



PRESS RELEASE

Paris, October 28, 2010



Third quarter 2010 sales

- Sales up 7% on a comparable basis, up 13% reported
  - Sharp acceleration of favorable trends
  - Notable advances across all our activities

In the nine months to September 30, 2010, PPR achieved sales of EUR 12.6 billion, up 3.6% on a comparable scope and exchange rate basis (+6.7% in reported terms) compared to the same period in 2009.

In the third quarter of 2010, PPR had sales of EUR 4.5 billion, an increase of 7.3% in comparable terms (+12.9% in reported terms) compared to the 2009 third quarter.

All Group activities continued to make headway in the third quarter of 2010. Particularly notable was the performance of Redcats, which returned to growth in the quarter, while the Gucci brand's performance in North America advanced month after month.

François-Henri Pinault, PPR Chairman and CEO, stated: "This quarter, PPR delivered a sharp acceleration in sales growth, with all activities contributing to this improving trend. Each of our major Luxury brands achieved double-digit growth, our Retail businesses made solid progress, and Puma's sales rebounded. Our very good overall performances are fueled by vigorous marketing momentum, notably online and internationally. These achievements reinforce our confidence in our ability to strengthen our full-year operating and financial performances and constitute a solid platform for sustained profitable growth going forward."

<i>(in € million)</i>	<b>September YTD 2010</b>	<b>Change Reported</b>	<b>Change Comparable <sup>(1)</sup></b>	<b>Q3 2010</b>	<b>Change Reported</b>	<b>Change Comparable <sup>(1)</sup></b>
Fnac	2,916	+ 3.4%	+ 2.4%	999	+ 4.3%	+ 3.2%
Redcats	2,512	+ 1.2%	+ 0.9%	816	+ 8.4%	+ 5.7%
Conforama	2,235	+ 7.5%	+ 4.8%	821	+ 9.8%	+ 5.4%
Puma	2,083	+ 5.7%	- 1.6%	784	+ 16.5%	+ 4.9%
Gucci Group	2,865	+ 16.4%	+ 11.4%	1,041	+ 27.1%	+ 16.7%
<i>Inter-company sales and other</i>	-17	<i>ns</i>	<i>ns</i>	-6	<i>ns</i>	<i>ns</i>
<b>PPR - Continuing operations</b>	<b>12,594</b>	<b>+ 6.7%</b>	<b>+ 3.6%</b>	<b>4,455</b>	<b>+ 12.9%</b>	<b>+ 7.3%</b>

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

## **Fnac**

In the first nine months of 2010, Fnac recorded comparable sales growth of 2.4%. In the third quarter, comparable sales were up 3.2% (+4.3% in reported terms), fueled by strong 23% growth in online sales, accounting for 8% of total Fnac sales in the quarter.

In France, Fnac revenues rose 1% on top of high growth in the comparable 2009 quarter. Online sales grew 20% and accounted for over 10% of total Fnac sales in France in the quarter. Sales of technical products increased by 6%, largely thanks to double-digit growth in personal computing, while sales of editorial products dropped 7% negatively impacted by lower sales of CDs, DVDs and video games.

Outside of France, Fnac sales posted another strong increase (+8%) in the quarter, with double-digit growth in Brazil (+19%), Italy (+12%) and Belgium (+11%). The recovery took hold in Portugal (+7%), Spain (+3%) and Switzerland (+2%).

In the fourth quarter, Fnac will open two stores, in Barcelona (Spain) and Belo Horizonte (Brazil).

## **Redcats**

Redcats returned to growth in the first nine months of the year, with comparable sales up 1% against the same period in 2009. Third quarter comparable sales were up 5.7% (+8.4% in reported terms), Redcats' best performance of the past three years.

Outstanding growth in online sales underscores the success of Redcats' web strategy. In the quarter, online sales jumped by more than 18% to account for over 53% of total Redcats sales.

La Redoute confirmed its recovery in the quarter, with sales up 11% in France, where 73% of revenues were generated online. Outside of France, La Redoute sales were up 13%, also stimulated by growth in online sales.

In the US, sales of the Large Size division were down 2% in the quarter, while the Sport & Outdoors division recorded a slight dip in revenues against high comps in the similar quarter last year.

## **Conforama**

In the first nine months of the year, comparable Conforama sales were up 4.8%.

