Empowering Imagination
At Kering, *Empowering Imagination* is much more than a signature. It is our promise, our commitment and our mindset.

It means unleashing the child within us even when handling important, grownup tasks.

It means being curious and passionate...
... and constantly yearning to understand, invent and innovate.

It certainly means not taking ourselves too seriously!
It means taking delight in carefree moments, enjoying good, plain fun, sharing with friends...

... and encouraging authenticity and bold creativity.
Discover our Empowering Imagination film at www.kering.com/en/group/

And ultimately, it means embracing a vision of Luxury that is modern, creative, responsible and inspiring.

It also means taking care of people and of our planet. Because what we do counts as much as the way we do it.

It means pushing our limits, being open to fresh perspectives.
Summary
The Group
Message from the Chairman
For Kering and its Houses, 2018 was an excellent year. In a generally favorable market environment, the Group generated €13.7 billion in revenue, an increase of 29% on a comparable basis with 2017. In one year, our Houses grew sales by €2.8 billion, purely through organic growth. Our operating income rose by 47% to exceed €3.9 billion. This healthy, balanced growth constitutes a solid foundation for Kering's future.

This outstanding performance is due above all to the talent, passion, and dedication of our 35,000 employees all around the world, and I would like to congratulate them for their contribution. It is also the result of our long-term vision and strategy – and the creativity that plays a key role in our businesses.

Creativity is what enables us to grow faster than the market. It is the Houses' creativity – distinctive, authentic, sometimes radical, but always unique – that enables them to create trends and spark desire. The tangible and consistent expression of creativity is also what wins customers' loyalty and attracts new ones with each successive collection. In 2018, as in previous years, creativity combined with exceptional craftsmanship was a crucial factor in our performances.

We are counting on all of our Houses, without exception, to contribute to future growth. Gucci is the indispensable backbone of our portfolio. In 2018, its revenue topped the €8 billion mark, confirming the previous year's robust performance. Gucci's exceptional and dynamic growth is a guarantee of longevity. Saint Laurent also benefits from a unique stylistic positioning, combining a powerful heritage with uncompromising modernity in design. One sign of its strong desirability: in 2018, the House experienced growth of over 15% for the sixth consecutive year. And its potential remains immense, particularly through the expansion of its store network.

At other Houses, initiatives are underway to ensure that they achieve their full potential. We are investing in development by moving into new markets, expanding distribution networks, and introducing new products. Balenciaga reported exceptional growth in 2018 and is expected to surpass €1 billion in revenue in 2019. Alexander McQueen is on an upward trajectory, which we aim to continue and amplify by doubling the size of the brand's
store network in the medium term. Boucheron, Pomellato, and Qeelin also have the potential to substantially improve profitability. All are sources of future growth, in which we are investing today – as we did, for example, by renovating Boucheron's historic flagship on the Place Vendôme. I also would like to note the success of Kering Eyewear, which illustrates perfectly our capacity to develop innovative concepts that create value.

At Bottega Veneta and Brioni, our goal is to generate fresh momentum through transformation. We are making radical changes to Bottega Veneta's model to turn the House into a global fashion brand. The arrival of Daniel Lee as Creative Director, in June 2018, is a powerful statement: we believe deeply in the power of his creative vision, which while remaining true to the House's heritage has the potential to enhance its visibility and desirability. To that end, we are concentrating our efforts and investments to make 2019 the year of Bottega Veneta. Likewise, we are adjusting Brioni's model to spur growth in the medium term.

Lastly, we are reinforcing the manufacturing synergies between Ulysse Nardin and Girard-Perregaux, while preserving their respective positionings in Haute Horlogerie.

Beyond the initiatives specific to each House, the Group is developing transversal projects that will benefit them all. Our integrated model and the synergies it makes possible are a decisive factor in our performance, as is the complementary fit of our Houses as an ensemble.

Our Group's culture is another key asset. Companies that maintain high levels of performance over the long term are those that have developed the strongest cultures. That is the case with Kering. Audacity, tenacity, and vigilance form a foundation of shared values that inspires our organization and management methods, just as innovation and agility allow us to anticipate disruptions and capitalize on the opportunities they bring.

To conclude, a company is not merely a business enterprise, no matter how strong its performance. It must have a higher purpose than a purely financial rationale. This conviction lies at the heart of Kering's model. Today, it is thanks to our pioneering spirit and our commitment to corporate responsibility that we are recognized, the world over,
as a different kind of company, one that takes a stand and acts, concretely and with dedication, on social and environmental issues. In 2018, Corporate Knights ranked Kering the world’s second-most sustainable corporation, across industries. We take great pride in this performance as well. Like the success of our Houses, it confirms our ambition: to be the world’s most influential Luxury group in terms of creativity, sustainability and long-term economic performance.

François-Henri Pinault
Kering is a global leader in the world of Luxury. It has built its success on a unique growth model designed to drive financial performance over the long term. To sustain its leadership and harness Luxury’s full potential, Kering relies on its Houses’ organic growth, strengthened synergies and vertical integration throughout the Group.

**Business Model and Strategy**

**Creativity: the key to bold, contemporary Luxury**
The world is moving at an ever-faster pace, and new generations of consumers bring new expectations. As a result, tradition and excellent craftsmanship are no longer sufficient to grow a luxury brand. People want to assert their unique personality in distinctive ways. Kering is responding to this radical change in attitudes by offering customers original experiences that will satisfy their desire for self-expression. In this way, the Group is crafting tomorrow’s Luxury – an ever-changing Luxury based on powerful, constantly renewed creative content that is contemporary in spirit, creates emotions, and offers everyone the means to express his or her personality.

**An agile, balanced, and responsible model**
Kering has chosen a multi-brand business model. Based on long-term vision and creative freedom for the Houses, this model is agile, balanced, and responsible. Agility is Kering’s capacity to provide a structure that enables its Houses to realize their potential. Balance is having a group of exceptional Houses with complementary positionings and distinctive creative universes. Thanks to their diversity, their complementarity, and the Group’s balanced geographic presence, Kering is able to ride out market fluctuations and seize growth opportunities. Lastly, Kering’s responsible business model informs all of its operations and endows the Group with a structural competitive advantage. In our Houses, sustainability is regarded not as a constraint, but as an opportunity and a source of inspiration and innovation. By taking into account the impact on people and the planet, Kering is transforming the concept of Luxury. This approach creates sustainable value for our customers and for society as a whole.

Kering is pursuing an ambitious strategy based on this business model and a compelling vision that relies on creativity to produce bold, contemporary Luxury. The objective is to harness the full potential of Luxury so that the Group grows faster than its markets through the Houses’ organic growth and strengthening synergies and integration.
Strong potential for organic growth
In an industry where growth has become the norm, the goal for each House is to outpace its market. All of them possess enormous potential for organic growth. This stems, first of all, from their creative universes, which enable them to build customer loyalty and attract new customers. Achieving their potential also depends on boosting the efficiency of commercial operations as well as improving the customer experience and the multiple sales channel approach. Optimizing performance in each of these areas is a crucial factor in cultivating the Group’s organic growth.

