



Rasurel: Reviving an Ageing Brand

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This case was prepared by Séverine de Wulf under the supervision of Amitava Chattopadhyay, the L'Oréal Chaired Professor of Marketing-Innovation and Creativity at INSEAD, as the basis for class discussion rather than to illustrate either effective or ineffective handling of an administrative situation. We would like to thank the Management Team of Lejaby for their help and support throughout the development of this case.

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It was August 2003. Bruno de Lalande, Sales & Marketing Director of Lejaby, sat pondering over whether and how to reposition the Rasurel brand. Rasurel was the swimwear brand of Lejaby S.A.S., that designed, manufactured, and marketed lingerie and women's swimwear. Rasurel was positioned in the mid- to high-end market. The brand promised comfort, fit, and quality. The design and cut of the models currently addressed the needs of mature, elegant women aged 50+.

Year after year, Rasurel had seen its revenues and volumes eroded by the emergence of low-cost competitors and changes in its target customer base. Lacking financial and human resources, Rasurel had not been able to respond to these changes. As a result, the brand had aged poorly and lost its appeal. Reflecting on this situation, Bruno and the entire management team had envisaged various options, including the repositioning of the brand. Rasurel, they thought, appropriately repositioned, could reach €10 to 12 million in sales in a few years, from its current €8 million in sales, while maintaining the high margins typical in the swimwear business.¹ A final decision needed to be made soon, so that work could begin on the 2004 line for presentation to retailers in September.

The French Women's Swimwear Market

In the spring of 2003, Rasurel hired a marketing company, *Emulsion*, to help it better understand the current state of the industry and assess the potential for Rasurel. As a first step, *Emulsion* analyzed the size and structure of the French women's swimwear market. According to *Emulsion's* data, French retail sales of women's swimwear in 2002 had exceeded 6.8 million items,² amounting to a turnover of €161 million, making it one of the largest in Europe, both in absolute and *per capita* terms. However, following a period of rapid growth in the 1980s, due to the arrival of low cost retailers (H&M, Kookaï, Zara, etc.), the industry today was mature and fragmented. Growth had slowed to 3-4% p.a., since 2000.

Swimwear Market

Emulsion viewed the French swimwear market as comprising five segments (Exhibit 1):

- **Aquatonic** – This was the largest segment, accounting for 30% of the market. This segment consisted of all types of women interested in water sports, who required functional swimwear manufactured with technical materials and a streamlined cut. Four key brands shared this segment and enjoyed high market share in value and volume, thanks to the less seasonal nature and wider distribution of their products.
- **Beach Gang** – This was the second largest segment (25%) and comprised young modern women belonging to a group or society. Flower print bikinis were the typical products sold in this segment. Competitors included a limited number of small international brands, Banana Moon leading the way in France.
- **Lingerie-Like** – With a 20% share, this was the third largest, but fastest growing segment. Customers of this segment were looking for a fresh and feminine look,

¹ Rasurel products generated sales/cost margins of approximately 50 to 60% on sales price to distributors.

² The figure includes only swimwear and not accessories (sarongs, beach shoes, bags, etc.).

inspired by the latest lingerie collections. This segment comprised a large number of brands, including those from (i) manufacturers of lingerie that had diversified into swimwear, such as Princesse Tam Tam, Huit, and Aubade, (ii) specialized swimwear brands offering sophisticated products, all year round, at moderate to high prices, and (iii) *prêt-à-porter* retailers' brands distributing modern, lower priced collections during the summer season.

- **Elegant Mature Woman** – Comprising traditional women aged 45+, looking for functional, yet feminine, one-piece swimwear, sometimes complemented by accessories (sarongs, shirts, etc.), and offering some “covering” qualities. Typical products in this segment were made of stretchy, synthetic materials and bright colors. Cuts had to fit the body and emphasize elegant shapes. Rasurel competed in this segment (15% of market) against a few players led by the German group, Triumph.
- **Jet Set** – This small niche (10%) comprised a large number of high-end, fashion brands, with Erès (Chanel group) dominating the segment. Demand of the products in this segment was seasonal and strongly influenced by *haute couture* designs. Collections featured sophisticated, elegant and creative cuts, as well as jewelry and accessories, sold to brand savvy women seeking to project a very fashionable image.

Swimwear Products

Swimwear collections were highly influenced by the main seasonal fashion trends. A new collection was generally articulated around one main theme, comprising a series of product lines, each available in various models (one-piece, bikini, separates³ or thong) and sizes. Some brands also offered accessories (e.g., beach shoes, sarongs, bags) matching the swimwear. In 2002, approximately 60% of items sold were one-piece swimwear, highlighting the various uses that can be made of such a product (sports swimwear during the year and leisure swimwear during the summer).

Swimsuits varied greatly in design (cut, shape, and print), comfort, and quality of the materials. Good quality products were made of microfiber, a soft and comfortable textile, which gave swimsuits flexibility and resistance to sun, salt, and chlorine. Some brands used cotton or even cheaper textiles; however, microfiber was the most widely used material.

