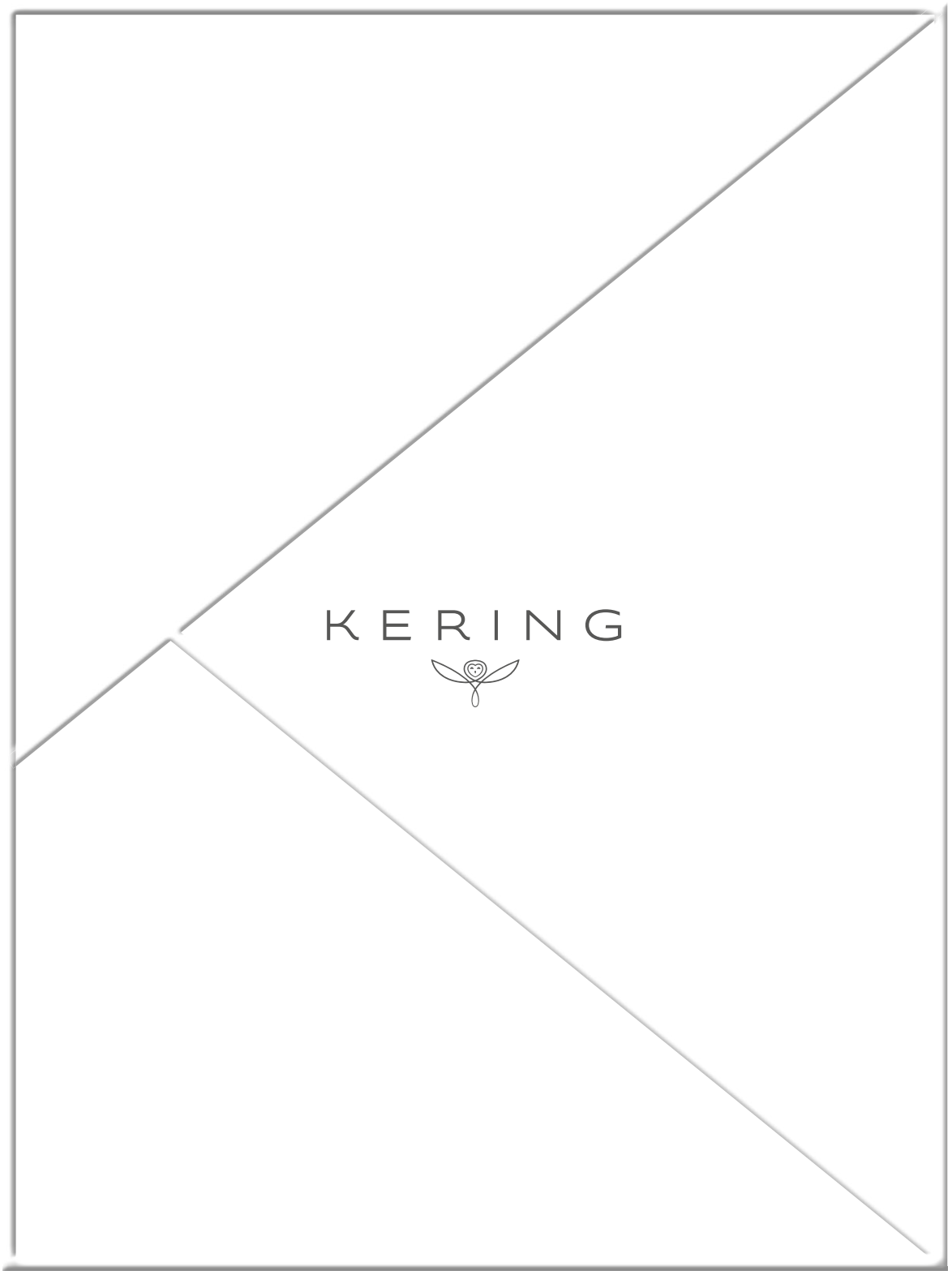


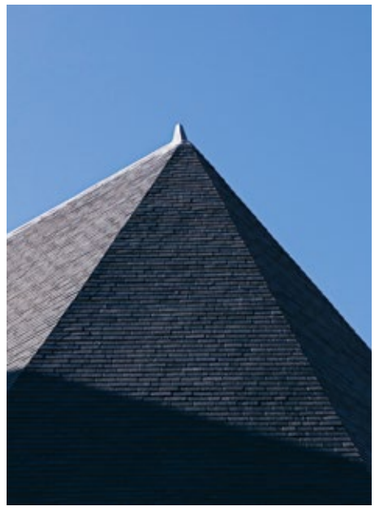
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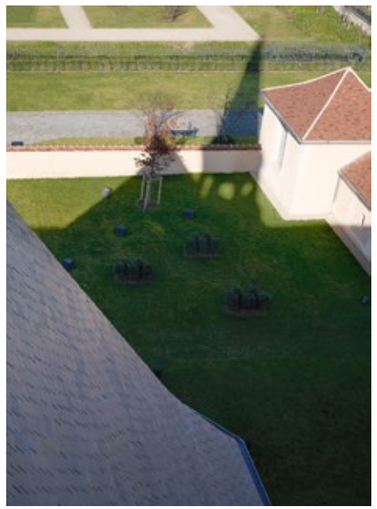

KERING
52. PARIS — Hôpital Laennec
G. B. R. R.

KERING

40
rue de Sèvres
Paris 7e

In moving to the former Laennec hospital at 40 rue de Sèvres, Kering has chosen a location on Paris's Left Bank in a neighbourhood with an exceptional cultural and artistic heritage that is also imbued with a rich history of fashion and luxury. The Group decided to take possession of one of the capital city's architectural jewels, lending it a new lease on life whilst respecting the original ethos of the site and its long, rich history.
This encounter has resulted in an elegant and atypical place that has become a source of inspiration for all with its simple beauty.
It is here that Kering is opening a new chapter of a luxury Group in motion that is both audacious and free to make its own choices.





