2009
ACTIVITY REPORT

# Practising what we preach

O que dizemos fazemos

DICHO Y HECHO 实践理念

विचारों पर कार्रवाई Auf Worte folgten Taten

*Dalle parole ai fatti* Paroles en actions

有言実行

PPR

An adventure of enterprise

## MEMBERS OF THE BOARD OF DIRECTORS

(Subject to approval at the Ordinary and Extraordinary General Shareholders' Meeting of May 19, 2010)

François-Henri Pinault
Patricia Barbizet
Pierre Bellon
Laurence Boone
Allan Chapin
Luca Cordero di Montezemolo
Yseulys Costes
Jean-Pierre Denis
Philippe Lagayette
Aditya Mittal
Jean-François Palus
Baudouin Prot
Caroline Puel
Jean-Philippe Thierry

## MEMBERS OF THE EXECUTIVE COMMITTEE

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

Jean-François Palus
Deputy Chief Executive Officer and Chief Financial Officer, PPR

Claude Chirac
Senior Vice President Communications, PPR

Laurent Claquin
Senior Vice President Corporate Social Responsibility, PPR

Christophe Cuvillier
Chairman and CEO, Fnac

Philippe Decressac
Senior Vice President Human Resources, PPR

Thierry Guibert
Chairman and CEO, Conforama

Jean-Michel Noir
Chairman and CEO, Redcats

Robert Polet
CEO and Chairman of the Management Board, Gucci Group

Jochen Zeitz
CEO and Chairman of the Managing Board, Puma

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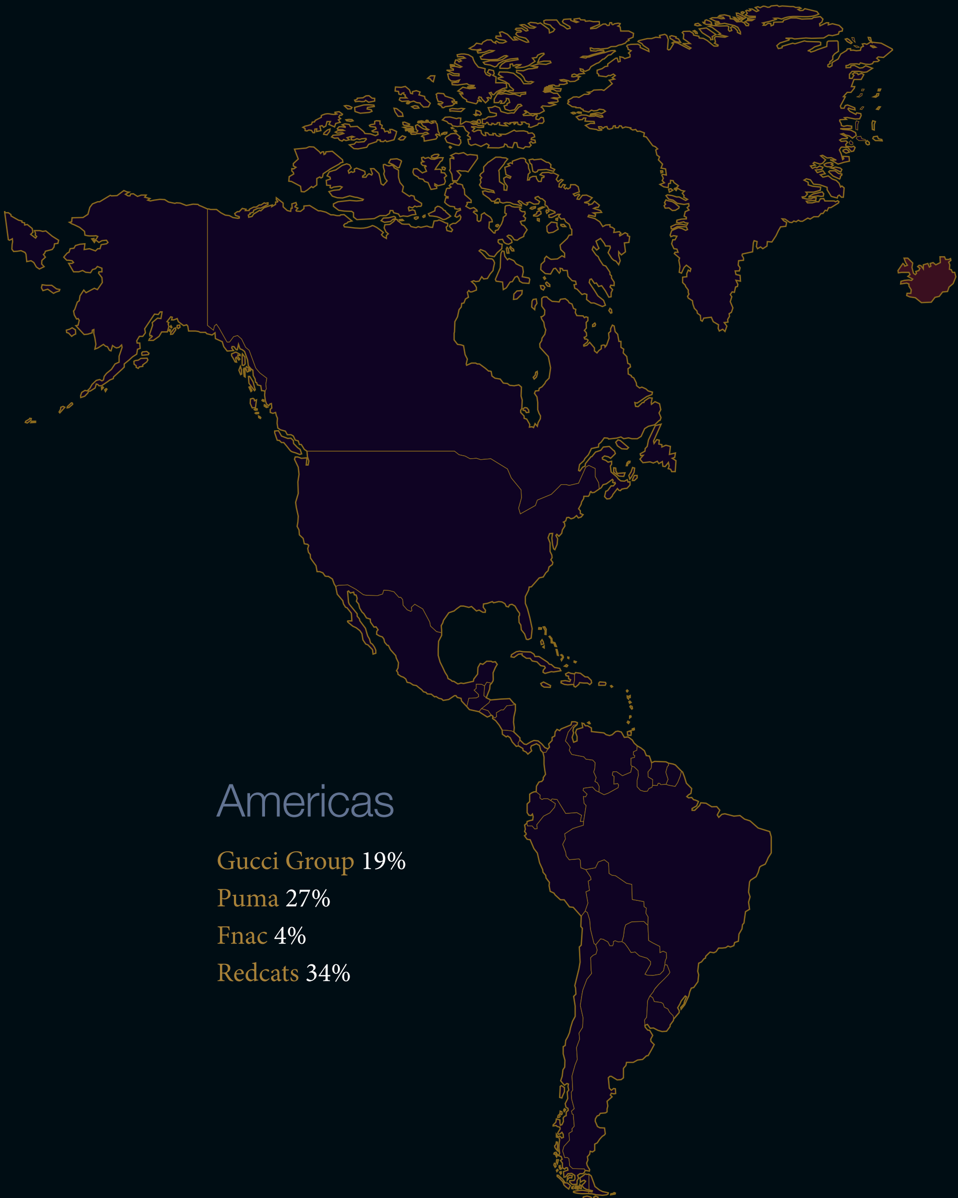
# PPR worldwide

€16.5 billion in revenue
More than 73,000 employees in 59 countries and territories



## Americas

Gucci Group 19%
Puma 27%
Fnac 4%
Redcats 34%

Breakdown of 2009 revenue by region and by subsidiary

# Europe

Gucci Group 37%
Puma 44%
Fnac 96%
Redcats 66%
Conforama 100%

# Africa Middle-East Asia-Pacific

Gucci Group 44%
Puma 29%

# Message from the Chairman

सभापति का संदेश Messaggio del Presidente

MENSAJE DEL PRESIDENTE Mitteilung des Vorstandsvorsitzenden

主席的话 *Message du Président*

会長からのメッセージ

Mensagem do Presidente

# VERY SATISFACTORY RESULTS FOR 2009

–

Interview with François-Henri Pinault,
Chairman and Chief Executive Officer

### GIVEN THE CHALLENGING CONDITIONS WORLDWIDE, ARE YOU SATISFIED WITH THE 2009 RESULTS?

Our 2009 financial results are remarkable and a source of great satisfaction. Naturally, the Group suffered from the general economic downturn worldwide over the year. However, we generated revenue of €16.5 billion, down 5.6% on a comparable basis compared to 2008.

Most notably, we accomplished all of our stated objectives: recurring operating margin stable at 8.4% of revenue, strong growth of 32% in free cash flow from operations to a record high of €1.1 billion, and the strengthening of the Group's financial structure through a reduction in net financial debt to less than €4.4 billion, down from more than €5.5 billion in 2008.

"In 2009, we accomplished all of our stated objectives."

> "These results reflect the outstanding work done by each of our brands and companies. They testify to the talent of our senior management and their teams."

## WHAT CONTRIBUTED TO THIS GOOD PERFORMANCE?

As early as spring 2008, we anticipated the worsening of the economic situation worldwide. We responded by presenting action plans for each of our subsidiaries. The related programs established improvement targets in gross margin, recurring operating margin and free cash flow.
Measures were swiftly deployed and implemented, yielding benefits throughout 2009. As a result, the ambitious objectives that I had set were attained and even exceeded in some cases. Our action plans will continue to have a positive impact in 2010.

Of course, the results reflect the outstanding work done by each of our brands and companies. They testify to the talent of our senior management and their teams, who have realised such performances in a time of crisis without forsaking the long-term vision in any of our businesses. I would like to pay tribute to them all and thank them again for their commitment to the Group.

## HAS THE CRISIS CHANGED YOUR STRATEGIC DIRECTION?

As you know, our strategy has been focused for several years on profitable growth and development worldwide on the back of powerful brands.
The financial crisis has slowed the execution of our strategy, but the direction is unchanged. PPR remains committed to building a portfolio of top-tier international luxury/lifestyle brands, based around the same development model and consumption attributes. We want to build a cohesive, and vigorous group with a presence in both the Consumer and Luxury Goods segments. We want to expand our operations internationally and diversify our geographical base to avoid over-reliance on any single economic region. We want our Group to benefit from the fastest-growing and most

> “PPR remains committed to building a portfolio of top-tier international luxury/lifestyle brands based around the same development model and consumption attributes.”

profitable consumer trends and to provide to any companies that join the Group with the international growth potential they could not achieve on their own.

Overall, the 2009 results show that PPR is weathering the global crisis, while maintaining its strategic direction and strenghtening its competitive advantages.

## WOULD YOU SAY THAT YOU HAVE HAD TO TRANSFORM THE GROUP?

When I took the reins of PPR in 2005, I opted to consolidate the Group’s balanced business profile, which we owe to our dual presence in the Luxury Goods and Consumer markets. At the same time, to ensure that our business development would yield more in terms of profitable growth, coherence and clarity, I decided that the Group should move towards a more homogeneous customer universe, by concentrating on luxury/lifestyle goods supported by strong international brands. We had already built one of the most prestigious and successful Luxury Goods businesses worldwide and I wanted our Consumer division to likewise gradually refocus on brands with international potential.

The transformation is intended to increase our growth and profitability rates in the retail segment, whose health is structurally dependent on the domestic market. We also want to replicate for our Consumer activities what we have already achieved in Luxury Goods, that is to say, closer integration in terms of product development and the expansion of store networks around the world.

To achieve this strategy, my first decision was to sell the Printemps department store in 2006. In 2007, we acquired Puma and in 2008, we sold YSL Beauté to L’Oréal. 2009 marked a new chapter, with the IPO of CFAO on a very satisfactory valuation basis.

> “The success of the CFAO IPO was quite remarkable. It demonstrates our Group’s capacity to execute its strategy with maximum effectiveness.”

## COULD YOU TELL US MORE ABOUT THE CFAO IPO?

The IPO was welcomed unreservedly by investors and was one of the largest in Europe in recent years.
It was 2.5 times oversubscribed and its order book featured all of the major international institutional funds. The issue price of €26 corresponded to a mid-range valuation and CFAO’s share price performance in the weeks following the IPO was more than satisfactory. In all, we sold 58% of the capital for €927 million.

