AN ADVENTURE OF ENTERPRISE

2007 REFERENCES

An adventure of enterprise

PPR

PPR
Société anonyme (commercial company) with a share capital of €512,327,756
Registered office: 10, avenue Hoche – 75381 Paris Cedex 08 – France – 552 075 020 R.C.S. Paris
Tel.: +33 (0)1 45 64 61 00 – Fax: +33 (0)1 45 64 60 00
ppr.com

This document was printed using 100% fibre from sustainably managed forests
(FSC and PEFC certifications) in a plant that is ISO 14001 and EMAS certified.

Photos: Pascal Chevallier, Milo Keller et Julien Gallico, Puma.

Design and production: W PRINTEL.

TABLE OF CONTENTS

THE PPR GROUP IS DRIVEN BY
ITS AMBITION TO ACHIEVE
PROFITABLE GROWTH,
PURSUING ITS INTERNATIONAL
EXPANSION IN A SPIRIT OF
ACHIEVEMENT AND CREATIVITY.

François-Henri Pinault,
CEO and Chairman of the Board of Directors.

A STRONG ENTREPRENEURIAL CULTURE

The entrepreneurial spirit lies at the heart of the Group's identity, as underscored by its signature, "An adventure of enterprise." Every change in PPR group structure since its 1963 inception has been guided by a strong entrepreneurial culture. At each stage in its history, PPR has acted boldly and imposed its performance-driven culture, developing each of its businesses and offering them solid prospects for growth.

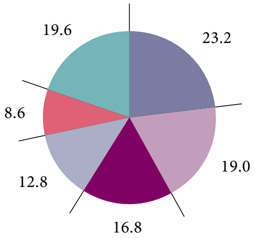
A STRATEGY OF GROWTH, RISK DIVERSIFICATION AND CASH-FLOW GENERATION

PPR's development strategy is primarily based on organic growth, generating strong cash-flow, with a reliance on brands diversity.
In Luxury Goods, Gucci Group combines leading brands with a differentiated positioning, the complementary features of which form one of its greatest assets. The rise of these prestigious brands derives from the growing success of their designers' collections and of from the expertise of their craftsmen. The relevance of their positioning and their global status offers excellent margins and growth prospects.
The Consumer brands stand out through a constantly expanding and renewed range of products and services, the roll-out of e-commerce, the launch of innovative store concepts and the development of the distribution network. Relying on historical domestic or regional market positions that offer a steady cash-flow, the growth drivers of these brands lie in the international expansion of their concept.
PPR has strucke a special balance in terms of brands, products, selling formats and geographical presence, which confers the Group an appealing individual profile arising from higher than market growth, risk diversification and stable cash-flow.

A DECENTRALISED OPERATIONAL MANAGEMENT COMBINED WITH POOLED RESOURCES AND SKILLS

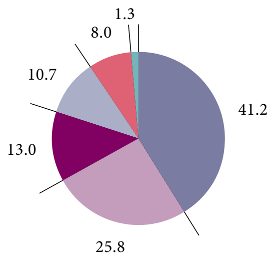
PPR organisational style has long favoured operational decentralisation and close proximity to the market and the customer. This involves a large degree of autonomy for the CEOs of the various operating branches, so as to guarantee responsiveness and the ability to anticipate upcoming trends.
Resources are pooled to improve performance. Knowledge-sharing among the various brands and companies is systematically encouraged to exploit the specific expertise of each company and brand, and promote group-wide creativity and innovation. This organisation is central to the performance of the Group's activities.

BREAKDOWN
OF 2007 REVENUE
BY ACTIVITY
(in %)



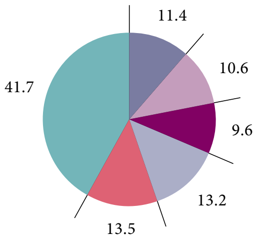
- Fnac
- Redcats Group
- Conforama
- CFAO
- Puma
- Gucci Group

BREAKDOWN
OF 2007 REVENUE
BY GEOGRAPHICAL AREA
(in %)



- France
- Europe (excluding France)
- Americas
- Africa
- Asia
- Oceania

BREAKDOWN OF 2007
RECURRING OPERATING
INCOME BY ACTIVITY(1)
(in %)



- Fnac
- Redcats Group
- Conforama
- CFAO
- Puma
- Gucci Group

(1) Excluding holding companies and others.

OUTSTANDING 2007 OPERATING AND FINANCIAL PERFORMANCES

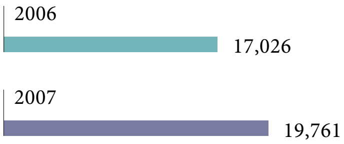
In 2007, the Group pursued its growth and reported revenue of almost €20 billion, up 16% in actual terms and 7% on a comparable basis in relation to 2006. On a historical Group structure basis, i.e. excluding the consolidation of Puma, business rose by a little more than 6%.

These good performances also reflect a 33% surge in recurring operating income. Excluding the consolidation of Puma, this increase remains significant at more than 14%, thus representing a sharp improvement in the Group's operating profitability.

Group share of net income from continuing operations reported exceptional growth of 51% and reached a record level by exceeding the billion euro mark. Free cash-flow from operations, a key performance indicator, increased considerably for the third year running to reach €1.4 billion at the end of 2007, up 32% compared to 2006.

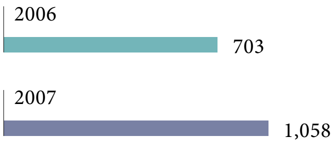
Finally, at December 31, 2007, and following the 63.6% consolidation of Puma, our Group boasts a very sound financial position.

