

PRESS RELEASE

**PPR sales rise 7.5% to €4,206.9 million in the third quarter
and 5.2% to €12,301.3 million for the first nine months of 2005**

- **Outstanding performance by Luxury Goods:**
 - Third-quarter sales up 15.3% to €784.7 million
 - Year-to-date sales up 15.7% to €2,135.5 million
- **Rebound in Retail sales:**
 - Third-quarter sales up 5.8% to €3,428.2 million
 - Year-to-date sales up 3.2% to €10,183.7 million

François-Henri Pinault, Chairman and Chief Executive Officer of PPR, stated: "PPR's sales growth in the third quarter underscores the relevance of our strategic choices and positioning in our two core businesses. The rebound in sales generated by our Retail companies, which delivered sales growth ahead of their respective markets, illustrates the impact of the measures we have taken. In particular, by consolidating its positioning as a discount retailer, Conforama achieved impressive market share gains in France, particularly in brown and grey goods. In Luxury Goods, almost all of our brands continued to report strong sales growth - and some achieved truly outstanding increases - while the comparative base becomes higher with each passing quarter. We are therefore confident as we enter the last quarter of the year, which is also the most important for our businesses."

For the first time, PPR is releasing its third-quarter sales figures in accordance with International Financial Reporting Standards (IFRS). The change in revenues by activity for the third quarter and first nine months of the year is as follows:

(in EUR million) According to IFRS	Q3 2005	Q3 2004 ⁽¹⁾	Change		9 months 2005	9 months 2004 ⁽¹⁾	Change	
			Actual	Comparable ⁽²⁾			Actual	Comparable ⁽²⁾
Retail	3,428.2	3,261.8	+ 5.1%	+ 5.8%	10,183.7	9,910.7	+ 2.8%	+ 3.2%
Luxury Goods	784.7	703.0	+ 11.6%	+ 15.3%	2,135.5	1,918.2	+ 11.3%	+ 15.7%
(Inter-company sales)	-6.0	-7.5	ns	ns	-17.9	-20.8	ns	ns
PPR - Continuing operations	4,206.9	3,957.3	+ 6.3%	+ 7.5%	12,301.3	11,808.1	+ 4.2%	+ 5.2%

⁽¹⁾ After adjustment for the impact of transition to IFRS and change in closing date of Gucci Group's financial year.

⁽²⁾ On a comparable basis in terms of Group scope, exchange rates and number of days.

Retail

<i>(in EUR million)</i> <i>According to IFRS</i>	Q3 2005	Q3 2004 ⁽¹⁾	Change	
			Actual	Comparable ⁽²⁾
Conforama	824.0	785.5	+ 4.9%	+ 5.4%
Fnac	943.7	860.7	+ 9.6%	+ 10.7%
Printemps	158.1	158.4	- 0.2%	+ 1.3%
Redcats	978.8	976.9	+ 0.2%	+ 0.6%
CFAO	508.1	461.2	+ 10.2%	+ 9.8%
Other activities	15.5	19.1	- 18.8%	+ 2.6%
Retail	3,428.2	3,261.8	+ 5.1%	+ 5.8%

⁽¹⁾ After adjustment for the impact of transition to IFRS.

⁽²⁾ On a comparable basis in terms of Group scope, exchange rates and number of days.

- In France, Retail division sales climbed to €1,936.3 million, up 5.9% in actual terms and up 6.9% on a comparable basis. Growth was principally driven by contributions from Fnac (up 9.1% on a comparable basis), Conforama (up 7.5%), and Redcats (up 4.9%).
- Internationally, the Retail companies sustained their first-half momentum, generating sales of €1,491.9 million, up 4.1% on an actual basis and up 4.4% on a comparable basis. In Europe, the biggest increases were observed in Spain (+20.6% on a comparable basis), Portugal (+9.3%), Switzerland (+9.3%) and Norway (+5.1%).
- **Conforama**

Conforama sales totalled €824.0 million in the third quarter, up 4.9% on an actual basis and up 5.4% on a comparable basis. This upswing was primarily attributable to the measures taken to reinforce Conforama's positioning as a multi-style discount retailer.

