



PRESS RELEASE

Paris, April 24, 2008



Q1 2008 revenues

## Solid performance in Q1 2008:

PPR revenues up  
**20%** in reported terms and **4%** on a comparable basis

- **Success of the Gucci Group multi-brand strategy**
  - **Balanced growth of Consumer activities**
  - **PPR confident in its 2008 performances**

In Q1 2008, PPR reported revenues of €4.9 billion, up 20% in reported terms and 4% on a comparable basis in terms of Group scope and exchange rates, compared to Q1 2007.

François-Henri Pinault, Chairman and CEO of PPR, noted:

“Thanks to its diversified and balanced profile, **PPR has begun the year with a solid business performance**, in tougher markets. Gucci Group’s momentum underscores the success and relevance of the multi-brand strategy implemented by the Luxury Goods division, even as the Gucci brand itself experienced softer growth. Consumer activities lived up to our expectations with a satisfactory performance. All in all, given our steady revenue momentum, and the Group’s proven strengths, I remain confident in PPR’s ability to deliver another year of growth and enhanced financial performance in 2008.”

<i>(in € million)</i>	<b>Q1 2008</b>	<b>Change Reported</b>	<b>Change Comparable <sup>(1)</sup></b>
Fnac	1,026	+ 2.9%	+ 2.7%
Redcats Group	916	- 1.1%	- 4.4%
Conforama	790	- 0.8%	- 0.9%
CFAO	691	+ 16.3%	+ 17.5%
Puma	673		+ 6.6%
Gucci Group	816	+ 4.0%	+ 9.6%
<i>Inter-company sales and other</i>	<i>(6)</i>	<i>ns</i>	<i>ns</i>
<b>PPR - Continuing operations</b>	<b>4,906</b>	<b>+ 19.8%</b>	<b>+ 4.1%</b>
Discontinued operations <sup>(2)</sup>	318		

<sup>(1)</sup> On a comparable basis in terms of Group scope and exchange rates.

<sup>(2)</sup> YSL Beauté for €162 million, Redcats Missy for €54 million, Empire Stores for €36 million, Surcouf for €60 million and Conforama Poland for €6 million.

### **Fnac maintains its focus on profitable growth**

Fnac made a promising start to 2008 with revenues up 2.7% on a comparable basis versus Q1 2007. In France, despite an adverse calendar impact, the brand reported growth, fueled by good performance in Editorial Products, which gained market shares in all categories. On-line sales increased significantly. Business outside of France acted as a growth driver, particularly in Spain, Portugal, Italy and Brazil. Fourteen additional Fnac stores will open in France and abroad by the end of 2008.

### **Redcats in line with expectations**

Redcats Q1 2008 revenues decreased by 4.4% on a comparable basis and 1.1% in reported terms compared to Q1 2007. The poor economic environment, particularly in the apparel market, weighed heavily on Redcats activity during the quarter. The leading multi-channel brands (La Redoute, The Sportsman's Guide, the US Large Size division and the Senior brands) were resilient. The Children-Family division reported satisfactory sales. On-line sales continued to post solid growth and represented 46% of Redcats home shopping revenue in Q1 2008.

### **Improving trends at Conforama**

In Q1 2008, Conforama revenues dropped by 0.9% on a comparable basis from the Q1 2007 level. Business in March was affected by the negative calendar impact. Stores in France reported solid growth driven by the results of the Furniture segment, which outperformed the market in most product categories. Home Electronics sales were fueled by the robust performance of brown goods. Decorative Items posted solid growth. Conforama's business activity outside of France showed satisfactory resilience in a tougher macro-economic environment in Q1 2008. Italy further reduced its losses in the quarter.

### **An excellent start to the year for CFAO**

CFAO Q1 2008 revenues, up 17.5% on a comparable basis, were driven by the outstanding growth in the Sub-Saharan Africa and Mediterranean regions. CFAO reported robust sales in French overseas territories. The strong growth of the automotive sector continued, and the year got off to an excellent start for Pharmaceuticals with new sustained momentum.

### **Good performance from Puma outside the US**

In Q1 2008, Puma sales rose by 6.6% on a comparable basis, reflecting a significant slowdown in consumers environment in March. Retail stores posted another double-digit growth and accounted for 15% of the brand's Q1 revenues. Apparel and Accessories achieved very good results. Footwear growth was dragged down by the US economic slowdown. Double-digit growth was recorded in EMEA and Asia-Pacific, stimulated by sound performances in all product categories. Q1 2008 sales declined in the Americas, affected by the continued negative environment in the US mall-based business.

### **Success of the Gucci Group multi-brand strategy**

Despite an adverse currency situation, Gucci Group's performance in a more challenging luxury goods market was in line with PPR's expectations. It posted solid growth in Q1 2008, with revenues up 9.6%, on top of challenging comparables in Q1 2007. Fashion and Leather Goods reported double-digit growth. Asia-Pacific excluding Japan continued to grow at a rapid pace (+26%), driven by a particularly buoyant Chinese market (+116%). Gucci Group revenues also rose in North America and Europe. Sales in Japan were flat in Q1. The Gucci Group global store network comprised a total of 511 directly-operated stores as of the end of March 2008.

