interparfums

ANNUAL REPORT
2015

A YEAR OF STRATEGIC ACQUISITIONS

Interview of Jean Madar and Philippe Benacin

How would you describe Interparfums' performance in 2015?

With €327 million in revenue, our performances were better than expected. This was to a large extent attributable to Rochas' integration plus an external economy-related factor linked to the US dollar (with 40% of Interparfums sales in this currency) providing a positive currency effect this year rate in contrast to negative currency effects over the last four years.

At the structural level, in a global economic environment that remained difficult, particularly for the perfume market, we are fortunate in having a portfolio of solid brands continuing to produce excellent results. This is particularly the case for our brands with strong positions in the United States: Jimmy Choo, whose perfumes had an excellent year, and Montblanc, which consolidated its position after three years of strong gains. Boucheron and Van Cleef & Arpels also continued to show positive momentum, highlighted in particular a remarkable market response to the *Quatre* line of Boucheron. The *Éclat de Fleurs* line of Lanvin also was very successful in Russia. Repetto performed well in the French market where it occupies a significant position.

And by region?

Western Europe and the United States remained dynamic markets and growth drivers for Interparfums, whereas South America is now in a recession. In Asia, China is contracting – a trend reflecting the country's economic slowdown but also, cultural factors, with make up and cosmetics preferred over perfume that represents less than 10% of spending in this area. However, this decline is offset by gains in Japan and South Korea that have registered good results, as well as by Australia.

Coach and Rochas were the two major new developments of the year. How will these brands contribute to Interparfums' portfolio?

Coach is the leading US leather goods brand that also holds an important position in Japan. As a brand, it symbolizes the spirit of New York, its modernity, its energy. Stuart Vevers, its creative Director since 2013, has totally renewed its codes, putting emphasis on "inclusive" international luxury with considerable originality and creativity. The boutiques were transformed to reflect this approach, sublimated by incorporating large glass block façades, a feature we will use for the bottle of the women's fragrance to be launched this year.

Rochas is, on the other hand, a quintessentially Parisian brand. A brand that captures the boldness and youth instilled by its creator, Marcel Rochas, and with it, a distinctive elegance and femininity… For Interparfums, it is also a first, as an acquisition covering all the brand's activities including fashion, and we established their operations across the street from our Paris headquarters off the Champs-Élysées. This includes a very large showroom offering an ideal setting to display its creations.

What is the outlook for 2016?

Several launches are scheduled: *Legend Spirit*, Montblanc's new men's fragrance at the beginning of the year and a women's fragrance under the Coach brand in September. There is also an important project for Lanvin that will be implemented in mid-2016 for France and early 2017 for international markets to re-energize the brand in Western Europe by capitalizing on its strong name and history.

2016 however will above all be a year of preparations for major events planned in 2017: the new Lanvin fragrance, an Eau de Jimmy Choo… not forgetting a major launch for Rochas whose key markets are currently France and Spain. We will also support their roll-out in other regions as well.

Last year, you set a medium-term objective for returning to €400 million in revenue. Where do things stand today?

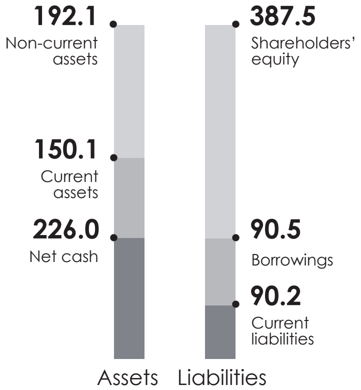
This is still our target, with revenue estimates for 2016 of around €340 million, and gradually moving closer to this €400 million figure. Today, within an environment that has rarely been so unfavorable, we have a balanced portfolio both in terms of brands and geographic coverage. Our prospects are promising, bolstered by solid pillars capable of supporting continuing development, without having recourse to acquisitions.

Key figures

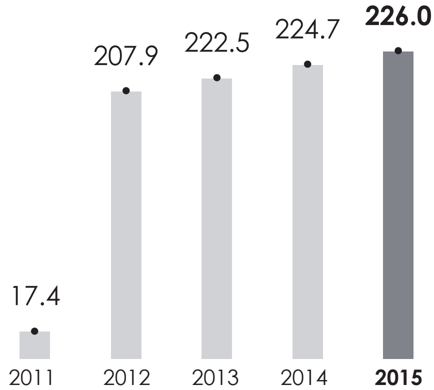
In a difficult economic environment, Interparfums delivered another excellent performance in 2015, driven in particular by very strong growth from Jimmy Choo fragrances and further gains from Montblanc fragrances, bolstered by a positive foreign exchange environment. 2015 was also marked by two major events for the Group's long-term development: the Rochas brand acquisition and a new license agreement signed with the American brand, Coach.

In line with a strategy announced at the start of 2015, Interparfums strengthened its teams and increased the marketing and advertising budget. The US dollar's strong rise contributed to an exceptionally high operating margin, well above the normative level expected of 12%.

Following the Rochas brand acquisition in March 2015 financed by a €100 million medium-term loan, the financial structure remains extremely solid with shareholders' equity of €387 million (68% of total assets) and a significant net cash and cash equivalents position of €136 million at December 31, 2015.

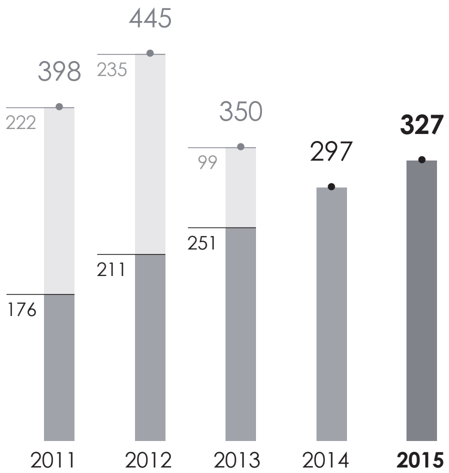


Balance sheet highlights
(€ million)



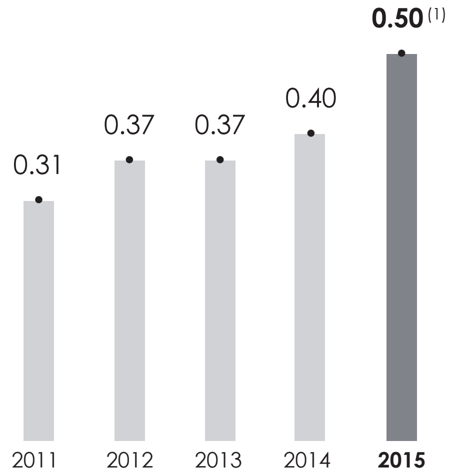
Net cash
(€ million)

At December 31, € thousands	2011	2012	2013	2014	2015
Sales	398,328	445,460	350,392	297,087	**327,411**
International (%)	*91.0%*	*92.1%*	*90.1%*	*90.9%*	*91.0%*
Operating profit	46,301	213,314	52,226	31,416	**45,825**
% of sales	*11.6%*	*47.9%*	*14.9%*	*10.6%*	*14.0%*
Net income	30,300	136,188	34,833	23,191	**29,152**
% of sales	*7.6%*	*30.6%*	*9.9%*	*7.8%*	*8.9%*
Shareholders' equity (attributable to the parent)	216,020	344,413	354,515	367,899	**387,051**
Net cash and current financial assets	17,395	207,927	222,471	224,672	**225,992**
Total assets	353,194	534,984	432,278	440,887	**568,181**
Workforce	227	205	208	210	**223**

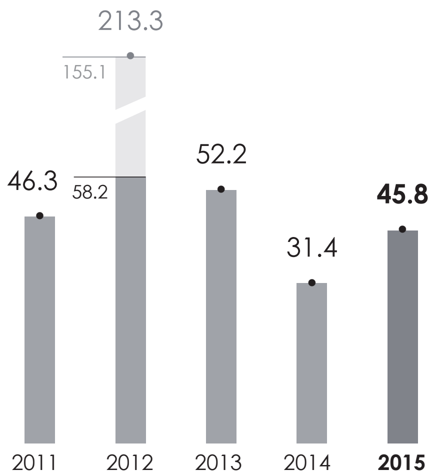


Sales
(€ million)

Recurring sales Burberry sales

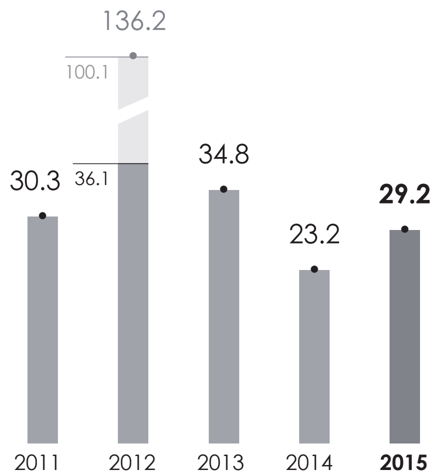


Ordinary dividend per share (2)
(€)



Operating profit
(€ million)

Current operating income
Burberry exit fee payment



Net income (2)
(€ million)

Recurring sales
Burberry exit fee payment

Consolidated data at December 31.
(1) Subject to approval by the General Meeting. (2) Restated for bonuses issues.

January

Launch of the *Éclat d'Arpège Pour Homme* line of Lanvin

The new masculine fragrance *Éclat d'Arpège Pour Homme* is a stopover in the heart of the Mediterranean in the hills above Saint-Tropez.

April

Signature of a fragrance license agreement with Coach Inc.

In early April, Coach Inc., the leading New York design house of fashion and luxury accessories and lifestyle collections and Interparfums, announced the signature of an 11-year exclusive worldwide fragrance license agreement to create, produce and distribute perfumes for the brand. The launch of Coach fragrances is expected in the fall of 2016.

Launch of the *Quatre* line of Boucheron

The *Quatre* fragrances represent a modern and daring olfactory interpretation of the Maison Boucheron's iconic ring. *Quatre* for women is a brilliant and elegant floral fruity Eau de Parfum. *Quatre* for men is an elegant woody fragrance for men with style.

Launch of the *Eau Florale* line of Repetto

After *Eau de Toilette* in 2013 and *Eau de Parfum* in 2014, Repetto fragrances' gradual expansion in France continued with the launch of *Eau Florale*.

May

Acquisition of the Rochas brand

At the end of May 2015, Interparfums acquired the Rochas brand (perfumes and fashion) from Procter & Gamble. This transaction covered all Rochas brand names and registered trademarks (*Femme*, *Madame*, *Eau de Rochas*…) for France and international markets, mainly for class 3 (fragrances) and 25 (fashion). This brand was acquired for US$108 million and financed by a €100 million loan repayable over five years.

June

Bonus share issue

The company proceeded with its 16th bonus share issue on the basis of one new share for every ten shares held.

Launch of the *Private Klub* fragrance duo of Karl Lagerfeld

Private Klub encapsulates the spirit of a joyous, vivacious, bacchanalian youth. *Private Klub* for women is designed around elegant oriental florals. The eau de toilette *Private Klub* for men features a woody, spicy fragrance.

Creation of the subsidiary, Parfums Rochas Spain

In June 2015, Interparfums set up a new distribution subsidiary in Spain to market Rochas fragrances in a major market for this brand. This "Parfums Rochas Spain" entity is 51%-held by Interparfums and 49%-held by its local distributor.

July

Launch of the *Balmain Homme* line

Signature of a free, audacious, and urban man, *Balmain Homme* is a perfume with a modern elegance and a rare sophistication.

August

Launch of the *Essential* line of Paul Smith

The eau de toilette *Essential* for men symbolizes the pure essence of Paul Smith style. The fragrance opens on a structured freshness made of rosemary, zests of yuzu infused with the elegant fluidity of the ozonic accord.

September

Launch of the *Jimmy Choo Illicit* line

Punchy and provocative but with an underlying sweetness, *Jimmy Choo Illicit* is a hypnotic and innately feminine floriental fragrance.

Launch of the *Montblanc Lady Emblem* line

Montblanc Lady Emblem, the new delicately feminine and resolutely modern fragrance for woman is inspired by Montblanc's diamond, symbol of purity and beauty.

October

Extension of the Montblanc license agreement

Montblanc and Interparfums extend their partnership in the universe of fragrances for five additional years or until December 31, 2025. A new 10-year agreement entered into effect on January 1, 2016 without any material changes in operating conditions from the prior license.

2015 milestones and 2016 outlook

September 30, 2015: Interparfums celebrated the 90th anniversary of Maison Rochas. 90 years of modernity.

Outlook

With slightly better-than-expected year-end performances, particularly for Rochas and Jimmy Choo fragrances, 2015 fourth-quarter sales rose 8% at current exchange rates to €81 million.

Therefore, full year sales reached €327.4 million, up 10% at current exchange rates and 2% at constant exchange rates compared to 2014, reflecting a strong rise in the value of the US dollar.

In light of the uncertain global economic environment, for 2016 Interparfums has adopted a cautious approach. At the same time, it remains confident and enthusiastic, given its many strengths: the attractiveness of its brands, the quality of its products, the significant potential of its recent acquisitions, a flexible organization and the professionalism of its teams. The good performances at the start of this year thus allow us to confirm our sales target of €340 million for the 2016 full year.

With a total marketing and advertising budget of nearly €80 million for 2016, we have chosen to allocate substantial resources to develop our brands, in particular for the fall launch of Coach fragrances. In this context, and based on Euro-US dollar exchange rates within a 1.10-1.15 range, we expect an operating margin of between 12% to 13%.

Management

Philippe Benacin
Chairman
Chief Executive Officer

Angèle Ory-Guénard
Vice President,
Export Sales

Pierre Desaulles
Vice President,
Marketing

Delphine Pommier
Vice President,
Marketing

Frédéric Garcia-Pelayo
Executive Vice
President, Chief
International Officer

Renaud Boisson
Chief Executive Officer
Interparfums
Singapore

Board of

Philippe Benacin
Chairman - Chief
Executive Officer

Jean Madar
Director

Maurice Alhadève
Independent
Director

Patrick Choël
Director

Dominique Cyrot
Independent
Director

Committee

Jérôme Thermoz
Vice President,
French Distribution

Stanislas Archambault
Chief Executive Officer
Interparfums
Luxury Brands

Philippe Santi
Executive Vice
President, Chief Financial
and Administrative Officer

Catherine Bénard-Lotz
Chief Legal
Officer

Axel Marot
Vice President,
Supply Chain
& Operations

Directors

Frédéric Garcia-Pelayo
Director and Executive
Vice President

Chantal Roos
Independent
Director

Philippe Santi
Director and Executive
Vice President

Marie-Ange Verdickt
Independent
Director

Organization and teams

In France

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 35 headed by Axel Marot performs these missions supported by a Quality team to ensure the procedures defined in the specifications are respected.

Marketing

A staff of 36 working under Pierre Desaulles and Delphine Pommier 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 with its brand universe.

Export

A staff of 28 spearheaded by Frédéric Garcia-Pelayo and Angèle Ory-Guénard 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 38 headed by Jérôme Thermoz. 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 and Corporate Affairs

A team of 38 managed by Philippe Santi 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.

Rochas Fashion

A team of 7 joined the Group following the acquisition of the Rochas brand in May 2015. They are responsible for the licenses and developing the Rochas brand in the fashion universe.

Subsidiaries

Interparfums has distribution subsidiaries in Europe (Interparfums Gmbh in Germany, Interparfums Srl in Italy and Inter España Parfums et Cosmetiques SL and Parfums Rochas Spain in Spain) working in collaboration with local partners.

It also has a standalone distribution subsidiary in the United States (Interparfums Luxury Brands) managed by a team of 30 headed by Stanislas Archambault.

Finally, development of operations in the Asian market is spearheaded by the Singapore subsidiary (Interparfums Singapore) with a team of 11 headed by Renaud Boisson.

The itinerary of a perfume: our know-how

Imagining, creating

A perfume is born as an emanation of a brand's universe Starting with its codes, identity and even fantasy, it seeks to express both the positioning developed over time and also a precise moment of dialogue between the brand and its public. For each fragrance, Interparfums' marketing team build on these core values to tell a unique story, with a connection to the parent companies.

Through this alchemy, life takes form: from the technical brief defined by the marketing department, the perfumer will assemble the components that will give birth to a unique fragrance. Delicate associations, subtle blends, original combinations: designing a fragrance calls for a unique mix of boldness, reason, experience and imagination.

Manufacturing, packaging

Bottles, caps, pumps, glass makers, cardboard packaging materials for outside boxes and inner boxes, metallic components. These different components are manufactured by as many as 100 subcontractors. As for the fragrances, they are delivered in concentrated form.

All these phases are spearheaded by the production teams will bring to bear their high level of expertise for coordinating and ensuring compliance with the industrial planning process. The entire process is carried out in accord with the principles of ethical and environmental responsibility.

Traceability, transport and distribution

As an interface with commercial teams, the logistics teams then intervene to ensure the traceability of products, their transport, the management of inventories in relation to orders and forecasts: a balancing act of the highest precision.

A specific regional or global distribution strategy is developed for each brand, integrating different cultural approaches according to countries. Interparfums furthermore has a network of loyal and well-established distributors. Partners ensuring the right segment for each fragrance while respecting the specific conditions of the selective distribution market.

The launch

After 18 months of development, the perfume reaches the end of this journey: its meeting with those who embrace its story and wear the fragrance.

Marketing and media campaigns, point-of-sale events… the launch process is designed for each country, well in advance to generate interest and momentum and to create the event.

Brand portfolio

Our missions: developing perfume and cosmetic lines through license agreements with leading luxury brands in close collaboration with their creative and marketing teams.

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.

Our underlying 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.


JIMMY CHOO
ILLICIT


BALMAIN
HOMME
BALMAIN
PARIS

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: *Vent Vert* (1947), *Monsieur Balmain* (1964), *Ambre Gris* (2008), *Carbone* (2010), *Ivoire* (2012), *Extatic* (2014) and *Balmain Homme* (2015)

Since 2012, Balmain fragrances have been integrated into the Group's brand portfolio, inaugurated notably by the relaunch of the *Ivoire* line in September 2012 and followed by the *Extatic* line in 2014 and the new men's line, *Balmain Homme* in 2015.

€4.8 million

2015 sales,
% of total sales: 1.5%

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 1 January 2011.

Lines distributed: *Boucheron Femme* (1988), *Boucheron pour Homme* (1989), *Jaïpur Homme* (1998), *Jaïpur Bracelet* (2012), *Boucheron Place Vendôme* (2013) and *Quatre* (2015).

Boucheron fragrances returned to growth, driven by the excellent market response to *Quatre*.

Main 2015 awards

Quatre Duo: FiFi Awards (Russia)

€17.8 million

2015 sales,
% of total sales: 5.4%


BOUCHERON
PARIS
QUATRE
BOUCHERON
QUATRE
QUATRE


COACH
NEW YORK

Coach

In early April, Coach Inc., the leading New York design house of fashion and luxury accessories and lifestyle collections and Interparfums, announced the signature of an 11-year exclusive worldwide fragrance license agreement to create, produce and distribute perfumes for the brand.
Distribution of Coach fragrances is scheduled to begin in fall 2016.
2016 will the largely marked by the launch of a women's line in the fall.

Jimmy Choo

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

Lines distributed: *Jimmy Choo* (2011), *Flash* (2013), *Jimmy Choo Man* (2014) and *Jimmy Choo Illicit* (2015).

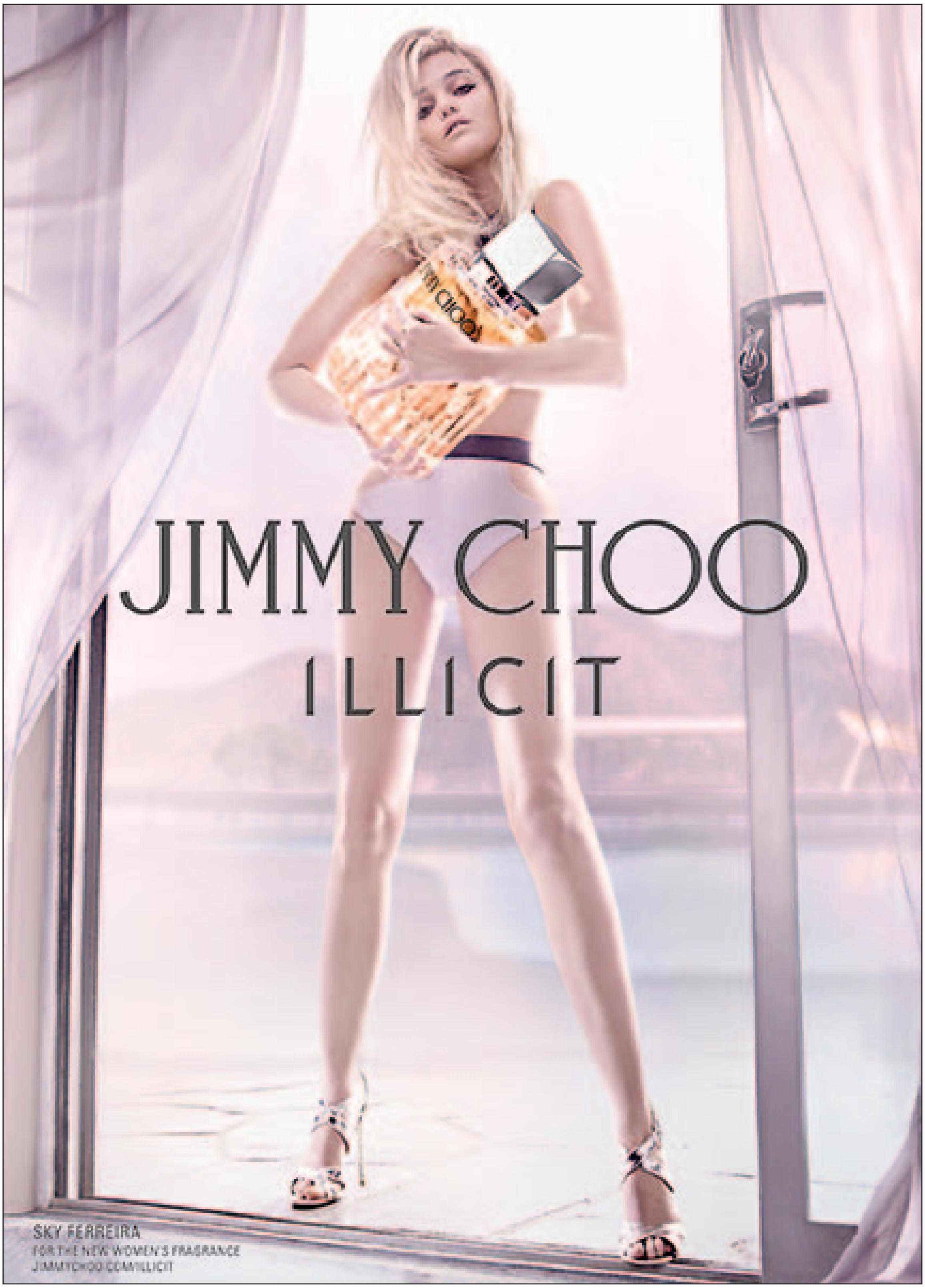
Jimmy Choo fragrances registered an exceptional year (+41% in 2015), driven by excellent performances from the *Jimmy Choo Man* line and the launch of the *Jimmy Choo Illicit* line.

Main 2015 awards

Jimmy Choo Blossom: "Best Women's Fragrance "by Cosmopolitan Beauty Award (South Korea)
Jimmy Choo Man: Star "Beauty Awards" (United States)
Jimmy Choo Man: "Grooming Award" by Men Health" (United States)
Jimmy Choo Man: "Best Personal Care Product 2015" by Details (United States)
Jimmy Choo Illicit: "Be beautiful Latina Beauty Awards" by Latina (United States)
Jimmy Choo Man: FiFi awards "Best New Men's Fragrance" (U.K.)
Jimmy Choo Man: "Readers Choice "Grooming Award" by Men Health Magazine (U.K.)

€83.3 million

2015 sales,
% of total sales: 25.5%


JIMMY CHOO
ILLICIT
SKY FERREIRA


KARL LAGERFELD
#KARLPARFUMS
PRIVATE KLUB
KARL LAGERFELD
PRIVATE KLUB
KARL LAGERFELD

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.

Lines distributed: *Karl Classic* (1978), *Karl Lagerfeld Femme*, *Karl Lagerfeld Homme* (2014) and *Private Klub* (2015).

With a first fragrance duo in early 2014, Karl Lagerfeld fragrances had sales of more than €10 million.

€10.3 million

2015 sales,
% of total sales: 3.2%

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 S.A.* company. On the same date, the two companies mutually agreed to terminate the existing licensing contract signed in June 2004.

Lines distributed: *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), *Jeanne Lanvin Couture* (2012), *Me* (2013), *Éclat d'Arpège Pour Homme* (2015) and *Éclat de Fleurs* (2015).

Lanvin fragrances contracted marginally, while the launches of the *Éclat d'Arpège pour Homme* line in the spring and the *Éclat de Fleurs* line in the fall gradually took the lead as growth drivers destined to replace maturing lines.

Main 2015 awards

Me L'Eau: "Star Beauty Award" (South Korea)
Me L'Eau: 2nd place winner of the "Instyle Star Beauty Award" (South Korea)
Marry Me!: "Preferred Fragrance" prize by Maquia Magazine readers (Japan)
Éclat d'Arpège: "Preferred Fragrance" prize by Sweet Magazine readers (Japan)
Me L'Eau: "Rayli Herstyle Beauty Award" (China)

€64.1 million

2015 sales,
% of total sales: 19.6%


LANVIN
PARIS
ÉCLAT
de
FLEURS


MONT
BLANC
LEGEND
SPIRIT
LEGEND
SPIRIT
#FOLLOWYOURSPIRIT

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.

In October 2015, the two companies decided, to extend their partnership for an additional five years, i.e. until December 31, 2025. A new 10-year agreement entered into effect on January 1, 2016 without any material changes in operating conditions from the prior license.

Lines distributed: *Présence* (2001), *Présence d'une Femme* (2002), *Individuel* (2004), *Femme Individuelle* (2004), *Starwalker* (2005), *Montblanc Legend* (2011), *Montblanc Legend Femme* (2012), *Montblanc Emblem* (2014) and *Montblanc Lady Emblem* (2015).

Montblanc fragrances consolidated their positions after three years of strong growth. Sales of €88 million were driven by the successes of *Montblanc Legend* and *Montblanc Emblem* and the launch of the *Montblanc Lady Emblem* line.

Main 2015 awards

Montblanc Legend Spirit: Pre-launch "Arena A Awards" (South Korea)
Montblanc Emblem Intense: "Best International Men's Fragrance", Cosmetica News Award (Brazil)
Montblanc Emblem Intense: "GQ Beauty Awards" (China)
Montblanc Emblem Intense: "Best Emblematic Men's Fragrance" by Elle Men Grooming Awards (Hong Kong)

€88.0 million

2015 sales,
% of total sales: 26.9%

Paul Smith

In December 1998, Interparfums entered into an exclusive worldwide 12-year 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: *Paul Smith* (2000), *Paul Smith Extrême* (2002), *Paul Smith Rose* (2007) and *Paul Smith Essential* (2015).

Paul Smith fragrances, benefiting from the launch of the men's line, *Paul Smith Essential*, achieved 6% growth for the year.

€9.5 million

2015 sales,
% of total sales: 2.9%


Paul Smith
ESSENTIAL
THE NEW FRAGRANCE
Paul Smith
ESSENTIAL


repetto
PARIS
FLY AWAY WITH
THE NEW EAU FLORALE

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.

Lines distributed: *Repetto Eau de Toilette* (2013), *Repetto Eau de Parfum* (2014) and *Repetto Eau Florale* (2015).

Repetto fragrances were adversely affected by lower fragrance and cosmetics sales in France, the brand's main market.