The success of the CFAO IPO was quite remarkable, especially given the very unfavourable economic conditions at the time. It demonstrates CFAO’s exceptional vitality and solidity, as well as our Group’s capacity to execute its strategy with maximum effectiveness.

## ARE OTHER STRATEGIC OR TACTICAL MOVES PLANNED IN THE NEAR FUTURE?

We have charted a clear course, with specific objectives. We will continue to manage our business portfolios in line with our longer-term goals. This will involve strategic acquisitions in both the Luxury Goods and Consumer markets. We will target iconic brands with international potential and values that have an authenticity moreso than being purely stylistic, such as Puma in the sports and *lifestyle* markets. We will continue to build a portfolio of brands offering high organic growth potential within the luxury/lifestyle segment, and existing in segments that do not compete with our own.

However, we will not carry out any sizeable acquisitions until we have completed disposals. We are fortunate to have high-calibre retailers which are among the continental leaders in their business sectors and which, therefore, have compelling strategic value for potential acquirers. We will take all the time required to dispose of assets on optimal

> “We are fortunate to have high-calibre retailers which are among the continental leaders in their business sectors.”

terms and I can assure you that valuations will be determined in the best interests of the companies concerned, their employees, and our shareholders alike.
In the meantime, we will not neglect opportunities to enhance our brand portfolio through tactical, medium-sized acquisitions.

The construction of a coherent group will enable us to reap new synergies created by complementary customer universes and by pooling available resources at Group companies.

### *HOME* WAS A BIG EVENT IN 2009. WHAT LIES IN STORE IN TERMS OF CORPORATE SOCIAL RESPONSIBILITY?

Corporate Social Responsibility (CSR) is not a new issue for PPR. The Group's commitment in this field dates back ten years.
In 2007, in an effort to reinforce our commitment, I decided to refine and accelerate the implementation of our CSR policy by defining seven clear-cut, quantified strategic priorities for all of our subsidiaries.

The film *HOME* was both a pioneering event and a remarkable success on a global scale. I am proud of PPR's contribution to such a magnificent project, which has served the greater good, as well as the Group and all of our employees. We are keen to take our commitment to a higher level, as I am convinced that growth, including that of our businesses, can be achieved only by earning the respect of the communities that play host to us. PPR's CSR compliance is an ethical duty in response to the collective challenge faced by the world. However, it is also a commercial imperative. We have to anticipate consumers' expectations and place ourselves at the forefront of the new markets created. Groups that rise to this strategic challenge will reap the benefits!

> “Sustainable development is a real opportunity for business, innovation, and cost reduction if the groundwork is laid early.”

Sustainable development is a real opportunity for business, innovation, and cost reduction if the groundwork is laid early.

Admittedly, the road is long and there is much to do. However, our determination is unfaltering, for we know that our future development, growth, and success are at stake.

## WHAT ARE THE PROSPECTS FOR YOUR GROUP IN 2010? WHAT ARE YOUR PRIORITIES?

All of the actions initiated in 2009 in the name of sales efficiency, expense discipline, and working capital management have already enabled us to maintain our operating profitability and increase cash flow generation. In 2010, the full-year effects of the measures taken will be even more palpable.

While maintaining stringent management efforts, we are lauching an energetic sales offensive aimed at improving our operating and financial performances. In this spirit, all Group entities have established reasonable ambitious budgets for 2010.

All of our brands and companies are focused on three business priorities for 2010: the expansion of e-commerce, the acceleration of international development, and sales maximisation. This action will enable us to increase the profit-generation potential of each of our activities.

> “With an economic environment still in recovery mode, we must remain vigilant; however, we have started this new year with determination and confidence.”

We will win market share by emphasising innovative sales concepts and product quality, while also preserving or increasing gross margin. We will expand our operations in international markets. Revenue growth, combined with the substantial reduction in our fixed-cost base achieved in 2009, will provide impetus at every level of the Group’s income statement.

With an economic environment still in recovery mode, we must remain vigilant; however, we have started this new year with determination and confidence.

# CORPORATE GOVERNANCE AND SHAREHOLDERS

–

企業管治和股東

Gouvernement d'Entreprise & Actionnaires

Corporate Governance e Azionisti

企业管治和股东

Правление предприятия и акционеры

*Governo de empresa e Accionistas*

Poslovno upravljanje i dioničari

コーポレート・ガバナンス＆株主

Gobierno empresarial y Accionistas

*Bolagsstyrning och aktieägare*

Bedrijfsbestuur & aandeelhouders

Governo de empresa e Acionistas

Unternehmensleitung und Aktionäre

कंपनी व शेयरधारियों का प्रशासन

**MEMBERS OF THE EXECUTIVE COMMITTEE**
From left to right:

**Jean-François Palus**
Deputy Chief Executive Officer and Chief Financial Officer, PPR

**Thierry Guibert**
Chairman and CEO, Conforama

**Claude Chirac**
Senior Vice President Communications, PPR

**Robert Polet**
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**Laurent Claquin**
Senior Vice President Corporate Social Responsibility, PPR

**Jochen Zeitz**
CEO and Chairman of the Managing Board, Puma

**Philippe Decressac**
Senior Vice President Human Resources, PPR

# CORPORATE GOVERNANCE

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**PPR bases its policy on the corporate governance code for listed companies drawn up in accordance with the October 2003 report by French employers' associations AFEP and MEDEF and their recommendations of January 2007 and October 2008 on the remuneration of corporate officers (AFEP-MEDEF Code).**

Directors are appointed by shareholders at General Shareholders' Meetings for terms of 4 years. As an exception, to institute the renewal of Board members on a rotational basis, the Ordinary and Extraordinary Shareholders' Meeting of May 7, 2009 resolved to introduce staggered terms for some of the appointments renewed that year. PPR's Board of Directors currently has 11 members, of French, American, Italian and Indian nationality. Six are independent directors as defined by the AFEP-MEDEF Code.

François-Henri Pinault is Chairman of the Board of Directors and CEO of PPR. Patricia Barbizet is Vice-Chairman. The other directors are Jean-François Palus, Deputy Chief Executive Officer of PPR, Pierre Bellon, Allan Chapin, Luca Cordero di Montezemolo, Jean-Pierre Denis, Philippe Lagayette, Aditya Mittal, Baudouin Prot and Jean-Philippe Thierry. François Pinault is the Honorary Chairman of the Board of Directors.

Subject to approval at the Ordinary and Extraordinary Shareholders' Meeting to be held on May 19, 2010, the Board of Directors will have 14 members from that date, comprising 4 women and 10 men of various nationalities. Eight members will be independent within the meaning of the AFEP-MEDEF Code. The new Directors will be Laurence Boone, Yseulys Costes and Caroline Puel.

The Board meets at least 5 times a year and whenever circumstances require, at short notice if necessary. In 2009, the Board met on 7 occasions, with an average attendance rate of 95%.

The Board has set up four specialist corporate governance committees: the **Audit Committee,** the **Remuneration Committee,** the **Appointments Committee,** and the **Strategy and Development Committee.**

The **Executive Committee** meets on a monthly basis. It comprises the Chairman and CEO, the Deputy Chief Executive Officer, the chairmen of the Group's subsidiaries and PPR's main operational directors. The Executive Committee is an operational guidance body tasked with analysing and steering the Group's activities, facilitating exchanges and knowledge sharing between the Group's directors, and coordinating and monitoring cross-functional projects.

Monthly meetings are also held with PPR's executive management and the Group subsidiaries' chairmen and corporate secretaries to review activity levels and budgets.

Each subsidiary's performance is assessed using operating and financial indicators. Each of the subsidiaries draws up a medium-term plan covering strategic, operating and financial objectives consistent with the issues identified by the Strategy and Development Committee in its annual guidelines. Their strategic planning covers the long-term development of the businesses, the growth outlook in key markets and positioning of competitors.

The **Group's Charter** lays down the principles governing how to correctly implement the decentralisation of directors' powers and responsibilities within the Group. It defines the principles that govern relations between PPR and the subsidiaries, and, for each function, the policy areas delegated to the subsidiaries, those about which PPR must be notified within an appropriate time frame, and those for which prior authorisation by PPR is recommended.

The **Insider good practices Committee** comprises the Deputy Chief Executive Officer and Group Legal Director. It oversees compliance with the rules on insider information, notably blackout periods, lists of temporary and permanent insiders, and awareness-raising among people likely to come into possession of insider information.
The members of the Executive Committee are required to consult the Insider good practices Committee before trading in any financial instruments issued by the PPR group.

The **Code of Business Practices,** an updated version of which was provided to all Group employees in the first half of 2009, sets out the Group's principles and values. The Code summarises the Group's commitments and the main rules of conduct which apply in its dealings with colleagues and employees, customers and consumers, shareholders and the financial markets, business partners and competitors, as well as in relation to the environment and society at large. It also presents the Group's ambitions in the sphere of Corporate Social Responsibility.

PPR's **Ethics Committee for Corporate Social Responsibility** reports to the Executive Committee. It is composed of Group executives, who contribute their experience in areas such as human resources, sustainable development and legal issues, and of an expert in business ethics from outside the Group. The Committee acts as an advisory, monitoring and feedback body that guarantees compliance with the Group's principles and values and ensures that the Code of business practices is duly distributed and applied. In particular, the Committee responds to all matters submitted by Group employees, including requests for clarification, questions regarding the interpretation and application of the Code of Business Practices, and complaints concerning the alleged non-observance of any of the Group's ethical principles.

