

**2014 results:**

Significant improvement of the operational performance in a year of adverse market dynamics

Revenues

€151 million: down marginally 0.8% at constant exchange rates
up 4.2% excluding decanter business

EBITDA (3)

€5.3 million, up 38.2% at constant exchange rates

Net income attributable to Group shareholders

(€5.4m): a 44.8% improvement at current exchange rates

Financial structure

Financial net debt under control at €11.6 million,
2.2 x EBITDA

The Board of Directors of Baccarat which met on March 26, 2015, approved the financial statements for the year ending December 31, 2014. The accounts have been audited and the auditors' report will be issued following the required to finalize the report

Daniela Riccardi, Baccarat's Chief Executive Officer, commented: "*With sales up in most regions, in the retail network, and thanks to significant special projects, EBITDA rose 38.2% at constant exchange rates. This despite headwinds from foreign currencies and China's anti-extravagance measures, hence on the decanter business and a slow market in Europe. The company performances reflects the interventions starting summer 2013, to streamline our collections and the buying system, launch new products that are now best sellers, reorganize the supply chain to deliver to the stores on time and better address our clients' needs. On the occasion of the brand's 250th anniversary, the marketing and public relations initiatives were strengthened and have resulted in an unprecedented brand's visibility. At organizational level, competencies were strengthened in commercial functions, in product development and thanks to the arrival of an Artistic Director. All this is creating a more solid base to achieve profitable growth.*"

Financial highlights

<i>In thousands of euros</i>	2014	2013 restated (1)	Change (2)	2013 reported basis
Revenues	151,007	155,317	-2.8%	149,335
EBITDA (3)	5,317	3,950	34.6%	
<i>as a percentage of sales</i>	<i>3.5%</i>	<i>2.5%</i>		
Current operating income	-2,208	-3,519	37.3%	-3,519
Other operating income and expenses	-2,157	-3,290		-3,290
Net financial expense	-195	-2,546		-2,546
Consolidated net result	-5,419	-9,801	44.7%	-9,801

(1) *To better track the performance of points of sale of the Baccarat's distribution network, mainly in department stores, certain operating expenses presented in the past deducted from revenues are now classified as operating expenses.*

(2) *Change in reported figures*

(3) *Corresponding in this presentation to current operating income before net allowances for amortization and depreciation of non-current assets and employee benefits net allowances*

Operating and financial performances

In 2014 events were organized throughout the world to celebrate Baccarat's 250th anniversary. These events generated considerable impact in terms of brand visibility and prestige: "anniversary" collections were showcased at Maison Baccarat in Paris, promotion of this anniversary in boutiques and organization of prestige events in flagship stores throughout the world all year long and in department stores (Bergdorf Goodman in New York, Harrod's in London, Printemps in Paris, Tsum in Moscow, Isetan in Japan).

The high point of this anniversary was in October with the "Baccarat, the Legend of crystal" exhibition at the Petit Palais Fine Arts Museum of Paris, offering the largest retrospective of the brand in 50 years which met with a resounding success with the public (130,000 visitors in two and a half months).

For the end of year festivities, Baccarat also lighted up the largest chandelier ever produced in its history (410 lights) at the "Yebisu" garden in Tokyo and ignited 16 chandelier-display on Rodeo Drive in the heart of Beverly Hills, California.

Revenues for 2014 amounted to €151 million, down 2.8% on reported basis, adversely affected by unfavorable currency effects and China's anti-extravagance measures which impacted on the decanter business in Europe. At constant exchange rates and excluding decanter, revenues rose 4.2%

Sales in Europe, down 16% for the year, as reported, were adversely impacted by the uncertain economic climate and also China's anti-extravagance measures. Excluding decanter business, annual revenues were down 9.5% with good performance of + 9% in the last quarter, in particular in retail.

Robust sales from our distribution channels combined with sales revenues from the New York hotel resulted in 23.8% growth at constant rates in the Americas. This included a good performance in retail with the New York Madison Avenue flagship at + 31.7% growth in the last quarter

Revenues in Japan rose by 6.3% in local currency despite slower fourth-quarter sales due to the recessionary outlook in an electoral environment,

Sales in the rest of Asia declined 4% at constant exchange rates, reflecting lower volume from special affairs in Malaysia in 2014. Excluding the latter, revenues were up 6.2% largely in response to sustained retail sales.