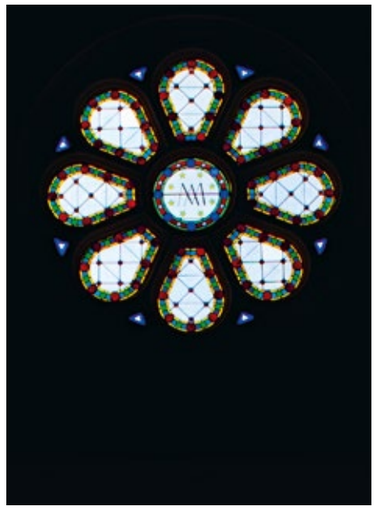






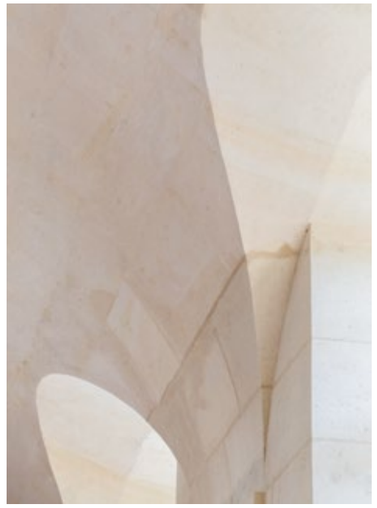


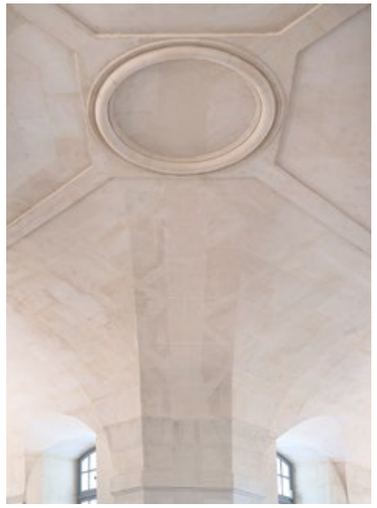


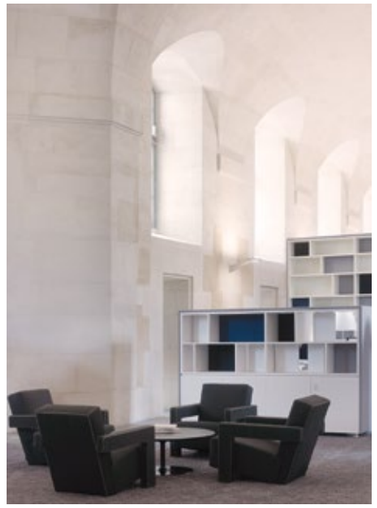




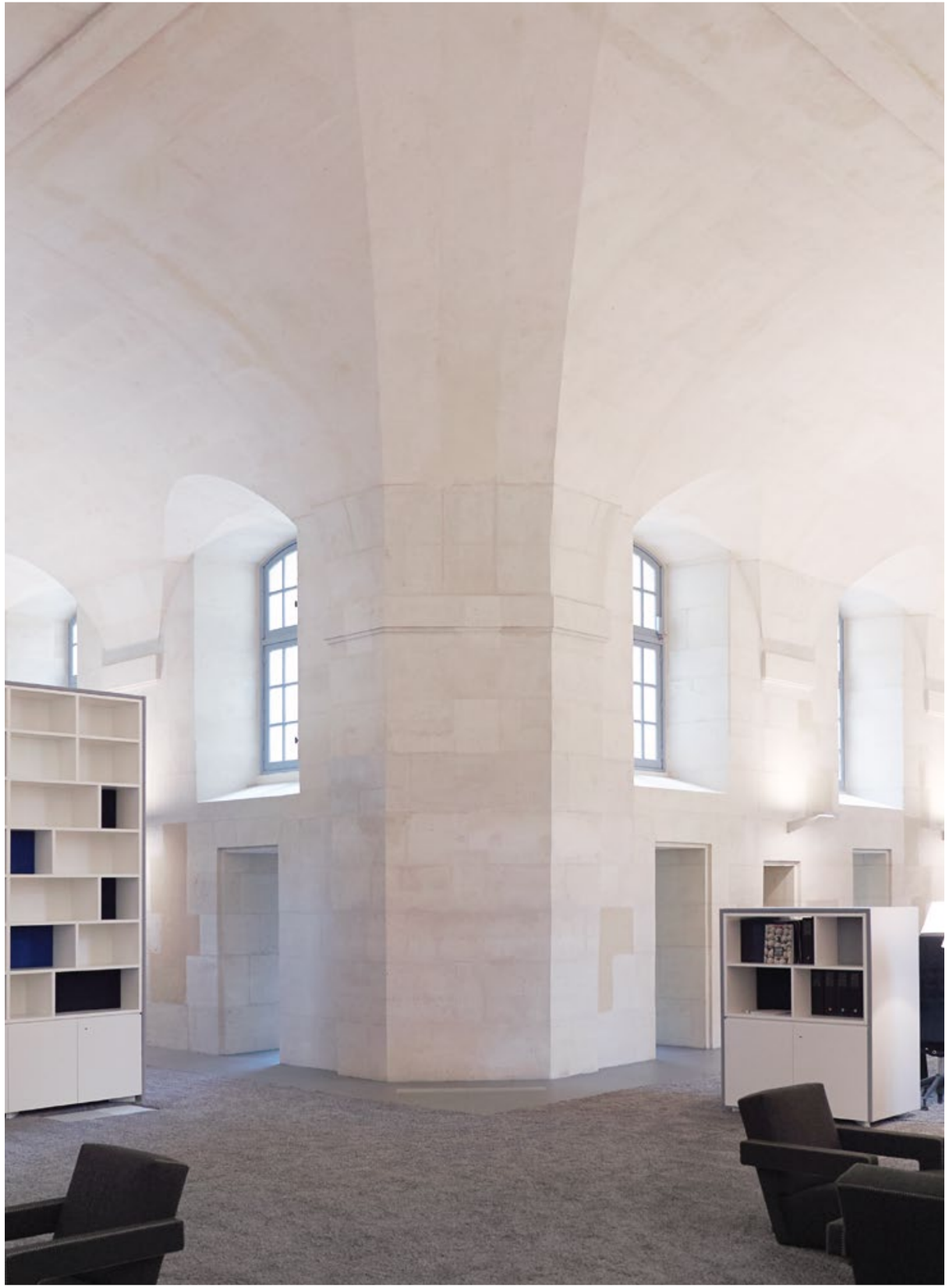




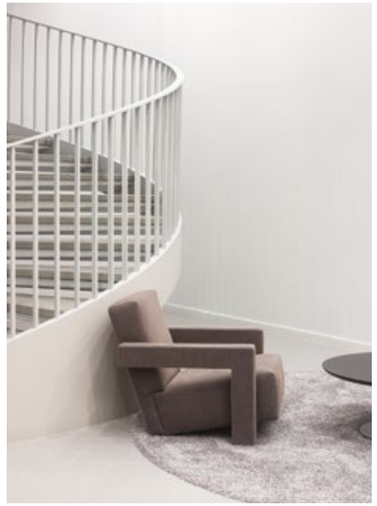






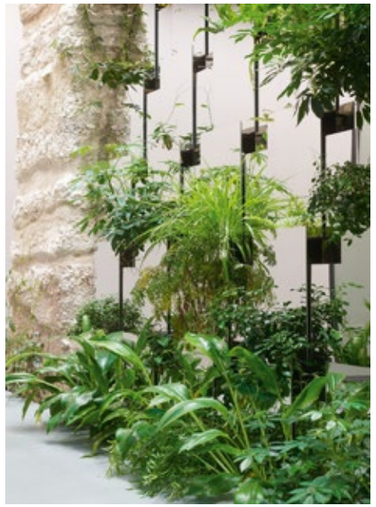












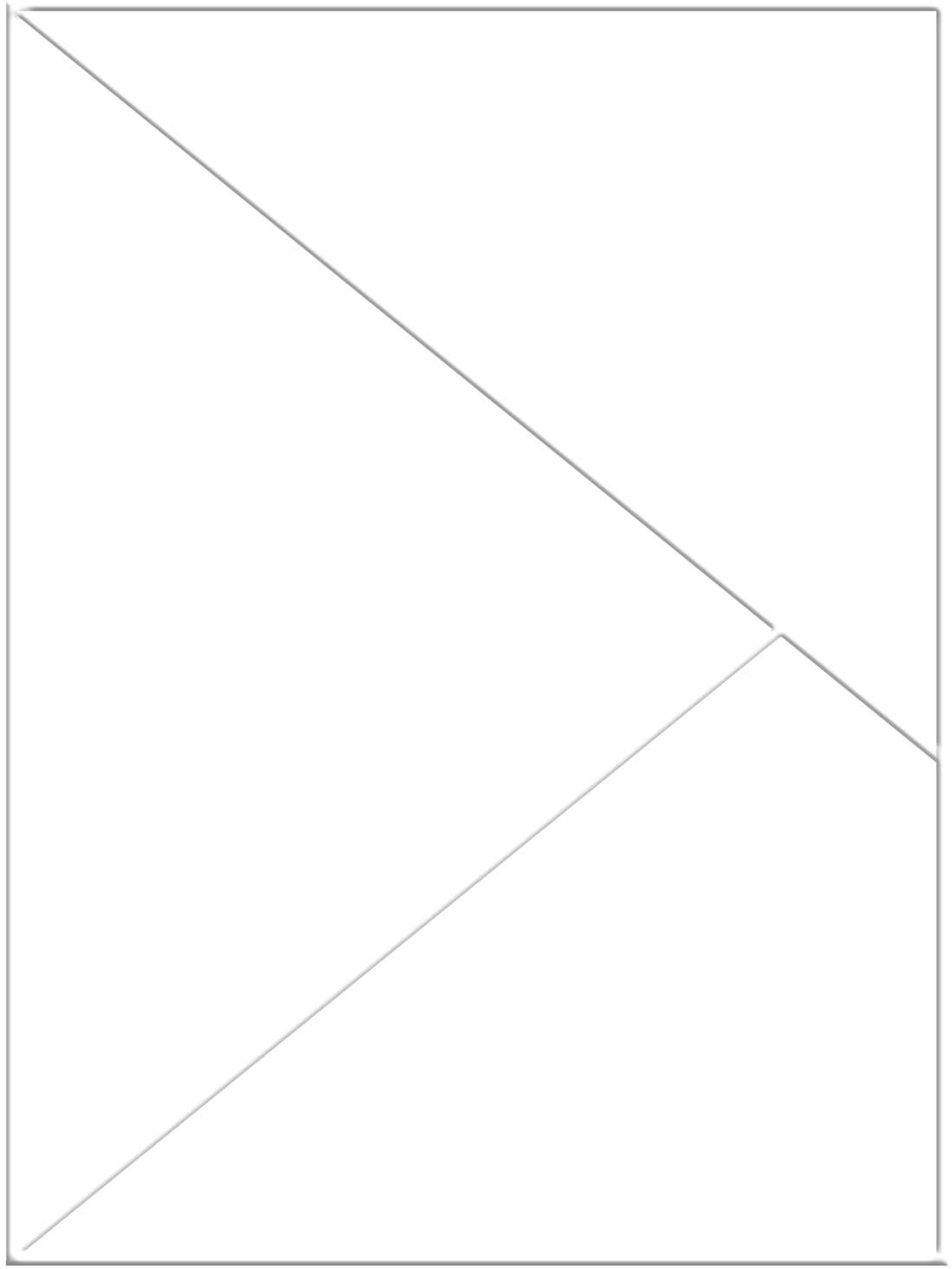
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Our bold and modern vision of Luxury is based on strong creative content, built upon year after year, by combining continuity, innovation and design quality.

Message from
François-Henri Pinault
Chairman and CEO

In a sector undergoing far-reaching transformation, our foresight, our bold and modern vision of Luxury, and the quality of our execution have enabled us to outperform our peers and deliver outstanding operational and financial results in 2016. Despite the Luxury industry's rather moderate growth context, our revenue increased by over 8% to reach 12.4 billion euros, and our recurring operating income rose nearly 15% to 1.9 billion euros. At the end of the year, when the industry was starting to show more promise, Kering recorded particularly strong growth.

Luxury has experienced a global expansion and continues to benefit from favourable demographic factors, as well as the emergence of new consumer categories. In this context, both established luxury Houses and younger brands that benefit from the support of major groups enjoy undeniable competitive advantages. However, I am convinced that a brand's historical pedigree and critical mass are no longer sufficient. Our customers are changing. They are younger, permanently connected to the web, have access to infinite amounts of information when making their purchasing choices, and are engaged in an ongoing search for meaning. To attract and keep these customers, we must offer them an incomparable experience.

Our concept of Luxury is intimately bound up with the ability of our products to create desire and, beyond the products themselves, the aptitude of our Maisons to inspire dreams and to communicate the authenticity and sincerity of their values and the story that they tell. Our vision of Luxury is based on strong creative content, built upon year after year, by combining continuity, innovation and design quality. Because we firmly believe that the power and sincerity of their creative content help our brands to distinguish themselves and win market share, we place creativity at the core of everything we do.

The creative directors of each of the Group's brands all champion this bold approach. Through their personalities and creative talent, they embody the DNA of their respective Houses. Thanks to their ability to make sense of the world around us and anticipate changes, they offer our customers the chance to explore unknown realms that cannot be accessed elsewhere. They design

Convinced of the quality of our assets and the relevance of our strategy, we will readily introduce innovative initiatives that differentiate us and generate value.

each of their collections as a new chapter in one great, ongoing story. But creativity is nothing without exceptional execution: the harmonious blend of a creative team, with a managerial team that is responsible for conveying their vision to our customers is key. This model reduces our dependence on market trends, as demonstrated brilliantly in 2016 by Saint Laurent and Gucci.

2016 has, once again, confirmed the effectiveness of our multi-brand model, which ensures that we capture the full potential of the Luxury market. Our brands complement each other, which enables us to alleviate the short-term effects from the longer-term goals we want to implement in some of our Houses.

Organic growth – in other words, an increase in same-store revenue – remains a priority. I am convinced that all of our brands, above and beyond their recent success, can still tap into vast reserves of organic growth, which will continue to flourish as part of an increasingly significant digital economy, thanks to our omnichannel approach. The Group's ability to create value beyond what any one of our brands could individually deliver is also central to our strategy. In 2016, a more effective and better integrated Kering group was able to significantly improve its return on capital employed and generation of free cash flow.

Finally, beyond our economic performance, we are more aware than ever of our impact on society and the planet. Sustainable development is already built into all of our businesses. It constitutes a core principle of our Group culture, thus forging strong links with new generations of employees and customers. In early 2017, we announced new and ambitious social and environmental goals for 2025. Our commitments in this respect already place us significantly ahead of the competition, but our aim is to take this even further, by openly sharing our advances in order to inspire the entire industry to do the same.

