

**PINAULT
PRINTEMPS-REDOUTE**

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CONFORAMA Workshop

January 22, 2004

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Agenda for today

10.00 am - 11.15 am

Conforama today

11.15 am - 11.30 am

Q & A

11.30 am - 11.45 am

Coffee break

11.45 am - 1.15 pm

Strategic review

1.15 pm - 2.15 pm

Working lunch and Q & A

2.15 pm - 2.45 pm

Conforama tomorrow

2.45 pm - 3.00 pm

Q & A

3.15 pm - 4.15 pm

Store visit Creil

4.15 pm

Coaches leave for Paris & Roissy Airport

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Part 1:

Conforama today
Per Kaufmann

1. Highlights
2. Key characteristics of the concept
3. Achievements

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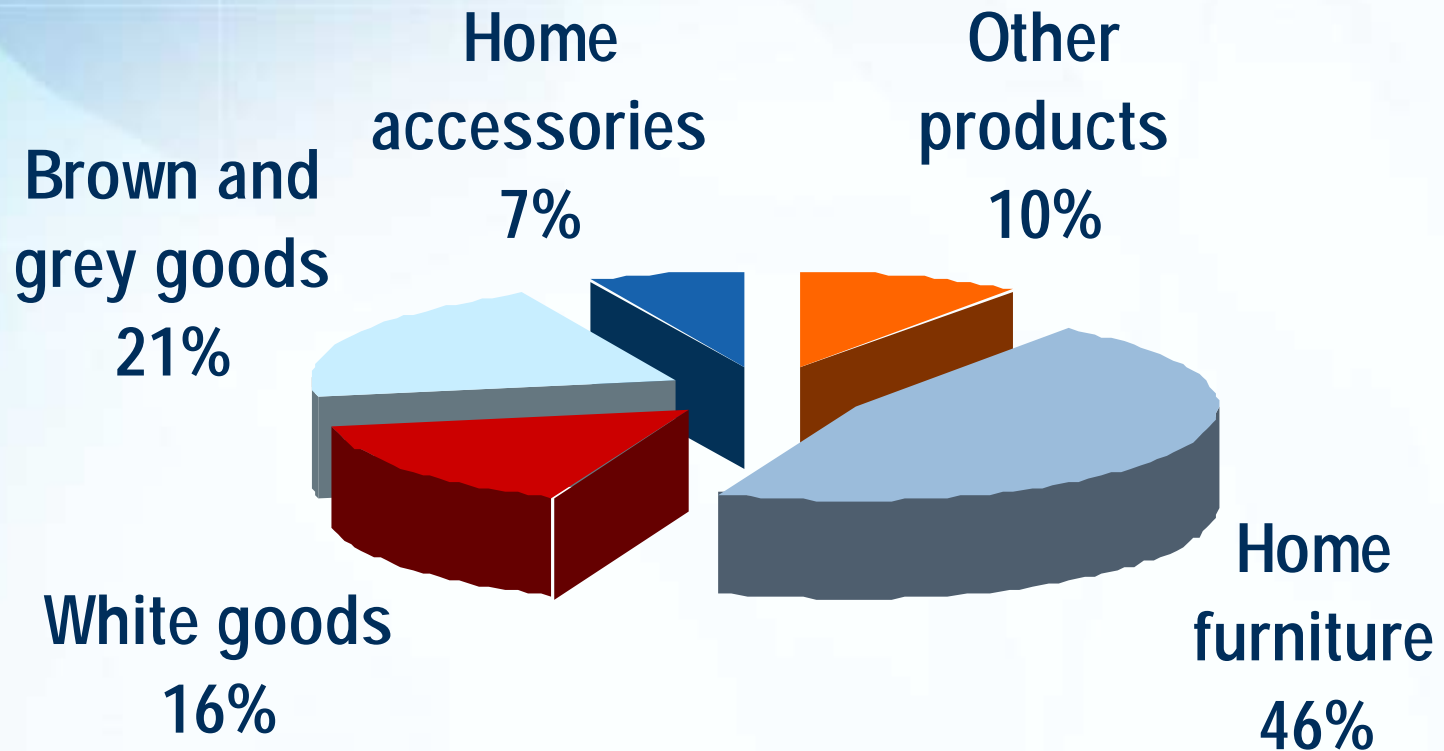
1. Highlights

Conforama highlights

- N°2 worldwide in home furnishings and appliances
- 2003 sales: Euro 2.9 billion, 34% outside France
- Present in 8 countries: France, Italy, Switzerland, Spain, Portugal, Croatia, Poland and Luxembourg
- Workforce: 13,500 employees, 34% outside France

- 233 stores around the world, including:
 - ◆ 186 directly-operated stores
 - ◆ 136 directly-operated Conforama stores and 47 affiliates in France
 - ◆ 29 Conforama stores outside France
 - ◆ 18 Emmezeta shopping centres in Italy and 3 in Croatia
- Total selling space: 890,000 sq.m.

