

Chopard

Greater China Region

Fashion Summit 2011

Davide Traxler - 13th December 2011

Chopard

Chopard – The Birth of a Luxury Myth



History of Chopard's Establishment

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1860

Founded by
Louis Ulysse Chopard
in Switzerland



Scheufele

1904

Founded by
Karl Scheufele
in Germany

1963

Karl Scheufele (III) consolidated
Chopard & Scheufele family business
into today's Chopard Group



Until today

Chopard remains as an independent
family owned and managed company



Chopard Today - Worldwide

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- Headquarters:
 - Geneva (Switzerland)
- 3 Production Sites:
 - Geneva (Switzerland)
 - Fleurier (Switzerland)
 - Pforzheim (Germany)
- 12 Subsidiaries
- 120 Boutiques
- 1'600 POS
- 1'800 Employees





Watches

Average annual production:
75'000 pieces

- Happy Collection
- L.U.C. Collection
- Mille Miglia Collection
- Classic Collection
- High Watch Collection

Annual COSC certification
approx. 22,570 movements



Jewellery

Average annual production:
75'000 pieces

- Happy Diamond Collection
- Ice Cube Collection
- High Jewellery Collection
- Bridal Offer Collection



Accessories

Average annual production:
50'000 pieces

- Pen Collection
- Leather Goods
- Sunglasses
- Fragrances
- Gifts

Independence

- Stay financially independent
- Ensure a high level of vertical integration
- Keep a family business structure

Audacity

- Remain undertaking and eager to develop further
- Be ready to take calculated risks
- Explore new opportunities and developments

Creativity and Innovation

- Encourage creativity and innovation at all levels (in-house design and R&D)

Heritage

- Ensure transmission of know-how and craftsmanship in the long term (in-house training, watch-making school)
- Invest in the future

Respect

- Respect/strengthen long term relations with clients, suppliers and employees
- Respect company tradition and history
- Responsibility towards the society at large as well as the environment

Excellence

- Deliver the highest possible quality in all activities

Corporate Events & Activities

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Cannes Film Festival

- Annual event held in Southern France
- Sponsor since 1998
- Association: Red Carpet Collection



Mille Miglia Race

- Annual event held in Italy
- Sponsor since 1988
- Association: Mille Miglia Collection



Monaco Grand Prix History

- Bi-annual event held in Monaco
- Association: Grand Prix Historique Watch Collection

High Jewellery accessories for celebrities



Basic Instinct 2



Oscars Ceremony



Venice Film Festival

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Presence
in
Greater China

Chopard Offices & Service Centers

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Hong Kong

17th Floor, The Lee Gardens
33 Hysan Avenue,
Causeway Bay
Hong Kong

Employees: 101 staff

Shanghai

18th Floor
Plaza 66 Officer Tower 1
1266 Nanjing Road West
Shanghai - China

Employees: 38 staff

Beijing

Opening soon

Employees: 8 staff





Starting the 2nd wave of growth from boutique expansion along with the general recovery of economies.
Resuming growth from higher sell-through for both existing & new customers + boutiques.

* YTD 6/2005 as base year sales at 100%

Sales Development (by Distribution Channel)

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Sales Development by Distribution Channel (excluding interco)
2005 - 2011



* YTD 6/2005 as base year sales at 100%

Chopard Presence in Greater China

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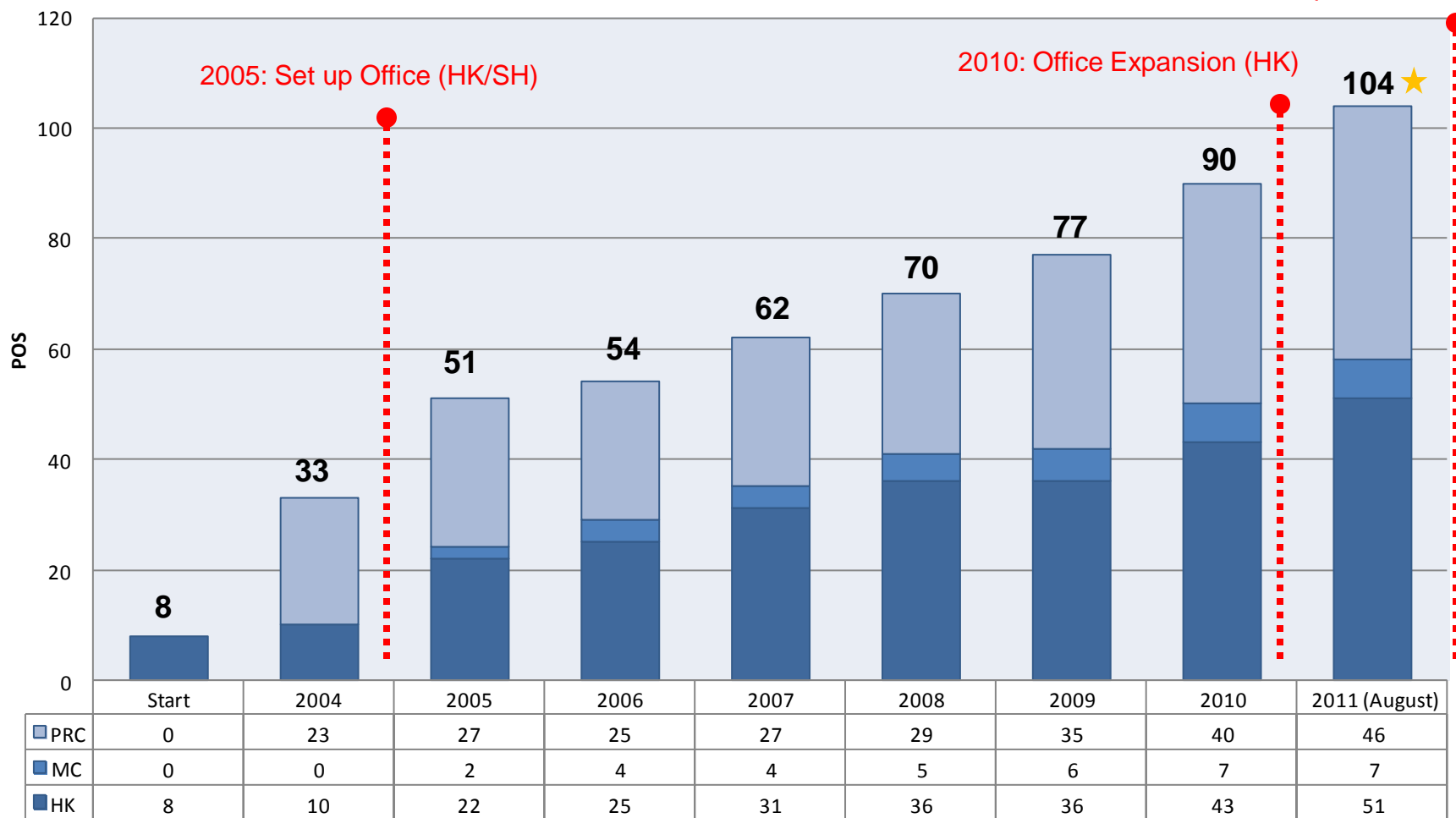
Sales POS Evolution by region