Prix obtenu en 2015

"Best Event Strategy Award" for the Repetto music box by Le Grand Prix Stratégies de la Publicité et des Stratégies Médias (France)

€8.0 million

2015 sales,
% of total sales: 2.4%

Rochas

On 19 March, Interparfums signed an agreement with Procter & Gamble Co. to acquire the Rochas brand, mainly for class 3 (cosmetics) and 25 (fashion). On June 1, Interparfums announced the closing of the Rochas brand acquisition (fragrances and fashion) on May 29, 2015;

Lines distributed: *Femme* (1945), *Madame* (1960), *Eau de Rochas* (1970), *Rochas Man* (1990), *Eau de Rochas Homme* (1993) and *Tocade* (1994).

Distribution channels established for Rochas fragrances, mainly for the *Eau de Rochas* and *Rochas Man* lines in the Spanish and French markets generated €12 million in sales for 7 months.

€12.1 million

2015 sales,
% of total sales: 3.7%


EAU DE
ROCHAS
EAU DE
ROCHAS


EAU DES PRINCES
PARIS
SAINT - GERMAIN
INTENSE
S.T. Dupont
PARIS 1872
LE NOUVEAU PARFUM
S.T. Dupont
PARIS
PARIS
SAINT - GERMAIN

S.T. Dupont

In July 1997, Interparfums entered into an 11-year exclusive worldwide 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: *S.T. Dupont* (1998), *S.T. Dupont Essence Pure* (2002), *Passenger* (2008), *Passenger Cruise* (2011), *58 avenue Montaigne* (2012), *S.T. Dupont Paris Saint-Germain* and *So Dupont* (2014).

S.T. Dupont fragrances had more than €10 million in sales, mainly from the *S.T. Dupont Paris Saint-Germain* and *So Dupont* lines.

€10.4 million

2015 sales,
% of total sales: 3.1%

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: *First* (1976), *Van Cleef pour Homme* (1978), *Tsar* (1989), *Van Cleef pour Femme* (1993), *Féerie* (2008), *Collection Extraordinaire* (2009), *Oriens* (2010), *Midnight In Paris* (2010), *Rêve* (2013) and *Féerie Rubis* (2015).

Van Cleef & Arpels fragrances remained relatively stable in a year without major launches, while registering continuing gains from the *Collection Extraordinaire* line (+64%) and steady sales for the *First* line.

Main 2015 awards

Rêve Élixir Eau de Parfum: The "Self Beauty Awards" (China)

€17.5 million

2015 sales,
% of total sales: 5.3%


Van Cleef & Arpels
HAUTE PARFUMERIE
Van Cleef & Arpels
AMBRE IMPÉRIAL
N°0050608
COLLECTION
EXTRAORDINAIRE
COLLECTION
EXTRAORDINAIRE
The New Fragrance

Shareholder information

"During the first part of 2015, the Interparfums share price registered very strong gains, following the publication of good results for 2014 and positive trends for 2015, but also the US dollar's rise. On that basis, many analysts significantly raised their targets for the share.

With this trend, the share reached a high of €30.30 in April (restated for the bonus issue of June 2015). On that day, the Group had a market capitalization of €960 million.

Starting in May 2015, with financial markets adversely affected by economic uncertainties, the Interparfums share entered a downcycle, retreating to €24-€25 at the end of June.

The confirmation of sales and earnings guidance with the publication of the 2015 first-half sales nevertheless contributed to the share's rise back to €26-€27.

Financial market turbulence in August and targets lowered by analysts who had been overly optimistic reversed this uptrend. In response, the share declined to €23 in September 2015. Bleak economic prospects at the start of 2016 have continued to weigh upon the share price that traded at around €21 on average in January. On that basis, the market capitalization is approximately €700 million.

As was the case for all Mid Caps, trading volumes contracted marginally though remain steady at around 15,000 shares per day."

Philippe Santi

Executive Vice President,
Chief Financial and Administrative Officer

Transparency and fair presentation of information

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.

Upcoming publications

2016 second-quarter sales: End of July 2016
2016 first-half sales and earnings: Mid-September 2016
2016 third-quarter sales: End of October 2016
2016 letter to shareholders: Mid-November 2016
2016 sales: End of January 2017
2016 annual results: Mid-March 2017

Upcoming meetings

Investir shareholders meeting: Paris, June 29, 2016

F2iC shareholders meeting: Paris, June 15, 2016 and September 22, 2016

Large & Mid Cap Events: Paris, October 5 & 6, 2016

Actionaria fair: Paris, November 18 & 19, 2016

Institutions providing financial research on Interparfums

Exane BNP Paribas, CM-CIC Securities, Gilbert Dupont, ID Midcaps, Kepler Cheuvreux, Midcap Partners, Natixis Securities, Oddo Midcap.

Shareholder base as of December 31, 2015

Interparfums Inc.: 73% — Free float: 27%
Interparfums has more than 7,500 individual shareholders and 320 institutional shareholders (with foreign investors representing one third).

Securities market information

Market: Euronext Paris
Market segment: Segment B (Mid Caps)
IPO date: November 1995
ISIN code: FR0004024222 ITP
Stock market indexes: CAC Mid & Small, CAC-PME and eligible for PEA-PME French tax-advantaged savings accounts
Market maker: Oddo Securities

Dividends

At the Annual General Meeting of April 22, 2016, the Board of Directors will propose a dividend of €0.50 per share, a 25% increase from 2015 in light of the bonus share issue of June 2015. On this basis, the payout rate would be 55% of net income.

Furthermore, for the 17th consecutive year, a bonus share issue will be carried out in June on the basis, this year, of one new share for every ten shares held.

Dividend for fiscal year *paid in*	**2013** *2014*	**2014** *2015*	**2015[1]** *2016*
Dividend per share (€)	0.49	0.44	0.50
Dividend adjusted for bonus share issues (€)	0.41	0.40	0.50
Annual change for the adjusted dividend (%)	-	+7.8	+25.0

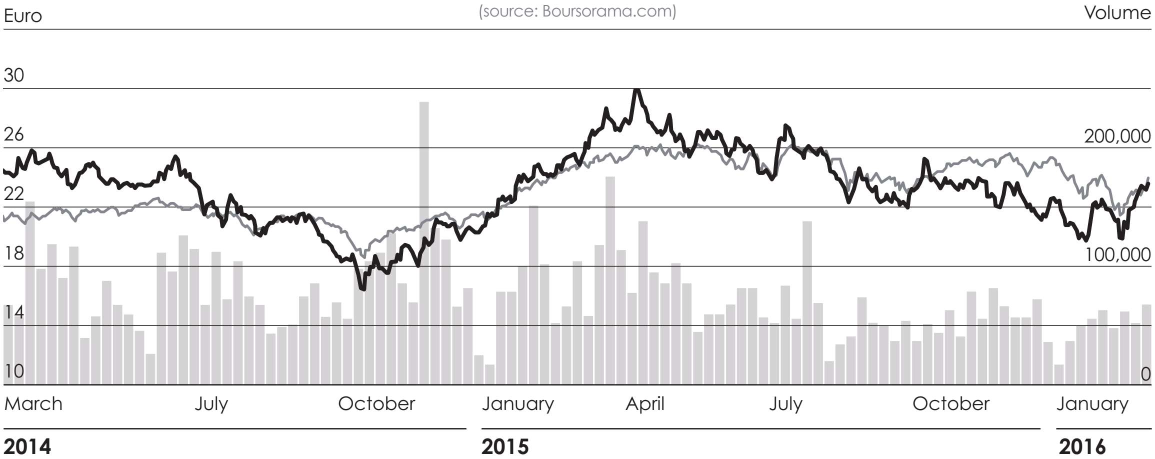
(1) Subject to approval by the General Meeting.

Share price trends

	2013	**2014**	**2015**
Closing price at December 31 (€)	31,35	22,45	22,70
Market capitalization (€m)	760	654	730
Number of shares comprising the capital (m)	24,2	29,2	32,2

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

(source: Boursorama.com)



Condensed financial statements

Consolidated income statement

At December 31, in € thousands,	2014	2015
Sales	**297,087**	**327,411**
Cost of sales	(123,462)	(119,343)
Gross margin	**173,625**	**208,068**
% of sales	*58.4%*	*63.5%*
Selling and administrative expenses	(142,209)	(162,243)
Operating profit	**31,416**	**45,825**
% of sales	*10.6%*	*14.0%*
Net financial expense	2,797	(670)
Income before income tax	**34,213**	**45,155**
% of sales	*11.5%*	*13.8%*
Income tax	(11,105)	(15,923)
Effective tax rate	*32.5%*	*33.3%*
Net income before non-controlling interests	**23,108**	**29,232**
% of sales	*7.8%*	*8.9%*
Attributable to non-controlling shareholders	(83)	80
Net income	23,191	29,152
% of sales	*7.8%*	*8.9%*

Consolidated balance sheet

ASSETS

At December 31, in € thousands,	2014	2015
Non-current assets		
Net trademarks and other intangible assets	69,473	172,733
Net property, plant, equipment	5,218	5,927
Financial assets and other non-current financial assets	8,259	7,791
Deferred tax assets	4,566	5,605
Total non-current assets	**87,516**	**192,056**
Current assets		
Inventory and work in progress	63,678	70,653
Trade receivables and related accounts	57,685	69,515
Other receivables and deferred tax assets***	7,336	9,965
Cash and cash equivalents	224,672	225,992
Total current assets	**353,371**	**376,125**
Total assets	**440,887**	**568,181**

SHAREHOLDERS' EQUITY & LIABILITIES

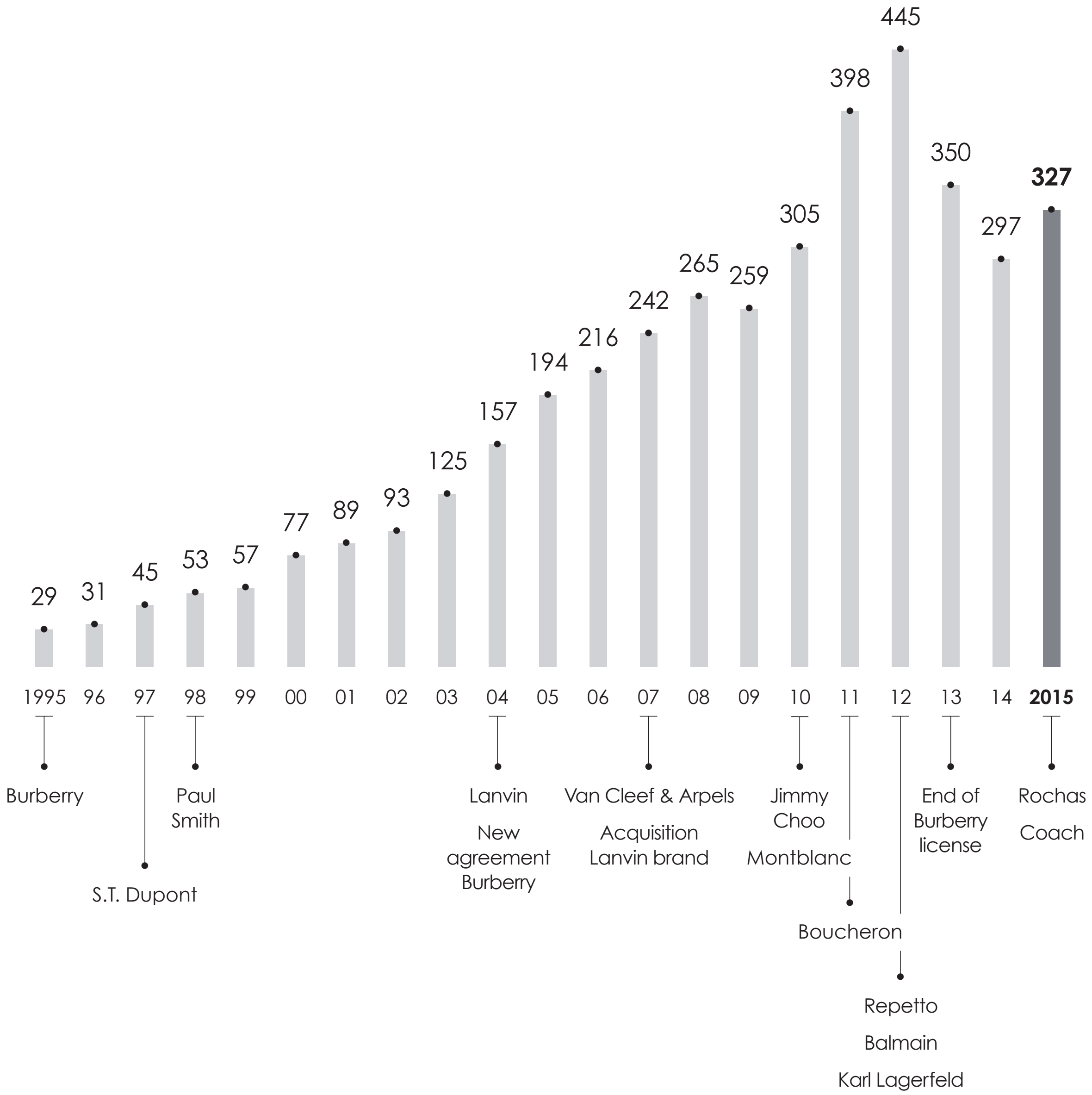
At December 31, in € thousands,	2014	2015
Shareholders' equity		
Share capital	87,460	96,515
Additional paid-in capital and reserves	257,248	261,384
Net income for the year	23,191	29,152
Equity attributable to parent company shareholders	**367,899**	**387,051**
Non-controlling interests	111	429
Total shareholders' equity	**368,010**	**387,480**
Non-current liabilities		
Provisions for non-current commitments	4,805	5,745
Non-current borrowings	143	70,215
Deferred tax liabilities	815	2,676
Total non-current liabilities	**5,763**	**78,636**
Current liabilities		
Trade payables and related accounts	44,841	53,730
Current borrowings	110	20,357
Provisions for contingencies and expenses	248	248
Other payables and deferred tax liabilities	21,915	27,730
Total current liabilities	**67,114**	**102,065**
Total shareholders' equity & liabilities	**440,887**	**568,181**

Sales growth by brand

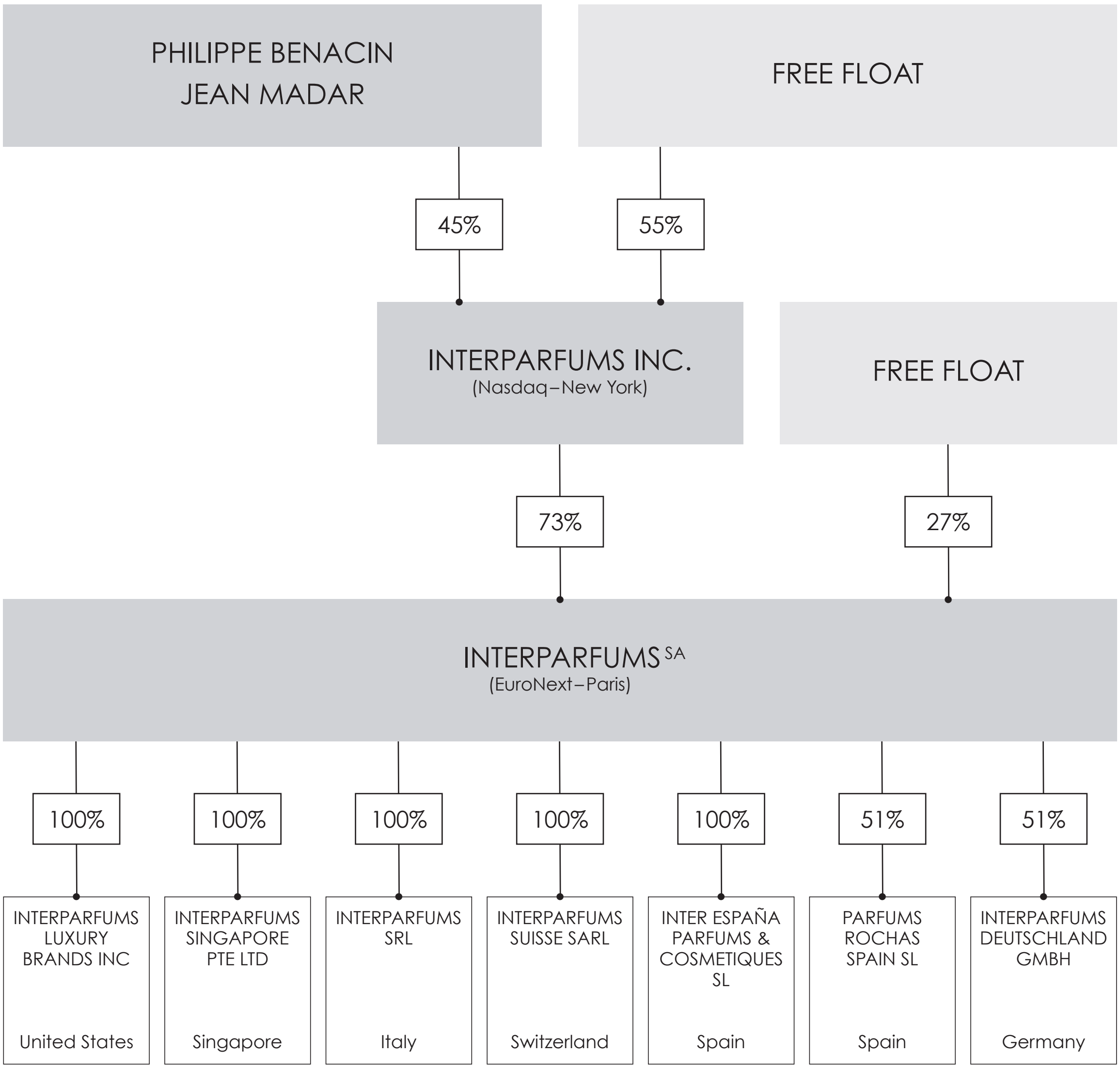
At December 31, in € thousands, and as a % of sales	2011	2012	2013	2014	2015
Montblanc	30.6 *7.7%*	46.1 *10.4%*	62.7 *17.9%*	83.4 *28.1%*	**88.0** *26.9%*
Jimmy Choo	29.4 *7.4%*	40.1 *9.0%*	54.6 *15.6%*	59.1 *19.9%*	**83.3** *25.5%*
Lanvin	57.8 *14.5%*	60.4 *13.6%*	64.9 *18.5%*	68.0 *23.0%*	**64.1** *19.6%*
Boucheron	8.4 *2.1%*	16.4 *3.7%*	17.4 *4.9%*	13.9 *4.7%*	**17.8** *5.4%*
Van Cleef & Arpels	20.4 *5.1%*	17.8 *4.0%*	19.2 *5.5%*	17.8 *6.0%*	**17.5** *5.3%*
Rochas	– –	– –	– –	– –	**12.1** *3.7%*
S.T. Dupont	13.2 *3.3%*	13.8 *3.1%*	10.1 *2.9%*	12.9 *4.3%*	**10.4** *3.1%*
Karl Lagerfeld	– –	– –	0.3 *0.1%*	18.2 *6.1%*	**10.3** *3.2%*
Paul Smith	14.2 *3.6%*	11.6 *2.6%*	8.9 *2.5%*	9.0 *3.0%*	**9.5** *2.9%*
Repetto	– –	– –	9.0 *2.6%*	9.3 *3.1%*	**8.0** *2.4%*
Balmain	– –	1.5 *0.3%*	2.5 *0.7%*	5.1 *1.7%*	**4.8** *1.5%*
Burberry and others	224.3 *56.4%*	237.8 *53.4%*	98.9 *28.3%*	0.4 *0.1%*	**0.6** *0.2%*
Fragrance sales	398.3	445.5	350.4	297.1	**326.4**
Rochas fashion license revenues	–	–	–	–	1.0
Total sales	398.3	445.5	350.4	297.1	**327.4**

Revenue trends – 20 years

(at December 31, in € thousands)



Group organization



interparfums

REGISTRATION DOCUMENT 2015

AMF | AUTORITÉ DES MARCHÉS FINANCIERS

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 31, 2016 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.

1

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, 2014 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 March 31, 2015 under No. D.15-0238.

– the consolidated financial statements for the period ended December 31, 2013 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 1, 2014 under No. D.14-0258.

Disclaimer

This English language version of this registration document is a free translation of selected portions of the original "Document de Référence 2015" 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 31, 2016 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

Whereas countries like Spain (+6%) or Italy (+2%) finally showed recoveries for sales in the selective market segment in 2015, the French prestige market ended down for the fourth consecutive year with sales of €2.852 billion representing a decline of 0.9% in value and 2.7% in volume.

The decrease of the segment with the largest share of the market, slowed down overall industry growth: perfume sales thus ended the year down 1.6% to €1.9 billion.

For men's fragrances (-1.7%), advertising campaigns and the pace of product launches remained sustained throughout the year.

And yet surprisingly enough, despite this context, private collections of the selected brands are gaining ground.
In 2015, this prestige segment had a market share in fragrance sales of 2%. And bottles of more than 100 ml represented 14% of women's fragrance sales in value.
Source: NPD Group.

1.3. Annual highlights

January

Launch of the *Éclat d'Arpège Pour Homme* line of Lanvin

The new masculine fragrance *Éclat d'Arpège Pour Homme* is a stopover in the heart of the Mediterranean in the hills above Saint-Tropez.

April

Signature of a fragrance license agreement with Coach Inc.

In early April, Coach Inc., the leading New York design house of fashion and luxury accessories and lifestyle collections and Interparfums, announced the signature of an 11-year exclusive worldwide fragrance license agreement to create, produce and distribute perfumes for the brand. The launch of Coach fragrances is expected in the fall of 2016.

Launch of the *Quatre* line of Boucheron

The *Quatre* fragrances represent a modern and daring olfactory interpretation of the Maison Boucheron's iconic ring. *Quatre* for women is a brilliant and elegant floral fruity Eau de Parfum. *Quatre* for men is an elegant woody fragrance for men with style.

Launch of the *Eau Florale* line of Repetto

After *Eau de Toilette* in 2013 and *Eau de Parfum* in 2014, Repetto fragrances' gradual expansion in France continued with the launch of *Eau Florale*;

May

Acquisition of the Rochas brand

At the end of May 2015, Interparfums acquired the Rochas brand (perfumes and fashion) from Procter & Gamble. This transaction covered all Rochas brand names and registered trademarks (*Femme*, *Madame*, *Eau de Rochas*…) for France and international markets, mainly for class 3 (fragrances) and class 25 (fashion). This brand was acquired for US$108 million and financed by a €100 million loan repayable over five years.

June

Bonus share issue

The company proceeded with its 16th bonus share issue on the basis of one new share for every ten shares held.

Launch of the *Private Klub* fragrance duo of Karl Lagerfeld

Private Klub encapsulates the spirit of a joyous, vivacious, bacchanalian youth. *Private Klub* for women is designed around elegant oriental florals. The eau de toilette *Private Klub* for men features a woody, spicy fragrance.

Creation of the subsidiary, Parfums Rochas Spain

In June 2015, Interparfums set up a new distribution subsidiary in Spain to market Rochas fragrances in a major market for this brand. This "Parfums Rochas Spain" entity is 51%-held by Interparfums and 49%-held by its local distributor

July

Launch of the *Balmain Homme* line

Signature of a free, audacious, and urban man, *Balmain Homme* is a perfume with a modern elegance and a rare sophistication.

August

Launch of the *Essential* line of Paul Smith

The eau de toilette *Essential* for men symbolizes the pure essence of Paul Smith style The fragrance opens on a structured freshness made of rosemary, zests of yuzu infused with the elegant fluidity of the ozonic accord.

September

Launch of the *Jimmy Choo Illicit* line

Punchy and provocative but with an underlying sweetness, *Jimmy Choo Illicit* is a hypnotic and innately feminine floriental fragrance.

Launch of the *Montblanc Lady Emblem* line

Montblanc Lady Emblem, the new delicately feminine and resolutely modern fragrance for woman is inspired by Montblanc's diamond, symbol of love purity and beauty.

October

Extension of the Montblanc license agreement

Montblanc and Interparfums extend their partnership in the universe of fragrances for five additional years or until December 31, 2025. A new 10-year agreement entered into effect on January 1, 2016 without any material changes in operating conditions from the prior license.

1.4. Annual operating highlights and key figures

With slightly better-than-expected year-end performances, particularly for Rochas and Jimmy Choo fragrances, 2015 fourth-quarter sales rose 8% at current exchange rates to €81 million. For the full year, sales in consequence reached €327.4 million, up 10% at current exchange rates and 2% at constant exchange rates compared to 2014, reflecting a strong rise in the value of the US dollar.

1.5. Sales by brand

€m and as a% of sales	2011	2012	2013	2014	2015
Montblanc	30.6	46.1	62.7	83.4	88.1
	7.7%	*10.4%*	*17.9%*	*28.1%*	*26.9%*
Lanvin	57.8	60.4	64.9	68.0	64.1
	14.5%	*13.6%*	*18.5%*	*23.0%*	*19.6%*
Jimmy Choo	29.4	40.1	54.6	59.1	83.4
	7.4%	*9.0%*	*15.6%*	*19.9%*	*25.5%*
Karl Lagerfeld	-	-	0.3	18.2	10.4
	-	-	*0.1%*	*6.1%*	*3.2%*
Van Cleef & Arpels	20.4	17.8	19.2	17.8	17.5
	5.1%	*4.0%*	*5.5%*	*6.0%*	*5.3%*
Boucheron	8.4	16.4	17.4	13.9	17.7
	2.1%	*3.7%*	*4.9%*	*4.7%*	*5.4%*
S.T. Dupont	13.2	13.8	10.1	12.9	10.3
	3.3%	*3.1%*	*2.9%*	*4.3%*	*3.1%*
Repetto	-	-	9.0	9.3	8.0
	-	-	*2.6%*	*3.1%*	*2.4%*
Rochas	-	-	-	-	12.1
	-	-	-	-	*3.7%*
Paul Smith	14.2	11.6	8.9	9.0	9.5
	3.6%	*2.6%*	*2.5%*	*3.0%*	*2.9%*
Balmain	-	1.5	2.5	5.1	4.8
	-	*0.3%*	*0.7%*	*1.7%*	*1.5%*
Burberry and other	224.3	237.8	98.9	0.4	0.5
	56.4%	*53.4%*	*28.3%*	*0.1%*	*0.2%*
Fragrance sales	**398.3**	**445.5**	**350.4**	**297.1**	**326.4**
Rochas fashion license revenues	-	-	-	-	1.0
Total sales	**398.3**	**445.5**	**350.4**	**297.1**	**327.4**

Montblanc fragrances consolidated their positions after three years of strong growth (33% in 2014, 36% in 2013, 51% in 2012): sales of €88 million were driven by *Montblanc Legend*, 11th men's juice in the United States in 2015 (1) and *Montblanc Emblem*, as well as by initial sales for the *Montblanc Lady Emblem* line;

With more than €83 million in sales, up 40%, Jimmy Choo fragrances had an exceptional year based on the *Jimmy Choo Man* line's excellent performance, particularly in the United States where it ranked ninth in 2015 (1) for men's fragrances, and the launch of *Jimmy Choo Illicit*, the third women's fragrance initiative for the brand.

Lanvin fragrances contracted marginally (-6%), while the launches of the *Éclat d'Arpège Pour Homme* line in the spring and the *Éclat de Fleurs* line in the fall gradually took the lead as growth drivers destined to replace maturing lines;

Boucheron fragrances returned to growth (+27%) based on the excellent market response to *Boucheron Quatre*;

Van Cleef & Arpels fragrances remained relatively stable in a year without major launches, while registering continuing gains from the *Collection Extraordinaire* line (+64%) and steady sales for the *First* line;

Distribution channels established for Rochas fragrances, mainly for the *Eau de Rochas* and *Rochas Man* lines in the Spanish and French markets generated €12 million in sales for 7 months.

Even with a particularly unfavorable base effect linked to the first fragrance duo's launch in 2014, Karl Lagerfeld fragrances achieved sales exceeding €10 million.

