

Third-quarter 2013 revenue

- ∞ Revenue up 3% on a comparable basis
- ∞ Balanced growth in Luxury: revenue up 6% on a comparable basis

Kering posted third-quarter 2013 revenue of €2.5 billion, up 3.4% versus the same 2012 period based on comparable Group structure and exchange rates. Kering's revenue for the first nine months of the year was up 3.9% based on comparable Group structure and exchange rates.

The Luxury Division achieved further growth across all regions, with revenue up 5.6% in the quarter and up 7.1% in the first nine months of the year on a comparable basis. Fashion and Leather Goods sales advanced 6% during the quarter. The Sport & Lifestyle Division's revenue contracted slightly (down 0.9% on a comparable basis).

François-Henri Pinault, Chairman and Chief Executive Officer, commented: "Kering posted another quarter of growth, propelled by the Luxury Division's strong performance, notably in our own store network. This performance underscores the strategic rationale of our multi-brand business model and the success of our diversification strategy in terms of geographical coverage, distribution channels and product categories. Revenue generated by the Sport & Lifestyle Division contracted, in line with our forecast, impacted by the unfavorable consumer spending environment. A new management team has been appointed to radically transform Puma and restore the brand's powerful position. With very healthy gross margins in our luxury brands and continued tight control of our operating expenses, we remain confident in our performances for the year as a whole."

<i>(in € million)</i>	Q3 2013	Comparable change (¹)	9 months to Sept. 30, 2013	Comparable change (¹)
Luxury Division	1,617	+5.6%	4,696	+7.1%
Sport & Lifestyle Division	896	-0.9%	2,483	-2.4%
<i>Eliminations and other</i>	10	<i>nm</i>	23	<i>nm</i>
Kering - Continuing operations	2,523	+3.4%	7,201	+3.9%

⁽¹⁾ Constant Group structure and exchange rates.



∞ **Luxury Division**

The Luxury Division reported a solid third-quarter performance with revenue growing by 6% on a comparable basis, fuelled by sales generated in its directly operated stores, up 8%.

The Division's growth is evenly balanced between mature markets (up 5%) and emerging markets (up 7%). All key geographic areas recorded solid growth, with a particularly strong showing in Japan, where revenue jumped 14% on a comparable basis.

The Luxury Division's sales growth was fuelled by the buoyant performance of Fashion and Leather Goods, which advanced 6% during the period.

As of September 30, 2013, the store network of the Luxury Division comprised 1,116 units, including 39 net new additions during the quarter and a further 53 directly operated stores following the integration of the Pomellato group.

∞ **Gucci**

Gucci's third-quarter sales were up 0.6% on a comparable basis, with revenue growth of 4% in directly operated stores, while wholesale sales contracted due to Gucci's increasingly selective distribution policy.

By region, Gucci recorded mixed third-quarter sales. In Japan and the United States (excluding Hawaii), revenue grew steadily, demonstrating the effectiveness of the strategy of exclusivity implemented in these countries over the past several years, though the adoption of this strategy in the Asia-Pacific region adversely affected third-quarter store traffic. In Western Europe, revenue was impacted by Gucci's performance in Italy, its main market in the region.

The Leather Goods and Shoes product lines posted very solid results in directly operated stores while sales of handbags were particularly robust, driven by the success of new "no logo" leather lines, *Bamboo Shopper* and *Lady Lock*.

∞ **Bottega Veneta**

Bottega Veneta posted very solid growth in the third quarter of 2013 with revenue jumping 16% on a comparable basis, driven by very strong performances in its directly-operated stores (up 18%).

All geographic areas contributed evenly to this performance, with growth of 13% in mature markets and 21% in emerging markets.

Leather Goods continued to post very solid performances during the quarter (up 18%), while sales in other product categories, notably its Men's collection, rose sharply, confirming Bottega Veneta's ability to broaden its offering to attract new customers.

