



# Q2 2006 Sales Conference Call

July 27, 2006

# PPR Group consolidated revenues H1 & Q2 2006



(in EUR million)

<i>According to IFRS</i>	H1 2006	06/05 change <sup>(1)</sup>	Q2 2006	06/05 change <sup>(1)</sup>
■ Retail	6,670.6	+3.6%	3,281.7	+2.9%
■ Luxury Goods	1,623.3	+20.3%	776.9	+22.4%
<i>Other &amp; inter-company</i>	<i>0.4</i>	<i>ns</i>	<i>0.8</i>	<i>ns</i>
<b>PPR – Continued activities</b>	<b>8,294.3</b>	<b>+6.6%</b>	<b>4,059.4</b>	<b>+6.2%</b>
Discontinued activities <sup>(2)</sup>	380.1		181.8	

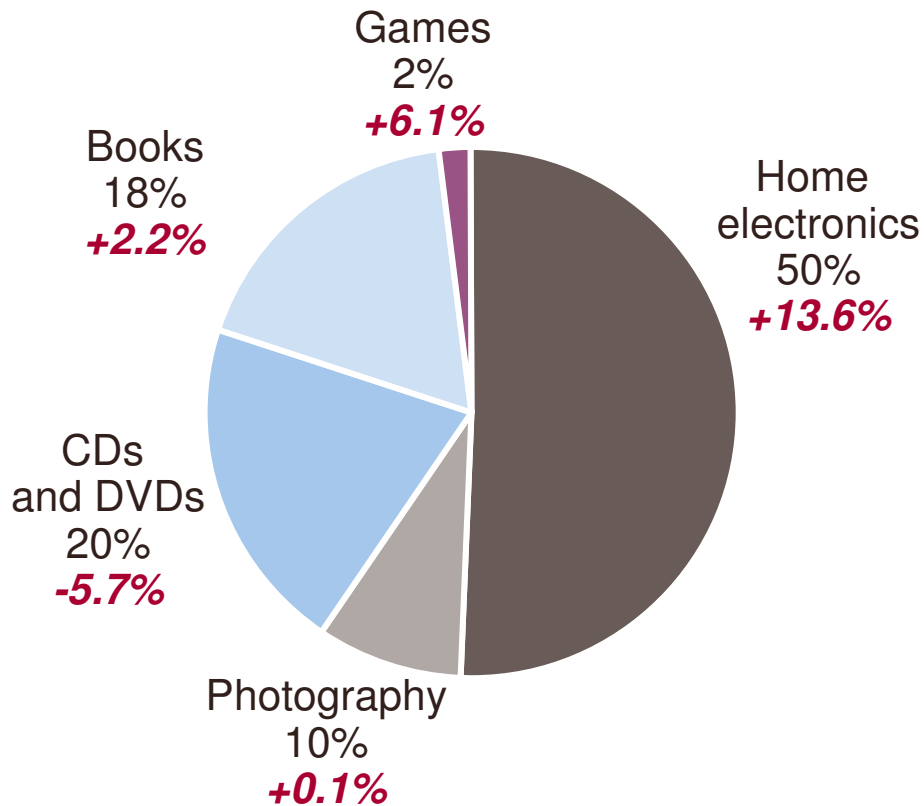
- Momentum in Luxury Goods: H1'06 19.6% of total sales vs. 17.5% in H1'05
- Retail : sustained growth in contrasted markets
- International sales: H1'06 up 9.5% to over 56% of total

# Retail | Satisfactory performance



- Negative calendar impact in Q2, neutralized over the first half
  - France, H1 +2.9% (Q2 +2.3%)
  - International, H1 +4.5% (Q2 +3.6%): growth in improving markets
- Erratic monthly trends in Q2, marked by World Cup effect in May
- Sharp growth in online sales: H1 +26.8% to €755M
- Improved consumer confidence in France and in most European countries
- Continued deployment of marketing and merchandising programs