Timing a New Collection

Swimwear sales were seasonal, with peak sales occurring during spring and summer (April to August in France). The design of a new collection started 8 to 16 months prior to that. Once a new collection was designed, it was presented to retailers at trade shows for collection of preliminary orders. Manufacturing was scheduled according to demand generated by the new collection during and after the trade show, and typically occurred in low-cost centers like China. Exhibit 2 presents a detailed schedule of the launch of a new collection.

Specialized manufacturers of swimwear, like Rasurel, offered one collection per year, sometimes completed by an intra-season “cruise” collection, sold in the winter period, aimed at people going to sunny destinations. Most of the marketing for new collections, including

³ Separates are two-piece swimsuits where the top and bottom items can be bought separately, leaving the customer with the possibility to match different sizes, colors or even models.

the “cruise” line, occurred in the peak summer season. It consisted mainly of advertising in the professional and consumer press, coop advertising,⁴ participation in trade shows, maintaining a website, and distributing point-of-sale materials (e.g., catalogs). Average advertising expenditures in the industry were low (~5% of sales) and only a few international retailers (e.g., H&M) and luxury brands supported the launch of a new collection with heavy advertising in women’s magazines, bus shelters, and TV.

Distribution

The main distribution channels for swimwear in France were as follows (see Exhibit 3):

- Independent boutiques, fashion stores,⁵ and swimwear departments of high-end department stores sold expensive, high fashion, branded bathing suits, like the ones targeted at the Jet Set segment;
- Department stores, independent boutiques, and specialty stores⁶ served as the main distribution channel for lingerie-like and more traditional, moderate to high-priced products. Lower priced swimwear was sold mainly through networks of *prêt-à-porter* chains (H&M, Morgan, C&A, etc.) and department stores.
- Moderate-priced Beach Gang and Aquatonic types of swimwear were sold in sports shops, proprietary stores (Nike, Decathlon, Oxbow, etc.), and department stores.
- Mail order catalogs, Internet sites and supermarkets complemented other retail stores as distribution channels for swimwear.⁷ These channels favored low to moderate-priced items, which fit their strategy of distributing modern, yet affordable products.

Retail prices varied substantially across brands and distribution channels (see Exhibit 4 for a detailed price comparison). Prices were increasing by 4% p.a., including inflation, across all channels.

Consumers

Emulsion’s analysis of consumer segments and purchasing behavior indicated that 43% of consumers were willing to spend over €35 for swimwear; most of these consumers being over 35 years old (see Exhibit 5 for details). Bruno was left with the impression that Rasurel could potentially extend its target segment (women 40+), to slightly younger consumers.

⁴ Coop advertising comprises participation in the store’s catalogs or in print advertising run by participating stores (e.g., Galleries Lafayette).

⁵ These include boutiques belonging to a particular brand (Dolce & Gabbana, Gucci, etc.).

⁶ Specialty stores consist of networks of shops specializing in lingerie and/or swimwear. They either sell a unique brand (Princesse Tam Tam, Etam Lingerie, Erès, Kiwi, etc.) or several brands (Orcanta, Body One, etc.). They differ from independent boutiques in that they consist of small networks of shops, and from *prêt-à-porter* chains (Etam, H&M, C&A, etc.) in that they sell only lingerie and/or swimwear.

⁷ The main mail order companies (Les 3 Suisses, La Redoute), supermarket chains (Carrefour, Monoprix) and department stores (Le Bon Marché, Printemps and Galleries Lafayette) had started to offer private-label swimwear.

Emulsion had also undertaken a series of consumer panels consisting of consumers aged 25 to 35, and those aged 50+, to understand the needs expressed by consumers in Rasurel's current and potential target segments. For both groups, the results revealed that, unlike lingerie, for which seduction and brand name were the most important criteria influencing purchase, the key element when purchasing swimwear was the fit of the product. The study highlighted the attachment that consumers had to swimwear, once they found a model that suited them. They stated that swimwear reflected their awareness of the current fashion trends, enhanced the femininity of their bodies and enabled them to feel confident *vis-à-vis* their physical condition in public. For most women over 30, the purchase of swimwear was a "painful" experience, a difficult choice implying not only considerations of recent fashion trends and modern prints, but also a search for fit and comfort. Brand name had little importance in the final purchase decision.

Both groups of consumers looked for seductive qualities in swimwear. Younger consumers favored original designs, which enabled them to look different, while more mature consumers went for supportive and more covering cuts that concealed imperfections in their bodies. Both groups acknowledged that loyalty to certain brands influenced the exploration phase, but did not prevent them from looking at other brands when purchasing new swimwear.

Lejaby and Rasurel

Lejaby

Lejaby, a French designer and manufacturer of women's lingerie and swimwear, was headquartered in Rilleux-la-Pape near Lyon, France. The company employed 900 people and generated sales of €95 million in 2003, of which 92% was generated by lingerie products, marketed under the Lejaby brand, and 8% by swimwear, under the Rasurel brand. The company was present in the major European countries, where its sales force marketed the Lejaby and Rasurel collections to local retailers. The brands were also distributed in Asia and North America.

Jack McLaughlin, the President of Lejaby S.A.S., had been with the group since 1996. Initially, he was the European Director of Operations for the Warnaco Group, and became President in 2000. His experience in textiles started in 1980 with Levi-Strauss; he then ran the outerwear business of a textile manufacturer dedicated to Marks & Spencer, before joining Playtex (lingerie brand of Sara Lee) in 1990. The Lejaby organization was simple, with the top management team responsible for both the lingerie and swimwear divisions. A profile of the key people is included in Exhibit 6.

