



PRESS RELEASE

Paris, October 25, 2012



Third-quarter 2012 revenue

- Group revenue jumps 7%
- Excellent performance in luxury: revenue up 12%
- Continuation of the Group's strategic transformation

PPR posted third-quarter 2012 revenue of €2.6 billion, up 6.6% versus the same 2011 period on a comparable basis, and advanced in all geographic areas.

This solid performance reflected further sustained growth in all luxury brands. The Luxury division posted an 11.9% leap in revenue in the third quarter of the year, driving revenue growth for the first nine months of the year to 15.5%. Revenue recorded by the Sport & Lifestyle division was up 2% for the first nine months of the year.

François-Henri Pinault, Chairman and Chief Executive Officer, noted: *"PPR has again delivered a highly satisfactory performance overall this quarter with revenue for the Luxury and Sport & Lifestyle divisions climbing 6.6%. The Luxury division continues to report outstanding growth propelled by the momentum of our brands across all of the Group's regions. We are also pursuing the Group's strategic transformation. This quarter's impressive performance bears witness to the complementary nature and growth potential of our brands, the strength of the Group and the balanced footprint of our businesses. This reinforces our confidence in PPR's ability to deliver sustained revenue growth, along with gains in operating and financial performance, over the full year."*

<i>(in € million)</i>	<b>9 months to Sept. 30, 2012</b>	<b>Comparable change (1)</b>	<b>Q3 2012</b>	<b>Comparable change (1)</b>
Luxury division	4,517	+15.5 %	1,593	+11.9 %
Sport & Lifestyle division	2,664	+2.0 %	970	-1.2 %
<i>Eliminations and other</i>	<i>(7)</i>	<i>nm</i>	<i>(2)</i>	<i>nm</i>
<b>PPR – Continuing operations</b>	<b>7,174</b>	<b>+ 10.2 %</b>	<b>2,561</b>	<b>+6.6 %</b>

*(1) Comparable scope and exchange rates; changes in scope of consolidation chiefly due to integration of Brioni, Sowind and Volcom.*

- **Luxury division**

In the third quarter of 2012, PPR's Luxury division delivered excellent performances, with revenue climbing 12% on a comparable basis and 24% in reported terms, in a mixed economic environment and against a high basis of comparison.

Sales growth across all luxury brands and in all geographic areas underscores the vitality and healthy geographic spread of the division's activities.

All product categories contributed to the Luxury division's sales growth, with Fashion and Leather Goods up a strong 11%.

As of September 30, 2012, the store network of the Luxury division comprised 924 units, including 28 net new stores opened during the quarter. Nearly 30 stores have undergone renovations since the beginning of the year.

### **Gucci**

Gucci delivered a very good performance in the quarter, with sales up 7% in comparable terms and 16% on a reported basis.

All distribution channels contributed to growth, with a strong performance of online sales, which leapt 44% this quarter.

All geographic areas reported growth. In Western Europe, sales were up 14%, with a positive impact of tourism on retail sales. Revenue in North America also reported major gains (up 11%), atop a high basis of comparison in the third quarter of 2011, spurred by the brand's appeal with local clientele and a growing contribution of tourism. Sales in Asia-Pacific were up 2%, with good results in Mainland China, where the Group posted strong revenue growth.

All product categories saw positive growth, in particular Leather Goods (up 8%), which is reaping the benefits of its strategic high-end repositioning implemented over the past several seasons. Sales of Men's ready-to-wear and of the Children's collection also posted double-digit growth.

As of September 30, 2012, the Gucci network comprised 411 stores, including eight net new stores opened this quarter.

### **Bottega Veneta**

Bottega Veneta posted robust revenue growth in the third quarter of 2012, against a high basis of comparison, with revenue up 21% on a comparable basis and 31% in reported terms.

The brand achieved a bumper performance on a comparable basis across all geographic areas, especially Western Europe with 42% growth, as tourism complemented strong local demand. Sales also advanced 12% in North America and 18% in Asia-Pacific. In the quarter, revenue jumped by more than 25% in Mainland China.

