

31st General Assembly of the Association of Foreign Banks in Switzerland

Geneva, June 27, 2003

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Patek Philippe Basics

- Company founded in 1839 by Anton Patek and Adrien Philippe
- Uninterrupted production since its creation
- Volume manufactured in 164 years is less than estimated Rolex in one year
- Around 30'000 watches produced in 2002 across 900 regular models variations
- Around 950 employees in Geneva
- Around 650 points of sales worldwide

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The Thought Process

Lay down the principles that govern the company today :

- We are traditional watchmakers
- We recognize the value of the past
- We are fascinated by the future
- We create with passion, pride, ingenuity
- We concentrate on the lasting value of our watches

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The Company Values

- Independence
- Tradition
- Innovation
- Workmanship Quality
- Exclusivity
- Value
- Aesthetics
- Service
- Emotion
- Heritage

➤ Independence

- We are and will remain an independent family business
- With independence comes control of our destiny and creative freedom
- Patek Philippe's philosophy, practices, standards and vision are all in the hands of people for whom watchmaking is an enduring passion
- Long term vision always takes precedence over the short term business demands

➤ Tradition

- As a true watch manufacture, we control all stages in the making of our watches, from design to production, assembly, finish and distribution
- Traditional skills, unchanged since the 19th century, are used daily in the Patek Philippe's manufacture, awarding the Geneva Seal
- Experience and know-how of Patek Philippe's master watchmakers can be passed on to the new generations of watchmakers

➤ Innovation

- We have a tradition in innovation
- While tradition will always command respect, innovation is our true driving force.
- Every year the company dedicates a significant % of its revenues on R&D
- The very latest technology is used throughout the watchmaking process wherever it can demonstrably improve the quality and reliability
- Patek Philippe is renowned for being the leader in developing and producing complicated timepieces
- World most complicated timepieces are all made by Patek Philippe

➤ Workmanship Quality

- Our thorough training program gives us the highest standard of workmanship
- Each Patek Philippe is individually assembled, polished and regulated by hand. Every case and bracelet is finished and decorated by hand
- Patek Philippe quality is among others :
 - 3-5 years for developing a new mechanical movement
 - 1200 operations to create one watch with rigorous testing
 - 600 hours of quality control during manufacture
 - 30 days of rigorous examination as the final control
- Historical Patek Philippe timepieces, over 100 years old, are still in perfect working order

➤ Exclusivity

- Each watch is unique, both to Patek Philippe and its owner
- Since 1839, Patek Philippe has kept a record of every single timepiece bearing its name
- Owners of our watches form an exclusive club celebrating that Man is capable of creating art through the manufacture of timepieces
- In 164 years of existence, Patek Philippe has produced a very limited number of watches distributed only by the world finest stores

➤ Value

- For us “value” means “lasting value”
- Value of Patek Philippe watches can never be measured in pure financial terms
- Exemplary beauty, legendary craftsmanship, outstanding reliability, make their contribution
- A Patek Philippe watch is designed, produced and tested to last for generations
- A Patek Philippe timepiece is a cherished object, an heirloom that will serve its current owner as loyally as it served its former one

➤ Aesthetics

- In the pursuit of perfection, beauty is always present and not only in the design of the watch
- Beauty is also present where unseen : polished bridges, hand-finished angles and edges, circular graining on movement's parts
- Although the aesthetic qualities are rarely knowledgeably appreciated, there is a sense of pride in knowing that this is the way Patek Philippe watches are made
- Hundreds of parts operating in harmony make a watch work, but it is beauty which brings a watch alive

➤ Service

- Patek Philippe makes watches to endure across generations
- About 100 trained watchmakers in different countries :
 - provide a specialist aftersales service to owners
 - repair and restore watches dating back to the earliest days of manufacturing
 - keep old parts and tooling machines
- We also retain the ability to reproduce parts for all our antiques watches in all product integrity

➤ Emotion

- Beyond telling the time, a Patek Philippe watch is probably the most personal statement of one's own values
- Each timepiece creates an emotional response: Admiration, respect, enlightenment and pride of ownership; words appropriate for a work of art
- Each Patek Philippe watch is made to last for generations, it is the emotional bridge we build father to son, mother to daughter

➤ Heritage

- Patek Philippe will continue to create timepieces that will both amaze and inspire. Some of which will join the rare and precious exhibits in the Patek Philippe Museum
- Our master watchmakers will hand on their skills to the next generation of apprentices
- The company itself will be passed on, with its values and beliefs which have brought success
- The following generation, those who work for Patek Philippe as well as those who own the company, will make the same commitment as that made by our founders



Producing
“the finest and most valuable of watches”

ILLUSTRATION

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ORIGINAL ADVERTISING CREATIVE STRATEGY

- Present the watches differently than any other “competitors”
- Give the Potential Customer a second reason for purchase
- Include an Emotional Touch in a Technical Environment
- Never refer to the Status Symbol linked to the Patek Philippe ownership

INITIAL NEW CAMPAIGN 1996

by Peggy Sirota



Fondez votre propre tradition

Quelles que soient ses innovations, Patek Philippe apporte toujours à ses montres un fini artisanal.

