



PRESS RELEASE

Paris, 26 July 2007



A dynamic 2nd quarter:

PPR revenues up 18.1% on an actual basis and 5.6% on a comparable basis

PPR posted revenues of €9.2 billion in the 1st half of 2007, up 11.4% on an actual basis and up 5.6% on a comparable basis in terms of Group scope and exchange rates, versus the 1st half of 2006. These results include Puma's revenues, which were fully consolidated from 1 April 2007.

In the 2nd quarter of 2007, the Group recorded revenues of €4.8 billion, up 18.1% on an actual basis and 5.6% on a comparable basis versus the 2nd quarter of 2006. Revenues outside France accounted for 61% of the Group's total sales, versus 57% in the 2nd quarter of 2006.

Excluding Puma, revenues on comparable basis were up 5.7% in the 1st half and 5.9% in the 2nd quarter of 2007.

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

“PPR has once again demonstrated its ability to deliver highly sustained growth in its businesses. Further to the successful outcome of our recent voluntary takeover offer, Puma has broadened our portfolio of international brands with high growth potential and will strengthen our global presence. The first half of 2007 also saw historical growth at CFAO, a healthy recovery at Conforama, strong results at Fnac, resilience at Redcats, as well as the strength and efficiency of Gucci Group's multi-brand strategy.”

<i>(in € million)</i>	H1 2007	Change Actual	Change Comparable ⁽¹⁾	Q2 2007	Change Actual	Change Comparable ⁽¹⁾
Fnac	2,065	+ 5.7%	+ 5.8%	998	+ 6.3%	+ 6.3%
Redcats Group	2,109	- 1.7%	- 4.6%	1,060	- 1.4%	- 4.2%
Conforama	1,523	+ 4.4%	+ 2.5%	721	+ 2.7%	+ 2.5%
CFAO	1,231	+ 10.5%	+ 19.5%	637	+ 12.5%	+ 21.3%
Puma	543		+ 3.1%	543		+ 3.1%
Gucci Group	1,773	+ 9.2%	+ 14.8%	836	+ 7.7%	+ 13.5%
<i>Inter-company sales and other</i>	-4	<i>ns</i>	<i>ns</i>	-2	<i>ns</i>	<i>ns</i>
PPR	9,240	+ 11.4%	+ 5.6%	4,793	+ 18.1%	+ 5.6%

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

Fnac

Fnac reported a strong pick-up in the 2nd quarter, with revenues up by 6.3% on a comparable basis. Fnac France recorded a strong 4.6% increase in revenues, mainly due to technical products (+9%), increased market share in editorial products and confirmation of the success of its out of town stores, with five new store openings planned by the end of 2007. Overseas, the company maintained its strong growth momentum and recorded a 15% increase in sales in the quarter. At end June 2007, overseas business accounted for 27% of Fnac sales (up by 2 points on the 1st quarter), with five store openings planned outside France in the 2nd half.

Redcats Group

In the 2nd quarter of 2007, Redcats Group revenues were down by 1.4% on an actual basis and 4.2% on a comparable basis in an environment which remained challenging. Redcats' leading brand La Redoute held up well in France and gained momentum overseas. In the United States, The Sportsman's Guide recorded an excellent performance (+16%) and outsize brands posted satisfactory results. Redcats Group continued to reposition its other brands, triggering a significant fall in revenues in the United Kingdom and in the Misses division in the United States. Redcats Group continued to pursue the strong growth of its Internet activities (+20% in the 2nd quarter), with on-line sales accounting for 41% of mail order revenues.

Conforama

Conforama recorded a very satisfactory performance in the 2nd quarter of 2007, with the exception of Italy: the company's revenues were up 2.7% on an actual basis and 2.5% on a comparable basis. Sales in France were up sharply at +7%, driven by the strong growth in furniture (+7.5%), household electrical goods (+9%) and the excellent performance in decorative items (+21%). Excluding Italy, Conforama recorded strong growth of +3.4%. In Italy, revenues decreased by 15% in an extremely challenging environment. Transformation of the Italian Emmezetta stores into Conforama stores, whose results are significantly better, has been stepped up and will be completed by the end of 2008.

