TWO THOUSAND & TWELVE FIRST HALF REPORT

interparfums

BALMAIN
BOUCHERON
BURBERRY
JIMMY CHOO
LANVIN
MONTBLANC
NICKEL
PAUL SMITH
REPETTO
S.T. DUPONT
VAN CLEEF & ARPELS

TWO THOUSAND & TWELVE FIRST HALF REPORT

interparfums

MANAGEMENT REPORT

1.
REVIEW OF OPERATIONS

The strong momentum of the first three months continued throughout the second quarter. Driven by the portfolio's main brands, consolidated second-quarter sales reached €98.1 million, up 32.4% at current exchange rates and 25.4% at constant exchange rates from the same period in 2011.

For the full 2012 first half, consolidated sales totaled €208.9 million on growth of 28.1% at current exchange rates and 23.6% at constant exchange from one year earlier. This performance reflects the excellent results in particular by Montblanc, Jimmy Choo and Boucheron fragrances.

1.1.
Highlights by brand

	2nd quarter		1st semester	
In € millions	**2011**	**2012**	**2011**	**2012**
Burberry	36.7	49.0	85.4	103.3
Lanvin	12.1	13.8	26.2	29.5
Montblanc	6.4	11.0	12.6	22.0
Jimmy Choo	6.1	6.9	13.1	18.7
Boucheron(1)	1.2	5.6	1.6	9.9
Van Cleef & Arpels	4.7	4.3	9.9	9.5
S.T. Dupont	2.7	5.2	5.9	8.7
Paul Smith	3.6	2.4	7.1	5.2
Nickel	0.6	0.5	1.2	1.1
Autres	-	(0.6)	-	1.0
Total	**74.1**	**98.1**	**163.0**	**208.9**

(1) 2 months in 2011.

With sales exceeding €100 million in the first half, Burberry fragrances (50% of total revenue) posted further gains (+21%) on strong growth by the brand's well-established lines and the rollout of the new *Burberry Body* line, launched at the end of 2011.

Lanvin fragrances maintained double-digit growth (+30%) with sales of nearly €30 million on continuing gains by the *Éclat d'Arpège* line and steady performances by the *Jeanne Lanvin* and *Marry Me!* lines.

Montblanc fragrances delivered particularly high growth (+75%) with sales of €22 million that confirmed the success of the Montblanc *Legend* line launched last year.

Momentum that began in 2011 with a single product line, *Jimmy Choo* Eau de Parfum, continued in 2012 with the Eau de Toilette. As a result, Jimmy Choo fragrances showed robust growth (+42%) with sales of nearly €19 million in the first half.

The gradual re-release of Boucheron fragrances, in particular with the *Jaïpur Bracelet* line has generated sales of nearly €10 million for the period;

In a year without major launches, Van Cleef & Arpels fragrances had steady sales of €9.5 million.

1.2.
Highlights by region

In an active market, with nearly €100 million expected for the full year, strong growth in North America was driven by Jimmy Choo and Montblanc with sales up three and fourfold respectively.

In South America, Eastern Europe and Asia, growth remained sustained with gains of 35%, 25% and 22% respectively for the period.

Western Europe (20% of total revenue) continues to show positive momentum despite a slowdown in consumer spending in selected countries of the region.

In the Middle East, a significant rise in volume sales for all brands combined with a favorable comparison base led to a return to high growth (+40%).

2.
CONSOLIDATED FINANCIAL HIGHLIGHTS

In € millions	**H1 2011**	**H1 2012**	**12/11**
Sales	163.0	208.9	+28%
Gross margin	105.5	132.0	+25%
% of sales	*64.7%*	*63.2%*	
Operating profit	26.0	29.2	+12%
% of sales	*16.0%*	*14.0%*	
Net income	17.1	18.9	+11%
% of sales	*10.5%*	*9.0%*	

Operating profit's upward momentum remained intact despite sustained marketing and advertising efforts (+49%), rising 12% in the 2012 first half with an operating margin still at a high-level (14%).

On that basis, the Group had net income of €18.9 million in the 2012 first half, up 10% year-on-year.

In € millions	**H1 2011**	**H1 2012**	**12/11**
Shareholders' equity	215.7	227.9	+6%
Borrowings	3.5	1.2	-66%
Net cash	17.4	10.2	-41%

In an environment of inventory buildup in preparation for launches in the second half, the Group's financial position remains excellent with:

- shareholders' equity of more than €228 million;
- cash of €10 million;
- limited net debt of €1.2 million at June 30, 2012.

3.
HALF YEAR MILESTONES

January
Commencement of the Balmain license

Commercial activity has begun based on four existing lines. A new version of the *Ivoire* line is planned for the beginning of the 2012 second half.

Commencement of the Repetto license agreement

The first women's fragrance line will be launched in 2013.

February
Launch of the *Jimmy Choo* Eau de Toilette

This new scent puts an original twist on the original *Jimmy Choo* fragrance with notes of ginger, tea rose, exotic tiger orchid and cedar wood for a floral, fruity and modern composition.

May
Launch of the *Jeanne Couture* line

Jeanne Couture offers a sophisticated variation on the theme of the first opus (*Jeanne Lanvin*). This latest fragrance keeps its fruity and musky character but is it enriched with more sensual notes.

Launch of the *Jaïpur Bracelet* line

With *Jaïpur Bracelet*, the Boucheron Jeweler-Perfumer echoes the alliance between the Maison collections and India and reinterprets the history of Nauratan: Rajasthan traditional bracelet offered to young brides as a lucky charm.

June
Bonus share distribution

The company proceeded with its 13th bonus issue on the basis of one new share for every ten shares held.

4.
RISK FACTORS AND INFORMATION ON RELATED PARTIES

4.1.
Risk factors

Information on market risks and their management are presented in note 2.14 of the consolidated interim financial statements included in this report.

Other risk factors are of the same nature as those presented in section 3 "Risk factors" of the 2011 consolidated management report included in the registration document filed on April 6, 2012 with the French financial market authorities *(Autorité des Marchés Financiers* or AMF). There have been no significant changes in these risk factors in the 2012 first half.

4.2.
Related party transactions

In the 2012 first half, relations between Interparfums and affiliated companies remained comparable with those of fiscal year 2011 presented in Note 6.6 "Information on related parties" of the 2011 consolidated financial statements included in the registration document filed on April 6, 2012 with the AMF.

This was also the case for relations between members of the Management Committee and the Board of Directors.

5.
OUTLOOK

Based on performances of the first six months and the outlook for the second half, Interparfums has raised its guidance for annual sales to €420 million for 2012.

6.
POST-CLOSING EVENTS

On July 16, 2012, Burberry exercised its option to terminate the license agreement between the two parties. Despite this, the two companies decided on that date to pursue discussions on the creation of a new operating model for the fragrance and cosmetics business.