Integration: a creator of value
Kering’s integrated business model gives it a decisive advantage. While the Houses each retain their unique character and exclusivity, they also benefit from synergies. Pooling resources and streamlining certain functions allow them to focus on what is essential: the expression of their creative universe, commercial strategy, merchandising, customer relations, and communication. A further benefit of integration is that expertise can be provided across the Group, thus helping Houses expand product offerings. For instance, most of the Houses now rely on Kering Eyewear for their eyewear lines, thus combining Group expertise and each House’s creativity. Meanwhile, the Group is strengthening its position upstream in the luxury value chain to secure supplies of raw materials, notably through the targeted acquisition of tanneries. Another contributor to the Houses’ growth is their ability to share a deep, international pool of talent and skills. Kering has implemented an integrated, worldwide human resources structure based on increased mobility and a shared culture that values diversity, mutual respect, and an entrepreneurial mindset. The Group supports its employees in the expression of their potential and creativity. It helps them improve their skills and performance and offers them opportunities to achieve their career goals.

Transversal projects to strengthen Houses
Kering is carrying out numerous transversal projects to strengthen its Houses’ competitive advantages and improve commercial performance. Priorities include supporting the digital
transformation of the Group and its brands and building e-commerce activities. To do this, Kering has assembled a team of data scientists to optimize available data and improve consumer service and messages. In 2018, the Group also announced its plan to bring Couture and Leather Goods e-commerce activities in-house as of 2020. The objectives are to enhance the quality of customer service with the ultimate goal of providing an exceptional experience across channels as well as improving operational efficiency and boosting online sales. Another transversal project was the launch in 2018 of an app developed with Apple that will improve customer service by, for example, enabling the store sales personnel to make personalized style recommendations. Here again, there are multiple benefits, including a more compelling customer experience and better commercial results in points of sale.

Other projects underway within the Group are aimed, for example, at developing new expertise and adapting logistics capabilities to handle future volume growth as well as increase the availability of collections. These projects perfectly illustrate the relevance of the Group's integrated business model and its capacity to drive Houses' growth by enabling them to excel.
In 2017 Kering unveiled its sustainability strategy, confirming the Group's commitment to playing a leading role in the transformation of its industry. The objective of this strategy, which is based on three pillars – Care, Collaborate and Create – is to achieve a 40% reduction in Kering's environmental footprint by 2025 through innovation and new initiatives with key partners. Here are its main components.

**Innovating at the source**
To support newcomers to the fashion industry, Kering became in 2017 a founding partner of the incubator Plug And Play - Fashion for Good. In 2018, 15 start-ups from four continents were selected to participate in this accelerator. They are pursuing diverse projects ranging from new business models to the development of alternative raw materials. To bring this initiative to Asia, Kering and Plug and Play in December 2018 announced the creation of a Kering award dedicated to sustainable innovation as a means of identifying the most promising Chinese start-ups. A jury of experts will select three winners, who will be announced in Fall 2019.

**Improving supply chains**
In late 2018, Kering and The Savory Institute, a U.S.-registered charitable organization, launched the fashion industry's first verified ecological supply chain. Kering is also the first group in the fashion industry to become a Frontier Founder in The Savory Institute's Land to Market™ program, which promotes verified regenerative sourcing solutions. Kering will thus be applying the innovative methodology Ecological Outcome Verification™ in its supply chains for leather as well as textile fibers, such as wool and cashmere, from grazing animals. The two partners' first project is to identify and develop a new network of farms from which Kering can source sustainable materials.

The Group is also the first in its industry to use 100% traceable organic cotton. The environmental impact of organic cotton is 80% lower than that of traditional cotton, making it a key sustainability factor for Kering and its brands. To guarantee traceability, the Group has worked with Albini Group, Supima, and Oritain in a project led by Kering's Materials Innovation Lab (MIL). This project has resulted in the development of a unique chemical fingerprint that identifies the field where cotton has been grown, thus ensuring its authenticity at each stage of the supply chain. This innovation will help Kering achieve its target of tracking 100% of its cotton supplies.
Educating future generations
Moving toward sustainable fashion also calls for training the professionals who will create tomorrow's fashion. Kering has partnered up with the London College of Fashion and FutureLearn, the social learning platform, to set up the first MOOC (Massive Open Online Course) on sustainable Luxury. It has received an enthusiastic response from professionals, students, and the general public, with over 17,000 people participating in the program in 2018. Throughout the year, the Group also promoted sustainable fashion to the industry's future managers in lectures given by Chief Sustainability Officer Marie-Claire Daveu to students at HEC (Paris), INSEAD (Fontainebleau), Polimoda (Florence), Columbia University (New York), and Tsinghua University (Beijing).

Driving change with demanding standards
In 2018, the Group issued the Kering Standards. Developed over several years through joint efforts of the Houses, outside experts, and not-for-profit organizations, these environmental and social requirements covering key raw materials and manufacturing processes are applicable to the Group, its Houses, and its supply chains. In providing a framework to the brands and their partners, they add a concrete, operational component to the 2025 Roadmap.

The Group has used these Standards since 2018 to assess and select new suppliers, while also taking steps to assist already approved partners to comply with them. Kering will continue to make this assessment tool more effective by providing suppliers with technical support, training and best practice sharing on the Kering Standards.

The Group is also planning to roll out its Animal Welfare Standards in 2019.

Supporting agents of change
A number of institutions are propelling the fashion industry's transformation and its transition to more responsible practices. By supporting them, Kering is helping to drive this process and achieve progress. In 2018, for example, the Group, together with the not-for-profit organization BSR, and Hong Kong and Shanghai Hotels Limited, published a pioneering
report titled *Disrupting Luxury: Creating Resilient Businesses in Times of Rapid Change*. Fifteen luxury industry leaders, member companies in the global nonprofit BSR Responsible Luxury Initiative, collaborated in the preparation of this report, which is aimed at developing a more sustainable and long-term model. Another noteworthy publication is the first *CEO Agenda* from the Global Fashion Agenda, an initiative to promote more sustainable fashion, which Kering joined as a strategic partner in 2017.

Kering also sponsored several notable sustainability-related events in 2018, such as the 70th anniversary of the International Union for Conservation of Nature (IUCN), an organization with 1,300 members in 163 countries. The Group also renewed its support for the We Love Green music festival in Paris, having become a member of its Sponsors Club in 2017. Kering was particularly involved in 2018 with the Start-Up program, which promotes disruptive ideas about ethical fashion, green technologies, and the social and solidarity economy. Finally, Kering sponsored the second edition of the ChangeNOW Summit, held on September 28th and 29th at Station F in Paris. During this positive innovation event, more than 500 start-ups and speakers from all over the world presented their innovative ideas to 4,000 attendees.
Executive Committee

François-Henri Pinault Chairman and Chief Executive Officer — Jean-François Palus Group Managing Director — Francesca Bellettini President and Chief Executive Officer, Yves Saint Laurent — Marie-Claire Daveu Chief Sustainability Officer and Head of International Institutional Affairs — Marco Bizzarri President and Chief Executive Officer, Gucci — Grégory Boutté Chief Client and Digital Officer
Albert Bensoussan Chief Executive Officer of the Watches and Jewelry Division — Jean-Marc Duplaix Chief Financial Officer — Béatrice Lazat Chief People Officer — Valérie Duport Chief Communications and Image Officer — Claus-Dietrich Lahrs President and Chief Executive Officer, Bottega Veneta — Roberto Vedovotto President and Chief Executive Officer, Kering Eyewear
January — Kering publishes its Standards. Distributed throughout the Group as well as to suppliers, these specify the Group's environmental and social responsibility requirements for key raw materials and manufacturing processes to 2025.

