WELCOME AND OPENING OF THE GENERAL MEETING 2019

FRANÇOIS-HENRI PINAULT
CHAIRMAN AND CHIEF EXECUTIVE OFFICER
AGENDA AND REGULATORY ISSUES

ÉRIC SANDRIN
GROUP GENERAL COUNSEL
CONTENTS

Introduction

Full-year 2018 highlights & financial results analysis

Our model

Sustainability

Governance

Conclusion

Statutory Auditors’ report

Questions – Answers

Vote on the resolutions
INTRODUCTION

FRANÇOIS-HENRI PINAULT
CHAIRMAN AND CHIEF EXECUTIVE OFFICER
2018, AN EXCELLENT YEAR FOR KERING

A FAVORABLE... BUT COMPLEX ENVIRONMENT

HEALTHY, BALANCED AND PROFITABLE GROWTH

VISION, STRATEGY, EXECUTION, FINANCIAL DISCIPLINE

INCREASE IN REVENUE  +€2.8BN

INCREASE IN EBIT    +€1.3BN

POWERFUL CULTURE AT THE ROOT OF OUR SUCCESS

VALUE CREATION AND SHAREHOLDER RETURN
FULL-YEAR 2018 HIGHLIGHTS AND FINANCIAL RESULTS ANALYSIS

JEAN-FRANÇOIS PALUS
GROUP MANAGING DIRECTOR
A GLOBAL LUXURY GROUP

As a % of revenue (% comparable growth)

North America
- 20% of revenue
- +38%

Western Europe
- 33% of revenue
- +24%

Asia-Pacific
- 32% of revenue
- +34%

Japan
- 8% of revenue
- +24%

Other countries
- 7% of revenue
- +23%

GROUP REVENUE
- €13,665m

RECURRING OPERATING INCOME
- €3,944m

NET INCOME ATTRIBUTABLE TO THE OWNERS OF THE PARENT
- €3,715m
ANOTHER YEAR OF SIGNIFICANT PROFITABLE GROWTH

---

**GROUP REVENUE (€m)**

€13,665m  
+26.3% reported  
+29.4% comparable

<table>
<thead>
<tr>
<th>2017 restated*</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>€10,816</td>
<td>€13,665</td>
</tr>
<tr>
<td>+34.0%</td>
<td>+29.4%</td>
</tr>
</tbody>
</table>

% comparable growth **

---

**GROUP RECURRING OPERATING INCOME (€m)**

€3,944m  
up 47% from 2017 restated

<table>
<thead>
<tr>
<th>2017 restated*</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>€2,691</td>
<td>€3,944</td>
</tr>
<tr>
<td>24.9%</td>
<td>28.9%</td>
</tr>
</tbody>
</table>

Group recurring operating income in €m and margin in %

---

**REVENUE AND RECURRING OPERATING INCOME**

<table>
<thead>
<tr>
<th>In € millions</th>
<th>Revenue</th>
<th>Recurring operating income</th>
<th>Recurring operating income reported change (in %)</th>
<th>Recurring operating margin (in %)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Luxury Houses</strong></td>
<td>13,247</td>
<td>4,191</td>
<td>+44.8%</td>
<td>31.6%</td>
</tr>
<tr>
<td><strong>Corporate &amp; other</strong></td>
<td>418</td>
<td>(247)</td>
<td>-20.9%</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Kering</strong></td>
<td>13,665</td>
<td>3,944</td>
<td>+46.6%</td>
<td>28.9%</td>
</tr>
</tbody>
</table>

* PUMA, Volcom, Stella McCartney and Christopher Kane have been reclassified under discontinued operations, in accordance with IFRS 5.  
** At constant scope and exchange rates.
OUTSTANDING OPERATING PERFORMANCES IN 2018

### NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT (€m)

€3,715m  
Up 108%  
from 2017 restated

€1,786  
2017 restated*

3,715  
2018

### FCF AND NET DEBT (€m)

FCF of €2,955m  
Net debt down  
Debt-to-EBITDA ratio of 0.4x

FCF FROM OPERATIONS

2,206  
2017 restated*

2,955  
2018

× 1.3

NET DEBT

0.9x  
2017

1.1x  
2017 restated*

0.4x  
2018

### DIVIDEND PER SHARE (in €)

€10.50 per share**  
Up 75%  
from 2017

6.00  
2017

10.50  
2018**

*PUMA, Volcom, Stella McCartney and Christopher Kane have been reclassified under discontinued operations, in accordance with IFRS 5.

**Proposed to April 24, 2019, AGM. €3.50 per share interim dividend paid on January 17, 2019, and €7.00 per share balance to be paid on May 6, 2019.
### LUXURY ACTIVITIES

#### In €m

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>Reported change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>13,247</td>
<td>+26.0%*</td>
</tr>
<tr>
<td>Recurring operating income</td>
<td>4,191</td>
<td>+44.8%</td>
</tr>
<tr>
<td>Recurring operating income margin</td>
<td>31.6%</td>
<td>+4.1 pt</td>
</tr>
<tr>
<td>Gross CAPEX</td>
<td>610</td>
<td>+29.6%</td>
</tr>
<tr>
<td>As % of revenue</td>
<td>4.6%</td>
<td>+0.1 pt</td>
</tr>
</tbody>
</table>

