interparfums

2009 annual results

Operating margin: 13%
Net margin: 8.7%
Dividend: +25%

Audited figures (€ millions)	2008	2009	09/08
Sales	264.9	259.2	- 2%
Gross margin	152.6	152.2	-
% of sales	*57.6%*	*58.7%*	
Operating income	34.3	33.7	- 2%
% of sales	*12.9%*	*13.0%*	
Net income	21.1	22.6	+7%
% of sales	*8.0%*	*8.7%*	
Shareholders' equity	154.3	170.0	+10%
Borrowings	30.1	20.5	-32%
Cash	26.3	66.2	+152%
Operating cash flow	(12.3)	56.3	ns

Above-forecast results

Operating income of €33.7 million reflected tight control over all operating expenses, rigorous management of advertising budgets, positive contributions from European distribution subsidiaries and an impairment provision for the Nickel brand. On this basis, the operating margin improved slightly over the prior year, advancing to 13%.

Net income totalled €22.6 million, up 7.2% from the prior year resulting in a net margin of 8.7%. This performance benefited from lower borrowing costs and foreign exchange hedges.

A stronger balance sheet

In a challenging economic environment, efforts to reduce inventory levels and optimize trade receivables collection contributed to the generation of operating cash flow of €56 million for the period.

In this context, the Group's financial position was significantly reinforced with shareholders' equity of €170 million and net cash of more than €45 million at 31 December 2009.

Dividend and bonus share issue

The Board of Directors will ask the shareholders' meeting to approve:
- the distribution of a dividend of €0.39 per share representing an increase of 25% over the prior year (taking into account the bonus issue in June 2009) with a cash payment in early May 2010;
- a bonus share issue for the 11th consecutive year (on the basis of one new share for every ten shares held in early June 2010).

Paris, March 10, 2010

Philippe Benacin, Chief Executive Officer, noted:

"Through its well-defined strategic choices, a highly efficient organization with top-quality staff in all departments and a strong pipeline of original and creative launches, Inter Parfums begins 2010 well-prepared for the period ahead. The current volume of orders along with the initial success of the Burberry Sport line are already promising indicators for robust sales in the 2010 first quarter. Furthermore, following recent signatures for partnerships with the Jimmy Choo and Montblanc brands, the possibility of new acquisitions in the near or medium term is not excluded".

Philippe Santi, Executive Vice President, added:

"These excellent results, particularly in terms of margins and cash flow, exceeded the latest forecasts, providing a further illustration of the strength of our business model, this time during a period of economic slowdown. Year after year, we continue to strengthen our financial structure with significant shareholders' equity, a record cash balance and a substantial debt capacity".

Upcoming events

Publication of 2010 first quarter sales
April 23, 2010 (before the opening of trading)

2010 Annual Shareholders' Meeting
April 23, 2010 (2 p.m. - Pavillon Gabriel - Paris)

Shareholder information
Tel.: +33 1 53 77 00 99

Investor relations - Inter Parfums SA
Philippe Santi, tel: +33 1 53 77 00 00
psanti@inter-parfums.fr

Media relations - RLPV Conseil
Cyril Levy-Pey, tel: +33 1 42 70 31 29
clevypey@inter-parfums.fr

www.inter-parfums.fr

Codes: Reuters IPAR.PA - Bloomberg ITP - ISIN FR0004024222-ITP Index: CAC Small 90, SBF 250

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