PARIS, France - French luxury and sports group Kering issued a profit warning on Wednesday, blaming one-off charges related to Puma's restructuring and the disposal of loss-making mail order business La Redoute.

The Paris-based owner of fashion brand Gucci and sports brand Puma said group consolidated net income for the current year would be "down very significantly" versus 2012.

The company said in July that it was aiming to improve its performance further over the full year.

Kering has come under pressure from the French government in recent days to reconsider its plans to cut jobs before La Redoute is sold.

More than 1,000 people, including employees, their families and local politicians, demonstrated last week in the northern French city of Lille to voice concern over the planned sale, which labour unions say threatens around 700 jobs out of 2,500 nationwide.

"At this stage, and regardless of the solution, the board of directors has acknowledged the financing needs related to Kering's commitment as part of the disposal process," Kering said in a statement, referring to La Redoute.

Kering has injected more than 400 million euros ($536 million) into La Redoute since 2008 and would be ready to inject at least another 300 million in order to cover its losses for a few years more and finance its restructuring, sources close to the matter have said.
"It would appear that the fact that Kering is forced to recapitalise before a deal is finalised is an indication that the business is under very severe pressure," Exane BNP Paribas luxury goods analyst Luca Solca said.

La Redoute is the last retail business Kering needs to sell in order to complete its transformation from a retail company into a luxury and sports brand group.

The process began in 2006 with the disposal of retail chain Printemps when the group was still called PPR, an abbreviation of Pinault Printemps La Redoute. Kering is controlled by the Pinault family.

Kering did not give details of the expected drop in net income. It added, however, that it was confident in the "solidity of its operating performance" for the year, as well as in its level of recurring net income, which excludes one-time items.

Last month, Kering's star Gucci brand posted its weakest sales growth in four years and said Puma's efforts to reposition itself as a vibrant sports brand would take time.

On Friday, Puma, which is 84 percent owned by Kering, issued a profit warning, partly due to exceptional costs incurred from its restructuring. ($1 = 0.7460 euros)