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POS in Greater China

2011: Office Expansion (SH)
Set up Office BJ



★ Approved Projects Included

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Market study

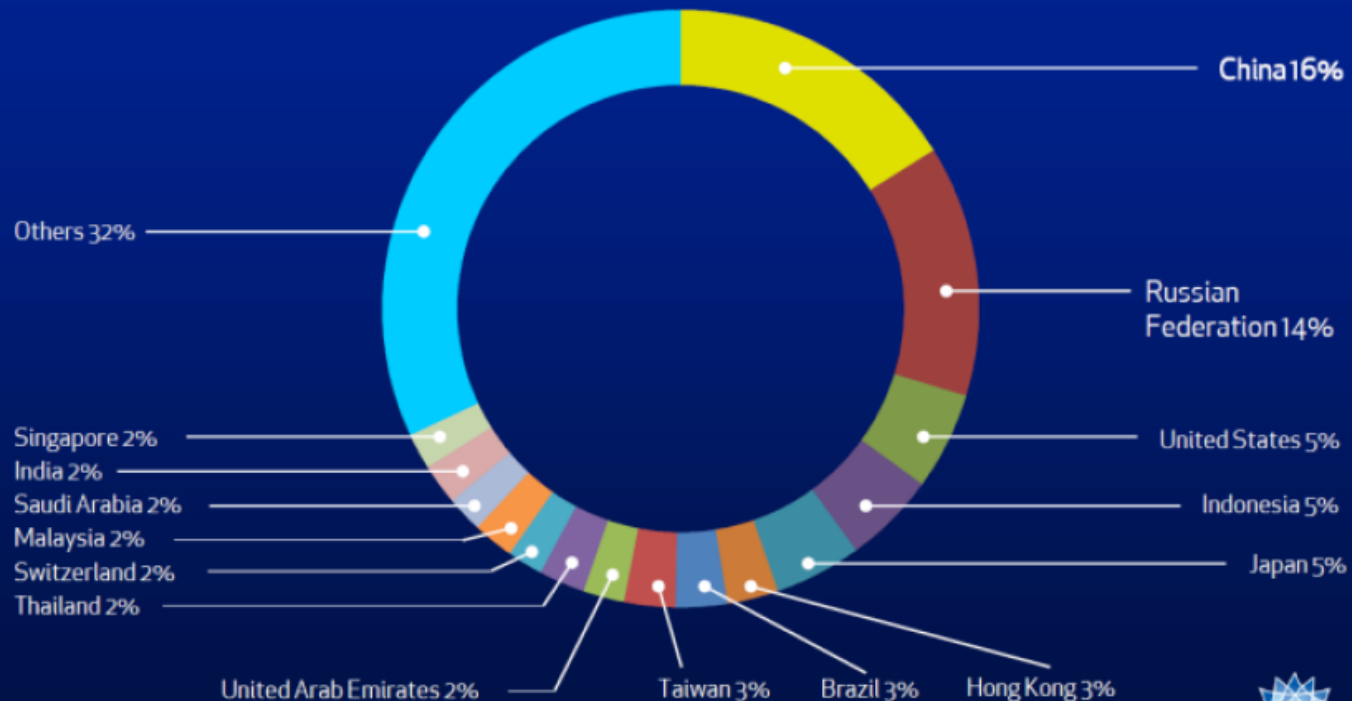
Chinese Tourists Worldwide

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Chinese and Russian Tourists represent 33% of all tourists sales worldwide.

Where travellers come from (global share YTD)