In France, sales advanced 7.0% on an actual basis and 7.5% on a comparable basis after a weak second quarter. This outstanding performance reflects a rebound in sales of Brown/White/Grey products (+14.2%). Conforama achieved a return to positive sales growth in furniture products (+1.7%). New furniture styles accounted for approximately one-third of sales in the third quarter against one-fifth just one year earlier.

Outside France, revenues were up 0.5% on an actual basis and up 1.1% on a comparable basis. Growth was hampered by a decline in sales in Italy, although the shortfall was lower in the third quarter (-1.7% on a comparable basis) than in the second quarter (-3.3%), in a sluggish economic environment. Excluding Italy, sales outside France rose 4.2% on a comparable basis, driven by strong performances in Spain (+10.4%) and Switzerland (+5.2%), where Conforama opened its eleventh store, in St Gall, in August.

- **Fnac**

In the third quarter, Fnac sales climbed to €943.7 million, up 9.6% on an actual basis and up 10.7% on a comparable basis.

In France, revenues rose 8.4% on an actual basis and 9.1% on a comparable basis. Growth was driven by strong contributions from technical products (up 13.2% on a comparable basis). The fastest selling categories included photo, video and TV products (+7.1% in the third quarter versus -4.2% in the previous quarter), hi-fi and portable audio (+25%) and computing products (+14.7%). Sales of books and CDs held up well, remaining broadly flat relative to the previous year, thanks to a strong showing in books. Among the Fnac subsidiaries, Surcouf sales increased 14.4% while Fnac.com sales surged 46.7%, thanks to a successful online offering in technical products. Fnac Eveil & Jeux sales were up 18.4% in the quarter, substantially ahead of the market.

Stores outside France sustained their growth momentum, with sales up 13.7% on an actual basis and up 15.7% on a comparable basis. In well established countries, the strongest gains were achieved in Spain (+23.6%), where Fnac opened a new store in San Sebastián in September, and in Portugal (+14.9%). Belgium bounced back to growth with sales up 1.6%. Sales continued to increase significantly in countries where the company is a recent entrant, with increases of 22.6% on a comparable basis in Brazil, 18% in Switzerland, and 10% in Italy despite a virtually depressed Italian market.

- **Printemps**

Printemps sales amounted to €158.1 million on an actual basis in the quarter, a level almost unchanged from the prior year. On a comparable basis, sales improved 1.3%, after recording a 7.8% decline in the second quarter of 2005. Total merchandise sales (including concessions) rose by 4.6%.

The department stores turned in a satisfactory third-quarter performance, with a 1.8% increase in sales on a comparable basis. Total merchandise sales (including concessions) rose by 5.5%. Sales generated by the Haussmann stores increased 4.6%, thanks to a dynamic programme of in-store events. Total merchandise sales (including concessions) at Haussmann were up 8%. The Printemps store Chain posted a 0.4% increase in sales and a 3.4% increase in total merchandise sales (including concessions).

Sports division sales, which have suffered from an absence of major international sporting events this year, were down 2.2% on an actual basis and down 1% on a comparable basis. Made in Sport sales were up 1.1% on a comparable basis thanks to the signature of numerous partnerships.

- **Redcats**

Redcats confirmed its growth momentum in the third quarter, thanks to the diversity of its brand portfolio. Excluding the Sears business, which was discontinued as from May 2005, sales increased to €978.8 million, up 1.1% on an actual basis and up 1.6% on a comparable basis.

In France, all of the Redcats brands turned in solid growth, which was largely attributable to strong clearance sales. With sales up 4.9% on a comparable basis during the quarter, Redcats accelerated its market share gains in the home-shopping segment. The Children-Family brands delivered strong sales growth of 19.2%, fuelled by Vertbaudet (+22.5%) and Cyrillus (+15.3%). In an very competitive retail environment, La Redoute confirmed its dynamism with a 3.2% increase, while sales generated by the Senior brands were up 3.8%.