On July 27, 2012, these discussions were discontinued. In consequence, the license agreement will expire on December 31, 2012 in exchange for payment of a buyout price of €181 million (excluding trade receivables, inventories and tangible assets).

After payment of this buyout price for the license rights, Interparfums will have substantial resources to 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.

Based on current growth rates for all of the portfolio's brands, preliminary full-year sales target for 2013 may reach €240-€250 million.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1.
CONSOLIDATED INCOME STATEMENT

In € thousands, *Except per share data which is in units*	**Notes**	**H1 2011**	**H1 2012**
Sales	3.1	**163,022**	**208,909**
Cost of sales	3.2	(57,550)	(76,874)
Gross margin		**105,472**	**132,035**
% of sales		*64.7%*	*63.2%*
Selling expenses	3.3	(74,003)	(97,195)
Administrative expenses	3.4	(5,448)	(5,634)
Operating profit		**26,021**	**29,206**
% of sales		*16.0%*	*14.0%*
Financial income		348	425
Interest and similar expenses		(441)	(593)
Net interest expense		**(93)**	**(168)**
Other financial income		2,333	2,047
Other financial expense		(2,502)	(2,914)
Net financial income/(expense)	3.5	**(262)**	**(1,035)**
Income before income tax		**25,759**	**28,171**
% of sales		*15.8%*	*13.5%*
Income tax	3.6	(8,850)	(9,895)
Effective tax rate		*34.4%*	*35.1%*
Net income before non-controlling interests		**16,909**	**18,276**
% of sales		*10.4%*	*8.7%*
Attributable to non-controlling shareholders		(227)	(614)
Attributable to equity holders of the parent		17,136	18,890
% of sales		*10.5%*	*9.0%*
Basic earnings per share (1)	3.7	0.95	0.94
Diluted earnings per share (1)	3.7	0.94	0.94

(1) Restated for bonus share grants.

2.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND EXPENSE

In € thousands	**H1 2011**	**H1 2012**
Available-for-sale assets	419	430
Currency hedges	-	-
Gross income/(expense) recognized directly in equity	**419**	**430**
Deferred tax	(144)	(155)
Net income/(expense) recognized directly in equity	**275**	**275**
Consolidated net profit for the period	16,909	18,276
Total recognized income and expense for the period	**17,184**	**18,551**
Attributable to non-controlling shareholders	(227)	(614)
Attributable to equity holders of the parent	**17,411**	**19,165**

3.
CONSOLIDATED BALANCE SHEET

Assets

In € thousands	Notes	12/31/11	06/30/12
Non-current assets			
Net trademarks and other intangible assets	2.1	71,049	69,378
Net goodwill	2.2	2,010	2,010
Net property, plant, equipment	2.3	9,057	10,091
Long-term investments		1,128	1,457
Other non-current financial assets		432	500
Deferred tax assets	2.11	5,777	7,862
Total non-current assets		**89,453**	**91,298**
Current assets			
Inventory and work in progress	2.4	101,167	112,218
Trade receivables and related accounts	2.5	129,109	102,861
Other receivables	2.6	5,780	5,245
Corporate income tax		1,085	844
Current financial assets	2.7	-	-
Cash and cash equivalents	2.7	26,600	13,736
Total current assets		**263,741**	**234,904**
Total assets		**353,194**	**326,202**

Shareholders' equity and liabilities

In € thousands	Notes	12/31/11	06/30/12
Shareholders' equity			
Share capital		59,602	66,001
Additional paid-in capital		377	-
Retained earnings		125,464	143,030
Net income for the year		30,300	18,890
Group shareholders' equity		**215,743**	**227,921**
Non-controlling interests		277	(346)
Total shareholders' equity	2.8	**216,020**	**227,575**
Non current liabilities			
Provisions for non-current commitments	2.9	2,127	2,315
Non-current borrowings	2.10	12	43
Deferred tax liabilities	2.11	1,472	1,496
Total non-current liabilities		**3,611**	**3,854**
Current liabilities			
Trade payables and related accounts	2.12	96,238	66,311
Current borrowings	2.10	3,450	1,171
Provisions for contingencies	2.9	49	49
Current income tax liabilities		1,016	4,824
Bank facilities	2.10	9,205	3,575
Other payables	2.12	23,605	18,843
Total current liabilities		**133,563**	**94,773**
Total shareholders' equity and liabilities		**353,194**	**326,202**

4.
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

In € thousands					Total equity		
	Number of shares	Common stock	Paid-in capital	Retained earnings & net income	Group share	Non-controlling interests	Total
As of June 30, 2010 (1)	**17,902,429**	**53,780**	**408**	**137,311**	**191,499**	**385**	**191,884**
Bonus share issue	1,803,851	5,412	(1,898)	(3,514)	-	-	-
Shares issued on exercise of stock options	137,280	410	1,867	-	2,277	-	2,277
2011 net income	-	-	-	30,300	30,300	(94)	30,206
2010 dividend paid in 2011	-	-	-	(8,628)	(8,628)	-	(8,628)
Treasury shares	(30,037)	-	-	(420)	(420)	-	(420)
Stock based compensation	-	-	-	135	135	-	135
Remeasurement of instruments securities at fair value	-	-	-	19	19	-	19
Effect of exchange rate fluctuations	-	-	-	561	561	(14)	547
As of December 31, 2011 (1)	**19,813,523**	**59,602**	**377**	**155,764**	**215,743**	**277**	**216,020**
Bonus share issue	2,000,027	6,000	(2,384)	(3,616)	-	-	-
Shares issued on exercise of stock options	132,948	399	2,007	-	2,406	-	2,406
2012 half-year net income	-	-	-	18,890	18,890	(614)	18,276
2011 dividend paid in 2012	-	-	-	(9,914)	(9,914)	-	(9,914)
Treasury shares	9,650	-	-	204	204	-	204
Stock based compensation	-	-	-	101	101	-	101
Remeasurement of instruments securities at fair value	-	-	-	43	43	-	43
Currency translation adjustments	-	-	-	458	458	(4)	454
Other changes	-	-	-	(10)	(10)	(5)	(15)
As of June 30, 2012 (1)	**21,956,148**	**66,001**	**0**	**161,920**	**227,921**	**(346)**	**227,575**

As of December 31, 2010 (1)	**17,902,429**	**53,780**	**408**	**137,311**	**191,499**	**385**	**191,884**
Bonus share issue	1,803,851	5,412	(1,898)	(3,514)	-	-	-
Shares issued on exercise of stock options	112,322	336	1,490	-	1,826	-	1,826
2011 half-year net income	-	-	-	17,136	17,136	(227)	16,909
2010 dividend paid in 2011	-	-	-	(8,628)	(8,628)	-	(8,628)
Treasury shares	(3,517)	-	-	9	9	-	9
Stock based compensation	-	-	-	87	87	-	87
Remeasurement of instruments securities at fair value	-	-	-	60	60	-	60
Currency translation adjustments				131	131	(40)	91
Other changes	-	-	-	5	5	-	5
As of June 30, 2011 (1)	**19,815,085**	**59,528**	**0**	**142,597**	**202,125**	**118**	**202,243**

(1) Excluding treasury shares.