Rasurel

History

Rasurel traces its roots back to 1890, when Docteur Rasurel created his own business, selling warm nightdresses and slippers. Rasurel started to sell its first bathing suits after World War I. In 1966, Maurice Bugnon, a French entrepreneur who already owned the lingerie brand, Lejaby, bought Rasurel, transformed it into a swimwear brand exclusively and established Rasurel as an independent swimwear division of his company.

Between 1966 and the mid-1980s, Rasurel launched several very successful collections, which even made it to the cover page of the main fashion magazines, positioning Rasurel as a trend-setting brand (see Exhibit 7 for the evolution of the Rasurel collections). At the time, Rasurel sold over 1.5 million swimwear items per year, as opposed to 300,000 today.

In 1985, the departure of the Rasurel managing team deprived the company of the possibility to innovate and pursue the fantastic growth its swimwear division had achieved in a few years. The management of Rasurel was passed over to the sales manager for Germany who made the brand evolve to meet the needs of his particular customers, ignoring other markets' specificities. The lack of an international strategy for the brand, coupled with the arrival on the market of new competitors, dramatically affected the results of Rasurel.

By the mid-1990s, the entire company found itself in serious trouble: the lingerie business had not been able to sustain the growth it had anticipated and poor central management and a local decision-making process contributed to Rasurel's losing its creative touch in an industry where creativity was key. All this resulted in the loss of customers to hungry, innovative competitors. Net revenues amounted to US\$ 47.5 million in 1996, when the company was bought by The Warnaco Group, Inc., an American conglomerate with US\$ 292 million in sales. Warnaco, which already owned other lingerie and swimwear brands,⁸ saw the acquisition of Lejaby as a way to increase the size of its operations in Western Europe and provide the group with an opportunity to access untapped distribution channels for its other brands in critical European markets.

Following the acquisition, Lejaby and Rasurel, which were formerly separate legal entities with different management teams, were merged into one single company, renamed Lejaby S.A.S., and Rasurel became the swimwear line of the core lingerie brand, Lejaby. The first few years after the acquisition by Warnaco were difficult years for Rasurel. Warnaco imposed an American designer who had previously worked for Speedo, a very sporty, men's swimwear line, who gave the subsequent Rasurel collections a style that did not fit the European women's fashion market. The newly created collections had little consistency with the brand history and promises of comfort and fit, and diluted the Rasurel identity. As a result, sales dropped dramatically and the Warnaco designer was eventually replaced in 1999 by Pierre Martinez, a French freelance designer of swimwear, who spent one day per week at Rasurel working on the new collections with Colette Candela, the designer of the Lejaby lingerie line for more than 30 years. The new team was making every effort to understand Rasurel's issues and design collections that better responded to the needs expressed by Rasurel's customers.

Marketing

While formerly positioned as a young and trendy brand, Rasurel had not been able to maintain this position. Successive designers had failed to update the design of the collections, making the brand age with its original customers and evolve into the mature woman segment. According to *Emulsion*, this segment generated €48 million in retail sales in France during 2002, and was led by the German underwear company, Triumph, and French brands, Janine Robin, Livia, and Empreinte (see Exhibit 8). All brands in this segment offered quality

⁸ Warnaco owned lingerie brands including Olga, Warner's, Calvin Klein's men's and women's underwear, loungewear and sleepwear, and possessed trademark licenses for other brands like Speedo, Nautica and Lifeguard. (Source: www.warnaco.com).

products providing comfort and support, with Rasurel being considered a leader in the category. Typical Rasurel customers were women over 50 years old with reasonable purchasing power, and with a preference for buying in boutiques or department stores. The new generation of customers tended to be less loyal to a specific brand than former generations of the same age, and was more attracted by feminine, original designs and models, as was reflected in the increasing demand for two-piece swimwear.

Rasurel also offered a line of products, *Image*, specifically designed to provide the support and more technical attributes required in sports activities. The line had been introduced for the first time in the 2003 collection and would be carried over in subsequent collections, with very little adaptation, as it perfectly addressed the needs of the aquatonic type of consumer. Rasurel also competed, to a lesser extent, in the higher price range of the lingerie-like segment. Many brands in this segment had started out as pure lingerie lines but clever design had managed to leverage the brand to inspire their lingerie customers to buy their swimwear products, offering the promise of quality and fit similar to their lingerie lines. Although Lejaby and Rasurel were distinct brands unconnected in the minds of consumers, the attributes of comfort and quality appreciated in the lingerie products of Lejaby were dovetailed into Rasurel's lines.

Rasurel shared Lejaby's sales force and benefited from Lejaby's extended network of distributors and presence in major points of sale. Rasurel products were distributed in the main department stores where they were placed among the traditional, conservative brands, as well as through a network of small, independent boutiques.⁹ Rasurel did not have a website, nor did it appear in the main mail order catalogs. The presentation of the annual collection was made through advertisements in major professional (1% of Rasurel's advertising expenditure) and consumer magazines (53%), coop advertising (2%), PR events (3%), distribution of catalogs, books, banners/posters at points-of-sale (20%), as well as through promotional events like trade shows (5%)¹⁰ and distribution of accessories (promotional bags, etc.) featuring the brand. The advertising and promotion budget was limited to 5% of sales.

