

# LVMH takes control of Italy's Bulgari

PARIS, FRANCE: LVMH, the world's leading luxury retailer, said on Monday, 7 March 2011, it will take control of Italian top-end jeweller Bulgari in a deal worth nearly two billion euros.

An accord reached with the controlling Bulgari family for the company, founded in 1884, will see LVMH issue 16.5 million shares to them for their 51% holding in a deal valued at €1.84 billion (US\$3.4 billion).

LVMH will also offer other Bulgari shareholders €12.25 a share, with this part of the deal potentially worth another €1.79 billion if all the outstanding shares are acquired.

In turn, Bulgari will become the second largest family shareholder in the LVMH group, taking two seats on the board.

A Bulgari statement said that the company found in LVMH and its French multi-billionaire owner Bernard Arnault everything it felt it needed to guarantee its future.

Arnault called the deal an "ideal arrangement at every level."

In early Paris trade, LVMH shares were down €1.70 in a slightly weaker overall market.

LVMH, which counts among its brands Givenchy, Dior and Guerlain perfumes alongside Moët and Chandon and Dom Pérignon champagnes, is one of the most successful luxury retailers in the world.

It recently bought a large stake in smaller French rival Hermès but has insisted that speculation it wants to ultimately control that company is without foundation.

*Source: AFP*