# SHAREHOLDERS

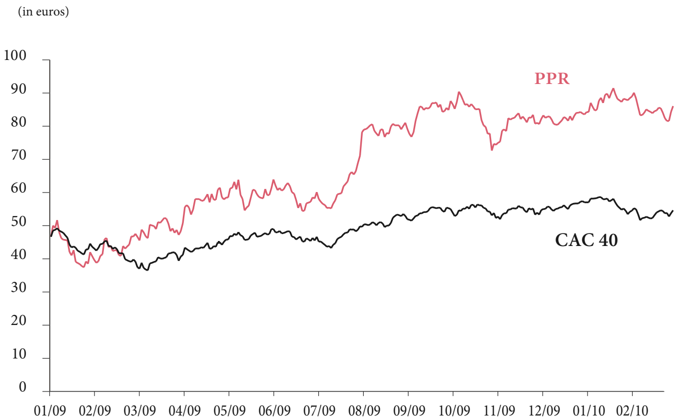
–

## PPR share price performance

**In a deteriorated world economic environment, PPR demonstrated a high degree of resilience in 2009. The Group's share price surged more than 80%, one of the five largest gains for the year. PPR shares thus outperformed the CAC 40 index, which rose 22%.**

This solid performance reflects investors' anticipation of an economic upturn and renewed confidence in consumer spending. The annual results published for 2009 have reassured investors as to the Group's financial strength. The action plans initiated in mid-2008 testify to management's ability to take anticipatory measures that will enable the Group to emerge stronger from the crisis.

PERFORMANCE OF THE PPR SHARE COMPARED WITH THE CAC 40 INDEX SINCE JANUARY 1, 2009



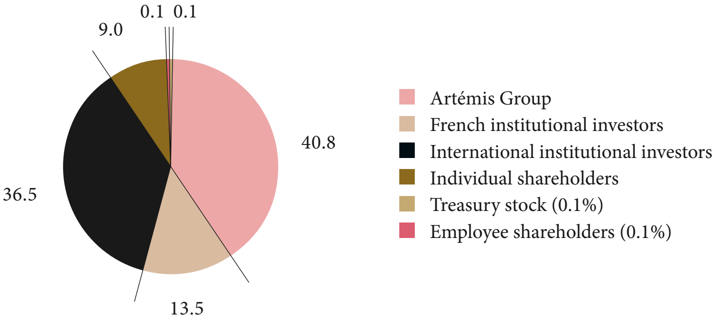

*Source: Euronext Paris SA.*

MARKET PRICE AND TRADING VOLUME OF THE PPR SHARE IN 2009

| | | | |
|---|---|---|---|
| Highest share price (euros) | 93.25 | Market capitalisation as of December 31 (€ millions) | 10,663 |
| Lowest share price (euros) | 36.25 | Daily average volume | 661,965 |
| Share price as of December 31 (euros) | 84.24 | Number of shares as of December 31 | 126,578,588 |

*Source: Euronext Paris SA.*

## Breakdown of share capital as of December 31, 2009 (%)




As of December 31, 2009, individual shareholders held 9.0% of the Group's share capital (versus 11.0% at end-2008).
Institutional investors owned 50% of the capital, with 13.5% held by French companies and 36.5% held by non-French institutional investors. Among the international institutional investors, the United States held 11.7% of the capital. Continental European investors (excluding France) held 10.1% of the capital, with Germany representing 2.7%, Switzerland 2.4% and Norway 1.7%. UK shareholders held a 12.1% interest.
The main changes in shareholdings compared with 2008 are the 7.3-point decrease in the percentage held by French institutional investors and the 9.3-point increase in the percentage held by international institutional investors, led by shareholders based in the United Kingdom (+4.4 points) and continental Europe excluding France (+3.6 points).

*Source: Identifiable bearer shareholders as of December 31, 2009.*

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## More information available on the website ppr.com

THE PPR SHARE

| | |
|---|---|
| Place of listing | **NYSE Euronext Paris** |
| Market | **Eurolist A** |
| Benchmark index | **CAC 40** |
| Codes | **ISIN: FR 0000121485**<br>**Reuters: PRTP.PA**<br>**Bloomberg: PPFP** |

# 2009 Financial Results

Résultats financiers RISULTATI FINANZIARI

BETRIEBS-UND FINANZERGEBNISSE वित्तीय नतीजे

年決算報告 *Resultados financieros*

Resultados financeiros 年财务报表

# 2009 FINANCIAL RESULTS

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**In 2009, the PPR Group achieved remarkable results in view of the severe deterioration of the world economic environment in which it operates.**

Revenue from continuing operations amounted to €16.5 billion, down 5.6% at a comparable scope and exchange rates, and 4% in reported terms compared to 2008. In the fourth quarter of 2009, PPR significantly improved its commercial performance, with sales down 3.2% in reported terms, but only 2.3% on a comparable basis.

Recurring operating income came in at over €1,383 million, with recurring operating margin holding firm at 8.4% compared to revenue.

Net income, Group share increased by 6.9% to nearly €985 million. Net income per share amounted to €7.79, up 6.6% compared to 2008.

Free cash flow from operations surged by 32% year-on-year to a record high of €1.1 billion.
The Group ended the year with net financial debt down 20.7% to less than €4.4 billion, compared with more than €5.5 billion at December 31, 2008.

As of December 31, 2009, PPR had available cash and equivalents of €945 million, in addition to €5,944 million in undrawn medium-term confirmed lines of credit. The Group is not exposed to any liquidity risk.

*Definitions of financial terms are provided in section 4 of the 2009 Reference Document, which may be consulted at* ***ppr.com***

# 2009 KEY FIGURES

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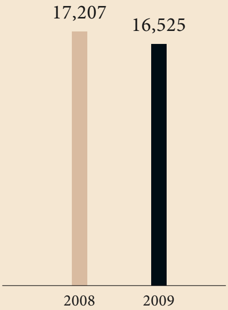
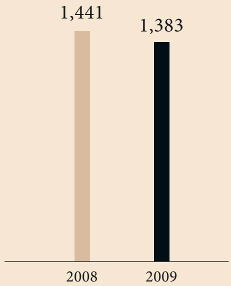
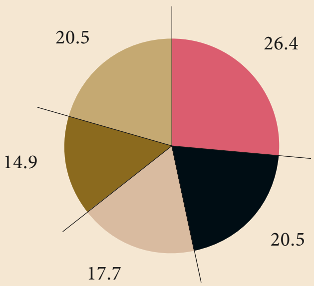
## REVENUE
(in € million)



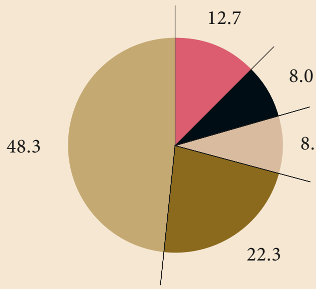

## RECURRING OPERATING INCOME
(in € million)




## BREAKDOWN OF 2009 REVENUE BY ACTIVITY (%)



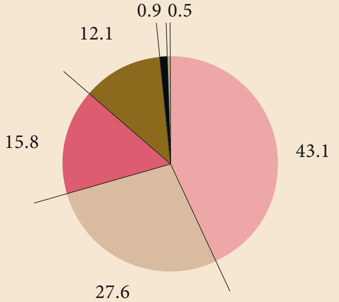

## BREAKDOWN OF 2009 RECURRING OPERATING INCOME BY ACTIVITY[1] (%)




Fnac
Redcats
Conforama
Puma
Gucci Group

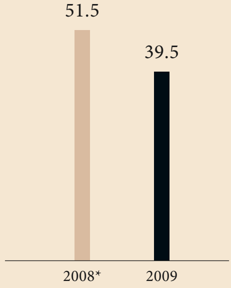
*(1) Excluding holding companies and others.*

BREAKDOWN OF 2009 REVENUE BY REGION (%)




France
Europe (excluding France)
North and South America
Asia
Africa
Oceania

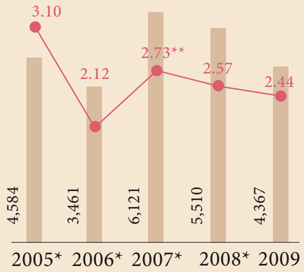
DEBT-TO-EQUITY RATIO(1)




*(1) Net financial debt as a percentage of shareholders' equity for the consolidated entity.*

** Published, not restated.*

SOLVENCY

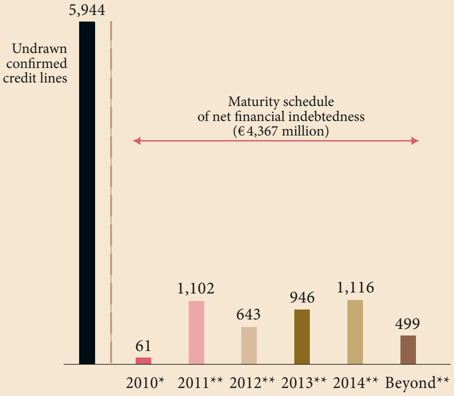



Net financial indebtedness (NFI) (in € million)

Solvency ratio (NFI/EBITDA)

** Published, not restated.*
*** Pro forma.*

LIQUIDITY




** Gross borrowings after deduction of cash equivalents and financing of customer loans.*
*** Gross borrowings.*

# 2009 MAIN HIGHLIGHTS

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## FEBRUARY 11

PPR announced the appointment of Jean-Michel Noir as Chairman and CEO of Redcats and as a member of PPR's Executive Committee. Jean-Michel Noir joined Redcats in April 2009.

## JANUARY 29

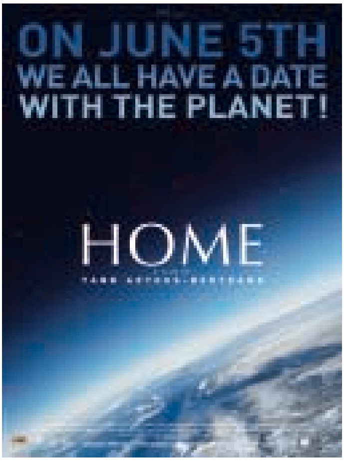
The PPR Corporate Foundation for Women's Dignity and Rights was created on the initiative of François-Henri Pinault. The Foundation aims to fight against violence towards women and empower women to fully contribute to their own development. It backs projects in partnership with local and international non-governmental organisations (NGOs), actively encourages the involvement of Group employees in its work and conducts initiatives to achieve broad-based awareness of women's rights.

## JUNE 5

Yann Arthus-Bertrand's film *HOME* was released worldwide. The film was produced jointly by Europacorp, Luc Besson's production company, and Elzévir Films. PPR and the Group's employees lent their wholehearted support to the film, which aims to build public awareness of sustainable development imperatives. By the end of 2009, *HOME* had been seen by more than 150 million people around the world, thanks to the multi-format approach adopted (cinema, television, DVD and internet).