In 2003, the retail price of the product line varied from €67 to €99. The Rasurel collection included a few accessories, like sarongs and shirts, which were more expensive to produce than swimwear and were sold in limited quantities.

The Marketing Challenge

The decision facing Bruno and the management team was difficult. Should Rasurel be repositioned toward younger customers or should its position in the mature woman segment be reinforced?

From the customers' point of view, would a younger group of target consumers (30-40 years) value the technical attributes and fit offered by Rasurel? Would a focus on younger customers alienate the older, existing clientele? Moreover, competitors offered decent quality products at

⁹ A number of elements influenced the purchasing decision process of customers at the point-of-sale: presence of sales representatives, possibility to try on the items in comfortable changing rooms and availability of specific models identified in the press.

¹⁰ Mainly *Lyon Mode City* in September each year.

sometimes much lower prices. Rasurel might, therefore, not be able to sustain the momentum in the market at the moment of purchase.

From the point of view of competitors, lingerie-like brands were growing in number and importance, offering all types of products at varying prices. Was there room for Rasurel in such an environment? Did the presence of Princesse Tam Tam and the recent revitalization of Livia present a threat to Rasurel? In such a context, would it not be wiser for Rasurel to reinforce its presence in its existing segment rather than attempt to reposition it?

Further decisions needed to be taken in terms of pricing and distribution of the products. Was the current price range appropriate if Rasurel were repositioned? Moreover, the Lejaby sales force currently distributed Rasurel products together with the core lingerie collections. Given that client meetings were limited in time, sales people tended to focus on the Lejaby lingerie lines, while spending only a small proportion of their client meetings trying to push Rasurel. How could the distribution be improved?

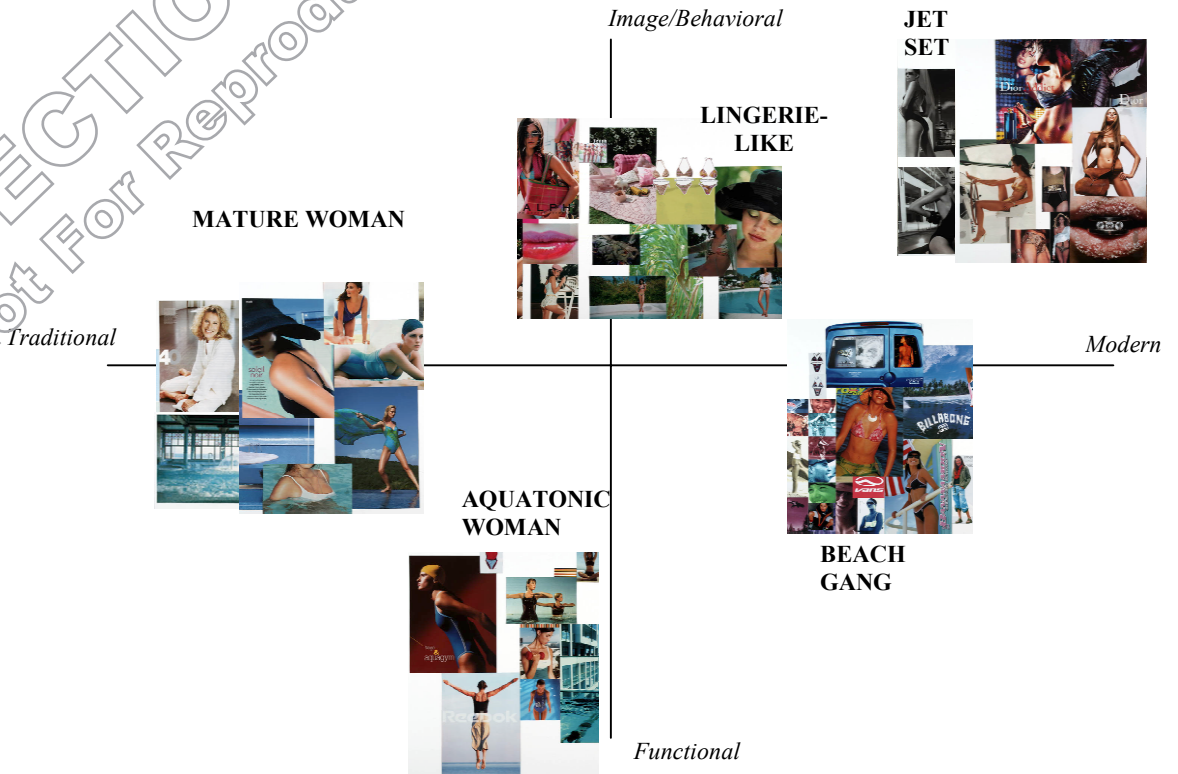
The team also faced several significant constraints. First, Lejaby had imposed an overall marketing budget of €500,000 for the global market, including additional costs that might have to be incurred for the repositioning of Rasurel. Second, a radical repositioning and revitalization of Rasurel would require additional management time and dedicated resources, as well as tight scheduling of the various actions to be taken. Should the company create a separate entity for the swimwear division that would justify higher financial investment and the allocation of extra management time?