January — Kering is the only Luxury group in the Bloomberg Gender-Equality Index 2018.

January — Ulysse Nardin and Girard-Perregaux show at the Salon International de la Haute Horlogerie in Geneva. Among their most distinctive new models are Ulysse Nardin's *Freak Vision*, the first automatic watch in the *Freak* collection, and three versions of Girard-Perregaux's iconic *Laureato*: the *Chronograph 38mm*, the *Ceramic*, and the *Classic Bridges*. 
January — Gucci opens the Gucci Garden, an exceptional space featuring a store with one-of-a-kind items, a restaurant run by the Michelin three-star chef Massimo Bottura, and exhibition rooms curated by the art critic Maria Luisa Frisa, all in the Palazzo della Mercanzia, a 14th-century Gothic-style building in the heart of Florence.

January — Entrepreneur, influencer, and designer Chiara Ferragni has built a unique fashion empire with her blog, The Blonde Salad. Pomellato selects this charismatic pioneer as the ambassador for its jewelry lines, in the 2018 #PomellatoForWomen campaign.
January — During a talk at the Sundance Film Festival's Women in Motion program, the director and screenwriter Jennifer Fox and the producer Laura Rister discuss ways to further equal opportunity for women in the film industry.

January — Kering topped the Corporate Knights 2018 Global 100 ranking in the "Textile, Apparel and Luxury" sector.

February — Bottega Veneta and Gucci figure in the Top Employer Italia ranking for the second and fourth consecutive year, respectively.

February — The Group presents its 2017 financial results, which include record-breaking performances and a 25% increase in revenue.

February — Kering and the London College of Fashion launch the first Massive Open Online Course (MOOC) dedicated to sustainability in Luxury. The theme of this program for professionals, students, and the general public alike is "Fashion and Sustainability: Understanding Luxury Fashion in a Changing World." Over 17,000 people took the course.
February — Bottega Veneta opens its new "Maison" at 740 Madison Avenue in New York City. Located in three 19th-century landmark townhouses, the flagship brings together all the brand’s lines. Temporary art exhibitions are held in a space on the top floor.

March — Rossy de Palma is the guest speaker for a talk in the Women in Motion program organized by Kering for the first edition of the Rencontres 7e Art Lausanne.

March — Balenciaga partners with the World Food Program (WFP) to raise public awareness of the growing global hunger crisis and support the organization’s effort to eradicate hunger by 2030. The Fall/Winter 2018 collection, presented during Paris Fashion Week, includes a selection of pieces with the WFP logo and, in some cases, the organization’s slogan, “Saving Lives, Changing Lives.” Every product sold provides tangible and concrete support to the WFP. Contributions to the WFP from the sale of each branded product will be added to the $250,000 donated by Balenciaga to aid in the worldwide fight against hunger.

April — Shareholders receive approximately 70% of all PUMA shares in circulation as a distribution in kind, approved at Kering’s Annual General Meeting, marking the culmination of the Group’s transformation into a Luxury pure player. The distribution is effective as of May 16th.
April — Gucci opens the Gucci Art Lab, a center for craftsmanship and R&D, at Scandicci, on the outskirts of Florence. Staffed with 800 employees, this innovation incubator will focus on all aspects of design and manufacturing for leather goods and shoes. By rapidly giving concrete form to House creations, it will be another driver of Gucci’s exceptional growth.

May — For its 2018 Cruise show, Gucci goes to Arles and the Roman necropolis Les Alyscamps – a “living heritage” site that resonates with the imagination and eclectic inspirations of the House’s Creative Director, Alessandro Michele.
May — Ulysse Nardin unveils its new advertising campaign, a fanciful homage to its 170-year nautical heritage. The star of this bold and imaginative campaign is a magnificent white shark transposed from the depths of the sea to the cityscapes of Manhattan and Shanghai.

May — Awards season in Cannes. The 2018 Women in Motion award goes to Patty Jenkins, the director of Wonder Woman and Monster. The director Carla Simón, whose first feature-length motion picture, Summer 1993, garnered some 30 prizes and represented Spain at the 2018 Oscars, receives the 2018 Young Talent Award. As part of the Festival’s conference program, prominent film industry figures including Emilia Clarke and Aïssa Maïga share their experiences and opinions on the place of women in the film industry.

June — Kering renews its support for the We Love Green music festival in Paris, which was founded in 2011 with sustainability as a core concept. The Group is particularly involved with the Start-Up program, which promotes disruptive ideas about ethical fashion, green technologies, and the social solidarity economy.

June — Seven social entrepreneurs are honored in the 10th edition of the Kering Foundation Awards. The winners were selected on the basis of their individual commitment as agents of change and their project’s social impact, feasibility, and economic viability.

June — Daniel Lee, 32, is appointed Creative Director of Bottega Veneta.

June — Gucci unveils its innovative ten-year sustainability plan, Gucci Equilibrium, and launches a digital platform highlighting the House’s environmental, social, and societal initiatives.
June — For his first men’s show, Saint Laurent’s Creative Director, Anthony Vaccarello, chose New York. The spectacular show for the 2019 Spring/Summer collection is a nod to the launch of a legendary perfume, *Opium*, which Yves Saint Laurent unveiled in New York in 1978.

July — Kering publishes its first-half results, which show gains of 33.9% in consolidated revenue and 53.1% in recurring operating income on a comparable basis.

July — With the re-release of her film *L’une chante, l’autre pas* (One Sings, the Other Doesn’t, 1977) in a newly restored version made possible by Kering, Agnès Varda recounts her experience as a filmmaker and her commitment to feminism at the first *Women in Motion* talk held in Paris.

July — Boucheron unveils its *Nature Triomphante* collection. At once organic and sophisticated, this homage to nature is the result of several years of research. The collection’s flower rings, necklaces, and brooches combine the most advanced scientific techniques with craftsmanship handed down over generations in the House’s workshops.

July — For the 47th annual *Rencontres d’Arles*, Kering sponsors the *Prix de la Photographie Madame Figaro*, which recognizes the work of a woman photographer.

July — Kering publishes its Integrated report, a first in the Luxury industry.
September — Kering is a sponsor of the second edition of the ChangeNOW Summit, a global positive innovation event organized by Station F in Paris. During the two-day event, more than 500 start-ups and speakers from all over the world present their innovative ideas to 4,000 attendees.

September — The Chinese actress Guli Nazha is the ambassador for Qeelin’s new collection of Wulu interchangeable bracelets. According to legend, the *wulu*, an age-old symbol of good fortune and positive energy, is endowed with magical powers. Qeelin offers a fresh, modern, and spirited take on this good luck charm.

September — Kering joins the Euro STOXX 50® index, one of the major indexes of listed shares in the Eurozone.