5.
CONSOLIDATED STATEMENT OF CASH FLOWS

In € thousands	06/30/11	12/31/11	06/30/12
Cash flows from operating activities			
Net income	16,909	30,206	18,276
Depreciation, amortization and other	6,165	10,922	11,690
Net finance costs	93	505	168
Tax charge of the period	8,850	16,661	9,895
Operating cash flows	**32,015**	**58,294**	**40,029**
Interest expense payments	(654)	(1,413)	(617)
Tax payments	(12,882)	(23,094)	(5,522)
Cash flow after interest expense and tax	**18,479**	**33,787**	**33,890**
Change in inventory and work in progress	(38,102)	(35,997)	(17,043)
Change in trade receivables and related accounts	(9,788)	(55,537)	25,915
Change in other receivables	293	(27)	776
Change in trade payables and related accounts	17,784	42,918	(29,927)
Change in other current liabilities	(3,905)	(278)	(6,939)
Change in working capital needs	**(33,718)**	**(48,921)**	**(27,218)**
Net cash flows provided by (used in) operating activities	**(15,237)**	**(15,134)**	**6,672**
Cash flows from investing activities			
Net acquisitions of intangible assets	(1,565)	(4,302)	(530)
Net acquisitions of property, plants and equipment	(2,843)	(5,727)	(3,620)
Net acquisitions of marketable securities (+3 months)	25,985	35,785	-
Changes in non-current financial assets	(18)	164	(329)
Net cash flows provided by (used in) investing activities	**21,559**	**25,920**	**(4,479)**
Cash flow from financing activities			
Issuance of borrowings and new financial debt	-	-	-
Debt repayments	(4,182)	(8,412)	(2,205)
Dividend payments to shareholders	(8,628)	(8,628)	(9,914)
Capital increases	1,826	2,279	2,406
Treasury shares	17	(513)	286
Net cash flows provided by (used in) financing activities	**(10,967)**	**(15,274)**	**(9,427)**
Change in net cash	**(4,645)**	**(4,488)**	**(7,234)**
Cash and cash equivalents, beginning of year	21,883	21,883	17,395
Cash and cash equivalents, end of year	**17,238**	**17,395**	**10,161**

The reconciliation of net cash breaks down as follows:

In € thousands	06/30/11	12/31/11	06/30/12
Cash and cash equivalents	22,422	26,600	13,736
Bank facilities	(5,184)	(9,205)	(3,575)
Net cash at the end of the period	**17,238**	**17,395**	**10,161**
Certificates of deposit > 3 months	9,800	-	-
Net cash and current financial assets	**27,038**	**17,395**	**10,161**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1.
ACCOUNTING PRINCIPLES

1.1.
Statement of compliance

The condensed interim consolidated financial statements for the six-month period ending June 30, 2012 were adopted by the Board of Directors on September 6, 2012. They have been prepared in compliance with EC regulations 1606/2002 of July 19, 2002 on international accounting standards and notably IAS 34 on interim financial reporting as endorsed by the European Union. These standards have been consistently applied over the periods presented. These interim financial statements were prepared on the basis of these same rules and methods used to produce the annual financial statements.

This condensed interim financial report must be read in conjunction with the consolidated annual financial statements for the fiscal year ended December 31, 2011. In addition, the comparability of interim and annual financial statements may be affected by seasonal trends of Group business and notably the impact of launch phases of new fragrance lines.

Financial information presented herein is based on:

- IFRS standards and interpretations whose application was mandatory starting in 2005;

- options retained and exemptions used by the Group for the preparation of IFRS consolidated financial statements.

1.2.
Changes in accounting standards

Since January 1, 2012, no changes or modifications in standards have occurred that concerned Interparfums Group.

Furthermore no standards, amendments or interpretations currently under review by IASB and IFRIC were applied in advance in the financial statements for the period ending 30 June 2012.

1.3.
Basis of consolidation

All Group subsidiaries are fully consolidated. These include Interparfums Deutschland GmbH, Inter España Parfums et Cosmetiques SL, Interparfums Srl, Interparfums Ltd, Interparfums Suisse Sarl, Interparfums Singapore and Interparfums Luxury Brands.

Interparfums SA		**Ownership & controlling interest (%)**
Interparfums Suisse Sarl	Switzerland	100%
Interparfums Singapore	Singapore	100%
Interparfums Luxury Brands	United States	100%
Inter España Parfums et Cosmetiques SL	Spain	100%
Interparfums Srl	Italy	71%
Interparfums Deutschland GmbH	Germany	51%
Interparfums Ltd	Germany	51%

Subsidiaries' financial statements are prepared on the basis of the same accounting period as the parent company. The fiscal year covers the 12 month period ending on December 31.

2.
NOTES TO THE BALANCE SHEET

2.1.
Trademarks and other intangible assets

In € thousands	12/31/11	+	-	06/30/12
Gross value				
Indefinite life intangible assets				
Nickel trademark	2,133	-	-	2,133
Lanvin trademark	36,323	-	-	36,323
Finite life intangible assets				
S.T. Dupont upfront license fee	1,219	-	-	1,219
Burberry upfront license fee	5,000	-	-	5,000
Van Cleef & Arpels upfront license fee	18,250	-	-	18,250
Montblanc upfront license fee	1,000	-	-	1,000
Boucheron upfront license fee	15,000	-	-	15,000
Balmain upfront license fee	2,050	-	-	2,050
Other intangible assets				
Rights on molds for bottles and related items	9,481	309	-	9,790
Registration of trademarks	500	-	-	500
Software	2,087	221	-	2,307
Other	165	1	-	166
Total cost	**93,208**	**531**	-	**93,738**
Depreciation and impairment				
Indefinite life intangible assets				
Nickel trademark	(384)	-	-	(384)
Finite life intangible assets				
S.T. Dupont upfront license fee	(1,219)	-	-	(1,219)
Burberry upfront license fee	(2,926)	(224)	-	(3,150)
Van Cleef & Arpels upfront license fee	(7,605)	(756)	-	(8,361)
Montblanc upfront license fee	(148)	(50)	-	(198)
Boucheron upfront license fee	(1,000)	(497)	-	(1,497)
Balmain upfront license fee	-	(85)	-	(85)
Other intangible assets				
Rights on molds for bottles and related items	(7,653)	(361)	-	(8,014)
Registration of trademarks	(448)	6	-	(454)
Software	(668)	(218)	-	(886)
Other	(108)	(4)	-	(112)
Total amortization and impairment	**(22,159)**	**(2,201)**	-	**(24,360)**
Total	**71,049**	**(1,671)**	-	**69,378**

In the absence of any indication of impairment, indefinite life intangible assets were not revalued on June 30, 2012.