∞ **Saint Laurent**

Saint Laurent recorded a very strong third-quarter performance, reporting growth of 12% on a comparable basis, bolstered by sales growth of 15% in directly operated stores. The positive momentum seen in its stores since the beginning of the year bears witness to the successful roll-out of the brand's new store concept and the particular focus on this distribution channel.

Sustained growth was reported across all geographic areas during the quarter with a particularly robust performance in Japan (up 41%), while sales were solid in Western Europe (up 12%) and on a continued upward trend in North America (up 12%).

Men's and Women's ready-to-wear again delivered excellent performances (up 41%) and recently launched shoe and handbag lines have proved highly successful.

∞ **Other luxury brands**

Kering's other luxury brands posted growth of 9% on a comparable basis in the third quarter of 2013, driven by the success of the designer brands, including very strong performances by Stella McCartney and Alexander McQueen. Balenciaga saw the pace of its revenue growth accelerate compared with the previous quarter, while Brioni continues to develop satisfactorily.

Jewellery and Timepieces recorded more mixed third-quarter sales performances, with Boucheron posting solid growth figures.



∞ **Sport & Lifestyle Division**

The Sport & Lifestyle Division's sales performance was generally in line with the trends observed in the first six months of 2013. Revenue contracted 0.9% on a comparable basis, affected by the performance of Puma's Footwear category.

Volcom's sales advanced 2% during the quarter, partly fuelled by solid revenue from its new footwear line.

∞ **Puma**

Puma sales for the third quarter of 2013 were down 0.8% on a comparable basis.

The Puma brand recorded improved retail sales (up 6%), driven by all of its directly operated distribution channels (stores, outlets, online sales).

Sales developed positively in North America, but remained under pressure in Western Europe.

Sales of Apparel and Accessories grew over the quarter, while the Footwear category continued to be affected by challenging conditions in its main markets.

In the third quarter, Puma pressed ahead with the implementation of the brand's Transformation Programme, closing more underperforming stores, appointing a new creative director, introducing a new geographic organisation, reducing the number of product references and optimising the product development process.

∞ **Significant events since July 1, 2013**

- Kering announced on July 5, 2013 that it had completed the acquisition of a majority stake in the Pomellato group, in accordance with the terms announced on April 24, 2013, after having received clearance from the antitrust authorities. Pomellato has been consolidated in Kering's financial statements since July 1, 2013.
- On July 8, 2013, Kering announced that it had issued a €500 million, 2.50% fixed-rate bond maturing in seven years.
- On September 6, 2013, Kering announced that it would become a minority shareholder in the New York-based Altuzarra fashion brand.
- On September 30, 2013, Kering issued a €500 million, 1.875% fixed rate bond maturing in five years, listed on the Luxembourg stock exchange.
- Kering has pursued the process of disposal of La Redoute, and is in talks with several potential buyers.



AUDIOCAST

Kering will hold an **audiocast** for analysts and investors at **6.00pm** (CET) / 5.00pm (UK) / 12.00pm (US, East Coast) on **Thursday, October 24, 2013**.

Available on www.kering.com (Finance section)

The audiocast will also be available by phone, using one of the dial-in numbers below:

France + 33 (0)1 76 77 22 29
UK +44 (0)20 3427 1911
USA +1 (646) 254 3363

Access code: 9572530

A **replay** of the audiocast will be available on www.kering.com (Finance section).

PRESENTATION

The slides (PDF) will be available ahead of the audiocast at www.kering.com

About Kering

A world leader in apparel and accessories, Kering develops an ensemble of powerful Luxury and Sport & Lifestyle brands: Gucci, Bottega Veneta, Saint Laurent, Alexander McQueen, Balenciaga, Brioni, Christopher Kane, McQ, Stella McCartney, Sergio Rossi, Boucheron, Dodo, Girard-Perregaux, JeanRichard, Pomellato, Qeelin, Puma, Volcom, Cobra, Electric and Tretom. By 'empowering imagination' in the fullest sense, Kering encourages its brands to reach their potential, in the most sustainable manner.

