

2017 Annual Report

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Cover: Lalique Mon Premier Cristal Hirondelles (detail)

MADE BY EXCELLENCE

EXCELLENCE FOR US IS BOTH AN ASPIRATION AND A PROMISE. IT IS FOUNDED ON THE CREATIVITY AND EXPERIENCE OF OUR STAFF AND LONG-STANDING PARTNERSHIPS WITH RENOWNED SUPPLIERS. WE CONSTANTLY REINVENT IT BY DEVELOPING UNIQUE PRODUCTS OF UNSURPASSED QUALITY. IT IS UNDERPINNED BY A WELL-STRUCTURED DISTRIBUTION STRATEGY AND EXPRESSED IN THE WAY WE COMMUNICATE.

WE STRIVE TO ACHIEVE OUR GOALS WITH ENTHUSIASM AND COMMITMENT, DRIVEN BY THE AMBITION TO BE A RELIABLE AND EFFICIENT PARTNER AND AN EXEMPLARY COMPANY IN EVERYTHING WE DO.

WECAN CONTINUE TO BUILD ON OUR BROAD BUSINESS BASE"

Lalique Group achieved solid growth in the 2017 business year and increased earnings. An interview with Board Chairman Silvio Denz and CEO Roger von der Weid.

How did Lalique Group perform during the past year?

Silvio Denz: Thanks to our diversified business model we continued to make good progress. In 2017 we invested across the broad spectrum of our businesses, further strengthening our base for continued growth. We also unified the market presence of our group of companies. This will enable us to make even more effective use of the high level of international awareness enjoyed by our main brand, Lalique, which celebrates its 130th anniversary this year.

Roger von der Weid: Lalique Group continued to develop well in 2017, and we are pleased

So much for the Group results; tell us about the various segments. What were the results in the segment with the main brand Lalique?

RvW: The performance in the Lalique segment was variable across the various businesses. The crystal business saw modest growth, while Lalique Art grew strongly. At Lalique Parfums we consciously accepted a decrease in sales as part of the market consolidation which had become necessary to ensure a consistent global brand positioning. Below the line, segment sales fell by 4% to EUR 77.6 million. Costs were down by 6% overall, taking into account the extraordinary impairment of EUR 1.7 million in 2016. As a consequence,

"THE COLLABORATION WITH ARTIST DAMIEN HIRST PROVED REALLY WORTHWHILE."

overall with the sales achieved. We saw solid growth in the perfume and cosmetics business as well as in crystal and interior design.

What is your assessment of the business results for 2017?

RvW: The results were in line with our expectations. Operating revenue grew year on year by 4% to EUR 128.8 million. Personnel costs also increased by 6%, mainly as a result of continued business expansion, while operating expenses decreased by 2%. Below the line, the operating result rose to EUR 7.5 million compared with EUR 3.6 million in 2016, although in that year the result was adversely affected by an extraordinary impairment. Group net profit increased year on year from EUR 1.0 million to EUR 6.9 million, with a positive tax effect recorded in 2017.

the operating result in 2017 amounted to negative EUR 0.5 million, which still represents significant progress compared with 2016. SD: I would like to emphasize that the art segment, as mentioned, turned in a verv positive performance. As previously in 2015, the collaboration with artist Damien Hirst proved really worthwhile. His collection has been well received by customers, and Lalique Art was able to raise its profile further through the renewed collaboration with the artist. Furthermore, the two hotels and restaurants made a significant contribution to brand awareness, and that is already having a positive medium-term impact on the business. Certain of our investments are committed with a long-term focus and we are prepared to accept a negative effect on the result in the short term—particularly as the consequence of start-up losses and write-downs.

INTERVIEW



"WE AIM TO FURTHER BROADEN LALIQUE GROUP'S BASE WITH SELECTED INVESTMENTS AND COLLABORATIVE VENTURES."

Silvio Denz, Chairman of the Board of Directors

How did the other segments perform?

RvW: Sales of Ultrasun rose by a gratifying 19% in 2017 to EUR 13.0 million, amongst other reasons thanks to the clear focus on the dermatology sector and pharmacy sales channel. At the same time, the newly launched formulations made it necessary to remove old stocks from the range: this had the effect of squeezing margins and the operating result therefore declined slightly year on year. In the other segments, the Jaquar brand in particular turned in a very positive performance and achieved marked sales growth, while the other segments and brands remained largely stable. For its part, Lalique Beauty Services, our perfume filling and logistics operation in France, recorded a positive performance in 2017. An extension to the logistics centre is now operational, doubling storage capacity, and further investments are currently on the way to increase production capacity as well. As a result we will be well placed to manage further growth in our perfume business, both organic and external.

What other important steps were taken in 2017?

RvW: The partnership with Singapore Airlines, which we announced in 2017, has considerable potential. Since January 2018, the airline has been offering its passengers in the Suites and First Class an exclusive selection of innovative Lalique amenity kits, toiletries and other luxuries such as fragrances, loungewear, bedding and glassware. This partnership with one of the world's leading airlines will give a further boost to brand awareness, especially in the Far East.

SD: At the end of 2016 and early in 2017 we were also able to broaden our investor base through the addition of strategic shareholders with a long-term orientation. The funds invested are committed entirely to the Group's growth. As a result, we are in a strong position to invest in new markets and push ahead with developing the business.

INTERVIEW



"THE PARTNERSHIP WITH SINGAPORE AIRLINES WILL GIVE A FURTHER BOOST TO BRAND AWARENESS, ESPECIALLY IN THE FAR EAST."

Roger von der Weid, Chief Executive Officer

The Group has made name changes over the last two years. Is the process now complete?

RvW: Yes. In 2016 we changed the name of the Group's top-level holding company to Lalique Group in order to make the most effective use of the international reputation of the main Lalique brand. For the same reason and to unify the market presence of the whole Group we changed the name of the perfume and cosmetics business, previously called Art & Fragrance, to Lalique Beauty. This change has been very well received in international markets. **SD:** Now we have a unified market platform—as Lalique Group with two divisions, Lalique Beauty and Lalique, in which our crystal and jewellery business and the hospitality and gastronomy sector are consolidated.

What is the outlook for 2018?

RvW: We are confident that our business areas will develop positively on the whole in 2018. To mark the 130th anniversary of Lalique we successfully launched a collection in spring with "Hirondelles" (swallows) as the leitmotif. The Interior Design sector also has a number of highly promising projects in the pipeline.

We look forward to further positive momentum being generated across the entire Asian region by the new sales company serving the Japanese market, where the Lalique brand has enjoyed an excellent reputation for decades. In the beauty division, we are assuming that Lalique Parfums and Jaguar Fragrances will progress and that Ultrasun will increase its performance, with a flying start particularly in the Far East. Last, our external growth potential is still intact. All in all, we look to the future with optimism, knowing that we will not run out of work—quite the opposite.

SD: Lalique Group is developing well with its strategy and we expect further moderate growth in 2018. Our global strategy of diversification places us in a strong position in the luxury goods market with a broadbased target clientele. We are in no doubt that we will be able to continue building on the investments already committed and we aim to further broaden Lalique Group's base with selected investments and collaborative ventures. Judging by the share price trends in recent months this strategy is being well received by our shareholders.

LALIQUE GROUP AT A GLANCE

REVENUE BY REGION in FUR million EUROPE 66.3 NORTH AMERICA ASIA 23.2 22.6 NEAR AND MIDDLE EAST 14.6 SOUTH AMERICA 2.1

POINTS OF SALE

Lalique

700

Beauty Division

13500

REVENUE BY BRAND

in EUR million

Total revenue in EUR million

128.8

Total Ultrasun in EUR million Total Lalique in EUR million

76.8

Total Parfums Grès in EUR million

13.0

5.9

Total

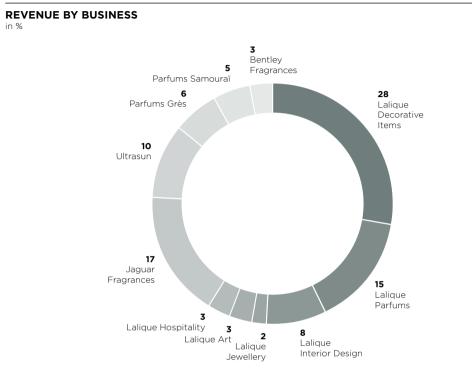
11.4

* Parfums Samouraï, Bentley Fragrances, Parfums Alain Delon, Lalique Beauty Services, Lalique Beauty Distribution

Total **Jaguar Fragrances** in EUR million

21.8

other brands* in EUR million



KEY FIGURES

Revenue in EUR million

128.8 123.6 (2016)

Equity in EUR million

93.2 89.3 (2016)

EBIT margin in %

5.8 2.9 (2016) EBIT in EUR million

7.5 **3.6** (2016)

> Equity ratio in %

40.6 **41.5** (2016)

Number of employees



Net Group result in EUR million

6.9 1.0 (2016)

Net debt in EUR million

77.2 **65.0** (2016)

SHARE STATISTICS

Share Information

Symb VALO ISIN	The registere shares of Lali Group are list on the BX Be eXchange

Earnings per share in EUR

1.40 0.39 (2016)

Share price high in CHF

49.00 28.00 (2016)

ed ique ted erne

Equity per share in EUR

18.69 17.97 (2016)

Share price low in CHF

26.50 19.00 (2016)



CELEBRATING 130 YEARS OF LALIQUE

LALIQUE 1888-2018: TO CELEBRATE THE 130TH ANNIVERSARY OF THE MAISON, THE NEW COLLECTION TAKES US TO THE HEART OF THE ILLUSTRIOUS HERITAGE BUILT BY ITS FOUNDER. THROUGH HIS WORK, RENÉ LALIQUE EXPLORED THE DECORATIVE POSSIBILITIES OF FLORA, FAUNA AND THE FEMALE FORM. THE SWALLOW WAS A PARTICULAR INSPIRATION. HE MADE IT THE CENTREPIECE OF MANY OF HIS JEWELLERY CREATIONS AND DECORATIVE OBJECTS.