## DECEMBER 2

PPR carried out the IPO of CFAO, at the very satisfactory price of €26 per share. The offering was nearly 2.5 times oversubscribed on account of robust demand from major French and international long-term institutional investors. In all, PPR sold 58% of CFAO's capital.




## DECEMBER 7

PPR signed a new agreement with the *Association de gestion du fonds pour l'insertion professionnelle des personnes handicapées* (Agefiph, a French association promoting job placements and vocational training for the disabled). The agreement covers a term of 15 months and aims to sustain and develop the measures already instigated by PPR Mission Handicap. It establishes a framework wherein the PPR Group and its brands and companies can continue the implementation, deployment and monitoring of their employment policy in favour of the disabled, with financial and technical support from Agefiph. The agreement is the third of its kind and includes Fnac, Redcats, PPR Headquarters & Shared Services and the four Gucci Group brands in France (Boucheron, Gucci France, Balenciaga, Yves Saint Laurent). Conforama is continuing its pro-disabled people endeavours under a company agreement entered into in 2007 with the company's management and employees.

A portfolio of global brands

Portfólio de marcas mundiais

国际品牌概览

*Un portafoglio di marchi globali*

En global varumärkesportfölj

Ein Portfolio weltweit bekannter Marken

Una cartera de marcas mundiales

दुनिया-भर के ट्रेडमार्कों का पोर्टफ़ोलियो

Портфель глобальных брендов

*Um portfólio de marcas mundiais*

Portfelj globalnih tržišnih marki

Un portefeuille de marques mondiales

世界的なブランドのポートフォリオ

Een portfolio van wereldmerken

國際品牌概覽

# A PORTFOLIO OF GLOBAL BRANDS

–

PPR is a global group comprising a portfolio of leading brands and companies in the Luxury Goods and Consumer segments, all with exceptional market appeal and major growth potential.
With almost €2 billion in revenue realised on the Internet and around 100 e-commerce sites, PPR is one of the world's foremost players in the e-commerce market.

–

PPR

GUCCI GROUP

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

PUMA

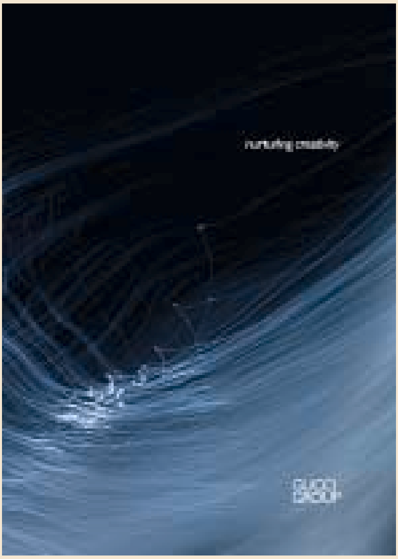
fnac.com

REDCATS Group

La Redoute
La maison de Valérie
Cyrillus
Somewhere
Vertbaudet
Daxon
Ellos
Woman Within
Roaman's
Jessica London
KingSize
OneStopPlus.com
Avenue
BrylaneHome
The Sportsman's Guide
The Golf Warehouse

Conforama

# GUCCI GROUP




## Robert Polet, CEO and Chairman of the Management Board

“Creativity is paramount and does not only apply to design but also to management. If we continue to change the rules in a creative and efficient way, we will be resilient to any economical downturn.”

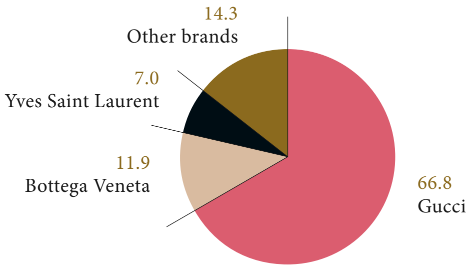
–

Gucci Group is one of the world’s leading portfolios of global luxury brands, including Gucci, Bottega Veneta, Yves Saint Laurent, Balenciaga, Alexander McQueen, Boucheron, Sergio Rossi and Stella McCartney.

Gucci Group designs, manufactures and markets high-end Luxury Goods products, in particular leather goods, shoes, ready-to-wear, watches and jewellery. The Group’s greatest strengths are its extensive, diverse and innovative product ranges.

Gucci Group’s outstanding product quality, strong brand reputation and credentials as a leader in the industry are enhanced by the careful management of its brands’ image, a clear, confident and consistent communication policy, a commitment to sustainable business and a carefully managed distribution network.

BREAKDOWN OF 2009 REVENUE
BY BRAND (%)



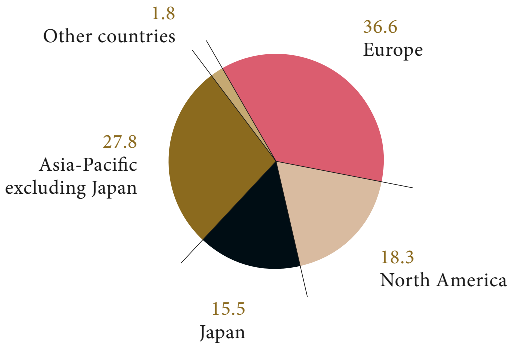

€3,390 million
in revenue in 2009

€692 million
in recurring operating income in 2009

609
directly-operated stores at the end of 2009

11,371
employees in 2009 (average number of employees)

BREAKDOWN OF 2009 REVENUE
BY REGION (%)



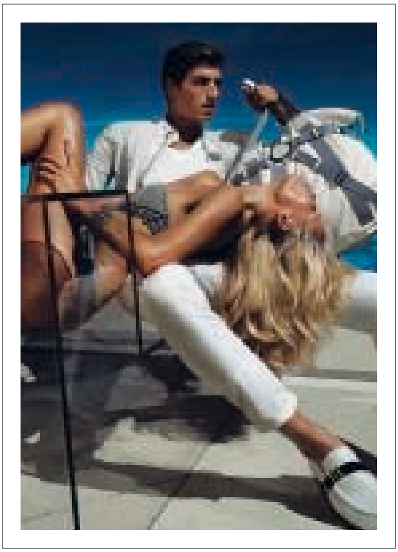
# GUCCI

€2,266 million
in revenue in 2009

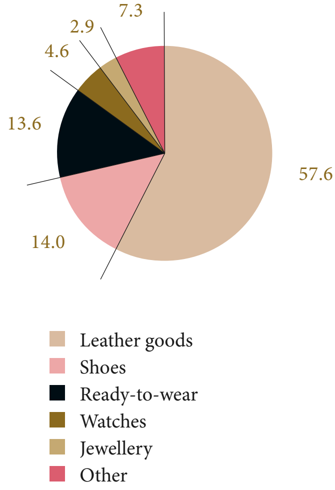
€618 million
in recurring operating income in 2009

283
directly-operated stores at the end of 2009

6,938
employees in 2009 (average number of employees)



BREAKDOWN OF 2009 REVENUE
BY PRODUCT CATEGORY (%)



## gucci.com

Gucci was a pioneer in 2002 when it launched its first e-commerce site at gucci.com for the United States. Today e-commerce is offered in 12 countries, where the objective is to seamlessly combine the enjoyment of shopping with a rich brand experience, just as is the case in Gucci stores.

Founded in Florence in 1921, Gucci is one of the world's leading luxury fashion brands. It designs, manufactures and distributes highly-desirable products such as leather goods (handbags, small leather goods and luggage), shoes, ready-to-wear, silks, timepieces and fine jewellery. Eyewear and fragrances are manufactured and distributed under license by global industry leaders in these two sectors.

Under the guidance of Creative Director Frida Giannini, Gucci continues to reinforce the values upon which its reputation has been founded for almost 90 years, namely exclusivity, *Made in Italy*, craftsmanship, and fashion authority. Setting it far apart from its competitors, Gucci is able to claim a unique brand positioning pairing modernity and heritage, innovation and craftsmanship, trendsetting and sophistication.

In 2009, against the backdrop of the global economic crisis and under a new management team led by CEO Patrizio di Marco, Gucci consolidated and expanded its strong presence in the market by fine-tuning its positioning. This has led to a refinement in product pricing and assortment, with a renewed focus on craftsmanship and heritage. This was best illustrated in the introduction of timeless product lines such as the *New Jackie*, *Icon Bit* and *New Bamboo*, which are a modern take on Gucci classics and perpetuate the brand's reputation for the outstanding quality of its precious skins. During the year, Gucci also concentrated on strengthening supply chain management efficiencies and managing its fixed-cost base.

In 2009, Gucci continued to expand its network of directly-operated stores around the world, with 25 openings, including 8 in Greater China and 6 in other emerging countries (Brazil and India, in particular). In Mainland China, for example, Gucci is undoubtedly one of the leading luxury brands, with a network of 30 directly-operated stores in 21 cities.

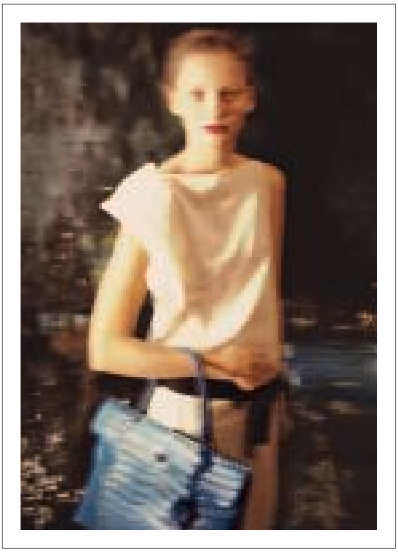
# BOTTEGA VENETA

€402 million
in revenue in 2009

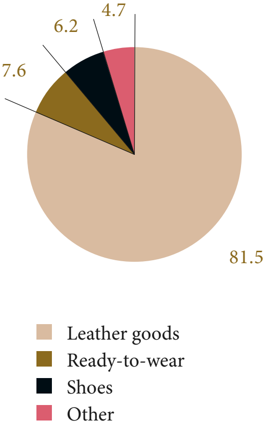
€92 million
in recurring operating income in 2009

135
directly-operated stores at the end of 2009

1,371
employees in 2009 (average number of employees)



BREAKDOWN OF 2009 REVENUE BY PRODUCT CATEGORY (%)



**bottegaveneta.com**

«The Hand of the Artisan», a video detailing the craftsmanship of the brand, was presented by Tomas Maier at the International Herald Tribune's Techno Luxury Conference in Berlin in November 2009.