Sales outside France declined 1.2% on a comparable basis (excluding Sears). Sales in Europe excluding France declined 3.1%, mainly due to soft UK retail sales, which were affected by the events in July, and increased competitive pressure in Scandinavian markets. In the United States, Redcats sustained its momentum, achieving growth of 1.0% on a comparable basis (excluding Sears) in a trading environment strongly affected by the bad weather.

Redcats continued to report significant growth in online sales, posting a 39.7% increase in sales (excluding Sears) to €248.6 million in the third quarter. E-commerce accounted for 24.7% of Redcats' sales for the nine months to end-September versus 18.2% in 2004.

- **CFAO**

In the third quarter, CFAO sales increased to €508.1 million, up 10.2% on an actual basis and up 9.8% on a comparable basis, mainly fuelled by significant gains in Mediterranean Africa.

Sales from the automotive business were up 8.8% on an actual basis and up 8.4% on a comparable basis. This performance was primarily driven by contributions from North Africa (up 44.1% on a comparable basis) and English-speaking sub-Saharan Africa (up 14.3%). Sales in French-speaking sub-Saharan Africa held up well, recording a 2.2% decline related to the crisis in Ivory Coast.

Sales in the pharmaceuticals business rose 11.1% on an actual basis and 10.4% on a comparable basis, bolstered by steady growth in English-speaking sub-Saharan Africa (+13.4% on a comparable basis), Egypt (+18.6%) and the French overseas territories (+9.7%).

CFAO Technologies continued its remarkable momentum in the third quarter, with sales up 36.5% on a comparable basis and strong gains in nearly all countries where the company has operations.

Luxury Goods

<i>(in EUR million)</i> <i>According to IFRS</i>	Q3 2005	Q3 2004 ⁽¹⁾	Change	
			Actual	Comparable ⁽²⁾
Gucci Division	459.3	405.2	+ 13.4%	+ 17.7%
Bottega Veneta	45.3	27.3	+ 65.5%	+ 72.1%
Yves Saint Laurent	45.6	48.0	- 5.1%	- 2.9%
YSL Beauté	150.2	155.7	- 3.6%	- 1.0%
Other brands	84.3	66.8	+ 26.2%	+ 28.5%
Luxury Goods	784.7	703.0	+ 11.6%	+ 15.3%

⁽¹⁾ After adjustment for the impact of transition to IFRS and change in closing date of Gucci Group's financial year.

⁽²⁾ On a comparable basis in terms of Group scope, exchange rates and number of days.

- The Luxury Goods division had an excellent performance, with its brands reporting strong sales growth despite a 2004 comparative base which becomes higher quarter after quarter.
- Growth was particularly strong in leather goods (+29.1% on a comparable basis) and shoes (+19%).
- Sales grew significantly in all geographical regions, supported by increased efforts to adapt the product offering to suit local market conditions. The sharpest sales increases were recorded in the Asia-Pacific region (+28.1%) and North America (+21.2%).
- Retail sales generated by the Luxury Goods division's 421 directly operated stores increased by 23.5% during the quarter while wholesale sales climbed by 6.6%.

▪ Gucci Division

Gucci Division sales amounted to €459.3 million, up 17.7% on a comparable basis. Sales through directly operated stores advanced 21.5% while wholesale sales rose 10.1%.

The brand posted solid gains in all major product categories and continued to push into more upscale market segments. Sales of leather goods were up 23.9%. This sales performance was not due to a particular line but to a combined success of the whole Fall-Winter 2005 collection. *La Pelle Guccissima*, the line launched in July, performed very well in the quarter across all product categories. In shoes, Gucci Division sustained the strong sales momentum observed in the first half, recording a 26.2% increase in the third quarter.

Gucci Division continued to post double-digit growth in all geographical regions while stepping up the pace of growth in the United States (+29.8%) and Japan (+12%).

Gucci Division continued to develop its retail network, bringing the number of directly operated stores to 203 as of end September 2005, compared to 195 at end September 2004.

