

Third-quarter 2014 revenue

Kering maintains steady growth pace

- ∞ Revenue up 4.4% on a comparable basis
- ∞ Luxury activities hold firm in a complex business environment: up 3.5% on a comparable basis
- ∞ Positive momentum in Sport & Lifestyle: up 6.1% on a comparable basis

In the third quarter of 2014, Kering recorded €2.6 billion in revenue, up 4.4% on a comparable Group structure and exchange rate basis and up 3.3% on a reported basis. Revenue for the first nine months of the year was up 4.2% based on comparable Group structure and exchange rates.

Luxury activities reported sales growth of 3.5% on a comparable basis, driven by the strong performances of directly operated stores, particularly in North America and Japan, while Sport & Lifestyle activities advanced 6.1% on a comparable basis with sales momentum powered by the relaunch plan at Puma.

François-Henri Pinault, Chairman and Chief Executive Officer, commented: *"The Group's consistent revenue growth quarter after quarter testifies to the relevance of our multi-brand strategy. Luxury activities held firm in a complex economic environment thanks to a strong sales uptrend in our network of directly operated stores. Sport & Lifestyle activities posted positive sales trends driven by marketing efforts at Puma, whose relaunch plan is beginning to feed through. Faced with uncertain market conditions, we remain vigilant. The dynamic performance of the Group, which has achieved steady growth over the first nine months of the year, allows us to pursue with confidence and discipline the implementation of our strategy, aimed at taking full advantage of the strengths inherent in each of our brands."*

| <i>(in € million)</i> | Q3 2014 | Comparable change ⁽¹⁾ | 9 months ended Sept. 30, 2014 | Comparable change ⁽¹⁾ |
|---------------------------------------|--------------|----------------------------------|-------------------------------|----------------------------------|
| Luxury | 1,677 | +3.5% | 4,907 | +4.9% |
| Sport & Lifestyle | 922 | +6.1% | 2,421 | +2.5% |
| <i>Eliminations and other</i> | 7 | <i>nm</i> | 25 | <i>nm</i> |
| Kering - Continuing operations | 2,606 | +4.4% | 7,353 | +4.2% |

⁽¹⁾ Comparable scope and exchange rates.



∞ Luxury

In the third quarter of 2014, Luxury activities reported revenue growth of 3.5% on a comparable basis, once again driven by strong performances at directly operated stores across all brands (up 6%).

In the Group's directly operated stores, sales growth in mature markets (up 7%) was bolstered by strong performances in North America (up 12%) and Japan (up 7%) while emerging markets held firm (up 4%) despite tense market conditions in the Asia-Pacific region.

As of September 30, 2014, the store network of Kering's Luxury brands comprised 1,195 units, (including 26 net new additions during the quarter).

∞ Gucci

Gucci sales in directly operated stores during the third quarter of 2014 are in line with performances recorded during the second quarter. Positive sales trends reported in directly operated stores in North America and Japan, up 8% and 4% respectively on a comparable basis, confirm the success of Gucci's brand elevation strategy.

Leather Goods delivered a good performance, driven in particular by the successful launch of the new handbag lines *Swing* and *Bright Diamante*. Women's Ready-To-Wear and Shoes also posted strong sales over the quarter.

∞ Bottega Veneta

Bottega Veneta posted solid growth in the third quarter of 2014 with revenue jumping 11% on a comparable basis (up 10% in its directly operated stores).

All geographic areas contributed evenly to this performance.

Leather Goods continued to post very solid performances during the quarter.

∞ Yves Saint Laurent

Yves Saint Laurent once again turned in an outstanding performance, reporting third-quarter growth of 28% on a comparable basis, driven by exceptionally strong sales in directly operated stores, particularly in North America (up 47%) and Western Europe (up 26%).

All product categories, in particular Leather Goods and Men's and Women's Ready-To-Wear reported solid growth.

∞ Other Luxury brands

Kering's other Luxury brands posted revenue growth of 1.8% on a comparable basis in the third quarter of 2014.

Balenciaga and the Group's British designer brands (Stella McCartney, Alexander McQueen and Christopher Kane) reported strong sales growth.

Jewelry and Timepieces recorded more mixed sales performances mainly resulting from cautious third-party distributors in the Timepieces sector and high comparison bases for Boucheron.

∞ Sport & Lifestyle

Sport & Lifestyle activities posted solid growth in the third quarter of 2014 with revenue up 6% on a comparable basis.

Puma, which launched its global advertising campaign *Forever Faster* in early August, recorded very positive third-quarter growth with accelerated sales momentum (up 6% on a comparable basis). This upswing is mainly due to the success of the 2014 Autumn/Winter collection, improved performances in Western Europe (up 6%) – the brand's historic market – and Footwear's return to sales growth (up 2%).

Positive sales trends at Volcom and Electric reflect the successful repositioning of these brands.



∞ Subsequent events

- On July 30, 2014, Kering and Ulysse Nardin announced they had signed an agreement under which Kering will acquire the *haute horlogerie* brand's entire share capital. The brand will become part of Kering's 'Luxury - Watches & Jewelry' division, headed by Albert Bensoussan. The transaction is subject to the approval of the competition authorities and will be finalised in the fourth quarter of 2014.

- On September 2, 2014, Kering announced its decision to take back control of its Eyewear business value chain and to launch a strategic initiative aimed at building in-house eyewear expertise for its Luxury and Sport & Lifestyle brands. The project involves investing in a dedicated entity specialized in luxury, high-end and sport Eyewear managed by a skilled team of experienced professionals under the direction of Roberto Vedovotto, CEO of Kering Eyewear. Kering's objective is to better support its brands in accelerating their development in the Eyewear category.