Finally, the promotional aspects needed to be carefully thought through. Over the years, Rasurel's brand image had aged and become old-fashioned; thus, the communication decision would have to be revisited. Should Lejaby decide to reposition Rasurel, its image would need to be appropriately modernized in the minds of consumers.

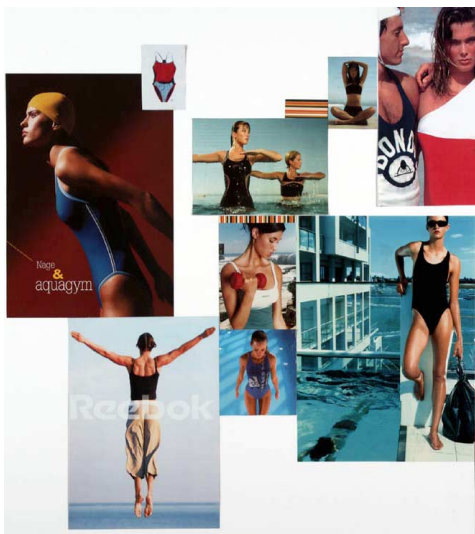
So far, the delicate positioning of Rasurel in the mature woman segment of the market prevented the company from using seduction as a marketing tool. Should Lejaby opt to reposition Rasurel, the marketing and promotional initiatives of Rasurel would need to be thought through in order to face the intense competition from brands like Princesse Tam Tam, Aubade, and Huit.

Bruno, together with the Lejaby management team, had to make a decision soon. Time-to-market was critical, as the main trade show would take place in a month's time, and trigger the first orders for the new Summer 2004 collection.

Exhibit 1
Segmentation of the French Women's Swimwear Market



Aquatonic Woman



30%

Positioning:

- Technical and functional swimwear for the sporty woman
- Used to swim or do sport

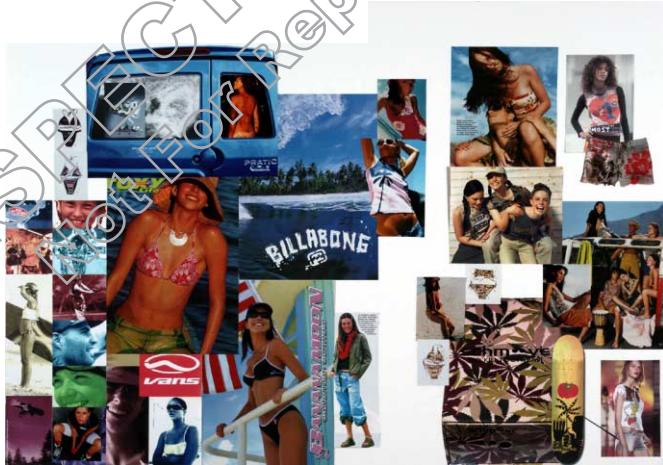
Main Brands:

Aréna, Speedo, Adidas, Décathlon

Type of Product:

- One-piece
- Technical materials
- Streamlined cut
- Blue prints

Source: Emulsion and Lejaby SAS.

Exhibit 1 (Cont'd)*Segmentation of the French Women's Swimwear Market***Beach Gang**

25%

Positioning:

- “Surf-type” product for the relaxed young woman
- The swimsuit reflects the spirit of belonging to a group

Main Brands:

Banana Moon, Oxbow, Roxy, Quiksilver, Naf Naf

Type of Product:

- Two-piece
- Triangular shapes
- Push-ups
- Beach colored prints

Lingerie-Like

20%

Positioning:

- Feminine and fresh swimsuit, inspired by lingerie collections
- Seaside spirit

Main Brands:

Princesse Tam Tam, Huit, Etam, Cacharel, Compagnie du soleil, Pain de sucre, Kookai, Morgan, VPC, Aubade

Type of Product:

- Two-piece/Separables
- Lingerie-like cuts
- Flowers or pure-style prints
- Light and bright colors

Exhibit 1 (Cont'd)

Segmentation of the French Women's Swimwear Market

Elegant Mature Woman



15%

Positioning:

- A technical swimsuit to feel comfortable and well-supported
- Elegant cuts and shapes, stretchy materials

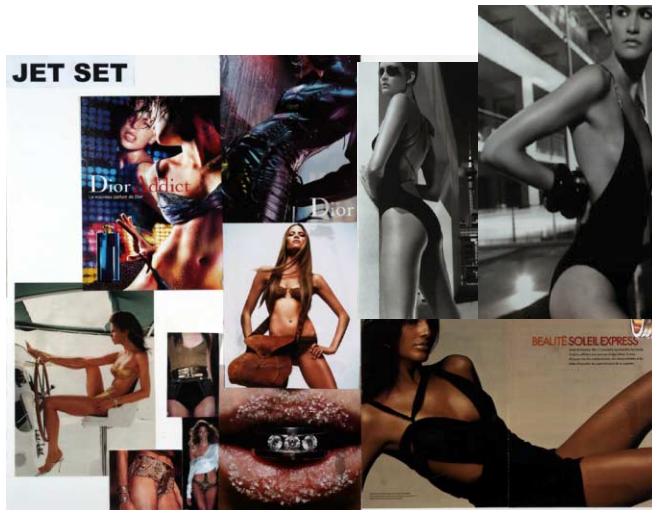
Main Brands:

