



PRESS RELEASE

Paris – February 18, 2010



2009 Results

Rebound in activity in the fourth quarter and highly satisfactory 2009 full-year results

- **Operating margin stable at 8.4%**
- **Sharp increase in free cash flow from operations at EUR 1,117 million**
- **Strengthened financial structure**

At its meeting of February 17, 2010, attended by the statutory auditors, the Board of Directors of PPR, under the chairmanship of François-Henri Pinault, approved the audited consolidated financial statements for 2009.

François-Henri Pinault, Chairman and CEO, noted:

“PPR achieved a noteworthy financial performance in 2009, in view of the severe deterioration of the world economic environment in which we operated. Thanks to the hard work of all our teams, to whom I wish to express my appreciation, the Group met its profitability objectives – the plans put in place by all our brands and retail networks to streamline our organizations and energize our sales and marketing yielded positive effects throughout 2009. We will continue to benefit from these programs in the current year. Another key development of last year was the successful IPO of CFAO, marking another decisive step in the implementation of our strategy. With an economic environment still in recovery mode, we must remain vigilant; however, we have started this new year with determination and confidence. While maintaining stringent management efforts, we are launching an energetic sales offensive aimed at further strengthening our leadership on the highest-growth markets, such as e-commerce and emerging countries, and at raising our business and financial performances in 2010.”

EUR million	2009	2008	Change
Revenues	16,524.6	17,207.0	-4.0%
Recurring operating income	1,383.4	1,440.7	-4.0%
Recurring operating income margin	8.4%	8.4%	--
Net income. Group share	984.6	921.1	+6.9%
Net income from continuing operations.			
Group share, excluding non-current items	712.4	718.0	-0.8%
Per share (EUR)	5.63	5.70	-1.2%

Operating performances

PPR delivered significantly improved sales performances in the fourth quarter of 2009, with revenues down 2.3% in comparable terms and down 3.2% in reported terms compared to the fourth quarter of 2008. Particularly noteworthy in the fourth quarter were the improvements in sales trend at Gucci Group (+3.1% in comparable terms and -0.3% in reported terms) and at Conforama, which gained market share in France.

For full year 2009, PPR had **revenues from continuing operations** of EUR 16.5 billion, down 5.6% at comparable scope and exchange rates, and down 4.0% in reported terms compared to 2008.

The revenue contribution from activities outside of France continued to increase, accounting for nearly 57% of the total in 2009.

PPR further expanded its activities in high-potential emerging markets, where PPR Group sales rose by 7.8% in 2009 to account for 13.0% of the total. 2009 saw an acceleration of the contribution of emerging countries to the total sales of Gucci Group, 33% of which were generated in these markets. In the full year, Gucci Group once again posted strong growth in Asia-Pacific outside of Japan (+21%), driven in particular by a sales increase of more than 46% in Mainland China.

In 2009, internet sales generated by PPR totaled nearly EUR 2 billion, representing 12% of total Group sales.

With **recurring operating income** of over EUR 1,383 million in 2009, PPR was able to maintain its recurring operating margin at 8.4% of sales, unchanged from 2008.

This performance was largely driven by higher recurring operating income at Conforama (+5.7%), Fnac (+1.3%) and Redcats (+0.1%). Recurring operating income was down at Gucci Group and Puma by 5.3% and 8.6%, respectively, but showed an improvement in the second half of the year on a comparable exchange rate basis.

In 2009, the Group's **gross margin** amounted to EUR 7,775 million, down 3.7% from 2008. As a percentage of sales, gross margin reached 47.1% in 2009, an increase of 10 basis points compared to the prior year.

In 2009, PPR cut its operating expenses by 4.7% on a comparable exchange rate basis and by 3.7% in reported terms, reflecting the positive impact of the action plans implemented by all Group entities to adjust their operating cost base.

EBITDA totaled EUR 1,791 million in 2009. EBITDA as a percentage of sales posted a sharp improvement, jumping from 10.6% in 2008 to 10.8% in 2009.

