

PRESS RELEASE

**PPR: REVENUES INCREASE BY
5.9% IN 2006**

- **Retail held up well: up 3.3%**
- **Excellent performance in Luxury Goods: up 17.6%**

In 2006, PPR posted revenues from continuing operations of € 17.9 billion, up by 5.9% on an actual basis and up by 4.8% on a comparable basis on 2005. Revenues outside France rose by 8.6% and accounted for 55% of the Group's total sales.

In the fourth quarter, total Group sales increased to € 5.4 billion, up by 3.2% on an actual basis and up by 2.2% on a comparable basis on the fourth quarter of 2005.

François-Henri Pinault, Chairman and Chief Executive Officer of PPR, stated: "2006 marked another year of sustained growth at PPR, which recorded a 5.9% increase in revenues. All the Luxury Goods brands continued to outperform their markets, due to the talent of the designers and the brands strong positioning. Our Retail companies are holding up well in a challenging environment, thereby enabling the Retail division to post an estimated recurring operating margin* for 2006 which is slightly better than one year earlier."

<i>(in € million)</i> <i>According to IFRS</i>	2006	Change		Q4 2006	Change	
		Actual	Comparable ⁽¹⁾		Actual	Comparable ⁽¹⁾
Retail	14,365	+ 3.3%	+ 2.0%	4,336	+ 0.6%	- 0.5%
Luxury Goods	3,568	+ 17.6%	+ 18.1%	1,038	+ 15.3%	+ 15.7%
<i>Inter-company sales and other</i>	-2	<i>ns</i>	<i>ns</i>	-	<i>ns</i>	<i>ns</i>
PPR	17,931	+ 5.9%	+ 4.8%	5,374	+ 3.2%	+ 2.2%

⁽¹⁾ On a comparable basis in terms of Group scope and exchange rates – Luxury Goods over 52 weeks

* The "Recurring Operating Income Margin" is defined as the ratio: Recurring Operating Income / Revenues.

Retail

Revenues in the Retail division were virtually stable in the fourth quarter, down by 0.5% on a comparable basis, and up by 2% for the full year. The fourth quarter was marked by weaker consumption in France and a continued sluggish consumer climate in Italy. Moreover, the end of the year also suffered from adverse weather conditions and a challenging environment in October.

In 2006, the Group confirmed its leading position in e-commerce with online sales of €1.6 billion, up 23% over the year.

Fnac posted a strong performance with a 4% increase in full-year revenues and a 1.1% increase in the fourth quarter, despite an unfavourable calendar effect. In France, Fnac once again saw a significant increase in sales of technical products, up 4.5%, especially over the Christmas period (+6.4% in November-December). There was strong growth in online sales at Fnac.com, up 16.4% and the results from the first out of town store at Bordeaux Lac beat expectations. Fnac continued to grow successfully outside France with an 11% increase in revenues in the fourth quarter. Double-digit growth was recorded in Spain, Italy, Portugal and Brazil. In 2006, sales outside France accounted for 25% of total revenues at Fnac. In 2007, the company will open 4 new stores in France, including 3 out of town stores, and ten stores in the main European countries where Fnac is present.

Fourth quarter revenues at **Conforama** were down by 3.8%, mainly due to a negative calendar effect, however full-year revenues rose by 1% on a comparable basis and by 4.3% on an actual basis in 2006. The company continued to update its concept and optimise its product offering despite a particularly challenging environment during the quarter, especially in France and Italy. In France, high-margin products such as bedroom furniture (up 15%), kitchens (up 3%) and decorative items (up 7%) posted strong growth. Excluding Italy, where the conversion of Emmezeta stores into Conforama is beginning to pay off, sales outside France rose by 1.7%. In 2007, the company plans to renovate 22 stores and open 5 new stores outside France.

Redcats Group outperformed all its competitors in the fourth quarter despite a 3.5% fall in revenues on a comparable basis and a 1.1% increase on an actual basis. The quarter was negatively impacted by the unusually mild weather conditions and stiffer competition from high street retailers. The company is pushing ahead with the substitution of its traditional business model for a multi-specialist, multi-channel model based on strong brands. Redcats confirmed its leading position in e-commerce in the fourth quarter, with on-line sales in 2006 increasing by 18% to account for 36.5% of the company's home shopping revenues.

