



LALIQUE
GROUP

AR 2018

Annual Report 2018
Short version

Cover RockStone 40, amber crystal. Arlik Levy's work created in collaboration with Lalique (close-up view)

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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
unparalleled 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.



SILVIO DENZ, Executive Chairman of the Board of Directors
ROGER VON DER WEID, Chief Executive Officer

LETTER TO SHAREHOLDERS

Ladies and Gentlemen

2018 was another year of progress for Lalique Group as we further strengthened the business and expanded our international presence. At the same time, we achieved solid financial performance, in line with the guidance we provided with the announcement of our half-year results in September 2018. An additional important step in 2018 was the listing change in June from the Berne stock exchange BX Swiss, where the Lalique Group shares had been listed since September 2007, to the SIX Swiss Exchange. This move will enable us to further enhance Lalique Group's profile on the capital market.

In the 2018 financial year, Lalique Group achieved further growth, which is attributable in particular to solid performance in the Lalique segment and continued excellent growth in the Ultrasun segment. With the opening of new Lalique boutiques in Asia and Europe and the new subsidiary in Japan, the business has been further expanded according to plan.

The Glenturret

We recently announced the acquisition of 50% of The Glenturret, Scotland's oldest working single malt distillery. With this step, we have further expanded our portfolio in the international luxury goods market. The acquisition of The Glenturret was completed on 28 March 2019 through a joint venture in which the Group and entrepreneur Hansjörg Wyss, a shareholder of Lalique Group since 2015, each hold 50%. In accordance with IFRS reporting standards, Lalique Group will fully consolidate The Glenturret.

In line with our proven diversification strategy, we see significant potential for further developing the Glenturret business and thus creating value for the Group. The Glenturret and Lalique brands are an excellent fit, and we aim to leverage Lalique's global network, including shops, its online presence, hotels, restaurants and distribution capabilities, to develop the Glenturret brand. In the course of 2019, Lalique Group intends to propose to its shareholders a capital increase in the form of a rights offering for the purpose of refinancing parts of the shareholder loan provided by Silvio Denz for the acquisition of The Glenturret, and to finance other investments and growth initiatives.

Group results

In 2018, Group operating revenue increased to EUR 136.4 million, up 6%, or 9% in local currencies, compared with the previous year. This includes compensation of EUR 2.4 million awarded to Lalique Group following the legal proceedings initiated by the company in France, as announced previously. Personnel costs rose 7% in 2018 to EUR 32.6 million, and other operating expenses increased 7% to EUR 32.4 million. EBIT amounted to EUR 6.1 million, after reaching EUR 7.5 million in 2017. Net Group profit totalled EUR 5.2 million compared with EUR 6.9 million in the previous year, including a positive tax effect in connection with the company tax reform in France of EUR 1.0 million in 2018 and EUR 1.9 million in 2017.

Segment results

The Lalique segment showed solid performance in 2018. Lalique's perfumes business reported a double-digit rise in sales compared with the previous year, with particularly strong development in the Middle East, the US, Russia and China. We also saw sales growth in the crystal business. In gastronomy and hospitality, the two hotels/restaurants Villa René Lalique and Château Hochberg reported high occupancy rates, reflecting continued strong interest from guests and the public. The segment's higher overall costs are mainly attributable to the business expansion in Japan, restructuring of the subsidiary in the US and the opening of new boutiques in Tokyo, Shanghai and Bordeaux.

Ultrasun once again recorded a very strong result for the year under review. This segment reported growth in all key markets, in particular also in Switzerland, China and the United Kingdom.

In the other segments, sales of Jaguar Fragrances increased slightly following a strong year in 2017. Parfums Grès reported a decline in sales due to a price correction and the economic uncertainties in Latin America, one of Grès' key regions. The other brands reported a slight decrease in sales in 2018.

Lalique Beauty Services, the perfume filling and logistics operation, developed in line with expectations. With the new filling facility which began operations in the fall of 2018, we have substantially increased productivity and capacity, also for third-party customers.

Dividend

For the 2018 financial year, the Board of Directors will propose an unchanged dividend of CHF 0.50 per share at the Annual General Meeting on 24 May 2019. The dividend is planned to be paid out of the capital contribution reserve (without deduction of withholding tax).

Outlook

We are well positioned with our diversified business model, and are therefore convinced that our activities will continue to develop positively. For the financial year 2019 we expect to see sales growth in the low single digit percentage range (in local currencies), as well as a slight increase in the EBIT margin from 4.5% in 2018.

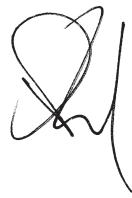
As we expand the business, we will continue to place a strong focus on Asia, and the activities of the new Lalique subsidiary in Japan will be systematically increased. With the acquisition of The Glenturret, we have further expanded our portfolio and now address an even broader clientele in the international luxury goods market. Furthermore, the Group is currently in advanced negotiations to enter into two additional perfume licensing agreements in the luxury segments.

Our goal is to leverage the investments in our business and strong brands to create an even more attractive offering for our clients, and to gradually increase profitability and add value for shareholders. In the medium term, Lalique Group is targeting sales growth in the mid-single digit percentage range (in local currencies) and a gradual increase of the EBIT margin to 9%-11%.

We thank our employees for their contribution and dedication, and our valued shareholders, customers and business partners for their continued trust in Lalique Group.



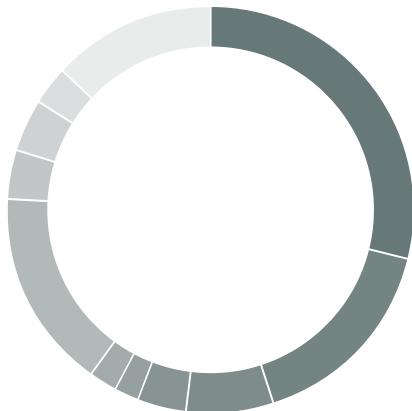
Silvio Denz
Executive Chairman of the Board of Directors



Roger von der Weid
Chief Executive Officer

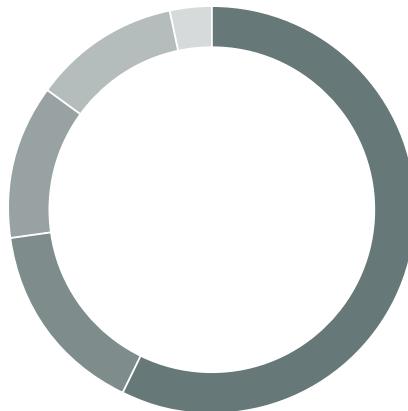
LALIQUE GROUP AT A GLANCE

OPERATING REVENUE BY BUSINESS 2018
in %



- **29** Lalique Decorative Items
- **16** Lalique Fragrances
- **7** Lalique Interior Design
- **4** Lalique Hospitality
- **2** Lalique Jewellery
- **2** Lalique Art
- **16** Jaguar Fragrances
- **4** Parfums Samouraï
- **4** Parfums Grès
- **3** Bentley Fragrances
- **13** Ultrasun

OPERATING SEGMENT 2018
in EUR million



- **81.9** Lalique
- **22.2** Jaguar Fragrances
- **17.4** Ultrasun
- **10.2** Others¹
- **4.7** Parfums Grès
- **136.4** Total revenue

KEY FIGURES
in EUR million 2018 (2017)

- Revenue 136.4** (128.8)
- EBIT 6.1** (7.5)
- Net group profit 5.2** (6.9)
- Equity 124.1** (93.2)
- Net debt 29.7** (33.6)
- Equity ratio 52.1%** (40.6%)
- EBIT margin 4.5%** (5.8%)

Number of employees 720 (653)

Points of sale: Lalique 700

Points of sale: Beauty Division 13 500

SHARE STATISTICS
2018 (2017)

- Earnings per share EUR 1.09** (1.30)
- Equity per share EUR 20.68** (18.64)
- Share price high CHF 54.50²** (49.00)
- Share price low CHF 42.40²** (26.50)

SHARE INFORMATION

- Symbol** LLQ
- VALOR** 3381329
- ISIN** CH0033813293

The registered shares of Lalique Group are listed on the SIX Swiss Exchange

¹ Parfums Samouraï, Bentley Fragrances, Parfums Alain Delon, Lalique Beauty Services, Lalique Beauty Distribution, Holding & Elimination

² 25.6.–31.12.18 (SIX)



EUROPE 71.7

NORTH AMERICA 20.5

ASIA 23.6

MIDDLE EAST 18.3

SOUTH AMERICA 2.3



HIGHLIGHTS 2018

SAVOIR-FAIRE AND SAVOIR-VIVRE

MOVING CELEBRATION OF CRYSTAL AND GOLDEN WINE

A sumptuous Lalique hotel and restaurant at Château Lafaurie-Peyraguey opened its doors in June 2018 and now operates under the Lalique brand on a licensing basis. This luxury Relais & Châteaux establishment is a haven of peace among the vineyards of Sauternes, in the greatest terroir of Crus Classés. French savoir-faire and savoir-vivre are a subtle and all-pervading presence...







HIGHLIGHTS 2018

ONE HUNDRED AND
TWENTY-SEVEN
THOUSAND DOLLARS

NIEPOORT IN LALIQUE 1863 CRYSTAL DECANTERS

The Niepoort in Lalique 1863 decanter achieved a GUINNESS WORLD RECORDS™ title for the most expensive port wine sold at auction, achieving a price of USD 127 000 at Acker Merrall & Condit in Hong Kong.

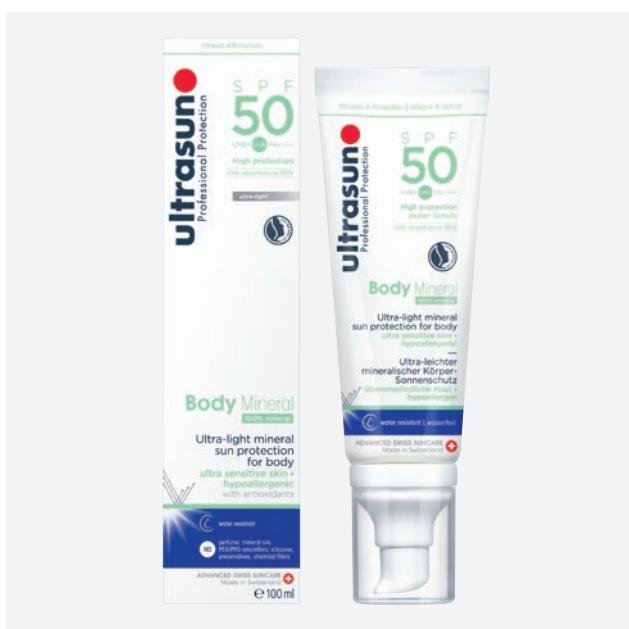
HIGHLIGHTS 2018

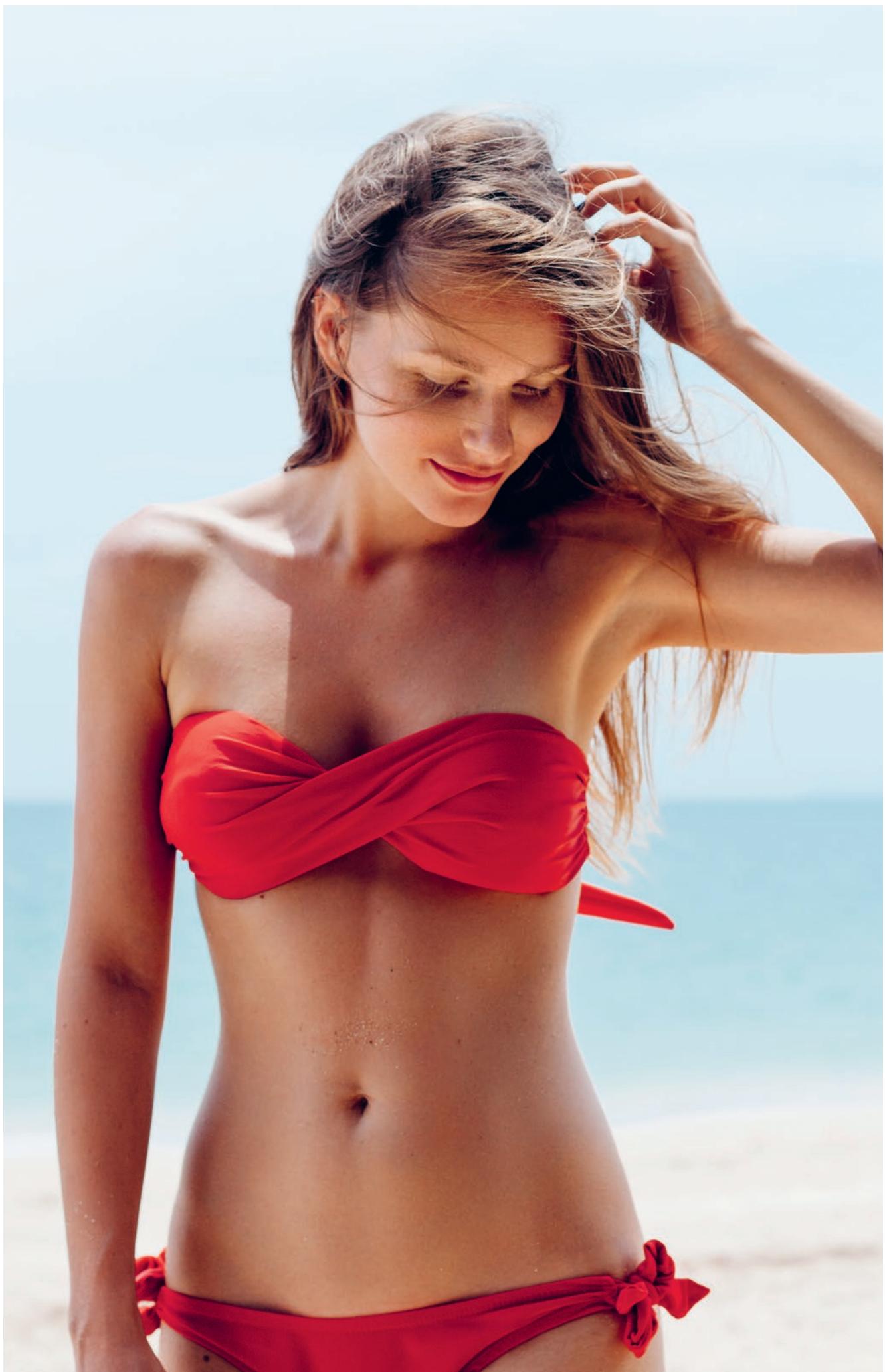
OUR NEW SUNSHADE

ULTRASUN: INNOVATIVE PRODUCT DEVELOPMENT

The launch of the all-new Mineral protection line in 2018 established a third pillar for the brand's protection portfolio and created a sound basis for further growth: the integrity of the line, which consists entirely of mineral-based products, is underpinned by certification from the NATRUE organization and the Swiss Allergy Centre, with its 'aha!' logo.

