

LALIQUE GROUP

MEDIA RELEASE

Half-year results 2016

Lalique Group: Stable performance in the first half of 2016

***Zurich, 20 October 2016* – Lalique Group SA (BX: LLQ), which focuses on the creation, development, marketing and worldwide distribution of luxury goods, achieved a stable result in the first half of 2016, in spite of challenging market conditions. Operating revenue remained unchanged year-on-year at EUR 58.7 million. Group net profit was EUR 0.6 million. Based on current business trends, Lalique Group is anticipating increased profitability by the end of the year.**

As decided at the annual general meeting in June 2016, the name of the Group holding company formerly known as Art & Fragrance SA was changed to Lalique Group SA. This will allow the greater degree of recognition of the main Lalique brand to be used more effectively at an international level in the Group portfolio. The strategy and focus of the business activities remain unchanged following the launch of the new market presence, and the current presentation of the different business segments will be retained in the financial report and accounts.

In the first half of 2016, Lalique Group achieved broadly satisfactory results, despite market conditions that were challenging at times. In the first six months of 2016, consolidated operating revenue remained unchanged year-on-year at EUR 58.7 million. The increases in operating expenses (+6%) and depreciation allowance (+25%) were almost entirely attributable to the new gastronomy and hospitality activities launched in September 2015. The operating result (EBIT) decreased to EUR 1.9 million and net profit was EUR 0.6 million (previous year: EUR 0.7 million.).

The Lalique segment had the most difficult market environment to contend with in the first half of 2016, in particular in France, the Middle East and in China. However, business performance in the rest of Europe and in the USA was positive. Overall, sales were 7% lower year-on-year at EUR 34.8 million, while operating costs increased by 4% and depreciation allowance by 21% following the extension of business activities into the gastronomy and hospitality sector. This resulted in a negative operating result (EBIT) of EUR 2.1 million. The crystal glass and interior design business in the French boutiques was significantly affected by the decline in tourism due to fear of terrorist attacks. With regard to art, major new projects are planned for 2017 and therefore no significant growth is expected in the current year. On the other hand, pleasing growth was achieved in the business with perfumes, in which home fragrances was also a contributing factor. The “Villa René Lalique” luxury hotel and the associated restaurant run by top chef Jean-Georges Klein can look back on a very successful first half of 2016. The hotel in Wingen-sur-Moder (Alsace) is already experiencing very high occupancy rates and is fully booked months in advance, particularly at weekends.

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The Ultrasun segment improved further on the previous year's good results. With costs stable, sales in the first half of 2016 increased by 6% to EUR 9.3 million. The operating result (EBIT) rose accordingly to EUR 2.3 million, an increase of 8%. Ultrasun performed particularly well in its online business and in Europe, whilst also successfully capturing new markets especially in the Middle East. With the ongoing development of optimized product formulations, a new Alpine sunscreen line and the opening up of China and other new markets planned for 2017, the growth of Ultrasun is set to continue.

In the other segments, Jaguar (sales up 47%) achieved excellent results in the first half of 2016, primarily due to the Jaguar Pace line, which was well received in the market. Grès posted a 24% decline in sales in the same period. This was partly attributable to the seasonally staggered sales in the US – its main market – and should therefore be largely recouped in the second half of the year. The other brands as a whole posted an increase in sales in the first half of the year. Samourai contributed a further 10% increase in sales compared with the previous year. Bentley, the newest brand in the portfolio, posted a slight decrease in sales of 3% due to the seasonal fluctuation in customer orders.

The perfume filling and logistics operation Art & Fragrance Services (AFS) commissioned a new semi-automatic production line in September 2016 in order to increase capacity. AFS also plans to double its storage and logistics capacities by building an extension to its existing logistics centre. Sales by Art & Fragrance Distribution (AFD), the operational perfume distribution company for the French market since April 2015, performed well as per expectations in the first half of 2016.

Outlook

Lalique Group is confident that it will be able to continue its growth in spite of the continuing challenges posed by the market environment. The company's business model is based on diversification, both in terms of products and regions, and Lalique Group will continue to pursue this strategy consistently.

According to Roger von der Weid, CEO of Lalique Group: "We have a challenging first half of 2016 in a difficult environment behind us. Thanks to the broad scope of our business activities and the solid positioning of our brands, performance held up well even where markets were challenging and we anticipate increased profitability by the end of the year. We look to the future with confidence and consider the prospects of further growth as being very favourable."

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Lalique Group SA

Lalique Group is a niche player in the creation, development, marketing and global distribution of luxury goods. Its business areas comprise perfumes, cosmetics, crystal, jewellery, high-end furniture and living accessories, along with art, gastronomy and hospitality. Founded in 2000, the company employs approx. 600 staff and has its headquarters in Zurich. The registered shares of Lalique Group SA (LLQ) are listed on the BX Berne eXchange.

Further information is available at **www.lalique-group.com**.

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Development of key figures for Lalique Group:

In millions

	1st half of 2016 EUR	1st half of 2015 EUR	1st half of 2015 CHF
Operating revenue	58.7	58.7	62.1
Gross profit	34.0	33.8	35.7
Salaries and wages	-13.9	-13.0	-13.7
Other operating expenses	-14.6	-14.0	-14.8
EBITDA	5.5	6.8	7.2
EBIT	1.9	3.9	4.2
EBIT margin	3.2%	6.6%	6.8%
Financial result	-0.5	-2.6	-2.7
Net Group result	0.6	0.7	0.7

In EUR / CHF

Earnings per share	0.20	0.14	0.14
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In millions

	30.06.2016 EUR	31.12.2015 EUR
Total equity (before shares with non- controlling interests)	77.5	77.6
Equity ratio	34.9%	35.1%

The complete consolidated financial statements for the first half of 2016 are available at www.lalique-group.com.