

**Important information related to the
Letter to shareholders (March 2020)**

The letter to shareholders thereafter has been finalized on Friday, March 27, 2020.

Given the current situation, and to ensure effective participation of shareholders, the Board of Directors, which met on March 30, 2020, has decided to postpone to Tuesday, June 23, 2020 the 2020 Annual General Meeting initially scheduled for Thursday, April 23, 2020.

Information related to the arrangements for the General Meeting, the payment of the dividend as well as the other resolutions submitted to shareholder approval will be provided as soon as possible.

Please find the press release on Kering's website or by clicking [on this link](#).



KERING



letter

TO SHAREHOLDERS

MARCH 29, 2020

**MESSAGE FROM
THE CHAIRMAN AND CEO**

"Recurring operating
income hit
a record high."

2019 ANNUAL RESULTS

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**MESSAGE
FROM THE CHAIRMAN AND CEO**



In 2019, Kering once again demonstrated the relevance of its business model. Consolidated revenue came to €15.9 billion, up 13.3% on a comparable basis on 2018. This growth - outpacing the market as a whole - was underpinned by all our business segments. Recurring operating income hit a record high of €4.8 billion, representing a threefold increase over four years, while sales by our Houses doubled.

Our Houses all complement each other, drawing on synergies within the Group to generate healthy, organic growth built on creativity, innovation and flawless execution.

We owe these excellent results to the commitment and talent of our 38,000 employees, to whom I address my warmest thanks, as well as the strong, responsible culture we share and our ambitious innovation approach.

Our economic environment is subject to many uncertainties and, as shown by the current coronavirus epidemic, can be complexified further by temporary crises. Now more than ever, agility and vigilance are essential to anticipate upheavals and make the most of any opportunities.

Our solid fundamentals, strong corporate culture and unique goal of embracing creativity for a modern, bold vision of Luxury inspire us to step into the future with confidence and determination.

We would like to thank you, our shareholders, for your continued trust and loyalty.

François-Henri Pinault

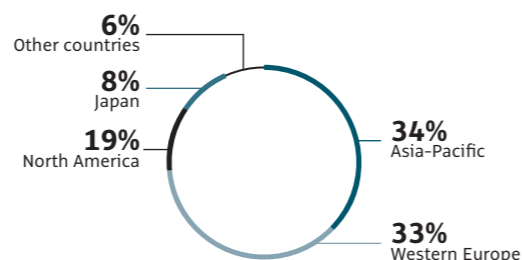
2019 ANNUAL RESULTS

KEY FIGURES

Revenue	Recurring operating income
€15.9 bn up 16.2% reported up 13.3% comparable (constant scope and exchange rates)	€4.8 bn up 19.6% on 2018 (restated under IFRS 16)
Recurring operating margin	Net income attributable to owners of the parent
30.1%	€2.3 bn
Employees*	Women managers in the Group
38,068	55%

*34,902 average FTE employees in 2019.

BREAKDOWN OF REVENUE BY REGION



Kering's consolidated revenue amounted to **€15.9 billion** in 2019, up 16.2% as reported and 13.3% on a comparable basis. This strong performance was fueled by substantial growth across all regions.

Recurring operating income totaled €4.8 billion, up a robust 19.6% on 2018 (as restated under IFRS 16).

Consolidated **recurring operating margin** hit a **record high** of 30.1% in 2019, a 90-basis-point improvement compared to 2018 (as restated under IFRS 16).

Attributable net income totaled €2.3 billion, while **attributable recurring net income** totaled €3.2 billion, up 15.1% on 2018 (as restated under IFRS 16).

Analysis of the results

In 2019, Kering's Luxury Houses once again delivered **double-digit growth** in both revenue and recurring operating income.

Over the year, total revenue from the Luxury Houses topped the €15-billion mark, up 16.1% as reported and 13.2% on a comparable basis, on top of exceptionally high bases of comparison, particularly at Gucci. Sales in directly operated stores and online advanced 14.0% on a comparable basis, **propelled by very strong performances from Gucci, Yves Saint Laurent, Balenciaga and Alexander McQueen**. Online sales surged 22.6% year on year. Wholesale revenue from the Group's Houses rose 10.4% on a comparable basis.

Recurring operating income of the Luxury Houses totaled €5.0 billion in 2019, up 19.0% over 2018 (as restated under IFRS 16). Operating margin stood at 32.8%, up 0.8 percentage points on 2018 (as restated under IFRS 16).