September — Gucci chooses the famed club Le Palace to unveil its Spring/Summer 2019 collection during Paris Fashion Week.
September — A catwalk covered with water and artificial palm fronds and illuminated with white neon light creates a spectacular setting for Saint Laurent's Spring/Summer 2019 show at the Trocadéro.
September — Kering participates for the third time in European Heritage Days, once again opening the doors of its headquarters in the former Hôpital Laennec in Paris. Visitors have the opportunity to admire not only the site, but also a selection of contemporary artworks from the Pinault Collection and the Héloïse and Abélard reliquary chest, on display for the first time. Balenciaga also screens never-before-seen archival films of Haute Couture shows from the 1960s.

September — François-Henri Pinault appears on the cover of BoF 500, a special edition of the Business Of Fashion magazine.

September — Sensory immersion is part of the experience at the Balenciaga Spring/Summer 2019 show, with models striding through a tunnel of video images specially created by the artist Jon Rafman. Demna Gvasalia, the House’s Artistic Director, chose this virtual decor to present a collection in which innovations like 3D modeling played a key role in the creative process.
October — Gucci gives Maurizio Cattelan carte blanche for an exhibition at the Yuz Museum in Shanghai. Created in close collaboration with Alessandro Michele, *The Artist Is Present* invites visitors to reflect on art and the nature of originals and copies while viewing some 30 works by international artists.

October — Jane Fonda looks back on her extraordinary career in a *Women in Motion* talk at the opening of a retrospective in her honor at the Cinémathèque Française in Paris.

October — Norbert Stumpfli is appointed Design Director of Brioni.

October — François-Henri Pinault receives the Corporate Citizenship Award at the 2018 WWD Honors in New York City. This annual ceremony pays tribute to outstanding figures in the fashion industry. The award recognizes Kering’s leadership and commitment to responsible and ethical business practices.
October — Synonymous with modern British couture, Alexander McQueen draws inspiration from Victorian England for its Spring/Summer 2019 collection presented during Paris Fashion Week.

November — The Kering Foundation celebrates its 10th anniversary and launches its White Ribbon For Women campaign in conjunction with the International Day for the Elimination of Violence Against Women. The theme for this seventh edition was a call to action against cyberbullying, promoted with the hashtag #IDontSpeakHater.
November — François-Henri Pinault is named Manager of the Year at the BFM Awards. Sponsored by the French business news channel BFM TV, these annual awards honor outstanding business leaders in France.

November — The Kering Board of Directors nominates Ginevra Elkann as a new independent director and, the following month, Financière Pinault, represented by Héloïse Temple-Boyer. These nominations are submitted for shareholder approval at Kering’s Annual General Meeting on April 24, 2019.

December — Kering announces that its partnership with Yoox-Net-à-Porter (YNAP) will end in 2020 and that e-commerce activities will be brought in-house. Online distribution is the Group’s fastest-growing channel, with sales increasing by 71% on a comparable basis in 2018.

December — Bottega Veneta opens its largest store in Asia, in Tokyo’s Ginza district. The same month, Daniel Lee, the House’s new Creative Director, presents his first show, the men’s and women’s Pre-Fall 2019 collection, inspired by the concept of sprezzatura, the distinctly Italian art of nonchalance.

December — Saint Laurent moves its headquarters and showrooms to 37 Rue de Bellechasse in Paris.
December — The Boucheron store at 26 Place Vendôme reopens after a complete renovation. The Hôtel de Nocé, where the House has been located since 1893, has regained its original luster and form thanks to the skills of some of France’s finest craftsmen. Imbued with a "family home" spirit, the store renews and transcends the conventions of traditional jewelry.
Strategic decisions for maximum impact
The Kering Foundation has been combating violence against women for over 10 years. The Group is committed to this vital cause, which is in line with its Houses’ business activities and clientele.

To maximize its impact, the Foundation works hand-in-hand with a limited number of local partners to co-construct various programs. In Europe, it focuses on combating traditional harmful practices (female genital mutilation, forced marriage) by supporting organizations including La Maison des femmes (France) and Birmingham & Solihull Women’s Aid (United Kingdom). In Asia, via HER Fund, the Foundation supports grassroots and community-based organizations that combat domestic violence. In the U.S., the Foundation began work with two programs in 2018: the first, Project DOT, launched by The New York City Alliance Against Sexual Assault, provides a safe space for youth from underserved communities to talk about and raise awareness of sexual violence. The second, Manhood 2.0, a program created by Promundo, engages young males to address harmful gender norms. In addition, the Foundation continues to work with Gynécologie Sans Frontières and Planning Familial to support refugee women in camps in northern France.

Innovating to support women
For the past 10 years, the Kering Foundation Awards have been granted, every two years, to social entrepreneurs who have developed innovative ways to combat violence against women. In 2018, the Foundation awarded seven projects from three continents. In addition to a financial grant and two years of mentorship from Kering employees, the seven winners also received – a first in 2018 – a six-month incubation program with a social innovation expert: an opportunity to identify their specific needs and accelerate their development. Among this year’s innovative projects: Callisto, a digital app that makes it easier for women who are victims of sexual violence to file a complaint; Du Pain & des Roses, an initiative that facilitates the social and economic integration of female asylum seekers; and GENDES, a Mexican...
organization that organizes support groups to prevent violent behavior in men.

**Breaking taboos and mobilizing**
The Foundation also seeks to change behavior and break taboos within Kering and in society in general.

Since 2011, more than one thousand employees have received awareness training on domestic violence to create a supportive workplace environment and provide potential victims in the Group with better guidance. The training program is open to all: the first sessions for the Houses’ Executive Committees were organized in 2018, following a session for the Group’s Executive Committee the previous year.

In addition, the Kering Foundation created, with the FACE Foundation, “One In Three Women”: the first European network of companies committed to acting against gender-based violence.

Every year since 2012, around the International Day for the Elimination of Violence against Women on November 25th, the Kering Foundation raises awareness through the White Ribbon For Women campaign. For the seventh edition, the Kering Foundation focused on an increasingly prevalent phenomenon: gender-based cyberbullying. Running from November 16th to 30th, the 2018 campaign was designed to encourage the participation of Generation Z, the first generation to live so much of their lives online, in bystander intervention. Via #IDontSpeakHater, the Kering Foundation called for this young generation to defend their peers from online harassment by reformulating abusive comments with a positive meaning.
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Gucci’s Creative Director, Alessandro Michele, provided the inspiration for *The Artist is Present*, a critically acclaimed exhibition in Shanghai that featured works by more than 30 international artists. Curated by Maurizio Cattelan and titled after Marina Abramović’s 2010 show of the same name, the exhibition highlighted the practice of appropriation in contemporary culture. The show explored how originality can be expressed through the act of repetition, and chimed with Alessandro Michele’s flair for referencing in his designs.

GUCCI

Influential, innovative and progressive, Gucci is reinventing a wholly modern approach to fashion. Under the new vision of Creative Director Alessandro Michele, the House has redefined Luxury for the 21st century, further strengthening its position among the world’s most desirable fashion brands. Eclectic, contemporary and romantic, Gucci products represent the pinnacle of Italian craftsmanship and are unsurpassed in quality and attention to detail.

