



PRESS RELEASE

Paris, October 26, 2011



Third-quarter 2011 revenue

- Group revenue jumps 7%
- Strong momentum across all geographic areas fuels 18% revenue growth in Luxury Goods and Sport & Lifestyle businesses, with a sharp acceleration in Luxury, up 25%

PPR posted third quarter 2011 revenue of €3.9 billion, up 7.0% versus the same 2010 period on a comparable basis, and advanced in all geographic areas.

This solid performance notably reflected the continued strong momentum of the Luxury Goods and Sport & Lifestyle businesses across all regions. Luxury Goods posted a 24.6% leap in revenue in the third quarter of the year, driving revenue growth for the first nine months of the year to 23.7%. Revenue recorded by the Sport & Lifestyle group came out 9.9% higher in third quarter 2011, pushing growth for the first nine months of the year to 9.6%.

François-Henri Pinault, Chairman and CEO, noted: *"PPR put in another sparkling performance this quarter, with all product categories and sales channels within the Luxury Goods and Sport & Lifestyle businesses contributing to growth. Our Retailing activities also proved resilient in the face of economic headwinds. While we remain vigilant, we are confident in the strength of our brands and the significant long-term potential of their markets. Over the full year, PPR has the ability to deliver sustained revenue growth and achieve higher financial performances than in 2010."*

<i>(in € million)</i>	<b>9 months ended Sept. 30, 2011</b>	<b>Comparable change<sup>(1)</sup></b>	<b>Q3 2011</b>	<b>Comparable change<sup>(1)</sup></b>
Luxury Goods	3,519	+23.7%	1,282	+24.6%
Sport & Lifestyle	2,371	+9.6%	924	+9.9%
	<b>5,890</b>	<b>+17.6%</b>	<b>2,206</b>	<b>+18.0%</b>
Retailing	5,076	-2.4%	1,655	-4.8%
<i>Eliminations and other</i>	<i>(9)</i>	<i>nm</i>	<i>(4)</i>	<i>nm</i>
<b>PPR - Continuing operations</b>	<b>10,957</b>	<b>+7.4%</b>	<b>3,857</b>	<b>+7.0%</b>

<sup>(1)</sup> Constant Group structure and exchange rate basis.

## **Gucci**

Revenue recorded by Gucci in third quarter 2011 leapt 21% versus the same year-ago period on a comparable basis, and by nearly 18% based on reported data. All channels delivered double-digit revenue growth, with directly operated store revenue up 22% and wholesale revenue up 16%, reflecting the success of Gucci's Autumn/Winter collection.

All geographic areas contributed to growth, and mature markets delivered excellent performances, with North America revenues soaring 31%, Western Europe up 16% and Japan advancing 9%. Asia-Pacific accounted for 37% of total Gucci sales in the third quarter, and reported revenue growth of 22% versus the same year-ago period, with 37% growth in Mainland China. All product categories made major gains, with revenue growth for Fashion and Leather Goods coming out at 19%.

Gucci is celebrating its 90th anniversary this year. In September, the Gucci Museum opened in Florence, showcasing the brand's unique heritage and its deep local roots. The celebrations also featured the "Forever Now" worldwide advertising campaign and a special "1921" collection, both of which received broad media coverage. September also saw the reopening of Gucci's flagship Via Montenapoleone store in Milan following a high-tech makeover.

As of end-September 2011, the Gucci network comprised 365 stores, including 132 in emerging markets.

## **Bottega Veneta**

Revenue posted by Bottega Veneta surged 39% versus the same year-ago period on a comparable basis, and by 35% based on reported data.

Bottega Veneta posted outstanding revenue growth in both directly operated stores (up 34%) and wholesale (up 64%), powered by the successful Autumn/Winter 2011 collection. All product categories contributed to the overall growth effort, led by Leather Goods, which recorded a 42% increase in revenue. Each of the brand's geographic areas also contributed to the third quarter sales performance. Revenue posted by the Asia-Pacific region jumped 69%, accounting for 34% of Bottega Veneta sales in the quarter, with sharp growth in Greater China. Western Europe posted a remarkable 42% increase, North America moved up 35% and Japan moved back into positive territory (up 5%). In addition to sustained demand for all product segments in the Women's range, Men's Ready-to-wear and Shoes also delivered bumper performances.

As of end-September 2011, Bottega Veneta operated a network of 158 stores, including 55 in emerging markets.

