ANNUAL REPORT TWO THOUSAND & TWELVE

interparfums

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

interparfums

A STRATEGIC TURNING POINT

Jean Madar and
Philippe Bénacin

INTERVIEW OF THE EXECUTIVE OFFICERS

How would you describe Interparfums' performance in 2012?

"As in 2011, it was a year of excellent results. Interparfums maintained its growth trajectory with record consolidated sales of €445.5 million, up 11.8% at current exchange rates and 6.9% at constant exchange rates over 2011 and despite the high comparison base from the launches of *Burberry Body* line in the prior year.

This performance was driven in particular by significant gains by three brands, Montblanc (51%), Jimmy Choo (+36%) and Boucheron (+96%) fragrances that generated combined sales of nearly €100 million after just two years of activity as part of the group's portfolio. Their respective successes highlight the relevance of the creative processes of our teams: the end result of extensive reflection ensuring that each fragrance faithfully embodies the specific qualities it is meant to convey – a unique line indivisible from the timeless refinement of Montblanc, the sensual and sparkling elegance of Jimmy Choo, the beauty and splendor of creations signed Boucheron. These lines also contribute to one of the primary vocations of a fragrance: transport the men and women who wear them to an intimate space of reverie and luxury through a unique olfactory composition.

Our good performances also reflect positive growth momentum in certain regions, starting with North America, the Middle East and Asia, all up on 2011. Also noteworthy was the resilience of Western Europe, and particularly France, demonstrating how fragrances remain a sure value in a recessionary environment. As we have often said, fragrances offer a way of access into the world of dreams. This makes them as important as ever during periods of turmoil."

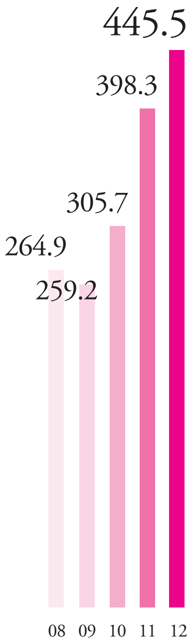
The main event of the period concerned the Burberry license. What were the financial and operational consequences?

"At the end of 2011 Burberry exercised its right to evaluate the purchase price for the unexpired term of the fragrance license. Throughout the first half of 2012 discussions were pursued on the continuation of our partnership. However, because of divergences in strategies and agendas, we decided to discontinue these discussions and terminate the license agreement on December 31, 2012. In the fall, to ensure a smooth transition and by mutual agreement, we decided to extend the license agreement until March 2013. For us this was a good financial outcome since the exit fees have provided us with additional cash for future strategic acquisitions. In addition, it contributes to achieving a more balanced portfolio that will enable us to concentrate on other brands. In other words, it has proved to be a significant motor for accelerating our development both in terms of internal growth and acquisitions.

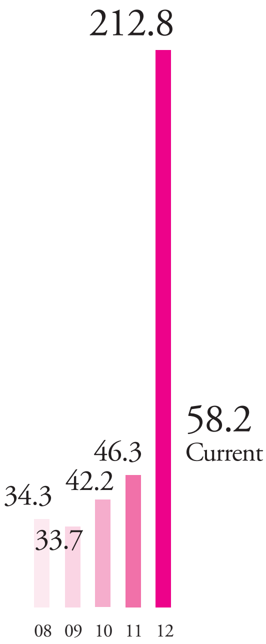
In this way, solving the equation to make up for the €230 million in Burberry sales may be achieved between now and 2015 through a combination of new launches and new licenses. At the operational level, the transition has proceeded smoothly with teams previously dedicated to Burberry now focusing other brands, representing a straightforward transfer of expertise that will also free up resources in terms of time and energy across the entire supply chain."

With a number of launches lined up for 2013, what is the outlook for the year ahead?

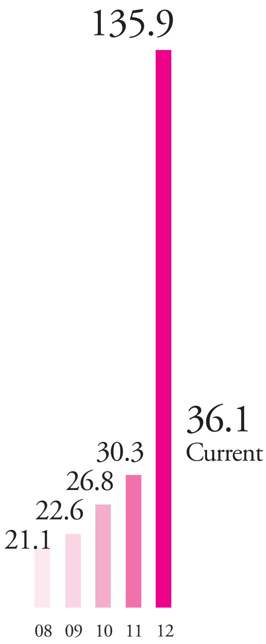
"In effect, new fragrances will be launched on worldwide markets, here again, each with their own identity and unique magic. These will include major launches such as the first fragrance created for Repetto combining its universe of dance with joyful and playful femininity symbolized by its celebrated ballerinas, the first women's line under the Montblanc brand, in addition to Jimmy Choo, Lanvin, Van Cleef & Arpels, Paul Smith and Boucheron fragrance lines. And while many events are programmed for the period ahead, significant work will also be undertaken in advance of 2014 that will be a major year. In addition to the launch of the new Montblanc men's fragrance, we are also thus preparing a new fragrance line for Karl Lagerfeld following the signature of the license agreement in 2012. The first fragrance signed by this major name in the world of fashion, who is as well a fascinating figure, will set the stage for a great adventure ahead. Another exciting project is the first women's fragrance created by Interparfums for Balmain. In this case, we will follow the lead of the young and brilliant designer, Olivier Rousteing who is reinventing this legacy through an alchemy combining a long ultra-fashion tradition of hyper-luxury, femininity and poetry with the modernity of the "aristo-rock" label distinguished by both the boldness of its choices and rigor in its design. Three projects, among others, provide us with grounds for confidence and enthusiasm as we enter this next stage in our development for both the many challenges and new successes ahead."



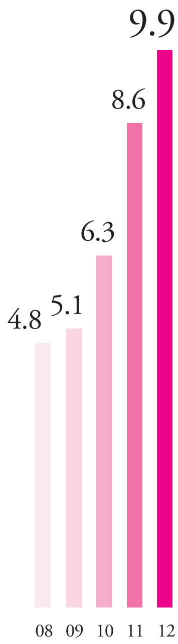
Net sales [1]



Operating profit [1]

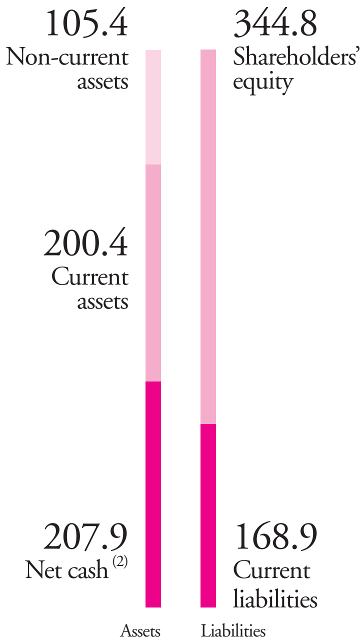


Net income [1]



Total dividends [1]

At December 31 (in € thousands)	**2008**	**2009**	**2010**	**2011**	**2012**
Sales	264,864	259,165	305,696	398,328	445,460
international (%)	*90%*	*90%*	*91%*	*91%*	*92.1%*
Operating profit	34,259	33,683	42,216	46,301	212,803
% of sales	*12.9%*	*13.0%*	*13.8%*	*11.6%*	*47.8%*
Net Income	21,119	22,647	26,807	30,300	135,862
% of sales	*8.0%*	*8.7%*	*8.8%*	*7.6%*	*30.5%*
Shareholders' equity (attributable to the parent)	154,436	169,939	191,884	216,020	344,864
Net cash [2]	26,304	66,201	57,668	17,395	207,927
Total assets	260,572	253,674	296,957	353,194	534,796
Workforce	152	171	180	227	205



Balance sheet highlights (1)

KEY FIGURES

Through tight control over all operating expenses and in particular marketing and advertising (+9%), the latest estimates were surpassed with current operating income reaching €58.2 million, up 19% on the prior year. Highlighting this point, the current operating margin came in at about 13%.

With the recognition of income and expenses associated with the discontinuation of the Burberry license for a net gain of €156.1 million before tax, and an additional provision for the Nickel brand, operating profit was up sharply to €212.8 million. And reflecting this same trend, net income reached nearly €136 million.

Like-for-like (and notably excluding items associated with the discontinuation of the Burberry license), net income rose 19% to €36.1 million marking the 16th consecutive year of uninterrupted growth.

In this context, the group's financial position was very significantly strengthened on December 31, 2012 with shareholders' equity of €345 million (64% of total assets) and net cash of €208 million.

On top of this, positive operating cash flow was generated by tight inventory controls and further reductions in the trade receivables balance.

(1) Consolidated data in € millions.
(2) Including certificates of deposits with maturities exceeding three months.

2012 MILESTONES AND 2013 OUTLOOK

JANUARY

Commencement of the Balmain license
Commercial activity has begun based on four existing lines.

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

MAY

Launch of the *Jeanne Lanvin* line of Lanvin
Jeanne Lanvin 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 enriched with more sensual notes

Launch of the *Jaïpur Bracelet* line of Boucheron
Jaïpur Bracelet, echoing the high-jewelry collections of Maison Boucheron, is inspired by the traditional Nauratan bracelet given to Rajasthani brides for good luck.

JUNE

Bonus share distribution
On June 18, 2012, the company proceeded with its 13th bonus issue on the basis of one new share for every ten shares held.

Launch of *Electro Shock* of Nickel
A fatigue-fighting skin care concentrate, combining the ultra-fresh and invigorating action of lime with the energizing boost of Guarana extract.

JULY

Burberry license: discussions with Burberry discontinued

On July 27, following several months of discussions, Interparfums SA and Burberry were unable to reach an agreement on the final terms for a new operating model for the fragrance and beauty business. On that basis, the license agreement was terminated on December 31, 2012 in exchange for payment by Burberry of an exit price of €181 million.

OCTOBER

Launch of the *Ivoire* line of Balmain

Mythical fragrance of the 80's, *Ivoire* of the Balmain couture house, combines aerial heart notes with a floral accord followed by a woody trail.

Burberry license transition agreement

Interparfums and Burberry signed an agreement in order to facilitate a smooth transition that included an additional three-month period ending on March 31, 2013.

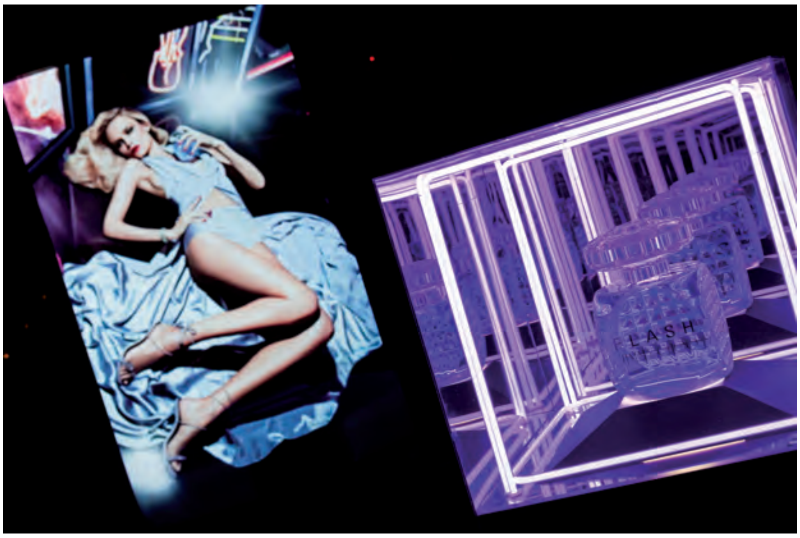
Signature of a fragrance license agreement with Karl Lagerfeld

On October 8, Karl Lagerfeld, the internationally renowned fashion house, and Interparfums, signed a 20-year exclusive worldwide license agreement commencing on November 1, 2012 to create, produce and distribute perfumes under the Karl Lagerfeld brand. The first women's fragrance line will be launched in 2014.

DECEMBER

December Investor Relations Award

Interparfums was awarded the prize for the Best Investor Relations in the "Mid Cap" category at the 5th Investor Relations and Financial Communications Forum.



OUTLOOK

Bolstered by strong year-end momentum, particularly in the US and Asia, Interparfums exceeded its guidance for 2012 annual sales issued in the fall. This performance reflects the very strong development by Montblanc, Jimmy Choo and Boucheron fragrances that generated combined sales of nearly €100 million after just two years of activity as part of the group's portfolio.

In 2013, continued gains are expected from all the portfolio's brands (excluding Burberry) in response to:

- growing successes by the Lanvin, Jimmy Choo, Montblanc and Boucheron fragrances in particular;

- the spring launch of new women's fragrances lines under the Jimmy Choo, Lanvin and Van Cleef & Arpels brands;

- the first significant initiatives in the fall for the Boucheron, Balmain and Repetto brands.

GOVERNANCE

Interparfums adopted the form of a *société anonyme*, the French equivalent of a joint stock company, when it was created in 1989. It is governed by a Board of Directors and a Management Committee.

Management Committee members

As of December 31, 2012 the composition of the Board of Directors was as follows:

Philippe Bénacin
Chairman and Chief Executive Officer

Catherine Bénard-Lotz
Chief Legal Officer

Pierre Desaulles
Vice President, Marketing

Frédéric Garcia-Pelayo
Executive Vice President,
Chief International Officer

Axel Marot
Vice President, Supply Chain & Operations

Angèle Ory-Guénard
Vice President, Export Sales

Delphine Pommier
Vice President, Marketing

Philippe Santi
Executive Vice President, Chief Financial and Administrative Officer

Jérôme Thermoz
Vice President, French Distribution

Management Committee members *(from left to right)*: Catherine Bénard-Lotz, Pierre Desaulles, Angèle Ory-Guénard, Axel Marot, Frédéric Garcia-Pelayo, Delphine Pommier, Philippe Bénacin, Philippe Santi and Jérôme Thermoz

CORPORATE GOVERNANCE

Board of Directors

The composition of the Management Committee on December 31, 2012 was as follows:

Philippe Bénacin
Chairman-Chief Executive Officer (1)

Jean Madar
Director (1)

Maurice Alhadève
Independent Director (1)

Catherine Bénard-Lotz
Director and Chief Legal Officer (1) (2)

Patrick Choël
Director (1)

Dominique Cyrot
Independent Director (1)

Michel Dyens
Independent Director (1)

Frédéric Garcia-Pelayo
Director and Executive Vice President (1) (2)

Jean Levy
Director (1)

Chantal Roos
Independent Director (1)

Philippe Santi
Director and Executive Vice President (1) (2)

(1) Term of office expiring at the close of the annual shareholders' Meeting of 2014.
(2) Holder of an employment contract prior to being appointed as an officer.

FUNCTIONAL ORGANIZATION

Interparfums today has a staff of 205 forming a solid chain of expertise from creation to distribution, production to logistics as well as finance and administration. Each of these areas works in close collaboration with the others, guided by the strong leadership of the executive management team.

ORGANIZATION AND STRATEGY

Production & Logistics

The task of managing production, each year, for thousands of product references requires skill in orchestrating and ensuring a harmonious interaction between several activities: technical development, the supply chain, production planning at our subcontractors, logistics, the purchasing division for our promotional products, regulatory oversight for France and export markets. A staff of 33 perform these missions who are supported by a Quality team to ensure the procedures defined in the specifications are respected.

Within this system, lasting partnerships with suppliers play a critical role by contributing to an ability to respond to the high-stakes of coordinating flows with optimal responsiveness.

Marketing

A staff of 30 are responsible for this fine-tuned alchemy of the product creation process from the initial idea and conception up to display at points of sale. In close collaboration with the fashion houses, this work is based on achieving just the right balance between imagination, sensitivity and maintaining the coherence of each new product within its brand universe.

Export

A staff of 29 manage the development of our products throughout the world through distributors that are in turn responsible for retail distribution networks. A task that remains focused on respecting all the criteria imposed by the brands (the choice of the distribution networks, pricing policy, communications strategy, merchandising.) while taking into account the specific cultural codes of each country.

French Distribution

The distribution policy, commercial management, monitoring sales margins and advertising budgets for France are managed by a team of 46. Every launch is based on its own specific strategy both with respect to each brand and each retail channel. The primary goal: reach the consumer through strong campaigns and true drivers of differentiation starting with the product's added value.

Finance & Corporate Affairs

A team of 36 is responsible for this area that covers internal control, financial, statutory and tax accounting management, financial communications, shareholder relations, cash management, collection as well as the management of brand licensing agreements and the protection of intellectual property.

Interparfums' unique blend of expertise

Top notes, our missions: *developing perfume and cosmetic lines through license agreements with leading luxury brands in close collaboration with each of their creative and marketing teams.*

Heart notes, our core values: *meriting the respect of the prestigious brands that grant us their confidence, creativity in the service of their image, professionalism and high standards in product design and packaging, orchestrating their distribution and promotion.*

Base notes, underlying our vision: *a strategy based on long-term partnerships with all stakeholders for managing the process of creation and production and a streamlined organizational approach with the outsourcing of packaging and logistics.*

BRAND PORTFOLIO


IVOIRE
WWW.BALMAIN.COM
IVOIRE
BALMAIN
PARIS
THE NEW IVOIRE FRAGRANCE FROM BALMAIN

Balmain

In July 2011, Maison Balmain and Interparfums signed a 12-year exclusive worldwide license agreement to create, produce and distribute perfumes under the Balmain brand that commenced on January 1, 2012.

Lines distributed are *Vent Vert* (1947), *Monsieur Balmain* (1964), *Ambre Gris* (2008), *Carbone* (2010) and *Ivoire* (2012).

Balmain fragrances were integrated into the group's portfolio in September 2012 that was inaugurated by the relaunch of the *Ivoire* line.

€1.5m
2012 sales

Boucheron

In late December 2010, Boucheron and Interparfums signed a 15-year exclusive worldwide license agreement to create, produce and distribute perfumes under the Boucheron brand that commenced on January 1, 2011.

Lines distributed are *Boucheron Femme* (1988), *Boucheron pour Homme* (1989), *Jaïpur Homme* (1998), *Jaïpur Bracelet* (2012).

Its gradually market repositioning and the first initiative with the *Jaïpur Bracelet* line has confirmed the brand's potential.

€16.4m

2012 sales

3.7%

Percentage of 2012 group sales


Jaïpur
Bracelet
BOUCHERON
PARIS
Jaïpur
Bracelet
Finery for the Senses
BOUCHERON
PARIS

18


BURBERRY
BODY
EAU DE TOILETTE
BURBERRY
BODY
THE NEW EAU DE TOILETTE
FOR WOMEN

Burberry

In July 1993, Interparfums entered into an exclusive license agreement with Burberry Ltd. to create and produce perfumes under the Burberry name and distribute them worldwide.

In October 2004, Interparfums signed a new agreement for 12.5 years effective July 1, 2004.

In December 2010, Interparfums and Burberry extended by one year the length of the agreement to December 31, 2017, Burberry's right to buy the license was advanced from December 31, 2011 to December 31, 2012.

In December 2011, Interparfums and Burberry announced they were in discussions about the creation of a new operational structure for the fragrance and beauty business. As there can be no assurance that an agreement will be reached, Burberry has exercised its right to evaluate the purchase price for the unexpired term of the existing license.

In July 2012, Interparfums and Burberry announced the discontinuation of their discussions. The license agreement expired on December 31, 2012 in exchange for payment by Burberry of a €181 million exit fee.

In October 2012, Interparfums and Burberry signed an agreement for the purpose of facilitating a smooth transition and providing for an additional three-month period ending on 31 March 2013.

Lines distributed are *Burberry* (1995), *Burberry Week end* (1997), *Burberry Touch* (2000), *Burberry Brit* (2003/2004), *Burberry London* (2006), *Burberry The Beat* (2008), *Burberry The Beat Men* (2009), *Burberry Sport* (2010), a new make-up line *Burberry Beauty* (2010) and *Burberry Body* (2011).

Burberry fragrances were up nearly 6% from double-digit growth by the brand's historic lines and the continuing success of the *Burberry Body* line although impacted by lower sales by the *Burberry Sport* line.

In 2012, *Burberry Beauty* make-up continued its development through the extension of its products and points of sale.

2012/2013 awards for Burberry
"2012 International Fragrance" prize forBurberry *Body* in Russia (Marie Claire)
"Prize for Best Bottle" for *Burberry Body* in the United Kingdom (Marie Claire)
"Best of the Best Award Nomination" prize for *Burberry Body* Eau de Parfum in Hong Kong (Cosmopolitan)

2012/2013 awards for Burberry Beauty
"In Style Best Beauty Buys 2012" prize for Burberry Lip Cover in Russia
"Tatler Beauty Awards" prize for the *Fresh Glow* illuminator in the UK
"It List 2012" prize for the *Light Glow Natural Blush* in Singapore (Elle Beauty)

€234.7m
2012 sales

52.7%
Percentage of 2012 group sales

Jimmy Choo

In early October 2009, the Jimmy Choo and Interparfums groups signed a 12-year exclusive worldwide license agreement commencing on January 1, 2010 for the creation, development and distribution of fragrances under the Jimmy Choo brand.

Lines distributed are *Jimmy Choo* (2011), *Flash* (2013).

Momentum that began in 2011 with a single product line, *Jimmy Choo Eau de Parfum*, continued in 2012 with the *Eau de Toilette*. Jimmy Choo fragrances achieved strong growth of 36% in the period. The new women's line *Flash* was launched in the first quarter of 2013.

2012/2013 awards
Prize in the "Editor's Pick" fashion fragrance winner category for the *Eau de Toilette* in the United Kingdom (Elle Beauty Awards 2012)
Prize for the "Best Women's Fragrance" for the *Eau de Toilette* category in the United Kingdom. (Copra 2012 Award)

€40.1m
2012 sales

9.0%
Percentage of 2012 group sales


Introducing
The New Fragrance
FLASH
JIMMY CHOO
FLASH
JIMMY CHOO

Karl Lagerfeld

In October 2012, Karl Lagerfeld, the internationally renowned fashion house, and Interparfums signed a 20-year exclusive worldwide license agreement to create, produce and distribute perfumes under the Karl Lagerfeld brand.

The launch of a new fragrance line is planned for 2014.

Lanvin

In July 2004, Interparfums entered into a 15-year exclusive worldwide license agreement with the company Lanvin to create, develop and distribute fragrances worldwide under the Lanvin name.

At the end of July 2007, Interparfums acquired the Lanvin brand names and international trademarks for class 3 fragrance and make-up products from the Jeanne Lanvin SA company. On the same date, the two companies mutually agreed to terminate the existing licensing contract signed in June 2004.

Lines distributed are *Arpège* (1927), *Lanvin L'Homme* (1997), *Éclat d'Arpège (2002), Rumeur 2 Rose (2008), Jeanne Lanvin (2008), Lanvin L'Homme Sport* (2009), *Marry me !* (2010) and *Jeanne Lanvin Couture* (2012).

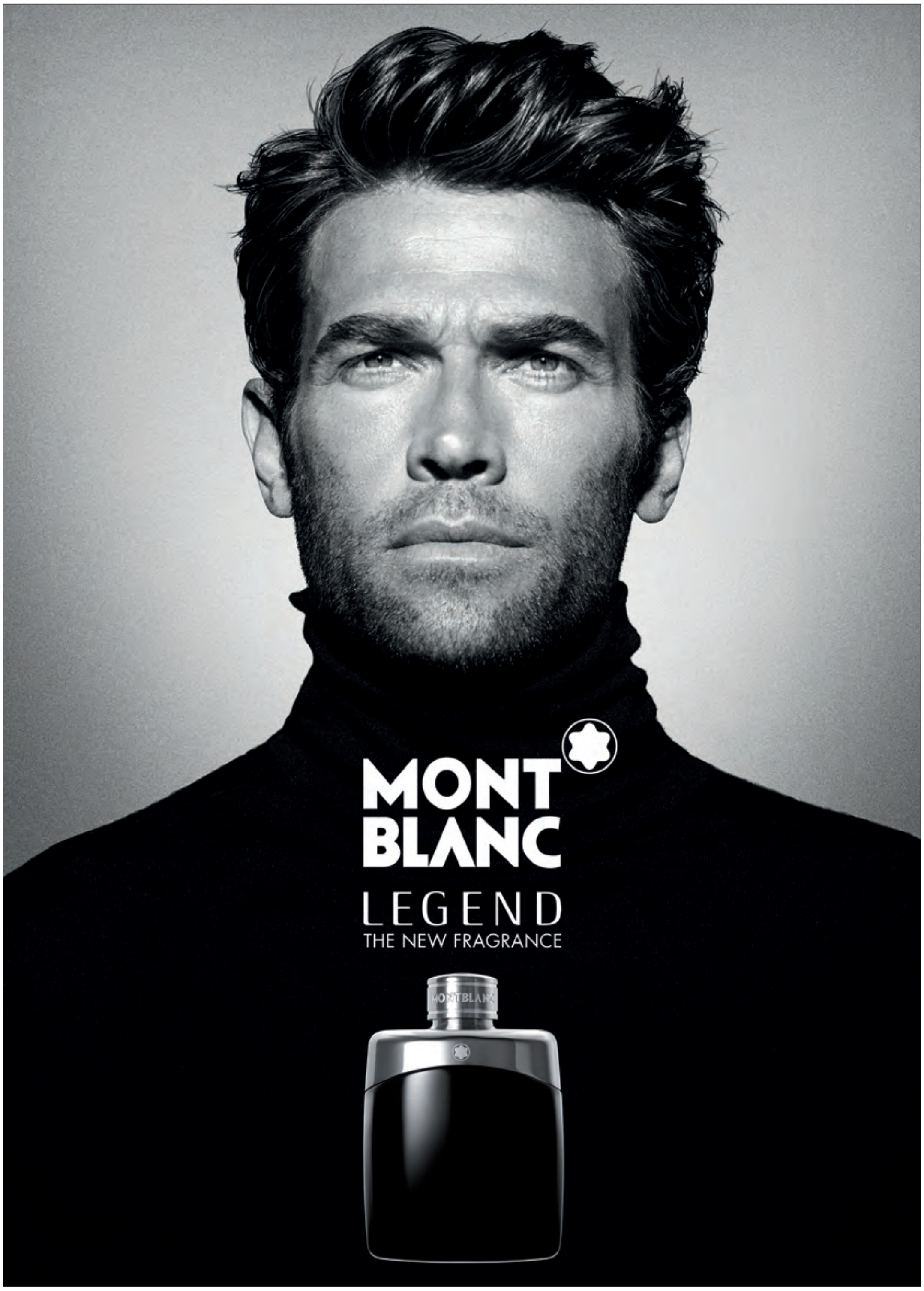
Lanvin fragrances have maintained steady growth driven by continuing gains by the *Éclat d'Arpège* line and the launch of the *Jeanne Lanvin Couture* line.

2012/2013 awards
"Design innovation" award prize for *Avant-Garde* (*Forme de Luxe*)

€60.4m
2012 sales

13.5%
Percentage of 2012 group sales


Jeanne
LANVIN
COUTURE
LANVIN
PARIS


MONT
BLANC
LEGEND
THE NEW FRAGRANCE
MONTBLANC

Montblanc

In early January 2010, Montblanc and Interparfums signed a 10 ½ year exclusive worldwide license agreement to create, produce and distribute perfumes and ancillary products under the Montblanc brand with a commencement date of 1 July 2010.

Lines distributed are *Présence* (2001), *Présence d'une Femme* (2002), *Individuel* (2004), *Femme Individuelle* (2004), *Starwalker* (2005), *Femme de Montblanc* (2006), *Homme Exceptionnel* (2006), *Legend* (2011) and *Legend Femme* (2012).

Montblanc fragrances, the portfolio's third-largest brand, delivered strong growth (+51%), confirming the success of its men's line, *Legend*, now the group's top-selling men's line before the launch of the women's line *Legend Femme*.

2012/2013 awards
"Best Men's Advertising Campaign" award in the United Kingdom. (Fifi 2012 Award)
"Best New Fragrance Design and Packaging" award in the United Kingdom (Fifi 2012 Award)
"Best Fragrance for Him" beauty award in China (Self)
"Recommended fragrance" beauty award in China (Men's Uno)
"Best Business Fragrance" beauty award in China (Men's Jockers)

€46.1m
2012 sales

10.3%
Percentage of 2012 group sales

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.

Sales for the men's skincare brand remained resilient in a difficult market for this segment, boosted by the performance of the personal hygiene and shaving range.

€1.9m

2012 sales

0.4%

Percentage of 2012 group sales


NICKEL
serious skin care for men
Bonne Gueule Facial moisturizer
Serious skincare for men who
don't take themselves too seriously
For you gentlemen who want results every day, Nickel has concocted the benchmark to keep you looking good. A combination of purifying fruit acids, trace elements and strengthening vitamin E which provide your skin with lasting moisturization, protection and nourishment. And as we believe in equality among men, Bonne Gueule is available for combination skin, dry skin and sensitive skin.
www.nickel.fr
BONNE GUEULE
MOISTURIZER
NICKEL


Paul Smith
EXTREME
Paul Smith
EXTREME
MEN

Paul Smith

In December 1998, Interparfums entered into a 12-year exclusive worldwide license agreement with Paul Smith to create and produce perfumes and cosmetics under the Paul Smith brand.

In July 2008, this agreement was extended for seven years until December 31, 2017 on the basis of comparable contractual terms and conditions.

Lines distributed are *Paul Smith* (2000), *Paul Smith Extrême* (2002), *Paul Smith Rose* (2007), *Paul Smith Man 2* (2010) and *Paul Smith Optimistic* (2011).

Paul Smith remains concentrated in the United Kingdom with a solid position in that market based on the steady performance by the brand's historic line *Paul Smith Extrême*.

€11.6m

2012 sales

2.6%

Percentage of 2012 group sales

Repetto

In 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.

The first fragrance line is planned for summer 2013.


repetto
PARIS
22, rue de la Paix
Dorothée Gilbert,
Danseuse Étoile
de l'Opéra National
de Paris


S.T. Dupont
PARIS
58 Avenue MONTAIGNE
S.T. Dupont
PARIS
58 Avenue MONTAIGNE
S.T. Dupont
PARIS
58 Avenue MONTAIGNE

S.T. Dupont

In July 1997, Interparfums entered into an 11-year exclusive license agreement with S.T. Dupont to create and produce perfumes under the S.T. Dupont name and distribute them worldwide. In April 2006, this agreement was extended for an additional three years, i.e. until June 30, 2011. In April 2011, this license agreement was renewed for 5 ½ years to 31 December 2016.

Lines distributed are *S.T. Dupont* (1998), *S.T. Dupont Essence Pure* (2002), *Passenger* (2008), *Passager Cruise* (2011) and *58 Avenue Montaigne* (2012).

S.T. Dupont fragrances, with its strongest sales based in the Middle East and Eastern Europe continued to grow (+5%), boosted in particular by the launch of the men's and women's line *58 Avenue Montaigne*.

€13.8m

2012 sales

3.1%

Percentage of 2012 group sales

Van Cleef & Arpels

At the end of September 2006, the Van Cleef & Arpels and Interparfums groups signed an exclusive worldwide license agreement to manufacture and distribute perfumes and ancillary products under the Van Cleef & Arpels brand name with a 12-year term that took effect on 1 January 2007.

Lines distributed are *First* (1976), *Van Cleef pour Homme* (1978), *Tsar* (1989), *Van Cleef* (1994) *First 1er Bouquet* (2008), *Féerie* (2008), *Collection Extraordinaire (2009), Oriens (2010), Midnight In Paris (2010), Un Air de First (2011)* and *Rêve (2013).*

Van Cleef & Arpels fragrances had steady sales in the year without major launches. The new women's line *Rêve* is scheduled to be launched in spring 2013.