2.2.
Goodwill

Goodwill results from the acquisition of Nickel.

The gross value of goodwill of €5,202,000 was tested for impairment on December 31, 2011. In the absence of any indication of impairment, indefinite life intangible assets were not revalued on June 30, 2012. The total amount for impairment of €3,192,000 recognized in the balance sheet has consequently been maintained.

2.3.
Property, plant and equipment

In € thousands	12/31/11	+	-	06/30/12
Gross value				
Fixtures, improvements, fittings	11,732	2,420	-	14,152
Office and computer equipment and furniture	1,663	80	-	1,743
Molds for bottles and caps	7,886	1,112	-	8,998
Other (1)	1,003	76	(68)	1,011
Total cost	**22,284**	**3,688**	**(68)**	**25,904**
Accumulated depreciation and impairment (1)	(13,227)	(2,643)	(57)	(15,813)
Total net	**9,057**	**1,045**	**(11)**	**10,091**

(1) Including a gross amount of €359,000 for vehicles held under finance leases and depreciation expenses of €266,000.

The increase in the line item "fixtures, improvements, fittings" is mainly due to the creation of new in-store stands for the opening of new points of sale. The increase in "molds for bottles and caps" reflects the significant number of launches of new lines planned for 2013.

2.4.
Inventories and work in progress

In € thousands	12/31/11	06/30/12
Raw materials and components	40,190	36,264
Finished goods	66,179	80,464
Total gross amount	**106,369**	**116,728**
Allowances for raw materials	(307)	(1,067)
Allowances for finished goods	(4,895)	(3,443)
Total provisions	**(5,202)**	**(4,510)**
Net total	**101,167**	**112,218**

The rise in inventories is mainly due to the buildup of stock for new lines (notably Montblanc), the multiplication of the number of new lines for all brands combined and the reception of Christmas gift sets.

2.5.
Trade receivables and related accounts

In € thousands	12/31/11	06/30/12
Total gross amount	**133,077**	**107,162**
Impairment	(3,968)	(4,301)
Net total	**129,109**	**102,861**

The decline in trade receivables reflects a very high volume of billings at the end of 2011.

The aged trial balance for trade receivables breaks down as follows:

In € thousands	12/31/11	06/30/12
Not due	113,590	88,255
0 - 90 days	14,989	14,309
91 - 180 days	987	906
181 - 360 days	115	440
More than 360 days	3,396	3,252
Total gross amount	**133,077**	**107,162**

Trade receivables past due more than 360 days include bad debt owned by a former distributor in Spain in default for an amount of nearly €3 million that has been fully written down.

2.6.
Other receivables

In € thousands	12/31/11	06/30/12
Prepaid expenses	2,182	2,505
Interparfums Holding current accounts	264	1,692
Value-added tax	2,411	933
Other	923	115
Net total	**5,780**	**5,245**

2.7.
Current financial assets, cash and cash equivalents

2.7.1.
Current financial assets

Current financial assets consist of investments in the form of certificates of deposits with maturities of more than three months. At June 30, 2012, no financial assets were held with maturities exceeding three months.

2.7.2.
Cash and cash equivalents

In € thousands	12/31/11	06/30/12
Certificates of deposit (less than 3 months)	17,387	6,508
Bank accounts	9,213	7,228
Cash and cash equivalents	**26,600**	**13,736**
Current financial assets (certificates of deposits > three months)	-	-
Cash, cash equivalents and current financial assets	**26,600**	**13,736**

Items under this heading are subject to an insignificant risk of a change in value. Short-term investments are measured at market value on every closing date.

2.8.
Shareholders' equity

2.8.1.
Common stock

As of June 30, 2012, Interparfums' capital was comprised of 22,000,301 shares fully paid-up with a par value of €3, 73.27%-held by Interparfums Holding.

For the period under review, capital increases result from the exercise of stock options for 132,948 shares and the capital increase in connection with the bonus issue of June 18, 2012 for 2,000,027 shares on the basis of one new share for every ten shares held.

2.8.2.
Stock option plans

The managers and employees of Interparfums and its subsidiaries benefit regularly from stock option plans.

The characteristics of plans currently in force are as follows:

Plans	Number of beneficiaries	Number of options granted at inception	Grant date	Vesting period	Exercise price (1)
Plan 2008 (IP Inc.)	96	84,500	02/14/08	4 years	$ 11.30
Plan 2009	135	87,000	12/17/09	4 years	€ 13.25
Plan 2010	**143**	**114,700**	**10/08/10**	**4 years**	**€ 18.95**

(1) Subscription price adjusted for bonus issues.

In February 2008, all employees of the company benefited from a stock option plan created by the parent company Interparfums Inc. This plan was recognized in accordance with IFRIC 11 and is charged to Interparfums SA by the parent company.

In the period, changes in plans issued by Interparfums SA break down as follows:

Plans	Options outstanding at 12/31/11	Conversions in the period	Bonus share grants	Cancellations in the period	Options outstanding at 06/30/12
Plan 2006	136,434	(132,948)	-	(3,486)	-
Plan 2009	103,939	-	10,368	(1,210)	113,097
Plan 2010	125,840	-	12,199	(3,960)	134,079
	366,213	**(132,948)**	**22,567**	**(8,656)**	**247,176**

At June 30, 2012, the potential number of Interparfums SA shares that may be created was 247,176.

Benefits granted to employees in the form of stock options, in accordance with IFRS 2, were calculated using the Black & Scholes model. The impact of this calculation, including the US plan, represents an expense that is recognized over the duration of the vesting period. This expense was €133,000 for the first half of 2012 and €173,000 for the same period in 2011.

The estimation of the fair value of each stock option based on the Black & Scholes model is calculated on the grant date on the basis of the following assumptions:

Plans	Fair value of the options	Risk-free interest rate	Dividend yield	Volatility rate	Share price retained for the calculation
Plan 2006	€10.37	4.60%	0.94%	25%	€35.00
Plan 2008 (1)	$3.96	2.72%	1.20%	39%	$11.59
Plan 2009	€4.27	3.56%	2.67%	30%	€17.60
Plan 2010	€6.55	2.81%	1.81%	30%	€22.95

(1) The 2008 plan was issued by the parent company Interparfums Inc.

For all these plans, the stock options have terms of six years.

2.8.3. Treasury stocks

Within the framework of the share repurchase program authorized by the General Meeting of April 27, 2012, 44,153 Interparfums shares were held by the company as of June 30, 2012 or 0.2% of the share capital.