Thanks to the agility of the Group and each of its Maisons, we are confident in the successful execution of our roadmaps. Convinced of the quality of our assets and the relevance of our strategy, we readily introduce innovative initiatives that differentiate us and generate value. The teams at both brand and Group level are delivering exceptional work, which we are determined to accentuate through impeccable execution. In a climate full of geopolitical and macro-economic uncertainties, we remain mindful of the changes in our environment, and we will adapt whenever the circumstances require. We will keep concentrating on the organic growth of our Houses and on value creation, so as to increase our current momentum.

We will keep concentrating on the organic growth of our Houses and on value creation, so as to increase our current momentum.

Our achievements in 2016 inspire great pride among our 40,000 colleagues worldwide to whom I am deeply grateful.

I am certain that these wonderful results are just the beginning!



François-Henri Pinault
Chairman and CEO



Jean-François Palus
Group Managing Director



Jean-Philippe Bailly
Chief Operating Officer



Francesca Bellettini
President and CEO, Yves Saint Laurent



Albert Bensoussan
CEO of the Luxury — Watches
and Jewellery division



Carlo Alberto Beretta
Chief Client and Marketing Officer



Marco Bizzarri
President and CEO, Gucci



Marie-Claire Daveu
Chief Sustainability Officer
and Head of International Institutional Affairs



Jean-Marc Duplaix
Chief Financial Officer



Bjørn Gulden
CEO, Puma



Béatrice Lazat
Senior Vice President
Human Resources



Roberto Vedovotto
CEO, Kering Eyewear



Valérie Duport
Senior Vice President
Communications and Image



Claus-Dietrich Lahrs
President and CEO, Bottega Veneta

Executive Committee
As of 24 March 2017

January
Published to coincide with the Davos World Economic Forum, the Corporate Knights Global 100 index ranks Kering as one of the world's 100 most sustainable corporations. It is the only luxury group to feature in the index.





March
Three appointments are announced during this quarter: Jean-Philippe Bailly becomes Kering's Chief Operating Officer, heading up a new division that encompasses the Group's Supply Chain, Logistics and Industrial Operations which was implemented on 1 January 2016. Béatrice Lazat joins Kering as the Group's Senior Vice President of Human Resources. Valérie Duport is appointed Kering's Senior Vice President of Communications and Image. All three of them also become members of the Executive Committee.

March
Volcom sells the brand Electric via a management buyout (MBO) to a group led by Eric Crane, Electric's CEO.

May
As part of the Women in Motion programme in partnership with the Festival de Cannes, Susan Sarandon and Geena Davis receive the "Women in Motion" award for their contribution to promoting the place of women in film. Speakers at the Talks held during this second edition include Jodie Foster, Juliette Binoche and Chloë Sevigny.

May
True to its commitment to transparency and four years after it set a series of sustainable development objectives for 2016, Kering publishes a report outlining its progress and results. Kering's new 2025 sustainable development strategy is announced on 25 January 2017.

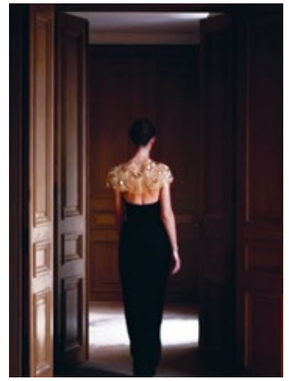








June
For the first time in its thousand year history, Westminster Abbey hosts a fashion house when Gucci presents its Cruise 2017 collection fashion show at this historic location.



July
Boucheron presents its new *26 Vendôme* collection in the salons of the House's historic boutique in the former Hôtel de Nocé on Place Vendôme. The Boucheron salons, and the entire private mansion, will be refurbished to mark the brand's 160th anniversary in 2018.



August
Half-year results confirm a return to improved margins for Puma. Several days later, Usain Bolt, Puma's iconic ambassador, achieves a historic feat at the Olympic Games in Rio: the "triple-triple". He is the only athlete in the history of the Olympics to have won three gold medals during three consecutive Olympic Games.







September
During the European Heritage Days, 11,000 visitors discover or rediscover the former Laennec hospital in Paris, now home to Kering's head office. In the chapel, the *Echos* exhibition presents a selection of contemporary artwork from the Pinault Collection, while a selection of haute couture dresses from Balenciaga's archives are displayed on the House's new premises.





September
To celebrate a double anniversary — the 50 years of the Maison and 15 years with Tomas Maier as Artistic Director — Bottega Veneta stages a special fashion show in a prestigious location: l'*Accademia di Belle Arti di Brera* in Milan.

September
Kering is listed as one of the top 25 companies in the Diversity & Inclusion (D&I) Index released by Thomson Reuters. Ranked 22nd out of a total of 4,255 publicly listed companies worldwide, it is the highest-ranking luxury company.







September
During the Spring/Summer 2017 Paris Fashion Week, Anthony Vaccarello presents his first collection for Saint Laurent, in the House's future head office on rue de Bellechasse.

September
Claus-Dietrich Lahrs becomes CEO of Bottega Veneta and Carlo Alberto Beretta is appointed to the newly created position of Chief Client & Marketing Officer, Kering. Both are members of the Group's Executive Committee.



October
For the 17th consecutive year, Gucci is once again rated as the world's most valuable Italian brand across all sectors in Interbrand's Best Global Brands Report 2016.

October
The Group's organic growth accelerates strongly in the 3rd quarter, with a 10.5% increase in revenue, fuelled by Luxury activities (+11.3%) and Sport & Lifestyle activities (+9.3%). With an exceptional 17% increase in revenue, Gucci's performance highlights the success of the creative reinvention that is being led by Alessandro Michele.

November
Three men, three ambassadors: French football player, Antoine Griezmann, American surfer, Kelly Slater, and Chinese actor, Yang Yang lend their image and voice to the 5th edition of the annual White Ribbon for Women campaign. Shared online and in stores, this campaign, designed to enhance awareness and foster commitment, encourages men to speak out and break the silence that surrounds violence against women.











December
The Fashion Awards 2016, organised by the British Fashion Council, recognise Gucci (Alessandro Michele, International Accessories Designer of the Year and Marco Bizzarri, International Business Leader of the Year), Balenciaga (Demna Gvasalia, International Ready-to-Wear Designer of the Year) and Alexander McQueen (British Brand of the Year).



December
Kering's new global parental leave policy enables 40,000 employees worldwide to enjoy the same minimum level of maternity, paternity and adoption leave at full salary.

Boldness has always been a core value at Kering. A humane, family-led Group with an entrepreneurial spirit, Kering promotes an ever-evolving sense of luxury based on strong creative content that transcends eras and borders with exceptional products. The creations of its brands are both authentic and designed to last. They enable customers around the world to express their personalities with refinement, and to live out their dreams. What truly distinguishes the Group is the creative risk-taking that lies at the heart of Kering's strategy.

Kering provides its brands with the conditions and resources they need to continually reinvent modern and audacious luxury.

The Group's brands design, manufacture, distribute and sell unique products, born of the talent of exceptional designers and the expertise of devoted artisans. Kering provides its brands with the conditions and resources they need to continually reinvent modern, audacious, luxury: strong artistic direction with plenty of room to manoeuvre, the best creative talent, the most noble and sustainable raw materials, a stimulating working environment and a keen sense of environmental and social responsibility.

The Group also provides its brands with the benefits of an integrated value chain each and every day. It ensures the reliability and quality of their raw material supplies. Its distribution network guarantees the availability of products in over a thousand stores around the world. Its expertise and agility help each brand constantly adapt its network to market evolution and the expectations of international customers. Finally, the Group contributes its expertise in all aspects of the customer experience, from the digital to the physical, and in the way brands communicate with their clients.

Kering's luxury activities encompass Maisons, manufacturers and brands with a strong identity and a unique heritage. The Couture & Leather Goods division is home to long-established brands, Gucci, Bottega Veneta and Yves Saint Laurent, as well as those whose potential is still blossoming, Alexander McQueen, Balenciaga, Brioni, Christopher Kane and Stella McCartney. The Watches & Jewellery division includes jewellers with a unique heritage and identity, Boucheron, Pomellato, Dodo and Qeelin, as well as historic watchmakers Girard-Perregaux and Ulysse Nardin. Finally, Kering's Sport & Lifestyle division incorporates two strong and distinctive brands: Puma and Volcom.

In a structurally promising sector, Kering's business strategy is based on a balanced approach: the organic growth of its brand portfolio and the creation of value across the entire Group, with social and environmental responsibilities residing at the heart of its decisions.

The Group's global presence, the highly diverse creative propositions of its brands and the resilience of its business model all provide a buffer against the economic vicissitudes that can impact its markets.

Since Kering was founded in 1963, the Group has been constantly transforming, inspired by an enterprising spirit and an unrelenting quest for growth and value creation.

As a Luxury group, Kering is now structured around a coherent and complementary collection of brands that speak to two universal urges: our desire to dream and our need for self-expression. The Luxury sector in which Kering operates is characterised by long-term structural growth.

The Group's global presence, the highly diverse creative propositions of its brands and the resilience of its business model all provide a buffer against the economic vicissitudes that can impact its markets.

Kering's vision of Luxury is based on four strategic goals:

The first is building and developing a collection of powerful and complementary brands. Adopting a multibrand model has enabled the Group to exploit the full potential of the Luxury market and to set its entire brand portfolio on the path to long-term growth. Each brand boasts a distinctive identity, particular know-how, specific positioning and strong development potential. Collectively, they form a coherent and complementary whole, particularly in terms of market segments, stages of maturity and geographical roots. This whole is characterised, not by a competitive spirit but rather, by an ability to identify and implement synergies. The complementary nature of its brands makes Kering a balanced and stable Group.

The Group's second goal focuses on prioritising organic growth. In a market where demand is growing at a slower pace than in the past, increasing same-store sales is one of the keys to developing the Group's brands. Improving the in-store customer experience is a deciding factor in this process. The organic growth of the brands is also being enhanced by the growing role of

Determined to embrace an omnichannel approach, our brands will continue to meet the changing expectations of our customers, while enhancing their satisfaction and earning their loyalty.

Improvements in the efficiency of the Group's structures and enhanced integration significantly bolstered its performance in 2016.

e-commerce, based on a genuine omnichannel approach. With a new generation of digital and mobile customers, the success of Luxury brands is more dependent than ever on their ability to provide an exceptional, fluid and coherent retail experience across all distribution channels, and to maintain a direct special relationship with customers. E-commerce sites lie at the very heart of this issue. In 2016, online sales by Kering's Luxury brands increased by 22%. Traffic and performance indicators across our brands' sites also increased significantly. Determined to embrace this omnichannel approach, our brands will continue to meet the changing expectations of our customers, while enhancing their satisfaction and loyalty.

