KERING

Press release

19.02.2016

2015 Results

A very strong fourth quarter
Solid full-year performances

Consolidated revenue: €11,584 million, up 15.4% (up 4.6% on a comparable basis)
Luxury activities: €7,865 million, up 16.4% (up 4.1% on a comparable basis)

Recurring operating income: €1,647 million
Luxury activities: €1,708 million, up 2.5%

Net income, Group share: €696 million, up 31.6%

Proposed dividend at €4 per share (unchanged)

- A strong performance in Luxury activities
    - revenue growth fuelled by strong performances from directly operated stores in mature markets
    - strong momentum in the fourth quarter
    - growth in EBITDA and recurring operating income

- Successful repositioning of Puma

François-Henri Pinault, Chairman and Chief Executive Officer, commented: *"Kering's solid 2015 results reflect brisk sales and improved operating performances in the second half of the year. These results come amid a more complex economic and geopolitical environment, accentuating the shifts taking place in our sector. We are entering a new phase in our growth: we are perfectly positioned to leverage the strength of our brands and maximise value creation over the long term. We are closely monitoring resource and capital allocation in order to bolster returns. I am confident that the work of our creative teams and the commitment of all our associates will enable us to extend our growth trajectory in 2016 and beyond."*

Key financial indicators

(in € millions)	2015	2014	Change[(1)]
Revenue	**11,584.2**	**10,037.5**	**+15.4%**
Recurring operating income	**1,646.7**	**1,664.0**	**-1.0%**
as a % of revenue	*14.2%*	*16.6%*	*-2.4 pts*
Recurring operating income - Luxury	1,708.0	1,665.6	+2.5%
Recurring operating income - Sport & Lifestyle	94.8	137.5	-31.1%
Net income, Group share	**696.0**	**528.9**	**+31.6%**
Recurring net income, Group share*	**1,017.3**	**1,177.4**	**-13.6%**

(1) *As reported.*

* **Recurring net income, Group share:** *net income from continuing operations, Group share, excluding non-current items.*

Consolidated revenue from continuing operations amounted to €11,584 million in 2015, up 15.4% on 2014 as reported and 4.6% on a comparable Group scope and exchange rate. Revenue growth in mature markets was once again buoyant (+7.3% comparable), driven by dynamic performances in Western Europe and Japan. Revenue generated outside the eurozone accounted for 78.8% of the consolidated total in 2015.

Kering's **recurring operating income** amounted to €1,647 million in 2015, down 1% on 2014 on a reported basis, and **consolidated recurring operating margin** came to 14.2%. **Consolidated gross margin** for 2015 amounted to €7,074 million, up €778 million or 12.4% on the previous year as reported.

At €2,056 million, consolidated **EBITDA** was 3.3% higher than in 2014, and the EBITDA margin amounted to 17.8% for the year.

Adjusted for non-recurring items net of tax, **net income, Group share from continuing operations** decreased 13.6%, at €1,017 million versus €1,177 million in 2014.

Earnings per share amounted to €5.52 versus €4.20 for the previous year. **Earnings per share from continuing operations** totalled €5.20 in 2015, compared with €8.00 for 2014.

Operating performances by activity

LUXURY ACTIVITIES

Revenue *(in € millions)*	2015	2014	Reported change	Comparable change[1]
Luxury activities	**7,865.3**	**6,758.6**	**+16.4%**	**+4.1%**
Gucci	3,898.0	3,497.2	+11.5%	+0.4%
Bottega Veneta	1,285.8	1,130.5	+13.7%	+3.2%
Yves Saint Laurent	973.6	707.3	+37.7%	+25.8%
Other Luxury brands	1,707.9	1,423.6	+20.0%	+3.1%

(1) Comparable scope and exchange rate.

Recurring operating income *(in € millions)*	2015	2014	Change €m	Change %[1]
Luxury activities	**1,708.0**	**1,665.6**	**+42.4**	**+2.5%**
Gucci	1,032.3	1,056.0	-23.7	-2.2%
Bottega Veneta	374.5	357.2	+17.3	+4.8%
Yves Saint Laurent	168.5	105.1	+63.4	+60.3%
Other Luxury brands	132.7	147.3	-14.6	-9.9%

(1) As reported.