- **Bottega Veneta**

In the third quarter, Bottega Veneta sales accelerated to €45.3 million, up 72.1% on a comparable basis.

The leather goods category, which accounts for 83% of the brand's sales, confirmed its organic growth potential with a 70.8% jump in sales. In addition, Bottega Veneta has developed successful brand extensions in the footwear and ready-to-wear categories.

Bottega Veneta reported increased sales in all regions where the brand is marketed, mainly thanks to significant growth in the directly-operated store network (81 stores at end-September versus 65 at December 31, 2004). Sales rose 72.8% in Europe, 57.9% in North America, 74.4% in Japan and 92.1% in Asia-Pacific.

- **Yves Saint Laurent**

Yves Saint Laurent sales declined by a similar percentage as in the previous quarter, reaching €45.6 million in the third quarter.

Sales of shoes (+8.3%) and leather goods (-2.2%) continued to be affected by the last remaining logistics issues. These issues have now been resolved.

The new Cruise and Spring-Summer 2006 collections were enthusiastically received and have generated pre-orders significantly above 2004 levels. These collections will be available in stores in November and February, respectively.

- **YSL Beauté**

YSL Beauté sales dipped by 1% on a comparable basis to €150.2 million, reflecting an intensely competitive trading environment. Sales of products marketed under the Yves Saint Laurent brand were up 3.1%.

Sales of cosmetics products continued to increase, confirming the trend observed in the first half. Make-up sales advanced 34.7% on a comparable basis while skincare sales were ahead 12.7%. Fragrance sales declined 12.1%, reflecting a difficult prior year comparison due to pre-launch deliveries of *Cinéma* in 2004.

During the quarter, YSL Beauté continued to make inroads in high-potential markets. Sales were up 14.5% in Asia-Pacific and up 8.7% in Japan. Sales declined 5.5% in the United States and 1.6% in Europe.

▪ **Other brands**

The other Luxury brands reported strong growth in the third quarter. Sales increased to €84.3 million, up 28.5% on a comparable basis.

Boucheron sustained its growth momentum of the first half. The brand benefited from the success of the new high jewellery collection, *Trouble Désir*, which was launched in July; more than 75% of the collection has already been sold.

The designer brands reported sales growth in excess of 50%, fuelled by an outstanding performance from Balenciaga, whose sales doubled, and solid performances of the other brands during the quarter.

CONFERENCE CALL

PPR will host a conference call for analysts, investors and journalists: at 3.00 p.m. (Continental Europe) / 2.00 p.m. (United Kingdom) / 9.00 a.m. (US East Coast) on Thursday, October 27, 2005.

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PRESENTATION

Slides will be available on www.pprfinance.com before the conference call.

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Appendix 1: Revenues in Q3 2005

<i>(in EUR million)</i> <i>According to IFRS</i>	Q3 2005	Q3 2004 ⁽¹⁾	Change	
			Actual	Comparable ⁽²⁾
Conforama	824.0	785.5	+ 4.9%	+ 5.4%
Fnac	943.7	860.7	+ 9.6%	+ 10.7%
Printemps	158.1	158.4	- 0.2%	+ 1.3%
Redcats	978.8	976.9	+ 0.2%	+ 0.6%
CFAO	508.1	461.2	+ 10.2%	+ 9.8%
Other activities	15.5	19.1	- 18.8%	+ 2.6%
Retail	3,428.2	3,261.8	+ 5.1%	+ 5.8%
Gucci Division	459.3	405.2	+ 13.4%	+ 17.7%
Bottega Veneta	45.3	27.3	+ 65.5%	+ 72.1%
Yves Saint Laurent	45.6	48.0	- 5.1%	- 2.9%
YSL Beauté	150.2	155.7	- 3.6%	- 1.0%
Other brands	84.3	66.8	+ 26.2%	+ 28.5%
Luxury Goods	784.7	703.0	+ 11.6%	+ 15.3%
<i>(Inter-company sales)</i>	<i>-6.0</i>	<i>-7.5</i>	<i>ns</i>	<i>ns</i>
PPR - Continuing operations	4,206.9	3,957.3	+ 6.3%	+ 7.5%

⁽¹⁾ After adjustment for the impact of transition to IFRS and change in closing date of Gucci Group's financial year.