> WITH ADMIRATION AND RESPECT FOR THIS SUPREME ARTIST, LALIQUE HAS REINTERPRETED THE EMBLEM OF THE SWALLOW, SYMBOL OF HAPPINESS AND FREEDOM.





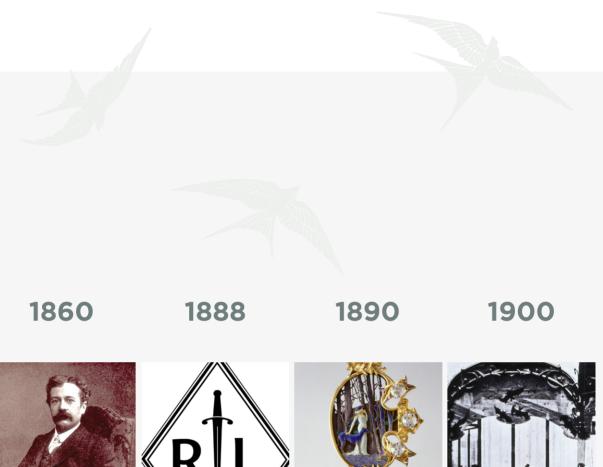


Lalique can look back with pride on a wonderful tradition. One hundred and thirty years of savoir-faire and creative excellence in the French "Art of Living", producing timeless creations: art objects, light fixtures, furniture, jewellery, fragrances and more.

Directly inspired by one of René Lalique's creations, this vase depicts the beauty of swallows taking flight.

Hirondelles

Clear and gold-stamped grand size vase—Limited edition of 130 pieces



René Lalique registered his initials RL as a

René Lalique's jewellery enjoyed great success with the public. He installed his third studio at 20 rue Thérèse in Paris.

René Lalique participated in the Universal Exhibition in Paris, marking the climax of his career as a jeweller. His mission. in his own words. was "to create something never yet seen", and it led to his being dubbed the "inventor of modern

jewellery".

Birth of René Lalique at Aÿ in the Champagne region of France.

hallmark and engraved the letters into the original works created in his name.

130 YEARS OF LALIQUE

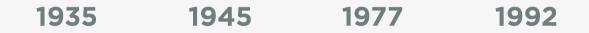


1907192119251929



The perfumer François Coty was enchanted by René Lalique's creations and invited him to place his talent at the service of perfumery. The work they did together revolutionized the perfume industry, making it possible for the first time to present fragrances in attractive flacons at affordable prices. René Lalique built his glassworks La Verrerie d'Alsace at Wingen-sur-Moder, in the heart of a region with a longstanding glassmaking tradition. To this day it is the world's only Lalique factory. The International Exhibition of Modern Decorative and Industrial Arts held in Paris in 1925 marked the zenith of René Lalique's career as a glassmaker and the triumph of Art Deco. René Lalique created the décor for the carriages of the Côte d'Azur Pullman Express and undertook wide-ranging interior decoration projects. **130 YEARS OF LALIQUE**













René Lalique opened his Lalique boutique at 11 Rue Royale in Paris. He was also involved in the interior decoration of the ocean liner Le Normandie. He had already decorated the salons of the renowned fashion designer Madeleine Vionnet, created the glass doors for the residence of Prince Yasuhiko Asaka in Tokyo, and designed the fountains that ornament the roundabout of the Champs-Elysées.

Death of René Lalique. His son Marc Lalique took over the House of Lalique and ushered in the era of crystal. Marie-Claude Lalique, Marc's daughter, took over as head of the company. She revived the creation of jewellery and developed a line of perfume flacons. Launch of the first fragrance for women: Lalique de Lalique.

2008 2011 2012

2015



Art & Fragrance, a Swiss group headed by Silvio Denz, acquired Lalique with the ambition of developing and diversifying its activities worldwide. Art & Fragrance was subsequently renamed Lalique Group. Opening of the Lalique Museum at Wingen-sur-Moder. It exhibits more than 650 works—from jewellery through glass to today's crystalware created by René Lalique and his successors. Launch of Lalique Art with the creation of La Victoire de Samothrace, Yves Klein by Lalique.



Historic revival of Haute Joaillerie ("high jewellery") and Lalique jewellery initiated by the Sacred Fire Odyssey. Lalique returns to the roots of its founder, the master jeweller René Lalique.



Opening of Villa René Lalique at Wingensur-Moder in Alsace. Today, it is home to an ultra-refined five-star hotel and a gourmet restaurant with two Michelin stars.

130 YEARS OF LALIQUE







NATURE REMAINS AN ENDLESS SOURCE OF INSPIRATION FOR LALIQUE.

Sculpted from satin-smooth crystal, a flock of swallows with wings unfurled signals the start of a long journey to freedom. Like a homage to migrating swallows on the water's surface, ÉDITION JUBILÉ 130 ANS – PLATINE evokes ethereal turbulence in the wake of powerful flight. Carried by the wind, the earthy aromatic notes mingle with the invigorating freshness of sea air.

Édition jubilé 130 ans

Sapphire blue and platinum-enamelled crystal scented candle—Limited edition of 130 pieces

THE PIECES ARE METAMORPHOSES OF THE CREATIVE TALENTS OF THE LALIQUE'S BRILLIANT CRAFTSMEN.

Fashioned in satin-finished and re-polished crystal, emblematic of Lalique, the swallows are juxtaposed in a repeating graphic pattern.

Hirondelles Clear medium-sized vase **OUR BUSINESS MODEL AND STRATEGY**

A SUCCESSFUL NICHE PLAYER IN LUXURY GOODS

AS A SUCCESSFUL NICHE PLAYER IN THE LUXURY GOODS SECTOR, LALIQUE GROUP SPECIALIZES IN THE CREATION, DEVELOPMENT, MARKETING AND GLOBAL DISTRIBUTION OF BRANDED PRODUCTS. ITS BUSINESS AREAS COMPRISE PERFUMES, COSMETICS, CRYSTAL, JEWELLERY, HIGH-END FURNITURE AND LIVING ACCESSORIES, AS WELL AS ART, GASTRONOMY AND HOSPITALITY.

PAST TO PRESENT

The Group, based in Zurich, was founded in 2000 by Silvio Denz and floated on the Berne stock exchange (BX Berne eXchange) in September 2007. In June 2016 the Group's holding company, Art & Fragrance SA, changed its name to Laligue Group SA. In early 2007, the Group secured its entry into the cosmetics industry through the acquisition of Ultrasun, a high-end Swiss company in the suncare sector. In February 2008, the Group acquired Lalique SA, a company rich in tradition which specializes in decorative crystalware, interior décor, perfumes, jewellery and art. With this acquisition, the Group completed a significant step in its expansion and extended its activities into the perfume sector and the luxury goods business. Lalique Group holds 95% of the capital of Lalique SA, while the remaining shares are held by private investors.

In late January 2013, Laligue Group took over a French perfume filling and logistics company. The in-sourcing of production activities and logistics services ensures optimum control of this part of the value chain. In 2015, Villa René Lalique opened at Wingen-sur-Moder in Alsace—a five-star hotel and gourmet restaurant with two Michelin stars. This was followed by the opening of the four-star hotel Château Hochberg. Together the two hotels form the most recently added pillar of Lalique's activities: "Gastronomy and Hospitality". Lalique Group is holding firmly to its expansion course and remains interested in new brands and licences, especially in the perfume sector.

