

PRINTEMPS



Laurence Danon
*Chairman of the Management Board
and CEO of France Printemps*

1. Printemps at a glance

2. Environment

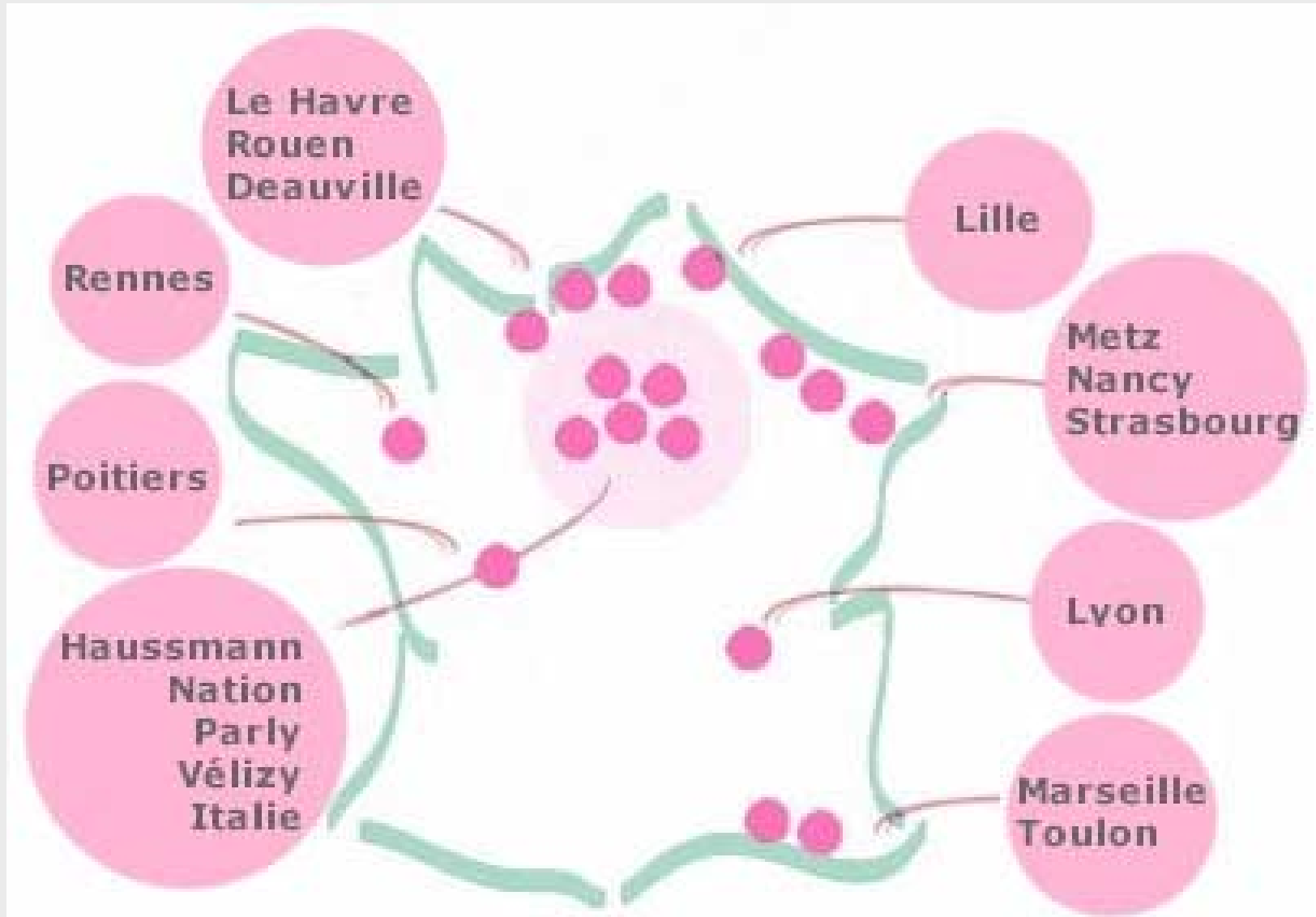
3. Strategy

4. Pinault-Printemps-Redoute: adding value to Printemps

Printemps at a glance

- **Leading department store in Paris and Paris region**
 - **Stores structured around specialist retail categories**
 - **women and men's fashion, lingerie, beauty and accessories, interior design and tableware, kids and leisure**
- **29 outlets, of which 18 directly-operated stores**
- **5 specialised subsidiaries**
 - **Sports: Citadium (1) + Made In Sport (16)**
 - **Printemps Voyages (7)**
 - **Printemps Bijoutier Joaillier (17 corners)**