CFAO

In the 2nd quarter CFAO posted record revenues and a 21.3% increase in sales on a comparable basis, due to CFAO's exceptional expertise and strong market presence in Africa, underpinned by the favourable business climate. Growth was driven in particular by an excellent performance in the Auto business, up by 29.1%, with a 66% increase in the Mediterranean basin and a 22% increase in sub-Saharan Africa. The Pharmaceutical business continued its strong growth, with a 6.8% increase on a comparable basis in the 2nd quarter.

Puma

PPR's voluntary public takeover offer for Puma was successfully concluded on 11 July 2007, with a 62.1% stake in the company's share capital. Puma's accounts will be fully consolidated into PPR's financial statements as of 1 April 2007. In the 2nd quarter of 2007, Puma recorded a 3.1% increase in revenues on a comparable basis. Puma will release its Q2 2007 results on 9 August 2007.

Gucci Group

In the 2nd quarter of 2007, **Gucci Group** delivered another excellent sales performance, notwithstanding negative foreign exchange impact, particularly with Japanese customers. Revenues were up by 13.5% on a comparable basis versus Q2 2006 which was up sharply at +22%. Fashion and Leather Goods sales were particularly strong in the quarter, +18%. Gucci Group posted double-digit growth across all geographical areas, particularly in North America (+14%), Europe (+12%), Asia-Pacific ex Japan (+22%) and Japan (+12%).

In the 2nd quarter, the **Gucci** brand recorded strong revenue growth (up by almost 10%), versus a high base comparison in 2006. Excluding the Watch business, the brand was up by 11.3%, driven in particular by strong performance in ready-to-wear (+18%) and footwear (+21%). Leather goods sales were up 11%, with a new best-seller in the quarter, the *Indy* bag, launched as part of the 2007 Spring-Summer collection. The repositioning of the Watch business continued and two new models (*Signoria* and *Pantheon*) were launched at the Basel show in April. All geographical areas were up, particularly North America (+16%) and Asia-Pacific excluding Japan (+20%).

Bottega Veneta once more reported an excellent performance in the 2nd quarter (+48%), with a sharp increase in all product categories and regions, particularly in Japan (+70%), which accounts for over one third of its sales. The new *Sloane*, *Montaigne* and *Roma* bags were added to the brand's many icon bags. Bottega Veneta also launched a second small furniture collection in the quarter as a result of the favourable response to the first collection launched in 2006. Bottega Veneta extended its store network last quarter with eight new store openings, including a large flagship store in Tokyo Ginza and its second store in China.

Yves Saint Laurent posted another quarter of strong growth (+13%). Excluding royalties, affected by the planned termination of an insufficiently exclusive licence, the quarterly increase stood at almost 17%. This strong performance reflects the renewed success of acclaimed collections, particularly in Leather Goods, with the *Muse*, *Downtown*, *Double* and *Tribute* bags, and the *Uptown* range which was launched this season and has already proved very popular. The best-performing regions in the last quarter were Europe (+28%) and Asia-Pacific ex Japan (+24%), in particular for Leather Goods (+50%).

YSL Beauté posted a 6.2% increase in revenues in the 2nd quarter, up 11% excluding the sale or termination of licences. Business was driven in particular by the strategic brands, including Yves Saint Laurent, Stella McCartney and Roger & Gallet. Fragrances including *L'Homme* by Yves Saint Laurent, *Stella In Two* and *Miss Boucheron* remained buoyant, as did Yves Saint Laurent cosmetic products and the *Care* organic care range by Stella McCartney. YSL Beauté announced the launch of *Elle*, a new Yves Saint Laurent fragrance for women.

Other brands - Balenciaga, Boucheron, Sergio Rossi, Stella McCartney and Alexander McQueen – again recorded strong growth in the last quarter at +24%, confirming the success of the sales drive and the excellent creative quality of each brand.



CONFERENCE CALL

PPR will hold a conference call for analysts and investors: at 3 pm (Continental Europe); 2 pm (UK); 9 am (East Coast time, USA), on Thursday July 26, 2007.