Lalique Group's portfolio includes the following brands:

- Lalique (brand acquired in 2008)
- Jaguar Fragrances (licence acquired in 2002)
- Parfums Grès (licence acquired in 2001; brand acquired in 2007)
- Parfums Samouraï (licence acquired in 2000; brand acquired in 2007)
- Bentley Fragrances (licence acquired in 2011)
- Parfums Alain Delon (licence acquired in 2000; brand acquired in 2007)

• Ultrasun (brand acquired in 2007)

ge) global luxury goods suppliers. The company's

recipe for success is based on its special expertise and the wealth of experience of its employees and key partners in the following areas:

Lalique Group identifies as a niche player in

an industry dominated by multinationals and

• Realignment and further development of a global luxury brand such as Lalique

A SUCCESSFUL NICHE PLAYER

- Establishment and international consolidation of brands such as Bentley Fragrances
- Brand building, with a particularly strong focus on selected markets, such as the Samouraï line of perfumes in Japan and other Far Eastern countries
- Repositioning of brand images, for example the modernization of the Jaguar Fragrances brand following acquisition of the licence
- Professional management of global brands such as Parfums Grès
- Identification of potential and acquisition of new brands, also for the purpose of exploiting synergies in the perfume and cosmetics segments

LALIQUE'S PRESTIGIOUS OFFERING HAS EVOLVED TO ENCOMPASS SIX MAIN PILLARS—THE MOST RECENT ONE BEING "GASTRONOMY AND HOSPITALITY".



BUSINESS MODEL

1. LALIQUE

1.1. CRYSTAL DECORATIVE ITEMS

Since 1921, the Laligue factory located in Wingen-sur-Moder has passed on the traditional know-how of the glassmaking industry, for which the Alsace region is renowned. Handed down from generation to generation, this expertise forges the identity of each creation. The hand of both artist and craftsman shapes every object, conveying a rich artistic heritage. The Laligue style flows from an artistic gesture that transforms a drawing into crystal. The style is expressed through the manual modelling of shapes and décors as if sculpted, the richness of the figurative details, and the different types of finish which create a characteristic contrast of clear and satin-finished crystal. A particular highlight is the casting of sculptures using the lost-wax casting process. Lalique's expert glassmakers are among the very few who still master this difficult and artistic technique. Each design—inspired by the female form, fauna or flora—is infused with a strong Art Nouveau or Art Deco influence.

THROUGH ARTISTRY AND CRYSTAL GLASS FUSION AT 1400°C, LALIQUE METAMORPHOSES RAW MATERIALS INTO UNIQUE WORKS OF ART.

1.2 INTERIOR DESIGN

Precision craftsmanship applied to bold designs

Lalique sails on the most prestigious yachts, illuminates contemporary interiors, highlights open spaces, inspires eclectic styles and breathes new life into venerable châteaux. Lalique Maison offers Art Deco-inspired pieces of furniture and luxurious home accessories, born of the company's creative partnership with Green & Mingarelli Design agency. Pierre-Yves Rochon, the great French interior decorator and designer, has also created the "Signature" interior design collection for Lalique.

Throughout the world, the Lalique Interior Design Studio offers designers, architects and individuals the possibility to develop tailor-made unique creations to enrich their projects with a distinctive Lalique signature.

1.3 JEWELLERY

Each piece of Lalique Jewellery tells a story grounded in René Lalique's avant-garde vision and legacy

The strategy for jewellery consists in achieving a synthesis between tradition and innovation. Capitalizing on its impressive heritage, iconic motifs, designs and savoir-faire, Lalique jewellery has reinvented itself with a modern twist. When fashioning pieces from crystal, metal, gemstones, enamel or lacquer, our craftsmen and partner workshops uphold the highest standards of excellence.

The catalogue has been streamlined with a clearer focus and is undergoing continuous development to attract new customers. New product lines—inspired by the female form, fauna and flora, and with strong Art Nouveau and Art Deco influences—are being continuously added to the collection.

1.4 ART

Where art and crystal meet

Lalique Art places the expertise of Lalique at the disposal of major contemporary artists, designers with flair, and cultural foundations. Lalique Art offers artists new inspirations and motifs, using the interplay of light, transparency, colour and contours.

THE ENTIRETY OF LALIQUE ART'S COLLABORATIONS WILL BE PRESENTED AS THE TEMPORARY EXHIBITION AT MUSÉE LALIQUE IN ALSACE FROM APRIL TO NOVEMBER 2018.

In recent years, Lalique Art has created outstanding crystal artworks based on sculptures by Yves Klein (Victoire de Samothrace and Terre Bleue) and Rembrandt Bugatti, it has begun to develop a crystal architecture collection with international architects Zaha Hadid and Mario Botta and collaborated with contemporary artists of world renown such as Damien Hirst, Anish Kapoor, and Terry Rodgers.

The entirety of Lalique Art's collaborations will be presented as the temporary exhibition at Musée Lalique in Alsace from 27 April to 4 November 2018.

Lalique Art is currently collaborating on several major new projects. Lalique's aspiration in developing these partnerships is to become a leading partner in the art world.

1.5 PARTNERSHIPS AT THE HIGHEST LEVEL

Lalique also engages in co-branding projects in partnership with selected brands of distinction and leaders in their field. Cobranded items combine the know-how and expertise of both Lalique and its partners and are often produced in limited editions. THE SUB-HOLDING COMPANY LALIQUE BEAUTY OPERATES WITH LEAN STRUCTURES AND THEREFORE BENEFITS FROM SHORTER DECISION-MAKING PROCESSES THAN MANY OF ITS COMPETITORS.

2. PERFUMES

Lalique perfumes are world famous for their fragrances as well as the design of their bottles

Art & Fragrance Services—which was renamed Lalique Beauty Services in 2017—is the Group's world production and logistics hub for perfumes.

The sub-holding company Lalique Beauty operates with lean structures and therefore benefits from shorter decision-making processes than many of its competitors. The development lead time for new products at Lalique Beauty generally takes four to six months for special editions and line extensions, and twelve to eighteen months for new product lines. In terms of time to market, this makes the company one of the industry leaders.

From original idea to finished product

Lalique Beauty is committed to professional, efficient project management in its product development operations: the teams responsible define the brand strategy and the related product concept, commission external specialists to create the fragrance and the design of the perfume bottle and packaging, and finally decide on the advertising and marketing material before the products are ready for distribution. Components are procured from leading suppliers and manufacturers. Lalique Beauty ensures quality control along the entire value chain. International distribution is meanwhile organized via a worldwide network of independent distribution partners and agents. In this way, the most effective partner for the commercialization of each market and brand can be selected to ensure the greatest possible market penetration.

3. ULTRASUN

Ultrasun is constantly launching innovations and reformulated advanced UV and sun protection, driven by in-house formula expertise and external Swiss manufacturing support. The brand commands a leadership position in the market thanks to its unmatched formulations, which are free of any controversial ingredients.

In the UK, its key market, Ultrasun plays an important role in TV shopping (QVC), department stores and online.

Both in Switzerland and internationally, Ultrasun's highly skin-friendly formulations are increasingly shifting the brand's distribution focus towards the pharmacy and dermatology channels.

After western Europe, international expansion is focussed on countries and regions with all-year-round sunshine (e.g. UAE, Bahrain, Maghreb and Egypt) as well as markets with a high awareness of the need for daily UV protection (e.g. Hong Kong, Japan, Taiwan and South Korea).

STRATEGY

Maintenance and optimization of existing brand portfolio

Lalique Group constantly pursues the optimization and further development of its brand portfolio. In particular, this involves continuous brand development through the launch of new product lines, as well as extension of existing product ranges, optimization of sales channels and opening up new markets. Lalique Beauty Services, the production company with headquarters in Ury (France), implemented a new filling line in 2016. This line increased filling capacity in 2017 by 5 to 12 million units. The storage capacity was doubled through the extension of its logistics centre in 2017. Lalique Group is well placed to achieve further growth with broad and stable margins, especially in its perfume business.

Expansion of brand portfolio

Lalique Group aims to secure further growth and plans to incorporate new brands into its portfolio in the future. Acquisition opportunities arise from the granting of new licences by up-and-coming brands, and as a result of luxury goods groups reshuffling their portfolios.

Lalique: integrating and pursuing its growth strategy

Lalique Group has invested substantially in the crystal sector, resulting in higher productivity at the Wingen-sur-Moder factory and, crucially, in the optimization of the supply chain.

THE MAIN OBJECTIVE REMAINS TO INCREASE AWARENESS OF LALIQUE AS A CONTEMPORARY LUXURY AND LIFESTYLE BRAND BY PURSUING A STRATEGY OF DIVERSIFICATION.

