interparfums

Strong profit in 2011 first half
Significant media budgets for second half

Consolidated sales for the 2011 first half amounted to €163 million, up 8.2% at current exchange rates (9.6% at constant exchange rates) from one year earlier, despite slightly unfavorable currency effects and a high comparison base from the launches of *Burberry Sport* and *Oriens* of Van Cleef & Arpels in the prior year. This performance was in large part driven by excellent results from Jimmy Choo and Montblanc fragrances.

€ millions	**H1 10**	**H1 11**	**11/10**
Sales	150.7	163.0	+8%
Gross margin	92.8	105.5	+14%
% of sales	*61.5%*	*64.7%*	
Operating profit	21.5	26.0	+21%
% of sales	*14.3%*	*16.0%*	
Net income	12.9	17.1	+33%
% of sales	*8.5%*	*10.5%*	

The increase in the gross margin as a percentage of sales (3.2 points) mainly reflects the change in the Group structure at January 1, 2011 (the integration of the US subsidiary Interparfums Luxury Brands).

With marketing and advertising expenses stable relative to the first six months of 2010 and accounting for approximately one third of annual expenses, operating profit for the 2011 first half was up more than 20%. This reflected an exceptionally high operating margin of 16%.

Following a €2 million one-time charge specifically related to 2010 currency effects, the Group had net income of more than €17 million in the 2011 first half, up 33% increase year-on-year, with a net margin of 10.5%.

Against the backdrop of the significant inventory buildup for development of Jimmy Choo and Montblanc fragrances and the launch of the *Burberry Body* line in the fall, the Group's financial position remained excellent at June 30, 2011 with:

- shareholders' equity of €200 million representing 64.5% of total assets;
- cash of €27 million (including certificates of deposit with maturities exceeding three months);
- low net debt of €7.7 million.

Paris, September 13, 2011

Philippe Benacin, Chairman and Chief Executive Officer, commented: "*Jimmy Choo and Montblanc fragrances' continuing success confirm the strong potential of these brands. On the strength of the current level of orders for the Burberry Body line, media budgets have been significantly ramped up for the year-end period and full-year sales targets are expected to be raised in consequence*".

Philippe Santi, Executive Vice President, added:
"*This intentional increase in budgets for media that will result in much higher marketing and advertising costs and lower margins in the second half should positively contribute to medium-term growth*".

Upcoming events

Publication of 2011 third-quarter sales
October 25, 2011 (before the opening
of the NYSE-Euronext Paris stock exchange)

Publication of 2012 forecasts
November 16, 2011 (before the opening
of the NYSE-Euronext Paris stock exchange)

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