

PPR

will become
on 18 June 2013*


KERING

Press
Release
25.04.2013

First-quarter 2013 revenue

- ∞ **Comparable revenue up 3%**
- ∞ **Luxury Division performance up 6% on a comparable basis (up 8% in directly operated stores)**
- ∞ **Further headway in Group transformation**

In the first quarter of 2013, Kering recorded €2.4 billion in revenue, up 3.1% on a comparable Group structure and exchange rate basis and up 1.0% on first-quarter 2012 as reported.

Revenue for the Luxury Division advanced 6.4% on a comparable basis and 4.5% on a reported basis, with growth in all geographic areas. The Sport & Lifestyle Division reported a drop in revenue of 2.5% on a comparable basis and 4.9% as reported.

François-Henri Pinault, Kering Chairman and Chief Executive Officer, commented: *"Kering's sales activities since the beginning of 2013 have been powered by our Luxury Division, which has continued to make headways in all regions of the world. In Fashion and Leather Goods, our robust performance above and beyond the very high base of comparison established last year confirms the tremendous appeal of our brands. In a jumpier environment, notably in Europe, sales of our Sport & Lifestyle Division contracted somewhat in the first months of the year. Following the appointment of its new CEO, Björn Gulden, Puma will step up the pace of implementation of its transformation plan. In this context, we remain firmly focused on controlling costs and preserving our gross margins. The unique strengths of each of our brands, combined with the energy and imagination of our teams, reinforce our confidence in the future and in our ability to further improve our performances in the full year."*

<i>(in € million)</i>	Q1 2013	Reported change	Comparable change ⁽¹⁾
Luxury Division	1,523	+4.5%	+6.4%
Sport & Lifestyle Division	842	-4.9%	-2.5%
Kering – Continuing operations	2,365	+1.0%	+3.1%

⁽¹⁾ Constant Group structure and exchange rates.

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∞ Luxury Division

In the first quarter of 2013, the Luxury Division reported comparable revenue growth of over 6% in a mixed economic environment and against a particularly demanding base of comparison (up 18%) in the first quarter of last year.

Sales of the Luxury Division rose across all key brands and all regions, with very healthy performances in North America and Japan. Trends were less dynamic in Europe. Mainland China continued to post good growth, with another double-digit increase (up 10% in the quarter).

All product categories contributed to the Luxury Division's sales growth, with Fashion and Leather Goods climbing 7%.

As of end-March 2013, the store network of the Luxury Division comprised 992 units, including 34 net store openings during the quarter.

∞ Gucci

In the quarter, Gucci posted a 4% increase in comparable revenue, while sales in directly operated stores were up 6%. All regions but Western Europe posted higher revenue. North America delivered another quarter of solid growth (up 9% on a comparable basis). Growth in Japan was also strong, as in the previous quarters, partly boosted by the weakening of the Yen. Gucci's performance in Asia Pacific was mixed this quarter, with high revenue growth in Mainland China.

Growth was positive in all major product categories. Sales of Leather Goods grew in the quarter, driven by further improvements in mix towards higher-price merchandise. Recently introduced leather lines performed remarkably well, resulting in a double-digit increase in no-logo sales during the quarter. Performance was also particularly strong in Shoes, up 8%, driven by Men's.

As of end-March 2013, Gucci operated 432 stores, with a net addition of three stores during the quarter.

∞ Bottega Veneta

Bottega Veneta delivered a solid performance, with comparable revenue up 9%. Strong growth in retail was partly offset by mixed performances in wholesale. Western Europe performed particularly well in directly operated stores, up over 20%. Trends were somewhat softer in North America as higher sales on the continent were offset by a slowdown in Hawaii, due to lower Japanese tourism. Bottega Veneta posted a solid 12% increase in sales in Japan. Asia Pacific saw a solid growth in revenue driven by increases of more than 20% in both Greater and Mainland China.