The distribution channels have been expanded, partly by opening proprietary boutiques in strategic markets, but also by increasing the number of partner-managed points of sale. These may be operated by independent franchisees or distributors and are an especially strong presence in the emerging markets. Apart from this investment and expansion, the main objective remains to increase awareness of Laligue as a contemporary luxury and lifestyle brand by pursuing its strategy of diversification across six key areas of activity: crystal decorative items, interior design, jewellery, perfumes, art, as well as gastronomy and hospitality. The co-branding programme will also be extended to new partnerships. While the perfume and cosmetics business is growing organically with stable profit margins,

OUR BUSINESS MODEL AND STRATEGY

Lalique will continue to develop and broaden its base through targeted investments. The strategic partnership with Singapore Airlines, which started in early 2018, is a promising step in this direction. Singapore Airlines exclusively carries selected inflight items co-branded with Lalique in its Suites and First-Class cabins. The exclusive hotel amenities line by Lalique will also contribute to further increase brand awareness. It was launched in 2016 and is available in selected hotels around the globe.

External growth by means of further acquisitions in the luxury goods sector

Although not a priority, Lalique Group continues to scrutinize further opportunities to acquire luxury brands that would constitute a good fit with the existing portfolio. Central factors governing this process are the level of strategic fit with existing activities and products, as well as the potential to build up a perfume or cosmetic brand.

Expansion of business activities through private labelling

With private labelling, Laligue Group offers its clients the opportunity to create customized perfumes and cosmetics, for instance with their own company logo. Lalique Group develops high-quality products in a number of price categories, ranging from customized perfume and cosmetic creations using standard components to luxury editions which, upon request, can even incorporate crystal. Lalique Group has built up the requisite expertise for such ventures through its many years of engagement with the perfume, cosmetics and crystal industries. Thanks to its broad network of partners, it can also offer solutions perfectly tailored to clients' needs and wishes in terms of design and quality.

LALI<u>O</u>UE







Samouraï





OUR BRANDS & ACTIVITIES

OUR BRANDS & ACTIVITIES



28

Lalique Interior Design

30 Lalique Jewellery

32

Lalique Art

34 Lalique Gastronomy/Hospitality

> **36** Lalique Parfums

> > 38

Jaguar Fragrances

40

Parfums Grès

42

Ultrasun

44

Parfums Samouraï

46 Bentley Fragrances

48 Lalique Factory

50 Lalique Beauty Services

LALIQUE

DECORATIVE ITEMS



AN EXPRESSION OF TIMELESS MODERNITY

Brand Acquired **2008**

Share of Company Revenue **28%**

Over the years, Lalique has become a byword for expertise and craftsmanship, a synonym for excellence and masterful use of the contrast between polished and satin-finished crystal. The brand has evolved into a lifestyle icon, with endless creative possibilities. Lalique collections are composed of creations that have become classics and others that will undoubtedly follow suit. It is, perhaps, this timeless modernity which is most characteristic of Lalique.

Every year Lalique launches two major collections of decorative items: Spring/Summer and Autumn/Winter. September 2017 saw the presentation of Nature Sauvage, a collection dedicated to the iconic Champs-Elysées motif created by Marc Lalique in 1951. The 2018 Hirondelles collection celebrates the 130th anniversary of Maison Lalique (see also pages 10–17). This design particularly inspired René Lalique and became the centrepiece of many of his jewellery creations and decorative objects. The swallow, an early harbinger of spring, is the symbol of happiness and freedom.



Images (left and right): 1. Rhinoceros, Nature Sauvage Collection. 2. The design and dimensions of the piece are defined by hand using a diamond-tipped tool.



LALIQUE INTERIOR DESIGN STUDIO



FROM DESIGNER DÉCOR TO INTERIOR ARCHITECTURE

Brand Acquired **2008**

Share of Company Revenue

8%

Lalique is the only crystal manufacturer with the ability to offer a huge range of customized designs through its Interior Design Studio. It enables architects, interior designers and clients to realize unique crystal concepts to meet the demands of their specific projects, including custom panels, murals, furniture, staircases, walls, doors and lighting for any lifestyle setting. The Interior Design Studio has worked on projects throughout the world, ranging from private residences and commercial and retail spaces to yachting, airplanes and hospitality.

Lalique has inherited a strong tradition of interior design from its founder René Lalique, who was famously commissioned to decorate the interiors of the Orient Express train, the Normandy ocean liner and the historic glass windows of the Henri Bendel building on New York's Fifth Avenue. Lalique is continuing this tradition with the next generation of bespoke luxury architectural projects: the Mikimoto flagship store in Tokyo and the Georges V hotel and restaurant in Paris, to name but a few.



Images (left and right): 1. The four-leaf clover is a universal symbol of luck and happiness. 2. Lalique Cloud of Clovers light sculpture, 6th floor of the Mikimoto Ginza flagship store in Tokyo.

LALIQUE

JEWELLERY



A BRILLIANT WHIRLWIND OF MATERIALS

Brand Acquired **2008**

Share of Company Revenue

2%

Lalique's jewellery collections continue to showcase innovative skills and techniques. When fashioning pieces blending crystal, metal, gemstones, enamel or lacquer, our craftspeople and partner workshops uphold the highest standards of excellence.

In our jewellery collections, Lalique crystal is sculpted with graphic and naturalist inspirations to instil its signature contrast between satined and repolished finishes. Rings, necklaces, earrings, bracelets, brooches and cufflinks reveal an emblematic style crafted with unique know-how. In 2017, the new collection "1927/1928" with contemporary styling was launched.

The collaboration with the Opéra national de Paris is continuing with the Cygnes and Fleur de Neige collections. In addition to the wellknown ballet, swans were a source of inspiration for René Lalique, who incorporated many swan motifs into his jewellery between 1897 and 1900.

With this collection, Lalique gives fresh impetus to iconic designs and brings them up to date.



Images (left and right): 1. Adrienne necklace and ring, Lalique and Paris Opera jewellery collection. 2. Cabochon and Charmante rings.

LALIQUE

ART



AND CRYSTAL MEET

Brand Acquired 2008

Share of Company Revenue

3%

Lalique Art places the century-old expertise of Lalique at the disposal of renowned artists, art foundations and outstanding designers worldwide. The objective is to enter into partnerships to create unique and extraordinary works. Thanks to Lalique's unrivalled know-how in crystal-glass making, in particular the lost-wax casting technique, Lalique Art is able to offer artists new inspirations and motifs, using an interplay of light, transparency, colour and contours.

Lalique Art has collaborated with Yves Klein Archives, the Rembrandt Bugatti family, George Lam, Zaha Hadid, Mario Botta, Damien Hirst, Anish Kapoor and Terry Rodgers. In 2017, Lalique Art introduced "Sirènes" by artist Terry Rodgers, a contemporary reinterpretation of the legendary Bacchantes vase, created by René Lalique in 1927.

Another notable feature of 2017 was the completion of the collaboration with Damien Hirst on the "Eternal" collection. The presentation of these exceptional pieces is the culmination of four years of research and innumerable conversations between Hirst and Lalique, combining the creative expertise of both artist and craftsmen. The limited-edition crystal pieces have met with great success, and Eternal Truth, a crystal dove holding an 18-carat gold branch, representing hope, sold out in less than two weeks.

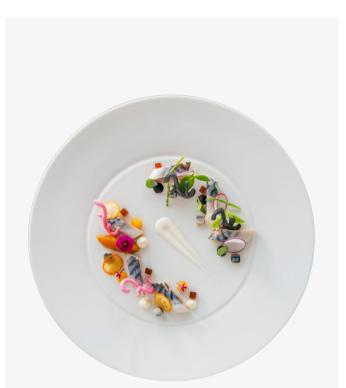
2018 will mark an important time for Lalique Art as the full range of its artistic collaborations will be presented as the temporary exhibition at Musée Lalique in Wingen-sur-Moder from 27 April 2018 till 4 November 2018.



Images (left and right): 1. Sirènes vase, designed by Terry Rodgers in 2017. 2. Damien Hirst in collaboration with Lalique—"Eternal" Collection, Eternal Sleep, 2017, black.



GASTRONOMY/HOSPITALITY



THE CREATIVE, ECLECTIC WORLD OF RENÉ LALIQUE

Established **2015** Share of Company Revenue

3%

VILLA RENÉ LALIQUE

Villa René Lalique in Alsace, France, opened its doors in September 2015. The Villa is a five-star hotel with six exclusives suites and a restaurant, which holds two Michelin stars. The refurbishment and decor were commissioned from interior designers Lady Tina Green and Pietro Mingarelli.

Chef Jean-Georges Klein heads a team of fifteen, creating an array of gastronomic delights. Klein was recently joined by Austrian Paul Stradner, former two-star chef at Brenners Park-Hotel & Spa in Baden-Baden (Germany). Romain Iltis, the Villa's sommelier of distinction from Alsace is in charge of the exceptional cellar—one of Europe's finest with over 60,000 bottles in stock. The restaurant was built by the internationally renowned Swiss architect Mario Botta. Villa René Lalique is a member of the prestigious Relais & Châteaux collection.