Along with the Sensitive Skin range, the new Mineral line for Ultrasensitive Skin addresses dermatological needs, while the Normal Skin line with its transparent Sports formulas is targeted at endurance athletes.





HIGHLIGHTS 2018

IT SMELLS DIVINE

JAGUAR STANCE - SHAPE YOUR REALITY

Jaguar Fragrances presented a striking addition to its collection: Jaguar Stance. Designed for a creative, independent man who shapes his own future. The premium brand's new perfume matches a distinctive, pulsating scent with a high-impact, textural bottle design.

"The Jaguar Stance smells divine and I would wear it myself."

(Influencer attending the event)

Be Jaguar. Take a Stance.

@jaguar

#JaguarFragrances

#JaguarStance

#ShapeYourReality







LALIQUE SAMOURAÏ

JAGUAR ultrasuno GRÈS
Professional Protection PARIS



LALIQUE

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 lifestyle accessories, as well as art, gastronomy and hospitality.

PAST TO PRESENT

Lalique Group is a niche player in the luxury goods industry with an international presence and a global reach. The Group has established itself as a brand builder in the perfume industry, developing tailored brand concepts that focus on specific target markets. The Group consists of two business divisions, the French luxury house of Lalique (luxury crystal products) and the Group's beauty business (cosmetics and perfumes).



Since the end of June 2018, the registered shares of Lalique Group SA (LLQ) have been listed on the SIX Swiss Exchange. Previously, from September 2007, the Group was listed on the Bern stock exchange (BX Berne eXchange).

Founded in 2000, the Company initially focused on perfumes and then expanded to cosmetics with the acquisition of the Ultrasun brand in 2007. A major milestone in 2008 was the acquisition of the house of Lalique, which has a long tradition in the glass-making industry and is associated with high quality and craftsmanship, having developed specific production processes over the last century. Today, the Group leverages its diversified portfolio of brands, state-of-the-art production facilities and the experience of its management to pursue its growth strategy. Lalique Group holds 95% of the capital of Lalique SA, while the remaining shares are held by private investors.

In late January 2013, Lalique Group took over a French perfume filling and logistics company. As a result, the Group controls the majority of the value chain, which creates a higher degree of independence from third parties and allows increased flexibility to meet market demands. The Company believes that its lean organization enables quick decision-making, efficient product development processes and, as a result, a short time to market. The insourcing of production activities and logistics services ensures optimum control of this part of the value chain.

In 2018, a sumptuous hotel and restaurant opened its doors at Château Lafaurie-Peyraguey in the Bordeaux region and now operates under the Lalique brand on a licensing basis.

The three Lalique hotels form the most recently added pillar of the Group's activities: Gastronomy and Hospitality. Lalique Group is adhering 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)

INTERNATIONAL PRESENCE AND GLOBAL REACH

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:

- Realignment and further development of Lalique as a global luxury brand
- Establishment and international consolidation of brands such as Bentley Fragrances
- Brand building, with a particularly strong focus on selected markets, for example 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, including for the purpose of exploiting synergies in the perfume and cosmetics segments

BUSINESS MODEL

1. LALIQUE

Since 2008, the Company has made significant investments in the Lalique brand with the aim of transforming it from a crystal manufacturer to a desirable lifestyle brand. It distinguishes itself from its competitors through its diversified offering and know-how in product design and the ability to produce elaborate and sophisticated items with a high degree of workmanship.

THE COMPANY HAS THE AIM OF TRANSFORMING LALIQUE FROM A CRYSTAL MANUFACTURER TO A DESIRABLE LIFESTYLE BRAND.

Lalique's product portfolio comprises fragrances, decorative items such as vases and sculptures as well as pre-manufactured interior design items, for example furniture and lighting. In its Interior Design Studio in Paris, the Group offers tailor-made crystal design for architectural projects. Lalique also creates limited editions of artworks in collaboration with renowned artists and designers.

The Group has developed a specific process for producing elegantly decorated work in crystal. It has specialized in accentuating the transparency and reflections of glass and covers the entire process from original idea to finished product. Lalique has been recognized by the French state and received the label "Entreprise du Patrimoine Vivant" (living heritage company) in 2015.

Co-branding partnerships at the highest level

Lalique's marketing strategy also includes collaborations with other high-end brands which enable the Company to gain access to the partner brand's customer base. Lalique's partners are leaders in their respective industries and include spirit makers such as The Macallan whisky, Patrón tequila, Beluga vodka, Courvoisier cognac, Salvatore Ferragamo, Bugatti, Steinway & Sons and Caran D'Ache. The products are sold through Lalique's own distribution channels as well as those of its partners.

1.1. CRYSTAL DECORATIVE ITEMS

Lalique can rely on its century-spanning know-how in traditional glassmaking. It conducts the complex manufacturing process, requiring up to 40 different steps, with the help of its team of artists and craftsmen and their know-how.

Since 1921, the Lalique 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 Lalique 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 between 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.

SIX PILLARS OF LALIQUE

**DECORATIVE
ITEMS**

**INTERIOR
DESIGN**

JEWELLERY

FRAGRANCES

ART

**GASTRONOMY/
HOSPITALITY**

1.2 INTERIOR DESIGN

The Paris-based Lalique Interior Design Studio offers architects and designers an exclusive range of high-end interior designs using crystal, glass and space in creative combination. First-rate crystal glassmaking expertise, creative dynamism and technical flair all come together at the Lalique Interior Design Studio. Conceived to embrace and enhance all types of interiors and spaces, each design places crystal at the heart of the project.

The Interior Design Studio has completed many bespoke projects throughout the world, ranging from private residences and retail spaces to yachts, aircraft and hospitality.

High-end furniture items and home accessories are created together with internationally renowned designers and architects such as Green & Mingarelli Design and Pierre-Yves Rochon and manufactured in close cooperation with top producers. Examples of bespoke luxury architectural projects are the Mikimoto flagship store in Tokyo and Georges V hotel in Paris.

1.3 JEWELLERY

Lalique combines its experience and specialization in crystalware with the sophisticated skills of its workshops. Its manufacturing processes allow for product customization upon request. Lalique markets its jewellery products through renowned dealers, department stores and its own network of boutiques and stores.

THE STRATEGY FOR JEWELLERY CONSISTS IN ACHIEVING A SYNTHESIS BETWEEN TRADITION AND INNOVATION.

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.

The catalogue has been streamlined with a clearer focus and is undergoing continuous development to attract new customers.

1.4 FRAGRANCES

Lalique has been manufacturing perfume bottles since the early 20th century and launched its first perfume in 1992. Many more perfume lines have been added since then and Lalique Parfums has become a renowned fragrance brand, thanks also to its highly sought-after crystal editions. The portfolio includes perfumes, home fragrances, crystal limited editions, exclusive collections as well as a "bath & body" collection.

Lalique Parfums stands for contemporary fragrances. The combination of the skills of the perfume and crystal makers gives rise to the most sophisticated scents. Their bottles, whether made from glass or crystal, have fascinated collectors for generations. Solid roots in the world of fragrances have grown through privileged partnerships with famous perfumers. Lalique is using exceptional raw materials and the scents are presented in unique flacons.

1.5 ART

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.

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. Lalique Art has also begun to develop a crystal architecture collection with international architects Zaha Hadid Design and Mario Botta and has collaborated with contemporary artists of world renown such as Damien Hirst, Anish Kapoor, Terry Rodgers, and Arik Levy.

From April to November 2018, the entirety of Lalique Art's collaborations was presented as the temporary exhibition at Musée Lalique in Alsace. This exhibition attracted nearly 17,000 visitors and had a special issue of Beaux Arts magazine devoted to it.

In January 2019, Lalique presented a new collaboration with Arik Levy, featuring the unveiling of his work RockStone 40.

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.

1.6 GASTRONOMY/HOSPITALITY

Lalique launched gastronomy and hospitality activities in September 2015. It runs the Villa René Lalique luxury hotel and associated restaurant led by chef Jean-Georges Klein which holds two Michelin stars. The hotel is located in Wingen-sur-Moder, France, near the glassworks. In July 2017, Lalique SA acquired Château Hochberg, a four-star hotel with a brasserie-style restaurant close to the Lalique Museum.

RESTAURANT LALIQUE AT CHÂTEAU LAFAURIE-PEYRAGUEY WAS AWARDED A FIRST STAR BY THE GUIDE MICHELIN 2019.

In 2018, a sumptuous Lalique hotel and restaurant opened its doors at Château Lafaurie-Peyraguey in the Bordeaux region. The château is owned by Lalique Group's main shareholder Silvio Denz and operates under the Lalique brand on a licensing basis. In 2019, only six months after its opening, chef Jérôme Schilling was awarded a first star by the Guide Michelin 2019.

2. PERFUMES

Lalique Beauty: business profile

The current Lalique Beauty brand portfolio consists of the perfume brands Lalique Parfums, Jaguar Fragrances, Bentley Fragrances, Parfums Grès and Parfums Samouraï.

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 vertical value chain. International distribution is 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.

Lalique Beauty Services: filling and logistics company

Lalique Beauty Services is the Group's world production and logistics hub for perfumes. It is a full-service provider for perfume production: research, manufacture, maceration, filling, conditioning, warehousing and shipping. Lalique Beauty Services also provides related logistics services such as warehousing of components and end-products, and the dispatch of finished goods to worldwide destinations.

The entire Lalique Beauty Services facility is certified to ISO 22716 (Cosmetic Good Manufacturing Practices).

3. ULTRASUN

Ultrasun manufactures multifunctional suncare products combining classic sun protection with ingredients against ageing, unwanted pigmentation or for sensitive skin.

Ultrasun is constantly launching innovative, advanced UV and sun-protection products, driven by in-house formula expertise, strong marketing and sales experience in cosmetics/dermatology 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.

After Western Europe, international expansion is focussed

THE ULTRASUN BRAND COMMANDS A LEADERSHIP POSITION IN THE MARKET.

on countries and regions with all-year-round sunshine (e.g. the Middle East) 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

The long-term business strategy includes the following:

Control of value chain

The Group believes that it has two state-of-the-art production facilities for its crystal and perfume products. The Group controls the majority of the value chain, which creates a higher degree of independence from third parties and allows for increased flexibility to meet market demands. The Company's lean organization enables quick decision-making, efficient product development processes and, hence, short time to market.

Lalique: pursuing growth and diversification

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 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 Lalique as a contemporary luxury and lifestyle brand by pursuing its strategy of diversification across six key areas of activity: decorative items, interior design, jewellery, fragrances, art, as well as gastronomy/hospitality.

The co-branding programme will also be extended to new partnerships.

Lalique Beauty: pursuing growth and expanding brand portfolio

The Group intends to grow organically on the one hand and achieve external growth on the other. In pursuing organic growth, the Company intends to continue to develop and market new products and collections within its existing brand portfolio, primarily in the perfume business. 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.

In 2018, Lalique Beauty Services, the production company with headquarters in Ury (France), inaugurated a new warehouse extension, as a result of which storage capacity increased to 12,000 pallets. A new automated filling facility was implemented at the beginning of September 2018, increasing both productivity and capacity, including for third-party customers.