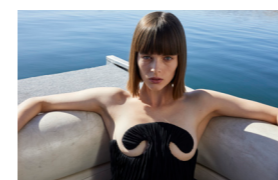
Gucci



Gucci generated **an additional €1.3 billion in sales** compared to 2018, with 2019 revenue at €9.6 billion, up 16.2% as reported and 13.3% on a comparable basis. This represents a remarkable performance as **Gucci more than doubled its sales** between 2016

and 2019. The House's excellent performance in 2019 is attributable to balanced growth across all distribution channels. Gucci's recurring operating income amounted to €3.9 billion, a 19.8% increase over 2018 (as restated under IFRS 16), allowing the brand to continue investing to support its long-term development.

Saint Laurent



With revenue in 2019 at over €2 billion (up 17.5% as reported and 14.4% on a comparable basis), Yves Saint Laurent **once again fully confirms its growth trajectory**.

Revenue from directly operated stores and online rose 15.7%, on a comparable basis. Recurring operating income for 2019 came to €562.2 million, up 20.0% over 2018 (as restated under IFRS 16).

Bottega Veneta



Bottega Veneta generated revenue of €1.2 billion in 2019, up 2.2% on a comparable basis and 5.3% as reported. After a mixed performance in the first half of the year, **revenue swung up** in the second half (up 8.2% on a comparable basis), thanks to the **excellent reception given to Daniel Lee's new collections**.

Other Luxury Houses

Revenue generated by Kering's Other Houses totaled €2.5 billion in 2019, up 20.3% as reported and 17.8% on a comparable basis. This **excellent performance** was led by Balenciaga and Alexander McQueen, which both recorded sustained sales growth throughout the year. Crossing important revenue milestones, both Houses confirmed their status as growth drivers. The Jewelry Houses also posted robust revenue increases. 2019 recurring operating income topped the €300 million mark, up 42.1% compared with 2018 (as restated under IFRS 16), to €317.7 million.

Corporate and other

The "Corporate and other" segment reported 2019 revenue of €500.9 million, reflecting strong momentum at Kering Eyewear, up 18.2% on a comparable basis. Kering Eyewear's performance was once again fueled by its Gucci, Cartier and Saint Laurent licenses, as well as by the recently acquired Montblanc and Balenciaga licenses.

Dividend per share (in €)



At the Annual General Meeting to be held on April 23, 2020, the Board of Directors will ask shareholders to approve a dividend of €11.50 per share for 2019, up 10% year on year. An interim cash dividend of €3.50 per share was paid on January 16, 2020. Subject to shareholder approval, the balance of €8.00 per share will be paid on May 7, 2020.

*Subject to the approval of the Annual General Meeting to be held on April 23, 2020.

Kering share

PERFORMANCE OF THE KERING SHARE
Change in the price of the Kering share compared to the CAC 40 (rebased) from January 1, 2019 to February 28, 2020



MARKET CAPITALIZATION
as of December 31, 2019
€73.9 bn

HIGHEST SHARE PRICE
between January 1 and December 31, 2019
€590.70

LOWEST SHARE PRICE
between January 1 and December 31, 2019
€380.70

Brioni

ROMA

The legendary Italian tailoring company celebrates its 75th anniversary this year by embracing its core values and appointing a new brand ambassador: Brad Pitt.

As he looks to the future, Brioni's Design Director is returning to the company's roots. *"Brioni is about Italian flair – Roman flair – and craftsmanship; about Luxury and masculine effortless elegance: nonchalant and understated, for people in the know,"* says Austrian-born Norbert Stumpfl, who was appointed Brioni's Design Director in September 2018. Since then, he has fully immersed himself in the company's world of bespoke tailoring and luxurious fabrics. And sustainability. *"We are using more sustainable fabrics from Italian suppliers,"* says Stumpfl. *"Brioni is a world apart,"* he explains. *"It's about the lightness of the materials, the tailoring close to the body yet still allowing fluidity of movement."* Brioni is subtle but powerful. *"You have to get close to the clothes to appreciate details that you may not discover right away,"* adds Stumpfl. *"For example, you might realize a few months after you bought it that the reason the pocket of your jacket feels so soft inside is because it's lined in leather."*



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Stumpfl is passionate about the look, feel, and drape of Brioni clothing. *"Brioni is not for the man who wants to change his style every six months,"* he says adamantly. *"We're not about fashion; Brioni is about style."* A style perfectly embodied by the brand's new ambassador, Brad Pitt. *"To have Brad Pitt in this role is an honor,"* says Stumpfl. *"He's an ideal man: men want to look like him and women love him. He's an attractive, sophisticated man and he's interested in many things – art and architecture, for example — and he loves the craftsmanship in Brioni."*

But perhaps most significant was Brioni's return to the Pitti Uomo men's fashion event in Florence. Not, as Stumpfl admonishes, *"an eight-minute show where you don't see anything,"* Brioni's was an hour-long musical production in a palazzo featuring members of the world's most renowned orchestras dressed in various Brioni ensembles.