Rasurel, Janine Robin, Livia, Triumph, Empreinte, Gottex

Type of Product:

- Structured one-piece
- Sheathing models
- Elegant, bright colors

Jet Set



10%

Positioning:

- The “proprietary creator-like” swimsuit, strongly influenced by *Haute Couture* designs
- Emphasize the body and make it sexy

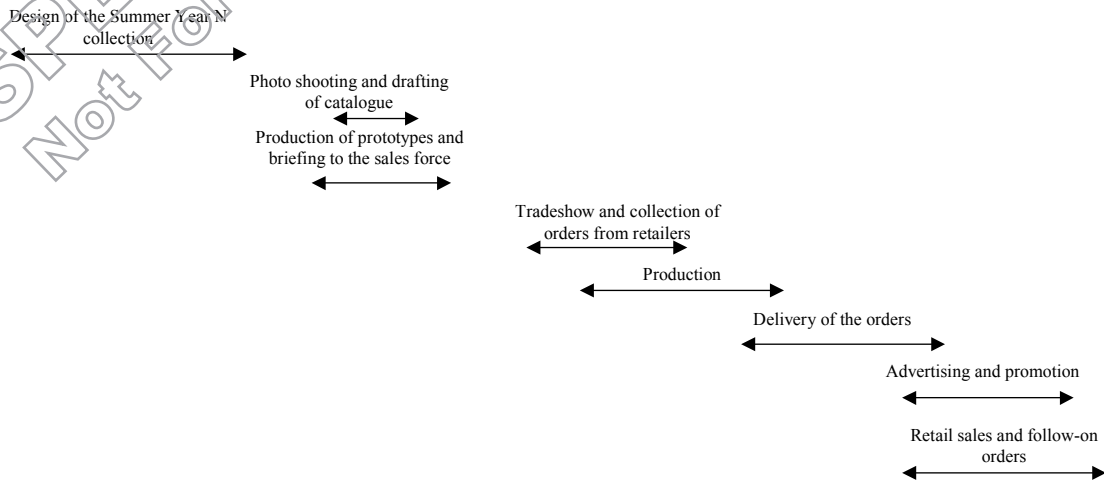
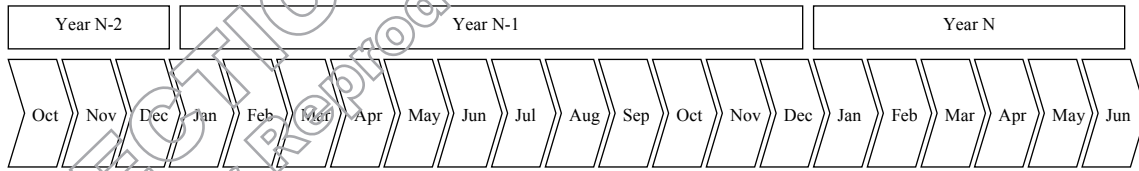
Main Brands:

Èrès, Christian Dior, JP Gauthier, La Perla, Bip Bip, Iodus

Type of Product:

- Sophisticated one-piece
- Creative cuts and shapes
- Elegant dark colors
- Details, accessories, jewelry

Exhibit 2
Timing a New Collection



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Exhibit 3
Main Distribution Channels for Swimwear in France

<u>Channel</u>	<u>% Market Share</u>	<u>Specificities</u>	<u>Type of Customers</u>
Sports Shops	35.5	<ul style="list-style-type: none"> ▪ Offering dominated by four major brands¹¹ ▪ Homogeneous price range ▪ Majority of one-piece swimwear 	Customers looking for swimming pool swimwear/sports outfits. All age groups
Mail / Internet orders	15.0	<ul style="list-style-type: none"> ▪ Very functional purchase (no possibility to try on) ▪ Large offering ▪ Affordable products 	All
Specialty Stores	12.1	<ul style="list-style-type: none"> ▪ Limited range of brands ▪ Feminine and modern image ▪ Comfortable purchase (advice; changing rooms) 	Urban customers
Independent Boutiques	12.0	<ul style="list-style-type: none"> ▪ Limited range of brands ▪ Comfortable purchase 	Customers located outside large cities
Department Stores	9.0	<ul style="list-style-type: none"> ▪ Wide choice ▪ Latest trends ▪ Flexibility in purchase (changing rooms, advice, exchange, refund, etc.) 	All
Supermarkets / Markets	8.5	<ul style="list-style-type: none"> ▪ Low-priced offering ▪ Limited range of brands (dominating private labels) ▪ No advice/changing rooms 	All

Source: Emulsion, Lejaby and personal research.

¹¹ Adidas, Arena, Speedo, Nike.