Revenues from the rest of the world at constant exchange rates were up 44% for the year, with a 94.4% gain in the last quarter, reflecting the success of our products in the Middle East, specifically for chandeliers.

The EBITDA of 5,3 M€ increased by 38.2% at constant exchange rate in response to improvements in productivity, sales margins and cost control measures as structures and operating procedures were realigned in the period.

Current operating result of -2,2 M€ improved by 38.6% at comparable exchange rates, allowance for amortization and depreciation remaining at last year level.

The operating result of -4,3 M€ was reduced by €2.4 million in light of net non-recurring expenses of €2.1 million. These expenses include reorganization costs and additional reserve to cover costs linked to employee claims for asbestos anxiety (caused by concerns of developing a future illness from potential work-related exposure to asbestos) partly absorbed by proceeds from asset disposal.

Net financial result of -0,2 million improved by €2.4 million : increased interest expense of €0.9 million reflects mainly the 2014 impact of the pre-payment of the syndicated loan on the effective interest rate and was partially offset by foreign exchange gains deriving from the US dollar.

In light of the tax expense of €0.8 million, the net loss of -5,4 M€ was reduced by €4.4 million compared to last year.

Financial structure

Baccarat's financial structure remained sound: at 12/31/2014 net financial debt of €11.7 million comprised €41.6 million in gross debt and €27.9 million in cash.

<i>In thousands of euros</i>	2014	2013
Capital invested	61,898	70,328
Shareholders' equity	50,204	58,397
Net financial debt (NFD)	11,694	11,931
Gearing (NFD/ Equity)	23.3%	20,4%
NFD / EBITDA	2.2	3.0

Corporate governance:

On December 18, 2014, the Board of Directors appointed Steven R. Goldman as a director to replace Steven M. Hankin, for the remainder of the latter's term of office, i.e. until the end of the ordinary general meeting to be called in 2015 to approve the financial statements for the period ended.

Post-closing events

In connection with the sale by Starwood of the hotel operations of Groupe du Louvre, the stake of the latter in Baccarat (66.62%) was transferred to SDL Investments, also controlled by the investment funds managed by Starwood Capital Group Global, LLC. On February 20, 2015, SDL Investments granted Baccarat a €22.26 million bridge loan to replace the bank loan initially obtained in January 2013 that was repaid at the banks' request in accordance with the loans' contractual terms.

Outlook

In 2015 Baccarat will focus on the implementation of the initiatives started in 2013 and on executing them consistently across the world.

We will focus on upgrading our retail network with few new stores in Paris, Beijing and in the Middle East and implementing category management and joint business plans with the Top department stores.

A well around marketing plan will support the launch of new initiatives thru-out the year.

First quarter revenue are expected to be affected by unusual high base in 2014 with several special projects delivered early in 2014. This shall revert in subsequent quarter, thanks to important projects in the pipeline and the positive combined effect of product availability and marketing support.

Financial information for the Baccarat group is available on the company's website www.baccarat.com or from www.actusnews.com.

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About Baccarat

Baccarat (Paris, Euronext, BCRA) is a French luxury brand internationally renowned as a leader in high-end and exclusive crystal products. Since its foundation in 1764, the company, whose artisanal manufacturing is based in Baccarat in the Lorraine region of Eastern France, has been synonymous with a unique savoir-faire and has come to symbolize an inimitable French Art de Vivre. For nearly 250 years, the brand has inspired leading designers from across the world. Ranging from iconic lighting to unique tableware and decorative objects, fine jewelry and tailor-made bottles, the brand's products and tradition of excellence are widely distributed around the globe. Since 2005, Baccarat has been controlled by Starwood Capital Group L.L.C., through Groupe du Louvre up to February 20, 2015 and through SDL Investments from thereafter. Explore the world of Baccarat at www.baccarat.com