€17.8m

2012 sales

4.0%

Percentage of 2012 group sales


Van Cleef & Arpels
HAUTE PARFUMERIE
RÊVE
Van Cleef & Arpels
The new feminine fragrance


PAUL SMITH
MAN
2
LANVIN
ROXY
Jeanne
LANVIN
Couture
RÊVE

SHAREHOLDER INFORMATION

The Interparfums share

For the year to date, trends for Interparfums' share price in 2012 can be divided into three distinct phases:

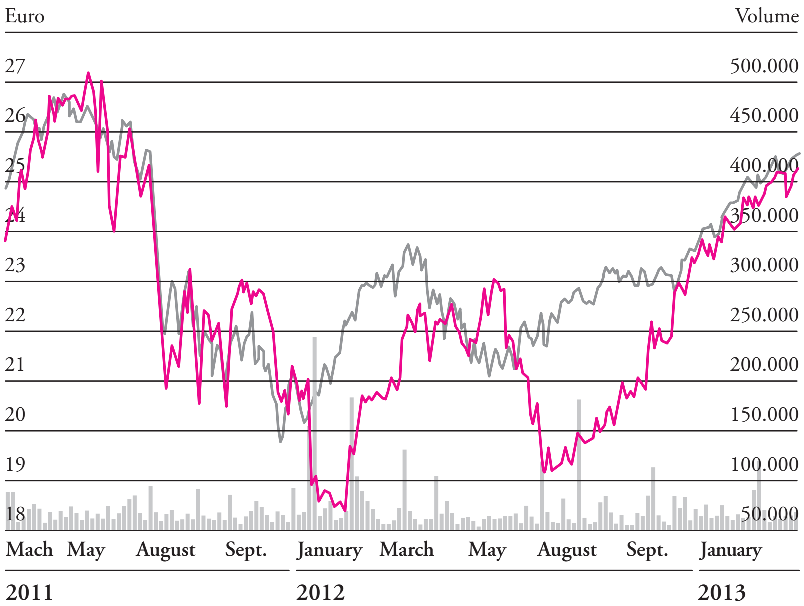
- a rise over the first half back up to the €20 range following the significant drop in December 2011 in conjunction with the discussions initiated by Burberry on the creation of a new operational structure for the fragrance and beauty business;

- the share price fell back to around €17 following the announcement of the discontinuation of these discussions between the two companies;

- finally, a slow and steady uptrend to reach €23 at the end of the year with the announcement of good half-year results, strong gains by Montblanc, Jimmy Choo and Boucheron in particular and positive trends for the years ahead.

Bolstered by the signature of a 20-year license agreement with the Karl Lagerfeld brand in November 2012, the share price has traded at around €25 since the publication of the 2012 annual results for a market capitalization of approximately €550 million. Trading volume has remained resilient with an average of 15,000 shares per day.

Trading activity: Interparfums vs. the CAC Mid & Small index



Dividends

Dividend for fiscal year: Paid in:	2008 2009	2009 2010	2010 2011	2011 2012
Dividends per share	€0.38	€0.39	€0.48	€0.50
Dividend adjusted for bonus share issues	€0.24	€0.29	€0.40	€0.45
Annual change for the adjusted dividend	+9 %	+21 %	+38 %	+13 %

Financial communications: a dual commitment to both transparency and fair presentation

Since it was listed on the Paris Stock Exchange in1995, Interparfums' financial communications strategy has been based on a dual commitment to both transparency and fair presentation. This approach is strengthened by a commitment to dialogue and proximity with a range of both targeted and diversified tools: the annual report included with the registration document, half-year report, letter to shareholders, press releases and financial notices. These publications are supplemented by interactive tools and a platform for online exchange www.interparfums.fr as well as individual and group meetings with shareholders, analysts, journalists, fund managers.

Securities market information

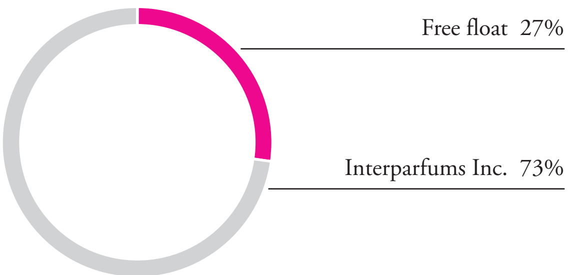
Market: NYSE Euronext Paris
Market segment: Segment B (Mid Caps)
IPO date: November 1995
ISIN code: FR0004024222 ITP
Stock market indexes: CAC Mid & Small
Market maker: Oddo Midcap

Analyst coverage

Institutions providing financial research on Interparfums: Exane BNP Paribas, Gilbert Dupont, ID Midcaps, Natixis Securities, NFinance and Oddo Securities.

Shareholder base as of December 31, 2012

Interparfums has more than 6,300 individual shareholders



and 300 institutional shareholders (with foreign investors representing one third).

Upcoming publications and events

2013 second-quarter sales: End of July 2013
2013 first-half sales and earnings: Mid-September 2013
2013 third-quarter sales: End of October 2013
2013 Letter to shareholders: Mid-November 2013
2013 sales: End of January 2014
2013 annual results: Mid-March 2014

Forums and trade shows

Large & Mid Cap Events trade show in Paris:
October 2 & 3, 2013
Actionaria trade show, Paris:
November 22 & 23, 2013

2012 awards

In December, at the 5th "Investor Relations & Finance Communications Forum" the best professionals and teams of companies listed on NYSE Euronext Paris were recognized by the Investor Relations Awards organized in partnership with the French Society of Financial Analysts (SFAF) and IR-Intelligence. On this occasion, Philippe Santi, Executive Vice President, received the award for the Mid Cap category.

CONDENSED FINANCIAL STATEMENTS

Consolidated income statement

In € thousands, *except per share data which is in units*	**2011**	**2012**
Sales	**398,328**	**445,460**
Cost of sales	(145,602)	(163,535)
Gross margin	**252,726**	**281,925**
% of sales	*63.4%*	*63.3%*
Selling and administrative expenses	(205,822)	(223,772)
Current operating income	**46,904**	**58,153**
% of sales	*11.8%*	*13 .1%*
Other operating income and expenses	(603)	154,650
Operating profit	**46,301**	**212,803**
% of sales	*11.6%*	*47.8%*
Net financial expense	**566**	**(3,023)**
Income before income tax	**46,867**	**209,780**
% of sales	*11.8%*	*47.1%*
Income tax	(16,661)	(74,083)
Effective tax rate	*35.5%*	*35.2%*
Net income before non-controlling interest	**30,206**	**135,697**
% of sales	*7.6%*	*30.5%*
Attributable to non-controlling shareholders	**(94)**	**(165)**
Net income	**30,300**	**135,862**
% of sales	*7.6%*	*30.5%*

Consolidated balance sheet

Assets

In € thousands	2011	2012
Non-current assets		
Net trademarks and other intangible assets	73,059	79,624
Net property, plant, equipment	9,057	7,017
Financial assets and other non-current financial assets	1,560	8,505
Deferred tax assets	5,777	10,214
Total non-current assets	**89,453**	**105,360**
Current assets		
Inventory and work in progress	101,167	87,199
Trade receivables and related accounts	129,109	106,179
Other receivables and deferred tax assets	6,865	7,055
Cash and cash equivalents	26,600	229,003
Total current assets	**263,741**	**429,436**
Total assets	**353,194**	**534,796**

Shareholders' equity & liabilities

In € thousands	2011	2012
Shareholders' equity		
Share capital	59,602	66,001
Additional paid-in capital and reserves	125,841	142,883
Net income for the year	30,300	135,862
Equity attributable to parent company shareholders	**215,743**	**344,746**
Non-controlling interests	277	118
Total shareholders' equity	**216,020**	**344,864**
Non-current liabilities		
Provisions for non-current commitments	2,127	2,994
Non-current borrowings	12	-
Deferred tax liabilities	1,472	1,625
Total non-current liabilities	**3,611**	**4,619**
Current liabilities		
Trade payables and related accounts	96,238	68,396
Current borrowings	3,450	62
Bank facilities	9,205	21,076
Provisions for contingencies and expenses	49	48
Other payables and deferred tax liabilities	24,621	95,731
Total current liabilities	**133,563**	**185,313**
Total shareholders' equity and liabilities	**353,194**	**534,796**

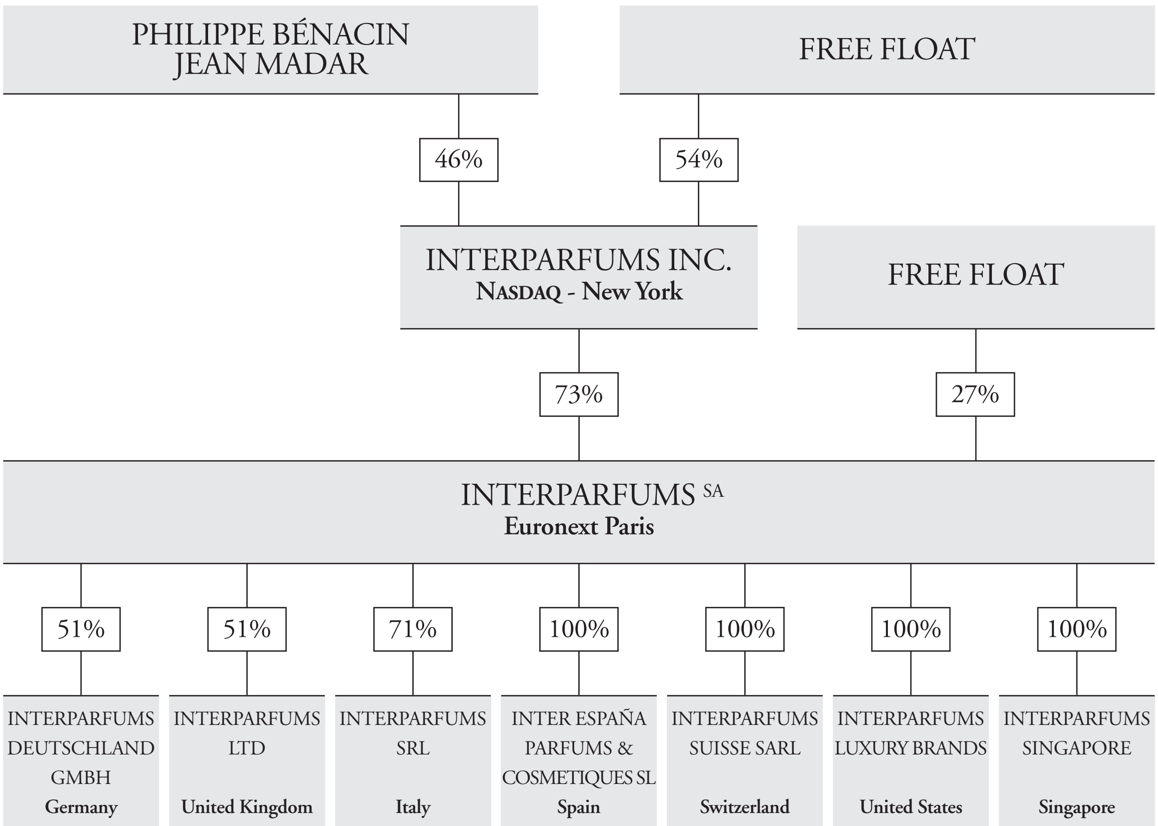
GROUP ORGANIZATION

Interparfums and its subsidiaries

Commercial operations are conducted largely through Interparfums SA. To pursue its international development, Interparfums set up four new subsidiaries on January 1, 2007 in the key European markets in partnership with its local distributors: Germany (51%), United Kingdom (51%), Italy (71%) and Spain (100%).

Interparfums also created a wholly-owned subsidiary in Switzerland, Interparfums Suisse Sarl. This subsidiary is the owner of the Lanvin brand name for class 3 products.

In 2010, Interparfums SA further strengthened its presence in markets and major regions by creating wholly-owned distribution subsidiaries in Singapore (Interparfums Singapore) and the United States (Interparfums Luxury Brands) respectively.



TWO THOUSAND TWELVE REGISTRATION DOCUMENT

interparfums

AMF

This original French language version of the registration document (*Document de référence*) was filed with the French financial market authority (*Autorité des Marchés Financiers* or AMF) on March 28, 2013 in compliance with article 212-13 of the AMF General Regulation. It may be used in connection with a financial transaction only if accompanied by a memorandum approved by the AMF. The original French language version of this document was prepared by the issuer and is binding on its signatories.

CONSOLIDATED MANAGEMENT REPORT

Historical financial information

In accordance with article 28 of Commission Regulation (EC) 809-2004 implementing the prospectus directive, the following information shall be incorporated by reference in this registration document:
- the consolidated financial statements for the period ended December 31, 2011 prepared in accordance with international accounting standards and the auditors' report on these financial statements, as presented in the chapter "IFRS consolidated financial statements" of the original French language version of the registration document filed with the AMF on April 6, 2012 under No. D.12-0298.
- the consolidated financial statements for the period ended December 31, 2010 prepared in accordance with international accounting standards and the auditors' report on these financial statements, as presented in the chapter "IFRS consolidated financial statements" of the original French language version of the registration document filed with the AMF on April 6, 2011 under No. D.11-0244.

Disclaimer

This English language version of this registration document is a free translation of the original "Document de référence 2012" that was prepared in French. All possible care has been taken to ensure that this translation is an accurate representation of the original the issued in French language and registered on March 28, 2013 by the AMF (French Securities and Exchange Commission). However, in all matters of interpretation of information, views or opinions expressed therein, the original language version of the document in French takes precedence over this translation. In consequence, the translation may not be relied upon to sustain any legal claim, nor be used as the basis of any legal opinion and Interparfums SA expressly disclaims all liability for any inaccuracy herein.

1.
ORGANIZATION
OF THE COMPANY

1.1.
Business overview

The company creates, manufactures and distributes prestige perfumes through license agreements with leading brands in the high-end ready-to-wear, high fashion, jewelry and accessories sectors. This business model is based on obtaining rights granted by a brand name company to Interparfums to use its brand name in exchange for royalty payments typically indexed to sales (see the list of licenses in note 6.2 of the consolidated financial statements).

The product design cycle of between 12 and 18 months is assured by the company's marketing and development teams in partnership with the licensor.

In this business model Interparfums outsources the entire production process to manufacturing partners ensuring optimal expertise in their respective areas. These include producers of juice, glass, caps and cardboard boxes and packaging companies.

The company distributes its products worldwide (see note 5.2 of the consolidated financial statements) through wholly-owned distribution subsidiaries or joint ventures, independent companies, subsidiaries of major luxury good corporations and duty free operators.

Product promotion and advertising are assured by Interparfums' marketing departments.

1.2.
The selective market

In the United States, according to the market research company, NPD Group, Inc., the prestige beauty market posted a 7% gain in 2012 generating sales of US$10.2 billion compared with 11% in 2011.

In the French fragrance market, after two years of growth, in 2012 sales declined 3% for unit sales and 0.9% for sales revenue to €2.8 billion according to NPD. However, Martine Ringwald, NPD Senior Vice President, put this performance in perspective by noting *"Do not be defeatist. Selective Perfumery is doing pretty well. This is not a bad performance in times of crisis, in a market where the average price is high and continues to grow."*

Revenues in the fragrances industry are likely to continue to develop at dynamic rates over the upcoming eight years. *"We forecast global revenues of more than US$15.6 billion in 2019"*, commented Oliver Kutsch, Chairman-CEO of Ceresana, the German-based market research firm.

With the number of consumers demanding fragrance products rising worldwide, the study emphasized in particular the importance of emerging countries of Latin America and the Asia-Pacific region as growth engines for the industry.

1.3.
2012 milestones

January
Commencement of the Balmain license

Commercial activity has begun based on four existing lines.

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

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

May
Launch of the *Jeanne Lanvin Couture* line of Lanvin

Jeanne Lanvin 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 enriched with more sensual notes.

Launch of the *Jaïpur Bracelet* line of Boucheron

Jaïpur Bracelet, echoing the high-jewelry collections of Maison Boucheron, is inspired by the traditional Nauratan bracelet given to Rajasthani brides for good luck.

June
Bonus share distribution

On June 18, 2012, the company proceeded with its 13th bonus issue on the basis of one new share for every ten shares held.

Launch of *Electro Shock* of Nickel

A fatigue-fighting skin care concentrate, combining the ultra-fresh and invigorating action of lime with the energizing boost of Guarana extract.

July
Burberry license: discussions with Burberry discontinued

On July 27, 2012 following several months of discussions, Interparfums SA and Burberry were unable to reach an agreement on final terms for a new operating model for the fragrance and beauty business. On that basis, the license agreement expired on December 31, 2012 in exchange for payment by Burberry of an exit price of €181 million.

October
Launch of the *Ivoire* line of Balmain

Mythical fragrance of the 80's, *Ivoire* of the Balmain couture house, combines aerial heart notes with a floral accord followed by a woody trail.

Burberry license: transition agreement

Interparfums and Burberry signed an agreement in order to facilitate a smooth transition that included an additional three months period ending on March 31, 2013.

Signature of a fragrance license agreement with Karl Lagerfeld

On October 8, Karl Lagerfeld, the internationally renowned fashion house, and Interparfums, the creator of prestige perfumes and cosmetics, signed a 20-year exclusive worldwide license agreement commencing on November 1, 2012 to create, produce and distribute perfumes under the Karl Lagerfeld brand. The first women's fragrance line will be launched in 2014.

December

***Investor Relations* Award**

Interparfums was awarded the prize for the Best Investor Relations in the "Mid Cap" category at the 5th Investor Relations and Financial Communications Forum.

1.4.
Operating highlights and key figures

Bolstered by strong year-end momentum, particularly in the US and Asia, Interparfums exceeded its guidance for 2012 annual sales issued in the fall. With record consolidated sales of €445.5 million, the company experienced continuing growth in the period, up 11.8% at current exchange rates and 6.9% at constant exchange rates over 2011, and despite the high comparison base from the launches of the *Burberry Body* line in the prior year.

This performance reflects the very strong development by Montblanc (+51%), Jimmy Choo (+36%) and Boucheron (+96%) fragrances that generated combined sales of nearly €100 million after just two years of activity as part of the group's portfolio.

1.5.
Sales by brand

In € millions *As a % of sales*	**2008**	**2009**	**2010**	**2011**	**2012**
Burberry	169.0 *63.8%*	166.2 *64.1%*	184.2 *60.4%*	221.7 *55.7%*	234.7 *52.7%*
Lanvin	39.0 *14.7%*	40.6 *15.7%*	53.0 *17.3%*	57.8 *14.5%*	60.4 *13.6%*
Montblanc	- -	- -	7.0 *2.3%*	30.6 *7.7%*	46.1 *10.4%*
Jimmy Choo	-	-	0.6 *0.2%*	29.4 *7.4%*	40.1 *9.0%*
Van Cleef & Arpels	21.0 *7.9%*	20.2 *7.8%*	25.9 *8.5%*	20.4 *5.1%*	17.8 *4.0%*
Boucheron	- -	- -	- -	8.4 *2.1%*	16.4 *3.7%*
S.T. Dupont	11.5 *4.3%*	11.5 *4.4%*	15.8 *5.2%*	13.2 *3.3%*	13.8 *3.1%*
Paul Smith	13.4 *5.0%*	12.8 *4.9%*	14.9 *4.9%*	14.2 *3.6%*	11.6 *2.6%*
Nickel	2.7 *1.1%*	2.3 *1.0%*	2.2 *0.7%*	2.0 *0.5%*	1.9 *0.4%*
Balmain	- -	- -	- -	- -	1.5 *0.3%*
Other	8.3 *3.2%*	5.6 *2.1%*	1.5 *0.5%*	0.6 *0.2%*	1.2 *0.3%*
Total	**264.9**	**259.2**	**305.7**	**398.3**	**445.5**

Burberry fragrances rose nearly 6% from double-digit growth by the brand's historic lines and the continuing success of the *Burberry Body* line although impacted by lower sales by the *Burberry Sport* line.

Lanvin fragrances for the first time exceeded sales of €60 million, with steady growth driven by continuing gains from the *Éclat d'Arpège* line and the launch of the *Jeanne Lanvin Couture* line.

With sales of more than €46 million, Montblanc fragrances delivered strong growth (+51%), confirming the success of *Legend* (€22 million) that is now the group's top-selling men's fragrance line.

Jimmy Choo also showed very robust gains (+36%) with sales of €40 million, based on a single women's line.

In a year without major launches, Van Cleef & Arpels fragrances remained resilient with sales of nearly €18 million.

The gradual re-release of Boucheron fragrances and a first initiative with the *Jaïpur Bracelet* line have already generated €16 million in sales.

1.6.
Sales by region

In € millions	2011	2012
North America	80.3	103.6
South America	36.8	35.4
Asia	65.3	72.9
Eastern Europe	34.7	38.1
Western Europe	103.3	108.5
France	33.7	35.1
Middle East	39.9	46.6
Africa	4.3	5.2
Total	**398.3**	**445.5**

The company continued to reap benefits from its strong international positions and balanced sales mix:

- North America registered the year's biggest increase (+29%), boosted in particular by remarkable performances of Jimmy Choo and Montblanc fragrances in the US;

- expansion in the Middle East and Eastern Europe continued on gains of 17% and 10% respectively with robust growth in Saudi Arabia and Russia;

- Asia (16% of revenue), and China in particular, showed continuing momentum with growth of nearly 12%;

- performances in Western Europe (excluding France) remained positive (+5%) despite weaker consumer spending in selected countries;

- finally, against the backdrop of modest growth for the perfumes and cosmetics market both for sales revenue and volume sales, France performed well (+4%).

2.
CONSOLIDATED FINANCIALS

2.1.
Income statement highlights

In € thousands	2009	2010	2011	2012
Sales	259,199	305,696	398,328	445,460
International (%)	*90.0%*	*91.0%*	*91.5%*	*92.1%*
Operating profit	33,683	42,216	46,301	212,803
% of sales	*13.0%*	*13.8%*	*11.6%*	*47.8%*
Net income	22,647	26,807	30,300	135,862
% of sales	*8.7%*	*8.8%*	*7.6%*	*30.5%*

In 2012, Interparfums maintained its forward momentum of prior years with further market share gains driven by significant advances in particular by Montblanc, Jimmy Choo and Boucheron fragrances that generated combined sales of nearly €100 million after just two years of activity as part of the group's portfolio.

Through tight control over all operating expenses and in particular for marketing and advertising (+9%), results came in above recent estimates. Current operating income thus reached €58.2 million, up 24% on the prior year with a margin rising above 13%.

With the recognition of income and expenses associated with the discontinuation of the Burberry license for a net gain of €156.1 million before tax, and a provision for additional goodwill impairment of €1.4 million for the Nickel brand, operating profit was up sharply to €212.8 million. And reflecting this same trend, net income reached nearly €136 million.

Like-for-like (and notably excluding items associated with the discontinuation of the Burberry license), net income rose 19% to €36.1 million marking the 16th consecutive year of uninterrupted growth.

2.2.
Balance sheet highlights

In € millions	2011	2012
Non-current assets	89.5	105.4
Inventories	101.2	87.2
Trade receivables	129.1	106.2
Net cash	17.4	207.9
Group shareholders' equity	215.7	344.7
Borrowings and financial liabilities	12.6	21.1
Trade payables	96.2	68.4

The group's financial position was very significantly strengthened at December 31, 2012 with shareholders' equity of €345 million (64% of total assets) and net cash of €208 million. On top of this, positive operating cash flow was generated by tight inventory controls and further reductions in the trade receivables balance.

2.3.
Cash flow statement highlights

Key changes in consolidated cash flows:

- a positive trend for operating cash flows reflecting the €181.2 million inflow from the Burberry exit fee in December, a reduction in trade payables mainly in response to shorter average customer settlement periods, a comparison base with 2011 significantly impacted by the *Burberry Body* line launched in September and lower trade payables mainly due to the decline in the volume of component purchases and adjustments in advertising expenses;

- cash flows from investing activities that included the upfront payment for Karl Lagerfeld license and royalty advances of €19.2 million as well as the purchase of fixed assets notably relating to the creation of molds for bottles for new lines and department store stands;

- cash flows from financing activities including the €3.3 million for the repayment of loans obtained for the acquisition of the Lanvin trademarks, a €9.9 million dividend payment for fiscal 2011 and capital increases generated by the exercise of stock options amounting to €2.4 million.

On this basis, net cash at December 31, 2012 amounted to €207.9 million, compared with €17.4 million one year earlier.

3.
RISK FACTORS

After performing a review of risks that could potentially have a material adverse effect on its business, financial position or results (or its ability to meet its targets), the company considers that there do not exist other risks than those presented below.

The risk mapping procedure launched in 2004 and regularly updated since, has made it possible to classify risks into four categories: operating risks, risks related to international operations, environmental and employee-related risks and risks related to financial market conditions.

3.1.
Operating risks

3.1.1.
License agreements

The licensing system which is typical in the perfume and cosmetics industry consists of a brand name company (Montblanc, Boucheron, etc.) granting the licensee (Interparfums) a right to use the brand name in exchange for royalty payments indexed to sales. The associated risk pertains to the potential non-renewal of agreements upon expiration.

In the case of Interparfums, several factors tend to limit or eliminate this risk:

- length of contracts (10 years or more);

- possibility of early renewal;

- diversified portfolio of licensed brands;

- factors specific to the company (sophisticated marketing, distribution network, corporate organization, etc.);

- limited number of potential licensees with a similar profile;

- ongoing efforts to add new licenses in order to limit the weight of existing brands in the portfolio.

Furthermore, the company is the owner of two brand names and international trademarks for class 3 fragrances and make-up products (Lanvin and Nickel) that reduces the overall risk of the non-renewal of license agreements.

3.1.2.
Market conditions

The creation and distribution of prestige perfumes is a highly competitive sector. The quality of its product portfolio, internal market studies and privileged relations with distributor partners maintained in each of the countries through regular visits, product presentations supported by marketing plans all reduce the risk of a loss of market share.

3.1.3.
Sourcing and production

Sourcing of raw materials for the plants is assured by Interparfums' Production Department. Planning for the launch of production lines is regularly updated and monitored with component suppliers combined with recourse to multiple suppliers selected by the company, limit the risk of supply chain disruptions.

Production risks result from the possibility that manufacturing partners might be unable to manufacture products on time for their distribution. To reduce this risk, the company implements production plans early on in the process in partnership with manufacturers. These measures are supplemented by ensuring multiple supplies of molds for bottles and related items as well as a number of production sites.

3.1.4.
Insurance

Interparfums has always carried adequate insurance for its activities worldwide under conditions that comply with industry standards, providing global coverage for important risks and activities.

This coverage includes:

- property damage and business interruption;
- inventory loss or damage;
- contingent business income coverage;
- civil liability;
- Directors' and Officers' liability;
- product liability;
- transport;
- professional travel and automobile insurance;
- IT equipment loss or damages;
- specific risks linked to particular events.

Interparfums purchases supplemental insurance when required, either in compliance with the law or more specifically to cover business risks or risks arising from specific circumstances.

Insurance coverage is overseen by a specialized broker and spread among four major European insurers.

In addition, Interparfums is the named beneficiary for a life insurance policy for its Chairman and Chief Executive.

All these risks are covered through outside insurance providers.

3.2.
International business risks

3.2.1.
Currency risks

Because a significant portion of group sales is in foreign currencies, it incurs a risk from exchange rate fluctuations, primarily from the US dollar (41.2% of sales) and to a lesser extent the Pound sterling (8.2% of sales) and the Japanese yen (1.3% of sales).

The primary objective of the company's foreign policy is to hedge the most probable budget exposure related primarily to cash flows from operating activities in US dollars as well as trade receivables in the US dollar, Pound sterling and Japanese yen. To this purpose, the company has recourse to forward sale agreements according to procedures that prohibit any transactions of speculative nature.

Financial instruments used by the group to manage its foreign exchange exposure are described in note 3.15.3 of the consolidated financial statements.

3.2.2.
Country risks

With sales in more than 100 markets, Interparfums regularly reassesses country risks.

For the past few years, the company has incurred no significant default on payments in countries considered at risk.

Given our collections policies, receivables monitoring and the quality of our distributors' financial health, no country risk reserve allocations were made in the financial statements for the year ended December 31, 2012.

3.3.
Employee-related risks

In light of the company's organizational structure, the role of personnel is decisive. To foster personnel retention and raise the level of expertise and service provided to customers, the company has developed a strong corporate culture and implemented a system for employee management and motivation based on a combination of tools including variable compensation, stock options available to all personnel, annual review meetings, training, etc.

The company has a very low rate of employee turnover and absenteeism (refer to the chapter "social responsibility" of this document).

3.4.
Trade and financial risks

3.4.1.
Customer risks

Trade receivable collection risks are managed from the inception of the receivable by maintaining a good knowledge of the company's market and customer base and limiting the volume of orders for new customers. In addition, this risk is further reduced by a diversified customer base with 100 customers accounting for 80% of sales. Balances of outstanding trade receivables are monitored daily, and collection procedures are immediately implemented.

3.4.2.
Risks of default

The risk of the company not meeting its financial commitments is extremely low given its significant net cash resources and very low debt load ratio.

At December 31, 2012, all debt had been paid off.

Financial instruments used by the group to manage interest rate risk are described in note 3.15.1 of the consolidated financial statements.

3.4.3. Liquidity risk and covenants

A prudent management of liquidity risk implies maintaining a sufficient level of liquidity and the availability of financial resources through the appropriate types of credit lines. After performing a specific review of its liquidity risk, the company considers that is has the resources to honor its future payment obligations. Maturities for financial assets and liabilities are presented in note 3.15.2 of the consolidated financial statements.

Loans obtained by the company are subject to obligations under covenants. These ratios are calculated every year to verify compliance with these contractual obligations. A breach of these ratios could render these loan facilities subject to an obligation of immediate prepayment.

Covenants in force are described in note 3.11.4 of the consolidated financial statements.

3.4.4. Equity risk

Treasury shares are held exclusively in connection with the liquidity agreement managed by a brokerage firm. They are recorded in the consolidated financial statements at acquisition cost as a charge under shareholders' equity.

The portfolio of marketable securities includes primarily money market funds that do not include an equity component. The group does not use hedging instruments to cover these positions.

3.4.5. Valuation risks

A significant share of the company's assets consists of intangible assets whose value depends in large part on future operating performances. The valuation of intangible assets also implies recourse to objective judgments and complex estimates concerning items uncertain by nature. If a change occurs in the underlying assumptions on which this valuation is based, a reduction in the value of shareholders' equity will be recorded. The impact of such adjustment would however be extremely limited.

3.4.6. Risk associated with inadequate internal controls

Effective procedures applied by all group companies and for all areas of financial risks identified are reassessed annually in compliance with the Financial Security Act (*Loi de Sécurité Financière*).

These internal controls are reinforced in France by application of the Sarbanes Oxley Act within the framework of the regulatory obligations of Interparfums Inc. (parent company of Interparfums SA) and its listing on NASDAQ (see the chapter on "internal control" of this registration document).

3.4.7. Information technology risks

Interparfums and its subsidiaries have an ERP application providing integrated sales, production and accounting management capabilities. This system makes it possible to monitor information in real-time and reduce the risk of data loss and errors from multiple entries.

The company's computer system is subject to risks of breakdown, electrical power outages, computer viruses and data theft. To reduce such risks, the company has robust security systems (power converters, firewalls, anti-virus programs, etc.) and has implemented business continuity and IT recovery plans. These plans will contribute to improved computer performances and include a fault tolerance system for restoring normal operations in a few minutes.

3.4.8. Litigation and other risks

These risks are managed by regularly monitoring legal and regulatory developments and by taking measures to avoid exposure to potential criminal liability and risks related to commercial law and intellectual property rights. The company's legal department also manages litigation and disputes in close collaboration with outside legal counsel and attorneys, as well as the drawing up and reviewing the main contracts of the company.

Provisions for contingencies concern primarily contract-related disputes.

There are no other legal, judicial or arbitration proceedings (including any that are pending or threatened of which the company is aware), which may have or have had during the past 12 months, a material effect on the financial position or profitability of the company and/or group.