 - **Printemps Design Beaubourg (1)**
 - **Madélios (1 in 2002)**

Printemps store location

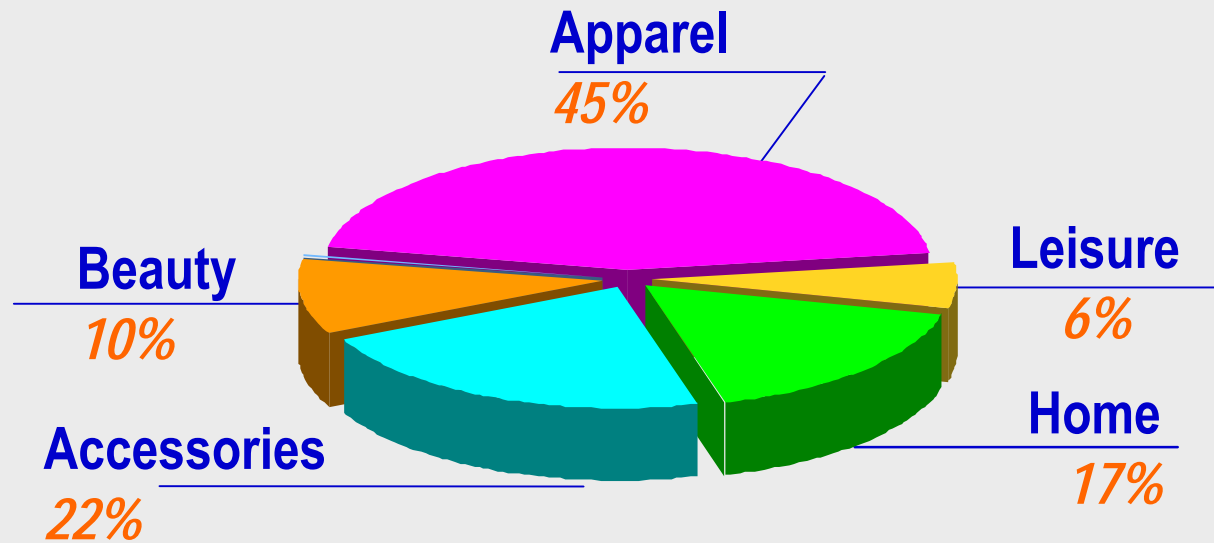


Printemps at a glance

- **Selling space (17 department stores): over 146,700 sq.m.**
- **2001 sales: E 889 million (exclusive of VAT)**
- **5 542 employees**
- **38 millions of goods sold and 2,000 brands**
- **Web sites**
 - **www.printemps.com**
 - **information and gift on line only**
 - **www.boutiqueblanche.com - « click & mortar »**
 - **opening & management of wedding lists :**
 - 3% of wedding lists opened on Internet**
 - 30% of gift sales made on Internet or minitel**
 - 70% of couples follow up their list on Internet**