A multi-specialist in household equipment



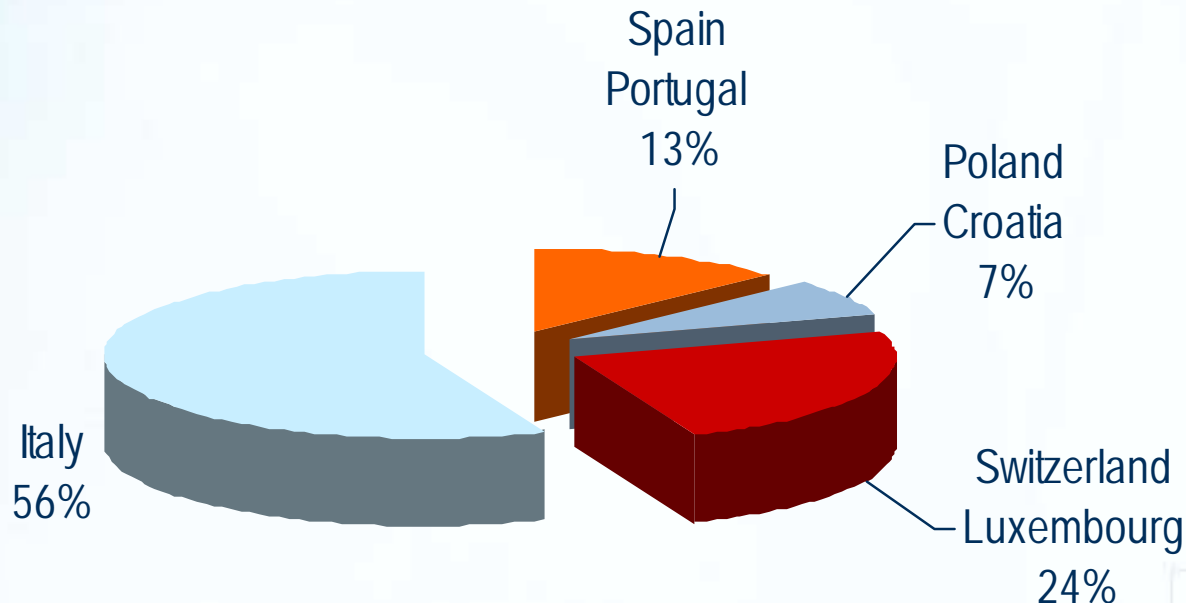
Breakdown of 2003 sales per product category

- A leading player in household goods in France
 - ◆ 7.1 million households purchased goods from Conforama in 2003
 - ◆ 1 in 5 items of furniture is purchased from Conforama
 - ◆ 1 in 3 beds is purchased from Conforama
 - ◆ 4 million small furnishings
 - ◆ 1.2 million electrical household goods

Total 2003 French sales: Euro 1,951 million

A strong international presence

- Sales outside France: Euro 997 million
- 34% of total sales
- x 5.8 since 1997
- Breakdown of 2003 international sales:



- A highly profitable company
 - ◆ 2002 EBIT: Euro 244 million
 - ◆ 2nd largest EBIT contributor within PPR
 - ◆ 1st contributor within Retail activities
 - ◆ A high level of profitability
 - ◆ EBIT margin: 8.4% in 2002
 - ◆ ROCE*: 33%

* Excluding goodwill on 2002 results

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2. Key characteristics of the concept

Key characteristics of the concept

- Discount
- Immediate availability, proximity
- Multi-specialist in household equipment
- Styles to suit each country
- Effective communications strategy

- Entry level/mid-range positioning
 - ◆ Permanent and promotional discounts
 - ◆ "Value for money"