CFAO finished 2006 with an outstanding fourth quarter, with revenues up by 8.1% on a comparable basis. On an actual basis, revenues fell slightly (-0.3%) following the disposal of a pharmaceuticals subsidiary in Egypt. CFAO revenues were up by almost 10%, due mainly to a favourable economic environment and the strong performance in sub-Saharan Africa. Automotive sales climbed by 11% in the fourth quarter, with particularly strong gains in sub-Saharan Africa (up 18%) and North Africa (up 21%). The Eurapharma healthcare division continued to grow and was up 2.3%. CFAO has recently signed new partnerships in the Automotive business (Nissan in Nigeria, Chevrolet in New Caledonia, BMW in Algeria) and is expanding its pharmaceutical business into new countries.

Luxury Goods

The Luxury Goods division continued to outperform the market and once again posted very strong growth. Gucci Group recorded a 15.7% increase in fourth-quarter revenues on a comparable basis and an 18.1% full-year increase. As in the previous quarter, double-digit growth was recorded across all geographic regions, in particular Japan, up 11%, and in virtually all product categories.

Gucci sales, excluding Timepieces, rose strongly, up by 14.8% in the fourth quarter and posted a significant increase, up 18.8% at the end of 2006. The repositioning of the Timepieces business continued in the fourth quarter. The main product categories to post further sharp increases were: leather goods (up 17%), ready-to-wear (up 15%) and shoes (up 20%). The brand continued to expand its store network, with a total of 219 directly-operated stores at the end of 2006. In 2007, Gucci plans to open 7 new stores, mainly in the Asia-Pacific region. The new ready-to-wear collections again drew an extremely favourable response from the press.

Bottega Veneta again delivered excellent results, recording growth of 66% in the fourth quarter, in leather goods, ready-to-wear and shoes. The brand had a record year with full-year growth of almost 70% in 2006. All the geographic regions posted very strong growth, and in particular Japan, the company's core market. In the fourth quarter, the brand opened three new stores, and had a total of 97 directly-operated stores. In January, Bottega Veneta recently opened its first Chinese store, in Shanghai, and plans to open ten stores worldwide in 2007.

Yves Saint Laurent confirmed the positive trends observed in the previous quarters with growth of 22.3% in the fourth quarter. The brand was up 19.1% for the year. The strongest increase was in leather goods, driven by the success of the *Muse*, *Rive Gauche*, reversible *Double* and *Downtown* bags. All the geographic regions posted strong growth, in particular Asia-Pacific excluding Japan (up 44%). The brand's new collections received a very favourable welcome from both the press and buyers.

YSL Beauté posted a 2.9% increase in revenues in the fourth quarter and a 3.0% increase for the full year. The company is now focusing on the development of its priority brands and strategic markets. Excluding non-priority licence agreements which have been terminated or sold, revenues rose by 5% in the fourth quarter and by 4.2% for the full year. In the fourth quarter, sales were driven by *Yves Saint Laurent* products and *Stella McCartney* fragrances. At the start of 2007, YSL Beauté will launch two new *Yves Saint Laurent* cosmetics products and a *Stella McCartney* beauty care line.

The other brands once again recorded very strong sales growth. Sales rose by 35.9% in the fourth quarter and were up by 30.3% for the full year. In the fourth quarter, **Alexander McQueen**, **Balenciaga**, **Boucheron** and **Stella McCartney** posted remarkable double-digit growth and **Sergio Rossi** achieved a record year in 2006.

Estimated financial data for the year 2006 are in the process of being audited by the statutory auditors. They were examined by the Board of Directors at its meeting on January 18, 2007. The financial statements at December 31, 2006 will be approved by the PPR Board of Directors on March 7, 2007.

CONFERENCE CALL

PPR will hold a conference call for analysts, investors and journalists: at 3 pm (Continental Europe)/ 2 pm (United Kingdom); 9 am (East Coast time, USA), on Thursday January 25, 2006.