In 2015, Kering's Luxury activities delivered revenue of €7,865 million, up 16.4% as reported and 4.1% on a comparable basis. Retail sales in directly operated stores and online rose by a very robust 7.2% on a comparable basis, and represented 71% of total revenue for the Luxury activities versus 69% in 2014. This year-on-year increase reflects the strategy implemented by all Group Luxury brands to more effectively control their distribution and reinforce their exclusivity, as well as measures taken to prudently manage the expansion of the directly operated store network.

By product category, increasingly well-balanced revenues from Luxury activities reflect the complementarity of the brands in the portfolio, with Leather Goods, Ready-to-Wear and Shoes representing 53%, 16% and 12%, respectively and Watches & Jewellery accounting for 10%. Apart from Watches – which were adversely affected by a lacklustre market and the sharp appreciation of the Swiss franc – **revenue was up in each of the main product categories.**

In 2015, growth for the Group's Luxury brands was highest in the traditional, more mature markets, particularly for the directly operated store network. Driven by high tourist numbers and steadily rising sales to local customers, the Luxury activities posted a very strong revenue increase of 13% in Western Europe and a third year of strong growth in Japan, with revenue up 13.7% on a comparable basis. With the exception of Latin America, sales in emerging countries were more mixed, with Asia Pacific once again exposed to poor market conditions in Hong Kong and Macau.

Gucci saw a return to growth in 2015, with a progressive increase in sales on a comparable basis driven by directly operated stores in mature and emerging markets. The brand's new creative vision – which has been enthusiastically received by the trade press and customers alike – coupled with the rapid roll-out of the brand's new strategy from the first half of the year, provided fresh impetus and drove solid, promising performances in the fourth quarter of the year (+5% comparable).

Bottega Veneta once again turned in a solid overall performance in 2015 – though growth was more moderate and varied by region and quarter – and maintained a very high level of profitability.

Yves Saint Laurent once again recorded very robust revenue growth across all product categories, with sales coming in just under the €1 billion mark in 2015.

In 2015, Kering's **Other Luxury brands**[1] generated overall sales growth of 20.0% year on year and 3.1% on a comparable Group scope and exchange rate. Revenue growth for the Couture & Leather Goods brands was particularly strong throughout the year, while sales for the Jewellery brands also rose sharply, fuelled by very high business volumes in the fourth quarter. In contrast, the Watches brands were once again held back by an unfavourable market environment, despite picking up steadily quarter after quarter.

The Luxury activities' recurring operating income amounted to €1,708 million in 2015, up 2.5%, with a more pronounced increase in the second half of the year. This improved second-half performance was due to both an increase in revenue and tighter control over the brands' costs.

SPORT & LIFESTYLE ACTIVITIES

Revenue *(in € millions)*	2015	2014	Reported change	Comparable change(1)
Sport & Lifestyle activities	**3,682.5**	**3,245.1**	**+13.5%**	**+5.9%**
Puma	3,403.4	2,990.2	+13.8%	+6.8%
Other Sport & Lifestyle brands	279.1	254.9	+9.5%	-3.9%

(1) On a comparable scope and exchange rate.

[1] *Other Luxury brands have included Ulysse Nardin since November 1, 2014. In addition, Sergio Rossi's results are no longer included in those of Other Luxury brands and the 2014 figures have been restated accordingly.*

Recurring operating income *(in € millions)*	2015	2014	Change in €m	Change %(1)
Sport & Lifestyle activities	**94.8**	**137.5**	**-42.7**	**-31.1%**
Puma	92.4	128.0	-35.6	-27.8%
Other Sport & Lifestyle brands	2.4	9.5	-7.1	-74.7%

(1) *As reported.*

The Sport & Lifestyle activities reported revenue of €3,683 million in 2015, up by 13.5% as reported and by 5.9% at comparable exchange rates.