Printemps at a glance

Breakdown of 2001 sales by product category

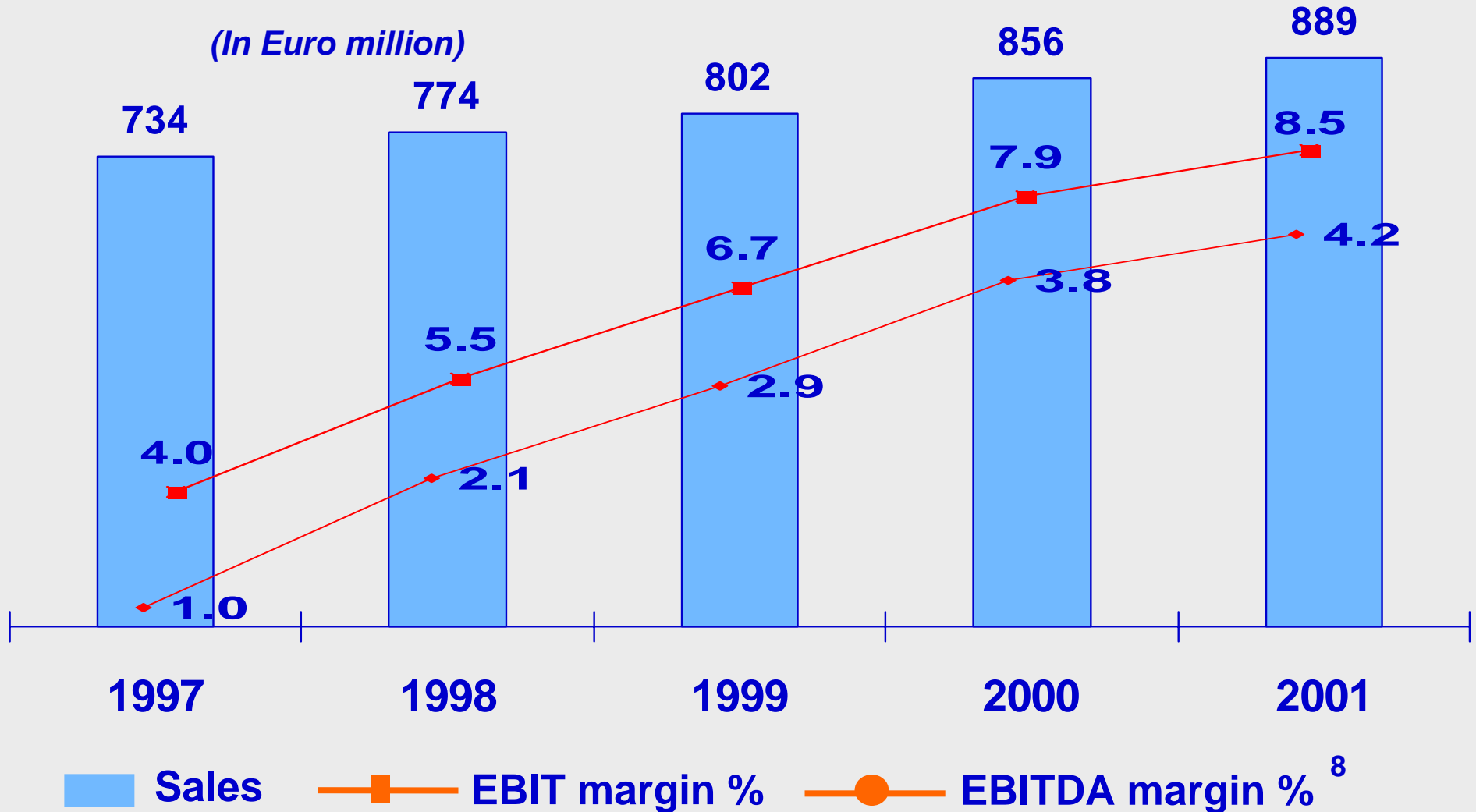


Printemps Haussmann and chain account for respectively 45% and 55% of total sales