Paul Smith fragrances, benefiting from the launch of the *Essential* line, achieved 6% growth for the year.

Finally, despite the launch of *Eau Florale* in 2015 following *Eau de Parfum* in 2014 and *Eau de Toilette* in 2013, Repetto fragrances were adversely affected by lower fragrance and cosmetics sales in France, the brand's main market.

1.6. Sales by region

€m	**2014**	**2015**
North America	60.7	75.8
South America	30.0	24.1
Asia	46.6	48.2
Eastern Europe	32.9	38.9
Western Europe	66.8	73.9
France	27.1	29.5
Middle East	27.7	31.0
Africa	5.3	5.0
Perfume sales	**297.1**	**326.4**
Rochas fashion license revenues	-	1.0
Total	**297.1**	**327.4**

With very strong sales growth in the second half, North America became the Group's largest market in 2015 (23% of sales), reflecting in particular the success of Jimmy Choo fragrances with gains of more than 70% in the year, supported by a positive foreign exchange environment.

Western Europe, with growth of nearly 11%, benefited from Rochas fragrances' startup, particularly in Spain.

With limited growth of 3% in 2015, after achieving 20% in 2014, the slowdown in Asia was confirmed, despite steady performances by Jimmy Choo and Montblanc fragrances.

In Eastern Europe, steady sales from the *Éclat d'Arpège* line, plus the launch of the Lanvin's *Éclat de Fleurs* line in the second half of the year, contributed to 18% growth for the full year.

With sales off 30% in the second half, South America was adversely impacted by the difficult market conditions in Brazil, Argentina and Colombia, confirming the slowdown already noted in the spring.

(1) Source: NPD 2015 figures.

2. CONSOLIDATED FINANCIAL HIGHLIGHTS

2.1. Income statement highlights

€ thousands	**2012**	**2013**	**2014 (1)**	**2015**
Sales	445,460	350,392	297,087	327,411
International (%)	*92.1%*	*90.1%*	*91.0%*	*90.9%*
Operating profit	213,314	52,226	31,416	45,825
% of sales	*47.9%*	*14.9%*	*10.6%*	*14.0%*
Net income	136,188	34,833	23,191	29,152
% of sales	*30.6%*	*9.9%*	*7.8%*	*8.9%*

(1) Restated to eliminate the impact of applying IFRIC Interpretation 21.

In a difficult economic environment, Interparfums delivered another excellent performance in 2015, driven in particular by very strong growth from Jimmy Choo fragrances and further gains from Montblanc fragrances, bolstered by a positive foreign exchange environment. 2015 was also marked by two major events for the Group's long-term development: the Rochas brand acquisition and a new license agreement signed with the American brand, Coach.

In line with a strategy announced at the start of 2015, Interparfums strengthened its teams and increased the marketing and advertising budget. The US dollar's strong rise contributed to an exceptionally high operating margin, well above the normative level expected of 12%.

2.2. Balance sheet highlights

€m	**2014 (1)**	**2015**
Non-current assets	87.6	192.1
Inventories	63.7	70.7
Trade receivables	57.7	69.5
Current financial assets	156.6	86.3
Cash and cash equivalents	68.0	139.7
Group shareholders' equity	367.9	387.1
Borrowings and financial liabilities	0.2	90.6
Trade payables	44.8	53.7

(1) Restated to eliminate the impact of applying IFRIC Interpretation 21.

Following the Rochas brand acquisition in March 2015 financed by a €100 million medium-term loan, the financial structure remains extremely solid with shareholders' equity of €387 million (68% of total assets) and a significant net cash and cash equivalents position of €136 million at December 31, 2015.

2.3. Cash flow statement highlights

– operating cash flows were in line with the level of business for the year that did not include any major events, despite high billings in the last quarter, an increase in inventory relating to the significant volume of business expected in early 2016 and the increase in trade payables linked to significant year-end production;

– cash flows from investing activities reflected:

- a reduction in short-term investments in vehicles with maturities exceeding three months representing €80.3 million in current financial assets. These investments were reinvested in vehicles with maturities of less than three months and offering more favorable interest rates,
- an increase in intangible assets primarily due to the acquisition of the Rochas brand for perfumes and fashion amounting to €105.8 million;

– cash flows from financing activities included:

- a payment of the dividend for 2014 amounting to €12.8 million,
- the signature of the €100 million five-year loan agreement to finance the acquisition of the Rochas brand. At 31 December 2015, €10 million had been paid back on this loan.

Pursuant to the above, current cash balances invested in vehicles with maturities of less than three months totaled €149.9 million at December 31, 2015.

In light of current financial assets with maturities exceeding three months, cash totaled €226 million at December 31, 2015, compared to €222.4 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 map of risks first produced 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.

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 for ready-to-wear or accessories (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 possibility for the non-renewal of agreements upon expiration.

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

– the 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 brand names and international trademarks for Lanvin for class 3 products (fragrances) and Rochas for class 3 (fragrances) and class 25 (fashion) which 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.

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 (39.8% of sales) and to a lesser extent the Pound sterling (7.8% of sales) and the Japanese yen (2.0% of sales).

The Group's exchange rate risk management policy seeks to cover trade receivables of the period in US dollars, pounds sterling and Japanese yens. 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 3.14.3 of the consolidated financial statements.

3.2.2. Country risks

With sales in more than 100 countries, 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, 2015.

Furthermore, since November 2014, in order to limit the risks of default, and in a context of increasing geopolitical instability, the company has taken out a credit insurance policy with Coface for its export-related accounts receivable.

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 low in light of a cash position net of debt of approximately €135 million representing 24% of total assets at December 31, 2015.

Interest rate risks on floating-rate loans are covered by interest rate swaps.

Financial instruments used by the Group to manage interest rate risk are described in note 3.14.1 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. Given its extremely significant cash position, the company considers that it has the resources to meet its future commitments. Maturities for financial assets and liabilities are presented in note 3.14.2 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. However, as the result of these calculations is considerably above the required minimums, the company classifies the risk bridging these covenants as a very low. Covenants in force are described in note 3.10.3 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, firewall, anti-virus programs, etc.) and has implemented business continuity and IT recovery plans. These plans 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.

A tax audit of 2012 for the French company resulted in a tax deficiency notification amounting to €6 million received at the end of 2015. Interparfums, in line with the recommendations of its counsel, contested all points of the demands for additional tax payments. For that reason, the company did not record a provision for this dispute on December 31, 2015.

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. CORPORATE SOCIAL RESPONSIBILITY

Information on corporate responsibility presenting Group's commitments and employee-related, social and environmental areas is provided in chapter 4 of this document.

5. DIVIDENDS

Since 1998, the company has adopted a policy of distributing dividends that today represent approximately 50% of consolidated earnings, destined to reward shareholders while at the same time associating them with the Group's expansion. In early May 2015, a dividend of €0.44 per share was paid or a total of €12.8 million.

Dividends

Dividend for fiscal year:	**2011**	**2012**	**2013**	**2014**
Paid in:	2012	2013 (1)	2014	2015
Dividend per share	€0.50	€0.54	€0.49	€0.44
Dividend adjusted for bonus share issues	€0.31	€0.37	€0.37	€0.40
Annual change for the adjusted dividend	+14.6%	+18.8%	-	+7.8%

(1) Excluding the exceptional dividend.

6. PURCHASES BY THE COMPANY OF ITS 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, 2016.

6.1. Purpose of the new share repurchase authorization

The shareholders meeting of April 22, 2016 is called to renew through its seventh resolution the authorization granted to the Board of Directors to purchase and sell shares of the company for the following purposes:

– market making in the secondary market or ensuring the liquidity of the Interparfums share with an investment services provider through a liquidity agreement complying with the conduct of business rules of the French association of financial market professionals (AMAFI) recognized by the AMF;

– retaining shares purchased for subsequent use in exchange or as payment for acquisitions;

– ensuring sufficient shares are available to cover bonus share plans (or equivalent plans) to the benefit of employees and/or corporate officers of the Group as well as all share grants in connection with a company or group employee savings plan (or equivalent plan), employee profit-sharing schemes and/or all other forms of share grants to employees and/or corporate officers of the Group;

– ensuring that sufficient shares are available to cover requirements for securities granting entitlement to shares of the company in accordance with applicable regulations;

– canceling shares, as applicable, acquired in accordance with the authorization granted by the fifteenth extraordinary resolution of the shareholders' General Meeting of April 24, 2015.

6.2. Maximum percentage of capital – Maximum purchase price

Excerpt of the seventh resolution submitted for approval to the shareholders meeting of April 22, 2016:

The General Meeting, having reviewed the Board of Directors' report, grants an authorization for eighteen months in accordance with the provisions of articles L.225-209 *et seq.* of the French Commercial Code, to purchase, on one or more occasions at times of its choosing up to 5% shares of the company making up the share capital, where applicable adjusted to take into account increases or reductions in the share capital that may be carried out during the period the share buyback authorization is in force.

The maximum purchase price is €40 per share; In the case of equity transactions including notably stock splits or reverse stock splits or bonus share grants, the amount indicated above will be adjusted in the same proportions (with the multiplier being equal to the ratio between the number of shares making up the share capital before the transaction and the number of shares thereafter).

The maximum amount for the purchase of shares under this authorization is €64,343,440.

6.3. Duration of the share buyback program

In compliance with the provisions of the seventh resolution to be submitted to the shareholders meeting of April 22, 2016, 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, 2017.

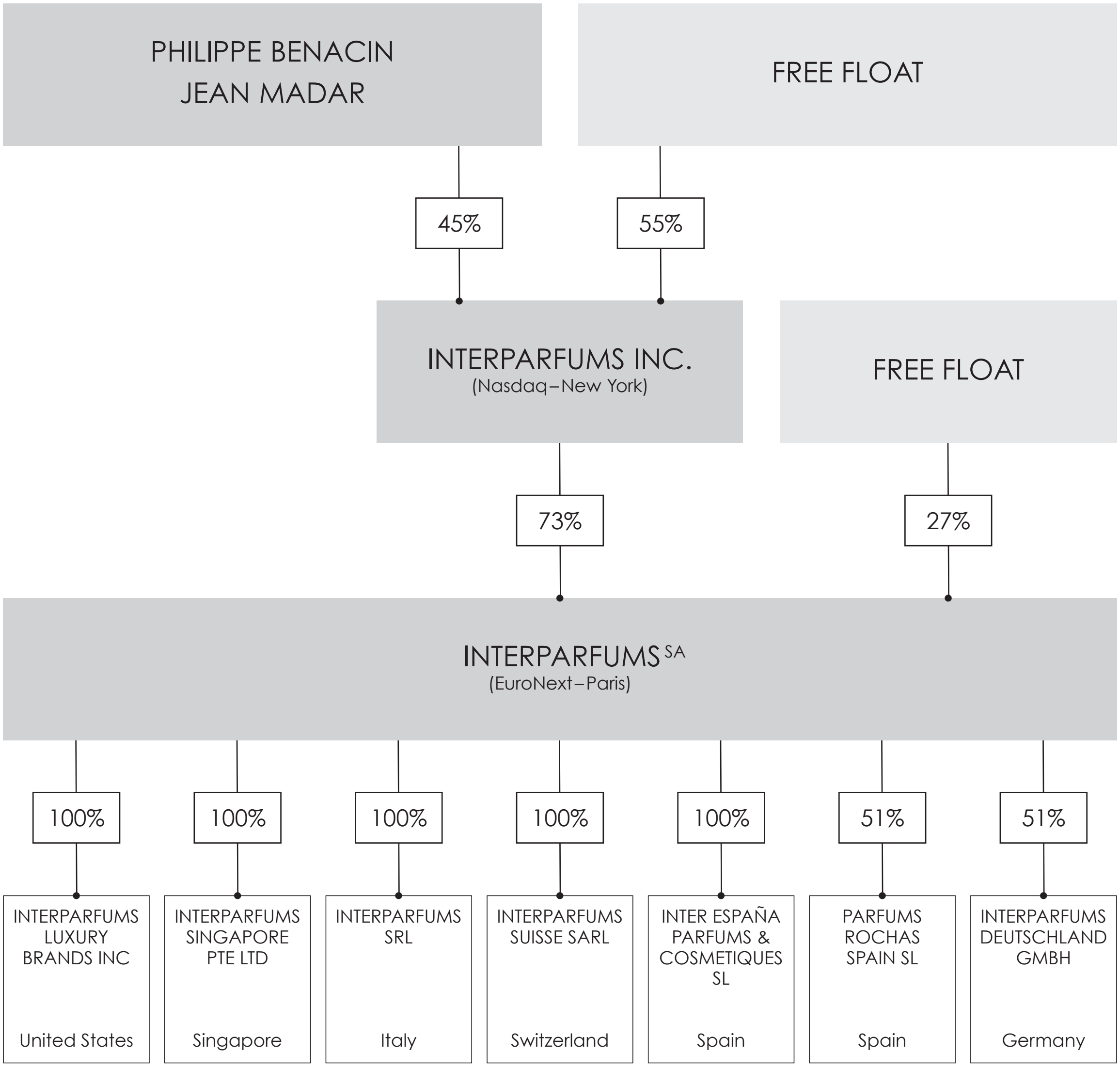
If one of the characteristics of the description of this program is modified during the period of its duration, the public shall be notified of this modification in accordance with the provisions set forth in article L.212-13 of the AMF General Regulation.

6.4. Summary of the previous share buyback program

Transactions for 2015 under the share buyback program are described in note 3.8.3 "Treasury shares" to the consolidated financial statements.

7.
GROUP ORGANIZATION

The shareholder base of Interparfums Inc. at December 31, 2015 was as follows:



8. REAL ESTATE PROPERTIES

Interparfums does not own any real estate properties. Both the headquarters in Paris and the warehousing site in Rouen are rented. The manufacturing and packaging sites are owned by subcontractors.

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. 2016 OUTLOOK

In light of the uncertain global economic environment, for 2016 Interparfums has adopted a cautious approach. At the same time, we are confident and enthusiastic, given our many strengths: the attractiveness of our brands, the quality of our products, the significant potential of our recent acquisitions, the flexibility of our organization and the professionalism of our teams. The good performances at the start of this year thus allow us to confirm our sales target of €340 million for the 2016 full year.

With a total marketing and advertising budget of nearly €80 million for 2016, we have chosen to allocate substantial resources to develop our brands, in particular for the fall launch of Coach fragrances. In this context, and based on Euro-US dollar exchange rates within a 1.10-1.15 range, we expect an operating margin of between 12% to-13%."

2

Consolidated financials statements

Consolidated income statement

€ thousands, Except per share data which is in units	**Notes**	**2014**	**2015**
Sales	4.1	**297,087**	**327,411**
Cost of sales	4.2	(123,462)	(119,343)
Gross margin		**173,625**	**208,068**
% of sales		*58.4%*	*63.5%*
Selling expenses (1)	4.3	(131,677)	(149,954)
Administrative expenses	4.4	(10,532)	(12,289)
Operating profit (1)		**31,416**	**45,825**
% of sales		*10.6%*	*14.0%*
Financial income		2,852	2,242
Interest and similar expenses		(768)	(2,182)
Net finance costs		**2,084**	**60**
Other financial income		6,381	9,216
Other financial expense		(5,668)	(9,946)
Net financial income (expense)	4.5	**2,797**	**(670)**
Income before income tax (1)		**34,213**	**45,155**
% of sales		*11.5%*	*13.8%*
Income tax (1)	4.6	(11,105)	(15,923)
Effective tax rate		32.5%	35.3%
Net income (1)		**23,108**	**29,232**
% of sales		*7.8%*	*8.9%*
Attributable to non-controlling shareholders		**(83)**	**80**
Attributable to equity holders of the parent (1)		**23,191**	**29,152**
% of sales		*7.8%*	*8.9%*
Basic earnings per share (1) (2)	4.7	0.82	0.95
Diluted earnings per share (1) (2)	4.7	0.82	0.95

(1) Restated to eliminate the impact of applying IFRIC interpretation 21 presented in note 1.3.

(2) Restated for bonus share grants.

Consolidated statement of comprehensive income and expense

€ thousands	**2014**	**2015**
Consolidated net profit for the period [1]	**23,108**	**29,232**
Available-for-sale assets	-	-
Deferred tax arising from items able to be recycled	-	-
Items able to be recycled in profit or loss	**-**	**-**
Actuarial gains and losses	(557)	(454)
Deferred taxes on items unable to be recycled	212	156
Items unable to be recycled in profit or loss	**(345)**	**(298)**
Other comprehensive income total	**(345)**	**(298)**
Comprehensive income for the period [1]	**22,763**	**28,934**
Attributable to non-controlling shareholders	(83)	80
Attributable to equity holders of the parent [1]	**22,846**	**28,854**

(1) Restated to eliminate the impact of applying IFRIC interpretation 21 presented in note 1.3.

Consolidated balance sheet

Assets

€ thousands	Notes	2014	2015
Non-current assets			
Net trademarks and other intangible assets	3.1	69,473	172,733
Net property, plant, equipment	3.2	5,218	5,927
Long-term investments		2,107	1,975
Other non-current financial assets	3.3	6,152	5,816
Deferred tax assets	3.11	4,566	5,605
Total non-current assets		**87,516**	**192,056**
Current assets			
Inventory and work in progress	3.4	63,678	70,653
Trade receivables and related accounts	3.5	57,685	69,515
Other receivables	3.6	5,370	8,601
Corporate income tax		1,966	1,364
Current financial assets	3.7	156,620	76,097
Cash and cash equivalents (1)	3.7	68,052	149,895
Total current assets		**353,371**	**376,125**
Total assets		**440,887**	**568,181**

Shareholders' equity & liabilities

€ thousands	Notes	2014	2015
Shareholders' equity			
Share capital		87,460	96,515
Additional paid-in capital		26	459
Retained earnings		257,222	260,925
Net income for the year		23,191	29,152
Equity attributable to parent company shareholders		**367,899**	**387,051**
Non-controlling interests		111	429
Total shareholders' equity	3.8	**368,010**	**387,480**
Non-current liabilities			
Provisions for non-current commitments	3.9	4,805	5,745
Non-current borrowings	3.10	143	70,215
Deferred tax liabilities (1)	3.11	815	2,676
Total non-current liabilities		**5,763**	**78,636**
Current liabilities			
Trade payables and related accounts	3.12	44,841	53,730
Current borrowings	3.10	110	20,357
Provisions for contingencies and expenses	3.9	248	248
Income tax		1,687	6,199
Other financial liabilities (1)	3.12	20,228	21,531
Total current liabilities		**67,114**	**102,065**
Total shareholders' equity and liabilities		**440,887**	**568,181**

(1) Restated to eliminate the impact of applying IFRIC interpretation 21 presented in note 1.3.

Statement of changes in shareholders' equity

€ thousands	Number of shares	Share capital	Paid-in capital	Other compre-hensive income	Retained earnings & net income	Total equity: Group share	Total equity: Non-controlling interests	Total equity: Total
As of December 31, 2013 (reported basis)[2]	**24,206,453**	**72,694**	**280**	**(229)**	**281,770**	**354,515**	**370**	**354,885**
Impact of IFRIC 21 application	-	-	-	-	308	308	-	308
As of December 31, 2013 (restated)[1][2]	**24,206,453**	**72,694**	**280**	**(229)**	**282,078**	**354,823**	**370**	**355,193**
Bonus share issue	4,858,331	14,575	(822)	-	(13,753)	-	-	-
Shares issued on exercise of stock options	63,719	191	568	-	-	759	-	759
2014 net income[1]	-	-	-	-	23,191	23,191	(83)	23,108
Change in actuarial gains and losses on provisions for retirement liabilities	-	-	-	(345)	-	(345)	-	(345)
2013 dividend paid in 2014	-	-	-	-	(11,881)	(11,881)	(187)	(12,068)
Treasury shares	(44,129)	-	-	-	(892)	(892)	-	(892)
Cost of stock-based compensation	-	-	-	-	83	83	-	83
Currency translation adjustments	-		-	-	2,142	2,142	3	2,145
Other changes	-	-	-	-	19	19	8	27
As of December 31, 2014[1][2]	**29,084,374**	**87,460**	**26**	**(574)**	**280,987**	**367,899**	**111**	**368,010**
Bonus share issue	2,919,269	8,759	(467)	-	(8,292)	-	-	-
Shares issued on exercise of stock options	98,995	296	900	-	-	1,196	-	1,196
2015 net income	-	-	-	-	29,152	29,152	80	29,232
Change in actuarial gains and losses on provisions for retirement liabilities	-	-	-	(298)	-	(298)	-	(298)
2014 dividend paid in 2015	-	-	-	-	(12,814)	(12,814)	-	(12,814)
Treasury shares	(16,905)	-	-	-	(378)	(378)	-	(378)
Changes in Group structure of consolidated operations	-	-	-	-	-	-	238	238
Currency translation adjustments	-	-	-	-	-	2,277	-	2,277
Other changes	-	-	-	-	17	17	-	17
As of December 31, 2015[1][2]	**32,085,733**	**96,515**	**459**	**(872)**	**290,949**	**387,051**	**429**	**387,480**

(1) Restated to eliminate the impact of applying IFRIC interpretation 21 presented in note 1.3.

(2) Excluding treasury shares.

Statement of cash flows

€ thousands	2014	2015
Cash flows from operating activities		
Net income (1)	23,108	29,232
Depreciation, amortization and other (1)	8,041	13,308
Capital (gains) losses on fixed assets disposals	-	-
Net finance costs	(2,084)	(60)
Tax charge of the period (1)	10,937	15,923
Operating cash flows	**40,002**	**58,404**
Interest expense payments	(1,081)	(1,950)
Tax payments	(6,035)	(13,449)
Cash flow after interest expense and tax	**32,886**	**43,005**
Change in inventory and work in progress	(2,030)	(10,172)
Change in trade receivables and related accounts	(11,731)	(12,426)
Change in other receivables	2,509	(2,514)
Change in trade payables and related accounts	(5,027)	8,908
Change in other current liabilities (1)	(533)	6,682
Change in working capital needs	**(16,812)**	**(9,522)**
Net cash flows provided by (used in) operating activities	**16,074**	**33,483**
Cash flows from investing activities		
Net acquisitions of intangible assets	(819)	(108,085)
Net acquisitions of property, plants and equipment	(1,506)	(2,451)
Net acquisitions of marketable securities (>3 months)	(24,555)	80,346
Changes in investments and other non-current assets	209	468
Net cash flows provided by (used in) investing activities	**(26,671)**	**(29,722)**
Cash flow from financing activities		
Issuance of borrowings and new financial debt	-	100,000
Debt repayments	-	(10,000)
Dividends paid to shareholders	(11,881)	(12,815)
Capital increases	760	1,196
Treasury shares	(965)	(299)
Net cash flows provided by (used in) financing activities	**(12,086)**	**78,082**
Change in net cash	**(22,683)**	**81,843**
Cash and cash equivalents, beginning of year	90,735	68,052
Cash and cash equivalents, end of year	**68,052**	**149,895**

(1) Restated to eliminate the impact of applying IFRIC interpretation 21 presented in note 1.3.

The reconciliation of net cash breaks down as follows:

€ thousands	2014	2015
Cash and cash equivalents	68,052	149,895
Current financial assets	156,620	76,097
Net cash and current financial assets	**224,665**	**225,992**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Annual highlights

January

Launch of the *Éclat d'Arpège Pour Homme* line of Lanvin

The new masculine fragrance *Éclat d'Arpège Pour Homme* is a stopover in the heart of the Mediterranean in the hills above Saint-Tropez.

April

Signature of a fragrance license agreement with Coach Inc.

In early April, Coach Inc., the leading New York design house of fashion and luxury accessories and lifestyle collections and Interparfums, announced the signature of an 11-year exclusive worldwide fragrance license agreement to create, produce and distribute perfumes for the brand. The launch of Coach fragrances is expected in the fall of 2016.

Launch of the *Quatre* line of Boucheron

The *Quatre* fragrances represent a modern and daring olfactory interpretation of the Maison Boucheron's iconic ring. *Quatre* for women is a brilliant and elegant floral fruity eau de parfum. *Quatre* for men is an elegant woody fragrance for men with style.

Launch of the *Eau Florale* line of Repetto

After *Eau de Toilette* in 2013 and *Eau de Parfum* in 2014, Repetto fragrances' gradual expansion in France continued with the launch of *Eau Florale*;

May

Acquisition of the Rochas brand

At the end of May 2015, Interparfums acquired the Rochas brand (perfumes and fashion) from Procter & Gamble. This transaction covered all Rochas brand names and registered trademarks (*Femme*, *Madame*, *Eau de Rochas*…) for France and international markets, mainly for class 3 (fragrances) and class 25 (fashion). This brand was acquired for US$108 million and financed by a €100 million loan repayable over five years.

June

Bonus share issue

The company proceeded with its 16th bonus share issue on the basis of one new share for every ten shares held.

Launch of the *Private Klub* fragrance duo of Karl Lagerfeld

Private Klub encapsulates the spirit of a joyous, vivacious, bacchanalian youth. *Private Klub* for Women is designed around elegant oriental florals. The eau de toilette *Private Klub* for Men features a woody, spicy fragrance.

Creation of the subsidiary, Parfums Rochas Spain

In June 2015, Interparfums set up a new distribution subsidiary in Spain to market Rochas fragrances in a major market for this brand. This "Parfums Rochas Spain" entity is 51%-held by Interparfums and 49%-held by its local distributor.

July

Launch of the *Balmain Homme* line

Signature of a free, audacious, and urban man, *Balmain Homme* is a perfume with a modern elegance and a rare sophistication.

August

Launch of the *Essential* line of Paul Smith

The eau de toilette *Essential* for men symbolizes the pure essence of Paul Smith style The fragrance opens on a structured freshness made of rosemary, zests of yuzu infused with the elegant fluidity of the ozonic accord.

September

Launch of the *Jimmy Choo Illicit* line

Punchy and provocative but with an underlying sweetness, *Jimmy Choo Illicit* is a hypnotic and innately feminine floriental fragrance.

Launch of the *Montblanc Lady Emblem* line

Montblanc Lady Emblem, the new delicately feminine and resolutely modern fragrance for woman is inspired by Montblanc's diamond, symbol of love purity and beauty.

October

Extension of the Montblanc license agreement

Montblanc and Interparfums extend their partnership in the universe of fragrances for five additional years or until December 31, 2025. A new 10-year agreement entered into effect on January 1, 2016 without any material changes in operating conditions from the prior license.

1. ACCOUNTING PRINCIPLES

1.1. Basis of presentation and compliance statement

In accordance with EC regulations 1606/2002 of July 19, 2002 on international accounting standards, the 2015 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, 2015 were adopted by the Board of Directors on March 11, 2016. They will become definitive after having been approved by the ordinary general Meeting of April 22, 2016.

1.2. Changes in accounting standards

The following standards, amendments and interpretations that entered into force on January 1, 2015 were applied by the company in preparing its interim consolidated financial statements for the six-month period ending December 31, 2015:

– IFRIC interpretation 21 "levies imposed by governments".

The impact of these texts is presented in note 1.3 of this report.

Furthermore no standards, amendments or interpretations currently under review by IASB and IFRIC were applied in advance in the financial statements for the period ending December 31, 2015.

1.3. Application of interpretation IFRIC 21 "Levies"

The interpretation IFRIC 21 was published in the Official Journal of the European Union on June 14, 2014 with a mandatory application date of January 1, 2015.

IFRIC 21 provides guidance on when to recognize a liability for a levy imposed by a government, levies that are accounted for in accordance with IAS 37.

IFRIC 21 identifies the obligating event for the recognition of a tax liability as the activity that triggers the payment of the levy in accordance with the relevant legislation.

Only the French social security levy, *Contribution Sociale de Solidarité des Sociétés* (C3S) was identified as impacting the consolidated financial statements and as such must be recognized in the consolidated financial statements in the year when due rather than in the year when the provision is recognized in the statutory financial statements.