### **A challenging quarter for the Gucci brand**

Gucci brand revenues increased by 2.4% on a comparable basis in Q1 2008 (up 3.7% excluding Timepieces). Despite contrasted performances in mature markets, Gucci continued to expand in the emerging markets where it has a strong foothold. Trading was softer in wholesales but retail posted a satisfactory momentum. Action plans have already been implemented to enable the brand to regain a growth rate consistent with Group objectives. The 2008 Spring/Summer collections were very well received by customers and the brand achieved a good Pre-Fall and 2008 Autumn/Winter sales Campaign. At the end of March, the Gucci network comprised 238 stores.

### **Bottega Veneta continues to soar**

Bottega Veneta Q1 2008 revenues surged by 31.5% on a comparable basis, driven by outstanding performances across all product categories. Sales momentum was sustained in all geographical areas: up 31% in Japan, 30% in Europe, 46% in Asia-Pacific excluding Japan and 19% in North America. The brand opened two stores during the first quarter, for a total of 113 stores at the end of March 2008.

### **Continuing successful strategy at Yves Saint Laurent**

In Q1 2008, Yves Saint Laurent posted a 20.2% increase in revenues (up 7% excluding royalties, against very high comparables in Q1 2007). Solid growth was reported in the Leather Goods sector, driven by good momentum in all handbag lines, notably recently launched models (*Besace*, *Ymail* and *Muse*). Solid growth was posted worldwide. The quarter was marked by the reopening of the brand's flagship store at Place Saint-Sulpice in Paris, heralding a new Yves Saint Laurent store concept.

### **Sustained growth for Other brands**

The Q1 2008 revenues of the Other brands rose 20.8% on a comparable basis. Balenciaga posted high double-digit growth in all its product categories and geographical areas, boosted by the commercial success of its 2008 Spring-Summer collection and the acceleration of store openings. Boucheron pursued its double-digit growth. The Sergio Rossi 2008 Spring-Summer handbag and shoes collections were a huge commercial success. Alexander McQueen posted a solid performance and Stella McCartney continued its momentum. The Other brands had a total of 96 directly-operated stores at the end of March 2008.

## CONFERENCE CALL

PPR will hold a **conference call** for analysts and investors: at **3:00pm** (Continental Europe); 2:00pm (UK); 9:00am (East Coast time, USA), on **Thursday April 24, 2008**

Conference call dial-in: **+33 (0)1 70 99 42 66**

Replay dial-in: + 33 (0)1 71 23 02 48

Passcode for the replay: 4870041# (available until May 16, 2008)

**PODCAST** of the conference call available at [www.ppr.com](http://www.ppr.com)

## PRESENTATION

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



## About PPR

*PPR develops a portfolio of high-growth global brands. Through its Consumer and Luxury brands, PPR generated sales of EUR 19.8 billion in 2007. The Group is present in 90 countries with approximately 93,000 employees. PPR shares are listed on Euronext Paris (# 121485, PRTP.PA, PPFP).*

*To explore the universe of PPR brands go to [www.ppr.com](http://www.ppr.com): Fnac, Redcats Group (La Redoute, Vertbaudet, Somewhere, Cyrillus, Daxon, Ellos, The Sportsman's Guide, The Golf Warehouse and brands of the plus-size division), Conforama, CFAO, Puma and the Luxury brands of Gucci Group (Gucci, Bottega Veneta, Yves Saint Laurent, YSL Beauté, Balenciaga, Boucheron, Sergio Rossi, Alexander McQueen and Stella McCartney).*



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### Appendix 1 : Sales in Q1 2008

<i>(in € million)</i>	<b>Q1 2008</b>	<b>Q1 2007</b>	<b>Change Reported</b>	<b>Change Comparable <sup>(1)</sup></b>
<b>Fnac</b>	<b>1,026.4</b>	<b>997.5</b>	+ 2.9%	+ 2.7%
<b>Redcats Group</b>	<b>915.9</b>	<b>925.8</b>	- 1.1%	- 4.4%
<b>Conforama</b>	<b>789.8</b>	<b>795.9</b>	- 0.8%	- 0.9%
<b>CFAO</b>	<b>690.6</b>	<b>593.7</b>	+ 16.3%	+ 17.5%
<b>Puma <sup>(2)</sup></b>	<b>673.3</b>			+ 6.6%
<b>Gucci Group</b>	<b>816.2</b>	<b>784.5</b>	+ 4.0%	+ 9.6%
Gucci	513.0	530.5	- 3.3%	+ 2.4%
Bottega Veneta	106.2	84.8	+ 25.2%	+ 31.5%
Yves Saint Laurent	63.1	55.2	+ 14.5%	+ 20.2%
Other brands	133.9	114.0	+ 17.5%	+ 20.8%
<i>Inter-company sales and other</i>	-6.0	-1.5	<i>ns</i>	<i>ns</i>
<b>PPR - Continuing operations</b>	<b>4,906.2</b>	<b>4,095.9</b>	<b>+ 19.8%</b>	<b>+ 4.1%</b>
Discontinued operations <sup>(3)</sup>	318.1	351.8		

<sup>(1)</sup> On a comparable basis in terms of Group scope and exchange rates.

<sup>(2)</sup> Puma fully consolidated from April 1, 2007.

<sup>(3)</sup> YSL Beauté for €162 M, Redcats Missy for €54 M, Empire Stores for €36 M, Surcouf for €60 M and Conforama Poland for €6 M in Q1 2008.