

2016 first-quarter revenue: solid organic growth

- ∞ Strong performance in Luxury in an uncertain environment
- ∞ Good momentum confirmed in Sport & Lifestyle

Consolidated revenue up 4.0%
Luxury activities up 2.6%
Sport & Lifestyle activities up 7.0%

- Revenue for the first quarter of 2016 came in at **€2,724 million**, up 4.0% on a comparable basis and 2.7% as reported.
- Luxury activities:
 - o First-quarter 2016 sales up 2.6% on a comparable basis (up 2.8% as reported), lifted by retail in Western Europe, Japan and emerging countries.
 - o Confirmation of the growth momentum generated by the Gucci brand's new creative energy.
- Sport & Lifestyle activities:
 - o First-quarter 2016 sales up 7.0% on a comparable basis (up 2.6% as reported).
 - o Continuation of the growth trajectory at Puma.

François-Henri Pinault, Kering's Chairman and Chief Executive Officer, commented:

"Kering's solid first-quarter 2016 performance in a challenging market environment bears testimony to our focus on driving organic growth. The new creative energy is maintained at Gucci and the brand's new collections continue to draw an enthusiastic response. We are confident that we can extend our growth trajectory over the full year thanks to our multi-brand model, our continued strict operating and financial discipline, and the top-quality work of all our teams."



<i>(in € millions)</i>	Q1 2016	Reported change	Comparable change ⁽¹⁾
Luxury activities	1,804	+2.8%	+2.6%
Sport & Lifestyle activities	913	+2.6%	+7.0%
<i>Corporate and other</i>	7	<i>nm</i>	<i>nm</i>
Kering - Continuing operations	2,724	+2.7%	+4.0%

⁽¹⁾ On a comparable Group structure and exchange rate basis.

Luxury activities

In the first quarter of 2016, Luxury activities achieved 2.6% revenue growth on a comparable basis (up 2.8% as reported), with sales advancing 3% in both directly operated stores (71% of total sales) and in the wholesale network. Brisk activity in Western Europe and Japan continues to power growth in directly operated store sales, supported by a stellar performance in certain emerging countries.

Gucci

Gucci confirmed its growth momentum in the first quarter of 2016, driven by the success of its new collections. Sales climbed 3.1% on a comparable basis and 2.9% as reported. Revenue generated in directly operated stores rose 3%, led by strong performances in Western Europe, while wholesale was positive for the second consecutive quarter. The arrival of new collections clearly benefited revenues of the brand's Seasonal offer (Ready-to-Wear, Shoes) and sales of recently introduced Leather Goods.

Bottega Veneta

Bottega Veneta's first-quarter 2016 sales fell by 8.3% on a comparable basis and by 7.6% as reported. Lower sales in directly operated stores reflect the slowdown in tourism flows, particularly in Western Europe, which nevertheless enjoyed sustained local demand, as well as in North America and Japan. Bottega Veneta continues to shift its focus to local customers and new Leather Goods lines are instrumental in successfully enhancing the visibility of its new products in its stores.

Yves Saint Laurent

Yves Saint Laurent posted another sterling performance in the first three months of the year (up 27% on a comparable basis and as reported), lifted by excellent sales in directly operated stores. All regions reported double-digit growth and all product categories contributed to the strong momentum. The new Creative Director Anthony Vaccarello will unveil his first collection for Spring/Summer 2017 in October 2016.

Other Luxury brands

Other Luxury brands put in contrasting performances in the first quarter of 2016, down 3.3% overall on a comparable basis (down 2.9% as reported), partly reflecting the strong exposure to France of Balenciaga and Boucheron.

Growth in the Couture & Leather Goods brands was powered by the directly operated store network. Stella McCartney and Alexander McQueen posted solid performances. At Balenciaga, the first collection under the new Creative Director Demna Gvasalia was enthusiastically acclaimed.

Jewelry brands posted positive revenue growth in the quarter despite the high base of comparison at Boucheron. Sales of Watches brands contended with an unfavourable market environment, although the realignment of the product offering and communications strategy at Girard-Perregaux and Ulysse Nardin was welcomed by retailers.



Sport & Lifestyle activities

Sales generated by Sport & Lifestyle activities were up 7.0% on a comparable basis and up 2.6% as reported. The difference between comparable and reported growth is attributable to the negative foreign exchange impact related to certain emerging country currencies. Puma confirmed its solid growth trajectory in all product categories (Footwear, Apparel and Accessories) and in all regions, particularly Asia/Pacific and Western Europe.

2016 first-quarter highlights

Kering recognised among the world's 100 most sustainable companies

On January 21, 2016, the Corporate Knights' Global 100 index published at the World Economic Forum in Davos ranked Kering as one of the 100 most sustainable companies in the world. Kering was the only Luxury group featured in the 2016 Global 100 index, and ranked second in the Textile, Apparel & Luxury Goods sector.

Executive Committee appointments

Kering announced the appointment of Béatrice Lazat as Group Human Resources Director on February 29, 2016 and of Jean-Philippe Bailly as Chief Operating Officer on March 18, 2016. Both Ms Lazat and Mr Bailly will sit on the Executive Committee.

Volcom: sale of Electric

On March 16, 2016, Volcom announced that it had sold the Electric brand via a management buy-out (MBO) to a group led by Eric Crane, Electric's Chief Executive Officer.

Brioni: appointment of Justin O'Shea

On March 23, 2016, Brioni and Kering announced the appointment of Justin O'Shea as new Creative Director of Brioni. Mr O'Shea will be responsible for the brand's collections and image.

Yves Saint Laurent: appointment of Anthony Vaccarello

On April 1, 2016, Yves Saint Laurent announced the departure of Hedi Slimane as Creative and Image Director at the end of a four-year mission which had led to the complete repositioning of the brand. On April 4, 2016, Anthony Vaccarello was appointed as the new Creative Director of Yves Saint Laurent.



K E R I N G

AUDIOCAST

Kering will hold an audiocast for analysts and investors at **6.00pm** (CET)/**5.00pm** (GMT)/**12.00pm** (US, ET) on Thursday, April 21, 2016.

Available at www.kering.com (Finance section).

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

France	+33 (0)1 76 77 22 22
United Kingdom	+44 (0)20 3427 1907
United States	+1 (646) 254 3365

Access code: 2622499

A **replay** of the audiocast will also be available on www.kering.com (Finance section).

PRESENTATION

The slides (pdf) will be available ahead of the audiocast 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, McQ, Stella McCartney, Tomas Maier, Boucheron, Dodo, Girard-Perregaux, JeanRichard, Pomellato, Qeelin, Ulysse Nardin, Puma, Volcom and Cobra. 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 revenue of more than €11.5 billion in 2015 and had more than 38,000 employees at year end. The Kering (previously PPR) share is listed on Euronext Paris (FR 0000121485, KER.PA, KER.FP).

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Appendix – First-quarter 2016 revenue

<i>(in € millions)</i>	Q1 2016	Q1 2015	Reported change	Comparable change ⁽¹⁾
Gucci	894.2	869.0	+2.9%	+3.1%
Bottega Veneta	267.9	290.0	-7.6%	-8.3%
Yves Saint Laurent	269.2	211.4	+27.3%	+26.5%
Other Luxury brands	372.4	383.6	-2.9%	-3.3%
Luxury activities	1,803.7	1,754.0	+2.8%	+2.6%
Puma	855.9	825.0	+3.7%	+8.1%
Other Sport & Lifestyle brands	57.2	65.0	-12.0%	-7.1%
Sport & Lifestyle activities	913.1	890.0	+2.6%	+7.0%
<i>Corporate and other</i>	7.0	7.2	-2.8%	-4.1%
Kering – Continuing activities	2,723.8	2,651.2	+2.7%	+4.0%

⁽¹⁾ On a comparable Group structure and exchange rate basis.