The impacts of these provisions are integrated in the financial statements at December 31, 2015 with a pro forma restatement at December 31, 2014.

The impact of the change in method on equity at January 1, 2014 and December 31, 2014 as well as 2014 net income break down as follows:

€ thousands	**Shareholders' equity**	**Income**
Other liabilities *(cancellation of the C3S debt accrued for in 2013)*	497	-
Deferred tax	(189)	-
Impacts of amendment at January 1, 2014	**308**	**-**
Selling expenses – taxes and related expenses *(cancellation of the C3S charge paid in 2014)*	-	(497)
Deferred tax	-	189
Selling expenses – taxes and related expenses *(cancellation of the provision recognized in 2014 and paid in 2015)*	-	438
Deferred tax	-	(167)
Impacts of the amendment at December 31, 2014	**308**	**(37)**

1.4. Basis of consolidation

All Group subsidiaries are fully consolidated.

Interparfums SA		**Controlling interest** *(%)*	**Ownership interest** *(%)*
Interparfums Deutschland GmbH	Germany	51%	51%
Interparfums Suisse Sarl	Switzerland	100%	100%
Inter España Parfums et Cosmetiques SL	Spain	100%	100%
Parfums Rochas Spain	Spain	51%	51%
Interparfums Srl	Italy	100%	100%
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.

In June 2015, Interparfums set up a new distribution subsidiary in Spain to market Rochas fragrances in a major market for this brand. This "Parfums Rochas Spain" entity is 51%-held by Interparfums and 49%-held by its local distributor Because Interparfums exercises exclusive control over this company, it is in consequence for the consolidated.

In September 2015, Interparfums UK Ltd, a wholly-owned subsidiary of the Group, with no activity as from the end of 2014, was wound up. This had no impact on the consolidated financial statements.

All Group subsidiaries are fully consolidated.

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, 2015. Translation losses and gains arising from the conversion of accounts denominated in foreign currencies on December 31, 2015 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**	
	2014	**2015**	**2014**	**2015**
US dollar (USD)	1.2141	1.0887	1.3288	1.1095
Pound sterling (GBP)	0.7789	0.73395	0.8062	0.7258
Singapore dollar (SGD)	1.6058	1.5417	1.6826	1.5255
Swiss franc (CHF)	1.2024	1.0835	1.2147	1.0679

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 and provisions for inventory losses. 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

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 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 8.02% at December 31, 2015 compared to 6.72% at December 31, 2014. This ratio is determined on the basis of the long-term interest rate of 1% 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 0.2% at December 31, 2015 and 0,1% at December 31, 2014.

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.

All license agreements provide for international rights of use. Other intangible assets, in particular rights on molds for bottles are mainly used in France by our subcontractors.

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.

All tangible fixed assets are used in France.

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, term deposits, capital redemption contracts or any other vehicles having maturities of more than three months.

1.15. Cash and cash equivalents

The 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 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. Commitments and contingencies

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 the method in force prior to the end of the reporting period involved compulsory retirement, the impact of this change in the assumptions used for calculation was recognized 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 or payables are recognized. These contracts have maturities of three to six months according to the maturities of the corresponding receivables and payables 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. This expense is recognized over the duration of the 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

Up until December 31, 2014, the company operated solely in the segment of “Perfumes” where the indicators for financial performances for each brand of this segment were comparable. In consequence, the Group’s income statement and balance sheet henceforth reflected the operations of the “Perfumes” activity in its entirety.

Since the acquisition of the Rochas brand on May 29, 2015, the company now operates in two distinct segments: “Perfumes” henceforth including Rochas’ fragrance business and “Fashion” corresponding to activity generated by Rochas’ fashion business.

However because the "Fashion" business accounts for less than 0.3% of revenue, it is not presented separately in the income statement.

Significant balance sheet items relating to the "fashion" business are presented in note 5.1.

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

€ thousands	**2014**	**+**	**-**	**2015**
Gross value				
Indefinite life intangible assets				
Lanvin trademark	36,323	-	-	36,323
Rochas Fragrances brand	-	86,739	-	86,739
Rochas Fashion brand	-	19,086	-	19,086
Finite life intangible assets				
S.T. Dupont upfront license fee Dupont	1,219	-	-	1,219
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	8,144	1,664	-	9,808
Registration of trademarks	500	-	-	500
Software	2,360	596	(16)	2,940
Total gross amount	**97,723**	**108,085**	**(16)**	**205,792**
Amortization and impairment				
Finite life intangible assets				
S.T. Dupont upfront license fee Dupont	(1,219)	-	-	(1,219)
Van Cleef & Arpels upfront license fee	(12,168)	(1,521)	-	(13,689)
Montblanc upfront license fee	(448)	(100)	-	(548)
Boucheron upfront license fee	(4,000)	(1,000)	-	(5,000)
Balmain upfront license fee	(513)	(171)	-	(684)
Karl Lagerfeld upfront license fee	(1,396)	(644)	-	(2,040)
Other intangible assets				
Rights on molds for bottles and related items	(6,294)	(944)	-	(7,238)
Registration of trademarks	(484)	(12)	-	(496)
Software	(1,728)	(433)	16	(2,145)
Total amortization and impairment	**(28,250)**	**(4,825)**	**16**	**(33,059)**
Net total	**69,473**	**103,260**	**-**	**172,733**

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.

Rochas trademark

As Interparfums acquired ownership for the Rochas trademark and brand name for products of class 3 (perfumes) and class 25 (fashion) in May 2015, no amortization was recognized in its balance sheet. The brand is tested for impairment once a year on December 31.

The allocation of the price to the Rochas fragrances brand and the Rochas fashion brand were measured by an outside appraiser and analyzed as follows:

€ thousands	**Perfumes**	**Fashion**	**Total**
Brand	82,745	18,210	100,955
Allocated costs (cost of intermediaries and attorneys)	594	130	724
Allocated costs (registration rights)	3,400	746	4,146
Total indefinite life intangible assets	**86,739**	**19,086**	**105,825**
Rights on molds for bottles	155	-	155
Fixtures, improvements, fittings	197	-	197
Total property, plant and equipment	**352**	**-**	**352**
Total acquisition of Rochas brand	**87,091**	**19,086**	**106,177**

S.T. Dupont upfront license fee Dupont

The total upfront license fee of €1,219,000 has been fully amortized since June 30, 2011.

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 or 12 years commencing 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 3.3 – 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

Rochas trademark

A valuation was performed on December 31, 2015 by discounting future cash flows to infinity. No provision was recorded.

Lanvin trademark

A valuation was performed on December 31, 2015 by discounting future cash flows to infinity. No provision was recorded.

Upfront license fees

All upfront license fees were measured on December 31, 2015 using the discounted cash flow method. No provision was recorded.

For all discounts, the weighted average cost of capital (WACC) of 8.02% is applied.

Analysis of sensitivity

A one point increase 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. Property, plant and equipment

€ thousands	**2014**	**+**	**-**	**2015**
Fixtures, improvements, fittings	4,867	834	(1)	5,700
Office and computer equipment and furniture	1,695	297	(56)	1,936
Molds for bottles and caps	8,118	1,167	-	9,285
Other (1)	1,109	157	(168)	1,098
Total gross amount	**15,789**	**2,455**	**(225)**	**18,019**
Accumulated depreciation and impairment (1)	(10,571)	(1,741)	220	(12,092)
Net total	**5,218**	**714**	**(5)**	**5,927**

(1) Including fixed assets held under finance leases (vehicles) for a gross amount of €552,000 and an accumulated depreciation of €311,000.

3.3. Non-current financial assets

The signature of the Karl Lagerfeld license agreement resulted in an advance on royalty payments to be charged against future royalties €9,589,000. This advance was discounted over the license agreement term and reduced accordingly to €5,816,000 at December 31, 2015.

The corresponding offset is recognized by increasing the amortization of upfront license fees.

3.4. Inventories and work in progress

€ thousands	**2014**	**2015**
Raw materials and components	23,338	23,494
Finished goods	44,105	52,209
Total gross amount	**67,443**	**75,703**
Allowances for raw materials	(1,109)	(2,241)
Impairment of finished goods	(2,656)	(2,809)
Accumulated provisions for impairment	**(3,765)**	**(5,050)**
Net total	**63,678**	**70,653**

3.5. Trade receivables and related accounts

€ thousands	**2014**	**2015**
Total gross amount	58,952	71,010
Impairment	(1,267)	(1,495)
Net total	**57,685**	**69,515**

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

€ thousands	**2014**	**2015**
Not due	53,090	62,170
0-90 days	4,323	6,822
91-180 days	97	909
181-360 days	464	185
More than 360 days	978	924
Total gross amount	**58,952**	**71,010**

3.6. Other receivables

€ thousands	**2014**	**2015**
Prepaid expenses	1,576	2,754
Interparfums Holding current accounts	2,168	2,807
Value-added tax	1,200	1,849
Hedging instruments	-	115
License royalties	-	237
Other	426	839
Total	**5,370**	**8,601**

3.7. Current financial assets, cash and cash equivalents

€ thousands	**2014**	**2015**
Current financial assets	156,620	76,097
Cash and cash equivalents	68,052	149,895
Current financial assets, cash and cash equivalents	**224,672**	**225,992**

3.7.1. Current financial assets

Current financial assets, represented by investments with maturities greater than three months, break down as follows:

€ thousands	**2014**	**2015**
Certificates of deposit	26,981	1,000
Capital redemption contracts	36,483	36,938
Term deposit accounts	92,932	37,935
Other current financial assets	224	224
Current financial assets	**156,620**	**76,097**

3.7.2.
Cash and cash equivalents

Cash in banks and cash equivalents having maturities of less than three months break down as follows:

€ thousands	2014	2015
Certificates of deposit (less than 3 months)	-	1,915
Interest-bearing accounts	35,527	6,715
Term deposit accounts	1,001	65,267
Current interest-bearing accounts	19,718	43,089
Bank accounts	11,799	32,909
Cash and cash equivalents	**68,045**	**149,895**

3.8.
Shareholders' equity

3.8.1.
Common stock

As of December 31, 2015, Interparfums' capital consisted of 32,171,732 shares fully paid-up with a par value of €3, 72.8%-held by Interparfums Holding.

For the 2015 financial period, capital increases result from the exercise of stock options for 98,995 shares and the capital increase in connection with the bonus issue of June 22, 2015 for 2,919,269 shares on the basis of one new share for every ten shares held.

3.8.2.
Stock option plans

Employees of Interparfums and its subsidiaries benefit 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 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 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 2015, 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 2010	143	114,700	10/08/2010	4 years	€13.00

(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 12/31/2014**	**Conversions in the period**	**Grants in the period**	**Bonus share grants**	**Cancellations in the period**	**Options outstanding at 12/31/2015**
Plan 2009	33,585	(35,325)	-	3,293	(1,553)	0
Plan 2010	160,887	(63,670)	-	12,292	(356)	109,153
	194,472	**(98,995)**	**-**	**15,585**	**(1,909)**	**109,153**

At December 31, 2015, the potential number of Interparfums SA shares that may be created was 109,153.

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 represents an expense that is recognized over the duration of the vesting period. This expense amounted to €134,000 before taking into account the tax impact for 2014 and nil for 2015.

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 applied for the calculation
Plan 2010	€6.55	2.81%	1.81%	30%	€22.95

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

3.8.3. Treasury stock

Within the framework of the share repurchase program authorized by the General Meeting of April 24, 2015, 85,999 Interparfums shares were held by the company as of December 31, 2015 or 0.27% of the share capital.

Changes in the period break down as follows:

€ thousands	Average price	Number of shares	Book Value
At December 31, 2014	**-**	**69,094**	**1,530**
Acquisition	26.71	340,514	9,095
Bonus share issue of June 22, 2015	-	5,771	-
Sales	26.01	(329,380)	(8,567)
Impairment	-	-	(106)
At December 31, 2015	**-**	**85,999**	**1,952**

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 €50 per share, excluding execution costs;

– the total number of shares acquired may not exceed 5% of the company's capital stock.

3.8.4. Non-controlling interests

Non-controlling interests concern percentages not held in European subsidiaries (Interparfums Deutschland GmbH: 49%; Parfums Rochas Spain SL: 49%). that break down as follows:

€ thousands	12/31/2014	12/31/2015
Reserves attributable to non-controlling interests	194	349
Earnings attributable to non-controlling interests	(83)	80
Non-controlling interests	**111**	**429**

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

3.8.5. Information on equity

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 represent approximately 50% of consolidated earnings, destined to reward shareholders while at the same time associating them with the Group's expansion. In early May 2015, a dividend of €0.44 per share was paid or a total of €12.8 million.

Given its financial structure, the Group is able to secure financing for important projects from banks in the form of medium-term loans. At the end of May 2015, a 5 year €100 million loan was obtained to finance the acquisition of the Rochas brand.

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.

3.9. Provisions for contingencies and expenses

€ thousands	2014	Allowances	Actuarial gains/losses	Provisions Used in the period	Provisions Reversal of unused provisions	2015
Provisions for retirement severance payments	4,805	486	454	-	-	5,745
Total provisions for expenses > 1 year	**4,805**	**486**	**454**	**-**	**-**	**5,745**
Provisions for contingencies < 1 year	248	-	-	-	-	248
Total provisions for contingencies and expenses	**5,053**	**486**	**454**	**-**	**-**	**5,993**

3.9.1. Provisions for retirement severance payments

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 2015, the following assumptions were applied:

– a negotiated termination at age 65;

– a rate of 48% for employer payroll contributions for all employees;

– a 4% average rate for annual salary increases;

– an employee turnover rate depending on the age of employees;

– 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%.

On the basis of these assumptions, the annual expense of €486,000 recorded under current income breaks down as follows:

– service costs: €390,000;

– financial expense: €96,000.

Actuarial gains and losses in 2015 amounting to €454,000 recorded under reserves originate solely from experience adjustments, with other assumptions remaining unchanged.

A 0.5% increase in the discount rate would result in a €22,000 reduction in the present value of rights at December 31, 2015 versus a 0.5% decrease resulting in a €25,000 increase.

3.9.2. Other provisions or disputes

A tax audit of 2012 for the French company resulted in a tax deficiency notification amounting to €6 million received at the end of 2015. Interparfums, in line with the recommendations of its counsel, contested all points of these tax adjustments. For that reason, the company did not record a provision for this dispute on December 31, 2015.

3.10. Borrowings

A loan with was obtained on May 29, 2015 with a face value of €100 million repayable over five years to finance the acquisition of the Rochas brand executed on that same date.

Its repayment is made in quarterly installments of €5 million each for the principal. This loan will be subject to interest equal to the 3-month Euribor plus the applicable margin. This rate is covered by a fixed rate swap for 90% of the debt, guaranteeing a maximum rate of 2% over the loan's total term.

This debt is recognized at fair value to which is allocated the €775,000 in transaction costs directly attributable to the acquisition, in compliance with IAS 39.

The line item "Borrowings" also corresponds to debt relating to fixed assets held under finance leases (vehicles).

3.10.1. Borrowings by the maturities

€ thousands	Total	< 1 year	1 to 5 years	> 5 years
Variable-rate bank debt	89,387	19,764	69,623	-
Interest rate swap	925	471	454	-
Automobile leases	260	122	138	-
Total at December 31, 2015	**90,572**	**20,357**	**70,215**	**-**

3.10.2.
Additional disclosures

The Rochas loan contracted in May 2015 was covered by an interest rate swap guaranteeing a maximum rate of 2%.

At December 31, 2015, on the basis of a notional amount of €90 million, a notional loss of €925,000 in connection with this swap was recognized in the income statement whereby the Group did not apply hedge accounting in accordance with IAS 39. The market value of the swap at December 31, 2015 represented a negative amount for the company of €925,000.

3.10.3.
Covenants

The Rochas loan obtained by the parent company is subject to the following covenant ratios:

– interest coverage ratio: consolidated EBITDA/consolidated interest expense

– leverage ratio: Consolidated net debt/consolidated EBITDA

At 31 December 2015, all these covenants were met.
The current level of these ratios is considerably below the contractual limits. As a result, the Group has considerable financial flexibility in respect to these commitments.

3.11.
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:

€ thousands	**2014**	**Changes through reserves**	**Changes through income**	**2015**
Deferred tax assets				
Timing differences between financial and tax accounting	2,308	-	111	2,419
Provisions for retirement liabilities	191	156	(168)	179
Loss carryforwards	343	-	(64)	279
Swap instrument	-	-	318	318
Intra-group inventory margin	1,447	-	546	1,993
Advertising and promotional costs	557	-	(30)	527
Other	63	-	106	169
Total deferred tax assets before amortization	**4,909**	**156**	**819**	**5,884**
Depreciation of deferred tax assets	(343)	-	64	(279)
Net deferred tax assets	**4,566**	**156**	**883**	**5,605**
Deferred tax liabilities				
Acquisition costs	645	-	(69)	576
Effect of the application of IFRIC 21	168	(17)	1	152
Borrowing costs associated with the Rochas brand acquisition	-	-	211	211
Capitalization of costs associated with the Rochas brand acquisition	-	-	1,677	1,677
Gains (losses) on treasury shares	-	78	(39)	39
Derivatives	3	-	18	21
Total deferred tax liabilities	**816**	**61**	**1,799**	**2,676**
Total net deferred tax	**3,750**	**94**	**(916)**	**2,929**

Changes through income of deferred tax include a liability for the French company of €342,000 for the purpose of taking into account current tax in 2016 or 34.43%.

3.12.
Trade payables and other current liabilities

3.12.1.
Trade payables and related accounts

€ thousands	2014	2015
Trade payables for components	15,864	13,169
Other trade payables	28,977	40,561
Total	**44,841**	**53,730**

3.12.2.
Other payables

€ thousands	2014	2015
Accrued credit notes	2,502	2,446
Tax and employee-related payables [1]	8,760	11,507
Accrued royalties	8,224	6,545
Hedging instruments	293	4
Other liabilities	449	1,029
Total	**20,228**	**21,531**

(1) Restated to eliminate the impact of applying IFRIC interpretation 21 presented in note 1.3.

3.13.
Financial instruments

3.13.1.
Breakdown of financial assets and liabilities by category

Financial instruments according to IAS 39 classifications for measurement break down as follows:

€ thousands **At December 31, 2015**	Notes	Carrying value	Fair value	Fair value through profit or loss	Available-for-sale assets	Loans & receivables or payables	Derivatives
Long-term investments		1,975	1,975	-	-	1,975	-
Other non-current financial assets	3.3	5,816	5,816	-	-	5,816	-
Trade receivables and related accounts	3.5	69,515	69,515	-	-	69,515	-
Other receivables	3.6	8,601	8,601	-	-	8,486	115
Current financial assets	3.7	76,097	76,097	-	-	76,097	-
Cash and cash equivalents	3.7	149,895	149,895	-	-	149,895	-
Assets		**311,899**	**311,899**	**-**	**-**	**311,784**	**115**
Borrowings and financial liabilities	3.10	90,572	88,780	925	-	89,647	-
Trade payables and related accounts	3.12	53,730	53,730	-	-	53,730	-
Other liabilities	3.12	21,531	21,531	-	-	21,527	4
Liabilities		**165,833**	**164,041**	**925**	**-**	**164,904**	**4**

€ thousands **At December 31, 2014**	Notes	Carrying value	Fair value	Fair value through profit or loss	Available-for-sale assets	Loans & receivables or payables	Derivatives
Long-term investments		2,107	2,107	-	-	2,107	-
Other non-current financial assets	3.3	6,152	6,152	-	-	6,152	-
Trade receivables and related accounts	3.5	57,685	57,685	-	-	57,685	-
Other receivables	3.6	5,370	5,370	-	-	5,370	-
Current financial assets	3.7	156,620	156,620	-	-	156,620	-
Cash and cash equivalents [1]	3.7	68,052	68,052	-	-	68,052	-
Assets		**295,986**	**295,986**	**-**	**-**	**295,986**	**-**
Borrowings and financial liabilities	3.10	253	253	-	-	253	-
Trade payables and related accounts	3.12	44,841	44,841	-	-	44,841	-
Other financial liabilities [1]	3.12	20,228	20,228	-	-	19,935	293
Liabilities		**65,322**	**65,322**	**-**	**-**	**65,029**	**293**

(1) Restated to eliminate the impact of applying IFRIC interpretation 21 presented in note 1.3.

With the exception of financial instruments, the carrying value of financial assets represents a satisfactory approximation of their fair value.

3.13.2. Breakdown by method for measuring financial assets and liabilities

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

€ thousands At December 31, 2015	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	1,975	1,975	-	1,975	-
Other non-current financial assets	5,816	5,816	-	5,816	-
Trade receivables and related accounts	69,515	69,515	-	69,515	-
Other receivables	8,601	8,601	-	8,601	-
Current financial assets	76,097	76,097	-	76,097	-
Cash and cash equivalents	149,895	149,895	-	149,895	-
Assets	**311,899**	**311,899**	**-**	**311,899**	**-**
Borrowings and financial liabilities	90,572	88,780	-	88,780	-
Trade payables and related accounts	53,730	53,730	-	53,730	-
Other liabilities	21,531	21,531	-	21,531	-
Liabilities	**165,833**	**164,041**	**-**	**164,041**	**-**

€ thousands At December 31, 2014	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	2,107	2,107	-	2,107	-
Other non-current financial assets	6,152	6,152	-	6,152	-
Trade receivables and related accounts	57,685	57,685	-	57,685	-
Other receivables	5,370	5,370	-	5,370	-
Current financial assets	156,620	156,620	-	156,620	-
Cash and cash equivalents (1)	68,052	68,052	-	68,052	-
Assets	**295,986**	**295,986**	**-**	**295,986**	**-**
Borrowings and financial liabilities	253	253	-	253	-
Trade payables and related accounts	44,841	44,841	-	44,841	-
Other financial liabilities (1)	20,228	20,228	-	20,228	-
Liabilities	**65,322**	**65,322**	**-**	**65,322**	**-**

(1) Restated to eliminate the impact of applying IFRIC interpretation 21 presented in note 1.3.

3.14. Risk management

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

3.14.1. Interest rate risks

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

3.14.2.
Liquidity risk

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

€ thousands	**< 1 year**	**1 to 5 years**	**> 5 years**	**Total**
Other non-current financial assets	-	-	5,816	5,816
Current financial assets	14,016	61,857	224	76,097
Cash and cash equivalents	149,895	-	-	149,895
Total financial assets	**163,911**	**61,857**	**6,040**	**231,808**
Borrowings and financial liabilities	(19,886)	(69,761)	-	(89,647)
Total financial liabilities	**(19,886)**	**(69,761)**	**-**	**(89,647)**
Net position before hedging	**144,025**	**(7,904)**	**6,040**	**142,161**
Hedged assets and liabilities (swaps)	(471)	(454)	-	(925)
Net position after hedging	**143,554**	**(8,358)**	**6,040**	**141,236**

3.14.3.
Foreign exchange risk

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

€ thousands	**USD**	**GBP**	**YEN**	**CAD**
Assets	16,461	3,842	494	226
Liabilities	(3,266)	(743)	(1)	-
Net position before hedging at the closing price	**13,195**	**3,099**	**493**	**226**
Hedged assets and liabilities – net	(8,726)	(1,580)	(381)	-
Net position after hedging	**4,469**	**1,519**	**112**	**226**

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 (39.8% of sales) and to a lesser extent the Pound sterling (7.8% of sales) and the Japanese yen (2.0% 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 economically identified underlying asset.

At December 31, 2015, the Group had hedged 71% of its receivables and 93% of its payables in US dollars, 55% of its receivables and 73% of payables booked in Pound sterling and 77% of its receivables in Japanese yen.

Sensitivity to foreign exchange risk

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 €15.5 million on sales and €12.7 million on operating income. A 10% decrease of these same exchange rates would have an equivalent negative currency effect for the same amounts.

3.14.4.
Counterparty risk

Financial instruments and cash deposits used by the Group to manage interest rate and foreign exchange risks are obtained from counterparties with benchmark ratings.

4.
NOTES TO THE INCOME STATEMENT

4.1.
Breakdown of consolidated sales by brand

€ thousands	**2014**	**2015**
Montblanc	83,417	88,031
Jimmy Choo	59,108	83,279
Lanvin	67,959	64,110
Van Cleef & Arpels	17,748	17,525
Boucheron	13,949	17,745
Rochas	-	12,105
Karl Lagerfeld	18,234	10,352
S.T. Dupont	12,848	10,380
Paul Smith	8,968	9,505
Repetto	9,324	8,013
Balmain	5,133	4,795
Other	399	538
Perfume sales	**297,087**	**326,379**
Rochas fashion license revenues	-	1,032
Total revenue	**297,087**	**327,411**

4.2.
Cost of sales

€ thousands	**2014**	**2015**
Raw materials, trade goods and packaging	(118,471)	(120,150)
Changes in inventory and allowances for impairment	3,633	9,708
POS advertising	(3,165)	(2,341)
Staff costs	(3,338)	(3,960)
Property rental expenses	(1,516)	(1,810)
Transportation costs	(436)	(585)
Other expenses related to the cost of sales	(169)	(205)
Total cost of sales	**(123,462)**	**(119,343)**

4.3.
Selling expenses

€ thousands	**2014**	**2015**
Advertising	(59,559)	(67,400)
Royalties	(22,537)	(24,594)
Staff costs	(16,932)	(20,608)
Service fees/subsidiaries	(8,384)	(11,107)
Subcontracting	(6,176)	(6,720)
Transportation costs	(2,985)	(3,284)
Travel and entertainment expenses	(4,253)	(3,714)
Allowances and reversals	(4,227)	(4,747)
Tax and related expenses (1)	(2,606)	(2,469)
Commissions	(1,099)	(1,369)
Property rental expenses	(1,141)	(1,722)
Other selling expenses	(1,778)	(2,220)
Total selling expenses	**(131,677)**	**(149,954)**

(1) Restated to eliminate the impact of applying IFRIC interpretation 21 presented in note 1.3.

4.4.
Administrative expenses

€ thousands	**2014**	**2015**
Purchases and external costs	(3,748)	(4,871)
Staff costs	(4,595)	(5,448)
Property rental expenses	(578)	(675)
Allowances and reversals	(426)	(260)
Travel expenses	(504)	(462)
Other administrative expenses	(681)	(573)
Total administrative expenses	**(10,532)**	**(12,289)**

4.5.
Net financial expense

€ thousands	**2014**	**2015**
Financial income	2,852	2,242
Interest and similar expenses	(768)	(2,182)
Net finance costs	**2,084**	**60**
Currency losses	(4,540)	(8,684)
Currency gains	5,254	7,958
Net currency gains (losses)	**714**	**(726)**
Other financial income and expenses	(1)	(4)
Net financial income/(expense)	**2,797**	**(670)**

The increase in net finance costs reflects the unfavorable trends for returns on investments in France, combined with borrowing costs on the loan obtained to acquire the Rochas brand.

The change in currency gains result primarily from significant fluctuations by our main currencies in 2015 and in particular the US dollar, the Swiss franc and the Singapore dollar.

4.6.
Income taxes

4.6.1.
Analysis of income taxes

€ thousands	**2014**	**2015**
Current income tax – France	(7,365)	(11,979)
Current income tax – Foreign operations	(2,391)	(3,028)
Total current income tax	**(9,756)**	**(15,007)**
Deferred tax – France [1]	(1,405)	(925)
Deferred tax- Foreign operations	56	9
Total deferred taxes	**(1,349)**	**(916)**
Total income taxes	**(11,105)**	**(15,923)**

(1) Restated to eliminate the impact of applying IFRIC interpretation 21 presented in note 1.3.

4.6.2. 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 38.11% applicable in France for fiscal 2015 and 2014 to pre-tax income reflects the following.