- On September 25, 2014, Kering announced that it had issued a €500 million, 1.375% fixed-rate bond maturing in seven years. This issue is in line with the Group's active liquidity management policy.



AUDIOCAST

Kering will hold an **audiocast** for analysts and investors at **6.00pm** (CET) / 5.00pm (UK) / 12.00pm (US, East Coast) on **Thursday, October 23rd, 2014**.

Available on 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 23 |
| Royaume-Uni | +44 (0)20 3427 1902 |
| États-Unis | +1 (646) 254 3388 |

Access code: 5900353

A **replay** of the audiocast will 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, Sergio Rossi, Boucheron, Dodo, Girard-Perregaux, JeanRichard, Pomellato, Qeelin, Puma, Volcom, Cobra, Electric and Tretorn. 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 revenues of €9.7 billion in 2013 and had 35,000 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 1: Third quarter 2014 revenue

(in € million)

| | Q3 2014 | Q3 2013 | Reported change | Comparable change ⁽¹⁾ | 9 months ended Sept. 30, 2014 | 9 months ended Sept. 30, 2013 | Reported change | Comparable change ⁽¹⁾ |
|---------------------------------------|----------------|----------------|-----------------|----------------------------------|-------------------------------|-------------------------------|-----------------|----------------------------------|
| Luxury | 1,676.6 | 1,617.1 | +3.7% | +3.5% | 4,907.0 | 4,695.5 | +4.5% | +4.9% |
| Gucci | 851.0 | 864.8 | -1.6% | -1.9% | 2,527.3 | 2,619.6 | -3.5% | -1.3% |
| Bottega Veneta | 286.2 | 259.3 | +10.4% | +10.8% | 811.7 | 724.9 | +12.0% | +15.0% |
| Yves Saint Laurent | 177.8 | 139.3 | +27.6% | +27.5% | 498.4 | 394.6 | +26.3% | +28.0% |
| Other brands | 361.6 | 353.7 | +2.2% | +1.8% | 1,069.6 | 956.4 | +11.8% | +5.0% |
| Sport & Lifestyle | 922.1 | 896.2 | +2.9% | +6.1% | 2,420.8 | 2,483.1 | -2.5% | +2.5% |
| Puma | 847.8 | 824.8 | +2.8% | +6.2% | 2,233.9 | 2,298.7 | -2.8% | +2.3% |
| Other brands | 74.3 | 71.4 | +4.1% | +4.5% | 186.9 | 184.4 | +1.4% | +4.2% |
| <i>Eliminations and other</i> | 7.3 | 9.7 | | | 25.4 | 22.8 | | |
| Kering - Continuing activities | 2,606.0 | 2,523.0 | +3.3% | +4.4% | 7,353.2 | 7,201.4 | +2.1% | +4.2% |

⁽¹⁾ Comparable scope and exchange rates.



Appendix 2: First-quarter revenue, second-quarter revenue and first-half 2014 revenue

(in € million)

| | First-half 2014 | First-half 2013 | Reported change | Comparable change ⁽¹⁾ | Q2 2014 | Q2 2013 | Reported change | Comparable change ⁽¹⁾ | Q1 2014 | Q1 2013 | Reported change | Comparable change ⁽¹⁾ |
|---------------------------------------|--------------------|--------------------|--------------------|-------------------------------------|----------------|----------------|--------------------|-------------------------------------|----------------|----------------|--------------------|-------------------------------------|
| Luxury | 3,230.4 | 3,078.4 | +4.9% | +5.7% | 1,629.7 | 1,555.0 | +4.8% | +5.2% | 1,600.7 | 1,523.4 | +5.1% | +6.3% |
| Gucci | 1,676.3 | 1,754.8 | -4.5% | -1.1% | 838.2 | 888.9 | -5.7% | -2.4% | 838.1 | 865.9 | -3.2% | +0.3% |
| Bottega Veneta | 525.5 | 465.6 | +12.9% | +17.5% | 274.7 | 236.6 | +16.1% | +20.2% | 250.8 | 229.0 | +9.5% | +14.6% |
| Yves Saint Laurent | 320.6 | 255.3 | +25.6% | +28.2% | 162.6 | 128.1 | +26.9% | +29.4% | 158.0 | 127.2 | +24.2% | +27.1% |
| Other brands | 708.0 | 602.7 | +17.5% | +6.7% | 354.2 | 301.4 | +17.5% | +5.5% | 353.8 | 301.3 | +17.4% | +7.9% |
| Sport & Lifestyle | 1,498.7 | 1,586.9 | -5.6% | +0.4% | 709.1 | 744.2 | -4.7% | +1.1% | 789.6 | 842.7 | -6.3% | -0.2% |
| Puma | 1,386.1 | 1,473.9 | -6.0% | +0.1% | 656.1 | 692.3 | -5.2% | +0.7% | 730.0 | 781.6 | -6.6% | -0.4% |
| Other brands | 112.6 | 113.0 | -0.4% | +4.0% | 53.0 | 51.9 | +2.1% | +6.9% | 59.6 | 61.1 | -2.5% | +1.5% |
| <i>Eliminations and other</i> | 18.1 | 13.1 | | | 10.4 | 8.8 | | | 7.7 | 4.3 | | |
| Kering - Continuing activities | 4,747.2 | 4,678.4 | +1.5% | +4.0% | 2,349.2 | 2,308.0 | +1.8% | +4.0% | 2,398.0 | 2,370.4 | +1.2% | +4.1% |

⁽¹⁾ Comparable scope and exchange rates.