Comparable sales of Conforama once again posted strong growth in the third quarter, up 5.4% (+9.8% in reported terms), and the chain gained market share in all countries.

In France, sales were up 6% in the quarter. Conforama improved its product mix and gained market share in Furniture and Decorative Items, with sales up 8% and 14%, respectively. Online sales in France were up 31% in the third quarter.

Outside of France, all countries contributed to the overall 4% increase in sales. Performances were particularly good in Spain/Portugal (+6%) and Switzerland (+7%). The turnaround in Italy gained strength with solid growth in key product categories, Furniture and Decorative Items, during the quarter. Conforama opened four new stores in October 2010, two in Spain and two in France, including the chain's first Confo DÉCO store.

## **Puma**

Puma sales dipped 1.6% on a comparable basis in the first nine months of the year.

In the third quarter, Puma comparable sales rose 4.9% (+16.5% in reported terms), with double-digit increases in August and September following a lackluster month of July. Sales through directly operated stores improved, while wholesale activity rose 7% in the quarter.

Puma achieved further growth in the Americas (+22%), where all product categories recorded solid performances. Sales were down 2% in the EMEA region, and rose 1% in Asia-Pacific, fueled by Footwear and Accessories.

Puma booked substantial order levels across all regions.

### **Gucci Group**

Luxury Goods sales rose by 11.4% on a comparable basis in the first nine months of 2010.

In the third quarter, comparable sales jumped 16.7% (+27.1% in reported terms). Retail sales increased by 16%, as did wholesale activity. Sales of Leather Goods were up 18%. Gucci Group continued to strengthen its positions in emerging markets, where it achieved 24% sales growth in the third quarter. Sales growth was also significant in mature markets, up 13%, with accelerating trends in Europe and in North America.

The Gucci Group network comprised 661 stores as of the end of September 2010. Of this total, 187 stores are located in emerging markets, including 79 in Greater China.

### **Gucci**

Gucci comparable sales were up 9.9% in the first nine months of the year.

In the third quarter, comparable Gucci sales rose by 14.8% (+26.1% in reported terms). Similar growth rates (+14%) were achieved in directly operated stores and in wholesale this quarter. All product categories posted solid performances. A sustained sales increase (+22%) was achieved in emerging markets, which contributed 41% of total Gucci sales in the period. Greater China, accounting for 22% of Gucci sales in the quarter, posted 31% growth. In mature markets, Gucci revenues rose 10% in the quarter, with a remarkable performance in Western Europe (+28%), while sales in North America improved month after month.

As of the end of September, the Gucci network encompassed 308 stores, including 111 in emerging markets (48 in Greater China).

### **Bottega Veneta**

Bottega Veneta achieved comparable sales growth of 16.4% in the nine months to September 30, 2010.

In the third quarter, Bottega Veneta comparable sales were up 27.3% (+41.7% in reported terms). Sales in the quarter were fueled by excellent growth in Leather Goods, up 28%. The house posted double-digit growth in all regions (apart from Japan where sales were unchanged), including a 31% jump in emerging markets, accounting for 33% of Bottega Veneta sales in the quarter. Sales in Greater China jumped by 47% to represent 17% of the total. Bottega Veneta's store network comprised 144 units at the end of September, including 45 in emerging markets (22 in Greater China).

### **Yves Saint Laurent**

Yves Saint Laurent posted comparable sales growth of 6.6% in the first nine months of the year.

In the third quarter, sales were up 13% on a comparable basis (+19.1% in reported terms). Sales through directly operated stores were up 14% and wholesale rose 12%, while royalties also grew 12%. All product categories posted solid performances, notably Leather Goods, accounting for 32% of the quarter's revenues. All regions apart from Japan posted sales growth in the quarter, with satisfactory rebounds in Western Europe (+25%) and North America (+11%). Yves Saint Laurent operated a network of 71 stores at the end of September, including 19 in emerging markets (3 in Greater China).

### **Other brands**

Altogether, Gucci Group's other brands posted comparable sales growth of 16.2% in the first nine months of the year.

In the third quarter, sales of the other brands rose by 18.5% in comparable (+24.1% in reported terms). Balenciaga delivered strong double-digit growth, thanks to the strong performances of its Leather Goods and Shoes. Boucheron had another good quarter in Timepieces and Jewelry. At Sergio Rossi, overall sales were unchanged, though with a higher performance in directly operated stores. Alexander McQueen achieved another sharp increase in sales in all regions and all product categories. Stella McCartney had double-digit sales growth in the quarter. In total, the store network of the other brands comprised 138 units at the end of September 2010.

