

interparfums

Discussions with Burberry on the creation of a new operating model for the fragrance and beauty business discontinued

Following several months of discussions, Interparfums^{SA} and Burberry have been unable to agree on final terms on a new operating model for the fragrance and beauty business. As such, on December 31, 2012, Burberry will buy out the license rights for 181 million (exclusive of receivables, inventories and other tangibles assets).

Going forward, Interparfums has a number of strengths, mainly:

- a balanced portfolio of brands with strong growth potential;
- a highly effective business model that has proven its success year after year;
- a flexible management organization;
- recognized creative know-how;
- a worldwide distribution network;
- a streamlined operating structure and highly motivated teams.

Interparfums will also benefit from substantial resources to potentially acquire one or more brands, either on a proprietary basis or as a licensee, from net cash at the beginning of 2013 of nearly €200 million and equity of €350 million, underscoring its significant borrowing capacity.

Paris, July 27, 2012

Philippe Benacin, Chairman and CEO commented: *“Given our many strengths, we are confident in our outlook as we enter a new phase in our history. Based on current growth rates for all of our portfolio’s brands, our preliminary full-year sales target for 2013 may reach €240-€250 million”.*

Philippe Santi, Executive Vice President, added: *“With only limited reorganization measures, our business model will continue to demonstrate its effectiveness. This new situation will allow us to strengthen investments supporting all of our portfolio’s brands to accelerate their development while maintaining an operating margin of more than 10%. In this context, opportunities for external growth will be examined without urgency, with the priority of maintaining the quality and homogeneous nature of our portfolio”.*

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