Kering's third strategic goal is to create value across the Group. Improvements to the efficiency of the Group's structures and enhanced integration significantly bolstered its performance in 2016. Besides the common pool of services Kering provides to its Luxury brands, such as property, e-commerce, indirect purchasing, intellectual property, strategic marketing and media purchasing, a new division set up on 1 January 2016 oversees the Supply Chain, Logistics and Industrial Operations. These activities include, notably, the tanneries acquired by the Group in recent years with a view to securing our supply of raw materials, as well as the logistics of the Couture & Leather Goods brands and the prototyping of ready-to-wear, all of which have long been pooled.

The 2015 launch of Kering Eyewear, a strategic initiative designed to develop in-house eyewear expertise, is another example of the Group's progress in integration. The growth prospects are considerable in a global market in which the high-end segment is experiencing double-digit growth. The innovative internal management model put in place with Kering Eyewear enables the Group to exploit the full growth potential of its brands in this category. The Group manages the entire value chain – from product design to manufacturing and distribution – in line with the goals of its brands,

Following in the footsteps of Saint Laurent, Alexander McQueen and Stella McCartney, Gucci launched its eyewear collection with Kering Eyewear in 2016. Based in Padua, Italy, Kering Eyewear houses its designers and prototyping workshop under one roof. This new entity launched by Kering in 2015 enables the Group and its brands to control the quality of its models from start to finish in line with the creative identity of each brand. In 2016, Pomellato drew on this expertise to launch its first collection of frames and sunglasses.

Kering has built its success on pioneering commitments, persuaded that the demands of the Luxury sector — preserving artisanal expertise, the highest quality standards and creative innovation — are fully compatible with more sustainable approaches.

which gain in visibility and market penetration while maintaining control of the integrity and consistency of their eyewear range.
Since its creation, Kering Eyewear has successfully marketed 12 of the Group's brands. The pertinence of this strategic choice has been vindicated not only by this success, but also by recent developments that have fundamentally altered the eyewear sector.

The Group's fourth strategic goal focuses on environmental and social issues.
Kering's progress in this respect is based on the conviction that sustainability can be a source of value creation for the Group. In the medium to long term, it can offer a competitive advantage: new opportunities for commercial development, innovation and often cost reduction. It is also a motivating factor for employees, helping us to attract and retain talented people.

Kering has built its credibility on pioneering commitments, persuaded that the demands of the Luxury sector — preserving artisanal craftsmanship, the highest quality standards and creative innovation — are fully compatible with more sustainable approaches. The Group's 2012 adoption of a series of ambitious targets for 2016 set a wave of progress in motion across all of its brands. These objectives included reductions in CO_2 emissions, water consumption and waste production, as well as the progressive elimination of hazardous chemicals and improved control of key suppliers. Kering decided not to confine these changes to its own immediate operations, but to apply them to its entire supply chains, especially those related to its strategic raw materials (cotton, leather, precious skins, wool, etc.) in order to genuinely assess its true overall impact on the environment. The Group's ability to measure and manage its environmental performance has been facilitated by the Environmental Profit & Loss Account (EP&L), which gives a monetary value to each individual impact, making them easier to identify and address.

In early 2017, Kering embarked on a new phase in its sustainable development strategy. The Group has developed a ten-year vision designed to reduce its environmental impact, increase wellbeing at work and protect its employees and contractors. It also encourages pioneering initiatives and innovative platforms that are geared towards sustainable development. Kering is thus embracing the movement in favour of a low-carbon economy, and is helping to define the future of a sustainable Luxury that respects planetary limits based on the sustainable development objectives of the United Nations. Building on its past experiences, the Group has expanded its ambitions to better encompass the current and future issues facing the sector, and has set new objectives for 2025. These are built around three thematic imperatives: CARE for the planet, COLLABORATE with people and CREATE new business models.

Kering's progress in terms of its targets was addressed in a report published in 2016. Its conclusions led to the drafting of a new chapter in the sustainability strategy targeting 2025, announced on 25 January 2017. Its objectives are structured around three pillars: "Care", which concerns the environment, "Collaborate", which regards social topics and "Create", which deals with innovation.

Ensuring the social dimension of sustainable development is included in Kering's long-term vision has resulted in a unique and ambitious approach to human resources. In an environment where creativity and the ability to imbue desirability and inspire dreams are essential, Kering strives to attract the widest variety of talented individuals and to recognise the contribution of every single employee by nurturing their sense of fulfilment. Creating a welcoming, pleasant and stimulating environment also means encouraging diversity, improving gender equality and being attentive to issues of work-life balance. In 2016, with women making up 51% of its managers, 29% of the Executive Committee and 64% of the Board of Directors, Kering is positioned as a leader in gender parity among companies in the French CAC 40.

In 2016, the Group launched a major new standardised parental leave policy for its 40,000 employees worldwide leave.

More broadly, the Group's signature, "Empowering imagination", is embodied by a managerial culture based on the importance of behaviour rather than abstract ideas. Kering's managers and their teams share a number of qualities, including resilience in a highly competitive environment, the desire to protect the Group's brands and boldness in continually pushing back the limits. The autonomy and trust placed in the Group's employees by its leaders contribute to creating a distinctive Kering "style" and attracting the most talented people, particularly from among the younger generation in search of responsibility and opportunity.

In 2016, Kering was featured among the top 25 companies on the Thomson Reuters Diversity & Inclusion (D&I) Index. Ranked 22nd among 4,255 international listed companies, it was the highest placed Luxury group. This ranking reflected the Group's long-term commitment to promoting diversity as a lever of economic performance and creativity. Kering, which strives to promote gender equality in particular, was also awarded the GEEIS (Gender Equality European & International Standard) label in 2016.

The Group's new global parental leave policy, which took effect on 1 January 2017, is designed to guarantee a stable and inclusive working environment for all of the Group's employees. Regardless of their personal situation, geographic location or role within the Group, all employees now benefit from the same minimum maternity or adoption leave (14 weeks on full pay) or paternity or partner leave (5 days on full pay). In many regions, this policy, which applies to over 40,000 staff in over 60 countries, represents major progress in relation to local legislation.

This shared culture starts the moment a new employee arrives, and is nurtured throughout their professional career with cross-functional learning and development opportunities. In early 2017, Kering gave the employees of all its brands access to a unique e-learning platform offering both shared core content and modules designed specifically for each brand. Building bridges between the Group's various entities based on topics of mutual interest and sharing best practices across project teams promotes a spirit of openness.

Kering's drive to invent modern Luxury and develop a long-term vision strengthens the Group's ambition to attract talented, exceptional people and to become a "preferred employer" with a work place where people can be creative and fulfilled.

Audacity, agility, sincerity: Kering is building an open-minded Group that respects people and the environment, while driving forward the future of Luxury.





In choosing to combat a scourge that transcends borders and social classes, the Kering Foundation expresses its solidarity with female victims of violence and strives to help break the code of silence.





Two main partners in the United States
Every 9 seconds, a woman is assaulted in the United States. The Kering Foundation now has two new partners to help raise awareness of this issue among Group employees in the U.S.: the National Alliance to End Sexual Violence and the National Network to End Domestic Violence. Together, the three organisations have designed a training programme for 1,200 employees attached to either Kering or its luxury brands in the United States.

Combating domestic violence in Hong Kong
In 2016, the Kering Foundation entered into a three-year partnership with the HER Fund, an NGO founded by a women's group in Hong Kong in 2004. Through the HER Fund, the Kering Foundation will provide financial assistance to innovative projects run by associations in Hong Kong that defend women's rights and, as a result, help combat domestic violence and empower marginalised women. The HER Fund runs workshops and training sessions within each of these associations to ensure that projects are delivered effectively.

Over 1.1 billion people were potentially reached by the White Ribbon for Women campaign via the hashtag #BeHerVoice

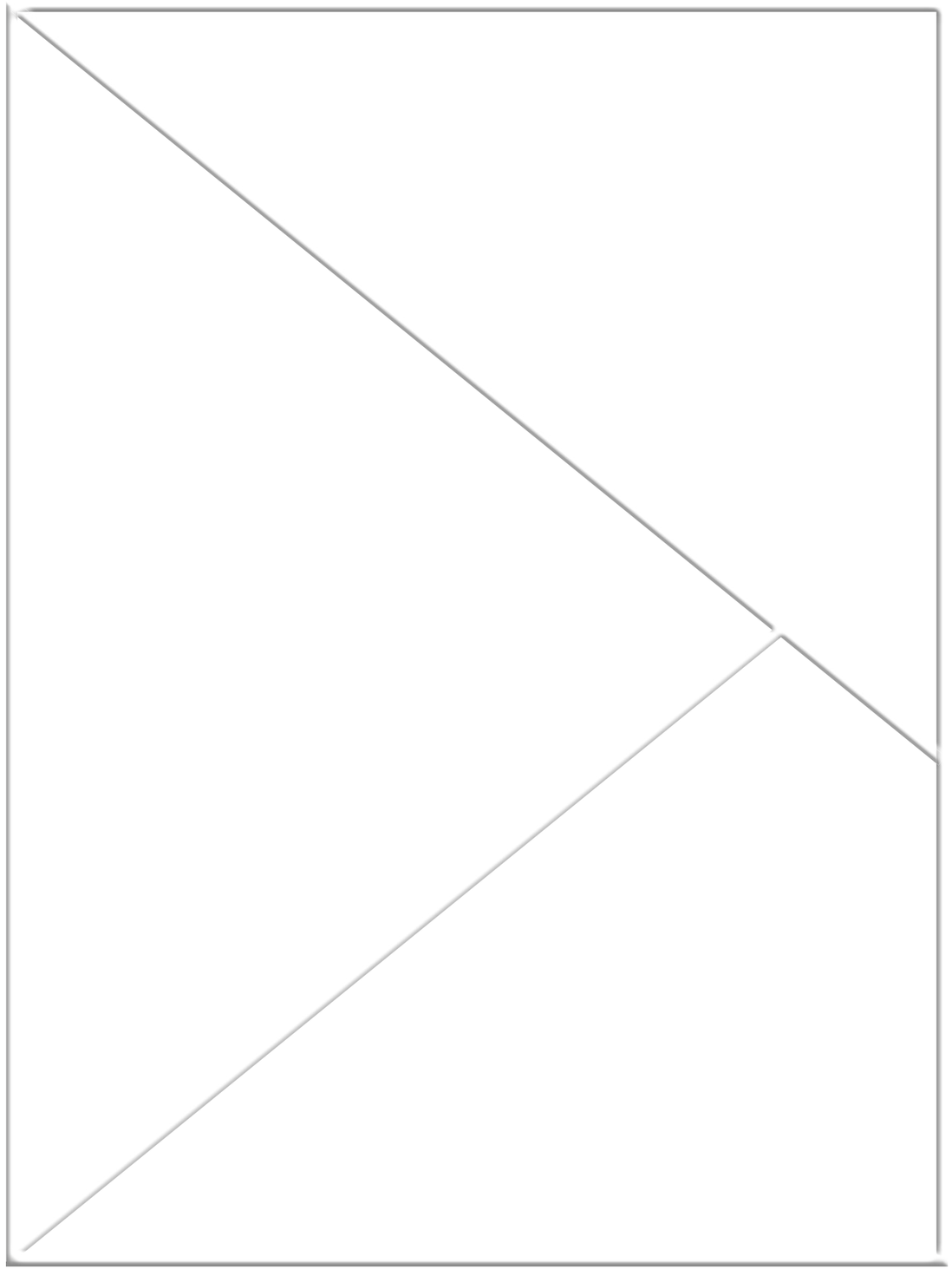
The majority of Kering's employees around the world, and around 80% of its brands' customers, are women. Since the Kering corporate Foundation was launched in 2009, it has focused on one cause: combating violence against women.
It is estimated that one in three women worldwide will be a victim of violence in their lifetime. In the United States, one in every five female students suffer sexual assault during their university studies, while 25 to 30% of Chinese women are subject to domestic violence in their lifetime. At least 500,000 women and girls living in Europe have been subjected to Female Genital Mutilation and around 180,000 are at risk of this practice.