* +29.1% comparable

---

#### In €m

<table>
<thead>
<tr>
<th></th>
<th>Gucci</th>
<th>Saint Laurent</th>
<th>Bottega Veneta</th>
<th>Other Houses</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018 Revenue</td>
<td>8,285</td>
<td>1,744</td>
<td>1,109</td>
<td>2,109</td>
</tr>
<tr>
<td>Reported change</td>
<td>+33.4%</td>
<td>+16.1%</td>
<td>-5.7%</td>
<td>+29.8%</td>
</tr>
<tr>
<td>Comparable change</td>
<td>+36.9%</td>
<td>+18.7%</td>
<td>-3.4%</td>
<td>+32.1%</td>
</tr>
<tr>
<td>Recurring operating income</td>
<td>3,275</td>
<td>459</td>
<td>242</td>
<td>215</td>
</tr>
<tr>
<td>Reported change</td>
<td>+54.2%</td>
<td>+21.9%</td>
<td>-17.7%</td>
<td>+114.0%</td>
</tr>
<tr>
<td>Recurring operating margin</td>
<td>39.5%</td>
<td>26.3%</td>
<td>21.8%</td>
<td>10.2%</td>
</tr>
</tbody>
</table>
## FINANCIAL PERFORMANCE

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>13,665</td>
<td>10,816</td>
</tr>
<tr>
<td><strong>Gross margin</strong></td>
<td>10,198</td>
<td>7,916</td>
</tr>
<tr>
<td><strong>Recurring operating income</strong></td>
<td>3,944</td>
<td>2,691</td>
</tr>
<tr>
<td>Other non-recurring operating income and expenses</td>
<td>(222)</td>
<td>(164)</td>
</tr>
<tr>
<td>Finance costs, net</td>
<td>(207)</td>
<td>(220)</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>(868)</td>
<td>(551)</td>
</tr>
<tr>
<td>Share in earnings of equity-accounted companies</td>
<td>12</td>
<td>(4)</td>
</tr>
<tr>
<td><strong>Net income from continuing operations</strong></td>
<td>2,659</td>
<td>1,752</td>
</tr>
<tr>
<td><strong>Net income from discontinued operations</strong></td>
<td>1,095</td>
<td>113</td>
</tr>
<tr>
<td><strong>Net income of consolidated companies</strong></td>
<td>3,754</td>
<td>1,865</td>
</tr>
<tr>
<td>Of which net income, Group share</td>
<td>3,715</td>
<td>1,786</td>
</tr>
<tr>
<td><strong>Net income, Group share, from continuing operations excluding non-recurring items</strong></td>
<td>2,817</td>
<td>1,887</td>
</tr>
<tr>
<td><strong>Net income, Group share, per share (in euro)</strong></td>
<td>29.49</td>
<td>14.17</td>
</tr>
<tr>
<td><strong>Net income per share from continuing operations, Group share, excluding non-recurring items (in euro)</strong></td>
<td>22.36</td>
<td>14.97</td>
</tr>
</tbody>
</table>

* PUMA, Volcom, Stella McCartney and Christopher Kane have been reclassified under discontinued operations, in accordance with IFRS 5. Reminder: PUMA IFRS 5 from January 1 to May 16, 2018 and Equity-accounted since May 16, 2018.

Mainly PUMA contribution: net income and net capital gain of €1.18bn
NET FINANCIAL DEBT HALVED

2017-2018 CHANGE
IN €M AND NET DEBT / EBITDA RATIO

<table>
<thead>
<tr>
<th>Description</th>
<th>Change in €M</th>
<th>Net Debt at Dec. 31, 2017</th>
<th>Restatement for discontinued operations as of Jan.1, 2018</th>
<th>Free cash flow from operations</th>
<th>Net interest paid and dividend received</th>
<th>Dividend paid</th>
<th>Purchase of Kering shares</th>
<th>Other acquisitions and disposals</th>
<th>Other movements</th>
<th>Net Debt at Dec. 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net debt at Dec. 31, 2017</td>
<td>-2,955</td>
<td>3,049</td>
<td>367</td>
<td>187</td>
<td>780</td>
<td>168</td>
<td>94</td>
<td>22</td>
<td>1,711</td>
<td>0.4x</td>
</tr>
</tbody>
</table>
## A SOLID FINANCIAL STRUCTURE

<table>
<thead>
<tr>
<th></th>
<th>In €m</th>
<th>Dec. 31, 2018</th>
<th>Dec. 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Intangible Assets</strong></td>
<td>9,793</td>
<td>14,580</td>
<td></td>
</tr>
<tr>
<td><strong>Tangible Assets</strong></td>
<td>2,229</td>
<td>2,268</td>
<td></td>
</tr>
<tr>
<td><strong>Other Non-current Assets</strong></td>
<td>654</td>
<td>(1,349)</td>
<td></td>
</tr>
<tr>
<td><strong>Total Non-current Assets</strong></td>
<td>12,676</td>
<td>15,499</td>
<td></td>
</tr>
<tr>
<td><strong>Operating Working Capital</strong></td>
<td>2,518</td>
<td>2,825</td>
<td></td>
</tr>
<tr>
<td><strong>Other Current Assets</strong></td>
<td>(3,404)</td>
<td>(2,275)</td>
<td></td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>(886)</td>
<td>550</td>
<td></td>
</tr>
<tr>
<td><strong>Net Assets held for sale</strong></td>
<td>350</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Provisions</strong></td>
<td>(367)</td>
<td>(374)</td>
<td></td>
</tr>
<tr>
<td><strong>Capital employed</strong></td>
<td>11,773</td>
<td>15,675</td>
<td></td>
</tr>
<tr>
<td><strong>Shareholders’ Equity</strong></td>
<td>10,062</td>
<td>12,626</td>
<td></td>
</tr>
<tr>
<td><strong>Net Debt</strong></td>
<td>1,711</td>
<td>3,049</td>
<td></td>
</tr>
<tr>
<td><strong>Total Sources</strong></td>
<td>11,773</td>
<td>15,675</td>
<td></td>
</tr>
</tbody>
</table>