CHÂTEAU HOCHBERG

Since August 2016, Château Hochberg, which was built in 1863, has been the fabulous setting of a four-star hotel and a modern restaurant, providing visitors with a convivial destination and a complementary offering close to Villa René Lalique.

This manor house, which is located on the site of the former Hochberg glassworks, is closely linked with the traditions and savoir-faire of glassmaking, which are at the origins of Maison Lalique.



Images (left and right): 1. The cuisine at the Villa René Lalique is highly colourful, rich in contrasts of appearance and taste. 2. Château Hochberg Hotel & Restaurant, Wingen-sur-Moder.

LALIQUE

PARFUMS



THE ESSENCE OF THE LALIQUE LIFESTYLE

Brand Acquired 2008

Share of Company Revenue **15%**

The history of the Lalique brand and that of perfume are closely intertwined, René Lalique having played a pioneering role in the development of the modern perfume industry by supplying elegant glass flacons to the most renowned brands of his day (François Coty, Molinard, Roger & Gallet etc.).

In 1992, the House of Lalique launched its first perfume, Lalique de Lalique, initiating a line of top-of-the-range feminine and masculine fragrances.

In late 2012, Lalique introduced Voyage de Parfumeur, a home fragrance range comprising scented candles and diffusers, which combine the arts of perfumery and interior decor.

In 2017, Lalique launched the Mon Premier Cristal Collection: a trio of feminine fragrances, freely composed by three female perfumers. Lalique's fragrance portfolio was complemented in Spring 2018 by a new masculine fragrance: L'Insoumis Ma Force.

To mark Lalique's 130th anniversary, the Mon Premier Cristal Collection is presenting a superb limited edition of 130 numbered pieces under the festive sign of gold. Hand-painted, the 23-carat gold enhances the elegant Swallows motif of the flacon.

The Noir Premier Niche Collection was enriched in 2017 by the addition of Illusion Captive, an olfactory interpretation of a René Lalique masterpiece: the Dragonfly brooch, created in 1898. In 2017, the brand also launched Deux Cigales, Lalique's most outstanding creation to date: an exclusive edition of eight pieces, numbered and signed, and decorated with an elegant "Cicada" motif using the rare lost-wax process.



Images (left and right): 1. Noir Premier Deux Cigales, lost-wax. 2. Lalique Mon Premier Cristal Collection—My Everyday Luxury.





THE BOLDNESS AND FLAIR OF A SIGNATURE FRAGRANCE

Brand Acquired **2002**

Share of Company Revenue **17%**

Jaguar—a name guaranteed to fire the imagination of car enthusiasts is the epitome of power combined with outstanding design. Jaguar Fragrances, proudly positioned as a prestige brand, elegantly symbolizes the Jaguar attributes of style, performance and modernity. The perfumes draw on the DNA of the Jaguar aesthetic and its iconic heritage. The brand has gained international fame through its founding principles of sporting verve, passion, tradition and quality.

The first scent under the licence was launched in 2002—Jaguar Classic—a fragrance that has become a timeless masterpiece. However, like the great classics, each of the label's new fragrances also has an enchanting spell of its own to cast, striking new and unique notes of vivacious elegance. They are a constant source of surprise and inspiration, combining powerful character and proud dynamism.

Created to celebrate the launch of the Jaguar F-Pace family sports car, the best-selling Jaguar Pace is an expression of true masculinity. An exciting new addition to the range is the latest highlight called Jaguar Pace Accelerate which was unveiled in autumn 2017. The sensation of speed is translated into the scent through a high-energy mix of citrus and spices which distils pure adrenaline into Jaguar Pace Accelerate.



Images (left and right): 1. Jaguar Pace Accelerate, product shot. 2. Jaguar Chromite, advertising campaign.





Brand Acquired 2007

Share of Company Revenue

6%

Parfums Grès fragrances made history from their inception and have been leading the way in perfumery ever since. First was Cabochard, with a seductive chypre accord and bold name meaning stubborn. Since its market debut in 1959, it has acquired cult status.

Cabotine, a floral bouquet launched in 1990, retains a strong following among young women to this day. Its success is surely due to its character, combining romance and pertness, and the stylized flowers of its design.

Launched in 2013, the distinctive fragrance Madame Grès pays warm tribute to the brand's founder and her extraordinary talent for sculpting fabrics.

In 2015, Parfums Grès went on to complete its exciting reinvention with the launch of Pièce Unique, a fragrance highlighting the couture facets of Grès. Pièce Unique draws its inspiration from Madame Grès' profoundly artistic approach to fashion: her quest for the ultimate, ideal dress made up of a single piece of fabric, which would become as singular as its wearer.



Images (left and right): 1. Cabotine de Grès, illustration. 2. Cabotine Gold, Cabotine de Grès, Cabotine Rose.





INNOVATION AT ITS BEST

Brand Acquired 2007 Share of Company Revenue 10% With over 25 years' experience in UV protection, Ultrasun is an internationally recognized skin protection brand on a strong growth trajectory.

The launch of the all-new Mineral protection line in early 2018 established a third pillar for the brand's protection portfolio and created a sound basis for further growth: the "Sensitive Skin" line and the new Mineral line for "Ultra-Sensitive Skin" address dermatology needs, while the "Normal Skin" line with its transparent Sports formulas is aimed at endurance athletes.

Ultrasun is constantly launching innovations and reformulated advanced UV and infrared protection, driven by in-house expertise and external Swiss manufacturing support, enabling the brand to build a leadership position in the market. All formulas must comply with the brand's 0% policy that prohibits use of controversial ingredients (such as certain chemical sunscreen filters, preservatives, mineral oils, PEG/PPG emulsifiers, silicones, etc.) in any product.

For the future, Ultrasun is focussing on further distribution growth in existing and new markets all over the world.



Images (left and right): 1. Ultrasun, Face Mineral, ultra-light mineral sun protection for the face. 2. Ultrasun, advertising campaign.

Samouraï



WHERE TRADITION AND MODERNITY MEET

Brand Acquired **2007** Share of Company Revenue

5%

The name means "servant" or "companion" and explains the role of the Samurai as Japan's warrior caste in the preindustrial age. Men of outstanding courage and honesty, they were always at pains to perfect their mastery of the martial arts.

Samouraï perfumes are particularly popular in Japan due to their association with the country's noble warrior class. Younger buyers in particular identify strongly with the heroic legends of their ancestors, which millions of followers still celebrate every year.

Launched in the 1990s, Samouraï perfumes have earned a place among the best-selling fragrances in Japan and as part of an ongoing brand promotion; various flankers and line extensions are added annually to keep abreast of the times.

Positioned between power and wisdom, energy and spirituality, Parfums Samouraï renders homage to a proud tradition. The brand is constantly monitored in Japan, leading to new additions to the line and its accessories each year. This ensures the range is always attuned to new trends.



Images (left and right): 1. Samouraï Man Driving Force, product shot. 2. Samouraï Woman Aqua Aster, advertising campaign.





A MODERN EXPRESSION OF LUXURY

Brand Acquired 2011 Share of Company Revenue

3%

Bentley has been a byword for luxury since 1919. Second to none in the luxury bracket, Bentley Motors boasts superior performance and unique, bespoke looks. Unrivalled expertise is the key to its success. The epitome of tradition and of a way of life, Bentley embodies a strong set of values which transposes successfully into the world of perfume. Scrupulous attention to detail, design modelled on the iconic lines of the cars, and luxury finishing touches are the precepts that guide the creation of Bentley perfumes.

Bentley Fragrances is proud to present a bold new addition to its best-selling Momentum line: Bentley Momentum Unlimited.

A global traveller for business or pleasure, the Momentum man enjoys the ultimate luxury: freedom.

Momentum Unlimited meets the same, exacting standards as Bentley cars. A fresher interpretation of the bracing Momentum line, this vibrant fragrance distils the thrill of elite travelling into an exciting contrast of fresh and sensuous accords.



Images (left and right): 1. Momentum Unlimited, product shot. 2. Advertising campaign.

Labique France

LALIQUE FACTORY



THE HOME OF MASTER CRAFTSMEN

Number of employees

230

Crafted items produced in different colours and sizes every year **500 000**

Best Craftsmen in France

7 Lalique artisans belong to this elite René Lalique chose to locate his factory in Wingen-sur-Moder, Alsace, because the region was famous for its glassmaking tradition and well-forested. By implementing major improvements in recent years, it has reduced its environmental impact to nearly zero.

Since the acquisition of Lalique in 2008, well over 20 million euros have been invested in overhauling the factory and optimizing processes. Today, the factory has a useful floor area of 20,000 m². Among the craftsmen employed by Lalique, seven bear the title of "Meilleurs Ouvriers" de France, which reflects the high level of talent that each master craftsmen possesses.