Financial performances

In 2009, **other non-recurring operating income and expenses** resulted in a net expense of EUR 547 million. This item notably includes net gains related to asset disposals (EUR 485 million), asset impairment (nearly EUR 655 million, primarily related to goodwill at Redcats and Conforama Italy) and restructuring costs (EUR 321 million) related to all Group activities.

In 2009, net income from activities discontinued or sold generated a profit of EUR 765 million, comprising net capital gains on disposals of EUR 686 million and net income from discontinued activities for EUR 79 million.

Net income, Group share stood at EUR 985 million in 2009, up 6.9% compared to 2008. **Net income from continuing operations, Group share, excluding non-current items** amounted to over EUR 712 million, a slight drop (-0.8%) compared to 2008.

In 2009, **net income per share** was EUR 7.79, up 6.6% compared to 2008. Excluding non-current items, net income per share from continuing operations was EUR 5.63, down 1.2 % from the prior year.

Strengthened financial structure

In 2009, PPR once again reinforced its financial structure.

EUR million	2009	2008
Capital employed	15,396	16,118
Net assets held for sale	24	(9)
Shareholders' equity	11,053	10,599
Net indebtedness	4,367	5,510

Free cash flow from operations amounted to EUR 1,117 million in 2009, an improvement of 32% compared to 2008, underscoring the responsiveness of all Group entities to changes in their environment.

Capital employed declined by EUR 722 million (-4.5%) compared to the 2008 year-end level.

Net financial debt was reduced by 20.7% to EUR 4.4 billion at December 31, 2009, as compared to EUR 5.5 billion one year earlier.

PPR continued to improve its **debt ratios** in 2009:

	2009	2008 *
Gearing (net debt/equity)	39.5%	51.5%
Solvency ratio (net debt / EBITDA)	2.44	2.57

* Published, not restated

PPR bank loans feature a sole financial covenant, pursuant to which the Group's solvency ratio may not exceed 3.75.

On November 30, 2009, the Standard & Poor's rating agency confirmed PPR's BBB- rating, with stable outlook.

At 2009 year end, PPR had available cash and equivalents of EUR 945 million (EUR 1,117 million at 2008 year end) in addition to EUR 5,944 million in untapped medium-term confirmed lines of credit (EUR 4,990 million at December 31, 2008). The Group is not exposed to any liquidity risk.

Dividend

The Board of Directors will ask the General Shareholders' Meeting of May 19, 2010 to approve the distribution of a dividend of EUR 3.30 per share, unchanged from the prior year. Total dividend payout in 2010 would amount to EUR 418 million, unchanged from the prior year.

This proposed dividend level reflects PPR's intention to maintain a balanced payout ratio taking into account both changes in net income from continuing operations, Group share, excluding non-recurring items, and the level of free cash flow in 2009.

The dividend will be paid on May 26, 2010.

Subsequent events

No material event occurred since the close of 2009.

Outlook

In the slowly recovering economic environment of 2010, vigilance remains a priority. The Group has begun the year with determination and confidence: PPR is maintaining stringent management efforts and launching an ambitious sales offensive to further improve its operating and financial performances.

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Certain information included in this release may be forward-looking and is subject to important risks and uncertainties and factors beyond our control or ability to predict, that could cause actual results to differ materially from those anticipated, projected or implied. It only reflects our views as of the date of this presentation. No undue reliance should therefore be based on any such information, it being also agreed that we undertake no commitment to amend or update it after the date hereof.

Main definitions

IFRS 5 – Non-current assets held for sale and discontinued operations

In accordance with IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations, the Group has presented certain activities as “Operations discontinued, sold or to be sold”. Net income and losses from these activities are included under a separate income statement heading, “Net income (loss) from discontinued operations”, and are restated in the statement of cash flows and income statement for all reported periods.

The assets and liabilities arising from “operations sold or to be sold” are presented on separate lines in the Group’s balance sheet, but are not restated for prior periods.

The assets and liabilities associated with discontinued operations are not presented on separate lines in the balance sheet.