Bottega Veneta creates luxury goods based on the 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 has a full product range of leather goods (handbags, small leather goods and luggage), women and men's ready-to-wear, shoes, jewellery, accessories, furniture, and decoration accessories.
Over recent years, the brand has also developed collaborations with key strategic partners that share the same values and commitment to quality and craftsmanship, such as Poltrona Frau for the *Meta* armchair and KPM for *Intreccio Svanito* porcelain.

Under the creative direction of Tomas Maier and the management of CEO Marco Bizzari, the brand constantly reaffirms its high-end luxury positioning aimed at a certain lifestyle.
Each collection bears the seal of innovation, exclusivity, outstanding quality and close attention to detail. The finest materials are used in all product categories and product launches are part of a well-planned and carefully executed strategy, consistent with the brand's integrity and philosophy.
The iconic products – available in seasonal colours and variations – continue to represent the core of the business, and are perfectly complemented in each collection by the introduction of newlines, well received at a global scale.
The network of directly-operated stores continues to be the main business driver, primarily thanks to expansion in Asia. Despite the challenging economic times, Bottega Veneta opened 14 new stores in 2009. The brand's presence in Asia was bolstered considerably with openings in Korea, China, Hong Kong and Macau.

For 2010, Bottega Veneta has announced the creation of a fragrance in partnership with Coty, Inc., a leader in the global beauty industry.

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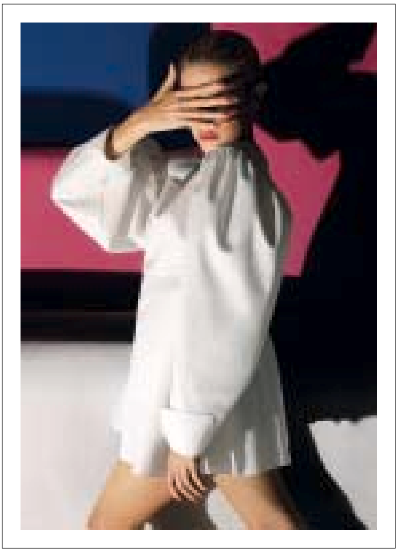
YVES SAINT LAURENT

€238 million
in revenue in 2009

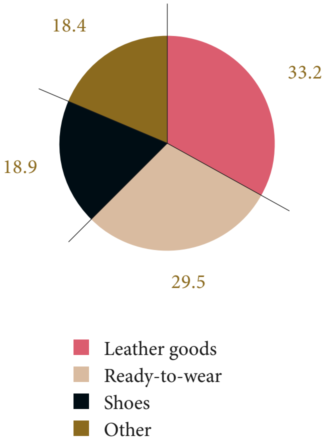
€(10) million
in recurring operating income in 2009

66
directly-operated stores at the end of 2009

1,027
employees in 2009 (average number of employees)



BREAKDOWN OF 2009 REVENUE
BY PRODUCT CATEGORY (%)



## ysl.com

Yves Saint Laurent enters the universe of social media through official accounts on Facebook® and Twitter® and the launch of www.yslmanifesto.com, an exclusive micro-site featuring images, videos and news from the latest Manifesto as well as an archive of previous editions.

Yves Saint Laurent is one of the world's most prominent fashion houses. Throughout the years, its groundbreaking styles have become iconic cultural and artistic references and its founder, the couturier Yves Saint Laurent, secured a reputation as one of the twentieth century's foremost designers. Stefano Pilati, who took the creative reins at the company in 2004, has brought his own creative and highly contemporary touch to the brand's heritage. Yves Saint Laurent is a global brand at the vanguard of fashion, designing and marketing a broad range of women's and men's ready-to-wear products, leather goods, shoes and jewellery. Through a licence agreement with L'Oréal, it is also a major force in fragrances and cosmetics.

Under the management of Creative Director Stefano Pilati and CEO Valérie Hermann, Yves Saint Laurent's primary objective is to continue creating and marketing highly desirable products which, through innovation, reflect the essence of the brand. Yves Saint Laurent will also continue to leverage its historical presence in ready-to-wear, while broadening the product range within the strong-growth categories (leather goods and accessories) and developing its strategic partnerships in fragrances and cosmetics.
In leather goods, the big event of 2009 was last autumn's launch of *Roady*, the brand's latest handbag, with promising results. Yves Saint Laurent's position as uncontested leader in this arena was confirmed by the success of the *Muse*, *Downtown* and *Easy* handbags, *Belle de Jour* small leather goods and the best-selling *Tribute* shoes.
Yves Saint Laurent fashion collections met with great success in 2009. The product range was given even greater breadth through the renewal of the *Éditions* capsule collections and the introduction of *New Vintage*, an environmentally conscious, limited edition that recycles remnant fabric from past seasons.

In distribution, the company stepped up the development of its retail presence in emerging markets, notably in the Middle East and Asia-Pacific, with the opening of several directly-operated stores and independent franchises in 2009.

Ongoing expansion in Asia-Pacific, including Mainland China, will be a priority for the brand in 2010 and the years to come.

–

## BALENCIAGA

balenciaga.com

Founded in 1919 by Cristóbal Balenciaga, the House of Balenciaga is one of the most influential forces in fashion. Its provocative design and vision, the mastery of techniques and cut, the constant innovation in fabrics and the talent of its Creative Director, Nicolas Ghesquière, have been the keys to the House's success. Balenciaga creates and markets women's and men's ready-to-wear collections and bag and shoe ranges. The brand took its first steps in mainland China in 2009, with the spring opening of the first two directly-operated stores in Shanghai and Hangzhou. Further retail expansion in Japan included the opening of three shop-in-shops. The franchise network continued to expand and online activity was boosted by the opening of a UK platform in June 2009. In February 2010, the Balenciaga fragrance, launched in partnership with Coty, Inc., immediately captivated customers. New retail openings are planned for 2010, with priority given to Asia (in particular in China, Hong Kong and Japan) and the United States. An online rollout in France is scheduled for 2010.

## STELLA McCARTNEY

stellamccartney.com

Stella McCartney enjoys a unique positioning as a modern, lifestyle, designer brand characterised by functional and eco-friendly fashion. Ethical values lie at the heart of the brand's identity and are communicated through the entire product range, from organic products, which are in full expansion, to non-leather shoes and accessories. Ready-to-wear remains central to the brand's business and is continuing to grow through the development of new product categories. The opening of a new *flagship* store in Paris at the beginning of 2009 and a shop-in-shop at the Galeries Lafayette department store in December further bolster the brand's positioning and presence in Europe. In 2010, Stella McCartney will be focusing on three main priorities – robust sales growth, continued brand momentum and expansion of the online business.

ALEXANDER
MCQUEEN

## alexandermcqueen.com

Alexander McQueen designs women and men's ready-to-wear collections, accessories, shoes, leather goods and fragrances, which are sold throughout the world in 11 directly-operated stores, 5 franchise boutiques and a selection of specialty stores. PPR would like to take this opportunity to pay sincere homage to the brand's founder, Lee Alexander McQueen, who died in February 2010. McQueen, renowned for his sometimes provocative genius and his flamboyant and thought-provoking catwalk shows, was one of the greatest fashion designers of his generation. The brand will carry on the tradition of his visionary and avant-garde designs.

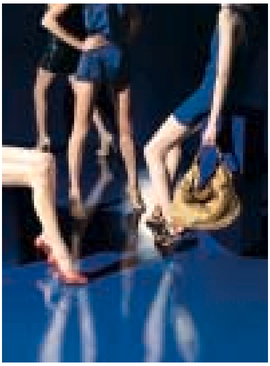
BOUCHERON
PARIS

## boucheron.com

Boucheron, the most audacious of traditional French jewellers, has become an internationally renowned brand. It celebrated its 150th anniversary in 2008, and carried on the celebratory mood in 2009 when it took the chic Parisian lifestyle as inspiration for its *Gaîté Parisienne* collection. It also launched a new eyewear collection with Gold & Wood. Boucheron is continuing to expand its stores both in France and internationally. Additional points-of-sale have also opened in Neiman Marcus in Topanga, Dallas, Chicago and Honolulu. During the year it also entered into a partnership with Sparkle Roll Group Ltd. with a view to developing and strengthening its footprint in China. In 2010, Boucheron presented its *Inspiria* collection, designed to mark the 25th anniversary of the Cirque du soleil.

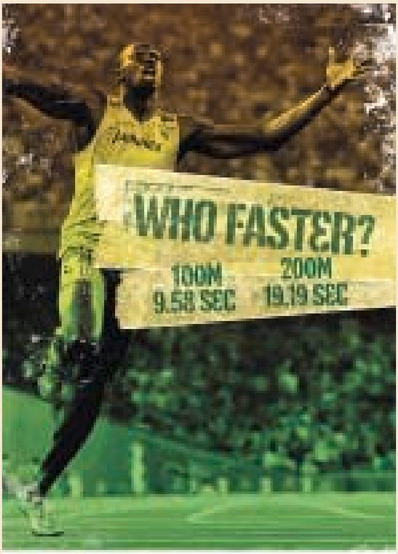
sergio rossi

## sergiorossi.com



Since its foundation, Sergio Rossi has become a world reference in women's luxury footwear. The past year marked a turning point in the brand's history with the launch of the Autumn/Winter 2009 collection by new Creative Director Francesco Russo. Sergio Rossi footwear and accessories are sold in 44 directly-operated stores and more than 30 franchise boutiques, as well as in carefully selected department and specialty stores. In 2009, new franchise stores opened in Moscow, Beijing, Beirut, Wuhan, Jeddah and Taipei. New openings are planned in Mainland China and Malaysia for the near future.