€ thousands	2014	2015
Tax base [(1)]	**34,213**	**45,155**
Theoretical tax calculated at the parent company rate [(1)]	(13,040)	(17,209)
Effect of tax rate differences	2,086	1,750
Recognition of tax income not previously classified as tax assets	170	114
Deferred tax not recognized on losses of the period	(21)	(48)
Permanent non-deductible differences	(300)	(530)
Income tax [(1)]	**(11,105)**	**(15,923)**

(1) Restated to eliminate the impact of applying IFRIC interpretation 21 presented in note 1.3.

4.7. Earnings per share

€ thousands, except number of shares and earnings per share in euros	2014	2015
Net income	23,191	29,152
Average number of shares	28,139,522	30,649,926
Basic earnings per share [(1) (2)]	**0.82**	**0.95**
Dilutive effect of stock options:		
Potential additional number of fully diluted shares	89,858	52,143
Potential fully diluted average number of shares outstanding	28,230,927	30,702,069
Diluted earnings per share [(1) (2)]	**0.82**	**0.95**

(1) Restated to eliminate the impact of applying IFRIC interpretation 21 presented in note 1.3.
(2) Adjusted for bonus shares granted in 2014 and 2015.

5. SEGMENT REPORTING

5.1. Business lines

Up until December 31, 2014, the company operated solely in the "Perfumes" segment where the indicators for financial performances for each brand within this segment were comparable. In consequence, the Group's income statement and balance sheet henceforth reflected the operations of the "Perfumes" activity in its entirety.

Since the acquisition of the Rochas brand on May 29, 2015, the company now operates in two distinct segments: "Perfumes" henceforth including Rochas' fragrance business and "Fashion" corresponding to activity generated by Rochas' fashion business.

However, a separate presentation is not provided for income statement aggregates because the "fashion" business represents less than 0.3% of Group sales. Assets and liabilities relating to the Rochas brand at December 31 were as follows:

€ thousands	Perfumes	Fashion	Total
Intangible assets – Rochas brand	86,739	19,086	105,823
Medium-term loan	74,025	16,287	90,312

The amount of the loan has been allocated by business in proportion to the breakdown of intangible assets.

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

5.2.
Geographic segments

Sales by geographical sector break down as follows:

€ thousands	**2014**	**2015**
North America	60,665	75,834
South America	30,050	24,116
Asia	46,621	48,141
Eastern Europe	32,902	38,878
Western Europe	66,823	73,934
France	27,056	29,496
Middle East	27,706	30,945
Africa	5,264	5,035
Perfume sales	**297,087**	**326,379**
Rochas fashion license revenues	-	1,032
Total revenue	**297,087**	**327,411**

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

€ thousands	**2014**	**2015**
Off-balance sheet commitments in connection with the company's operating activities	134,858	130,379
Off balance sheet commitments	600	-
Total commitments given	**135,458**	**130,379**

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

€ thousands	**Main characteristics**	**2014**	**2015**
Guaranteed minima on trademark royalties	Guaranteed minima on royalties regardless of sales achieved for each of the trademarks in the period.	109,055	104,966
Headquarters rental payments	Rental payments due over the remainder of the lease terms (3, 6 or 9 years).	12,665	15,574
Guaranteed minima for warehousing and logistics	Contractual minima for remuneration of warehouses regardless of sales volume for the period.	7,381	6,039
Firm component orders	Inventories of components on stock with suppliers that the company undertakes to purchase as required for releases and which the company does not own.	5,757	3,800
Total commitments given in connection with operating activities		**134,858**	**130,379**

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

Commitments with respect to forward currency sales at December 31, 2015 amounted to US$12,800,000, £1,560,000 and ¥50,000,000.

Commitments received in connection with forward currency purchases at December 31, 2015 amounted to €3,013,000 for US dollar hedges and €553,000 for Pound sterling hedges representing total commitments of €3,566,000.

6.1.4.
Other off-balance sheet commitments

€ thousands	**Main characteristics**	**2014**	**2015**
Nickel guarantee commitment	Maximum amount for events incurred by the buyer of Nickel for an operation preceding the Nickel brand transfer (18 months)	600	-
Total other commitments given		**600**	**-**

6.1.5.
Commitments given by maturity at December 31, 2015

€ thousands	**Total**	**Up to 1 year**	**1 to 5 years**	**5 years or more**
Guaranteed minima on trademark royalties	104,966	13,800	48,835	42,331
Headquarters rental payments	15,574	2,388	7,859	5,327
Guaranteed minima for warehousing and logistics	6,039	1,342	4,697	-
Firm component orders	3,800	3,800	-	-
Total commitments given	**130,379**	**21,330**	**61,391**	**47,658**

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

6.1.6.
Commitments received

Commitments received in connection with forward currency sales at December 31, 2015 amounted to €111,736,000 for hedges for US dollars, €2,192,000 for Pound sterling and €378,000 for Japanese yen representing total commitments of €14,306,000.

Commitments with respect to forward currency sales at December 31, 2015 amounted to US$3,300,000 and £400,000.

6.2. License agreements

	Nature of license	License inception date	Duration	Expiration date
S.T. Dupont	Amount	July 1997	11 years	-
	Renewal	January 2006	5 years and 6 months	-
	Renewal	January 2011	6 years	December 2016
	PSG amendment	January 2014	2 years and 6 months	June 2016
Paul Smith	Amount	January 1999	12 years	-
	Renewal	July 2008	7 years	December 2017
Van Cleef & Arpels	Amount	January 2007	12 years	December 2018
Jimmy Choo	Amount	January 2010	12 years	December 2021
Montblanc	Amount	July 2010	10 years and 6 months	December 2025
	Renewal	January 2016	5 years	-
Boucheron	Amount	January 2011	15 years	December 2025
Balmain	Amount	January 2012	12 years	December 2023
Repetto	Amount	January 2012	13 years	December 2024
Karl Lagerfeld	Amount	November 2012	20 years	October 2032
Coach	Amount	June 2016	10 years	June 2026

In 2010, Montblanc and InterparfumsSA signed a 10-year license agreement to create, produce and distribute perfumes and ancillary products under the Montblanc brand.

With annual sales now exceeding €80 million, multiplied by 4 in just 4 years, Montblanc fragrances have met with enormous worldwide success, driven in particular by performances of the *Montblanc Legend* and *Montblanc Emblem* lines.

In this context, and acting in advance, the two companies decided, to extend their partnership by an additional five years, i.e. until December 31, 2025. A new 10-year agreement entered into effect on January 1, 2016 without any material changes in operating conditions from the prior license.

In April 2015, Interparfums signed a license agreement for a 10 year term to start in June 2016 with Coach Inc., the leading New York design house of modern luxury and fashion accessories and lifestyle collections.

Under this agreement, Interparfums will create, produce and distribute new perfumes and fragrance-related products, including new men's and women's scents and ancillary products. Interparfums will distribute these fragrances globally to department and specialty stores and duty free shops, as well as in Coach retail stores beginning fall 2016.

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 concluded a technical and creative assistance agreement in view of developing new perfumes based on net sales and effective until June 30, 2019. The Jeanne Lanvin company holds a buy back option for the brands which will be exercisable on July 1, 2025.

Rochas

At the end of May 2015, Interparfums acquired the Rochas brand (perfumes and fashion) from Procter & Gamble.

This transaction covered all Rochas brand names and registered trademarks (*Femme*, *Madame*, *Eau de Rochas*…) for France and international markets, mainly for class 3 (fragrances) and class 25 (fashion).

This brand was acquired for a price of US$108 million, excluding inventory and financed by a €100 million loan repayable over five years, subject to standard covenants.

6.4. Employee-related data

6.4.1. Employees by category

Number of employees at	12/31/2014	12/31/2015
Managers	125	145
Supervisory staff	6	7
Employees	79	71
Total	**210**	**223**

Changes in the number of employees in the period reflect mainly the significant number of recruitments by the US subsidiary, after it became an independent operation and its collaboration with its local partner, which included use of its sales force and administrative services, was ended.

6.4.2. Employees by department

Number of employees at	12/31/2014	12/31/2015
Executive Management	2	2
Production & Operations	35	35
Marketing	48	50
Export	43	44
France	41	38
Finance & Corporate Affairs	41	51
Rochas fashion	-	3
Total	**210**	**223**

6.4.3. Wages and benefits

€ thousands	2014	2015
Staff costs	16,899	19,662
Social security charges	7,376	8,588
Profit-sharing	561	1,832
Stock option costs	134	-
Total wages and benefits	**24,970**	**30,082**

In addition, €460,000 in benefits were paid by the company in 2015 into a supplemental funded pension plan.

6.5. Information on related parties

No new agreements were entered into in the period, involving a significant amount or that were not in accordance with normal market conditions, between the parent company and its subsidiaries.

6.5.1. Management Committee

The 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:

€ thousands	2014	2015
Wages, bonuses & social charges	4,266	4,520
Share based payment expenses	44	-

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

6.5.2. Board of Directors

The 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:

€ thousands	2014	2015
Directors' fees (1)	75	108

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

6.5.3. 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 transaction exists between Interparfums SA and Interparfums Inc. or Interparfums Holding.

6.6.
Auditors' fees

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

€ thousands	Mazars				SFECO & Fiducia Audit			
	2015	**%**	**2014**	**%**	**2015**	**%**	**2014**	**%**
Statutory and contractual auditing, certification, review of separate and consolidated accounts								
For the Issuer	265	68%	349	74%	85	100%	90	100%
For fully consolidated subsidiaries	123	32%	120	25%	-	-	-	-
Other services provided related directly to missions performed by the auditors								
For the Issuer	-	-	3.5	1%	-	-	-	-
For fully consolidated subsidiaries	-	-	-	-	-	-	-	-
Total	**388**	**100%**	**472.5**	**100%**	**85**	**100%**	**90**	**100%**

6.7.
Post-closing events

None.

3

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.

1.1. Composition of the Board of Directors

On December 31, 2015, the Board of Directors had nine members.

The rules governing the composition and functioning of the Board are described in the Board Charter reproduced in full in section 2 of this chapter.

The Board includes four independent Directors, Dominique Cyrot, Chantal Roos, Marie-Ange Verdickt and Maurice Aladhève.

To date, the Board has two members with the status of employee resulting from an employment contracts predating their appointment as Directors and Executive Vice President.

1.2. Composition of the Board and profiles

As of December 31, 2015 the composition of the Board of Directors was as follows:

Philippe Benacin

Chairman and Chief Executive Officer of Interparfums

Date of 1st appointment: January 3, 1989.

Date of last reappointment: April 25, 2014.

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

Philippe Benacin, 57, a graduate of the ESSEC Business School and co-founder of the company with his partner Jean Madar, has served as Chairman-CEO of Interparfums SA since its creation in 1989.

Philippe Benacin sets the strategic priorities for the Paris-based Interparfums SA Group and development of the brands of the portfolio: Balmain, Boucheron, Jimmy Choo, Coach, Karl Lagerfeld, Lanvin, Montblanc, Paul Smith, Repetto, Rochas, S.T. Dupont et Van Cleef & Arpels.

Current offices: Chairman of the Board of Directors of Interparfums Holding, President and Vice Chairman of the Board of Interparfums Inc. (United States)Managing Partner and Chairman of Interparfums Suisse, Director of Interparfums Singapore and Chairman of the Board of Directors of Parfums Rochas Spain, Sole Director of Interparfums Luxury Brands (US), Director of Inter España Parfums et Cosmetiques SL (Spain) and Interparfums Srl (Italy), Member of the Supervisory Board of Vivendi.

Offices having expired in the last five years: None.

Term of office expiring at the close of the Annual General Meeting of April 25, 2018.

Jean Madar

Director

Date of 1st appointment: December 23, 1993.

Date of last reappointment: April 25, 2014.

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

Jean Madar, 55, a graduate of the ESSEC Business School, is the co-founder of the company with his partner Philippe Benacin. Jean Madar sets the strategic priorities for the New York-based Group Interparfums Inc. and development of the brands of the portfolio: Anna Sui, Dunhill, Oscar de la Renta, Shanghai Tang, Bebe, Abercrombie & Fitch, Hollister, Gap et Banana Republic.

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

Offices having expired in the last five years: None.

Term of office expiring at the close of the Annual General Meeting of April 25, 2018.

Philippe Santi

Director and Executive Vice President

Date of 1st appointment: April 23, 2004.

Date of last reappointment: April 25, 2014.

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

Philippe Santi, 54, graduate of the Ecole 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.

Current office: Director of Interparfums Inc. (United States).

Offices having expired in the last five years: None.

Term of office expiring at the close of the Annual General Meeting of April 25, 2018.

Frédéric Garcia-Pelayo

Director and Executive Vice President

Date of 1st appointment: April 24, 2009.

Date of last reappointment: April 25, 2014.

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

Frédéric Garcia-Pelayo, 57, 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.

Current offices: Chairman of the Board of Directors of Interparfums Srl (Italy) and Director of Inter España Parfums & Cosmetiques SL (Spain).

Offices having expired in the last five years: None.

Term of office expiring at the close of the Annual General Meeting of April 25, 2018.

Maurice Alhadève

Independent Director

Date of 1st appointment: April 23, 2004.

Date of last reappointment: April 25, 2014.

Professional address: 2 rue Gounod, 75017 Paris, France.

Maurice Alhadève, age 73, a graduate of Sciences Po Paris and Northwestern University (Chicago) was the Chief Executive Officer of the Luxury division of "Française de soins et Parfums" (Unilever Group), and then, a manager for several companies specialized in the creation of fragrance concentrates: International Flavors and Fragrance (IFF), Créations Aromatiques and Haarmann & Reimer. He was head of the ISIPCA, the school for fragrances, cosmetics and flavors, located in Versailles, France. He is today the cofounder and President of the Ecole Supérieure du Parfum de Paris, providing specialized programs in the fields of creation and management for the perfume industry.

Other offices and directorships: none.

Term of office expiring at the close of the Annual General Meeting of April 25, 2018.

Patrick Choël

Director

Date of 1st appointment: December 1, 2004.

Date of last reappointment: April 25, 2014.

Professional address: 140 rue de Grenelle, 75007 Paris.

Patrick Choël, 72, a graduate of Sciences Po Paris, was Chairman of the Fragrance and Cosmetics division of LVMH from 1995 to 2004.

Current offices: Director of Interparfums Inc. (United States), Director of Parfums Christian Dior, Director of Guerlain.

Offices having expired in the last five years: Director of Modelabs, Director of SGD, Director of ILEOS.

Term of office expiring at the close of the Annual General Meeting of April 25, 2018.

Chantal Roos

Independent Director

Date of 1st appointment: April 24, 2009.

Date of last reappointment: April 25, 2014.

Professional address: CREA, 177 avenue Achille Peretti, 92200 Neuilly sur Seine, France.

Chantal Roos, 72, served as Vice-President for International Marketing than Deputy Chief Executive Officer within the Yves Saint Laurent Parfums Group, then Chair of Beauté Prestige Internationale. She was appointed President of Gucci group in 2000 as President of the Yves Saint Laurent Beauté division, becoming subsequently in 2007, Strategic Adviser to the Chairman and Chief Executive Officer. In 2008, she launched her own company specialized in the creation and development of fragrance and cosmetic brands.

Current offices: Managing Partner of CREA, Managing Partner of ROOS&ROOS.

Offices having expired in the last five years: Chairman and Chief Executive Officer of Yves Saint Laurent Beauté.

Term of office expiring at the close of the Annual General Meeting of April 25, 2018.

Dominique Cyrot

Independent Director

Date of 1st appointment: April 27, 2012.

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

Dominique Cyrot, 64, has a master's degree in management from University Paris IX Dauphine.

From 1973 to 2011, after first in charge of the research department, then insurance portfolio management for AGF, now ALLIANZ GI, Dominique Cyrot was responsible for managing the UCTIS for the group for French large caps then for all French and European Mid Caps.

Up until 2000, Dominique Cyrot was a Director of the investment funds Louxor (luxury), Agroplus (food industry), Galileo (high tech), and for Assystel and Geodis, two listed companies, as well as numerous SICAVs of the AGF group and also external SICAVs.

Current offices: Director of FIME (SA) since April 16, 2015.

Offices having expired in the last five years: Director of SAFETIC (office expired in February 2012), Director of SECHE Environnement (office expired in April 2015).

Term of office expiring at the close of the Annual General Meeting of April 2016.

Marie-Ange Verdickt

Independent Director

Date of 1st appointment: April 24, 2015.

Professional address: 18 avenue de Villepreux, 92420 Vaucresson (France).

Marie-Ange Verdickt, 53, has a business degree from Ecole Supérieure de Commerce de Bordeaux (1984), and is a member of the French Society of Financial Analysts (SFAF) She began her career as an auditor with Deloitte, then management controller for the computer group, Wang.
In 1990 she joined Euronext as a financial analyst and was subsequently appointed as head of Euronext's office of financial analysis. In 1998, she joined Financière de l'Echiquier, an asset management company, to manage funds specialized in French and European Mid Caps. She also contributes to developing socially responsible investment practices.

Current offices: Member of the Supervisory Board of Solucom Member of the Supervisory Board of CapHorn Invest, Director of ABC Arbitrage, Member of the Supervisory Board of Bonduelle.

Offices having expired in the last five years: Financière de l'Echiquier, The Board of Directors met nine times in 2015 (seven times in 2014).

1.3. Multiple directorships

By accepting the Board Charter, reproduced in Chapter 2 of this document, the Directors undertake to comply with the rules governing multiple directorships provided for in L.225-21, L.225-77 and L.225-94 of the French Commercial Code and article L.511-52 of the French Monetary and financial code.

At December 31, 2015, the number of offices held by each of the Directors was in compliance with the applicable laws.

2. BOARD OF DIRECTORS

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 of the Board in the performance of its duties and powers;
– board practices (meetings, discussions, information provided to members);
– rules for determining and setting compensation for its members;
– the duties of Board members (code of conduct: loyalty, confidentiality, abstention, etc.);

and contributing to the quality of the work of Board members by promoting the application of good corporate governance principles and practices as required by considerations of ethics and efficiency.

2.1. 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.

2.1.1. Independent Directors

The Board of Directors endeavors to ensure that at least two of its members are independent. This proportion is reduced to one independent member when the Board has five or less members.

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.

When a new member is appointed or one of its members is reappointed, the Board of Directors assesses the situation of this member in reference to the criteria referred to above.

Each member classified as an independent Director informs the Chairman as soon as he or she has knowledge of any change in his or her personal situation with respect to the same criteria.

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

The Board of Directors endeavors to achieve a diversified membership in terms of nationalities or international experience, competencies and a balanced representation of men and women.

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, women serving on the Board must represent at least 40% of its members by no later than the first ordinary general Meeting held in 2017. If this quota is not met, in the case where the Board has more than eight members, the gap between the number of members of each gender may not exceed two. Otherwise, any new appointment of a male Director shall be considered null and void and the attendance fees suspended.

2.2. Role of the Board of Directors

2.2.1. 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 performing the duties provided for by law and regulations, the Board may be called to address and grant its approval for, in particular, the following matters:

– assessing the environment of the company and analyzing opportunities for external growth through acquisitions;

– creating a company or acquiring controlling interests in all forms in any company or undertaking outside the group;

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

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

– analyzing the annual budget submitted by Executive Management;

– implementing procedures for control or verification it considers appropriate, and in particular, management control;

– defining the company's financial communications strategy;

– authorizing security interests, endorsements and guaranties given by companies other than those operating banking or financial establishments in accordance with the conditions provided for article R.225-28 of the French Commercial Code;

– granting authorizations prior to executing regulated agreements;

– choosing the corporate governance model for Executive Management: separating or combining the functions of Chairman and Chief Executive Officer;

– appointing and removing the Chairman, Chief Executive Officer and deputy Chief Executive officers;

– defining the Executive Management compensation policy;

– co-opting members of the Board in accordance with the procedures set by applicable regulations;

– creating special committees;

– producing forward-planning documents;

– adopting the annual financial statements submitted for approval to the General Meeting;

– calling the General Meeting and setting the meeting agenda;

– determining, in the case of grant of stock options or bonus shares, the number of bonus shares or shares to be issued pursuant to the exercise of options that executive officers must hold until such time as they cease to occupy their functions;

– approving the report of the Chairman of the Board.

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.

For the record, internal powers of Executive Management, namely in relations between executive officers, are limited. Transactions requiring prior authorization by the Board of Directors are disclosed in section 3.2 "Executive Management" of the Board Charter.

2.2.2. 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.

2.3. Procedures for exercising Executive Management

2.3.1. 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.

2.3.2. 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*).

2.4. Functioning of the Board of Directors

2.4.1. Calling and holding 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.

The length of meetings must be sufficient to allow for an in-depth review and discussion of items of business falling under the Board's scope.

Meetings will be held at the registered office or at any other place indicated in the notice of meeting.

Draft minutes drawn up after each Board meeting are sent or remitted to all Board members no later than at the same time as the notice for the following meeting.

2.4.2. 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 and, as applicable, the occurrence of any technical incidents disrupting the conduct of the meeting.

Remote participation using these 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;

– appointing the Chairman, Chief Executive Officer;

– removing the Chief Executive Officer.

2.4.3. 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, between the meetings of all events or transactions of a material nature for the strategic priorities of the company and provided with all relevant information when warranted by events concerning the company.

2.4.4. 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.

2.5. Code of Conduct of Directors

2.5.1. General Obligations

Each member of the Board of Directors has an obligation to be familiar with the contents of and comply with this Charter, the company's bylaws and the main laws and regulations governing French joint stock companies (*sociétés anonymes*) governed by a Board of Directors, and notably companies whose shares are admitted for trading on a regulated market.

In particular, Directors undertake to be familiar with and apply:

– the rules limiting holding multiple offices (refer below to the section "Obligations of due diligence");

– rules governing agreements and transactions entered into directly or indirectly between the Director and the company.

Each Board member expressly undertakes to comply with the ethical obligations set forth below.

2.5.2. 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.

2.5.3. 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 obligated to inform the Board of any situation involving a conflict of interest, even a potential conflict of interest, and must abstain from voting in the proceedings relating thereto, and if necessary, resign. Absence of information thereon constitutes confirmation that no conflict of interest exists. Parties failing to comply with these rules of abstention or withdrawal are open to liability.

2.5.4. Obligations relating to possession of inside information – Preventing insider misconduct and trading

In general, Directors shall be prohibited from engaging in transactions in the shares of the company and/or the group if they possess inside information. Each party is personally responsible for assessing the privileged nature of information in their 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. Inside information is defined as any information of a precise nature that has not been made public, relating directly or indirectly to one or more issuers or one or more financial instruments which, if made public, would be likely to have a significant effect on the price.

Each Director is included on the list of insiders drawn up by the company and available for consultation by the AMF.

When in possession of inside information, the Director must refrain from:

– using this information for acquiring or disposing of, or by trying to acquire or dispose of, for one's own account or for the account of a third party, either directly or indirectly, the financial instruments to which this information relates or the securities with which these financial instruments are linked;

– disclosing such information to another person otherwise than in the normal course of one's employment, profession or duties, or for a purpose other than that for which the information was disclosed;

– recommending to another person to acquire or dispose of or have acquired or disposed of by another person, said financial instruments.

The AMF may impose on the party infringing on these rules a fine of up to €100 million or, if profits are realized, ten times the amount of the latter.

Furthermore, these infractions may also constitute the offense of insider trading. In such case, the following criminal sanctions apply:

– use of inside information (1) may be punishable by a sentence of two years' imprisonment and a fine of 1,500,000 euros, which amount may be increased to a figure representing up to ten times the amount of any profit realized and shall never be less than the amount of said profit;

– disclosure of inside information to a third-party (2) is subject to a penalty of one year's imprisonment and a fine of €150,000.

In accordance with the AMF Guide to preventing insider misconduct by executives of listed companies of November 3, 2010, Board members must refrain from dealing in securities of the Company (in particular by exercising stock options, the disposal of shares, and including shares resulting from exercising stock options or bonus shares, purchasing shares);

– at least 30 calendar days before the release of annual and half-yearly financial statements (and quarterly accounts);

– at least 15 calendar days before the publication of sales (annual, half-yearly or quarterly).

Board members will be provided with a schedule of these blackout (or "closed") periods, based on the publication dates for periodic information to ensure they are properly informed before making any decision to trade in the company's securities.

Dealings are only authorized on the day after the publication of the information in question, on condition that the relevant party does not hold other inside information.

It is furthermore recommended that Board members wishing to deal in such securities, verify if the information in their possession does not constitute inside information.

2.5.5. 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 within the appropriate delays from the Chairman information necessary to effectively participate in the items of business to be addressed by the Board of Directors' meetings.

2.5.6. 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 in 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.

2.5.7. Obligations on holding financial instruments issued by the Company

Each Director is required to acquire at least one share of the Company, including the number required by the bylaws.

Securities of the company held by the Director or any other related person must moreover be held in registered form.

(1) Executives of a company referred to in article L.225-109 of the Commercial Code, or individuals who, in the course of their business or the performance of their functions, obtain inside information concerning the prospects or the situation of an issuer whose securities are traded on a regulated market or the likely performance of a financial instrument or an asset referred to in paragraph II article L.421-1 which is admitted to trading on a regulated market, and either directly or through an intermediary, carry out or facilitate one or more transactions before the public has knowledge of said information. (article L.465-1 of the French monetary and financial code).

(2) Whoever, through the practice of his profession or the performance of his functions, obtains inside information concerning the prospects or the situation of an issuer whose securities are traded on a regulated market or the likely performance of a financial instrument or an asset referred to in paragraph II of article L.421-1 which is admitted to trading on a regulated market and discloses said information to a third party outside the normal framework of his profession or his functions. (article L.465-1 of the French monetary and financial code).

2.6. Compensation

2.6.1. 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 each of the Directors on the basis of their attendance and the amount of time they devote to their duties.

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

2.6.2. 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.

2.7. 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*).

All or part of this Charter will be made public.

3. 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, 2015

Philippe Benacin, Chairman and Chief Executive Officer.

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

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

Catherine Bénard-Lotz, Chief Legal Officer.

Angèle Ory-Guénard, Vice President, Export Sales.

Jérôme Thermoz, Vice President, French Distribution.

Axel Marot, Vice President, Production & Logistics.

Pierre Desaulles, Vice President, Marketing.

Delphine Pommier, Vice President, Marketing.

On January 1, 2016, Stanislas Archambault, Chief Executive Officer of Interparfums Luxury Brands and Renaud Boisson, Chief Executive Officer of Interparfums Singapore joined the Management Committee.

The Management Committee met four times in 2015 (five times in 2014) and discussed the following items of business:

February: 2014 annual sales, the order book, 2014 annual results, three-year launches, acquisition projects for the Rochas and Coach brands, the 2015 payroll policy, year-end employee assessments;

May: 2015 first half, three-year marketing plan, the Travel Retail policy, strategic review for the Americas and Pacific regions, Rochas acquisition closing and financing, creation of the Rochas Spain subsidiary;

September: summary of 2015 first-half results, 2015 third-quarter sales, *Jimmy Choo Illicit* and *Montblanc Spirit* launches, Rochas fashion strategy and recruitment, Coach launch preparations, new Interparfums Luxury Brands organization, review of perfumes and cosmetics issues in France;

December: annual sales, operating expenditures and results, 2016 outlook and budgets, analysis of the 20 largest customer accounts, supply chain and operations projects, Illicit launch results.

4. 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, earnings and the number personnel.

On this basis, information is provided below on compensation paid to executives as officers or salaried employees in connection with employment contracts concluded prior to becoming officers in accordance with French regulations (AMF recommendation of December 22, 2008 pertaining to information on executive compensation to be disclosed in the registration document, updated on December 20, 2010).

