



PRESS RELEASE

Paris, October 23, 2008



**In the 9 months ended September 30, 2008,
PPR generated sales growth of more than 8% in reported terms
and nearly 4% on a comparable basis**

For the first nine months of fiscal year 2008, PPR posted sales of €14.5 billion, up 8.1% in reported terms and 3.6% on a comparable scope and exchange rate basis compared to the same period in 2007. Sales outside France represented 62% of total Group sales.

For the 3rd quarter of 2008, the Group generated sales of €4.9 billion, up 1.7% in reported terms and 1.8% on a comparable scope and exchange rate basis compared to the 3rd quarter in 2007.

François-Henri Pinault, Chairman and CEO of PPR, noted:

“Thanks to a balanced business profile and the strength of its global brands, PPR achieved sales growth of more than 8% in reported terms over the first nine months of 2008, despite the deteriorating consumer environment in the third quarter. In line with the commitments undertaken by all brands and companies before the summer, a number of action plans are being carried out while others will be initiated in the near future. The aim of these plans is to reduce costs and improve the efficiency of capital employed, while reinforcing our competitive market positions. All of our teams are working hard to make the Group emerge even stronger from the current economic turmoil. And we are confirming our full-year objective of improved operating and financial performances for 2008”.

(€ million)	September YTD 2008	Actual change	Comparable change ⁽¹⁾	Q3 2008	Actual change	Comparable change ⁽¹⁾
Fnac	2,978	+ 1.0%	+ 0.7%	973	- 3.2%	- 3.4%
Redcats Group	2,695	- 0.6%	- 4.6%	839	- 1.2%	- 5.5%
Conforama	2,323	- 2.9%	- 3.1%	828	- 6.1%	- 6.3%
CFAO	2,129	+ 14.7%	+ 15.4%	718	+ 14.8%	+ 14.5%
Puma	1,963	+ 61.8%	+ 8.8%	713	+ 6.3%	+ 9.2%
Gucci Group	2,454	+ 5.7%	+ 11.2%	876	+ 4.6%	+ 8.8%
<i>Eliminations and other</i>	<i>(17)</i>	<i>ns</i>	<i>ns</i>	<i>(6)</i>	<i>ns</i>	<i>ns</i>
PPR – Continuing operations	14,525	+ 8.1%	+ 3.6%	4,941	+ 1.7%	+ 1.8%
Discontinued operations ⁽²⁾	676			79		

⁽¹⁾ Comparable scope and exchange rates.

⁽²⁾ At the end of September 2008, YSL Beauté for €299 million, Redcats Missy for €123 million, Empire Stores for €84 million, Surcouf for €161 million and Conforama Poland for €10 million – For Q3 2008, Redcats Missy for €14 million, Empire Stores for €14 million and Surcouf for €51 million.

Fnac shows resilience in softer markets

For the first nine months of 2008, Fnac reported revenue growth of 0.7%. In the 3rd quarter, sales declined by 3.4% on a comparable basis. Business has been hindered by the slowdown in consumption since June. However, in France, Fnac gained market shares in all product categories during the quarter, and online sales are continuing to grow rapidly. Outside France, Fnac posted solid revenue growth in Italy, Switzerland and Brazil. Business in Spain, Belgium and Portugal were more exposed to worsening market conditions. Eight new stores will be opened in the 4th quarter of 2008, including five outside France and three “out-of-town” units.

Redcats Group accelerates its transformation

Redcats Group sales declined by 4.6% in the first nine months of 2008. Over the 3rd quarter of 2008, the decrease was 5.5% on a comparable basis (-1.2% in reported terms). In a difficult consumer environment, Redcats pursued the implementation of programs aimed at adjusting selling price policies, sharing product offerings across brands, and rigorously monitoring promotional activities. La Redoute experienced another difficult quarter. The Senior brands recorded a satisfactory performance in France. In the US, sales of Large Sizes were in line with the market and the Sport & Leisure brands maintained solid sales performances. Redcats online sales pursued their growth in the 3rd quarter, representing 49% of total home shopping sales (44% in the 3rd quarter of 2007).

Mixed performances for Conforama

In the first nine months of the year, Conforama sales declined by 3.1%. For the 3rd quarter, the slumping consumer environment weighed on activity, with revenues down 6.3% on a comparable basis. In France, Conforama sales were resilient, particularly for Furniture which outperformed the market. The momentum continued for Decorative items and online sales activity was sustained. White goods were in line with the market, but Grey and Brown goods posted a sluggish performance. In Italy, 12 of the 19 Emmezeta stores have been converted to the Conforama format. In other countries, performances were mixed: good in Switzerland and more difficult in Spain and Portugal.