REVENUE
(in € million)



RECURRING OPERATING INCOME
(in € million)

GROUP SHARE OF NET INCOME FROM CONTINUING OPERATIONS
(in € million)



FREE CASH-FLOW FROM OPERATIONS[1]
(in € million)

(1) Net cash from operating activities - net acquisitions of intangible assets and property, plant and equipment.

fnac.com

REDCATS Group

Conforama

CFAO
cfaogroup.com

PUMA®

GUCCI
GROUP

AN EFFICIENT COMBINATION OF TWO COMPLEMENTARY MARKETS

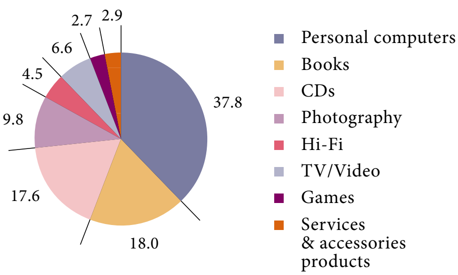
PPR is organised around 6 operating branches: Fnac, Redcats Group, Conforama, CFAO, Puma and Gucci Group.

These companies coordinate global and powerful global brands driven by distinctive distribution models and renowned for their creativity and formidable ability to innovate. Together, they translate into leading positions for the Group, both in the exclusive Luxury Goods universe and the broader Consumer market.

With Gucci Group's prestigious brands, PPR is present in global high-growth markets where purchasing power is strong.

The Consumer brands hold leading positions in stable and mature mass markets, thus ensuring sizeable business volumes where the main growth reservoir is international expansion.

Breakdown of 2007 revenue by product category (%)

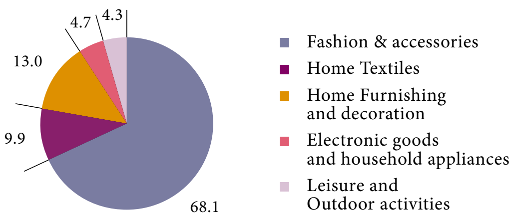


4,583.5 € million in revenue in 2007
199.0 € million in recurring operating income in 2007
19,366 employees at the end of 2007
130 directly-operated stores at the end of 2007
(excluding Fnac Éveil & Jeux) and 1 store held on a joint-venture basis in Greece

Since its creation, Fnac has proposed a comprehensive cultural offering and access to a maximum of technological products. The company sets itself apart from its competition through its unique brand positioning based on exciting the pleasure of discovering a diversity of cultures and technologies. Fnac's unique product range consists in offering an unrivalled selection of books, CDs, DVDs, video games and technical products. This product range is supported by its impartial and innovative advice.

Present in 8 countries, Fnac has 131 stores, including 54 at the international level.
It is the leading retailer of cultural and technological products in most of the countries in which it has a presence. In France, Fnac is the leading bookstore, the largest music store, and also the leading retailer of personal computers and photography, camcorder, MP3 player, PDA and GPS products.
2007 was a record year in terms of store openings, with 14 new stores. Fnac also pursued the development of the "Fnac Périphérie" (stores in peri-urban areas). This format has proved to be very effective and represents a major organic growth engine for the future.
In 2007, e-commerce represented a sharp €435 million increase in business volume for Fnac. With over a million product references, Fnac.com is the only website offering cultural and technological products, ticketing and travel-related products in addition to music, videos, software and games downloads.
International expansion is one of the key development strategy pillars adopted by Fnac, which opened 7 new stores outside France in 2007 and intends to continue this intensification in 2008. Activities outside France rose by 14.3% and represent 28.6% of Fnac revenue in 2007.
In addition to its retail activities, Fnac has always defined itself as a key cultural and technological player, as well as a corporate citizen. In 2007, Fnac coordinated more than 7,200 cultural and technological events in its store forums, where ideas are shared and discovered.
2007 is the fourth year of double-digit growth in operating net income.
The year 2008 promises to generate new growth for Fnac, which will continue to expand its store network. Home service offers will also be enhanced, while the complementarities between stores and the Internet will continue to be developed.
fnac.com

Breakdown of 2007 revenue by product category (%)



3,764.5 € million in revenue in 2007

186.6 € million in recurring operating income in 2007

22,161 employees at the end of 2007

More than 60 e-commerce sites

In fashion and home decoration, Redcats Group has united international and multi-channel brands, leaders on their respective markets, capitalising on opportunities presented by the web. Through its 15 brands, Redcats Group retails products primarily in the areas of apparel and home furnishings and appliances. The company is active in 29 countries. Combining a multi-channel retail approach using catalogues, Internet sites and specialty stores, Redcats Group provides customers with permanent access and greater responsiveness.

EUROPEAN BRANDS

La Redoute offers a "French Touch" in 24 countries and its apparel offering is retailed through its multi-specialist catalogues and specialist catalogues such as Anne Weyburn (for maturer active women) or Taillissime (for men and women's plus sizes). The brand also includes home furnishings and decoration, with specialised catalogues such as AM.PM., Solutions Maison or So'Home. La Redoute is number one in France for fashion and home decoration Internet sales. The Internet as a distribution channel now represents 48.6% of the brand's home shopping revenue. The brand also posted solid growth internationally, representing 25% of its 2007 revenue.

La maison de Valérie specialises in household equipment. While maintaining a positioning geared towards credit accessibility thanks to payment facility and attractive prices, La maison de Valérie has renewed its offering based on the lifestyles and needs of its customers and is featuring customer rapport in its communications.