Comme le *Quantième Annuel*, première montre automatique au monde dont la date doit être ajustée une fois par an seulement.

De par sa facture exceptionnelle, elle est un objet unique. C'est pourquoi on ne possède jamais complètement une Patek Philippe.

On la porte, en la conservant précieusement pour les générations futures.

PATEK PHILIPPE
GENÈVE



Fondez votre propre tradition

Chaque Patek Philippe, de par son fini artisanal, se distingue de façon subtile de toutes les autres Patek Philippe.

Elle est donc unique, irremplaçable pour celle qui la porte.

Comme l'*Ellipse d'Or* décorée de 160 diamants sertis dans un or 18 carats.

Par son amour, la femme qui la possède lui confiera son authenticité.

Une valeur essentielle pour la génération future qui, demain, la portera à son tour.

PATEK PHILIPPE
GENÈVE



SECOND CAMPAIGN 1997 by Peter Lindbergh



You never
actually own a Patek Philippe.

You merely look after it for the next
generation. *The new men's Neptune. Self-winding.*

hand crafted in 18 carat solid gold. Begin your own tradition.



You never
actually own a Patek Philippe.

You merely look after it for the next
generation. *The new ladies' Neptune. Hand crafted,*

with 114 diamonds set in 18 carat solid gold. Begin your own tradition.



THIRD CAMPAIGN 1997 by Jean-Loup Sieff



You never
actually own a Patek Philippe.

You merely look after it for the next
generation. *The new men's Travel Time with dual*

hour hands. One local time. The other, home.



Begin your own tradition.



You never
actually own a Patek Philippe.

You merely look after it for the next
generation. *The new ladies' Travel Time with dual*

hour hands. One local time. The other, home.



Begin your own tradition.

FOURTH CAMPAIGN 1998 by Mary-ellen Mark



You never
actually own a Patek Philippe.

You merely look after it for the next
generation. *The Annual Calendar. The first self-winding*

annual calendar watch with power reserve and moon-phase.



Begin your own tradition.



PATEK PHILIPPE
GENEVE
Begin your own tradition.

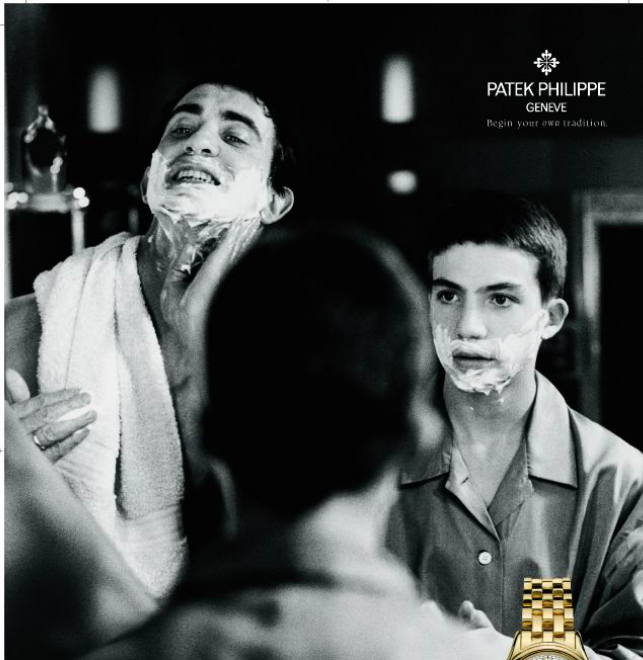
You never
actually own a Patek Philippe.
You merely
take care of it for the next generation.



Travel Time
by Patek Philippe

FIFTH CAMPAIGN 1999

by Ellen von Unwerth

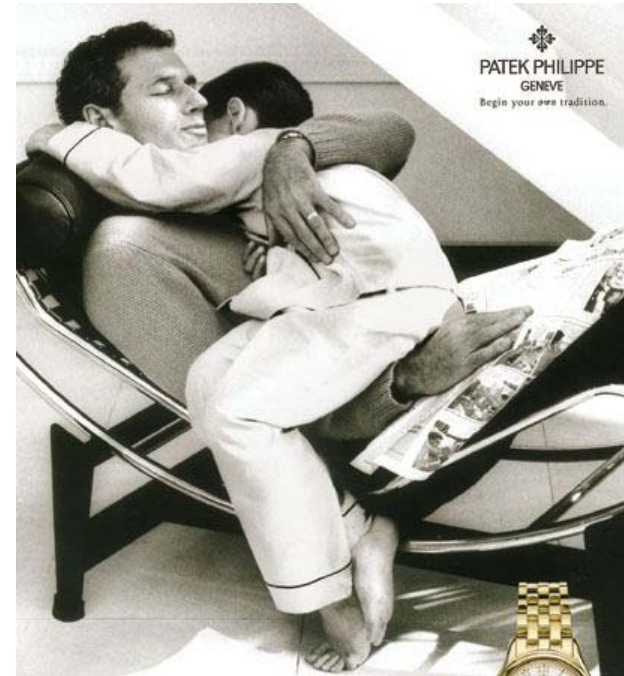


PATEK PHILIPPE
GENEVE
Begin your own tradition.



