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Michael Kors Prices IPO

By LYNN COWAN

Apparel designer [Michael Kors Holdings](#) Ltd. commanded a higher price tag and sold more shares than expected in its initial public offering Wednesday night.



Fashion designer Michael Kors will be taking his company public today, buoyed by strong store sales and high name recognition, John Jannarone reports on Markets Hub. Photo: AP.

The company priced 47.2 million shares—5.5 million more than originally planned—of its stock at \$20 apiece, above its expected \$17 to \$19 range. It begins trading Thursday on the New York Stock Exchange under the symbol KORS.

The 30-year-old brand, headquartered in Hong Kong, sells everything from clothing to footwear through high-end department stores such as Saks Fifth Avenue and Harrods and through its own company-operated outlets.

In fiscal 2011, which ended April 2, total revenue grew 58% to \$803 million and global comparable-store sales increased 48% compared to fiscal 2010; in the six months that ended Oct. 1,

total revenue rose 61% to \$549 million and comparable-store sales grew 42%.

Net income during fiscal 2011 rose 85% to \$73 million compared to fiscal 2010, and in the six months that ended Oct. 1, it doubled to \$65 million.

The company has experienced positive comparable store sales growth in every quarter of the last five fiscal years.

All the shares sold in the offering came from insiders, so none of the proceeds will benefit the company. The biggest seller was Sportswear Holdings Ltd., a private-equity company formed by Silas K.F. Chou and Lawrence S. Stroll; post-IPO, Sportswear holdings continues to own 38% of Michael Kors.

Sellers also included management, with Chairman and Chief Executive John D. Idol and Michael Kors, who is the company's chief creative officer, selling a portion of their stakes.

If an over-allotment option of additional shares are sold by the company's underwriters, the IPO will end up raising slightly more than \$1 billion.

Morgan Stanley, J.P. Morgan Chase & Co. and [Goldman Sachs Group](#) Inc. managed Michael Kors's offering.

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