4.1.
Summary of compensation and options/shares granted to each executive officer

	Fiscal 2014	Fiscal 2015
Philippe Benacin		
Chairman-CEO		
Compensation due for the year	€502,800	€527,800
Valuation of options granted in the period (Interparfums Inc. plan)	$140,980	$527,800
Valuation of performance shares granted in the period	N/A	N/A
Philippe Santi		
Director – Executive Vice President		
Compensation due for the year	€577,000	€591,000
Valuation of options granted in the period (Interparfums Inc. plan)	$37,100	$42,710
Valuation of performance shares granted in the period	N/A	N/A
Frédéric Garcia-Pelayo		
Director – Executive Vice President		
Compensation due for the year	€583,840	€597,840
Valuation of options granted in the period (Interparfums Inc. plan)	$37,100	$42,710
Valuation of performance shares granted in the period	N/A	N/A
Jean Madar		
Director		
Compensation due for the year	$630,000	$630,000
Valuation of options granted in the period (Interparfums Inc. plan)	$140,980	$527,800
Valuation of performance shares granted in the period	**N/A**	**N/A**

4.2. Summary of compensation for each executive officer

	Fiscal 2014		Fiscal 2015	
	Compensation due for the year	Compensation paid in the year	Compensation due for the year	Compensation paid in the year
Philippe Benacin				
Chairman and Chief Executive Officer				
Fixed compensation	€414,000	€414,000	€420,000	€420,000
Variable compensation	€78,000	€71,000	€97,000	€87,000
Exceptional compensation	-	-	-	-
Attendance fees	-	-	-	-
Benefits in kind (vehicle)	€10,800	€10,800	€10,800	€10,800
Total	**€502,800**	**€495,800**	**€527,800**	**€517,800**
Philippe Santi				
Director Executive Vice President				
Fixed compensation	€294,000	€294,000	€300,000	€300,000
Variable compensation	€283,000	€268,000	€291,000	€283,000
Exceptional compensation	-	-	-	-
Attendance fees	-	-	-	-
Benefits in-kind	-	-	-	-
Total	**€577,000**	**€562,000**	**€591,000**	**€583,000**
Frédéric Garcia-Pelayo				
Director – Executive Vice President				
Fixed compensation	€294,000	€294,000	€300,000	€300,000
Variable compensation	€283,000	€268,000	€291,000	€283,000
Exceptional compensation	-	-	-	-
Attendance fees	-	-	-	-
Benefits in kind (vehicle)	€6,840	€6,840	€6,840	€6,840
Total	**€583,840**	**€568,840**	**€597,840**	**€589,840**
Jean Madar				
Director				
Fixed compensation	$630,000	$630,000	$630,000	$630,000
Variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Attendance fees	-	-	-	-
Benefits in-kind	-	-	-	-
Total	**$630,000**	**$630,000**	**$630,000**	**$630,000**

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.

4.3. Attendance' fees paid to non-executive directors

Attendance fees are allocated to the Board of Directors by the shareholders' Meeting and distributed to non-executive Directors on the basis of a fixed flat amount and Board meeting attendance criteria. The maximum amount for these fees decided by the ordinary general Meeting of April 24, 2015 was €180,000.

On this basis, for fiscal 2015 a total of €99,000 was paid to the five non-executive Directors for their attendance at meetings. Furthermore, the three Board members forming the Audit Committee are allocated in this capacity an amount of €9,000 in attendance fees. The other Directors expressly waived their rights to receive attendance fees.

No other form of compensation is paid to non-executive directors.

	Board of Directors		Audit Committee	
Directors	**Directors' fees paid in 2014**	**Directors' fees paid in 2015**	**Directors' fees paid in 2014**	**Directors' fees paid in 2015**
Maurice Alhadève	€15,000	€21,000	€3,000	€3,000
Patrick Choël	€12,000	€18,000	€3,000	€3,000
Dominique Cyrot	€15,000	€21,000	€3,000	€3,000
Michel Dyens	€6,000	-	-	-
Chantal Roos	€12,000	€18,000	-	-
Marie-Ange Verdickt (1)	€6,000	€21,000	-	-

(1) Marie-Ange Verdickt was appointed as a Director at the General Meeting of April 24, 2015, replacing Michel Dyens, having resigned.

4.4. Stock Options

Information on grants of options to subscribe for or purchase shares are described in the chapter on "Corporate governance" under section 3 entitled "Special report of the Board of Directors on stock options".

Rules for the grant of options to subscribe for shares to officers are based on the level of responsibilities and the performance of the company's share. The quantity of options to subscribe for shares 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 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.

4.5. Bonus share grants

No plans for the grant of bonus shares were specifically implemented for Directors and officers of the company.

4.6. Summary of executive compensation

	Employment contract		Supplemental retirement plan		Compensation or benefits that may be due on termination or following a change of position		Compensation resulting from a non-compete clause	
	yes	no	yes	no	yes	no	yes	no
Philippe Benacin Chairman and Chief Executive Officer Date of last reappointment: 04/25/2014 End up of term: AGM 2018		X	X			X		X
Philippe Santi Director Executive Vice President Date of last reappointment: 04/25/2014 End up of term: AGM 2018	X		X			X		X
Frédéric Garcia-Pelayo Director Executive Vice President Date of last reappointment: 04/25/2014 End up of term: AGM 2018	X		X			X		X
Jean Madar Director Date of last reappointment: 04/25/2014 End up of term: AGM 2018		X	X			X		X

Philippe Benacin 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. No attendance fees are paid to him for the performance of his functions as Director.

Philippe Santi receives compensation in the form of salary under an employment contract as Director of Finance and Corporate Affairs. This employment contract predates his appointment as Executive Vice President (*Directeur Général Délégué*) and Director of the Company and has been maintained as is. Philippe Santi does not receive any attendance fees paid in connection with his office as Director.

Frédéric Garcia-Pelayo receives compensation in the form of salary under an employment contract as Chief International Officer. This employment contract predates his appointment as Executive Vice President (*Directeur Général Délégué*) and has been maintained as is. Frédéric Garcia-Pelayo does not receive any attendance fees paid in connection with his office as Director.

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.

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 management employees 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 to this fund per executive officer beneficiary is approximately €16,737. The supplemental retirement plan is part of the overall compensation policy adopted by the company for senior executives and managers.

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.

5.
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, 2016 of transactions carried out in fiscal 2015 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 operational responsibilities exercised in the company

	Plan 2010
Grant date	10/08/2010
Expiration date	10/08/2016
Subscription price	€22.95
Adjusted subscription price (1)	€13.00
Valuation of options granted (2)	€6.55
Options granted at inception	
Philippe Benacin	7,000
Jean Madar	7,000
Philippe Santi	7,000
Frédéric Garcia-Pelayo	7,000
Options outstanding at December 31, 2015 (1)	
Philippe Benacin	12,300
Jean Madar	12,300
Philippe Santi	1,320
Frédéric Garcia-Pelayo	1,320

(1) Adjusted for bonus share grants.

(2) Valuation applied in the consolidated financial statements according to the Black-Scholes model (see note 3.8.2 to the consolidated financial statements).

Options granted on inception by Interparfums Inc. under plans in force to each corporate officer in connection with operational responsibilities exercised in the company

	Plan 2010-2	Plan 2011	Plan 2012	Plan 2013-1	Plan 2013-2	Plan 2014	Plan 2015-1	Plan 2015-2
Grant date	12/30/10	12/29/11	12/30/12	01/30/13	12/30/13	12/30/14	01/27/15	12/30/15
Subscription price	$19.03	$15.59	$19.33	$22.20	$35.75	$27.80	$25.82	$23.61
Valuation of options granted (1)	$5.59	$4.59	$5.54	$6.24	$9.20	$7.42	$6.77	$5.99
Options granted at inception								
Philippe Benacin	19,000	19,000	19,000	-	19,000	19,000	-	19,000
Jean Madar	19,000	19,000	19,000	-	19,000	19,000	-	19,000
Philippe Santi	3,000	3,000	3,000	2,000	5,000	5,000	1,000	6,000
Frédéric Garcia-Pelayo	3,000	3,000	3,000	2,000	5,000	5,000	1,000	6,000
Options outstanding at December 31, 2015								
Philippe Benacin	19,000	19,000	19,000	-	19,000	19,000	-	19,000
Jean Madar	19,000	19,000	19,000	-	19,000	19,000	-	19,000
Philippe Santi	600	1,800	1,800	2,000	5,000	5,000	1,000	6,000
Frédéric Garcia-Pelayo	600	1,800	1,800	2,000	5,000	5,000	1,000	6,000

(1) Valuation applied in the consolidated financial statements of Interparfums Inc. according to the Black-Scholes model.

Valuation of options granted

	In fiscal 2014			In fiscal 2015		
	Options granted	Black & Scholes valuation	Value of options	Options granted	Black & Scholes valuation	Value of options
IP Inc.						
Philippe Benacin	19,000	$7.42	$140,980	19,000	$5.99	$527,800
Jean Madar	19,000	$7.42	$140,980	19,000	$5.99	$527,800
Philippe Santi	-	-	-	1,000	$6.77	$6.77
Philippe Santi	5,000	$7.42	$37,100	6,000	$5.99	$35,940
Frédéric Garcia-Pelayo	-	-	-	1,000	$6.77	$6,770
Frédéric Garcia-Pelayo	5,000	$7.42	$37,100	6,000	$5.99	$35,940
Total			**$356,160**			**$313,040**

In 2014 and 2015, no Interparfums SA options have been granted.

Options exercised by each corporate officer of the company in 2015 received in connection with operational responsibilities exercised in the company

	Number of shares exercised	Subscription price	Expiration date
IP Inc. options exercised in the period by officers			
Philippe Benacin			
Plan of December 30, 2009	19,000	$12.14	12/30/2015
Jean Madar			
Plan of December 30, 2009	19,000	$12.14	12/30/2015
Philippe Santi			
Plan of March 28, 2010	600	$15.62	03/28/2016
Plan of December 30, 2010	600	$19.03	12/30/2016
Plan of December 30, 2012	600	$19.33	12/30/2018
Frédéric Garcia-Pelayo			
Plan of March 28, 2010	600	$15.62	03/28/2016
Plan of December 30, 2010	600	$19.03	12/30/2016
Plan of December 30, 2012	600	$19.33	12/30/2018
IPSA options exercised in the period by officers (1)			
Plan of December 17, 2009			
Jean Madar	8,297	€9.00	12/17/2015
Plan of October 8, 2010			
Frédéric Garcia-Pelayo	9,981	€14.30	10/08/2016
Philippe Santi	9,981	€14.30	10/08/2016

(1) Number and subscription price adjusted for the grant of new bonus shares (1 for 10) of June 22, 2015.

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 2015

	Number of shares granted/exercised	Subscription price	Expiration date
Options exercised by the ten employees exercising the greatest number			
Plan of December 17, 2009	23,786	€9.00	12/17/2015
Plan of October 8, 2010	3,194	€14.30	10/08/2016
Plan of October 8, 2010	15,816	€13.00	10/08/2016
Total	**42,796**		

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

Pursuant to the provisions of 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 operating departments of the company and in consultation with Executive Management and the Board of Directors as well as exchanges with the Statutory Auditors.

This report was submitted for approval to the Board of Directors on March 11, 2016.

6.1. Preparation and organization of the Board's work

6.1.1. The company's corporate governance code

Since 2010, the company has chosen to refer to the Middlenext corporate governance code of December 2009 for Small and Mid Caps. This decision was made by the Board of Directors in relation with the's shareholder structure, of which 73% of the share capital at December 31, 2015 was held by the holding company.

In accordance with recommendations, 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 proposed under 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.

6.1.2. Composition of the Board of Directors

The Directors have diverse and complementary profiles reflecting their broad and diversified backgrounds. Accordingly, 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 this registration document (annual report) in section 1 of chapter 3, "Corporate governance".

The provisions of the company's bylaws, provide that the company may be managed by a Board of Directors having three to eighteen members. At December 31, 2015, management of the company was entrusted to a Board that had nine members.

In line with the spirit of Middlenext Code recommendation No. 10, Directors have renewable four-year terms.

6.1.3. 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 December 31, 2015, three of the Board's nine Directors were women, representing a percentage of more than 30% compared to the first quota to be reached in 2014 of 20%.

This order will increase to 40% in 2017 which is to enter into effect on the date of the first ordinary general Meeting held in that year. The Company is already engaged in a review of possible candidates that will be submitted to consideration by the Board of Directors. In any case, the Board of Directors will be in compliance for 2017 with the obligations providing for a 40% quota for women.

6.1.4. Independence of Directors and rules of business conduct

With respect to the criteria set forth in the Middlenext Code recommendation No. 8, a Director is characterized as independent by the absence of any significant financial, contractual or family relationship likely to affect his/her independence of judgment. The Middlenext Code recommends that the Board has at least 2 independent members.

On this basis, the Board of Directors has four independent members, with respect to the following criteria:

– independence criteria No. 1: not 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;

– independence criteria No. 2: not a significant customer, supplier or banker of the company or its group, or for which the company or its group represents a significant part of its business;

– independence criteria No. 3: not the main shareholder of the company;

– independence criteria No. 4: not related by close family ties to a corporate officer or a main shareholder;

– independence criteria No. 5: has not been an auditor of the company within the previous three years.

Independence criteria	**Maurice Alhadève**	**Philippe Benacin**	**Patrick Choël**	**Dominique Cyrot**	**Frédéric Garcia-Pelayo**	**Jean Madar**	**Chantal Roos**	**Philippe Santi**	**Marie-Ange Verdickt**
Independence criteria No. 1	x			x			x		x
Independence criteria No. 2	x	x	x	x	x	x	x	x	x
Independence criteria No. 3	x		x	x	x		x	x	x
Independence criteria No. 4	x	x	x	x	x	x	x	x	x
Independence criteria No. 5	x	x	x	x	x	x	x	x	x
Qualification of independence	**Yes**	**No**	**No**	**yes**	**No**	**No**	**Yes**	**No**	**Yes**

On the date of this registration document, the independent Directors did not have any relations of any nature with the company that could compromise their independence.

In accordance with the Middlenext Code recommendation No. 7, each Director is informed of the responsibilities arising from his/her appointment and over the term of his/her office, and informed of his or her obligation to comply with rules of conduct relating to his or her appointment and set forth in the Board Charter. Directors are provided with a Board of Directors Guide that contains all information about the company and all legal and regulatory provisions as well as those of the Middlenext Code relating to their rights and obligations in the performance of their functions.

The company adheres to recommendation No. 9 of the Middlenext Code by providing at shareholders' meetings information on the experience and skills of each Director at the time of their appointment or the renewal of their terms of office. The appointment of each Director and the renewal of their terms of office are the subject of a distinct resolution.

With the term of office of Dominique Cyrot expiring at the end of the General Meeting called to approve the financial statements for the year ended December 31, 2015, it will be proposed at the meeting to renew her term of office. Information about her professional background is provided in the presentation of the resolutions proposed to the combined General Meeting of April 22, 2016 in section 3 of Chapter 6, "Shareholder information" of this registration document.

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

To effectively take into account the changing and highly competitive environment of the sector in which the company operates, the Board decided not to separate the functions of Chairman of the Board of Directors from that of Chief Executive Officer (*Directeur Général*): Philippe Benacin is the Chairman-Chief Executive Officer(*Président-Directeur Général*) of Interparfums SA. Having an in-depth knowledge of the company, since its creation, that he cofounded with his partner, Jean Madar, CEO of the US company, Interparfums Inc, he has a very clear vision of the future prospects of the company His active involvement in running company operations was a decisive factor in the Board's choice. This option has contributed 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.

The Chairman-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.

The Chairman-Chief Executive Officer is assisted by two Executive Vice Presidents (*Directeurs Généraux Délégués*), possessing the same powers in dealings with third parties as the Chief Executive Officer and form with the latter, the Executive Management responsible for the overall management of the company.

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 as subject to the following conditions:

– 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.

The effective functioning of the Board of Directors is accordingly based on a balance between the powers of the Directors and the Executive Management made possible by the organization of means and the transparent flow of information to Directors. This exchange is necessary for the performance of their mission throughout the terms of their office. In this context, the Executive Management is able to benefit from the support of a well-informed and vigilant Board of Directors in determining and adopting the strategic priorities that it submits to their judgment.

6.1.6.
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 of Directors;

– 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;

– obligations relating to possession of inside information in connection with the prevention of insider misconduct and trading;

– 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 into account the application of new regulations and recommendations in the area of corporate governance and respond to proposals by Directors in order to ensure the optimal effectiveness of the Board's work. The last update of the Board Charter was decided in proceedings of the Board of Directors meeting of March 9, 2015, to complete provisions relating to business ethics undertakings, and notably obligations relating to the possession of inside information in connection with the prevention of insider misconduct and trading.

This Charter was drafted in a manner that respects the spirit of the principles of corporate governance developed in the Middlenext Code. This Charter is reproduced in full in section 2 of chapter 3 "Corporate governance" of this registration document.

6.2.
Board of Directors

6.2.1.
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, that constitutes an essential condition for the performance of their duties.

In 2015, the Board of Directors met nine times with an attendance rate of 85% for meetings lasting on average three hours. These meetings addressed the following items of business:

– decision relating to the acquisition of the Rochas fashion and perfume business and the loan destined to finance this acquisition;

– decision relating to negotiating the Coach license agreement;

– review of the parent company statutory and consolidated financial statements for the fiscal year ended December 31, 2015 and the interim financial statements and the notice of the Annual General Meeting;

– review of the fiscal year 2015 budget and outlook and the forward-planning documents;

– compensation of the Chairman;

– 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;

– review and authorization of external growth projects;

– discussions on workplace and wage equality policy within the framework of CSR.

Auditors attend Board of Directors' meetings held to consider the company's accounts or any other matters regarding which they may provide Board members an informed opinion. Each of the meetings of the Board called to adopt the annual and half year accounts was preceded by a meeting of the Board of Directors in the form of an Audit Committee.

On the date of this registration document, the Board of Directors met twice since the beginning of 2016 to consider, on the one hand, the compensation of the Chairman, on the other hand, the review and closing of the annual and consolidated financial statements for the year ended December 31, 2015 and the notice for the Annual General Meeting of 2016.

6.2.2. Committees

Having duly noted recommendation No. 12 of the Middlenext Code, in this context, the company has not deemed it necessary to date to form special committees, notably a nominating or compensation committee, in part because of the company's size and organization, and in part because of the extensive in-depth experience Directors have in the world of business and the international markets of competitors. Their input is thus solicited on a collective basis for all significant items relating to the company's management.

With respect to the Audit Committee, 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 of the French Commercial Code and on that basis to assume itself the tasks normally exercised by an independent Audit Committee. In light of their responsibilities in this area, this will allow the Directors to remain more responsive and efficient in monitoring the production of financial information and the effectiveness of internal control systems.

Four Directors are appointed to conduct the meeting of the Board of Directors acting as an Audit Committee: Patrick Choel, Maurice Alhadève, Dominique Cyrot and Marie-Ange Verdickt, all independent Directors with expertise in finance.

In 2015, to facilitate exchanges when the Board of Directors meets in a plenary sessions as an Audit Committee, these Directors meet beforehand to prepare the review of important items relating to internal control and the accounts. They report to the Board of Directors on their mission.

During the Board of Directors' meeting in the form of an Audit Committee, Philippe Benacin, Chairman of the Board of Directors, exercising at the same time the function of Chief Executive Officer, as well as Philippe Santi and Frédéric Garcia-Pelayo in their capacities as Executive Vice Presidents (*Directeur Général Délégué*), abstain from participating in the proceedings. The Chair of the Board of Directors' meeting in plenary session, in the form of Audit Committee, is assured by Patrick Choël. It was decided starting in 2016, during the meeting in plenary session, in the form of an Audit Committee, that the Chair of the Board of Directors' meeting will be entrusted to Marie-Ange Verdickt, in light of her status as independent Director and her expertise in finance.

During 2015, the Board of Directors met twice in plenary session in the form of an Audit Committee and reviewed the following items:

– 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 and internal control systems;

– monitoring risk management on the basis of Group risk mapping and analysis of internal control tests;

– 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;

– review of the accounting and consolidation treatment of the acquisition of the Rochas as well as its financing.

6.2.3. Evaluation of the Board's work

In accordance with recommendation No. 15 of the Middlenext Code, since 2011, Board members perform their self-evaluation on the functioning of the Board and its work through a questionnaire sent to each Director on 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 functions of the Board of Directors.

Based on the information received in response to this annual self-evaluation questionnaire, on March 9, 2015 the Board reviewed its membership and evaluated, in total independence and freedom of judgment, the organizational and operating effectiveness. Directors identified areas for improvement concerning in particular the review of Board minutes and giving the Directors sufficient time to review the documents before the meeting. These areas for improvement were implemented in 2015. In addition, the questionnaires completed by the Directors and comments exchanged indicated a favorable assessment of the functioning of the Board, in line with the spirit of Middlenext recommendations and a satisfactory analysis of the environment in which the Directors actually exercise their functions and responsibilities.

6.3. 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 to management control and the fair presentation of accounts, reviews and approves the financial statements, and ensures the quality of financial information provided to shareholders and the market.

6.4. 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. In connection with Board self-assessment work, Directors considered that information provided was clear and precise and enabled them to engage in constructive debate and formulate an opinion and complete independence.

6.5. Attendance' fees

Attendance' fees are allocated exclusively to outside non-executive officers of the Board of Directors, namely, Chantal Roos, Dominique Cyrot, Marie Ange Verdickt, Patrick Choël, Maurice Alhadève and Michel Dyens. 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 2015, the General Meeting of April 24, 2015 decided to allocate a total amount of €180,000. Details on attendance fees paid totaling €108,000 are provided in paragraph 4.3, section 4 of chapter 3 "Corporate governance" of this registration document. The group of Directors referred to in paragraph 6.2.2 performing the preparatory work for the review of accounts and internal control, in advance of the Board meetings in the form of an Audit Committee are paid attendance fees per working session. These attendance fees totaled €9,000 for 2015 and were included in the total amount of €108,000 in attendance fees paid.

6.6. Representations concerning Directors

6.6.1. 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.

6.6.2. 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.

6.6.3. 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.

6.6.4. Restrictions on holding shares by Directors

Article 12 of the bylaws imposes on Directors an obligation to hold at least one share for the duration of their term.

6.7. 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.

6.8. Items having a potential impact in the event of a public offering (article L.225-100-3 of the French Commercial Code)

Only the items listed below have been implemented by the company. To the company's knowledge, no items exist having a potential impact in the event of a public offering:

– the structure of the share capital as well as direct or indirect equity interests brought to the company's attention and any other information relating thereto are described in section 2 of chapter 6, “Shareholder information” of this registration document;

– conditions for exercising the double voting right: A double voting right is granted to all fully paid up shares registered in the name of the same shareholder for at least three years. (article 11 of the bylaws);

– the conditions for implementing the share buyback program described in section 6 of chapter 1 “Consolidated management report” of this registration document);

– the delegations of financial authority given to the Board of Directors to decide on equity transactions. The summary of financial delegations is provided in section 4 of chapter 6 “Shareholder information” of this registration document.

6.9. Internal control and risk management procedures

6.9.1. Definition

The Company has implemented internal control and risk management procedures in large part 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.

These procedures are based on the COSO 2013 integrated framework for internal control for implementing the risk assessment and internal control matrices.

6.9.2. Objectives of the risk management and internal control system

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 by analyzing 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 Executive 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 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.

6.9.3. Components of the risk management and internal control system

6.9.3.1. 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 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, established according to the COSO 1992 integrated framework for internal control, then revised in reference to COSO 2013, 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 potential for having a significant financial impact and its probability of occurrence. Each risk identified and tested is monitored to ensure that all action plans are properly 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.

6.9.3.2.
Application of risk management and internal control procedures

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 or reputation.

6.9.3.3.
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 Executive Management who in turn reports to the Board of Directors. It is based on a combination of actions and measures, such as:

– 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 organized around 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, managing the company's image and manufacturing 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, legal intelligence, 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 divided 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 relevance 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.

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.

Tools of the internal control system

These features are based on documentary tools and 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, personnel/payroll, accounting procedures and IT systems. This manual also describes procedure relating to bank accounts signing authorities. The Internal Procedures Manual is accompanied by guidelines for key controls specific to the company that are subject to annual 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 describes the 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 each employee and remitted to all new employees 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.

Whistleblowing procedure

Under this procedure, each employee that considers that he or she has legitimate doubts about company practices in areas relating to finance, accounting, banking and combating corruption is invited to contact an independent Director as specified therein. It also provides that no sanctions of any nature can be taken against the employee having made use of this professional alert procedure in good faith.

List of insiders

In accordance with article 223-30 of the AMF Regulation, employees having regular access to insider information, and also all Directors, are recorded on a list of company insiders and undertake accordingly to comply with the limits imposed by article 622-1 of the AMF General Regulation governing the acquisition or disposal of securities of the company directly or indirectly. A list has also been drawn up of persons outside the company having regular access to inside information within the framework of their professional relations with the issuer.

6.9.4. Key participants in internal control procedures

6.9.4.1. 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.

6.9.4.2. 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.

6.9.4.3. 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 new projects. It is informed of the implementation of the policy of internal control management, monitoring the work carried out and 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.

6.9.4.4. The Finance and Corporate Affairs Department

Operating under the responsibility of Executive Management, this Division includes several departments and notably Consolidation, Cash Management, Accounting, Management Control, Information Systems, Human Resources and Legal Affairs.

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 in order to protect 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 that this information is consistent with the budget as approved by Executive Management and the Board of Directors.

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.

6.9.4.5.
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 that this methodology remains relevant and effective and the organization continues to be adapted to its size, 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, in coordination with the Finance Department, under the authority of Executive Management that defines the general principles and objectives. This manager performs 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 action plans. 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 evaluation procedures to validate or reassess existing controls.

6.9.5.
Internal control procedures

Internal control procedures 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 integrated SAP ERP that has permitted the automation of certain controls and in this way strengthened their effectiveness.

Furthermore, in 2014 the company implemented a specific internal control application named "Supervisor". This application makes it possible to verify all accounting transactions and identify possible errors, omissions or fraudulent transactions in a comprehensive manner.

These procedures are organized around the following key areas identified as areas of potential risk:

6.9.5.1.
Operating processes

Sales and accounts receivable processes

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. The credit manager monitors accounts receivable payments on a daily basis.

Furthermore, since November 2014, in order to limit the risks of default, and in a context of increasing geopolitical instability, the company has taken out a credit insurance policy with Coface for its export-related accounts receivable.

Purchasing and accounts payable processes

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) that is fully automated and supplemented by a procedure for preventing dual recognition/payment of supplier invoices. Anomalies that may be identified are analyzed and monitored.

The reliability of this process was optimized in early 2015 by the implementation of electronic invoicing for general expenses. This project seeks to automate data entry, the recording and approval of invoices, guaranteeing in this way optimal security at the level of accounts payable processes. Automation, applying the same principles, for invoices to purchase components and supplies will be implemented in 2016.

6.9.5.2.
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 and 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.

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.

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.

Regulatory developments are monitored throughout the year to ensure that the accounts produced comply with the IFRSs and US GAAP applied by the group. For more technical subjects the company also has recourse to specialized outside firms.

Information systems management

The company uses an ERP application that integrates sales management, logistics, purchasing management, financial accounting, subsidiary accounts and cost accounting information. This tool is supplemented by other applications with which it interfaces, such as the tools for cash management, payroll administration, applications of our partners (suppliers, warehouse logistics, customers) or consolidation or management control.

These different applications have been configured to guarantee an effective separation of tasks. 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.

Every year, SAP, the Company's main software application was subject to a thorough audit by the internal control application, Supervisor. The purpose of this audit is to identify major deficiencies in terms of managing access and the separation of tasks. The tool also makes it possible to perform a thorough automated analysis of the general ledger to identify irregularities based on tests involving transactions qualified as abnormal.

The Information Systems Department exercises considerable vigilance in managing authorizations for access to Information Systems through 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 organization and operating of all information systems is subject to measures defining conditions for validating processing and closing procedures, the conservation of data, and verification of entries. In terms of protection of data, a procedure for secure access to accounting and financial information has been developed involving the designation of individual and personal rights assigned to specific persons accompanied by passwords.

To ensure continuity in processing accounting data, daily computer backup mechanisms and a continuity plan have been implemented in the event of a sudden dysfunction.