Alessandro Michele’s vision is for luxury fashion to enable self-expression. His work is driven by a strong desire for creativity, authenticity and inclusivity, reflecting the contemporary interests and values of an increasingly digital audience, which has helped to transform Gucci’s influence on the fashion industry.

Since 2015, the House’s renaissance under President and CEO Marco Bizzarri and Alessandro Michele has been a success both commercially and artistically. In 2018, the brand’s new vision continued to have significant impact on sales, with impressive growth across all product categories, regions and distribution channels. To simplify Gucci’s operations, in March a new organizational structure was created around four pillars: Merchandising & Global Markets; Indirect Channels, Outlet and Travel Retail; Brand & Customer Engagement; and Digital Business & Innovation.

Among the year’s highlights was the unveiling of Gucci’s “Culture of Purpose”, an innovative, 10-year plan for sustainability that supports positive environmental and social change. The House strives to manage the planet’s finite resources and build a culture of respect, while at the same time leaving its teams free to innovate, create, and grow. Gucci calls this balance between the aesthetics of what the House produces and the ethics in which it believes, “Equilibrium.” To illustrate this, “Culture of Purpose” was followed by the launch of Gucci Equilibrium, a web portal offering a wealth of inspiring stories portraying this balance and reflecting the interconnections between people, planet and purpose.

Another highlight of 2018 was the opening of the Gucci Garden, an immersive and interactive experience in the heart of Florence. Created inside the Palazzo della Mercanzia, this newly designed space features a store with one-of-a-kind items, dining in the Gucci Osteria da Massimo Bottura – a restaurant by the Michelin three-star chef – and the Gucci Garden Galleria exhibition rooms.
Saint Laurent dazzled the fashion world last September with a widely acclaimed collection, presented with the Eiffel Tower as a backdrop. Creative Director Anthony Vaccarello reaffirmed his mastery of tailoring techniques, moving the brand forward with clarity and modernity. His sophisticated show during Paris Fashion Week was a tribute to both the French capital and Saint Laurent’s ultimate know-how.

SAINT LAURENT

Founded by the revolutionary couturier Yves Saint Laurent, who created luxury ready-to-wear in the 1960s, the House is a major global player in today’s high-end fashion industry. Since its founding, Saint Laurent has exercised considerable influence well beyond the fashion industry. Over the years, the couturier Yves Saint Laurent emerged as one of the foremost personalities and designers of his era. Along with ready-to-wear, the House produces leather goods, shoes, jewelry, scarves, ties, eyewear, fragrances and cosmetics. These products are made in Italy and France, where a historic workshop manufactures the ready-to-wear garments.

The artistic approach taken by Anthony Vaccarello, the House’s Creative Director since 2016, accentuates desire, freedom, and sophistication and aligns perfectly with Yves Saint Laurent’s original vision: to bring couture to the street, creating a sophisticated style that genuinely resonates with the lifestyles of young people today. This approach is in complete harmony with the House’s longstanding core values of innovation and unparalleled quality and design. The results have been very well received both by its historic customer base and by new clients around the world.

The desirability of the Saint Laurent brand was reflected by strong sales growth across all the main product categories throughout 2018. At the same time, investments in retail continued with selective store openings and key refurbishments worldwide. Saint Laurent further increased its presence in China by adding new points of sale.

Saint Laurent’s e-commerce business proved to be particularly successful in a year that saw a relaunch of ysl.com, creating a more immersive customer experience and providing improved functionality. By December 2018, the brand was present online in more than 50 countries.

Among the year’s runway highlights was the menswear collection presented in June. New York, the city of liberty, energy and possibility – all values that capture the House’s spirit – was the perfect backdrop for Anthony Vaccarello’s show.
2018 began with the opening of the third Bottega Veneta “Maison” in the world, on Madison Avenue in New York, a five-story flagship that balances grand scale with a sense of intimacy, while the end of the year saw the unveiling of the House’s largest store in Asia, in Tokyo’s Ginza district, with six floors and 800 square meters of retail space. Both spaces were designed to reflect the character of their host city, drawing inspiration respectively from Manhattan’s iconic skyscrapers and the Japanese capital’s futuristic spirit and modernist architecture.

Established in 1966 in Vicenza, in the Veneto region of Italy, luxury House Bottega Veneta is renowned for its masterful knowledge of leather and signature intrecciato woven leather motif. Bottega Veneta products combine noble and natural materials with the soulful touch of the human hand in contemporary and elevated designs, reflecting a vital collaboration between artisan and designer. The pieces are made to become part of their owner’s life, imbued with emotion accrued over time. The House embraces a core philosophy of discretion, expressed in sophisticated luxury goods created without overt logo. This ideology applies to a full offer for women and men, through collections of ready-to-wear, handbags, small leather goods, shoes, eyewear, jewelry, luggage, fragrance and the Home Collection.

In June 2018, Daniel Lee, then 32 years old, was appointed Creative Director of the House. The British-born Lee, a graduate of Central Saint Martins College of Art and Design, had most recently been Director of Ready-to-Wear Design at Céline. In less than half a year, Lee has already established a new perspective for the brand with his first full collection, Pre-Fall 2019, revealed at the end of 2018. Lee’s vision respects Bottega Veneta’s heritage of Italian craftsmanship and culture while allowing it to evolve with a contemporary sensibility and global outlook.

Connoisseurs of the brand will find familiarity in the expert leatherwork of sleek, discreet bags and accessories. New initiates may be drawn in by Lee’s newly expanded ready-to-wear collections, underpinned by the same intricacies and craftsmanship seen in the accessories. Both, however, will appreciate the House’s embrace of noble, natural materials, in particular the leathers.

The House continues to build upon its expertise by ensuring that these considered designs are brought to Bottega Veneta customers all over the world. In 2018, the brand opened its largest store yet, in New York City, and its largest in Asia, in Tokyo. Bottega Veneta has now begun to lay the foundations of a new era, beginning with Lee’s first advertising campaign, for Spring, unveiled in early 2019, as well as his first runway show, for the Fall 2019 collection.
In September 2018, for the presentation of the Summer 2019 ready-to-wear collection, Balenciaga’s Artistic Director Demna Gvasalia collaborated with the Canadian artist Jon Rafman to create a virtual and totally immersive experience: an imagery-filled tunnel meant to convey the increasingly everyday relationship between humans and technology.

**BALENCIAGA**

Founded by Cristóbal Balenciaga in Spain in 1917, the House was established in Paris in 1936. Until the 1960s, the brand played a key role in setting fashion trends, and in the late 1990s enjoyed a true renaissance. Renowned for masterful cuts and construction techniques as well as constant fabric innovation, Balenciaga occupies a unique place in the hearts and minds of couture aficionados. Since the 2000s, the brand has continuously broadened its appeal by developing accessory, shoe and perfume lines.

In 2015, the arrival of Demna Gvasalia as the House’s Artistic Director opened a new chapter in Balenciaga’s history. Through the expert use of volume, craftsmanship and an innovative approach, the Georgian designer has taken ownership of the values that represent Balenciaga’s heritage and made them relevant to contemporary aspirations. As Cristóbal Balenciaga did in his day, Gvasalia goes beyond the commonly accepted standards of garment volume, fabric and proportions. Demna Gvasalia’s collections for Balenciaga consistently garner critical and commercial success.