Changes in accounting methods

As mentioned in Notes 2.2 and 2.23 to the annex to the consolidated financial statements, the financial statements for 2008 were restated to reflect changes in accountings methods.

Definition of “reported” and “comparable” revenue

The Group’s reported revenue corresponds to published revenue. Revenue after inter-company eliminations is defined as revenue from each company or brand, after elimination of intra-group sales.

The Group also uses “comparable” data to measure organic growth. “Comparable” revenue is 2008 revenue restated for the impact of changes in Group structure in 2008 or 2009, and for translation differences relating to foreign subsidiaries’ revenue in 2008.

Definition of consolidated net debt

As defined by French National Accounting Council (CNC) recommendation No. 2009-R.03 of July 2, 2009, net debt comprises gross debt, including accrued interest, less net cash.

Net debt includes fair value hedging instruments recorded in the balance sheet relating to bank borrowings and bonds whose interest rate risk is fully or partly hedged as part of a fair value relationship (see Note 31 to the condensed consolidated interim financial statements).

The financing of customer loans by fully-consolidated consumer credit businesses is presented in borrowings. However, Group net debt excludes the financing of customer loans by consumer credit businesses.

Definition of EBITDA

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

Definition of free cash flow from operations and available cash flow

The Group also uses an intermediate line item, "Free cash flow from operations", to monitor its financial performance. This financial indicator measures net operating cash flow less net operating investments (defined as purchases and sales of property, plant and equipment and intangible assets).

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

PRESENTATION

You are invited to attend the presentation of the 2009 Annual Results today at 8:30 am Paris time at Pavillon Gabriel – 5, avenue Gabriel – 75008 Paris.

A live videocast (Real and Windows Media Player formats) as well as the presentation slides (PDF) will be available at 8:30 am Paris time on www.ppr.com. A replay will be available later in the day.

You will also be able to listen to the conference by dialling:

French version	English version
Live conference: +33 (0)1 72 00 13 65	Live conference: +44 (0)203 367 94 53
Replay dial-in details +33 (0)1 72 00 15 01	Replay dial-in details +44 (0)203 367 94 60
Replay Passcode: 269354#	Replay Passcode: 269355#

The replay will be available until Friday March 5, 2010

The presentation's slides shows will be available on www.ppr.com.
Following the presentation, the 2009 financial report will be available on www.ppr.com.



About PPR

PPR develops a portfolio of high-growth global brands. Through its Consumer and Luxury brands, PPR generated sales of €16.5 billion in 2009. The Group is present in 60 countries with approximately 73,000 employees. PPR shares are listed on Euronext Paris (FR 0000121485, 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, 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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**PPR CONSOLIDATED ACCOUNTS
AS OF DECEMBER, 31, 2009**

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Consolidated Income Statement

(in € million)	2009	2008
CONTINUING OPERATIONS		
Revenue	16,524.6	17,207.0
Cost of sales	(8,749.3)	(9,130.9)
Gross profit	7,775.3	8,076.1
Payroll expenses	(2,525.6)	(2,579.1)
Other recurring operating income and expenses	(3,866.3)	(4,056.3)
Recurring operating income	1,383.4	1,440.7
Other non-recurring operating income and expenses	(546.8)	(367.8)
Operating income	836.6	1,072.9
Finance costs	(381.4)	(352.9)
Income before taxes	455.2	720.0
Income taxes	(176.7)	(268.7)
Share in earnings of associates	0.3	(2.2)
Net income from continuing operations	278.8	449.1
o/w attributable to equity holders of the parent	247.2	374.7
o/w attributable to minority interests	31.6	74.4
DISCONTINUED OPERATIONS		
Net income from discontinued operations	764.9	589.9
o/w attributable to equity holders of the parent	737.4	546.4
o/w attributable to minority interests	27.5	43.5
Net income of consolidated companies	1,043.7	1,039.0
o/w attributable to equity holders of the parent	984.6	921.1
o/w attributable to minority interests	59.1	117.9
Net income attributable to equity holders of the parent	984.6	921.1
Earnings per share (in €)	7.79	7.31
Fully diluted earnings per share (in €)	7.79	7.31
Net income from continuing operations attributable to equity holders of the parent	247.2	374.7
Earnings per share (in €)	1.96	2.97
Fully diluted earnings per share (in €)	1.96	2.97
Net income from continuing operations excluding non-recurring items attributable to equity holders of the parent	712.4	718.0
Earnings per share (in €)	5.63	5.70
Fully diluted earnings per share (in €)	5.63	5.70