4. SOCIAL RESPONSIBILITY

4.1. Staff data

4.1.1. Breakdown of staff

By gender

Interparfums staff by gender breaks down as follows: women 70%, men 30%. This breakdown has remained stable from one year to the next.

By age

Number of employees at	12/31/2012
Less than 25 years	13
Between 25 and 35 years	89
Between 36 and 45 years	71
Between 46 and 55 years	30
> 55 years	2
Total	**205**

The average age for Interparfums employees is 37.

By department

Number of employees at	12/31/2012
Executive Management	2
Production & Logistics	35
Burberry Fragrances	32
Luxe & Fashion	28
France	46
Finance & Corporate Affairs	36
Subsidiaries	26
Total	**205**

The decrease in headcount results mainly from the expiration of work-study contracts.

By geographic area

Number of employees at	12/31/2012
France	86%
Europe excluding France	3%
North America	7%
Asia	4%
Total	**100%**

4.1.2. Recruitment and dismissals

Headcount at 12/31/2011	227
Recruitment	34
Dismissals	(13)
Resignations	(6)
Expiration of contracts	(37)
Headcount at 12/31/2012	**205**

As a measure of prudence, the discussions initiated in 2011 between Interparfums and Burberry with respect to the continuation of the partnership resulted in the recruitment of staff on fixed-term contracts. In 2012, Interparfums terminated its license agreement with Burberry. The departures observed consequently reflect the expiration of these contracts.

4.1.3. Remuneration and payroll trends

Interparfums has a compensation policy, a system of job classifications and performance evaluations uniformly applied to all employees. These procedures guarantee the principle of fairness and equal treatment of men and women employees. Employees of the company and its subsidiaries also benefit from variable incentive compensation benefits linked to the group's performance.

Interparfums also promotes employee stock ownership through annual stock option plans available to all employees.

As required by French law, a statutory employee profit-sharing agreement was implemented on December 20, 2001.
The amount paid for employee profit sharing for 2012 was €10.3 million (compared to €1.7 million in 2011).

In € thousands	2011	2012
Total wages and benefits (including profit sharing and social charges)	24,771	25,161
of which Management Committee members		
- wages, bonuses & social charges	4,063	4,266
- share based payment expenses	48	89

In addition €227 million in supplemental retirement benefits for Executive Management were paid in 2012.

4.2. Work organization

4.2.1. Working time organization

All employees of the company work on the basis of a 35-hour workweek annualized according to a fixed number of 218 work days per year and are entitled to 9 "recuperation days" (RTT) per year.

Most employees work on a full-time basis.

At the end of 2012, 87% of employees were on permanent contracts and 13% on fixed term contracts.

4.2.2. Absenteeism

The rate of absenteeism in 2012 was 9.54% (3.94% in 2011), and reflects mainly an increase in maternity leaves. The number of days of absence due to sick leave includes mainly leave for cause of illness, maternity leave and two extended sick leaves.

The breakdown for days of absence by cause, excluding legal and contractual holidays is as follows:

	Number of days of absence	%
Maternity and paternity leave	1,105	45.7%
Sick leave	1,308	54.3%
Total	**2,413**	**100%**

4.3. Labor relations

4.3.1. The organization of dialogue between employees and management

As required by law, elections are held every four years to select a works' committee and employee representatives. The last elections, held in early 2011 resulted in the formation of a single body of employee delegates *(Délégation Unique du Personnel)* comprised of four salaried management employees and two non-management employees.

Destined to meet on a monthly basis, the Works committee is informed and consulted on strategic and organizational issues having an impact on group employees. The minutes of works committee meetings are distributed to all staff and displayed in the company.

4.3.2. Assessment of collective agreements

Interparfums depends on the collective bargaining agreement for the wholesale distribution industry applicable in France.

In addition, an action plan promoting the employment of seniors has been in place by the company since 2009 and an action plan on gender equality in place since 2011.

4.4. Health and safety

As required by law, elections are held every four years to select members of the Health, Safety and Working Conditions Committee (CHSCT). The last elections, held at the end of 2012, resulted in the formation of a Health, Safety and Working Conditions Committee comprised of two management-level employees.

The purpose of the meetings of this committee CHSCT destined to be held at least once every quarter is to contribute to protecting the physical and psychological health, the safety and improved working conditions of employees of Interparfums, including temporary workers, and ensure that legal and regulatory provisions on occupational health and safety are respected. The minutes of CHSCT committee meetings are distributed to all staff and displayed in the company.

As Interparfums does not possess manufacturing sites, the risk of occupational accidents are minimized. Furthermore, the company does not generate hazardous situations.

Accordingly, in 2012, only one occupational accident was reported by Interparfums.

3 occupational accidents of limited severity occurred in 2011 resulting in short-term sick leaves without any impact on the company's general operations.

4.5. Training

4.5.1. Training policy

All Interparfums employees are offered training to develop technical, management or personal skills.

Employees also regularly exercise their rights to individual training benefits provided for under French law (*Droit Individuel à la Formation*).

All Interparfums' legal obligations with respect to continuing vocational training are delegated a number of accredited bodies including notably Intergros (the joint commission for collective training or OPCA for wholesale and international trade), AGEFOS (the French professional training fund management organization) and FONGECIF (the management fund for individual employee training rights) for the greater Paris region.

In 2012, Interparfums devoted 2.27% of total payroll to continuing vocational training (the legal obligation for companies with more than 10 employees is 1.6%).

4.5.2. Report on of training hours

The objective of training programs is to both adapt the skills of staff to the needs of their actual position and prepare them for future assignments. In 2012, 45% of employees participated in at least one training program. Individual training benefits provided for under French law (*Droit Individuel à la Formation* or DIF) used in 2012 represented a total of 1,731 hours.

The subjects covered by training programs in 2012 concerned mainly personal development, computer skills, language training, management and training relating to employee representation bodies.

4.6. Equal opportunity and non-discrimination

4.6.1. Gender equality

The gender equality action plan adopted in 2011 sets forth notably measures destined to guarantee equal access to employment, equal access to professional training and improving the balance between professional and family life.

Women account for 70% of Interparfums' workforce with 57% in management positions.

4.6.2.
Disabled workers

Interparfums does not employ any disabled workers. In contrast, since 1998 it has used the services of sheltered workshops for disabled workers (*Centres d'Aide par le Travail* – CAT) for the packaging of fragrance products.

4.6.3.
Combating discrimination

The company adheres to equal opportunity employment principles with respect to recruitment, career advancement, access to training and remuneration.

The company has also adopted plans in favor of non-discrimination. These included a gender equality plan starting in 2011 and a plan promoting the employment of older workers in place since 2009.

4.7.
Promoting compliance with the core conventions of the International Labor Organization

In addition to items intrinsically related to collective bargaining rights and combating discrimination described above, all personnel of Interparfums are employed within a framework based on consensual relations where the working conditions are the result of negotiations between management and employees.

Interparfums respects the convention for the abolishment of child labor since all employees are of legal age at a minimum at the time of their recruitment.

5.
SOCIETAL AND ENVIRONMENTAL RESPONSIBILITY

The company has developed a business model built around intellectual and commercial services, and namely the creation, development and distribution of products. On this basis, it has decided not to engage in industrial activities with the entire production process outsourced to manufacturing partners possessing specialized expertise in their respective areas. These include producers of juice, glass, caps and cardboard boxes and packaging companies. With no production activities of its own, Interparfums does not own laboratories or manufacturing sites.

However, even though Interparfums operates in a sector considered less polluting than other industries, it remains committed to preserving the environment by adopting sustainable development processes. For this reason, it remains involved in the production process by responsibly selecting its suppliers and pursuing efforts to identify environmental and societal priorities. The sustainability of its business model is based not only on its extensive expertise but also long-term values that it seeks to share with its manufacturing partners, who in this way in turn contribute to promoting the company's environmental priorities.

The information presented in this chapter have been drawn up in accordance with the provisions of article R. 225-105 of the French Commercial Code with respect to CSR reporting requirements. Certain disclosures provided for by Decree No. 2012-557 dated April 24, 2012 for CSR reporting have not been included as they do not fall within the scope of the company's activities or its environmental and social priorities such as in particular the sustainable use of resources, climate change and the protection of biodiversity. The major priorities that are the focus of concrete measures and studies on continuing progress to be made are presented below.

In addition to the framework imposed by regulations, the environmental and social dimension has become a decisive factor for determining the organization of the company's relations with suppliers as well as customers as it indisputably contributes to the quality of its performances and promotes confidence by investors and partners.

5.1.
Optimized consumption of utilities

Consumption of water and energy by Interparfums' head office is limited to normal office usage in its administrative premises that house 172 employees. Other water and energy consumption concerns the sales offices and commercial teams covering the French market that represent 33 employees out of 205.

The search for new more efficient logistics solutions adapted to the company's needs has resulted in the construction of a HQE certified warehouse operating since the summer of 2011. This certification concerns notably improved insulation, a lighting system with presence-detectors, Ecolabel finishing materials, centralized technical management for energy controls, rainwater recovery, high-performance waste separation collection installations, etc.

5.2.
Recycling

To balance product quality and aesthetics with environmental considerations, Interparfums takes care to reduce packaging volumes at the source and select appropriate materials at each stage of production to ensure optimal conditions for their recycling or disposal.

The bottles of its products are made of recyclable glass and the production process provides for a system of recuperation, grinding and recasting of certain bottle components, which generates savings in volume of materials used of 20%.

In addition, Interparfums ensures that its subcontractors also have waste sorting and recycling systems. The company has for example implemented with its suppliers of perfume sets a system for the retrieval of collection bins.

Finally, Interparfums invests in measures required for the treatment and recycling of the packages, cardboard boxes and glass left once its customers have finished using its products. With this objective, through its participation in the "*Eco Emballage*" packaging recycling program, Interparfums contributes to waste management and recycling.

5.3.
Minimizing environmental impacts

Through the choice of techniques and materials

Interparfums strives to reduce the already low impact of its business on the environment. Accordingly, Interparfums selects partners using cutting-edge design techniques with a commitment to reduce the impact of manufacturing processes on the environment.

A water-soluble solution in part biodegradable that does not harm the environment is used in the coloring of some of its bottles. The coating process provides for the elimination of solvent-based coatings and the progressive adoption of hydro-coating for the remaining lines, in compliance with the law of 2005 for reducing emissions of Volatile Organic Compounds (VOC) in the air. In addition, sub-contractors for glass making have electrostatic air filters to reduce dust and smoke emissions in addition to wastewater recycling and emission control monitoring systems.

Reducing CO_2 rates (-4.5%), water consumption per pump (-23.4%), and the number of components are important factors in choosing sprayer pumps for Interparfums products.

Interparfums has eliminated thermosetting plastics from its line of bath and body care products in favor of recyclable plastic.

This commitment to environmental responsibility, reducing energy consumption and recycling are among the key priorities in the selection of subcontractors.

Through initiatives to optimize logistics

Reducing its carbon footprint is also a priority for Interparfums' logistics and transportation management. In this way, promotional materials manufactured in Asia are shipped directly to Asian distributors without being imported and stored in France. Particular attention is paid to the efforts of its logistics service provider to optimize the transportation management through trucks with full loads to limit overall time on the road. Finally, by establishing a warehouse strategically located at the crossroads for its subcontractors, Interparfums has reduced distances for raw material shipments.

Through initiatives for the transport of goods

Both the means of transport chosen and reducing transport distances contribute to measures undertaken in accordance with the company's environmental priorities. In the area of transport, the company's priority is in favor of road transport in France and other European countries and maritime transport for Asia and the Americas. Use of air transport is very limited and reserved only for urgent situations where no other solutions are available.

Interparfums sourcing strategy also focuses on systematically identifying local procurement solutions which contribute to reducing CO_2 emissions. In this way, 65% of Interparfums' production originates from France and 20% from nearby countries. Similarly, to reduce the transfer of components which contributes to multiple shipments, Interparfums prefers the use of service providers that cover several areas or integrate different production phases (for example glass design and plastic processing).

5.4.
Optimization of packaging

International and European regulations impose environmental requirements with respect to the design and manufacture of packaging, and in particular limits on volumes and weight. Reducing packaging is clearly associated with the priorities with respect to transport as it contributes to reducing the cost and level of CO_2 emissions.

With this objective, at the end of 2012, the company initiated a study on the optimization and rationalization of bulk and secondary packaging (product boxes and perfume sets). The goal of this study is to enable the company to achieve the following objectives:

- optimization of palettes;
- reducing cardboard packaging materials;
- reducing the volumes transported by decreasing the amount of empty space for optimized transport.

The study is expected to result in the implementation of actions in 2013.

5.5.
Regulatory issues in the area of product safety

The REACH Regulation on the Registration, Evaluation, Authorization and Restriction of Chemical substances

Even though Interparfums does not manufacture its products itself, it nevertheless ensures their introduction on the market. As such it is responsible for ensuring the safety for use of cosmetic products it distributes. To this purpose, it conducts tests that include ensuring the innocuous nature for the skin and eyes. In addition, in compliance with the European Cosmetic Directive (and the new regulation 1223/2009 that will enter into force on July 11, 2013), its products are not subject to any tests on animals. Tests for skin irritation are thus conducted on healthy voluntary adult subjects and ocular safety tests are performed through cell cultures. Within this framework, it also ensures compliance with all other relevant European and international regulations concerning the design and production of all products it distributes.

Interparfums has taken measures for the application of the new European Community Regulation on chemicals and their safe use concerning the Registration, Evaluation, Authorization and Restriction of Chemical substances (EC Directive 1907/2006 of December 18, 2006) or REACH with its suppliers. All technical and organizational measures to be applied following the adoption of REACH have been implemented by the company.

The pre-registration phase of REACH ended on December 1, 2008. During this period, importers and manufacturers of "phase-in" substances were required to register the substances once volume exceeded one ton per year. Pre-registration makes it possible to obtain additional delays in connection with the registration procedure.

Interparfums, as a downstream user of chemical substances, is not subject to the registration requirement. However, it has sought to maintain an active role by ensuring that the registration process proceeds effectively and that there exists a continuous supply for sourcing chemical substances contained in its products.

Interparfums took the initiative to contact its different subcontractors and suppliers to ensure they and those further down the supply chain effectively comply with registration, notification or authorization request procedures. Interparfums has asked all its suppliers to provide commitments that they will not supply articles containing substances listed in appendix XIV (Substances of Very High Concern). To date, no supplier has declared the presence in articles provided to Interparfums of substances subject to authorization.

Information relating to REACH including notably risk management measures transmitted through security data files will be taken into account by Interparfums or its suppliers as they are issued.

For information, the deadlines for the implementation of REACH are spread over the period from June 1, 2008 to June 1, 2018.

Interparfums' actions in this area as a responsible corporate citizen thus exceed that of a simple coordinator, by pursuing measures to increase awareness by its partners of environmental issues and staying informed of the business practices of its subcontractors and suppliers to preserve the environment.

Cosmetics Good Manufacturing Practices (GMP) – ISO 22716 International Standard

The objective of this international cosmetics standard is to ensure the quality and safety of cosmetic products distributed within the European Union. Between now and 2013, this standard imposes an obligation on all participants in the cosmetics product cycle to comply with the Good Manufacturing Practices required by the standard for the manufacturing, packaging, testing, storage, and transportation of cosmetic products.

The company is conscious of the advantages this standard offers by contributing in particular to:

- managing potential risk factors affecting the quality of cosmetic products;
- reducing the risk of confusion, deterioration, contamination and errors;
- contributing to greater vigilance by personnel in the performance of their activities;
- guaranteeing quality products.

The company has recently adopted procedures to study the means to be deployed starting in 2013 for determining the scope of the compliance audit.

6. DIVIDENDS

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 amount of €8.6 million.

Dividends

Dividend for fiscal year:	**2008**	**2009**	**2010**	**2011**
Paid in:	2009	2010	2011	2012
Dividend per share	€0.38	€0.39	€0.48	€0.50
Dividend adjusted for bonus share issues	€0.24	€0.29	€0.40	€0.45
Annual change for the adjusted dividend	+9%	+21%	+38%	+13%

7. TRADING IN OWN SHARES

In compliance with article 241-1 *et seq.* of the AMF General Regulation, this paragraph describes the share buyback program that will be submitted for authorization to the shareholders' meeting of April 22, 2013.

7.1. Purpose of the new share repurchase authorization

The shareholders meeting of April 22, 2013 is called to renew through its sixth resolution the authorization granted to the Board of Directors to purchase and sell shares of the company for the following purposes:

- market-making or ensuring the liquidity of the company's shares through an investment services provider within the framework of a liquidity agreement in compliance with the conduct of business rules of the French association of financial market professionals (AMAFI);

- grant employees or officers of the company and/or the group stock options (articles L. 225-177 *et seq.* of the French Commercial Code) and/or bonus shares (articles L. 225-197-1 *et seq.* of the French Commercial Code);

- remittance of shares pursuant to the exercise of rights attached to securities conferring rights by redemption, conversion, exchange, presentation of warrants or any other means to grants of the company's shares;

- use such shares for payment or exchange in connection with financial transactions or acquisitions in compliance with the financial market regulations;

- cancel shares to increase the return on equity and earnings per share and/or eliminate the impact of dilution for shareholders from capital increases subject to adoption of the twelfth resolution of the extraordinary general Meeting presented below authorizing this cancellation.

7.2.
Maximum percentage of capital – Maximum purchase price

Excerpt of the sixth resolution submitted for approval to the shareholders meeting of April 22, 2013:

Shares acquired shall be subject to the following limits:

- 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 at any time. This 5% limit applies to an amount of capital that will be adjusted as applicable for corporate actions affecting the capital stock after this meeting, whereby acquisitions by the company shall under no circumstances increase its holding, directly and indirectly through subsidiaries, to more than 5% of the capital stock;

- pursuant to the above, by way of indication and without taking into account shares already held by the company, 22,000,301 shares on December 31, 2012 would represent 5% of the capital stock corresponding to a maximum theoretical purchase price of €44,000,602 on the basis of a maximum purchase price of €40 per share.

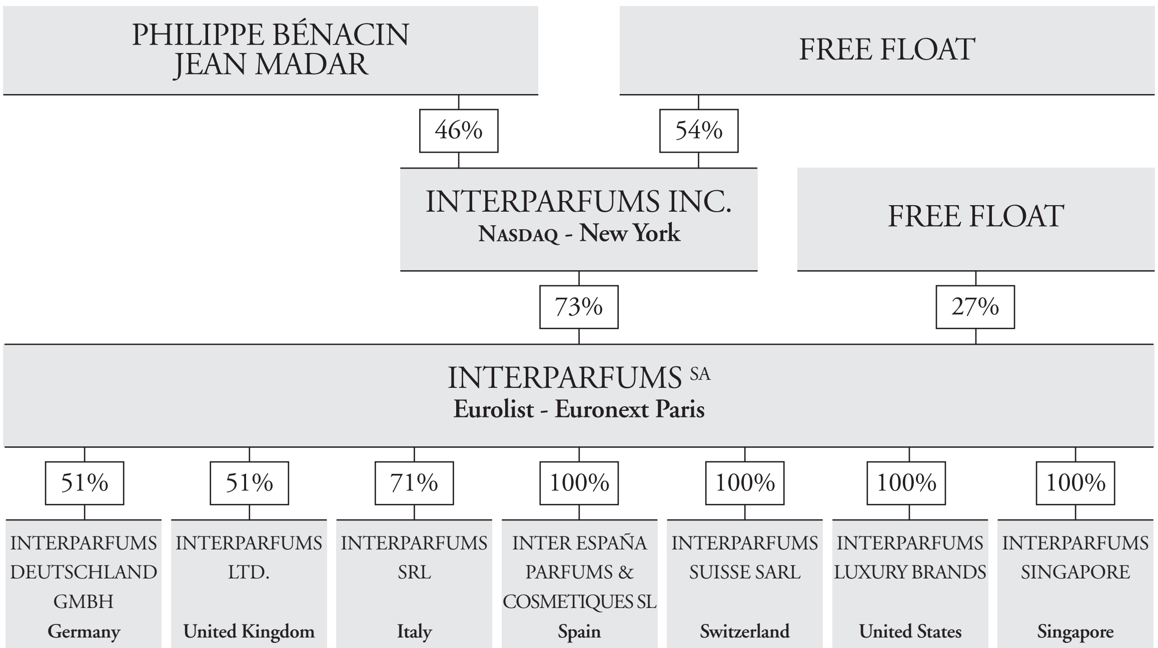
7.3.
Duration of the share buyback program

In compliance with the provisions of the sixth resolution to be submitted to the shareholders meeting of April 22, 2013, the authorization to implement this share buyback program is granted for 18 months from the date of this meeting or no later than October 22, 2014.

If one of the characteristics of the description of this program is modified during the period of its duration, the public shall be notified of this modification in accordance with the provisions set forth in article L. 212-13 of the AMF General Regulation.

8.
GROUP ORGANIZATION

The shareholder base of Interparfums Inc. at December 31, 2012 was as follows:



9. MARKET SHARE AND COMPETITION

Market share

In France, Interparfums attained roughly a 2% share of the selective distribution market of prestige perfumes. In certain countries such as the United States, the United Kingdom, Russia or China, the company estimates its market share of total French perfume imports at between 1% and 4%.

Source: Internal estimates.

Competition

Interparfums operates in a sector dominated by ten major historic players in the perfume and cosmetics market that have fragrance divisions with billions of euros in sales. There exist around ten mid-size players like Interparfums also operating in this segment with sales ranging between €100 million and €1 billion.

While Interparfums has also developed a brand portfolio in the luxury universe, it has adopted a markedly different approach with a business model based on methodical long-term development focused on creation and building customer loyalty rather than volume and advertising.

10. POST-CLOSING EVENTS

None.

11. 2013 OUTLOOK

In 2013, continued gains are expected from all the portfolio's brands (excluding Burberry) in response to:

- growing successes by the Lanvin, Jimmy Choo, Montblanc and Boucheron fragrances in particular;

- the spring launch of new women's fragrances lines under the Jimmy Choo, Lanvin and Van Cleef & Arpels brands;

- the first significant initiatives in the fall for the Boucheron, Balmain and Repetto brands.

Otherwise, as Interparfums will continue operating the business for the Burberry brand for a period limited to the first quarter, and based on the current Euro-US dollar exchange rate, consolidated revenue for the 2013 full-year may reach €300 million.

Furthermore, in light of an estimated cash position of €200 million by the middle of the period, Interparfums will remain focused on exploring all opportunities to expand its portfolio either by acquiring new brands on a proprietary basis or as a licensee.

Philippe Bénacin, Chairman and CEO commented:
"*The level of these results, sustained development by the portfolio's main lines, and in particular Eclat d'Arpège, Jimmy Choo or Montblanc Legend, initial market responses to the launch of the Jimmy Choo Flash line and the quality of upcoming initiatives for the Lanvin, Van Cleef & Arpels, Balmain, Boucheron and Repetto brands render us very confident and provide a solid basis for optimism in meeting our annual sales target of €300 million for the 2013 full year. In light of the above, the strategic shift we initiated in 2012 appears to be off to a particularly excellent start.*"

Philippe Santi, Executive Vice President, added:
"*Despite a backdrop of uncertainty in the period, the merits of our successful business model were again confirmed in 2012. Highlighting this point, the current operating margin came in above 13%. And even as our marketing and advertising expenditures are redeployed in the period ahead, this margin in 2013 is expected to remain at a high level of around 11%.*"

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated income statement

In € thousands, *Except per share data which is in units*	**Notes**	**2011**	**2012**
Sales	4.1	**398,328**	**445,460**
Cost of sales	4.2	(145,602)	(163,535)
Gross margin		**252,726**	**281,925**
% of sales		*63.4%*	*63.3%*
Selling expenses	4.3	(193,865)	(212,278)
Administrative expenses	4.4	(11,957)	(11,494)
Current operating income		**46,904**	**58,153**
% of sales		*11.8%*	*13.1%*
Other operating expenses	4.5	(603)	(26,550)
Other operating income	4.5	-	181,200
Operating profit		**46,301**	**212,803**
% of sales		*11.6%*	*47.8%*
Financial income		550	447
Interest and similar expenses		(1,055)	(1,084)
Net finance costs		**(505)**	**(637)**
Other financial income		4,780	3,023
Other financial expense		(3,709)	(5,409)
Net financial income/(expense)	4.6	**566**	**(3,023)**
Income before income tax		**46,867**	**209,780**
% of sales		*11.8%*	*47.1%*
Income tax	4.7	(16,661)	(74,083)
Effective tax rate		*35.5%*	*35.2%*
Net income before non-controlling interests		**30,206**	**135,697**
% of sales		*7.6%*	*30.5%*
Attributable to non-controlling shareholders		**(94)**	**(165)**
Net income		**30,300**	**135,862**
% of sales		*7.6%*	*30.5%*
Basic earnings per share	4.8	1.60 (1)	6.48
Fully diluted earnings per share	4.8	1.60 (1)	6.47

(1) Restated for bonuses issues.

Consolidated statement of comprehensive income and expense

In € thousands	2011	2012
Net income	**30,206**	**135,697**
Available-for-sale assets	34	26
Change in gross income/(expense) recognized directly in equity	**34**	**26**
Deferred tax	(15)	(9)
Change in net income/(expense) recognized directly in equity	**19**	**17**
Total recognized income and expense for the period	**30,225**	**135,714**
Attributable to non-controlling shareholders	94	165
Attributable to equity holders of the parent	**30,319**	**135,879**

Consolidated balance sheet

Assets

In € thousands	Notes	2011	2012
Non-current assets			
Net trademarks and other intangible assets	3.1	71,049	79,025
Goodwill, net	3.2	2,010	599
Net property, plant, equipment	3.3	9,057	7,017
Long-term investments		1,128	1,751
Other non-current financial assets	3.4	432	6,754
Deferred tax assets	3.12	5,777	10,214
Total non-current assets		**89,453**	**105,360**
Current assets			
Inventory and work in progress	3.5	101,167	87,199
Trade receivables and related accounts	3.6	129,109	106,179
Other receivables	3.7	5,780	5,621
Corporate income tax		1,085	1,434
Cash and cash equivalents	3.8	26,600	229,003
Total current assets		**263,741**	**429,436**
Total assets		**353,194**	**534,796**

Shareholders' equity & liabilities

In € thousands	Notes	2011	2012
Shareholders' equity			
Share capital		59,602	66,001
Additional paid-in capital		377	-
Retained earnings		125,464	142,883
Net income for the year		30,300	135,862
Equity attributable to parent company shareholders		**215,743**	**344,746**
Non-controlling interests		277	118
Total shareholders' equity	3.9	**216,020**	**344,864**
Non-current liabilities			
Provisions for non-current commitments	3.10	2,127	2,994
Non-current borrowings	3.11	12	-
Deferred tax liabilities	3.12	1,472	1,625
Total non-current liabilities		**3,611**	**4,619**
Current liabilities			
Trade payables and related accounts	3.13	96,238	68,396
Current borrowings	3.11	3,450	62
Bank facilities	3.11	9,205	21,076
Provisions for contingencies and expenses	3.10	49	48
Income tax		1,016	63,373
Other payables	3.13	23,605	32,358
Total current liabilities		**133,563**	**185,313**
Total shareholders' equity and liabilities		**353,194**	**534,796**

Statement of changes in shareholders' equity

In € thousands

	Number of shares	Common stock	Paid-in capital	OCI	Retained earnings & net income	Total equity: Group share	Total equity: NCI	Total equity: Total
As of December 31, 2009 (1)	**16,186,315**	**48,671**	**1,205**	**(108)**	**120,082**	**169,850**	**109**	**169,959**
Bonus share issue	1,638,298	4,915	(3,650)	-	(1,265)	-	-	-
Shares issued on exercise of stock options	221,534	665	3,248	-	-	3,913	-	3,913
Capital decrease	(157,150)	(471)	(395)	-	(2,629)	(3,495)	-	(3,495)
2010 net income	-	-	-	-	26,807	26,807	(156)	26,651
2009 dividend paid in 2010	-	-	-	-	(6,338)	(6,338)	-	(6,338)
Treasury shares	13,432	-	-	-	267	267	-	267
Stock based compensation	-	-	-	-	152	152	-	152
Remeasurement of instruments securities at fair value	-	-	-	215	-	215	-	215
Changes in group structure of consolidated operations	-	-	-	-	(497)	(497)	497	-
Effect of exchange rate fluctuations	-	-	-	-	548	548	(7)	541
Other changes	-	-	-	-	77	77	(58)	19
As of December 31, 2010 (1)	**17,902,429**	**53,780**	**408**	**107**	**137,204**	**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)
Cost of 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**	**126**	**155,638**	**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 net income	-	-	-	-	135,862	135,862	(165)	135,697
2011 dividend paid in 2012	-	-	-	-	(9,914)	(9,914)	-	(9,914)
Treasury shares	22,220	-	-	-	458	458	-	458
Cost of stock-based compensation	-	-	-	-	171	171	-	171
Remeasurement of instruments securities at fair value	-	-	-	17	-	17	-	17
Effect of exchange rate fluctuations	-	-	-	-	3	3	6	9
As of December 31, 2012 (1)	**21,968,718**	**66,001**	**-**	**143**	**278,602**	**344,746**	**118**	**344,864**

(1) Excluding treasury shares.

Statement of cash flows

In € thousands	2011	2012
Cash flows from operating activities		
Net income before NCI	30,206	135,697
Depreciation, amortization and other	10,922	26,963
Capital (gains) losses on fixed assets disposals	-	1,625
Net finance costs	505	637
Tax charge of the period	16,661	74,083
Operating cash flows	**58,294**	**239,005**
Interest expense payments	(1,413)	(1,373)
Tax payments	(23,094)	(13,377)
Cash flow after interest expense and tax	**33,787**	**224,255**
Change in inventory and work in progress	(35,997)	1,996
Change in trade receivables and related accounts	(55,537)	22,381
Change in other receivables	(27)	(190)
Change in trade payables and related accounts	42,918	(27,843)
Change in other current liabilities	(278)	6,858
Change in working capital needs	**(48,921)**	**3,202**
Net cash flows provided by (used in) operating activities	**(15,134)**	**227,457**
Cash flows from investing activities		
Net acquisitions of intangible assets	(4,302)	(14,139)
Net acquisitions of property, plants and equipment	(5,727)	(5,585)
Net acquisitions of marketable securities (>3 months)	35,785	-
Changes in investments and other non-current assets	164	(6,918)
Net cash flows provided by (used in) investing activities	**25,920**	**(26,642)**
Cash flow from financing activities		
Debt repayments	(8,412)	(3,347)
Dividend payments to shareholders	(8,628)	(9,914)
Capital increases	2,279	2,406
Treasury shares	(513)	572
Net cash flows provided by (used in) financing activities	**(15,274)**	**(10,283)**
Change in net cash	**(4,488)**	**(190,532)**
Cash and cash equivalents, beginning of year	21,883	17,395
Cash and cash equivalents, end of year	**17,395**	**207,927**

The reconciliation of net cash breaks down as follows:

In € thousands	2011	2012
Cash and cash equivalents	26,600	229,003
Bank facilities	(9,205)	(21,076)
Net cash at the end of the period	**17,395**	**207,927**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Annual highlights

January

Commencement of the Balmain license

Commercial activity has begun based on four existing lines.

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

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

May

Launch of the *Jeanne Lanvin* line of Lanvin

Jeanne Lanvin 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 of Boucheron

Jaïpur Bracelet, echoing the high-jewelry collections of Maison Boucheron, is inspired by the traditional Nauratan bracelet given to Rajasthani brides for good luck.

June

Bonus share distribution

On June 18, 2012, the company proceeded with its 13th bonus issue on the basis of one new share for every ten shares held.

Launch of *Electro Shock* of Nickel

A fatigue-fighting skin care concentrate, combining the ultra-fresh and invigorating action of lime with the energizing boost of Guarana extract.

