

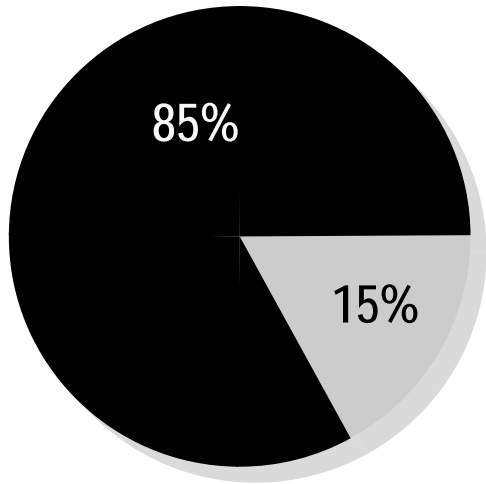
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Numerous risks, uncertainties and other factors (including, among others, risks relating to: governmental regulation affecting our businesses; competition; our ability to manage rapid changes in technology in the industries in which we compete; litigation risks; labor issues, unanticipated costs from acquisitions, dispositions and joint ventures) may cause actual results to differ materially from those anticipated, projected or implied in or by the forward-looking statements.

Many of the factors that will determine our future results are beyond our ability to control or predict. These forward-looking statements are subject to risks and uncertainties and, therefore, actual results may differ materially from our forward-looking statements. You should not place undue reliance on forward-looking statements which reflect our views only as of the date of this presentation. We undertake no obligation to revise or update any forward-looking statements, or to make any other forward-looking statements, whether as a result of new information, future events or otherwise.

1. Introduction: luxury goods in the “New PPR”
2. Why we invested in luxury goods
3. What we achieved so far
4. What now?
5. Conclusion

- A Group focused on the individual customer with two strong complementary businesses

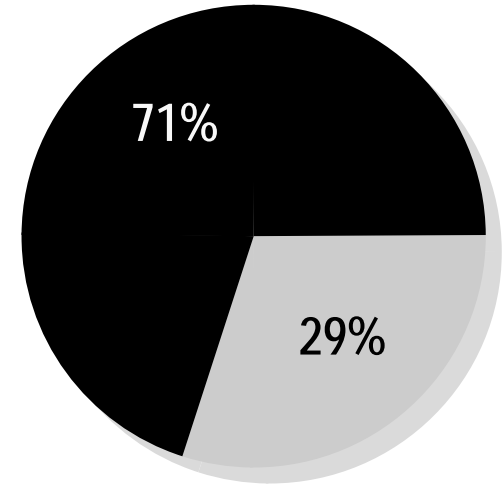


LUXURY GOODS

-

RETAIL

- **Home and Leisure:**
- Conforama and Fnac
- **Apparel and Lifestyle:**
- Printemps and Redcats
- CFAO



- Boost our growth through entry in the luxury goods sector
 - High historical growth rate
 - Complementary skill sets
- Accelerate international expansion
- Bolster Gucci's Group development through the implementation of a multi-brand strategy with the backing of:
 - PPR's financial resources
 - PPR's experience in managing complex multi-activity operations
 - PPR's retailing expertise
- Improve Group financial power and cash flow generation

- Truly global
 - Based upon common consumer patterns across affluent people worldwide
 - Total market size in excess of € 100 billion
 - Gucci Group product categories: ~ € 50 billion
- Fast growing
 - Well above the world economy in the nineties
 - Very resilient since 2000, with 2% annual growth in € and probably twice as much in local currencies
- Driven by the industry leaders, with adequate human, organizational and financial resources
 - Priority to organic growth for the main brands, after a period of active consolidation

Total consideration: €7.2 billion, for a debt-free company

(in € million)

	Gucci Division	YSL Beauté	Yves Saint Laurent	Other brands**	Head office	Total
Sales *	1,497	607.3	153.2	302.9	0	2,560.4
EBITDA *	468.5	42.7	(58.6)	(56.9)	(29.3)	366.4

* 2003 figures in PPR accounts

** Sergio Rossi, Bottega Veneta, Boucheron, Balenciaga, Bédar & C°, Alexander McQueen, Stella McCartney

- Two major brands with global reach: Gucci and Yves Saint Laurent
- A sizeable fragrances business: YSL Beauté
- Complementary brands with strong product expertise and customer recognition (Boucheron, Sergio Rossi, Bottega Veneta)
- Younger brands with strong growth potential (Alexander McQueen, Stella McCartney)