Acting and informing
The Kering Foundation is active in three main regions and focuses its action on one main issue in each of these regions in order to enhance its impact: sexual violence in the Americas, harmful traditional practices in western Europe, and domestic violence in Asia. It operates in these different regions by supporting a small and carefully selected number of partner NGOs as well as social entrepreneurship initiatives that focus on protecting and emancipating women who are victims of violence. It also organises or supports global awareness campaigns each year.

A facility for women in France
In Seine Saint-Denis, France, the Kering Foundation supported the creation of a "Maison des Femmes" (Home for women) that opened in July 2016, two years after the project was launched. This unique and multidisciplinary facility provides support to vulnerable women and was instigated by Dr Ghada Hatem-Gantzer, Head of Obstetrics and Gynaecology at Delafontaine Hospital in Saint-Denis. This establishment is the first reception centre in France to offer a coordinated and complete care programme in one place. It provides family planning services, a shelter for women who are victims of violence and a reconstructive surgery unit for women who have suffered genital mutilation.

Women's stories, men's voices
It is also vital for men to speak out about violence against women. This year, three male ambassadors — French footballer, Antoine Griezmann, American surfer, Kelly Slater and Chinese actor, Yang Yang — proudly wore a white ribbon for the 5th edition of the annual White Ribbon for Women campaign. Using the hashtag #BeHerVoice, they delivered testimonials from women who were victims of violence, women supported by the Kering Foundation to encourage everyone to speak out and break the silence. Additionally, 230,000 White Ribbon for Women brooches and stickers designed by Stella McCartney, a member of the Kering Foundation's Board of Directors, were distributed in 51 countries and in over 800 stores belonging to the Group's luxury brands.





Gucci
Bottega Veneta
Saint Laurent
Balenciaga
Alexander McQueen
Stella McCartney
Christopher Kane
Brioni
Boucheron
Pomellato
Dodo
Qeelin
Girard-Perregaux
Ulysse Nardin
Puma
Volcom



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Gucci's digital innovation is one of the House's strategic pillars. This was recognised in 2016 when it was ranked number one in the L2 Fashion Digital IQ Index. Online sales recorded substantial growth, driven by the roll-out of the new gucci.com website, the launch of innovative partnerships helping to bring the brand's vision to life and an inventive approach to social media.

GUCCI

Gucci is a leading Italian name in the world of luxury goods that has extensive influence through its innovative collections and ground-breaking creativity. In 2015, Gucci opened a new chapter in its history under the leadership of Creative Director Alessandro Michele, with the introduction of a new creative vision that pairs a distinctly contemporary approach with the House's traditional codes. Eclectic, romantic and resolutely of the moment, Gucci is currently inventing a new approach to fashion with a view to redefining the concept of luxury for the 21st century.

Founded in Florence in 1921, Gucci is synonymous with Italian luxury and offers the perfect fusion of two core values: superior craftsmanship and creativity. To this day, the House continues to showcase the very best Italian craftsmanship.

Gucci's strategic vision, as expressed by its CEO Marco Bizzarri, is to create products that are in line with the world of today: more relevant and attractive for new consumers, particularly the younger generation. In terms of distribution, the brand's priority is to focus on existing stores, gradually aligning their aesthetic with Gucci's powerful new creative vision. The House's flagship store on Milan's Via Montenapoleone was completely refitted in 2016 to express a new look for retail, designed by Alessandro Michele.
In 2016, Gucci gained new market share thanks to the keen interest shown by both existing and new customers, particularly millennials. The success of the new creative vision is evident in the significant growth seen in the sales of new collections, a trend observed across all product categories since March 2016.

In leather goods, new pieces such as the *Marmont* and *Sylvie* ranges, which offer additional features and new colours each season, are set to become new icons for the brand. This status has already been achieved by the *Dionysus*, a handbag designed by Alessandro Michele that pairs the Gucci logo with floral or animal motifs. The bag features an instantly recognisable tiger-head clasp, taken from the House's archives. The Princetown slipper offers a reinterpretation of Gucci's iconic horsebit loafer. And the ready-to-wear collections continue to strengthen Gucci's position year-on-year, both in terms of its fashion authority and trendsetter status.

In 2016, Alessandro Michele received several accolades for his original, creative vision: the "International Award 2016" from the Council of Fashion Designers of America (CFDA); "Designer of the Year 2016" from British* GQ *magazine; and "International Accessories Designer of the Year 2016" for the second year in a row at the British Fashion Council's Fashion Awards.



The Bottega Veneta Atelier, housed in an 18th century architectural gem located in Montebello Vicentino, in the heart of the Veneto region of Italy, is the symbol of the House's craftsmanship and identity. Villa Schroeder-Da Porto was completely refurbished, a project completed in 2013 to meet the highest environmental standards and provide its artisans with an inspirational working environment. This site also houses La Scuola dei Maestri Pellettieri di Bottega Veneta, which is, and has been, devoted for over 10 years to perpetuating the artisanal mastery and training of the future generation of master leather craftsmen.

BOTTEGA VENETA

Founded in 1966 as a luxury leather goods brand, Bottega Veneta offers products that are entirely handcrafted by expert artisans with unique know-how. Its leather range is synonymous with the highest quality materials and meticulous attention to detail. Firmly rooted in the values of exceptional luxury, the brand never compromises on quality and offers an unparalleled level of service.

In September 2016, Bottega Veneta presented its Women's and Men's Spring Summer 2017 collections in a special fashion show at the historical Accademia di Belle Arti di Brera in Milan to celebrate the 50th anniversary of the House and the 15th anniversary of Tomas Maier at its creative helm.

Bottega Veneta handbags and leather goods are famous for the signature cross-hatched *intrecciato* pattern, which provides for understated yet elegant creations that are reinterpreted each season in different colours and materials. The brand has gradually extended its offer to include new product categories featuring timeless yet innovative designs and cutting-edge functionality. Over the years, Bottega Veneta has emerged with a unique Italian art de vivre philosophy, one that reflects its customers' aspirations while remaining rooted to its aesthetic codes. It now applies its historical motto "When your own initials are enough" to a full range of collections including women's and men's ready-to-wear, shoes, jewelry, furniture, fragrances, eyewear and accessories.

Bottega Veneta's strategy is designed to safeguard the core success factors that underpin the brand's distinctive and unique character, with the long-term vision of its Creative Director, ensuring the continuity and consistency of this identity.

In 2016 Bottega Veneta celebrated two milestones: the 50th anniversary of its foundation and 15 years under the creative direction of Tomas Maier.

Throughout this year the leather goods range was reinforced with a renewed offering in shapes, craftsmanship and functions of both *intrecciato* and plain leather products.

In addition, Bottega Veneta continued its boutique refurbishment programme to ensure the best customer purchasing experience. It opened its second Maison in Beverly Hills and a newly expanded store at Plaza 66 in Shanghai.



The House of Yves Saint Laurent's new Creative Director Anthony Vaccarello presented his first Women's ready-to-wear collection (Summer 2017) in September 2016, during Paris Fashion Week. The show was held in the former Penthemont Abbey on rue de Bellechasse in the 7th district, the future site of the Maison's head office.

SAINT LAURENT

Four new brand visual campaigns were launched throughout the year, showcasing an ambitious artistic vision that reaffirms the House's identity.

Founded in 1961, Yves Saint Laurent is one of the most prominent fashion houses of the 20th century. From its early days, the brand has had a considerable influence on trends in both fashion and the wider socio-cultural landscape. In 1966, it revolutionised modern fashion when it became the first Haute Couture house to offer luxury ready-to-wear under the name Saint Laurent *Rive Gauche*. This turning point shaped the identity of the Maison, which remains synonymous with youth, freedom and unequivocal modernity. Saint Laurent thus occupies a prominent place in the luxury sector, based on a strong identity and fashion codes that are both easily recognisable and resolutely contemporary.

Anthony Vaccarello was appointed Creative Director of the House in April 2016, unveiling contemporary designs, combining strong femininity and casual confidence while respecting the spirit and heritage of the House. Through a highly consistent strategy that links products, distribution and communication, the House of Yves Saint Laurent has established firm foundations that are helping to fuel its current development. This strategy is designed to pursue balanced growth between the different product categories and the various distribution networks. The House's growth is also being driven by a constant pursuit for exceptional customer service, particularly in stores, and by the unique desirability of Saint Laurent products, whether iconic or new.

2016 was another strong year for Saint Laurent under the leadership of CEO Francesca Bellettini. Growth was evenly spread between all product categories and distribution networks, and was fuelled by both the popularity of permanent collections and the successful launch of new products. Social media initiatives performed exceptionally well.



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Since being appointed Artistic Director of Balenciaga in October 2015, Demna Gvasalia has brought a new creative vision to the Maison and proven himself to be a master of modernity, gracing the Paris scene with a breath of fresh "street" air. His first 2016-2017 Autumn/Winter collection was universally acclaimed by critics and earned him the prestigious "International Ready-to-Wear Designer of the Year" accolade from the British Fashion Council.