- Results of customer satisfaction survey*:
 - ◆ «Value for money»: 95% of customers satisfied (up 4 points)
 - ◆ Price: 94% of customers satisfied (up 2 points)
 - ◆ Quality of products: 94% of customers satisfied (up 5 points)

** 2002 annual customer satisfaction survey and points of improvement from 2001 in France*



Immediate availability, proximity

- Immediate availability of products
 - ◆ 80% of products are immediately available in the stores
 - ◆ 30% of purchases are self-service
 - ◆ Average floor space of warehouses: 5,000 sq.m.
- Proximity of stores
 - ◆ A store within 20 minutes reach of 80% of the French population
 - ◆ An average of 200 parking spaces per store
- Results of customer satisfaction survey
 - ◆ Waiting time for goods pick-up: 76% satisfied (up 20 points in 3 years)
 - ◆ Location, access: 94% satisfied (up 5 points)

Multi-specialist in household equipment

- A product offer covering all household equipment:
 - ◆ Furniture
 - ◆ Home accessories
 - ◆ Electricals (brown, white, grey)
- Cross-selling:
 - ◆ 32% of our customers representing 56% of sales buy in more than one category
- Results of customer satisfaction survey
 - ◆ Choice of products: 92% of customers satisfied (up 2 points)

Styles to suit everyone



Effective communications strategy

- 460 million promotional brochures delivered to mail boxes through 12 to 16 issues per year
- In France: 18 million households receive the ads

- Depending on countries, 20 to 40% of sales are generated through promotional campaigns



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3. Achievements

- Strong positions in France
- International expansion
- Combination of growth & profitability
- Review of 2003 sales performance

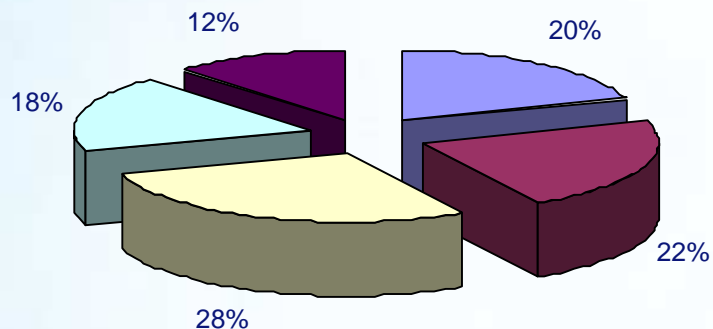
Achievements: leadership in France

Conforama customers: the French population

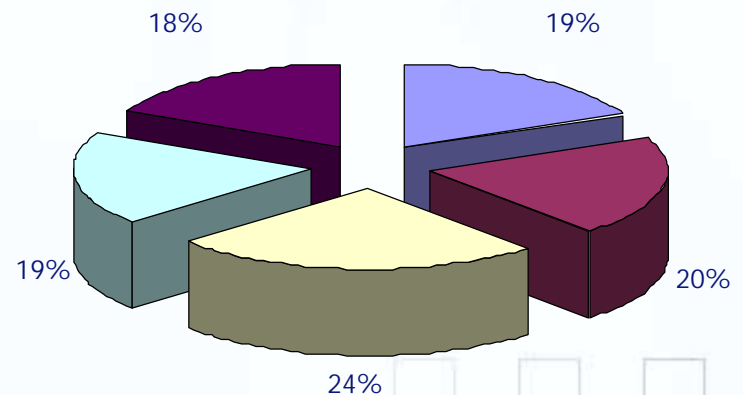
Demographics

- ◆ 54% of customers are female (compared with 52% of France's population)
- ◆ Average age: 35
- ◆ 1 out of every 2 is married with 1-2 children