## **Yves Saint Laurent**

In third quarter 2011, Yves Saint Laurent reported sharp year-on-year revenue growth of 35% in comparable terms and nearly 33% on a reported basis.

By channel, directly operated stores and wholesale posted vigorous growth of 40% and 46%, respectively.

All product categories made solid contributions to the brand's performance. Leather Goods posted especially strong growth of 40%, driven by carryover lines and the new Cabas Chyc bag, while Shoes soared by more than 70% on the back of the continuing success of the Tribute, TribToo and Palais lines.

Virtually all regions achieved sales growth for the quarter, with satisfactory performances in both mature and emerging markets. Western Europe accounted for 46% of Yves Saint Laurent's third-quarter sales and advanced 44%, while North America moved up 50% and Asia-Pacific leapt 55%.

As of end-September 2011, Yves Saint Laurent operated a network of 81 stores, including 25 in emerging markets.

### Other Luxury Goods brands

Sowind Group (Girard-Perregaux and JeanRichard) is fully consolidated in the financial statements of PPR since July 1, 2011.

In the third quarter, PPR's Other Luxury Goods brands posted comparable sales growth of 22% (31% in reported terms) with all brands and regions contributing to the performance. **Balenciaga** achieved strong double-digit growth for the quarter, reflecting the success of its Autumn/Winter 2011 collections and of the store network expansion strategy. **Boucheron** sales in the third quarter were driven by a buoyant performance in Jewellery. **Alexander McQueen** posted a fresh jump in revenue for the period, while **Stella McCartney** recorded another good quarter in all regions. **Sergio Rossi** registered promising growth in retail sales, boosted by the new store concept launched this year. **Girard-Perregaux** posted a highly satisfactory performance.

As of end-September 2011, the store network of the Other Luxury Goods brands comprised 165 units.

### Puma

Puma sales for the third quarter of 2011 moved up 7% on a reported basis and more than 10% on a comparable basis compared to third quarter 2010. Revenue advanced both in directly operated stores and in wholesale. All product categories contributed to revenue growth, driven by 14% advances in Apparel and Accessories. Asia-Pacific and Latin America enjoyed double-digit growth, while Japan delivered an especially satisfying performance. Western Europe, which accounts for 38% of Puma's revenue, posted growth of 9%.

During the period, Puma signed several important sponsorship agreements with football stars such as Cesc Fabregas, as well as partnerships in Formula 1 with the Mercedes team and in sailing with Team Oracle for the America's Cup.

In track and field, the IAAF World Championships in Daegu, Korea, delivered excellent media coverage for the brand, thanks to the achievements of Jamaican athletes: Usain Bolt held on to his 200m title and the Jamaica team improved on its own 4x100m relay world record.

### Volcom

Volcom is fully consolidated in the financial statements of PPR for the first time in the third quarter.

Volcom delivered revenue of €82 million in the third quarter of 2011, up 7% on a comparable basis. North America, which accounts for more than half of Volcom's revenue, and the Asia-Pacific region, made strong contributions to the brand's performance. Progress on the initial stages of the integration of Volcom within PPR has been very satisfactory.

### Fnac

Third-quarter 2011 revenue reported by Fnac contracted by 4% in both comparable and reported terms versus the same year-ago period, in the face of strong market headwinds.

In France, Fnac posted a 6% decline in revenue, despite a 12% advance in online sales (representing 12% of revenue) and 6% sales growth in out-of-town stores. The decrease in sales of technical products was contained, despite tough trading conditions. Outside France, performances were mixed, with sales edging back by 1% overall. However, Brazil delivered highly satisfactory double-digit revenue growth (up 10%), while Spain and Portugal recorded major market share gains.

In all, online sales leapt 20% and represented 11% of Fnac's total revenue for the period. The banner also opened a new store in Madrid during the third quarter, and has scheduled four

further store openings by year-end (including two out-of-town stores).

The rollout of the "Fnac 2015" strategic plan, presented last July, began in earnest during the summer.

### **Redcats**

In very difficult trading conditions, revenue posted by Redcats declined 6% on a comparable basis and 8% in reported terms compared to the third quarter of 2010. A shift in the timing of the regulated sales period in France impacted the third quarter; for the first nine months of the year, the drop in Redcats's revenue was less than 1%. The weight of online sales continued to grow and now stands at 63% of revenue, driven by the launch of new international sites and by online sales initiatives in France (virtual models, social networks, etc.). Revenue for La Redoute, which is now 75% online-based, came out 8% lower compared to the same year-ago period when revenue had grown by 12%.