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BOUTIQUE BRIONI

BRUTON STREET, LONDON

Brioni's London flagship, set in an iconic 18th century Bruton Street townhouse, reopened in 2019 after a year of renovation led by London-based architecture studio P. Joseph. The space welcomes clients into a world of luxury, comfort and design.



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- 1- Brad Pitt, new ambassador of the Tailoring Legends campaign
Photographer: Mikael Jansson © Brioni
- 2- Norbert Stumpfl, Brioni Executive Design Director
- 3- Brioni's first show in 1952
- 4- Brioni show/concert at Pitti Uomo in January 2020
- 5- Tailoring Legends campaign in Paris
- 6- Brioni boutique on Bruton Street, London



KERING REPORTS ON SUSTAINABILITY PROGRESS

The Group published its Sustainability Progress Report in January 2020, showing very promising first results toward meeting its 2025 targets.

Kering's 2025 Sustainability Strategy, entitled "Crafting Tomorrow's Luxury", rests on three pillars: CARE for the planet, COLLABORATE with people, and CREATE new business models and innovations.

Kering has made significant, encouraging progress in each of these areas. The Group reduced its overall environmental impacts by 14% in intensity between 2015 and 2018, and is on a positive trajectory to reach its 40% reduction target by 2025. It also reached 67% renewable energy use and, since 2018, has been entirely carbon neutral in its operations and across its sourcing and supply chain.

To read the Progress Report and find out more about the Group's targets, visit www.kering.com/en and head to the "Sustainability" section.

