

K E R I N G



PRESS RELEASE

October 23, 2018

ANOTHER QUARTER OF OUTSTANDING GROWTH

**Consolidated revenue in the third quarter of 2018: €3,402 million,
up 27.6% as reported and 27.5% on a comparable basis**

"We are extraordinarily proud of the remarkable performances Kering delivers quarter after quarter. Our growth, whose pace is unprecedented in the Luxury sector, is sound, well balanced and sustained across all regions and distribution channels. The talent of each of our Houses at creating strong emotional ties with its customers, conceiving a bold, generous creative universe, and reinventing its codes, is at the root of Kering's success. Beyond short-term developments, we know that the secular growth of the Luxury market, but particularly our solid fundamentals and the discipline with which we implement our strategy, will continue to support our operating and financial outperformance."

François-Henri Pinault, Chairman and Chief Executive Officer

- Strong organic growth momentum continuing, with total revenue of the Houses up 27.1% on a comparable basis, on top of high bases of comparison
- Excellent performance of Gucci (up 35.1% on a comparable basis) across all distribution channels, regions and product categories
- Robust growth in sales at Yves Saint Laurent (up 16.1% on a comparable basis), with both iconic lines and new collections continuing to meet with great success
- Transition at Bottega Veneta (down 8.4% on a comparable basis), rejuvenation of the House's product offering and brand expression under the guidance of its recently appointed Creative Director
- Very sharp growth at Kering's Other Houses (up 32.2% on a comparable basis), driven by exceptional momentum at Balenciaga and ongoing sales growth at Alexander McQueen; solid performances in Watches and Jewelry



Revenue (in € millions)	Q3 2018	Q3 2017 ⁽¹⁾	Reported change	Comparable change ⁽²⁾
Total Houses	3,318.2	2,608.9	+27.2%	+27.1%
Gucci	2,096.0	1,553.8	+34.9%	+35.1%
Yves Saint Laurent	446.9	383.7	+16.5%	+16.1%
Bottega Veneta	258.9	280.7	-7.8%	-8.4%
Other Houses	516.4	390.7	+32.2%	+32.2%
<i>Corporate and other</i>	83.8	56.3	+48.8%	+43.7%
Kering – Continuing operations	3,402.0	2,665.2	+27.6%	+27.5%

⁽¹⁾ Figures restated for PUMA, Stella McCartney, Volcom and Christopher Kane (IFRS 5).

⁽²⁾ On a comparable Group structure and exchange rate basis.

Kering significantly outpaced its market in the third quarter of 2018, with total revenue up 27.6% as reported and 27.5% on a comparable basis to €3,402 million. Kering's Houses achieved outstanding growth in total revenue, well balanced across all distribution channels. Comparable growth in directly operated stores amounted to 27.6%, driven by double-digit increases across all regions, led by North America (up 36.1% comparable) and Asia Pacific (up 33.3% comparable). Growth in online sales exceeded 80%. Wholesale rose 27.0% on a comparable basis.

Gucci: further strong, healthy and balanced growth

On top of high bases of comparison, Gucci delivered another excellent quarter, with revenue up 34.9% as reported and 35.1% on a comparable basis, to €2,096 million. The House's growth is particularly sound, and the success of both permanent collections and newness across all product categories propelled sales in all distribution channels. Growth in retail sales (up 35.0% on a comparable basis) increased in all regions, led by Asia Pacific (up 41.9% on a comparable basis) and North America (up 40.7% on a comparable basis). E-commerce reported strong comparable growth, up nearly 70%, while wholesale was up 36.3% on a comparable basis.

Yves Saint Laurent: sustained growth continuing

Yves Saint Laurent reported revenue of €447 million in the third quarter of 2018, up 16.5% as reported and 16.1% on a comparable basis. With double-digit growth in all regions, sales in directly operated stores rose 17.5% on a comparable basis, including a remarkable performance in North America (up 27.5%). Wholesale advanced 14.2% on a comparable basis, reflecting the success of the Women's 2018 Fall/Winter collection.

***Bottega Veneta: ongoing transition***

The redeployment of Bottega Veneta is ongoing. Revenue in the third quarter of 2018 totaled €259 million, down 7.8% as reported and 8.4% on a comparable basis, impacted in its directly operated stores by lower tourism in Western Europe. New products in the leather goods category performed well and the wholesale network posted growth (up 2.3% on a comparable basis) for the second consecutive quarter. New Creative Director Daniel Lee is currently remodeling the Bottega Veneta universe and will make his debut in Tokyo in early December; his first full collection will be presented in February 2019.

Other Houses: spectacular growth path

Revenue from the Other Houses totaled €516 million in the third quarter of 2018, up 32.2% as reported and on a comparable basis.

Sales from Couture & Leather Goods continued to rise sharply, fueled both by directly operated stores and the wholesale network. Despite high bases of comparison, Balenciaga delivered another period of particularly noteworthy, well-balanced growth. The favorable growth trends at Alexander McQueen continued unabated. Online sales from Couture & Leather Goods achieved excellent momentum.

Watches & Jewelry posted solid revenue growth. New collections and extended iconic lines from Boucheron, Pomellato and Qeelin were very well received. Watches achieved a robust performance, driven by innovation and outstanding craftsmanship.

