



PRESS RELEASE

Paris, July 23, 2008

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Q2 2008 sales

## PPR improves its performance in Q2 2008: up 5% on a comparable basis

- **Outstanding performances of the Gucci brand (up 11%)  
and of Gucci Group (up 16%)**
- **Solid resilience of Consumer activities**

In Q2 2008, PPR reported sales of €4,678 million, up 4.5% in reported terms and up 5.1% on a comparable basis in terms of Group scope and exchange rates, compared to Q2 2007. Sales in France accounted for less than 38% of total Group sales, compared to 40% in Q2 2007.

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

“In a market environment in line with our expectations, PPR’s activity in the second quarter improved at a steady pace, ahead of the Q1 progression. The excellent performance of our Luxury Goods activities illustrates the strength of our brand portfolio, driven by the outstanding growth of the Gucci brand. Our Consumer activities pursued their development in an environment currently under strain, and outperformed the market. More than ever, our improved performance confirms the Group’s resilience and growth potential. I remain confident in PPR’s ability to achieve another year of growth and improve its financial performance in full year 2008.”

<i>(in € million)</i>	<b>H1 2008</b>	<b>Change Reported</b>	<b>Change Comparable <sup>(1)</sup></b>	<b>Q2 2008</b>	<b>Change Reported</b>	<b>Change Comparable <sup>(1)</sup></b>
Fnac	2,005	+ 3.1%	+ 2.9%	978	+ 3.3%	+ 3.1%
Redcats Group	1,856	- 0.3%	- 4.1%	940	+ 0.5%	- 3.9%
Conforama	1,496	- 1.1%	- 1.2%	706	- 1.5%	- 1.7%
CFAO	1,411	+ 14.6%	+ 15.8%	720	+ 13.1%	+ 14.2%
Puma	1,250	+ 130.3%	+ 8.7%	577	+ 6.3%	+ 11.2%
Gucci Group	1,577	+ 6.3%	+ 12.6%	761	+ 8.8%	+ 16.0%
<i>Inter-company sales and other</i>	-11	<i>ns</i>	<i>Ns</i>	-4	<i>ns</i>	<i>ns</i>
<b>PPR - Continuing operations</b>	<b>9,584</b>	<b>+ 11.8%</b>	<b>+ 4.6%</b>	<b>4,678</b>	<b>+ 4.5%</b>	<b>+ 5.1%</b>
Discontinued operations <sup>(2)</sup>	598			280		

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

<sup>(2)</sup> In H1 2008, YSL Beauté for €99M, Redcats Missy for €109M, Empire Stores for €70M, Surcouf for €110M and Conforama Poland for €10M - In Q2 2008, YSL Beauté for €137M, Redcats Missy for €55M, Empire Stores for €34M, Surcouf for €50M and Conforama Poland for €4M.

### **Fnac: solid growth sustained**

Fnac's Q2 2008 sales were up 3.1% on a comparable basis compared to Q2 2007. In France, the brand reported a satisfactory performance, fueled by growth in technical products, which outperformed the market, and significant market share gains in all editorial product categories. The momentum of on-line sales accelerated sharply. Fnac maintained its growth outside France with a strong increase in Q2 2008 sales, particularly in Italy, Switzerland and Brazil. Eleven additional Fnac stores will be opened by the end of 2008, of which seven outside France and four "out-of-town" in France.

### **Redcats: resilience in a tough environment**

In Q2 2008, sales of Redcats dropped by 3.9% on a comparable basis (up 0.5% in reported terms) compared to Q2 2007. The unfavorable economic environment, particularly in apparel, weighed heavily on Redcats, which nevertheless showed solid resilience thanks to intensified promotional activities. The leading multi-channel brands reported contrasted performances. Excluding the significant impact from industrial action in Q2, growth in sales of La Redoute improved compared to the previous quarter, particularly outside of France. The Sportsman's Guide sustained its strong growth while the performance of US Large Sizes improved. On-line activities continued to grow and represented 50% of Redcats home-shopping revenues in Q2 2008, compared to 41% in Q2 2007.