Focus on Asia

In light of the income and population growth in Asia, the Company is increasing its activities in the region across all its brands, in particular in China, Japan and Southeast Asia. Thus, the Group opened a new Lalique subsidiary in Japan in the reporting year. In January 2018, the Company entered into a new partnership with Singapore Airlines, which includes the exclusive offer of Lalique-branded inflight items in the Suites and First-Class cabins of Singapore Airlines, with the aim of raising brand awareness in the Asian market. An exclusive hotel amenities line by Lalique was launched in 2016 and is available in selected hotels around the globe.

LALIQUE GROUP DEVELOPS HIGH-QUALITY PRODUCTS IN A NUMBER OF PRICE CATEGORIES.

Private labelling

With private labelling, Lalique 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.

- 26** Lalique Decorative Items
- 28** Lalique Interior Design
- 30** Lalique Jewellery
- 32** Lalique Parfums
- 34** Lalique Art
- 36** Lalique Gastronomy/Hospitality
- 38** Lalique Factory
- 40** Jaguar Fragrances
- 42** Parfums Grès
- 44** Parfums Samouraï
- 46** Bentley Fragrances
- 48** Lalique Beauty Services
- 50** Ultrasun

OUR BRANDS AND ACTIVITIES

LALIQUE

LALIQUE DECORATIVE ITEMS

Brand acquired **2008**

Share of company revenue **29%**

TIMELESS CREATIONS OF DESIRE

The Group has developed a specific process for producing elegantly decorated works in crystal and covers the entire procedure from original idea to finished product.

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

With the two Hirondelles collections, Spring/Summer and Autumn/Winter, the Group celebrated the 130th anniversary of Maison Lalique. Swallows (in French: hirondelles), the symbol of happiness and freedom, were a particular inspiration for René Lalique. He made them the centerpiece of many jewels and decorative objects.

The 2019 collections plunge into an aquatic universe: Lalique captures the graphic power of fighting fish and the powerful and symbolic expressions of ornamental sea creatures like koi and carp.





Images (left and right): 1. Carpes Koi vase, Aquatique Collection. 2. Poisson combatant, Aquatique Collection.
3. Polishing demands patience and meticulous care.



Images (left and right): 1. Lalique Cloud of Clovers light sculpture, 6th floor of the Mikimoto Ginza flagship store in Tokyo.
2&3. Lalique and Pierre Yves Rochon Roses pedestal table

LALIQUE

LALIQUE INTERIOR DESIGN

Brand acquired **2008**

Share of company revenue **7%**

CRYSTAL AT THE HEART OF EACH PROJECT

Lalique Interior Design is beautifully showcased at the Lalique Hotel & Restaurant at Lafaurie-Peyraguey, which opened in June 2018. The décor was entrusted to Green & Mingarelli Design, authors of the Lalique Maison collection of furniture and accessories. They have taken the raw, natural materials typical of the Sauternes region and paired them with subtly contemporary effects.

The Lalique Interior Design Studio has created many decorative features to highlight each room. The ceiling of the gourmet restaurant is adorned with two spectacular ceiling lights composed of more than a hundred Champs-Elysées crystal leaves in gleaming gold crystal, evoking the surrounding nature and Sémillon vineyards. Satin-finished interior panels adorned with blackbirds and grapes serve as doors and partitions to guard the treasures of the cellars.

Pierre-Yves Rochon, the great French interior decorator and designer, has created his Signature collection for Lalique. Unveiled at the Milan Furniture Fair, the collection is enriched with five exceptional new pieces, each released in various finishes. A beautiful result of the interaction of rare savoir-faire in many forms, each piece is a jewel of interior design, combining aesthetics and functionality. Metal or noble wood enhances the purity and brilliance of the satin-finished crystal.



LALIQUE

LALIQUE JEWELLERY

Brand acquired **2008**

Share of company revenue **2%**

A BRILLIANT KALEIDOSCOPE OF MATERIALS

Celebrating 130 years of craftsmanship and creative excellence, Lalique Jewellery collections continue to showcase a perfect blend of iconic designs and fashionable pieces.

In the Fashion Jewellery collections, crystal metamorphoses into statement pieces and minimalist designs which bear the distinctive, ethereal signature of the brand. Rings, necklaces, earrings, bracelets, brooches and cufflinks reveal an emblematic style crafted with unique know-how.

The iconic Cabochon ring—one of Lalique's bestsellers—shows its timeless style in new colours and techniques, introducing a patinated version and a reissue of the original hand-engraved Épis design by René Lalique.

Trois Hirondelles perpetuates the most timeless designs, while the more fashionable lines of the 1927/1928 collection have been refreshed with new colours.

Last but not least, the Fine Jewellery Cygnes collection was unveiled as part of the collaboration with the Opéra national de Paris. The limited-edition white gold pendant features enamel, a signature work of René Lalique's original creations. The collaboration has also produced Eurydice, a collection of 18k-gold-plated articles in a more fashionable design.



Images (left and right): 1. Cygnes bracelet, Lalique and Paris Opera jewellery collection.
2. Sleek lines and transparent effects define the Cabochon ring.





Images (left and right): 1. Three new fragrances in the Les Compositions Parfumées collection: new scents, new colours, new emotions.
2. Is it a woman, a goddess, a mermaid? Lalique 2019 Crystal Limited Edition.

LALIQUE

LALIQUE FRAGRANCES

Brand acquired **2008**

Share of company revenue **16%**

BORN OF A CEASELESS QUEST FOR EXCELLENCE

Lalique has been manufacturing perfume bottles since the early 20th century and launched its first perfume, Lalique de Lalique, in 1992. Many more lines have been added since then and Lalique Parfums has become a renowned fragrance brand, not least thanks to its highly sought-after crystal editions – the most recent opus is Naiade.

Today, the portfolio includes perfumes, home fragrances, crystal limited editions and exclusive collections, as well as a "bath & body" collection.

The history of the Lalique brand and that of perfume are closely intertwined. René Lalique 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.).

A brilliant innovator, René Lalique was the first to blend glass and gems in his ground-breaking Art Nouveau jewellery, just as perfumers were revolutionizing their art with amazing new synthetic compounds. The brand keeps René Lalique's innovative spirit alive with the exclusive collection Les Compositions Parfumées. In 2018, Lalique launched three new scents—three modern olfactory stories: Electric Purple, Pink Paradise and Sweet Amber, which are a fusion of natural and molecular ingredients.

Lalique's new feminine fragrance to be launched in June 2019 is targeting a younger audience with a powerful new brand image. The fragrance Lalique Soleil is redolent of freedom, emotional expression and youthful aspiration.





Images (left and right): 1. RockStone 40, Arik Levy's work created in collaboration with Lalique is futuristic in form and at the same time primitive as well as traditional.
2. Exhibition in 2018: "Prism—when Lalique Crystal meets contemporary art".

LALIQUE

LALIQUE ART

Brand acquired **2008**

Share of company revenue **2%**

WHERE ART AND CRYSTAL MEET

Lalique Art combines the expertise of Lalique with that of major contemporary artists, designers and foundations with the aim of creating unique works of art. The objective is to enter into partnerships to create exclusive and extraordinary pieces. 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 the interplay of light, transparency, colour and contours. Thanks to Lalique Art and its partnerships, the brand reaches a new and different target group.

Lalique Art has collaborated with the Yves Klein Archives, the Rembrandt Bugatti family, George Lam, Zaha Hadid Design, Mario Botta, Damien Hirst, Anish Kapoor, Terry Rodgers, and Arik Levy.

In 2018, Lalique Art continued to flourish and to secure its position within the art market. The year also marked an important time for Lalique Art as the full range of its artistic collaborations were presented as the temporary exhibition at Musée Lalique in Wingen-sur-Moder from April 2018 till November 2018. This exhibition attracted nearly 17,000 visitors and was the subject of a special issue published by Beaux Arts Magazine.

In January 2019, Lalique Art presented a new collaboration with Arik Levy, featuring the unveiling of RockStone 40. A futuristic yet primitive form, executed according to a unique savoir-faire, RockStone 40 was conceived by Arik Levy as a "journey to the centre of the earth". These sculptures in pure crystal come in four colours found in nature: amber, blue, green and clear. Each colour version is produced in a limited edition of eight. Nearly the entire series was sold out in less than 48 hours.

Lalique Art continues to work with world-renowned artists and designers, and several new collaborations will be unveiled in the near future.



LALIQUE

GASTRONOMY/HOSPITALITY

Established **2015**

Share of company revenue **4%**

CHÂTEAU LAFaurie-PEYRAGUEY:

A SUBTLE EXERCISE IN STYLE

After Villa René Lalique in 2015 and Château Hochberg in 2016, Maison Lalique added a third hotel and restaurant to its world of prestige hospitality in June 2018. Hotel & restaurant Lalique at Château Lafaurie-Peyraguey, a member of the Relais & Châteaux collection and five-star hotel in the Bordeaux region, is owned by Lalique Group's main shareholder Silvio Denz and operates under the Lalique brand on a licensing basis. In this venture, crystal, gastronomy and hospitality all come together in the service of the arts and the senses. This fabulous setting offers three suites and ten bedrooms. The décor was entrusted to Green & Mingarelli Design agency, which created the Lalique Maison collection of furniture and accessories.

Jérôme Schilling—formerly executive chef at the Villa René Lalique restaurant—has taken charge of the new restaurant at Château Lafaurie-Peyraguey, to which a glazed extension looking out onto the vineyard has been added under the guiding hand of Mario Botta, the internationally renowned Swiss architect. In 2019, only six months after its opening, restaurant Lalique at Château Lafaurie-Peyraguey was awarded a first Michelin star.

The three hotels and restaurants are ideal showcases, providing an exclusive ambience in which to experience the Lalique lifestyle.



Images (left and right): 1. The Lalique hotel and restaurant at Château Lafaurie-Peyraguey opened its doors in June 2018.
2. The Lalique restaurant was awarded a star by Guide Michelin 2019.





LALIQUE CRYSTAL FACTORY

Number of employees **230 (FTE)**

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

Melting point of crystal glass **1400°C**

Complex manufacturing process **up to 40 different steps**

Best Craftsmen in France **7 Lalique artisans belong to this elite**

UNIQUE PRODUCTION PROCESS

Lalique's manufacturing site is located in Wingen-sur-Moder, France, and was built by the founder of Lalique in 1921 to be used for glassmaking. Since 1945, the factory has exclusively manufactured crystal glass products. The Group has maintained the traditions and heritage of Lalique since its acquisition in 2008, and today this production site affords the Group control over the entire manufacturing process.

SIGNIFICANT INVESTMENTS

In the last ten years, the Group has invested approximately EUR 20 million in the factory. Investments have included the installation of a new electric furnace, refurbishment of the mould workshop with new equipment, including five-axis milling machines and lathes, as well as workshop modernization, safety and environmental protection. By implementing these major improvements, the factory has reduced its environmental impact to nearly zero.

REMARKABLE CRAFTSMANSHIP

Lalique can rely on its century-spanning know-how in traditional glassmaking. It conducts the complex manufacturing process, requiring up to 40 different steps, with the help of its team of artists and craftsmen and their expertise. Seven of the Group's artisans have earned the title "Meilleur Ouvrier de France" (Best Craftsman in France), recognizing their glassmaking skills, awarded by Société Nationale de Meilleurs Ouvriers de France in 2015. Lalique has also been recognized by the French state and was awarded the seal of "Entreprise du Patrimoine Vivant" (living heritage company) in 2015.



Images Each part of the operation corresponds to a particular craft, a dozen of which are represented at the Lalique glassworks.





Images (left and right): 1. Advertising campaign for Jaguar Stance.
2. The new, striking addition to the collection: Jaguar Stance.



JAGUAR FRAGRANCES

Licence acquired **2002**

Share of company revenue **16%**

INNOVATIVE WITH A POWERFULLY IMPULSIVE APPEAL

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, symbolizes the Jaguar attributes of style, performance and modernity.

The perfumes draw on the DNA of the Jaguar aesthetic and its iconic heritage. They are a constant source of surprise and inspiration, combining powerful character and proud dynamism.

Each Jaguar Fragrances line elegantly symbolizes a strong personality and reflects a distinctive, modern scent and design philosophy to satisfy a wide range of tastes. All the perfumes were created for successful, self-confident men bold enough to wear a strong, masculine fragrance produced in the classic perfumery tradition.

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, remarkable new and unique notes of vivacious elegance.

In 2018, Jaguar Fragrances presented a striking addition to its collection: Jaguar Stance. Designed for a creative, independent man who shapes his own future. The premium brand's new perfume matches the distinctive, pulsating scent with a high-impact, textural bottle design inspired by the faceted Jaguar Heritage lozenge logo. The powerful masculine woody oriental accords of Jaguar Stance make an exciting, modern statement.





PARFUMS GRÈS

Brand acquired **2007**

Share of company revenue **4%**

CABOCHARD, THE ICONIC FRAGRANCE BY GRÈS

Founded by Alix Grès in 1942, the Grès fashion house was an uncompromising leader in haute couture for several decades. The roots of the perfume business go back to the launch of the renowned Cabochard scent which has acquired cult status since its market debut in 1959.