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USA: +1 718 354 1152
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Replay access code: 3758649 # (until February 5, 2007)

To PODCAST the conference call: www.ppr.com

PRESENTATION

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

About PPR

PPR is a global player in Retail and Luxury Goods, with approximately 84,000 employees in 74 countries. Through its Retail businesses Redcats, Fnac, Conforama and CFAO, and the Luxury brands of Gucci Group (Gucci, Bottega Veneta, Yves Saint Laurent, YSL Beauté, Balenciaga, Boucheron, Sergio Rossi, BEDAT & CO, Alexander McQueen and Stella McCartney), PPR generated sales of EUR 17.9 billion in 2006. PPR shares are listed on Euronext Paris (# 121485, PRTP.PA, PPFPP). For more information: www.ppr.com

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Appendix 1: Sales in Q4 and in full year 2006

<i>(in € million)</i> <i>According to IFRS</i>	2006	2005	Change Actual	Change Comparable ⁽¹⁾	Q4 2006	Q4 2005	Change Actual	Change Comparable ⁽¹⁾
Fnac	4,538.0	4,354.1	+ 4.2%	+ 4.0%	1,593.9	1,577.0	+ 1.1%	+ 1.1%
Conforama	3,274.9	3,140.0	+ 4.3%	+ 1.0%	944.8	945.6	- 0.1%	- 3.8%
Redcats	4,332.2	4,377.3	- 1.0%	- 2.9%	1,240.3	1,226.9	+ 1.1%	- 3.5%
CFAO	2,219.4	2,034.3	+ 9.1%	+ 9.7%	557.4	559.2	- 0.3%	+ 8.1%
Retail	14,364.5	13,905.7	+ 3.3%	+ 2.0%	4,336.4	4,308.7	+ 0.6%	- 0.5%
Gucci	2,100.9	1,807.1	+ 16.3%	+ 16.8%	606.7	539.3	+ 12.5%	+ 12.5%
Bottega Veneta	266.9	159.7	+ 67.2%	+ 68.7%	80.9	49.2	+ 64.4%	+ 65.8%
Yves Saint Laurent	193.6	162.0	+ 19.5%	+ 19.1%	56.0	44.3	+ 26.3%	+ 22.3%
YSL Beauté	626.3	611.4	+ 2.4%	+ 3.0%	194.2	191.9	+ 1.2%	+ 2.9%
Other brands	380.5	294.2	+ 29.3%	+ 30.3%	100.5	75.6	+ 32.9%	+ 35.9%
Luxury Goods	3,568.2	3,034.4	+ 17.6%	+ 18.1%	1,038.3	900.3	+ 15.3%	+ 15.7%
<i>Inter-company sales and other</i>	<i>-1.8</i>	<i>-2.2</i>	<i>ns</i>	<i>ns</i>	<i>-0.3</i>	<i>-1.1</i>	<i>ns</i>	<i>ns</i>
PPR - Continued activities	17,930.9	16,937.9	+ 5.9%	+ 4.8%	5,374.4	5,207.9	+ 3.2%	+ 2.2%
Discontinued activities ⁽²⁾	553.6	827.8			2.5	256.5		

⁽¹⁾ On a comparable basis in terms of Group scope and exchange rates - Luxury Goods over 52 weeks

⁽²⁾ Mainly France Printemps for 509 M in 2006 (fully consolidated until September 30, 2006).

Appendix 2: Sales by region – Retail

Fnac

<i>(in € million)</i> <i>According to IFRS</i>	2006	2005	Change Actual	Change Comparable ⁽¹⁾	Q4 2006	Q4 2005	Change Actual	Change Comparable ⁽¹⁾
France	3,393.6	3,321.7	+ 2.2%	+ 2.2%	1,200.8	1,221.2	- 1.7%	- 1.7%
Spain, Portugal, Belgium	815.0	740.1	+ 10.1%	+ 10.1%	279.8	254.0	+ 10.2%	+ 10.2%
Brazil, Switzerland, Italy	329.4	292.3	+ 12.7%	+ 9.9%	113.3	101.8	+ 11.3%	+ 11.8%
International	1,144.4	1,032.4	+ 10.8%	+ 10.1%	393.1	355.8	+ 10.5%	+ 10.6%
TOTAL	4,538.0	4,354.1	+ 4.2%	+ 4.0%	1,593.9	1,577.0	+ 1.1%	+ 1.1%

