

# LE TANNEUR

## SIGNING OF AN INVESTMENT AGREEMENT RELATED TO THE RECAPITALIZATION AND GROWTH PLAN OF EUR 13.3 M BACKED BY TOLOMEI PARTICIPATIONS

### PROPOSED SIMPLIFIED TENDER OFFER AT A PRICE OF EUR 2.5 PER SHARE

Paris, August 2, 2017 - Following the announcement of June 23, 2017, Le Tanneur & Cie ("**Le Tanneur**") announces today that it has entered into an investment agreement with Qatar Luxury Group - Fashion S.P.C. ("**QLG**"), its majority shareholder, and Tolomei Participations ("**Tolomei**") to recapitalize and grow Le Tanneur, for an amount of at least EUR 13,300,000. QLG holds 85.6% of the share capital and 92.0% of the voting rights of Le Tanneur. Tolomei group is specialized in luxury leather products.

The execution of the investment agreement follows the consultation of Le Tanneur's works council.

As a reminder, pursuant to this investment agreement, Tolomei<sup>1</sup> would become the majority shareholder of Le Tanneur, which would be recapitalized on a three-step plan as follows:

- A share capital increase to be subscribed in cash and reserved to Tolomei for an aggregate amount of EUR 10,800,000 (without shareholders' preferential subscription right) at a subscription price of EUR 2.5 per share (the "**Reserved Capital Increase**"), following which Tolomei would hold approximately 50.2% of the share capital and voting rights of Le Tanneur, with the proceeds of the Reserved Capital Increase being used to fully repay QLG's shareholder current account. Following this Reserved Capital Increase, QLG would hold approximately 42.6% of the share capital and voting rights of Le Tanneur. The Reserved Capital Increase would be immediately preceded by a special meeting of the holders of double voting rights to suppress the double voting rights provided in the by-laws. The dilutive effect of this Reserved Capital Increase would bring a shareholder holding 1% of the capital prior to the Reserved Capital Increase to hold 0.4978% of the capital as a result of the recapitalization;
- Upon completion of the Reserved Capital Increase, a simplified mandatory tender offer<sup>2</sup> to be initiated by Tolomei at a price of EUR 2.5 per share on all outstanding shares of the company in accordance with applicable regulations (the "**Tender Offer**"), with QLG having committed not to tender its shares to the Tender Offer. Tolomei does not intend to implement a squeeze-out or delisting of Le Tanneur;
- Within three months of the settlement of the Tender Offer, a share capital increase to be subscribed in cash for an aggregate amount of EUR 2,500,000 (with shareholders' preferential subscription right) at a subscription price of EUR 1 per share, with QLG having committed not to exercise its preferential subscription rights (the "**Additional Capital Increase**"). The Additional Capital Increase would be fully guaranteed by Tolomei. Until August 31, 2017, QLG would have the opportunity to decide to subscribe to the Additional Capital Increase for an amount of EUR 1,000,000, in which case the aggregate amount of the Additional Capital Increase would be raised to EUR 3,500,000 with the subscription price per share remaining unchanged.

It is stated that QLG and Tolomei are not acting in concert in respect of Le Tanneur.

This recapitalization and growth plan aims to significantly improve Le Tanneur's prospects by (i) allowing the company to repay QLG's shareholder current account, in an amount of EUR 9,500,000 in principal as of the date hereof (but to be increased to EUR 10,500,000 prior to the date of the

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<sup>1</sup> Or any other affiliate which may be substituted by Tolomei

<sup>2</sup> In accordance with the provisions of article 234-2 of the AMF general regulation.

Reserved Capital Increase)<sup>3</sup>, (ii) enabling Le Tanneur to pursue its development and (iii) leveraging Tolomei's significant industry expertise and experience in manufacturing and distributing luxury leather products.

On July 4, 2017, the Board of Directors designated Associés en Finance as independent expert to assess the fairness of the price of the Reserved Capital Increase and the Tender Offer.

The Board of Directors of Le Tanneur will meet again once the independent expert has delivered its report in order to decide on the Tolomei offer and convene an extraordinary shareholders meeting as well as the special meeting of the holders of double voting rights. The purpose of the extraordinary shareholders meeting is essentially to approve the Reserved Capital Increase, authorize the Board of Directors to implement the Additional Capital Increase and authorize the suppression of the double voting rights. The purpose of the special meeting of the holders of double voting rights is to approve the suppression of the double voting rights.

It is envisaged to hold the extraordinary shareholders meeting and complete the Reserved Capital Increase in late September 2017. The Tender Offer and the Additional Capital Increase are expected to complete during the fourth quarter of 2017.

The transaction remains subject to customary closing conditions, including approval of the shareholders meeting and approval of the AMF on the prospectus related to the Reserved Capital Increase.

## **About Le Tanneur & Cie**

Proud of a « *savoir-faire* » of more than a hundred years, the leather goods corporate group Le Tanneur & Cie is one of the leading players in the French leather industry. It has a turnover of EUR 53.8M and 551 employees. The group designs, manufactures and distributes two brands: Le Tanneur and Soco. Each of them has a very distinctive style but they have something strong in common: formidable longevity. Le Tanneur & Cie is also a major actor in manufacturing goods for the most renowned luxury houses. Since 2000, Le Tanneur & Cie is listed on the Euronext Paris stock exchange compartment C.

## **About Tolomei Participations**

Tolomei Participations was incorporated in 2004. Tolomei group is a leader in the fashion accessories and leather goods industry. As a French manufacturer for diverse brands (in France and abroad), well-known for the excellence of its processes and its productions, the Tolomei group also developed an expertise in brand management: it created and managed (until end of 2016) with success Cemalac, worldwide licensed joint-venture of LACOSTE for its leather goods activities (suitcases, bags, wallets and belts), as well as its own brands Renaud Pellegrino and PK-214.

## **Contacts**

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<sup>3</sup> Under the investment agreement QLG commits to make available to Le Tanneur, within 10 business days following the execution of the investment agreement, additional funding of EUR 1,000,000 as part of the shareholder current account. Capitalized and accrued unpaid interest will be paid upon the repayment of the aggregate principal amount.