A children's specialist, **Vertbaudet** publishes the catalogues for ready-to-wear, for furniture, decoration and bed linen, and for the 10-15 year-olds.
Cyrillus publishes its catalogues in 4 languages (French, English, Japanese and German) and has a stores' network in addition to websites. On the occasion of its 30th anniversary, the brand with the "classic, modern and stylish" positioning, passed on a new message this year: "The beauty of family life."
In 2007, the brand **Somewhere** decided to defend its positioning and "casual chic" offering, by developing a new visual image and store concept.
Daxon offers a well-being and home range – which also includes the specialised products of Edmée (accessible casual wear positioning) and Celaia (collection for active women over the age of 45). **redcats.com**

Ellos, the brand leader in Scandinavia, offers an accessible and contemporary line for the entire family, with 4 of is own brands: "Sara Kelly" (for active women), "CW" (for women seeking the authentic look), "Joelle" (for a trendy and original style) and "e-basics" (for men, women and children). 3 collection concepts complete the Ellos offering: **Josefssons** focuses on the modern young woman, **Jotex**, a home linen specialist, completes the textile product line and lastly, **Enjoy** distributes films and music. The brand's Internet sales continued to grow sharply, accounting for 50.7% of home shopping revenue in 2007.

AMERICAN BRANDS

In the United States, Redcats USA has established itself as the specialist in the home shopping "plus size" market, through 4 brands: **Jessica London**, **Roaman's** and **Woman Within** (previously Lane bryant Catalog) which have developed a line of women's wear and accessories and **KingSize**, which offers men's casual collections.

At the end of October 2007, Redcats Group finalised the public offering launched by United Retail Group, a US company and owner of the Avenue brand. With its strong brand image, **Avenue** adds to the leadership of Redcats Group on the very promising "plus size" market, by attracting a younger clientele that likes fashion and has a slightly higher income than the Redcats Group traditional US customers.

The brands of the Redcats USA "Sports and Leisure" activity comprise **The Sportsman's Guide**, the leader in on-line and catalogue sales of sports and leisure articles and its subsidiary **The Golf Warehouse**, specialising in on-line sales of golf equipment. These 2 brands posted excellent growth in 2007.

Finally, the **BrylaneHome** brand, devoted to home furnishings and decoration, is being repositioned to focus on a more selective offering with greater added value, combining the *Home* and *Kitchen* collections.

Overall, in 2007, the American brands earned 40% of their home shopping revenue through the Internet.

STRATEGY

Redcats Group pursued its comprehensive transformation from a national group of mail-order companies driven by credit and services to a multi-channel group of international brands.
In 2007, the Group pursued **the active management of its portfolio** by banking on its leading home shopping brands and developing its "branded retail" brands. Accordingly, in the United States, 2007 was marked by the successful consolidation of The Sportsman's Guide and The Golf Warehouse acquired in 2006, and the acquisition of the Avenue brand. Due to the decline of the Agency model and substantial competition in terms of the apparel market and the credit offering, Redcats UK has gradually ceased the activities of the Empire Stores brand. In the United States, the Group also initiated the sale of the "Missy" division brands (Chadwick's and Metrostyle) – which did not hold leading positions in a highly competitive women's apparel market – to concentrate on its "Plus size" and "Sports and Leisure" activities.

Creativity is a major strategic focus for Redcats Group, which continues to bolster its product development teams and broaden the appeal of its in-house brands, which represent 80% of its apparel offer.

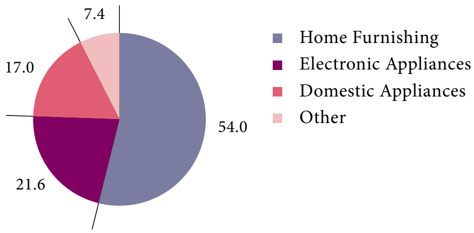
Redcats Group operates via 3 distribution channels: Internet sites, stores and catalogues.
The development of the **Internet** continues as it proves to be an increasingly powerful channel for all brands in all geographical areas. The Internet sales channel represents 42.5% of home shopping revenue in 2007, compared to 34.2% in 2006.

Redcats Group has successfully developed its brands **internationally** either via acquisition, via a direct presence, or by capitalising on infrastructures and resources already in place within the Group.

In 2007, Redcats Group generated revenue from continuing operations of €3,765 million, up 1.2% in actual terms and 2.2% on a comparable basis. Recurring operating income from continuing operations stood at €187 million, which demonstrates the company's ability to withstand an extremely competitive environment.

In 2008, the Group will continue to focus the portfolio on its leading brands as started in 2007. It expects to accelerate the development of its store channel, develop its activities internationally by reinforcing the positions gained in the various countries where it is established and consolidating its Internet leadership in fashion and decoration.

Breakdown of 2007 revenue by product category (%)



3,313.0 € million in revenue in 2007

167.5 € million in recurring operating income in 2007

15,403 employees at the end of 2007

215 directly-operated stores at the end of 2007

(excluding 31 affiliated stores)

The leader in France in furniture and a worldwide player in home furnishing, the objective of Conforama is to "provide home comfort access to the greatest number according to their own taste and at the best price." Faithful to its discounter concept, Conforama is a multi-specialist in home furnishing, offering its customers one-stop shopping for furniture, decorative items, electrical appliances and consumer electronics in an extensive array of styles, with immediate availability.