PUMA®




## Jochen Zeitz, CEO and Chairman of the Managing Board

"Despite the global financial crisis and only a few major sports events in 2009, Puma remained firm in a difficult market environment, posting an only moderate decline in annual sales along with the second best cashflow development in our history. After Puma had a successful start into the football year 2010 by winning the African Cup of Nations, we are determined to turn the Football World Cup 2010 in South Africa into a home game and make use of and invest in all opportunities that offer further growth to strengthen the brand's and company's desirability in the long run."

–

Puma is one of the world's largest providers of athletic and lifestyle footwear, apparel and accessories. The Sportlifestyle brand blends influences from the world of sport and fashion. Puma's brand image is based on strong sports heritage, a long tradition of innovation and sports performance, and cooperation with major athletes and teams.

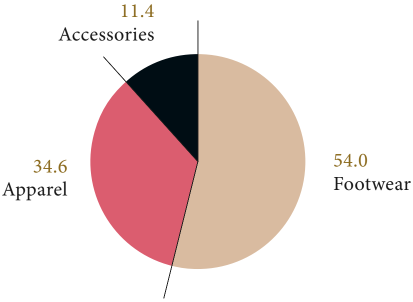
€2,461 million
in revenue in 2009

€320 million
in recurring operating income in 2009

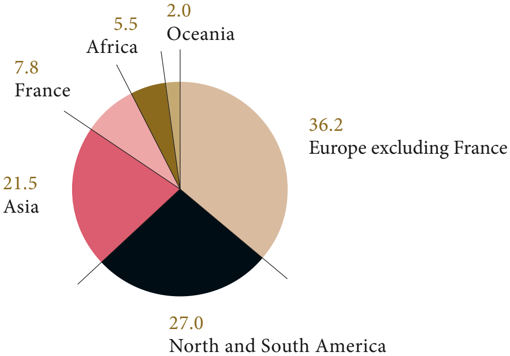
9,646
employees in 2009 (average number of employees)

Operations in more than 120 countries

BREAKDOWN OF 2009 REVENUE
BY PRODUCT CATEGORY (%)




BREAKDOWN OF 2009 REVENUE
BY REGION (%)



In 2009, Puma refined its brand manual. “10” is the very first edition to incorporate the four keys to success of the global PUMAVision – fair, honest, positive and creative. Puma brought back the spirit of the DJ in the new Brand Promise, joyfully mixing the influences of Sport and Lifestyle with the desire to contribute to a better world. “Joy” is what Puma will try to bring to its consumers and what will differentiate the sportlifestyle company from its competitors – it’s Puma’s point-of-view. While others talk about blood, sweat and tears of sport, Puma recognizes that those cannot be the only rewards. Puma talks about the moments of joy inherent in both sport and life.

The brand is also developing the concepts of combining top athletic performance and innovative technologies with fashion and lifestyle, and creatively combining sports with fashion. The *Sport Performance* and *lifestyle* categories include football, running, motorsports, golf and sailing, while *Sport Fashion* features collaborations with renowned designer labels such as Yasuhiro Mihara, Alexander McQueen and Sergio Rossi.

Puma’s growth strategy is based on three areas: the expansion of the product ranges and portfolio to cover the entire Sportlifestyle market; geographic expansion, in order to generate fresh openings for existing lines and fulfil the brand’s potential on various markets, in particular in high-growth countries; and the development of other brands, such as Tretorn.

Puma is pushing ahead with its new mission to become the most desirable and sustainable company in the Sportlifestyle sector, not only for the quality and creativity of its products, but for its commitment to contribute to a better world. At the beginning of 2009 Puma introduced its sustainability concept PUMAVision to manifest and provide a practical framework for the company’s long-standing work and efforts in Corporate Social Responsibility. Puma believes that its position as the creative leader

**puma.com**

At the World Athletics Championships in Berlin, Puma athlete and sprint superstar Usain Bolt smashed his own 100m and 200m world records, and added another gold medal and World Championship title to his track record after the Puma-sponsored Jamaican team came in first in the 4x100 relay.

in Sportlifestyle gives it the opportunity and responsibility to contribute to a better world for the generations to come. A better world in Puma's vision – the PUMAVision – would be safer, more peaceful, and more creative than the world we know today. Through the programs of *puma.safe*, *puma.peace* and *puma.creative*, Puma is providing real and practical expressions of this vision and 2009 saw many initiatives, projects and activities going live that contributed to protecting the environment, raising awareness for peace worldwide as well as supporting artists and their works.

Puma is particularly committed to combating climate change. To this end, it has joined the Climate Neutral Network of the United Nations Environment Programme and recently opened its new head office in Germany – the first carbon-neutral headquarters in the industry. Puma also endeavours to increase its range of sustainable products, such as collections sourced from Cotton Made in Africa – an initiative by the Aid by Trade Foundation.

Also in 2009, Puma embarked on an ambitious restructuring and re-engineering program designed to give the company the foundation for the next phase of growth. Puma made its operational processes and organisation even more efficient, further reduced time-to-market for its products and optimised its retail portfolio. In addition, Puma streamlined its organisation across all functions, regions and countries and executed a tight cost savings program to adjust its cost structure to market reality.

2009 was a year of only a few major sports events, but Puma successfully capitalized on the opportunities at hand. In June, Puma's eye-catching sailing yacht *il mostro* and the Puma Ocean Racing Crew finished their maiden Volvo Ocean Race in second place in St. Petersburg. Two months later Usain Bolt and the Jamaican Athletics Team broke several world records and claimed a total of 7 gold medals in total at the World Athletics Championships in Berlin.

In 2010, Puma's focus remains firmly on getting ready for the first Football World Cup ever played on African soil, tapping into Puma's full growth potential and growing the market share in its football segment. In the world of football, Puma is synonymous with Africa. This is the result of over ten years of continued investment to further boost the image of the African game. Seven Puma teams qualified for the World Cup in Puma's home-away-from-home. Reigning World Champions Italy, as well as Cameroon, Algeria, Ghana, Ivory Coast, Switzerland and Uruguay will all be kitted out in the new *Puma v1.10* gear for the occasion.

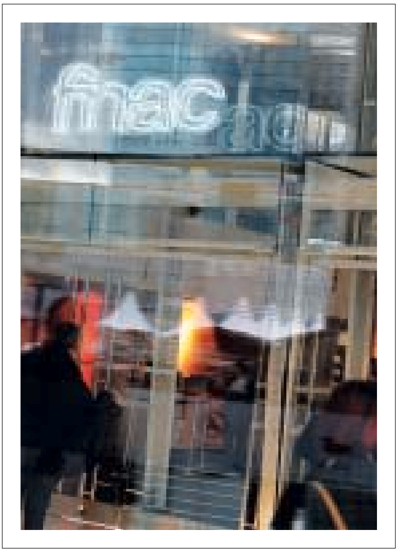
€4,375 million
in revenue in 2009

€182 million
in recurring operating income in 2009

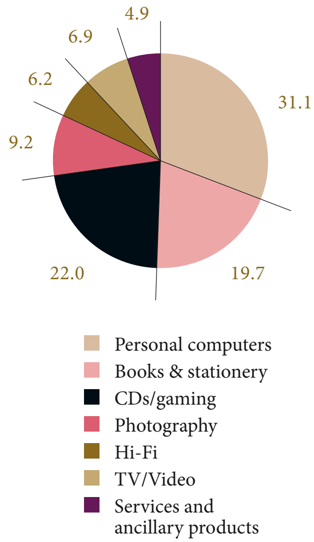
143
directly-operated stores (excluding Fnac Éveil & Jeux) and 3 joint ventures in Greece at the end of 2009

14,632
employees in 2009 (average number of employees)

Active in 8 countries



BREAKDOWN OF 2009 REVENUE BY PRODUCT CATEGORY (%)



## fnac.com

In 2009, fnac.com launched the "MarketPlace" with an offering of 3 million products, including 1.5 million second-hand items. The service brings together 20,000 non-professional sellers and 900 professional sellers.

### Christophe Cuvillier, Chairman and CEO

"In 2009, Fnac launched the "*Espaces Passion*" spaces with the aim of reinforcing Fnac's position as preferred company and benchmark player. By offering an enhanced product line and personalised expert advice in an outstanding environment, the spaces respond to our customers' wish to share their passions".

–

Fnac provides customers with a comprehensive range of cultural products and access to the most cutting-edge technological products. The distinguishing feature of the company is its unequalled selection of books, CDs, DVDs and video games and its extensive range of technological products chosen on the basis of work carried out by its Laboratoire d'Essais (test laboratory) and the unique expertise of its sales force.

In 2009, Fnac unveiled a strategic plan aimed at reinvigorating its sales momentum. This plan, entitled *100% Revolution Client* aims to make Fnac the preferred, benchmark company for all customers in each of its markets. By dividing the market into precise segments, the plan emphasises commercial innovation, an enhanced buying experience and personalised customer relationship management. It reiterates Fnac's four key growth drivers, namely the conquest of the peri-urban market, the strengthening of its leadership on the Internet, the development of the service offering and continued international expansion.

Fnac is responding to changes in market trends and consumer behaviour by strengthening the appeal of its offering and adding new product ranges, such as second-hand video games (*Okaz Gaming*), merchandising products (posters, tie-ins, etc.) and stationery. It also launched the "MarketPlace" on Fnac.com, which brings buyers and sellers of new and second-hand items together online, and rolled out new websites in Spain, Italy and Brazil. The company also introduced an in-store initiative entitled *Espaces Passion*, comprising specially-allocated spaces in Fnac stores offering customers an enlarged product offering in key departments, including photography, classical music, jazz and hi-fi, etc.

Fnac also continued to develop its loyalty programme, in particular through the introduction of the *One* membership card, reserved for the company's high-spending customers, and the *Fnac Gaming* card, for customers of the *Okaz Gaming* offering.

In addition to its retail business, Fnac is a prominent figure in the field of culture, as well as a socially responsible player. In 2009, it organised more than 10,000 events in its forums and photo galleries and forged ahead with initiatives in favour of freedom of expression and the fight against cultural exclusion.

2010 will see the continued pursuit of the business organisation and development plan initiated in 2009. The plan will have main focuses, namely acceleration of the Internet strategy, development of the multi-channel offering, enhancement of the store experience, continued development of new businesses, and increased emphasis on new member recruitment.