In 2009, a Business Continuity Planning (BCP) was implemented including in particular virtualization technology on internal servers for ensuring 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.

Furthermore, the SAP application that has been in service 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, the logistics warehouse receives all information from Interparfums in real time through automated and computerized information flows;

– 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. In this way, a user can be linked to each transaction generated by the application.

6.9.5.3. Oversight of the internal control and risk management procedures

This oversight is ensured through an internal procedures 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 assessment and implement new procedures that may be identified as necessary through this process.

This assessment process is performed annually. 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 are carried out in accordance with the provisions of US law of the Sarbanes Oxley Act based on the COSO 2013 integrated framework.

If processes and the associated controls do not exist or are not sufficiently formalized, a remediation plan or corrective actions are implemented and monitored by the manager concerned.

At the end of this evaluation phase, the results were provided both to the Finance Department and Executive Management who provide 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 department 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.

On this basis, in 2015, 130 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 2015, the scope for this evaluation was the same as the prior year.

The US subsidiary, Interparfums Luxury Brands, was subject to these same tests. The assessment of internal control for this subsidiary was carried out in collaboration with an outside US consulting firm.

Evaluations carried out within the Company did not indicate any weaknesses 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 the 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.

6.10.
Preparing accounting and financial information

6.10.1.
Operating process for producing the accounting information

Internal control processes relating to accounting production 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.

6.10.2.
Process for account closings and the production of consolidated financial statements

Account cut-off procedures are subject to precise instructions issued by the Finance Department in respect to the closing process, indicating the timetable for these actions 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, and notably the reconciliation of separate financial statements with the consolidated financial statements 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 audited financial statements and analysis of business performances. This information is subject to in-depth analysis by Executive Management with the technical support of the Finance Department.

6.10.3.
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.

6.11.
Relations with Statutory Auditors

In connection with the half yearly and annual closings of the accounts, the Statutory Auditors organize their work as follows:

– 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 Executive Management.

On this basis, the Statutory Auditors certify the fair presentation of the separate parent company and consolidated interim and annual financial statements.

6.12. Trend forecasts for 2016

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 2016 include implementing:

– fine-tune the Entity Level matrices developed in 2014 based on the COSO 2013 internal control guidelines;

– provide technical support adapted to the new internal control matrices for following the deployment of the new ERP-type system in early 2016 at the US subsidiary, Interparfums Luxury Brands;

– scale up the internal control application, Supervisor, first put to use at the end of 2014.

4

Corporate social responsibility

This report is part of a comprehensive approach to taking into account the Group's corporate, environmental and social responsibility and transparency with respect to these issues.

1. INTRODUCTION

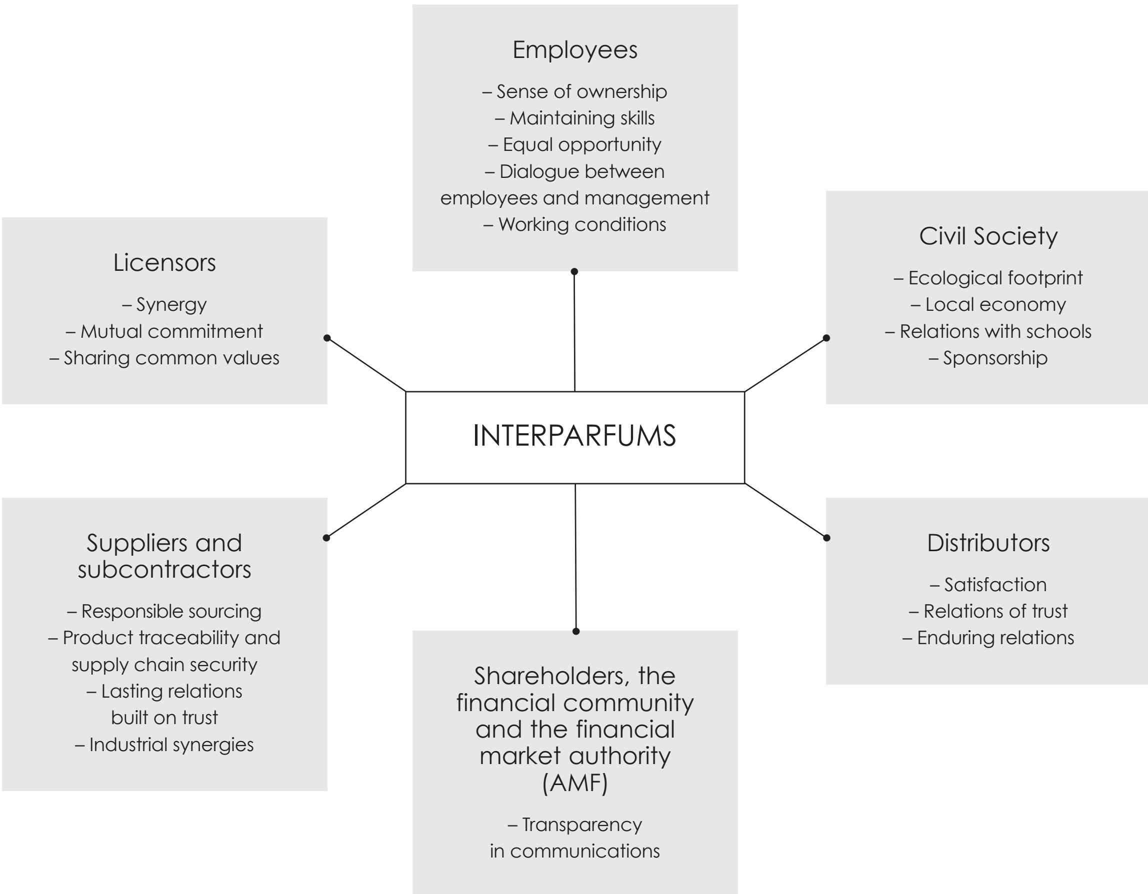
1.1. Oversight

The Group has developed from one year to the next its corporate social responsibility (CSR) policy implemented by its operational and support departments.

The Finance and Legal department spearheads the implementation, ongoing application and continuous improvement by involving all employees.

1.2. Identification of stakeholders

The Group is a responsible industry stakeholder and service provider of high quality. It is essential to identify the Group's stakeholders and their expectations in a constantly changing environment.



1.3.
Our responsibilities

The Group has taken steps to identify its key issues organized around three lines of action: responsibilities toward operational stakeholders, staff and the company.

Its responses to these issues are presented in this report.

1.3.1.
Our responsibilities to our operational stakeholders

In operating and growing its business, Interparfums develops the following drivers of stakeholder satisfaction and service quality:

– developing lasting relations and trust with our distributor customers;

– developing long-term partnerships with our suppliers and subcontractors by closely collaborating in exchanging information;

– maintaining relations of a high level with our licensors based on synergies, mutual commitment the sharing of common values.

1.3.2.
Our responsibility is to employees

The Group's employees constitutes its most important contributor to creating value. For that reason, their professional fulfillment and motivation are indispensable drivers for our development.

In this context, the principle employment-related challenges are:

– developing a team spirit;

– maintaining a high level of expertise;

– ensuring equal opportunity employment;

– promoting dialogue between employees and management;

– good working conditions.

1.2.3.
Our responsibility is to society

Even though the Group does not directly manage industrial sites, it is nevertheless involved in developing an environmentally responsible strategy in partnership with its subcontractors and suppliers, focusing notably on the following areas:

– the choice of techniques and materials;

– recycling and waste elimination measures;

– reducing CO_2 emissions from transport.

It also intervenes in the civil society in the following areas:

– developing the local economy;

– relations with schools and educational establishments;

– financing not-for-profit initiatives.

2.
UNIQUE KNOW-HOW

2.1.
Creator of perfumes

The Group's core business is developing perfume and cosmetic lines through license agreements with leading world-class luxury brands.

Utmost respect for the brands that grant their confidence, creativity in the service of their image, Interparfums' professionalism and high standards in its imaginative and design processes for products and their packaging, orchestrating their distribution and promotion.

The Group possesses expertise built up over more than thirty years combined with a strategy based on long-term collaboration with all its partners and mastery of processes of creation, production, and logistics.

Interparfums directs and manages the entire fragrance lifecycle from creation through distribution in France and international markets. As such, it coordinates the different phases of this lifecycle from marketing, olfaction, the bottle and packaging to the choice of promotional tools and communication media.

Every brand has its own codes and unique identity. Each brand of the Group's license portfolio is distinguished by excellence and a quest for perfection.

Respecting this identity has always been a priority of Interparfums teams.

All which makes up a brand, which creates its desirability and defines its uniqueness, represents the point of departure for its marketing teams. All which forms the brand's universe provides direction for defining the artistic focus, setting the course to be followed. Any possible notion of hazard is eliminated to ensure that each fragrance thoroughly respects to the minutest detail and remains fully faithful at all times to the house it represents.

The jus of course, but also the glass, the metallic and plastic components of each box, fabric materials, cardboard and paper forming the box… Each fragrance is the product of an infinite number of parameters requiring the utmost care and attention to detail and absolute perfection, to remain faithful to the prestige and excellence of its brands.

For more than thirty years the Group's supply chain and Operations teams have put their expertise to the service of creations, to coordinate the activities of the many partners and other stakeholders intervening in the fragrance lifecycle.

In a competitive landscape marked by a multitude of launches, creative excellence alone is no longer enough. The success of its product lines is determined by the juice and packaging, but also the visual and the full range of communications materials.

Every launch is an occasion to create a new universe, a new story told through different vectors of communication: Advertising visuals, press relations, point-of-sale advertising material… all of which must respect the image of the brand and provide its product lines with visibility.

2.2. Enduring partnerships with stakeholders

2.2.1. Sharing information and relations of trust with subcontractors and suppliers

The Group has maintained relations of quality and trust with most of its suppliers, subcontractors and other vendors for periods of more than ten years. These partners are indispensable for the Group to ensure its sourcing requirements for raw materials, packing and packaging activities by products and promotional items. Reflecting its requirements for quality and performance, the selection process and conduct of relations with partners is a critical issue for the Group.

In addition to collaboration relating to cost controls, quality, and innovation, the Group is committed to developing lasting and responsible partnerships in the areas of employment and the environment.

At the end of 2013, the Group launched a study on formalizing a responsible purchasing Charter and developing a coherent global approach for exchanges with its partners. In this context, in 2014, the company focused on implementing a working group tasked with developing guidelines on purchasing and Good Manufacturing Practices (GMP) and on the integration of a supplier portal for which deployment continued in 2015. The positive results of these action plans, noted with enthusiasm by suppliers, encouraged the company to take further steps, going beyond the basic process of formalization.

With this objective, project for the responsible purchasing Charter was abandoned and replaced by more ambitious commitments and more targeted action plans, with two thirds of our largest suppliers and subcontractors already possessing ethical charters and/or environmental and social commitment charters, and on that basis, rendering our own responsible purchasing Charter project unnecessary.

The company's aim is to promote concrete actions that effectively address the purchasing policy objectives by integrating requirements and measures for developing lasting and growing relations with stakeholders based on measures to improve efficacy, quality of services and communications between the parties. These engagements address priorities that are truly shared by the company and partners to develop and reinforce their relations over time.

The Supplier Specifications and portal form the basis of the company's engagements for promoting close and constructive collaboration with its suppliers and partners These engagements are essential in an environment of growing economic instability that can lead to the financial fragility of certain partners and increasingly complex regulatory requirements generating uncertainties resulting from the production stoppages for selected components.

To this purpose, the Group adopted a web-based system for exchanging information reserved for suppliers that was rolled out in 2014 and 2015. Through this system, it is possible to exchange supply plans, issue orders and confirm their receipt. Most suppliers are equipped with this communication tool. In this way, each participant is able to concentrate on its value-added tasks while improving its productivity. This portal sends a strong signal of Interparfums' goal of sharing with its suppliers and subcontractors its commitments for building long-term relations of quality and promoting durable growth for both parties. The ability of the suppliers to participate in this collaboration also constitutes a criterion for their selection by the Group.

This communication platform is destined to evolve over time to address the needs of both the Group and its partners.

Accordingly, the framework that the company has established for its actions vis-à-vis its suppliers and subcontractors includes commitments for optimizing performance and smooth and transparent communications by using this supplier portal. This portal makes it possible to identify the needs of the company and those of the suppliers, and taking appropriate measures for to address these needs. The company supports its suppliers in their efforts to improve services if their contributions do not effectively respond to the company's needs. It was in this context that the company initiated a study for adopting supplier performance indicators, and in particular OTIF (On Time In Full) supplier performance metrics based on information collected from the portal. These indicators will also be of use in evaluating the ability of suppliers to adapt to current needs and evolve to respond to the company's future needs. These indicators will be adopted in 2016. This portal accordingly represents a key tool for fulfilling our engagements to develop lasting relations, by strengthening our contacts with our suppliers for a better understanding of their activities and for better identifying and anticipating the difficulties they might encounter.

If the needs and actions of Interparfums in terms of lasting relations with its suppliers are not necessarily promoted through a responsible purchasing Charter formalized in writing, they are nevertheless concretely executed through targeted action plans within a continuous improvement approach. This involves both efforts to achieve economic performance and also a balance between the needs for quality and the objective of promoting a lasting partnership.

Through the Specifications and the supplier portal, the company and its suppliers work together in achieving a common objective that consists in particular in:

– innovating by increasing quality, service and added value;

– increasing the solidity of products, reducing the defects and the needs for after-sales service;

– identifying and developing new techniques destined for new products or for improving existing products.

Beyond the formalization of its communications tools and measures, this approach establishes a collaboration based on a real commitment to highlight the core business of each of our suppliers by sharing information, communications tools and skills.

The supplier Specifications and portal contribute to promoting a collaborative approach designed to assist suppliers and subcontractors to progress and develop with the company a genuine long-term partnership.

Within this collaboration, action plans have been established for the purpose of preventing situations of economic dependence of the company's partners. This vigilance is exercised in particular in the case of partners exposed to this risk as a result of their size and infrastructure. The company has adopted a procedure for identifying companies who might in time develop a risk of economic dependence with potential for jeopardizing their relation.

For this purpose, the company has developed methodologies and action plans for identifying these situations and taking appropriate measures.

The company's vigilance is also assured through transparent communications about items enabling its partners to prevent this risk of dependency based on medium and long-term visibility for its business forecasts, strategies for evolving and its needs in terms of innovation, allowing its suppliers to build their own strategy and develop their capacities for adaptation to meet the desired objectives. In this context, we encourage and support the innovation efforts of our suppliers and subcontractors.

As applicable, the company may also consider the possibility of disengaging in advance and in a gradual manner from the supplier concerned according to this situation of dependency. In general, as part of its policy of vigilance regarding the risk of economic dependency, the company invites its suppliers to regularly diversify their customer bases. Similarly, a supplier having developed an innovative technique giving it a monopoly may also expose the company to risk in terms of sourcing. This may result, by common agreement with its supplier, in identifying a second source of procurement.

2.2.2. Applying Good Manufacturing Practices (GMP) standards

The ISO 22716 international standard for Good Manufacturing Practices establishes guidelines standard for the manufacturing, packaging, testing, storage, and transportation of cosmetic products. It represents the practical application of quality assurance concepts based on a description of plant manufacturing practices.

This standard has imposed an obligation on all participants in the cosmetics product cycle since July 2013 to comply with the Good Manufacturing Practices. The other subcontractors such as glassmakers and suppliers of raw materials are not concerned by this standard.

The Group has identified the following benefits from this standard:

– controlling potential Risk Factors affecting the quality of cosmetic products;

– reducing the risk of confusion, deterioration, contamination and error;

– greater vigilance by personnel in the performance of their activities;

– the guarantee of quality products.

In this context, a new quality audit campaign in accordance with ISO 22716 of all packaging plants was initiated in 2015 and will be completed in the 2016 first half. This time, this procedure was carried out by means of an audit to ensure packagers maintain a good level of traceability for their operations. All plant activities were reviewed: receiving raw materials and packaging materials, manufacturing, packaging and quality controls. In general, these reports demonstrated that the Group's subcontractors were in compliance with ISO 22716 good manufacturing practices, and in particular in terms of the traceability required for all fragrance production. In 2015, quality action plans were implemented and corrective measures were monitored and verified by the Group.

The primary missions of the Quality department are to:

– consolidate the quality requirements and ensure their implementation by subcontractors and suppliers;

– strengthen and monitor quality for sourcing of production processes;

– monitor audits of Good Manufacturing Practices;

– implement quality indicators;

– monitor nonconformities and corrective measures taken by subcontractors and suppliers;

– monitor customer complaints.

Quality action plans implemented by the manufacturing sites led the Group to identify areas for improvement and work. The Group has developed specifications determining the conditions for verifying components when received by subcontractors. These specifications were applied throughout 2015 for all new catalog references developed in 2015 and will be expanded in 2016 to existing references,

2.2.3. Consumer health and safety measures

The Group has an obligation for assuring consumer safety by implementing procedures for the verification of the use of quality control processes and compliance with applicable constraints.

As the Group assures the introduction of products on the market, it is responsible for assessing the safety of the cosmetic products it distributes. To this purpose, the Group conducts tests that include ensuring the innocuous nature for the skin and eyes. In accordance with the EU Cosmetics Products Regulation 1223/2009, these 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.

The Group has also taken measures with respect to the 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 all its suppliers. Accordingly, all technical and organizational measures pursuant to the adoption of REACH have been implemented by the Group.

The Group itself is not subject to this registration requirement as a downstream user of such substances. However, it has nevertheless 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.

The Group 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 thus 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 the Group 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.

2.3. Internal communications and working conditions

All information relating to its responsible approach is included by the Group in its communication processes.

With a family-style management culture that is close to its employees, everyone is free to share their ideas in a manner that respects the company's values.

Management attaches great importance to ensuring that each employee fully understands and supports the Group's strategy.

Through weekly memos and regular information meetings on business developments and trends, employees are kept up-to-date on expectations of management and the market. The organization's flexibility largely made up of small teams facilitates its continuous adaptation to all changes or evolving external conditions.

This commitment to the "Interparfums" spirit, also involves a commitment to and understanding of its ethical values by each employee, the fulfillment of employees at work and compliance with good working conditions.

This ethical commitment is formalized by a "Code of Good Conduct" to which each employee subscribes, and that is focused in particular on health, safety, discipline, risk management, preventing harassment, respecting individual freedoms, sensitive transactions, fraud and business confidentiality.

The company monitors and analyzes the following employment related indicators:

2.3.1. Absenteeism

The absenteeism rate, a key indicator for measuring employee engagement and motivation, is very low: 3.86% in 2015 (2.88% in 2014).
(French reporting boundary only).

2.3.2. Health and safety

As required by French law, elections are held every two years to select members of the Health, Safety and Working Conditions Committee (CHSCT). The committee formed on that basis is comprised of two management level employees.

The purpose of the meetings of this committee 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.

Only one occupational accidents of limited severity was recorded in 2015 that resulted in sick leave without any impact on the company's general operations. No occupation illness was reported.

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

Working conditions are excellent with most employees working at the head office in Paris. These offices are calm and bright. Furthermore, Health, Safety and Working Conditions Committee members devoted significant energy in 2015 on the subject of good posture in the workplace and the muscle-skeletal and related hazards. Following the intervention of an ergonomist, several measures were taken to improve workplace comfort (ergonomic office chair, mouse pad, etc.).

Itinerant employees are provided with quality company cars and computer equipment specifically adapted to their needs.

To comply with new legislation governing difficult working conditions, in early 2015, the Group began workstation mapping in order to be ready by the end of 2015 to file the ad hoc declaration. To date, no workstations have been identified as entailing occupational hardships.

Awareness-training and practical training on safety and first aid is provided on a regular basis.

Furthermore, for the prevention of psycho-social risks, a platform providing counseling and psychological support has been available to employees since 2013 through a special toll-free number in partnership with a specialized organization (IAPR *Institut Permanent Psychologique et de Ressources*)

2.3.3. Workplace dialogue

Information relating to labor relations published in this section concerns exclusively employees present in France.

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

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.

In addition, an action plan promoting the employment of seniors has been in place by the Group since 2009. An action plan on workplace gender equality was adopted in 2011 and reinforced in 2014 after new measures were adopted in France (Decree 2012-1408 of 12/18/2012).

2.3.4. Equal opportunity and non-discrimination

The Human Resources department pays particular attention to ensuring equal opportunity and non-discrimination for each recruitment. Only skills, experience, qualifications and the personality of the candidates are taken into account in the selection process for new employees.

This diversity in terms of profiles, culture, age and gender constitutes a decisive strength of our teams, the company's most important asset.

Women account for 67% of Interparfums' workforce and 45% of management positions are occupied by women.

The Group does not currently employ any disabled workers. Since 1998 it has used the services of sheltered workshops for disabled workers (*Centres d'Aide par le Travail* – CAT) for gift set packaging. In 2015, work assigned to such facilities represented a budget of €645,227.

3. OUR TEAMS

3.1. Human capital: skills and motivation

Maintaining the diverse range and high level of competencies of its employees is a key success factor of the Group.

3.1.1. Adapting professional competencies

The quality of work performed by the teams is developed throughout the career of employees in order to maintain their skills a high level for all activities and functions.

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

In 2015, Interparfums devoted €168,000 to continuing vocational training, provided 1,419 hours of training for 68 employees or 38% of the workforce.

Subjects covered by training programs in 2015 concerned mainly language skills, business function-specific training, safety and personal development.

3.1.2. 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 as well as equal treatment of men and women employees. All employees benefit from a combination of fixed and variable incentive compensation benefits linked to the Group's performance.

As required by French law, a statutory employee profit-sharing agreement was implemented on December 20, 2001.
In April 2015, this agreement was amended following the signature by employee representatives to provide by derogation more advantageous terms to employees, representing an important component of compensation and motivation for all staff. In effect, the high level of the Group's equity for the last two years, had prevented further profit-sharing payments to employees under existing statutory provisions. Only employees of the French company benefit from this agreement.

The amount paid for employee profit sharing for 2015 was €1.9 million (compared to €0.6 million in 2014).

In addition, each employee receives an employee contribution to a group pension saving scheme (PERCO).

Quantitative data on compensation is provided below:

€ thousands	**2014**	**2015**
Staff costs	16,899	19,662
Social security charges	7,376	8,588
Profit-sharing	561	1,832
Stock option costs	134	-
Total wages and benefits	**24,970**	**30,082**

3.2. A flexible organization: workforce organization management

The strength of the Group's organizational model is based on teams with a human scale and the homogeneous breakdown in terms of ages and occupational categories ensuring the benefits of a wide mix of experiences.

3.2.1. Organization

The breakdown of the workforce is as follows:

Headcount by function/division

Number of employees at	**12/31/2014**	**12/31/2015**
Executive Management	2	2
Production & Logistics	35	35
Marketing	48	50
Export	43	44
France	41	38
Finance & Corporate Affairs	41	51
Rochas fashion	-	3
Total	**210**	**223**

Headcount by region

Number of employees at	**12/31/2014**	**12/31/2015**
France	178	180
Europe excluding France	3	2
North America	19	30
Asia	10	11
Total	**210**	**223**

Headcount by age

Number of employees at	**12/31/2014**	**12/31/2015**
Less than 25 years	12	7
Between 25 and 35 years	87	82
Between 36 and 45 years	66	80
Between 46 and 55 years	33	41
> 55 years	12	13
Total	**210**	**223**

The average age for the Group employees is 39.

Interparfums staff by gender breaks down as follows: woman 67%; men 33%. This breakdown has remained stable from one year to the next.

3.2.2.
Breakdown of staff

Headcount by occupational category

Number of employees at	12/31/2014	12/31/2015
Managers	125	145
Supervisory staff	6	7
Employees	79	71
Total	**210**	**223**

Recruitment and dismissals

Headcount at 12/31/2014	210
Recruitment	33
Dismissals	(9)
Resignations	(1)
Expiration of contracts	(10)
Headcount at 12/31/15	**223**

4.
SUSTAINABLE DEVELOPMENT

4.1.
Location of production

The Group's headquarters is in the center of Paris.

Production facilities handling raw materials and packaging as well as warehousing facilities for finished products are located primarily in the Haute Normandie region of France. The activity generated by Interparfums contributes to developing the local economy.

The search for new more efficient logistics solutions adapted to the Group's needs 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.

With respect to promoting and complying with the ILO core conventions, 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. All Group staff are employed in countries with favorable labor legislation (France, United States, Singapore and Italy). The Group does not operate in countries subject to risks with respect to noncompliance with international labor conventions.

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

4.2.
Production and the environment

The Group has developed a business model built around creative and commercial services covering the concept, 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 with optimal expertise and accountable leadership 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.

Despite this, the Group considers respecting and preserving the environment an important issue. This concern is reflected by its choice of partners and continuing efforts to reduce its environmental footprint, notably in terms of energy consumption and CO_2 emissions. The Group has identified the key issues resulting from the main phases of its activities ranging from the sourcing of raw materials to managing logistics for transportation between production sites or to customers, and including product packaging activities of subcontractors.

At every stage of the purchasing process, the company seeks to determine the precise needs and considers the requirement of limiting sources of unnecessary costs:

– reducing waste, in particular at the phases of production, consumption and the end of the product life;

– recycling flawed production, notably at the production phase;

– repairing to increase the lifespan of materials or products (in particular the palettes).

The Group's industrial partners represent relays that reflect its own commitment to respecting the environment. The Group takes environmental issues into account at each of these phases, and in particular regarding the choice of materials used for components, waste management and reducing the carbon footprint. The focus of studies and concrete lines of actions are presented below.

4.2.1.
Consideration of environmental issues

Measures to prevent environmental risks and pollution involve firstly the choice of techniques and materials. To further reduce the impacts of its activities, the Group 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. For the remainder of the product lines, the coating process provides for the elimination of solvent-based coatings and the progressive adoption of hydro-coating, in compliance with the law of 2005 for reducing emissions of Volatile Organic Compounds (VOC) in the air. In addition, certain sub-contractors for glass making have electrostatic air filters to reduce dust and smoke emissions in addition to wastewater recycling.

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

No provisions and guarantees have been recorded for environmental risks in the Group's financial statements.

No training and employee information initiatives have been carried out relating directly to environmental protection.

4.2.2. Pollution and waste management – Waste prevention, recycling and elimination measures

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

The manufacture of bottles using recyclable glass provides for a system for recovering, grinding and recasting certain bottle components, which can generate savings in volume of materials used of 20%. Indicators in place since 2013 for tracking wastage have improved the Group's ability to monitor wastage rates by glass bottle decorators. Its first objective is to apply a continuous improvement approach and reduce rates of wastage over the long term. The second objective is to succeed in reducing this wastage and reintroduce bottles back into the manufacturing cycle.

Furthermore, cardboard packaging materials for testers have now been replaced by recycled cardboard.

In 2014, in connection with initiatives taken with subcontractors providing for waste separation and recycling procedures, the Group has implemented a system for retrieving collection bins with suppliers of perfume sets. However, the results obtained by the Group from this initiative has not proved satisfactory as the quality of the boxes recovered has thus far been mediocre. The Group is nevertheless pursuing its initiatives in this area by exploring other areas of study.

Furthermore, 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 consequently the level of CO_2 emissions.

With this objective, the Group initiated a study in 2012 that was finalized in the first half of 2014 on optimizing and rationalizing bulk and secondary packaging (product boxes and perfume sets). In 2015, the company met its objectives for the following:

– optimization of palettes;

– reducing cardboard packaging materials;

– reducing the volumes transported by decreasing the amount of empty space for optimized transport. The company henceforth requires a minimum number of palettes per truck.

Initial results after deploying the selected solution were satisfactory in 2015. This positive result is reflected by a very significant decrease in the quantity of cardboard boxes purchased, the number of packaged boxes and the number of truck rotations.

Finally, the Group actively contributes to the treatment and recycling of the packages, cardboard boxes and glass left once end customers have finished using its products. On this basis, through its participation in the "*Éco Emballages*" packaging recycling program, the Group contributes to waste management and recycling/recovery.