### **Key highlights of the quarter and subsequent events**

No material event, likely to significantly alter the Group's financial situation, occurred in the third quarter.

On September 30, 2010, Fnac completed the sale of its Fnac éveil & jeux unit to ID Group.

On October 25, 2010, PPR acknowledged the conclusions of the audit mandated by PUMA AG, uncovering irregularities committed at its Greek joint venture, PUMA Hellas SA. Pursuant to IAS 8, the consolidated financial statements of the PPR Group will be restated in proportion to the Group's interest in the share capital of PUMA AG. Consequently, PPR's shareholders' equity at January 1, 2010 should be restated for a maximum amount of approximately EUR 70 million while its net income for 2010 should be reduced by an amount of about EUR 20 million, not material with regards to the size of the Group's results.

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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.

## CONFERENCE CALL

PPR will hold a **conference call** for analysts and investors at **6:00pm** (Continental Europe); 5:00pm (UK); 12:00pm (East Coast, USA), on **Thursday, October 28, 2010**.

### Conference call dial-in:

From France +33 (0) 1 70 99 42 66  
From the UK +44 (0) 20 7138 0826  
From the US +1 212 444 0481

Access code: 7480418

### Replay dial-in:

From France +33 (0) 1 74 20 28 00  
From the UK +44 (0) 20 7111 1244  
From the US +1 347 366 9565

Access code for the replay: 7480418# (available until November 18, 2010)

## PRESENTATION

The slides (PDF format) will be available ahead of the conference call at [www.ppr.com](http://www.ppr.com)



## About PPR

PPR develops a portfolio of high-growth global brands. Through its Consumer and Luxury brands, PPR generated sales of €6.5 billion in 2009. With approximately 73,000 employees the Group is present in 59 countries. 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](http://www.ppr.com): Fnac, Redcats (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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### Appendix 1: Quarterly sales

<i>(in € million)</i>	<b>Sept YTD 2010</b>	<b>Sept YTD 2009</b>	<b>Change Reported</b>	<b>Change Comparable <sup>(1)</sup></b>	<b>Q3 2010</b>	<b>Q3 2009</b>	<b>Change Reported</b>	<b>Change Comparable <sup>(1)</sup></b>
<b>Fnac</b>	<b>2,915.7</b>	<b>2,818.5</b>	<b>+3.4%</b>	<b>+2.4%</b>	<b>999.4</b>	<b>958.1</b>	<b>+4.3%</b>	<b>+3.2%</b>
<b>Redcats</b>	<b>2,511.9</b>	<b>2,482.4</b>	<b>+1.2%</b>	<b>+0.9%</b>	<b>815.7</b>	<b>752.5</b>	<b>+8.4%</b>	<b>+5.7%</b>
<b>Conforama</b>	<b>2,234.9</b>	<b>2,079.2</b>	<b>+7.5%</b>	<b>+4.8%</b>	<b>821.2</b>	<b>747.8</b>	<b>+9.8%</b>	<b>+5.4%</b>
<b>Puma</b>	<b>2,082.8</b>	<b>1,971.1</b>	<b>+5.7%</b>	<b>-1.6%</b>	<b>784.3</b>	<b>673.4</b>	<b>+16.5%</b>	<b>+4.9%</b>
<b>Gucci Group</b>	<b>2,865.1</b>	<b>2,461.1</b>	<b>+16.4%</b>	<b>+11.4%</b>	<b>1,041.0</b>	<b>819.0</b>	<b>+27.1%</b>	<b>+16.7%</b>
Gucci	1,885.4	1,633.1	+15.4%	+9.9%	670.0	531.2	+26.1%	+14.8%
Bottega Veneta	366.6	299.2	+22.5%	+16.4%	136.6	96.4	+41.7%	+27.3%
Yves Saint Laurent	191.6	174.9	+9.6%	+6.6%	73.7	61.9	+19.1%	+13.0%
Other brands	421.5	353.9	+19.1%	+16.2%	160.7	129.5	+24.1%	+18.5%
<i>Inter-company sales and other</i>	<i>-16.9</i>	<i>-12.9</i>			<i>-6.7</i>	<i>-4.4</i>		
<b>PPR - Continuing operations</b>	<b>12,593.5</b>	<b>11,799.4</b>	<b>+6.7%</b>	<b>+3.6%</b>	<b>4,454.9</b>	<b>3,946.4</b>	<b>+12.9%</b>	<b>+7.3%</b>