REDCATS Group

€3,386 million
in revenue in 2009

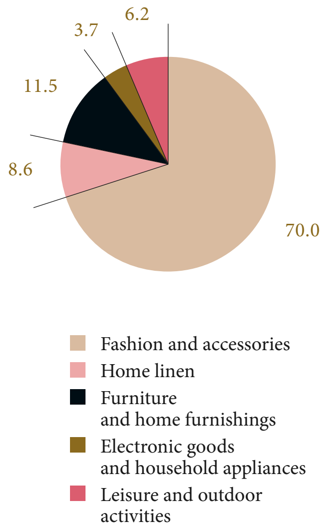
€115 million
in recurring operating income in 2009

€1.6 billion
in online revenue in 2009

15,672
employees in 2009 (average number of employees)

Present in 30 countries

BREAKDOWN OF 2009 REVENUE
BY PRODUCT CATEGORY (%)



## redcats.com

In 2009 Redcats' websites generated revenue of €1.6 billion. This record performance places Redcats among the world's leading online fashion and home furnishings retailers.

### Jean-Michel Noir, Chairman and CEO

"In 2009, for the first time in Redcats' history, over 50% of revenue was generated outside of France. Redcats is one of the few French groups to have succeeded in establishing itself in the US and in achieving long-term profitable growth there."

–

Redcats aims to be the world's leading online fashion and home furnishings retailer. It operates and develops a portfolio of European and American brands catering to a broad range of consumer age categories (newborn babies, teenagers, seniors, etc.), as well as to a wide spectrum of fashion and lifestyle needs, including plus sizes, maternity wear, and sports and leisure items. These brands are constantly developing new products and services thus targeting their offerings to anticipate and satisfy customers' needs.

From the second quarter of 2009, under the impetus of the new CEO, Jean-Michel Noir, Redcats focused its efforts on relaunching its brands and streamlining its organisation.

At the same time, efforts were undertaken to make product offerings increasingly attractive, notably by renewing collections mid-season and by partnering with internationally renowned external brands. Ellos and La Redoute enhanced their home furnishings collections by showcasing Zara Home products on their e-commerce sites, acting as the exclusive online distributors of the well-known Spanish brand. In the sphere of collection renewals, La Redoute successfully market-tested demand for a winter catalogue. The catalogue, half of which was devoted to a totally new collection, was mailed mid-season to customers. Maximising synergies between the collections has also played a part in the success of Redcats. For example, OneStopPlus.com, the US leader in the plus size segment, now carries the Ellos and Taillissime collections, with Ellos also available on the La Redoute UK site, and Daxon and Taillissime available on the Ellos site. In the United States, OneStopPlus.com continued to attract record traffic levels and win a large following among its target consumers. Among the European brands that operate a network of stores, Cyrillus, Somewhere and Vertbaudet all opened new points of sale during the year and now own 55, 30 and 40 directly-operated stores, respectively. Online revenue for all Redcats brands remained on a rising trend in 2009, with the Internet accounting for an average of 50% of overall sales, and more than 60% for many brands. Online sales represented 47% of Redcats' revenue in 2009.

In 2010, Redcats will continue the work initiated to improve the product offerings, with the aim of making the offerings increasingly attractive and providing them to customers at the right price and the right time. To this end, 3 objectives will be pursued: the forging of partnerships with aspirational, internationally-renowned external brands, an increased emphasis on collection-sharing between brands, and the development of more performing and user-friendly e-commerce sites.

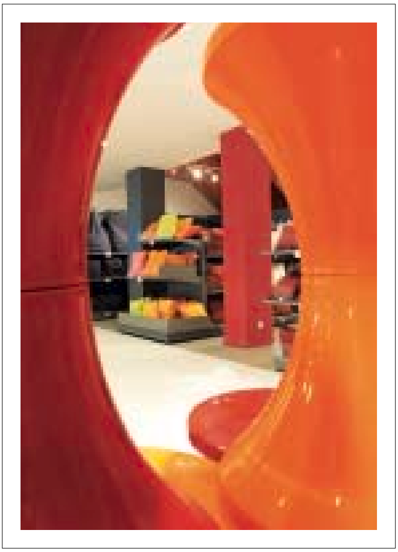
€2,928 million
in revenue in 2009

€125 million
in recurring operating income in 2009

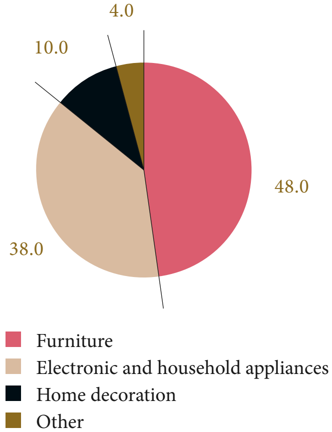
211
directly-operated stores at the end of 2009, and 25 affiliated stores

11,805
employees in 2009 (average number of employees)

Present in 7 countries



BREAKDOWN OF 2009 REVENUE
BY PRODUCT CATEGORY (%)



## conforama.fr

Conforama's advertising campaign *Mes chers voisins* (My dear neighbours), which promotes the company's website, was voted best TV commercial of the year by French web users.

### Thierry Guibert, Chairman and CEO

"Conforama's transformation – built around its core values of discount pricing and customer accessibility – is beginning to bear fruit in France and abroad, with an improvement in recurring operating margin for the first time in ten years."

–

Conforama is one of the main players in the European discount home furnishings sector, offering a full range of furniture, home accessories, household appliances and electronic leisure products, available to take home immediately.

Under the aegis of the *Cap Confo* business plan, in 2009 Conforama kicked off a massive project to structurally overhaul the company with a view to better meeting customer expectations and restoring competitiveness. This five-year plan is composed of three commitments, namely to differentiate from the competition, to improve the company's performance, and to unite Conforama's workforce around a new social contract. The company stepped up its modernisation efforts in France and abroad while staying true to its core values of discount pricing and customer accessibility. In France, a new store concept was launched, based around four themes and with a store layout that facilitates customer flows and ensures that all products are displayed to their best advantage. Twelve stores had adopted this new concept by the end of 2009.

Conforama is also developing its multi-channel strategy, with the aim of generating 10% of revenue from online sales by 2013. Internationally, Conforama applies a distinctive local strategy to each country in which it has operations. In Switzerland, for example, the company launched its website and gained market share. In Italy, it continued to revamp its existing stores, and in Spain and Portugal, the new sales momentum is beginning to reap rewards.

At the same time, Conforama diversified its sourcing and improved its supply chain. In 2009, it continued to increase the proportion of remote sourcing and to streamline merchandise purchases and flows. Procurement is carried out by six purchasing offices, located in Paris, Milan, Warsaw, Sao Bento, Shenzhen and Ho Chi Minh City, plus five Asian satellites. This network covers the world's main production centres for furniture and home furnishing items.

In 2010, the company will continue its turnaround by making stores more customer-focused, accelerating the rollout of innovative services at discount prices and growing online sales. It will open stores with new formats – "Confo Déco", located in city centres and dedicated to discount home furnishings, and "Confo Dépôt", a stock clearance store. The company will also expand the *Confo Home* own-label offering and launch a new line of cookware, cookshop and tableware in France. Internationally, Conforama will strengthen its presence in German-speaking Switzerland, and in Spain and Portugal.

企業社會責任

Sozial- und Umweltverantwortung

Responsabilidade Social e Ambiental

CSR – Företagets samhällsansvar

*Responsabilità Sociale e Ambientale*

企业社会责任

Социальная и экологическая ответственность

Responsabilité Sociale et Environnementale

Maatschappelijk Verantwoord Ondernemen

Responsabilidad Social y Medioambiental

*Corporate Social Responsibility*

Koorporativna i društvena odgovornost

सामाजिक व पर्यावरण-संबंधी ज़िम्मेदारी

企業の社会的責任

Responsabilidade Social e Ambiental

# CORPORATE SOCIAL RESPONSIBILITY (CSR)

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**For more than ten years now, PPR has conducted its CSR policy in a spirit of continuous improvement. Since 2007, the Group has instituted seven key strategic priorities, which form a common CSR framework for all of the subsidiaries. The framework served as the foundation for a wide range of initiatives and projects during 2009. Measurable objectives by subsidiary are published for the first time in 2010.**

2009 saw the release of Yann Arthus-Bertrand's film *HOME*, produced jointly by Europacorp and Elzévir Films and financed by PPR. The film features exquisite cinematography and conveys its message in a novel manner. In addition, and in an unprecedented break with tradition, the film was released on the same day (June 5, 2009) around the world, simultaneously across all media (internet, DVD, television and cinema). At the end of 2009, it had been seen by more than 150 million people. *HOME* has also speeded up the adoption of sustainable development goals by PPR's subsidiaries and has sparked a series of related actions and projects.
Other notable events in 2009 were the creation of the PPR Corporate Foundation for Women's Dignity and Rights, the dissemination of an updated version of the Code of Business Practices within the Group, the signature of a third agreement with Agefiph and the publication of the first COP[1] concerning the Group's adherence to the Global Compact.

## PRIORITY 1

### Enhance employability through skills management and training

The Group provided 751,636 hours of training to 57,902 employees in 2009, and introduced rich and varied training programmes for both management and non-management employees alike.
The Group also continued to emphasise employee skills enhancement by stepping up the professional experience validation and skills certification programmes initiated in previous years, notably at Conforama and at Fnac, where the number of professional experience validation graduates topped 350. In addition, employability among the non-management workforce was helped by the award of "inter-industry professional qualification certificates" to employees at La Redoute and Movitex.

## PRIORITY 2

### Train each manager on diversity issues

Managers play a crucial role in the recruitment and career development of their team members and are therefore crucial to the policy of promoting diversity within the Group. In 2009, the subsidiaries pushed ahead with their endeavours to provide related training for managers. For example, training was dispensed to all Fnac France managers during the year and will be rolled out internationally during 2010. Similarly, all Gucci Group managers have been made aware of diversity issues through a training module covering the Group's Code of Business Practices. Manager training is

*(1) Communication On Progress.*

also under way at Conforama and Redcats and will continue throughout 2010. Equally noteworthy is PPR's unrelenting focus on the employment of disabled persons, with the signature of a third partnership agreement with Agefiph in 2009.