BALENCIAGA

Exquisitely innovative fabrics, masterful cuts and techniques, simple and daring, since 1917 the Maison founded by Cristòbal Balenciaga has always occupied a special place in the world of fashion. Originally established in Spain, the Maison was established in Paris in 1937. The brand had a decisive influence on key fashion trends from the 1930s to the 1960s, and helped define a contemporary feminine silhouette. The Maison has experienced a revival since the late 1990s, expanding its reach beyond ready-to-wear with the launch of handbags, shoes and accessories.

With Demna Gvasalia as Artistic Director since October 2015, Balenciaga has continued to uphold this heritage and is experiencing a genuine creative renewal that is rooted in an innovative approach to techniques and masterful cuts. He has adopted the Maison's core values and developed them in line with changes in contemporary society. In so doing, Balenciaga has opened a new chapter in its history, restating its position as a leading name in the world of ready-to-wear.

To commemorate the Maison's centenary, the Palais Galliera is organising an exhibition entitled* Balenciaga, l'œuvre au noir *in celebration of Cristòbal Balenciaga at the Musée Bourdelle in Paris from 8 March to 6 July 2017.

Balenciaga continued to expand its network in 2016, opening stores notably in Germany, Hong Kong and Los Angeles. It also refurbished existing stores using the new brand concept and strengthened its presence in premium department stores. The very strong performance of balenciaga.com, its more than 1.2 million Facebook fans and its 3 million followers on Instagram testify to the brand's growing reputation.



In December 2016, Alexander McQueen was named “British Brand of the Year” by the British Fashion Council for its influence on the global fashion scene.

ALEXANDER McQUEEN

In 2017, Alexander McQueen and McQ will move into their new head office in the heart of Clerkenwell, London.

The House of Alexander McQueen is renowned for its boundless creativity and conceptual designs, and is a leading name in contemporary British fashion. Founded by Lee Alexander McQueen in 1992, the House was quick to establish a solid reputation. Following the sudden death of its founder in 2010, Sarah Burton, who had worked with Lee for over 14 years, successfully took over as the House’s Creative Director. A key element of the creative dynamic at Alexander McQueen is the juxtaposition of elements that form a sharp contrast: fragility and strength, tradition and modernity, dark and lightness. A profound respect for handcraft and the traditional arts is often a key inspiration for her collections, produced through a marriage of British tailoring with French Haute couture excellence and the flawless finishing of Italian production.

Sarah Burton’s collections include countless artisanal details and techniques, and demonstrate an extraordinary modernity that has met with widespread acclaim. Her creative direction, which lends a light, feminine touch to the House codes, has introduced a dynamic aesthetic that firmly anchors the brand in the present while building its future success.

Although the House’s main product categories are women’s ready-to-wear and leather goods, silks and menswear have also grown in popularity with a wide audience. Alexander McQueen also offers a bespoke tailoring service from its flagship men’s store located on Savile Row, the renowned tailors’ street in London. The launch of the McQueen Parfum and Eau de Parfum in 2016 was a huge success.

The House is currently expanding its McQ line. McQ has become a leading brand on the contemporary fashion scene and embodies the vision of Creative Director Sarah Burton through collections that have a youthful and urban London feel.



The digital sphere plays a key role in enhancing awareness of Stella McCartney and increasing sales on its e-commerce website. The brand is particularly active on social media, where its distinctive voice is enjoyed by over 3.7 million Instagram followers, just under a million Facebook fans and around a million Twitter followers.

STELLA McCARTNEY

A luxury brand with an effortless style, Stella McCartney was launched under the designer's name in partnership with Kering in 2001. Since then, the brand has forged a unique identity based on sharp tailoring, natural confidence and sexy femininity. The House promotes a certain approach to comfort — feel good, look good — and embodies a sense of vigorous freedom. Its creative approach has won over a wide customer base, particularly millennials, who are attracted to the brand's commitment to ethical values.

While its origins in women's ready-to-wear remain a core aspect of the brand's creative offering, over the years Stella McCartney has launched additional lines including shoes, handbags, childrenswear and lingerie in partnership with Bendon. The Sport apparel line "adidas by Stella McCartney" successfully combines sporting success and femininity. Produced in partnership with Adidas, it is the product of a collaboration with the brand that stretches back over 10 years. Finally, Stella McCartney offers a range of sunglasses and fragrances, and launched its first menswear collection in 2016.

In November 2016, Stella McCartney presented her first menswear collection at the legendary Abbey Road studios in London.

Stella McCartney is convinced that each company is responsible for the resources it uses and the impact it has on the environment. The brand is therefore constantly exploring innovative ways to become more sustainable, from designing or store practices to the selection of its raw materials or the manufacturing of its products. Stella McCartney does not use any fur, leather or feathers in her designs. The brand published its first Environmental Profit & Loss Account in 2016.

In 2017, Stella McCartney will open flagship stores at prime locations notably in New York and Paris.



In 2016, Christopher Kane designed his first sunglasses collection in partnership with Kering Eyewear. Inspired by surgeons' eyewear from the 1980s, the designer created rounded lenses in fluorescent colours that appear to float on exceptionally thin frames

CHRISTOPHER KANE

Christopher Kane transforms the ordinary into the extraordinary — with a new and unique approach to luxury fashion, elevating the mundane and everyday into desirable luxury fashion with ease and wearability. His design philosophy comes from an abstract and personal approach that is itself defined by a mood or feeling. It often comprises elements of autobiography, escapism and simple observations of daily life, fusing the traditional with the modern, the timeless with the ephemeral, and the sleek with the subversive.

The innovative style of his ready-to-wear and accessories has positioned the House at the forefront of British fashion. Originally from Scotland, Christopher Kane is acknowledged to have spearheaded a revival of British fashion and is seen as a leading member of the "New Gen", a new generation of British designers. In 2006, after obtaining his Master of Arts from Central Saint Martins, Christopher Kane launched his own label in partnership with his sister, Tammy Kane.

A skilled and innovative approach to design, and the use of unexpected materials and themes, result in a highly creative, playful and experimental brand that embodies a rebellious femininity and ineffable sense of chic demonstrated in Women's ready-to-wear, pre-collections, handbags, shoes and Menswear.

Christopher Kane embarked on a remarkable partnership with the shoe brand Crocs for the 2017 Spring/Summer collection.

Christopher Kane won the British Fashion Council's highly acclaimed "Womenswear Designer of the Year" award in 2013 and was nominated for two awards in 2016: "Womenswear Designer of the Year" once again, and the "Red Carpet" accolade.

Christopher Kane's first retail store opened on Mount Street in Mayfair, London, in 2015. Designed by the minimalist British architect John Pawson, the store is a statement of the brand's image and identity. The House celebrated its 10th anniversary in 2016 and launched its global e-commerce site that same year.



Brioni opened two new flagships this year: one on rue Saint-Honoré in Paris and the other on New York's Madison Avenue. The two stores were designed by David Chipperfield Architects, Milan in partnership with Brioni. The use of travertine stone for the walls and floor is a reminder of the House's Roman roots.

BRIONI

Timeless elegance, exceptional quality and innovation are at the heart of Brioni's identity. All of its collections are Made in Italy and handcrafted by master tailors. Every suit is the result of a unique process that involves 220 different stages and more than 22 hours of carefully guarded workmanship. Under the supervision of tailoring experts, each suit comes to life as over 6,000 meticulously hidden stitches are added by hand. Characterised by exceptional manual craftsmanship, the suit caresses the body lightly and moulds the silhouette with absolute precision. The Brioni man is confident, charismatic and cosmopolitan, in pursuit of excellence and a unique style.

The Brioni story began in Rome in 1945. Founded by two Italian visionaries — the tailor Nazareno Fonticoli and the entrepreneur Gaetano Savini — the House demonstrated a passion for innovation from its early days. In 1952, it was the first menswear couture House to stage a catwalk show and to introduce

In 2016, the House launched its new store concept, marking an important stage in its distribution strategy.

bold colours and innovative fabrics into its collections, asserting itself as a powerful force in the world of luxury menswear. In 1959, the Brioni ateliers opened in Gaetano Savini's home town of Penne, Abruzzo, which has a rich and long-standing tailoring tradition. The majority of the House's products are still produced in these workshops. The artisans, both men and women, are all trained at the *Scuola di Alta Sartoria*. Founded by the House in 1985, this facility ensures that its exceptional tailoring know-how, rooted in terms of both place and heritage, is transmitted to future generations.



Unveiled in July 2016, the high jewellery collection *26 Vendôme* revisits Boucheron's artistic heritage by celebrating three major themes which are close to the Maison's heart: nature, couture and architecture. Designed by Claire Choisne, Creative Director, it has some 60 exceptional pieces that have been the subject of an original presentation, choreographed by Olivier Saillard, a fashion historian, in the salons of the historic *26 Place Vendôme*.

BOUCHERON

Boucheron was the first watch and jewellery brand to move to the prestigious Place Vendôme in 1893, and it soon became famous for its expertise in precious stones and savoir-faire in creating jewellery and watches. The Maison was founded in Paris in 1858 by Frédéric Boucheron, and his direct descendants carried on at the head of the Maison for four generations. Almost 160 years later, its craftsmen continue to pass on their unique savoir-faire from one generation to the next in Boucheron's ateliers, still located on the top floor of *26 Place Vendôme*. The first duty of a jeweller, a true sculptor of materials, is to reveal and accentuate the brilliance of the precious stones. These craftsmen devise innovative techniques that help to shape the future of jewellery, and in doing so perpetuate French high jewellery's tradition of excellence.

Boucheron creates high jewellery and watch collections. The Maison has one of Place Vendôme's finest archives, and each creation is therefore a unique expression of its ability to capture the spirit of the age and reinterpret its rich heritage of remarkable creations. Boucheron's collections, distinctive in style, pay homage to femininity, audacity and timelessness.

As the Maison Boucheron approaches its 160th anniversary in 2018, this year will see the start of renovation work at the Maison's historic home at 26 Place Vendôme, listed as a historic monument.

The Maison continues to expand its iconic *Quatre* line, with new creations that revive two of Boucheron's signature motifs, *Grosgrains* and *Clou de Paris*. The former is a nod to Frédéric Boucheron's family of drapers, the latter traces the cobblestones of the Place Vendôme, suggesting a path through the City of Light. The collections *Animaux de Collection* and *Nature Triomphante* also delve into sources of inspiration employed by the Maison's founder, a keen naturalist whose creations were always predominantly inspired by nature.

In watchmaking, at the dawn of its 70th anniversary, *Reflet*, a true icon of the market, remains resolutely contemporary and playful with its interchangeable bracelet and its invisible clasp.