N°3 world-wide in the luxury goods sector

Fashion and Accessories

- Gucci
- Yves Saint Laurent
- Sergio Rossi
- Bottega Veneta
- Alexander McQueen
- Stella McCartney
- Balenciaga

Fragrance and Cosmetics

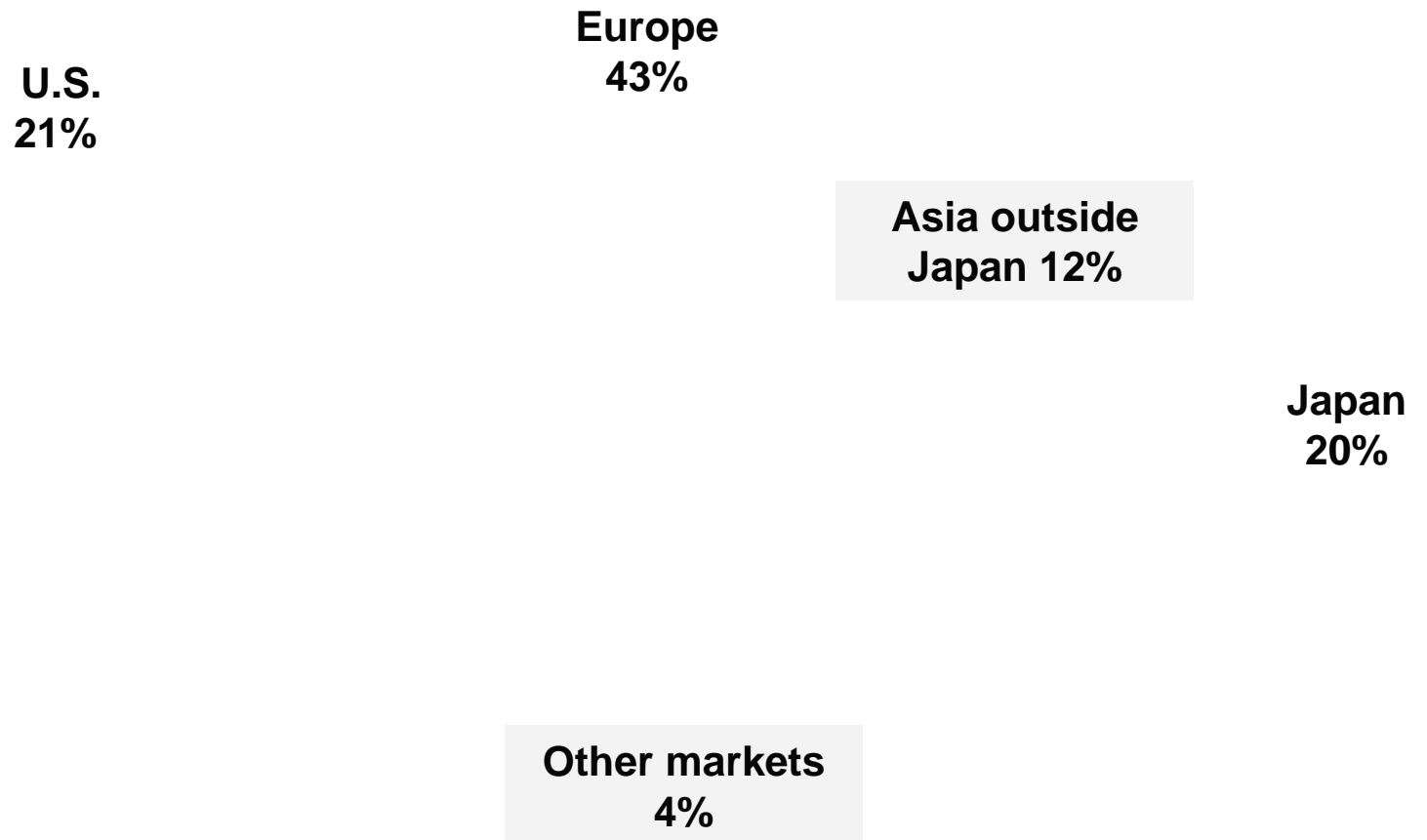
- YSL Beauté
- Roger & Gallet
- Oscar de la Renta
- Van Cleef & Arpels
- Fendi
- Boucheron
- Alexander McQueen
- Balenciaga
- Zegna