Conforama customers



French population

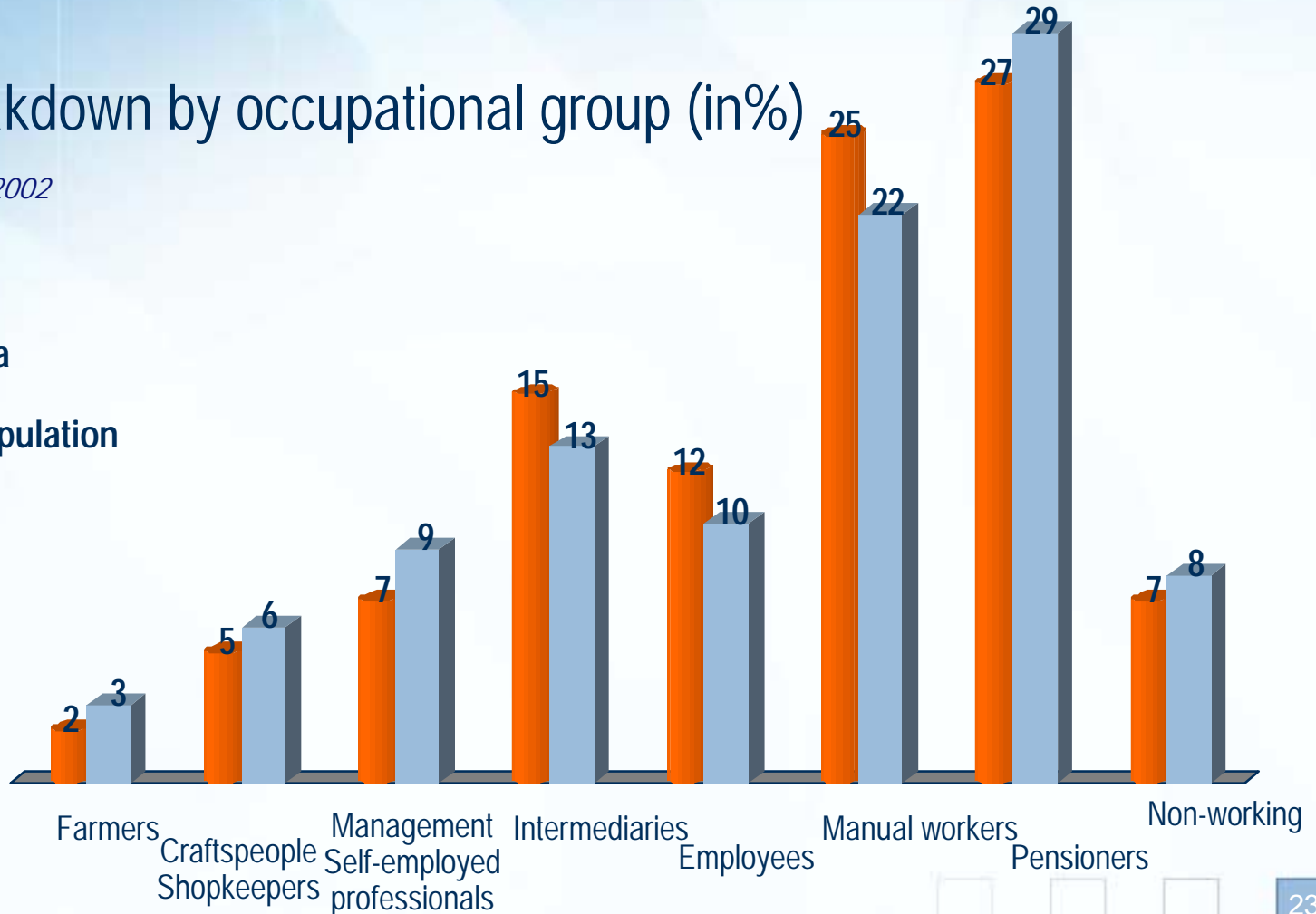


Achievements: leadership in France

Conforama customers: the French population

Breakdown by occupational group (in%)

Source: *Téléperformance 2002*



Achievements: leadership in France

- Sales in France: Euro 1,951 million in 2003
- Sales up by 25% in 6 years, outperforming French home equipment market
- Gains in market share in furniture: +1 point in 4 years to 16.2%
- Stable market share in electricals: 5.5% in 2002

Conforama's international achievements

■ Strong international growth

	1997	2003	Change
International sales	156	997	x 6.4
<i>% of total sales</i>	12%	34%	
Number of countries excl. France	4	7	
Number of stores*	8	50	