Casa Pomellato, in the centre of Milan, houses the Maison's creative centre and workshop under one roof. Pomellato's success is based on its "Made in Milan" quality, through the exceptional talent of over one hundred highly qualified goldsmiths. One of the special techniques, and a signature of a Pomellato piece, is lost-wax casting. This ennobling process, which dates back to 3,500 AC, creates distinctive lines and flowing shapes, lending a unique charm to the Milanese brand's creations.

POMELLATO

Sophisticated, colourful and unconventional, Pomellato's creative style is a perfect balance of past and future, precision and experimentation, while introducing a daring touch of sensuality. Pomellato was established in Milan in 1967. Its founder, Pino Rabolini, heir to a family of goldsmiths, was the first to introduce the ready-to-wear philosophy to the world of jewellery. Over time, the brand developed a consistent and distinctive style, immediately recognisable by its assortment of stones, shapes and colours. Pomellato selects increasingly rare semi-precious stones, and in doing so is giving rise to the "new precious", a new ideal of luxury in the world of contemporary jewellery.

The *Nudo*, *Capri*, *Tango*, *Sabbia*, *Victoria* and *M'ama non m'ama* collections are the bedrock of the brand and embody the original spirit

Synonymous with creativity and character since its origins, the brand will celebrate its 50th anniversary in 2017.

of Pomellato. To celebrate 15 years of its iconic *Nudo* line in 2016, the Maison extended the range by introducing a new necklace and new earrings. The brand also enriched the range of materials and colours for its *Tango*, *Capri* and *Sabbia* collections, helping to increase awareness and further interpret its creations' character and history.

In 2016, Pomellato implemented a new digital strategy, based on a website with an online shop, and increased its visibility on social media.



In 2016 Dodo presented a new charms collection in a preview show at Colette. Dodo chose the young Parisian fashion icon, Lolita Jacobs, to be the incarnation of the collection at this launch. The collaboration between Colette and Lolita Jacobs fully expressed the spirit of the collection that highlighted the language of Generation Z. The pop charms are engraved with Gen Z lingo on a rose gold tag.

DODO

Created in 1995, Dodo was the first Italian jewellery brand to open the luxury world to a broader and unisex audience with affordable yet luxury jewels created with just a single gram of gold.

Dodo jewellery is a multi-generational concept in which every charm tells a story that holds personal meaning. They celebrate love, luck, freedom and friendship in a contemporary way. Dodo's creations received instant and ever-increasing recognition, first triggered by the humorous "talking charms", the quintessence of the emotional and sentimental value of every Dodo piece.

Dodo jewellery is produced using a unique form of craftsmanship and are miniature works of art that combine creativity with unconventional design. Tailor-made to suit their customers' desires, its creations never compromise on the enduring quality and artistry of Italian design.

For the* Christmas *collection, Dodo revisited its most iconic charms to create new looks and styles.

The brand now combines the exclusiveness of Italian craftsmanship with global appeal thanks to its universal mantras: "follow your dreams", "we are the lucky ones" and "tell your story". Its charms offer infinite possibilities, enabling the wearer to compose their own Dodo creation and express their personality through contemporary design and exclusive materials.

In 2016, the jeweller launched a new website and expanded its presence on social media, notably to coincide with the launch of its new *Rings* collection.



For the 10th anniversary of its iconic *Bo Bo* collection, Qeelin entered into a unique collaboration with the renowned Chinese photographer and visual artist Chen Man to create *Monkey King Bo Bo*. This limited edition piece plays with one of the most famous characters in Chinese mythology, the monkey Sun Wukong. The hero from Journey to the West combines unique strength and magical powers with a sense of mischief.

QEELIN

Inspired by an age-old story, Qeelin transforms symbols of Chinese mythology and tradition into timeless contemporary collections that are veritable works of art. The story of Qeelin begins in the heart of the Gobi Desert, along the Silk Road, during a visit by its founder, Dennis Chan, to the legendary caves of Dunhuang, one of the world's finest cultural treasures. He decided to turn his emotional connection with China into contemporary and universal jewellery. A tireless storyteller, Dennis Chan continues to seek inspiration from emblems of the eastern legendary past to create pieces of surprising jewellery that are rich in symbolism.

Created in 2004, Qeelin joined the Kering group in 2012. The brand's name refers to the "Qilin", a mythical Chinese animal and symbol of love, understanding and protection. One of its iconic collections, *Wulu*, is inspired by the legendary Chinese gourd, filled with auspicious associations. Qeelin is also

In 2016, Qeelin was a partner of the Hong Kong Asian Film Festival, presenting a preview of the campaign for its* Bo Bo *creation.

renowned for its *Bo Bo* collection, which showcases a fully articulated and playfully interpreted version of China's national treasure, the panda. Each collection contains a wealth of original, joyful and enchanting jewellery, produced with savoir-faire and crafted from carefully selected stones and materials.

The first Chinese luxury jewellery brand to develop an international network of boutiques, its creations can be found in Paris, Hong Kong and other fashion capitals including Beijing, Shanghai, Seoul, Manila and selected cities in the U.S.



Girard-Perregaux received two accolades from the prestigious Grand Prix de l'Horlogerie de Genève for its emblematic *Gold Bridges*. The jury awarded the Ladies' High-Mech Watch Prize to its *Cat's Eye Tourbillon with Gold Bridge* and the Tourbillon Watch Prize to its *Esmeralda with Three Gold Bridges*, reissued in tribute to the Manufacture's pocket watch that won a gold medal at the Exposition Universelle in Paris in 1889.

GIRARD-PERREGAUX

Dedicated to creating exceptional Haute Horlogerie watches and driven by the development of high-precision movements, Girard-Perregaux is one of the few Swiss watchmakers to combine the design and production of the movement and casing of its own timepieces under the same roof.

In January 2017, Girard-Perregaux made a noteworthy return to the Salon International de la Haute Horlogerie (SIHH) in Geneva.

Founded in 1791 and established in La-Chaux-de-Fonds, Switzerland, Girard-Perregaux is one of the oldest high-end Swiss watch manufacturers still in operation. The history of the brand is marked by exceptional timepieces that combine technicality, innovation and design, such as the renowned *Tourbillon with Three Gold Bridges*. Presented by Constant Girard-Perregaux in 1889 at the Exposition Universelle, this work of art in horlogerie was awarded a gold medal. A passion for excellence and innovation remains a hallmark of the Manufacture: in 2016, it introduced a titanium version of the *Minute Repeater Tourbillon* and a new case size (46mm) for the *Constant Escapement*. Girard-Perregaux also presented the *Esmeralda Tourbillon with Three Gold Bridges*, a wristwatch reinterpretation of the classic timepiece that won a gold medal at the Exposition Universelle in Paris in 1889.

Girard-Perregaux celebrated its 225th anniversary in 2016, and marked the occasion by redesigning several flagship collections that witness its rich heritage, savoir-faire and quest for precision. There are now several steel models of the *Girard-Perregaux 1966* collection. The *Bridges* theme now forms the core of a comprehensive collection, available in variants of classic or contemporary inspiration. Limited editions of the two iconic models *Laureato* and *1957* were also launched during this same year.



The *Marine Grand Deck Tourbillon* watch, launched by Ulysse Nardin in 2016, was awarded the "Premio del Publico" public prize at the Salon International de la Haute Horlogerie in Madrid and was named "Watch of the Year" by a jury of industry journalists and collectors from the Middle East. Its dial in wood marquetry, evoking the bridge of a yacht, offers an entirely new kind of display: a boom, pulled by ultra-strong nanowires, indicates the minutes, while the hours are read from two concentric disks.

ULYSSE NARDIN

The watch manufacturer Ulysse Nardin continues a long tradition of innovation by incorporating cutting-edge technologies and state-of-the-art materials, such as silicium, into its creations. It is one of the few Swiss watchmakers to produce its own high-precision movement components, particularly the regulating organs.

In 2016, Ulysse Nardin reaffirmed its roots in the marine world, for the second consecutive year, through their continued partnership with the Artemis Racing team for the 35th America's Cup.

Founded in Switzerland by Ulysse Nardin in 1846, the high-end watch manufacturer, which joined Kering in 2014, is synonymous with precision timekeeping and innovation. The brand has a strong identity and unique expertise in the segment of premium marine chronometers and complication timepieces, and maintains strong roots in the marine world. This world is now expressed in four main collections: *Marine*, *Diver*, *Classic* and *Freak*.

In addition to its *Marine Grand Deck Tourbillon* watch, Ulysse Nardin also launched the highly acclaimed *Executive Tourbillon Skeleton* in 2016. The brand also used its expertise in marine chronometers to revive the artistic *Classico Schooner America* model, and the *Classico Manufacture* model. Both timepieces feature dials handcrafted by its subsidiary Donzé Cadrans, one of the world's few remaining workshops to produce enamel dials using the "Grand Feu" technique.

The brand's unique identity was expressed this year in a new promotional campaign called *"The Eternal Movement"*, evoking the powerful and constant movement of the ocean that inspires perpetual innovation in high watchmaking.

For the first time, Ulysse Nardin exhibited at the Salon International de la Haute Horlogerie in Geneva in January 2017.



Throughout 2016, PUMA invested in products, campaigns and events that took it yet again a step closer to becoming the fastest Sports brand in the world. Major highlights included the football tournaments Copa América and UEFA Euro 2016, the Olympic Games in Rio and the strong development of PUMA's Women's collections.

PUMA

PUMA is one of the world's leading sports brands, designing, developing, selling and marketing footwear, apparel and accessories. Since its foundation PUMA has built an impressive track record of creating products for some of the greatest sports legends in categories such as Teamsport, Running & Training, Golf and Motorsport. PUMA also offers Sportstyle lines that are tailored to everyday life and draw inspiration from the brand's roots in sport.

Since 2013, PUMA's mission has been to be the fastest sports brand in the world: with fast products, with the fastest athletes, fast innovators, while being fast in reacting to new trends, fast in making decisions and fast in solving problems for its partners.

The PUMA image is also buoyed by a host of prominent ambassadors, including Usain Bolt, the world's fastest man, who again showed a spectacular performance by winning Olympic Gold in Rio for each of the three sprinting competitions, along with the football players, Antoine Griezmann (top goal-scorer at UEFA Euro 2016), Sergio Agüero and Olivier Giroud, Arsenal London, Nico Rosberg (Formula One World Champion in 2016), the golfer Rickie Fowler, and many others. The list also extends beyond the world of sport to include global superstar Rihanna, who is also the Creative Director of PUMA's Women's collection, Cara Delevingne, Kylie Jenner, The Weeknd, as well as the prestigious New York City Ballet.