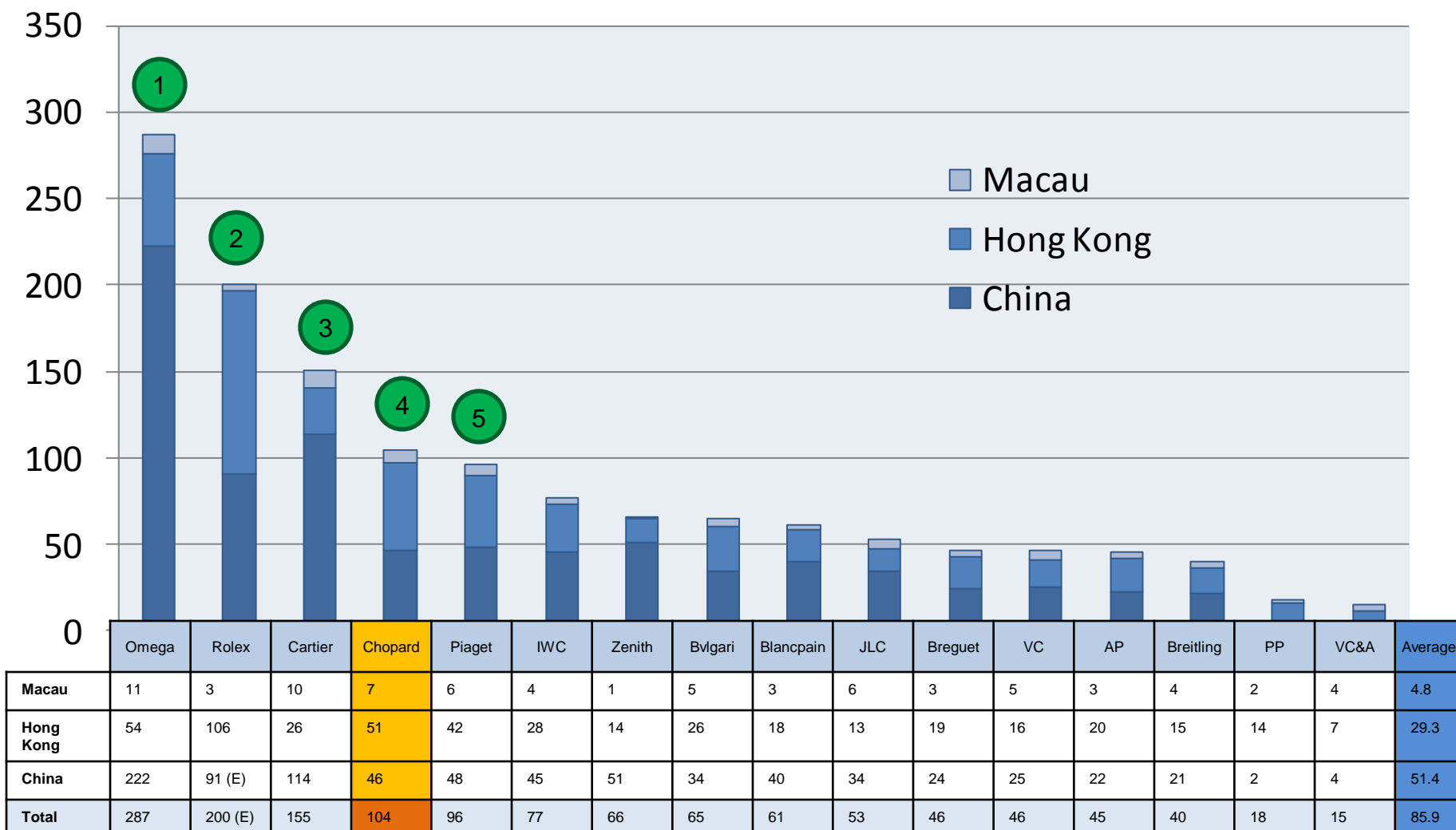


Executive Summary

Total POS in Greater China

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Executive Summary

POS Type – Greater China

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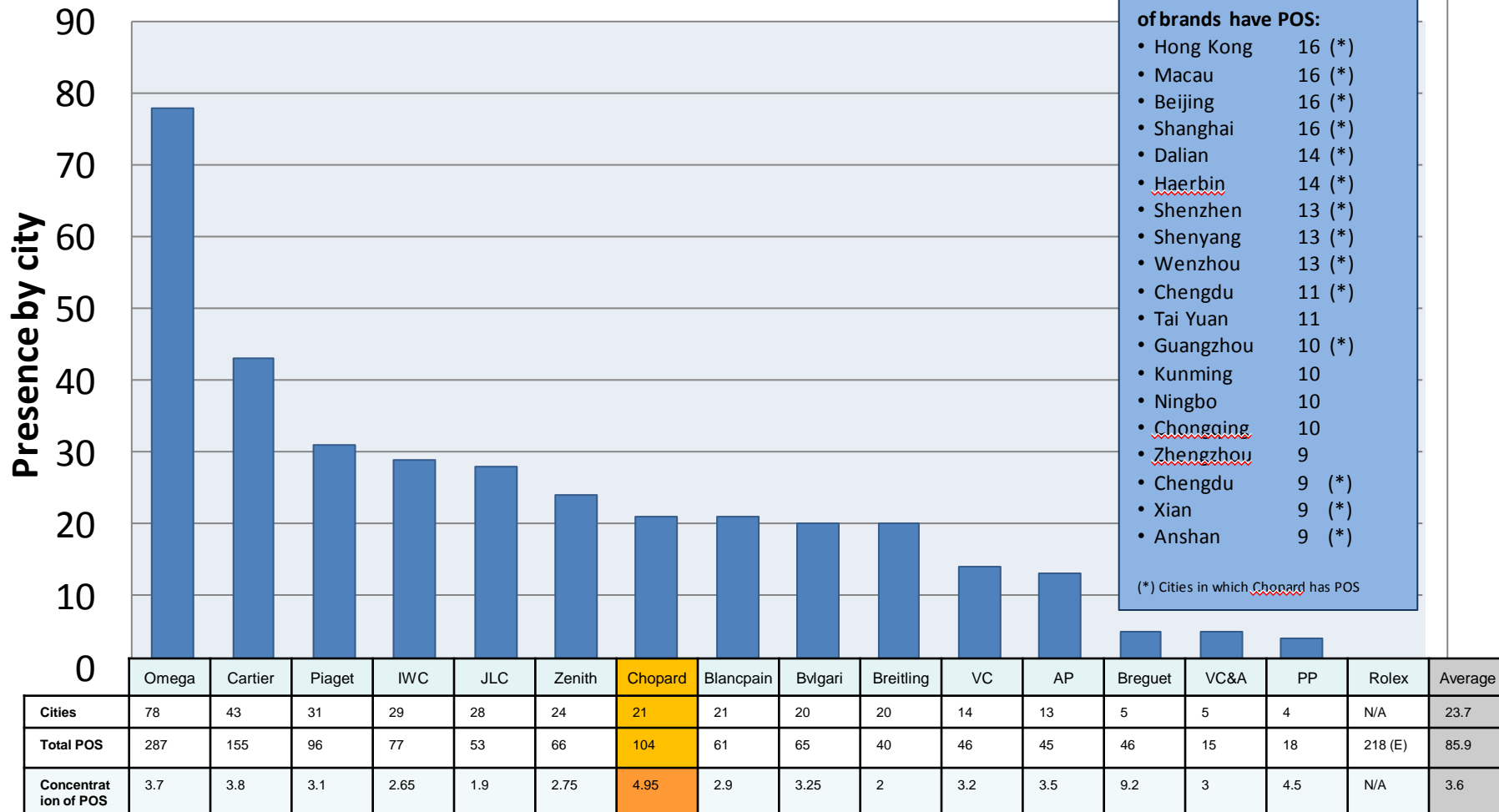
Executive Summary

Brands Exposure by City (Greater China)