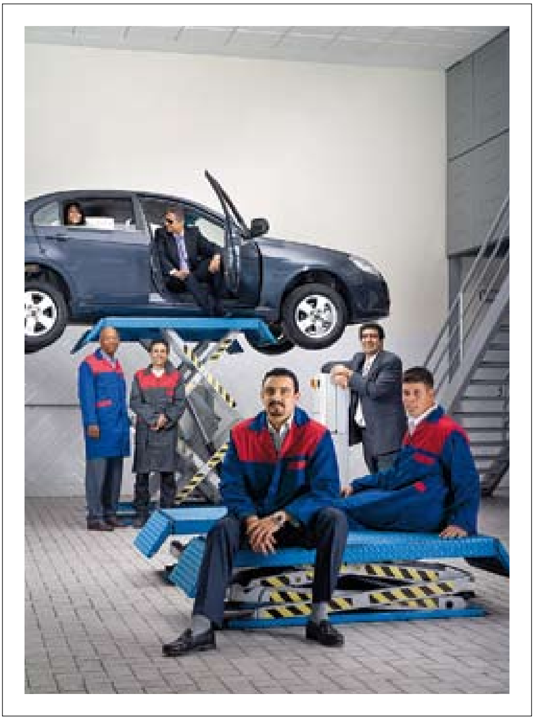
The Conforama slogan "Bien chez soi, bien moins cher" ("Comfort at home at an affordable price") is true to its strategy and its positioning. To reinforce its image as a discounter, the company has enhanced pricing signage in all of its stores and relies on a "lowest price" range in all the countries where it is established. Conforama has accelerated the modernisation of its store network (36 remodelling projects were carried out in 2007) and its offering's modernisation.

At the international level, Conforama has adapted its development strategy according to the country of establishment. In Italy, the conversion of the Emmezeta stores to Conforama was stepped up in 2007, with the aim of converting the entire Italian network to the Conforama banner in early 2009. The Conforama strategy is to feature among the top 3 players in home furnishings in each country where the company is established. In Poland, Conforama is no longer banking on a top 3 position. Thus, the company prefers to concentrate its international efforts on Southern Europe where its development is more advanced.

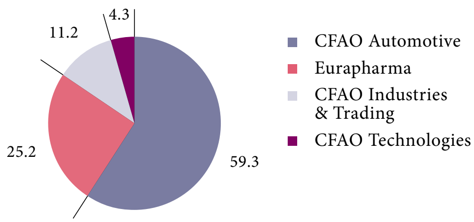
In 2007, Conforama continued to develop its remote sourcing activity and optimise merchandise purchases and flows. Conforama also intensified its recruiting and training policy and reaffirmed the company's civic responsibility by pursuing its partnership with Secours populaire français.

In 2007, Conforama generated revenue of €3,313 million, up by 1.8% compared to 2006. Recurring operating income amounted to €168 million, a decrease of 8%. The drop is entirely due to the activity in Italy.

In 2008, Conforama will continue to pursue the conversion strategy, in particular: the pursuit of the store concept modernisation, further development of the home decoration range, the improvement of supply chain efficiency, the restructuring and changes of the Italian stores, and the reinforcement of positions in Spain and Portugal. conforama.fr



Breakdown of 2007 revenue by activity (%)



2,534.7 € million in revenue in 2007

232.3 € million in recurring operating income in 2007

10,192 employees at the end of 2007

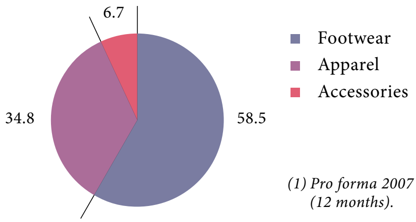
CFAO
cfaogroup.com

CFAO is a leading specialised retail brand in Africa and the French overseas collectivities*. With a total market of 850 million people, CFAO's objective is to meet a variety of requirements covering transport for individuals and goods, healthcare, individual and corporate communications and daily consumption in an effective and professional manner.

CFAO is structured around 4 business units: CFAO Automotive for automobile sales, Eurapharma for the distribution of pharmaceutical products, CFAO Technologies for the integration of new technologies and CFAO Industries & Trading for the production and distribution of consumer goods.
CFAO has been operating on the African continent for 120 years, and is active in 33 African countries, 6 French overseas collectivities and Vietnam. Due to its know-how in each of the 4 business segments and its expertise in its markets, CFAO now holds leading positions on the African continent.
From 2000 to 2007, CFAO pursued an ambitious growth strategy, establishing new companies and acquiring import and distribution companies or labels. Over the period, CFAO established itself in 18 new countries, including Asia, where it sells equipment and private vehicles.
Over the past 10 years, CFAO has undergone a period of outstanding growth and profitability, as demonstrated by revenue and recurring operating income that have multiplied by 2.5. Such success is underpinned by solid control over the risk/profitability matrix combined with diversification from both a geographical and a business standpoint. This performance underscores the success of its investment strategy.
One of the top priorities of the CFAO growth strategy is the markets of Mediterranean Africa. In the medium term, CFAO hopes to generate a quarter of its revenue in the Mediterranean African countries, compared to the current 17%. CFAO also plans to bolster its market share in English-speaking African countries, particularly East Africa.
In 2007, CFAO posted revenue of €2,535 million, an increase of 14.2% in actual terms and 20.2% on a comparable basis. Recurring operating income rose by 27.4% to reach €232 million.
CFAO's goal for 2008 is to continue generating robust business growth by expanding existing activities and adding to its international positions. **cfaogroup.com**

** Formerly overseas departments and territories.*

Breakdown of 2007 revenue by product category[(1)] (%)



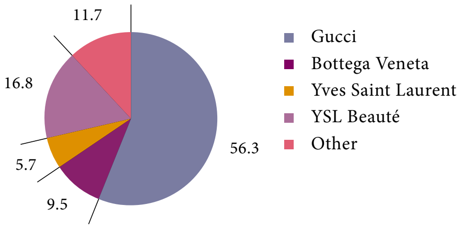
(1) Pro forma 2007 revenues (12 months).

