



PRESS RELEASE

Paris, November 6, 2007



A highly satisfactory 3<sup>rd</sup> quarter:

PPR revenues up 21.9% on an actual basis,  
up 6.8% on a comparable basis

In the first nine months of 2007, PPR posted revenues of €1.4 billion, up 15% on an actual basis and up 6% on a comparable basis compared to the same period in 2006. Revenues include sales of Puma, fully consolidated as from April 1, 2007. Revenue growth on a pro-forma basis (including Puma as from January 1, 2006) would have amounted to 6.1% in the first nine months of 2007.

In the 3<sup>rd</sup> quarter of 2007, the Group recorded sales of €5.2 billion, up 21.9% on an actual basis and 6.8% on a comparable basis versus Q3 2006. Revenues outside France accounted for 61% of the total, versus 56% in Q3 2006.

Commenting on the quarter, François-Henri Pinault, Chairman and Chief Executive Officer of PPR, stated: “PPR turned in another set of robust performances in the third quarter despite the more challenging monetary environment and economic outlook. Once again, these numbers reflect the efficiency and balance of our Group, both in terms of businesses and in terms of geographical presence.”

<i>(in € million)</i>	<b>Sept YTD 2007</b>	<b>Change Actual</b>	<b>Change Comparable <sup>(1)</sup></b>	<b>Q3 2007</b>	<b>Change Actual</b>	<b>Change Comparable <sup>(1)</sup></b>
Fnac	3,126	+ 6.2%	+ 6.2%	1,061	+ 7.2%	+ 7.1%
Redcats Group	3,066	- 0.8%	- 3.4%	958	+ 1.0%	- 0.6%
Conforama	2,411	+ 3.5%	+ 2.1%	888	+ 1.8%	+ 1.4%
CFAO	1,857	+ 11.7%	+ 20.9%	626	+ 14.1%	+ 23.7%
Puma	1,213		+ 1.1%	670		- 0.5%
Gucci Group	2,775	+ 9.7%	+ 15.2%	1,002	+ 10.5%	+ 15.9%
<i>Inter-company sales and other</i>	-13	<i>ns</i>	<i>ns</i>	-10	<i>ns</i>	<i>ns</i>
<b>PPR</b>	<b>14,435</b>	<b>+ 15.0%</b>	<b>+ 6.0%</b>	<b>5,195</b>	<b>+ 21.9%</b>	<b>+ 6.8%</b>

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

### **Confirmation of Fnac's dynamism**

Fnac posted 7.1% growth in sales on a comparable basis. In this quarter, Fnac France gained market share in all segments and recorded growth of 5.2%, underpinned by sales of technical products (+10%). In August, Fnac continued to expand its presence outside city centers, opening its third out-of-town store in Thiais. Four new stores are scheduled to open by the end of 2007. Highlights of the quarter included the successful launch of Fnac's new home-services activity (training, installation, technical assistance) and the unveiling of Fnaclive, a new community and cultural website. With the adoption of a new slogan, "Agitateur de curiosité" ("Stirring curiosity"), supported by a major advertising campaign, the brand has reaffirmed its vocation. Fnac pursued its growth outside of France, with sales up by 16% for the quarter. Fnac now operates 51 international stores, which account for 27% of its revenues. Two additional stores will open outside France in the fourth quarter.

### **Resilient Redcats in a tough competitive environment**

In the 3<sup>rd</sup> quarter of 2007, Redcats Group sales were down by 0.6% on a comparable basis. However, the leading brands of the Redcats Group posted satisfactory sales performance, notably La Redoute – boosted by good performance during the sales period – The Sportsman's Guide, US large-size apparel brands, and Scandinavian brands. In line with its multi-channel approach and strategic focus on its leading brands, in September Redcats launched a takeover bid for United Retail of the US; this transaction should generate considerable operating synergies. Additionally the Children-Family segment posted good performance, while the Seniors brands, Misses in the US and Redcats UK pursued their repositioning. Finally, online sales increased by 22% in Q3, accounting for 41% of total home-shopping revenues.

