MESSAGE FROM THE CHAIRMAN AND CEO

“Our strategy is clearly paying off”

FIRST-HALF 2019 RESULTS

€7.6 bn in revenue
€2.3 bn in recurring operating income

GROUP NEWS

Boucheron
Gucci
Balenciaga
Kering Eyewear
Dear Shareholders,

Kering delivered another very strong set of results in the first half of 2019. Kering’s revenue growth handily topped market trends, and was highly profitable. We created an additional €1.2 billion in revenue in the six months, and our operating margin reached a record 29.5%. Our strategy is clearly paying off. The success of our brands, built on rigorous execution and financial discipline, are delivering a superior combination of organic growth and sustainable profitability.

We would like to thank you, our shareholders, for your continued trust and loyalty.

François-Henri Pinault

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**FIRST-HALF 2019 RESULTS**

<table>
<thead>
<tr>
<th>Revenue</th>
<th>€7.6 bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recurring operating income</td>
<td>€2.3 bn</td>
</tr>
<tr>
<td>Recurring net income attributable to owners of the parent</td>
<td>€1.6 bn¹</td>
</tr>
</tbody>
</table>

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**Analysis of the results**

Total revenue generated by Kering’s Houses amounted to €7,364.4 million, up 18.6% as reported and 15.2% on a comparable basis. This strong year-on-year growth—which was achieved despite particularly high bases of comparison—was fueled evenly by (i) sales from directly operated stores and online (up 16.1% on a comparable basis), and (ii) wholesale (up 11.6% on a comparable basis). Growth was particularly strong for the Houses’ online sales, which rose 19.7%. All of the main product categories contributed to the strong year-on-year revenue increase and the Houses registered robust growth in all geographic regions, particularly Asia-Pacific (up 24.5% on a comparable basis) and Western Europe (up 14.0%). Recurring operating income of the Houses totaled €2,370 million in the first six months of 2019, surging 24.1% compared to the first half of 2018 (restated under IFRS 16). Recurring operating margin of the Houses widened by 1.4% basis points to 32.2%.

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**Bottega Veneta’s revenue retreated 3.8% on a comparable basis and 0.6% as reported. Although the new collections of Creative Director Daniel Lee still only make up a small proportion of the House’s assortment available in its stores, they have been very well received. The second quarter of the year was encouraging, with comparable sales up 0.8%. Recurring operating income totaled €103.9 million in the first half of 2019.**

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**Provisional calendar**

Thursday, October 24, 2019

Third-quarter 2019 revenue

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**Breakdown of revenue by region as a % of revenue (% comparable growth)**

<table>
<thead>
<tr>
<th>Region</th>
<th>As a % of Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia-Pacific</td>
<td>36% (+24%)</td>
</tr>
<tr>
<td>Western Europe</td>
<td>31% (+15%)</td>
</tr>
<tr>
<td>Other countries</td>
<td>18% (+7%)</td>
</tr>
<tr>
<td>Japan</td>
<td>8% (+10%)</td>
</tr>
<tr>
<td>North America</td>
<td>8% (+5%)</td>
</tr>
</tbody>
</table>

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**Notes**

1. The changes presented are based on 2018 financial data restated under IFRS 16.
2. Net income from continuing operations attributable to owners of the parent, excluding non-recurring items.
BOUCHERON CONVEYS ITS OWN UNIQUE VIEW OF PARIS IN ITS HIGH JEWELRY COLLECTION, PARIS, VU DU 26

A glimpse at three emblematic creations.

CHAPTER 1: PARIS

VERRIÈRE

This piece is inspired by the dome of the Grand Palais as if it had been unexpectedly taken over by flora. The bar portrays the building as seen from above, while the top of the blown glass tassel is a real winter garden.

CHAPTER 2: PLACE VENDÔME

DUO TAILLE EMERAUDE

A tribute to the shape of Place Vendôme, these double signature rings sport 31.03 and 32.50 carat yellow beryls, which are worn horizontally across two fingers. In keeping with the Maison’s stylistic codes, its shape is emphasized by an onyx border.

CHAPTER 3: 26V

26V

The Maison pays tribute to Frédéric Boucheron, giving life to his creative daring by designing, for the very first time, its own stone. A genuine technical feat, this stone is three-dimensional marquetry, combining onyx, rock crystal and white agate. The stone is detachable, allowing the necklace to be worn with its tassel only.

On July 2, 2019, Place Vendôme, the iconic epicenter of high jewelry, welcomed a Gucci boutique dedicated to fine and high jewelry designed by Alessandro Michele, Creative Director of the House. Renowned for his passion for jewelry and poetic vision, Michele has personally sourced unique stones and designed the first ever high jewelry collection for Gucci. Hortus Deliciarum echoes the eclectic quixotism of Michele’s vision.

The Hortus collection is inhabited by magical beasts and totemic symbols, distilling the beauty of past and present and evoking the splendor of love and nature. The collection comprises more than 200 pieces, mainly one of a kind.
On September 14, 2019, Balenciaga opened its new Manhattan flagship, with over 4,400 square feet of uniquely designed retail space, taking up the southwest corner of Madison Avenue and 59th Street. The new store’s architecture reflects creative director Demna Gvasalia’s interest in the concept of a public space. A mostly glass storefront leads the eye to the street if inside and to the diverse interior if outside. From either side, one sees a mix of elements taken from metropolitan exterior design and original artworks.

Balenciaga
620 Madison Avenue
New York City
USA

From its inception in 2014, Kering Eyewear has devoted itself to the development of products fully reflecting each brand’s DNA and values through a distinctive design approach driven by the highest attention to quality and detail.

In 2019, the Company launched Balenciaga Eyewear in complete synergy with the brand’s exclusive signature aesthetics and creative vision. In line with Balenciaga values, the eyewear product range challenges innovation and advanced techniques to push the boundaries of the eyewear industry.

One-of-a-kind masterpieces have been created, such as those of the Hybrid collection: an unconventional pairing of category archetypal front shapes with sports-derived temples representing a breakthrough in the eyewear industry.

Exclusive 360° marketing projects have been implemented in partnership with the most globally recognized and opinion-leading stores in the luxury market. Balenciaga Eyewear has dominated key flagship locations across the globe, making an impactful statement for the launch. Each activation included a unique retail-inspired pop-up store.
Performance of the Kering share
compared to the CAC 40 index (rebased) from January 1 to August 30, 2019

MARKET CAPITALIZATION
as of August 30, 2019
€55.6 bn

LOWEST SHARE PRICE
between January 1
and August 30, 2019
€380.70
(on January 3, 2019)

HIGHEST SHARE PRICE
between January 1
and August 30, 2019
€537.50
(on April 17, 2019)

SHARERS' NOTEBOOK

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KERING SHARE

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