Exhibit 4
Price Comparison Analysis

<u>Segment</u>	<u>Selected Brand</u>	<u>Indicative Price Range (EUR)</u>	
		<u>Low-End</u>	<u>High-End</u>
Aquatic	Arena	26	65
	Speedo	26	45
	Adidas	35	45
	Nike	38	42
Beach Gang	Banana Moon	23	65
	Oxbow	n.a.	49
	Roxy	n.a.	59
	Naf Naf	35	50
Lingerie-Like	Princesse Tam Tam	36	63
	Huit	45	75
	Aubade	60	88
	Pain de Sucre	n.a.	106
	Cacharel	59.9	85
	Kookaï	30	67.2
	Morgan	39.9	61
	Etam	25	42
	H&M	9.9	19.8
Voluptuous/ Mature Woman	Rasurel	67	99
	Livia	65	82
	Gottex	140	240
	Janine Robin	n.a.	99
	Triumph	40	84
	Empreinte	106	118
Jet Set	Erès	150	240
	Christian Dior	180	275
	Jean-Paul Gauthier	n.a.	n.a.
	La Perla	103	280
	Bip Bip	87.5	97.5
	Iodus	129	165

Note: Indicative retail prices for a set (top + bottom or one-piece swimwear) based on sampling of Summer 2003 collections sold in Paris.

Exhibit 5
Breakdown of Customers by Swimwear Spending and Age

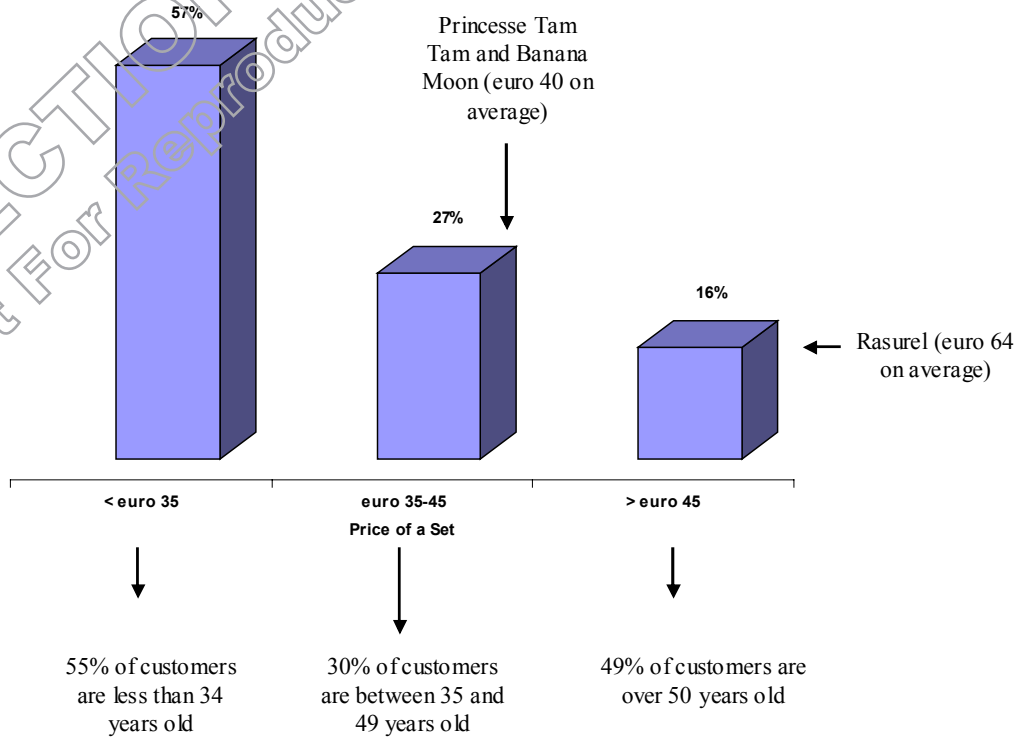


Exhibit 6*Profile of Rasurel's Key People***Bruno de Lalande, Sales and Marketing Director**

Bruno joined Lejaby in November 2002 as Sales & Marketing Director, covering the Lejaby and Rasurel brands. He is 45 years old and holds a degree in business. After his studies, Bruno worked successively as Brand Manager for Colgate-Palmolive, as Marketing Manager for an Import-Export company in South Africa, and then relocated to London for Descamps (home textiles) as Country Manager, before joining Oshkosh as General Manager for Europe. In 1993, he joined VF Group (women's fashion) where he occupied the positions of Director for International Lingerie Brands, Reengineering Director in the US and Country Manager France for Lee, Wrangler, and other brands. Bruno is a member of Lejaby's Steering Committee.

Colette Candela, Head of the Design Team

Colette has been with Lejaby since 1972. Prior to that, she worked for another lingerie designer and manufacturer, Scandale. She was promoted head of the design team at Lejaby in 1992. In 1996, she took over the design responsibility for Rasurel as well. Colette currently heads a team of 25 people and is a member of the management team at the company. She holds a degree in fashion design and specializes in women's underwear.

Eric Verdier, Quality Director and Supply Chain Manager

Eric is a textile engineer from ITECH, Lyon, and also holds a complementary degree as a purchasing manager. In 1980, Eric worked for a textile company, Billon Frères, located near Lyon, as a logistics manager, before joining Lejaby in 1983. He subsequently occupied the positions of Purchasing Manager and Logistics Manager for Rasurel, and is currently the Quality Director and Supply Chain Manager for Rasurel. Eric supervises a team of 24 people and is a member of the Steering Committee.