REMARKABLE CRAFTSMANSHIP

The production process starts with mould making. Next, the master glassmakers in the hot glass workshops bring molten crystal to extremely high temperatures (1400°C) before gathering and shaping it by means of various techniques. The coloured crystal is produced in a traditional clay pot furnace whereas the modern electric furnace is used to make clear crystal. At Lalique, retouching, sculpting and chiselling are executed with painstaking care to achieve consummate perfection, whereupon the pieces are sandblasted, polished and satin-finished. Pieces are repeatedly inspected to verify that they meet house quality standards. Finally, the Lalique signature is applied by hand to certify their authenticity and quality.



Images (left and right): 1. The flacon is sandblasted before being polished and satin-finished. 2. The right amount of molten crystal must be taken.





FULL SERVICE PROVIDER FOR PERFUME PRODUCTION

Number of employees **100**

Perfume production capacity per year

12 000 000 units

Warehouse capacity in pallets **12 000**

Number of production lines

5

(two automated lines/ three semi-automated lines)

Maceration capacity 90 000 litres (tanks with a capacity

(tanks with a capacity of 100 to 5 000 litres) The production company Lalique Beauty Services, which is headquartered in Ury (France), is a full-service provider, engaged in perfume preparation, filling and packing. It also provides related logistics services such as warehousing of components and end-products, and dispatch of the finished goods worldwide.

The entire facility is certified ISO 22716 (Cosmetic Good Manufacturing Practices). The investment in a new logistic centre, opened at the beginning of July 2017, increased the storage capacity by a further 6 000 pallets.

The investment in a new automated filling line, which will be implemented at the beginning of September 2018, will increase the filling capacity as well as the productivity rate.



Images (left and right): The production plant is a full service provider, engaged in perfume preparation, filling and packaging.

CORPORATE GOVERNANCE & FINANCIALS

CORPORATE GOVERNANCE & FINANCIALS



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CORPORATE GOVERNANCE

PRINCIPLES

Lalique Group undertakes to comply with the principles of good corporate governance and follows the requirements of the BX Berne exchange concerning information on corporate governance. It also voluntarily aligns itself with the relevant standards of the SIX Swiss Exchange.

PARENT COMPANY AND SHAREHOLDERS Parent company

Lalique Group SA, registered in Zurich, Switzerland, is the parent company of Lalique Group. The shares of Lalique Group SA (stock exchange symbol: LLQ) have been listed since 19 September 2007 and are traded on the BX Berne eXchange.

Shareholders

As at 31 December 2017, a total of 496 shareholders (previous year: 436) were entered in the share register.

Shareholders	Shares 31.12.2017	Shares 31.12.2016	Remarks
Board of Directors and Executive Board	3 759 700	3 933 300	see major share- holders
Other shareholders	962 197	779 098	
Non-registered shares	264 603	257 402	
Treasury shares	13 500	30 200	
Total	5 000 000	5 000 000	
Major shareholders			
Silvio Denz	3 602 000	3 775 000	
MAG Seven Ltd	166 667		

CAPITAL STRUCTURE

Ordinary share capital

As of 31 December 2017, the share capital amounted to CHF 1 million (31 December 2017: CHF 1 million) and consisted of 5,000,000 registered shares with a nominal value of CHF 0.20 each (31 December 2016: 5,000,000 registered shares with a nominal value of CHF 0.20 each). All registered shares issued are fully paid up and bear equal rights in all regards.

Changes in capital

In 2017 there were no alterations in the capital at Group level.

Conditional capital

There is conditional capital of CHF 50,000 for an employee incentive plan.

Restrictions on transferability

- The transferability of the shares of Lalique Group is not subject to any restrictions in principle.
- Owners of shares are entered in a share register. The company must be notified of any changes.
- The persons entered in the share register are deemed to be the shareholders in relation to the company.
- Entry in the share register requires that proof be provided of acquisition of the shares.
- After hearing the case put by the person concerned, the company may cancel any relevant entry in the share register that was made on the basis of false information.

Compensation, participations and loans

Compensation is listed in the Notes to the parent company financial statements.

Ownership of share capital as at 31 December 2017 (2016)

Number
3 759 000 (3 932 000)
700 (1300)

¹ Excl. Roger von der Weid and Claudio Denz, who are listed under "Board of Directors".

Shareholder loans

As at the end of 2017, there were two loans granted to the company by the main shareholder, one of CHF 4 million and one of CHF 20 million. The CHF 20 million loan is subordinate to a bank loan of Lalique Group SA.

Management transactions

"Management transactions" are transactions carried out by members of the Board of Directors and of the Executive Board. The following management transactions were carried out in 2017.

Type of Transaction		Number of transactions	Value in CHF
Purchase	1	2	1 839
Sale	1	3	4 209 252

Business transactions with related parties

All transactions with related parties and companies are based on arm's-length contracts at market conditions. Business relations with related parties are detailed in the consolidated accounts of the annex in note 27 (in the electronic version of the Financial Report).

Shareholder participation

All shareholders entered in the share register with voting rights are entitled to attend and vote at the General Meeting of Shareholders. Each registered share entitles the holder to one vote. No restrictions on voting rights exist. Shareholders may arrange to be represented at the General Meeting of Shareholders by a person authorized in writing, by the management representative, by the independent proxy or by a portfolio representative by means of a written power of attorney. No legal guorum exists. Invitations to the General Meeting of Shareholders are issued in writing at least 20 days in advance together with an announcement in the company's official publication medium, the Swiss Official Gazette of Commerce (Schweizerisches Handelsamtsblatt, SHAB). For organizational reasons, only those shareholders entered in the share register on the day before invitations are sent may attend the General Meeting of Shareholders. Shareholders are entitled to receive dividends and to lay claim to the rights stipulated in the Swiss Code of Obligations.

Change of control and defensive measures

The articles of incorporation of Lalique Group SA contain neither an opting-out nor an opting-up clause. No change of control clauses with members of the Board of Directors, of the Executive Board or senior management exist.

Auditors

The General Meeting of Shareholders elects the auditor for a period of one year. In 2017, Ernst & Young AG, Zurich, was elected as statutory auditor. The auditor in charge was Christian Krämer, a Swiss certified accountant.

Information policy

Lalique Group undertakes to pursue an open, transparent and consistent information policy, publishing semi-annual and annual results in compliance with the requirements of the BX Berne eXchange. In addition to the detailed information published at the General Meeting of Shareholders, the company also provides information about significant and material events, which is archived on the company website at www.lalique-group.com. The CEO is responsible for communication with investors. The official publication medium of Lalique Group is the Swiss Official Gazette of Commerce (SHAB).

Board of Directors

All members of the Board of Directors were re-elected at the General Meeting of Shareholders on 23 June 2017. Jan Kollros was newly appointed as an additional member of the Board of Directors.

Term of office

The term of office of each member of the Board of Directors is one year.

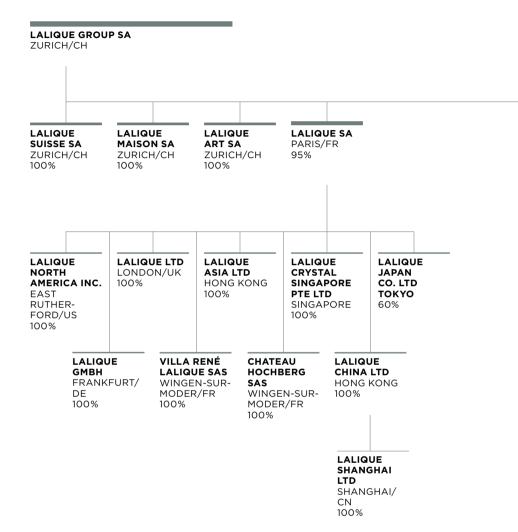
Dual functions

The Board of Directors takes the view that the current dual functions of Roger von der Weid as CEO and Executive Director and Claudio Denz as Head of Digital and member of the Board of Directors are to the benefit of Lalique Group, facilitating efficient leadership and an excellent flow of information between shareholders, the Board of Directors and the Executive Board.

Renumeration Committee

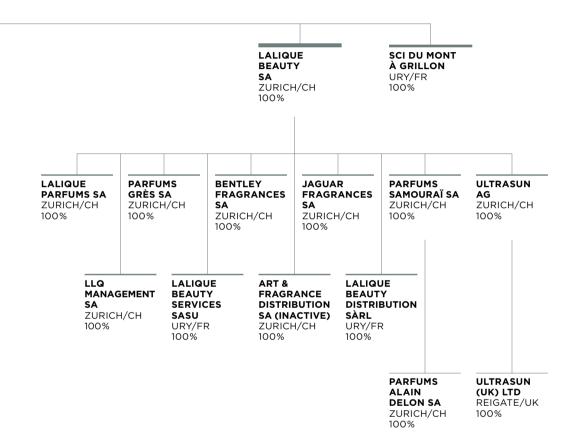
The remuneration committee is constituted by Silvio Denz and Roger von der Weid.

