

### LUXURY 2017 FIRST-HALF RESULTS

After the slowdown of last year, in the **first half of 2017**, the luxury market has returned firmly to **positive** territory.

Not even the persistence of some critical issues worldwide (geopolitical tensions and possible changes in US and EU monetary policies) seems to weaken the trend, which benefits mainly from the recovery of purchases by the Chinese consumers, both at home and abroad, and the European ones.

According to the analysts, the luxury sector is expected to close this year with a growth rate close to 4%, while increases at an average annual rate of 3-4% are foreseen by 2020.

The half-year results of the major brands reward again the **Kering** group, which thanks to Gucci's extraordinary performance (+43% of revenues), ended the semester with revenues and profits rising by 26% and 78%. Good also the sales of the other major brands of the group: Yves Saint Laurent (+28%), Bottega Veneta (+2%), Puma (+16%). The group shows strong and equally distributed growth both in mature and emerging markets. Especially China (with Hong Kong and Macao in strong recovery) stands out.

Organic revenue and profits double-digit growing also for the fashion and leather division of **LVMH**, which ended the first half of the year with increases of +14% and +34% respectively. Raising above all, the brands Louis Vuitton, Fendi, Loro Piana, Céline, Kenzo, Loewe and Berluti. Good sales growth in Europe, Asia and the United States.

**Hermès'** performance was positive, +10% total turnover in the semester, with a particularly dynamic leather segment (+12%). Sales in significant growth in China, Europe and the Americas. Good Japan.

**Ferragamo** group's revenues were substantially stable, with footwear at +0.4% and leather goods at +0.6%. Sales in the EU and USA declined, while those in Asia went up (Japan excluded).

Downturn in **Tod's** group's revenues (-3%), where the trend of leather goods doesn't offset the uncertainty of footwear. Declines for Hogan (-7%) and Tod's (-6%). Roger Vivier (+11%) and Fay (+4%) go up. Increasing purchases in Europe (except Italy), Greater China (even Hong Kong improves) and Japan. The American market is weak.

Negative signs for **Prada** group's total sales (-6% in the semester). All the brands belonging to the *maison* go down: Prada (-5%), Miu Miu (-10%), Church's (-11%). Strong Chinese growth, difficulties in Japan and the Middle East. Positive performance of the North American market.