1,717.6 € million in revenue in 2007
(consolidated from April 1 to December 31, 2007)
236.0 € million in recurring operating income in 2007
(consolidated from April 1 to December 31, 2007)
11,039 employees at the end of 2007
116 directly-operated stores at the end of 2007

Puma is a Sportlifestyle brand that brings distinctive designs and a global outlook to its product range by blending influences of sport, lifestyle and fashion. The brand equity is built on its strong sports heritage combined with a long tradition of innovation and sports performance. Puma is also one of the world's largest providers of athletic footwear, apparel and accessories which owns the 2 brands Puma and Tretorn. As a worldwide brand, it operates in more than 80 countries.

With the objective of being "the most desirable Sportlifestyle company", Puma intends to bolster its position as one of the few true, multi-category brands, and to make effective use of the many opportunities offered by the Sportlifestyle market.
The expansion of product categories, which characterize, among other things, Phase IV of Puma's long-term business plan, involves both growth in already existing business segments as well as entering into new product categories. A creative connection between sports and fashion will help the brand to achieve its long-term goal of being "the most desirable Sportlifestyle company".
Ongoing efforts aimed at strengthening the product range and innovative designs in the existing product categories guarantee Puma's appeal to its target groups, thus gaining brand equity. Moreover, new product categories will also attract new target groups to the brand. At last, in order to strengthen the brand's design competency, Puma collaborates with external top designers such as Alexander McQueen.
Moreover, Puma will expand the wholesale as well as its own retail business regionally.
Another objective in Puma's Phase IV is the expansion of non-Puma brands and hence, it does not rule out that further brands will be added to its brand portfolio of Puma and Tretorn.
Puma has also issued various product licenses (such as fragrances, glasses and watches) to independent partners and distribution licences in individual foreign markets.
Puma's 2007 contribution to PPR group consolidated revenue was limited to sales for the last 9 months, and amounted to €1,718 million, representing a rise of 3.6% on a comparable exchange rate basis compared to 2006. In 2007, Puma contributed a 9-months operating income of €236 million to the PPR group recurring operating income.
2008 promises to play to Puma's historic strengths with global sporting events where Puma will participate with product innovation and marketing visibility. In addition to these events, Puma will unite a broader set of products and categories under the "Sportlifestyle" brand campaign. **puma.com**

Breakdown of 2007 revenue by brand (%)



3,867.3 € million in revenue in 2007

730.9 € million in recurring operating income in 2007

14,095 employees at the end of 2007

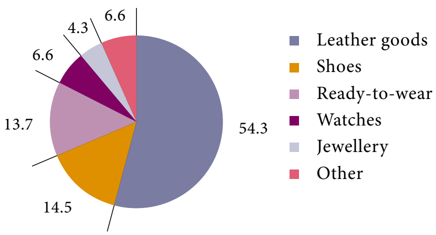
494 directly-operated stores at the end of 2007

GUCCI GROUP

Gucci Group is one of the world's leading multi-brand Luxury group with a portfolio of premier brands. Gucci, Bottega Veneta and Yves Saint Laurent are the Group's flagship brands. Balenciaga, Alexander McQueen and Stella McCartney are the most experimental brands with high growth potential. Finally, Sergio Rossi, Boucheron and YSL Beauté have opened up new market segments and complementary expertise in fragrances, cosmetics, beautycare products, watches, jewellery and shoes. The extensive product range is one of the Group's greatest strengths.

Gucci Group designs, produces and distributes high-quality Luxury goods. As a multi-brand group, Gucci Group has promoted the sharing of knowledge among its various brands, capitalising on the specific expertise of each of them.
Its strategy is based on 2 main objectives: to ensure revenue growth and profitability for the Group, and to assign a specific role to each brand within the Group, so as to maintain the consistency of their positioning in terms of market segments and product categories.
The implementation of this strategy relies on a decentralised organisation, which means substantial autonomy, within specific guidelines, to the CEOs of the various brands, who are responsible for creation, merchandising and all aspects of their operating and financial results. The Creative Directors of each of the Gucci Group brands are among the most talented in the world.
Gucci Group is present in all of the world's major Luxury Goods markets. The Group has consolidated its positions and developed in all regions where its brands are present. It is strengthening its presence in those regions where the growth potential shows the most promise (China, India and Russia). All of the Gucci Group brands developed a significant local customer base, while continuing to exploit the opportunities offered by the global tourist market.
The carefully controlled development of an integrated distribution network with a well-conceived geographical basis has been a key strategic focus for Gucci Group.
Through rigorous management of brand image, a thorough communication policy, outstanding product quality and a carefully controlled distribution network, Gucci Group has reinforced its brands reputation and positioning over the past few years.
guccigroup.com

Breakdown of 2007 revenue by product category (%)



2,175.4 € million in revenue in 2007

646.9 € million in recurring operating income in 2007

6,506 employees at the end of 2007

233 directly-operated stores at the end of 2007

GUCCI

Founded in Florence in 1921, Gucci is one of the world's leading luxury brands. It designs, manufactures and distributes high-quality products such as leather goods, shoes, ready-to- wear, silks, timepieces and fine jewellery. Eyewear and fragrances are manufactured and distributed under license. Gucci's core values are uncompromised craftsmanship, outstanding quality and absolute "Made in Italy" (with the only exception of watches, which are produced in Switzerland).

