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KIPLING BUY IS FOURTH FOR VF; VF CORP. ANNOUNCES THE ACQUISITION OF A BELGIUM-BASED MAKER OF ACCESSORIES

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VF Corp.'s buying binge continues.

On Tuesday, the apparel giant announced it has acquired Kipling Belgium NV, an Antwerp-based company that makes upscale bags, packs and accessories.

The purchase marks the third for the Greensboro-based company in just over two months and the fourth in less than a year.

"Clearly, VF's growth momentum is building," Mackey J. McDonald, the company's chairman and chief executive officer, said in a prepared statement. "Kipling is solidly profitable and has the potential for double-digit sales growth in the years ahead, as we leverage the brand's very strong position into additional categories and markets."

Terms of the deal weren't disclosed, but Jim D'Aquila, managing director of The Mercanti Group, an investment-banking firm in Minneapolis, estimated the cost at between \$40 million and \$60 million.

D'Aquila sees no reason for VF to stop buying.

"They are so large and they have such ability to integrate acquisitions and to make the brand portfolio (fit) at retail there is no reason for them to stop," D'Aquila said. "They have the financing. They have the management. (And) the more products you have the more clout you have with retailers."

But a VF official hinted Tuesday that the buying binge may be slowing.

"We are going to be very selective as we go forward," said Cindy Knoebel, a company spokeswoman. " ... I would not say there is anything imminent. But we are going to continue to keep our eyes open for strong brands."

The current run of acquisitions started last August with Nautica Enterprises Inc., the upscale clothier, for \$586.6 million.

In April, VF announced the purchase of Vans Inc., a California-based company that makes shoes and clothing for skateboarding, snowboarding and other sports, for \$396 million, and Green Sport Monte Bianco S.P.A., an Italy-based producer and distributor of casual outdoor apparel under the Napapijri brand. Terms were not disclosed.

"We're on a roll," Knoebel said of the acquisitions. "If you go back to when we started to expand our portfolio in August to what we added today, we are adding more than \$1 billion ... in new sales for VF."

The company said Kipling had sales last year of approximately \$69 million, adding that it would contribute about \$40 million to sales in 2004 and slightly boost earnings per share this year.

Founded in 1987, Kipling has grown into a lifestyle brand with products that include bags, backpacks, watches, jewelry, shoes, stationary, eye wear and home products targeted primarily to women and children.

Products are sold in the United States and nearly 50 other countries throughout Europe, South America, Asia, the Middle East, Africa and Australia in 17 company-owned stores and 120 distributor-managed shops.

Kipling will be added to VF's outdoor products coalition, which includes The North Face, JanSport and Eastpak.

VF said the deal provides a number of benefits. It offers a recognized lifestyle brand with global growth potential, gives the company a new product category - accessories, complements the current daypack business, and strengthens the firm's presence in upper-tier distribution channels.

The purchase also will help the company counter the consolidation going on in the U.S. retail market.

"VF has fewer and fewer people to sell to in the U.S.," D'Aquila said. "They can offset that when they buy brands that have European appeal."

News of the purchase boosted VF's shares 33 cents on the New York Stock Exchange. The stock closed at \$47.56.

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