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Brands Exposure by City

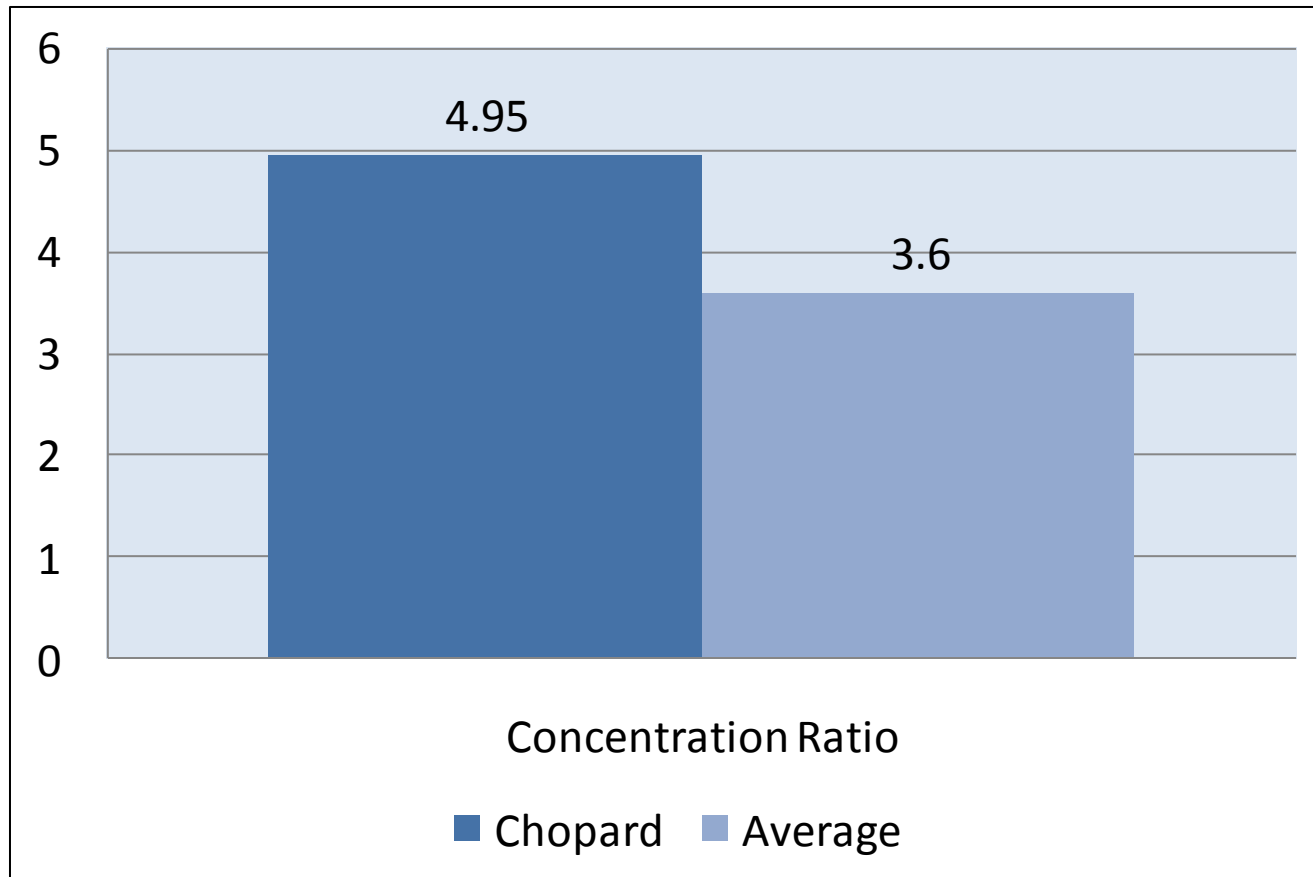


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Brands Exposure by City – China

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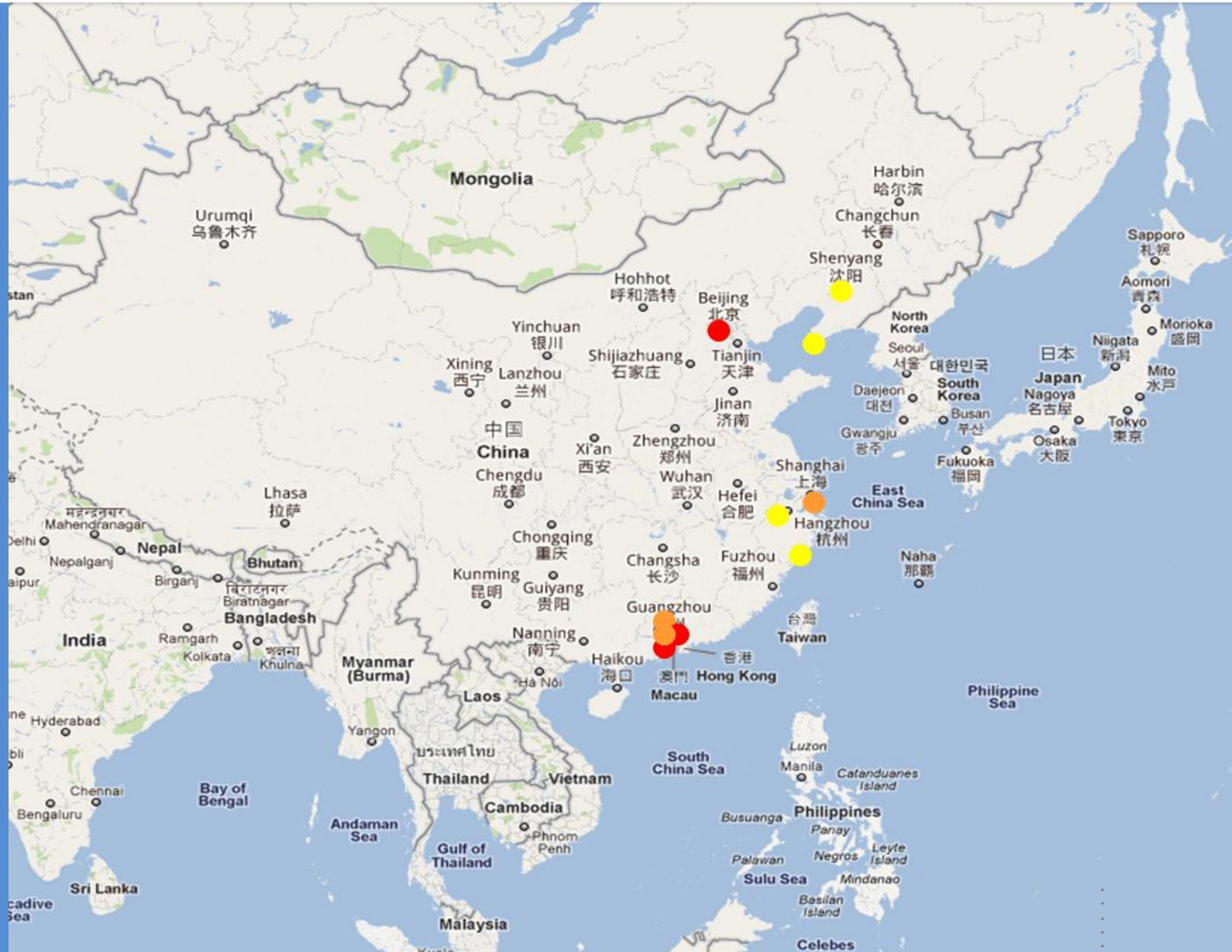
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Main Cities in Greater China