Printemps at a glance

- **4 million customers**
 - medium / high income
 - 40 years of age (2 years younger than department stores average)
 - female (65%)
- **900,000 cardholders**
 - 22% of customers
 - 30% of total sales

Track record of growth and profitability



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C competitive environment

		Paris	France
- Galeries Lafayette		✓	✓
LVMH	<ul style="list-style-type: none"> - Bon Marché - Samaritaine - Sephora 	<ul style="list-style-type: none"> ✓ ✓ ✓ 	<ul style="list-style-type: none"> ✓
Specialised chains	Apparel (Gap, Zara, H&M)	✓	✓
	- Perfumes Marionnaud	✓	✓

C competitive environment

- Market share gains in key markets

Average annual growth rate (99-2001)

	Printemps	Market
Accessories/Luxury	+10.3%	+5.2%
Apparel	+4.1%	+0.6%



Approx. 70% of sales > market growth

C Competitive environment

Sales* / Sq.m

(in '000 euro)	2001
■ Galeries Lafayette	4.9
■ Printemps	7.2

* including VAT

EBIT %

(in % of sales)	2000	2001
■ Galeries Lafayette	3.2	3.1
■ Printemps	3.8	4.2

Summary

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« Printemps - Inventez - vous »

« Printemps - Invent yourself »

- **Vision: customer driven**
- **Ambition: shareholders' value**
- **Condition: employee care**

Printemps vision: **C**ustomer driven

Printemps: “invent yourself”

- **Printemps’ priority: the customers**
 - **large & attractive selling space**
 - 75% of space will be renovated by end 2002
 - **high notoriety (SIMM survey) :**
 - 2001: 62% qualified notoriety, 46% prestigious
 - **customer services**

personal shopper, free-hand shopping, home delivery, support services for international shoppers
- **Right product at the right price and at the right time**
- **Customers’ satisfaction :**
 - Quarterly customer survey (4,500 clients) ⇒ score : 7.2 /10