Conforama

<i>(in € million)</i> <i>According to IFRS</i>	2006	2005	Change Actual	Change Comparable ⁽¹⁾	Q4 2006	Q4 2005	Change Actual	Change Comparable ⁽¹⁾
France	2,270.8	2,126.1	+ 6.8%	+ 1.8%	660.5	650.2	+ 1.6%	- 4.0%
Italy	488.7	518.9	- 5.8%	- 5.8%	137.4	149.5	- 8.1%	- 8.1%
Switzerland	238.0	232.6	+ 2.3%	+ 4.0%	69.6	69.1	+ 0.7%	+ 3.5%
Other countries	277.4	262.4	+ 5.7%	+ 5.2%	77.3	76.8	+ 0.7%	+ 0.3%
International	1,004.1	1,013.9	- 1.0%	- 0.7%	284.3	295.4	- 3.8%	- 3.3%
TOTAL	3,274.9	3,140.0	+ 4.3%	+ 1.0%	944.8	945.6	- 0.1%	- 3.8%

Redcats

<i>(in € million)</i> <i>According to IFRS</i>	2006	2005	Change Actual	Change Comparable ⁽¹⁾	Q4 2006	Q4 2005	Change Actual	Change Comparable ⁽¹⁾
France	2,009.2	2,064.3	- 2.7%	- 2.7%	547.0	562.2	- 2.7%	- 2.7%
United Kingdom	482.7	531.5	- 9.2%	- 9.5%	151.6	166.4	- 8.9%	- 9.7%
Scandinavia	349.9	359.1	- 2.6%	- 2.8%	89.5	93.0	- 3.8%	- 5.4%
United States	1,193.0	1,128.7	+ 5.7%	- 1.5%	376.0	329.9	+ 14.0%	- 2.5%
Other countries	297.4	293.7	+ 1.3%	+ 1.6%	76.2	75.4	+ 1.1%	+ 1.7%
International	2,323.0	2,313.0	+ 0.4%	- 3.1%	693.3	664.7	+ 4.3%	- 4.1%
TOTAL	4,332.2	4,377.3	- 1.0%	- 2.9%	1,240.3	1,226.9	+ 1.1%	- 3.5%
<i>Total excl. Movitex Germany, The Store and Sears</i>	<i>4,331.3</i>	<i>4,349.9</i>	<i>- 0.4%</i>	<i>- 2.3%</i>	<i>1,240.3</i>	<i>1,225.3</i>	<i>+ 1.2%</i>	<i>- 3.4%</i>

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

Appendix 3: Sales – Luxury Goods

Gucci Group

Breakdown by region

<i>(in € million)</i> <i>According to IFRS</i>	2006	2005	Change Actual	Change Comparable ⁽¹⁾	Q4 2006	Q4 2005	Change Actual	Change Comparable ⁽¹⁾
Europe	1,501.0	1,256.3	+ 19.5%	+ 18.6%	439.0	366.2	+ 19.9%	+ 16.9%
North America	712.4	594.8	+ 19.8%	+ 18.5%	216.3	183.7	+ 17.8%	+ 15.6%
Japan	582.7	557.0	+ 4.6%	+ 12.1%	174.4	175.4	- 0.6%	+ 10.9%
Asia-Pacific excl. Japan	607.0	476.1	+ 27.5%	+ 25.3%	165.8	134.1	+ 23.6%	+ 20.6%
Other countries	47.8	47.9	- 0.2%	+ 0.4%	12.0	13.1	- 8.2%	- 5.1%
Royalties and other	117.3	102.3	+ 14.7%	+ 14.8%	30.8	27.8	+ 10.9%	+ 12.1%
TOTAL	3,568.2	3,034.4	+ 17.6%	+ 18.1%	1,038.3	900.3	+ 15.3%	+ 15.7%

Gucci brand

Breakdown by product category

<i>(in € million)</i> <i>According to IFRS</i>	2006	2005	Change Actual	Change Comparable ⁽¹⁾	Q4 2006	Q4 2005	Change Actual	Change Comparable ⁽¹⁾
Leather Goods	1,166.7	981.8	+ 18.8%	+ 19.5%	335.1	287.9	+ 16.4%	+ 16.6%
Shoes	280.8	229.8	+ 22.2%	+ 21.3%	74.3	60.6	+ 22.6%	+ 19.6%
Ready-to-wear	262.5	221.2	+ 18.6%	+ 18.8%	76.3	65.5	+ 16.5%	+ 15.0%
Royalties and other products	390.9	374.3	+ 4.4%	+ 5.7%	121.0	125.3	- 3.5%	- 1.6%
TOTAL	2,100.9	1,807.1	+ 16.3%	+ 16.8%	606.7	539.3	+ 12.5%	+ 12.5%

⁽¹⁾ On a comparable basis in terms of Group scope and exchange rates - Luxury Goods over 52 weeks