A new quarter of strong growth for CFAO

In the first nine months of 2008, CFAO revenues rose 15.4%. In the 3rd quarter of 2008, CFAO recorded sales growth of 14.5% on a comparable basis, based on very high comparatives in 2007. Growth was particularly strong in Mediterranean Africa. Growth in the Automotive activity was remarkable, with very satisfactory performances across all regions. The Pharma division posted accelerated growth over the quarter.

Highly satisfactory performances for Puma

Puma sales rose 8.8% in the first nine months of 2008 and 9.2% on a comparable basis in the 3rd quarter. Sales in directly operated stores pursued their double-digit growth (accounting for 18% of total sales this quarter). All product categories recorded satisfactory performances over the quarter, with particularly good double-digit growth in Footwear and Accessories. All product categories also posted double-digit growth in the Asia-Pacific region. Footwear and Accessories drove solid growth in the Europe/Middle-East/Africa region. In the Americas, Puma generated double-digit growth, also driven by Footwear and Accessories sales. Activity was up slightly in North America.

Gucci Group pursues its good momentum

Luxury Goods activity rose by 11.2% on a comparable basis over the first nine months of the year. For the 3rd quarter of 2008, Gucci Group generated sales growth of 8.8% on a comparable basis in the midst of greater tension in the global economic environment and against very high 2007 comparatives. This solid momentum underscores the relevance of the Gucci Group's multi-brand model. Fashion and Leather Goods recorded growth of over 11% for the quarter. Gucci Group activity grew by 9% in North America (18% of sales), 5% in Japan (15% of sales) and 2% in Europe (44% of sales). The Asia-Pacific region (excluding Japan), representing 23% of Gucci Group sales, continued to post solid growth (+27%), primarily driven by 55% growth in China (27 stores at the end of September 2008). At September 30, 2008, the Gucci Group network comprised 548 directly operated stores, of which 27 opened in the 3rd quarter.

Gucci records another solid performance

Gucci sales increased by 6.4% for the nine months ended September 30, 2008 and by 6.2% on a comparable basis in the 3rd quarter of 2008. Fashion and Leather Goods reported 9% growth over the quarter. Retail sales by Gucci in its directly operated stores generated strong growth. Wholesale sales were more exposed to the economic environment. During the 3rd quarter of 2008, Gucci maintained a high level of growth in emerging markets (up 30%), representing 32% of the brand's sales. Solid performances were recorded in mature countries, particularly North America. Excellent performances were achieved in all product categories. The excellent sell-through of Fall & Winter '08 collections in stores bears mentioning, particularly the Russian Bohemian Ready-to-wear line and the new collection of top-of-the-range Babouska bags. Gucci had 246 directly operated stores as of September 30, 2008, two of which opened in China during the quarter.

Sound performance by Bottega Veneta on top of very high comparatives

Bottega Veneta sales were up 20.0% for the first nine months of 2008, and 10.3% in the 3rd quarter of 2008, on top of very high comparatives in 2007. Solid growth was reported in all product categories. Bottega Veneta sales rose by 22% in Asia-Pacific (excluding Japan), 16% in North America, 5% in Europe, and 7% in Japan, where Bottega Veneta gained market share. Bottega Veneta had 122 directly operated stores at September 30, 2008.

Resounding success for Yves Saint Laurent

Yves Saint Laurent confirmed the strength of its brand with a 26.6% increase for the nine months (up 14% excluding royalties) and 27.4% sales growth in the 3rd quarter (up 14% excluding royalties). Solid performances were sustained in Leather Goods and Shoes, driven by the ongoing success of its best-sellers (Muse, Muse2, and Downtown bags as well as Tribute shoes). A sound trading momentum was also recorded in Ready-to-wear, particularly in Wholesale. Yves Saint Laurent reported double-digit sales growth in all regions: up 15% in Europe, 10% in North America, 19% in Asia-Pacific and 19% in Japan. The network had 65 directly operated stores as of September 30, 2008.

Solid growth of “Other brands” on exceptionally high comparatives

Sales of the “Other brands” rose by 18.7% for the nine months ended September 30, 2008, and by 9.9% on a comparable basis in the 3rd quarter. Excluding an exceptional jewelry sale at Boucheron in the 3rd quarter of 2007, sales of the “Other brands” would have risen by nearly 15% in the quarter. Boucheron recorded a solid performance in the 3rd quarter. A high level of growth was sustained at Balenciaga in all markets, boosted by all product categories and the commercial success of the Fall/Winter '08 collection. Alexander McQueen and Stella McCartney maintained double-digit growth. Sergio Rossi recorded solid performances in Footwear and Leather Goods.