## PRIORITY 3

### Integrate CSR criteria into the supplier selection process

The PPR Code of Business Practices defines the relations that the Group wishes to develop with its suppliers and business partners. The organisation of Group brands' CSR approach as applied to suppliers is guided by the ethical principles embodied in the Code and is tailored to the companies' activities and operating methods. Puma uses an in-house system for evaluating and monitoring supplier performance that has been accredited by the Fair Labor Association (FLA) since 2007. Conforama, Redcats and PPR-P[2] use external evaluations performed by independent auditors based on SCI[3] tools. Gucci Group has embarked upon an ambitious social accountability certification process and several of its activities have been awarded SA 8000 certification. In 2009, a total of 3,493 social audits of the Group's suppliers were conducted using the above approaches.

## PRIORITY 4

### Monitor and limit transport-related $CO_2$ emissions

In 2009, PPR continued to monitor its transport usage, the Group's major source of $CO_2$ emissions. Each subsidiary has developed ambitious programmes to boost transport efficiency and limit atmospheric emissions. In 2009, Puma became the first sportlifestyle brand to join the Climate Neutral Network of the United Nations Environment Programme. The brand is aiming to slash its carbon footprint, mainly by optimising its logistics and transport usage on a global scale. The companies also favour alternative means of transport, following the example set by Conforama, which used rivers for 80% of its post-shipping transport in 2009. By sharply scaling back its use of air freight, Redcats helped to lower air transport's share of the Group's total transport-related emissions to 45% in 2009, down from 55% in 2008.

## PRIORITY 5

### Reduce the environmental impact of stores and infrastructures

2009 saw a further increase in initiatives to support the eco-friendly construction and equipment of buildings. Examples include Puma's new headquarters in Germany, and Somewhere's and Yves Saint Laurent's boutiques with environmentally friendly touches. Most notably, a good practices guide entitled *The Green Toolbox* was produced and distributed. The guide, which is targeted at the Group's 2,300 stores worldwide, presents 16 priority good practices for reducing stores' environmental impact. It is the result of a collaborative effort by all of the subsidiaries' Real Estate, Maintenance

*(2) PPR-P: PPR Purchasing, the Group's purchasing hub for household appliances, and own-brand audiovisual and computer equipment.*

*(3) Social Clause Initiative.*

and Sustainable Development Departments and is intended to serve as an operating tool for teams in the field.

2009 also marked a reduction in PPR's overall environmental impact: on a group-wide basis, energy consumption decreased by 2%, paper consumption fell by 17% and total waste production dropped by 9%. In parallel, PPR took its pro-environment stance further by using more recycled paper or paper from certified forests (59% of total consumption in 2009) and by recycling 56% of its waste. The 14% increase in WEEE[(4)] collection reflects customers' growing awareness of the importance of recycling and waste management.

## PRIORITY 6

### Promote responsible products and usages

PPR is attentive to the safety and quality of its products. In 2009, the Group stepped up measures to ensure the traceability of raw materials used, particularly leather, fur, diamonds and wood. 2009 also saw continued input by the cross-functional working groups formed to ensure subsidiaries' compliance with current and forthcoming environmental regulations. Areas covered included the introduction of environmental labelling from January 2011 in France, with the subsidiaries actively participating in exchanges on the ADEME/AFNOR [(5)] platform.

The branches intensified the development of responsible products, including those made from organic or recycled materials, as well as fair-trade or eco-designed products. Growth in demand for this type of product is particularly discernible at Redcats (50% increase in organic products at La Redoute and Cyrillus), as well as at Puma, which marketed more than 1 million fair-trade T-shirts in 2009 thanks to its partnership with the "Cotton Made in Africa" project. The growing emphasis on responsible products is also exemplified by the Yves Saint Laurent *New Vintage* capsule collection and Conforama's first-ever eco-friendly living-room set, dubbed *Canyon*.

## PRIORITY 7

### Implement solidarity programs related to companies' business activity

January 2009 marked the creation of the PPR Foundation for Women's Dignity and Rights. The Foundation's two objectives are to fight violence against women and to empower women to fully contribute to the development of their families and communities (*see page 50*). The subsidiaries, too, have continued to carry out solidarity initiatives linked to their activities. Conforama, for example, has renewed its partnership with the Secours Populaire charity to supply furniture items and household appliances for the underprivileged. Fnac is combating the digital divide by actively promoting equal access to new technologies and training.

*All initiatives for 2009 are presented in the CSR section of the 2009 Reference Document at* ***ppr.com***

*(4) WEEE : Waste Electrical and Electronic Equipment.*

*(5)ADEME:* Agence de l'Environnement et de la Maîtrise de l'Energie, *French Environment and Energy Management Agency / AFNOR:* Agence Française de NORmalisation, *French Standardisation Agency.*

FOUNDATION
FOR WOMEN'S
DIGNITY & RIGHTS
PPR
pprfoundation.org

19 partnerships with national and international NGOs

25 opportunities for employees to take solidarity leave

More than 1,000 employees informed and educated about violence against women

**2009 saw the creation of the PPR Corporate Foundation for Women's Dignity and Rights, new step in PPR's commitment to solidarity. This further mobilises the Group around a strong theme, in accordance with its core values and activities. PPR can thus play a key role in these big causes and act alongside the public authorities.**
At least one in three women in the world have been hit, or been the victim of sexual violences or other instances of abuse at some point in their lives. Women are at the heart of family life. They play a central role in cultural, economic and social balance and make a vital contribution to their communities.
Accordingly, the PPR Foundation for Women's Dignity and Rights has chosen to concentrate on two objectives – fighting against violence towards women and empowering women to fully contribute to the development of their families and communities. The Foundation forges partnerships with local and international organisations and, building on the work done by SolidarCité since 2001, encourages the involvement of Group employees in actions in favour of women's dignity and rights. Its program is organised on five fronts:

### Supporting the fight against violence and empowerment

In 2009, the Foundation entered into 19 partnerships with NGOs around the world that fight against all forms of violence against women and promote women's empowerment. The PPR Foundation's Board of Directors has supported three large projects and 16 projects in all have been chosen by the Selection Committee, including three sponsored by employees within the Staff Projects framework. The Foundation has also increased the number of employees who can take solidarity leave to 25. Employees can take part in two-week solidarity missions with the *Coup de Pouce, Planète Urgence* and *France Volontaires* organisations.

### Sponsoring social entrepreneurship

The Foundation sponsors economic development projects that address social, women-focused issues (for example, professional integration and maternal health). In the first quarter of 2010, three project leaders were awarded : they received a grant of €15,000, and will be sponsored by a PPR manager one year long.

In 2009, as part of a collaborative effort involving PPR UniverCité's leadership training programme, six PPR senior managers lent their skills to the *La Voûte Nubienne* association, which was awarded in 2008, for the purposes of an audit in Burkina Faso.

### Micro-finance

Access to credit for the disadvantaged, who are passed over by the mainstream banking system, has become a key aspect of development aid in Southern countries. In 2009, the Foundation identified micro-finance providers through which it could lend funds to micro-businesses started by women. Operations will be developed in 2010.

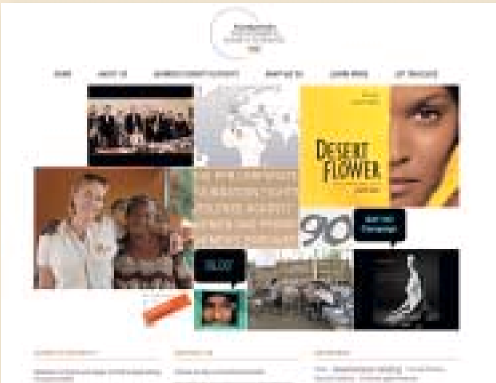
### Awareness-raising and prevention

The Foundation supports actions that inform PPR's employees and the public at large about violence against women and empowerment for women. An employee awareness-raising project was launched at PPR headquarters in Paris on March 8, 2009 to coincide with International Women's Day and was subsequently rolled out to three Group brands. The project was accompanied by an exhibit by photographer Catherine Cabrol entitled *Blessures de femmes* ("Women's Injuries"). More than 1,000 PPR employees were moved by the photographs and accounts of women subjected to various forms of violence.

### Advice and support for the Group's brands and companies

The Foundation provides ongoing expertise to PPR's subsidiaries in connection with the implementation of solidarity programmes and offers opportunities for the subsidiaries to take part in its work to the benefit of women. In 2009, Gucci launched a partnership with Mary J.Blige's Foundation for the Advancement of Women Now. Under this initiative, more than 50,000 dollars have been collected through special benefit events and the creation of a range of watches.

**Information available on the website : www.pprfoundation.org**




### MEMBERS OF THE BOARD OF DIRECTORS

François-Henri Pinault, Valérie Buard, Claude Chirac, Laurent Claquin, Jamel Debbouze, Waris Dirie, Frida Giannini, Isabelle Guichot, Salma Hayek, Valérie Hermann, Frédéric Lefebvre, Stella McCartney, Taslima Nasreen, Nazanine Ravaï, Mimma Viglezio.

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

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

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

**Redcats**
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

PPR
Société anonyme (commercial company) with a share capital of €506 314 352
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 is printed by a printer labelled "Imprim'Vert"
on fibre-based paper from forests managed in accordance
with sustainable development in an ISO 14001 and EMAS certified plant.

Photos: Kai Juenemann. © Éric Lefeuvre for PPR, PUMA, Laurent Zylberman for Fnac,
La Redoute 2010 Spring - Summer Collection, Gérard Uféras.

For HOME poster: Artwork : Pascal Lesoing for YDEO - Illustration : CALOU.
For the Foundation Website: Catherine Cabrol. © Éric Lefeuvre for PPR. Nectar Graphique. Photos Walter Wehner -
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Practising what we preach

Leva som vi lär СЛОВА В ДЕЙСТВИИ

WOORDEN OMGEZET IN DADEN

實踐理念 *S riječi na djela*

PALAVRAS EM AÇÕES

PPR

An adventure of enterprise