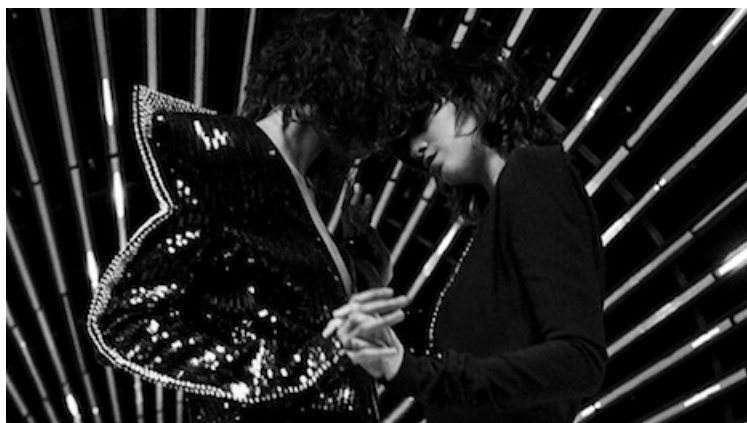


APPAREL AND ACCESSORIES

Kering's luxury activities propelled by Gucci, Saint Laurent in H1 2017

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Kering-owned Saint Laurent's ads for fall/winter 2017. Image credit: Saint Laurent

By STAFF REPORTS

French conglomerate Kering Group's luxury activities for the first half of 2017 saw an increase of 29.7 percent from the year-ago.

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The momentum of Kering's luxury businesses has resulted in record growth and revenue for the half. The conglomerate's consolidated revenue grew by 28.2 percent to 7.2962 billion euros, or \$8.5209 billion at current exchange rates.

Global growth

Kering saw record half-year performance in the first half of 2017. The conglomerate's second-quarter comparable consolidated growth of 24.6 percent extended the first quarter's momentum, up 28.6 percent comparable.

Luxury brands under the Kering umbrella saw remarkable growth in revenue and earnings.

For example, both Gucci and Saint Laurent saw sustained growth momentum in revenue and recurring operating margin. Gucci saw its revenue increase 43.4 percent while Saint Laurent's revenue grew 28.5 percent.



Gucci's pre-fall campaign for 2017. Image credit: Gucci

Other houses, such as Bottega Veneta, had solid six-month performance. The Italian brand saw comparable revenue increase 2 percent for the first half 2017.

Balenciaga also saw acceleration and other luxury brands had revenues combine for a 10.1 percent increase.

The conglomerate Kering Eyewear contributed 162 million euros, or \$189 million at current exchange rates, to Kering's consolidated revenue for H1 2017. This figure was determined after eliminating intra-group sales and royalties paid to its brands.

In H1 2017, Kering Eyewear and Richemont-owned Cartier teamed to produce and distribute branded eyewear under the jeweler's label.

Under the agreement, Richemont acquired a minority stake in Kering Eyewear, a company within the group's stable that develops eyewear for Kering-owned brands including Gucci, Bottega Veneta and Saint Laurent ([see story](#)).



Cartier eyewear is now developed by Kering Eyewear. Image credit: Cartier

Kering's H1 2017 performance was driven by extremely strong sales growth in established and emerging markets. Comparable increases of 33.5 percent were seen in Western Europe, and 34.4 percent in Asia Pacific.

Also, North America saw comparable revenue increase 20.7 percent and Japan continue its growth trajectory, up 6.4 percent.

"Thanks to the execution of our strategy, we achieved outstanding revenue growth in the first half, clearly outperforming the sector, and delivered record profits and operating margins," said Francois-Henri Pinault, chairman and chief executive officer of Kering, in a statement.

"These remarkable performances in all regions of the world and across all of our activities underscore Kering's ability to innovate, creative value and gain market share," he said. "Our vision of luxury, grounded in creative audacity and in the sincerity of brands' values, is more relevant than ever.

"This excellent first half raises our confidence in the group's capacity to realize another year of growth and improved operating performances."

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