Leather Goods

- Gucci
- Yves Saint Laurent
- Sergio Rossi
- Bottega Veneta
- Balenciaga

Timepieces and high-jewellery

- Gucci
- Boucheron
- Yves Saint Laurent
- Bédat & C°



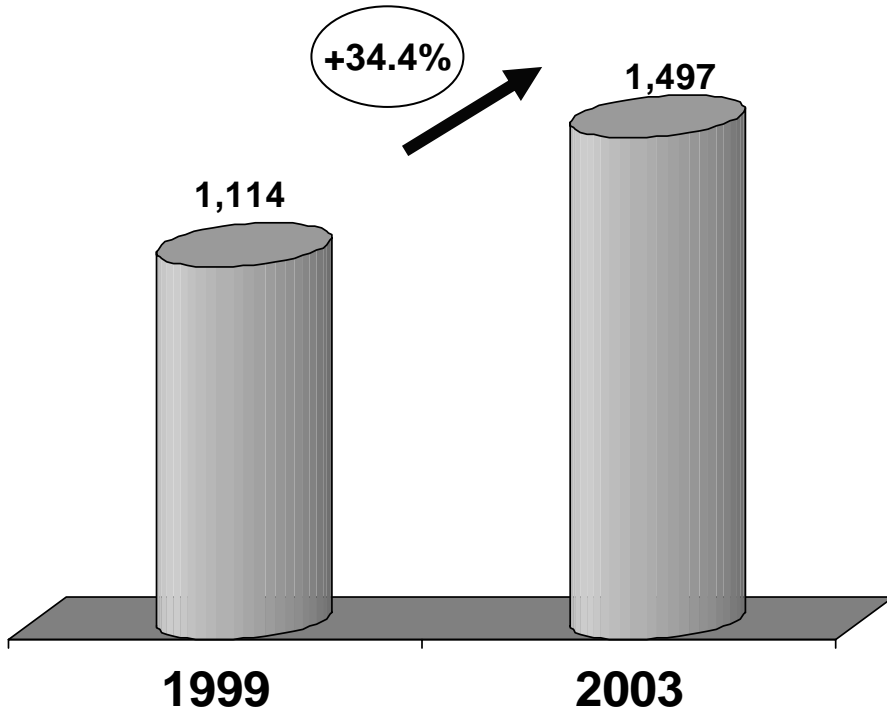
	<i>Directly operated stores at 31/10/03</i>	<i>△ 2000</i>
Gucci Division	187	+46
Yves Saint Laurent	58	+36
Sergio Rossi	41	+20
Boucheron	26	+14
Bottega Veneta	62	+21*
Other brands	8	+8
Total	382	+145