A fragrance with a seductive chypre accord and bold name meaning "stubborn" encapsulated Madame Grès' personality in a bottle and represented all strong women who were "caboche" themselves.

To celebrate the 60th anniversary of Cabochard, the brand is launching a new flanker, Cabochard chérie, featuring a woman of character and determination—full of grace, humour and sensuality. A woman who only does what she wants. Wilful, independent, highly committed and irresistible. This is the starting point of Cabochard's new approach, addressing the next generation of strong modern women.

Cabochard chérie, a radiant and contemporary fragrance with an addictive signature, will be available as of June 2019. Also, the original Cabochard has been repackaged in a new alluring bottle, whilst the scent—that was a worldwide success remains the same.



Images (left and right): 1. The new flanker Cabochard chérie and the original scent repackaged in an attractive flacon.
2. Advertising campaign for Cabochard chérie.



SAMOURAÏ

PARFUMS SAMOURAÏ

Brand acquired **2007**

Share of company revenue **4%**

HOMAGE TO A PROUD TRADITION

Parfums Samouraï is positioned between power and wisdom, energy and spirituality and renders homage to a proud tradition. The fragrances are particularly popular in Japan and ranked among the country's best-selling perfumes due to their focused product development, marketing and brand name.

The name means "servant" or "companion" and evokes the role of the Samuräi 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. Younger buyers in particular identify strongly with the heroic legends of their ancestors, which millions of followers still celebrate every year.

The latest launch represents the magical cherry blossom season. The female fragrance Sakura Pink is a sophisticated fusion of floral notes such as precious rose and sensual jasmine. The refined sandalwood creates—combined with soft praline accords—an exquisite background, a wonderful fragrance base that enhances the cherry blossom character.

Launched in the 1990s, the brand is constantly monitored in Japan, leading to new additions to the line and its accessories every year. This ensures the range is always attuned to new trends.





Images (left and right): 1. Samourai Driving Rush, product shot.
2. Samourai Sakura Pink is a sophisticated fusion of floral notes.



Images (left and right): 1 The exclusive scents are a fitting tribute to mark the 100th anniversary of Bentley Motors.
2 Lalique for Bentley Black Crystal Edition; limited edition of 12 signed, numbered and certified pieces.



BENTLEY

BENTLEY FRAGRANCES

Licence acquired **2011**

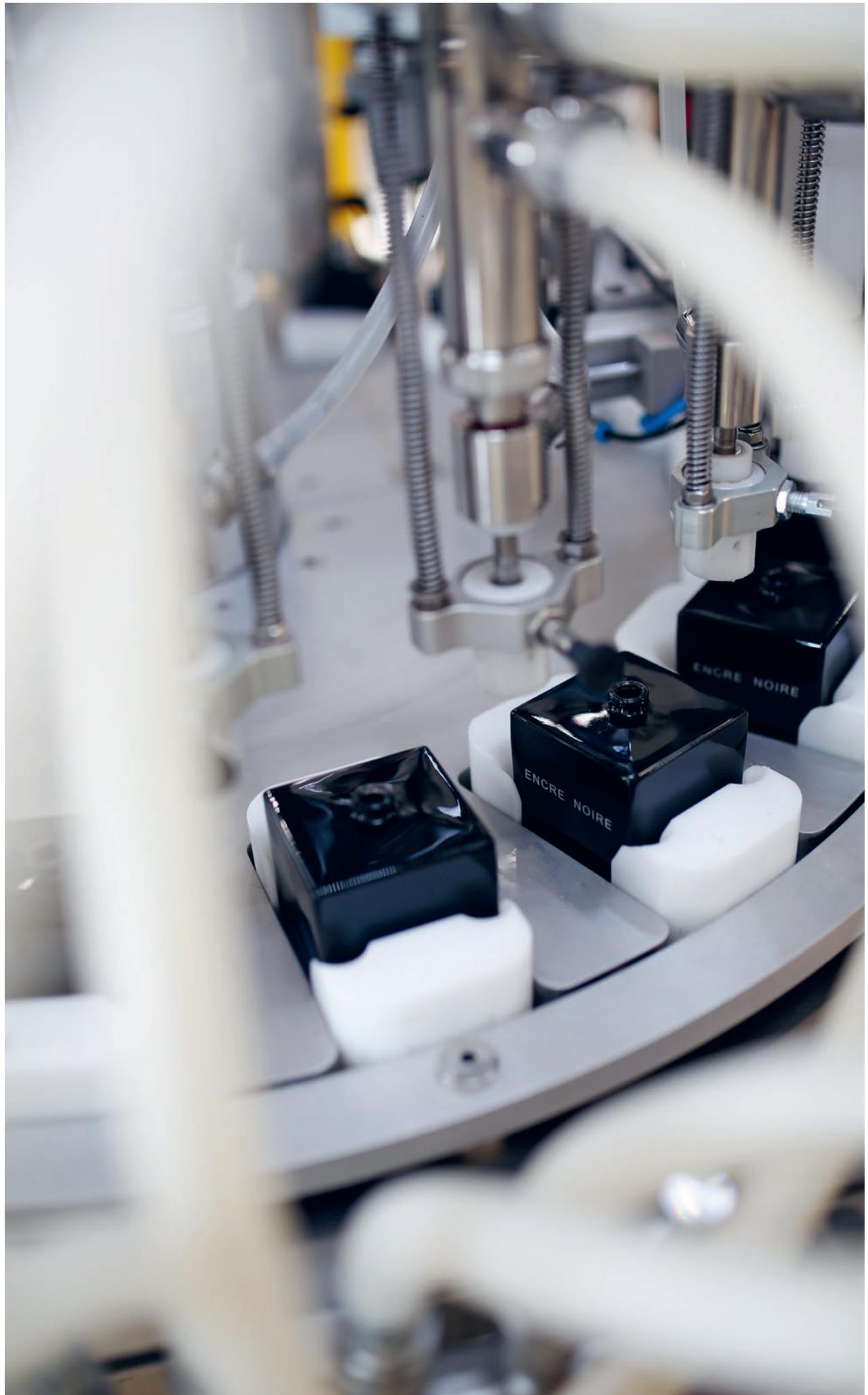
Share of company revenue **3%**

THE ULTIMATE LUXURY

Bentley is the brand that was last added to the Lalique Beauty portfolio. In 2013, the first fragrance was released after two years of development. It reflects a shared vision of elegance— Bentley For Men. Although the two companies operate in different sectors, their mutual passion for excellence and prestige has given rise to a unique partnership. Today, the Bentley Fragrances portfolio contains more than 15 fragrances.

A quest for perfection characterizes the new collection of fragrances Bentley Beyond—The Collection. These exclusive scents are a fitting tribute to mark the 100th anniversary of Bentley Motors, which is planning an international series of unforgettable “celebrations of a century”. This collection was born during three enchanting olfactory adventures to Acapulco, Goa and Java. The rich palette gives each fragrance its distinctive colour scheme, from the hand-stitched leather lid that recalls the interior of a Bentley car, to the colour of the fragrance, set off by the transparent glass of the bottle. Created by Bentley Motors designers, the faceted bottle is inspired by the cut-glass headlights of the Continental GT.





Images (left and right): 1 + 2. The fully automated line of Lalique Beauty Services.
3. Lalique Beauty Services also specializes in the packaging and preparation of luxury editions.

LALIQUE

BEAUTY

LALIQUE BEAUTY SERVICES

Number of employees **106 (FTE)**

Perfume production capacity per year **12 000 000 units**

Warehouse capacity in pallets **12 000**

Number of production lines **6**

(one fully automated line, two automated lines, three semi-automated lines)

Maceration capacity **90 000 litres**

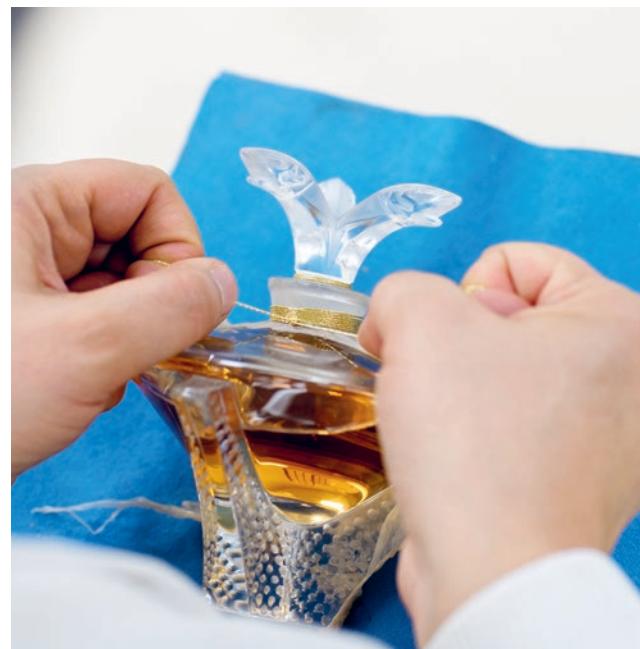
(tanks with a capacity of 100 to 5000 litres)

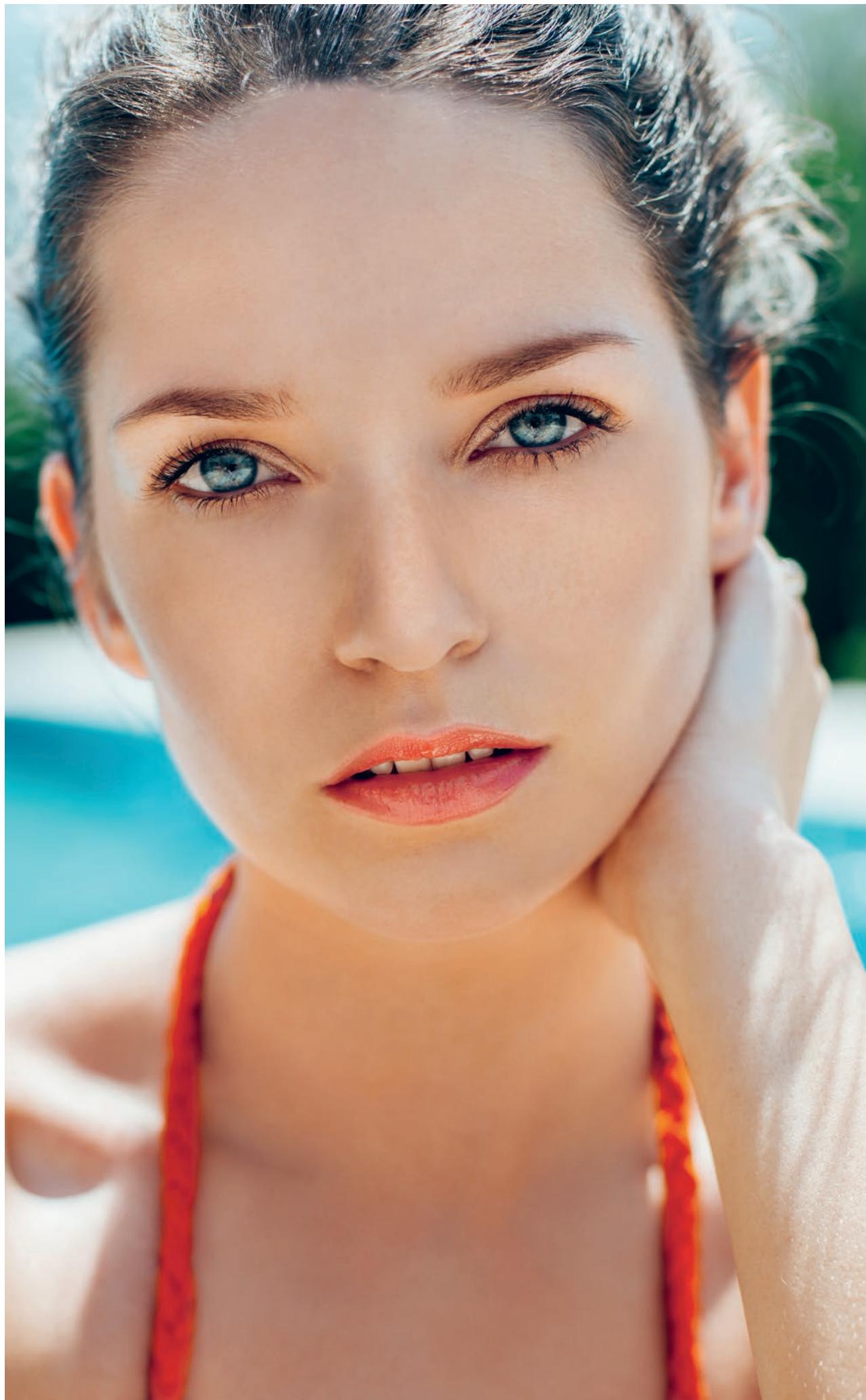
PERFUME FILLING AND LOGISTICS OPERATION

Lalique Beauty Services, headquartered in Ury, France, is a full-service provider in perfume preparation, bottling and packaging. It also provides related logistics services such as warehousing of components and end-products, and the dispatch of finished goods to worldwide destinations. The entire facility is certified to ISO 22716 (Cosmetic Good Manufacturing Practices).

