

interparfums

2008 operating profit slightly above forecasts €34.3 million (+8%)

Another year of earnings growth

For another year, growth targets were met in 2008: annual sales totalled €264.9 million, up 9.4% at current exchange rates over 2007 and 14.2% at constant exchange rates in a period marked by a strong rise in the euro.

Audited figures (€ millions)	2007	2008	08/07
Sales	242.1	264.9	+9%
Gross margin	147.4	152.6	+4%
% of sales	60.9%	57.6%	
Operating profit	31.8	34.3	+8%
% of sales	13.1%	12.9%	
Net income	20.2	21.1	+5%
% of sales	8.3%	8.0%	
Shareholders' equity	133.9	155.7	
Borrowings	40.5	30.1	
Cash	56.1	26.3	

The gross margin as a percentage of sales (57.6% in 2008) remains high despite adverse foreign exchange trends and provisions for Roxy inventory write-downs.

In line with our medium-term development strategy, the Group pursued marketing and advertising spending (+5%) while successfully maintaining tight control of all expenses: operating profit for the 2008 expanded nearly 8% compared to 2007 resulting in an operating margin approaching 13%.

Growth in net income was limited by two factors:

- Increased financial expenses in connection with the acquisition of Lanvin trademarks;
- The fair value recognition of financial instruments (US dollar hedges for 2009 and interest rate swaps on bank debt) for a total of €1.2 million before tax.

A sound balance sheet

The Group has a very solid financial position with shareholders' equity of €155 million and limited net financial debt of €4 million at 31 December 2008.

The decline in cash reflects primarily an intentional policy to maintain high inventory levels making it possible to fill virtually all orders received.

New dividend increase and bonus share issue

The Board of Directors will ask the shareholders' meeting April 24, 2009 to approve:

- The distribution of a dividend of €0.38 per share representing an increase of 10.5% (Taking into account the bonus issue in June 2008) over the prior year, payable on April 30 2009;
- A bonus share issue for the 10th consecutive year of one share for every 10 shares held in early June 2009.

Paris, March 9, 2009

Philippe Benacin, Chairman and Chief Executive Officer, noted:

"We met sales and earnings objectives for 2008 despite the challenging economic conditions of the second half. Information on the market received in the beginning of 2009 is relatively mixed. Nevertheless, despite reduced visibility, based on satisfactory sales for the first quarter, we have not modified annual sales targets of €273 million for 2009. In addition, we will continue to pursue opportunities for external growth in an environment now more favourable for acquisitions".

Philippe Santi, Executive Vice President, added:

"Given the current economic and foreign exchange environment, Inter Parfums delivered good financial performances with among the best margins of the sector. The quality of our business model contributed to a high operating margin of nearly 13% in 2008. The flexibility of this model, the quality of our brand portfolio and our balanced geographical sales mix should permit us to maintain profitability at satisfactory levels in 2009".

Upcoming events

Publication of 2009 first-quarter sales
April 23, 2009 (after the close of trading)

2009 Annual Shareholders' Meeting
April 24, 2009 (2 p.m. - Pavillon Gabriel - Paris)

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