■ Total operating investments

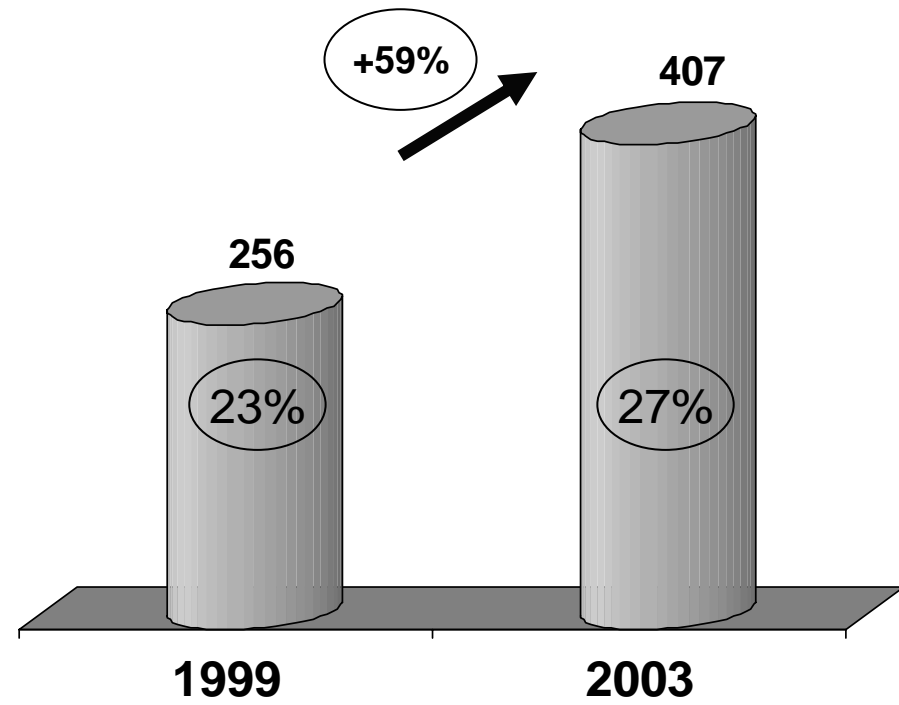
* From 31/10/01

- 2002: € 389 million (peak year)
- 2003: € 267 million
- 2004 - 2005: ~ € 150 million p.a.

Sales (€million)



EBIT (€million)



- Empower the brands' talented designers and Group CEO
- Provide a corporate structure conducive to development and performance
 - Further capitalise on Gucci Group's strengths
 - Effective decentralisation / clear brand identity
 - Strong relationships between designers and sales & marketing teams
 - Strategy and resources consistent with brand history and potential
- Foster performance-driven attitude to consistently improve returns