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Replay access code: 5179461# (until August 10, 2007)

PODCAST of the conference call available at: www.ppr.com

PRESENTATION

The slides (PDF format) will be available before the conference call at www.ppr.com



About PPR

PPR develops a portfolio of high-growth global brands. The Group is present in 75 countries with approximately 78,000 employees. Through its retail businesses Redcats Group, Fnac, Conforama and CFAO, and the Luxury brands of Gucci Group (Gucci, Bottega Veneta, Yves Saint Laurent, YSL Beauté, Balenciaga, Boucheron, Sergio Rossi, Alexander McQueen and Stella McCartney), PPR generated sales of EUR 17.9 billion in 2006. In 2007, PPR acquired a majority interest in Puma. PPR shares are listed on Euronext Paris (# 121485, PRTP.PA, PFP). For more information: www.ppr.com

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Appendix 1: Sales in Q2 and in H1 2007

<i>(in € million)</i>			Change				Change	
	H1 2007	H1 2006	Actual	Comparable ⁽¹⁾	Q2 2007	Q2 2006	Actual	Comparable ⁽¹⁾
Fnac	2,065.1	1,954.4	+ 5.7%	+ 5.8%	997.9	938.7	+ 6.3%	+ 6.3%
Redcats Group	2,108.7	2,144.2	- 1.7%	- 4.6%	1,059.5	1,074.2	- 1.4%	- 4.2%
Conforama	1,522.9	1,458.4	+ 4.4%	+ 2.5%	721.3	702.5	+ 2.7%	+ 2.5%
CFAO	1,230.6	1,113.6	+ 10.5%	+ 19.5%	636.9	566.3	+ 12.5%	+ 21.3%
Puma	542.8			+ 3.1%	542.8			+ 3.1%
Gucci Group	1,773.3	1,623.3	+ 9.2%	+ 14.8%	836.5	776.9	+ 7.7%	+ 13.5%
Gucci	1,016.7	978.9	+ 3.9%	+ 10.0%	486.2	470.6	+ 3.3%	+ 9.8%
Bottega Veneta	165.1	116.8	+ 41.4%	+ 51.6%	80.3	58.3	+ 37.7%	+ 47.9%
Yves Saint Laurent	100.7	84.6	+ 19.0%	+ 24.3%	45.5	42.2	+ 7.8%	+ 12.9%
YSL Beauté	289.7	274.9	+ 5.4%	+ 8.2%	137.4	133.1	+ 3.2%	+ 6.2%
Other brands	201.1	168.1	+ 19.6%	+ 23.1%	87.1	72.7	+ 19.8%	+ 24.1%
<i>Inter-company sales and other</i>	-3.0	0.4	<i>ns</i>	<i>ns</i>	-1.5	0.8	<i>ns</i>	<i>ns</i>
PPR - Continued activities	9,240.4	8,294.3	+ 11.4%	+ 5.6%	4,793.4	4,059.4	+ 18.1%	+ 5.6%
Discontinued activities ⁽²⁾	0.9	380.1			0.2	181.8		

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

⁽²⁾ Mainly France Printemps for €348M in H1 2006 and €166M in Q2 2006.

Appendix 2: Sales by region

Fnac

<i>(in € million)</i>	H1 2007	H1 2006	Change Actual	Change Comparable ⁽¹⁾	Q2 2007	Q2 2006	Change Actual	Change Comparable ⁽¹⁾
France	1,502.9	1,456.8	+ 3.2%	+ 3.1%	727.0	702.5	+ 3.5%	+ 3.4%
Spain, Portugal, Belgium	393.1	352.1	+ 11.6%	+ 11.6%	187.3	166.0	+ 12.8%	+ 12.8%
Brazil, Switzerland, Italy	169.1	145.5	+ 16.3%	+ 18.3%	83.6	70.2	+ 19.1%	+ 20.0%
International	562.2	497.6	+ 13.0%	+ 13.6%	270.9	236.2	+ 14.7%	+ 14.9%
TOTAL	2,065.1	1,954.4	+ 5.7%	+ 5.8%	997.9	938.7	+ 6.3%	+ 6.3%