LEGAL GROUP STRUCTURE



Working method of the Board of Directors

Pursuant to the articles of incorporation the Board of Directors meets at least four times a year and as often as business requires. In 2017, the Board of Directors held five meetings (2016: five). Where required, the Board of Directors calls in external specialists for the treatment of specific themes. The responsibilities of the Board of Directors concern the strategic management of the company, supervision of the Executive Board and financial control. The Board of Directors examines the company's objectives and identifies opportunities and risks. It also appoints the members of the Executive Board. Its rights and obligations, authorities and responsibilities are laid down in the organizational regulations. The Board of



Directors constitutes a quorum if at least half of its members are present. A decision must be supported by the majority of the votes cast in order to be valid. In the event of a parity of votes, the Chairman of the Board of Directors has the casting vote.

Executive Boards

The Executive Boards of the beauty segment on one hand, and Lalique on the other, are responsible for the operational management of the business. Their rights and obligations, authorities and responsibilities are laid down in the organizational regulations.

BOARD OF DIRECTORS AND EXECUTIVE BOARD



Silvio Denz



Roland Weber



Roger von der Weid



Jan Kollros



Claudio Denz



Marc Roesti

SILVIO DENZ Chairman of the Board of Directors

Educated in Finance. Various positions held in Switzerland and abroad. Developed and managed Alrodo AG; sold it in 2000 to Marionnaud. Went on to found Art & Fragrance SA, which was renamed Lalique Group SA in 2017. Investments in vineyards and real estate. Active in international art trading. Resident in Switzerland since end of 2017. Other board memberships: Lalique Group SA, Zurich; Lalique SA, Paris; Lalique Asia Limited, Hong Kong; Ciron SA, Zurich; Art & Terroir SA, Zurich. Born in 1956, dual Swiss and Italian citizenship, Chairman of the Board of Directors from 2000 to 2005 and from 2007 till today; occupation: entrepreneur.

ROLAND WEBER

Vice-Chairman of the Board of Directors

Master of Business Administration from the University of St. Gallen (HSG). Management responsibility at Jaguar Cars Switzerland and Yves Saint Laurent Switzerland and Austria. CEO and Executive Director of Alrodo. Later director of Retail Factory SA, Cham. Resident in Dubai since 2007. Other board memberships: Schneider Feldmann AG, patent and brand attorneys, Cham. Born 1957, Swiss, member of the Board of Directors since the 2003 General Meeting; Chairman from 2005 until the Extraordinary General Meeting on 21 May 2007, since then Vice-Chairman; occupation: entrepreneur.

ROGER VON DER WEID Delegate of the Board of Directors; Member of the Executive Board/Chief Executive Officer

Trained as an attorney at law; Master of Laws from Duke University School of Law, North Carolina (USA); Swiss Certified Tax Expert; Executive Master of Corporate Finance. Lawyer and tax consultant. Managing Director of a trust company. Board memberships: Lalique SA, Paris; Lalique Asia Limited, Hong Kong; Lalique Beauty SA, Zurich; Lalique North America, USA; Lalique China, China; Lalique (UK) Limited, London; Art & Terroir SA, Zurich; Ultrasun AG, Zurich; Ciron SA, Zurich; Madura Holding APS, Denmark; as well as other Group companies. Born 1970, Swiss, member of the Board of Directors since the 2006 General Meeting; occupation: CEO of Lalique Group SA since January 2006.

CLAUDIO DENZ Member of the Board of Directors and of the Executive Board; Head of Digital

Commercial diploma; joined the Group in 2009; worked in a variety of positions in the fields of brand management, marketing, online commerce, as creative director and COO. Assignments at Lalique North America, Lalique SA in Paris as well as at Lalique Ltd in London. Born 1988, dual Swiss and Italian citizenship, member of the Board of Directors since the 2011 General Meeting. Other board memberships: Ermitage Estate AG, Zurich; Madox Group AG, Zurich; Denz Weine AG, Zurich. Occupation: COO from 2011 to 2016, Creative Director from 2013 to May 2017. Head of Digital since January 2015.

JAN KOLLROS Member of the Board of Directors

Studied mechanical engineering and industrial management at ETH Zurich. Gained professional experience in various international industrial groups. Since 2005 he has worked at adbodmer AG, a multi-family office in Horgen, near Zurich; since 2009 as Managing Partner, responsible for the operational management of the company. Other board memberships: Bédat & Co, VETtrust AG, and others. Born 1978, Swiss, member of the Board of Directors since the 2017 General Meeting. Occupation: Managing Partner at adbodmer AG since 2009.

MARC ROESTI Member of the Board of Directors

Studied business administration in Cambridge and Sheffield, UK. Management roles in Sales & Marketing in the perfume industry. CEO at Takasago. Founded Mont-Blanc Resourcing in 1999 and since then consultant on perfumes and cosmetics. Other board membership: Lalique SA, Paris. Born 1946, Swiss, member of the Board of Directors since the 2008 General Meeting; occupation: owner and founder of Mont-Blanc Resourcing, a consultancy firm for the creation and development of perfumes and cosmetics.

BOARD OF DIRECTORS AND EXECUTIVE BOARD

OPERATIONAL STRUCTURE

BOARD OF DIRECTORS LALIQUE GROUP

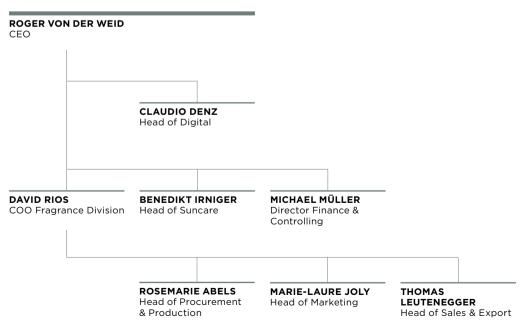
Silvio Denz, Chairman; Roland Weber, Vice-Chairman; Claudio Denz, Member; Jan Kollros, Member; Marc Roesti, Member; Roger von der Weid, Delegate and Executive Director AUDITORS Ernst&Young AG

GROUP CEO Roger von der Weid

GROUP CFO Alexis Rubinstein

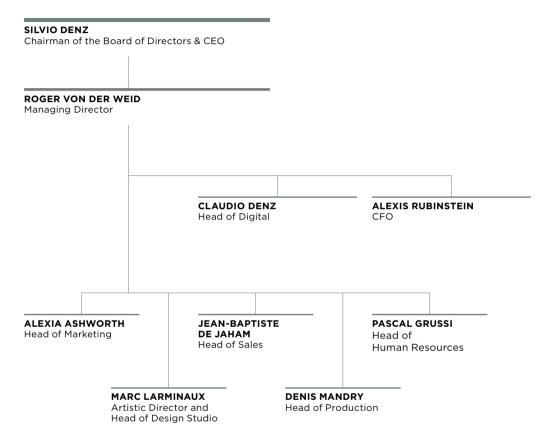
BEAUTY DIVISION

Executive Board



LALIQUE

Executive Board



CONSOLIDATED INCOME STATEMENT

IN EUR THOUSANDS	2017	2016
Net revenue from sales of goods and services	127 381	121 234
Other operating income	1 449	2 336
Operating revenue	128 830	123 570
Material costs, licences and third-party services	-53 494	-53 229
Gross result	75 336	70 341
Salaries and wages	-30 475	-28 862
Other operating expenses	-30 235	-30 927
EBITDA	14 626	10 552
Depreciation and amortization/impairment	-7 161	-6 983
EBIT	7 465	3 569
Financial income	5 007	3 094
Financial expenses	-5 957	-4 731
Group profit before taxes	6 515	1 932
Income taxes	363	-894
NET GROUP PROFIT	6 878	1 038
of which attributable to:		
Non-controlling interests	-129	-903
Owners of the parent company	7 007	1941
Earnings per share basic/diluted (in EUR)	1.40	0.39

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

IN EUR THOUSANDS	2017	2016
NET GROUP PROFIT	6 878	1 038
Foreign currency translation reserve	-4 994	72
Items that can be reclassified subsequently	-4 994	72
to the income statement, net of tax		
Remeasurements of pension plans	-60	402
Tax on remeasurements of pension plans	15	-100
Items that cannot be reclassified subsequently	-45	302
to the income statement, net of tax		
Other comprehensive income, net of tax	-5 039	374
CONSOLIDATED COMPREHENSIVE INCOME	1 839	1 412
of which attributable to:		
Non-controlling interests	-113	-932
Owners of the parent company	1 952	2 344