July

Burberry license: discussions with Burberry discontinued

On July 27, 2012 following several months of discussions, Interparfums SA and Burberry were unable to reach an agreement on final terms on a new operating model for the fragrance and beauty business. On that basis, the license agreement was terminated on December 31, 2012 in exchange for payment by Burberry of an exit price of €181 million.

October

Launch of the *Ivoire* line of Montblanc

Mythical fragrance of the 80's, *Ivoire* of the Balmain couture house, combines aerial heart notes with a floral accord followed by a woody trail.

Burberry license: transition agreement

Interparfums and Burberry signed an agreement in order to facilitate a smooth transition that included an additional three-month period ending on March 31, 2013.

Signature of a fragrance license agreement with Karl Lagerfeld

On October 8, Karl Lagerfeld, the internationally renowned fashion house, and Interparfums, the creator of prestige perfumes and cosmetics, signed a 20-year exclusive worldwide license agreement commencing on November 1 to create, produce and distribute perfumes under the Karl Lagerfeld brand. The first women's fragrance line will be launched in 2014.

December

***Investor Relations* Award**

Interparfums was awarded the prize for the Best Investor Relations in the "Mid Cap" category at the 5th Investor Relations and Financial Communications Forum.

1. SIGNIFICANT ACCOUNTING POLICIES

1.1. Basis of presentation and compliance statement

In accordance with EC regulations 1606/2002 of July 19, 2002 on international accounting standards, the 2012 consolidated financial statements of the Interparfums are established in compliance with IAS/IFRS (International Accounting Standards/International Financial Reporting Standards) applicable since 2005 as endorsed by the European Union.

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.

The consolidated financial statements at December 31, 2012 were adopted by the Board of Directors on March 11, 2013. They will become definitive after having been approved by the ordinary general Meeting of April 22, 2013.

1.2. Changes in accounting standards

The following standards, amendments and interpretations that entered into force on January 1, 2012 were applied by the company in preparing its 2012 consolidated financial statements:

- amendment to IAS 1 "Presentation of items of other comprehensive income".

These standards, amendments and interpretations did not have a material effect on the company's consolidated financial statements.

The following standards, amendments and interpretations that entered into force on 1 January 2013 were not applied by the company in preparing its 2012 consolidated financial statements:

- amendment to IAS 19 “Employee benefits”.

The impact of the application of this amendment is in the process of being evaluated.

1.3.
First-time adoption of IFRS

For the first time adoption of IFRS for the financial statements prepared on December 31, 2005 with a transition date of January 1, 2004, as authorized under IFRS 1, Interparfums chose to apply the following exemptions for standards applicable to the company:

- Fixed assets: the group has chosen to continue to recognize property, plant and equipment at historical cost;

- Share-based payments and equivalents: for programs involving equity-settled share-based payment, the group has elected to apply IFRS 2 for grants after November 7, 2002 and not vested before January 1, 2005.

1.4.
Basis of consolidation

In March and June 2010, Interparfums created two wholly-owned distribution subsidiaries in the United States and Singapore respectively, “Interparfums Luxury Brands” and “Interparfums Singapore”.

In October 2010, Interparfums acquired the remaining 49% share of its Spanish subsidiary “Inter España Parfums et Cosmetiques SL”, now in consequence wholly-owned.

In October 2010, Interparfums also acquired an additional 20% stake in its Italian subsidiary “Interparfums Srl”, henceforth 71%-held.

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 Luxury Brands and Interparfums Singapore.

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

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.

1.5.
Translation method

The company’s operating currency and currency for the presentation of financial statements is the Euro.

Transactions in foreign currencies are translated at the exchange rate in effect on the date of the transaction. Foreign currency denominated payables and receivables are translated at the exchange rate in effect as of December 31, 2012. Translation losses and gains arising from the conversion of accounts denominated in foreign currencies on December 31, 2012 are recorded in the income statement. Hedged transactions are translated at the negotiated exchange rate.

The main exchange rates applied for the translation of subsidiary accounts in relation to the Euro are as follows:

Currency	**Closing exchange rate**		**Average exchange rate**	
	2011	**2012**	**2011**	**2012**
US dollar (USD)	1.2939	1.3194	1.3920	1.2848
Pound sterling (GBP)	0.8353	0.8161	0.8679	0.8109
Singapore dollar (SGD)	1.6819	1.6111	1.7489	1.6055
Swiss franc (CHF)	1.2156	1.2072	1.2326	1.2053

1.6.
Use of estimates

The preparation of consolidated financial statements requires the use of estimates and assumptions for the valuation of certain balance sheet and income statement balances.

These concern primarily the valuation of intangible assets, amounts to be set aside for provisions for contingencies and expenses, provisions for inventory losses and deferred tax assets. Although these estimates are based on management’s best knowledge of current events and situations, actual results may ultimately differ from these estimates.

1.7. Revenue recognition

Revenue includes principally ex-warehouse sales to distributors and agents and direct sales to retailers for the portion realized by group subsidiaries.

Revenue from perfume and cosmetics products is presented net of all forms of discounts and rebates.

Revenue is recognized on the basis of conditions of transfer to the buyer of the risks and rewards incident to ownership. Amounts invoiced at year-end when the actual transfer of title occurs in the following year are not recognized under revenue of the year in progress.

1.8. Trademarks, other intangible assets and goodwill

Trademarks and other intangible assets

Trademarks and other intangible fixed assets, including trademarks under licensing contracts and acquired trademarks are recorded at cost.

These trademarks that constitute well-established legally protected international brand names are classified as indefinite life intangible assets and are not amortized.

Finite life intangible assets such as upfront license fees are amortized on a straight-line basis over the duration of the license.

Rights on molds for bottles and related items are classified as finite life intangible assets and amortized over a period of between three and five years.

Licenses and upfront license fees are remeasured at least once a year or whenever there is an indication of impairment of value in use defined as the present value of estimated future cash flows expected to arise from the continuing use of these assets. Data used originates from the annual and multi-year budgets for duration of the license agreements drawn up by Management.

Proprietary brand names are remeasured at least once a year by comparing the net carrying value and the recoverable amount defined as the higher of value in use on the basis of the present value of estimated future cash flows derived from five year budgets discounted to infinity.

The discount rate before tax applied for remeasurement is the weighted average cost of capital (WACC) of 7.60% at December 31, 2012 compared to 7.74% at December 31, 2011. This ratio is determined on the basis of the long-term interest rate of 2% corresponding to the average rate for 10-year OAT French fungible treasury bonds of the last quarter, the rate expected by an investor in this sector and the specific risk premium for this sector. The perpetuity growth rate used is 2% at December 31, 2012 and 1.5% at December 31, 2011.

A provision for impairment is recorded if this value is lower than the carrying value.

Costs generated on acquisition analyzed as directly attributable costs are included in the cost of the acquired assets.

Other intangible assets are amortized over their useful lives and subject to impairment testing when an indication of impairment exists.

Goodwill

Goodwill is defined as the difference between the purchase price of shares of consolidated companies and the group's share in restated net assets after measurement of the fair value of assets and liabilities acquired.

Positive goodwill arising from the acquisition of Nickel has been recognized in the balance sheet.

This goodwill is tested annually or whenever there exists an indication of potential impairment. When the net carrying value of this goodwill exceeds the higher of the value in use or market value, an impairment is recorded for the difference. Value in use is based on the present value of future cash flows that will be generated by these assets while market value is determined in reference to recent comparable transactions or valuations performed by independent appraisers in view of their disposal.

1.9. Property, plant and equipment

Tangible fixed assets are valued at cost (purchase price plus acquisition-related costs) and depreciated over their estimated useful lives on a straight-line basis (2 to 5 years). Tangible fixed assets include molds for caps.

1.10. Inventory and work in progress

Inventories are valued at the lower of cost or probable resale value. A provision for impairment is recorded when their probable resale value is lower than the carrying value.

The cost of inventories of raw materials and supplies is valued on the basis of average weighted prices.

The cost of finished products includes the cost of materials used, production expenses and a share of indirect costs valued at a standard rate.

At the end of every year, these standard rates are compared with the effective rate obtained based on actual figures at year-end.

Expenditure on advertising and promotional activities is recognized when received or produced in the case of goods or when rendered in the case of services.

1.11.
Non-current financial assets

Marketable securities on initial recognition are recorded at cost and subsequently remeasured at fair value corresponding to the market value at the end of each period.

Because they are destined to be held for more than one year, all group marketable securities have been classified as "available-for-sale financial assets" and presented in "Non-current financial assets".

Gains and losses on "available-for-sale financial assets" are recorded at year-end in equity. However, a significant or prolonged decline in fair value below the cost value of the securities is recognized in profit or loss.

1.12.
Accounts receivable

Accounts receivable are recorded at face value. A provision for impairment is recorded on a case-by-case basis when the probable recovery value is deemed to be less than the carrying value.

1.13.
Deferred tax

Timing differences between the tax base of consolidated assets and liabilities and tax on restatements on consolidation give rise to the recognition of deferred taxes under the liability method, taking the known year-end tax conditions into account.

Potential tax savings resulting from loss carry forwards are recorded under deferred tax assets only when their use in the short term is deemed likely, and subject to depreciation when appropriate, are maintained in the balance sheet.

1.14.
Current financial assets

Current financial assets consist of investments in the form of certificates of deposits with maturities of more than three months.

1.15.
Cash and cash equivalents

The line item "Cash and cash equivalents" includes marketable securities and cash at bank and in hand that consist of highly liquid investments with maturities of less than three months readily convertible to a known cash amount and are subject to an insignificant risk of changes in value.

1.16.
Treasury shares

Interparfums shares held by the group are recorded as a deduction from equity at cost.

If sold, the proceeds are recorded directly under equity net of tax.

1.17.
Provisions for contingencies and expenses

Retirement severance benefits

This reserve is maintained to honor employee pension benefit commitments and corresponds to the present value of the payments to which employees are entitled, under the collective bargaining agreement, once they retire. For the measurement of retirement severance benefits, Interparfums has adopted the procedure for voluntary severance agreements introduced on July 23, 2008 extending the cross-industry agreement (*accord interprofessionnel*) of January 11, 2008. This procedure provides for the systematic signature of a severance agreement by the employer and the employee specifying the terms and conditions of the termination. Because last year's method involving compulsory retirement was applied, the impact of this change in the assumptions used for calculation was dealt with under past service costs. The projected unit credit was applied. This method takes into account rights and wages projected to term, the probability of payment as well as the prorated amount of seniority so that commitments correspond to the value of service already rendered by employees.

Accordingly, the calculation of commitments for severance benefits involves estimating the probable present value of projected benefit obligations (PBO), i.e. the rights of employees at the time of departure taking into account the probability of departure and death of the employees before term as well as the impact of revaluations and discounts. This projected benefit obligation is then prorated to take into account the seniority of the employees of the company on the calculation date.

Provisions for other contingencies and expenses

A provision is recognized when the company has a present obligation (legal or constructive) as a result of a past event when it is probable that an outflow or resources embodying economic benefits will be required to settle an obligation and a reliable estimate can be made of the amount of the obligation.

1.18.
Financial instruments

Derivative financial and hedging instruments are used by the group to reduce exposure to interest rate and foreign exchange risks. Such instruments are not used for speculative purposes.

The company has recourse to forward exchange contracts and cash flow hedges put into place at the time receivables are recognized. These contracts have maturities of three to six months according to the maturities of the corresponding receivables in foreign currencies (primarily the US dollar and Sterling pound). Currency gains and losses from these instruments are recognized in the income statement when the receivables are booked.

1.19. Borrowings

On initial recognition, borrowings are measured at fair value to which are added transaction costs directly attributable to the issuance of the liability.

At year-end, borrowings are recognized at amortized cost according to the effective interest rate method.

1.20. Other liabilities

Other financial debt and operating liabilities are measured at fair value on initial recognition. This amount generally corresponds to the amount of the invoice in the case of short-term payables.

1.21. Stocks options

IFRS 2 requires that a charge be recorded in the income statement with a corresponding increase to reserves representing advantages granted to beneficiaries of stocks options.
For the measurement of these advantages, the company uses the Black-Scholes model. This model takes into account the characteristics of the plans (exercise price, exercise period), market data at time of grants (risk-free rate, share price, volatility, projected dividends) and assumptions with respect to the behavior of beneficiaries. Changes occurring after the grant date do not have an impact on this initial valuation. The value of the options is related notably to their expected lifespan that the company considers corresponds to their vesting period.

1.22. Registration of trademarks

Under IAS 38, expenses incurred in connection with the registration of each trademark are not capitalized and are expensed under "research and consulting costs".

1.23. Earnings per share

Basic earnings per share are calculated using the weighted average number of shares outstanding during the year after subtracting treasury shares.

Fully-diluted earnings per share are calculated based on the average number of shares outstanding in the period, after subtracting only treasury shares destined to be held on a long-term basis and adjusted for the effects of all potential diluted ordinary shares resulting from the exercise in stock options in the period.

To ensure the comparability of information, basic and diluted earnings per share of the prior year are systematically recalculated to take into account bonus share grants in the year in progress.

2. PRINCIPLES OF PRESENTATION

2.1. Presentation of the income statement

The consolidated income statement of the company is presented by function. Under this format, expenses and income are broken down by function (cost of sales, selling expenses, administrative expenses) and not according to the nature of the origin of expenses and income.

2.2. Presentation of the balance sheet

The balance sheet is presented based on a classification between current and non-current liabilities.

2.3. Segment reporting

Segment information presented in this report is based on the segments used by management to monitor group operations.

2.3.1. Business lines

The company is organized and focused around two profit centers: "Perfumes" and "Skincare and Beauty".

In the 2010 first half, Interparfums launched its first make-up lines under the Burberry brand. The results of this business are monitored by the company's Executive Management as part of the already existing "Cosmetics" division. This segment that includes these two comparable activities is presented under the heading "Skincare and Beauty".

Details on these two segments for which the company possesses performance indicators are in consequence disclosed below.

2.3.2. Geographic segments

The company has a significant international dimension and analyses sales by geographic segment.

All assets necessary for the company's activity are located in France.

3.
NOTES TO THE BALANCE SHEET

3.1.
Trademarks and other intangible assets

3.1.1.
Nature of intangible assets

In € thousands	2011	+	-	2012
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
Karl Lagerfeld upfront license fee	-	12,877	-	12,877
Other intangible assets				
Rights on molds for bottles and related items	9,481	966	-	10,447
Registration of trademarks	500	-	-	500
Software	2,087	296	(197)	2,186
Other	165	-	-	165
Total gross amount	**93,208**	**14,139**	**(5,197)**	**102,150**
Depreciation and impairment				
Indefinite life intangible assets				
Nickel trademark	(384)	-	-	(384)
Finite life intangible assets				
S.T. Dupont upfront license fee Dupont	(1,219)	-	-	(1,219)
Burberry upfront license fee	(2,926)	(449)	3,375	-
Van Cleef & Arpels upfront license fee	(7,605)	(1,521)	-	(9,126)
Montblanc upfront license fee	(148)	(100)	-	(248)
Boucheron upfront license fee	(1,000)	(1,000)	-	(2,000)
Balmain upfront license fee	-	(171)	-	(171)
Karl Lagerfeld upfront license fee	-	(80)	-	(80)
Other intangible assets				
Rights on molds for bottles and related items	(7,653)	(756)	-	(8,409)
Registration of trademarks	(448)	(12)	-	(460)
Software	(667)	(441)	197	(911)
Other	(109)	(8)	-	(117)
Total amortization and impairment	**(22,159)**	**(4,538)**	**3,572**	**(23,125)**
Net total	**71,049**	**9,601**	**(1,625)**	**79,025**

Nickel trademark

As Interparfums is the owner of the Nickel brand, acquired on April 1, 2004, no amortization was recognized in its balance sheet. The brand is tested for impairment once a year on December 31.

Lanvin trademark

As Interparfums acquired ownership for the Lanvin trademark and brand name for class 3 products (perfumes) in July 2007 no amortization was recognized in its balance sheet. The brand is tested for impairment once a year on December 31.

S.T. Dupont upfront license fee

An upfront license fee of €869,000 paid on April 1, 1997 is amortized over the 11-year term of the S.T. Dupont license agreement. An additional license fee of €350,000 was paid in March 2006. The total upfront license fee of €1,219,000 has been fully amortized since June 30, 2011.

Burberry upfront license fee

Because of the termination of the Burberry license agreement before term, the upfront license fee of €5 million when the license was initially acquired was cleared on December 31, 2012. This transaction generated an expense corresponding to the net carrying value of €1,625,000 that was recognized in the income statement under "other operating expenses"

Van Cleef & Arpels upfront license fee

An upfront license fee of €18 million paid on January 1, 2007 is amortized over the 12-year term of the Van Cleef & Arpels license agreement.

Montblanc upfront license fee

The upfront license fee of €1 million paid on June 30, 2010 is amortized over the 10.5 year term of the Montblanc license agreement.

Boucheron upfront license fee

The upfront license fee of €15 million paid on December 17, 2010 is amortized over the 15 year term of the Boucheron license agreement.

Balmain upfront license fee

The upfront license fee of €2,050,000 was recognized in 2011 and is amortized over the term of the Balmain license agreement that commenced on January 1, 2012.

Karl Lagerfeld upfront license fee

The upfront license fee of €12,877,000 was recognized in 2012 and is amortized over the term of the Lagerfeld license agreement that commenced on January 1, 2012.

The upfront license fee includes the difference between the nominal value and the present value of the advance on royalties for €3,287,000 (See note 3.4. Other non-financial assets).

Rights on molds for bottles and related items

Rights on molds for bottles and related items are amortized over 5 years. Design costs are amortized over 3 years.

3.1.2. Impairment tests

Nickel trademark

A valuation was performed on December 31, 2012 based on the method of discounting future royalty payments to infinity. No additional provision was recorded for impairment in the period.

Lanvin trademark

A valuation was performed on December 31, 2012 by discounting future cash flows to infinity. No provision was recorded.

Upfront license fees

All upfront license fees were measured on December 31, 2012 using the discounted cash flow method. No provision was recorded.

For all discounts, the weighted average cost of capital (WACC) of 7.60% is applied.

Analysis of sensitivity

A one point fluctuation in the discount rate before tax or the perpetuity growth rate would not result in an additional impairment charge on trademarks and other intangible assets.

3.2. Goodwill

Goodwill from the 100% shareholding in Nickel was recognized in the balance sheet at December, 31 2007. This goodwill corresponds to the initial acquisition of a 67.57% stake in June 2004 for €6,910,000 followed by 32.43% in June 2007 for €3,518,000.

This goodwill is tested for impairment each year. In 2012 an additional impairment charge of €1,411,000 was recorded. Changes in goodwill break down as follows:

In € thousands	
Gross value	5,202
Amounts for impairment before 2012	(3,192)
2012 impairment	(1,411)
Net value at December 31, 2012	**599**

3.3.
Property, plant and equipment

In € thousands	2011	+	-	2012
Fixtures, improvements, fittings	11,732	3,822	(509)	15,045
Office and computer equipment and furniture	1,663	104	(87)	1,680
Molds for bottles and caps	7,886	2,267	-	10,153
Other (1)	1,003	121	(133)	991
Total gross amount	**22,284**	**6,314**	**(729)**	**27,869**
Accumulated depreciation and impairment (1)	(13,227)	(8,238)	613	(20,852)
Net total	**9,057**	**(1,924)**	**(116)**	**7,017**

(1) Including fixed assets held under finance leases (vehicles) for a gross amount of €359,000 and an accumulated depreciation of €300,000.

The increase in tangible fixed assets reflects mainly the acquisition of new stands for points of sale and the manufacture of bottle caps for new lines.

The increase in depreciation and impairment charges reflects mainly the accelerated depreciation of Burberry stands linked to the discontinuation of the license agreement before term.

3.4.
Non-current financial assets

The signature of the new Karl Lagerfeld license agreement resulted in an advance on royalty payments to be charged against future license fees of €9,589,000. This advance was discounted over the license agreement term and reduced accordingly to €6,296,000 at December 31, 2012.

The corresponding difference of €3,287,000 was included in the cost of the upfront license fees (see note 3.1.1. Nature of intangible assets).

The fair value that corresponds to the market value of marketable securities amounted to €458,000 at December 31, 2012.

3.5.
Inventory and work in progress

In € thousands	2011	2012
Raw materials and components	40,190	33,120
Finished goods	66,179	68,335
Total gross amount	**106,369**	**101,455**
Allowances for raw materials	(307)	(5,214)
Impairment of finished goods	(4,895)	(9,042)
Accumulated provisions for impairment	**(5,202)**	**(14,256)**
Net total	**101,167**	**87,199**

The decrease in inventory for raw materials reflects mainly the early discontinuation of the production of Burberry products.

The significant increase in inventory impairment charges (raw materials and components) is largely due to the contractual conditions providing for the transfer of inventory to Burberry following the discontinuation of the license.

3.6.
Trade receivables and related accounts

In € thousands	2011	2012
Total gross amount	**133,077**	**110,696**
Impairment	(3,968)	(4,517)
Net total	**129,109**	**106,179**

The decrease in trade receivables is largely due to the reduction in average customer settlement period compared to 2011 that was significantly impacted by the launch of the *Burberry Body* line in September 2011.

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

In € thousands	2011	2012
Not due	113,354	92,706
0-90 days	14,989	13,925
91-180 days	987	420
181-360 days	351	126
More than 360 days	3,396	3,519
Total gross amount	**133,077**	**110,696**

Trade receivables past due for more than 360 days relate mainly to a suspension of payment by one of our distributors. The full amount of these receivables has been written down for impairment.

3.7.
Other receivables

In € thousands	2011	2012
Prepaid expenses	2,182	2,306
Holding current accounts	264	362
Value-added tax	2,411	2,061
Hedging instruments	-	594
Other receivables	923	298
Total	**5,780**	**5,621**

3.8.
Current financial assets, cash and cash equivalents

3.8.1.
Current financial assets

Current financial assets consist of investments in the form of certificates of deposits with maturities of more than three months.

In 2012, no certificates of deposit had maturities exceeding three months.

3.8.2.
Cash and cash equivalents

In € thousands	2011	2012
Certificates of deposit (less than 3 months)	17,387	219,787
Bank accounts	9,213	9,216
Cash and cash equivalents	26,600	229,003

In 2012, the rise in cash reflects mainly Burberry's exit payment of €181.2 million.

3.9.
Shareholders' equity

3.9.1.
Common stock

As of December 31, 2012, Interparfums' capital was comprised of 22,000,301 shares fully paid-up with a par value of €3, 73.2%-held by Interparfums Holding.

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

3.9.2.
Stock option plans

Employees of Interparfums and its subsidiaries benefit regularly from stock option plans.

Rules for the grant of stock options to executive officers are based on the level of responsibilities exercised and the performance of the company. The quantity of stock options granted to officers may vary from one year to another according to the performance of the company over the period.

On December 17, 2009 and October 8, 2010, the Board of Directors decided to grant options to corporate officers on that date whose exercise will be contingent on criteria of internal performance based on the company's sales. Under these terms, the number of options exercisable is based on the average rate of actual growth for the company's sales relative to the rate of attainment of the target for average growth. This objective is set by the Board of Directors for a period of reference corresponding to the 4 year tax waiting period that applies to the stock option plan established by this Board.

The Board of Directors has decided that these officers must retain 10% of the shares resulting from the exercise of stock options for the duration of their terms of office in accordance with the provision of article L. 225-185 of the French Commercial Code.

In 2012, no stock option plans were created.

The characteristics of plans currently in force are as follows:

Plans	Number of beneficiaries	Number of shares granted/ exercised at inception	Grant date	Vesting period	Exercise price [1]
Plan 2008 (IP Inc.)	96	84,500	02/14/2008	4 years	$11.30
Plan 2009	135	87,000	12/17/2009	4 years	€13.25
Plan 2010	143	114,700	10/08/2010	4 years	€18.85

(1) Subscription price adjusted for bonus issues.

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

Plans	Options outstanding at 12/31/2011	Conversions in the period	Grants in the period	Bonus share grants	Cancellations in the period	Options outstanding at 12/31/2012
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 December 31, 2012, the potential number of Interparfums SA shares that may be created was 247,176.

All employees of the group benefited in February 2008 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.

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 amounted to €267,000 for 2012 and €346,000 for 2011.

The estimation of the fair value of each stock option outstanding 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 rates	Dividend yield	Volatility rate	Share price retained for the calculation
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 has been issued by the parent company Interparfums Inc.

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

3.9.3. Treasury shares

Within the framework of the share buyback program authorized by the general Meeting of April 27, 2012, 31,583 Interparfums shares were held by the company as of December 31, 2012 or 0.14% 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	146,626	2,894
Bonus share issue of June 18, 2012	3,990	-
Reversal of provisions for impairment	-	204
Sales	(172,836)	(3,354)
At December 31, 2012	**31,583**	**626**

Management of the share buyback 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 financial market professionals (AMAFI).

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 company's capital stock.

3.9.4.
Non-controlling interests

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

In € thousands	12/31/2011	12/31/2012
Reserves attributable to non-controlling interests	371	283
Earnings attributable to non-controlling interests	(94)	(165)
Non-controlling interests	**277**	**118**

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

3.9.5.
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.

Significant shareholders equity and low gearing ensures that the group is able to secure financing for important projects from banks in the form of medium-term loans.

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.

3.10.
Provisions for contingencies and expenses

In € thousands	2011	Increases	Provisions Used in the period	Provisions Reversal of unused provisions	2012
Provisions for retirement severance payments	2,127	867			2,994
Total provisions for expenses > 1 year	**2,127**	**867**	**-**	**-**	**2,994**
Provisions for contingencies < 1 year	49	-	-	(1)	48
Total provisions for contingencies and expenses	**2,176**	**867**	**-**	**(1)**	**3,042**

Since 2008, for the measurement of retirement severance benefits, Interparfums has adopted the procedure for negotiated terminations introduced on July 23, 2008 extending the cross-industry agreement of January 11, 2008.

For 2012, the following assumptions were applied: a negotiated termination at age 65, a rate of 48% for employer payroll contributions for all employees, a 5% average rate for annual salary increases, a 5% annual rate of turnover for all employees under 55 years of age and nil above, the TH 00-02 mortality table for men and the TF 00-02 mortality table for women, and a discount rate for the 10 year IBOXX corporate bond index of 3.20%.

Past service costs not recognized of €520,000 were recorded under off-balance sheet items at December 31, 2012.

On the basis of these assumptions, the annual expense of €867,000 recorded under current income breaks down as follows:

- Service costs: €240,000;
- Financial expense: €116,000;
- Amortization of past service costs: €22,000;
- Actuarial losses: €489,000.

3.11.
Non-current borrowings and financial liabilities

Since the end of September 2012, the full amount of medium-term financial debt had been reimbursed.

3.11.1.
Financial liabilities by maturity and rate

In € thousands	Total	< 1 year	1 to 5 years	> 5 years
Automobile leases	62	62	-	-
Bank overdrafts	21,076	21,076	-	-
Total at December 31, 2012	**21,138**	**21,138**	-	-

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

The increase in bank overdrafts reflects mainly a credit line opened to finance the acquisition of the Karl Lagerfeld license.

Of this €20 million credit line, €19 million was used. This credit line reaches maturity on April 25, 2013 and is renewable until October 22, 2013.

3.11.2.
Analysis of financial liabilities

	Lanvin	Van Cleef & Arpels
Inception date	September 28, 2007	January 1, 2007
Initial amount (in € thousands)	22,000	18,000
Duration	5 years	5 years
Rate	Floating Rate	Fixed rate
	3M Euribor +0.40%	4.1%
Repayment schedule	Quarterly	Quarterly
Amount payable at 12/31/2012 (in € thousands)	-	-

3.11.3.
Additional disclosures

The floating-rate portion of the Lanvin debt contracted in September 2007 was covered by a 4.42% fixed rate swap.

At September 30, 2012, this loan has been paid back in full. The associated swap was cleared with a positive impact of €53,000 recognized under income.

3.11.4.
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.

In 2012, all these loans were reimbursed.

3.12.
Deferred tax

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	2011	Changes through reserves	Changes through income	2012
Deferred tax assets				
Timing differences between financial and tax accounting	1,632	-	3,441	5,073
Forward exchange hedges	46	-	(43)	3
Loan swap	19	-	(19)	-
Loss carryforwards	486	-	(38)	448
Intra-group inventory margin	2,646	-	1,561	4,207
Advertising and promotional costs	1,334	-	(484)	850
Other	100	16	(35)	81
Total deferred tax assets before amortization	**6,263**	**16**	**4,383**	**10,662**
Depreciation of deferred tax assets	(486)	-	38	(448)
Net deferred tax assets	**5,777**	**16**	**4,421**	**10,214**
Deferred tax liabilities				
Timing differences between financial and tax accounting	-	-	-	-
Acquisition cost	632	-	(6)	626
Stocks options	-	96	(96)	-
Gains (losses) on treasury shares	-	114	(114)	-
Market value of securities	70	11	-	81
Remeasurement gains (losses)	770	-	-	770
Other	-	-	148	148
Total deferred tax liabilities	**1,472**	**221**	**(68)**	**1,625**
Total net deferred tax	**(4,305)**	**205**	**(4,489)**	**(8,589)**

The increase in timing differences reflects mainly the sharp rise in the provision for employee profit sharing expenses.

The increase in deferred tax relating to the intra-group margin on inventory reflects mainly the rise in inventories of the US subsidiary.

3.13.
Trade payables and other current liabilities

3.13.1.
Trade payables and related accounts

The significant decrease in trade payables reflects mainly the effects of the discontinuation of the Burberry license, and notably reduced volumes for component purchases and the adjustment of advertising expenses.

3.13.2.
Other payables

In € thousands	2011	2012
Accrued credit notes	3,218	4,924
Tax and employee-related liabilities	10,344	20,328
Accrued royalties	5,927	6,242
Currency hedges	2,730	-
Other payables	1,386	864
Total	**23,605**	**32,358**

The change in tax and employee-related liabilities is mainly due to the non-recurring nature in 2012 of profit sharing expenses and the corresponding fixed amount for social charges, and linked to the discontinuation of the Burberry license.

3.14.
Financial instruments

3.14.1.
Breakdown of 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 December 31, 2012	Notes	Carrying value	Fair value	Fair value through profit or loss	Available-for-sale assets	Loans & receivables or payables	Derivatives
Long-term investments		1,751	1,751	-	-	1,751	-
Other non-current financial assets	3.4	6,754	6,754	-	458	6,296	-
Trade receivables and related accounts	3.6	106,179	106,179	-	-	106,179	-
Other receivables	3.7	5,621	5,621	-	-	5,027	594
Cash and cash equivalents	3.8	229,003	229,003	-	-	229,003	-
Assets		**349,308**	**349,308**	**-**	**458**	**348,256**	**594**
Borrowings and financial liabilities	3.11	62	62	-	-	62	-
Trade payables and related accounts		68,395	68,395	-	-	68,395	-
Bank facilities	3.11	21,076	21,076	-	-	21,076	-
Other payables	3.13	32,358	32,358	-	-	32,358	-
Liabilities		**121,891**	**121,891**	**-**	**-**	**121,891**	**-**

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
Long-term investments		1,128	1,128	-	-	1,128	-
Other non-current financial assets	3.4	432	432	-	432	-	-
Trade receivables and related accounts	3.6	129,109	129,109	-	-	129,109	-
Other receivables	3.7	5,780	5,780	-	-	5,780	-
Cash and cash equivalents	3.8	26,600	26,600	-	-	26,600	-
Assets		**163,049**	**163,049**	**-**	**432**	**162,617**	**-**
Borrowings and financial liabilities	3.11	3,462	3,462	53	-	3,409	-
Trade payables and related accounts		96,238	96,238	-	-	96,238	-
Bank facilities	3.11	9,205	9,205	-	-	9,205	-
Other payables	3.13	23,605	23,605	-	-	20,875	2,730
Liabilities		**132,510**	**132,510**	**53**	**-**	**129,727**	**2,730**

3.14.2.
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 December 31, 2012**	**Carrying value**	**Fair value**	**Quoted prices (level 1)**	**Internal model based on directly observable market inputs (level 2)**	**Prices not based on observable market data (level 3)**
Long-term investments	1,751	1,751	-	1,751	-
Other non-current financial assets	6,754	6,754	458	6,296	-
Trade receivables and related accounts	106,179	106,179	-	106,179	-
Other receivables	5,621	5,621	-	5,621	-
Cash and cash equivalents	229,003	229,003	-	229,003	-
Assets	**349,308**	**349,308**	**458**	**348,850**	**-**
Borrowings and financial liabilities	62	62	-	62	-
Trade payables and related accounts	68,395	68,395	-	68,395	-
Bank facilities	21,076	21,076	-	21,076	-
Other payables	32,358	32,358	-	32,358	-
Liabilities	**121,891**	**121,891**	**-**	**121,891**	**-**

In € thousands **At December 31, 2011**	**Carrying value**	**Fair value**	**Quoted prices (level 1)**	**Internal model based on directly observable market inputs (level 2)**	**Prices not based on observable market data (level 3)**
Long-term investments	1,128	1,128	-	1,128	-
Other non-current financial assets	432	432	432	-	-
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 and financial liabilities	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**	**-**

3.15.
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.

