for the success of the business. It intends to keep La Redoute's business in its historic employment area and minimise as much as possible its impact on jobs."*

François-Henri Pinault, Kering's Chairman and CEO, said: *"The priority for La Redoute is to continue and to accelerate its transformation, to ensure its long-term future. This entails rallying all employees and managers around a sound and appropriate industrial and commercial business plan. So Kering has turned to an experienced and complementary pair of managers, who know La Redoute, its staff and territories extremely well. I am absolutely sure that, with the support of the managers, Nathalie Balla and Eric Courteille are the best people to successfully make the changes necessary to enable La Redoute to keep its place as the Internet leader for clothing and home ware in France."*

*This press release is a free translation of the French original press release.*

*The original French version of this press release is available on our website at [www.kering.com](http://www.kering.com)*

#### **About La Redoute**

*A multi-specialist in ready-to-wear and home ware, La Redoute is the second biggest retailer of women's clothing and the third biggest for household linen in France.*

*Laredoute.fr is the No.1 clothing and home ware website for retail sales in France, with an average of 7 million individual visitors per month.*

*In 2013, online sales accounted for more than 85% of the brand's France turnover; La Redoute is also present in smartphone applications and on social networks.*

*With over 10 million active customers worldwide, La Redoute is present in more than 20 countries.*

#### **About Relais Colis**

*Inventor of the concept of local depot delivery in 1983, Relais Colis® is the leading private customer delivery network from depots and to the home. Thanks to its 40 years' experience, Relais Colis® is now the top partner of many e-commerce and mail-order companies, offering complete solutions that combine delivery to local collection points and home delivery for larger packages.*



*Relais Colis® key facts:*

- 29 million parcels a year delivered to local collection points and 2 million home deliveries
- An integrated network of 3 national hubs; 26 regional branches; 4,200 local traders across mainland France
- 3 out of 4 French people know about Relais Colis; of whom more than 1 in 2 use it (IFOP Survey, September 2012).

*For Relais Colis, 'local' means: there is a Relais Colis within 10 minutes of home for 83% of the population, and 100% in large towns and cities (Area and Marketing Survey, January 2013).*

**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 2012 and had 33,000 employees at year end. The Kering (previously PPR) share is listed on Euronext Paris (FR 0000121485, KER.PA, KER.FP).*

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