



PRESS RELEASE

April 24, 2018

ANOTHER QUARTER OF VERY STRONG REVENUE GROWTH

**Consolidated revenue in the first quarter of 2018¹: €3,107.8 million,
up 27.1% as reported and 36.5% on a comparable basis**

"Kering maintained its outstanding sales momentum in the first quarter. Under its new Luxury pure player profile, the Group clearly outperformed a market that remains well oriented. Gucci, Saint Laurent and Balenciaga set a high mark within a Group that delivered sharp growth as a whole. In the balance of the year, we face a high base of comparison and a tough currency environment, but we are confident in the ability of our Houses to continue doing better than their peers, leveraging their innovativeness and creative audacity."

François-Henri Pinault, Chairman & CEO

- Sharp rise in total revenue from the Houses (up 36.8% on a comparable basis) on a high base of comparison. Healthy organic growth, well balanced across regions, nationalities and distribution channels
- Gucci: spectacular growth path continuing (up 48.7% on a comparable basis)
- Sustained sales increase at Yves Saint Laurent (up 19.6% on a comparable basis)
- Ongoing implementation of Bottega Veneta's action plan (up 0.7% on a comparable basis)
- Very strong growth for the Other Houses (up 37.9% on a comparable basis), driven by exceptional momentum from Balenciaga. Solid trends at Alexander McQueen, Jewelry Houses, and in Watches

¹ PUMA, Volcom and Stella McCartney are presented as *Discontinued operations* for the first quarter of 2018 in accordance with IFRS 5.



<i>(in € millions)</i>	Q1 2018	Q1 2017⁽¹⁾	Reported change	Comparable change⁽²⁾
Total Houses	2,999.3	2,352.5	+27.5%	+36.8%
Gucci	1,866.6	1,354.0	+37.9%	+48.7%
Yves Saint Laurent	408.2	364.4	+12.0%	+19.6%
Bottega Veneta	261.2	280.4	-6.8%	+0.7%
Other Houses	463.3	353.7	+31.0%	+37.9%
<i>Corporate and other</i>	108.5	92.9	+16.8%	+27.2%
Kering – Continuing operations	3,107.8	2,445.4	+27.1%	+36.5%

⁽¹⁾ Figures restated for PUMA, Volcom and Stella McCartney (IFRS 5).

⁽²⁾ On a comparable Group structure and exchange rate basis.

The Group delivered remarkable growth in consolidated revenue in the first three months of 2018, up by a sharp 27.1% as reported and 36.5% on a comparable basis to €3,107.8 million. Buoyed by favorable market conditions, this increase was well balanced across all distribution channels. Directly operated stores continued to see strong growth momentum (up 39.9% on a comparable basis), with double-digit growth in all geographic regions, particularly North America (up 54.3% on a comparable basis) and Asia Pacific (up 42.2% on a comparable basis). At the same time, online sales more than doubled during the quarter. Revenue from the wholesale network, where the collections of the Group's Houses have been enthusiastically received, rose 30.5% on a comparable basis.

Gucci: further remarkable growth

Gucci had another excellent quarter across the board, posting revenue of €1,866.6 million, up 37.9% as reported and 48.7% on a comparable basis. Growth was evenly balanced. Sales in its directly operated stores, where all product categories and nationalities recorded double-digit growth, rose 50.4% on a comparable basis. Revenue posted sharp increases in all geographic regions, particularly North America (up 64.4%) and Asia Pacific (up 49.4%), despite the high base of comparison. The House's online sales, driven by the U.S., reported triple-digit growth. The collections were also successful in Wholesale, with revenue up 43.6%.

Yves Saint Laurent: continued very strong growth momentum

With revenue of €408.2 million, up 12.0% as reported and 19.6% on a comparable basis, Yves Saint Laurent continued to grow at a fast pace. Alongside the permanent collections, the new lines were extremely well received. Sales in directly operated stores rose by 15.5%, propelled by surging revenue in North America (up 27.0%), Asia Pacific (up 23.6%) and Japan (up 22.9%). Once again, Wholesale posted strong growth (up 32.3%), driven by Western Europe.

The success of the Autumn/Winter 2018/2019 show, held on February 27 at the Trocadéro, was yet another testament to the Parisian House's iconic status.

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Bottega Veneta: continued redeployment

Bottega Veneta delivered revenue of €261.2 million, down 6.8% as reported and up 0.7% on a comparable basis. Sales in the directly operated store network rose by 1.7%, led by positive momentum in North America (up 10.6%), Asia Pacific (up 5.8%), and Japan (up 6.1%). New lines were well received, and Ready-to-Wear fared well. Wholesale was down slightly in the quarter.