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Top Markets	Ranking in terms of GDP (2010)
1. Hong Kong ●	(2)
2. Macau ●	(79)
3. Beijing ●	(3)
4. Shanghai ●	(1)
5. Guangzhou ●	(4)
6. Shenzhen ●	(5)
7. Dalian ●	(15)
8. Hangzhou ●	(9)
9. Wenzhou ●	(34)
10. Shenyang ●	(17)



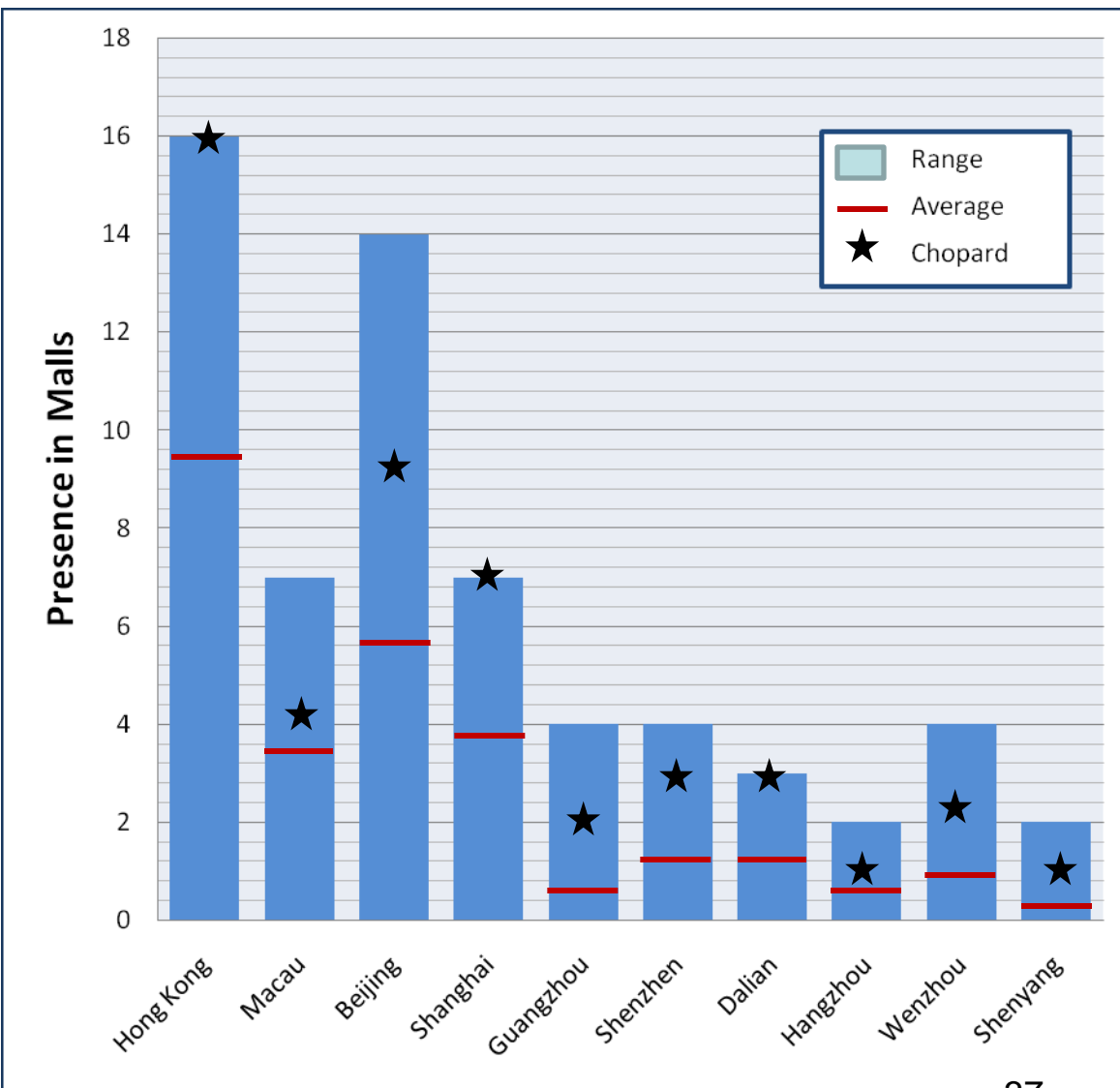
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Chopard Comparative Presence in Shopping Malls

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	Maximum	Minimum	Average	Chopard	Chopard's Rank	Overall Presence
Hong Kong	16	4	9.2	16	1	100 %
Macau	7	1	3.4	4	5	57%
Beijing	14	0	5.7	9	3	64%
Shang-hai	7	0	3.75	7	1	100 %
Guang-zhou	4	0	0.75	2	2	50%
Shen-zhen	4	0	1.25	2	3	50%
Dalian	3	0	1.25	3	1	100 %
Hang-zhou	2	0	0.75	1	2	50%
Wen-zhou	4	0	1.06	2	3	50%
Shen-yang	2	0	0.625	1	5	50%