Printemps ambition: **S**hareholders' value

**To be the most
profitable
department
store in France
in EBIT and RoCE**

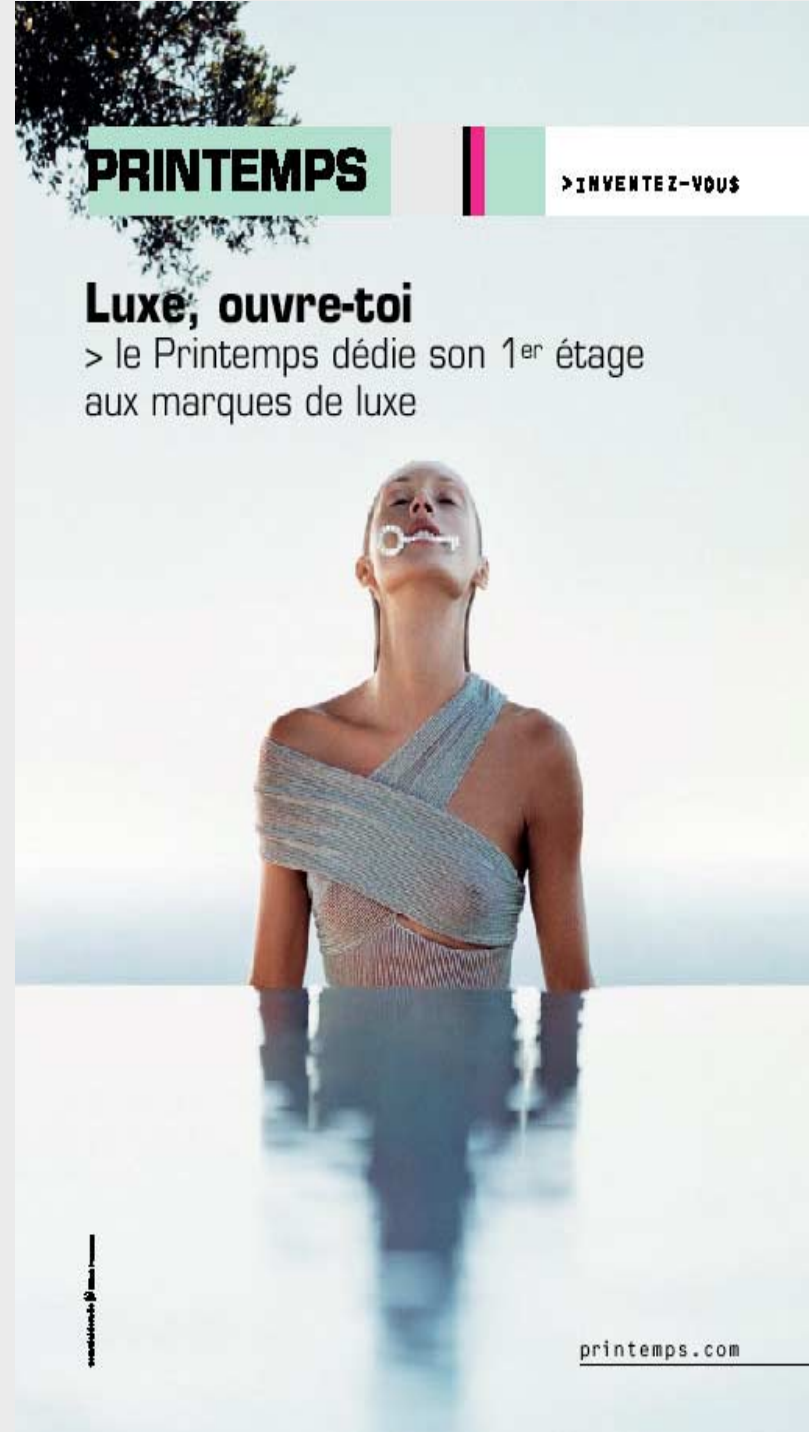
- **Differentiated positioning**
- **Precursor concepts**
- **Constant efficiency of operations**

Printemps « invent yourself »

- **A strategic approach by market (01-04)**
 - **Winning markets for profitable growth : fashion, beauty, accessories, lingerie**
 - ↗ sq. m. allocation
 - exclusivity with suppliers and emerging brands
 - own label brands
 - **Reference market : Home**
 - a profitable market with a steady growth, in which Printemps has a legitimate position
 - e.g.: leader with 15,300 lists in 17 shops: Euros 50 million, 1/3 Home market sales in wedding lists
 - new concept 2002 : decoration by style
 - **Service markets: Children, Toys, Leisure**
 - less profitable but always expected in a department store
 - fine tuning of the format : bring maximum services at the lowest cost and lowest square meter use

Printemps «invent yourself»

- **Printemps: a rejuvenated image**
 - **Launch of the new visual identity in September 2000**
 - new logo, new colors, new bags, new advertising messages
 - **Precursor event policy**
 - cultural exhibitions, amazing windows



Printemps «invent yourself»

- A coherent image for all the stores
 - core product offering
 - concepts developed on a national basis
- Advertising survey (IPSOS) 2000/2001
 - + 10 points spontaneous brand recognition attributed to Printemps

PRINTEMPS

> INVENTEZ-VOUS

La nouvelle innocence

> mode rafraîchissante
du 28 février au 16 mars



Coral
White Velvet le soin du blanc délicat

New precursor concepts : success stories

Accessories ...

- **Launched in 1998, extended to all 17 stores and completed by 2001**
- **Sales +20% in 2 years, 22% of sales**
- **Large choice of brands (85% of the product assortment)**
- **Organised by product category
(textile, leather, jewellery and watches, footwear)**
- **Attractive and accessible setting to enable customers to shop in a very pleasant atmosphere and be tempted**

New precursor concepts : success stories

Men's fashion ...