3.15.1.
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.

At December 31, 2012, hedging instruments for interest-rate risk were terminated in full in light of the payment of the balance owed on the corresponding debt.

Sensitivity to interest rates

The interest expense recorded in 2012 on medium-term debt represents the maximum expense in light of the ceiling provided for under the conditions for the fixed rate swap.

3.15.2.
Liquidity risk

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	229,003	458	6,296
Financial liabilities	(21,138)	-	-
Net position before hedging	**207,865**	**458**	**6,296**
Hedging of assets and liabilities	-	-	-
Net position after hedging	**207,865**	**458**	**6,296**

3.15.3.
Foreign exchange risk

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

In € thousands	USD	GBP	YEN	CAD
Assets	41,053	7,886	779	1,294
Liabilities	(2,300)	(23)	(71)	(30)
Net position before hedging at the closing price	**38,753**	**7,863**	**708**	**1,264**
Hedging instruments	(36,412)	(6,371)	-	-
Net position after hedging	**2,341**	**1,492**	**708**	**1,264**

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 (41.2% of sales) and to a lesser extent the Pound sterling (8.2% of sales) and the Japanese yen (1.3% of sales).

Foreign exchange risk management policy

The group's exchange-rate risk management policy seeks to hedge exposures related mainly to monetary flows resulting from sales in US dollars, pounds sterling and Japanese yens.

To this purpose, the group has recourse to forward exchange sales, according to procedures that prohibit speculative trading. All forward currency hedging must be backed in terms of amount and maturity by an identified economic underlying asset.

At December 31, 2012, the group had hedged nearly 89% of its receivables in US dollars and nearly 81% in Pound sterling for booked trade receivables.

Sensitivity to foreign exchange risk

The group considers that a 10% fluctuation in the exchange rate of the US dollar in relation to the Euro represents a pertinent risk factor that may reasonably occur within a given year. An immediate upswing in the exchange rate (US dollar and Pound sterling) of 10% would result in a maximum positive currency effect of €21.9 million on sales and €17.2 million on operating income. A 10% decrease of these same exchange rates would have an equivalent negative currency effect for the same amounts.

3.15.4.
Counterparty risk

Financial instruments used by the group to manage interest rate and foreign exchange risks are obtained from counterparties with benchmark ratings. At December 31, 2012, counterparties (according to Standard & Poor's) were rated A.

Cash is deposited with financial institutions with a rating issued by a specialized agency. At December 31, 2012, 100% of counterparties (according to Standard & Poor's) were rated A.

4.
NOTES TO THE INCOME STATEMENT

4.1.
Breakdown of consolidated sales by brand

In € thousands	2011	2012
Burberry	221,749	234,664
Lanvin	57,825	60,407
Montblanc	30,610	46,146
Jimmy Choo	29,417	40,096
Van Cleef & Arpels	20,399	17,838
Boucheron	8,372	16,437
S.T. Dupont	13,164	13,772
Paul Smith	14,172	11,589
Nickel	2,036	1,878
Balmain	-	1,463
Other	585	1,170
Total	**398,328**	**445,460**

4.2.
Cost of sales

In € thousands	2011	2012
Raw materials, trade goods and packaging	(171,677)	(148,694)
Changes in inventory and allowances	43,479	(812)
POS advertising	(10,100)	(7,546)
Staff costs	(3,339)	(3,326)
Subcontracting	(1,832)	(626)
Transportation costs	(1,101)	(788)
Other expenses related to the cost of sales	(1,032)	(1,743)
Total cost of sales	**(145,602)**	**(163,535)**

4.3.
Selling expenses

In € thousands	2011	2012
Advertising	(91,860)	(98,052)
Royalties	(35,879)	(40,855)
Staff costs	(16,541)	(17,154)
Subcontracting	(25,370)	(27,829)
Transportation costs	(5,828)	(5,791)
Commissions	(2,011)	(2,216)
Travel expenses	(3,115)	(3,078)
Allowances and reversals	(7,014)	(9,405)
Other selling expenses	(6,247)	(7,898)
Total selling expenses	**(193,865)**	**(212,278)**

4.4.
Administrative expenses

In € thousands	2011	2012
Purchases and external costs	(4,035)	(3,550)
Staff costs	(4,871)	(4,670)
Tax and related expenses	(708)	(739)
Allowances and reversals	(795)	(823)
Other administrative expenses	(1,548)	(1,712)
Total administrative expenses	**(11,957)**	**(11,494)**

4.5.
Other operating income and expenses

Other operating income and expenses include transactions related to the discontinuation of the Burberry license as well as the goodwill impairment charge on Nickel that break down as follows:

In € thousands	Other operating income	Other operating expenses
Burberry license exit payment	181,200	-
Allowances for depreciation and amortization, provisions	-	(10,247)
Additional employee profit-sharing expense including social charges	-	(10,467)
Transfer of the Burberry upfront license fee	-	(1,625)
Other expenses associated with the discontinuation of the license	-	(2,800)
Total transactions related to the discontinuation of the Burberry license	**181,200**	**(25,139)**
Additional goodwill impairment charge for Nickel	-	(1,411)
Total other operating income and expenses	**181,200**	**(26,550)**

4.6.
Net financial income (expense)

In € thousands	2011	2012
Financial income	550	447
Interest and similar expenses	(1,055)	(1,084)
Net finance costs	**(505)**	**(637)**
Currency losses	(2,796)	(4,193)
Currency gains	3,910	1,815
Net currency gains (losses)	**1,114**	**(2,378)**
Other financial income and expenses	(43)	(8)
Net financial income (expense)	**566**	**(3,023)**

The change in the net currency gains (losses) reflects mainly the adverse impact of the US dollar in the second half of 2012.

4.7.
Income taxes

4.7.1.
Analysis of income taxes

In € thousands	2011	2012
Current income tax - France	(15,097)	(75,023)
Current income tax - Foreign operations	(2,323)	(3,549)
Total current income tax	**(17,420)**	**(78,572)**
Deferred tax - France	417	4,845
Deferred tax - Foreign operations	342	(356)
Total deferred taxes	**759**	**4,489**
Total income taxes	**(16,661)**	**(74,083)**

The increase in the tax expense is mainly the result of the €181.2 million exit fee paid by Burberry included in operating income.

4.7.2.
Reconciliation of the effective tax expense and theoretical tax expense

The difference between the effective tax recorded and the theoretical tax expense calculated by applying the tax rate of 36.10% applicable for fiscal 2011 and 2012 to pre-tax income reflects the following.

In € thousands	2011	2012
Tax base	46,867	209,780
Theoretical tax calculated at the parent company rate	(16,919)	(75,731)
Effect of tax rate differences	1,908	1,275
Recognition of tax income not previously classified as tax assets	810	215
Deferred tax not recognized on losses of the period	(35)	(177)
Permanent non-deductible differences	(2,425)	335
Income tax	**(16,661)**	**(74,083)**

The change in permanent differences is mainly due to the non-deductible nature in 2011 of the tax on the debt waiver granted to the Spanish subsidiary.

4.8.
Earnings per share

In € thousands, except number of shares and earnings per share in euros	2011	2012
Net income	30,300	135,862
Average number of shares	18,918,963	20,957,788
Basic earnings per share (1)	**1.60**	**6.48**
Dilutive effect of stock options:		
Potential additional number of fully diluted shares	74,313	33,809
Potential fully diluted average number of shares outstanding	18,993,276	20,991,597
Diluted earnings per share (1)	**1.60**	**6.47**

(1) Adjusted for bonus shares granted in 2011 and 2012.

5.
SEGMENT INFORMATION

5.1.
Business lines

In € thousands			2011			2012
	Perfumes	Skincare and Beauty	Total	Perfumes	Skincare and Beauty	Total
Sales	392,436	5,892	398,328	437,264	8,196	445,460
Current operating income	52,149	(5,848)	46,301	65,202	(8,460)	56,742
Impairment	-	(603)	(603)	-	(1,411)	(1,411)
Trademarks, licenses and goodwill	69,250	3,809	73,059	77,227	2,397	79,624
Inventories	96,665	4,502	101,167	84,980	2,219	87,199
Other segment assets	178,152	766	178,918	366,500	1,473	367,973
Total segment assets	**344,117**	**9,077**	**353,194**	**528,707**	**6,089**	**534,796**
Segment liabilities	**132,407**	**1,156**	**133,563**	**185,275**	**38**	**185,313**

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

5.2.
Geographic segments

Sales by geographic segment break down as follows:

In € thousands	2011	2012
North America	80,253	103,583
South America	36,759	35,433
Asia	65,347	72,903
Eastern Europe	34,722	38,108
Western Europe	103,283	108,540
France	33,702	35,116
Middle East	39,942	46,605
Africa	4,320	5,172
Total	**398,328**	**445,460**

6.
OTHER INFORMATION

6.1.
Off balance sheet commitments

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

6.1.1.
Summary of off-balance sheet commitments

In € thousands	2011	2012
Off-balance sheet commitments in connection with the company's operating activities	312,531	167,473
Off balance sheet commitments	542	520
Total commitments given	**313,073**	**167,993**

6.1.2.
Off-balance sheet commitments in connection with the company's operating activities

In € thousands	Main characteristics	2011	2012
Guaranteed minima on trademark royalties (1)	Guaranteed minima on royalties regardless of sales achieved for each of the trademarks in the period.	254,500	130,000
Headquarters rental payments	Rental payments due over the remainder of the lease period (3, 6 or 9 years).	3,974	2,652
Guaranteed minima for warehousing and logistics	Contractual minima for remuneration of warehouses regardless of sales volume for the period.	9,180	10,065
Firm component orders (inventories)	Inventories of components on stock with suppliers the company undertakes to purchase as required for releases.	44,877	24,756
Total commitments given in connection with operating activities		**312,531**	**167,473**

(1) The reduction in guaranteed minimas for brand license fees is mainly due to the early termination of the Burberry license agreement.

6.1.3.
Off-balance sheet commitments in connection with financing activities

Commitments with respect to forward currency sales at December 31, 2012 amounted to US$48,043,000 and £5,200,000.

6.1.4.
Other off-balance sheet commitments

In € thousands	Main characteristics	2011	2012
Pension liabilities	The 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**

Act No. 2004-391 of May 4, 2005 on lifelong vocational training and social dialogue established an individual training benefit for employees in France (*Droit Individuel à la Formation* or DIF). Pursuant to this measure, the company provides for training benefits of the basis of 21 hours per year and per employee. Individual training benefits vested by group employees corresponded to a total of 7,352 hours at December 31, 2012 and 1,731 training hours under this provision were used by group employees in the period.

6.1.5.
Commitments given by maturity at December 31, 2012

In € thousands	Total	Up to 1 year	1 to 5 years	5 years or more
Guaranteed minima on trademark royalties	130,000	9,830	50,620	69,550
Headquarters rental payments	2,652	868	1,644	140
Guaranteed minima for warehousing and logistics	10,065	1,342	5,368	3,355
Firm component orders (inventories)	24,756	24,756	-	-
Commitments given in connection with operating activities	**167,473**	**36,796**	**57,632**	**73,045**
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	**167,993**	**36,818**	**57,719**	**73,456**

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

6.1.6.
Commitments received

Commitments received in connection with forward currency purchases at December 31, 2012 amounted to €36,921,000 for US dollar hedges and €6,465,000 for Pound sterling hedges representing total commitments of €43,386,000.

6.2.
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
Karl Lagerfeld	Original	November 2012	20 years	October 2032

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, and notably its duration to December 31, 2017. Burberry's right to buy the license was furthermore moved forward from December 31, 2011 to December 31, 2012.

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.

On July 27, 2012, the two companies decided to terminate the license agreement with an expiration date of December 31, 2012 in exchange for payment of a €181 million exit fee (excluding trade receivables, inventories and tangible assets).

On October 11, 2012, in anticipation of the pending transfer of the fragrance and beauty business, Interparfums and Burberry concluded an agreement to facilitate a smooth transition. This agreement provided for an additional three month period ending March 31, 2013 and confirmed the payment of the exit fee by December 31, 2012.

According to the terms of this agreement, Interparfums will continue to manage the perfume business until March 31, 2013, at which date it will then be taken over by Burberry.

On December 8, 2012, Karl Lagerfeld and Interparfums signed a 20-year worldwide license agreement commencing on January 1, 2012 for the creation, development and distribution of fragrances under the Karl Lagerfeld brand.

6.3. Proprietary brands

Lanvin

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 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.

6.4. Insurance

Interparfums SA is named as beneficiary under a €15 million life insurance policy for Philippe Bénacin.

6.5. Employee-related data

6.5.1. Employees by category

Number of employees at	12/31/2011	12/31/2012
Managers	118	119
Supervisory staff	14	7
Employees	95	79
Total	**227**	**205**

6.5.2. Employees by department

Number of employees at	12/31/2011	12/31/2012
Executive Management	2	2
Production & Operations	32	35
Burberry Fragrances	39	32
Luxe & Fashion	26	28
France	67	46
Finance & Corporate Affairs	37	36
Subsidiaries	24	26
Total	**227**	**205**

The decrease in headcount results mainly from the expiration of respectively work-study and fixed term employment contracts (see note 4.1.2 of the consolidated management report).

6.5.3. Wages and benefits

In € thousands	2011	2012
Staff costs	15,963	16,392
Social security charges	6,680	6,902
Profit-sharing	1,782	1,600
Stock option costs	346	267
Total wages and benefits	**24,771**	**25,161**

In addition €227 million in supplemental retirement benefits for Executive Management were paid in 2012.

6.6. Information on related parties

6.6.1. Management Committee

The nine members of the Management Committee exercise responsibilities in the areas of strategy, the management and oversight. They have employment contracts and receive compensation as follows:

In € thousands	2011	2012
Wages, bonuses & social charges	4,063	4,266
Share based payment expenses	48	89

The executive officers Philippe Bénacin and Jean Madar, co-founders of Interparfums SA are also executive officers and majority shareholders of the parent company Interparfums Inc.

6.6.2. Board of Directors

The eleven members of the Board of Directors exercise responsibilities in the areas of strategy, management consulting, acquisitions and oversight. Only outside Directors are paid Directors' fees that break down as follows:

In € thousands	2011	2012
Directors' fees (1)	63	66

(1) Calculated on the basis of actual Board meeting attendance.

6.6.3. Relations with the parent company

The accounts of Interparfums SA and its subsidiaries, through Interparfums Holding, are fully consolidated into the accounts of Interparfums Inc., whose registered office is located at 551 Fifth Avenue, New York, NY 10176, United States. No material transactions exist between Interparfums SA and Interparfums Inc. or Interparfums Holding.

6.7.
Auditors' fees

Total auditors' fees expensed in the income statement relating to their engagement as Statutory Auditors break down as follows:

In € thousands				**Mazars**
	2011	**%**	**2012**	**%**
Work as Statutory Auditors and certification of separate and consolidated financial statements:				
Of the Issuer	320	80%	284	65%
Of fully consolidated subsidiaries	81	20%	153	35%
Other directly related assignments	-	-	-	-
Other services rendered by members of the auditor's network to fully consolidated subsidiaries	-	-	-	-
Total	**401**	**100%**	**437**	**100%**

In € thousands			**SFECO & Fiducia Audit**	
	2011	**%**	**2012**	**%**
Work as Statutory Auditors and certification of separate and consolidated financial statements:				
Of the Issuer	100	98 %	100	100 %
Of fully consolidated subsidiaries	-	-	-	-
Other directly related assignments	2	2 %	-	-
Other services rendered by members of the auditor's network to fully consolidated subsidiaries	-	-	-	-
Total	**102**	**100%**	**100**	**100%**

6.8.
Post-closing events

None.

CORPORATE GOVERNANCE

1.
BOARD OF DIRECTORS

Interparfums adopted the form of a *société anonyme*, the French equivalent of a joint stock company, when it was created in 1989. It is governed by a Board of Directors and a Management Committee.

On March 8, 2010, the Board of Directors of the company decided to refer to the Middlenext Code of December 2009 designed for Small and Mid Caps, after reviewing the points requiring special attention (“*points de vigilance*”) set forth therein, duly noting the main issues relating to effective corporate governance.

Composition of the Board of Directors

To strengthen the Board of Directors of initially four members by drawing on an expanded range of expertise and experience, new members originating from the luxury industry sector were appointed in 2004. On December 31, 2012 the Board of Directors had 11 members.

When the terms of office of the Directors were up for renewal, the general Meeting of April 23, 2010 decided to set terms of office of four years to comply with recommendations of the Middlenext Code. This decision seeks to reconcile the objective of assuring the independence of the Directors by preventing terms that are too long, and their commitment to the company by preventing terms that are too short.

The Board ensures that at least 30% of its members are Independent Directors. A Director is considered to be independent according to the criteria of the Middlenext Code when there exists no material financial, contractual or family relationship that could compromise his or her free exercise of judgment whereby the Director may not:

- be a current employee or corporate officer (*mandataire social*) of the company or a company of its group or have been so within the past three years;

- be a significant customer or supplier of the company or its group, or for which the company or its group represents a significant part of its business;

- be the main shareholder of the company;

- be related by close family ties to a corporate officer or a main shareholder;

- have been an auditor of the company within the previous three years.

On the basis of these criteria, the Board includes four Independent Directors, Dominique Cyrot, Chantal Roos, Maurice Aladhève and Michel Dyens.

To date, the Board has three members having the status of employee resulting from an employment contracts predating their appointment as Directors.

As a general rule, members of the Board of Directors have an in-depth or multidisciplinary experience of the business world in international markets. They are subject to conduct of business rules, specified in the Board Charter (*Règlement Intérieur*) that includes notably obligations of secrecy and due diligence in the performance of their duties ensuring the effective collegial work of the Board. Directors are provided not only with information before each meeting but also on a permanent basis concerning all strategic and financial matters necessary to perform their duties in the most effective manner.

The Board Charter adopted on March 3, 2009 has been revised to incorporate the recommendations of the Middlenext Code of December 2009 and is reproduced below in full.

Members of the Board of Directors

As of December 31, 2012 the composition of the Board of Directors was as follows:

Philippe Bénacin
Chairman and Chief Executive Officer of Interparfums

Date of 1st appointment: January 3, 1989

Date of last reappointment: April 23, 2010

Professional address: Interparfums, 4, rond-point des Champs Élysées, 75008 Paris, France

Philippe Bénacin, 54, a graduate of the ESSEC Business School and co-founder of the company with his partner Jean Madar, has served as Chairman and Chief Executive Officer of Interparfums SA since its creation in 1989.

Other offices and directorships: Chairman of the Board of Directors of Interparfums Holding, President and Vice Chairman of the Board of Interparfums Inc. (United States)

Jean Madar
Director

Date of 1st appointment: December 23, 1993

Date of last reappointment: April 23, 2010

Professional address: Interparfums, 4, rond-point des Champs Élysées, 75008 Paris, France

Jean Madar, 52, a graduate of the ESSEC Business School, is the co-founder of the company with his partner Philippe Bénacin.

Other offices: Chairman of the Board of Directors of Interparfums Holding, Chief Executive Officer and Vice Chairman of the Board of Interparfums Inc. (United States)

Maurice Alhadève
Independent Director

Date of 1st appointment: April 23, 2004

Date of last reappointment: April 23, 2010

Professional address: 16 rue de Molitor 75016 Paris, France

Other offices and directorships: none

Catherine Bénard-Lotz
Director

Date of 1st appointment: April 23, 2004

Date of last reappointment: April 23, 2010

Professional address: Interparfums, 4, rond-point des Champs Élysées, 75008 Paris, France

Catherine Bénard-Lotz, with an advanced degree in business law from the University of a Paris, has served as Interparfums' Chief Legal Officer since 1994.

Other offices and directorships: none

Patrick Choël
Director

Date of 1st appointment: December 1, 2004

Date of last reappointment: April 23, 2010

Professional address: 7 rue de Talleyrand 75007 Paris, France

Other officers and directorships: Director of Interparfums Inc. (United States), Director of Parfums Christian Dior, Director of Guerlain, Director of SGD, Director of ILEOS

Previous offices and directorships: Director of Modelabs

Dominique Cyrot
Independent Director

Date of 1st appointment: April 27, 2012

Professional address: 8 rue de la Pompe 75016 Paris, France

Other offices and directorships: Director of Séché Environnement

Michel Dyens
Independent Director

Date of 1st appointment: April 23, 2004

Date of last reappointment: April 23, 2010

Professional address: Michel Dyens & Co., 17 avenue Montaigne, 75008 Paris, France

Other offices and directorships: Chairman of Michel Dyens & Co., Managing Partner of Varenne Entreprises

Previous appointments: Director of Direct Panel

Frédéric Garcia-Pelayo
Director and Executive Vice President

Date of 1st appointment: April 24, 2009

Date of last reappointment: April 23, 2010

Professional address: Interparfums, 4, rond-point des Champs Élysées, 75008 Paris, France

Frédéric Garcia Pelayo, 54, EPSCI international exchange program graduate of the ESSEC Business School, has been Vice President for Export Sales of Interparfums since 1994 and Executive Vice President since 2004.

Other offices and directorships: none

Jean Levy
Director

Date of 1st appointment: April 23, 2004

Date of last reappointment: April 23, 2010

Professional address: 17 rue de Margueritte, 75017 Paris, France

Other appointments: Director of Interparfums Inc. (United States), Director of Axcess Groupe SA, Director of Rallye SA

Previous appointments: Director of Price Minister SA, Director of MoM SAS

Chantal Roos
Independent Director

Date of 1st appointment: April 24, 2009

Date of last reappointment: April 23, 2010

Professional address: CREA, 168 avenue Charles de Gaulle, 92200 Neuilly sur Seine, France

Other offices and directorships: Managing Partner of CREA

Previous offices and directorships: Chairman and Chief Executive Officer of Yves Saint Laurent Beauté

Philippe Santi
Director and Executive Vice President

Date of 1st appointment: April 23, 2004

Date of last reappointment: April 23, 2010

Professional address: Interparfums, 4, rond-point des Champs Élysées, 75008 Paris, France

Philippe Santi, 51, graduate of the École Supérieur de Commerce of Reims and a public accountant has served as the Chief Financial and Administrative Officer of Interparfums SA since 1995 and as Executive Vice President since 2004.

Other offices and directorships: Director of the parent company Interparfums Inc.

The terms of office of all Directors will expire at the end of the ordinary general Meeting of 2014.

Absence of condemnations

To the best of the company's knowledge, in the last five years none of the members of the Board of Directors have been:

- convicted for fraud or penalties for infractions rendered by statutory or regulatory authorities;

- been a party in a bankruptcy, receivership or liquidation proceeding as a Director or Officer;

- disqualified from serving as a Director or Officer or participating in the management of the operations of an issuer.

Absence of potential conflicts of interest

To the best of the company's knowledge, there exist no potential conflicts of interest between the duties towards the company and the personal interests and/or other duties of one of the members of the Board.

Absence of service contracts with Board members

To the best of the company's knowledge, none of the Board members is bound by service agreements with the company or one of its subsidiaries providing for the grant of benefits under its terms.

This Charter or "Rules of Procedure" (*Règlement Intérieur*), previously entitled "Charter of the Board of Directors" adopted by the Board on March 3, 2009, was updated by the Board on March 8, 2010, in order to take into account the provisions of the Middlenext Code of December 2009 to which the Board has opted to refer instead of the AFEP/MEDEF Code previously used.

The full text of the Middlenext Code is attached to this Charter.

Applicable to all current and future Directors, and in line with the Middlenext Code, this Charter, is destined to supplement the provisions of the law, regulations and the company's bylaws, in the interest of the company and its shareholders in order to specify:

- the composition of the Board/criteria of independence for members;

- the role the Board in the performance of its duties and powers;

- Board procedures (meetings, discussions, information provided to members);

- Board procedures (meetings, discussions, information provided to members);

- the duties of Board members (code of conduct: loyalty, confidentiality, abstention, etc.).

1. COMPOSITION OF THE BOARD OF DIRECTORS

The Board of Directors includes a maximum of 18 members with at least three selected from independent persons having no ties of interest with the company so that they are entirely free in the exercise of their judgment.

1.1. Independent Directors

A director is considered to be independent according to the criteria of the Middlenext Code when there exists no material financial, contractual or family relationship that could compromise his or her free exercise of judgment whereby the Director may not:

- be a current employee or corporate officer (*mandataire social*) of the company or a company of its group or have been so within the past three years;

- be a significant customer or supplier of the company or its group, or for which the company or its group represents a significant part of its business;

- be the main shareholder of the company;

- be related by close family ties to a corporate officer or a main shareholder;

- have been an auditor of the company within the previous three years.

The Board may consider that one of its members, even though fulfilling the above criteria, should not be considered as independent, in light of his or her particular situation or that of the company, with respect to its shareholder structure or for any other reason. Conversely, the Board may also consider that one of its members not fulfilling these criteria to be independent.

1.2. Balanced representation of men and women on the Board of Directors

In accordance with the French law No. 2011-103 of January 27, 2011 on the balanced representation of men and women on Boards of Directors and professional gender equality, the Board must respect a timetable having been set to reach certain quotas and if not met, any new appointment of a male Director shall be considered void and the Directors' fees suspended:

- within six months of the enactment of this law, the Board must include one woman. In 2013, the Board of Directors of Interparfums counted three women among its eleven members;

- no later than the annual general Meeting approving the financial statements for the fiscal year ending December 31, 2014, the number of women serving on the Board must represent at least 20% of its members;

- no later than the annual general Meeting approving the financial statements for the fiscal year ending December 31, 2017, the number of women serving on the Board must represent at least 40% of its members.

2. ROLE OF THE BOARD OF DIRECTORS

2.1. Strategic body

The mission of the Board of Directors is to determine the strategy of the company and ensure that this strategy is implemented. Subject to the powers granted to shareholders' meetings and within the limits of the company's corporate purpose, the Board may address any matter pertaining to the proper management of the company and settle all items of business relating thereto.

In addition to the attributes provided for by law and regulations, the Board may be called to address and grant its approval for, in particular, the following matters:

- assess the environment of the company and analyze opportunities for external growth through acquisitions;

- the creation of a company or acquiring controlling interest in all forms in any company or undertaking outside the group;

- review projects involving material investments or not relating to the company's ordinary operating activities;

- analyze major strategic projects presented to Executive Management and their impact on the economic and financial situation of the company;

- analyze the annual budget submitted by Executive Management;

- implement procedures for control or verification it considers appropriate.

And in general, the Board ensures the merits of any measure adopted for the strategic development of the company and the solidity of the company's balance sheet.

2.2.
Audit Committee function

On March 3, 2009 the Board of Directors decided that in light of the company's organization and structure, an independent Audit Committee would not be established and that in consequence, in accordance with the provisions provided for under article L. 823-20 of the French Commercial Code, it would exercise the functions of Audit Committee in plenary session.

In connection with the performance of the functions of Audit Committee, the primary tasks of the Board of Directors are to:

- ensure compliance with accounting regulations and the correct application of the principles for preparing the company's accounts;

- ensure that the process for producing financial information is based on internal procedures for the collection and control of information that guarantee its quality and exhaustive nature;

- assess the performance of internal control systems by evaluating the organization principles and functioning of Internal Audit and by verifying the process for identifying risks; Review the audit missions and evaluations of the internal control system carried out by the Finance Department;

- monitor the application of the rules of independence and objectivity of the auditors in the performance of their duties, the conditions for the renewal of their appointments and setting their fees.

3.
PROCEDURES FOR EXERCISING EXECUTIVE MANAGEMENT

3.1.
The Chairman of the Board of Directors

The Chairman, appointed by the Board of Directors from among its members, organizes and manages the work of the Board on which he reports to the general Meeting of the shareholders. He ensures that management bodies of the company are effectively run and, in particular, that Directors are able to perform their duties. The Chairman may request any documents or specific information to assist the Board of Directors in connection with preparing its meetings.

The Chairman actively contributes to the performance of the duties of Directors by serving as an intermediary between the latter and the main parties involved in implementing the company's strategic objectives.

3.2.
Executive Management

The Board of Directors determines the manner that Executive Management is exercised, under its responsibility, either by the Chairman of the Board of Directors, or by a person appointed by the latter with the title of Chief Executive Officer (*Directeur Général*).

The Board of Directors' meeting of December 19, 2002 decided not to separate the functions of Chairman of the Board of Directors from those of Chief Executive Officer. In this respect, and subject to the powers granted by law to general Meetings and the limitations provided for by the provisions of the Charter, the Chairman of the Board of Directors exercises the functions of Chief Executive Officer and is vested with the broadest powers to act in all circumstances in the name of the company with the exception of the following strategic decisions that are submitted for approval to the Board of Directors:

- any financial commitment (immediate or deferred) for an amount exceeding €10 million per transaction and having a material impact on the company's scope of consolidation, including mainly the acquisition or disposal of assets or equity investments in companies;

- any decision, regardless of the amount involved, that could potentially materially affect the strategy of the company or materially modify the scope of its normal activity.

On proposals by the Chief Executive Officer, the Board of Directors may appoint one or more individuals to assist the Chief Executive Officer with the title of Executive Vice President (*Directeur Général Délégué*).

4.
FUNCTIONING OF THE BOARD OF DIRECTORS

4.1.
Calling and holding of Board meetings

Notice of meetings may be issued by any means including orally and may be transmitted by the Secretary of the Board within at least eight days before each meeting.

The Board meets as often as the interests of the company require, and in general, at least five times a year, with three of these meetings devoted to reviewing the budget, strategy and the activity of the company. Decisions by the Board are adopted on the basis of a simple majority.

In the case of split vote, the Chairman of the meeting has the casting vote.

The Board establishes for the year according to the proposal of the Chairman a schedule for its meetings, with the exception of extraordinary meetings.

4.2. Participation in meetings through videoconferencing or telecommunications media

In accordance with applicable regulations and article 14 of the company's bylaws, Directors who participate in Board meetings through videoconferencing or telecommunications technology are considered present for calculating the *quorum* and majority.

The Chairman ensures that videoconferencing and telecommunications technologies used guarantee the effective participation of all parties in the meetings. The proceedings must be broadcast without interruption. Measures necessary to identify each party and verify the *quorum* must be assured. Failing this, the Board meeting may be adjourned.

The attendance register and the minutes must indicate the names of Directors having participated through videoconferencing or telecommunications means.

Remote participation using the technologies is expressly prohibited for proceedings concerning the following decisions:

- the approval of the company's statutory and consolidated financial statements;

- preparing the management report to be included in the group's management report.

4.3. Transmission of information to Directors

All Directors are provided with the documents and information required to make informed decisions on the items of business on the agenda.