By product category, Leather Goods continued to post strong increases, with dynamic growth in Men's. Newer categories, such as Jewellery or Perfumes, continued to perform very well, confirming Bottega Veneta's potential to extend its reach beyond its core categories.

As of end-March 2013, Bottega Veneta's network comprised 205 directly operated stores, including a net addition of nine stores during the quarter.

∞ Saint Laurent

In the first quarter of 2013, Saint Laurent confirmed its strong momentum, with sales up 19%. All regions apart from North America posted strong growth.

The acceleration of the brand reinvention under Creative and Image Director Hedi Slimane leads to a complete overhaul of the product line-up in all categories, gradually unveiled in the stores, and intensifying the desirability of the brand. Fashion & Leather Goods as a whole posted sharply higher revenues, driven by significant growth of Men's ready-to-wear, higher sales of iconic



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handbags and a promising start for new shoe styles. The Saint Laurent brand has also unveiled a new architectural concept, integrated into the store refurbishment and retail opening programme. Further significant investments in the Saint Laurent brand are planned throughout 2013. Saint Laurent managed a network of 98 stores at end-March 2013, including nine new stores opened in the quarter.

∞ ***Other Luxury brands***

In the first quarter, Kering's Other Luxury brands posted comparable revenue growth of 7% across most regions, driven by outstanding performances at Stella McCartney, Alexander McQueen and Boucheron.

Sales at Girard-Perregaux and Jeanrichard were impacted by a cautious climate in the Watches market, particularly in China.

As of end-March 2013, the store network of the Other Luxury brands comprised 257 units, with 13 net new stores including the consolidation of Qeelin directly operated stores.

∞ **Sport & Lifestyle Division**

Sport & Lifestyle Division sales were down 2.5% on a comparable basis in the quarter, held back by a tough textile and sporting goods market, especially in Western Europe.

Both PUMA and Volcom posted very satisfactory performances in retail, while wholesale sales were down.

∞ ***Puma***

In the first quarter, Puma's comparable sales were down 2.3%. Accessories delivered another strong performance, with a 12% increase in sales driven by the strong performance of Cobra Puma Golf. Sales were resilient in Apparel. The Footwear category faced a very tough trading environment, in France and Italy in particular.

Throughout the quarter, Puma pursued the implementation of the brand's Transformation Plan, closing 45 underperforming stores during the quarter, with particular focus on Europe. The underlying performance of the remaining retail stores was good in the quarter, underscoring the strength of the Puma brand.

Puma is also rejuvenating its product line-up, with particular emphasis on the Performance running category. The new highly innovative Puma Mobium line, launched in March, is delivering encouraging initial sell-through.



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∞ **Significant events of the quarter**

- On January 3, 2013, Kering announced that it had received a firm offer from Alpha Private Equity Fund 6 ("APEF 6") to acquire Redcats' Children and Family division – comprising the Cyrillus and Vertbaudet brands – for an enterprise value of €119 million. On that basis, Kering entered into exclusive negotiations with APEF 6. The transaction was completed on March 28, 2013.
- On January 15, 2013, Kering announced that it had acquired a majority stake in the luxury designer brand Christopher Kane founded in 2006.
- On February 5, 2013, Kering announced the closing of the sale of OneStopPlus to Charlesbank Capital Partners and Webster Capital, marking the final step in the sale of all of Redcats USA's operations.
- On February 25, 2013, Kering announced that Redcats had entered into an agreement to sell its Nordic brands Ellos and Jotex to Nordic Capital Fund VII for an enterprise value of €275 million.
- Following a complete transformation into a world leader focused on apparel and accessories in the Luxury and Sport & Lifestyle sectors, on March 22, 2013, the Group announced its decision to adopt the name "Kering" to better reflect its new identity. The Group's change of name will be subject to approval at the Annual General Meeting on June 18, 2013.
- On March 25, 2013, Kering announced the acquisition of a majority stake in France Croco, one of the most renowned tanneries of crocodilian skins, allowing Kering brands to further secure a sustainable supply of high quality crocodilian skins.

