French department store Galeries Lafayette has announced plans to buy a 51% stake in multibrand retailer La Redoute through its holding company Motier, with the remaining 49% expected to be acquired at a later stage. The transaction is expected to finalise in the next few months subject to regulatory approval.

“With the fashion and retail industries facing unprecedented global change, the complementary position of La Redoute and Galeries Lafayette – the group’s flagship brand – would establish us as a leading physical and digital retailer specialised in fashion and home furnishings, with French roots and international outreach,” said Galeries Lafayette Group CEO Philippe Houzé.

Nathalie Balla and Eric Courteille, Co-Presidents of La Redoute, will continue to lead the company with the team in place. While the transaction would help Galeries Lafayette accelerate its transformation, for La Redoute it would mean the perfect opportunity to build a long-term link with a retail powerhouse. The companies will share their expertise and client base.

La Redoute said the deal marks the beginning of a new era for the business, and represents a great milestone for its staff. “To be linked to an investor as prestigious as Galeries Lafayette opens a new path to expand and accelerate our strategy. This deal paves the way for us to make further progress in France and on an international level, with the aim of reaching 1 billion euros in sales by 2021.”

Galeries Lafayette chief executive Nicolas Houzé said he was thrilled to start this new partnership with La Redoute. “La Redoute has made a spectacular recovery that we wish to support over the long term,” he said, adding that he feels confident about the project’s strength.