It is the responsibility of all Directors to ensure that they possess all information they consider necessary for the effective conduct of proceedings of the Board and, when applicable, request this information when they consider that it has not been made available.

Furthermore, Directors are kept regularly informed, outside of these meetings of all events or transactions of a material nature with respect to the company's strategic priorities and provided with all relevant information when warranted by events concerning the company.

4.4. Evaluation of the work of the Board

Once a year, the Chairman of the Board invites the Board members to express their views on the functioning of the Board and on the preparation of its work for the purpose of:

- preparing a report on the Board's work;

- examining the composition of the Board;

- ensuring the quality and effective conduct of discussions on matters of importance.

The evaluation is recorded in the minutes of the meeting.

5. CODE OF CONDUCT OF DIRECTORS

5.1. Obligations of discretion and secrecy

Concerning non-public information acquired in connection with their duties, Directors shall be considered subject to a true obligation of professional secrecy that exceeds the obligation of discretion provided for by article L. 225-37 subsection 5 of the French Commercial Code.

In general, Directors shall refrain from speaking individually outside the collegial framework of the Board of Directors about matters considered therein. Outside the company, Directors undertake to respect the collegial nature on any oral or written communication that they may issue.

5.2. Duties of independence

Directors have a duty to act in all circumstances in the interest of the company and all shareholders. To this purpose, they are subject to an obligation of informing the Board of any situation involving a conflict of interest, even a potential conflict of interest, and must refrain from voting in the proceedings relating thereto, and if necessary, resign. Absence of information thereon constitutes confirmation of that no conflict of interest exists.

And in general, Directors shall be prohibited from engaging in transactions in the shares of the company and/or the group if they possess privileged information. Each party is personally responsible for assessing the privileged nature of information in his or her possession, and, in consequence, to authorize or prohibit any use or transmission of such information, and to engage in any transactions in the company's shares.

And in any case, Directors undertake to comply with their obligation prohibiting any dealings in the company's shares for a period of 15 days prior to:

- the publication of the interim consolidated or annual results, according to the calendar available to the Director;

- the publication of quarterly, interim and annual sales, according to the calendar available to the Director.

5.3. Obligations of due diligence

At the time they assume their appointment, every Board member duly notes the obligations resulting therefrom and notably those relating to legal rules governing holding multiple appointments and before accepting, signs the Board Charter. To this purpose, it is recommended that a Director, when exercising the function of "executive officer", does not accept more than three appointments as a Director of listed companies, including companies outside of his or her own group.

Directors must devote to their duties the necessary time and attention. To this purpose, they will limit the appointments that they hold to a reasonable number to ensure their regular participation in the meetings of the Board.

Directors have an obligation to obtain and request from the Chairman within the appropriate delays information necessary to effectively participate in the items of business to be addressed by the Board of Directors' meetings.

5.4. Obligation to report dealings in the company's shares

Directors and persons with whom they have close relations must report to the AMF the purchase, sale, subscription or exchange of shares of the company when the amount exceeds €5,000 for the calendar year progress.

To this purpose, they will send their declaration to the AMF by electronic means within five trading days following the transactions and send at the same time a copy of the declaration to the Secretary of the Board of Directors of the company.

6. COMPENSATION

6.1. Directors' fees

The Board of Directors freely sets the amount of fees for attendance for which the general Meeting fixes the annual amount. It allocates this amount equally among members on basis of their attendance and the amount of time they devote to their duties.

By express waiver of the Directors concerned, Directors' fees are allocated exclusively to Directors selected from outside the company.

6.2. Compensation of Directors for special assignments

The Board of Directors may entrust one of its members with a mission, for which it determines the conditions and terms that are subject to approval by the Board, except by the Board member designated for this mission. The Board will determine notably the amount of compensation, the duration of the mission as well as the procedures for payment and the reimbursement of expenses incurred in the performance of this mission. The Chairman is responsible for ensuring that this mission is properly carried out according to the conditions approved by the Board to whom it regularly reports thereon.

7. MODIFICATION THE BOARD CHARTER

This Charter may be adapted or modified by decision of the Board of Directors.

Every new member of the Board of Directors shall be provided with a copy of this Charter as well as the company's bylaws (*statuts*).

2. MANAGEMENT COMMITTEE

Mission

The purpose of the Management Committee, led by the Chairman and Chief Executive Officer, is to address operational issues related to the development of the company.

Composition as of December 31, 2012

Philippe Bénacin, Chairman and Chief Executive Officer

Philippe Santi, Executive Vice President, Chief Financial and Administrative Officer

Frédéric Garcia-Pelayo, Executive Vice President, Chief International Officer

Hugues de la Chevasnerie, Vice President, Burberry Fragrances

Angèle Ory-Guénard, Vice President, Export Sales – Burberry Fragrances

Jérôme Thermoz, Vice President, French Distribution

Axel Marot, Vice President, Production & Logistics

The Management Committee met ten times in 2012 (seven times in 2011) and discussed the following items of business:

January: 2011 year-end sales, the Burberry license agreement, the 2012 salary policy, year-end employee assessments, the distributors seminar, 2012/2013 launchings;

February: Summary of the distributors seminar, first-quarter sales, Burberry discussions;

March: 2011 year-end results, Burberry negotiations, acquisitions advertising expense budgets, subsidiaries;

April: 2012 first and second-quarter sales, Burberry discussions, internal organization, the Criquebeuf warehouse;

June: 2012 first-half sales, 2012 first-half earnings forecast, 2013 launches, Burberry discussions, acquisitions;

July: 2012 first half sales, 2012 second-half earnings forecast, 2012 second-half advertising expenses, Burberry discussions;

September: summary of 2012 first-half results, 2013 budget, 2013/2014 launches, Burberry transition, internal organization, Karl Lagerfeld license agreement;

October: Burberry transition, internal organization, 2012 third-quarter sales, 2013 budgets and launches; Karl Lagerfeld license agreement;

November: Burberry transition, 2013 advertising expenses, 2012 sales, 2013 launches, 2013 budgets, feedback from the TFWA duty free and travel retail association Tax-Free trade show in Cannes;

December: Burberry transition, subsidiaries in 2013, 2012 sales, 2013/2014 launches, 2013 budgets.

3. COMPENSATION OF EXECUTIVE OFFICERS

In connection with the preparation of this registration document, the Board of Directors has analyzed the different components of compensation and benefits for corporate officers in light of the principles set forth in the Middlenext Code recommendations of December 2009. It reviewed the procedures in place for determining cash compensation and benefits of all kinds granted to corporate officers that are presented below in detail.

In general, the Board of Directors sets the compensation policy for officers both in reference to market practice in comparable sectors and the size of the company notably in respect to sales and the number personnel.

Compensation of officers for fiscal 2012

Compensation of officers consists of both fixed and variable components. Fixed compensation takes into account the level of responsibilities, experience and performance. Variable compensation is determined in relation to the company's achievement of overall performance objectives and events related to each fiscal year.

One half of variable compensation is determined in accordance with net sales, operating income and net profit, and half in relation to qualitative criteria of performance. This latter criteria is evaluated in respect to the contribution of corporate officers to achieving the objectives of the company and results actually obtained.

On this basis, compensation paid to executives as officers or salaried employees in connection with employment contracts concluded prior to becoming officers is disclosed below.

	Fiscal 2011		Fiscal 2012	
	Compensation due for the year	Compensation paid in the year	Compensation due for the year	Compensation paid in the year
Philippe Bénacin (1)				
Chairman and Chief Executive Officer				
Net fixed compensation	€216,960	€216,960	€216,960	€216,960
Net variable compensation	€186,400	€206,400	€203,600	€183,600
Benefits in-kind and net housing allowances	€106,800	€106,800	€106,800	€106,800
Supplemental executive retirement plans	€8,500	€8,500	€8,730	€8,730
Philippe Santi (2)				
Director – Executive Vice President				
Net fixed compensation	€216,960	€216,960	€222,720	€222,720
Net variable compensation	€198,800	€198,800	€206,800	€198,800
Supplemental executive retirement plans	€8,500	€8,500	€8,730	€8,730
Frédéric Garcia-Pelayo (3)				
Director – Executive Vice President				
Net fixed compensation	€216,960	€216,960	€222,720	€222,720
Net variable compensation	€198,800	€198,800	€206,800	€198,800
Benefits in-kind	€6,840	€6,840	€6,840	€6,840
Supplemental executive retirement plans	€8,500	€8,500	€8,730	€8,730
Catherine Bénard-Lotz (4)				
Director				
Net fixed compensation	€93,600	€93,600	€96,000	€96,000
Net variable compensation	€60,400	€60,000	€64,000	€60,400
Supplemental executive retirement plans	€8,500	€8,500	€8,730	€8,730
Jean Madar (5)				
Director				
Gross fixed compensation	$380,000	$380,000	$380,000	$380,000
Gross bonus	-	-	-	-

(1) Philippe Bénacin does not have an employment contract with the company. He exercises his functions as Chairman and Chief Executive Officer pursuant to his appointment as a corporate officer by the Board of Directors.

(2) Compensation paid to Philippe Santi as a salaried employee with the position of Chief Financial and Administrative Officer under the terms of an employment contract predating his appointment as Executive Vice President (*Directeur Général Délégué*) and Director of the company that remained in force. Philippe Santi receives no compensation of any nature in connection with his appointment as an officer of the company.

(3) Compensation paid to Frédéric Garcia Pelayo as a salaried employee with the position of Chief International Officer under the terms of an employment contract predating his appointment as Executive Vice President (*Directeur Général Délégué*) and Director of the company that remained in force. Frédéric Garcia Pelayo receives no compensation of any nature in connection with his appointment as an officer of the company.

(4) Compensation paid to Catherine Bénard-Lotz as a salaried employee with the position of Chief Legal Officer under the terms of an employment contract predating her appointment as Director of the company that remained in force. Catherine Bénard-Lotz receives no compensation of any nature in connection with her appointment as a company Director.

(5) Compensation is paid to Jean Madar by the parent company of the group, Interparfums Inc. (United States) as the Chief Executive Officer of this company. Jean Madar receives no compensation of any nature from Interparfums SA.

Directors' fees for 2012

Directors' fees are allocated to the Board of Directors by the shareholders' meeting and distributed by the Board to Directors that are not salaried employees for a set amount per meeting attended of €3,000 for fiscal 2012. The sixth resolution of the shareholders' meeting of April 27, 2012 set the total amount of Directors' attendance fees for the year at €120,000.

On this basis, for fiscal 2012 a total of €66,000 was paid to the five non-salaried Directors for their attendance at meetings. The other Directors expressly waived their rights to receive attendance fees.

Directors	Directors' fees paid in 2011	Directors' fees paid in 2012
Maurice Alhadève	€15,000	€15,000
Patrick Choël	€12,000	€12,000
Dominique Cyrot	-	€9,000
Michel Dyens	€9,000	€6,000
Jean Levy	€15,000	€12,000
Chantal Roos	€12,000	€12,000

Stock options and other compensation

- Stock-options

Rules for the grant of stock options to officers are based on the level of responsibilities and the performance of the company's share. The quantity of stock options granted to officers may vary from one year to another according to the performance of the company over this period.

On December 17, 2009 and October 8, 2010, the Boards of Directors decided to grant options to corporate officers on those dates whose exercise will be contingent on criteria of internal performance based on the company's sales. Under these terms, the number of options exercisable is based on the average rate of actual growth for the company's sales relative to the target rate for average growth. This objective is set by the Board of Directors for a period of reference corresponding to the four year tax waiting period that applies to the stock option plan established by this Board.

The Board of Directors has decided that these officers must retain 10% of the shares resulting from the exercise of stock options for the duration of their terms of office in accordance with the provision of article L. 225-185 of the French Commercial Code.

- Benefits in-kind

Philippe Bénacin receives benefits in-kind for the costs of a company car representing a total amount of €10,800.

Frédéric Garcia-Pelayo receives benefits in-kind for the costs of a company car for an amount of €6,840.

- Executive retirement plans

Senior executives benefit from a supplemental retirement plan in the form of a defined contribution annuity fund. The benefits of this defined benefit plan were subsequently extended to senior management of the company. This contribution to a private defined contribution pension fund is paid in part by the beneficiaries and in part by the employer for an amount equal four times French Social Security ceiling. The annual contribution per beneficiary is approximately €8,730. The supplemental retirement plan is part of the overall compensation policy adopted by the company for senior executives and managers.

- Other types of benefits

No executives benefit from forms of remuneration, indemnities or benefits owed or which could be owed resulting from the assumption, termination or change of functions of corporate officer of the company or subsequent to these events.

4. SPECIAL REPORT OF THE BOARD OF DIRECTORS ON STOCK OPTIONS

In compliance with article L. 225-184 of the French Commercial Code, this report is produced by the Board of Directors to inform the combined shareholders' meeting of April 22, 2013 of transactions carried out in fiscal 2012 by virtue of the provisions under articles L. 225-177 to L. 225-186 of said Code.

Options granted on inception by Interparfums SA under plans in force to each corporate officer in connection with appointments held

	Plan 2009	Plan 2010
Grant date	12/17/2009	10/08/2010
Expiration date	12/17/2015	10/08/2016
Subscription price	17.60	22.95
Adjusted subscription price (1)	13.25	18.95
Options granted at inception		
Philippe Bénacin	6,000	7,000
Jean Madar	6,000	7,000
Philippe Santi	6,000	7,000
Frédéric Garcia-Pelayo	6,000	7,000
Catherine Bénard-Lotz	2,500	3,000
Options outstanding at December 31, 2012 (1)		
Philippe Bénacin	7,986	8,470
Jean Madar	7,986	8,470
Philippe Santi	7,986	8,470
Frédéric Garcia-Pelayo	7,986	8,470
Catherine Bénard-Lotz	3,328	3,630

(1) Adjusted for bonus share grants.

Options granted on inception by Interparfums Inc. under plans in force to each corporate officer in connection with appointments held

	Plan 2007	Plan 2008-1	Plan 2008-2	Plan 2009	Plan 2010-1	Plan 2010-2	Plan 2011	Plan 2012
Grant date	12/26/2007	02/13/2008	12/30/2008	12/30/2009	03/28/2010	12/30/2010	12/29/2011	12/30/2012
Subscription price	$18.87	$16.95	$6.93	$12.14	$15.62	$19.03	$15.59	$19.33
Adjusted subscription price (1)	$12.58	$11.30	$6.93	$12.14	$15.62	$19.03	$15.59	$19.33
Options granted at inception								
Philippe Bénacin	19,000	9,250	19,000	19,000	-	19,000	19,000	19,000
Jean Madar	19,000	9,250	19,000	19,000	-	19,000	19,000	19,000
Philippe Santi	-	8,500	-	-	3,000	3,000	3,000	3,000
Frédéric Garcia-Pelayo	-	8,500	-	-	3,000	3,000	3,000	3,000
Options outstanding at December 31, 2012								
Philippe Bénacin	28,500	13,875	19,000	19,000	-	19,000	19,000	19,000
Jean Madar	28,500	13,875	19,000	19,000	-	19,000	19,000	19,000
Philippe Santi	-	12,750	-	-	3,000	3,000	3,000	3,000
Frédéric Garcia-Pelayo	-	12,750	-	-	3,000	3,000	3,000	3,000

(1) Adjusted for bonus share grants.

Valuation of options granted

IPSA	Options Granted	Black-Scholes valuation	Value of options	Options granted	Black-Scholes valuation	Value of options
			In fiscal 2011			In fiscal 2012
Philippe Bénacin	-	-	-	-	-	-
Jean Madar	-	-	-	-	-	-
Philippe Santi	-	-	-	-	-	-
Frédéric Garcia-Pelayo	-	-	-	-	-	-
Catherine Bénard-Lotz	-	-	-	-	-	-
Total	-	-	-	-	-	-
IP Inc.						
Philippe Bénacin	19,000	$4.59	$87,210	19,000	$5.54	$105,260
Jean Madar	19,000	$4.59	$87,210	19,000	$5.54	$105,260
Philippe Santi	3,000	$4.59	$13,770	3,000	$5.54	$16,620
Frédéric Garcia-Pelayo	3,000	$4.59	$13,770	3,000	$5.54	$16,620
Total			**$201,960**			**$243,760**

Options exercised by each corporate officer of the company in 2012 received in connection with appointments held

	Number of shares granted/exercised	Subscription price	Expiration date
IP Inc. options exercised in the period by officers			
Philippe Bénacin	-	-	-
Jean Madar	-	-	-
Philippe Santi	-	-	-
IPSA options exercised in the period by officers (1)			
Philippe Bénacin			
Plan of June 1, 2006	19,327	€18.10	06/01/2012
Jean Madar			
Plan of June 1, 2006	19,327	€18.10	06/01/2012
Frédéric Garcia-Pelayo			
Plan of June 1, 2006	19,327	€18.10	06/01/2012
Catherine Bénard-Lotz			
Plan of June 1, 2006	2,367	€18.10	06/01/2012

(1) Number and subscription price adjusted for the grant of new bonus shares (1 for 10) of June 18, 2012.

Stock options granted to the top 10 employed beneficiaries of the company who are not officers and options exercised by the 10 employees of the company having exercised the greatest number in 2012

	Number of shares granted/exercised	Subscription price	Expiration date
Options exercised by the ten employees exercising the greatest number			
Plan of June 1, 2006	38,672	€18.10	06/01/2012
Total	**38,672**	-	-

5. CHAIRMAN' REPORT ON CORPORATE GOVERNANCE AND INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

Pursuant to the provisions of paragraph 6, article L. 225-37, of the French Commercial Code the Chairman of the Board of Directors hereby reports on the:

- the Board's composition and application of the principle with respect to the representation of women and men;

- preparation and organization of the Board's work;

- limitations on the powers of the Chief Executive Officer (*Directeur Général*) that may exist;

- internal controls and risk management procedures implemented by the company.

This report has been produced on the basis of work undertaken by the Finance and Corporate Affairs Department, in collaboration with the operational departments of the company and exchanges with the Statutory Auditors.

This report was submitted for approval to the Board of Directors on March 11, 2013.

5.1. Preparation and organization of the Board's work

5.1.1. The company's Corporate Governance Code

On March 8, 2010 the Board of Directors decided to adopt as its reference the Code of Corporate Governance for Small and Mid Caps developed by Middlenext. Board members also duly noted the points requiring special attention set forth therein highlighting the main questions that must be raised to ensure effective governance. The full text of this Corporate Governance Code may be consulted at Middlenext's website: www.middlenext.com

Among the 15 recommendations of the Middlenext Code and followed by the company, it has been decided to partially apply the provisions of recommendation No. 12. on the adoption of committees for reasons set forth below in the section devoted to this topic.

5.1.2. Procedures for exercising Executive Management – Limitations on the powers of the Chief Executive Officer

In line with the option adopted by the Board of Directors on December 29, 2002, to effectively take into account both the changing and highly competitive environment of the sector in which the company operates and its business model, the Board decided not to separate the functions of Chairman of the Board of Directors with that of Chief Executive Officer (*Directeur Général*). Philippe Bénacin is the Chairman-CEO (Président-Directeur Général) of Interparfums SA. Philippe Bénacin actively participates in the running the company's operations, about which he has possessed an in-depth knowledge since its creation, that he co-founded with his partner, Jean Madar, CEO of the US company, Interparfums Inc. This choice contributes to efficient corporate governance by promoting an alignment between the strategy and operating functions that is necessary for a responsive and efficient decision-making process.

Chairman and Chief Executive Officer is vested with all powers in respect to third parties to act under all circumstances in the name of the company and within the limitations expressly provided by law granted to the Board of Directors or shareholders meetings, and in compliance with the general and strategic orientations defined by the Board of Directors.

On the proposal of the Chairman and Chief Executive Officer, on July 15, 2004 the Board of Directors appointed two Executive Vice Presidents (*Directeurs Généraux Délégués*) vested with the same powers with respect to third parties as the Chief Executive Officer.

Decisions having a material impact on the scope of consolidation or that could materially affect the company's strategy must be submitted to the Board of Directors for approval or subject to a delegation of authority for this purpose by the Board. This limitation is specified in the Board Charter.

5.1.3. Composition of the Board of Directors

Under the company's bylaws, the Board of Directors may have three to eighteen members.

At December 31, 2012, corporate governance of the company was overseen by a Board that included eleven Directors four of which qualified as Independent Directors. In addition to their financial, commercial and managerial expertise and their extensive experience in the area of corporate strategy, their knowledge of the luxury sector contributes to the quality and professionalism of the Board's discussions. Detailed information on the composition of the Board of Directors and their offices is disclosed in Section 4 of the registration document (annual report) under the heading "corporate governance".

Following the adoption of the twenty-fifth resolution of the general Meeting of April 23, 2010 that voted to reduce the terms of Directors when their appointments were renewed at that meeting, Directors are appointed for terms of office of four years.

5.1.4. Gender diversity in Board membership

The French law of January 27, 2011 on the balanced representation of men and women on Boards of Directors and Supervisory Boards and professional gender equality requires that listed companies meet a quota target for the number of women on Boards of Directors. At the end of 2012, the Board of Directors had 3 woman members representing a rate above the 20% required by this law for the first quota target to be reached by 2014.

5.1.5.
Independence of Directors and rules of business conduct

The company adheres to the criteria of independence of recommendation No. 8 of the Middlenext Code defined as the absence of any material financial, contractual or family relationship that could affect their independence of judgment. The Middlenext Code recommends that the Board has at least 2 independent members. On the basis of these criteria, four members of the Board of Directors are considered to meet the definition of Independent Directors, namely Dominique Cyrot, Chantal Roos, Maurice Aladhève and Michel Dyens.

In accordance with recommendation No. 7 of the Middlenext Code, each Director is made aware of the obligations arising from his or her appointment and encouraged to adhere
to the rules of conduct relating to his or her appointment as set forth in the Board Charter. To this purpose, Directors are provided with a copy of this Charter that includes the Rules of Procedure and provisions of the bylaws that apply to them.

5.1.6.
Charter of the Board of Directors

In compliance with recommendation No. 6 of the Middlenext Corporate Governance Code, the Board of Directors established a Charter (Rules of Procedure) defining the operating rules of the Board and the terms of a code of conduct for Directors that supplement the provisions provided for by law and the company's bylaws. The main provisions of this Charter are as follows:

- the composition, role, organization and operating procedures of the Board;

- the functions of Audit Committee exercised by the Board of Directors in plenary session;

- the rules of conduct applicable to members of the Board of Directors;

- compensation of directors;

- rules governing transactions involving the company's shares in accordance with the provisions of the French Monetary and Financial Code and the AMF General Regulation.

This Board Charter is destined to regularly evolve to take account into the application of new regulations and recommendations in force and in response to proposals by directors in order to ensure the optimal effectiveness of the Board's work. Modifications were made to this Charter for the first time by the Board on March 8, 2010. This Charter was again revised by decision of the Board of Directors on March 11, 2013 to incorporate the provisions of the law of January 27, 2011 on the balanced representation of men and women on company boards.

The full text of this Board Charter is reproduced in the registration document of the company.

5.2.
Charter of the Board of Directors

5.2.1.
Meetings

The number of meetings held is in compliance with the provisions of recommendation No. 13 of the Middlenext Code. It meets as often as the interests of the company require and at least five times a year at the request of the Chairman and according to a calendar jointly established that may be modified at the request of directors or when justified by unforeseen events.

The Chairman represents the Board of Directors. He organizes the work of the Board and reports on this work to the general Meeting. The work of the Board is carried out in a collegial framework and in a manner that complies with the laws, regulations and recommendations. Accordingly, the Chairman of the Board of Directors ensures directors are provided with information in advance and on a regular basis as an essential condition for the performance of their duties.

5.2.2.
Committees

The Board has not deemed it necessary to date to form special committees, and notably nominating or compensation committees, in part because of the nature of the company's organization, and in part because of the directors' extensive in-depth experience of the world of business and the international markets of competitors. Their managerial input is thus solicited on a collective basis for all significant items relating to the running of the company.

With respect to the Audit Committee, the new provisions of article L. 823-20 of the French Commercial Code resulting from the ordinance of December 8, 2008 provides for an exemption to create an independent Audit Committee for companies with a corporate body that fulfills the functions of this committee "*that may be the Board of Directors, on condition that use of this option is made public along with the composition of its membership*".

To maintain its flexibility and decision-making processes and the consultation of financial information and internal controls, the company's Board of Directors, decided to apply the provisions for an exception under article L. 823-20 as amended, and on that basis assume itself the tasks normally exercised by an independent Audit Committee. This will allow the Directors to remain more responsive and efficient in monitoring the production of financial information and the effectiveness of the systems of internal control.

The exercise of the Audit Committee functions by the Board is assured by two members specifically appointed whose task is to lead the discussions within the framework of monitoring the preparation of accounting and financial information. Patrick Choël, Director, serves as the Chairman and Maurice Alhadève, Independent Director. On March 11, 2013, the Board decided to expand the membership of this Audit Committee by the addition of Dominique Cyrot, Independent Director, whose recognized experience in the field of finance will provide a valued contribution to the performance of the Audit Committee's missions.

5.2.3.
Evaluation of the Board's work

In accordance with recommendation No. 15 of the Middlenext Code, on March 7, 2011, Board members performed their first self-evaluation on the working of the Board and the preparation of its work through a questionnaire sent to each Director on notably:

This questionnaire covers notably:

- the missions assigned to the Board;

- the workings and composition of the Board;

- the meetings and quality of the discussions;

- Directors' access to information;

- the Board's participation in strategic decisions.

In accordance with the Middlenext Code recommendation, a summary of this self-evaluation is recorded in the minutes of the meeting.

Based on the information received in response to this annual self-evaluation questionnaire, on March 11, 2013 the Board reviewed its membership and evaluated the organizational and operating effectiveness over the 2012 period.

The comments exchanged at this meeting confirmed an assessment that was overall considered satisfactory. The Directors in particular evaluated and confirmed the quality and relevance of the information in their possession to ensure their knowledge of the subjects to be discussed in their meetings and reach informed decisions. Within the framework of information communicated in between meetings, when warranted by company events, it was suggested that the frequency and scope of subjects be expanded to other information relating to the company's ordinary operations. The current Board membership in terms of the diversity and quality of the profiles of its members and their experience is considered appropriate. Within this framework, the Board considers that this goal must be pursued by opening up its membership to outside figures whose expertise would necessarily contribute to offering a different perspective on the subjects discussed and its decisions.

5.3.
Powers and missions of the Board of Directors

The Board of Directors determines strategic, economic, social and financial priorities of the company and ensures that they are implemented. Subject to the powers granted to shareholders' meetings and within the limits of the company's Charter, the Board considers any matter relating to the proper management of the company.

It issues decisions concerning the holding of multiple appointments or the separation of the appointments of Chief Executive Officer (*Directeur Général*) and Chairman of the Board, appoints corporate officers, imposes possible limits on the authorities of the Chief Executive Officer, approves the draft report of the Chairman, performs controls and verifications it considers appropriate, in respect of the fair presentation of accounts, reviews and approves the financial statements, and ensures the quality of financial information provided to shareholders and the market.

For the fiscal year ended December 31, 2012, the Board of Directors met six times with an attendance rate of 79% for meetings lasting on average three hours and addressed the following items of business:

- review of the parent company statutory and consolidated financial statements for the fiscal year ended December 31, 2011 and the interim financial statements and the notice of the annual general Meeting;

- review of the fiscal year 2012 budget and outlook;

- the capital increase through the capitalization of reserves resulting from new bonus share grants;

- setting the Chairman's remuneration;

- authorizations concerning agreements in accordance with articles L. 225-38 *et seq.* of the French Commercial Code;

- analysis of financial information disclosed by the company to shareholders and the market;

- analysis of the major strategic, economic and financial priorities of the company;

- strategic decisions within the framework of discussions with Burberry on the future of the license agreement;

- examination and authorization of external growth projects, notably new license agreements for brands or the acquisition of interests;

- monitoring the implementation of the new information system and the construction of a new warehouse.

Auditors attend Board of Directors' meetings to consider the company's accounts or any other matters regarding which they may provide Board members an informed opinion.

Within the framework of its Audit Committee functions, in 2012 the Board of Directors reviewed the following points relating to the audit of the annual and interim consolidated financial statements:

- review of implementation of the financial statement audit programs and financial information defined with respect to risks identified in connection with the evaluation of accounting systems, internal control and in particular, a review of the following items:

- impairment tests for long-term assets and brands: review of the assumptions underlying the business plans, discount rates and terminal values used,
- review of provisions,
- review of legal risks and coverage,
- treatment of specific technical problems relating in particular to foreign exchange and financial instruments;

- monitoring risk management on the basis of group risk mapping;

- validation and review of separate and consolidated financial information;

- valuation tests for the company's assets;

- accounting treatment for currency hedges;

- review of the separate financial statements of subsidiaries.

5.4. Transmission of information to Directors

Directors are provided with all relevant documents and information to effectively perform their duties. Before each Board meeting, Directors receive:

- a meeting agenda established by the Chairman in coordination with General Management and, when applicable, Directors proposing items to be discussed;

- an information file concerning issues to be addressed under the agenda requiring particular analysis for the purpose of an informed discussion, during which Directors may ask relevant questions to ensure their adequate understanding of the matters addressed;

- and, when useful, press releases that have been published by the company as well as significant press articles and reports of financial analysts.

In compliance with Middlenext Code recommendation No. 11, outside of Board meetings, and when justified by events of the company, Directors are regularly provided with all important information about the company that could have an impact on its commitments and financial position. They may request any explanation or the issuance of additional information, and in general, formulate any requests for access to information they may consider useful.

5.5. Directors' fees

Directors' fees are allocated exclusively to outside non-executive officers of the Board of Directors, namely, Dominique Cyrot, Chantal Roos, Maurice Alhadève, Patrick Choël, Michel Dyens and Jean Levy. The total amount granted by the general Meeting is freely allocated by the Board of Directors to each member on the basis of their rate of attendance. For fiscal 2012, based on the total amount of €120,000 allocated for Directors' fees by the annual general Meeting of April 27, 2012, €60,000 were paid to non-executive Directors.

5.6. Shareholder participation in general Meetings

Under the terms of article 19 of the company's bylaws all shareholders have a right to participate in general Meetings, personally or through a proxy, regardless of the number of shares they hold, upon simple justification of their identity and ownership of the shares.

5.7. Disclosures provided for under article L. 225-100-3 of the French Commercial Code

To the best of the company's knowledge there exist no items, and notably those relating to the structure of the share capital that could have a potential impact in the event of a public offering. The structure of the share capital as well as the equity interest that have been brought to the company's attention and any other information relating thereto are described in chapter 2 of the section on shareholder information of this registration document. Similarly, rules concerning the appointment and revocation of members of the Board of Directors are subject to the rules of common law.

5.8. Internal control and risk management procedures

5.8.1. Definition

The company has implemented internal control and risk management procedures in large part been based on the guidelines established by article 404 of the Sarbanes Oxley Act that applies to the US parent company because it is listed on a New York Stock Exchange. The principles determined therein are in part provided for under the AMF guidelines of 2007 and updated in July 2010 and completed by the guidelines for small and mid caps of January 9, 2008.

The company has defined and implemented comprehensive internal control and risk management systems that include a combination of resources, rules of conduct and procedures adapted to the company's organization to enable it to:

- limit risk to an acceptable and reasonable level to ensure its continuing operation;

- better identify material operating and financial risks;

- manage its activities and ensure an efficient use of its resources.

5.8.2. Definition and objectives of risk management and internal control

Risk is defined as the possibility of the occurrence of an event with potential consequences affecting:

- the employees, assets, environment or reputation of the company;

- the company's values and ethical commitments and laws and regulations;

- the achievement of the company's objectives.

The purpose of risk management procedures is to therefore:

- safeguard the value, assets and reputation of the company and its brand licenses;

- secure the decision-making process and other processes of the company to achieve its objectives through an objective analysis of potential threats and opportunities;

- promote the coherence the company's actions and values;

- deploy and motivate the company's staff around a common vision of the main risks.