- **Debt-to-equity ratio**: 17.0%
- **Operating Working Capital**: 18.4% of revenue
**DIVIDEND UP 75%**

**DIVIDEND PER SHARE**

(in €)

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividend Per Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>3.75</td>
</tr>
<tr>
<td>2014</td>
<td>4.00</td>
</tr>
<tr>
<td>2015</td>
<td>4.00</td>
</tr>
<tr>
<td>2016</td>
<td>4.60</td>
</tr>
<tr>
<td>2017</td>
<td>6.00</td>
</tr>
<tr>
<td>2018</td>
<td>10.50</td>
</tr>
</tbody>
</table>

**DIVIDEND PAYOUT**

(in %)

- **in % of recurring net income, Group share**
- **in % of available cash flow**

<table>
<thead>
<tr>
<th>Year</th>
<th>Recurring Net Income</th>
<th>Available Cash Flow</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>38.4%</td>
<td>64.0%</td>
</tr>
<tr>
<td>2014</td>
<td>42.9%</td>
<td>59.4%</td>
</tr>
<tr>
<td>2015</td>
<td>49.6%</td>
<td>102.2%</td>
</tr>
<tr>
<td>2016</td>
<td>45.3%</td>
<td>57.1%</td>
</tr>
<tr>
<td>2017</td>
<td>40.1%</td>
<td>37.3%</td>
</tr>
<tr>
<td>2018</td>
<td>47.0%</td>
<td>47.8%</td>
</tr>
</tbody>
</table>

Proposed to April 24, 2019 AGM
€3.50 per share interim dividend paid on January 17, 2019
€7.00 per share balance to be paid on May 6, 2019

* Restated data
**STEADY SHAREHOLDER RETURN**


**DIVIDEND GROWTH LINKED TO GROUP PERFORMANCE**

Payout target of 50%*

**SHARE REPURCHASE PROGRAM**

Up to 1% of outstanding share capital
0.5% repurchased at end of February 2019

**EXCEPTIONAL DISTRIBUTION IN KIND**

of PUMA shares
≈ €36 per share
as of May 16, 2018

---

**SUSTAINED GROWTH AND FINANCIAL PERFORMANCE**

*Target of 50% on average of recurring net income, Group share and available cash flow
Q1 2019 REVENUE: OUTPERFORMANCE CONTINUES

**GROUP REVENUE**

€3,785m

+21.9% reported
+17.5% comparable*

**LUXURY HOUSES**

€3,648m

+21.7% reported
+17.4% comparable*

**CORPORATE & OTHER**

€137m

+26.5% reported
+21.5% comparable*

* At constant scope and exchange rates
Performance in 2018: +13%

Performance in 2018: -11%

Kering +40%

CAC 40 +5%

Source: Euronext, as of 04/18/2019
A UNIQUE GROWTH & PERFORMANCE MODEL

Strengthen our competitive advantages

Organic growth & value creation

Creative, responsible, nimble, innovative, quality of execution

Growth platform

LONG TERM FINANCIAL PERFORMANCE
ACHIEVE OUR VALUE CREATION POTENTIAL
GUCCI – MEDIUM-TERM LEVERS & AMBITIONS

MERCHANDISING

RETAIL METRICS

DISTRIBUTION

CLIENT METRICS

DIGITAL LEADERSHIP

SUPPLY CHAIN

COHERENT AND SUSTAINABLE DEVELOPMENT
REVENUE €10BN / EBIT MARGIN 40%+ MEDIUM TERM
ACHIEVE OUR VALUE CREATION POTENTIAL
SAINT LAURENT – MAINTAINING MOMENTUM

--- PRODUCT OFFERING AND MERCHANDISING

Ongoing work on balance across categories

--- LIKE-FOR-LIKE GROWTH

Continuing improvement in sales density

--- NETWORK EXPANSION

219* DOS at 2018 YE

--- COMMUNICATIONS AND IMAGE

Leverage brand territory & narrative

IN LINE WITH MT/LT AMBITIONS PRESENTED IN 2017
REVENUE €2BN THEN €3BN / EBIT MARGIN 25%, THEN 27%

* Published on 12/31/2019.
ACHIEVE OUR VALUE CREATION POTENTIAL
REPOSITIONING BOTTEGA VENETA

---

**PRODUCT OFFERING AND MERCHANDISING**

Established legitimacy in accessories

**DISTRIBUTION**

279* DOS at 2018 YE

**CLIENTS**

Loyal clientele
Expansion of client base

**COMMUNICATIONS**

Strengthened communications
Expanded digital presence

---

* Published on 12/31/2019.
ACHIEVE OUR VALUE CREATION POTENTIAL
OTHER HOUSES

--- COUTURE AND LEATHER GOODS ---

- Sharp growth in 2018 and ambitious expansion plans
- Build on the House’s creative codes
- Expansion of store networks