Yann Lebornec, Commercial Director for France, Benelux and Switzerland

Yann has been the Commercial Director for France, Benelux, and Switzerland at Lejaby since he joined the company in 1999. Yann has extensive experience in the lingerie and swimwear sector, having spent over ten years at Sara Lee, where he worked on the Dim brand, occupying various positions including that of Sales Director. Yann supervises a team of 21 full-time sales people, as well as 40 part-time representatives, and is a member of the Lejaby Steering Committee.

Pierre Martinez, Free-Lance Designer for Rasurel

Pierre is a freelance designer. He has been working with the Lejaby management team on the Rasurel brand since 2002. Prior to that, Pierre worked on the children's swimwear collection of Lejaby that was discontinued in 1999. Pierre also designs swimwear for other brands (Kookai, Princesse Tam Tam, Lise Charmelle, Louis Vuitton, Printemps, La Redoute, Wolford), including his own brand, Iodus.

Exhibit 7 History of the Rasurel Collections



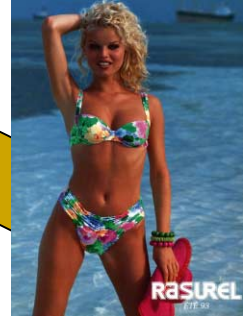
1970s



1980s



Early 1990s



2003



Late 1990s



2002

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Exhibit 8
Profile of Rasurel's Main Competitors






Firm	Background	Strengths	Product
Princesse Tam Tam (French)	PTT is a designer, manufacturer and retailer of lingerie and swimwear products. Having managed to establish a link between young and mature women, the brand is currently highly appreciated and constitutes a "must-have" for retailers. It targets women aged 18 to 35, and offers a wide selection of sizes and models. 60% of sold products are two-piece swimsuits. The company distributes its products through a network of proprietary stores, as well as through the main department stores, specialized distribution, boutiques and the company's website.	<ul style="list-style-type: none"> • Network of proprietary stores • Very popular lingerie brand • Strong advertising campaigns 	
Huit (French)	Huit is a lingerie and swimwear brand, targeting young (18-25+) modern, active professional women with medium to high purchasing power. Huit is considered as offering the best cuts on the market. The Huit product range is relatively limited with 60% of sales in bikinis. A cruise line is offered during off-peak seasons.	<ul style="list-style-type: none"> • Best "cuts" on the market • Very consistent lines of products in both the lingerie and swimwear market • Referenced in all key distribution channels 	
Livia (French)	Livia is considered as Rasurel's main competitor. Over the past few years, the brand has been trying to reposition itself in more modern segments of the market and is now targeting mature, modern women. Products are sold through the main department stores and boutiques.	<ul style="list-style-type: none"> • Rasurel's main competitor • Recently repositioned itself in more modern segments 	
Triumph (German)	Triumph is one of the largest underwear and swimwear brands targeting mature women over 45 years old, with traditional products. The company distributes its products through a worldwide network of proprietary stores, as well as through key department stores, boutiques and on its website. The vast majority of products sold are one-piece items.	<ul style="list-style-type: none"> • Key brand in the mature woman segment • International presence • Large network of proprietary stores 	
Janine Robin (French)	JR is targeting classical, mature women with a selection of very conservative swimsuits. The company is suffering from a strong decline in sales due to the arrival of competitors like Empreinte, and is losing credibility among retailers. Products are sold through a network of 13 proprietary stores, as well as in the main department stores, boutiques and on the company's website.	<ul style="list-style-type: none"> • Conservative brand targeting mature women • Small network of proprietary stores • Declining sales 	

Exhibit 9 Consumer Perceptions of Rasurel

On the one hand



Quality and Tradition

Reliability /Strength

Image de Rasurel pour l'acheteuse actuelle Plus Agée



Classic Comfort

...on the other hand



Lack of vibrancy and life

Matronly

Image de Rasurel pour les non acheteuses Plus Jeunes

Old Fashioned

Needs some touchup

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Exhibit 10
Rasurel Unaudited Financial Results

	Fiscal Year End		
	2000	2001	2002
Net Sales	6,727	8,855	8,260
Items sold	261,238	314,000	299,350
Standard Cost of Sales	3,345	4,024	4,149
Standard Gross Profit	3,382	4,831	4,111
% Gross Margin	50.3	54.6	49.8
Variances and Other Costs	1,460	748	882
Total Gross Profit	1,922	4,083	3,228
% Total Gross Margin	28.6	46.1	39.1
Other Costs			
Marketing Expenditures	521	447	339
Selling & Distribution Costs	696	949	953
Administrative Costs	82	149	148
Total SG&A	1,299	1,545	1,439
EBIT	623	2,538	1,789
% EBIT Margin	9.3	28.7	21.7

Notes:

1. Variances and Other Costs include production control costs (quality control), design and development costs, sampling and salesmen costs.
2. Selling & Distribution costs include cost of the sales force, customer services and warehousing and shipping costs.
3. Administrative costs comprise bad debt recovery costs, financial costs and technical costs.

Source: Deloitte & Touche and Lejaby.

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