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

(in € million)

	<b>H1 2010</b>	<b>H1 2009</b>	<b>Change Reported</b>	<b>Change Comparable <sup>(1)</sup></b>	<b>Q2 2010</b>	<b>Q2 2009</b>	<b>Change Reported</b>	<b>Change Comparable <sup>(1)</sup></b>	<b>Q1 2010</b>	<b>Q1 2009</b>	<b>Change Reported</b>	<b>Change Comparable <sup>(1)</sup></b>
<b>Fnac</b>	<b>1,916.3</b>	<b>1,860.4</b>	<b>+ 3.0%</b>	<b>+ 2.0%</b>	<b>934.1</b>	<b>901.3</b>	<b>+ 3.6%</b>	<b>+ 2.5%</b>	<b>982.2</b>	<b>959.1</b>	<b>+ 2.4%</b>	<b>+ 1.6%</b>
<b>Redcats</b>	<b>1,696.2</b>	<b>1,729.9</b>	<b>- 1.9%</b>	<b>- 1.2%</b>	<b>852.5</b>	<b>863.3</b>	<b>- 1.3%</b>	<b>- 1.9%</b>	<b>843.7</b>	<b>866.6</b>	<b>- 2.6%</b>	<b>- 0.5%</b>
<b>Conforama</b>	<b>1,413.7</b>	<b>1,331.4</b>	<b>+ 6.2%</b>	<b>+ 4.4%</b>	<b>683.6</b>	<b>621.6</b>	<b>+ 10.0%</b>	<b>+ 6.5%</b>	<b>730.1</b>	<b>709.8</b>	<b>+ 2.9%</b>	<b>+ 2.6%</b>
<b>Puma</b>	<b>1,298.5</b>	<b>1,297.7</b>	<b>+ 0.1%</b>	<b>- 5.1%</b>	<b>615.4</b>	<b>600.3</b>	<b>+ 2.5%</b>	<b>- 7.7%</b>	<b>683.1</b>	<b>697.4</b>	<b>- 2.1%</b>	<b>- 2.7%</b>
<b>Gucci Group</b>	<b>1,824.1</b>	<b>1,642.1</b>	<b>+ 11.1%</b>	<b>+ 8.5%</b>	<b>929.3</b>	<b>787.3</b>	<b>+ 18.0%</b>	<b>+ 10.9%</b>	<b>894.8</b>	<b>854.8</b>	<b>+ 4.7%</b>	<b>+ 6.1%</b>
Gucci	1,215.4	1,101.9	+ 10.3%	+ 7.4%	626.7	534.8	+ 17.2%	+ 9.4%	588.7	567.1	+ 3.8%	+ 5.3%
Bottega Veneta	230.0	202.8	+ 13.4%	+ 10.8%	116.4	99.1	+ 17.5%	+ 10.5%	113.6	103.7	+ 9.5%	+ 11.0%
Yves Saint Laurent	117.9	113.0	+ 4.3%	+ 2.9%	59.2	53.3	+ 11.1%	+ 6.7%	58.7	59.7	- 1.7%	- 0.7%
Other brands	260.8	224.4	+ 16.2%	+ 14.8%	127.0	100.1	+ 26.9%	+ 21.9%	133.8	124.3	+ 7.6%	+ 8.9%
<i>Inter-company sales and other</i>	<i>-10.2</i>	<i>-8.5</i>			<i>-5.6</i>	<i>-3.1</i>			<i>-4.6</i>	<i>-5.4</i>	<i>ns</i>	<i>ns</i>
<b>PPR - Continuing operations</b>	<b>8,138.6</b>	<b>7,853.0</b>	<b>+ 3.6%</b>	<b>+ 1.7%</b>	<b>4,009.3</b>	<b>3,770.7</b>	<b>+ 6.3%</b>	<b>+ 2.0%</b>	<b>4,129.3</b>	<b>4,082.3</b>	<b>+ 1.2%</b>	<b>+ 1.3%</b>

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