



## PRESS RELEASE

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Kering announces that the Group has concluded today a settlement with the Italian Revenue Agency relating to claims vis-a-vis its Swiss subsidiary Luxury Goods International S.A. (LGI). The settlement, concluded after in-depth analysis and with a collaborative spirit, acknowledged that the claims raised during the tax audit regard both the existence of a permanent establishment in Italy in the period 2011-2017 with the associated profits, and the transfer prices applied by LGI in the same period with its related party Guccio Gucci S.p.A..

The settlement will involve the payment of €897 million in additional taxes, along with further payment for penalties and interest. The total required payment amounts to €1.25 billion.

Based on an initial estimate, this agreement should impact Kering's consolidated financial statements in 2019 with an additional tax charge of around €600 million in the income statement and an outflow of €1,250 million in the cash flow statement.

### **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 2018, Kering had nearly 35,000 employees and revenue of €13.7 billion.*

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