Consolidated Balance Sheet

ASSETS

<i>(in € million)</i>	31/12/2009	31/12/2008
Goodwill	5,564.6	6,178.7
Other intangible assets	10,122.7	10,172.7
Property, plant and equipment	1,861.5	2,253.4
Investments in associates	705.6	74.5
Non-current financial assets	301.8	323.8
Deferred tax assets	554.0	639.1
Other non-current assets	11.4	16.8
Non-current assets	19,121.6	19,659.0
Inventories	2,351.6	3,465.5
Trade receivables	941.8	1,303.0
Customer loans	214.9	189.5
Current tax receivables	77.6	101.3
Other current financial assets	27.9	143.1
Other current assets	708.9	937.6
Cash and cash equivalents	944.5	1,116.6
Current assets	5,267.2	7,256.6
Assets classified as held for sale	74.9	61.6
Total assets	24,463.7	26,977.2

LIABILITIES

<i>(in € million)</i>	31/12/2009	31/12/2008
Share capital	506.3	506.2
Capital reserves	2,480.4	2,478.8
Treasury shares	(7.0)	(6.4)
Translation adjustments	(226.3)	(238.0)
Remeasurement of financial instruments	7.8	(35.7)
Other reserves	7,193.3	6,637.0
Shareholders' equity attributable to equity holders of the parent	9,954.5	9,341.9
Shareholders' equity attributable to minority interests	1,098.8	1,256.9
Shareholders' equity	11,053.3	10,598.8
Long-term borrowings	4,357.8	3,961.3
Provisions for retirement and similar benefits	192.3	241.0
Provisions	103.5	164.4
Deferred tax liabilities	2,860.0	2,847.3
Non-current liabilities	7,513.6	7,214.0
Short-term borrowings	1,006.1	2,722.1
Financing of customer loans	214.9	189.5
Other current financial liabilities	56.5	75.9
Trade payables	2,053.5	2,976.5
Provisions for retirement and similar benefits	11.9	17.4
Provisions	252.0	189.9
Current tax liabilities	211.8	325.0
Other current liabilities	2,039.4	2,597.1
Current liabilities	5,846.1	9,093.4
Liabilities associated with assets classified as held for sale	50.7	71.0
Total liabilities and shareholders' equity	24,463.7	26,977.2

Consolidated Cash Flow Statement

<i>(in € million)</i>	2009	2008
Net income from continuing operations	278.8	449.1
Net recurring charges to depreciation, amortization and provisions on non-current operating assets	407.3	379.6
Other non-cash income and expenses	562.5	326.8
Cash flow from operating activities	1,248.6	1,155.5
Interest paid/received	260.6	332.6
Dividends received	(0.1)	(0.3)
Net income tax payable	192.7	273.9
Cash flow from operating activities before tax, dividends and interest	1,701.8	1,761.7
Change in working capital requirement	(28.4)	(206.8)
Change in customer loans	(11.7)	8.1
Income tax paid	(243.7)	(252.6)
Net cash from operating activities	1,418.0	1,310.4
Purchases of property, plant and equipment and intangible assets	(338.9)	(508.0)
Proceeds from sale of property, plant and equipment and intangible assets	37.5	41.4
Acquisitions of subsidiaries, net of cash acquired	(62.2)	(59.9)
Proceeds from disposal of subsidiaries net of cash transferred	866.0	1,199.4
Purchases of other financial assets	(28.2)	(37.8)
Proceeds from sale of other financial assets	13.7	(0.6)
Interest and dividends received	12.9	43.9
Net cash from investing activities	500.8	678.4
Share capital increase/decrease	(44.6)	(338.5)
Treasury share transactions	(4.0)	(131.7)
Dividends paid to parent company shareholders	(417.3)	(433.8)
Dividends paid to minority interests	(30.5)	(26.8)
Bond issues	1,563.4	713.6
Bond redemptions	(1,322.8)	(1,321.2)
Increase (decrease) in other borrowings	(1,688.5)	(608.4)
Interest paid and equivalent	(264.3)	(367.3)
Net cash from (used in) financing activities	(2,208.6)	(2,514.1)
Net cash from assets classified as held for sale	85.1	59.9
Impact of exchange rate variations	(10.4)	(51.9)
Net increase/(decrease) in cash and cash equivalents	(215.1)	(517.3)
Cash and cash equivalents at beginning of the year	933.5	1 450.8
Cash and cash equivalents at end of the year	718.4	933.5