Gucci's unique positioning is due to a clear strategic and creative vision, based on 4 key principles: creativity, quality, "Made in Italy" and exclusivity. Creative Director, Frida Giannini, has adopted a fresh and modern approach across all product categories, while upholding Gucci's heritage. Gucci products are sold exclusively through a network of directly-operated stores or under exclusive Gucci franchises, and in carefully selected department and specialty stores around the world. E-commerce is also an added-value channel.

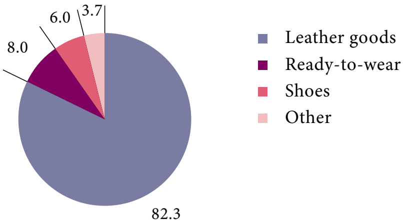
Present in 60 countries, Gucci, thanks to its worldwide renown, is one of the most desired brands in the world's main geographical areas. The brand has also taken advantage of the opportunities offered by expanding markets and has made successful inroads, such as China where Gucci owned 16 stores at the end of 2007. In September 2007, Gucci entered the Indian market with a first franchise store in Mumbai, and plans to open other stores in New Delhi and Bangalore in 2008.

In 2007, Gucci reported revenue of €2,175 million, up 11% on a comparable basis compared to 2006. Gucci's recurring operating income soared by 5.7% to reach €647 million.

2008 began with the opening of the largest Gucci store in the world on New York's Fifth Avenue. The new flagship is the fruit of the new Gucci store concept.

In 2008, Gucci will continue to strengthen its leadership as a global luxury brand, reinforcing its positioning both in historical as well as in new markets, maintaining its exclusivity and focusing on its core businesses. **gucci.com**

Breakdown of 2007 revenue by product category (%)



366.1 € million in revenue in 2007

92.2 € million in recurring operating income in 2007

1,235 employees at the end of 2007

111 directly-operated stores at the end of 2007

BOTTEGA VENETA

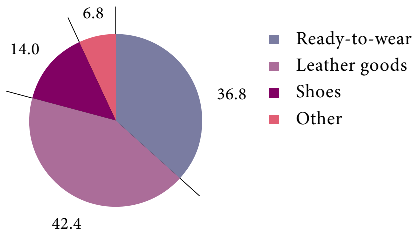
Bottega Veneta creates luxury goods based on its core values of quality, craftsmanship, exclusivity and discreet luxury. The brand began as a leather goods House made famous through its signature "intrecciato," a unique leather weaving technique created by the Bottega Veneta craftsmen, and it now also offers women and men's ready-to-wear, shoes, sunglasses and other fashion accessories. The brand also successfully launched a fine jewellery line, and new home furniture collections and decoration accessories.

Bottega Veneta is and will remain an exclusive niche market Luxury brand and is determined to reinforce its positioning as a Luxury lifestyle brand.
From its inception, in the mid sixties, Bottega Veneta has been synonymous with the highest craftsmanship, the choice of finest materials, and a design style that is innovative yet sober.
Under the creative direction of Tomas Maier and a strong management team, Bottega Veneta has re-established its high-end luxury positioning with products that satisfy the most demanding customers. By combining traditional luxury values with innovation, Bottega Veneta products present both modernity and timeless elegance.

Bottega Veneta products are sold exclusively through a tightly controlled distribution network of directly-operated stores, exclusive franchise stores and carefully selected department and specialty stores around the world. In January 2007, Bottega Veneta opened its first store in China in Shanghai followed by a second store in Beijing in April. In April, Bottega Veneta also opened a new flagship store in Tokyo Ginza that now represents the largest store in the network. In May, the Florence store was relocated to a beautiful historical building and in November, Bottega Veneta opened its 19th US store in Boston Natick. By the end of 2008, the brand is planning to open 11 additional stores in all the world's major Luxury Goods markets.

Bottega Veneta posted record performances in 2007. Revenue grew to €366 million, an increase of 48.7% on a comparable basis compared to the previous year. This performance is primarily due to the remarkable success of the collections. Bottega Veneta posted recurring operating income of €92 million, up 68.9%.
bottegaveneta.com

Breakdown of 2007 revenue by product category (%)



221.3 € million in revenue in 2007

-31.9 € million in recurring operating income in 2007

1,002 employees at the end of 2007

64 directly-operated stores at the end of 2007

Since its creation in 1961, Yves Saint Laurent has indelibly influenced and marked the fashion industry. With more than 45 years of unique history, Yves Saint Laurent is one of the most prestigious Houses of the industry. Across barriers of time and borders, the Yves Saint Laurent signature means fashion and creativity delivered in innovative ways. The brand designs and markets a broad range of women's and men's ready-to-wear products, leather goods, small leather goods, shoes and jewellery.

Throughout the years, the groundbreaking designs of the Yves Saint Laurent Couture House have created innovative pieces of clothing that have become classic icons.
Its founder, the couturier Yves Saint Laurent, built a reputation as one of the 20^{th} century's most innovative and provocative designers. He created signature looks and styles.

Acquired by Gucci Group in 1999, Yves Saint Laurent has been positioned at the top end of the Luxury Goods market. Under the management of Valérie Hermann, CEO since 2005, and Stefano Pilati, Creative Director since 2004, the brand has renewed the exceptional legacy of its founder while bringing a contemporary approach to its collections. Around the world, Yves Saint Laurent is a signature combining elegance, discreet but recognisable lines, refined details and top quality fabrics, synonymous of perfection for both men and women's Luxury Goods.

The Yves Saint Laurent network currently comprises 64 directly-operated stores, including flagship stores in Paris, New York, London, Milan, Hong Kong and Beverly Hills. The brand is also present in the most prestigious boutiques and multi-brand department stores in the world.