### **Conforama: solid performance of Furniture activities in a softer environment**

Conforama Q2 2008 sales declined by 1.7% on a comparable basis compared to Q2 2007, as store renovations and conversions continued in France and Italy. The brand's French stores reported slightly lower sales from a high base of comparison in Q2 2007. Sales of Furniture posted solid growth. Decorative Items reported a satisfactory performance while Home electronics posted contrasted performances. In Italy, 10 out of 19 Emmezeta stores are already operated under the Conforama concept. In other countries, Conforama's international sales showed satisfactory resilience in a tougher environment in Q2 2008.

### **CFAO: another strong quarter**

In Q2 2008, CFAO benefited from a favorable economic environment and reported sales up 14.2% on a comparable basis, on top of high comparables. This excellent performance was driven by the solid growth in Sub-Saharan Africa and Mediterranean countries and French overseas territories. The Automotive sector posted outstanding growth and the Pharmaceuticals sector maintained its solid performance.

### **Puma: accelerating growth**

Puma Q2 2008 sales rose by 11.2% on a comparable basis. Directly operated stores maintained their double-digit growth and accounted for 20% of total sales in the quarter. Strong growth momentum was recorded across all product categories, fueled by substantial marketing investments in connection with the major sporting events of the year. Asia-Pacific reported double-digit growth, driven by sound performances in all product segments. Double-digit sales growth was also recorded in the Americas. Sales in North America improved versus Q1 2008 but are still affected by the continued unfavorable macroeconomic environment. Sales in EMEA reported strong growth on top of high comparables.

### **Gucci Group: outstanding performance achieved**

Gucci Group maintained its strong growth momentum in Q2 2008, with a 16% increase in sales on a comparable basis, as the overall market environment remained favorable despite the impact of the currency situation. Once again, Fashion and Leather Goods delivered double-digit growth (up 17%). Asia-Pacific excluding Japan reported accelerated growth (up 42%), driven by the vibrant Chinese market (up 83%). In North America (up 10%) and Europe (up 14%), sales growth remained strong and improved significantly compared to Q1 2008. Performances in Japan are contrasted. In keeping with its expansion policy, Gucci Group opened 10 new stores in Q2 2008, for a total of 521 directly operated stores as of June 30, 2008.

### **Gucci: solid double digit growth**

Gucci Q2 2008 sales rose by 11% on a comparable basis. Retail and Wholesale both delivered double-digit growth. The brand improved its performance in mature markets and recorded sharp growth in emerging markets, where it enjoys an excellent positioning. Double-digit growth was reported in all product categories in Q2 2008, with growth accelerating in Leather Goods. Initial customer response to the Fall/Winter 2008 collections is very positive. As of June 30, 2008, the Gucci network comprised 241 stores, including 20 in China.

### **Bottega Veneta: sustained strong growth**

On top of very high 2007 comparables, Bottega Veneta Q2 2008 sales increased by 20% on a comparable basis, driven by double-digit growth in all product categories. The brand maintained its growth momentum in all regions: double-digit growth in Asia-Pacific excluding Japan, Europe and North America. Softer growth was reported in Japan. Bottega Veneta opened four stores in H1 2008, for a total of 115 stores as of June 30, 2008.

### **Yves Saint Laurent: sound performance continues**

Yves Saint Laurent improved its performance compared to Q1 2008 and reported sales up 33% compared to Q2 2007 (up 23% excluding royalties). Strong growth was maintained in Leather Goods and Shoes, fueled by the success of all handbag lines and recent collections. Growth accelerated in all regions. The Yves Saint Laurent network comprised 64 stores as of June 30, 2008.