Propelled by this momentum, the House is committed to developing its global distribution network, both physical and digital. In 2018, Balenciaga opened and renovated several boutiques based on a concept developed by Demna Gvasalia. In addition, Gvasalia defined the brand’s creative expression in the digital realm on social networks and via an e-commerce platform available in over 97 countries. His internet innovations are increasingly popular among the brand’s rapidly growing audience.
Alexander McQueen's flagship store at Old Bond Street introduces a new concept that blends the retail experience with learning, in an environment that reflects the House's longstanding fascination with nature. The ground and first floors are devoted to its womenswear and menswear collections, while the second floor is a showcase for current and past collections, along with photographs and artwork, as well as an experiential space for exhibitions and talks for student designers. Its aim: to encourage the formation of a creative community, reflecting the House's belief in developing young talent.

ALEXANDER McQUEEN

Founded in 1992 by Lee Alexander McQueen, the House quickly gained a reputation for uncompromising creativity and forged a strong identity, which led to a partnership with Kering in 2001. Since 2010, the House has been fully owned by Kering.

Alexander McQueen is renowned for innovation grounded in craftsmanship, and the House has today become synonymous with modern British couture. In December 2016, Alexander McQueen was named British Brand of the Year by the British Fashion Council.

Since her appointment as Creative Director in 2010, Sarah Burton has produced critically acclaimed collections with a focus on storytelling, experimentation and traditional artisanal techniques. Her ability to develop the design codes of the House with lightness and a distinctive, authentic touch has ushered in a new aesthetic that is being translated throughout the company's culture, establishing a blueprint for the future.

The House's strength lies in the cohesive presence of a distinctive silhouette that informs designs across all product categories. Alexander McQueen has recently enjoyed strong growth in shoes and leather goods, with collections built around iconic products that embody the brand's codes, while consolidating its worldwide authority in ready-to-wear.

A series of store openings in 2018 culminated in December with the relocation of the London flagship. Spanning nearly 11,000 square feet, the Old Bond Street store unveiled a new retail concept, developed by Sarah Burton in collaboration with the architect Smiljan Radic, that translates the brand's powerful narrative into a unique customer journey through a physical space. The store's relocation followed the company's move into new headquarters in the center of London's Clerkenwell neighborhood.

Meanwhile, the House continues to enhance its visibility and reach by further developing its online presence. In 2018, the Alexander McQueen e-commerce shop became the brand's leading store in terms of revenue.
Recognized since the mid-20th century as one of the world’s most prestigious menswear Houses, Brioni was established in Rome by Nazareno Fonticoli, a master tailor, and his business partner, Gaetano Savini. With a potent combination of technical skills and creative entrepreneurship, they took a revolutionary approach to sartorial elegance and quickly won a devoted following among celebrities and heads of state.

Today, Brioni offers a full range of lifestyle products – luxury menswear, leather goods, soft accessories, jewelry and shoes – primarily from its ateliers in Penne, a town with a longstanding tailoring tradition in Italy’s Abruzzo region. A signature activity of the House is a bespoke service for entirely custom-made clothes.

Since the House’s founding, Brioni has been committed to providing supreme quality, innovative high-performance textiles, and timeless, effortless Roman elegance. The brand’s signature quality reflects the craftsmanship of more than 1,000 tailors, each specialized in a specific aspect of the manufacturing process. Creatively, the House’s willingness to push boundaries reflects the beliefs of its founders, who hosted the world’s very first fashion show for luxury menswear in 1952, featuring bright colors and new fabrics.

Brioni’s distinctive Roman style came to the fore in 2018 with the launch of *Essential*, a collection of iconic menswear staples. Blending the House’s sartorial richness with contemporary appeal, *Essential* revisits luxury menswear classics for the accomplished Brioni man of today. At the heart of the collection is the suit, the House’s enduring icon, which is available in a variety of fabrics and fits. To portray the collection, which includes shirts, ties, trousers, knitwear, denim and eveningwear, Brioni partnered with the American actor Christian Slater.

Another highlight of 2018 was the appointment of Norbert Stumpfl as Brioni’s Design Director. His first collection for Brioni, for Fall/Winter 2019, was presented in January 2019 during men’s Fashion Week in Milan.
Boucheron celebrated its 160th anniversary with an unprecedented kind of exhibition: Vendôrama. This one-of-a-kind event was much more than a retrospective, allowing the public to experience a timeless encounter with the art of jewelry, surrounded by nature and immersed in a contemporary scenography.

Frédéric Boucheron founded the House in 1858 and, in 1893, became the first of the great contemporary jewelers to open a boutique on the Place Vendôme in Paris. Since then, Boucheron has continuously embodied creativity and style in fine and high jewelry. At the core of its vision: freedom. Be it aesthetic, creative, or technical, it also means the freedom to wear jewelry unconfined by strict rules and conventions.

2018 was an eventful year: the historic boutique at 26 Place Vendôme reopened after 18 months of renovation. Michel Goutal, Chief Architect of Historical Monuments, and interior architect Pierre-Yves Rochon spearheaded the project to restore the iconic landmark Hôtel de Nocé to its original splendor and scope. Also revived was its character as a family home, transcending traditional jewelry codes. Visitors are welcomed like friends at the boutique or the second-floor apartment.

This year, Boucheron also unveiled a new boutique concept in keeping with the Hôtel de Nocé’s original design and vision. As a result, Parisian limestone, marble, and the wooden window- and doorframes remained, while sales counters were replaced with round tables to establish greater intimacy between sales staff and customers. Using materials reminiscent of the jeweler’s iconic Paris address, Boucheron in 2018 opened seven boutiques primarily in Asia and renovated three historic locations: London, Cannes and Paris.

Another of the year’s highlights was the launch of the Nature Triomphante collection. It took months of research and innovation to create the rings in a collection designed to immortalize nature’s fleeting beauty. Flower components were scanned and petals stabilized before jewelry could emerge through a unique combination of cutting-edge scientific techniques and Boucheron’s ancestral know-how. The creative process resulted in pieces that are truly an ode to nature, a topic that provides an endless source of inspiration – for Frédéric Boucheron in the past and for Claire Choisne today. This collection reflects the House’s founder’s quest: nature made eternal.
A shining example of Pomellato’s belief in sustainability, the Nuvola jewelry collection, presented in 2018, is made from 100% Fairmined gold and diamonds sourced from Responsible Jewellery Council-certified suppliers. Fairmined standards ensure that miners receive a fair price for their gold, and that a premium is paid to invest in mining operations, social development and environmental protection. The special-edition Nuvola collection features a variety of rings, earrings and pendants, with twirling cloudbursts of precious diamonds and gold, all crafted to be worn everyday.

Under its visionary founder Pino Rabolini, Pomellato broke new ground in the late 1960s by becoming the first House to bring a ready-to-wear philosophy to the conservative world of jewelry. More than 50 years later, Pomellato jewels continue to be handcrafted by expert goldsmiths at the Casa Pomellato headquarters in Milan, where the spirit of the brand is transformed into extraordinary designs. Pomellato’s creations are unique in their blend of colorful stones, Milanese craftsmanship, gem-cutting techniques and jewel-setting know-how.