Puma leveraged the extremely positive effects of the dynamic momentum built up in 2014 while pursuing its strategy aimed at streamlining the brand's offering and making it more innovative, consequently regaining market share with major distributors. The brand's revenue totalled €3,403 million in 2015, up 13.8% as reported and 6.8% at comparable exchange rates. Sales of Footwear – which once again accounted for the highest proportion of Puma's revenue, at 44.3% – advanced 9.9% on a comparable basis. The last three months of 2015 marked the sixth quarter of growth in a row for this category, whose excellent performance clearly affirms the brand's rebound in the Footwear segment.

The change in Puma's recurring operating income chiefly stemmed from unfavourable changes in certain currencies along with an as-expected increase in communication and marketing costs, though to a lesser extent.

Financial performance

In 2015, the Group's **cost of net debt** was just under €129 million, 15% lower than in 2014.

Kering's **effective tax rate** rose sharply in 2015 notably due to the fact that a number of non-recurring operating losses were recorded during the year which did not have a corresponding positive tax effect, and to the one-off impact of currency hedging.

Other non-recurring operating income and expenses represented a net expense of €394 million in 2015 and primarily comprised restructuring costs and asset impairment losses.

In 2015, the Group reported **net income from discontinued operations** of €41 million, notably including the impact of the sale of Sergio Rossi as well as the positive impact of the termination of commitments given under previous sale agreements.

Cash flows and financial position

The generation of **free cash flow from operations** is a key financial objective for all of the Group's brands. In 2015, the Group's free cash flow from operations totalled €660 million.

As of December 31, 2015, Kering had a very robust financial structure:

(in € millions)	2015	2014	Change
Capital employed	16,302.5	15,628.4	+674.1
Net assets held for sale	0.0	24.6	-24.6
Total equity	11,623.1	11,262.3	+360.8
Net debt	4,679.4	4,390.7	+288.7

The Group's **net debt** totalled €4,679 million as of December 31, 2015, representing an increase of €289 million or 6.6% compared with the previous year-end.

	2015	**2014**
Gearing (net debt/equity)	40.3%	39%
Solvency ratio (net debt/EBITDA)	2.28	2.21

Dividend

The Board decided that, at the Annual General Meeting to be held to approve the financial statements for the year ended December 31, 2015, it will ask shareholders to approve a €4.00 per-share cash dividend for 2015.

An interim dividend amounting to €1.50 per share was paid on January 25, 2016 pursuant to a decision by the Board of Directors on December 16, 2015.

Kering's goal is to maintain on average and over time well-balanced payout ratios bearing in mind, on the one hand, changes in net income, Group share from continuing operations (excluding non-recurring items) and, on the other hand, the amount of available cash flow. The Group has decided to keep its 2015 dividend unchanged from 2014 as a sign of its confidence in its future development and its ability to create value for its shareholders.

Outlook

Positioned in structurally high-growth markets, Kering has very solid fundamentals and a portfolio of powerful brands with strong potential.

In 2016, the Luxury activities will focus on achieving same-store revenue growth, with a targeted and selective expansion strategy for the store network, which will lead to a slower pace of net store openings. At Gucci, the changes put in place since 2015 in terms of both creative vision and the brand's product offering will be stepped up and bear fruit during the course of the year.
With regard to the Sport & Lifestyle activities, Puma expects to capitalise on its successful repositioning and achieve further revenue growth as well as an increase in recurring operating income.

In an unsettled economic environment, with currency fluctuations that could once again lead to volatility in the short term, Kering intends to pursue its strategy of rigorously managing and allocating its resources in order to enhance its operating performance, cash flow generation and return on capital employed.

At its meeting on February 18, 2016, the Board of Directors, under the chairmanship of François-Henri Pinault, approved the audited consolidated financial statements for 2015.

PRESENTATION

A **live videocast** (Real and Windows Media Player formats) of the presentation of the 2015 Annual Results as well as the presentation slides and 2015 financial report (pdf) will be available at 9:00am Paris time on **www.kering.com**.