Believing that the future is female, PUMA's Women's segment received a lot of attention in 2016, most notably with the launch of the "Do You" campaign or the FENTY PUMA by the Rihanna collection. Building on the brand's fashion credibility and sports authenticity, as well as profound understanding of the modern female athletic consumer, PUMA addresses the segment "where the gym meets the runway".

Rihanna released her first collection with PUMA, FENTY PUMA by Rihanna, in 2016. It was unveiled at New York Fashion Week in February. The second collection for the Spring/Summer 2017 was presented to the fashion community during Paris Fashion Week in September that same year.



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Drawing inspiration from its original DNA and deep creative roots, Volcom makes bold steps towards the future by choosing new ambassadors and making key investments in its music & art programs, flagship retail and brand experience activations in strategic locations around the world.

VOLCOM

Inspired by creative spirit, Volcom was founded in 1991 and creates products for the persistent who are true to their passions. The brand's vision is rooted in the philosophy of turning obstacles into opportunity, and inspiring those with the creative courage to tempt the impossible. Volcom has always stayed true to its origins becoming a leading brand in the three main board sports: skateboarding, surfing and snowboarding in addition to thriving music, film and art programs.

Its products and collections are authentic, versatile and ever-evolving, yet rooted in functionality. Volcom believes in creating flexible features that adapt to many environments to facilitate the fluidity of real-life from the mountains, to the city, to the beach.

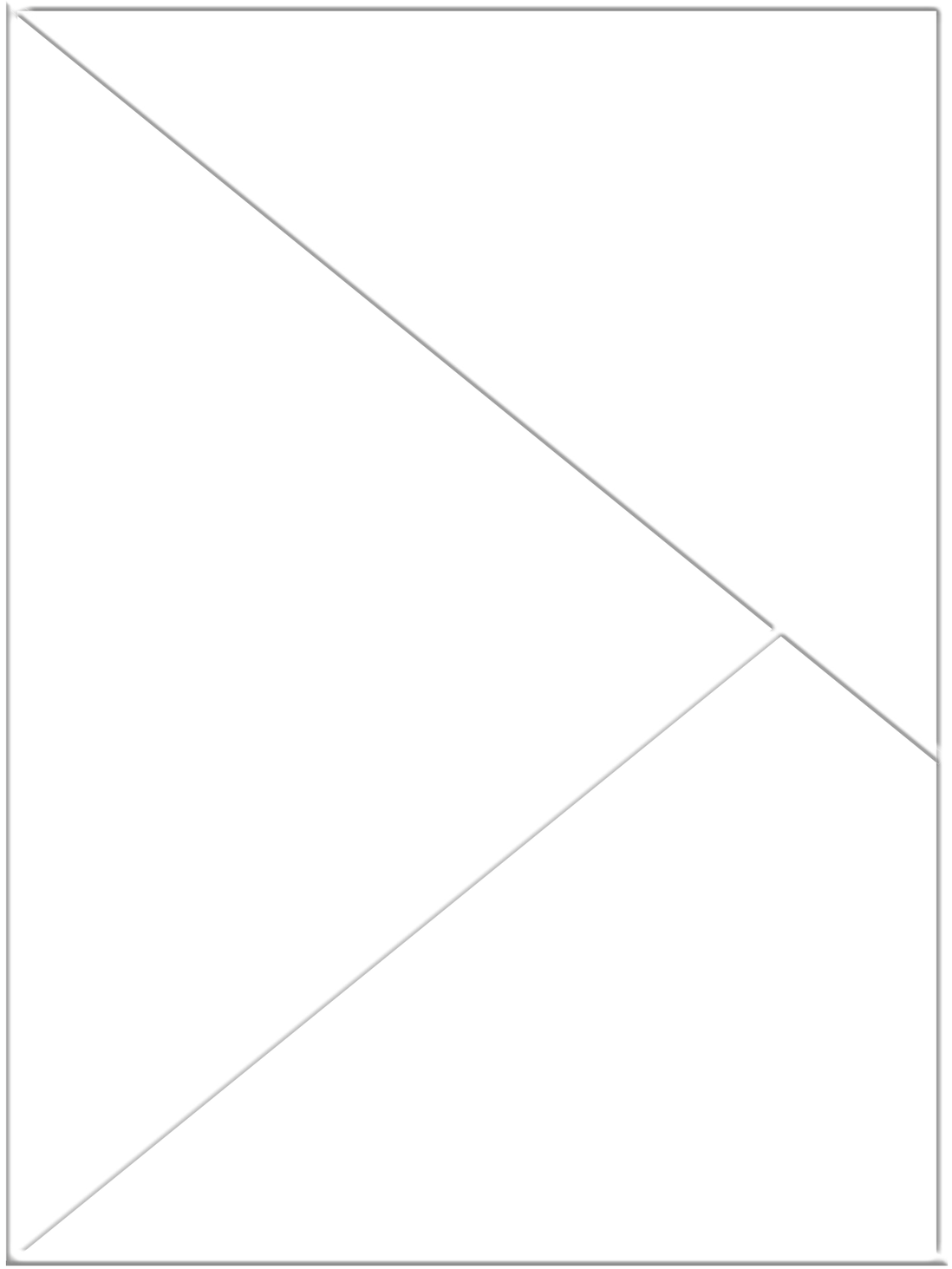
The brand continues to reinforce its image by partnering with influential athletes, artists and musicians, as well as organizing events on the ground and targeted marketing activities. In 2016, Volcom announced two major endorsements, Australian surfer Noa Deane, who fully embodies the original avant-garde ethos of the brand, and Georgia May Jagger, the ambassador of rock n' roll royalty descent, to front its 2017 Spring/Summer campaign. Georgia May Jagger who is deeply committed to environmental protection and ocean conservation was chosen as the face of Volcom Women which was kicked off with an eco-friendly swim collection made using 78% nylon spun from recycled fishing nets.

In 2017, Volcom will open its first store in Paris at 5 rue du Faubourg-Saint-Antoine, in the Bastille area of the French capital along with their new creative space in Austin, Texas called the 'Volcom Garden'.

Volcom also produces original advertising campaigns as well as art, music and films. Inspired by board sport, culture and creative lifestyles, these reflect its "True To This" mantra. For its 25th anniversary in 2016, Volcom launched the 4k feature film *Holy Stokes*, a movie about its diverse skateboarding team that received multiple movie of the year accolades from the top skateboarding media.

In 2016, online sales experienced robust growth, while Volcom strengthened its network of directly-operated stores.





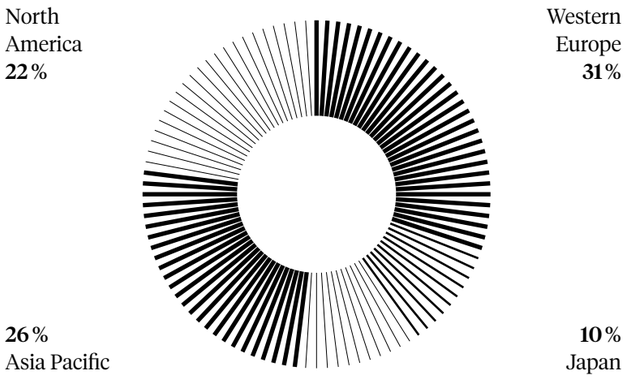
Revenue
in € millions

2015: 11,584
2016: **12,385**

+ 8.1 %[1]
+ 6.9 %[2]

1 — on a comparable Group structure and exchange rate basis
2 — as reported

Revenue breakdown by region



Recurring operating income
in € millions

2015: 1,647
2016: **1,886**

+ 14.5 %

Recurring operating margin
as a % of revenue

2015: 14.2 %
2016: **15.2 %**

+ 1 pt

Net income, Group share
in € millions

814

Net debt
in € millions

4,371

Dividend per share

2015: 4 €
2016: **4.60 €**[3]

+ 15.0 %

3 — subject to the approval of the Annual General Meeting on 27 April 2017

LUXURY ACTIVITIES

Revenue
in € millions

2015: 7,865 — 2016: **8,469**

+ 7.8 %[1]

+ 7.7 %[2]

1 — on a comparable Group structure and exchange rate basis
2 — as reported

Recurring operating income
in € millions

2015: 1,708 — 2016: **1,936**

+ 13.3 %

SPORT & LIFESTYLE ACTIVITIES

Revenue
in € millions

2015: 3,683 — 2016: **3,884**

+ 9.0 %[1]

+ 5.5 %[2]

1 — on a comparable Group structure and exchange rate basis
2 — as reported

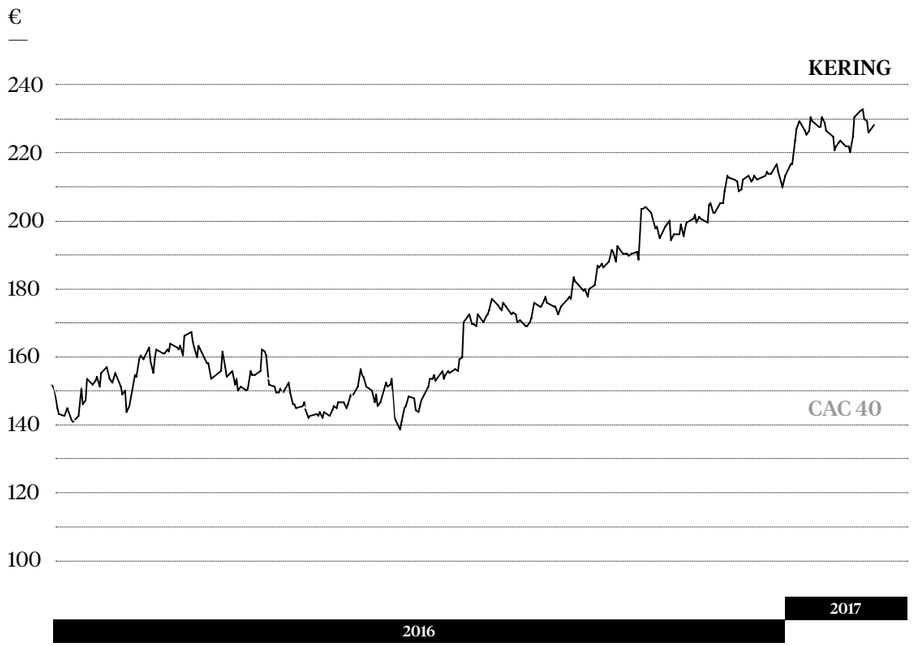
Recurring operating income
in € millions

2015: 95 — 2016: **123**

+ 30.0 %

Performance of the Kering share compared to CAC 40 index

from 4 January 2016 to 20 February 2017



KERING

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Société anonyme
(a French corporation)
with a share capital of €505,117,288

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