--- JEWELRY ---

- Investment plan underway to reinforce the notoriety and presence of the brand
- Jewelry / High Jewelry collections emphasizing bold creative inspiration
- Spectacular renovation of Hôtel de Nocé, place Vendôme (Paris, France)
- Targeted openings, renovation of existing network
POWERFUL CULTURE
UNITING AN ENSEMBLE OF COMPLEMENTARY HOUSES

GUCCI / SAINT LAURENT

PURSUE GROWTH
- Ensure gradual normalization of growth trajectory
- Progressive elevation of operating margin
- Substantial FCF generation, normative Capex level

BOTTEGA VENETA / BRIONI

TRANSFORM AND RELAUNCH
- New Creative Directors
- In-depth work on positioning, product offering, distribution network, supply chain
- Investments required in the short term
- Significant operating leverage in medium term

ENTREPRENEURIAL CULTURE
- SUSTAINABLE DEVELOPMENT
- TALENT

INVEST IN DEVELOPMENT
- Multiple levers
- Opex & Capex investments
- Significant potential to raise margins
- Future growth drivers

STRENGTHEN AND MONITOR
- Precision watchmaking product positioning
- Offering and distribution enhancement underway
- Implementation of cost synergies
- Gradual recovery of profitability ongoing
TRANSFORM TO STRENGTHEN OUR COMPETITIVE ADVANTAGES

CHALLENGES

- Anticipate and adapt to evolutions in our business, markets, clients and Houses
- Boost top-line momentum, raise profitability, reduce working capital
- Improve operating efficiency

AMBITIONS AND MEANS

Client-centric strategy

- Transform and personalize client relationship
- Develop new expertise: CRM & AI factory, Innovation cell
- Adapt logistics capabilities
- Modernize IT systems

INNOVATION IN - STORE EXPERIENCE

DATA, CRM & AI

SUPPLY CHAIN & LOGISTICS

CLIENT SERVICE

E-COMMERCE & OMNICHANNEL

SOCIAL COMMERCE
MAINTAIN STEADY, SUSTAINABLE GROWTH MOMENTUM

• Attractive brands, desirable products
• Organic growth
• Ongoing market share gains
• Leverage potential of our Houses according to their maturity level

SUSTAIN LONG-TERM...

...PROFITABLE GROWTH

• Increase productivity of stores and systems
• Continuous adaptation of organizations
• Cost control
• Invest for growth: products, client experience, talents,…

BALANCED CAPITAL ALLOCATION

• Manage brand portfolio
• Straightforward shareholder return policy
• Debt reduction
• Room to seize opportunities

STRONG CASH FLOW GENERATION

• Raise margins
• Optimize Working Capital
• Pursue Group investments
• Improve ROCE
SUSTAINABILITY

MARIE-CLAIREDAVEU

CHIEF SUSTAINABILITY OFFICER AND HEAD OF INTERNATIONAL INSTITUTIONAL AFFAIRS
CONTINUE TO LEAD THE WAY IN SUSTAINABILITY

TRANSPARENCY AND DISCLOSURE

Publication of Kering’s initial Integrated Report, a first in the Luxury industry

COMMUNICATION

Over 200 publications in offline and online media covering Kering sustainability initiatives in 2018

RECOGNITION OF OUR LEADERSHIP

2nd most sustainable company in the world in the 2019 "Global 100" published by Corporate Knights
MITIGATE OUR ENVIRONMENTAL FOOTPRINT

TRACEABILITY

Testing the first organic cotton 100% traceable thanks to our Materials Innovation Lab

SUSTAINABLE PRACTICES

Partnership with Savory Institute to pioneer regenerative agriculture

THE HIGHEST STANDARDS

Updating of our Standards on raw materials and manufacturing processes and upcoming publication of our animal welfare guidelines
EMBED INNOVATION IN OUR ACTIONS

IN OUR VALUE CHAIN

Scale up innovative processes and launch raw material pilot projects in our Houses

BEYOND OUR OWN BOUNDARIES

Support of the ChangeNOW Summit dedicated to positive innovation at Station F in Paris

AND IN ALL AREAS OF THE WORLD

Launch of the K Generation Award to foster sustainable innovation in Luxury in China
ENGAGE AND GO BEYOND OUR INDUSTRY

WITH NEXT GENERATION
Sharing our approach many top tier schools HEC (France), Polimoda (Italy) or Columbia University (US)

WITH EXPERTS AND NGOS
Support the 70th anniversary of the International Union for Conservation of Nature (IUCN)

THROUGH AMPLIFICATION PLATFORMS
Successful launch of our Massive Open Online Course on Luxury and Sustainability
Over 17,000 registrations in 144 countries
A CAMPAIGN TARGETING GEN Z

The 7th edition of the White Ribbon For Women campaign raised awareness around cyberbullying and reached 500 million people.

TAKE A STAND AGAINST CYBERBULLYING

73% of girls and women have reported online abuse worldwide.
GOVERNANCE

SOPHIE L'HELIAS
LEAD INDEPENDENT DIRECTOR
COMPOSITION OF THE BOARD OF DIRECTORS

11 members, of which 6 independent Directors

Jean-Pierre Denis
Financière Pinault *
Represented by Héloïse Temple-Boyer
Sapna Sood
Jean-François Palus
François-Henri Pinault
Baudouin Prot
Sophie L’Hélias
Daniela Riccardi
Claire Lacaze
Yseulys Costes
Ginevra Elkann *