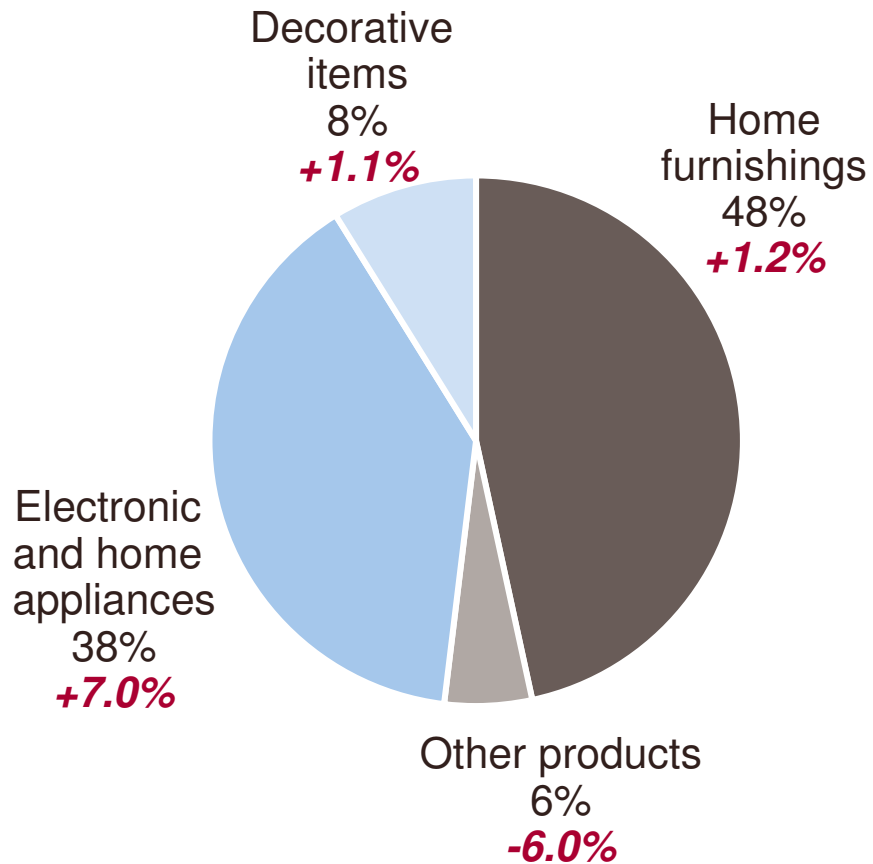
# Fnac | A strong first half



**H1: +5.7%**

- Q2 +5.8%
- Good performance in France: Q2 +4.6%
  - Fnac stores sales +4%, fnac.com sales +28%
    - » Sales boosted by technical products, +12%
    - » Book sales (-2%) impacted by lack of novelties in Q2
    - » Good resilience in CDs and DVDs (-6%) vs. market (-11%)
- International: Q2 +9.5%
  - Strong growth in Spain (+11%), Portugal (+17%) and Brazil (+17%)
  - Sales in Italy up 9%, led by technical products

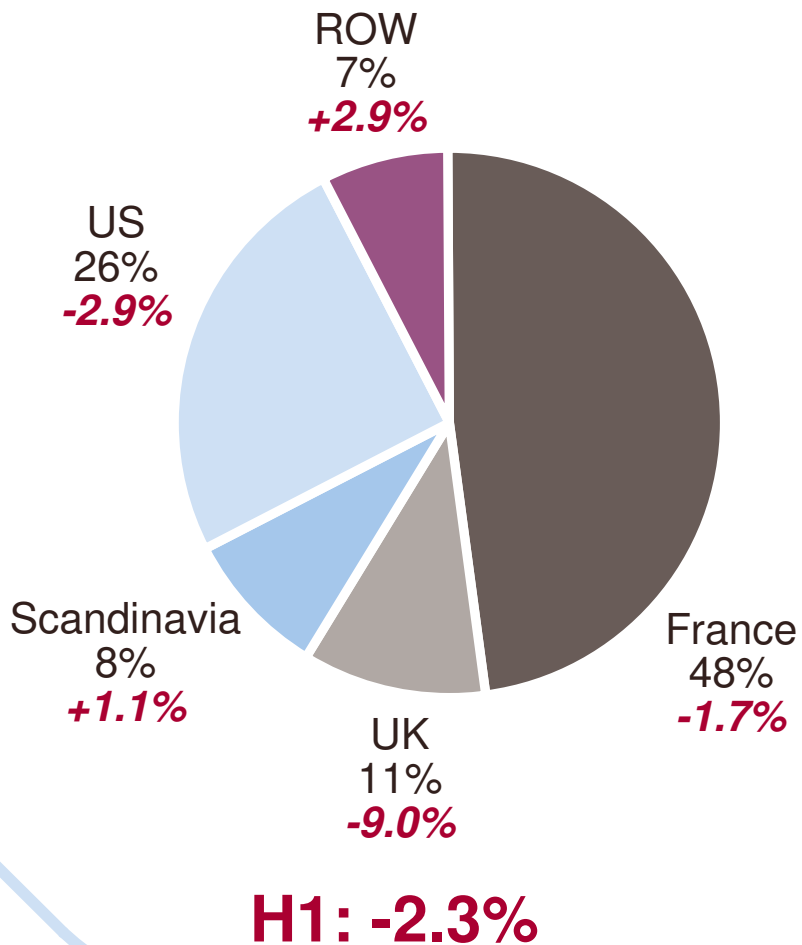
# Conforama | Work in progress



- Q2 +3.0%
- Satisfactory growth in France: Q2 +4.7%
  - Sales led by electronics (Brown and grey, up 11%, 42% of total)
  - Continued repositioning effort in multi-style offering
- International sales excluding Italy up 5.1%
  - Excellent performance in Spain and Croatia
  - Italy impacted by increased competition
- Continued effort to build for future growth
  - Store formats and openings, logistics platform, international sourcing...