Yves Saint Laurent's revenue continued to climb in 2007 to reach €221 million, up 22% on a comparable basis. Recurring operating losses decreased significantly from €49 million in 2006 to €32 million in 2007.
With much acclaim by celebrities and an ever-increasing interest from the press, Yves Saint Laurent has confirmed its status as an emblematic brand and trendsetter.
ysl.com

BALENCIAGA

Founded in 1919 by Cristóbal Balenciaga, the House of Balenciaga is one of the most influential forces in fashion. The provocation of its design and vision, the mastery of techniques and cuts, the constant innovation in fabrics, and the talent of its Creative Director, Nicolas Ghesquière, are factors conducive to Balenciaga's success. While the brand's identity is firmly anchored and evoked in its highly symbolic ready-to-wear collections, the leather goods and shoe ranges have also enjoyed phenomenal success worldwide. In June 2007, Balenciaga opened a directly-operated store in Milan, its third after Paris and New York. **balenciaga.com**

ALEXANDER MCQUEEN

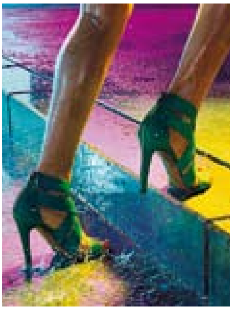
Known for his audacity and creativity, Alexander McQueen has an impressive reputation in the world of fashion. It markets women's accessories and ready-to-wear and new categories of men's ready-to-wear, shoes and small leather goods. The promising start for the Alexander McQueen accessories collections is illustrated by the success of the handbag line which has shown significant growth and was largely acclaimed by the press. Based on this success, Alexander McQueen recorded positive recurring operating income in 2007 for the first time since its creation at the end of 2000. **alexandermcqueen.com**

STELLA McCARTNEY

Since its creation in 2001, the brand has developed its core activities – ready-to-wear, shoes and accessories – reflecting its commitment to protect the environment. In collaboration with YSL Beauté, the brand developed its fragrance business: the first fragrance "Stella" launched in 2003 met with considerable success and was followed in 2006 by the launch of "Stella in two". 2007 saw the launch of "Care by Stella McCartney", the first luxury organic skincare line. In addition, the license partnership with Adidas for women's sportswear was extended and Stella McCartney has started working with Bendon to develop and market the "Stella McCartney" lingerie line. The brand posted positive operating income for the first time in 2007. **stellamccartney.com**

sergio rossi

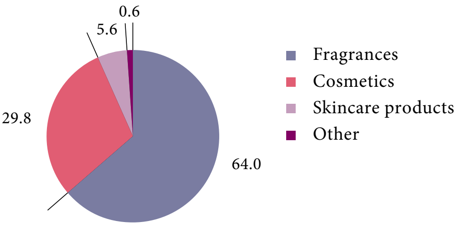
Since its creation in the late sixties, Sergio Rossi has relied on its undeniable expertise to promote a very specific vision of the shoe as a “beauty product” for the feminine silhouette. Under the leadership of Edmundo Castillo, Creative Director for women’s collections, the brand offers a large and rich collection of very elegant and high quality shoes. It also designs men’s footwear and bags. Renewed interest in the brand contributed to the opening of new stores, in particular in Asia where the first Sergio Rossi directly-operated store was opened in Hong Kong in October 2007. sergiorossi.com



BOUCHERON

Boucheron is the French jeweller “par excellence”. For nearly 150 years, Boucheron has been a trend-setter in the exclusive world of luxury jewellery, acquiring an international reputation. The brand manufactures and markets jewellery, watches and luxury fragrances across the world. Boucheron is proud to announce the 150th anniversary of the Founding of the House in 2008. To commemorate the event, it has decided to create 7 high jewellery collection sets: Audacious, Voluptuous, Magic, Curious, Gourmand, Dangerous and Mysterious. These represent the 7 fundamental characteristics of the House and are a sumptuous expression of the level of excellence Boucheron has come to represent over the past 150 years. boucheron.com

Breakdown of 2007 revenue by product category (%)



649.2 € million in revenue in 2007
64.7 € million in recurring operating income in 2007
3,505 employees at the end of 2007

YSL BEAUTE

An ambassador for excellence in order to strengthen the overall reputation of the Luxury Goods brands, YSL Beauté creates, produces and distributes fragrances and cosmetics under the Yves Saint Laurent and Roger & Gallet brands, as well as fragrances for Stella McCartney, Alexander McQueen and Boucheron. The company also produces fragrances under license for Oscar de la Renta and Ermenegildo Zegna. YSL Beauté is a major player in the fragrance and luxury cosmetics market.

The company develops and expands each of the brands in its portfolio by relying on their distinctive features and offering products that represent the state of the art in terms of quality, creativity and technology. It contributes to the global awareness of the Yves Saint Laurent brand as well as Roger & Gallet, Boucheron and Stella McCartney, and provides Gucci Group with privileged access to the Luxury fragrances and cosmetics sector.
YSL Beauté's flexibility and reactivity enable it to anticipate and respond promptly to changing market trends. Gucci Group has succeeded in significantly improving the performances of YSL Beauté in the past 3 years thanks to a strong managerial team and dedicated employees. The next step will be a more intense growth plan with the turnaround of international markets.
YSL Beauté, which operations are fully integrated in a single production plant in France, sells its products through leading department stores, prestige specialty stores and duty-free shops. The brand uses distributors and agents, overseen by its regional offices, to reach the markets not covered by its subsidiaries.
2007 was marked by the launch in October of a new Yves Saint Laurent women's fragrance, *elle*. Its masculine equivalent, *L'Homme Yves Saint Laurent*, launched in 2006, secured Yves saint Laurent's position as a leading brand in men's fragrances. By launching, with Stella McCartney, the first luxury skincare line with 100% organic ingredients, YSL Beauté has acted as a genuine pioneer and marked a major technological step in the luxury cosmetics sector. Boucheron offered a new vision of its brand, younger, more coloured but still luxurious, thanks to *Miss Boucheron*.
In 2007, YSL Beauté posted revenue of €649 million, up 6.5% on a comparable basis. Recurring operating income rose sharply and reached €65 million in 2007.