Major transactions and events since July 1, 2008

Appointment of Patrizio di Marco as Chairman and CEO of Gucci

Presently Chairman and CEO of Bottega Veneta, Patrizio di Marco will succeed Mark Lee as chairman of Gucci as of January 1, 2009. At the same time, Marco Bizzarri, currently Chairman and CEO of Stella McCartney, will become Chairman and CEO of Bottega Veneta.

Sale of non-essential assets by Redcats Group in July 2008

Pursuing the simplification of its business portfolio, Redcats UK sold its trade receivables portfolio and a portion of inventory relating to Empire Stores operations. Likewise, Redcats USA sold its Missy ready-to-wear activity to a US investment fund.

Departure of Thierry Falque-Pierrotin

On October 2, 2008, PPR announced that Thierry Falque-Pierrotin would resign as Chairman and CEO of the Redcats Group at the end of 2008.

La Redoute relaunch plan

On October 21, 2008, La Redoute SA presented to its works council a project aimed at restoring its competitiveness in order to ensure the company's sustainable growth. The project aims at streamlining all head office functions, reconfiguring the network of contact points (closing of the 81 RVC-RVS) and outsourcing mail order processing. A total of 672 positions are affected.

Financial position and liquidity: confirmation of the rating

On October 17, 2008, Standard & Poor's confirmed the Group's BBB- rating with stable outlook, which reflects the Group's financial solidity and its comfortable liquidity position. The Group does not require refinancing before the end of fiscal year 2008 and all 2009 maturities are largely covered by unused confirmed credit lines, which amount to €4.4 billion as of June 30, 2008, or more than twice all net refinancing requirements for fiscal year 2009. In addition, PPR continues to issue commercial paper. With regard to fiscal year 2010, the Group has no material repayment.

CONFERENCE CALL

PPR will hold a **conference call** for analysts and investors at **6:00pm** (Continental Europe); 5:00pm (UK); 12:00am (East Coast, USA), on **Thursday October 23, 2008**.

Conference call dial-in: **+33 (0)1 70 99 32 12**

Replay dial-in: +33 (0)1 70 99 35 29

Passcode for the replay: 812428 (available until November 6, 2008)

PRESENTATION

The slides (PDF format) will be available ahead of the conference call at www.ppr.com



About PPR

PPR develops a portfolio of high-growth global brands. Through its Consumer and Luxury brands, PPR generated sales of EUR 19.1 billion in 2007. The Group is present in 90 countries with approximately 90,000 employees. PPR shares are listed on Euronext Paris (# 121485, PRTP.PA, PPF.P).

To explore the universe of PPR brands go to www.ppr.com: Fnac, Redcats Group (La Redoute, Vertbaudet, Somewhere, Cyrillus, Daxon, Ellos, The Sportsman's Guide, The Golf Warehouse and brands of the plus-size division), Conforama, CFAO, Puma and the Luxury brands of Gucci Group (Gucci, Bottega Veneta, Yves Saint Laurent, Balenciaga, Boucheron, Sergio Rossi, Alexander McQueen and Stella McCartney).



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Appendix 1: Sales in Q3 & in the first 9 months 2008

<i>(in € million)</i>	Sept YTD 2008	Sept YTD 2007	Change Actual	Change Comparable ⁽¹⁾	Q3 2008	Q3 2007	Change Actual	Change Comparable ⁽¹⁾
Fnac	2,977.6	2,949.4	+ 1.0%	+ 0.7%	972.9	1,004.7	- 3.2%	- 3.4%
Redcats Group	2,694.9	2,710.4	- 0.6%	- 4.6%	838.8	848.7	- 1.2%	- 5.5%
Conforama	2,323.4	2,394.0	- 2.9%	- 3.1%	827.6	881.7	- 6.1%	- 6.3%
CFAO	2,129.1	1,856.5	+ 14.7%	+ 15.4%	718.3	625.9	+ 14.8%	+ 14.5%
Puma ⁽²⁾	1,962.9	1,213.2	+ 61.8%	+ 8.8%	712.8	670.4	+ 6.3%	+ 9.2%
Gucci Group	2,453.6	2,321.5	+ 5.7%	+ 11.2%	876.5	837.9	+ 4.6%	+ 8.8%
Gucci	1,566.3	1,556.6	+ 0.6%	+ 6.4%	548.6	539.9	+ 1.6%	+ 6.2%
Bottega Veneta	299.9	261.5	+ 14.7%	+ 20.0%	102.5	96.4	+ 6.3%	+ 10.3%
Yves Saint Laurent	195.6	162.1	+ 20.7%	+ 26.6%	75.4	61.4	+ 22.7%	+ 27.4%
Other brands	391.8	341.3	+ 14.8%	+ 18.7%	150.0	140.2	+ 7.0%	+ 9.9%
<i>Inter-company sales & other</i>	<i>-16.6</i>	<i>-12.6</i>	<i>ns</i>	<i>ns</i>	<i>-6.1</i>	<i>-9.6</i>	<i>ns</i>	<i>ns</i>
PPR – Continued activities	14,524.9	13,432.4	+ 8.1%	+ 3.6%	4,940.8	4,859.7	+ 1.7%	+ 1.8%
Discontinued activities ⁽³⁾	676.5	1,004.0			78.8	335.4		