### **Conforama sales holding up well**

In the 3<sup>rd</sup> quarter, Conforama sales were up 1.4% on a comparable basis and 1.8% on an actual basis. Performance in the French market was satisfactory (up 4%), driven by strong growth in furniture (up 6%), brown goods (up 12%) and decorative items (up 12%). Conforama pursued its advertising campaign in the quarter, achieving unprecedented results for a retail brand, with a 92% positive rating. The brand opened its 57<sup>th</sup> store outside France, stepping up its international expansion with a 1.7% increase in sales excluding Italy. In Italy, sales were down 13% as Conforama accelerated the transformation of Emmezetta stores.

### **Another record growth at CFAO**

CFAO once again posted record quarterly revenues, up 23.7% on a comparable basis, driven by economic growth in Africa and CFAO's unique positioning in its markets. The automotive business recorded an exceptionally strong 34.3% increase, marked by a sharp 23% rise in sub-Saharan African countries, and spectacular growth (up 95%) in the Mediterranean region. The Pharmaceutical division continued to display sustained growth in the quarter, with sales up 6.7%.

### **Puma results in line with forecasts**

In the 3<sup>rd</sup> quarter, Puma recorded virtually unchanged revenues, down 0.5% on a comparable basis. In the first nine months of the year, on a pro-forma basis, revenues were up 3.2%, in line with our forecasts. In the quarter, sales at directly-operated stores posted sharp growth. This quarter, sales in the Americas were down as expected, affected by lower traffic in US shopping malls. Revenues from the EMEA region were up 1.1%, while strong sales in the Asia-Pacific region, up 7.1%, were fueled by double-digit growth in China. Puma made headlines in the quarter as sponsor of Sébastien Chabal, a star of the French rugby team during the recent World Cup, who was featured in one of the brand's ad campaigns.

## **Solid trading performances at Gucci Group**

In the 3<sup>rd</sup> quarter of 2007, Gucci Group recorded a sharp increase in revenues, up 15.9% on a comparable basis, versus a high Q3 2006 base. Against a favorable economic backdrop and notwithstanding challenging currency conditions, all geographical regions posted growth in the quarter. The best-performing regions were Asia-Pacific ex-Japan (+26%) and Europe (+18%), which together accounted for 68% of Gucci Group sales. North America (+10%) and Japan (+4%), which respectively accounted for 18% and 13% of Gucci Group sales, recorded sustained growth. Fashion and Leather Goods pursued their growth, with comparable sales up 18% in the quarter, including a 8% increase in Japan. A total of 32 new stores were opened in the first nine months of 2007, of which four in the 3<sup>rd</sup> quarter.

## **Sustained strong momentum at Gucci**

Gucci confirmed its strong growth, with sales up 10.8% on a comparable basis. Gucci's activities recorded strong growth in the quarter, reflecting the great success of the 2007 Fall/Winter collection: sales of ready-to-wear were up 22.3%, footwear up 17.0%, and leather goods up 8.8%. Excluding timepieces, Q3 growth stood at 12.2%, driven by Asia-Pacific ex-Japan (+27%), North America, (+13%) and Europe (+11%). The brand pursued its global expansion, opening two new stores in China, for a total of 16, as well as entering India. Highlights of the quarter included the launch of two new advertising campaigns, one for jewelry, featuring actress Drew Barrymore, Gucci's first ever brand ambassador, the other for the *Gucci by Gucci* fragrance, directed by David Lynch.

## **Bottega Veneta higher again**

Bottega Veneta posted 48% revenue growth in the 3<sup>rd</sup> quarter, a particularly strong increase. The brand posted double-digit growth across all regions: +56% in Europe, +49% in Asia-Pacific, +47% in Japan and +32% in North America. At the end of September, the Bottega Veneta network comprises 108 stores, of which two in China.

## **Continued growth at Yves Saint Laurent**

Yves Saint Laurent posted sustained revenue growth in the third quarter (+20%), driven by buoyant performances in Europe (+31%) and the North America (+23%). The Leather Goods and Shoes businesses confirmed their commercial success. The quarter was marked by the successful launch of the Edition 24 women's ready-to-wear collection, aimed at a young, active clientele – a segment in which the brand is seeking to strengthen its presence – and by the 2007 Fall/Winter advertising campaign, including a "Manifesto" handed out in various cities.