FALL 2020 COLLECTION

MILAN

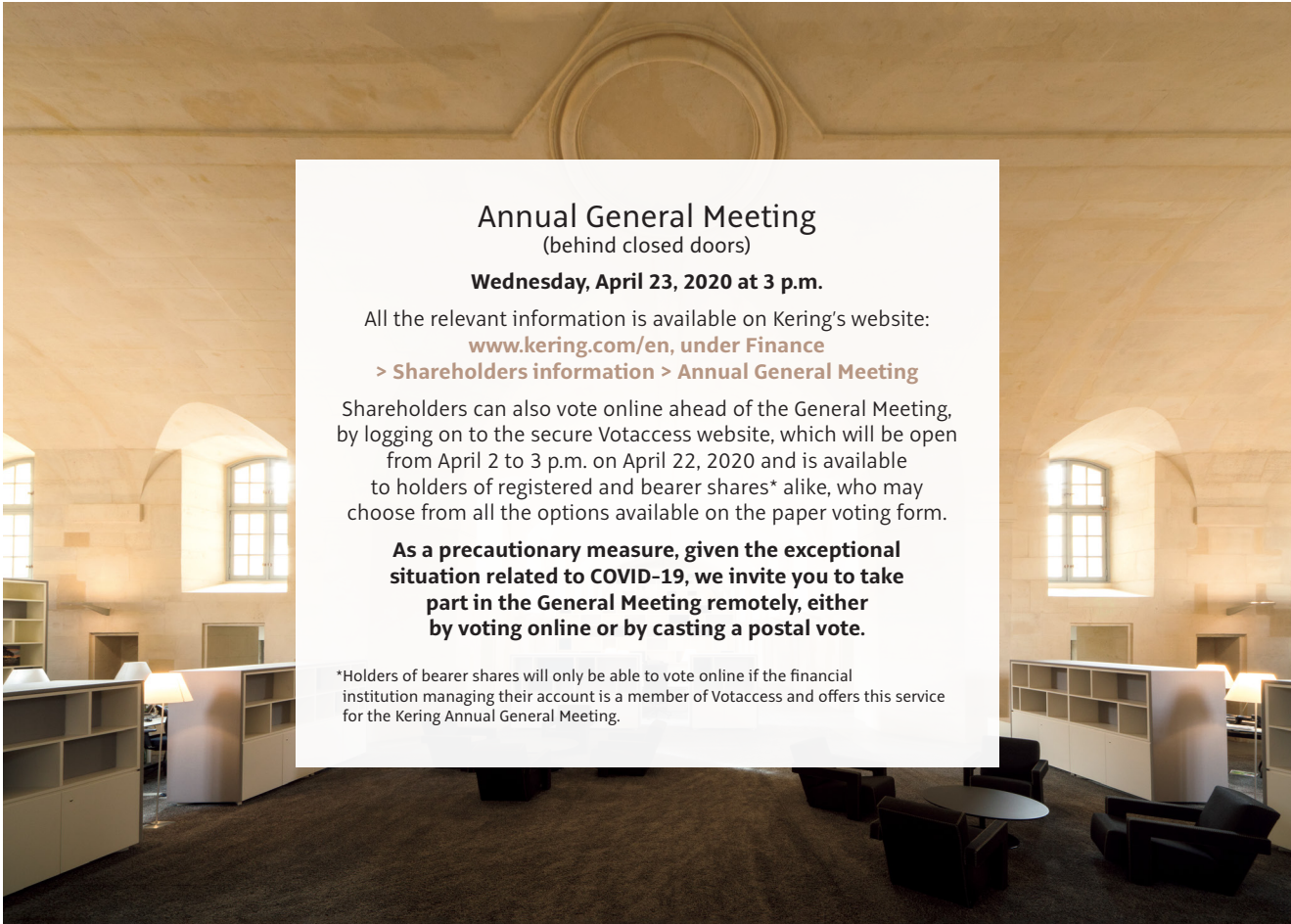


On February 22, Bottega Veneta presented its Women's and Men's Fall 2020 show at Palazzo del Ghiaccio in Milan.

A rush of vitality and movement, the collection celebrates sublime evolution.

Elongated silhouettes stretch and cling, for a luxurious comfort and warmth.

BOTTEGA VENETA



Annual General Meeting
(behind closed doors)

Wednesday, April 23, 2020 at 3 p.m.

All the relevant information is available on Kering's website:
www.kering.com/en, under **Finance**
> **Shareholders information** > **Annual General Meeting**

Shareholders can also vote online ahead of the General Meeting, by logging on to the secure Votaccess website, which will be open from April 2 to 3 p.m. on April 22, 2020 and is available to holders of registered and bearer shares* alike, who may choose from all the options available on the paper voting form.

As a precautionary measure, given the exceptional situation related to COVID-19, we invite you to take part in the General Meeting remotely, either by voting online or by casting a postal vote.

*Holders of bearer shares will only be able to vote online if the financial institution managing their account is a member of Votaccess and offers this service for the Kering Annual General Meeting.

Contact information

For all requests regarding the management of shares held in direct registered form*, CACEIS is your point of contact:

CACEIS Corporate Trust
14 rue Rouget de Lisle
92862 Issy-les-Moulineaux, Cedex 9
France
Phone: +33 (0)1 57 78 34 44
Fax: +33 (0)1 57 78 32 19
E-mail: ct-contact@caceis.com

For any other queries, please contact Kering's Investor Relations department:

Kering
Kering Financial Communications department
40 rue de Sèvres
75007 Paris
France
Phone: +33 (0)1 45 64 65 64
E-mail : actionnaire@kering.com

NB: the trade order form is available for download at www.kering.com/en (Finance/Shareholders information section).
*If you own administered registered shares, the financial intermediary who manages your account remains your point of contact.

Provisional calendar

- Tuesday, April 21, 2020**
First-quarter 2020 revenue
- Thursday, April 23, 2020**
Annual General Meeting (behind closed doors)
- Thursday, May 7, 2020**
Payment of final dividend*
- End-July 2020**
First-half 2020 results

*Ex-dividend date: May 5, 2020.

GENERAL DATA PROTECTION REGULATION

In accordance with France's data protection law (*Informatique et Libertés*) of January 6, 1978 (as amended) and the EU General Data Protection Regulation of April 27, 2016, you have the right to access, rectify and erase your personal data, and to restrict or object to the processing of that data, as well as the right to data portability, under the conditions set forth in the applicable legislation. To exercise your rights, please contact us at the following address: actionnaire@kering.com.
For more information, please consult our Privacy Policy at <https://www.kering.com/en/legal/>.
Should you no longer wish to receive Kering's Letter to Shareholders, please contact us by post or email (see "Contact information" details above).