Having an in-house atelier gives Pomellato and its Creative Director, Vincenzo Castaldo, a unique ability to experiment and innovate, enabling the House to maintain its unconventional, open spirit. Equally importantly, its craftsmen give every jewel the organic, slightly irregular and ultimately human touch that has become the authentic Pomellato signature. They draw their inspiration from natural, organic sources, including the vibrant colors and variety of stones themselves, with a single objective: to make women feel beautiful, joyful and self-confident, and hence empowered.

A key focus for 2018 was to achieve greater brand recognition, with the expansion of both digital and product activities. Pomellato succeeded in raising its profile, particularly among Millennials, through an increased social media presence and the #PomellatoForWomen global advertising campaign, which launched to mark the brand’s 50th anniversary in 2017. The campaign encompassed digital, social media, public relations and events, celebrating the diversity and authenticity of womanhood. To represent the campaign and offer a contemporary vision of feminine beauty, Pomellato chose the entrepreneur, stylist and influencer Chiara Ferragni.

At the same time, Pomellato is fully committed to sustainability and corporate social responsibility. Achievements in 2018 included the recognition of the House’s 100% responsible sourcing of gold, an industry first. To support future craftsmen and preserve its traditions, Pomellato also formed a partnership with the Galdus Goldsmith Academy, providing programs, seminars and apprenticeships to promising young local artisans in Milan.
A new advertising campaign, photographed by Pierpaolo Ferrari, was launched in May to give DoDo a modern, energetic and colorful style; this powerful statement marked a real shift compared to the past. The distinctive, poetic and whimsical direction established a new visual identity for the brand, together with a refreshed logo.

**DoDo**

DoDo is an Italian luxury charms and jewelry House founded in 1994. The brand is named after a celebrated bird from the island of Mauritius, an evocative symbol of an extinction that might have been avoided had humans shown greater respect for nature. DoDo was the first luxury brand to offer composable, high-end jewelry to a broad unisex audience by bringing together playful aesthetics and a personal message. The House combines sustainably sourced precious materials – gold, silver, diamonds and colored stones – with high-end artisanal know-how and the creativity of Italian design.

A DoDo piece is more than a simple jewel. Every charm tells a story that conveys a personal meaning or celebrates love, luck, freedom, or friendship. These “talking charms” carry strong emotional and sentimental significance for the person who wears them.

Their anti-conformist style and upbeat philosophy appeal to all generations, from Millennials to Baby Boomers.

In 2018, DoDo reconnected with its key themes, including love, and also launched collections dedicated to dogs in January, followed by a nature theme for a Spring/Summer collection about sustainability. Both collections were very successful. The brand then capitalized on a much-awaited Horoscope collection with a special tone unique to DoDo.

DoDo also strengthened its presence in Europe in 2018 with the opening of new boutiques in London, Munich, Madrid and Paris, along with other locations in Italy. This expansion brought its distribution network to 24 directly operated stores, 21 franchise boutiques and over 490 wholesale partners.
A highlight of the year’s product launches was Qeelin’s dazzling collection of *Wulu* diamond necklaces, with a cut shaped to the contours of the House’s classic *Wulu* design. A new line of bracelets was later added to the collection, with interchangeable straps featuring jeweled buckles that transformed the *Wulu* from a trendy bracelet for day into a piece of statement jewelry for evening. A first-ever *Wulu Denim* pendant in 18-carat gold with diamonds was launched at the end of the year, highlighting the brand’s ability to innovate and surprise.

**Qeelin**

Founded in 2004 by designer Dennis Chan, Qeelin creates fine jewelry that embraces the evocative myths of the East and is rich in Chinese symbolism. Named after the Qilin, a mythical Chinese animal and an icon of love, the brand’s portfolio comprises everyday jewelry that is meaningful, contemporary, and universal. Qeelin’s vision is to bring the best of contemporary Chinese design to the world. The House represents a fusion of unbridled creativity with excellence in craftsmanship and the careful selection of materials. Its iconic collections bring a touch of playfulness and enchanting oriental beauty to fine jewelry, notably with the renowned *Wulu* collection, which revisits the legendary Chinese gourd, a traditional Chinese symbol of good fortune and positive energy. Qeelin is also widely admired for its *Bo Bo* collection, which features a playful representation of a panda, China’s national treasure, set in diamonds.

The commercial focus in 2018 was to further strengthen the brand’s presence in its core market, Mainland China. Six new stores were opened there, including three directly operated units in Guangzhou, Xian and Changsha, taking the total in Greater China to 21 by year-end – out of a global network of 24 stores.

A major highlight of 2018 was the appointment of a new brand ambassador, Nazha, the popular young Chinese actress and model, who embodies the unique personality of a modern woman. Nazha wore the brand’s collections to a variety of events, including the Festival de Cannes, and for Qeelin’s launch on the Tmall Luxury Pavilion, the invitation-only e-commerce platform. Qeelin is the first fine jewelry brand and the first of Kering’s brands to join Luxury Pavilion, which has a vast customer base of premium online shoppers.

As the *Bo Bo* collection has shown, pandas have a popular place in Qeelin’s designs. In 2018, that natural affinity led the House to launch a three-year initiative with the World Wildlife Fund (WWF) to restore and protect ravaged bamboo forests, the panda’s natural habitat.
Unveiled during the 2018 Monaco Yacht Show, Ulysse Nardin's sporty-chic Diver collection brings a modern twist to marine chronometers.

ULYSSE NARDIN

Ulysse Nardin, the pioneering Swiss Manufacture, has been part of the Kering group since 2014. Founded in 1846, its name quickly became associated with nautical and military timekeeping precision; the brand owes its first achievements to its close ties to the nautical industry. In the 1870s, over 50 fleets and international maritime shipping companies were equipped with Ulysse Nardin marine chronometers.

Today, it is one of the few watchmakers to manufacture its own movements and components. This expertise has earned Ulysse Nardin partner-brand status in the most exclusive circle of Swiss watchmaking: the Fondation de la Haute Horlogerie. At its locations in Le Locle and La Chaux-de-Fonds in Switzerland, the brand's continuing quest for perfection and innovation centers around five collections: the Marine, the Diver, the Classico, the Executive and the Freak.

True to its pioneering spirit, the Manufacture was the first to use silicon in its mechanisms. Its master watchmakers craft genuine technological jewels while perpetuating traditional techniques.

In 2018, Ulysse Nardin launched Freak Vision, an unconventional yet distinctively modern timepiece, and a remarkable illustration of watchmaking innovation and research. The House made quite a splash with its digital and print ad campaign, featuring a shark gliding through city streets. Be bold and free, explore, and swim against the tide: the campaign evokes the core of the Ulysse Nardin philosophy, and drew attention from the watchmaking industry and watch enthusiasts.

Lastly, the brand invested in opening more stores across the globe, attracting new generations of enthusiasts.
In 2018, Girard-Perregaux presented its new *Minute Repeater Tri-Axial Tourbillon*. Part historic manifesto, part avant-garde proposition, it brings together, through two major complications, the creative directions that define the House’s legacy.

