

RICHEMONT



COMPANY ANNOUNCEMENT

26 OCTOBER 2018

**RICHEMONT AND ALIBABA GROUP ANNOUNCE
GLOBAL STRATEGIC PARTNERSHIP**

Companies to form a joint venture to launch luxury retail platform for Chinese consumers

Partnership to provide luxury brands enhanced access to vast Chinese market

Richemont, the Swiss luxury goods group, and Alibaba Group today announce a global strategic partnership to bring the retail offerings of YOOX NET-A-PORTER GROUP S.p.A. (YNAP), the world's leading online luxury retailer, to Chinese consumers.

Under the partnership, YNAP and Alibaba will establish a joint venture (JV) to launch two mobile apps for YNAP's NET-A-PORTER and MR PORTER multi-brand, in-season online stores for consumers in China. Alibaba will provide technology infrastructure, marketing, payments, logistics and other technology support to the JV. The partnership will also leverage YNAP's strong relationship with leading luxury brands, some 950 of them being currently distributed through YNAP in China.

In addition, the JV will launch NET-A-PORTER and MR PORTER online stores on Alibaba's Tmall Luxury Pavilion, an exclusive platform dedicated to the world's leading luxury brands. Launched in 2017, the Tmall Luxury Pavilion aims to create the same brand exclusivity and tailored shopping experience that customers shopping offline typically enjoy. It enables brands to deliver highly personalised shopping experiences through curated homepages, customised brand pages, product recommendations and exclusive VIP awards.

YNAP and Alibaba will also explore future offerings that enable the JV's customers to enjoy unique and seamless online and offline shopping experiences through digitising and fully integrating the retail value chain from merchandising and marketing to payments and last-mile delivery. The JV will focus on serving consumers in China and will extend to Chinese consumers travelling abroad.

Johann Rupert, Chairman of Richemont, said: "Chinese customers at home and abroad are an increasingly important customer base for Richemont and for the broader luxury industry. Our digital offering in China is in its infancy and we believe that partnering with Alibaba will enable us to become a significant and sustainable online player in this market. Alibaba has become the preferred online destination in China, with world-class teams in technology, logistics and marketing. Through this joint venture, we look forward to opening the important Chinese market to NET-A-PORTER, MR PORTER and the luxury brands they offer their clientele. To this end, we will work with Alibaba to ensure NET-A-PORTER and MR PORTER's continuing expansion as neutral, open and sophisticated platforms."

Federico Marchetti, CEO of YOOX NET-A-PORTER GROUP, said: “YOOX NET-A-PORTER has always built long-term relationships with its brand partners, protecting and nurturing the finest luxury names online. Together with Alibaba, we will offer our brand partners the same quality and reliability for the Chinese online market. Leveraging NET-A-PORTER and MR PORTER, luxury brands can access a neutral and powerful platform to maximize China’s immense potential.”

Daniel Zhang, CEO of Alibaba Group, said: “This multi-faceted partnership will bring Chinese consumers unprecedented access to the world’s leading luxury brands. Chinese consumers are expected to account for nearly half of the global luxury market by 2025, and through this partnership, Alibaba and YNAP will be even better positioned to capture this compelling market opportunity. As Chinese consumers continue to upgrade their lifestyles, we want to meet the desires of Alibaba’s more than 600 million users. By integrating online and offline commerce through our New Retail technologies, we will be able to deliver a seamless experience to consumers as well as better enable these leading brands to engage their customers in new and innovative ways. We believe this announcement is just the beginning of a long-term partnership, and together we are committed to exploring many more opportunities to collaborate in the future.”

About Richemont

Richemont owns a portfolio of leading international ‘Maisons’ which are recognised for their distinctive heritage, craftsmanship and creativity. The Group operates in four business areas: Jewellery Maisons, being Cartier and Van Cleef & Arpels; Specialist Watchmakers, being A. Lange & Söhne, Baume & Mercier, IWC Schaffhausen, Jaeger-LeCoultre, Officine Panerai, Piaget, Roger Dubuis and Vacheron Constantin; Online Distributors, being YOOX NET-A-PORTER GROUP and Watchfinder.co.uk; and Other, including Alfred Dunhill, Azzedine Alaïa, Chloé, Montblanc and Peter Millar.

For the financial year ended 31 March 2018, Richemont reported sales of € 10 979 million, operating profit of € 1 844 million and profit for the year of € 1 221 million.

Richemont ‘A’ shares are listed on the SIX Swiss Exchange, Richemont’s primary listing, and are included in the Swiss Market Index (‘SMI’) of leading stocks. Richemont South African Depository Receipts are listed in Johannesburg, Richemont’s secondary listing.

About YOOX NET-A-PORTER GROUP

YOOX NET-A-PORTER GROUP is the world’s leading online luxury fashion retailer.

Its unrivalled offering includes multi-brand in-season online stores NET-A-PORTER and MR PORTER, and multi-brand off-season online stores YOOX and THE OUTNET, as well as numerous ONLINE FLAGSHIP STORES, all “Powered by YNAP”. Building on its Anglo-Italian roots, the Group has established offices and operations in the United States, Europe, Middle East and Asia, and delivers to more than 180 countries around the world.

About Alibaba Group (NYSE: BABA)

Alibaba Group’s mission is to make it easy to do business anywhere and the company aims to achieve sustainable growth for 102 years. For the fiscal year ended March 2018, the company reported revenues of US\$39.9 billion.

Investor/analyst and media contacts

Richemont

Sophie Cagnard, Group Corporate Communications Director
James Fraser, Investor Relations Executive

Investors/analysts: +41 22 721 30 03; investor.relations@cfrinfo.net

Media: +41 22 721 35 07; pressoffice@cfrinfo.net; richemont@teneobluerubicon.com

Visit Richemont.com for company announcements.

Alibaba Group

Jennifer Kuperman, Head of International Corporate Affairs
+1 415 595-6916; jennifer.kuperman@alibaba-inc.com

Brion Tingler, Head of External Affairs
+1 917 528 1992; brion.tingler@alibaba-inc.com

Visit Alizila.com for Alibaba Group news and commentary.