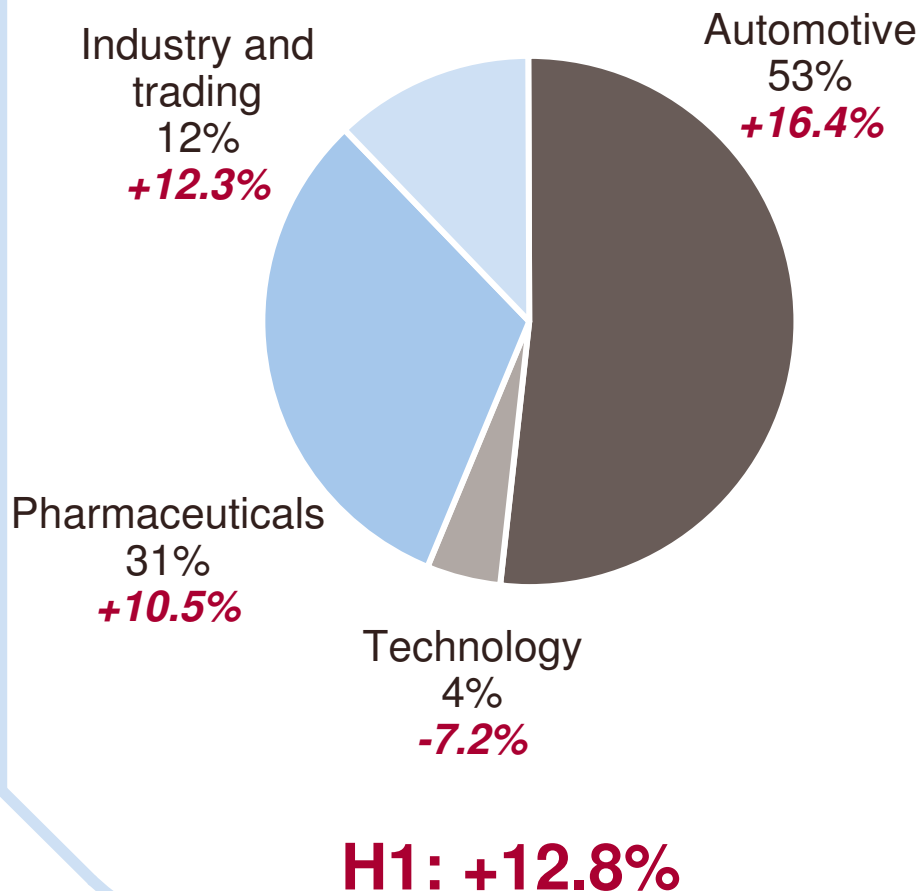
**H1: +3.7%**

# Redcats | Differentiated performances



- Q2 sales -2.9% excluding discontinued catalogues
- Good resilience vs. mail order peers
  - Sales driven by online growth (up 22%, 30% of total)
  - Gross margin and promotions contained
- France
  - Sales impacted by unseasonably cold weather and later start of sales season
  - Continued success of Vertbaudet (Q2 +6%)
- International
  - Good performance of La Redoute outside France and successful openings in new countries
  - Strengthening sales in Scandinavia despite strong competition
  - US: above-market performance in Large Size; working on Chadwick's positioning