Changes in the period break down as follows:

In € thousands	Number of shares	Book Value
At December 31, 2011	**53,803**	**882**
Acquisitions	65,525	1,306
Bonus issue of June 18, 2012	3,990	-
Reversal of provision for impairment	-	204
Sales	(79,165)	(1,569)
At June 30, 2011	**44,153**	**823**

Management of the share repurchase program is assured by an investment services provider within the framework of a liquidity agreement in compliance with the conduct of business rules of the French association of investment firms (AFEI).

Purchases of shares under this program are subject to the following conditions:

- the maximum purchase price is €40 per share, excluding execution costs;
- the total number of shares acquired may not exceed 5% of the capital stock outstanding.

2.8.4.
Non-controlling interests

Non-controlling interests concern the percentages not held in European subsidiaries (Interparfums Deutschland GmbH: 49%; Interparfums Srl: 29%; Interparfums Ltd: 49%) that break down as follows:

In € thousands	12/31/11	06/30/12
Reserves attributable to non-controlling interests	371	268
Earnings attributable to non-controlling interests	(94)	(614)
Non-controlling interests	**277**	**(346)**

Non-controlling shareholders have an irrevocable obligation and the ability to offset losses by an additional investment.

2.8.5.
Information on equity

The company is not subject to specific regulatory or contractual obligations in respect to capital stock.

In compliance with the provisions of article L. 225-123 of the French Commercial Code, the shareholders' meeting of September 29, 1995 decided to create shares carrying a double voting right. These shares must be fully paid up and recorded in the company's share register in registered form for at least three years.

Since 1998, the company has adopted a policy of distributing dividends that today represents more than 30% of consolidated earnings to reward shareholders while at the same time associating them with the Group's expansion. In early May 2012, a dividend of €0.50 per share was paid or a total of €9.9 million.

The Group's significant shareholders equity and low gearing ensures that it is able to secure financing from banks in the form of medium-term loans.

In addition to the company's commitment with lending institutions to comply with contractual covenants, the level of consolidated shareholders' equity is regularly monitored to ensure the company continues to have sufficient financial flexibility to take advantage of all potential opportunities for external growth.

2.9.
Provisions for contingencies and expenses

In € thousands	12/31/11	+	Provisions used in the period	Reversal of unused provisions	06/30/12
Provisions for retirement severance payments	2,127	188	-	-	2,315
Total provisions for expenses > 1 year	**2,127**	**188**	-	-	**2,315**
Provisions for contingencies	49	-	-	-	49
Total provisions for contingencies < 1 year	**2,176**	**188**	-	-	**2,364**

2.10.
Borrowings

2.10.1.
Borrowings by maturity and rate

In € thousands	Total	< 1 year	1 to 5 years	> 5 years
Floating-rate (3M Euribor)	1,110	1,110	-	-
Car leases	104	61	43	-
Bank overdrafts	3,575	3,575	-	-
Total at June 30, 2012	**4,789**	**4,746**	**43**	-

In € thousands	Total	< 1 year	1 to 5 years	> 5 years
Floating-rate (3M Euribor)	3,353	3,353	-	-
Car leases	109	97	12	-
Bank overdrafts	9,205	9,205	-	-
Total at December 31, 2011	**12,667**	**12,655**	**12**	-

This debt is in euros.

2.10.2.
Analysis of borrowings

	Lanvin
Inception date	September 28, 2007
Initial amount (in € thousands)	22,000
Duration	5 years
Rate	3M Euribor +0.40%
Repayment schedule	Quarterly
Amount payable at 6/30/2012 (in € thousands)	1,100

2.10.3.
Additional disclosures

The Lanvin debt contracted in September 2007 was covered by a 4.42% interest rate swap.

At June 30, 2012, on the basis of a notional amount of €1.1 million, a gain of €43,000 in connection with this swap was recognized in the income statement for which the Group did not apply hedge accounting in accordance with IAS 39. The market value of the swap at June 30, 2012 represented a negative amount for the company of €10,000.

2.10.4.
Covenants

The loans obtained by the parent company are subject to the following covenant ratios:

- net debt to net equity;
- net debt to cash flow.

These ratios are calculated by the company every year.

At the end of 2011, all conditions required by these covenants were met with ratios considerably below the contractual limits. As a result, the Group had considerable financial flexibility with respect to these commitments.

2.11.
Deferred tax

The standard effective interest rate applied country by country is used to calculate the tax charge for all periods.

Deferred taxes arise mainly from timing differences between financial accounting and tax accounting. Deferred taxes from consolidation adjustments and loss carryforwards are recovered as follows:

In € thousands	12/31/11	Changes through reserves	Changes through income	06/30/12
Deferred tax liabilities				
Acquisition cost	632	-	(2)	630
Market value of securities	70	26	-	96
Stocks options	-	48	(48)	-
Gains (losses) on treasury shares	-	82	(82)	-
Remeasurement gains (losses)	770	-	-	770
Total deferred tax liabilities	**1,472**	**156**	**(132)**	**1,496**
Deferred tax assets				
Timing differences between financial and tax accounting	1,632	-	(320)	1,312
Forward exchange hedges	46	-	(40)	6
Loan swap	19	-	(15)	4
Recognition of loss carryforwards	486	-	234	720
Inventory margin	2,646	-	1,499	4,145
Advertising and promotional costs	1,334	-	850	2,184
Other	100	11	100	211
Total deferred tax assets before amortization	**6,263**	**11**	**2,308**	**8,582**
Amortization of deferred tax	(486)	-	(234)	(720)
Total net deferred tax assets	**5,777**	**11**	**2,074**	**7,862**
Total net deferred tax	**(4,305)**	**145**	**(2,206)**	**(6,366)**

2.12. Trade payables and other current liabilities

2.12.1. Trade payables and related accounts

The €30 million decline in trade payables reflects mainly a payment lag in the beginning of the year and a slightly lower level of purchases in the first half.

2.12.2. Other liabilities

In € thousands	12/31/11	06/30/12
Accrued credit notes	3,218	3,518
Tax and employee-related liabilities	10,344	6,973
Accrued royalties	5,927	5,936
Forward exchange hedges	2,730	1,663
Other payables	1,386	753
Total other short-term liabilities	**23,605**	**18,843**

2.13. Financial instruments

2.13.1. Financial assets and liabilities by category

The following table presents financial instruments in the balance sheet according to the categories provided for under IAS 39.