Redcats Group

<i>(in € million)</i>	H1 2007	H1 2006	Change Actual	Change Comparable ⁽¹⁾	Q2 2007	Q2 2006	Change Actual	Change Comparable ⁽¹⁾
France	969.2	1,021.6	- 5.1%	- 5.1%	487.7	511.7	- 4.7%	- 4.7%
United Kingdom	205.4	227.1	- 9.6%	- 11.2%	99.4	108.8	- 8.7%	- 9.9%
Scandinavia	168.9	175.6	- 3.8%	- 3.9%	79.4	85.7	- 7.3%	- 6.9%
United States	598.0	563.1	+ 6.2%	- 4.7%	309.1	290.4	+ 6.4%	- 4.0%
Other countries	167.2	156.8	+ 6.6%	+ 7.6%	84.0	77.6	+ 8.2%	+ 9.4%
International	1,139.5	1,122.6	+ 1.5%	- 4.2%	571.9	562.5	+ 1.7%	- 3.8%
TOTAL	2,108.7	2,144.2	- 1.7%	- 4.6%	1,059.6	1,074.2	- 1.4%	- 4.2%

Conforama

<i>(in € million)</i>	H1 2007	H1 2006	Change Actual	Change Comparable ⁽¹⁾	Q2 2007	Q2 2006	Change Actual	Change Comparable ⁽¹⁾
France	1,074.7	991.0	+ 8.4%	+ 5.1%	500.9	464.6	+ 7.8%	+ 7.0%
Italy	201.7	228.2	- 11.6%	- 11.6%	104.3	123.0	- 15.2%	- 15.2%
Switzerland	120.5	112.3	+ 7.4%	+ 12.2%	53.8	50.9	+ 5.6%	+ 11.5%
Other countries	126.0	126.9	- 0.7%	- 0.7%	62.3	64.0	- 2.7%	- 2.8%
International	448.2	467.4	- 4.1%	- 3.1%	220.4	237.9	- 7.4%	- 6.4%
TOTAL	1,522.9	1,458.4	+ 4.4%	+ 2.5%	721.3	702.5	+ 2.7%	+ 2.5%

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

Appendix 3: Sales – Gucci Group

Gucci Group

Breakdown by region

<i>(in € million)</i>	H1 2007	H1 2006	Change Actual	Change Comparable ⁽¹⁾	Q2 2007	Q2 2006	Change Actual	Change Comparable ⁽¹⁾
Europe	760.8	662.4	+ 14.9%	+ 15.1%	352.2	314.7	+ 11.9%	+ 12.3%
North America	335.8	313.5	+ 7.1%	+ 15.2%	163.9	155.3	+ 5.5%	+ 14.3%
Japan	263.1	272.8	- 3.6%	+ 10.8%	122.6	126.1	- 2.8%	+ 12.3%
Asia-Pacific excl. Japan	323.9	289.6	+ 11.9%	+ 18.7%	153.8	134.7	+ 14.2%	+ 21.7%
Other countries	25.4	23.5	+ 7.9%	+ 14.7%	12.1	10.8	+ 11.7%	+ 19.9%
Royalties and other	64.3	61.5	+ 4.7%	+ 6.5%	31.9	35.3	- 9.9%	- 8.2%
TOTAL	1,773.3	1,623.3	+ 9.2%	+ 14.8%	836.5	776.9	+ 7.7%	+ 13.5%

Gucci Brand

Breakdown by product category

<i>(in € million)</i>	H1 2007	H1 2006	Change Actual	Change Comparable ⁽¹⁾	Q2 2007	Q2 2006	Change Actual	Change Comparable ⁽¹⁾
Leather Goods	560.0	553.8	+ 1.1%	+ 7.8%	268.4	259.4	+ 3.4%	+ 10.7%
Shoes	155.1	131.7	+ 17.8%	+ 23.0%	70.9	61.4	+ 15.5%	+ 21.4%
Ready-to-wear	131.0	113.0	+ 16.0%	+ 21.6%	56.4	50.5	+ 11.9%	+ 18.1%
Royalties and other	170.6	180.4	- 5.5%	- 0.3%	90.5	99.3	- 8.9%	- 4.1%
TOTAL	1,016.7	978.9	+ 3.9%	+ 10.0%	486.2	470.6	+ 3.3%	+ 9.8%

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