Robert Polet

Alessandra Facchinetti

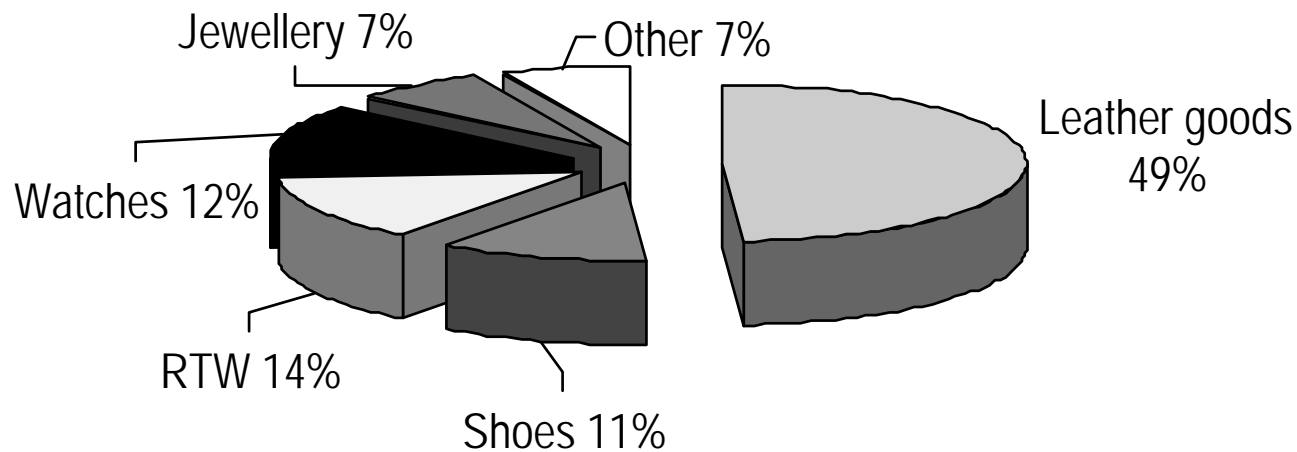
John Ray

Frida Giannini

Stefano Pilati

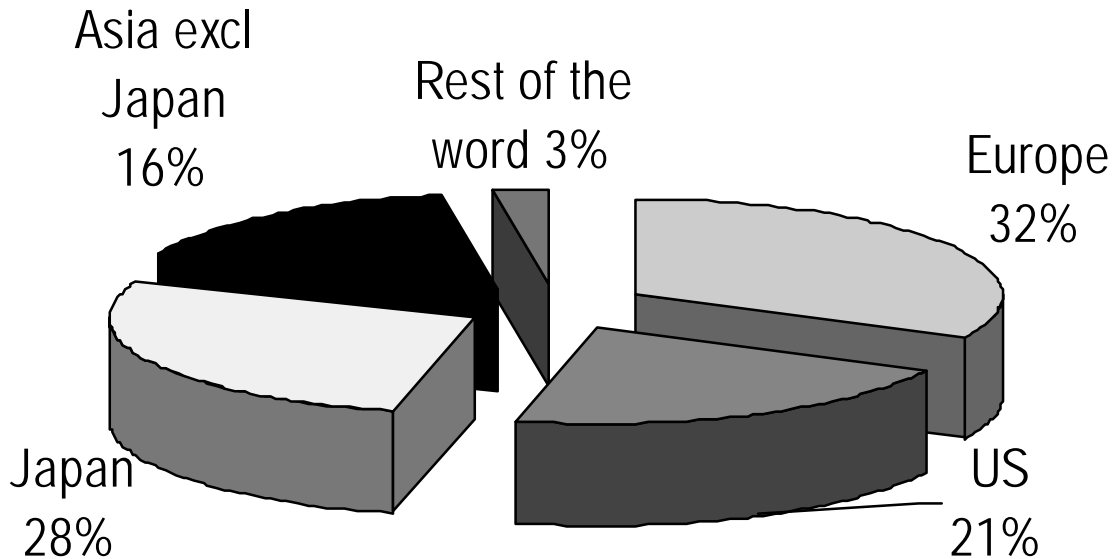
- Strengthen product portfolio in most profitable segments:
 - Leverage potential in core product segments
 - Develop other lines – timepieces, jewellery ...

2003 Split by product category



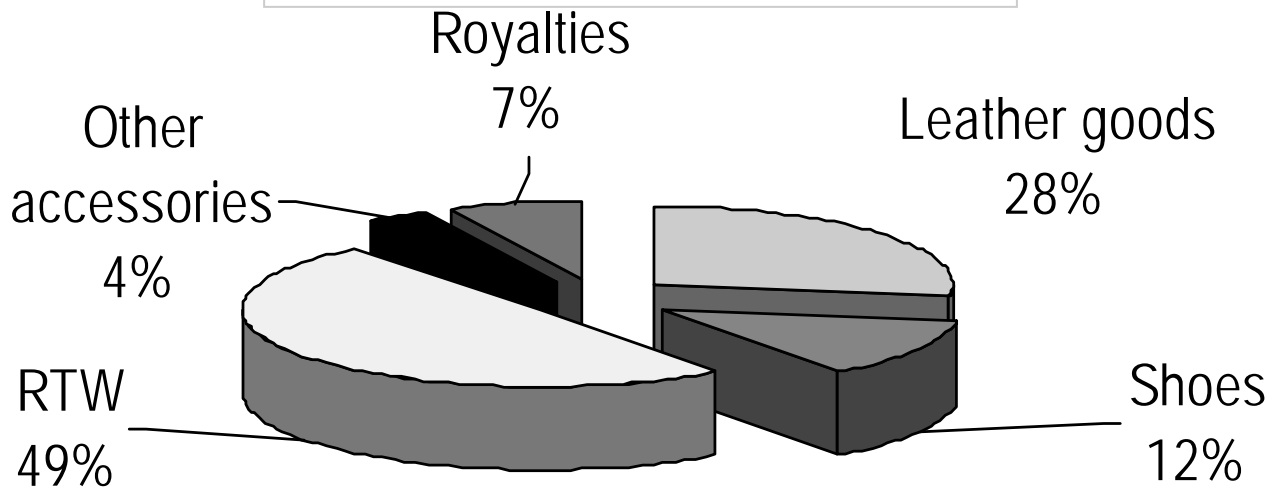
- Expand into high growth and emerging regions
- Maintain and reinforce outstanding profitability

2003 Split by region



- Outstanding name and genuine identity
- Expand product offering

2003 Split by product category



- New store openings (Iwataya Fukuoka, Hiroshima, Chicago, Barcelona...)