⁽²⁾ On a comparable basis in terms of Group scope, exchange rates and number of days.

Appendix 2: Revenues for the first nine months of 2005

<i>(in EUR million)</i>	9 months	9 months	Change	
<i>According to IFRS</i>	2005	2004 ⁽¹⁾	Actual	Comparable ⁽²⁾
Conforama	2,194.4	2,156.9	+ 1.7%	+ 1.9%
Fnac	2,799.1	2,630.2	+ 6.4%	+ 6.3%
Printemps	513.6	529.3	- 3.0%	- 2.9%
Redcats	3,150.4	3,153.8	- 0.1%	+ 0.7%
CFAO	1,475.1	1,381.1	+ 6.8%	+ 7.2%
Other activities	51.1	59.4	- 14.0%	- 2.5%
Retail	10,183.7	9,910.7	+ 2.8%	+ 3.2%
Gucci Division	1,267.8	1,116.9	+ 13.5%	+ 18.6%
Bottega Veneta	110.5	71.5	+ 54.4%	+ 61.6%
Yves Saint Laurent	117.7	123.8	- 4.9%	- 1.5%
YSL Beauté	420.9	430.7	- 2.3%	+ 1.0%
Other brands	218.6	175.3	+ 24.7%	+ 26.7%
Luxury Goods	2,135.5	1,918.2	+ 11.3%	+ 15.7%
<i>(Inter-company sales)</i>	<i>-17.9</i>	<i>-20.8</i>	<i>ns</i>	<i>ns</i>
PPR - Continuing operations	12,301.3	11,808.1	+ 4.2%	+ 5.2%

⁽¹⁾ After adjustment for the impact of transition to IFRS and change in closing date of Gucci Group's financial year.

⁽²⁾ On a comparable basis in terms of Group scope, exchange rates and number of days.

Appendix 3: Revenues by region - Retail

Conforama

<i>(in EUR million)</i> <i>According to IFRS</i>	Q3 2005	Q3 2004	Change	
			Actual	Comparable ⁽¹⁾
France	566.1	528.9	+ 7.0%	+ 7.5%
Italy	131.0	133.7	- 2.0%	- 1.7%
Switzerland	57.0	55.7	+ 2.5%	+ 5.2%
Other countries	69.9	67.2	+ 4.0%	+ 3.5%
International	257.9	256.6	+ 0.5%	+ 1.1%
TOTAL	824.0	785.5	+ 4.9%	+ 5.4%

Fnac

<i>(in EUR million)</i> <i>According to IFRS</i>	Q3 2005	Q3 2004	Change	
			Actual	Comparable ⁽¹⁾
France	711.8	656.7	+ 8.4%	+ 9.1%
Spain, Portugal, Belgium	167.5	150.3	+ 11.4%	+ 15.4%
Brazil, Switzerland, Italy	64.4	53.7	+ 19.9%	+ 16.6%
International	231.9	204.0	+ 13.7%	+ 15.7%
TOTAL	943.7	860.7	+ 9.6%	+ 10.7%

Redcats

<i>(in EUR million)</i> <i>According to IFRS</i>	Q3 2005	Q3 2004	Change	
			Actual	Comparable ⁽¹⁾
France	462.5	449.0	+ 3.0%	+ 4.9%
United Kingdom ⁽²⁾	115.3	126.8	- 9.1%	- 7.5%
Scandinavia ⁽²⁾	91.5	88.8	+ 3.0%	- 3.7%
United States	244.2	249.4	- 2.1%	- 2.7%
Other countries	65.3	62.9	+ 3.8%	+ 7.0%
International	516.3	527.9	- 2.2%	- 2.9%
TOTAL	978.8	976.9	+ 0.2%	+ 0.6%

⁽¹⁾ On a comparable basis in terms of Group scope, exchange rates and number of days.

⁽²⁾ Including dedicated financial activity.

