

Michael Kors nears purchase of Versace

Notes & Cues:**Article:**

Michael Kors is close to announcing a deal to buy Versace, the Italian fashion house, in its latest step toward becoming a rival for Europe's luxury conglomerates, two people with knowledge of the matter said Monday.

Versace, known for a flamboyant embrace of elegance, had long been considered a takeover candidate.

For Kors, the purchase of Versace would burnish its ambitions to become an American counterpart to the European conglomerates such as LVMH and Kering, which have dominated the fashion industry with brands like Louis Vuitton and Gucci.

In 2017, Kors bought the British shoe company Jimmy Choo for 896 million pounds, or about \$1.2 billion. Kors is not alone in its calculated buying spree — and is competing with other deep-pocketed suitors such as the company formerly known as Coach — now called Tapestry — which has bought brands including Kate Spade and Stuart Weitzman.

Kors' aim, in part, is to transcend the “middle market” of the luxury sector. Michael Kors has traditionally been reliant on outlets and department stores, where deep discounting is common. Leather purses sell for as little as \$70 and handbags are available for \$95.

Versace, controlled by its namesake family since the 1997 murder of founder Gianni Versace, offers Kors an intriguing skein of possibilities. The Milan-based brand is known for its Medusa-head logo, glamorous gowns and bold printed pieces that sell for thousands of dollars.

Summary: