

K E R I N G



PRESS RELEASE

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PROJECT TO DISTRIBUTE IN KIND PUMA SHARES TO KERING SHAREHOLDERS

KERING REINFORCES ITS STATUS AS A LEADING PURE PLAYER IN LUXURY

On 11 January 2018, Kering's Board of Directors unanimously proposed to submit to its shareholders the project to distribute in kind around 70% of Puma shares outstanding, out of the 86.3% currently owned by the Group.

Post transaction, Kering would retain approximately 16% of Puma shares outstanding. Artémis, which holds 40.9% of Kering's shares, would become a long term strategic shareholder of Puma with an ownership of about 29%. Puma's free float would be increased to approximately 55%.

The contemplated project would enable Kering to reinforce its status as a leading pure player in Luxury with an enhanced, best-in-class profitability. The Group's ambition is to continue to grow and develop its powerful ensemble of Houses in Couture, Leather Goods, Jewellery and Watches, leveraging on its high cash-flow generation and strong financial position.

Upon completion of the envisaged distribution of Puma shares, Kering shareholders would directly benefit from the value creation potential of a world-leading and iconic Sports brand, further enhanced by an increased free float and stock market visibility. With Puma's unique DNA, heritage of innovation and creativity, the ongoing successful implementation of its "Forever Faster" transformation plan has started to deliver results. The brand is enjoying strong revenue growth momentum and achieving an improvement in its profitability. Furthermore, Puma's management team is fully committed to pursue its successful strategy, and continue to deliver the growth and profitability potential of the brand.

François-Henri Pinault, Chairman and CEO of Kering, stated: *"The contemplated distribution of Puma shares to our shareholders would be a significant milestone in the history of the Group. Kering would dedicate itself entirely to the development of its Luxury Houses, whose enduring appeal, built on creative audacity and innovativeness, will allow us to continue to gain market share and create value.*

This operation would enable our shareholders to directly benefit from Puma's future value creation. We are proud to have supported the turnaround of Puma, which now has unrivalled capabilities to take full advantage of the specific dynamics of its global markets and is poised to achieve substantial growth, led by its talented and passionate management team. We have laid strong foundations for a bright future for Puma. The full support of both Artémis, which would become Puma's main shareholder, and Kering, as a significant minority shareholder, reflects a strong confidence in the company's ability to continue to deliver its strategic and financial objectives."

Kering will immediately initiate the information and, as the case may be, consultation processes with the relevant works councils' representatives in accordance with applicable laws.

Final terms of the distribution in kind of Puma shares to Kering shareholders are under review and will be submitted to the vote of Kering shareholders at the Annual General Meeting on 26 April 2018. Further announcements will be made in due course.

KERING



About Kering

A global Luxury group, Kering develops an ensemble of luxury houses in fashion, leather goods, jewelry and watches: Gucci, Bottega Veneta, Saint Laurent, Alexander McQueen, Balenciaga, Brioni, Christopher Kane, McQ, Stella McCartney, Tomas Maier, Boucheron, Dodo, Girard-Perregaux, Pomellato, Qeelin and Ulysse Nardin. Kering is also developing the Sport & Lifestyle brands Puma, Volcom and Cobra. By 'empowering imagination', Kering encourages its brands to reach their potential, in the most sustainable manner.

The Group generated revenue of €12.385 billion in 2016 and had more than 40,000 employees at year end. The Kering share is listed on Euronext Paris (FR 0000121485, KER.PA, KER.FP).

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