The processes for defining and implementing internal control procedures seek to ensure:

- compliance with laws and regulations and respect of the company's internal values;

- the application of instructions and priorities set by general management;

- the effective application of internal processes notably concerning the protection of corporate assets;

- the reliability of financial information.

However, no system of internal control can provide an absolute guarantee of achieving these objectives. The probability of achieving such objectives is subject to limits inherent in any system of internal control, related notably to uncertainties concerning the external environment, the exercise of judgment or problems that may arise in response to human error or simple error, and the need to perform cost-benefit analysis before implementing any controls.

5.8.3. Components of the risk management and internal control system

5.8.3.1. The risk management system

The risk management system is based on processes including three steps:

- identifying risks in order to determine and rank those which are the most important. A risk is characterized by as an event originating from one or several internal sources or consequences. This identification process constitutes an ongoing approach of the company;

- analyzing risks in order to examine the potential consequences of the main risks that may be in particular financial, human and legal in nature and assess their occurrence. This analysis is performed by the company on an annual basis;

- handling the risk with the objective of defining action plans most adapted to the company, and in particular by trade-off between the opportunities and the cost of measures for handling the risk. These action plans are accompanied by the appropriate measures for prevention and reinforcing existing controls relating to internal control processes.

Risk management responsibilities are exercised at every reporting level of the company. Staff, line management and support function management actively intervene as participants with a direct stake in an approach focused on internal controls of the processes they supervise, within the framework of missions defined by Executive Management, their organization and contributions to critical decisions. Furthermore, the limited number of levels in the decision-making process and the contribution of line management to strategic considerations facilitates the identification and handling of risks. To this purpose, they possess the knowledge and information necessary to establish, operate and oversee the internal control procedures in relation to the objectives that have been set for them. An in-depth analysis of the separation of operational and control tasks was undertaken to effectively address the objectives of control.

The mapping of group risks launched in 2004 and regularly updated since, has made it possible to classify risks into four categories: operating risks, risks related to international operations, environmental and employee-related risks and risks related to the financial environment that are presented in detail in chapter 3 of the management report under the heading "Risk Factors". These regular updates keep pace with the company's activity and evolving organizational changes.

This mapping constitutes the basis for an analysis required to verify the relevance of measures taken to improve and strengthen the internal control system. This has made it possible to highlight risk areas, and for each of these areas, risks with a potential financial impact. Risks thus identified are then evaluated to determine their potential impact and likelihood of occurrence. Each risk identified and tested is monitored to ensure that all action plans destined to reduce its scope are correctly implemented.

The Board of Directors is informed of the features of this risk mapping as well as the remedial action plans.

This risk management system is regularly reviewed to improve the methodology for managing risks by drawing on the information obtained about risks that have been identified, analyzed and addressed.

5.8.3.2. Coordination of risk management and internal control systems

The base management system seeks to identify and analyze the main risks. The risk management and internal control systems both contribute in a complementary manner in effectively managing the company's operations. In effect, within the framework of internal control processes, action plans are implemented to address risks identified as having a material impact on the company's assets, image and reputation.

5.8.3.3. Components of the internal control system

The company's internal control system is deployed by a team of managers and officers under the authority of the Executive Management who in turn reports to the Board of Directors. It is based on a combination of the following actions and measures:

- clearly defined responsibilities in preparing, implementing and ensuring the management of internal control procedures;

- risk mapping: identifying, analyzing and handling risks;

- ad hoc tests conducted on a periodic basis of the effectiveness of internal controls.

Organization of the company

The company is organized around two divisions.
The operational division encompasses the line management departments for Export Sales and French Sales, Marketing and Production and Development whereas the division for support functions is organized through the Finance, Human Resources, Information Technology and Legal Affairs departments.

The line management departments, assisted by the technical expertise provided by the support functions, coordinate the implementation of objectives and achievement of the operating results set by Executive Management. To this purpose, they participate in the internal control procedures and risk management when key operating processes associated with sales to distributors and the management of the company's image have an impact on assets and/or results.

Support function departments cover all processes relating to the management of resources (cash management, human resources, compliance with tax obligations, settlement of trade payables, the processing and communication of accounting and financial information, information systems, monitoring legal and regulatory developments, etc.). They also have a role in defining and communicating policies and information about good practices for the company's activity and ensure their effective application, maintaining a safe and secure environment, the reliability of financial information and compliance with laws and regulations. The reliability of information is in particular guaranteed by the Information Technology department. This department is organized into two units: Systems and Networks responsible for maintaining and securing information technology infrastructure (hardware) and Information Systems responsible for managing applications (software).

This organization has demonstrated its strength and relevance based through its success in achieving real synergies between the Operational and Support Service departments. It is based on the staff's knowledge and understanding of the processes for operating and overseeing the internal control system in relation to the objectives having been set for them. Its strength is also the result of the convergence of the resources of the different divisions involved and a decentralized organization that combines the advantages of flexibility and the delegation of responsibilities necessary for ensuring the optimal and coherent application of the strategic objectives set by general management.

The company also consolidates seven foreign subsidiaries that apply the group's internal procedures relating to the preparation and processing of accounting and financial information. The US subsidiary Interparfums Luxury Brand Inc., formed in September 2010, in light of the size of its operating entity, has been included in the scope of tests conducted on the effectiveness of the internal control system in 2011.

Key components of the internal control system

These features are based on documentary tools, a set of rules and procedures as well as awareness raising initiatives for management bodies and staff about the internal control and risk management principles adopted within the company. These rules and procedures make it possible to ensure that the instructions of Executive Management are concretely implemented at the level of the operating and support function activities.

The Internal Procedures Manual

This tool formalizes a certain number of internal procedures considered essential for the effective operations of the company in a secure environment. This manual details the main operating and financial processes covering notably sales/customers, sourcing/suppliers, inventory, cash management/budget, accounting procedures, IT systems and personnel/payroll. This manual also describes the procedure for expense requests and bank accounts signature authorizations. The Internal Procedures Manual is accompanied by guidelines for key controls specific to the company that are subject to annual self-assessments according to procedures described below.

Code of good conduct

A priority for managing human resources is to ensure that profiles effectively match the corresponding responsibilities while adhering to the key values: prudence, pragmatism, responsiveness, high standards, transparency and loyalty. Contributing to the expertise and know-how of a team of men and women sharing a common culture of commitment to integrity and high standards that distinguish the company thus constitutes an important part of internal control. These values are set forth in a Code of Good Conduct that provides guidelines on professional conduct to be adopted, notably in the areas of compliance with laws and regulations, preventing conflicts of interest and financial transparency in order to prevent situations of fraud. This Code is signed by employees and remitted to each new employee when joining the company.

Information System Charter

This document defines the rights and obligations of employees, users of the information system, to ensure that the information technology resources are used in a secure environment complying with the procedures of internal control. It is signed by all users and made available to all new employees who undertake to comply with its provisions.

5.8.4. Key participants in internal control procedures

5.8.4.1. The Board of Directors

In connection with information provided to the Board, its members review all characteristics of the internal control and risk management systems and more particularly examine them in accordance with their Audit Committee functions exercised in plenary session. The Board is kept regularly informed about internal control and risk management methodologies The Board may exercise its authority to request verifications and controls it considers appropriate to ensure the transparency, effectiveness and security of the internal control environment.

5.8.4.2. Executive Management

This includes the Chairman and Chief Executive Officer, assisted by two Executive Vice Presidents. They define the major strategic priorities, discussed and approved by the Board of Directors, to achieve the commercial and financial objectives of the company. This is done by providing clearly defined internal procedures and an internal control system for which they are directly responsible. They define the general principles, oversee their coordination and ensure that measures to implement the different components are effectively taken.

5.8.4.3.
Management Committee

This Committee includes management from the operating and support function departments who report directly to the Chairman and Chief Executive Officer. This corporate governance body focuses on strategic issues through medium-term plans, monitors budgets and addresses important issues relating to the company's organization and projects. It is informed on internal control policy's implementation and monitors the work carried out for this purpose as well as the corresponding action plans. Each Management Committee member is responsible for ensuring that the common rules and principles comprising the framework of the internal control system are applied and understood in the departments under his or her responsibility.

5.8.4.4.
The Finance and Corporate Affairs Department

Operating under the responsibility of Executive Management, this Division includes several departments and notably Consolidation, Accounting, Management Control, Information Systems, Human Resources and Legal Affairs. As the corporate treasury management function has significantly evolved in line with the growing needs of the company, in 2013 it was decided to create a department specifically responsible for managing liquid assets, hedging transactions and the company's banking policies. The corporate treasury department reports to the Finance Department.

The Finance and Corporate Affairs Department is responsible for implementing the internal control to prevent and manage risks resulting from the company's activities, and notably risks of accounting errors and fraud in the area of accounting and finance. To this purpose, it must ensure that the ongoing controls having been defined and implemented are necessary and adequate and are correctly applied and effective in safeguarding the company's assets against all potential incidents.

It also provides technical support to operating departments by establishing operating procedures, defining and promoting the use of information tools, procedures and good practices essential for the effective application of the objectives defined by Executive Management.

It centralizes and consolidates financial and accounting information for all group entities. It furthermore ensures the consistent nature of this information in relation to the budget approved by General Management and the Board of Directors and that such information is adequately supported.

It is also responsible for ensuring that Executive Management and the operating departments are aware of legal issues. To this purpose, it monitors legal and regulatory developments and takes measures to avoid exposure to potential criminal risks and risks related to commercial law and intellectual property rights. It is also responsible for managing litigation and disputes in close collaboration with outside legal counsel and attorneys, as well as drawing up and reviewing the main contracts of the company.

5.8.4.5.
Internal Audit

The company has implemented a flexible organization for its internal control system and risk management processes adapted to the needs and organization of its operational and support function divisions. To ensure the continuing relevance and effectiveness of this methodology and with the objective of maintaining the processes adopted in consequence, the company has not considered it useful to create an independent audit department which could potentially disrupt the proper functioning of internal control processes in place.

The evaluation of the internal control system is assured by an internal control manager, with the assistance of an outside consulting firm and in coordination with the Finance Department operating under the authority of Executive Management that defines the general principles and objectives. This manager performs ad hoc missions that consist in examining the internal control system and proposing recommendations for improving its effectiveness both with regards to purely financial aspects as well as operational issues relating to processes for purchasing, sales and the management of the company's image. In addition to these missions, this manager spearheads and coordinates risk management by producing a risk map that is monitored by implementing an action plan. Within the framework of these responsibilities, this manager coordinates, harmonizes and optimizes the methodology for internal control and risk management processes, drawing on information obtained from self-evaluation procedures to validate or reassess existing controls, and the analysis and recommendations provided by the outside consulting firm intervening in this area.

5.8.5.
Internal control procedures

Internal control procedures, spearheaded and coordinated by the Finance Department in cooperation with Executive Management, are designed to secure the different processes used to achieve the objectives set by the company. To this purpose, controls performed at every level of responsibility, are based primarily on the application of standards and procedures. Since 2011, internal control procedures have been significantly modified following the implementation of a new SAP ERP that has permitted the automation of certain controls and in this way strengthened their effectiveness.

These procedures are organized around the following key areas identified as areas of potential risk:

5.8.5.1. Operating processes

Sales/trade receivables management/collection: this process ensures that all deliveries made and/or services rendered are invoiced within the specified period and invoices are properly recorded in the trade receivables accounts. It also determines procedures for issuing credits which must be justified and controlled before being booked. This procedure makes it possible to identify potential doubtful trade receivables and anticipate risks of default.

Purchasing/management of trade payables: this process is formalized by procedures based, on the one hand, on the separation of the functions for placing orders and for authorizing orders, acceptance, the recording of the transactions in the accounts and payment of suppliers, and on the other hand a process for monitoring and reconciling purchase orders, receiving slips and invoices (quantity, price, terms of payment) supplemented by a procedure for preventing dual recognition/payment of supplier invoices. Anomalies that may be identified are analyzed and monitored;

5.8.5.2. Accounting and financial processes

Cash management: controls in place are destined to ensure that bank accounts are reconciled on a regular basis with information received from the banks and reviewed periodically in order to document and explain eventual variances. The company has also implemented a system for hedging foreign exchange risk related notably to transactions conducted in US dollars and pounds sterling. The amount of hedges as well as the exchange rate targets are the subject of regular discussions between the Finance Department and Executive Management are reported to the Board of Directors.

Budget process: control, in this context, consists of ensuring that annual budget is established according to the instructions of Executive Management and that actual performances are monitored through regular reporting tools based on data obtained from the operating departments with the primary objective of analyzing actual performances in relation to forecast and prior periods. This review of "forecasts versus actual" makes it possible to identify potential inconsistencies, errors or omissions and make the appropriate management decisions to correct the corresponding data (revenue, operating expenses, etc.).

Preparing financial and accounting information: this process consists in reviewing the fair presentation and consistency of account closing procedures to ensure a reliable consolidation consistent with data collected and submitted to the Finance Department;

Information systems management: the company has an ERP-type management system that permits integrated information management for the purchasing, sales, logistics and finance processes. This tool is supplemented by other applications with which it interfaces, such as the tools for cash management, payroll administration as well as applications of our partners (suppliers, warehouse logistics, customers). In addition, the company is equipped with fully independent applications such as the accounting consolidation tool.

These different applications have been configured to guarantee an effective separation of tasks which is the foundation for any internal control system. In effect, user access to these applications is rigorously managed to ensure that access is strictly limited to the scope required for the performance of its functions.

In 2012, SAP, the company's main software application was subject to a thorough audit which identified no material weaknesses in terms of access management for the separation of tasks. Furthermore, a thorough and automated analysis was performed of the general ledger to identify irregularities based on tests involving transactions qualified as abnormal. This review did not identify any errors whose nature could call into question the effectiveness of the company's internal control systems.

5.8.5.3. Oversight of the internal control and risk management procedures

This oversight is ensured through an internal procedures self-assessment plan that is necessary for a better understanding and appropriation of internal control procedures, ensure their correct application and, if necessary, improve procedures currently in force.

These periodic reviews make it possible to measure progress in implementing programmed actions, changes since the previous self-assessment and adopt new procedures that may be identified as necessary through this process.

This self-assessment process is performed annually with the assistance of an independent outside consulting firm. This involves identifying assets of key importance for the company, analyzing potential risks, existing or emerging, by type of task assigned to each department concerned and meetings with the operating departments concerned.

Internal control procedures have been carried out in accordance with the provisions of US law of the Sarbanes Oxley Act.

If processes and the associated controls are not formalized or are considered insufficient, a remediation plan or corrective actions are implemented and monitored by the manager concerned.

At the end of this self-evaluation process, the results were provided both to the Finance Department and Executive Management who provided a summary to the Board of Directors. Executive Management also communicates these results to the Management Committee so its members can ensure that management of the respective divisions is aware of the results of the work and the issues at stake in implementing remediation plans in response to the dysfunctions identified or those that could result from inadequate controls.

The new tools available to the company to perform these tests of internal control procedures made it possible to strengthen methods for carrying out its work in 2012. On this basis, 131 controls were carried out focusing on 47 areas of risk relating to sales and purchasing activity, license royalties, advertising expenses, inventory, cash management, closing activities, payroll management and information systems. In 2012, the scope for this evaluation was the same as the prior year.

For its US subsidiary, Interparfums Luxury Brands, 44 checkpoints were subject to these same tests. The guidelines for internal control and evaluation for the subsidiary were implemented in collaboration with an outside US consulting firm.

Self-evaluations carried out within the company did not indicate any incidents of a significant or noteworthy nature that might call into question the relevance of internal controls. In line with its policy of strengthening internal control procedures, the company has continued to analyze priorities for improving existing procedures and developing remediation plans.

This work also concerns the organization of Information Systems Department, the evaluation of general IT controls, the management of operations, projects and security and the policy for ensuring the availability and continuity of service of systems. The satisfactory results for information systems security management noted in 2011 were confirmed in 2012.

5.9.
Internal control procedures relating to accounting and financial information

5.9.1.
Process for managing the accounting and financial organization

5.9.1.1.
Organization

Internal control procedures applicable to accounting and financial data are prepared and implemented under the responsibility of the Finance Department and the oversight of General Management in the following areas: Financial communications, accounting, consolidation, management control, cash management, information systems and compliance with laws and regulations. To achieve this objective, it is supported by the managers of the different teams of the Finance Department (Finance, Accounting, Management Control, Consolidation, Human Resources, Cash Management, Information Systems and Legal Affairs).

5.9.1.2.
Application of accounting standards

The accounting department has a process for identifying and processing changes in accounting standards and the approval of the resulting procedures for accounting treatment. Similarly, there exist procedures to ensure the accounting department is informed of changes in group practices that could affect the methodology or procedures for recording transactions. The scope of accounting management is constantly updated.

5.9.1.3.
Organization and security of information systems

The organization of the Information Systems Department was designed to ensure in particular management of authorization for access to Information Systems through a rigorous control of compliance of the principle of the separation of tasks and the management of infrastructure services and governance of the information technology department.

The company uses an ERP application that integrates sales management, logistics, purchasing management, financial accounting, subsidiary accounts and cost accounting information. The organization and operating of the entire information system is subject to measures that limit the conditions of access to the system, the validation of processing and closing procedures, conservation of data, and verification of entries.

To ensure continuity in processing accounting data, backup systems and a continuity plan have been implemented in the event of a sudden dysfunction. In addition, all data is backed up daily. In terms of conservation and protection of data, a procedure for secure access to accounting and financial data has been developed involving the designation of individual and personal rights assigned to specific persons accompanied by passwords.

In 2009, a Business Continuity Planning (BCP) was implemented involving the use of virtualization technology on internal servers in order to ensure efficient backup system in the event of any equipment failure. In 2010 and early 2011, an IT recovery plan was deployed to strengthen these measures to secure the information system, duplicating computer data at an external “secure dormant site” as a precaution in the event of malfunctions.

The revamping the information system by integrating the SAP enterprise application responds to needs related to the company’s growth and covers virtually all the operational and functional processes of its business (finance, sales, inventory and production planning). This application that has been operational since May 2011 meets the following objectives:

- systematize internal procedures; By way of example, a customer order cannot be processed until it has been validated within the system by authorized persons.

- shortening the logistics cycle for improved customer service. For example, because information flows are automated and transit through the computer system, the logistics warehouse receives all information from Interparfums in real time;

- strict monitoring of flows for the sourcing, inventories and real-time access to physical inventory;

- reinforcing the decision-making processes and cost accounting for optimized management accounting;

- ensuring compliance with the rules of traceability and security through the harmonization of information processing tools. All users log onto the information system with a unique identifier that permits them to execute a limited number of tasks. In this way, a user can be linked to each transaction generated by the application.

5.9.2.
Process contributing to the preparation of accounting and financial information

5.9.2.1.
Operating process for producing the accounting information

Internal control processes at this level have been implemented through the following measures based on previously defined procedures and approval mechanisms:

- a planned program for account closings subsequently communicated to operating departments;
- close collaboration between the different managers of the support function and operating departments;
- analysis of the relevance of information reported particularly concerning sales, orders and the examination of margins;
- a detailed review of the accounts by Executive Management in view of their approval before the final closing

Meetings are organized to coordinate activity with the different departments concerned in order to ensure the exhaustive nature of information provided to prepare the accounts.

5.9.2.2.
Process for account closings and the production of consolidated financial statements

Account cut-off procedures are subject to precise instructions provided by the Finance Department in respect to the closing process, indicating information to be entered, restatements required, the timetable of activity as well as the planning for precise tasks for each party participating in this process. These procedures are accompanied by a process for validating key items of the consolidation process and notably the reconciliation of separate financial statements with restated financial statements included in consolidation, the consistency of management data and accounting, the identification and analysis of changes in consolidated net equity.

Procedures for producing interim and annual financial consolidated financial statements are based on IFRS guidelines.

At the level of subsidiaries, local management provides detailed reporting that includes financial statements, audited by local outside auditors, and analysis of business performances. This information is in turn subject to in-depth analysis by Executive Management with the technical support of the Finance Department.

5.9.2.3.
Financial communications

The financial communications process is subject to a clearly defined reporting schedule for information destined for financial markets and market authorities. This schedule ensures that communications complies with the requirements of applicable laws and regulations relating to financial disclosures both concerning the nature of information to be disclosed, the required deadlines and compliance with the principle of equal access to information by all shareholders.

5.10.
Relations with Statutory Auditors

In connection with the half yearly and annual closings of the accounts, the Statutory Auditors organize their work by undertaking:

- a prior review of procedures and internal control tests;
- a meeting prior to the approval of the accounts to define the program of reviews and the calendar and organization of their work;
- a limited review or audit of the financial statements prepared by the Finance Department;
- a meeting presenting a summary of their work to General Management.

On this basis, the Statutory Auditors certify the fair presentation of the separate parent company and consolidated financial statements.

5.11.
Trend forecasts for 2013

The company assures permanent oversight of all organizational changes to anticipate, adapt and optimize internal control procedures in real time and to facilitate the appropriation of these procedures by operational teams. Its internal control procedures are also designed to respond to both regulatory requirements and future issues facing the company.

Priorities for the company for the year 2013 include implementing:

- EDI (Electronic Data Interchange) flows between the company and suppliers, with the objective of strengthening the security and reliability of information relating to the purchasing process cycle (from the order to the invoice);
- electronic invoicing for suppliers. This project seeks in particular to computerize the approval of invoices to shorten the validation process for invoices and ensure the reliability of the authorization for payment;
- cash pooling for optimized cash management at group level.

SHAREHOLDER INFORMATION

1.
STATUTORY INFORMATION

1.1.
The company

1.1.1.
General information

Company name: Interparfums

Registered office:
4 rond-point des Champs Élysées 75008 Paris, France
Tel.: +33 (0) 1 53 77 00 00
Date of incorporation: April 5, 1989
Date of expiration: April 5, 2088

Legal form:
French corporation (*société anonyme*) with a Board of Directors governed by the provisions of *Livre II* of the French Commercial Code and Companies Act No. 67-236 of March 23, 1967.

Corporate Charter:
The company's business purpose in France and all other countries includes:

- the purchase, sale, manufacture, import and export of all products related to perfumes and cosmetics;

- the use of license agreements;

- providing all services related to the above-mentioned activities;

- the company's participation by all means, directly or indirectly, in all transactions that may relate to its business purpose through the creation of new companies, the contribution, subscription or purchase of company shares or rights, mergers or other, through the creation, acquisition, rental or lease management of all rights to conduct business or establishments, and through the acquisition, operation or disposal of all procedures and patents related to these activities;

- and, generally, all commercial, industrial, financial, civil, securities and real estate transactions that relate directly or indirectly to the company's business purpose or to any similar and related activities.

Fiscal year: January 1 - December 31
Siret No.: 350 219 382 00032
Trade register No. (RCS): 1989 B 04913
Place of registration: Registrar of the Commercial Court of Paris.
Activity code: 46.45 Z Wholesale perfume and beauty product.

1.1.2.
Share account registration

At the option of their owners, shares in France are registered in a standard personal account (*compte nominatif pur*), an administered personal account (*compte nominatif adiministré*) or to the bearer identifiable at an authorized intermediary. Euro Emetteurs Finances handles share services and management exclusively for personal accounts. Questions may be addressed to the registered office.

1.2.
Main legal provisions and bylaws

1.2.1.
Shareholders' meetings (article 19 of the bylaws)

All shareholders have the right to participate in shareholders' Meetings or to be represented, regardless of the number of shares owned, provided the shares are fully paid up and registered in the shareholder's name for at least three days prior to the shareholders' Meeting upon presentation of a certificate filed by an approved intermediary at the sites mentioned in the Meeting notice, confirming that the shares are not available up until the date of the Meeting.

All shareholders may be represented by a spouse or another shareholder. All shareholders may vote by correspondence using a proxy statement that complies with legal provisions and is obtainable by returning the Meeting notice.

1.2.2.
Special shareholder disclosure obligations (article 20 of the bylaws)

In accordance with the provisions of L. 233-7 of the French Commercial Code (*Code de commerce*), all shareholders, natural persons or legal entities, acting alone or in concert, who cross thresholds in either direction in respect to the number of shares owned representing more than one twentieth, one tenth, three twentieths, one fifth, one quarter, one third, one half, two thirds, eighteen twentieths or nineteen twentieths of the capital or voting rights of the company they hold, must notify the company by registered mail with return receipt of the number of shares and voting rights they hold within five trading days. The disclosure requirement referred to in the preceding paragraph is also mandatory within the same time limits whenever the percentage of capital or voting rights held falls below one of the thresholds mentioned above.

Under article L. 233-7 subsection VII of the French Commercial Code, said shareholders must also state their intentions with regard to share ownership for the next twelve months whenever the thresholds of one tenth or one fifth of the capital or voting rights have been crossed.

1.2.3.
Appropriation and distribution of earnings (article 24 of the bylaws)

If the financial statements approved by the shareholders' Meeting show a distributable profit as defined by law, the shareholders' Meeting decides whether to make appropriations to one or more retained earnings or reserve accounts under its control, to carry it forward or to distribute it. The shareholders' Meeting may grant shareholders the choice of receiving a dividend in cash or in shares for all or part of the dividend or interim dividends to be distributed, subject to the applicable legal provisions.

Following the approval of the financial statements by the general Meeting of the shareholders, any losses that may occur are carried forward to be offset against future earnings until these losses have been fully used.

1.2.4.
Double voting rights (article 11 of the bylaws)

In accordance with the provisions of article L. 225-123 of the French Commercial Code, the extraordinary shareholders' Meeting of September 29, 1995 created shares with double voting rights. These shares must be fully paid up and recorded in the company's share register in registered form for at least three years.

1.2.5.
Documents on display

The bylaws, minutes and other company documents are available at Interparfums' registered office.

1.2.6.
Legal jurisdiction

In the event of litigation, the courts having jurisdiction are those of the registered office in cases where the company is a defendant. They are designated according to the nature of the litigation, barring any contrary provisions of the new Civil Procedure Code.

2.
CAPITAL STOCK

2.1.
Five-year history of capital stock transactions

Year	Transaction type	Number of shares	Shares created	Total shares	Share capital (in €)
2008	Exercise of 2001 stock options	39,857	39,857	12,140,224	36,420,672
	Exercise of 2002 stock options	26,638	26,638	12,166,862	36,500,586
	Exercise of 2003 stock options	8,711	8,711	12,175,573	36,526,719
	Exercise of 2004 stock options	1,862	1,862	12,177,435	36,532,305
	Bonus share issue	1,214,545	1,214,545	13,391,980	40,175,940
2009	Exercise of 2002 stock options	51,368	51,368	13,443,348	40,330,044
	Exercise of 2003 stock options	99,828	99,828	13,543,176	40,629,528
	Exercise of 2004 stock options	987	987	13,544,163	40,632,489
	Exercise of 2005 stock options	408	408	13,544,571	40,633,713
	Bonus share issue	2,678,942	2,678,942	16,223,513	48,670,539
2010	Exercise of 2004 stock options	148,464	148,464	16,371,977	49,115,931
	Exercise of 2005 stock options	68,347	68,347	16,440,324	49,320,972
	Exercise of 2006 stock options	4,723	4,723	16,445,047	49,335,141
	Capital decrease	(157,150)	(157,150)	16,287,897	48,863,691
	Bonus share issue	1,638,298	1,638,298	17,926,195	53,778,585
2011	Exercise of 2005 stock options	96,076	96,076	18,022,271	54,066,813
	Exercise of 2006 stock options	41,204	41,204	18,063,475	54,190,425
	Bonus share issue	1,803,851	1,803,851	19,867,326	59,601,978
2012	**Exercise of 2006 stock options**	**132,948**	**132,948**	**20,000,274**	**60,000,822**
	Bonus share issue	**2,000,027**	**2,000,027**	**22,000,301**	**66,000,903**

As of December 31, 2012, Interparfums' capital was composed of 22,000,301 shares with a par value of €3.

2.2.
Authorized capital

2.2.1.
Previous authorizations

The shareholders' Meeting of April 27, 2012 authorized the Board of Directors to increase the capital stock by issuing ordinary shares with or without shareholders' preemptive rights for maximum nominal amounts respectively of €25 million. These authorizations are valid for a period of 26 months. To date, the Board of Directors has not made use of these authorizations.

The shareholders' Meeting of April 29, 2011 also authorized the Board of Directors to increase the capital by an amount not exceeding €50 million through the capitalization of earnings, additional paid-in capital and reserves.

The Board of Directors made use of this authorization:

- pursuant to its decision of June 14, 2011 to increase the capital stock by €5,411,533 through the creation of 1,803,851 new bonus shares granted to shareholders on the basis of one new share for every ten shares held;

- pursuant to its decision of June 14, 2012 to increase the capital stock by €6,000,081 through the creation of 2,000,027 new bonus shares granted to shareholders on the basis of one new share for every ten shares held.

The maximum amount of present or future capital increases that may result from all issuances authorized by the shareholders' Meeting of April 27, 2012 is €75,500,000 that includes the €500,000 authorized in connection with the capital increase reserved for employees proposed in the resolution that was rejected by this meeting.

2.2.2.
Breakdown of option holders as of December 31, 2012

	Plan 09	Plan 10
Management Committee members	37,270	39,930
Employees	75,827	94,149
Total	**113,097**	**134,079**

2.3.
Ownership of Interparfums capital stock and voting rights

2.3.1.
Situation at February 28, 2013

	Shares held	% of capital	Voting rights	% of voting rights
Interparfums Holding SA	16,087,056	73.1%	32,149,913	84.4%
French investors	2,288,865	10.4%	2,290,955	6.0%
Foreign investors	2,089,257	9.5%	2,089,257	5.5%
Individuals	1,508,099	6.9%	1,562,439	4.1%
Treasury shares	27,024	0.1%	-	-
Total	**22,000,301**	**100.0%**	**38,092,564**	**100.0%**

Based on a survey of shareholder ownership, there were 6,500 shareholders at February 28, 2013. Excluding Interparfums Holding, Interparfums' shareholder base breaks down as follows:

- 200 French institutional investors and mutual funds owning 3.6% of the capital stock compared with 200 in 2011 owning 3.6%;

- 100 foreign investors located mainly in the UK, Switzerland, the US, Luxembourg and Belgium, who own 3.5% of the capital stock compared with 90 in 2011 with 3.5%;

- 6,200 individual shareholders owning 3% of the capital stock compared with 6,750 in 2011 owning 3%.

To the company's knowledge, there are no other shareholders that possess directly, indirectly or together, 5% or more of the capital or voting rights.

Four Independent Directors serve on the Board of Directors providing a mechanism for preventing an abusive exercise of control of the company.

2.3.2.
Changes in Interparfums Holding's ownership over four years

At 31 December	2009	2010	2011	2012
Interparfums Holding	74.56%	74.15%	73.81%	73.23%
Free float and employees	25.44%	25.85%	26.19%	26.77%
Total	**100.00%**	**100.00%**	**100.00%**	**100.00%**

2.4.
Breakdown of Interparfums Holding's capital stock as of December 31, 2012

Interparfums Holding, whose sole equity holding is Interparfums, is itself wholly owned by Interparfums Inc., listed on NASDAQ in the United States with approximately 3,070 shareholders. As of December 31, 2012 it had the following ownership structure:

- Philippe Bénacin and Jean Madar: 46.21%;
- Free float: 53.79%.

2.5.
Dividends

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 amount of €9,9 million.

2.6.
Shareholders' agreements

No shareholders' agreements exist at the level of Interparfums Holding.

2.7.
Special shareholder disclosure obligations

In compliance with article L. 233-7 of the French Commercial Code, all shareholders acquiring a number of shares that increases above or below certain statutory disclosure thresholds are required to notify the French financial market authority (*Autorité des Marchés Financiers*) within five trading days. If such notifications are not made in accordance with the applicable legal provisions, the company will apply the provisions of article L. 233-14 relating to the cancellation of voting rights. In 2012, the company was not informed of any changes in share ownership involving the crossing of these statutory thresholds.