- **Printemps de l'Homme Haussmann**
 - Opened end 1999 on 7,500 sq. m.
 - Sales up 30% since renovation
 - A different style per floor (Urban, Creator, Sportswear, Classic, City classic, Luxury)
 - To address an attractive market with younger customers
 - Development of fashion oriented component in men's wear
 - 57% of clothing spending by under 35-men's (with strong bias towards fashion)
- **Adaptability of Printemps de l'Homme to the chain**
- **+22% sales for the Printemps as a whole in 2 years**

New precursor concepts : recent initiatives

Luxury goods at Printemps Haussmann ...

- **New launch end 2001**
- **30 most prestigious luxury brands in shops and a selected gift shop by Printemps**
- **Unique dedicated luxury space of 3,000 sq.m. in the world**
- **Organised in 2 divisions: apparel / accessories and jewellery / watches**
- **Sales up 20% since December 2001**

New precursor concepts : recent initiatives

Sporting goods ...

- Operational merger of Citadium & Made in Sport
- 250 branded goods ranges (Sport / fashion)
- Over 10,000 sq.m. of selling space*
- Synergies : purchasing, sporting events and back office
- Since December 2001, +20% in comparable sales

** 1 Citadium + 16 Made in Sport*

Improving operating efficiency

- Continue to improve productivity between 96-2001, headcount - 5% while sales +25%
 - Through constant re-engineering of the organisation
- Improve efficiency of the new supply chain : new IT system started in 02
 - Centralised purchases and replenishment system organised by market through 5 business units
 - To increase sales and margins and reduce mark-downs

Improving operating efficiency

- **Continue to improve RoCE**

- **Through stricter control of inventories**

e.g. 2001 inventories / sales 16.5% (-1.5 point vs. 2000)

- **Through savings on investment costs (target : -20% ; a «value» analysis of the investment for Printemps customers)**

Human resources : « succeed together as a team »

- **5,542 employees**
- **85% employees / 15% managers**
- **41 year old average**
- **13 years average length of service**
- **56% of salespeople hired since 1999 are less than 30-year old**

Human resources ... « succeed together as a team »

- **To attract and develop the best people to add new skills and experience at key positions**
 - e.g. recruitment of 100 managers per year
- **To train everyone**
 - salespeople new training programme: 8 days in 2001
 - in 2-3 years : 3,000 salespeople will be trained
- **To develop staff loyalty**
 - policy for low wages and increased benefits
 - reorganisation in relation to 35-hour week
 - from sales to top managers : variable compensation

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Pinault-Printemps-Redoute : adding value to Printemps

Marketing & customers

- **A decentralised & coordinated Group: transversal marketing and complementary operations across the companies**
 - **Store card interoperability**
 - **Shared concepts:**
 - **click & mortar i.e. boutique blanche (wedding lists offer including FNAC, Conforama & Citadium)**
 - **Gift vouchers Kadeos (Retail division)**

Pinault-Printemps-Redoute : adding value to Printemps

Purchasing & costs

- A common objective:
 - Increase efficiency of *direct* purchasing
 - through GNX and PPR Purchasing
 - e.g. : regrouping purchases of men 's basic shirts (own labels) with Redoute or buy white goods with Conforama*
 - average gain approx. 10%
 - Increase efficiency of *indirect* purchasing
 - with PPR BuyCo support
 - total indirect purchases: Euros 60 million
 - target savings within 2 years: approx. 2-3%
- Sharing group expertise and know-how
 - Best practices on IT systems, purchases, logistics, HR, marketing

Management chart

Laurence Danon

Chairman

Alain Guillot

General Secretary

Hélène Rouchet

*Subsidiaries &
Development*

Martine Delzenne

Purchasing

Sylvain Morel

HR

Jean-Paul Bonnel

Chain and affiliates

François-Xavier Dupont

*Haussmann store
manager*

Isabelle Salomon

Marketing

PRINTEMPS

**PINAULT
PRINTEMPS-REDOUTE**