All distribution channels contributed to growth, fuelled by the overwhelming success of the brand's iconic products as well as their seasonal interpretations.

Bottega Veneta posted promising growth in its Men's product lines this quarter (up 32%), particularly in Shoes.

Bottega Veneta's fragrance line continued to enjoy a positive reception this quarter, as did other smaller lines such as Jewellery.

As of September 30, 2012, the Bottega Veneta network comprised 189 directly operated stores, including nine net new stores opened in the quarter.

### *Yves Saint Laurent*

In the third quarter of 2012, Yves Saint Laurent reported excellent year-on-year growth of 27% in comparable terms and 33% on a reported basis.

All areas contributed to this growth, with outstanding performances in Japan (up 58%) and Asia-Pacific (up 64%) on a comparable basis. The other regions also posted very satisfactory performances, against a high basis of comparison, with revenue growth of 22% in Western Europe and 11% in North America.

All product categories made strong contributions, including 30% growth for Fashion and Leather Goods.

Retail sales continued to advance, up 31% in the third quarter.

The first collections designed by Hedi Slimane met with a very favourable response from buyers and the media. They will reach the stores in early 2013.

Yves Saint Laurent operated a network of 89 stores at the end of September (new store openings in Berlin, Milan and Kyoto during the quarter).

### *Other Luxury brands*

In the third quarter, PPR's Other Luxury brands posted comparable sales growth of 16% (46% in reported terms), with all brands and regions contributing to the performance.

Momentum remained especially strong for Fashion and Leather Goods, which achieved growth of more than 13% in the quarter, driven by outstanding success of the designer brands and the very solid performances of **Brioni** and **Sergio Rossi**.

Timepieces and Jewellery also reported strong growth, up 26%. **Boucheron's** latest High Jewellery collections met with great success and **Girard Perregaux** continues to gain ground, focusing on the brand's key values and potential.

As of September 30, 2012, the store network of the Other Luxury division brands comprised 235 units.

- **Sport & Lifestyle division**

The Sport & Lifestyle division recorded mixed third-quarter results depending on the region, with a 1% decrease in comparable revenue and a 5% rise in reported revenue.

Puma sales were stable overall on a comparable basis while Volcom's revenue contracted due to delivery delays.

### *Puma*

Puma sales for the third quarter of 2012 were powered by upbeat results in Accessories, especially Cobra Puma Golf, and a resilient performance from the Apparel category. Shoe sales remained sluggish due to the tough economic climate in Western Europe, which accounts for a significant share of the brand's activities.

Puma once again reported good sales performances in North America (up 9%) and in its six priority emerging markets, including Russia, India, Brazil and Mexico. Business remained mixed in Western Europe, with revenue down in France and the United Kingdom.

Puma is currently focusing on speeding up and expanding the scope of its Transformation Programme in order to drive medium-term revenue growth.

### Significant events of the quarter

- On July 18, 2012, Puma announced its intention to speed up and significantly expand the scope of its Transformation Programme in order to streamline its cost base and increase efficiencies in terms of organisation, processes and systems, notably in Europe. It is estimated that the measures provided for under this programme will require one-time charges of up to €100 million in the second half of 2012.
- On July 26, 2012, PPR and the Japanese group Toyota Tsusho Corporation (“TTC”) announced that they had entered into a share purchase agreement pursuant to which TTC would acquire 29.8% of the share capital of CFAO at a price of €37.50 per share from PPR in early August 2012. With this acquisition, TTC became the largest shareholder of CFAO. At the end of August, TTC launched a voluntary tender offer for the remaining shares at the same €37.50 price per share as the price paid for the acquisition of the aforementioned 29.8% stake. The French Financial Markets Authority (*Autorité des marchés financiers* – AMF) recently approved this transaction. PPR has agreed with TTC to tender its remaining 12.2% stake in CFAO into the voluntary public tender offer.
- On August 3, 2012, PPR SA and YOOX SpA announced the signature of a joint-venture agreement. The newly created company, 51%-owned by PPR and 49% by YOOX Group, will be entirely dedicated to managing mono-brand online stores in collaboration with several PPR luxury brands: Yves Saint Laurent, Alexander McQueen, Balenciaga, Bottega Veneta and Sergio Rossi.