BOARD OF DIRECTORS
8 meetings in 2018
Attendance rate: 95%

Independence
- 60% 2018
- 50% 2012
- 56% 2007

Proportion of women
- 64% 2018
- 33% 2012
- 11% 2007

Average age
- 52 years 2018
- 52 years 2012
- 60 years 2007

* Subject to shareholder confirmation
8 meetings in 2018
Attendance rate: 100 %

AUDIT COMMITTEE
- Jean-Pierre Denis (Chairperson)
- Sophie L’Hélias
- Yseulys Costes
- Financière Pinault, représentée par Héloïse Temple-Boyer

Degree of independence: 75%

APPOINTMENTS AND GOVERNANCE COMMITTEE
- Financière Pinault, représentée par Héloïse Temple-Boyer (Chairperson)
- Yseulys Costes
- Sapna Sood
- Baudouin Prot
- Ginevra Elkann

Degree of independence: 60%

REMUNERATION COMMITTEE
- Sophie L’Hélias (Chairperson)
- Financière Pinault, représentée par Héloïse Temple-Boyer
- Yseulys Costes
- Jean-Pierre Denis
- Ginevra Elkann
- Claire Lacaze

Degree of independence: 80%

SUSTAINABILITY COMMITTEE
- Sapna Sood (Chairperson)
- Jean-François Palus
- François-Henri Pinault
- Daniela Riccardi

Degree of independence: 50%
## Remuneration of the Chairman & CEO in 2018

### Ex-post vote

<table>
<thead>
<tr>
<th>Gross amounts (in euros)</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>François-Henri Pinault</strong>&lt;br&gt;Chairman and Chief Executive Officer</td>
<td>Amounts payable for the year</td>
<td>Amounts paid during the year</td>
</tr>
<tr>
<td>Fixed remuneration</td>
<td>1,200,000</td>
<td>1,200,000</td>
</tr>
<tr>
<td>Annual variable remuneration</td>
<td>1,944,000</td>
<td>1,944,000</td>
</tr>
<tr>
<td>Multi-annual variable remuneration:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014 Plan (I): 11,372 KMUs awarded at €144 per unit (corresponding to a value of €1,637,568 at the date of the award) Performance condition not met</td>
<td>N/A</td>
<td>18,631,905</td>
</tr>
<tr>
<td>2014 Plan (II): 9,900 KMUs awarded at €166 per unit (corresponding to a value of €1,643,400 at the date of the award) Exercised at €885</td>
<td></td>
<td>8,761,500</td>
</tr>
<tr>
<td>2015 Plan: 11,153 KMUs awarded at €167 per unit (corresponding to a value of €1,862,551 at the date of the award) Exercised at €885</td>
<td></td>
<td>9,870,405</td>
</tr>
<tr>
<td>Exceptional remuneration</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Directors’ fees (Kering)</td>
<td>66,704</td>
<td>67,121</td>
</tr>
<tr>
<td>Directors’ fees (subsidiaries)</td>
<td>-</td>
<td>14,527</td>
</tr>
<tr>
<td>Benefits in kind</td>
<td>16,421</td>
<td>16,421</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,227,125</strong></td>
<td><strong>21,873,974</strong></td>
</tr>
</tbody>
</table>
## Remuneration of the Group Managing Director in 2018

**Ex-post vote**

<table>
<thead>
<tr>
<th>Gross amounts (in euros)</th>
<th>2018</th>
<th>2017 Restated data</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Jean-François Palus</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Group Managing Director</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Amounts payable for the year</th>
<th>Amounts paid during the year</th>
<th>Amounts payable for the year</th>
<th>Amounts paid during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed remuneration</td>
<td>1,216,443</td>
<td>1,216,443</td>
<td>1,176,460</td>
<td>1,176,460</td>
</tr>
<tr>
<td>Annual variable remuneration</td>
<td>1,634,010</td>
<td>1,559,476</td>
<td>1,559,476</td>
<td>1,039,614</td>
</tr>
<tr>
<td>Multi-annual variable remuneration:</td>
<td>N/A</td>
<td>8,635,830</td>
<td>N/A</td>
<td>-</td>
</tr>
</tbody>
</table>

2014 Plan: 9,426 KMUs awarded at €144 per unit (corresponding to a value of €1,357,344 at the date of the award) Performance condition not met

0

2015 Plan: 9,758 KMUs awarded at €167 per unit (corresponding to a value of €1,629,586 at the date of the award) Exercised at €885

8,635,830

Exceptional remuneration

- - - -

Directors' fees (Kering)

66,704 60,412 60,412 60,355

Directors' fees (subsidiaries)

125,000 128,333 125,000 125,000

Benefits in kind

1,081,582 1,081,582 1,078,961 1,078,961

Total

4,123,739 12,682,076 4,000,309 3,480,390
2019 REMUNERATION POLICY OF THE CHAIRMAN & CEO AND THE GROUP MANAGING DIRECTOR

Ex-ante vote

CHAIRMAN & CEO

LTI = 100% of Base Salary + last FY Bonus

- Target LTI 50%
- Target Bonus 27%
- Bonus = 120% of Base Salary

Base Salary 23%

Keep unchanged the components of remuneration policy applied in 2018

Modify multi-annual variable remuneration (LTI):

- Keep unchanged all three indicators:
  - Recurring operating income (ROI)
  - Free cash flow from operations (FCF)
  - Recurring operating margin (ROM)

- Integrate more restrictive conditions (cumulative and progressive):
  - 3 criteria met: 100% of the KMUs vest
  - 2/3 criteria met: 75% of the KMUs vest
  - 1/3 criteria met: 50% of the KMUs vest
  - No criteria met: no KMU may be cashed in