In € thousands At June 30, 2012	Notes	Carrying value	Fair value	Fair value through profit or loss	Available-for-sale assets	Loans & receivables or payables	Derivatives
Other non-current financial assets		1,957	1,957	-	500	1,457	-
Trade receivables and related accounts	2.5	102,861	102,861	-	-	102,861	-
Other receivables	2.6	5,245	5,245	-	-	5,245	-
Current financial assets	2.7	-	-	-	-	-	-
Cash and cash equivalents	2.7	13,736	13,736	-	-	13,736	-
Assets		**123,799**	**123,799**	**-**	**500**	**123,299**	**-**
Borrowings	2.10	1,214	1,214	10	-	1,204	-
Trade payables and related accounts		66,311	66,311	-	-	66,311	-
Bank facilities	2.10	3,575	3,575	-	-	3,575	-
Other payables	2.12	18,843	18,843	-	-	17,180	1,663
Liabilities		**89,943**	**89,943**	**10**	**-**	**88,270**	**1,663**

In € thousands At December 31, 2011	Notes	Carrying value	Fair value	Fair value through profit or loss	Available-for-sale assets	Loans & receivables or payables	Derivatives
Other non-current financial assets		1,560	1,560	-	432	1,128	-
Trade receivables and related accounts	2.5	129,109	129,109	-	-	129,109	-
Other receivables	2.6	5,780	5,780	-	-	5,780	-
Current financial assets	2.7	-	-	-	-	-	-
Cash and cash equivalents	2.7	26,600	26,600	-	-	26,600	-
Assets		**163,049**	**163,049**	**-**	**432**	**162,617**	**-**
Borrowings	2.10	3,462	3,462	53	-	3,409	-
Trade payables and related accounts		96,238	96,238	-	-	96,238	-
Bank facilities	2.10	9,205	9,205	-	-	9,205	-
Other payables	2.12	23,605	23,605	-	-	20,875	2,730
Liabilities		**132,510**	**132,510**	**53**	**-**	**129,727**	**2,730**

2.13.2.
Breakdown by method for measuring financial assets and liabilities

Financial instruments are broken down according to different levels of fair value defined by the amendment to IFRS 7.

In € thousands At June 30, 2012	Carrying value	Fair value	Quoted prices (level 1)	Internal model based on directly observable market imputs (level 2)	Prices not based on observable market data (level 3)
Other non-current financial assets	1,957	1,957	500	1,457	-
Trade receivables and related accounts	102,861	102,861	-	102,861	-
Other receivables	5,245	5,245	-	5,245	-
Cash and cash equivalents	13,736	13,736	-	13,736	-
Assets	**123,799**	**123,799**	**500**	**123,299**	**-**
Borrowings	1,214	1,214	-	1,214	-
Trade payables and related accounts	66,311	66,311	-	66,311	-
Bank facilities	3,575	3,575	-	3,575	-
Other payables	18,843	18,843	-	18,843	-
Liabilities	**89,943**	**89,943**	**-**	**89,943**	**-**

In € thousands At June 30, 2012	Carrying value	Fair value	Quoted prices (level 1)	Internal model based on directly observable market imputs (level 2)	Prices not based on observable market data (level 3)
Other non-current financial assets	1,560	1,560	432	1,128	-
Trade receivables and related accounts	129,109	129,109	-	129,109	-
Other receivables	5,780	5,780	-	5,780	-
Cash and cash equivalents	26,600	26,600	-	26,600	-
Assets	**163,049**	**163,049**	**432**	**162,617**	**-**
Borrowings	3,462	3,462	-	3,462	-
Trade payables and related accounts	96,238	96,238	-	96,238	-
Bank facilities	9,205	9,205	-	9,205	-
Other payables	23,605	23,605	-	23,605	-
Liabilities	**132,510**	**132,510**	**-**	**132,510**	**-**

2.14.
Risk management

The primary risks related to the Group's business and organization result from interest rate and foreign exchange rate exposures that are hedged using derivative financial instruments. The potential impacts of other risks on the company's financials are not material.

2.14.1.
Interest rate risks

The Group's interest rate exposure is related principally to debt. The objective of the Group's policy is to ensure a stable level of financial expense through the use of hedges in the form of fixed rate swaps and the use of floor and caps.

These financial instruments are not eligible for hedge accounting under IAS 39. The Group nevertheless considers that these transactions are not speculative in nature and are necessary to effectively manage its interest rate exposure.

2.14.2.
Liquidity risks

The net position of financial assets and liabilities by maturity is as follows:

In € thousands	< 1 year	1 to 5 years	> 5 years
Financial assets	13,736	500	-
Financial liabilities	(4,736)	(43)	-
Net position before hedging	**9,000**	**457**	**-**
Hedging of assets and liabilities (swaps)	(10)	-	-
Net position after hedging	**8,990**	**457**	**-**

Financial liabilities by year break down as follows:

In € thousands At June 30, 2012	2012	Total
Floating-rate debt - nominal	1,100	1,100
Floating-rate debt - interest	14	14
Interest rate swaps	10	10

In € thousands At December 31, 2011	2012	Total
Floating-rate debt - nominal	3,300	3,300
Floating-rate debt - interest	86	86
Interest rate swaps	53	53

2.14.3.
Foreign exchange risks

Net positions of the Group in the main foreign currencies are as follows:

In € thousands	USD	GBP	JPY	CAD
Assets	51,837	4,280	697	1,038
Liabilities	(6,441)	(347)	(1)	(8)
Net position before hedging	**45,396**	**3,933**	**696**	**1,030**
Currency hedges	1,508	21	-	-
Net position after hedging	**46,904**	**3,954**	**696**	**1,030**

In addition, because a significant portion of Group sales is in foreign currencies, it incurs a risk from exchange rate fluctuations, primarily from the US dollar (44.2% of sales) and to a lesser extent the pound sterling (4.9% of sales) and the Japanese yen (1.4% of sales).

The Group's exchange-rate risk management policy seeks to cover exposures related to monetary flows resulting from sales in US dollars and pounds sterling.

3.
NOTES TO THE INCOME STATEMENT

3.1.
Breakdown of consolidated sales by brand

In € thousands	H1 2011	H1 2012
Burberry	85,349	103,310
Lanvin	26,193	29,543
Montblanc	12,634	22,049
Jimmy Choo	13,147	18,719
Boucheron (2 months in 2011)	1,614	9,856
Van Cleef & Arpels	9,887	9,504
S.T. Dupont	5,926	8,747
Paul Smith	7,125	5,186
Nickel	1,212	1,058
Other	(65)	935
Net total	**163,022**	**208,909**

3.2.
Cost of sales

In € thousands	H1 2011	H1 2012
Raw materials, trade goods and packaging	(90,791)	(82,035)
Changes in inventory and allowances	40,242	15,217
POS advertising	(3,976)	(6,150)
Staff costs	(1,517)	(1,739)
Subcontracting	(856)	(890)
Transportation costs	(540)	(391)
Other expenses related to the cost of sales	(112)	(886)
Total cost of sales	**(57,550)**	**(76,874)**

3.3.
Selling expenses

In € thousands	H1 2011	H1 2012
Advertising	(29,562)	(44,183)
Royalties	(15,527)	(18,690)
Subcontracting	(9,968)	(11,854)
Transportation costs	(1,913)	(2,646)
Sales commissions	(974)	(1,196)
Travel expenses	(1,488)	(1,578)
Staff costs	(7,797)	(8,916)
Allowances and reversals for depreciation/impairment	(3,706)	(4,188)
Other selling expenses	(3,068)	(3,944)
Total selling expenses	**(74,003)**	**(97,195)**

Advertising support for all the portfolio's brands that began at the end of 2011 was maintained in the 2012 first half mainly for the Burberry, Jimmy Choo, Montblanc and Boucheron Brands and focusing particularly on North America.