2.8.
Key stock market data

In number of shares and euros	2008	2009	2010	2011	2012
Shares outstanding as of 31 December	13,391,980	16,223,513	17,926,195	19,867,326	22,000,301
Market capitalization as of December 31	€242m	€292m	€490m	€325m	€510m
High (1)	31.55	20.49	27.84	28.12	23.45
Low (1)	17.00	13.06	17.19	16.25	16.00
Average (1)	23.63	16.67	23.05	23.41	19.72
Year-end (1)	18.05	18.01	27.35	16.38	23.16
Average daily volume (1)	6,220	6,022	10,146	19,414	15,016
Earnings per share (1)	1.66	1.52	1.57	1.69	6.48
Dividend per share (1)	0.38	0.39	0.48	0.50	0.54
Average number of shares outstanding (2)	12,719,676	14,880,583	17,089,880	17,956,051	20,957,788

(1) Historical data (not restated for bonus share issues undertaken each year).

(2) Excluding treasury shares.

2.9.
Share price

For the year to date, trends for Interparfums' share price in 2012 can be divided into three distinct phases:

- a rise over the first half back up to the €20 range following the significant drop in December 2011 in conjunction with the discussions initiated by Burberry on the creation of a new operational structure for the fragrance and beauty business;

- the share price fell back to around €17 following the announcement of the discontinuation of these discussions between the two companies;

- finally, a slow but steady uptrend to reach €23 by the end of the year with the announcement of good half-year results, strong gains by Montblanc, Jimmy Choo and Boucheron in particular and positive trends for the years ahead.

Bolstered by the signature of a 20-year license agreement with the Karl Lagerfeld brand in November 2012, the share price has traded at around €25 since the publication of the 2012 annual results for a market capitalization of approximately €550 million.

Trading volume has remained resilient with an average of 15,000 shares per day.

2.10.
Share price and trading activity trends since 2010

In euros	High	Low	Trading volume (number of shares)	Trading volume (€ millions)
2010				
January	18.90	17.55	140,550	2,555
February	18.22	17.19	138,609	2,463
March	21.47	18.11	395,479	8,056
April	24.20	21.59	299,489	6,905
May	24.10	21.30	143,032	3,290
June	25.15	23.35	256,451	6,119
July	24.30	22.10	196,903	4,611
August	23.70	22.49	112,060	2,595
September	24.95	23.30	231,283	5,622
October	27.23	23.79	258,428	6,741
November	27.84	26.30	219,711	5,981
December	27.69	25.85	245,845	6,641
2011				
January	28.12	23.83	1,255,044	1,254
February	26.27	24.45	446,906	11,431
March	25.45	22.63	350,561	8,519
April	27.18	24.70	248,530	6,455
May	27.83	26.30	240,610	6,517
June	27.62	23.43	287,176	7,428
July	26.43	24.10	393,953	10,015
August	24.10	19.27	248,758	5,172
September	21.50	18.90	240,598	4,954
October	22.28	18.80	319,309	6,724
November	21.99	18.85	281,591	5,783
December	19.96	16.25	676,414	12,041
2012				
January	17.75	16.00	593,682	10,144
February	19.24	17.90	269,187	5,090
March	21.71	19.17	401,751	8,231
April	21.51	20.00	281,325	5,929
May	22.00	20.26	282,431	6,011
June	22.23	21.17	226,008	7,070
July	20.10	16.99	318,156	5,747
August	18.19	17.19	354,644	6,264
September	19.44	17.90	253,758	4,675
October	21.14	18.98	351,064	6,945
November	22.63	20.45	275,919	5,954
December	23.45	22.69	239,167	5,523
2013				
January	24.48	23.50	361,281	8,697
February	25.08	24.08	245,002	6,008

Historical data (not restated for bonus share issues).

A capital increase through a bonus share issue on the basis of one new share for ten existing shares in June 2010 resulted in the automatic division of the share price from this date by 1.10.

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3.
ANNUAL GENERAL MEETING: RESOLUTIONS SUBMITTED TO THE EXTRAORDINARY AND ORDINARY SHAREHOLDERS' MEETING OF APRIL 22, 2013

3.1.
Ordinary resolutions

Purpose of the resolutions

Approval of the separate and consolidated financial statements for the period ended December 31, 2012 (1st and 2nd resolution)

We hereby request that you approve the separate and consolidated financial statements for the period ended December 31, 2012. Information on revenue and earning performances for the period are presented in the 2012 registration document.

First resolution

Review and approval of the parent company separate financial statements for the period ended December 31, 2012

The shareholders, in accordance with the conditions of *quorum* and majority that apply at ordinary general Meetings, after reviewing the Board of Directors' report, including the Chairman's report on the functioning of the Board of Directors and balanced representation of men and women on the Board and on internal control and risk management procedures, as well as the Auditors' report on the financial statements for the period ended December 31, 2012, approve the annual financial statements, as presented showing a net income of €126,668,355. They also approve the transactions described in the accounts and summarized in these reports. In consequence, the shareholders grant discharge for the period ended December 31, 2012 to the Chairman, the Executive Vice President and the Directors for their management.

They furthermore approve the total amount of disallowed deductions under article 39-4 of the French General Tax Code of €22,7688 for 2012.

Second resolution

Review and approval of the consolidated financial statements for the period ended December 31, 2012

The shareholders, in accordance with the conditions of *quorum* and majority that apply at ordinary general Meetings, after reviewing the report of the Board of Directors and the Auditors' report on the consolidated financial statements of the group for the period ended December 31, 2012, approve the financial statements as presented showing an IFRS net income of €135,862,000. They also approve the transactions described in the accounts and summarized in these reports.

Purpose of the resolution

Appropriation of net income and distribution of dividends (3rd resolution)

You are requested to duly note that the net income for 2012 of €126,668,335, with this exceptional increase moreover resulting from the recognition of items linked to the discontinuation of the Burberry license agreement. From this amount, it is proposed that €639,892 be appropriated to the "Legal reserve" and €102,302,247 to "Retained earnings". The Board of Directors proposes that you set an ordinary dividend per share of €0.54, a 19% increase on the prior year. The Board of Directors furthermore submits for your approval a proposal to distribute an exceptional dividend of €0.54 per share.

If your general Meeting approves this proposal, the total dividend per share will be €1.08 with an ex-dividend date for both the ordinary and exceptional dividends of April 29, 2013 and a payment date of May 3, 2013 after a dividend record date on May 2, 2013.

The breakdown of amounts of dividends paid for the last three financial periods are presented in this resolution. The ordinary and exceptional dividends are eligible for the 40% rebate for individual investors having their tax residence in France provided for under article 158-3-2° of the French General Tax Code (*Code Général des Impôts*).

Third resolution

Appropriation of net income of the period, setting the ordinary dividend of €0.54 and an exceptional dividend of €0.54 per share

The shareholders, in accordance with the conditions of *quorum* and majority that apply at ordinary general Meetings, approving the Board of Directors' proposal, decide to appropriate net income of the period of €126,668,355 as follows:

Net income of the period	**€126,668,355**
Appropriation to the legal reserve	€639,892
Retained earnings	€102,302,247
Ordinary dividend per share of €0.54	€11,863,108
Exceptional dividend per share of €0.54	€11,863,108
Total appropriation	**€126,668,355**

The shareholders decide in consequence, for fiscal 2012 to distribute for each of the shares of the capital stock conferring dividend rights, an ordinary dividend of €0.54 per share and an exceptional dividend of €0.54 per share, or a total amount of €1.08 per share, it being specified that if the number of shares conferring dividend rights differs in relation to the number of 22,000,301 shares comprising the share capital of December 31, 2012, the total amount of dividends will be adjusted in consequence and the amount allocated to "Retained earnings" will be determined on the basis of dividends actually paid.

If on the dividend payment date the company holds a certain number of treasury shares not destined to serve as such, the amount corresponding to dividends not distributed for said shares will be allocated to "retained earnings".

This amount thus allocated among shareholders shall qualify for the full 40% tax allowance provided for under article 158.3.2 of the French General Tax Code to individuals with their tax residence in France.

The shares will have an ex-dividend date of April 29, 2013 and a payment date of May 3, 2013 based on the dividend record date of May 2, 2013.

As required by law the shareholders duly note that dividends for the last three periods were as follows:

Year	Number of shares	Dividend
2011	19,867,326	€0.50
2010	17,926,195	€0.48
2009	16,223,513	€0.39

Purpose of the resolution

Regulated agreements subject to articles L. 225-38 *et seq.* of the French Commercial Code (4th resolution)

You are requested to duly note the agreements remaining in force in the period in progress and presented to you in the Auditors' special report. Your Board of Directors informs you that no new agreements covered by articles L. 225-38 of the French Commercial Code have been concluded in 2012.

Fourth resolution

Approval of regulated agreements under articles L. 225-38 *et seq.* of the French Commercial Code

The shareholders, in accordance with the conditions of *quorum* and majority that apply at ordinary general Meetings and after reviewing the auditors' special report on related-party agreements governed by articles L. 225-38 *et seq.* of the French Commercial Code, duly note the information provided on agreements concluded in prior periods remaining in force in the period in progress and approved by prior general Meetings. The shareholders furthermore note that no new regulated agreements were concluded in the period ended December 31, 2012.

Purpose of the resolution

Directors' fees (5th resolution)

We propose that the total annual amount of €120,000 for Directors fees as approved by the general Meeting of April 27, 2012 be maintained for 2013.

Fifth resolution

Setting of Directors' fees

The shareholders, in accordance with the conditions of *quorum* and majority applicable to ordinary general Meetings, after having reviewed the Board of Directors' report, set annual Directors fees for the year in progress at €120,000 and grant full power to the Board of Directors to determine the criteria for allocating these fees among Board members within the limit of this amount and the date of their payment for the fiscal year commencing on January 1, 2013.

Purpose of the resolution

Authorization for trading in own shares (6th resolution)

As the authorization granted by the general Meeting of April 27, 2012 expires on October 27, 2013, it is advisable that a new authorization be granted to your Board of Directors for a new period of 18 months commencing on the general Meeting date, for the purpose of continuing the share buyback program in accordance with the terms and conditions and in line with the objectives hereby submitted for your approval, and namely:

- a maximum purchase price of €40;

- limitation of the maximum number of shares able to be acquired to 5% of the number of shares comprising the capital stock. By way of indication, and excluding shares already held by the company, based on a capital stock of 21,968,718 shares at December 31, 2012 and a purchase price of €40 per share, the theoretical maximum amount of funds that may be allocated to financing this program would be €43,937,436.

During the period from May 30, 2012 to February 28, 2013, the company acquired 135,103 shares at an average price of €21.15 and sold 152,108 shares at an average price of €21.41 within the framework of the liquidity agreement. No shares acquired through this program were canceled. At December 31, 2012, shares held in treasury by the company represented 0.14% of the capital stock. These treasury shares do not carry voting rights or entitlement to dividend payments which will be allocated in consequence to "retained earnings".

Sixth resolution

Renewal of the authorization for dealing in own shares within the framework of article L. 225-209 of the French Commercial Code

The shareholders, in accordance with the conditions of *quorum* and majority that apply at ordinary meetings and after reviewing the report of the Board of Directors and in accordance with the provisions of article L. 225-209 *et seq.* of the French Commercial Code and the provisions of articles 241-1 to 241-6 of the AMF General Regulation and Commission Regulation (EC) No. 2273/2003 of December 22, 2003 implementing Directive 2003/6/EC, grant the Board of Directors the authority, which it may further delegate, to acquire or sell shares of the company in connection with a share buyback program to be implemented and according to the terms and conditions set forth below.

The purpose of this authorization is to permit the company trade in its own shares for all uses provided for by law. On this basis, the shareholders decide that this share buyback program may be used for the following purposes:

- market-making or ensuring the liquidity of the company's shares through an independent investment services provider within the framework of a liquidity agreement in compliance with the conduct of business rules of the French association of financial market professionals (AMAFI) recognized by the AMF;

- grant employees or officers of the company and/or the group stock options (articles L. 225-177 *et seq.* of the French Commercial Code) and/or bonus shares (articles L. 225-197-1 *et seq.* of the French Commercial Code);

- remit shares pursuant to the exercise of rights attached to securities conferring rights by redemption, conversion, exchange, presentation of warrants or any other means, to grants of the company's shares;

- use such shares for payment or exchange in connection with financial transactions or acquisitions in compliance with the financial market regulations;

- cancel shares to increase the return on equity and earnings per share and/or eliminate the impact of dilution for shareholders from capital increases subject to adoption of the twelfth resolution of the extraordinary general Meeting presented below authorizing this cancellation;

This program is also destined to enable the company to trade in its own shares for any other purposes authorized by applicable laws or regulations including any market practice permitted by the AMF, the French financial market authority, subsequent to this general Meeting. In such cases, the company will inform its shareholders by the issuance of an announcement or any other means provided for by applicable regulations.

Shares acquired shall be subject to the following limits:

- 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 at any time. This 5% limit applies to an amount of capital that will be adjusted as applicable for corporate actions affecting the capital stock after this meeting, whereby acquisitions by the company shall under no circumstances increase its holding, directly and indirectly through subsidiaries, to more than 5% of the capital stock;

- pursuant to the above, by way of indication and excluding shares already held by the company on December 31, 2012, 21,968,718 shares would represent 5% of the capital stock corresponding to a maximum theoretical purchase price of €43,937,436 on the basis of a maximum purchase price of €40 per share.

The Board of Directors may adjust the above-mentioned prices pursuant to modifications in the par value of the share, the capitalization of retained earnings and bonus issues, stock splits or reverse splits, repayment or reduction of capital, distribution of retained earnings or other assets and any other transactions involving the company's capital stock, to reflect the impact of these transactions on the share's value.

In accordance with applicable regulations, said shares may be purchased, held, sold or transferred, according to the case, through one or more transactions, at any time the Board of Directors so chooses including when tender offers are in effect subject to applicable regulations, by any means, on or off market, and notably through block trades.

Shares purchased and held by the company must, in compliance with the law, be maintained in registered form. In addition said shares that will not confer pre-emptive rights or entitlement to dividends shall be deprived of voting rights.

The shareholders grant all powers to the Board of Directors that may in turn delegate such authority to:

- place all stock orders on or off the market;

- sign any agreements notably with a view to maintaining registers of purchases and sales;

- submit all declarations to the *Autorité des Marchés Financiers* (AMF) or any other such entity, carry out all formalities and, in general, make all necessary arrangements.

The shareholders decide that this authorization:

- shall take effect from the date of the Board of Directors' meeting that decides to implement this decision that will automatically result in the expiration of the previous authorization granted under the seventh resolution of the shareholders' Meeting of April 27, 2012;

- will expire after a period of 18 months from the date of this Meeting, i.e. on October 22, 2014.

The Board of Directors will notify the general Meeting of all transactions carried out under this resolution.

Purpose of the resolutions

Reappointment of statutory and deputy auditors (7th, 8th, 9th and 10th resolutions)

It is requested that you renew the respective terms of office of Mazars and SFECO & Fiducia Audit as Statutory Auditors and Serge Azan as deputy auditor, and appoint Jean-Maurice El Nouchi to replace Guillaume Potel as deputy auditor.

Seventh resolution

Reappointment of Mazars as Statutory Auditor

The shareholders, in accordance with the conditions of *quorum* and majority that apply at ordinary general Meetings, and duly noting that the term of office of Mazars – 61, rue Henri Regnault – 92075 Paris La Défense Cedex expires at the close of this meeting, decide to reappoint Mazars for a term of six years, i.e. until the close of the ordinary general Meeting called to approve the financial statements for the period ending December 31, 2018.

Eighth resolution

Reappointment of SFECO & Fiducia Audit as Statutory Auditor

The shareholders, in accordance with the conditions of *quorum* and majority that apply at ordinary general Meetings, and duly noting that the term of office of the firm SFECO & Fiducia Audit – 50, rue de Picpus – 75012 Paris expires at the close of this meeting, decide to reappoint SFECO & Fiducia Auditfor a term of six years, i.e. until the close of the ordinary general Meeting called to approve the financial statements for the period ending December 31, 2018.

Ninth resolution

Appointment of Jean-Maurice El Nouchi as deputy auditor

The shareholders, in accordance with the conditions of *quorum* and majority that apply at ordinary general Meetings, and duly noting that the term of office of Guillaume Potel – 39, rue Marius Aufan – 92300 Levallois Perret expires at the close of this meeting, decide not to renew his term of office and appoint Jean-Maurice El Nouchi for a term of six years, i.e. until the close of the ordinary general Meeting called to approve the financial statements for the period ending December 31, 2018.

Tenth resolution

Reappointment of Serge Azan as deputy auditor

The shareholders, in accordance with the conditions of *quorum* and majority that apply at ordinary general Meetings, and duly noting that the term of office of Serge Azan –16, rue Daubigny – 75017 Paris expires at the close of this meeting, decide to reappoint Serge Azan for a term of six years, i.e. until the close of the ordinary general Meeting called to approve the financial statements for the period ending December 31, 2018.

Purpose of the resolutions

Powers for formalities (11th and 15th resolutions)

The purpose of these two standard resolutions with respect to both ordinary and extraordinary resolutions is to grant the necessary powers to carry out formalities required by law.

Eleventh resolution

Powers

All powers are granted to the bearer of copies or extracts of the minutes of this shareholders' Meeting ruling in accordance with the conditions of *quorum* and majority that apply at ordinary general Meetings to perform all legal formalities relating to the above resolutions.

3.2. Extraordinary resolutions

Purpose of the resolution

Cancellation of shares by reduction of capital for shares acquired by the company (12th resolution)

As the authorization previously granted by the general Meeting of April 27, 2012 expires on October 27, 2013, your Board of Directors hereby requests you authorize it to cancel all or part of shares acquired through the share buyback program and reduce the share capital in accordance with the terms and conditions set forth in this resolution, and namely within the limit of 5% of the capital stock. This cancellation will enable in particular the company to offset possible dilutions resulting from various capital increases.

The difference between the carrying value of the canceled shares and their par value will be allocated to reserves or additional paid-in capital. This authorization would be granted for a term of 18 months from the date of this general Meeting.

Twelfth resolution

Authority granted to the board of Directors to reduce the capital through the cancellation of treasury shares

The shareholders, in accordance with the conditions of *quorum* and majority that apply at extraordinary shareholders meetings, and after reviewing the report of the Board of Directors and the special report of the Auditors and the sixth resolution of the ordinary general Meeting of this day authorizing the company to purchase its own shares:

- Authorize the Board of Directors to cancel, at its own discretion, through one or more transactions, at amounts and times of its choosing, treasury shares acquired within the framework of article L. 225-209 of the French Commercial Code, not to exceed 5% of the common stock outstanding on the transaction date and by period of 24 months, reducing the authorized capital in due proportion, in accordance with applicable laws and regulations;

- This authorization is valid for a term of eighteen months from this meeting, or until October 22, 2014, and replaces the previous authorization granted by the shareholders' Meeting of April 27, 2012, that was not used;

- Grant full authority to the Board of Directors, with the possibility of further delegating to any person so authorized by law, to reduce the capital through one or more transactions, to notably determine the final amount of the capital reduction and the terms and procedures thereof and record the completion of the capital reduction, amending in consequence the bylaws, performing all necessary formalities, and notably filings with all bodies and in general doing everything necessary.

Purpose of the resolution

Capital increase through the capitalization of additional paid-in capital, reserves, earnings or other amounts (13th resolution)

By this resolution, we propose that you grant your Board of Directors a new authorization to increase the capital stock, through one or more transactions, for an amount not exceeding €25 million through the capitalization of additional paid-in capital, reserves or other amounts, notably for the purpose of new bonus share issues for its shareholders. This authorization would be valid for a term of 26 months from the date of this general Meeting, i.e. until June 22, 2015.

If this authorization were to be approved, your Board would carry out for the14th consecutive year a new bonus share issue for its shareholders.

The authorization granted by the general Meeting of April 29, 2011 expires on June 29, 2013. It was used in part in 2011 by the creation of 1,803,051 new shares granted on the basis of one new share for ten existing shares pursuant to the capital increase from the capitalization of €5,411,553. In 2012, this same authorization was again used for an amount of €6,000,081 to create 2,000,027 shares granted by the company on the basis of one new share for ten existing shares.

Thirteenth resolution

Authority granted to the Board of Directors to issue shares through the capitalization of additional paid-in capital, reserves or profit

The extraordinary shareholders' Meeting, in accordance with the conditions of *quorum* and majority applicable to ordinary shareholders meetings, after having reviewed the Board of Directors' report and ruling in accordance with the provisions of articles L. 225-129 to L. 225-129-6 and L. 225-130 of the French Commercial Code, grants authority to said Board to increase the capital, through one or more tranches, by an amount not to exceed €25 million by the capitalization of all or part of the share premium, reserves or profits or the capitalization of any other amounts permitted, followed by the issuance and grant of bonus shares or an increase in the par value of existing ordinary shares, or, when applicable, a combination of these two methods.

The shareholders decide that the rights resulting from fractional amounts shall not be negotiable and that the corresponding shares will be sold with the proceeds from such sale to be allocated to holders of rights no later than 30 days after the registration date in their name of the whole number of shares allotted to them.

The shareholders grant full authority to the Board of Directors, which the latter may further delegate as provided for by law, for the purpose of implementing this resolution and notably to:

- determine the procedures and conditions for transactions thus authorized, and notably the amount and nature of reserves and additional paid in capital, the number of new shares to be issued or the amount by which the nominal value of existing shares comprising the capital stock will be increased, establish the date of record as of which new shares will carry rights or the date from which the increase in the nominal value will take effect;

- perform all formalities to record the completion of the capital increase and amend the bylaws in consequence and undertake all formalities in regards to disclosure requirements;

- and, in general, take all measures and perform all formalities required to ensure the completion of the capital increase and amend the bylaws in consequence.

The shareholders duly note that effective from the date of this meeting, this authorization replaces and supersedes, for the unused portion, the authorization granted by the shareholders' Meeting of April 29, 2011 and implemented for a total amount of €11,411,634 by the respective decisions of the Board of Directors of June 14, 2011 and June 14, 2012.

This authorization is valid for a term of 26 months from the date of this meeting, i.e. until June 22, 2015.

Purpose of the resolution

Capital increase reserved for employees (14th resolution)

In accordance with the provisions of articles L. 225-129-6 of the French Commercial Code, when the general Meeting is called to vote upon a resolution authorizing a capital increase by delegating its authority to the Board, it is legally required to also rule on a resolution proposing a capital increase reserved for employees participating in a company savings plan.

The 14th resolution is accordingly submitted to you on that basis, by requesting that you rule on an authorization to be granted to the Board of Directors, for the purpose of a capital increase reserved for employees participating in a company savings plan having been set up by the company, for a maximum amount of €500,000. This authorization for which the Board of Directors has indicated it is not in favor would be valid for a term of 26 months from the date of this general Meeting.

Fourteenth resolution

Authority granted to the Board of Directors to proceed with capital increases reserved for employees participating in a company savings plan in accordance with article L. 225-129-6 of the French Commercial Code and entailing the suspension of shareholders' pre-emptive rights in favor of employees

The shareholders, in accordance with the conditions of *quorum* and majority applicable to extraordinary shareholders' Meetings and after reviewing the Board of Directors' report and the auditors' report in accordance with articles L. 225-129-6 and L. 225-138-1 of the French Commercial Code and articles L. 3332-18 *et seq.* of the French Labor Code:

- grant authority to the Board of Directors, which the latter may further delegate as permitted by law, at its sole discretion, to increase the capital, in one or more transactions in amounts and at times of its choosing through the issue of common stock reserved for employees of the company or affiliated companies in accordance with applicable laws participating in a company savings plan;

- cancel in favor of employees entitled to benefit from rights issues that may be decided by virtue of this authorization, the preemptive rights of shareholders to new shares that shall be issued in consequence;

- resolve that the maximum nominal amount of capital increase(s) that may be carried out by virtue of this resolution shall be €500,000, whereby this amount may however be increased as necessary by the amount of additional securities that must be issued to preserve, as required by law the rights of holders of securities, giving access to the shares of the company;

- Grant full authority to the Board of Directors within the above limits and conditions for the purpose of implementing the authority hereby granted, including notably to:

- Determine the list of grantees benefiting from the suspension of preemptive subscription rights, the number of shares to be granted to each qualifying employee and the issue price subject to the limits imposed by articles L. 225-138-1 of the French Commercial Code and articles L. 3332-19 *et seq.* of the French Labor Code,
- Determine the dates and procedures for the capital increase(s),
- Receive applications for shares and determine the procedures for their payment,
- Produce a supplemental report describing the final terms of the offering, and in general, take all measures and undertake all formalities required for the issue, the listing of the securities and custodial and related services for securities covered by this authorization, and amend the articles of the bylaws in consequence;

- Grant the authorization provided for under this resolution for 26 months from the date of this meeting or until June 22, 2015.

Fifteenth resolution

Powers for formalities

All powers are granted to the bearer of copies or extracts of the minutes of this shareholders' Meeting ruling in accordance with the conditions of *quorum* and majority that apply at extraordinary general Meetings to perform all legal formalities relating to the above resolutions.

HISTORY OF THE COMPANY

1982
Creation of Interparfums SA in France by Philippe Benacin and Jean Madar.

1985
Creation of Interparfums Inc. in the United States, parent company of Interparfums SA.

1988
Beginning of the selective perfume activity with the signature of a license agreement for the Régine's brand.
Initial public offering of Interparfums Inc. on Nasdaq in New York.

1993
Signature of a license agreement to create and produce perfumes under the Burberry name and distribute them worldwide.

1994
Listing of Interparfums SA on the over-the-counter market of the Paris Stock Exchanges.

1995
Transfer of the company from the over-the-counter market to the Second Market of Paris Stock Exchange with a rights issue.

1997
Signature of a license agreement to create and produce perfumes under the S.T. Dupont name and distribute them worldwide.

1998
Signature of a license agreement to create and produce perfumes under the Paul Smith and distribute them worldwide.

2000
Extension of the license agreement for the Burberry brand.

2004
Signature of a new Burberry license agreement for the Burberry brand.
Signature of a license agreement for the Nickel brand, specialized in skincare and personal hygiene products for men.
Signature of a license agreement to create and produce perfumes under the Lanvin brand and distribute them worldwide.

2006
Extension of the S.T. Dupont license agreement.

2007
Signature of a license agreement to create and produce perfumes under the Van Cleef & Arpels brand and distribute them worldwide.
Acquisition of the Lanvin trademark and brand name for class 3 products (fragrances and make-up).

2008
Extension of the Paul Smith license agreement.

2009
Signature of a license agreement to create and produce perfumes under the Jimmy Choo brand and distribute them worldwide.

2010
Signature of a license agreement to create and produce perfumes under the Montblanc brand and distribute them worldwide.
Extension of the license agreement for the Burberry brand.
Signature of a worldwide license agreement to create and manage new and existing fragrances under the Boucheron brand.

2011
Signature of a license agreement to create and produce perfumes under the Balmain brand and distribute them worldwide.
Signature of a license agreement to create and produce perfumes under the Repetto brand and distribute them worldwide.
Extension of the S.T. Dupont license agreement.

2012
Discontinuation of the Burberry license agreement before the expiry date.
Signature of a license agreement to create and produce perfumes under the Karl Lagerfeld brand and distribute them worldwide.

2013
Discontinuation of operations for Burberry fragrances.

NOMINATIONS AND CORPORATE AWARDS

1997

"Prix Cristal" for the transparency in financial information.
(French Institute of Statutory Auditors – *Compagnie Nationale des Commissaires aux Comptes*).

1998

Nomination for the award for the best annual report
(*La Vie Financière*).

1999

"Grand Prize for Entrepreneurs" award for international growth
(Ernst & Young – *L'Entreprise*).

2001

Oscar for financial performance
(*Cosmétique Magazine*).

2002

Nomination for the award for innovation
(KPMG – *La Tribune*).

Nomination for the "Boldness and Creativity Prize"
(Fimalac – *Journal des Finances*).

2003

Nomination for the "Boldness and Creativity Prize"
(Fimalac – *Journal des Finances*).

2005

Nomination for the "Boldness and Creativity Prize"
(Fimalac – *Journal des Finances*).

2007

Investor Relations Prize for the Small and Mid Caps category
(*Forum de la communication financière*).

3rd *Prix Boursoscan* award for financial communications for the Small and Mid Caps category
(*Boursorama – Opinion Way*).

2010

Trophée Relations Investisseurs – Best Investor Relations Award for the Mid Cap category
(*Forum des Relations Investisseurs et Communication Financière*).

2011

Special Award for Inspiration of the Great Place to Work Institute
(Institut Great Place to Work® – *Le Figaro Économie*).

Mid Cap Corporate Governance Prize
(*Agefi*).

"Boldness and Creativity Prize" given at an award ceremony by French Prime Minister, François Fillon
(Fimalac – *Journal des Finances*).

2012

Trophée Relations Investisseurs – Best Investor Relations Award for the Mid Cap category
(*Forum des Relations Investisseurs et Communication Financière*).

AUDITORS AND RESPONSIBILITY STATEMENT

Auditors

The Statutory Auditors having issued reports on the parent company and consolidated financial statements are:

Mazars

61 rue Henri Regnault
92400 Courbevoie
represented by Simon Beillevaire
appointed by the AGM of December 1, 2004
reappointed by the AGM of April 20, 2007
expiration date: 2013 AGM

SFECO & Fiducia Audit

50 rue de Picpus
75012 Paris
represented by Gilbert Métoudi
appointed by the AGM of May 19, 1995
reappointed by the AGM of April 20, 2007
expiration date: 2013 AGM

The alternate auditors are respectively:

Mr. Guillaume Potel

61 rue Henri Regnault
92400 Courbevoie
appointed by the AGM of December 1, 2004
reappointed by the AGM of April 20, 2007
expiration date: 2013 AGM

Mr. Serge Azan

16 rue Daubigny
75017 Paris
appointed by the AGM of May 19, 1995
reappointed by the AGM of April 20, 2007
expiration date: 2013 AGM

Auditors' fees are described in section 6.7 of the notes to the consolidated financial statements.

Responsibility statement for the registration document

I hereby certify that, to my knowledge and after all due diligence, the information contained in this registration document is true and accurate and contains no omissions likely to affect the import thereof.

I declare that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable financial reporting standards and give a true and fair view of the assets and liabilities, financial position and results of the operations of the Company and consolidated companies and that the management report included this registration document faithfully presents business trends, the results and financial position of the company and the description of the main risks and uncertainties.

The Statutory Auditors' Report of the original French language version of the consolidated and separate financial statements for the fiscal year ended December 31, 2012 for which they issued unqualified opinions without reservations.

I have obtained a completion of work letter from the Statutory Auditors indicating that they have read this document in its entirety and reviewed the information contained herein regarding the company's financial position and financial statements.

The Statutory Auditors have issued reports on the historical financial information for 2011 and 2010, included on respectively pages 46 and 67 of the 2011 French language original of the registration document (*Document de référence*) filed with the AMF on April 6, 2012 and pages 47 and 67 of the 2010 registration document filed with the AMF on April 6, 2011, without qualified opinions or comments.

Philippe Bénacin
Chairman & Chief Executive Officer

Executive officer responsible for financial information

Philippe Santi
Chief Financial and Administrative Officer
psanti@interparfums.fr
00 (33)1 53 77 00 00

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):

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

PEFC
PEFC/10-31-2043

This annual report is printed on 100% recyclable and biodegradable coated paper, manufactured from ECF (Elemental Chlorine Free) bleached pulp in a European factory certified ISO 9001 (for its quality management), ISO 14001 (for its environmental management), CoC PEFC (for the use of paper from sustainably managed forests) and is EMAS-accredited (for its environmental performance).

Design: Agence Marc Praquin
PHOTOS: ALEXIS BLONDEL, RAPHAËL DAUTIGNY

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