

WorldWatchReport 2008 : Results revealed



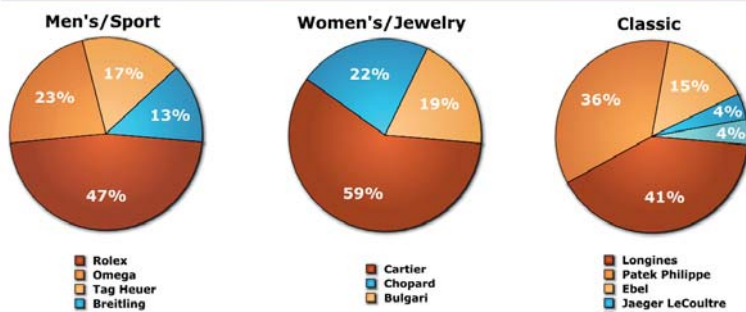
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Before entering a boutique or deciding to purchase a watch, it has become quite customary for most consumers to spend a number of hours on the Internet seeking further information, comparing prices and narrowing down their choice. It is thus at the heart of this pre-purchase preparation, in the research engines, that the WorldWatchReport obtains its information.

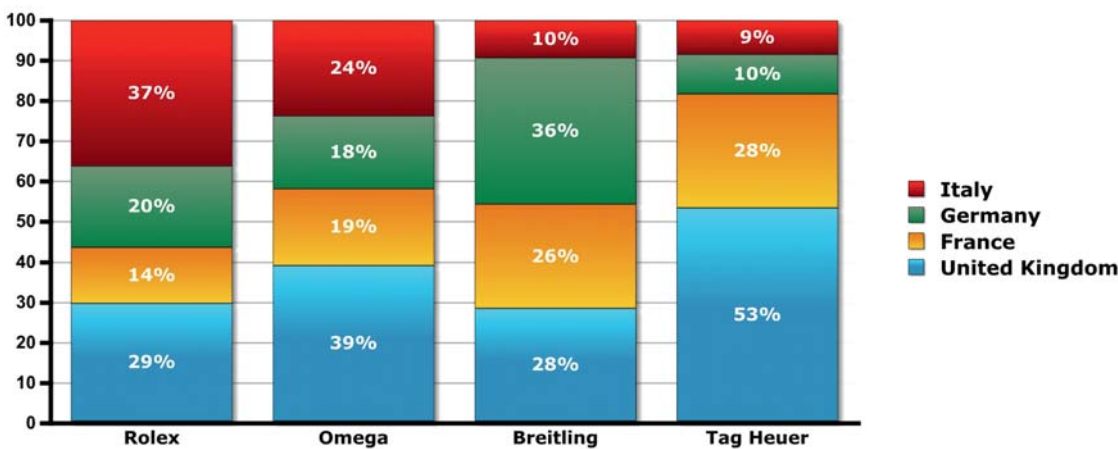
The WorldWatchReport focuses on the five top luxury watch export markets. It deciphers queries entered into search engines throughout the Internet from millions of prospects for 12 luxury watch brands. Here are the main trends highlighted by the 2008 report:

- Men's/Sports: Omega has made some considerable gains since 2006, adding 5 points from its previous share of 23 percent, most of which is at the expense of Rolex.
- Women's/Jewellery: Although Rolex may overshadow all other brands in search volume, it still does not dominate its category as much as Cartier. A clear leader in women-targeted watches, Cartier garners 59 percent of the total search volume for this category.
- Classic: While Longines shed 4 points from 2006 while still maintaining its first place status, Ebel picked up 5 points to catapult from 4th to 2nd.

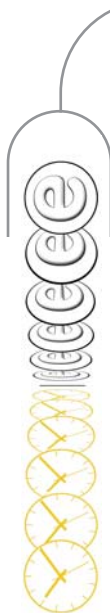
Breakdown of US Brand Searches by Category
January to December 2007 © 2008 IC-Agency



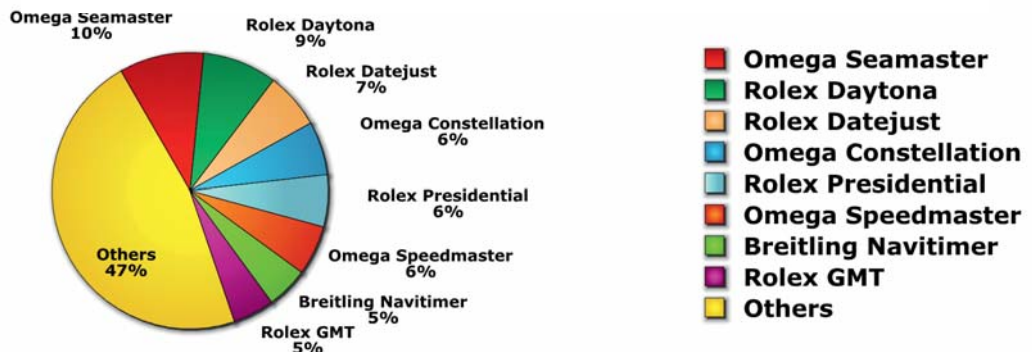
Weighting of European Markets in Brand Searches (Men's/Sport)
January to December 2007 © 2008 IC-Agency