The site was taken over by Lalique Group in January 2013. Since the acquisition, the Group has invested approximately EUR 15 million to increase production and logistics capacities, improve security, reduce its environmental impact, and introduce a new Enterprise Resource Planning system. As a result, the Group controls the majority of its perfume value chain, creating a higher degree of independence from third parties and increased flexibility for meeting market demands.

The perfume filling and logistics operation Lalique Beauty Services inaugurated a new warehouse extension, with storage capacity rising to 12 000 pallets. A new automated filling facility was implemented at the beginning of September 2018, increasing both productivity and capacity, including for third-party customers.





Images (left and right): 1. Ultrasun advertising campaign.
2. Ultrasun's Face Fluids: daily moisturising anti-ageing, tinted, brightening and anti-pollution UV protection fluid.



Brand acquired **2007**
Share of company revenue **13%**

INNOVATION AND PROFESSIONAL ENDORSEMENT

With over 25 years' experience in UV protection, Ultrasun is an internationally recognized skin protection brand on a strong growth trajectory.

In recent years, Ultrasun's formulas and market appearance have been revised to enhance competitiveness and create a platform for further growth. A combination of in-house expertise and external Swiss manufacturing support is enabling the brand to establish a leadership position in the industry. All formulas must comply with the brand's "0% policy" that prohibits use of controversial ingredients in any product.

The launch of the all-new Mineral protection line in early 2018 established a third pillar for the brand's protection portfolio and rounded up its range: the Sensitive Skin line and the new Mineral line for Ultra Sensitive Skin address dermatological needs, while the Normal Skin line with its transparent Sports formulas is aimed at endurance athletes.

To gain further professional endorsement, dermatologists play a key role in prompting shoppers to visit pharmacies and other POS. Accordingly, a significant presence in dermatological practices in many markets and at exhibitions is a clear target.

For the future, Ultrasun is focusing on further expanding its distribution network in existing and new markets all over the world.



CORPORATE GOVERNANCE

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CORPORATE GOVERNANCE

PRINCIPLES

Lalique Group undertakes to comply with the principles of good corporate governance, which protects the interests of Company shareholders and other stakeholders while helping the Group achieve sustainable development. Lalique Group's corporate governance is based on its Articles of Incorporation. It follows the guiding principles of the Swiss Code of Best Practice for Corporate Governance. The information disclosed hereinafter meets the current requirements of the "Directive Corporate Governance" (DCG) issued by SIX Swiss Exchange.

GROUP STRUCTURE AND SHAREHOLDERS

Group structure

Lalique Group SA, with its registered corporate headquarters at Grubenstrasse 18, 8045 Zurich, Switzerland, is the parent company of Lalique Group. It is a limited company (Aktiengesellschaft, société anonyme), pursuant to art. 620 et seq. of the Swiss Code of Obligations. The shares of Lalique Group SA (ticker symbol: LLQ) were listed on the BX Bern eXchange from 19 September 2007 until 24 June 2018, and have been traded on the SIX Swiss Exchange since 25 June 2018 under Swiss Security Number 3381329, ISIN CH0033813293.

The Company is a niche player in the luxury goods industry with an international presence and a global reach. It specializes in the creation, development, production, marketing and global distribution of perfumes, cosmetics, crystal glass, jewellery, high-end furniture and lifestyle accessories as well as art.

Founded in 2000, the Company initially focused on perfumes and then expanded into cosmetics with the acquisition of the Ultrasun brand in 2007. A major milestone was the acquisition of the house of Lalique in 2008, which has a long tradition in the glass-making industry and is associated with high quality and craftsmanship having developed specific production processes over the last century. Today, the Group leverages its diversified portfolio of brands, state-of-the-art production facilities and the experience of its management to pursue its growth strategy.

The Group had 720 employees as of 31.12.2018. In addition to its headquarters in Zurich, Switzerland, it has an office in Paris, as well as a perfume filling and logistics centre in Ury, France, and a crystalware factory in Wingen-sur-Moder, France. The Group also maintains representational offices in the United Kingdom, Germany, the United States, China, Japan and Singapore.

The list of principal consolidated subsidiaries, their domiciles, share capital and the Group's shareholding is presented in the Notes to the Consolidated Financial Statements, Note 27. With the exception of the parent company, the companies included in the scope of consolidation are unlisted.

Significant shareholders

As of 31 December 2018, a total of 681 shareholders (previous year: 496) were entered in the share register. To the knowledge of the company, the following were the only shareholders holding more than 3% of the share capital of Lalique Group SA as at 31 December 2018:

Shareholder	Number of shares	%
Silvio Denz	4 322 400	72.04
Hansjoerg Wyss	218 182	3.64
MAG Seven Ltd	200 000	3.33

CAPITAL STRUCTURE

Ordinary share capital

As of 31 December 2018, the share capital amounted to CHF 1 200 000 (31 December 2017: CHF 1 000 000) and consisted of 6 000 000 registered shares with a nominal value of CHF 0.20 each (31 December 2017: 5 000 000 registered shares with a nominal value of CHF 0.20 each). All of the issued shares are registered shares. There are no preference rights or similar rights attached to the shares. As of 31 December 2018 there were no treasury shares and no cross-shareholdings with other companies.

The market capitalization of the Company at 31 December 2018 was CHF 300 000 000.

Conditional and authorized share capital

Pursuant to article 3a of the Articles of Incorporation, the Company has a conditional share capital of CHF 50 000 corresponding to 250 000 shares with a nominal value of CHF 0.20 each. The conditional share capital is available for the exercise of options or subscription rights that the Company or Group entities would grant to employees, including members of the Board of Directors. The pre-emptive rights of the shareholders are excluded in relation to the maximum of 250 000 shares with a nominal value of CHF 0.20 each. The issuance of new shares may take place at a price below their market value. The Board of Directors shall determine the details of the terms of the relevant issue. After their acquisition, the new shares will be subject to the transfer restrictions set out in article 5 of the Articles of Incorporation.

As of 31 December 2018 the Company had no authorized share capital.

Changes in Capital

In CHF	31.12.2016	31.12.2017	31.12.2018
Ordinary share capital	1 000 000	1 000 000	1 200 000
Conditional share capital	50 000	50 000	50 000
Treasury shares (number)	30 200	13 500	0

At the ordinary Annual General Meeting on 8 June 2018 shareholders voted to increase the ordinary share capital by up to 1 000 000 new shares. These were granted subscription rights, entitling them to subscribe to one new share in Lalique Group for every five shares held at an offer price of CHF 30.00 per offered share. On 21 June 2018 the ordinary share capital of Lalique Group SA was increased by CHF 200 000 through the issue of 1 000 000 new registered shares. The issuance of a total of 1 000 000 new shares with a nominal value of CHF 0.20 each increased the issued share capital of Lalique Group SA to CHF 1 200 000, divided into 6 000 000 shares.

Participation certificates and profit-sharing certificates

Lalique Group SA has not issued any non-voting equity securities, such as participation certificates (Partizipationsscheine, bons de participation) or profit-sharing certificates (Genussscheine, bons de jouissance).

Dividend-right certificates

Other than the registered shares, there are no dividend right certificates.

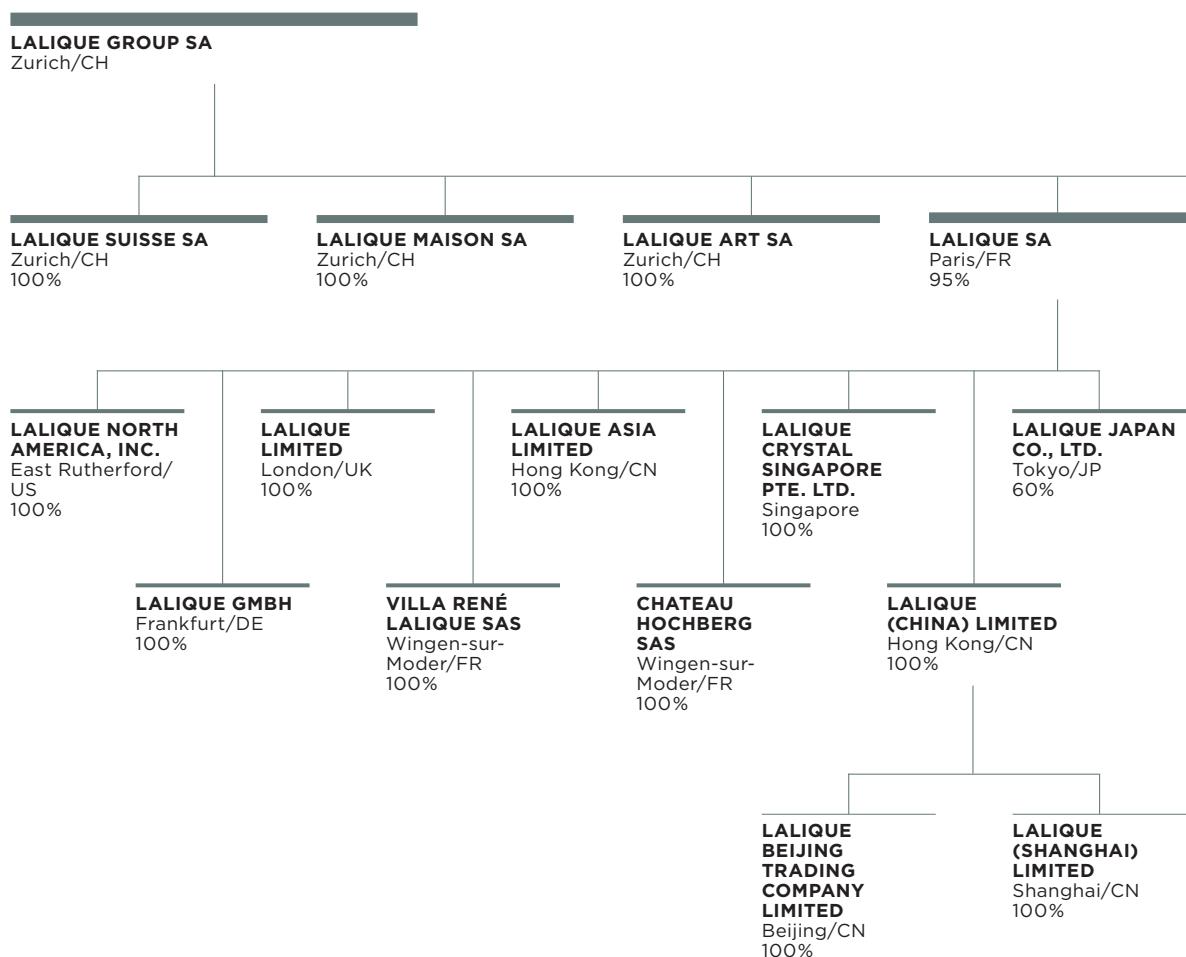
Limitations on transferability and nominee registrations

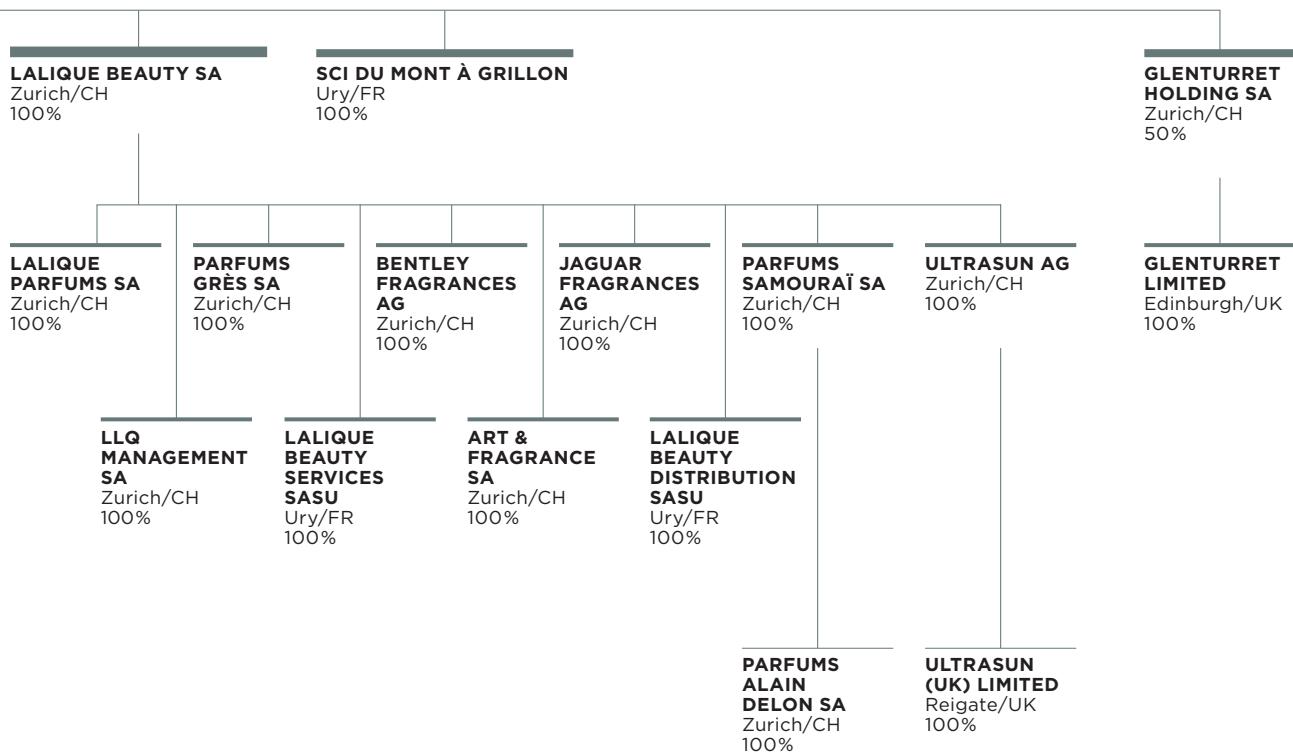
The transferability of the shares of Lalique Group is not subject to any restrictions as a matter of principle. Owners of shares are entered in a share register. The company must be notified of any changes. The persons entered in the share register are deemed to be the shareholders in relation to the company. The entry in the share register requires evidence of the share acquisition. The company may cancel any relevant entry in the share register that was made on the basis of false information. Limitations on transferability and nominee registrations may be changed by a positive vote of the absolute majority of the share votes represented at a shareholders' meeting.