∞ **Subsequent events**

- On April 17, 2013, Kering's Board of Directors unanimously approved the listing of Groupe Fnac shares through a distribution to Kering shareholders. At the Annual General Meeting on June 18, 2013, Kering will propose to distribute to its shareholders, as a payment in full of dividends in respect of 2012 (an interim dividend of €1.50 having been paid on January 24, 2013) a supplementary cash dividend of €2.25 and a dividend in the form of Groupe Fnac shares in the ratio of 1 Groupe Fnac share for every 8 Kering shares held.
- On April 18, 2013, PUMA SE announced the appointment of Björn Gulden as Chief Executive Officer effective July 1, 2013. Björn Gulden brings to Puma an extensive international experience of nearly 20 years in a variety of management positions in the sporting goods and footwear industries, notably at Adidas, Helly Hansen and Deichman. Björn Gulden will be a member of Kering's Executive Committee.
- On April 24, 2013, Kering announced the signing of an agreement with RA.MO S.p.A to acquire a majority stake in the Italian jewellery group Pomellato. The group operates two brands, Pomellato and Dodo, the first positioned within the fine jewellery segment and the latter within the accessible jewellery segment. With this acquisition, Kering is extending and reinforcing its portfolio of luxury brands in the high growth jewellery market. The transaction is subject to the approval of the competition authorities and is expected to be finalized in the coming weeks.

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CONFERENCE CALL

Kering will hold a **conference call** for analysts and investors at **6:00pm** (Continental Europe) / **5:00pm** (UK) / **12:00** (East Coast, USA), on **Thursday April 25, 2013**.

Conference call dial-in:

France + 33 (0)1 70 99 42 77
UK + 44 (0)20 3140 8286
US + 1 646 254 3364
Access code: 6553428

Replay dial-in:

France + 33 (0) 1 74 20 28 00
UK + 44 (0)20 3427 0598
US + 1 347 366 9565
Replay access code: 6553428 (until May 8, 2013)

PRESENTATION

The slides (PDF) will be available ahead of the conference call at www.kering.com

About Kering*

A world leader in apparel and accessories, Kering develops an ensemble of powerful Luxury and Sport & Lifestyle brands: Gucci, Bottega Veneta, Saint Laurent, Alexander McQueen, Balenciaga, Brioni, Christopher Kane, Stella McCartney, Sergio Rossi, Boucheron, Girard-Perregaux, JeanRichard, Qeelin, Puma, Volcom, Cobra, Electric and Tretorn. By 'empowering imagination' in the fullest sense, Kering encourages its brands to reach their potential, in the most sustainable manner.

Present in more than 120 countries, the Group generated revenues of €9.7 billion in 2012 and had 33,000 employees at year end. The PPR (in future Kering) share is listed on Euronext Paris (FR 0000121485, P RTP.PA, P PFP).

** PPR will become Kering, subject to approval at the Annual General Meeting on 18 June 2013.*

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Appendix: First-quarter 2013 revenue

<i>(in € million)</i>	Q1 2013	Q1 2012 ⁽¹⁾	Reported change	Comparable change ⁽²⁾
Luxury Division	1,523.4	1,457.9	+4.5%	+6.4%
Gucci	865.9	847.9	+2.1%	+4.0%
Bottega Veneta	229.0	218.0	+5.0%	+8.8%
Saint Laurent	127.2	108.8	+16.9%	+18.7%
Other brands	301.3	283.2	+6.4%	+6.9%
Sport & Lifestyle Division	842.7	886.5	-4.9%	-2.5%
Puma	781.6	820.9	-4.8%	-2.3%
Other brands	61.1	65.6	-6.9%	-5.7%
<i>Eliminations</i>	-1.4	-2.5		
Kering – Continuing activities	2,364.7	2 341.9	+1.0%	+3.1%

⁽¹⁾ Figures have been restated of Redcats and Fnac (IFRS 5).

⁽²⁾ Comparable scope and exchange rates.