### **Other luxury brands: further strong growth**

Q2 2008 sales reported by the Other Brands rose by 31% on a comparable basis. Balenciaga maintained its outstanding performance driven by all product categories and all regions. Boucheron, Alexander McQueen, Stella McCartney and Sergio Rossi all posted another quarter of double-digit growth. The Other Brands network comprised 101 directly-operated stores as of June 30, 2008.

## CONFERENCE CALL

PPR will hold a **conference call** for analysts and investors at **6:00pm** (Continental Europe); 7:00pm (UK); 12:00am (East Coast, USA), on **Wednesday July 23, 2008**.

Conference call dial-in: **+33 (0)1 70 99 32 12**

Replay dial-in: +33 (0)1 70 99 35 29

Passcode for the replay: 803435 (available until August 2, 2008)

A **PODCAST** of the conference call will be 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, PFP).*

*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, Balenciaga, Boucheron, Sergio Rossi, Alexander McQueen and Stella McCartney).*



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## Appendix 1: Sales in Q2 & in H1 2008

<i>(in € million)</i>	H1 2008	H1 2007	Change Actual	Change Comparable <sup>(1)</sup>	Q2 2008	Q2 2007	Change Actual	Change Comparable <sup>(1)</sup>
<b>Fnac</b>	<b>2,004.7</b>	<b>1,944.7</b>	+ 3.1%	+ 2.9%	<b>978.3</b>	<b>947.2</b>	+ 3.3%	+ 3.1%
<b>Redcats Group</b>	<b>1,856.1</b>	<b>1,861.7</b>	- 0.3%	- 4.1%	<b>940.2</b>	<b>935.9</b>	+ 0.5%	- 3.9%
<b>Conforama</b>	<b>1,495.8</b>	<b>1,512.3</b>	- 1.1%	- 1.2%	<b>706.0</b>	<b>716.4</b>	- 1.5%	- 1.7%
<b>CFAO</b>	<b>1,410.8</b>	<b>1,230.6</b>	+ 14.6%	+ 15.8%	<b>720.2</b>	<b>636.9</b>	+ 13.1%	+ 14.2%
<b>Puma <sup>(2)</sup></b>	<b>1,250.1</b>	<b>542.8</b>	+ 130.3%	+ 8.7%	<b>576.8</b>	<b>542.8</b>	+ 6.3%	+ 11.2%
<b>Gucci Group</b>	<b>1,577.1</b>	<b>1,483.6</b>	+ 6.3%	+ 12.6%	<b>760.9</b>	<b>699.1</b>	+ 8.8%	+ 16.0%
Gucci	1,017.7	1,016.7	+ 0.1%	+ 6.6%	504.7	486.2	+ 3.8%	+ 11.1%
Bottega Veneta	197.4	165.1	+ 19.6%	+ 25.7%	91.2	80.3	+ 13.6%	+ 19.6%
Yves Saint Laurent	120.2	100.7	+ 19.4%	+ 26.1%	57.1	45.5	+ 25.4%	+ 33.4%
Other brands	241.8	201.1	+ 20.2%	+ 25.0%	107.9	87.1	+ 23.9%	+ 30.5%
<i>Inter-company sales and other</i>	<i>-10.5</i>	<i>-3.0</i>	<i>ns</i>	<i>ns</i>	<i>-4.5</i>	<i>-1.5</i>	<i>ns</i>	<i>ns</i>
<b>PPR - Continued activities</b>	<b>9,584.1</b>	<b>8,572.7</b>	+ 11.8%	+ 4.6%	<b>4,677.9</b>	<b>4,476.8</b>	+ 4.5%	+ 5.1%
Discontinued activities <sup>(3)</sup>	597.7	668.6			279.6	316.8		

<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> In H1 2008, YSL Beauté for €299M, Redcats Missy for €109M, Empire Stores for €70M, Surcouf for €110M and Conforama Poland for €10M - In Q2 2008, YSL Beauté for €137M, Redcats Missy for €55M, Empire Stores for €34M, Surcouf for €50M and Conforama Poland for €4M.