



## PRESS RELEASE

### **Galeries Lafayette launches new franchising project for its store network in France**

**Paris, August 25<sup>th</sup>, 2021**

Galeries Lafayette today announced that it is entering a new phase in the management of its store network in France with the launch of a project to grant franchises for seven locations to Société des Grands Magasins, a family-owned company specialising in high street retail space. This project, which would involve the sale of premises and operations, relates to the stores in Angers, Dijon, Grenoble, Le Mans, Limoges, Orléans and Reims. At the same time, Hermione People & Brands (FIB group retail division), already an important franchisee of Galeries Lafayette, would take over the stores in Pau, Rosny and Tours, whereas the business assets of the Avignon store would be entrusted to Philippe Sempéré and Nicolas Chambon, who already operate the franchise for the Béziers store.

Three years after arranging franchises for 22 Galeries Lafayette stores to Hermione People & Brands, this new phase aims to reinvigorate these high-quality commercial and property assets, all ideally located in the central areas of mid-sized French provincial cities, by entrusting them to partners specialising in retail assets with strong local roots, who are therefore well suited to adapt each of the stores involved to customer expectations in their regions.

Based on the experience acquired over the last years, Galeries Lafayette has built up specific expertise in this more agile operating model, which has proven its merit for the retail group and will allow it to maintain its strong brand presence throughout France while refocusing its investment priorities and efforts on its main French flagship stores, the ramp-up of its omni-channel strategy and its targeted expansion outside France.

At the completion of this project, which is expected by early 2022, Galeries Lafayette will be operating 19 stores directly and 38 as franchises. This project would have no impact on employment. As is the case for all other stores in the network, the newly franchised stores will continue to have access to all Galeries Lafayette fashion offerings and will be included in its programme of marketing campaigns and in-store events.

This project, which was recently presented to the employee representatives, remains subject to the usual information-consultation process.

Commenting on this announcement, Nicolas Houzé, Chief Executive Officer of Galeries Lafayette and BHV Marais, commented: "The crisis we have just experienced offers an opportunity to accelerate our transformation. We are convinced more than ever that the department store model is still relevant, and we wish to move forward with it using approaches taking advantage of stronger local ties and improved specialisation. The new phase we are entering today with this project to franchise 11 of our stores in France is in keeping with this perspective and is unquestionably a win-win solution, for us, for our franchisee partners and for the stores concerned. We will continue to raise the profile of the Galeries Lafayette brand and its fashion expertise as a key high street fixture in mid-sized French cities, while giving fresh impetus to these stores thanks to the involvement of very active partners. With 19 stores operated directly and 38 as franchises, we would reach a new balance in the management of our store network in France. As a responsible employer, we will remain fully committed to supporting our employees over the course of this project, in close collaboration with employee and union representatives."



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**About Galeries Lafayette**

A world-famous, leading French department store, Galeries Lafayette has been the undisputed expert in fashion and events for the past 125 years. It strives to make each visit a unique experience by offering French and international clients a constantly renewed selection of the best brands, ranging from the affordable to premium. Present in the fashion, accessory, beauty, interior decoration, fine foods and catering sectors, the brand is celebrated for its 57-store network in France - including 30 of its own and 27 subsidiarised ones - and eight stores abroad, its e-commerce website [galeriesslafayette.com](http://galeriesslafayette.com) and its off-price activity Galeries Lafayette L'Outlet. More information on [galeriesslafayette.com](http://galeriesslafayette.com), on Facebook and on Instagram (@galeriesslafayette)

**About La Société des Grands Magasins**

La Société des Grands Magasins is a family business whose ambition is to contribute to the revitalization of city centers, particularly in medium-sized towns, by taking over existing sites to renovate and revitalize them. To do this, it is developing an innovative approach to commerce, favoring: proximity, by adapting to the specific needs of each town; conviviality, with high quality shopping experiences; and a strong relationship with its partners, merchants, major brands and local players. To date, it owns and operates around ten shopping centers throughout France.

**About Hermione People & Brands**

Hermione People & Brands is the FIB group's retail division, a French family group that has established itself over time as one of the most dynamic players in investment, asset management, development and wealth enhancement. Key partners for today's and tomorrow's local distribution stakeholders, Hermione People & Brands has a diversified portfolio of leading brands (Camaïeu, La Grande-Récré, 22 Galeries Lafayette-affiliated shops) which it supports in their efforts to achieve omnichannel, sustainable, profitable and responsible growth by placing human capital at the heart of their strategy.