A replay will be available online later in the day.

You will also be able to listen to the conference live or in replay by dialling:

French	English
Live conference: +33 (0)1 70 77 09 22	**Live conference:** +44 (0)203 367 94 53
Replay dial-in details: +33 (0)1 72 00 15 01	**Replay dial-in details:** +44 (0)203 367 94 60
Replay passcode: 298486#	Replay passcode: 298488#

The 2015 financial report will be available 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, Cobra and Electric. 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 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).

Contacts

Press

Floriane Geroudet	+33 (0)1 45 64 66 00	floriane.geroudet@kering.com
Eloi Perrin	+33 (0)1 45 64 61 72	eloi.perrin@kering.com

Analysts/investors

Claire Roblet	+33 (0)1 45 64 61 49	claire.roblet@kering.com
Andrea Beneventi	+33 (0)1 45 64 63 28	andrea.beneventi@kering.com

Website: www.kering.com

KERING

DECEMBER 31, 2015

CONSOLIDATED FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION

Contents ***page***

2015 highlights

Change in management and creative responsibility at Gucci

On 21 January 2015, Marco Bizzarri – Gucci's President and CEO – announced that Alessandro Michele had been appointed as the brand's new Creative Director following the departure of his predecessor Frida Giannini.

Alessandro Michele has been given total creative responsibility for all of Gucci's collections and its brand image. The first collection fully designed by Alessandro Michele was the 2016 Cruise collection, which was unveiled in New York on June 4, 2015 and has been available in stores since the end of the third quarter of 2015.

Finalisation of the partnership with Safilo and launch of Kering Eyewear

In 2014, Kering announced its plan to invest in a dedicated entity specialised in luxury, high-end and sport Eyewear, managed by a skilled team of experienced professionals. This innovative management model for the Group's Eyewear business will allow it to fully leverage the growth potential of its brands in this category.

As part of this strategic move, Kering and Safilo agreed to evolve their partnership and jointly intend to terminate the current Gucci licence agreement two years in advance, i.e., by December 31, 2016, which will result in total compensation of €90 million to be paid to Safilo. On January 12, 2015, Kering announced that it had signed a partnership agreement with Safilo covering the development, manufacture and supply of Gucci Eyewear products. The agreement took effect as from fourth-quarter 2015 in order to ensure a seamless transition for Gucci's Eyewear business.

On March 18, 2015, Kering announced the appointment of Roberto Vedovotto, CEO of Kering Eyewear, as a new member of its Executive Committee.

Kering Eyewear was officially launched on June 30, 2015 when its first collection, Collezione Uno was presented at the Palazzo Grassi in Venice.

Reorganisation of the Couture & Leather Goods and Watches & Jewellery divisions and brands

On July 27, 2015, Kering announced that Grita Loebsack had been appointed Chief Executive Officer of Kering's 'Luxury – Couture & Leather Goods' emerging brands, effective September 14, 2015. The CEOs of Alexander McQueen, Balenciaga, Brioni, Christopher Kane, Stella McCartney and Tomas Maier report to her. Kering's 'Luxury – Couture & Leather Goods' division also includes Gucci, Bottega Veneta and Saint Laurent, which remain under François-Henri Pinault's direct supervision.

The second half of the year also saw the arrival of new CEOs within the 'Luxury – Watches & Jewellery' division headed by Albert Bensoussan: Hélène Poulit-Duquesne was appointed CEO of Boucheron, effective September 28, 2015, and Sabina Belli was named CEO of the Pomellato group, effective December 10, 2015.

On July 31, 2015, Balenciaga and Alexander Wang announced their joint decision not to renew their contract beyond its initial term. Alexander Wang showed his final collection for Balenciaga in Paris on October 2, 2015. On October 7, 2015, Demna Gvasalia was appointed as the new Artistic Director of Balenciaga's collections. Demna Gvasalia is taking creative responsibility for the brand's collections and image and will present his first collection for the brand at the women's ready-to-wear autumn/winter 2016-17 show in Paris.