Quarterly sales

(in € million)

	2009	2008	Reported change	Comparable change ⁽¹⁾	H2 2009	H2 2008	Reported change	Comparable change ⁽¹⁾	Q4 2009	Q4 2008	Reported change	Comparable change ⁽¹⁾
Fnac	4,375.1	4,457.2	- 1.8%	- 1.9%	2,514.7	2,497.2	+ 0.7%	+ 0.5%	1,556.6	1,543.9	+ 0.8%	+ 0.4%
Redcats Group	3,386.4	3,698.6	- 8.4%	- 8.9%	1,656.5	1,842.2	- 10.1%	- 8.5%	904.0	1,003.5	- 9.9%	- 7.1%
Conforama	2,928.0	3,167.9	- 7.6%	- 7.9%	1,596.6	1,674.1	- 4.6%	- 4.9%	848.8	847.6	+ 0.1%	+ 0.0%
Puma	2,460.7	2,524.2	- 2.5%	- 7.6%	1,163.0	1,274.1	- 8.7%	- 11.5%	489.6	561.3	- 12.8%	- 13.8%
Gucci Group	3,390.3	3,379.9	+ 0.3%	- 3.6%	1,748.2	1,806.6	- 3.2%	- 3.5%	929.2	931.7	- 0.3%	+ 3.1%
Gucci	2,266.4	2,206.4	+ 2.7%	- 1.4%	1,164.5	1,188.7	- 2.0%	- 2.1%	633.3	640.1	- 1.1%	+ 2.4%
Bottega Veneta	402.1	402.1	+ 0.0%	- 6.0%	199.3	204.7	- 2.6%	- 3.8%	102.9	102.2	+ 0.7%	+ 5.1%
Yves Saint Laurent	237.5	262.8	- 9.6%	- 11.8%	124.5	142.6	- 12.7%	- 12.6%	62.6	67.2	- 6.9%	- 3.9%
Other brands	484.3	508.6	- 4.8%	- 6.9%	259.9	270.6	- 4.0%	- 4.5%	130.4	122.2	+ 6.7%	+ 9.3%
<i>Eliminations and others</i>	-15.9	-20.8	<i>ns</i>	<i>ns</i>	-7.4	-10.3	<i>ns</i>	<i>ns</i>	-3.0	-4.2	<i>ns</i>	<i>ns</i>
PPR – Continuing operations	16,524.6	17,207.0	- 4.0%	- 5.6%	8,671.6	9,083.9	- 4.5%	- 4.8%	4,725.2	4,883.8	- 3.2%	- 2.3%

(1) Comparable scope and exchange rates.