⁽¹⁾ On a comparable basis in terms of Group scope and exchange rates.

⁽²⁾ Puma fully consolidated from April 1, 2007.

⁽³⁾ In the first nine months 2008, YSL Beauté for €299M, Redcats Missy for €123M, Empire Stores for €84M, Surcouf for €161M & Conforama Poland for €10M - In Q3 2008, Redcats Missy for €14M, Empire Stores for €14M & Surcouf for €51M.

Appendix 2: Sales in Q1, in Q2 and in H1 2008

<i>(in € million)</i>	H1 2008	H1 2007	Change Actual	Change Comparable ⁽¹⁾	Q2 2008	Q2 2007	Change Actual	Change Comparable ⁽¹⁾	Q1 2008	Q1 2007	Change Actual	Change Comparable ⁽¹⁾
Fnac	2,004.7	1,944.7	+ 3.1%	+ 2.9%	978.3	947.2	+ 3.3%	+ 3.1%	1,026.4	997.5	+ 2.9%	+ 2.7%
Redcats Group	1,856.1	1,861.7	- 0.3%	- 4.1%	940.2	935.9	+ 0.5%	- 3.9%	915.9	925.8	- 1.1%	- 4.4%
Conforama	1,495.8	1,512.3	- 1.1%	- 1.2%	706.0	716.4	- 1.5%	- 1.7%	789.8	795.9	- 0.8%	- 0.9%
CFAO	1,410.8	1,230.6	+ 14.6%	+ 15.8%	720.2	636.9	+ 13.1%	+ 14.2%	690.6	593.7	+ 16.3%	+ 17.5%
Puma ⁽²⁾	1,250.1	542.8	+ 130.3%	+ 8.7%	576.8	542.8	+ 6.3%	+ 11.2%	673.3			+ 6.6%
Gucci Group	1,577.1	1,483.6	+ 6.3%	+ 12.6%	760.9	699.1	+ 8.8%	+ 16.0%	816.2	784.5	+ 4.0%	+ 9.6%
Gucci	1,017.7	1,016.7	+ 0.1%	+ 6.6%	504.7	486.2	+ 3.8%	+ 11.1%	513.0	530.5	- 3.3%	+ 2.4%
Bottega Veneta	197.4	165.1	+ 19.6%	+ 25.7%	91.2	80.3	+ 13.6%	+ 19.6%	106.2	84.8	+ 25.2%	+ 31.5%
Yves Saint Laurent	120.2	100.7	+ 19.4%	+ 26.1%	57.1	45.5	+ 25.4%	+ 33.4%	63.1	55.2	+ 14.5%	+ 20.2%
Other brands	241.8	201.1	+ 20.2%	+ 25.0%	107.9	87.1	+ 23.9%	+ 30.5%	133.9	114.0	+ 17.5%	+ 20.8%
<i>Inter-company sales & other</i>	<i>-10.5</i>	<i>-3.0</i>	<i>ns</i>	<i>ns</i>	<i>-4.5</i>	<i>-1.5</i>	<i>ns</i>	<i>ns</i>	<i>-6.0</i>	<i>-1.5</i>	<i>ns</i>	<i>ns</i>
PPR – Continued activities	9,584.1	8,572.7	+ 11.8%	+ 4.6%	4,677.9	4,476.8	+ 4.5%	+ 5.1%	4,906.2	4,095.9	+ 19.8%	+ 4.1%
Discontinued activities ⁽³⁾	597.7	668.6			279.6	316.8			318.1	351.8		

⁽¹⁾ On a comparable basis in terms of Group scope and exchange rates.

⁽²⁾ Puma fully consolidated from April 1, 2007.

⁽³⁾ In H1 2008, YSL Beauté for €299M, Redcats Missy for €109M, Empire Stores for €70M, Surcouf for €110M and Conforama Poland for €10M.