



PRESS RELEASE

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PPR Commits to Group Environmental Profit & Loss Account by 2015

Pioneering Environmental Impact Valuation to drive Sustainability strategy of PPR's Luxury and Sport & Lifestyle Brands

PPR announced its commitment today via PPR HOME, PPR's sustainability initiative, to implement an Environmental Profit & Loss Account (E P&L) across all Luxury and Sport & Lifestyle global brands by 2015. Once completed, the Group E P&L will provide a first monetary valuation of environmental impacts analysis throughout the business operations and supply chain. The approach has never before been applied across multiple global brands and will serve as a catalyst to develop a more sustainable business model for the Group.

"Sustainability is not only necessary to minimize business risks and enhance cost savings; it is a must if we want our brands to keep their desirability and competitive edge into the future. A Group E P&L represents our collective commitment to reinforce and strengthen PPR's businesses for the long run," said Francois-Henri Pinault, Chairman and CEO, PPR, "An E P&L Account is a pioneering solution to provide us with a deeper understanding and real visibility in our businesses, to assist us in reducing and mitigating our environmental footprint and to make better informed operational decisions while taking Nature into account."

As part of PPR HOME's long-term sustainability strategy for the Group, an E P&L analysis will ascertain the environmental impact and monetary valuation associated with the production and selling of the products of all PPR's Luxury and Sport & Lifestyle brands. Once environmental impacts are analyzed, key areas that will be specifically identified for each brand based on a customized analysis may include greenhouse gas emissions (GHG), water use, land use, air pollution and waste, generated through the operations and supply chain in order to complete the final Group E P&L.

"An E P&L helps to reveal the cost of business to Nature and in order to manage and reduce our



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environmental impacts, we need to measure them. A Group E P&L will help us pinpoint and understand our issues whereby we can set clear targets against them to operate on a more sustainable level across all areas of the business,” said Jochen Zeitz, Chief Sustainability Officer, PPR. “This in-depth input to sustainability reporting is unique and will fundamentally change how we look at the business model within our Luxury and Sport & Lifestyle brands. An E P&L will provide us with a platform to improve our collective performance by having a clear view of our individual performance thus identifying opportunities, innovations and changes that can be leveraged across our entire business.

PPR’s premiere Sportlifestyle brand, PUMA, developed the first- ever E P&L¹ and the approach will serve as a tool, sharing lessons and bringing benefits to the Group in entirety. In releasing the final results of the unprecedented PUMA E P&L today, PPR HOME and PUMA disclosed that the environmental impact for five key areas of greenhouse gas emissions (GHG), water use, land use, air pollution and waste, generated through the operations and supply chain of PUMA is valued at € 145 million in 2010². The valuation of the overall results³ showing:

- PUMA’s supply chain, rather than its operations, is responsible for 94% or € 137 million of its total environmental impact.
- Over half (57% or € 83 million) of all environmental impacts are associated with the production of raw materials (including cows for leather, cotton and rubber) in Tier 4 of PUMA’s supply chain.
- Only 6% or € 8 million derive from PUMA’s core operations such as offices, warehouses, stores and logistics; a further 9% (€ 13 million) occurs in Tier 1, with the remaining 85% (€ 124 million) in Tiers 2-4.
- GHGs make up 90% of the total impact of PUMA’s offices, stores and warehouses.

These costs will not affect PUMA’s net earnings, and they will serve as an initial metric when aiming to mitigate the footprint of the company’s operations and all supply chain levels. PPR will use its Group EP&L findings in a similar manner.

“The PUMA E P&L shows us the immense value of ecosystem services that a business relies on to operate and also the environmental impacts truly made by business, yet, that are not currently being addressed in corporate sustainability reporting,” said Jochen Zeitz, Chief Sustainability Officer, PPR “As businesses we can not continue to disregard externalities and by implementing a Group E P&L we are preparing for the future and intentionally supporting a more robust and resilient sustainability strategy. We will start by examining the brands within our own Group eventually to provide further E P&L case studies for broader industry engagement, which take the cost of impacts to ecosystem services into account.”

In order for PPR HOME to support the brands with expertise and resources during the Group E P&L implementation stages, PPR is in the process of hiring additional staff to compliment PPR HOME's sustainability team and adding an Energy Management Specialist who will immediately begin to investigate opportunities for reducing Greenhouse Gas emissions. PPR has also recently hired a Conservation and Ecosystem Services Specialist who will be investigating the formulation of broadly-accepted definitions of sustainable cotton and rubber and the subsequent development of internal standards for their sourcing.



A digital PPR press kit including the PUMA E P&L Final Results press release and supporting documents is available upon request and the PUMA E P&L Final Results press release is also at www.puma.com.

Notes to Editors:

1. The PUMA E P&L and the associated methodology were developed with the support of PricewaterhouseCoopers LLP and Trucost PLC, using recognised ecological and economic techniques and building on a large volume of work in the fields of environmental and natural resource economics. PwC's sustainability and climate change team provided specialist expertise in environmental valuations and corporate reporting, while, Trucost brings unrivalled experience and skills in value chain e-KPI-analysis and environmental externalities.
2. The PUMA E P&L results break-down for Water Use and Greenhouse Gas Emissions, Land Use, Air Pollutants and Waste can be found on www.puma.com
3. The PUMA E P&L overall results can be found on www.puma.com

About PPR HOME

The PPR Group unites its brands behind PPR HOME to work together towards PPR HOME's Vision of a better world that is more sustainable - economically, socially and ecologically - than the world we know and live in today. With PPR HOME, the Group commits to lessen its impact on the environment, taking responsibility and proactive steps to implement more sustainable business practices. PPR HOME moves beyond the conventional CSR approach and promotes a new business paradigm whereby the attainment of sustainability is driving creativity and innovation, and vice versa, to build businesses that deliver financial, social and environmental returns for the long run.

About PPR

PPR nurtures a group of high-growth global brands distributed in more than 120 countries. PPR generated revenue of €14.6 billion in 2010 and had approximately 60,000 employees as of December 31, 2010. The PPR share is listed on Euronext Paris (FR 0000121485, PRTP.PA, PPF).

Explore the PPR brand universe at www.ppr.com: Luxury Goods (Gucci, Bottega Veneta, Yves Saint Laurent, Alexander McQueen, Balenciaga, Boucheron, Girard-Perregaux, JeanRichard, Sergio Rossi and Stella McCartney), Sport & Lifestyle (Puma, Volcom, Cobra, Electric and Tretorn), Fnac and Redcats.



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