Sale of Italian luxury shoemaker Sergio Rossi

On December 30, 2015 Kering announced that it had closed the sale of the Italian luxury shoemaker, Sergio Rossi, to Investindustrial, in accordance with the terms announced on December 9, 2015.

The transaction included all the industrial assets of Sergio Rossi, the rights attached to the brand and the entire distribution network. The sale will allow the Sergio Rossi brand to continue its development with a strategic partner that can support the brand solidly and with prospects for long-term growth.

This sale did not have a material impact on the Group's 2015 financial statements.

Other highlights

On January 15, 2015, Kering sold the assets of Movitex to the group's management team, after recapitalising it in accordance with the preliminary agreement signed on December 3, 2014.

On March 25, 2015 Kering bought out the non-controlling interests in Sowind Group in accordance with the shareholder agreements signed in June 2011. This acquisition did not have a material impact on the Group's 2015 financial statements.

On June 30, 2015, Puma announced that it had sold the intellectual property rights (including trademark rights) of its subsidiary, Tretorn Group, to US-based Authentic Brands Group, LLC (ABG). Tretorn – which is based in Helsinborg in Sweden and makes sport and leisure products – was acquired by Puma in 2002. This sale is in line with Puma's strategy of refocusing on its core businesses.

On March 20, 2015, Kering issued a €500 million, 0.875% fixed-rate bond maturing in seven years. Also during the first half of 2015, Kering carried out two issues of notes in foreign currency – a USD 150 million issue in March 2015 of five-year floating-rate notes, and a USD 150 million issue in June 2015 of six-year fixed-rate notes with an annual coupon of 2.887%.

On September 22, 2015 and November 5, 2015, the Group topped up the 2.75% bond issue carried out in 2014 by €150 million and €50 million respectively.

Events after the reporting period

No significant event occurred between December 31st and the date on which the accounts were approved for publication by the Board of Directors.

KERING

Consolidated income statement

(in € millions)	2015	2014
CONTINUING OPERATIONS		
Revenue	**11,584.2**	**10,037.5**
Cost of sales	(4,510.0)	(3,741.7)
Gross margin	**7,074.2**	**6,295.8**
Payroll expenses	(1,820.6)	(1,545.2)
Other recurring operating income and expenses	(3,606.9)	(3,086.6)
Recurring operating income	**1,646.7**	**1,664.0**
Other non-recurring operating income and expenses	(393.5)	(112.1)
Operating income	**1,253.2**	**1,551.9**
Finance costs, net	(249.1)	(197.4)
Income before tax	**1,004.1**	**1,354.5**
Corporate income tax	(321.7)	(325.6)
Share in earnings (losses) of equity-accounted companies	(2.2)	(0.8)
Net income from continuing operations	**680.2**	**1,028.1**
o/w attributable to owners of the parent	655.0	1,007.7
o/w attributable to non-controlling interests	25.2	20.4
DISCONTINUED OPERATIONS		
Net income (loss) from discontinued operations	**41.0**	**(478.8)**
o/w attributable to owners of the parent	41.0	(478.8)
o/w attributable to non-controlling interests		
Net income of consolidated companies	**721.2**	**549.3**
o/w attributable to owners of the parent	696.0	528.9
o/w attributable to non-controlling interests	25.2	20.4
Net income attributable to owners of the parent	**696.0**	**528.9**
Earnings per share (in €)	5.52	4.20
Fully diluted earnings per share (in €)	5.52	4.20
Net income from continuing operations attributable to owners of the parent	**655.0**	**1,007.7**
Earnings per share (in €)	5.20	8.00
Fully diluted earnings per share (in €)	5.20	8.00
Net income from continuing operations (excluding non-recurring items) attributable to owners of the parent	**1,017.3**	**1,177.4**
Earnings per share (in €)	8.07	9.35
Fully diluted earnings per share (in €)	8.07	9.35