Annual Calendar
by Patek Philippe

You never
actually own a Patek Philippe.
You merely
look after it for the next generation.



PATEK PHILIPPE
GENEVE
Begin your own tradition.



Annual Calendar
by Patek Philippe

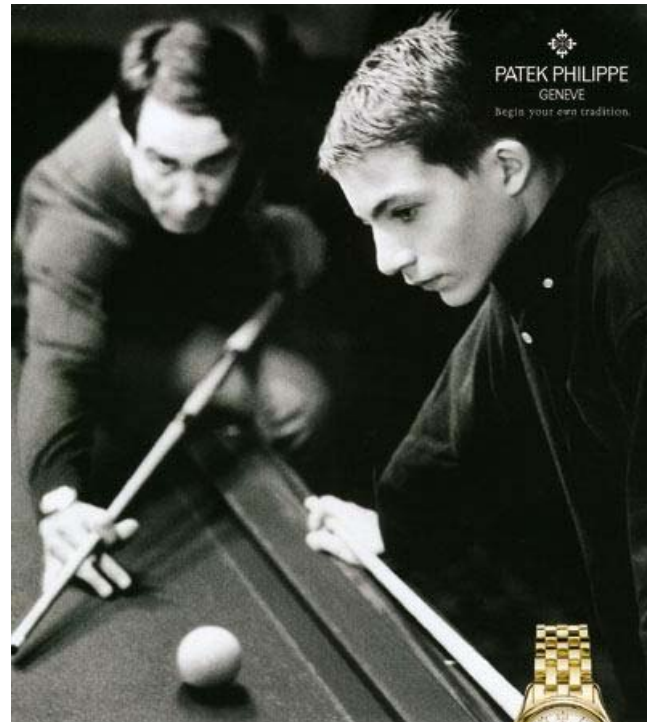
You never
actually own a Patek Philippe.
You merely
look after it for the next generation.

TWENTY~4 CAMPAIGN 1999 by Glen Lushford



SIXTH CAMPAIGN 2000

by Ellen von Unwerth



PATEK PHILIPPE
GENEVE
Begin your own tradition.

You never
actually own a Patek Philippe.
You merely
look after it for the next generation.



Annual Calendar
by Patek Philippe

TWENTY~4 CAMPAIGN 2000 by Regan Cameron



SEVENTH CAMPAIGN 2001

by Peggy Sirota



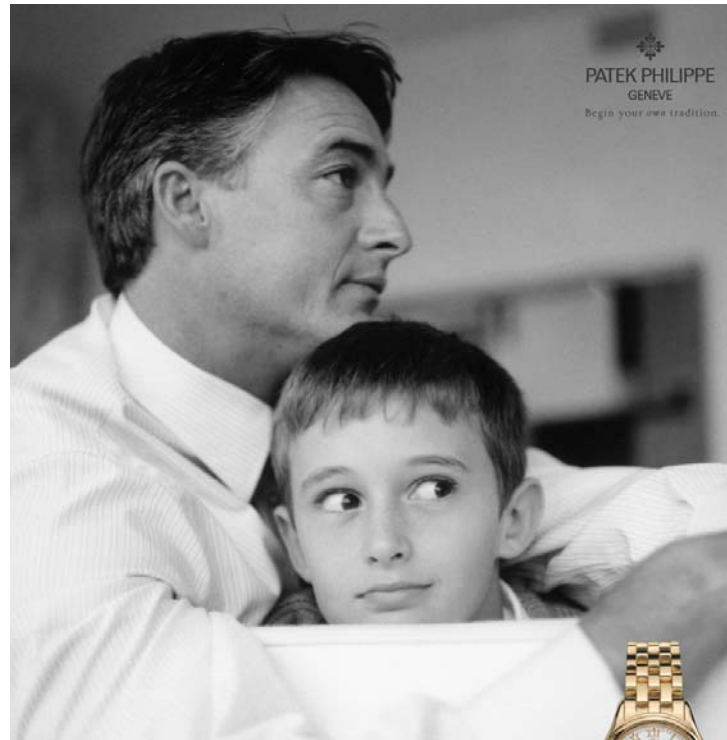
Jamais vous ne
posséderez complètement une Patek Philippe.
Vous en serez
juste le gardien, pour les générations *futures*.



Quantième Annuel
de Patek Philippe

LATEST CAMPAIGN 2003

by Peggy Sirota



You never
actually own a Patek Philippe.
You merely
look after it for the next generation.



Annual Calendar
by Patek Philippe

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TWENTY~4 CAMPAIGN 2003 by Peter Lindbergh



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