## **Positive trend confirmed at YSL Beauté**

YSL Beauté sales recorded strong 8% growth in the 3<sup>rd</sup> quarter, representing growth of 13% excluding discontinued licenses. The strategic brands recorded particularly strong performances in the quarter: Yves Saint Laurent with confirmation of the success of the *L'Homme Yves Saint Laurent* fragrance for men, the extremely favorable response to *elle*, the new women's fragrance launched during the summer and the strong performance of the cosmetics range; the Stella McCartney brand, particularly its *Care* organic care range; and finally Roger & Gallet, which has delivered promising results following the repositioning of its image.

## **Strong success of all Other Brands**

The Gucci Group's "Other Brands" posted another sharp growth in the quarter, with combined sales up 29%. All brands contributed to this remarkable increase, notably Balenciaga, driven by leather goods and ready-to-wear, Boucheron, Alexander McQueen and Stella McCartney, which all posted double-digit growth, and Sergio Rossi whose 2007 Fall/Winter collection was a resounding market and commercial success.

## **Other events of the quarter**

### **Takeover offer for United Retail Group**

On September 11, 2007, Redcats USA launched a cash tender offer for NASDAQ-listed United Retail Group, the ready-to-wear specialist operating under two brands. On October 24 2007, following the initial tender period for the bid, Redcats USA announced that it held approximately 83.9% of outstanding United Retail Group shares. On November 1, following the subsequent tender offer, Redcats USA increased its stake to 86%, and completed the merger converting each outstanding share of United Retail Group into the right to receive \$13.70 per share in cash, without interest. Following the merger, United Retail Group is now a wholly-owned subsidiary of Redcats USA. This transaction will enable Redcats to step up its growth in the US by doubling its market share in the buoyant large-size apparel segment, and to add to its brand portfolio through the acquisition of a national network of 487 stores and expertise in design and creativity. Redcats will contribute its sourcing know-how and broaden its offering on its OneStopPlus website.

### **PPR stake in Puma**

Following the additional offer acceptance period (June 28, 2007 to July 11, 2007), providing Puma shareholders with a final opportunity to tender stock to the PPR offer at 330 euros per share, PPR announced on July 17, 2007 that it owned 62.1% of Puma's share capital. PPR subsequently increased its stake to 62.9%.

The cost of PPR's 62.9% stake in Puma stands at €3,325 million. Additional debt reflecting the increase in PPR's stake in Puma compared to that booked under the consolidated accounts at June 30, 2007 (33.4%) now stands at €1,561 million.



## CONFERENCE CALL

PPR will hold a conference call for analysts and investors: at 4:30pm (Continental Europe); 3:30pm (UK); 10:30am (East Coast time, USA), on Tuesday November 6, 2007.

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Replay: +33 (0)1 72 28 01 49

Germany: +49 (0)69 2222 4999

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UK: +44 (0)207 107 1613

Replay: +44 (0)207 750 9931

USA: +1 866 907 5925

Replay: +1 866 828 2261

Replay access code: 207992# (until November 23, 2007)

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

## PRESENTATION

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

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## Appendix 1: Sales in Q3 and in the first nine months 2007