The House is continuing to optimize its store network and strengthen its visibility through a communications strategy designed largely for digital media.

Other Houses: sustained growth

Revenue from the Other Houses amounted to €463.3 million, up 31.0% as reported and 37.9% on a comparable basis, with all geographic regions contributing to comparable growth.

Sales from Couture & Leather Goods rose sharply, driven by an excellent performance from Balenciaga, whose Ready-to-Wear and Shoes categories continued to deliver stellar growth. Alexander McQueen also maintained highly positive trends across all regions in its directly operated store network.

Watches and Jewelry performed very well this quarter. The strengthened positioning of Boucheron, Pomellato and Qeelin are paying off, thanks to new collections, extended iconic lines and investments in communications and store networks. Watches also turned in a good performance this quarter.

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Corporate and other

The “Corporate and other” segment delivered strong revenue growth this quarter, thanks to Kering Eyewear’s increased contribution. Kering Eyewear continued developing its organization, and the collections under the Cartier license, whose sales were consolidated for the first time, were very well received. With a solid framework and bolstered infrastructure, Kering Eyewear has successfully made a name for itself among retailers.



SIGNIFICANT EVENTS AND ANNOUNCEMENTS SINCE JANUARY 1, 2018

Planned payment of an exceptional dividend to Kering shareholders in the form of PUMA shares

At its January 11, 2018 meeting, Kering's Board of Directors decided to submit a resolution to the shareholders at the Annual General Meeting to be held on April 26, 2018 to approve the financial statements for the year ended December 31, 2017, to authorize the payment of an exceptional dividend in the form of PUMA SE ("PUMA") shares, on the basis of 1 PUMA share for 12 Kering shares held. If approved, the payment date of the dividend will be May 16, 2018. Upon completion of this transaction, Kering will retain 15.85% of all PUMA shares outstanding and voting rights. The main consequence of this distribution of PUMA shares will be the loss of control of PUMA at the dividend payment date.

Agreement between Kering and Ms. Stella McCartney on the sale and purchase of the Group's stake in her eponymous brand

On March 28, 2018, Ms. Stella McCartney and Kering jointly announced that they had entered into an agreement for the sale and purchase of Kering's 50% stake in Stella McCartney Ltd to Ms. Stella McCartney, who will thus become the sole owner of her brand in its entirety.

Planned disposal of Volcom

On April 6, 2018, Kering announced that Volcom no longer constituted a core asset and that the Group had initiated a disposal process.

Unveiling of Gucci ArtLab

On April 19, 2018, Gucci unveiled its ArtLab, a facility in Florence dedicated to Leather Goods and Shoes. It combines Research and Development laboratories with a center for the production of prototypes and samples, all of which will henceforth be made in-house, together with an increasing proportion of Leather Goods and Shoes.

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AUDIOCAST

An **audiocast** for analysts and investors will be held at **6.00pm** (CEST) on **Tuesday, April 24, 2018**. It may be accessed **[here](#)**. The slides (PDF) will be available ahead of the audiocast at www.kering.com.

The audiocast will also be available by phone, using one of the dial-in numbers below:

France	+33 (0)1 76 77 22 57
United Kingdom	+44 (0)330 336 9411
United States	+1 929 477 0448

Access code: 7615082

A replay of the audiocast will also be available at www.kering.com.

About Kering

A global Luxury group, Kering manages the development of a series of renowned Maisons in Fashion, Leather Goods, Jewelry and Watchmaking: Gucci, Saint Laurent, Bottega Veneta, Balenciaga, Alexander McQueen, Brioni, Christopher Kane, Tomas Maier, Boucheron, Pomellato, Dodo, Qeelin, Ulysse Nardin, Girard-Perregaux, as well as Kering Eyewear. By placing creativity at the heart of its strategy, Kering enables its Maisons to set new limits in terms of their creative expression while crafting tomorrow's Luxury in a sustainable and responsible way. We capture these beliefs in our signature: "Empowering Imagination." In 2017, Kering had nearly 29,000 employees and pro forma revenue of €10.823 billion.

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2018 first-quarter revenue

<i>(in € millions)</i>	Q1 2018	Q1 2017 ⁽¹⁾	Reported change	Comparable change ⁽²⁾
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⁽²⁾ On a comparable Group structure and exchange rate basis.

Revenue from *Discontinued operations* in first-quarter 2018

<i>(in € millions)</i>	Q1 2018	Q1 2017	Reported change	Comparable change ⁽³⁾
PUMA	1,135.2	1,008.9	+12.5%	+21.4%
Other activities	106.2	119.8	-11.4%	-4.9%

⁽³⁾ On a comparable Group structure and exchange rate basis.