### Subsequent events

- On October 9, 2012, PPR announced that its Board of Directors unanimously approved the principle of the demerger and flotation of Fnac through the distribution of Fnac shares to the shareholders of PPR. The transaction, which is intended to go ahead in 2013, is being submitted to the consultation of the works councils’ representatives of Fnac and PPR SA. Its detailed terms will be presented at a later stage.
- Fnac gained market share in most of its territories during the third quarter of 2012, despite the economic headwinds. Nevertheless, revenue edged down 2.3% on a comparable basis. In France, where Fnac generates nearly 70% of its revenue, the brand is proving more resilient than competitors, with a comparable drop in sales of just 1.5%.

Fnac is now accounted for under "Discontinued activities" in accordance with IFRS 5.

- On October 15, 2012, Puma SE announced the resignation of Jochen Zeitz as Chairman of Puma SE's Administrative Board, effective November 30, 2012.
- On October 23, 2012, Puma SE appointed Jean-François Palus, PPR's Deputy Chief Executive Officer, as Chairman of Puma SE's Administrative Board, effective December 1, 2012.

## 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 **Thursday, October 25, 2012**.

### Conference call dial-in

France + 33 (0)1 70 99 42 71  
UK + 44 (0)20 7136 2054  
USA + 1 212 444 0412

Access code: 6751340

### Replay dial-in

France + 33 (0) 1 74 20 28 00  
UK + 44 (0) 20 3427 0598  
USA + 1 347 366 9565

Replay access code: 6751340 (until November 7, 2012).

## PRESENTATION

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



### About PPR

The PPR Group empowers a coherent ensemble of Luxury and Sport & Lifestyle premium brands, specializing in apparel and accessories, to reach their full growth potential. Distributed in more than 120 countries, PPR generated revenues of €12.2 billion in 2011 and had over 47,000 employees at year end. The PPR share is listed on Euronext Paris (FR 0000121485, PRTP.PA, PPFPA).

Find out more on Gucci, Bottega Veneta, Yves Saint Laurent, Alexander McQueen, Balenciaga, Brioni, Stella McCartney, Sergio Rossi, Boucheron, Girard-Perregaux, JeanRichard, Puma, Volcom, Cobra, Electric, Tretorn and Fnac at [www.ppr.com](http://www.ppr.com).



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*Appendix: Third-quarter 2012 revenue*

<i>(in € million)</i>	<b>9 months ended Sept. 30, 2012</b>	<b>9 months ended Sept. 30, 2011 <sup>(1)</sup></b>	<b>Reported change</b>	<b>Comparable change <sup>(2)</sup></b>	<b>Q3 2012</b>	<b>Q3 2011 <sup>(1)</sup></b>	<b>Reported change</b>	<b>Comparable change <sup>(2)</sup></b>
<b>Luxury division</b>	<b>4,517.4</b>	<b>3,518.6</b>	<b>+28.4%</b>	<b>+15.5%</b>	<b>1,592.9</b>	<b>1,281.6</b>	<b>+24.3%</b>	<b>+11.9%</b>
Gucci	2,642.4	2,256.7	+17.1%	+9.4%	914.6	788.2	+16.0%	+7.0%
Bottega Veneta	671.1	482.8	+39.0%	+29.5%	241.6	185.1	+30.5%	+20.6%
Yves Saint Laurent	353.5	250.4	+41.2%	+35.4%	130.0	97.7	+33.1%	+26.7%
Other brands	850.4	528.7	+60.8%	+18.8%	306.7	210.6	+45.6%	+15.5%
<b>Sport &amp; Lifestyle division</b>	<b>2,663.7</b>	<b>2,370.6</b>	<b>+12.4%</b>	<b>+2.0%</b>	<b>969.7</b>	<b>923.7</b>	<b>+5.0%</b>	<b>-1.2%</b>
Puma	2,466.0	2,288.5	+7.8%	+2.4%	892.2	841.6	+6.0%	-0.0%
Other brands	197.7	82.1	+140.8%	-3.0%	77.5	82.1	-5.6%	-13.1%
<i>Eliminations</i>	<i>-7.0</i>	<i>-8.4</i>			<i>-2.2</i>	<i>-3.1</i>		
<b>PPR – Continuing activities</b>	<b>7,174.1</b>	<b>5,880.8</b>	<b>+22.0%</b>	<b>+10.2%</b>	<b>2,560.4</b>	<b>2,202.2</b>	<b>+16.3%</b>	<b>+6.6%</b>