KERING

Consolidated statement of financial position

ASSETS

(in € millions)	Dec. 31, 2015	Dec. 31, 2014
Goodwill	3,758.8	4,039.9
Brands and other intangible assets	11,285.5	10,748.1
Property, plant and equipment	2,073.0	1,887.2
Investments in equity-accounted companies	20.9	23.2
Non-current financial assets	458.4	400.0
Deferred tax assets	849.6	758.0
Other non-current assets	39.9	36.2
Non-current assets	**18,486.1**	**17,892.6**
Inventories	2,191.2	2,234.7
Trade receivables	1,137.1	1,030.0
Current tax receivables	123.8	138.4
Other current financial assets	81.2	106.3
Other current assets	685.0	673.5
Cash and cash equivalents	1,146.4	1,089.9
Current assets	**5,364.7**	**5,272.8**
Assets classified as held for sale		**88.5**
Total assets	**23,850.8**	**23,253.9**

EQUITY AND LIABILITIES

(in € millions)	Dec. 31, 2015	Dec. 31, 2014
Share capital	505.2	505.1
Capital reserves	2,428.3	2,427.4
Treasury shares	(5.1)	(3.4)
Translation adjustments	63.6	(52.9)
Remeasurement of financial instruments	(9.9)	(86.9)
Other reserves	7,966.2	7,844.8
Equity attributable to owners of the parent	**10,948.3**	**10,634.1**
Non-controlling interests	674.8	628.2
Total equity	**11,623.1**	**11,262.3**
Non-current borrowings	4,039.9	3,192.2
Other non-current financial liabilities	14.8	2.8
Provisions for pensions and other post-employment benefits	133.4	111.9
Other non-current provisions	82.3	49.3
Deferred tax liabilities	2,857.9	2,791.8
Non-current liabilities	**7,128.3**	**6,148.0**
Current borrowings	1,785.9	2,288.4
Other current financial liabilities	238.9	346.8
Trade payables	939.7	982.8
Provisions for pensions and other post-employment benefits	8.9	7.2
Other current provisions	157.3	225.6
Current tax liabilities	334.6	277.9
Other current liabilities	1,634.1	1,651.0
Current liabilities	**5,099.4**	**5,779.7**
Liabilities associated with assets classified as held for sale		**63.9**
Total equity and liabilities	**23,850.8**	**23,253.9**

KERING

Consolidated statement of cash flows

(in € millions)	2015	2014
Net income from continuing operations	**680.2**	**1,028.1**
Net recurring charges to depreciation, amortisation and provisions on non-current operating assets	409.6	326.7
Other non-cash income and expenses	209.6	(95.0)
Cash flow from operating activities	**1,299.4**	**1,259.8**
Interest paid/received	168.8	218.8
Dividends received	(1.4)	
Net income tax payable	378.5	365.7
Cash flow from operating activities before tax, dividends and interest	**1,845.3**	**1,844.3**
Change in working capital requirement	(219.3)	(160.3)
Corporate income tax paid	(330.4)	(422.7)
Net cash from operating activities	**1,295.6**	**1,261.3**
Purchases of property, plant and equipment and intangible assets	(672.1)	(551.4)
Proceeds from disposals of property, plant and equipment and intangible assets	36.7	367.9
Acquisitions of subsidiaries, net of cash acquired	(20.2)	(593.8)
Proceeds from disposals of subsidiaries and associates, net of cash transferred	(5.4)	3.6
Purchases of other financial assets	(131.1)	(144.1)
Proceeds from disposals of other financial assets	21.0	9.9
Interest and dividends received	12.4	5.3
Net cash used in investing activities	**(758.7)**	**(902.6)**
Increase/decrease in share capital and other transactions with owners	2.1	3.2
Treasury share transactions	(7.3)	(8.5)
Dividends paid to owners of the parent company	(504.9)	(473.2)
Dividends paid to non-controlling interests	(56.6)	(24.4)
Bond issues	1,070.4	862.7
Bond redemptions	(756.7)	(948.1)
Increase/decrease in other borrowings	87.3	546.7
Interest paid and equivalent	(178.8)	(233.4)
Net cash used in financing activities	**(344.5)**	**(275.0)**
Net cash from (used in) discontinued operations	3.5	(442.7)
Impact of exchange rate variations	(98.4)	(73.2)
Net increase (decrease) in cash and cash equivalents	**97.5**	**(432.2)**
Cash and cash equivalents at beginning of year	**805.4**	**1,237.6**
Cash and cash equivalents at end of year	**902.9**	**805.4**

