

## Borletti emerges as main Lacroix suitor

PARIS, FRANCE: Italian retailer Borletti has emerged as the early favourite to take over the Christian Lacroix fashion house, in administration since early June, its court-appointed administrators said.

A rival, well-trailed offer placed by Bernard Krief Consulting (BKC) was said by administrator Regis Valliot to be "unsatisfying and disappointing" both for its financial terms and in its plans for Lacroix's 125-strong workforce.

BKC responded by saying it would study holding plans by Lacroix's owners, the US duty free giant Falic, before submitting an "improved" offer which it said would see jobs retained double to "around the hundred."

The consulting group also said it would explore a tie-up with the Borletti Group, a major retailer which bought up French fashion retailers Printemps in 2006 on top of existing operations in Italy and Germany.

Two further unidentified offers of a symbolic euro in value were also received on the deadline day for formal expressions of interest, but were judged "inconsistent."

An aide to Valliot said the preliminary Borletti offer, which is backed by Lacroix himself before being finalised by the end of August, was the one "deemed the most serious."

A final decision is expected in September, with a six-month extension of the administration likely to be agreed on Tuesday.

Created in 1987 with the backing of the global luxury leader LVMH, which sold the house to Falic in 2005, the house of Lacroix made a loss of €10 million (US\$14 million) last year on sales of €30 million.

Under the company restructuring plan, 112 of its 125 employees would lose their jobs. Borletti's offer envisages "almost half" being kept on, according to Valliot.

A member of the Lacroix works committee, scheduled to meet again on Tuesday afternoon, said the Italian proposal "sounds like good news."

Lacroix himself, who met Friday with France's Culture Minister Frederic Mitterrand, was due to meet on Tuesday with Industry Minister Christian Estrosi, the latter's office said in a statement.

Amid disappointment that no other big luxury group, like former Lacroix parent company LVMH's arch rival PPR which owns Gucci, Yves Saint Laurent and Balenciaga, or Hermes, had shown interest in taking over, the French government is seeking to stimulate rescue interest.

Consultants Meric et Associes, appointed by the works committee, have recommended an upmarket ready-to-wear line instead of the existing luxury one to run alongside the house's haute couture.

*Source: AFP*

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