<i>(in € million)</i>	Sept YTD 2007	Sept YTD 2006	Change Actual	Change Comparable <sup>(1)</sup>	Q3 2007	Q3 2006	Change Actual	Change Comparable <sup>(1)</sup>
<b>Fnac</b>	<b>3,126.0</b>	<b>2,944.1</b>	+ 6.2%	+ 6.2%	<b>1,060.9</b>	<b>989.7</b>	+ 7.2%	+ 7.1%
<b>Redcats Group</b>	<b>3,066.2</b>	<b>3,091.9</b>	- 0.8%	- 3.4%	<b>957.5</b>	<b>947.7</b>	+ 1.0%	- 0.6%
<b>Conforama</b>	<b>2,410.6</b>	<b>2,330.1</b>	+ 3.5%	+ 2.1%	<b>887.7</b>	<b>871.7</b>	+ 1.8%	+ 1.4%
<b>CFAO</b>	<b>1,856.5</b>	<b>1,662.0</b>	+ 11.7%	+ 20.9%	<b>625.9</b>	<b>548.4</b>	+ 14.1%	+ 23.7%
<b>Puma <sup>(2)</sup></b>	<b>1,213.2</b>			+ 1.1%	<b>670.4</b>			- 0.5%
<b>Gucci Group</b>	<b>2,775.4</b>	<b>2,529.9</b>	+ 9.7%	+ 15.2%	<b>1,002.1</b>	<b>906.6</b>	+ 10.5%	+ 15.9%
Gucci	1,556.6	1,494.2	+ 4.2%	+ 10.3%	539.9	515.3	+ 4.8%	+ 10.8%
Bottega Veneta	261.5	186.0	+ 40.6%	+ 50.3%	96.4	69.2	+ 39.2%	+ 48.1%
Yves Saint Laurent	162.1	137.6	+ 17.8%	+ 22.6%	61.4	53.0	+ 15.7%	+ 20.1%
YSL Beauté	453.9	432.1	+ 5.1%	+ 8.0%	164.2	157.2	+ 4.5%	+ 7.7%
Other brands	341.3	280.0	+ 21.9%	+ 25.4%	140.2	111.9	+ 25.3%	+ 28.9%
<i>Inter-company sales and other</i>	<i>-12.6</i>	<i>-1.5</i>	<i>ns</i>	<i>ns</i>	<i>-9.6</i>	<i>-1.9</i>	<i>ns</i>	<i>ns</i>
<b>PPR - Continued activities</b>	<b>14,435.3</b>	<b>12,556.5</b>	+ 15.0%	+ 6.0%	<b>5,194.9</b>	<b>4,262.2</b>	+ 21.9%	+ 6.8%
Discontinued activities <sup>(3)</sup>	1.1	551.1			0.2	171.0		

<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> Mainly France Printemps for €509 M in 9 months 2006 and €161 M in Q3 2006.

## Appendix 2: Sales by region

### Fnac

<i>(in € million)</i>	Sept YTD 2007	Sept YTD 2006	Change Actual	Change Comparable <sup>(1)</sup>	Q3 2007	Q3 2006	Change Actual	Change Comparable <sup>(1)</sup>
<b>France</b>	<b>2,269.4</b>	<b>2,192.7</b>	<b>+ 3.5%</b>	<b>+ 3.4%</b>	<b>766.4</b>	<b>735.9</b>	<b>+ 4.2%</b>	<b>+ 4.1%</b>
Spain, Portugal, Belgium	598.4	535.2	+ 11.8%	+ 11.8%	205.3	183.1	+ 12.1%	+ 12.1%
Brazil, Switzerland, Italy	258.2	216.2	+ 19.4%	+ 20.7%	89.1	70.7	+ 26.0%	+ 25.6%
<b>International</b>	<b>856.6</b>	<b>751.4</b>	<b>+ 14.0%</b>	<b>+ 14.4%</b>	<b>294.4</b>	<b>253.8</b>	<b>+ 16.0%</b>	<b>+ 15.9%</b>
<b>TOTAL</b>	<b>3,126.0</b>	<b>2,944.1</b>	<b>+ 6.2%</b>	<b>+ 6.2%</b>	<b>1,060.8</b>	<b>989.7</b>	<b>+ 7.2%</b>	<b>+ 7.1%</b>

### Redcats Group

<i>(in € million)</i>	Sept YTD 2007	Sept YTD 2006	Change Actual	Change Comparable <sup>(1)</sup>	Q3 2007	Q3 2006	Change Actual	Change Comparable <sup>(1)</sup>
<b>France</b>	<b>1,413.0</b>	<b>1,462.2</b>	<b>- 3.4%</b>	<b>- 3.4%</b>	<b>443.8</b>	<b>440.6</b>	<b>+ 0.7%</b>	<b>+ 0.7%</b>
United Kingdom	300.8	331.1	- 9.1%	- 10.2%	95.5	104.0	- 8.2%	- 8.0%
Scandinavia	255.8	260.4	- 1.8%	- 1.9%	86.8	84.7	+ 2.5%	+ 2.3%
United States	857.4	817.0	+ 4.9%	- 4.5%	259.3	253.9	+ 2.2%	- 4.1%
Other countries	239.2	221.2	+ 8.1%	+ 9.1%	72.1	64.5	+ 11.8%	+ 12.9%
<b>International</b>	<b>1,653.2</b>	<b>1,629.7</b>	<b>+ 1.4%</b>	<b>- 3.5%</b>	<b>513.7</b>	<b>507.1</b>	<b>+ 1.3%</b>	<b>- 1.8%</b>
<b>TOTAL</b>	<b>3,066.2</b>	<b>3,091.9</b>	<b>- 0.8%</b>	<b>- 3.4%</b>	<b>957.5</b>	<b>947.7</b>	<b>+ 1.0%</b>	<b>- 0.6%</b>

