



French *Société Anonyme* with capital of €507,316,736
Head office: 10, avenue Hoche – 75008 Paris
Registered with the Paris Companies Registry under number 552 075 020 Paris

**DESCRIPTION OF THE SHARE
BUY-BACK PROGRAMME**

**TO BE AUTHORISED BY THE ORDINARY AND EXTRAORDINARY
SHAREHOLDERS' MEETING ON MAY 19, 2011**

This Description is a free translation of the French original “Descriptif du programme de rachat”.

The original French version of this Description is available on our website at www.ppr.com.

**I. LEGAL FRAMEWORK – DATE OF THE GENERAL MEETING OF
SHAREHOLDERS CALLED TO AUTHORISE THE SHARE BUY-BACK
PROGRAMME**

Pursuant to articles 241-2 of the *Autorité des marchés financiers* (AMF – the French financial market authority) general regulations and the European Regulation No. 2273 of December 22, 2003, the purpose of this programme description is to describe the objectives and the terms of the PPR share buy-back programme subject to the authorization of the Ordinary and Extraordinary Shareholders' Meeting on May 19, 2011.

**II. BREAKDOWN BY OBJECTIVE OF SHARES HELD AS OF THE DATE OF
PUBLICATION OF THIS SHARE BUY-BACK PROGRAMME DESCRIPTION**

The 819,022 own shares held as of May 18, 2011 are allocated as follows:

- 2,152 shares to be granted to employees under bonus shares plans,
- 7,315 shares to be granted under stock purchase options plans,
- 809,555 shares to be cancelled and/or to be tendered in a transaction aimed at external growth,
- no shares to the objective of improving the liquidity of the PPR share and the regularity of its quotation by way of a liquidity agreement.

III. OPEN POSITIONS ON DERIVATIVES PRODUCTS

	Open positions as of May 18,2011 *			
	Open positions for purchase		Open positions for sale	
	Call options purchased	Forward purchases	Call options sold	Forward sales
Number of securities	423,237			
Maximum average maturity	06/10/2011			
Average exercise price	€144.44			

*the open positions comprise the outstanding forward purchases and sales and the call options not exercised.

IV. OBJECTIVES OF THE SHARE BUY-BACK PROGRAMME AND ALLOCATION OF SHARES PURCHASED

PPR intention is to make use of the possibility to acquire its own shares, with the following objectives:

- ensure liquidity or to maintain an active secondary share market, using an investment-services provider acting independently under the terms of a liquidity contract complying with the Ethics Charter recognised by the AMF; or
- use all or some of the shares acquired to cover stock purchase option plans or free share plans, to allot shares under the French statutory profit-sharing scheme and to set up company or Group savings plans for Group employees and corporate officers, and to transfer or allocate shares to them as defined in the legislation; or
- enable investment or financing by tendering shares either in a transaction aimed at external growth (a merger, demerger or contribution), or by issuing securities giving access to the Company's capital through redemption, conversion, exchange, presentation of a warrant or negotiation in any other way; or
- cancel the shares acquired pursuant to the authorization given by the Extraordinary Shareholders' Meeting held on May 19, 2011.

V. PROPORTION OF SHARE CAPITAL, NUMBER OF SHARES AND PURCHASE PRICE

- **Maximum percentage of share capital that may be purchased**

Maximum percentage of the share capital and maximum number of shares of PPR that may be purchased: 10% of the share capital (i.e., 12,682,918 shares as of May 18, 2011). Considering that the Company holds 819,022 of its own shares, the maximum number of shares which may be purchased amounts to 11,863,896 shares, representing 9.35% of the share capital.

- **Maximum purchase price**

Maximum purchase price: €160 per share. It should be noted that this price may be adjusted in case of transactions affecting the share capital, notably by way of capitalization of profits or reserves, allocation of shares without consideration to all shareholders, stock-split or reverse stock-split. Based on a €160 maximum purchase price, the amount to be invested for share buy-backs is set by the General Shareholders' Meeting at €2,029,266,880.

- **Implementation of the programme**

Implementation of the programme: share purchases, sales and transfers may be carried out by any method allowed under the applicable laws and regulations, including through the use of derivative instruments and by means of a block purchase or transfer of shares. The share buybacks may be carried out at any time, including during public offers for Company shares, in accordance with applicable laws and regulations.

VI. DURATION OF THE SHARE BUY-BACK PROGRAMME

Share buy-back programme duration and schedule: eighteen months as from the date of adoption of resolution by the May 19, 2011 Shareholders' Meeting, i.e., up to November 18, 2012.

The General Shareholders' Meeting gives the Board of Directors full powers, with the possibility to sub-delegate such powers, to carry out these transactions, to determine their final terms and conditions, to enter into all agreements and to complete all formalities.