3.4.
Administrative expenses

In € thousands	H1 2011	H1 2012
Purchases and external costs	(2,030)	(1,784)
Tax and related expenses	(418)	(407)
Staff costs	(1,892)	(2,167)
Allowances and reversals for depreciation/impairment	(385)	(403)
Other administrative expenses	(723)	(873)
Total administrative expenses	**(5,448)**	**(5,634)**

3.5.
Net financial expense

In € thousands	H1 2011	H1 2012
Financial income	348	425
Interest and similar expenses	(441)	(593)
Net finance costs	**(93)**	**(168)**
Currency losses	(1,675)	(1,803)
Currency gains	1,557	923
Net currency gains (losses)	**(118)**	**(880)**
Other financial income and expenses	(51)	13
Net financial income/(expense)	**(262)**	**(1,035)**

3.6.
Income taxes

In € thousands	H1 2011	H1 2012
Current income tax	(8,830)	(12,101)
Deferred tax arising from timing differences	(465)	(321)
Deferred tax arising from consolidation adjustments	445	2,527
Total income taxes	**(8,850)**	**(9,895)**

3.7.
Earnings per share

In € thousands, *except number of shares and earnings per share in euros*	H1 2011 (1)	H1 2012
Net income (1)	17,136	18,890
Average number of shares	18,077,239	20,018,157
Basic earnings per share	**0.95**	**0.94**
Dilutive effect of stock options:		
Potential number of additional shares	92,113	30,533
Average number of shares after potential conversions	18,169,352	20,048,690
Diluted earnings per share	**0.94**	**0.94**

(1) Restated to eliminate the impact of the bonus issue of one new share for every ten shares held on June 18, 2012.

4.
SEGMENT REPORTING

4.1.
Business lines

In € thousands			06/30/11			06/30/12
	Perfumes	Skincare and Beauty	Total	Perfumes	Skincare and Beauty	Total
Sales	161,345	1,677	163,022	206,033	2,876	208,909
Operating profit	27,731	(1,710)	26,021	34,408	(5,202)	29,206
Impairment	-	-	-	-	-	-

In € thousands			12/31/11			06/30/12
	Perfumes	Skincare and Beauty	Total	Perfumes	Skincare and Beauty	Total
Trademarks, licenses and goodwill	69,012	4,097	73,109	67,067	4,321	71,388
Inventories	96,665	4,502	101,167	108,690	3,528	112,218
Other segment assets	178,152	766	178,918	141,909	687	142,596
Total segment assets	**343,829**	**9,365**	**353,194**	**317,666**	**8,536**	**326,202**
Segment liabilities	**132,407**	**1,156**	**133,563**	**93,425**	**1,348**	**94,773**

Segment assets and liabilities consist of operating assets (liabilities) used primarily in France.

4.2.
Geographical segments

Sales by geographical sector break down as follows:

In € thousands	H1 2011	H1 2012
North America	31,439	49,119
South America	14,290	19,247
Asia	30,927	37,792
Eastern Europe	12,482	15,621
Western Europe	39,414	42,082
France	14,570	17,045
Middle East	18,032	25,279
Africa	1,868	2,724
Total	**163,022**	**208,909**

5.
OFF BALANCE SHEET COMMITMENTS

5.1.
Off balance sheet commitments

The following presentation of off-balance sheet commitments is based on AMF recommendation No. 2010-14 of December 6, 2010.

5.1.1.
Summary of off-balance sheet commitments

In € thousands	2011	2012
Off-balance sheet commitments in connection with the company's operating activities	312,531	280,896
Off-balance sheet commitments in connection with the company's financing activities	-	-
Off balance sheet commitments	542	520
Total commitments given	**313,073**	**281,416**

5.1.2.
Off-balance sheet commitments in connection with the company's operating activities

In € thousands	Main characteristics	2011	2012
Guaranteed minima on trademark royalties	Guaranteed minima on royalties regardless of sales achieved for each of the trademarks in the period.	254,500	239,350
Headquarters rental payments	Rental payments due over the remainder of the lease period (3, 6 or 9 years).	3,974	3,313
Guaranteed minima for warehousing and logistics	Contractual minima for remuneration of warehouses regardless of sales volume for the period.	9,180	10,736
Firm component orders (inventories)	Inventories of components on stock with suppliers the company undertakes to purchase as required for releases.	44,877	27,497
Total commitments given in connection with operating activities		**312,531**	**280,896**

5.1.3.
Off-balance sheet commitments in connection with financing activities

Commitments with respect to forward currency sales at June 30, 2012 amounted to $57,129,000 and £1,000,000.

In compliance with obligations under German law, under the terms of a comfort letter issued at the end of June 2007, Interparfums provided a guarantee without restrictions to ensure that its German subsidiary Interparfums GmbH, shall be managed and funded to honor at all times its payment obligations to all creditors.

5.1.4.
Other off-balance sheet commitments

In € thousands	Main characteristics	2011	2012
Pension liabilitie	Portion of past service costs deferred as an off-balance sheet item pursuant to application of the closing of July 23, 2008 and amortized over 28 years	542	520
Total other commitments given		**542**	**520**

5.1.5.
Commitments given by maturity at June 30, 2012

In € thousands	Total	Up to 1 year	1 to 5 years	5 years or more
Guaranteed minima on trademark royalties	239,350	31,565	142,235	65,550
Headquarters rental payments	3,313	1,095	1,916	302
Guaranteed minima for warehousing and logistics	10,736	1,342	5,368	4,026
Firm component orders (inventories)	27,497	27,497	-	-
Commitments given in connection with operating activities	**280,896**	**61,499**	**149,519**	**69,878**
Bank guarantees	-	-	-	-
Commitments given in connection with financing activities	-	-	-	-
Pension liabilities	520	22	87	411
Other commitments given	**520**	**22**	**87**	**411**
Total commitments given	**281,416**	**61,521**	**149,606**	**70,289**

Maturities are defined on the basis of the contract terms (license agreements, leases, logistic agreements, etc.).