Corporate and other

The “Corporate and other” segment delivered strong growth in the third quarter of 2018, with revenue up 48.8% as reported and 43.7% on a comparable basis to €84 million. The performance reflected the very robust showing from Kering Eyewear, which reported a 47.9% comparable increase in consolidated sales to €76 million. Evenly balanced across all regions, the solid performance by Kering Eyewear was driven in particular by brisk sales momentum at Gucci, Saint Laurent and Cartier. Balenciaga is scheduled to unveil its eyewear offering in January 2019.



SIGNIFICANT EVENTS AND ANNOUNCEMENTS SINCE JULY 1, 2018

Laurence Boone leaves the board of directors of Kering

Following her recent appointment as Chief Economist of the OECD, Laurence Boone tendered her resignation from her position as an independent director on the Board of Directors of Kering on July 26, 2018. The Board accepted her resignation.

Appointment of Patrick Pruniaux, Chief Executive Officer of Kering's Swiss luxury watchmaking Maisons

On August 20, 2018, Kering has appointed Patrick Pruniaux, current Chief Executive Officer of Ulysse Nardin, as the new CEO of Girard-Perregaux. He manages the Group's Swiss luxury watchmaking Maisons, within the Watches & Jewelry Activities. Patrick Pruniaux continues reporting to Albert Bensoussan, Chief Executive Officer of the Watches & Jewelry division of Kering.

Appointment of Jinqing Cai, President of Kering Greater China

Kering announced the appointment of Jinqing Cai as President of Kering Greater China, effective September 10, 2018. Her mission will be to reinforce the visibility of Kering in Greater China and to strengthen ties between the Group and its local partners.

Kering enters the Stoxx 50® European index

On September 24, Kering joined the Euro STOXX 50® index, one of the major Eurozone listed stock indexes. The Euro STOXX 50® comprises the 50 largest listed stocks in the eurozone, in terms of free-float market capitalization. Kering shares have been listed on the Euronext Paris stock exchange since 1988 and have been part of the CAC 40 index since 1995.

Success of Kering's €369.8 million bond tender offer

On October 9, 2018, Kering announced the success of its offer to redeem four bond issues maturing in 2019, 2020, 2021 and 2022 at a par value of €369.8 million (excluding accrued interest).

K E R I N G



AUDIOCAST

An **audiocast** for analysts and investors will be held at **6.00pm** (CEST) on **Tuesday, October 23, 2018**. It may be accessed [here](#). The slides (PDF) will be available ahead of the audiocast at www.kering.com.

The audiocast will also be available by phone, using one of the dial-in numbers below:

France, Paris	+33 (0)1 76 77 22 88
United Kingdom, Local	+44 (0)330 336 9127
United States, Local	+1 929 477 0448

Confirmation code: 7894616

A replay of the audiocast will also be available at www.kering.com.

About Kering

A global Luxury group, Kering manages the development of a series of renowned Houses in Fashion, Leather Goods, Jewelry and Watches: Gucci, Saint Laurent, Bottega Veneta, Balenciaga, Alexander McQueen, Brioni, Boucheron, Pomellato, Dodo, Qeelin, Ulysse Nardin, Girard-Perregaux, as well as Kering Eyewear. By placing creativity at the heart of its strategy, Kering enables its Houses to set new limits in terms of their creative expression while crafting tomorrow's Luxury in a sustainable and responsible way. We capture these beliefs in our signature: "Empowering Imagination". In 2017, Kering had nearly 29,000 employees and restated revenue of €10.816 billion.

Contacts

Press

Emilie Gargatte	+33 (0)1 45 64 61 20	emilie.gargatte@kering.com
Marie de Montreynaud	+33 (0)1 45 64 62 53	marie.demontreynaud@kering.com

Analysts/investors

Claire Roblet	+33 (0)1 45 64 61 49	claire.roblet@kering.com
---------------	----------------------	--

www.kering.com

Twitter: @KeringGroup

LinkedIn: Kering

Instagram: @kering_official

YouTube: KeringGroup



Appendix: Revenue for the third quarter of 2018 and the nine months ended September 30, 2018

Revenue <i>(in € millions)</i>	Q3 2018	Q3 2017⁽¹⁾	Reported change	Comparable change⁽²⁾	9 months ended Sept. 30, 2018	9 months ended Sept. 30, 2017⁽¹⁾	Reported change	Comparable change⁽²⁾
Total Houses	3,318.2	2,608.9	+27.2%	+27.1%	9,526.9	7,502.1	+27.0%	+31.5%
Gucci	2,096.0	1,553.8	+34.9%	+35.1%	5,948.8	4,386.3	+35.6%	+40.8%
Yves Saint Laurent	446.9	383.7	+16.5%	+16.1%	1,255.1	1,094.5	+14.7%	+18.4%
Bottega Veneta	258.9	280.7	-7.8%	-8.4%	811.1	871.1	-6.9%	-3.5%
Other Houses	516.4	390.7	+32.2%	+32.2%	1,511.9	1,150.2	+31.4%	+35.0%
<i>Corporate and other</i>	83.8	56.3	+48.8%	+43.7%	307.0	236.1	+30.0%	+35.3%
KERING – Continuing operations	3,402.0	2,665.2	+27.6%	+27.5%	9,833.9	7,738.2	+27.1%	+31.6%

⁽¹⁾ Figures restated for PUMA, Stella McCartney, Volcom and Christopher Kane (IFRS 5).

⁽²⁾ On a comparable Group structure and exchange rate basis.