Redcats' Scandinavian banners were standout performers during the quarter with growth of 5%, while in the US, the Large Size division demonstrated its resilience with a 7% increase in online sales.

### **Significant events since July 1, 2011**

- On July 4, PPR announced it had acquired a controlling interest in Sowind Group, one of the last independent Swiss watchmakers with a presence in 60 countries, under the Girard-Perregaux and JeanRichard brands.
- On July 19, the management of Fnac presented a new strategic plan aimed at adapting the banner to the market environment of technological shifts, rapid changes in consumption patterns and resurgent competition, especially online.
- On July 25, Puma registered as a European Corporation with the commercial register.
- On August 3, PPR raised its interest in Puma to more than 75% of that company's share capital.

## CONFERENCE CALL

PPR will hold a **conference call** for analysts and investors at **6:00pm** (Continental Europe); 5:00pm (UK); 12:00pm (East Coast, US), on **Wednesday, October 26, 2011**.

### Conference call dial-in

From France +33 (0) 1 70 80 17 65  
From the UK +44 (0) 20 3364 5381  
From the US +1 646 254 3388

Access code: 4520106

### 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

Replay access code: 4520106# (available until November 9, 2011)

## PRESENTATION

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



## About PPR

PPR nurtures a group of high-growth global brands distributed in more than 120 countries. PPR generated revenue of €14.6 billion in 2010 and had approximately 60,000 employees as of December 31, 2010. The PPR share is listed on Euronext Paris (FR 0000121485, PRTP.PA, PPFPA).

Explore the PPR brand universe at [www.ppr.com](http://www.ppr.com): Luxury Goods (Gucci, Bottega Veneta, Yves Saint Laurent, Alexander McQueen, Balenciaga, Boucheron, Girard-Perregaux, JeanRichard, Sergio Rossi and Stella McCartney), Sport & Lifestyle (Puma, Volcom, Cobra, Electric and Tretorn), Fnac and Redcats.



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**Appendices: Third-quarter 2011 revenue**

<i>(in € million)</i>	<b>9 months ended Sept. 30, 2011 <sup>(2)</sup></b>	<b>9 months ended Sept. 30, 2010 <sup>(1)</sup></b>	<b>Reported change</b>	<b>Comparable change <sup>(3)</sup></b>	<b>Q3 2011 <sup>(2)</sup></b>	<b>Q3 2010 <sup>(1)</sup></b>	<b>Reported change</b>	<b>Comparable change <sup>(3)</sup></b>
<b>Luxury Goods</b>	<b>3,518.6</b>	<b>2,865.1</b>	<b>+22.8%</b>	<b>+23.7%</b>	<b>1,281.6</b>	<b>1,041.0</b>	<b>+23.1%</b>	<b>+24.6%</b>
Gucci	2,256.7	1,885.4	+19.7%	+21.4%	788.2	670.0	+17.6%	+21.0%
Bottega Veneta	482.8	366.6	+31.7%	+32.8%	185.1	136.6	+35.4%	+38.9%
Yves Saint Laurent	250.4	191.6	+30.7%	+32.2%	97.7	73.7	+32.6%	+35.4%
Other Luxury brands	528.7	421.5	+25.5%	+22.2%	210.6	160.7	+31.2%	+22.4%
<b>Sport &amp; Lifestyle</b>	<b>2,370.6</b>	<b>2,083.0</b>	<b>+13.8%</b>	<b>+9.6%</b>	<b>923.7</b>	<b>784.3</b>	<b>+17.8%</b>	<b>+9.9%</b>
Puma	2,288.5	2,083.0	+9.9%	+9.7%	841.6	784.3	+7.3%	+10.2%
Volcom	82.1			+7.0%	82.1			+7.0%
<b>Retail</b>	<b>5,076.5</b>	<b>5,232.5</b>	<b>-3.0%</b>	<b>-2.4%</b>	<b>1,654.9</b>	<b>1,751.5</b>	<b>-5.5%</b>	<b>-4.8%</b>
Fnac	2,824.9	2,915.7	-3.1%	-3.6%	959.8	999.4	-4.0%	-4.2%
Redcats	2,251.6	2,316.8	-2.8%	-0.9%	695.1	752.1	-7.6%	-5.6%
<i>Eliminations and other</i>	<i>(9.1)</i>	<i>(16.4)</i>			<i>(3.3)</i>	<i>(6.6)</i>		
<b>PPR - Continuing operations</b>	<b>10,956.6</b>	<b>10,164.2</b>	<b>+7.8%</b>	<b>+7.4%</b>	<b>3,856.9</b>	<b>3,570.2</b>	<b>+8.0%</b>	<b>+7.0%</b>

<sup>(1)</sup> Restated for the reclassification of Conforama and Avenue within "Discontinued operations" in accordance with IFRS 5, and in respect of Puma's Greece-based subsidiary in accordance with IAS 8.