Breakdown of revenue

(in € millions)	Full-year 2015	Full-year 2014	Reported change	Comparable change[1]	Q4 2015	Q4 2014	Reported change	Comparable change[1]
Luxury activities	**7,865.3**	**6,758.6**	**+16.4%**	**+4.1%**	**2,214.8**	**1,909.1**	**+16.0%**	**+7.2%**
Gucci	3,898.0	3,497.2	+11.5%	+0.4%	1,099.7	969.9	+13.4%	+4.8%
Bottega Veneta	1,285.8	1,130.5	+13.7%	+3.2%	332.6	318.8	+4.3%	-3.1%
Yves Saint Laurent	973.6	707.3	+37.7%	+25.8%	287.1	208.9	+37.4%	+27.4%
Other Luxury brands	1,707.9	1,423.6	+20.0%	+3.1%	495.4	411.5	+20.4%	+10.6%
Sport & Lifestyle activities	**3,682.5**	**3,245.1**	**+13.5%**	**+5.9%**	**951.9**	**824.3**	**+15.5%**	**+9.8%**
Puma	3,403.4	2,990.2	+13.8%	+6.8%	884.0	756.3	+16.9%	+11.7%
Other Sport & Lifestyle brands	279.1	254.9	+9.5%	-3.9%	67.9	68.0	-0.1%	-10.1%
Corporate and other	**36.4**	**33.8**	**+7.7%**	**-10.1%**	**9.8**	**8.4**	**+16.7%**	**+2.1%**
Kering – Continuing activities	**11,584.2**	**10,037.5**	**+15.4%**	**+4.6%**	**3,176.5**	**2,741.8**	**+15.9%**	**+8.0%**

[1] *On a comparable scope and exchange rate.*

(in € millions)	H2 2015	H2 2014	Reported change	Comparable change[1]	H1 2015	H1 2014	Reported change	Comparable change[1]
Luxury activities	**4,103.3**	**3,565.0**	**+15.1%**	**+5.3%**	**3,762.0**	**3,193.6**	**+17.8%**	**+2.8%**
Gucci	2,023.8	1,820.9	+11.1%	+2.4%	1,874.2	1,676.3	+11.8%	-1.6%
Bottega Veneta	656.6	605.0	+8.5%	+0.4%	629.2	525.5	+19.7%	+6.4%
Yves Saint Laurent	530.5	386.7	+37.2%	+27.1%	443.1	320.6	+38.2%	+24.3%
Other Luxury brands	892.4	752.4	+18.6%	+5.1%	815.5	671.2	+21.5%	+1.0%
Sport & Lifestyle activities	**1,951.5**	**1,746.4**	**+11.7%**	**+6.4%**	**1,731.0**	**1,498.7**	**+15.5%**	**+5.3%**
Puma	1,802.2	1,604.1	+12.3%	+7.6%	1,601.2	1,386.1	+15.5%	+5.9%
Other Sport & Lifestyle brands	149.3	142.3	+4.9%	-6.0%	129.8	112.6	+15.3%	-1.4%
Corporate and other	**16.9**	**15.7**	**+7.6%**	**-7.7%**	**19.5**	**18.1**	**+7.7%**	**-12.2%**
Kering – Continuing activities	**6,071.7**	**5,327.1**	**+14.0%**	**+5.6%**	**5,512.5**	**4,710.4**	**+17.0%**	**+3.5%**

