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*This press release does not constitute or form a part of an offer of or solicitation to purchase securities in the United States of America or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the US Securities Act of 1933, as amended (the "Securities Act"). The securities mentioned herein have not been, and will not be, registered under the US Securities Act and may not be offered or sold in the United States of America, or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act) (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the last closing date with respect to the securities offered in the offering, except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act. The Bonds (as defined below) and the existing ordinary shares of Puma to be granted upon exchange of the Bonds will be offered or sold only in offshore transactions (as defined in Regulation S under the Securities Act) outside of the United States of America, in accordance with Regulation S of the Securities Act. Kering does not intend to register any portion of the proposed offering in the United States of America and no public offering will be made in the United States of America. Neither this press release nor anything contained herein shall form the basis of, or be relied upon in connection with, any offer or commitment whatsoever in any jurisdiction.*

*The Bonds has been offered only by way of a placement to qualified investors only comprising, for the purposes of this press release, professional clients and eligible counterparties (as defined hereafter). The Bonds may not be offered or sold to retail investors (as defined hereafter). No key information document under PRIIPs Regulation has been and will be prepared.*



**PRESS RELEASE**

09.25.2019

**KERING ANNOUNCES THE SUCCESS OF ITS OFFERING OF BONDS EXCHANGEABLE INTO EXISTING ORDINARY SHARES OF PUMA DUE 2022 FOR A NOMINAL AMOUNT OF EUR 550M**

Kering ("**Kering**", the "**Issuer**") today announces the successful placement of bonds exchangeable into existing ordinary shares of Puma (the "**Bonds**" or individually a "**Bond**") by way of a placement to qualified investors only in accordance with Article L. 411-2 II of the *Code monétaire et financier*.

Following strong demand, the nominal amount of the issuance has been increased from EUR 500m to EUR 550m.

The net proceeds of the issuance of the Bonds will be used for general corporate purposes of Kering.

The Bonds will be issued at a principal amount of EUR 100,000 per Bond (the "**Principal Amount**") and will bear no interest (zero coupon). The Bonds will be offered at an issue price equal to 108.75% of the Principal Amount, amounting to EUR 108,750, corresponding to an annual yield-to-maturity of -2.78%.

The Bonds will be redeemed at their Principal Amount at maturity, i.e. on 30 September 2022 (absent the occurrence of an early redemption), subject to the Issuer's option to deliver existing ordinary shares in Puma and an additional amount in cash.

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The Bonds may be redeemed prior to maturity at the option of the Issuer under certain conditions. In particular, the Bonds may be redeemed, in whole but not in part, at the Principal Amount at the Issuer's option starting on 30 September 2021, subject to a prior notice of at least 40 calendar days (without exceeding 60 calendar days) if the arithmetic average, calculated in respect of 20 consecutive trading days chosen by the Issuer from among the 40 consecutive trading days preceding the publication of the early redemption notice, of the products of the Volume Weighted Average Price (as defined in the terms and conditions of the Bonds (the “**Terms & Conditions**”)) of Puma's shares on each trading day within the relevant observation period and the exchange ratio (as defined in the Terms and Conditions) on that day, exceeds 125% of the Principal Amount.

The Bonds may be redeemed at the option of the bondholders in case of change of control or a delisting (as those terms are defined in the Terms and Conditions).

In certain cases of early redemption of the Bonds, the Issuer will have the option to deliver existing ordinary shares in Puma and an additional amount in cash.

The initial exchange price is equal to EUR 92.17 and represents an exchange premium of 35% over the reference share price of Puma<sup>1</sup>.

The Bonds will give their holders the right to exchange the Bonds for existing Puma shares from (and including) the 41st day after the issue date to the 19th business day (included) preceding the Maturity Date. Upon exchange, the Issuer will have the option to pay in cash all or part of the value of the Puma shares instead of delivering existing shares. The initial exchange ratio of the Bonds is equal to the Principal Amount divided by the initial exchange price, i.e. 1,084.9517 shares per Bond.

The initial exchange price will be subject to customary adjustments in the event of the occurrence of corporate events and particularly cash dividends, as provided in the Terms & Conditions.

The settlement of the Bonds offering is expected to take place on 30 September 2019. Application for the admission of the Bonds to trading on the open market (“*Euronext Access<sup>TM</sup>*”) of Euronext Paris will be made within 30 days following the issue date.

Following the exceptional distribution in kind of Puma shares to its shareholders implemented in May 2018, Kering currently holds 15.70% of the share capital and 15.85% of the shares outstanding and voting rights of Puma.

Kering and its controlling shareholder have entered into a lock-up agreement relating to the shares of Puma, ending after a period of 90 calendar days from the settlement date of the Bonds, subject to certain exceptions.

The Bonds have been offered via an accelerated bookbuilding process through a placement to qualified investors only, outside the United States of America, South Africa, Canada, Japan and Australia.

This press release does not constitute a subscription offer and the offering of the Bonds does not constitute a public offering, (other than the offer to qualified investors) in any country, including in France.

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<sup>1</sup> The reference share price corresponds to the volume-weighted average price in euro of Puma shares on XETRA from the opening of trading today until the determination of the final terms of the Bonds on the same day, i.e. €68.2773.

## Available Information

The offering and the admission to trading on *Euronext Access*<sup>TM</sup> of the Bonds is not subject to a prospectus approved by the French Financial Market Authority (*Autorité des marchés financiers*) (the “**AMF**”). No key information document the PRIIPs Regulation has been and will be prepared.