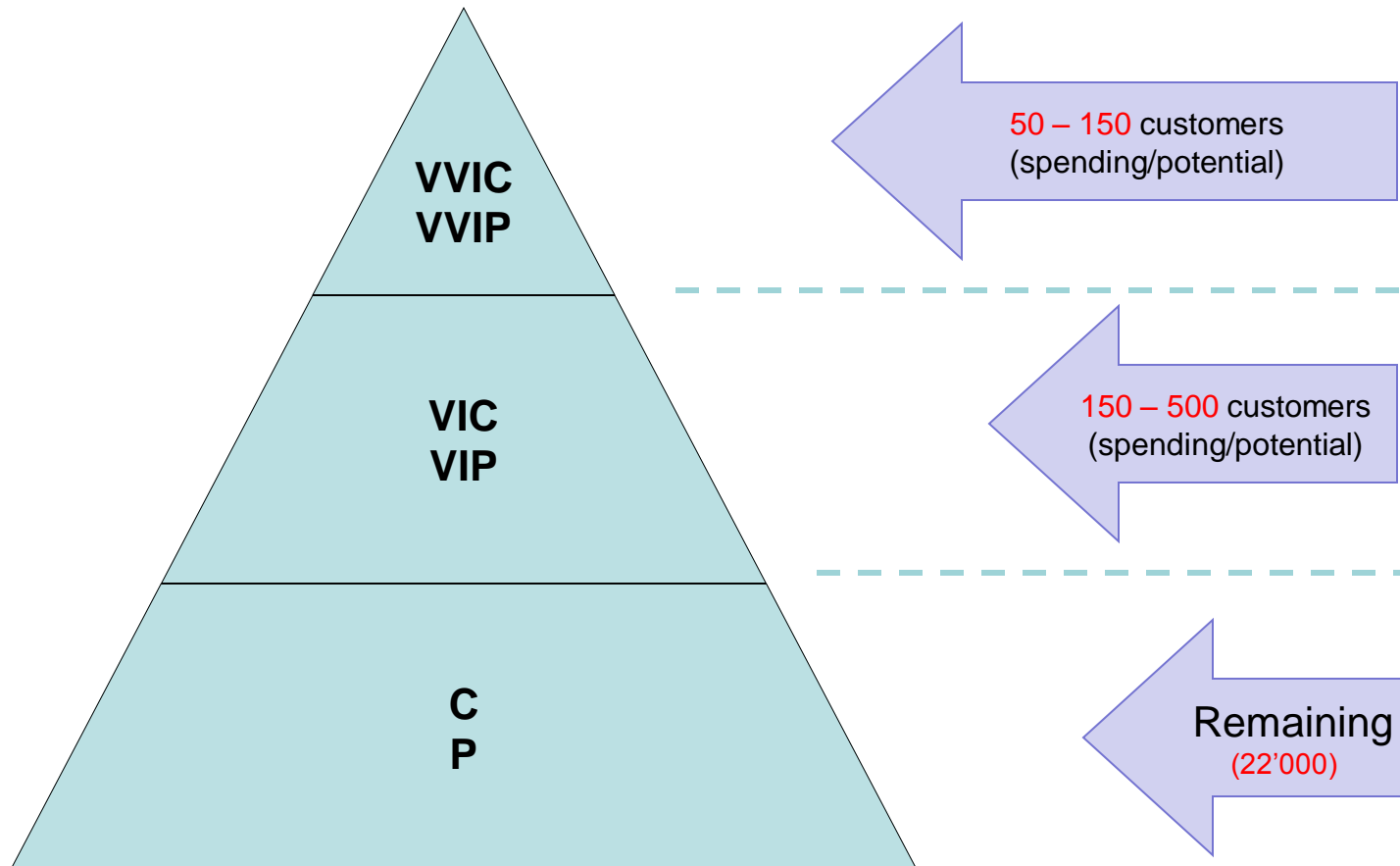
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PR/Marketing

Client Database Structure

Number of Customers



Events



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Institutional Events	Boutique Opening	Theme Launch	Theme Dinner	Donation & Sponsorship
<ul style="list-style-type: none"> • Cannes • Oscar • Tiara Ball • Hainan RdV 	<ul style="list-style-type: none"> • HK IFC • GZ Friendship 	<ul style="list-style-type: none"> • Classic Racing • Imperiale 	<ul style="list-style-type: none"> • High Jewellery • Stage of Love 	<ul style="list-style-type: none"> • FCC ball • Tatler ball

Institutional

- B2C-oriented events
- More focused on retail activities and market presence

VIP

- Maintain relationship with key VIPs
- Build and explore external and potential VIP database

Wholesale

- B2B-oriented events
- More focused on joint promotional activities with retailers to encourage their loyalty to the brand

Institutional Event

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Hainan Rendez-vous 2011



Boutique Opening

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Hong Kong IFC



Theme Launch

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Mille Miglia - Roadshow



Mille Miglia Exhibition – IFC Main atrium, Hong Kong



Mille Miglia Roadshow – Shanghai boutique

Theme Dinner

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L.U.C VIP Dinner



Stage of Love Dinner



High Jewellery Dinner



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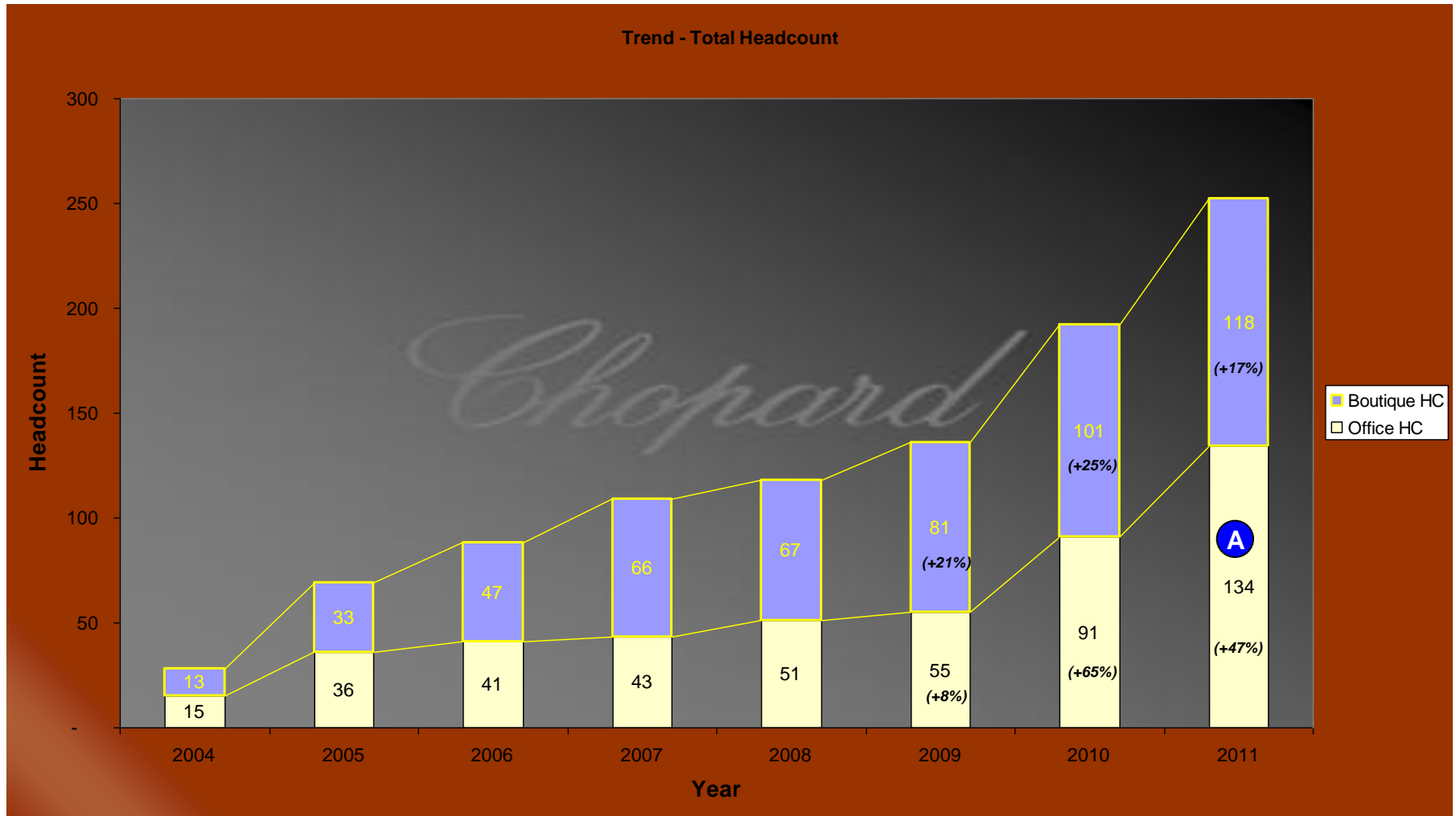
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Human Resources