Appendix 4: Revenues by region - Luxury Goods

Breakdown by product category

<i>(in EUR million)</i> <i>According to IFRS</i>	Q3 2005	Q3 2004 ⁽¹⁾	Change	
			Actual	Comparable ⁽²⁾
Leather Goods	305.0	245.3	+ 24.3%	+ 29.1%
Shoes	97.7	84.4	+ 15.8%	+ 19.0%
Women's ready-to-wear	72.8	71.4	+ 1.9%	+ 5.4%
Men's ready-to-wear	32.6	31.9	+ 2.3%	+ 5.6%
Fragrances	98.7	115.8	- 14.8%	- 12.2%
Cosmetics	51.2	40.2	+ 27.3%	+ 29.6%
Other products	105.0	97.1	+ 8.1%	+ 12.3%
Royalties and other	21.7	16.9	+ 28.6%	+ 29.1%
TOTAL	784.7	703.0	+ 11.6%	+ 15.3%

⁽¹⁾ After adjustment for the impact of change in closing date of Gucci Group's financial year and transition to IFRS.

⁽²⁾ On a comparable basis in terms of Group scope, exchange rates and number of days.

Breakdown by region

<i>(in EUR million)</i> <i>According to IFRS</i>	Q3 2005	Q3 2004 ⁽¹⁾	Change	
			Actual	Comparable ⁽²⁾
Europe	334.3	308.8	+ 8.3%	+ 8.6%
North America	156.2	142.4	+ 9.7%	+ 21.2%
Japan	131.8	118.9	+ 10.9%	+ 15.8%
Asia-Pacific excl. Japan	128.2	101.7	+ 26.0%	+ 28.1%
Other countries	12.5	14.3	- 12.6%	- 4.9%
Royalties and other	21.7	16.9	+ 28.6%	+ 29.1%
TOTAL	784.7	703.0	+ 11.6%	+ 15.3%

⁽¹⁾ After adjustment for the impact of change in closing date of Gucci Group's financial year and transition to IFRS.

⁽²⁾ On a comparable basis in terms of Group scope, exchange rates and number of days.

Appendix 5: Gucci Division revenues

Breakdown by product category

<i>(in EUR million)</i> <i>According to IFRS</i>	Q3 2005	Q3 2004 ⁽¹⁾	Change	
			Actual	Comparable ⁽²⁾
Leather Goods	242.5	203.5	+ 19.2%	+ 23.9%
Shoes	61.8	50.8	+ 21.6%	+ 26.2%
Women's ready-to-wear	39.5	37.9	+ 4.0%	+ 7.9%
Men's ready-to-wear	24.2	24.3	- 0.4%	+ 3.5%
Other products	82.0	81.2	+ 1.0%	+ 5.2%
Royalties	9.3	7.5	+ 23.4%	+ 23.4%
TOTAL	459.3	405.2	+ 13.4%	+ 17.7%

⁽¹⁾ After adjustment for the impact of change in closing date of Gucci Group's financial year and transition to IFRS.

⁽²⁾ On a comparable basis in terms of Group scope, exchange rates and number of days.

Breakdown by region

<i>(in EUR million)</i> <i>According to IFRS</i>	Q3 2005	Q3 2004 ⁽¹⁾	Change	
			Actual	Comparable ⁽²⁾
Europe	160.7	146.0	+ 10.1%	+ 10.3%
North America	91.3	79.1	+ 15.4%	+ 29.8%
Japan	94.2	88.1	+ 7.0%	+ 12.0%
Asia-Pacific excl. Japan	99.6	80.0	+ 24.5%	+ 27.3%
Other countries	4.2	4.5	- 6.5%	+ 0.9%
Royalties	9.3	7.5	+ 23.4%	+ 23.4%
TOTAL	459.3	405.2	+ 13.4%	+ 17.7%

⁽¹⁾ After adjustment for the impact of change in closing date of Gucci Group's financial year and transition to IFRS.

⁽²⁾ On a comparable basis in terms of Group scope, exchange rates and number of days.