### Conforama

<i>(in € million)</i>	Sept YTD 2007	Sept YTD 2006	Change Actual	Change Comparable <sup>(1)</sup>	Q3 2007	Q3 2006	Change Actual	Change Comparable <sup>(1)</sup>
<b>France</b>	<b>1,725.4</b>	<b>1,610.3</b>	<b>+ 7.1%</b>	<b>+ 4.7%</b>	<b>650.6</b>	<b>619.3</b>	<b>+ 5.1%</b>	<b>+ 4.1%</b>
Italy	309.4	351.3	- 11.9%	- 11.9%	107.7	123.1	- 12.5%	- 12.5%
Switzerland	178.4	168.4	+ 6.0%	+ 10.7%	57.9	56.1	+ 3.1%	+ 7.8%
Other countries	197.4	200.1	- 1.4%	- 1.4%	71.5	73.2	- 2.4%	- 2.7%
<b>International</b>	<b>685.2</b>	<b>719.8</b>	<b>- 4.8%</b>	<b>- 3.9%</b>	<b>237.1</b>	<b>252.4</b>	<b>- 6.1%</b>	<b>- 5.3%</b>
<b>TOTAL</b>	<b>2,410.6</b>	<b>2,330.1</b>	<b>+ 3.5%</b>	<b>+ 2.1%</b>	<b>887.7</b>	<b>871.7</b>	<b>+ 1.8%</b>	<b>+ 1.4%</b>

<sup>(1)</sup> 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>	Sept YTD 2007	Sept YTD 2006	Change Actual	Change Comparable <sup>(1)</sup>	Q3 2007	Q3 2006	Change Actual	Change Comparable <sup>(1)</sup>
Europe	1,324.6	1,148.4	+ 15.3%	+ 15.8%	499.5	424.7	+ 17.6%	+ 18.2%
North America	520.4	496.1	+ 4.9%	+ 13.4%	184.6	182.6	+ 1.1%	+ 10.2%
Japan	388.4	408.4	- 4.9%	+ 8.5%	125.4	135.5	- 7.5%	+ 3.9%
Asia-Pacific excl. Japan	503.5	441.2	+ 14.1%	+ 21.3%	179.5	151.6	+ 18.4%	+ 26.1%
Other countries	38.5	35.8	+ 7.5%	+ 14.7%	13.1	12.2	+ 6.8%	+ 14.7%
<b>TOTAL</b>	<b>2,775.4</b>	<b>2,529.9</b>	<b>+ 9.7%</b>	<b>+ 15.2%</b>	<b>1,002.1</b>	<b>906.6</b>	<b>+ 10.5%</b>	<b>+ 15.9%</b>

### Gucci Brand

#### Breakdown by product category

<i>(in € million)</i>	Sept YTD 2007	Sept YTD 2006	Change Actual	Change Comparable <sup>(1)</sup>	Q3 2007	Q3 2006	Change Actual	Change Comparable <sup>(1)</sup>
Leather Goods	843.9	831.6	+ 1.5%	+ 8.1%	283.9	277.8	+ 2.2%	+ 8.8%
Shoes	238.7	206.5	+ 15.6%	+ 20.8%	83.7	74.9	+ 11.7%	+ 17.0%
Ready-to-wear	216.7	186.2	+ 16.4%	+ 21.9%	85.6	73.2	+ 17.0%	+ 22.3%
Royalties and other	257.3	269.9	- 4.7%	+ 0.6%	86.7	89.4	- 3.0%	+ 2.4%
<b>TOTAL</b>	<b>1,556.6</b>	<b>1,494.2</b>	<b>+ 4.2%</b>	<b>+ 10.3%</b>	<b>539.9</b>	<b>515.3</b>	<b>+ 4.8%</b>	<b>+ 10.8%</b>

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