Headcount (Boutique vs Office)

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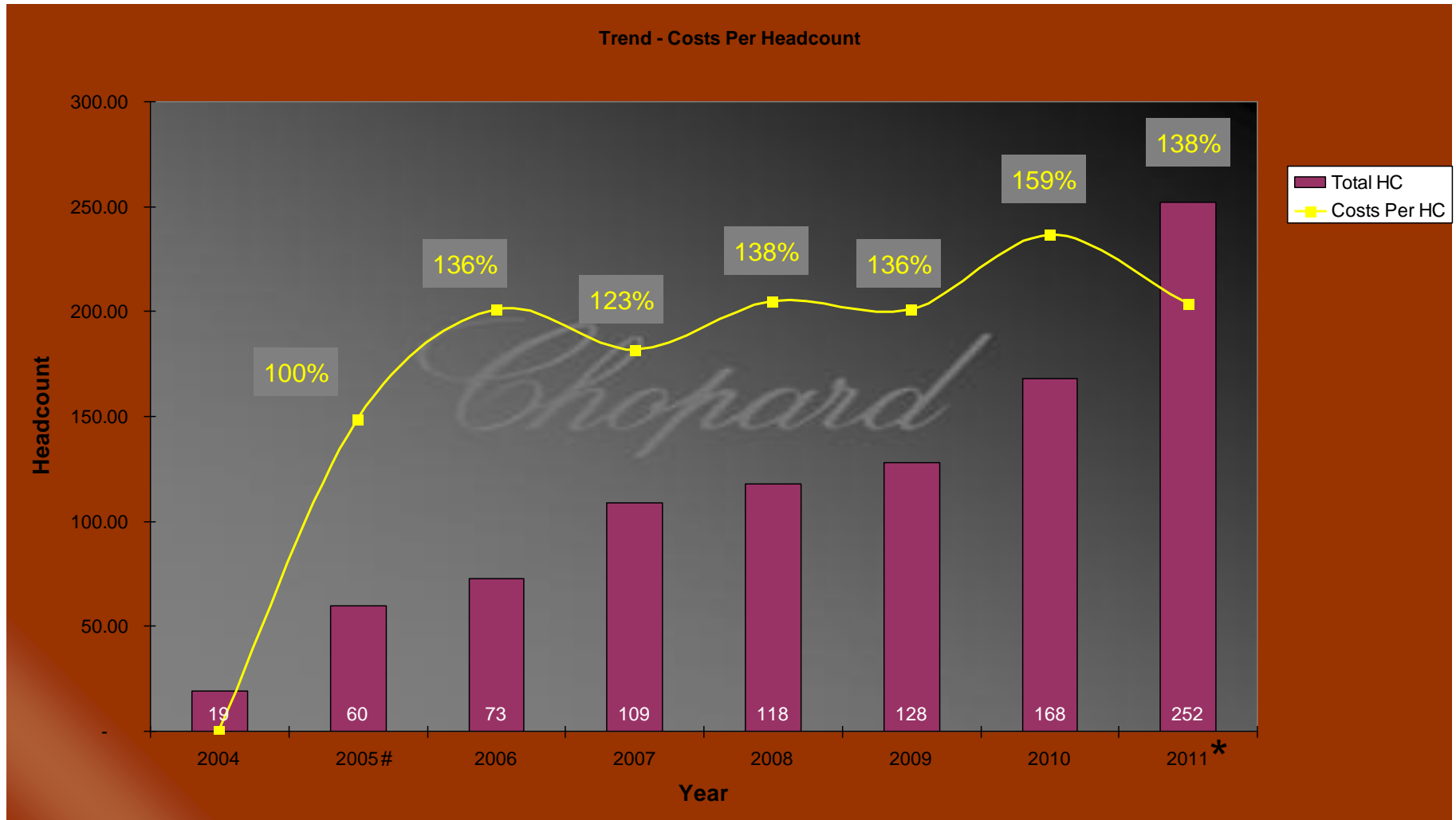


A Office headcount increase in order to support the business expansion in China for coming years.

Costs per Headcount

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Remarks: *2011 Personnel Cost Projection / # Using 2005 as based index 100%

Incentive Overview



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Incentive Category	Goals & Objectives	Incentive
 monetary	<ul style="list-style-type: none">• Encourage staff to be proactive and initiative in the sales process	<ul style="list-style-type: none">• Best Sales Person• Open-to-buy incentive• CRM Database• High Ticket• Employee Referral
 material	<ul style="list-style-type: none">• Bring employees closer to Chopard• For a consistent brand image/promotion	<ul style="list-style-type: none">• Stock-on-loan
 emotional	<ul style="list-style-type: none">• Bond the staff / teams• Get to know each other personally• Experience life-style	<ul style="list-style-type: none">• Company Evenings• Department Day• Weekly Sport• Bridging Days• Ambassador Meetings

Team-Development 2011

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Learning golf swing on the driving range

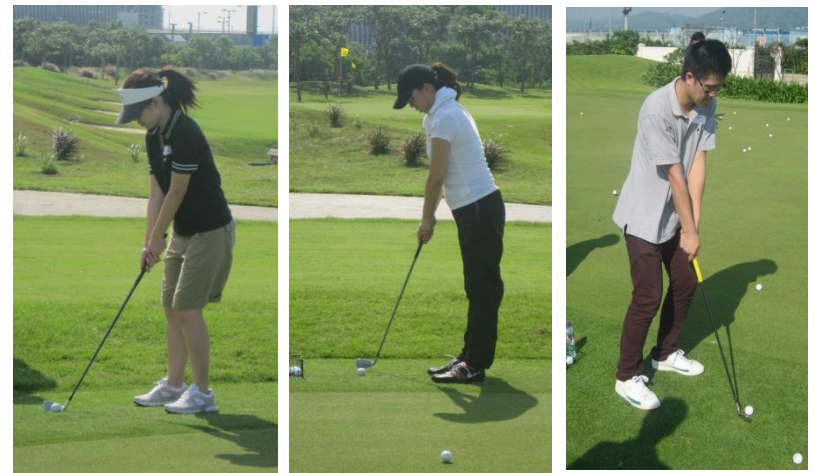


On Course Experience

1 day "all-rounded" Golf-Experience



Enjoying a tasty Thai-food Lunch



Putting and Chipping Competition

Weekly Sport 2011

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Team-Development – Weekly Sport 2011



“Chopard Yoga-Classes”

Description

Chopard invites you to join the “Chopard Yoga-Classes”. Maintain a healthy lifestyle and enjoy a good time together with your Chopard-Colleagues. Namaste!