GROUP MANAGING DIRECTOR

LTI = 80% of Base Salary + last FY Bonus

- Target LTI 44%
- Target Bonus 28%
- Bonus = 100% of Base Salary

Base Salary 28%

Target Bonus 28%
CONCLUSION

FRANÇOIS-HENRI PINAULT
CHAIRMAN AND CHIEF EXECUTIVE OFFICER
STATUTORY AUDITORS’ REPORT

ISABELLE ALLEN
STATUTORY AUDITOR KPMG AUDIT
CONTENTS

Report on the company financial statements

Report on the consolidated financial statements

Other reports issued by the Statutory Auditors:
  • Special report on regulated agreements and commitments with third parties
  • Statutory Auditors’ special reports on capital transactions
Kering S.A. company financial statements ⇒ certification without qualification
(pages 359 - 362 of the 2018 Reference Document)

- In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (Code de Commerce) relating to the justification of our assessments, we bring your attention to the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period, as well as our responses to those risks:
  - Valuation of long-term investments ⇒ the gross amount of investments is compared to their value in use for the company.
  - In order to assess the reasonableness of the value in use estimates of long-term investments, based on the information communicated to us, our work mainly consisted in:
    - verifying that the estimate of values in use determined by Management is based on an appropriate justification of the valuation method and the figures used;
    - verifying the calculation of revalued shareholders’ equity;
    - verifying the correct valuation of PUMA securities based on the stock market price at the reporting date.
- We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors.
- We attest that the Board of Directors’ report on corporate governance contains the information required by Articles L. 225-37-3 and L. 225-37-4 of the French Commercial Code (Code de commerce).
- We attest the accuracy and the fair presentation of the information relating to remuneration and benefits received by the corporate officers and any other commitments made in their favor.
- We have no matters to report with regard to the information relating to the items that your Company considered liable to have an impact in the event of a tender or exchange offer.
REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS
(Resolution 2)

- Kering Group consolidated financial statements ⇒ certification without qualification
  (pages 334 - 339 of the 2018 Reference Document)

  - Emphasis of matter on the first time application as of as of January 1, 2018 of IFRS 9 “Financial Instruments” and IFRS 15 “Revenue from contracts with customers”.
  - In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we bring your attention to the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period, as well as our responses to those risks.
  - The Group’s operations are subject to regular verifications by the tax administrations in each of the countries in which the Group’s different subsidiaries operate. These tax audits can result in tax reassessments and litigation with the tax administrations ⇒ The estimate of the impacts of these tax risks and the related provisions, recorded if necessary, require Management to make significant judgments
    - Our work mainly consisted in:
      - analyzing the responses of these tax advisors to our requests for information or the analyses that these advisors produced as part of litigation currently underway;
      - carrying out a critical review of the estimates and positions adopted by Management;
      - concerning the ongoing procedure in Italy involving Luxury Goods International (LGI), we have examined the procedural elements and/or the legal or technical opinions provided by law firms or outside experts chosen by Management to assess the merits of an absence of a provision.
  - Goodwill and intangible assets with indefinite lives, such as certain brands, are subject to yearly impairment tests
    - To assess the reasonableness of the recoverable value of these assets, we have mainly assessed:
      - the principles and methods of calculating recoverable amounts;
      - the consistency of cash flow projections with respect to Management assumptions and the economic environments;
      - the reasonableness of discount rates applied to estimated cash flows;
      - the royalty rates applied to brands in the calculation of future revenue.
• Kering Group consolidated financial statements ⇒ certification without qualification (continuation)  
   (pages 334 - 339 of the 2018 Reference Document)
   - Inventories are valued the lower of cost determined and net realizable value
     - Our work mainly consisted in:
       - assessing the data and assumptions adopted by Management to determine the prospects for inventory turnover and the resulting provisions;
       - analyzing the budget data and outlooks having an impact on the provisions for inventory allowance;
       - assessing the assumptions and application methods adopted to determine specific provisions.

• Application of IFRS 5 following the distribution of PUMA shares to Kering shareholders on May 16, 2018 ⇒ significant change in the consolidation scope in 2018 and material impact on the Group net income
   - Our work mainly consisted in:
     - assessing the compliance of the accounting treatment of this distribution and the resulting loss of control;
     - substantiating the date of deconsolidation of PUMA’s assets and liabilities with the effective date of loss of control;
     - verifying the arithmetical accuracy of the net capital gains calculation, both for the PUMA shares distributed and for the share capital retained;
     - verifying that the PUMA net income from discontinued operations presented on a separate line of the Consolidated Income Statement, correctly includes the net capital gain on the PUMA shares sold and retained, and the net income from PUMA’s activities for the period January 1 to the date of loss of control.
OTHER REPORTS ISSUED BY THE STATUTORY AUDITORS

- Special report on regulated agreements and commitments with third parties
  (pages 363 - 364 of the 2018 Reference Document)

  - The support agreement for services provided by Artémis SA, authorized in previous years and with a continuing effect during the year, is presented in our special report.

  - We inform you that we have not been advised of any agreement or commitment authorized during the year subject to the approval of the Shareholder Meetings.

- Statutory Auditors’ special reports on capital transactions: delegation of authority / authorization to be granted to the Board of Directors

  - Capital reduction by cancelling purchased shares (resolution 11) ⇒ We have no matters to report on the reasons for or the terms and conditions of the proposed capital reduction.