Convertible bonds and options

There are no bonds or warrants outstanding that are convertible into shares of Lalique Group SA.

LEGAL GROUP STRUCTURE







BOARD OF DIRECTORS
Marcel Roesti, Claudio Denz, Roland Weber, Silvio Denz, Roger von der Weid, Jan Kollros (left to right)

BOARD OF DIRECTORS



BOARD OF DIRECTORS

Members of the Board of Directors

The duties and responsibilities of the Board of Directors of Lalique Group are defined by the Swiss Code of Obligations and the Company's Articles of Incorporation and Organizational Regulations. The Board of Directors consisted of six directors as at 31 December 2018. Three members of the Board of Directors are non-executive directors.

The following table summarizes the current constitution of the Board of Directors as at 31 December 2018, as well as their position and year of appointment to the Board:

Denz, Silvio, Executive Chairman of the Board of Directors, is a dual Swiss and Italian citizen currently residing in Switzerland.

Silvio Denz founded Lalique Group SA, formerly known as Art & Fragrance SA, in 2000. He is currently serving the Group as Executive Chairman of the Board of Directors. He is also Chairman of the Board of Directors and CEO of Lalique SA. Moreover, he is the major shareholder in the Company. Before Silvio Denz set up the business with the incorporation of Art & Fragrance SA, he owned and managed Alrodo AG, a perfume distribution company and family business, as Chief Executive Officer. Alrodo was subsequently sold to Marionnaud in 2000.

Besides his commitment to the Group, he is also active in international art trading and the management of various vineyards as well as wine trading companies. He currently holds further board memberships at Lalique Asia Limited in China, Ciron SA, Chocoladefabriken Lindt & Sprüngli AG and Art & Terroir SA in Switzerland, among others.

Weber, Roland, Vice-Chairman of the Board of Directors, is a Swiss citizen residing in the United Arab Emirates since 2007.

Roland Weber joined Lalique Group SA, formerly known as Art & Fragrance SA in 2000. He has been a member and the Vice-Chairman of the Board of Directors since 2003. From 1994 to 2000, Roland Weber collaborated with Silvio Denz and served as Chief Executive Officer and delegate of the board of directors of Alrodo AG. Prior to that, he gained experience in sales and marketing, firstly as a manager for Jaguar Cars Switzerland at Emil Frey Group from 1985 to 1988 and secondly as Director of Perfumes for Yves Saint Laurent, Switzerland and Austria, from 1988 to 1993. Roland Weber holds a master's degree in business administration from the University of St. Gallen (HSG).

In 2002, he founded Retail Factory SA, Switzerland's largest agency for retail spaces, to which he still actively contributes. Besides his commitment to the Group, he has also made several smaller investments in various fields and been active in the real estate sector for more than 15 years.

von der Weid, Roger, Delegate of the Board of Directors and CEO, is a Swiss citizen currently residing in Switzerland.

Roger von der Weid joined the Group as Chief Executive Officer and member of the Board of Directors in 2006. Prior to his commitment to the Group, he served as Managing Director at a Swiss trust company for two years. Before this engagement, he practised as a lawyer for two major Swiss corporate law firms from 1998 to 2004. Roger von der Weid earned his master of law at Duke University School of Law, North Carolina (USA) in 1998 and was admitted to the bar in 1996. Furthermore, he became a federally certified tax expert in 2002 and graduated with an executive master in corporate finance from IFZ Financial Services Institute in 2006.

He is a member of the board of directors of Lalique SA in France, Lalique Asia Limited in China, Lalique North America in the USA, Lalique China in China, Lalique (UK) Limited in the UK, Madura Holding APS in Denmark as well as Lalique Beauty SA, Art & Terroir SA, Ultrasun AG and Ciron SA in Switzerland, among other Group companies.

NAME	NATIONALITY	PLACE OF RESIDENCE	YEAR OF APPOINTMENT	YEAR OF BIRTH	POSITION
Denz, Silvio	Switzerland/Italy	Switzerland	2007	1956	Executive Chairman
Weber, Roland	Switzerland	United Arab Emirates	2003	1957	Vice-Chairman
von der Weid, Roger	Switzerland	Switzerland	2006	1970	Delegate and CEO
Denz, Claudio	Switzerland/Italy	Switzerland	2011	1988	Member and Head of Digital
Kollros, Jan	Switzerland	Switzerland	2017	1978	Member
Roesti, Marcel	Switzerland	Switzerland	2008	1946	Member

Denz, Claudio, member of the Board of Directors and Head of Digital, is a dual Swiss and Italian citizen currently residing in Switzerland.

Claudio Denz has served as a member of the Board of Directors since 2011. Besides this engagement, he is Head of Digital. Before he took on the above-mentioned responsibilities, he worked in the areas of marketing, branding and product management at Art & Fragrance SA, with various assignments at Lalique North America and Lalique London between 2005 and 2011. In 2008, Claudio Denz graduated from the Commercial Minerva School, Switzerland.

Claudio Denz holds several board memberships, including Ermitage Estate AG, Madox Group AG, Noir Gastronomie AG and Denz Weine AG, among other Group companies, all of which are based in Zurich, Switzerland.

Kollros, Jan, member of the Board of Directors, is a Swiss citizen currently residing in Switzerland.

Jan Kollros studied mechanical engineering and industrial management at ETH Zurich. He gained professional experience in various international industrial groups. Since 2005 he has worked for adbodmer AG, a multi-family office in Horgen, near Zurich. Since 2009 he has been a Managing Partner at adbodmer AG, with responsibility for the operational management of the company. He currently holds other board memberships at The Hess Group AG (since February 2018), Evatec AG/ Evatec Holding AG (since February 2018) and Bédat & Co SA (since March 2009), among others.

Roesti, Marcel, member of the Board of Directors, is a Swiss citizen currently residing in Switzerland.

Marcel Roesti has been a member of the Board of Directors since 2008. He previously served as VP Sales and Marketing and later as Chief Executive Officer for European fragrance operations at Takasago, a major international producer of flavours and fragrances; he also worked as Sales Manager at Essencia Essential Oils Ltd, the Swiss market leader in essential oils, for a total of 19 years. Marcel Roesti studied business administration in Cambridge and Sheffield and attended the Givaudan Perfumery School. The International Federation of Essential Oils Aromas and Trade honoured him with a Diploma in Perfumery. Currently, he also acts as Chief Executive Officer and is the owner of Mont-Blanc Resourcing M. Roesti, a consulting company specializing in the creation and development of perfume and cosmetic products. In addition, Marcel Roesti holds a board membership at Lalique SA in France.

Other activities and vested interests

With the exception of the positions listed above, none of the directors holds any material permanent management or consultancy function or engages in any activities of relevance to corporate governance in:

- governing or supervisory bodies of important organizations, institutions or foundations under private or public law;
- a permanent management or consultancy capacity for important interest groups;
- a public or political office.

Rules in the Articles of Incorporation on the number of permitted activities pursuant to art. 12 para. 1 item 1 of the Ordinance against Excessive Compensation in Listed Stock Companies (OaEC)

The members of the Board of Directors may only assume the following maximum number of mandates in management or administrative bodies of entities and organizations: up to five additional mandates in listed entities, up to ten mandates in non-listed entities, up to ten mandates in charity organizations, associations or foundations and other non-profit organizations. Exceeding these restrictions by one mandate in the short term is permitted. Several mandates in different entities under uniform control are considered as one mandate. There is no restriction for mandates in entities which are directly or indirectly controlled by the Company as well as entities which are not obliged to obtain entry in the commercial register or a corresponding foreign register.

Elections and organization of the Board of Directors

The shareholders' meeting of the Company elects the members of the Board of Directors, the Executive Chairman of the Board of Directors, as well as the members of the remuneration committee. The remuneration committee may only consist of members of the Board of Directors. The Board of Directors may appoint a Vice-Chairman of the Board of Directors. The term of office of each member of the Board of Directors is one year.

The Executive Chairman presides over the Board of Directors. Furthermore, the Board of Directors appoints the members of the Executive Board.

The Board of Directors takes the view that the current dual functions of three members of the Board of Directors, Silvio Denz as Chairman of the Board of Directors and CEO of Lalique SA, Roger von der Weid as CEO of Lalique Group and Claudio Denz as Head of Digital 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.

Definition of areas of responsibility

The Board of Directors has the following non-transferable and inalienable duties and competencies as required by law: the Board of Directors is ultimately responsible for the management of the Company. Accordingly, pursuant to the legal concept of the Swiss Code of Obligations, the Board of Directors has both executive and supervisory functions.

The ultimate management responsibilities include (i) issuing the Organizational Regulations (*règlement d'organisation*, *Organisationsreglement*), (ii) appointment and removal of the persons entrusted with the management and the representation of the Company, (iii) issuing principles for accounting and financial reporting, (iv) decisions and motions put to the shareholders' meeting, (v) determination of the strategy, and (vi) establishment of the organization.

Supervising and monitoring the senior management includes (a) establishing a suitable system of internal controls and receiving regular reports on the progress of business; and (b) preparing the annual report and approving the annual financial statements and the half-year financial statements.

The Board of Directors is also responsible for preparing the shareholders' meeting and carrying out the shareholders' resolutions. Further, the Board of Directors must notify the court in case of capital loss and over-indebtedness.

Subject to the non-transferable and inalienable powers and duties mandatorily reserved to the Board of Directors pursuant to the Swiss Code of Obligations, as well as subject to the duties and competencies retained by the Board of Directors or delegated to one of the committees according to the Articles of Incorporation and the Organizational Regulations, the Board of Directors delegated the operational management activities to the members of the Executive Board.

The Board of Directors is quorate if the majority of the members is present and passes resolutions with the majority of votes cast. No such quorum is necessary for establishing resolutions in connection with share capital increases and amending the Articles of Incorporation in this context. In case of a tie, the Executive Chairman has the deciding vote.

If no member of the Board of Directors requests a verbal debate, resolutions may also be passed by way of circular resolutions. Such resolutions have to be included in the minutes of the Board of Directors' meetings. The signatory powers of the members of the Board of Directors follow the entry in the commercial register. Currently, the members of the Board of Directors have joint signatory powers.

The Remuneration Committee consists of at least two members of the Board of Directors. The current members are Silvio Denz and Roland Weber. All members of the Remuneration Committee are individually elected by the shareholders' meeting for terms of one year. Re-election is permitted. The chairperson of the Remuneration Committee is appointed by the Board of Directors (article 26 section 3 of the Articles of Incorporation).

The Remuneration Committee assists the Board of Directors in remuneration-related matters, namely by:

- verifying compliance with the principles of remuneration in accordance with the law, the Articles of Incorporation and the Organizational Regulations, as well as the resolutions of the shareholders' meeting regarding remuneration;
- proposals to the Board of Directors for the establishment of principles, assessment criteria and qualitative and quantitative objectives for remuneration within the framework of the requirements set out by law and in the Articles of Incorporation;
- calculation and proposals to the Board of Directors on the achievement of qualitative and quantitative targets for the assessment of variable remuneration;
- proposals to the Board of Directors for the amounts of fixed and variable remuneration for the members of the Board of Directors as well as the fixed and variable remuneration for the members of the Executive Board;
- proposal to the Board of Directors regarding the remuneration report;
- taking all further actions assigned to it by law, the Articles of Incorporation and the Organizational Regulations.

The Remuneration Committee is entitled to conduct investigations in all matters within its competence. In particular, it has full access, to the extent required for the fulfilment of its duties, to the employees, books and records of the Group and its subsidiaries. It may also request the services of independent advisors and experts to the extent required for the accomplishment of its duties.

Information and control instruments vis-à-vis the Executive Board

During every meeting of the Board of Directors the CEO reports on the general course of business. Deviations from the expected course of business and significant occurrences are reported. The members of the Board of Directors receive monthly reports on the development of gross sales in the different business lines, quarterly consolidated profit and loss statements, as well as weekly treasury updates.