5.1.6.
Commitments received

Commitments received in connection with forward currency purchases at June 30, 2012 amounted to €43,783,000 for US dollar hedges and €1,202,000 for Pound Sterling hedges representing total commitments of €44,985,000.

6.
INFORMATION ON RELATED PARTIES

In the 2012 first half, there were no changes with respect to relations between Interparfums and affiliated undertakings (parent company and subsidiaries) and those disclosed in the notes to the consolidated financial statements in the 2011 annual report.

This is also the case for relation between members of the Management Committee and the Board of Directors.

7.
OTHER DISCLOSURES

7.1.
License agreements

	Nature of license	License inception date	Duration	Expiration date
Burberry	Original	July 1993	13 years and 6 months	-
	Renewal	July 2004	12 years and 6 months	Before term December 2012
S.T. Dupont	Original	July 1997	11 years	-
	Renewal	January 2006	5 years and 6 months	-
	Renewal	January 2011	6 years	December 2016
Paul Smith	Original	January 1999	12 years	
	Renewal	July 2008	7 years	December 2017
Van Cleef & Arpels	Original	January 2007	12 years	December 2018
Jimmy Choo	Original	January 2010	12 years	December 2021
Montblanc	Original	July 2010	10 years and 6 months	December 2020
Boucheron	Original	January 2011	15 years	December 2025
Balmain	Original	January 2012	12 years	December 2023
Repetto	Original	January 2012	13 years	December 2024

The renewal of the Burberry license agreement on July 1, 2004 was accompanied by an option to extend the license by an additional five years and an option by Burberry Ltd to acquire the license at its market value at December 31, 2011.

On December 21, Interparfums and Burberry extended by one year certain terms of their license agreement, including its length to December 31, 2017. Burberry's right to buy the license was moreover moved forward from December 31, 2011 to December 31, 2012, rendering the option requiring the consent of both parties to extend the license five years beyond 2017 exercisable at December 31, 2015.

On December 20, 2011, Burberry exercised its right to evaluate the purchase price for the unexpired term of the existing license.

On July 16, 2012, Burberry exercised its option to terminate the license agreement between the two parties. Despite this, the two companies decided on that date to pursue their discussions on the creation of a new operating model for the fragrance and cosmetics business.

On July 27, 2012, these discussions were discontinued. On that basis, the license agreement will expire on December 31, 2012 in exchange for payment of a buyout price of €181 million (excluding trade receivables, inventories and tangible assets).

On December 17, 2011, Balmain and Interparfums signed a 12-year worldwide license agreement commencing on 1 January 2012 for the creation, development and distribution of fragrances under the Balmain brand.

On December 7, 2011 Repetto, the French maker of dance-inspired footwear and fashion accessories, and Interparfums signed a 13-year worldwide license agreement starting on January 1, 2012 for the creation, development and distribution of fragrances under the Repetto brand.

7.2. Proprietary brands

Lanvin

In June 2004, Interparfums [SA] signed an exclusive worldwide license agreement with Lanvin effective July 1, 2004 to create, develop and distribute fragrance lines under the Lanvin brand name for 15 years.

At the end of July 2007, Interparfums acquired the Lanvin brand names and international trademarks for fragrance and make-up products from the Jeanne Lanvin company.

Interparfums and Lanvin also mutually agreed with immediate effect to terminate the license agreement signed in July 2004 and at the same time concluded a technical and creative assistance agreement in view of developing new perfumes based on net sales until June 30, 2019. The Jeanne Lanvin company holds a buy back option for the brands which will be exercisable on July 1, 2025.

Nickel

In April 2004, Interparfums acquired a majority stake in Nickel, a company specialized in skincare products for men.

In June 2007, Nickel became a wholly-owned subsidiary after Interparfums acquired the company's remaining shares.

7.3. Insurance

Interparfums is named as beneficiary under a €15 million life insurance policy for its Chairman and Chief Executive Officer, Philippe Benacin.

7.4. Employee-related data

7.4.1. Employees by category

Number of employees at	12/31/11	06/30/12
Executive officers and management	118	116
Supervisory staff	14	13
Employees	95	101
Total	**227**	**230**

7.4.2. Employees by department

Number of employees at	12/31/11	06/30/12
Executive Management	2	2
Production & Operations	32	34
Burberry Fragrances	39	38
Luxe & Fashion	26	31
France	67	62
Finance & Corporate Affairs	37	36
Subsidiaries	24	27
Total	**227**	**230**

7.5. Post-closing events

On July 16, 2012, Burberry exercised its option to terminate the license agreement between the two parties. Despite this, the two companies decided on that date to pursue discussions on the creation of a new operating model for the fragrance and cosmetics business.

On July 27, 2012, these discussions were discontinued. In consequence, the license agreement will expire on December 31, 2012 in exchange for payment of a buyout price of €181 million (excluding trade receivables, inventories and tangible assets).

After payment of this buyout price for the license rights, Interparfums will have substantial resources to 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.

Based on current growth rates for all of the portfolio's brands, preliminary full-year sales target for 2013 may reach €240-€250 million.

Certificate of the company officer responsible for the interim financial report

I hereby declare that to the best of my knowledge the condensed financial statements presented for the first six months were prepared in accordance with applicable accounting standards and give a true and fair view of the financial position and results of Interparfums and its subsidiaries and that the interim management report included herein presents a true and fair view of the important events occurring during the first six months of the fiscal year, their impact on the interim financial statements, the main transactions with related parties and the principal risks and uncertainties for the remaining six months of the fiscal year.

Paris, September 6, 2012

Philippe Benacin
Chairman and Chief Executive Officer

Executive officer responsible for financial information

Philippe Santi
Executive Vice President & Chief Financial Officer

Translation disclaimer: This is a free translation into English of the original French language version of the interim financial report (*rapport semestriel*) provided solely for the convenience of English speaking. This report should consequently be read in conjunction with, and construed in accordance with French law and French generally accepted accounting principles. While all possible care has been taken to ensure that this translation is an accurate representation of the original French document, this English version has not been audited by the company's statutory auditors and in all matters of interpretation of information, views or opinions expressed therein, only the original language version of the document in French is legally binding. As such, the translation may not be relied upon to sustain any legal claim, nor be used as the basis of any legal opinion and the Interparfums expressly disclaims all liability for any inaccuracy herein.

Requests for information

To receive information or be added to the company's financial communications mailing list contact the Investor Relations department (attention: Karine Marty):

Telephone: +33 (0)800 47 47 47
Fax: +33 (0)1 40 74 08 42
Via the website: www.interparfums.fr

Design: Agence Marc Praquin

4 ROND-POINT
DES
CHAMPS ÉLYSÉES
75008 PARIS
TEL. +33 1 53 77 00 00

interparfums

INTERPARFUMS.FR