# CFAO | Another outstanding quarter



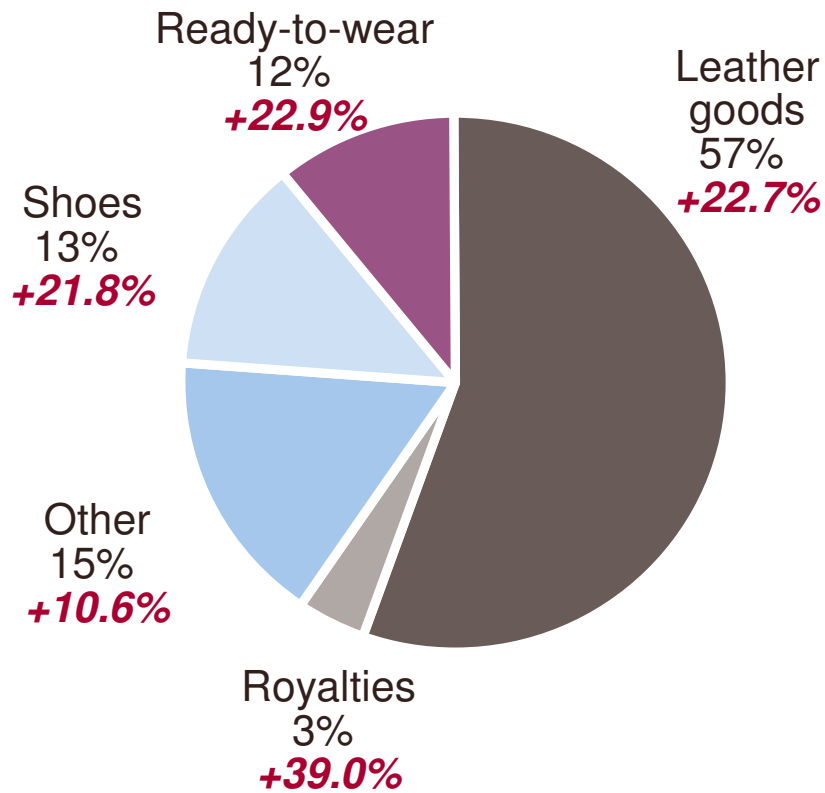
- Sales up sharply: Q2 +12.2%
- Automotive:
  - Increased growth in Q2 (+18%), particularly in Sub-Saharan and Mediterranean regions (up nearly 19% and 31% respectively)
- Healthcare:
  - Solid growth (+7%) despite slow-down in French overseas territories
- Consistent growth in all major regions

# Luxury Goods | Sustained growth momentum



- Healthy macro environment for the Luxury Goods Industry in all countries
- Higher growth than previous quarters despite challenging comps
- Double-digit growth in all regions and nearly all product categories
- Little impact of foreign exchange on Q2'06 figures
- Growth mainly driven by comparable stores
  - 437 DOS at end of June 06, 11 net openings in H1

# Gucci | In line with solid growth trends



**H1: +21.1%**

- Q2 sales (up 25%) confirm outstanding Q1 trend
- More balanced growth in all product categories
- Wholesale up 36% (27% of sales)
- Strong sales growth in core markets:
  - Asia-Pacific excluding Japan up 33%
  - Europe up 30%
  - North America up 25%
- Growth mainly driven by comparable stores
  - 211 stores at end of June 06 (4 net openings in H1)
- Very positive early response to Cruise and Men's Spring/Summer 07 collections

# Bottega Veneta | Continuing strong growth



- Key trends holding up in Q2 at high double digits (up 81%) – H1'06 up 79%
- Great success both from traditional product categories (Leather Goods up 79%) and new product categories (RTW and shoes)
- Japan (32% of sales) up 85%, Europe (30% of sales) up 129%, North America (18% of sales) up 42%, Asia-Pacific (19% of sales) up 68%
- Expanded network: 89 stores at end of June 06 (6 net openings in H1)

# Yves Saint Laurent | Confirmed sales improvement



- Sales up 29% in Q2'06 – H1'06 up 18%
- Acceleration in Retail (68% of sales): Q2 up 23%
- Strong growth in wholesale up 62% reflecting brand's appeal and success of Pre-Fall collection
- Leather Goods: leading product category - Muse handbag line a huge hit
- Strong sales growth in Asia-Pacific excluding Japan (+79%), Europe (+19%) and US (+46%)

# YSL Beauté | Mild improvement



- Despite restructuring underway, sales up 3% in Q2'06 – H1'06 up 2%
- Sales driven by Yves Saint Laurent make-up and perfumes and Designer brands fragrances
- Europe up slightly and low double-digit growth in US and Asia Pacific excluding Japan
- No significant impact of foreign exchange on Q2'06 figures
- Coming launches in H2'06 in perfumes, make-up and skincare

# Other brands | Driven by the strong success of Balenciaga



- Balenciaga
  - Brand sales and image further strengthened
- Boucheron
  - Solid growth driven by jewellery
- Sergio Rossi
  - Confirmed recovery thanks to Spring/Summer collection
- Strong double-digit growth maintained at Alexander McQueen and Stella McCartney

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Conclusion

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# Appendix

# Agenda

■ September 7, 2006      H1'06 results

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■ October 26, 2006      Q3'06 sales

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■ January 25, 2007      Q4'06 sales

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