

PPR

European Seminar

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Paris

June 15, 2006

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2005: organic growth and operating efficiency



- Unique positioning
- Organic growth strategy
- Higher growth profile than market averages
- Constantly enhancing offer and organization

2005: marked improvement in performance



- Revenue: +4.2% to € 17,766 million (+4.8% on a comparable basis)
- Recurring operating income: +9.9% to € 1,084 million
- Free cash flow from operations: +31% to € 955 million
- Net indebtedness: € 4,584 million at 2005 year end vs. € 5,184 million at January 1, '05

2005: Retail



- Mixed performances in a challenging climate
 - Comparable revenue up 2.8%
 - Stable recurring operating income

- Growth and improved performance of international operations
 - Comparable revenue outside France up 4.4%
 - Store openings
 - Access to new countries (Greece, Norway ...)

- Maintain leadership in e-commerce

2005: Luxury Goods



- Sustained creativity, accountable organization
- Outstanding performance
 - Revenue: +11.9% (+15.9% on a comparable basis)
 - Market share gains in key product categories and regions
- Recurring operating income: +35.4% (+86% at comparable exchange rates)
 - Gucci operating margin up sharply
 - First profits for Bottega Veneta and Balenciaga
 - Improved results at Yves Saint Laurent Couture, Boucheron ...
- Ongoing investments
 - 28 new stores
 - Intensification of communications effort

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Strategy & Outlook

Strategy & outlook



■ Retail

- Pursue repositioning on fastest-growing market segments
- Enhance operating efficiency
- Expand international activities

■ Luxury Goods

- Harness potential of all brands
- Raise investments
- Leverage all product categories

2006



- Retail: a more favorable environment
- Luxury Goods: continued fast-pace growth
- Strong start to the year
 - 1Q2006 revenues up 6.6%
 - » Over 4% for Retail
 - » Up 18% growth for Luxury Goods
- 2006: strong improvement in operating performances

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