Founded in 1791 and located in La Chaux-de-Fonds, Switzerland, the birthplace of watchmaking, Girard-Perregaux is one of the world’s oldest Haute Horlogerie manufactures. Its history is studded with creations combining technique, innovation and design, as embodied by the iconic *Tourbillon with Three Gold Bridges*. The recipient of a gold medal at the Paris Universal Exposition in 1889, this model still figures in the House’s product offer.

Since its founding, the Manufacture has remained at the forefront of ingenuity as evidenced by the approximately 100 patents it holds. Entirely dedicated to creating exceptional pieces of Haute Horlogerie, Girard-Perregaux is one of the rare Swiss watch manufactures to combine under one roof all of the specialized skills required to produce its watches. In 2015, the brand’s successful repositioning resulted in an accelerated innovation cycle and the integration of new materials such as silicon and ceramic. With each passing year, the House brings ever-greater creativity to its watches.

At the 2018 Salon International de la Haute Horlogerie (SIHH), Girard-Perregaux presented state-of-the-art advancements to iconic models in various collections, among them a gold version of the *Neo Bridges* launched in 2017. It also created a splash with the introduction of the *Laureato Chronograph*, a newcomer to the *Laureato* family, which is named after the original 1975 sports watch. In addition, SIHH visitors were able to experience a moment of complete immersion in the brand’s universe thanks to a 360° dome projection, an installation equipped with virtual reality headsets that was reprised on several occasions this year, in Southeast Asia, Japan and China.
At the end of 2018, a new, fully automated logistics center for Kering Eyewear, the 'Main Hub',
started operations in Padua to ensure end-to-end control over logistic processes. The newly
implemented, smart automation system allows for improved flexibility and offers a state-of-the-art
service level to customers around the world.

Launched by Kering and a group of managers
led by Roberto Vedovotto in 2014, with the aim
of building eyewear expertise for the Group's
Houses, Kering Eyewear is now one
of the leading players in the industry.

The first Kering Eyewear collections were unveiled
in 2015 and involved 11 brands: Saint Laurent,
Bottega Veneta, Alexander McQueen, Stella
McCartney, McQ, Brioni, Boucheron, Pomellato,
Tomas Maier, Christopher Kane and PUMA.
Since then, several Houses have become part
of the portfolio: Gucci in 2016, followed
by the Cartier and Alaïa Houses in march 2017,
subsequent to the one-of-a-kind partnership
signed between Kering and Richemont.
As part of the agreement, Kering Eyewear also
acquired Cartier's dedicated eyewear
manufacturing plant in Sucy-en-Brie (France).
In 2018, Courrèges, Montblanc and Balenciaga
joined the portfolio, creating an unparalleled
set of brands in the market.

This innovative initiative has enabled Kering
to internalize the entire value chain for the
eyewear segment, a clear breakthrough
within the industry. Product development,
supply chain, distribution, sales and marketing
are now all handled directly by Kering Eyewear
teams. The business has a vast distribution
network serving more than 16,000 clients and
30,000 points of sale in around 100 countries.

Kering Eyewear works closely with the brands' creative directors, ensuring that eyewear
development is aligned to the creative world
and positioning of each House. Eyewear
collections are produced according to individual
needs and schedules, while communications
campaigns are similarly coordinated with each
brand's strategy.

At the same time, a great deal of attention
is paid to sustainability and research into new
materials. In 2018, Kering Eyewear published
its first Environment Profit & Loss account.
It also begun a collaboration with Bio-on,
an Italian company that uses materials derived
from renewable sources, to create the first pieces
of 100% biodegradable eyewear.
Key Figures
p.74 — Group Key Figures
p.76 — Houses Key Figures
p.78 — Extra-financial Key Figures
2018 KEY FIGURES

Data for 2017 has been restated to reflect the classification of PUMA, Volcom, Stella McCartney and Christopher Kane as discontinued operations.

Revenue in € millions

<table>
<thead>
<tr>
<th></th>
<th>2017 restated</th>
<th>2018</th>
<th>1 — growth on a comparable Group structure and exchange rate basis</th>
<th>2 — growth as reported</th>
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<tbody>
<tr>
<td></td>
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<td></td>
<td>+29.4%</td>
<td>+26.3%</td>
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<td>Revenue</td>
<td>10,816</td>
<td>13,665</td>
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Recurring operating income in € millions

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<tr>
<td></td>
<td>2,691</td>
<td>3,944</td>
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</table>

Revenue breakdown by region

- Western Europe: 33%
- Asia-Pacific: 32%
- North America: 20%
- Japan: 8%
- Other countries: 7%

Other countries: 7%
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<thead>
<tr>
<th>Category</th>
<th>2017 Restated</th>
<th>2018</th>
<th>Change</th>
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<tr>
<td>Recurring operating margin as a % of revenue</td>
<td>24.9%</td>
<td>28.9%</td>
<td>+4.0pts</td>
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<tr>
<td>Net income attributable to owners of the parent in € millions</td>
<td>1,786</td>
<td>3,715</td>
<td>+108.1%</td>
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<tr>
<td>Free cash flow from operations in € millions</td>
<td>2,206</td>
<td>2,955</td>
<td>+34.0%</td>
</tr>
<tr>
<td>Net debt in € millions</td>
<td>3,049</td>
<td>1,711</td>
<td>-1,3Md€</td>
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Data for 2017 has been restated to reflect the classification of PUMA, Volcom, Stella McCartney and Christopher Kane as discontinued operations.

**Revenue**

<table>
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<tr>
<th></th>
<th>2017 restated</th>
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<tr>
<td>in € millions</td>
<td>10,513</td>
<td>13,247</td>
<td>29.1%</td>
</tr>
</tbody>
</table>

1 — growth on a comparable Group structure and exchange rate basis
2 — growth as reported

**Breakdown of revenue by brand**

- **Saint Laurent** 13%
- **Gucci** 63%
- **Bottega Veneta** 8%
- **Other Houses** 16%

**Breakdown of revenue by product category**

- **Shoes** 18%
- **Leather Goods** 53%
- **Ready-to-Wear** 15%
- **Watches and Jewelry** 7%
- **Other** 7%

**Recurring operating income**

<table>
<thead>
<tr>
<th></th>
<th>2017 restated</th>
<th>2018</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>in € millions</td>
<td>2,895</td>
<td>4,191</td>
<td>44.8%</td>
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</table>
Performance of the Kering share compared to CAC 40 index from January 2018 to February 2019

Dividend per share

3 — Subject to the approval of the Annual General Meeting on April 24, 2019
The share of permanent contracts for Group personnel in 2018.

Number of training hours provided.

Part of individual objectives set for senior executives related to the achievement of team management and Group sustainability objectives.

The number of sustainable fabric and textile samples available in Kering's Materials Innovation Lab (MIL).

1 — Founded in 2013 and located in Italy, the MIL is used by all of the Group's Houses to identify sustainable and responsible alternative fabrics and textiles.
Kering was ranked the second most sustainable company in the world across all industries in the 2019 Corporate Knights “Global 100” ranking. As in 2017, the Group topped the “Textile, Apparel and Luxury” sector.

Kering is the only luxury group listed on the 2018 Bloomberg Gender Equality Index.

In 2018, Kering was ranked third in Fortune’s World’s most admired companies ranking, in the “Apparel” category.
Société anonyme
(a French corporation)
with a share capital of €505,117,288

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