Period: July-December 2011

Weekday: Thursdays

Time: 12.45 – 13.45 pm

Participants: Registration open to all Chopard Hong Kong Office staff

Type: Hatha-Yoga lesson (for Chopard only)

Description: Hatha Yoga is the most ancient, complete and popular form of yoga for mental and physical health. It combines the science of breathing, purification and synchronization on the physical and mental dimensions. It is popular for both genders and people of different ages.

Benefit: You will learn the ancient technique of Asana (postures), Pranayama (breathing), Mudras (gestures), Bandhas (locks) and Kriyas (cleansing) for good healthy, peace and prosperity.

Venue:



7/F, China Taiping Tower II
8 Sunning Road, Causeway Bay – Hong Kong
www.yogavillage.com.hk



Full Action !

Instructor: Dil (BTQ IFC) with Andy (Commercial Dep.)

Exclusive Chopard Classes:

- Yoga
- Taekwondo

Twice a week (during lunch hour)

Ambassador Program



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Definition

- High-performing internal key-person
- Representing the company
- Maintain a strong team spirit
- Share experiences

Responsibilities

- Spread Chopard magic
- Event-Support
- Collect Market information
- Staff-motivation



Total: 11 ambassadors

Chopard Ambassador Meeting – Hainan 2011

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Try out new things! (Water paragliding)



Happy Chopard Ambassadors



Reward (Special name tag)

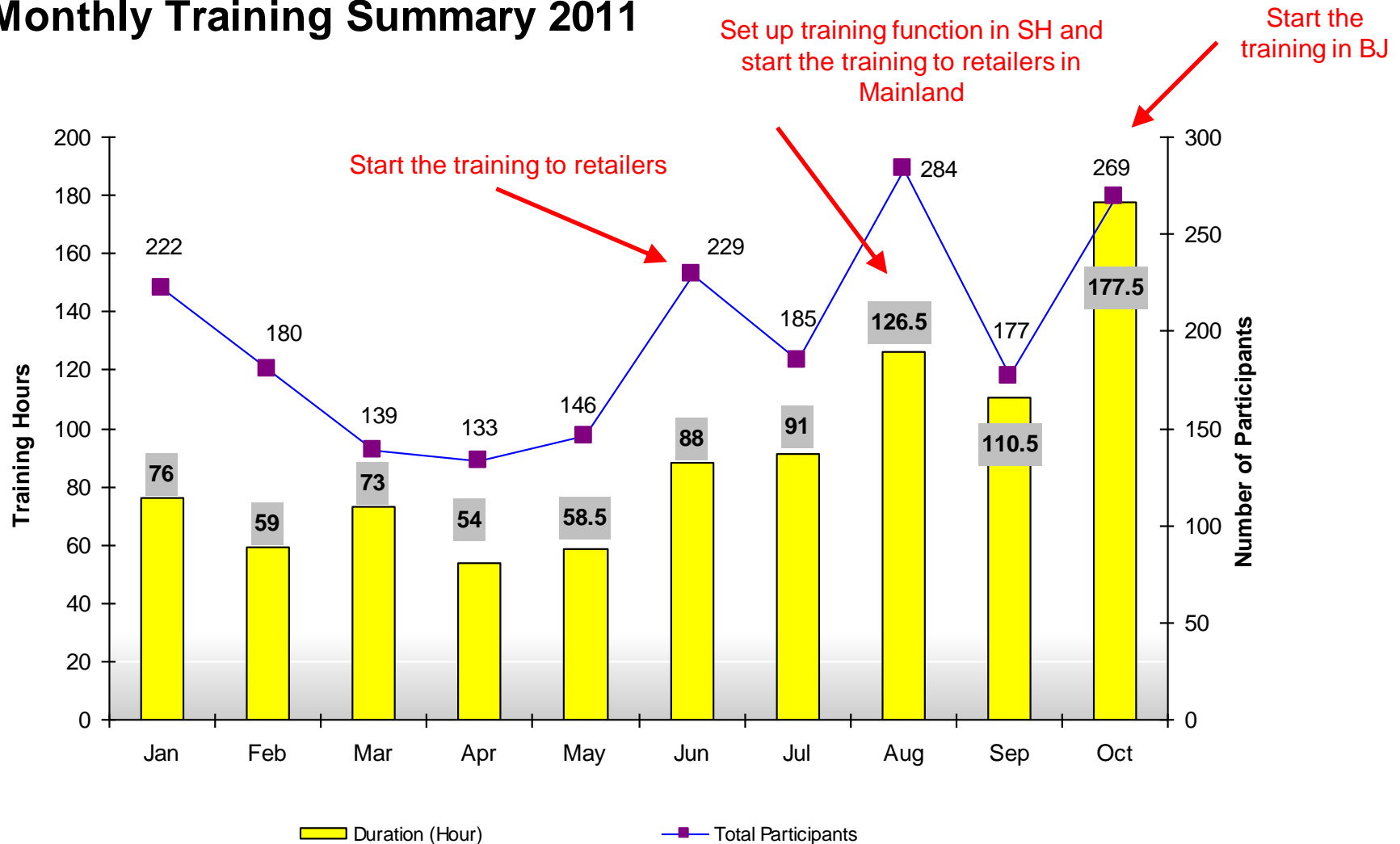


Luxury (Lifestyle-Experience)



Trust! (Team-Building Games)






Monthly Training Summary 2011



Definition

- Talent-Development
- Offer working experience to young business people
- Gain international experience
- Spread the Chopard magic



Internship 2011		
	Alexander	3 months
	Shalene	1 month
	Xacobe	2 months
	Marie-Sophie	5 months
	Robert	2 months

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