- For Rolex, Italy becomes the most important European market: 37 percent of the searches come from this country.
- TAG Heuer gets most of its searches from the United Kingdom (53 percent) and France (28 percent). This brand could easily replace Breitling in third place for total European searches by building up its profile in Germany and Italy.
- For Omega, its share of searches coming from the United Kingdom fell sharply (-20 percent), due in part to Italy's strong growth (+15 percent).

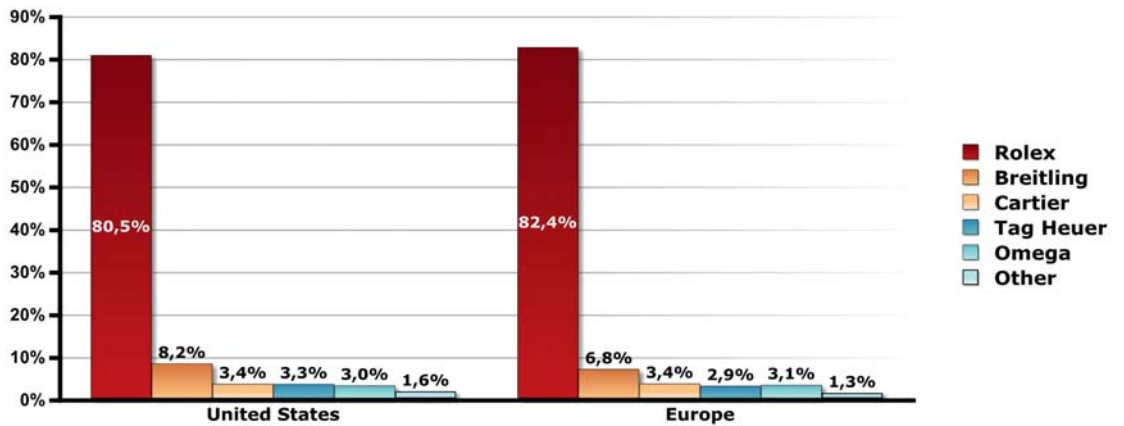


Weighting of top 8 Men's/Sport Model Searches for US
January to December 2007 © 2008 IC-Agency



- Searches for the Omega Seamaster increased at the release of the film "Die another day" near the end of 2006. This increase in demand continued throughout 2007, making the Seamaster, and its James Bond special edition, the most searched watch model, surpassing for the first time Rolex's Daytona and Datejust.
- Rolex however, has 8 models in the top 20, while Omega has only 3.

Regional Replica Search Breakdown
January to December 2007 © 2008 IC-Agency



- For the first time in four years, search volume for counterfeit products has decreased (-27 percent). This phenomenon is even more striking in the United States, registering a decrease of 52 percent. In Europe, only Italy registers an increase (+20 percent).
- Although all brands have to fret over the demand of counterfeit luxury watches, this phenomenon affects some much more than others. In fact, the top five brands are responsible for over 98 percent of replica searches for all brands included in this study.
- Breitling seems to get more of a boost than others, as it becomes the next line for replica searches, more than doubling its next competitor

"Demand for counterfeit products evolves as markets mature on the Internet. As Internet penetration rises, so does the share of searches relating to pre-purchasing activities for authentic products," explains Flavio Quaranta, Associate Partner at IC-Agency. "For brands, the real challenge is to understand the behaviour of consumers who are now more connected than ever - not only through computers, but also through mobile devices such as the iPhone. Bringing clients to an official site is no longer enough. A comforting user experience must be created to entice purchases from over informed consumers," indicates David Sadigh, Associate Partner at IC-Agency. "Your customers are using the Internet to compare information on brands, including yours! Fortunately, you can use this report to learn more about them and their intentions. The World Watch Report comes in two versions, a retailer version and a full version, which are essential reading for everyone in the watch industry," says Philippe Maillard, Managing Director, Europa Star.

The entire market study can be ordered at www.worldwatchreport.com <