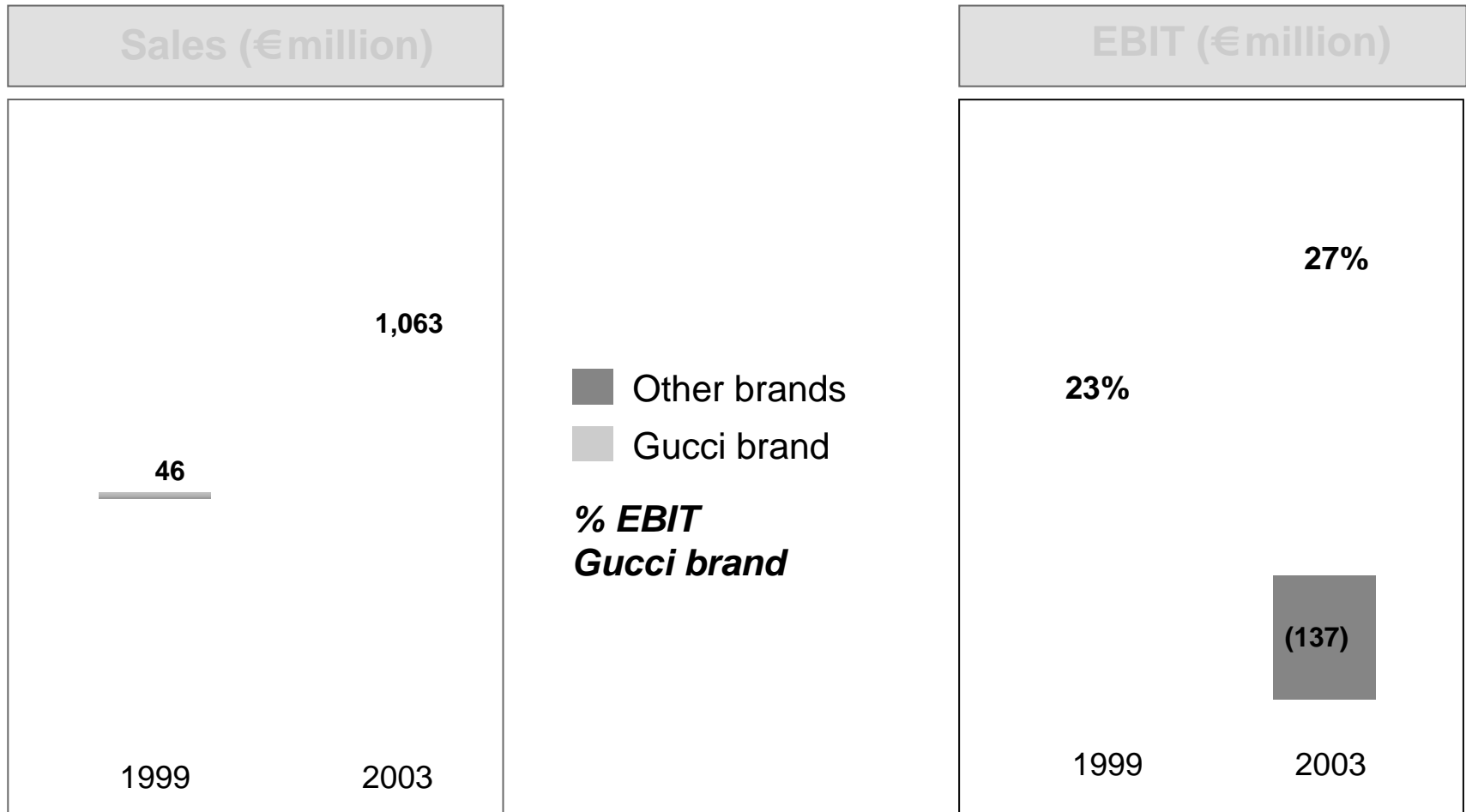
- A brand with spectacular growth based on exceptionally high-quality products
- Further develop product offering
 - Focus on leather goods & footwear, with increase in small leather goods
 - Development of leather & knit RTW items and launch of eyewear
- Expand DOS network; Implement selective wholesale approach

- Rapid development thanks to outstanding designers
- Gradual extension to new product categories
- Controlled expansion of store networks

- Develop the main Yves Saint Laurent brand
 - Fragrance, make-up, cosmetics
- Step up with development of new licenses
 - McCartney, McQueen, Zegna
- Bolster expansion of other brands
 - Boucheron, Roger & Gallet,
Oscar de la Renta, Van Cleef & Arpels

- Development of a highly innovative offer
- Gradual expansion by markets

Gucci Group operating performance



Strong potential for costs reduction

2003

% of sales

Gucci Division

Other brands
(excl. YSL Beauté)

**Cost of stores
(% of retail sales)**

32.8%

62.5%

Communications

5.1%

19.3%

G & A expenses

11.5%

20.3%

- Nearing the end of PPR's strategic refocusing
- Platform for higher organic growth, improve financial performance and stronger free cashflow

**A stronger profile to deliver
higher shareholder return**