The Board of Directors is briefed directly by the CEO on the ongoing strategic and operational projects and the results achieved. Besides information relating to the annual budget, the Board of Directors is also given a projection of the expected annual results once or twice a year.

Furthermore, the Executive Chairman of the Board of Directors maintains close contact with the CEO and the members of the Executive Board. The course of business and all major issues of corporate relevance are discussed at regular meetings. The Executive Chairman of the Board of Directors is closely involved with the Company and focuses his attention primarily on strategic issues and projects. Each member of the Board of Directors can request information on the course of the Company's business from persons entrusted with management of the Company. Any unexpected incidents must be reported to the members of the Board of Directors, either by the CEO or the Executive Chairman, without delay.

EXECUTIVE BOARD

Members of the Executive Board

In accordance with Swiss law, the Articles of Incorporation and the Organizational Regulations, and subject to those affairs that lie within the responsibility of the Board of Directors by law, the Articles of Incorporation and the Organizational Regulations, the Board of Directors has delegated operational management to the Executive Board.

OPERATIONAL STRUCTURE

BOARD OF DIRECTORS LALIQUE GROUP

Silvio Denz, Executive Chairman;
Roland Weber, Vice-Chairman; Claudio Denz, Member; Jan Kollros, Member;
Marcel Roesti, Member; Roger von der Weid, Delegate and CEO

AUDITORS

Ernst & Young AG

GROUP CEO

Roger von der Weid

GROUP CFO

Alexis Rubinstein

Besides the functions of Group CEO and Group CFO, the Executive Board of the Group is split into an Executive Board of the Beauty division and an Executive Board of the Lalique division. The Beauty Executive Board and the Lalique Executive Board together are defined as the Executive Board.

As of 31 December 2018, Roger von der Weid held the position of Group CEO and Alexis Rubinstein that of Group CFO. For the curriculum vitae of Roger von der Weid see "Board of Directors"; for Alexis Rubinstein see "Members of the Executive Board"

The Beauty Division Executive Board comprises the following eight individuals:

BEAUTY DIVISION

Executive Board

ROGER VON DER WEID CEO

CLAUDIO DENZ Head of Digital

MICHAEL MÜLLER CFO

DAVID RIOS COO Fragrance Division

BENEDIKT IRNIGER Head of Suncare

ROSEMARIE ABELS Head of Procurement & Production

MARIE-LAURE JOLY Head of Marketing

THOMAS LEUTENEGGER Head of Sales & Export

NAME	NATIONALITY	PLACE OF RESIDENCE	YEAR OF APPOINTMENT	YEAR OF BIRTH	POSITION
von der Weid, Roger	Switzerland	Switzerland	2006	1970	CEO
Müller, Michael	Switzerland	Switzerland	2017	1978	CFO
Rios Lopez, David	Switzerland/ Ecuador	Switzerland	2015	1975	COO Fragrance Division
Abels, Rosemarie	Switzerland/ Germany	Switzerland	2010	1967	Head of Procurement & Production
Joly, Marie-Laure	France	Switzerland	2013	1969	Head of Marketing
Leutenegger, Thomas	Switzerland	Switzerland	2016	1967	Head of Sales & Export
Denz, Claudio	Switzerland/Italy	Switzerland	2011	1988	Head of Digital
Irniger, Benedikt	Switzerland	Switzerland	2013	1972	Head of Suncare

For the curricula vitae of Roger von der Weid and Claudio Denz see "Board of Directors".

Müller, Michael, CFO, is a dual Swiss and German citizen currently residing in Switzerland.

Michael Müller has served as CFO of Lalique Beauty since 2017. Before joining the Group, he worked as Head of Finance and Head of Controlling in various industries in Switzerland and Asia. Michael Müller has 16 years' experience in Finance & Consulting and holds a master's degree in business administration from the University of St. Gallen (HSG).

Rios Lopez, David, COO Fragrance Division, is a dual Swiss and Ecuadorian citizen currently residing in Switzerland. In 2006, David Rios Lopez joined Lalique Group SA. Before his appointment as Chief Operating Officer of the Fragrance Division in 2015, he was an Area Sales Manager and subsequently took further responsibilities as Vice-President of Sales and Head of Sales and Export. Prior to joining the Group, he worked as Business Development Manager for Elizabeth Arden International in Geneva, Switzerland, for seven years. David Rios Lopez holds a postgraduate diploma in business administration from the Université d'Angers, France, and a bachelor of arts in business administration from the Catholic University of Santiago de Guayaquil, Ecuador.

Abels, Rosemarie, Head of Procurement and Production, is a dual German and Swiss citizen currently residing in Switzerland.

In 2010, Rosemarie Abels returned to Lalique Group SA as Head of Procurement and Production, after having worked at Intereurope GmbH and Scooter Fashion as Head of Purchasing for the previous three years. From 2001 to 2006, Rosemarie Abels had already been employed by the Group as Head of Procurement. Besides her current position as Head of Procurement and Production, Rosemarie Abels acts as Managing Director (directrice générale) for Lalique Beauty Services, Ury, France (since February 2014). Rosemarie Abels graduated in industrial management.

Joly, Marie-Laure, Head of Marketing, is a French citizen currently residing in Switzerland.

Marie-Laure Joly joined Lalique Group SA in 2013 as Head of Marketing in charge of the management and development of the Group's perfume brands. In 2016, the areas of trade and retail marketing were added to Marie-Laure Joly's areas of responsibility. Prior to her engagement for the Group, she worked in marketing for various international companies including Triumph, La Prairie, Rochas, Dior and Hermès. She has a total of 25 years' experience in the luxury goods industry. Marie-Laure Joly holds a master's degree in fashion and art marketing from IFM, Paris (1992), and a bachelor in international business.

Leutenegger, Thomas, Head of Sales & Export, is a Swiss citizen currently residing in Switzerland.

Thomas Leutenegger joined Lalique Group SA in 2016 in his current function as Head of Sales & Export. Prior to his engagement with the Group he worked as Regional Manager for Rado S.A. (Swatch Group) in Lengnau, Switzerland for eight years. Previously, he worked for Calida AG as Head of Wholesale until 2009, for Prionics AG, Schlieren, in the role of Area Director from 2004 to 2007 and in various national and international capacities within the Unilever Group from 1995 to 2003. Thomas Leutenegger holds a master's degree in business administration from the University of St. Gallen (HSG).

Irniger, Benedikt, Head of Suncare, is a Swiss citizen currently residing in Switzerland.

Benedikt Irniger joined Ultrasun in March 2013 as General Manager, after having worked for seven years for Kraft Foods (today: Mondelez) and seven years for Johnson & Johnson in brand/product management, sales and trade marketing roles in the FMCG and OTC sector. Benedikt Irniger graduated in business administration from the University of St. Gallen (HSG)

LALIQUE DIVISION**Executive Board****SILVIO DENZ**

Chairman of the Board of Directors & CEO

ROGER VON DER WEID

Managing Director

CLAUDIO DENZ
Head of Digital**ALEXIS RUBINSTEIN**
CFO**ALEXIA ASHWORTH**
Head of Marketing**MARC LARMINAUX**
Artistic Director and Head of Design Studio**JEAN-BAPTISTE DE JAHAM**
Head of Sales**DENIS MANDRY**
Head of Production

The Lalique Division Executive Board comprises the following eight individuals:

NAME	NATIONALITY	PLACE OF RESIDENCE	YEAR OF APPOINTMENT	YEAR OF BIRTH	POSITION
Denz, Silvio	Switzerland/Italy	Switzerland	2007	1956	Chairman and CEO
von der Weid, Roger	Switzerland	Switzerland	2006	1970	Managing Director
Rubinstein, Alexis	France	France	2014	1981	CFO
Mandry, Denis	France	France	2008	1963	Head of Production
Larminaux, Marc	France	France	2013	1976	Artistic Director and Head of Design Studio
De Jaham, Jean Baptiste	France	France	2016	1967	Head of Sales
Ashworth, Alexia	France	France	2005	1978	Head of Marketing
Denz, Claudio	Switzerland/Italy	Switzerland	2011	1988	Head of Digital

For the curricula vitae of Silvio Denz, Roger von der Weid and Claudio Denz see "Board of Directors".

Rubinstein, Alexis, Group CFO served as Chief Financial Officer of the Lalique division from 2014, before being nominated Group CFO in 2017. Before his commitment to the Group, he worked as a financial auditor specializing in due diligence from 2003 to 2008. Afterwards, Alexis Rubinstein spent over six years as Auditing Director and was working on various consulting missions, particularly in external financial interim management and industrial controlling. He gained a master's degree in finance from IPAG Business School Paris in 2003.

Mandry, Denis, Head of Production, is a French citizen currently residing in France.

Denis Mandry has managed the Lalique crystal factory since February 2008. Prior to taking this position he was employed at the factory in various positions from April 1990, first as Head of Methods and subsequently as manager in charge of the industrialization of products. Prior to joining the Group, Denis Mandry worked as Quality Manager and Purchasing and Logistics Manager at Schneider Industrie Industrielle from 1987 to 1990. Denis Mandry holds an engineering degree from the National School of Engineers, Metz, France.

Larminaix, Marc, Artistic Director and Head of Design Studio, is a French citizen currently residing in France.

Marc Larminaix joined Lalique in 2002 as a Junior Designer, took further responsibilities over the years as a Senior Designer before being appointed Head of Design Studio in 2013 and Artistic Director in 2016. Marc Larminaix previously worked as a Graphic Designer in London for Keenan Design and as a Freelance Digital and Multimedia Designer for UNESCO. He holds a BTS in Ceramics and Glass Design from ENSAAMA (Olivier de Serres), Paris and a master's degree in industrial design from Central Saint Martins College, London.

De Jaham, Jean-Baptiste, Head of Sales, is a French citizen currently residing in France.

Jean-Baptiste De Jaham is Head of Sales, responsible for Lalique's international sales operations. Before joining Lalique in 2016, he worked at Yves Delorme's subsidiary in Charlottesville, USA, as Retail Sales Director (2006 to 2008) and later worked as International Sales Director in Paris (2013 to 2016). Prior to this, he worked as Sales Director and Area Manager for Hermès, Paris, France (1997 to 2006), and as Area Manager for LVMH Group, Paris, France (1991 to 1997). Jean-Baptiste De Jaham holds a degree in finance and marketing from ACI in Paris, France and from Esucomex Santiago, Chile.

Ashworth, Alexia, Head of Marketing, is a French citizen currently residing in France.

Alexia Ashworth is the international Head of Marketing for Lalique Decorative Objects, Interior Design and Jewellery. She joined Lalique in 2005 as Product Manager, took further responsibilities as Head of Operational Marketing before she was appointed international Head of Marketing in January 2014. She previously worked in marketing positions at Christian Dior Couture and Guerlain. Alexia Ashworth holds a master's degree in business law from the University of Paris II Assas Panthéon and graduated from Sciences Po, Paris.

Other activities and vested interests

With the exception of the positions listed above, none of the members of the Executive Board holds any material permanent management or consultancy function or engages in any activities of relevance to corporate governance in:

- governing or supervisory bodies of important organizations, institutions or foundations under private or public law;
- a permanent management or consultancy capacity for important interest groups;
- a public or political office.

Rules in the Articles of Incorporation on the number of permitted activities pursuant to art. 12 para. 1 item 1 of the Ordinance against Excessive Compensation in Listed Stock Companies (OaEC)

The members of the Executive Board may only assume the following maximum number of mandates in management or administrative bodies of entities and organizations subject to the approval of the Executive Chairman: up to two additional mandates in listed entities, up to two mandates in non-listed entities, up to two mandates upon instruction of the Company in entities which are not directly or indirectly controlled by the Company, and up to ten mandates in charity organizations, associations or foundations and other non-profit organizations.

Several mandates in different entities under uniform control are considered as one mandate. There is no restriction for mandates in entities which are directly or indirectly controlled by the Company as well as entities which are not obliged to obtain entry in the commercial register or a corresponding foreign register.

Management Contracts

The company has not entered into any management contracts with third parties that fall within the scope of subsection 4.4 of the SIX Directive on Information relating to Corporate Governance.

COMPENSATION, SHAREHOLDINGS AND LOANS

In accordance with the Swiss Code of Obligations and the SIX Directive on Corporate Governance, the compensation and shareholdings of members of the Board of Directors, as well as the members of the Executive Board and any loans extended to them, are presented and discussed in the separate "Compensation Report".

SHAREHOLDERS' PARTICIPATION

Voting rights restrictions and representation

Holders of registered shares are registered on request in the Company's share register, subject to their signature of a written statement expressly confirming that they have acquired the shares in their own name and for their own account. 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, the management representative, the independent proxy or a portfolio representative by means of a written power of attorney. No legal quorum is stipulated.

Quorums required by the Articles of Incorporation

Unless otherwise stipulated by mandatory law or by provisions contained in the Articles of Incorporation, the General Meeting of Shareholders passes its resolutions and confirms elections by an absolute majority of the votes represented. Abstentions are disregarded for the purpose of assessing a majority.