CONSOLIDATED BALANCE SHEET

ASSETS

ASSEIS		
IN EUR THOUSANDS	31.12.17	31.12.16
Cash and cash equivalents	16 252	12 704
Trade accounts receivable	15 723	18 134
Inventories	63 533	60 942
Other receivables	7 084	6 942
Total current assets	102 592	98 722
Property, plant and equipment	51 631	42 596
Intangible assets	67 294	64 548
Other non-current assets	5 114	5 113
Deferred tax assets	3 189	4 320
Total non-current assets	<u>127 228</u>	116 577
TOTAL ASSETS	229 820	215 299
LIABILITIES AND EQUITY		
IN EUR THOUSANDS	31.12.17	31.12.16
Bank liabilities	45 568	34 281
Trade accounts payable	10 838	14 314
Income tax liabilities	1 416	887
Other current liabilities	16 069	14 956
Total current liabilities	73 891	64 438
Other deferred liabilities	4 291	_
Provisions	397	368
Non-current financial liabilities	33 679	34 081
Defined benefit obligation	4 836	4 976
Deferred tax liabilities	17 246	20 370
Total non-current liabilities	60 449	59 795
Total liabilities		124 233
Share capital	816	816
Capital reserves		17 129
Retained earnings/other reserves	71 596	71 379
Total equity before non-controlling interests	93 210	89 324
Non-controlling interests	2 270	1 742
Total equity	95 480	91 066
TOTAL LIABILITIES AND EQUITY	229 820	215 299
		213 233

CONSOLIDATED CASH FLOW STATEMENT

BALANCE OF NET CASH AND CASH EQUIVALENTS AS AT 31.12.	2017	2016
Group profit before taxes	6 515	1 932
Depreciation and amortization/impairment	7 161	6 983
Change in defined benefit obligation	92	407
Change in provisions	29	-28
Financial expenses	5 957	4 731
Financial income	-5 007	-3 094
Other non-cash income/expenditure	-124	-40
Cash flow from operations before change	14 623	10 891
in net current assets		
Decrease (+)/increase (-) in trade accounts receivable	1 293	2 411
Decrease (+)/increase (-) in inventories	-6 983	334
Decrease (+)/increase (-) in other receivables	229	2 229
Increase (+)/decrease (-) in trade accounts payable	-2 658	-382
Increase (+)/decrease (-) in other current liabilities	59	-1 023
Interest paid	-1 129	-1 271
Tax paid	-1 301	-1 102
Interest received	4	
Cash flow from business operations	4 137	12 087
Investments in subsidiaries net of cash and cash equivalents	-7 453	
Investments in property, plant and equipment	-8 800	-5 858
Sale of property, plant and equipment	1 631	_
Investments in intangible assets	- 985	-694
Cash flow from investments	-15 607	-6 552
Capital contribution from share holder	3 669	9 347
Reduction in shareholder loans	-1 800	-1 835
Purchase of treasury shares	-63	-111
Sale of treasury shares	611	455
Increase current financial liabilities	-808	
Increase (+)/decrease (-) in other non-current liabilities	2 626	-550
Dividend payment to non-controlling shareholders	-618	-319
Cash flow from financing activities	3 617	6 987
Exchange differences on cash and cash equivalents	114	-584
DECREASE/INCREASE IN NET CASH	-7 739	11 938
AND CASH EQUIVALENTS		
Balance of net cash and cash equivalents as at 01.01.	-21 577	-33 515

SEGMENT REPORTING FOR THE 2017 FINANCIAL YEAR

The table below contains information on the revenues and results, and on the assets and liabilities of the Group's business segments.

IN EUR THOUSANDS	LALIQUE	ULTRASUN	JAGUAR	GRÈS	OTHER BRANDS ¹	HOLDING AND ELIM. ²	GROUF
Operating revenue							
Revenue from sales to							
external customers	76 870	13 026	21 766	5 857	11 419	-108	128 830
Revenue from transactions							
with other segments	791	-17	-30	54	6 822	-7 620	-
Total operating revenue	77 661	13 009	21 736	5 911	18 241	-7 728	128 830
EBIT	-497	799	4 191	1 116	2 210	-354	7 465
Financial result							-950
Group profit before taxes							6 515
Income tax expenses							363
NET GROUP PROFIT							6 878
Assets and liabilities	150.000	1 - 707	14000		06.1.46		070 574
Segment assets	158 296	15 387	14 889	9 964	26 146		230 534
Segment liabilities	114 447	4 867	9 422	2 906	25 373	-21 961	135 054
Other segment information							
Investments							
Property, plant and equipment	13 041	14		_	5 124	355	18 534
Intangible assets	295	377	4 494	45	1 344	132	6 687
Depreciation and amortization							
Property, plant and equipment	5 129	58	128	65	971	13	6 364
Intangible assets	203	209	52	9	321	3	797
 ¹ Operating revenue other brands Parfums Samouraï Bentley Fragrances Parfums Alain Delon Lalique Beauty Distribution Lalique Beauty Services Total operating revenue other brands ² The "Holding + elim." segment covers t 					6 193 3 880 127 941 7 100 18 241		optia

² The "Holding + elim." segment covers the holding and management companies, and eliminations. The segment's assets mainly include cash and cash equivalents, long-term receivables of the holding and management companies, and eliminations between the segments. Segment liabilities mainly comprise current liabilities, loans and eliminations.

SEGMENT REPORTING FOR THE 2016 FINANCIAL YEAR

The table below contains information on the revenues and results, and on the assets and liabilities of the Group's business segments.

IN EUR THOUSANDS	LALIQUE	ULTRASUN	JAGUAR	GRÈS	OTHER BRANDS ¹	HOLDING AND ELIM. ²	GROUF
Operating revenue							
Revenue from sales to			·				
external customers	79 956	10 929	16 100	6 339	10 317	-71	123 570
Revenue from transactions							
with other segments	1 082	-17	-45	179	5 384	-6 583	_
Total operating revenue	81 038	10 912	16 055	6 518	15 701	-6 654	123 570
EBIT	-2 539	1 236	2 774	1 473	992	-367	3 569
Financial result							1 677
Financial result Group profit before taxes							<u>-1 637</u> 1 932
							-894
Income tax expenses							1 038
							1 030
Assets and liabilities							
Segment assets	155 868	17 545	8 897	11 524	20 797	668	215 299
Segment liabilities	105 626	5 856	4 4 4 1	3 258	20 812	-15 760	124 233
Other segment information							
Investments							
Property, plant and equipment	3 989	48	2		2 0 3 6	411	6 486
Intangible assets	191	248	50	_	539	114	1 1 4 2
Depreciation and amortization							
Property, plant and equipment	5 289	36	124	69	787	7	6 312
Intangible assets	244	128	54	10	231	4	671
 ¹ Operating revenue other brands Parfums Samouraï Bentley Fragrances Parfums Alain Delon Lalique Beauty Distribution Lalique Beauty Services Total operating revenue other brands ² The "Holding + elim." segment covers t 	he helding a		nont comp		5 226 3 364 139 805 6 167 15 701		

² The "Holding + elim." segment covers the holding and management companies, and eliminations. The segment's assets mainly include cash and cash equivalents, long-term receivables of the holding and management companies, and eliminations between the segments. Segment liabilities mainly comprise current liabilities, loans and eliminations.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

IN EUR THOUSANDS	SHARE CAPITAL	CAPITAL RESERVES	TREASURY SHARES	ACCUMU- LATED FOREIGN CURRENCY TRANS- LATION	RETAINED	TOTAL EQUITY BEFORE MINORITY INTERESS	NON-CON- TROLLING INTERESTS	TOTAL EQUITY
BALANCE AS AT								
01.01.16	816	7 782	-807	990	68 827	77 608	2 674	80 282
Consolidated								
comprehensive income	-	-	-	106	2 238	2 344	-932	1 412
Balance 2016	816	7 782	-807	1 096	71 065	79 952	1 742	81 694
Dividend navout					710	710		710
Dividend payout Capital contribution					- 319	-319		
from shareholder	_	9 347	_	_	_	9 347	_	9 347
Purchase of								
treasury shares	_	-	-111	-	-	-111	-	-111
Sale of own shares			365		90	455		455
BALANCE AS AT								
31.12.16	816	17 129	-553	1 096	70 836	89 324	1 742	91 066
BALANCE AS AT								
01.01.17	816	17 129	-553	1 096	70 836	89 324	1 742	91 066
Consolidated								
comprehensive income		-	-	-4 994	6 946	1 952	-113	1 839
Balance 2017	816	17 129	-553	-3 898	77 782	91 276	1 629	92 905
Dividend payout					618	618		-618
Capital contribution from shareholder		3 669				3 669		3 669
Change in								
consolidation structure		-	_	-	-364	-364	641	277
Acquisition of Château								
Hochberg/transaction								
under common control					-1 301	-1 301		-1 301
Purchase of								
treasury shares			63			63		63
Sale of treasury shares			339		272	611		611
BALANCE AS AT	015	00 700		7.000		07.040	0.070	05 400
31.12.17	816	20 798	-277	-3 898	75 771	93 210	2 270	95 480

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Lalique Group

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