

Prada Denies Richemont Talks...Again

Compagnie Financiere Richemont not in talks to buy--or eventually acquire--The Prada Group

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(NEW YORK) The rumor that won't die has resurfaced--and been denied--again. When Italian daily *La Repubblica* reported in August 2009 that Prada's bankers had contacted Compagnie Financiere Richemont SA about selling a stake to the company (which controls Chloé, Cartier, Van Cleef & Arpels, Montblanc, Piaget, and many more), Prada immediately denied the talks. However, today, the *New York Post* has revived the rumors with an exclusive story that Prada was nearing a deal to sell about a third of the company to Richemont. "Richemont is expected to take a passive stake under the terms of the deal, which is still subject to sensitive negotiations, sources said," *The Post* reported. "Insiders close to the companies believe Richemont could eventually take control of Prada with a majority investment."

And yet again, Prada is denying the reports, with company spokesman Andrea Gaudenzi saying it "categorically denies any negotiation whatsoever to sell any share to Richemont. There are no talks underway to sell either a minority or majority stake to Richemont." The Prada Group, which operates Miu Miu, Car Shoe and Church's, has faced serious financial struggles recently, and despite its debt of approximately €1.2 billion (or \$1.44 billion) has claimed to have turned down several investment offers from private-equity groups.

The potential merger suggested by *The Post* "could create a global luxury powerhouse to compete with Richemont's larger rival, LVMH. Combined, Richemont and Prada would be better equipped to expand into fast-growing markets like China."

EMILY GYBEN



Above: Johann Rupert with Gaynor Rupert.



Left: Patrizio Bertelli.



Below: Miuccia Prada