Present in more than 120 countries, the Group generated revenues of €9.7 billion in 2012 and had 33,000 employees at year end. The Kering (previously PPR) share is listed on Euronext Paris (FR 0000121485, KER.PA, KER.FP).

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Appendix: Third-quarter 2013 revenue

<i>(in € million)</i>	Q3 2013	Q3 2012 ⁽¹⁾	Reported change	Comparable change ⁽²⁾	9 months ended Sept. 30, 2013	9 months ended Sept. 30, 2012 ⁽¹⁾	Reported change	Comparable change ⁽²⁾
Luxury Division	1,617.1	1,592.9	+1.5%	+5.6%	4,695.5	4,517.4	+3.9%	+7.1%
Gucci	864.8	914.6	-5.4%	+0.6%	2,619.6	2,642.4	-0.9%	+2.9%
Bottega Veneta	259.3	241.6	+7.3%	+15.8%	724.9	671.1	+8.0%	+13.9%
Saint Laurent	139.3	130.0	+7.2%	+12.0%	394.6	353.5	+11.6%	+14.8%
Other brands	353.7	306.7	+15.3%	+9.4%	956.4	850.4	+12.5%	+11.3%
Sport & Lifestyle Division	896.2	969.7	-7.6%	-0.9%	2,483.1	2,663.7	-6.8%	-2.4%
Puma	824.8	892.2	-7.6%	-0.8%	2,298.7	2,466.0	-6.8%	-2.3%
Other brands	71.4	77.5	-7.9%	-2.3%	184.4	197.7	-6.7%	-3.5%
<i>Eliminations and other</i>	9.7	-2.2			22.8	-7.0		
KERING - Continuing activities	2,523.0	2,560.4	-1.5%	+3.4%	7,201.4	7,174.1	+0.4%	+3.9%

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

⁽²⁾ Comparable scope and exchange rates.

(in € million)

	H1 2013	H1 2012 (1)	Reported change	Comparable change (2)	Q2 2013	Q2 2012 (1)	Reported change	Comparable change (2)	Q1 2013	Q1 2012 (1)	Reported change	Comparable change (2)
Luxury Division	3,078.4	2,924.5	+5.3%	+7.9%	1,555.0	1,466.6	+6.0%	+9.4%	1,523.4	1,457.9	+4.5%	+6.4%
Gucci	1,754.8	1,727.8	+1.6%	+4.1%	888.9	879.9	+1.0%	+4.1%	865.9	847.9	+2.1%	+4.0%
Bottega Veneta	465.6	429.5	+8.4%	+12.9%	236.6	211.5	+11.9%	+17.2%	229.0	218.0	+5.0%	+8.8%
Saint Laurent	255.3	223.5	+14.2%	+16.5%	128.1	114.7	+11.7%	+14.4%	127.2	108.8	+16.9%	+18.7%
Other brands	602.7	543.7	+10.9%	+12.5%	301.4	260.5	+15.7%	+18.7%	301.3	283.2	+6.4%	+6.9%
Pôle Sport & Lifestyle	1,586.9	1,694.0	-6.3%	-3.2%	744.2	807.5	-7.8%	-3.9%	842.7	886.5	-4.9%	-2.5%
Puma	1,473.9	1,573.8	-6.3%	-3.1%	692.3	752.9	-8.0%	-4.0%	781.6	820.9	-4.8%	-2.3%
Other brands	113.0	120.2	-6.0%	-4.2%	51.9	54.6	-4.9%	-2.4%	61.1	65.6	-6.9%	-5.7%
<i>Eliminations and other</i>	13.1	-4.8			8.8	-2.3			4.3	-2.5		
KERING - Continuing activities	4,678.4	4,613.7	+1.4%	+4.2%	2,308.0	2,271.8	+1.6%	+5.2%	2,370.4	2,341.9	+1.2%	+3.3%

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

⁽²⁾ Comparable scope and exchange rates.