[1] *On a comparable scope and exchange rate.*

KERING

Breakdown of recurring operating income

(in € millions)	2015	2014	Change €m	Change %[1]
Luxury activities	**1,708.0**	**1,665.6**	**+42.4**	**+2.5%**
Gucci	1,032.3	1,056.0	-23.7	-2.2%
Bottega Veneta	374.5	357.2	+17.3	+4.8%
Yves Saint Laurent	168.5	105.1	+63.4	+60.3%
Other Luxury brands	132.7	147.3	-14.6	-9.9%
Sport & Lifestyle activities	**94.8**	**137.5**	**-42.7**	**-31.1%**
Puma	92.4	128.0	-35.6	-27.8%
Other Sport & Lifestyle brands	2.4	9.5	-7.1	-74.7%
Corporate and other	**(156.1)**	**(139.1)**	**-17.0**	**-12.2%**
Recurring operating income	**1,646.7**	**1,664.0**	**-17.3**	**-1.0%**

(1) As reported.

Main definitions

Definition of "reported" and "comparable" revenue

The Group’s “reported” revenue corresponds to published revenue. The Group also uses "comparable" data to measure organic growth. “Comparable” revenue is 2014 revenue restated for the impact of changes in Group structure in 2014 or 2015, and for translation differences relating to foreign subsidiaries’ revenue in 2014.

Definition of recurring operating income

The Group's total operating income includes all revenues and expenses directly related to Group activities, whether these revenues and expenses are recurring or arise from non-recurring decisions or transactions.

Other non-recurring operating income and expenses consists of items, which by their nature, amount or frequency, could distort the assessment of Group entities' operating performance. Other non-recurring operating income and expenses include impairment of goodwill and other intangible assets, gains or losses on disposals of non-current assets, restructuring costs and costs relating to employee adaptation measures.

Consequently, Kering monitors its operating performance using "Recurring operating income", defined as the difference between total operating income and other non-recurring operating income and expenses (see Notes 8 and 9 to the consolidated financial statements).

Recurring operating income is an intermediate line item intended to facilitate the understanding of the entity's operating performance and which can be used as a way to estimate recurring performance. This indicator is presented in a manner that is consistent and stable over the long-term in order to ensure the continuity and relevance of financial information.

Recurring operating income at comparable exchange rates for 2014 takes into account the currency impact on revenue and Group acquisitions, the effective portion of currency hedges and the impact of changes in exchange rates on the translation of the recurring operating income of consolidated entities located outside the eurozone.

Definition of EBITDA

The Group uses EBITDA to monitor its operating performance. This financial indicator corresponds to recurring operating income plus net charges to depreciation, amortisation and provisions on non-current operating assets recognised in recurring operating income.

EBITDA at comparable exchange rates is defined using the same principles as for recurring operating income at comparable exchange rates.

Definition of free cash flow from operations and available cash flow

The Group also uses an intermediate line item, “Free cash flow from operations”, to monitor its financial performance. This financial indicator measures net operating cash flow less net operating investments (defined as purchases and sales of non-current assets).

"Available cash flow" corresponds to free cash flow from operations plus interest and dividends received less interest paid and equivalent.

Definition of net debt

As defined by ANC No.2013-03, net debt comprises gross borrowings, including accrued interest, less net cash.

Net debt includes fair value hedging instruments recorded in the statement of financial position relating to bank borrowings and bonds whose interest rate risk is fully or partly hedged as part of a fair value relationship (see Note 32 to the consolidated financial statements).

IFRS 5 – Non-Current Assets Held for Sale and Discontinued Operations

In accordance with IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations, the Group has presented certain activities as "Non-current assets held for sale and discontinued operations". The net income or loss from these activities is shown on a separate line of the income statement, “Net income (loss) from discontinued operations”, and is restated in the statement of cash flows and income statement for all reported periods.

Assets and liabilities relating to assets held for sale and discontinued operations are presented on separate lines in the Group's statement of financial position, without restatement for previous periods.

As stated in Note 12 to the consolidated financial statements, Redcats and Sergio Rossi are classified as "Non-current assets held for sale and discontinued operations".