



PRESS RELEASE

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In connection with the investigation pertaining to tax matters opened in Milan in 2017, Kering announces that an audit unit of the Italian tax authorities completed a tax audit and delivered today a report alleging that Luxury Goods International (LGI), a Swiss subsidiary of Kering, conducted business activities in Italy which should have resulted in payment of Italian corporate taxes, an assertion that Kering contests.

The above-mentioned audit report covers the results for the years 2011 through 2017 and the estimated claimable tax amount pertaining to it corresponds to approximately 1 400 million euros.

The audit report will now be reviewed by the Revenue Agency unit in charge of assessing the conclusions of the report which shall then make its final determination. Kering challenges the outcome of the audit report both on the grounds and the amount. Kering is confident about the proceedings currently underway and will continue to fully cooperate in complete transparency with the Italian tax authorities in order to defend all its rights.

At this stage of the proceedings, Kering does not have the necessary information to record a specific accounting provision based on a reliable estimate of the tax exposure. The Group confirms that it has implemented a strict monitoring of its tax risks and has adopted a prudent approach in the appreciation of its tax exposures, and notably those related to the transfer pricing policy applied by the Group.

About Kering

A global Luxury group, Kering manages the development of a series of renowned Maisons in Fashion, Leather Goods, Jewelry and Watchmaking: Gucci, Saint Laurent, Bottega Veneta, Balenciaga, Alexander McQueen, Brioni, Boucheron, Pomellato, Dodo, Qeelin, Ulysse Nardin, Girard-Perregaux, as well as Kering Eyewear. By placing creativity at the heart of its strategy, Kering enables its Maisons to set new limits in terms of their creative expression while crafting tomorrow's Luxury in a sustainable and responsible way. We capture these beliefs in our signature: "Empowering Imagination". In 2017, Kering had nearly 29,000 employees and its Houses generated a revenue of €10.8billion.

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