(in € million)

	September YTD 2009	September YTD 2008	Reported change	Comparable change ⁽¹⁾	Q3 2009	Q3 2008	Reported change	Comparable change ⁽¹⁾	H1 2009	H1 2008	Reported change	Comparable change ⁽¹⁾
Fnac	2,818.5	2,913.3	- 3.3%	- 3.1%	958.1	953.3	+ 0.5%	+ 0.6%	1,860.4	1,960.0	- 5.1%	- 4.8%
Redcats Group	2,482.4	2,695.1	- 7.9%	- 9.5%	752.5	838.7	- 10.3%	- 10.2%	1,729.9	1,856.4	- 6.8%	- 9.3%
Conforama	2,079.2	2,320.3	- 10.4%	- 10.8%	747.8	826.5	- 9.5%	- 9.9%	1,331.4	1,493.8	- 10.9%	- 11.3%
Puma	1,971.1	1,962.9	+ 0.4%	- 5.9%	673.4	712.8	- 5.5%	- 9.8%	1,297.7	1,250.1	+ 3.8%	- 3.8%
Gucci Group	2,461.1	2,448.2	+ 0.5%	- 5.9%	819.0	874.9	- 6.4%	- 10.0%	1,642.1	1,573.3	+ 4.4%	- 3.7%
Gucci	1,633.1	1,566.3	+ 4.3%	- 2.8%	531.2	548.6	- 3.2%	- 7.0%	1,101.9	1,017.7	+ 8.3%	- 0.6%
Bottega Veneta	299.2	299.9	- 0.2%	- 9.3%	96.4	102.5	- 5.9%	- 11.6%	202.8	197.4	+ 2.7%	- 8.1%
Yves Saint Laurent	174.9	195.6	- 10.6%	- 14.3%	61.9	75.4	- 17.9%	- 20.0%	113.0	120.2	- 6.0%	- 10.8%
Other brands	353.9	386.4	- 8.4%	- 11.7%	129.5	148.4	- 12.7%	- 15.3%	224.4	238.0	- 5.7%	- 9.4%
<i>Eliminations and others</i>	<i>-12.9</i>	<i>-16.6</i>	<i>ns</i>	<i>ns</i>	<i>-4.4</i>	<i>-6.1</i>	<i>ns</i>	<i>ns</i>	<i>-8.5</i>	<i>-10.5</i>	<i>ns</i>	<i>ns</i>
PPR – Continuing operations	11,799.4	12,323.2	- 4.3%	- 6.9%	3,946.4	4,200.1	- 7.6%	- 6.0%	7,853.0	8,123.1	- 3.3%	- 6.6%

(1) Comparable scope and exchange rates.

(in € million)

	Q2 2009	Q2 2008	Reported change	Comparable change ⁽¹⁾	Q1 2009	Q1 2008	Reported change	Comparable change ⁽¹⁾
Fnac	901.3	954.2	- 5.5%	- 5.4%	959.1	1,005.8	- 4.6%	- 4.3%
Redcats Group	863.3	940.5	- 8.2%	- 11.0%	866.6	915.9	- 5.4%	- 7.4%
Conforama	621.6	705.1	- 11.8%	- 12.3%	709.8	788.7	- 10.0%	- 10.5%
Puma	600.3	576.8	+ 4.1%	- 4.3%	697.4	673.3	+ 3.6%	- 3.3%
Gucci Group	787.3	759.1	+ 3.7%	- 3.9%	854.8	814.2	+ 5.0%	- 3.4%
Gucci	534.8	504.7	+ 5.9%	- 2.3%	567.1	513.0	+ 10.6%	+ 1.0%
Bottega Veneta	99.1	91.2	+ 8.6%	- 1.9%	103.7	106.2	- 2.3%	- 13.4%
Yves Saint Laurent	53.3	57.1	- 6.6%	- 11.5%	59.7	63.1	- 5.4%	- 10.2%
Other brands	100.1	106.1	- 5.7%	- 9.4%	124.3	131.9	- 5.8%	- 9.5%
<i>Eliminations and others</i>	<i>-3.1</i>	<i>-4.5</i>	<i>ns</i>	<i>ns</i>	<i>-5.4</i>	<i>-6.0</i>	<i>ns</i>	<i>ns</i>
PPR – Continuing operations	3,770.7	3,931.2	- 4.1%	- 7.4%	4,082.3	4,191.9	- 2.6%	- 5.8%

(1) Comparable scope and exchange rates.