  - Issues of shares and various marketable securities, with retention and/or cancellation of pre-emptive subscription rights (resolutions 12, 14, 15, 16, 17 and 18) ⇒ We have no matters to report on the methods used to determine the issue price of the shares to be issued and we cannot express an opinion on the final terms and conditions under which the issues will be performed.

  - Issue, without pre-emptive subscription rights, of shares or other securities granting access to capital, reserved for current and former employees who are members of a savings plan (resolution 19) ⇒ We have no matters to report on the methods used to determine the issue price of the securities to be issued, and we cannot express an opinion on the final terms and conditions under which the issues will be performed.

  - We will prepare an additional report, if required, should these delegations be exercised by your Board of Directors.
VOTE ON THE RESOLUTIONS
FIRST RESOLUTION
(acting as an Ordinary Meeting)

Approval of the parent company financial statements for the year ended December 31, 2018
SECOND RESOLUTION
(acting as an Ordinary Meeting)

Approval of the consolidated financial statements for the year ended December 31, 2018
THIRD RESOLUTION
(acting as an Ordinary Meeting)

Appropriation of 2018 net income

Distribution of cash dividend of €10.50 (*) per share
(*) corresponding to an interim dividend of €3.50 per share paid on January 17, 2019, and a final dividend of €7.00

Payment date: May 6, 2019
FOURTH RESOLUTION
(acting as an Ordinary Meeting)

Ratification of the appointment of Ginevra Elkann as a Director
Ratification of the appointment of Financière Pinault, represented by Héloïse Temple-Boyer, as a Director
SIXTH RESOLUTION
(acting as an Ordinary Meeting)

Approval of the remuneration paid or awarded to François-Henri Pinault, Chairman and Chief Executive Officer, for the fiscal year ended December 31, 2018
SEVENTH RESOLUTION
(acting as an Ordinary Meeting)

Approval of the remuneration paid or awarded to Jean-François Palus, Group Managing Director, for the fiscal year ended December 31, 2018
EIGHTH RESOLUTION
(acting as an Ordinary Meeting)

Approval of the principles and criteria for determining, allocating and awarding the fixed, variable and exceptional components of total remuneration and benefits in kind granted to François-Henri Pinault, Chairman and Chief Executive Officer
NINTH RESOLUTION
(acting as an Ordinary Meeting)

Approval of the principles and criteria for determining, allocating and awarding the fixed, variable and exceptional components of total remuneration and benefits in kind granted to Jean-François Palus, Group Managing Director
TENTH RESOLUTION
(acting as an Ordinary Meeting)

Authorization to be given to the Board of Directors to purchase, retain or transfer the Company's shares

<table>
<thead>
<tr>
<th>Authorization</th>
<th>Resolution number</th>
<th>Term of authorization</th>
<th>Conditions</th>
</tr>
</thead>
</table>
| Share buy-back  | Outstanding (April 2018)   | 18 months (October 2019) | Maximum purchase price: €480
|                 | 10th resolution As of April 24, 2019 | 18 months (October 2020) | Maximum purchase price: €580
|                 |                                           |                       | Maximum of 10% of the share capital                  |
Authorization for the Board of Directors to reduce the share capital by canceling shares purchased or that will subsequently be purchased under a stock repurchase program

<table>
<thead>
<tr>
<th>Authorization</th>
<th>Resolution number</th>
<th>Term of authorization</th>
<th>Conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treasury shares</td>
<td>Outstanding (April 2017)</td>
<td>24 months (April 2019)</td>
<td>Maximum of 10% of the share capital</td>
</tr>
<tr>
<td>cancellation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11th resolution</td>
<td>11th resolution As of April 24, 2019</td>
<td>24 months (April 2021)</td>
<td>Maximum of 10% of the share capital</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
TWELFTH RESOLUTION
(acting as an Extraordinary Meeting)

Delegation of authority to the Board of Directors to issue ordinary shares and securities, with pre-emptive subscription rights (except during an offer period)

<table>
<thead>
<tr>
<th>Authorization</th>
<th>Resolution number</th>
<th>Term of authorization</th>
<th>Conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital increase with pre-emptive subscription rights (except during public offers)</td>
<td>Outstanding (April 2017)</td>
<td>26 months (June 2019)</td>
<td>Maximum nominal amount: €200 million</td>
</tr>
<tr>
<td>12th resolution As of April 24, 2019</td>
<td>26 months (June 2021)</td>
<td></td>
<td>Maximum nominal amount: €200 million</td>
</tr>
</tbody>
</table>
THIRTEENTH RESOLUTION
(acting as an Extraordinary Meeting)

Delegation of authority to the Board of Directors to decide to increase the share capital by capitalizing reserves, profits or additional paid-in capital (except during an offer period)

<table>
<thead>
<tr>
<th>Authorization</th>
<th>Resolution number</th>
<th>Term of authorization</th>
<th>Conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital increase through incorporation of reserves (except during public offers)</td>
<td>Outstanding (April 2017)</td>
<td>26 months (June 2019)</td>
<td>Maximum nominal amount: €200 million</td>
</tr>
<tr>
<td>13th resolution As of April 24, 2019</td>
<td>26 months (June 2021)</td>
<td>Maximum nominal amount: €200 million</td>
<td></td>
</tr>
</tbody>
</table>
FOURTEENTH RESOLUTION
(acting as an Extraordinary Meeting)

Delegation of authority to the Board of Directors to issue ordinary shares and securities by public offering (other than as provided for in Article L.411- 2, II of the French Monetary and Financial Code) without pre-emptive subscription rights (except during an offer period)