Detailed information on Kering, including its business, results, prospects and related risk factors are described in the Issuer’s reference document filed with the AMF on 27 March 2019 under number D.19-0207, which is available together with all the press releases and other regulated information about the Issuer, including financial first-half 2019 report, on Kering’s website (<http://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 2018, Kering had nearly 35,000 employees and revenue of €13.7 billion.*

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## **Disclaimer – Important Information**

This press release may not be published, distributed or released, directly or indirectly, in the United States of America, South Africa, Australia, Canada, or Japan or in any jurisdiction to whom or in which such offer is unlawful, and the offering of the Bonds is not an offer to the public, an offer to subscribe or designed to solicit interest for purposes of an offer to the public other than to qualified investors in any jurisdiction, including France. The distribution of this press release may be restricted by law in certain jurisdictions and persons into whose possession any document or other information referred to herein comes, should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

No communication or information relating to the offering of the Bonds may be transmitted to the public in a country where there is a registration obligation or where an approval is required. No action has been or will be taken in any country in which such registration or approval would be required. The issuance or the subscription of the Bonds may be subject to legal and regulatory restrictions in certain jurisdictions; none of Kering, nor any of the managers assumes any liability in connection with the breach by any person of such restrictions.

This press release is an advertisement and not a prospectus within the meaning of Regulation (EU) 2017/1129 of the European Parliament and the Council of 14 June 2017 (the “**Prospectus Regulation**”).

This press release is not an offer to the public, an offer to subscribe or designed to solicit interest for purposes of an offer to the public other than to qualified investors in any jurisdiction, including France. The Bonds have been offered only by way of a placement in France and/or outside France (excluding the United States of America, South Africa, Australia, Canada and Japan), solely to qualified investors (*investisseur qualifié*) as defined in Article 2 (e) of the Prospectus Regulation and pursuant to Articles L.411-1 and L.411-2 of the French monetary and financial code (*Code monétaire et financier*). There has been no public offering in any country (including France) in connection with the Bonds, other than to qualified investors. This press release does not constitute a recommendation concerning the issue of the Bonds. The value of the Bonds and the shares of Puma can decrease as well as increase. Potential investors should consult a professional adviser as to the suitability of the investment in the Bonds for the person concerned.

## **Prohibition of sales to European Economic Area retail investors**

No action has been undertaken or will be undertaken to make available any Bonds to any retail investor in the European Economic Area. For the purposes of this provision:

- a) the expression “**retail investor**” means a person who is one (or more) of the following:
  - i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or
  - ii) a customer within the meaning of Directive 2016/97/EU, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - iii) not a “**qualified investor**” as defined in the Prospectus Regulation; and

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- b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Bonds.

Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

## **France**

The Bonds have not been and will not be offered or sold or cause to be offered or sold, directly or indirectly, to the public in France other than to qualified investors. Any offer or sale of the Bonds and distribution of any offering material relating to the Bonds have been and will be made in France only to qualified investors (*investisseur qualifié*), as defined in Article 2(e) of the Prospectus Regulation, and in accordance with, Articles L.411-1 and L.411-2 of the French monetary and financial code (*Code monétaire et financier*).

## **United Kingdom**

This press release is addressed and directed only (i) to persons located outside the United Kingdom, (ii) to investment professionals as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Order**”), (iii) to people designated by Article 49(2) (a) to (d) of the Order or (iv) to any other person to whom this press release may otherwise lawfully be communicated pursuant to applicable law (the persons mentioned in paragraphs (i), (ii), (iii) and (iv) all deemed relevant persons (the “**Relevant Persons**”)).

The Bonds and, as the case may be, the shares of Puma to be delivered upon exercise of the conversion rights (the “**Financial Instruments**”), are intended only for Relevant Persons and any invitation, offer of contract related to the subscription, tender, or acquisition of the Financial Instruments may be addressed and/or concluded only with Relevant Persons. All persons other than Relevant Persons must abstain from using or relying on this document and all information contained therein. This press release is not a prospectus which has been approved by the Financial Conduct Authority or any other United Kingdom regulatory authority for the purposes of Section 85 of the Financial Services and Markets Act 2000.

## **United States of America**

This press release may not be published, distributed or transmitted in the United States of America (including its territories and dependencies, any State of the United States of America and the District of Columbia). This press release does not constitute or form a part of any offer or solicitation to purchase for securities in the United States of America or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act). The securities mentioned herein have not been, and will not be, registered under the Securities Act, the law of any state of the United States of America and may not be offered or sold in the United States of America or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act) (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the last closing date with respect to the securities offered in the offering, except pursuant to an exemption from, or a transaction not subject to,

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the registration requirements of the Securities Act or the law of the above states. The Bonds and the existing ordinary shares of Puma to be granted upon exchange of the Bonds will be offered or sold only in offshore transactions (as defined in Regulation S under the Securities Act) outside of the United States of America, in accordance with Regulation S of the Securities Act. Kering does not intend to register any portion of the proposed offering in the United States of America and no public offering will be made in the United States of America.

### **South Africa, Australia, Canada and Japan**

The Bonds may not and will not be offered, sold or purchased in South Africa, Australia, Canada or Japan. The information contained in this press release does not constitute an offer of securities for sale in South Africa, Australia, Canada or Japan.

The distribution of this press release in certain countries may constitute a breach of applicable law.

### **MIFID II product governance / Professional investors and ECPs only target market**

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties and professional clients, each as defined in MiFID II; and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.