(1) *Figures have been restated of Redcats, Fnac and Fnac Italy (IFRS 5).*

(2) *Comparable scope and exchange rates; changes in scope of consolidation chiefly due to integration of Brioni, Sowind and Volcom.*

(in € million)

	<b>H1 2012</b>	<b>H1 2011</b> (1)	<b>Reported change</b>	<b>Comparable change</b> (2)	<b>Q2 2012</b>	<b>Q2 2011</b> (1)	<b>Reported change</b>	<b>Comparable change</b> (2)	<b>Q1 2012</b>	<b>Q1 2011</b> (1)	<b>Reported change</b>	<b>Comparable change</b> (2)
<b>Luxury division</b>	<b>2,924.5</b>	<b>2,237.0</b>	<b>+30.7%</b>	<b>+17.6%</b>	<b>1,466.6</b>	<b>1,107.8</b>	<b>+32.4%</b>	<b>+17.4%</b>	<b>1,457.9</b>	<b>1,129.2</b>	<b>+29.1%</b>	<b>+17.8%</b>
Gucci	1,727.8	1,468.5	+17.7%	+10.8%	879.9	737.7	+19.3%	+10.0%	847.9	730.8	+16.0%	+11.6%
Bottega Veneta	429.5	297.7	+44.3%	+35.1%	211.5	140.8	+50.2%	+37.4%	218.0	156.9	+39.0%	+33.0%
Yves Saint Laurent	223.5	152.7	+46.4%	+41.1%	114.7	76.7	+49.5%	+42.1%	108.8	76.0	+43.2%	+40.1%
Other brands	543.7	318.1	+70.9%	+20.7%	260.5	152.6	+70.7%	+21.3%	283.2	165.5	+71.0%	+20.0%
<b>Sport &amp; Lifestyle division</b>	<b>1,694.0</b>	<b>1,446.9</b>	<b>+17.1%</b>	<b>+4.0%</b>	<b>807.5</b>	<b>673.5</b>	<b>+19.9%</b>	<b>+5.3%</b>	<b>886.5</b>	<b>773.4</b>	<b>+14.6%</b>	<b>+2.8%</b>
Puma	1,573.8	1,446.9	+8.8%	+3.9%	752.9	673.5	+11.8%	+4.8%	820.9	773.4	+6.1%	+3.1%
Other brands	120.2			+4.9%	54.6			+12.6%	65.6			-0.8%
<i>Eliminations</i>	-4.8	-5.3			-2.3	-2.1			-2.5	-3.2		
<b>PPR – Continuing activities</b>	<b>4,613.7</b>	<b>3,678.6</b>	<b>+25.4%</b>	<b>+12.2%</b>	<b>2,271.8</b>	<b>1,779.2</b>	<b>+27.7%</b>	<b>+12.8%</b>	<b>2,341.9</b>	<b>1,899.4</b>	<b>+23.3%</b>	<b>+11.7%</b>

(1) Figures have been restated of Redcats, Fnac and Fnac Italy (IFRS 5).

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