* Including 21 Emmezeta



International achievements

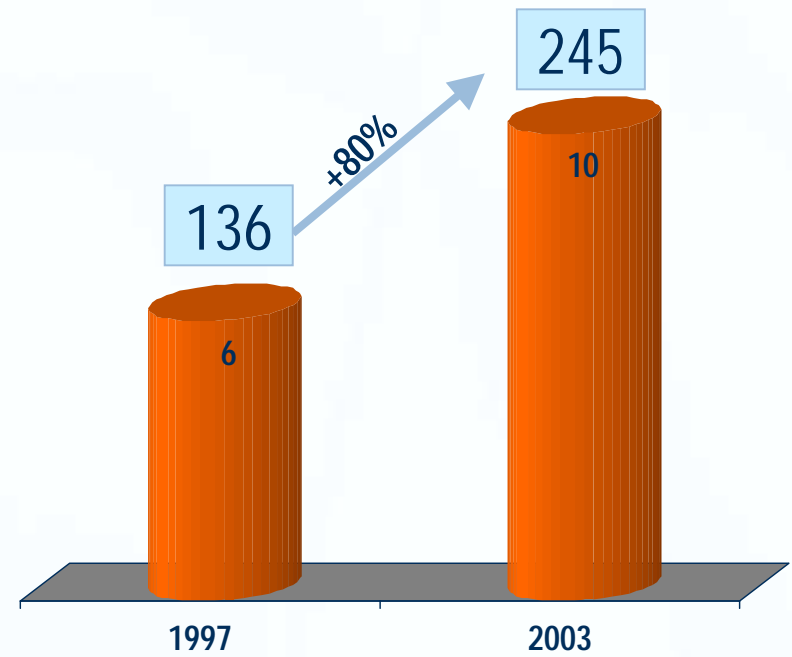
■ Strengthening of existing positions

● Number of stores

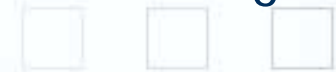
□ Sales in Euro million



Spain/Portugal



Switzerland/Luxembourg



■ Development of new countries

◆ Italy / Croatia

- ◆ acquisition of Emmezeta in 2001
- ◆ opening of 5 commercial centres in Italy and 2 in Croatia
 - total: 21
- ◆ total 2003 sales: Euro 607 million

◆ Poland

- ◆ opening of a first store in Warsaw in 2001
- ◆ 3 stores in total
- ◆ total 2003 sales: Euro 17 million

Achievements: growth and profitability

	Published		
<i>(in Euro million)</i>	1997	2002	Δ
Sales	1,430	2,900	+103%
Operating income	113.6	243.6	+114%
EBITDA	134.4	298.4	+122%

Achievements: growth and profitability

Rapid profitability of new stores

- 4 new Conforama stores in 2003
 - ◆ Lugano (Switzerland), Pamplona & Oviedo (Spain), Albufeira (Portugal)
- 3 new Emmezeta shopping centres
 - ◆ Padua (Italy), Osijek & Split (Croatia)
- Total additional sales in 2003: Euro 46 million
- Overall profitability of openings in 2003
- Profitability expected in second year of operations for Emmezeta shopping centres

Review of 2003 sales performance

- Good sales performance in a difficult environment

<i>(in Euro million)</i>	Published		Comparable*	
	2003	Δ	2003	Δ
Total	2948.2	+1.6%	2948.2	+2.1%
France	1951.0	-0.5%	1951.0	-0.4%
International	997.2	+6.1%	997.2	+7.2%

* At constant consolidation scope, exchange rates, number of trading days



Review of 2003 sales performance

- Overall market share gains* in furniture in all countries
 - ◆ On a LFL basis, gains except Portugal
- Stable market share in white goods
- Strong outperformance* in grey products
 - ◆ Supported by development of “generic” products
- Lower market share* in new generation of products (digital, plasma screens,...)

Strong commercial actions in 2003 (CliO - Client Obsession)

- Opening of 7 new stores
- Transformation of 16 stores to the new format
- Implementation of a common sourcing method
- Initial rise of home accessories
- Launch a new visual identity
- Launch of a French catalog and change of the advertising agency
- Increased product availability (especially in Italy)
- Reduced waiting time at the goods pick-up



Executive Committee

Per Kaufmann
Chairman and CEO

Ange Fontecave
Development

Frédéric Jumentier
Managing Director
France

Caroline Le Bozec
HR

Alberto Baldan
Managing Director
Italy
(Emmezeta)

Olivier Rigaudy
General Secretary

Bernard Levet
Managing Director
Switzerland

Tommy Olsson
Sourcing

Jean Louis Raynard
Managing Director
Spain

Marc Mignolet
Logistics

Stephane Dupont
Managing Director
Portugal

Jean Claude Kerrinckx
IS

Pierre Cavarec
Managing Director
Poland