<sup>(2)</sup> Restated for the reclassification of Avenue within "Discontinued operations" in accordance with IFRS 5.

<sup>(3)</sup> Constant Group structure and exchange rates.

(in € million)

	<b>H1 2011</b> (2)	<b>H1 2010</b> (1)	<b>Reported change</b>	<b>Comparable change</b> <sup>(3)</sup>	<b>Q2 2011</b> (2)	<b>Q2 2010</b> (1)	<b>Reported change</b>	<b>Comparable change</b> <sup>(3)</sup>	<b>Q1 2011</b> (2)	<b>Q1 2010</b> (1)	<b>Reported change</b>	<b>Comparable change</b> <sup>(3)</sup>
<b>Luxury Goods</b>	<b>2,237.0</b>	<b>1,824.1</b>	<b>+22.6%</b>	<b>+23.2%</b>	<b>1,107.8</b>	<b>929.3</b>	<b>+19.2%</b>	<b>+24.4%</b>	<b>1,129.2</b>	<b>894.8</b>	<b>+26.2%</b>	<b>+22.1%</b>
Gucci	1,468.5	1,215.4	+20.8%	+21.6%	737.7	626.7	+17.7%	+23.4%	730.8	588.7	+24.1%	+19.9%
Bottega Veneta	297.7	230.0	+29.4%	+29.2%	140.8	116.4	+21.0%	+26.4%	156.9	113.6	+38.1%	+31.8%
Yves Saint Laurent	152.7	117.9	+29.5%	+30.3%	76.7	59.2	+29.6%	+34.2%	76.0	58.7	+29.4%	+26.6%
Other Luxury brands	318.1	260.8	+22.0%	+22.0%	152.6	127.0	+20.1%	+23.1%	165.5	133.8	+23.7%	+21.0%
<b>Sport &amp; Lifestyle</b>	<b>1,446.9</b>	<b>1,298.7</b>	<b>+11.4%</b>	<b>+9.4%</b>	<b>673.5</b>	<b>615.4</b>	<b>+9.4%</b>	<b>+14.1%</b>	<b>773.4</b>	<b>683.3</b>	<b>+13.2%</b>	<b>+5.5%</b>
Puma	1,446.9	1,298.7	+11.4%	+9.4%	673.5	615.4	+9.4%	+14.1%	773.4	683.3	+13.2%	+5.5%
<b>Retail</b>	<b>3,421.6</b>	<b>3,481.0</b>	<b>-1.7%</b>	<b>-1.2%</b>	<b>1,664.3</b>	<b>1,709.7</b>	<b>-2.7%</b>	<b>-1.5%</b>	<b>1,757.4</b>	<b>1,771.3</b>	<b>-0.8%</b>	<b>-0.9%</b>
Fnac	1,865.1	1,916.3	-2.7%	-3.2%	906.4	934.1	-3.0%	-3.3%	958.8	982.2	-2.4%	-3.2%
Redcats	1,556.5	1,564.7	-0.5%	+1.3%	757.9	775.6	-2.3%	+0.6%	798.6	789.1	+1.2%	+2.0%
<i>Eliminations and other</i>	(5.8)	(9.8)			(2.3)	(5.4)			(3.5)	(4.4)		
<b>PPR - Continuing operations</b>	<b>7,099.7</b>	<b>6,594.0</b>	<b>+7.7%</b>	<b>+7.7%</b>	<b>3,443.3</b>	<b>3,249.0</b>	<b>+6.0%</b>	<b>+8.7%</b>	<b>3,656.5</b>	<b>3,345.0</b>	<b>+9.3%</b>	<b>+6.7%</b>

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<sup>(2)</sup> Restated for the reclassification of Avenue within "Discontinued operations" in accordance with IFRS 5.

<sup>(3)</sup> Constant Group structure and exchange rates.