Convocation of the general meeting of shareholders

Ordinary General Meetings are convened by the Board of Directors and must be held annually within six months of the close of the Company's fiscal year.

Extraordinary General Meetings shall take place as necessary, in particular in those cases stipulated by law. Those Meetings are called by the Board of Directors or, if necessary, by the auditors or a liquidator.

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 Handelsblatt, SHAB/Feuille Officielle Suisse du Commerce, FOSC).

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.

Inclusion of items on the agenda

The invitation to the General Meeting contains the agenda items, petitions by the Board of Directors and petitions by shareholders who have convened the General Meeting or requested the inclusion of an item in the agenda.

Entries in the share register

Shareholders will be registered with a right to vote in the share register of Lalique Group SA until the record date set by the Board of Directors for each shareholders' meeting. The register date for the Ordinary General Meeting is specified in the invitation and is set approximately two weeks before the meeting. Only shareholders who hold shares registered in the share register with a right to vote at a certain date—or their representatives—are entitled to vote. Unless other cut-off dates are stipulated by the Board of Directors, no entries in the share register are permitted as from the date of dispatch of the invitations to the General Meeting until the day after the date of the meeting.

CHANGES OF CONTROL AND DEFENCE MEASURES

Duty to make an offer

According to the Swiss Financial Market Infrastructure Act (FMIA), shareholders or a group of shareholders acting in concert who acquire more than 33.3% of the voting rights of a company domiciled in Switzerland and listed on an exchange in Switzerland are required to issue a public offer to acquire all listed equity securities of that company.

The Articles of Incorporation of Lalique Group SA do not allow for an opting-up or opting-out clause.

Clauses on changes of control

There are no change-of-control agreements with members of the Board of Directors or the Management Board or other executives.

AUDITORS

Duration of the mandate and term of office of the lead auditor

The General Meeting of Lalique Group SA appointed Ernst & Young AG (CHE-491.907.686) in Zurich as its statutory auditor for the first time in 2007. According to the Articles of Incorporation of the Company, the auditors must be re-appointed or confirmed each year by the General Meeting. Christian Krämer, a Swiss certified accountant is the lead auditor and has held this position since the audit of the 2017 financial statements.

Auditing fees

The fees of Ernst & Young AG for professional services related to the audit of the Group's annual accounts for the year 2018 were CHF 271 000. This amount includes fees for the audit of Lalique Group SA and its subsidiaries, and of the consolidated financial statements.

Additional fees

In addition, for the year 2018, Ernst & Young rendered services related to Lalique Group's capital increase, approved by the General Meeting on 8 June 2018, as well as for a capital increase in one of the Company's subsidiaries for a total of CHF 96 000.

Information instruments pertaining to the external audit

Supervision and control of auditors' performance is exercised by the whole Board of Directors. Before the interim audit, auditors prepare an audit plan. Based on an analysis of current business and audit risks, the main points to be audited are proposed in this plan. The scope of the audit is defined in an engagement letter.

The report on the final audit for the annual financial statement is dispatched to all members of the Board of Directors after the end of each reporting year. It is discussed with the auditors prior to approval of the annual report.

Auditors' direct access to the Board of Directors is guaranteed at all times. The auditor meets with the executive member of the Board of Directors and CEO during the year on an ad-hoc basis.

INFORMATION POLICY

Lalique Group undertakes to pursue an open, transparent and consistent information policy, publishing half-year and annual results in compliance with the requirements of the SIX Swiss Exchange. In addition to the detailed information published in conjunction with the General Meeting of Shareholders, the company also provides information on current events and developments through press releases, which are archived on the company website at www.lalique-group.com. As a company listed on SIX Swiss Exchange, Lalique Group complies with the rules governing ad-hoc publicity, i.e. it is obligated to disclose potentially price-sensitive events and developments. The CEO is responsible for communication with investors. The official publication medium of Lalique Group is the Swiss Official Gazette of Commerce (Schweizerisches Handelsblatt, SHAB/Feuille Officielle Suisse du Commerce, FOSC).

E-mails can be sent to investor-relations@lalique-group.com at any time.

Events calendar

- Publication of 2018 annual results: 17 April 2019
- Annual General Meeting: 24 May 2019

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FINANCIALS

CONSOLIDATED INCOME STATEMENT OF LALIQUE GROUP

IN EUR THOUSANDS	2018	2017
Revenue from contracts with customers	133 879	127 381
Other operating income	2 541	1 449
Operating revenue	136 420	128 830
Material costs, licences and third party services	-57 587	-53 494
Gross result	78 833	75 336
Salaries and wages	-32 618	-30 475
Other operating expenses	-32 448	-30 235
EBITDA	13 767	14 626
Depreciation and amortization/impairment	-7 693	-7 161
EBIT	6 074	7 465
Financial income ¹	26	47
Financial expenses ¹	-1 343	-1 752
Net foreign exchange differences ¹	921	755
Group profit before taxes	5 678	6 515
Income taxes	-512	363
NET GROUP PROFIT	5 166	6 878
of which attributable to:		
Non-controlling interests	-1 035	-129
Owners of the parent company	6 201	7 007
Earnings per share basic/diluted (in EUR)	1.09	1.30

¹ In the current year, certain amounts within the consolidated income statement have been reclassified to present foreign exchange differences on a net basis, separately from financial income and financial expenses. The comparative period has been reclassified accordingly. As a result, financial income has decreased by EUR 4 960 thousand, financial expenses have decreased by EUR 4 205 thousand and net foreign exchange differences have increased by EUR 755 thousand.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

IN EUR THOUSANDS	2018	2017
NET GROUP PROFIT	5 166	6 878
Foreign currency translation reserve	597	-4 994
Items that can be reclassified subsequently to the income statement, net of tax	597	-4 994
Remeasurements of pension plans	170	-60
Tax on remeasurements of pension plans	-32	15
Items that cannot be reclassified subsequently to the income statement, net of tax	138	-45
Other comprehensive income, net of tax	735	-5 039
CONSOLIDATED COMPREHENSIVE INCOME	5 901	1 839
of which attributable to:		
Non-controlling interests	-1 119	-113
Owners of the parent company	7 020	1 952

CONSOLIDATED BALANCE SHEET

LALIQUE GROUP

ASSETS

IN EUR THOUSANDS	31.12.18	31.12.17
Cash and cash equivalents	15 336	16 252
Trade accounts receivable	17 698	15 723
Inventories	67 603	63 533
Other receivables	8 356	7 084
Total current assets	108 993	102 592
Property, plant and equipment	54 561	51 631
Intangible assets	67 832	67 294
Other non-current assets	5 199	5 114
Deferred tax assets	1 328	3 189
Total non-current assets	128 920	127 228
TOTAL ASSETS	237 913	229 820

LIABILITIES AND EQUITY

IN EUR THOUSANDS	31.12.18	31.12.17
Bank overdrafts	41 785	45 568
Trade accounts payable	14 179	10 838
Income tax liabilities	1 805	1 416
Other current liabilities	17 094	16 069
Total current liabilities	74 863	73 891
Other non-current liabilities	3 265	4 291
Provisions	208	397
Non-current financial liabilities	14 820	33 679
Defined benefit obligation	4 855	4 836
Deferred tax liabilities	14 684	17 246
Total non-current liabilities	37 832	60 449
Total liabilities	112 695	134 340
Share capital	988	816
Capital reserves	46 039	20 798
Retained earnings/other reserves	77 040	71 596
Total equity before non-controlling interests	124 067	93 210
Non-controlling interests	1 151	2 270
Total equity	125 218	95 480
TOTAL LIABILITIES AND EQUITY	237 913	229 820

CONSOLIDATED CASH FLOW STATEMENT

IN EUR THOUSANDS	2018	2017
Group profit before taxes	5 678	6 515
Depreciation and amortization/impairment	8 816	7 161
Change in defined benefit obligation	-81	92
Change in provisions	-191	29
Financial income ¹	-26	-47
Financial expenses ¹	1 343	1 752
Net foreign exchange differences ¹	-921	-755
Other non-cash income/expenditure	-176	-124
Cash flow from operations before change in net current assets	14 442	14 623
Decrease (+)/increase (-) in trade accounts receivable	-1 447	1 293
Decrease (+)/increase (-) in inventories	-2 507	-6 983
Decrease (+)/increase (-) in other receivables	-992	229
Increase (+)/decrease (-) in trade accounts payable	3 136	-2 658
Increase (+)/decrease (-) in other current liabilities	-1 791	59
Interest paid	-754	-1 129
Tax paid	-922	-1 301
Interest received	3	4
Cash flow from operating activities	9 168	4 137
Investments in subsidiaries net of cash and cash equivalents	-	-7 453
Investments in property, plant and equipment	-9 243	-8 800
Sale of property, plant and equipment	599	1 631
Investments in intangible assets	-1 390	-985
Cash flow from investing activities	-10 034	-15 607
Capital contribution from shareholders	6 659	3 669
Reduction in shareholder loans	-2 061	-1 800
Purchase of treasury shares	-	-63
Sale of treasury shares	589	611
Repayments/outflows current financial liabilities	-3 326	-808
Proceeds/inflows other non-current liabilities	4 491	2 626
Dividend payment	-2 165	-618
Cash flow from financing activities	4 187	3 617
Exchange differences on cash and cash equivalents	-454	114
DECREASE/INCREASE IN NET CASH AND CASH EQUIVALENTS	2 867	-7 739
Balance of net cash and cash equivalents as at 01.01.	-29 316	-21 577
Balance of net cash and cash equivalents as at 31.12.	-26 449	-29 316

¹ In the current year, certain amounts within the consolidated income statement have been reclassified to present foreign exchange differences on a net basis, separately from financial income and financial expenses. The corresponding line items in the cash flow statement, including the comparative period, have been reclassified accordingly.

SEGMENT REPORTING FOR THE 2018 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	GROUP
Operating revenue							
Revenue from sales to external customers	81 870	17 430	22 231	4 690	10 285	-86	136 420
Revenue from transactions with other segments	1 191	-21	-46	76	7 170	-8 370	-
Total operating revenue	83 061	17 409	22 185	4 766	17 455	-8 456	136 420
EBIT	-1 742	2 171	2 954	874	1 595	222	6 074
Financial result						-396	
Group profit before taxes						5 678	
Income tax expenses						-512	
NET GROUP PROFIT						5 166	
Assets and liabilities							
Segment assets	164 513	18 703	16 235	10 789	29 719	-2 046	237 913
Segment liabilities	124 604	6 976	10 788	3 511	26 893	-60 077	112 695
Other segment information							
Investments							
Property, plant and equipment ³	5 983	176	135	34	3 543	158	10 029
Intangible assets	960	253	17	41	150	112	1 533
Depreciation and amortization							
Property, plant and equipment	5 158	95	143	56	1 244	10	6 706
Intangible assets	236	365	56	8	319	3	987

¹ Operating revenue other brands

Parfums Samouraï	5 150
Bentley Fragrances	3 723
Parfums Alain Delon	139
Lalique Beauty Distribution	1 232
Lalique Beauty Services	7 211
Total operating revenue other brands	17 455

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.

³ The property, plant and equipment investments of other brands include investments in the perfume production facility in Ury 3 372 thousand

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	GROUP
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							
Segment assets	157 582	15 387	14 889	9 964	26 146	5 852	229 820
Segment liabilities	113 733	4 867	9 422	2 906	25 373	-21 961	134 340
Other segment information							
Investments							
Property, plant and equipment ³	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							6 193 3 880 127 941 7 100 18 241
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.							
³ The property, plant and equipment investments of other brands include investments in the perfume production facility in Ury of EUR 5 050 thousand							

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

IN EUR THOUSANDS	SHARE CAPITAL	CAPITAL RESERVES	TREASURY SHARES	ACCUMULATED FOREIGN CURRENCY TRANSLATION	RETAINED EARNINGS	TOTAL EQUITY BEFORE MINORITY INTEREST	NON-CONTROLLING INTERESTS	TOTAL EQUITY
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
Dividend payout	-	-	-	-	-618	-618	-	-618
Capital contribution from shareholders	-	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 31.12.17	816	20 798	-277	-3 898	75 771	93 210	2 270	95 480
BALANCE AS AT 01.01.18	816	20 798	-277	-3 898	75 771	93 210	2 270	95 480
Consolidated comprehensive income	-	-	-	681	6 339	7 020	-1 119	5 901
Dividend payout	-	-	-	-	-2 165	-2 165	-	-2 165
Capital contribution from shareholders	172	25 241	-	-	-	25 413	-	25 413
Sale of treasury shares	-	-	277	-	312	589	-	589
BALANCE AS AT 31.12.18	988	46 039	-	-3 217	80 257	124 067	1 151	125 218

Further details on equity movements can be found in Note 26.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS
This report contains forward-looking statements based on current assumptions and projections made by management.
Such statements are subject to known and unknown risks, uncertainties and other factors which may cause the actual results and performance of the Lalique Group to differ from those expressed in, implied or projected by the forward-looking information and statements. The information published in this report is provided by Lalique Group SA and corresponds to the status as of the date of publication of this report.

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