alexandermcqueen.com **boucheron-parfums.com** **stellamccartney.com**
ysl-parfums.com **oscardelarenta-fragrances.com** **roger-gallet.com**
zegnaparfums.com

IN 2007, PPR CREATED THE GROUP CORPORATE SOCIAL RESPONSIBILITY DEPARTMENT, WHICH IS REPRESENTED ON THE EXECUTIVE COMMITTEE AND DIRECTLY REPORTS TO THE OFFICE OF THE CEO.

Since the implementation of the Ethics Charter in 1996 and the creation in 2001 of the SolidarCité association, the approach adopted for the structuring and development of the PPR Corporate Social Responsibility (CSR) policy has been one of continuous progress.
Thus following several years of project building and providing support for the initiatives of the Group's brands and companies, the PPR Corporate Social Responsibility Department was created in 2007. The department directly reports to the office of the Group CEO and its director is a member of the Executive Committee.

In order to provide a strategic dimension to CSR and incorporate its challenges in the business models of the Group brands and companies, the first efforts of this new department were focused on defining the Group's key priority challenges for 2008- 2010. These challenges were determined through an analytical survey of some sixty people within the Group (CEO of Group brands and companies, Board members, Sustainable Development teams, Human Resources teams, key employees responsible for CSR issues) and externally (non-financial rating agencies, independent experts, NGOs, etc.).
Based on the Group's commitment in the form of its Code of Business Practices and the PPR governance rules, there are 7 challenges concerning the fundamental issues of the brands and companies' businesses:

1. Enhance employability through skills management and training.
2. Train each manager on diversity issues.
3. Integrate CSR criteria into the suppliers' selection process.
4. Monitor and limit transport-related CO_2 emissions.
5. Reduce the environmental impact of stores and infrastructures.
6. Promote responsible products and usages.
7. Implement solidarity programmes related to companies' business activity.

Each company will appropriate these 7 challenges and tailor them to their structure by defining the related quantitative and qualitative objectives over 3 years. All of these objectives will be reviewed and validated in 2008, which is why a PPR CSR Committee has been created. Its members are drawn from the Group Executive Committee. The Committee's task, on a twice-yearly basis, will be to determine ambitious objectives for the Group's 7 challenges, and to see that they are met.

In 2007, Group commitments, with respect to Corporate Social Responsibility, has consisted in priority in:

ENHANCING THE SKILLS AND TALENTS OF EMPLOYEES

It is one of the major challenges of the PPR Human Resources policy. In 2007, the objective was to finalise the implementation of all the development tools and projects in tandem with the PPR strategy – performance-driven culture, internationalisation and entrepreneurial spirit – with a constant concern for proximity in order to guide employees in their professional career as best as possible.

ESTABLISHING LASTING RELATIONSHIPS WITH THE GROUP'S PARTNERS AND LOCAL COMMUNITIES

PPR maintains steady relations and exchanges with its partners to anticipate and take into account changes in their expectations. Because of this participatory approach, PPR is able to develop in conjunction with its partners. The Group promotes freedom of expression for its employees and dialogue with employees' representative bodies and takes a particular interest in the working conditions of its employees. At the same time, it has strengthened ties with its local environment. Finally, PPR's wish is to intensify its relations with suppliers by developing true partnerships and encouraging commercial partners that participate in integration initiatives.

SUPPORTING THE GROUP'S CUSTOMERS AS RESPONSIBLE PLAYERS

Active in the Luxury Goods and Consumer markets, the PPR group places its customers at the heart of its strategy and guarantees the safety and quality of its products. With respect to its commitments, the Group also wishes to offer its customers products and services presenting social and environmental criteria in response to their growing needs. PPR has assigned itself the task of informing its customers about sustainable development issues and promoting responsible behaviours and practices.

REDUCING THE GROUP'S ENVIRONMENTAL IMPACT

The PPR group, whose distribution segments do not present any major "industrial" risks for the environment, strives nevertheless to reduce its environmental impact everywhere where its activities may have an actual impact on ecosystems, energy and raw material consumption or on climate change particularly with CO_2 emissions.

Fnac
9, rue des bateaux-lavoirs
ZAC Port d'Ivry
94200 Ivry-sur-Seine – France
Tel.: + 33 (0)1 55 21 57 93
fnac.com

Redcats Group
5/7, rue du Delta
75009 Paris – France
Tel.: + 33 (0)1 56 92 98 00
redcats.com

Conforama
80, bd du Mandinet
Lognes
77432 Marne-la-Vallée Cedex 02 – France
Tel.: + 33 (0)1 60 95 28 00
conforama.fr

CFAO
18, rue Troyon
92316 Sèvres Cedex – France
Tel.: + 33 (0)1 46 23 56 56
cfaogroup.com

Puma
PUMA AG Rudolf Dassler Sport
PUMA-WAY 1
91074 Herzogenaurach
Germany
Tel.: + 49 09132 81 0
puma.com

Gucci Group
Rembrandt Tower
1 Amstelplein
1096 HA Amsterdam
The Netherlands
Tel.: + 31 20 46 21 700
guccigroup.com

PPR