<table>
<thead>
<tr>
<th>Authorization</th>
<th>Resolution number</th>
<th>Term of authorization</th>
<th>Conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital increase by public offering without pre-emptive subscription rights (except during public offers)</td>
<td>Outstanding (April 2017)</td>
<td>26 months (June 2019)</td>
<td>Maximum nominal amount: €50 million</td>
</tr>
<tr>
<td>14th resolution As of April 24, 2019</td>
<td>26 months (June 2021)</td>
<td></td>
<td>Maximum nominal amount: €50 million</td>
</tr>
</tbody>
</table>
Delegation of authority to the Board of Directors to issue ordinary shares and/or securities carrying rights to shares in the Company or carrying rights to the allotment of debt securities and/or securities carrying rights to shares in the Company to be issued, without pre-emptive subscription rights, to qualified investors or to a restricted circle of investors as provided for in Article L.411-2, II of the French Monetary and Financial Code (except during an offer period)

<table>
<thead>
<tr>
<th>Authorization</th>
<th>Resolution number</th>
<th>Term of authorization</th>
<th>Conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital increase via private placement without pre-emptive</td>
<td>Outstanding</td>
<td>26 months</td>
<td>Maximum nominal amount: €50 million</td>
</tr>
<tr>
<td>subscription rights (except during public offers)</td>
<td>(April 2017)</td>
<td>(June 2019)</td>
<td></td>
</tr>
<tr>
<td>15th resolution</td>
<td>As of April 24,</td>
<td>26 months</td>
<td>Maximum nominal amount: €50 million</td>
</tr>
<tr>
<td></td>
<td>2019</td>
<td>(June 2021)</td>
<td></td>
</tr>
</tbody>
</table>
Authorization to the Board of Directors to set the issue price of ordinary shares and/or securities giving access to the share capital under certain terms and conditions, limited to 5% of the share capital per year, in the context of an increase in capital by issuing shares without pre-emptive subscription rights

<table>
<thead>
<tr>
<th>Authorization</th>
<th>Resolution number</th>
<th>Term of authorization</th>
<th>Conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorization to set the issue price of shares, in the context of an increase in capital by issuing shares without pre-emptive subscription rights</td>
<td>Outstanding (April 2017)</td>
<td>26 months (June 2019)</td>
<td>Maximum nominal amount: €25.3 million</td>
</tr>
<tr>
<td>16th resolution As of April 24, 2019</td>
<td>26 months (June 2021)</td>
<td></td>
<td>Maximum nominal amount: €25.3 million</td>
</tr>
</tbody>
</table>
SEVENTEENTH RESOLUTION
(acting as an Extraordinary Meeting)

Delegation of authority to the Board of Directors to increase the number of ordinary shares or securities to be issued in the event of a share capital increase with or without pre-emptive subscription rights limited to 15% of the initial issue undertaken pursuant to the 12th, 14th and 15th resolutions

<table>
<thead>
<tr>
<th>Authorization</th>
<th>Resolution number</th>
<th>Term of authorization</th>
<th>Conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase the number of securities to be issued in case of excess demand</td>
<td>Outstanding (April 2017)</td>
<td>26 months (June 2019)</td>
<td>15% of the initial amount</td>
</tr>
<tr>
<td></td>
<td>17th resolution As of April 24, 2019</td>
<td>26 months (June 2021)</td>
<td>15% of the initial amount</td>
</tr>
</tbody>
</table>
Delegation of powers to the Board of Directors to issue ordinary shares and/or securities giving access to the Company’s share capital in payment for in-kind contributions granted to the Company comprising shares in the Company or securities giving access to the share capital, limited to 10% of the share capital (except during an offer period)

<table>
<thead>
<tr>
<th>Authorization</th>
<th>Resolution number</th>
<th>Term of authorization</th>
<th>Conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital increase through contribution of share-equivalents (except during public offers)</td>
<td>Outstanding (April 2017)</td>
<td>26 months (June 2019)</td>
<td>Maximum nominal amount: €50.5 million</td>
</tr>
<tr>
<td>18th resolution As of April 24, 2019</td>
<td>26 months (June 2021)</td>
<td>Maximum nominal amount: €50.5 million</td>
<td></td>
</tr>
</tbody>
</table>
Delegation of authority to the Board of Directors to decide to increase the share capital by issuing ordinary shares or other securities giving access to the share capital reserved for employees or former employees who are members of one or more employee savings plan(s), without pre-emptive subscription rights.

<table>
<thead>
<tr>
<th>Authorization</th>
<th>Resolution number</th>
<th>Term of authorization</th>
<th>Conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital increase reserved to the Company Employee Saving schemes employees</td>
<td>Outstanding (April 2017)</td>
<td>26 months (June 2019)</td>
<td>Maximum nominal amount: €5.05 million</td>
</tr>
<tr>
<td>19th resolution As of April 24, 2019</td>
<td>26 months (June 2021)</td>
<td>Maximum nominal amount: €5.05 million</td>
<td></td>
</tr>
</tbody>
</table>
TWENTIETH RESOLUTION
(acting as an Extraordinary Meeting)

Amendment of the provisions of the Articles of Association relating to shareholder notifications

Derogation to the prescriptions of the French Commercial Code:
- Threshold of 2% or any multiple thereof
- Notification no later than 15 days
TWENTY-FIRST RESOLUTION
(acting as an Ordinary Meeting)

Powers for formalities
Empowering Imagination