The Group has also adopted an action plan for repurchasing damaged pallets that are reconditioned for reuse and reintegration back into the operating cycle.

4.2.3. Greenhouse gas emissions

The Group subcontracts 100% of its transport activities. The multi-modal transport method for its products, reducing transport distances and optimizing loads all contribute to improved environmental outcomes. Conscious of the environmental impact of logistics systems, and to limit the environmental footprint associated with transporting products, the Group initiated an action plan to optimize transportation flows by reducing the number of kilometers and optimizing truck loads.

In this way, promotional materials manufactured in Asia are shipped directly to Asian an American distributors without being imported and stored in France.

Finally, by establishing a warehouse strategically located at the crossroads for its subcontractors, the Group has reduced distances for shipments of finished products.

Measures undertaken in collaboration with the warehouse and trade goods shipping manager, within the framework of the improvement and optimization of shipments between production sites and the logistics platform have contributed to reducing the number of back-and-forth trips for trucks.

In the area of transport, the Group's priority is in favor of road transport for France and Europe 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.

The Group systematically seeks to identify sourcing and subcontracting solutions in order to facilitate reducing CO_2 emissions. Similarly, to reduce the transfer of components which contributes to multiple shipments, the Group prefers the use of service providers that cover several areas or integrate different production phases (for example glass design and plastic processing). In 2014 and 2015, as part of its strategy for optimizing sourcing, 70% of Interparfums suppliers were located in France and 60% in neighboring countries.

4.3. Relations with not-for-profits and educational establishments

4.3.1. Educational establishments

Keen to share its experience and train future generations, the Group is a regular contributor, particularly in the fields of marketing and finance, at different leading schools (business schools, Sciences Po, Ecole supérieure de parfumerie…).

Interparfums also regularly welcomes interns within the Group.

4.3.2. Sponsorship

The Group contributes to associations intervening in the areas of solidarity, childhood, combating exclusion and promoting health, by providing financial assistance to support their projects and initiatives:

– **Palais Galliera**: the company supports the museum of fashion and fashion history of the city of Paris by providing financial support and contributing its cultural strategy and notoriety.

– **Les Puits du Désert**: an NGO intervening in favor of nomadic and disadvantaged populations (construction of wells, schools, medical and food support, etc.).

– **Ajila**: a charitable organization which advocates the general interest causes in healthcare and education.

– **AEM – *Les Amis des Enfants du Monde***: an association providing financial support to local initiatives in favor of children. Projects are initiated managed by partners present on-site with whom relations of confidence have been developed over the years.

– **Resto du Cœur**: a French food aid NGO offering access to free meals and measures in favor of social and economic integration in addition to initiatives seeking to combat all forms of poverty;

– **Ayiti Bel**: a not-for-profit contributing to the development of Haiti in the areas of education, training and sustainable development.

– **Make a Wish**: a not-for-profit whose mission is to grant the wishes of children with life-threatening illnesses.

– **Imagine**: is a translational research institute which performs state-of-the-art research in order to better understand genetic diseases.

– **Centre de Beauté CEW**: a not-for-profit with the mission of offering beauty care treatments in hospital environments.

– **Fondation Casip Cojasor** provides support to senior citizens, isolated or living with illness at home and assisting persons in need.

– **The Shennong & Avicennes foundation**: a not-for-profit helping victims of war.

– **Alliance for Cancer Research**: a non-profit promoting and developing research against cancer in partnership with major national and international research teams.

– **La Fondation Motrice**: a not-for-profit association promoting and supporting research in the area of cerebral palsy.

In 2015, funding of sponsorship initiatives amounted to €125,000.

5. METHODOLOGY NOTE

5.1. Background

The 2015 CSR report provides a detailed presentation of Group corporate social responsibility priorities and practices. It describes the challenges faced by the Group in this area, the strategic approaches adopted in response and progress achieved in meeting its objectives. This report is drawn up in accordance with CSR reporting requirements applicable in France (L.225-102-1 and R.225-105-1 of the French Commercial Code). It provides a tool for measuring employment-related and societal impacts, governance and environmental performances.

This report was reviewed for compliance by the independent third-party, BDO France – Léger et associés.

5.2. Reporting boundary

The reporting boundary for employment, societal and environmental indicators is comprised of the subsidiaries controlled by Interparfums Group. These subsidiaries are consolidated according to the full consolidation method.

The reporting boundary for employment indicators for fiscal 2015 coincides with the Group' structure for consolidation (cf. note 1.4 to the consolidated financial statements.

The indicators listed below concern only the workforce located in France (81% of the Group's workforce) due to the absence of information reported by certain entities of the Group: occupational accidents, absenteeism, training and the organization of dialogue between employees and management, equal opportunity employment.

5.3. Selection criteria for indicators

Analysis of employment-related, environmental and social impacts relating to Group activities made it possible to define relevant indicators in accordance with requirements resulting from the Grenelle II environmental law (article 225). Certain information not falling within the scope of the Group's activity or its environmental and societal priorities due to its operating method and structure was not considered pertinent and on that basis excluded from the reporting boundary:

– the management of noise pollution and other forms of pollution specific to an activity;

– water consumption and supply in relation to local constraints;

– land use;

– adapting to the consequences of climate change;

– measures taken to preserve or develop biodiversity;

– impacts on neighboring or local populations.

5.4. Definition of indicators

– Headcount: full and part-time employees on fixed-term, permanent and professional training contracts present on December 31. Temporary personnel is not included in this data.

– Training: the percentage of persons trained in relation to the total French workforce at December 31.

– Workforce by social professional category: as the same classification for management versus non-management employees does not exist in certain countries, the breakdown in subsidiaries is made according to the level of the employees' responsibilities.

6. CONCORDANCE TABLE

To facilitate the reading of the CSR report, the following concordance table provides cross-references to the main categories of information required by French law (article R.225-105.1 of the French Commercial Code):

Subjects	Chapters
Employment	
1. Total workforce and breakdown by age and region	3.2.1
2. Recruitment and dismissals	3.2.2
3. Remuneration and payroll trends	3.1.2
Work organization	
4. The workweek organization	N/A (1)
5. Absenteeism	2.3.1
Labor relations	
6. The organization of dialogue between employees and management	2.3.3
7. Assessment of collective agreements	2.3.3
Health and safety management	
8. Occupational health and safety	2.3.2
9. Report on agreements signed with trade unions concerning occupational safety	2.3.2
10. Occupational accidents, frequency and severity	2.3.2
Training	
11. Policies on training	3.1.1
12. Number of training hours	3.1.1
Equal opportunity	
13. Gender equality measures	2.3.4
14. Measures in favor of disabled workers	2.3.4
15. Combating discrimination	2.3.4
Promoting and complying with the ILO core conventions	
16. Upholding freedom of association and recognition of the right to collective bargaining	2.3.3
17. Elimination of discrimination in respect of employment and occupation	2.3.4
18. Elimination of forced and compulsory labor	4.1
19. Abolition of child labor	4.1
General environmental policy	
20. Consideration of environmental issues	4.2.1
21. Employee training actions relating to environmental protection	4.2.1
22. Environmental risk and pollution protection measures	4.2.2
23. Amount of provisions and guarantees for environmental risks	4.2.1
Pollution and waste management	
24. Measures for preventing, reducing and repairing discharges in the environment	4.2.3
25. Measures for preventing, recycling and eliminating waste	4.2.2
26. Management of noise pollution specific to an activity	N/A
Sustainable use of resources	
27. Water consumption and supply	N/A
28. Consumption of raw materials and measures taken to improve efficiency in their use	4.1
29. Energy consumption, recourse to renewable energy	4.1
30. Ground use	N/A

(1) Compliant with French legislation and not including any specific arrangements.

Subjects	Chapters
Climate change	
31. Greenhouse gas emissions	4.2.3
32. Adapting to the consequences of climate change	N/A
Protection of biodiversity	
33. Measures taken to preserve or develop biodiversity;	N/A
Regional, economic and social impact of the company's activity	
34. Employment and regional development	4.1
35. Impacts on neighboring or local populations	4.1
Relations with non-profit organizations for social and occupational insertion, educational establishments, not-for-profits in the defense of the environment, consumer interests, etc.	
36. Conditions of dialogue with these persons organizations	4.3
37. Partnership or sponsorship initiatives	4.3.2
Subcontracting and suppliers	
38. Taking into account social and environmental issues in the purchasing policy	2.2.1, 2.2.2
39. The importance of subcontracting, supplier relations	2.2.1, 2.2.2
Fair practices	
40. Actions taken to prevent corruption	2.3
41. Consumer health and safety measures	2.2.3
Other actions in favor of human rights	
42. Other actions in favor of human rights	4.3.2

5

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

Company term: The Company is incorporated for a period of ninety-nine years (99) effective from its date of entry in the Trade and Companies Register (*Registre du Commerce et des Sociétés*), barring early liquidation or extension.

Legal form: A French corporation (*société anonyme*) with a Board of Directors

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: The fiscal year is a twelve-month period starting on 1 January and ending 31 December.
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 products.

1.1.2. Legal form of the shares and identification of shareholders (article 9 the bylaws)

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 administré*) or to the bearer identifiable at an authorized intermediary.

The Company may request at any time, from the entity providing clearing services for its securities, in accordance with applicable laws and regulations, and in return for payment at its expense, disclosure of information regarding the identity of holders of securities issued by it, which give immediate or future rights to vote in shareholders meetings, their identity, their address as well as the number of shares held by each and, where appropriate, any restrictions attaching to such securities.

1.2. Main legal provisions and bylaws

1.2.1. Shareholders' meetings (article 19 of the bylaws)

Any shareholder may attend meetings in person or by proxy, regardless of the number of shares owned, subject to proof of identity, on condition that the shares are paid up in full and have been registered in the securities account in the name of the shareholder or the intermediary, in accordance with subsection 7, article L.228-1 of the French Commercial Code no later than the second business day preceding the date of the shareholders meeting at midnight Paris time, either in the registered securities account maintained by the company or the bearer share account maintained by the authorized intermediary.

All shareholders may be represented at meetings in accordance with the provisions provided for by law. A shareholder may be represented by another shareholder or by his or her spouse or civil law partner. The shareholder may be represented by any other individual or legal entity of his or her choice. The designation or revocation of a proxy holder may be notified by electronic means.

1.2.2. Special shareholder disclosure obligations (article 20 of the bylaws)

In accordance with the provisions of article L.233-7 of the French Commercial Code, 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, three tenths, one third, one half, two thirds, eighteen twentieths or nineteen twentieths of the capital or voting rights of the Company, must inform the Company by registered mail with return receipt of the number of shares and voting rights they hold within four trading days thereafter before the close of trading. This notification must also be sent to the AMF no later than the fifth trading day before the close of trading following the day this threshold was crossed.

Under article L.233-7 subsection VII of the French Commercial Code, shareholders subject to the above disclosure obligations 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. Documents on display

The bylaws, accounts, reports and other information destined for shareholders can be consulted at the company's headquarters by appointment.

1.2.5. 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 €*
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
2013	Exercise of 2009 stock options	31,087	31,087	22,031,388	66,094,164
	Bonus share issue	2,200,030	2,200,030	24,231,418	72,694,254
2014	Exercise of 2009 stock options	63,239	63,239	24,294,657	72,883,971
	Exercise of 2010 stock options	480	480	24,295,137	72,885,411
	Bonus share issue	4,858,331	4,858,331	29,153,468	87,460,404
2015	**Exercise of 2009 stock options**	**35,325**	**35,325**	**29,188,793**	**87,566,379**
	Exercise of 2010 stock options	**63,670**	**63,670**	**29,252,463**	**87,757,389**
	Bonus share issue	**2,919,269**	**2,919,269**	**32,171,732**	**96,515,196**

As of December 31, 2015, Interparfums' capital was composed of 32,171,732 shares with a par value of €3.

2.2. Authorized capital

2.2.1. Previous authorizations

The shareholders' Meeting of April 24, 2015 also authorized the Board of Directors to increase the capital by an amount not exceeding €30 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 12, 2015 to increase the capital stock by €8,757,807 through the creation of 2,919,269 new bonus shares granted to shareholders on the basis of one new share for every ten shares held.

The shareholders' Meeting of April 25, 2014 authorized the Board of Directors to increase the capital stock by issuing ordinary shares with shareholders' preemptive rights for a maximum nominal amount of €50 million and without shareholders' preemptive rights for a maximum nominal amount of €15 million. These authorizations are valid for a period of 26 months.
The Board of Directors has not made use of these authorizations.

2.2.2.
Breakdown of option holders as of December 31, 2015

	Plan 2010
Management Committee members	27,594
Employees	81,559
Total	**109,153**

2.3.
Ownership of Interparfums capital stock and voting rights

2.3.1.
Situation at February 28, 2016

	Shares held	% of capital	Theoretical voting rights	% of theoretical votes	Voting rights exercisable at the AGM	% of voting rights at the AGM
Interparfums Holding SA	23,358,404	72.6%	46,716,808	84.1%	46,716,808	84.2%
French investors	3,245,019	10.1%	3,248,051	5.8%	3,248,051	5.8%
Foreign investors	3,287,242	10.2%	3,287,242	5.9%	3,287,242	5.9%
Individuals	2,212,201	6.9%	2,254,487	4.1%	2,244,487	4.1%
Treasury shares	74,138	0.2%	74,138	0.1%	-	-
Total	**32,177,004**	**100.0%**	**55,580,726**	**100.0%**	**55,496,588**	**100.0%**

Based on a survey of shareholder ownership, there were 7,500 shareholders at February 28, 2016. Excluding Interparfums Holding, the Interparfums' shareholder base breaks down as follows:

– 210 French institutional investors and mutual funds owning 10.1% of the capital stock compared with 200 in 2015 owning 9.9%;

– 110 foreign investors located mainly in the U.K., Switzerland, the U.S., Belgium and Luxembourg, who own 10.2% of the capital stock compared with 120 in 2015 with 10.6%;

– 7,180 individual shareholders owning 6.9% of the capital stock compared with 6,780 in 2015 owning 6.6%.

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 SA's shareholder base

At February 28	2014	2015	2016
Interparfums Holding	72.9%	72.8%	72.6%
French investors	7.9%	9.9%	10.1%
Foreign investors	12.9%	10.6%	10.2%
Individuals	6.2%	6.6%	6.9%
Treasury shares	0.1%	0.1%	0.2%
Total	**100.0%**	**100.0%**	**100.0%**

2.4.
Breakdown of Interparfums Holding's capital stock as of December 31, 2015

Interparfums Holding, whose sole equity holding is Interparfums, is itself wholly owned by Interparfums Inc., listed on NASDAQ in the United States with approximately 8,200 shareholders.
As of December 31, 2015 it had the following ownership structure:

– Philippe Benacin and Jean Madar: 45.02%;
– Free float: 54.98%

2.5.
Dividend

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 2015, a dividend of €0.44 per share was paid or a total of €12.8 million.

2.6. Shareholders' agreements

No shareholders' agreements exist at the level of Interparfums Holding.

2.7. Double voting right

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.

2.8. Special shareholder disclosure obligations

Thresholds are defined by article 20 of the bylaws whereby in accordance with the provisions of article 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, three tenths, one third, one half, two thirds, eighteen twentieths or nineteen twentieths of the capital or voting rights of the company, must inform the Company by registered mail with return receipt of the number of shares and voting rights they hold within four trading days thereafter before the close of trading. This notification must also be sent to the AMF no later than the fifth trading day before the close of trading following the day this threshold was crossed.

In 2015, no incidents of the crossing of such share ownership or voting right thresholds were reported to the company.

2.9. Key stock market data

In number of shares and €	**2011**	**2012**	**2013**	**2014**	**2015**
Shares outstanding as of December 31	19,867,326	22,000,301	24,231,418	29,153,468	32,171,732
Market capitalization as of December 31	€325 m	€510 m	€720 m	€654 m	€730 m
High (1)	28.12	23.45	32.25	34.50	33.33
Low (1)	16.25	16.00	21.10	17.82	20.73
Average (1)	23.41	19.72	25.85	27.00	26.07
Year-end (1)	16.38	23.16	31.35	22.45	22.70
Average daily volume (1)	19,414	15,016	18,101	17,058	14,840
Earnings per share (1)	1.69	6.48	1.50	0.87	0.95
Dividend per share (1)	0.50	0.54	0.49	0.44	0.50
Average number of shares outstanding (2)	17,956,051	20,957,788	23,182,575	26,739,881	30,649,926

(1) Historical data (not restated for bonus share issues undertaken each year).
(2) Excluding treasury shares.

2.10. Share price

During the first part of 2015, the Interparfums share price registered very strong gains, following the publication of good results for 2014 and positive trends for 2015 than, but also the US dollar's rise. On that basis, many analysts raised their targets for the share.

In response, the share advanced to a high of €30.30 in April (restated for the bonus issue of June 2015). On that day, the Group had a market capitalization of €960 million.

Starting in May 2015, in financial markets adversely affected by economic uncertainties, the Interparfums share entered a downcycle, retreating to €24-€25 at the end of June.

The confirmation of sales and earnings guidance with the publication of the 2015 first-half sales nevertheless contributed to the share's rise back to €26-€27.

Financial market turbulence in August and downward revisions by analysts of their overly optimistic targets reversed this uptrend. In response, the share declined to €22-€23 in September 2015. Bleak economic prospects at the start of 2016 have continued to weigh upon the share price that traded at around €21 on average in January. On that basis, the market capitalization is approximately €700 million.

As was the case for all Mid Caps, trading volumes contracted marginally though remain steady at around 15,000 shares per day.

2.11.
Share price and trading activity trends since 2013

In €	**High**	**Low**	**Trading volume** *number of shares*	**Trading volume** *€ millions*
2013				
January	24.48	23.50	361,281	8,697
February	25.08	24.08	245,002	6,008
March	26.39	24.20	438,328	11,087
April	25.21	24.05	253,800	6,237
May	24.52	23.21	1,055,277	24,944
June	25.95	21.15	250,656	5,996
July	24.90	22.51	240,837	5,704
August	26.49	25.20	431,741	11,209
September	26.50	24.84	367,913	9,427
October	29.96	25.80	363,368	10,258
November	31.98	29.31	359,514	10,994
December	32.25	30.92	248,081	7,830
2014				
January	34.00	28.93	678,039	21,311
February	33.04	31.47	304,788	9,878
March	34.50	31.97	347,175	11,565
April	33.25	30.93	279,050	9,009
May	32.66	30.94	162,137	5,101
June	33.90	26.60	395,600	12,212
July	26.39	22.80	385,674	9,447
August	23.64	22.07	211,492	4,884
September	23.75	20.39	315,804	7,073
October	20.73	17.82	445,116	8,696
November	22.58	19.60	508,941	10,527
December	23.34	21.75	311,304	7,072
2015				
January	26.80	22.80	425,101	10,751
February	28.45	26.30	314,603	8,608
March	32.10	27.54	503,848	15,283
April	33.33	29.85	435,852	13,714
May	31.55	28.17	231,430	6,850
June	30.04	24.45	326,546	9,038
July	27.84	24.01	413,627	10,714
August	26.15	22.30	178,703	4,280
September	24.06	22.04	204,175	4,686
October	25.50	23.21	212,796	5,102
November	24.09	22.03	312,979	7,267
December	23.90	21.20	239,332	5,348
2016				
January	22.51	19.60	221,041	4,680
February	23.60	19.81	245,393	5,400

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 2013 resulted in the automatic division of the share price from this date by 1.10.

A capital increase through a bonus share issue on the basis of one new share for ten existing shares in June 2014 resulted in the automatic division of the share price from this date by 1.20.

A capital increase through a bonus share issue on the basis of one new share for five existing shares in June 2015 resulted in the automatic division of the share price from this date by 1.10.

3. ANNUAL GENERAL MEETING: DRAFT RESOLUTIONS AND BOARD OF DIRECTORS' REPORT TO THE COMBINED ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF APRIL 22, 2016

3.1. Ordinary resolutions

Purpose of the resolutions

Approval of the annual and consolidated financial statements for the period ended December 31, 2015 (1st and 2nd resolutions)

We hereby request that you approve these separate and consolidated financial statements for the period ended December 31, 2015 showing a profit of €31,239,092 in the separate annual financial statements and €29,152,000 in the consolidated financial statements (attributable to equity holders of the parent). Information on revenue and earning performances for the period are presented in the 2015 registration document.

First resolution

Approval of the annual financial statements for the period ended December 31, 2015, approval of non-deductible expenses

The shareholders, having considered the reports of the Board of Directors and the Auditors for the period ended December 31, 2015, approve the financial statements as presented showing on this date net income of €31,239,092.

The shareholders furthermore approve the total amount of disallowed deductions under article 39-4 of the French General Tax Code of €19,140.

Second resolution

Approval of the consolidated financial statements for the period ended December 31, 2015

The shareholders, having considered the reports of the Board of Directors and the Auditors on the consolidated financial statements for the period ended December 31, 2015, approve these financial statements as presented showing on this date net income (attributable to equity holders of the parent) of €29,152,000.

Purpose of the resolutions

Appropriation of net income and distribution of dividends (3rd resolution)

You are requested to duly note a net income of €31,239,092 for fiscal 2015 and set the amount for the ordinary dividend per share at €0.50. On this basis, the payout rate is 55% of net income.

If your General Meeting approves this proposal, the ex-dividend date will be April 27, 2016 and the payment date April 29, 2016 after establishing a dividend record date of April 28, 2016.

The breakdown of amounts of dividends paid for the last three financial periods are presented in this resolution. Individual investors having their tax residence in France are eligible for a 40% rebate on the dividend.

Third resolution

Approval of the net income appropriation, setting the dividend

The shareholders, on the Board of Directors' proposal, decide to appropriate net income for the fiscal period ended December 31, 2015 as follows:

Amount	
Income of the period	€31,239,092
Appropriation	
Legal reserve	€905,480
Dividends (1)	€16,042,866
Retained earnings	€14,290,746

(1) The above amount of total dividends is calculated from the number of shares making up the share capital at December 31, 2015 excluding treasury shares, or 32,085,733 shares and may vary if the number of shares carrying dividend rights changes between the period from January 1, 2016 and the ex-dividend date, resulting mainly from the change in the number of treasury shares and the exercise of stock options.

The shareholders duly note a total gross dividend reverting to the share of €0.50, with the full amount thus distributed eligible for the 40% tax basis reduction provided for under article 158-3-2° of the French General Tax Code.

The ex-dividend date will be April 27, 2016 and the dividend payment date April 29, 2016.

If on the dividend payment date the company holds a certain number of treasury shares for which the payment of dividends is not provided, the amount corresponding to unpaid dividends will be allocated to "retained earnings".

In accordance with the provisions of article 243 bis of the French General Tax Code, shareholders shall duly note that dividends for the last three financial periods were as follows:

For the fiscal year	Distributions eligible for the tax basis reduction: Dividends	Distributions eligible for the tax basis reduction: Other distributions	Distributions not eligible for the tax basis reduction
2012	€23,760,325.08 (1) or €1.08 per share	-	-
2013	€11,902,911.93 (1) or €0.49 per share	-	-
2014	€12,810,341.00 (1) or €0.44 per share	-	-

(1) Including the unpaid amount of dividends relating to treasury shares and allocated to retained earnings.

Purpose of the resolutions

Regulated agreements subject to articles L.225-38 *et seq.* of the French Commercial Code (4th resolution)

Your Board of Directors informs you that no new agreements covered by articles L.225-38 of the French Commercial Code were concluded in 2015 and, hereby request that you accordingly simply note the absence of new agreements entered into in the period under review.

Fourth resolution

Statutory Auditors' special report on regulated agreements and commitments – Recognition of the absence of new agreements

The shareholders, having considered the auditors' special report indicating the absence of any new agreements of the type mentioned in articles L.225-38 *et seq.* of the French Commercial Code, duly note their conclusions.

Purpose of the resolutions

Renewal of the appointment of Ms. Dominique Cyrot (5th resolution)

The company has a Board of Directors made up of nine members that includes four executive Directors: Philippe Benacin, Chairman-CO, Jean Madar, Philippe Santi and Frédéric Garcia-Pelayo, Executive Vice President's, and five non-executive Directors: Chantal Roos, Dominique Cyrot, Maurice Alhadeve, Patrick Choël and Marie-Ange Verdickt. With the exception of Patrick Choël, four are independent Directors as defined by the Middlenext Code of corporate governance to which the company refers.

With Dominique Cyrot's term of office expiring at the end of the Annual General Meeting of April 22, 2016, the Board of Directors has decided to propose her reappointment as Director for a four-year term to expire at the end of the Annual General Meeting to be called in 2020 to approve the annual financial statements for the year ending December 31, 2019.

Biography of Dominique Cyrot:

A considerable portion of Dominique Cyrot's career was spent at AGF, now Allianz G, where she was first in charge of the research department, then insurance portfolio management. Her expertise was expanded to cover the management of the group's UCTIS for French large caps then for all French and European Mid Caps. She has also been very involved in issues relating to corporate governance. She served as a Director of the investment funds Louxor (luxury), Agroplus (food industry), Galileo (high tech), and Assystel, Geodis, Séché Environnement, three listed companies, as well as numerous SICAVs of the AGF group and also external SICAVs.

Dominique Cyrot has served on the Board of Directors since her appointment by the General Meeting on April 27, 2012. Dominique Cyrot qualifies as an independent Director based on the criteria of the Board Charter and the Middlenext Code of corporate governance adopted by the company as a reference period

With her knowledge and expertise in issues relating to finance and strategy and also corporate governance, she is a valuable contributor to the Board of Directors' work. For this reason, the Board wishes to reappoint her as Director and hereby submits to you a proposal to renew her term of office.

Fifth resolution

Reappointment of Dominique Cyrot as Director

The shareholders decide to renew Dominique Cyrot's appointment as Director for a term of four years expiring at the end of the Annual General Meeting that will be called in 2020 to approve the financial statements for fiscal year ended.

Purpose of the resolutions

Attendance fees (6th resolution)

We propose that a total annual amount of €180,000 be set for attendance fees allocated to Directors for Board meeting participation as approved by the General Meeting of April 24, 2015 for the year in progress. For information, the distribution of attendance fees is determined according to an allotment exclusively to non-executive Directors and Board meeting's attendance of each Director.

For fiscal 2015, the total amount of attendance fees paid to non-executive Directors was €99,000. The three Board members exercising the functions of Audit Committee held in plenary sessions of the Board received €9,000 in attendance fees.

Sixth resolution

Amount of attendance fees allocated to Board members

The shareholders decide to maintain the total amount in attendance fees to be allocated to the Board of Directors at €180,000.

This decision will apply to the period in progress and remains in force until such time as a new decision is issued.

Purpose of the resolutions

Authorization for trading in own shares (7th resolution)

As at every annual ordinary general Meeting, we hereby ask you to renew the authorization given to your Board of Directors, which it may in turn delegate, to maintain the share buyback program of the company for a new period of 18 months, according to the terms and conditions and with the objectives submitted to your approval, and in particular:

– 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, based on a capital stock of 32,171,732 shares at December 31, 2015 and a purchase price of €40 per share, the theoretical maximum amount of funds that may be allocated to financing this program would be €64,343,440.

During the period from May 1, 2015 to February 29, 2016, the company acquired 256,356 shares at an average price of 24.50 and sold 223,117 shares at an average price of €24.81 within the framework of the liquidity agreement. No shares acquired through this program were canceled. At February 29, 2016, the shares held in treasury by the company represented 0.23% 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".

Seventh resolution

Authorization to be granted to the Board of Directors for dealing in own shares within the framework of article L.225-209 of the French Commercial Code

The shareholders, having considered the Board of Directors' report, grants an authorization for eighteen months in accordance with the provisions of articles L.225-209 *et seq.* of the French Commercial Code, to purchase, on one or more occasions at times of its choosing up to 5% shares of the Company making up the share capital, where applicable adjusted to take into account increases or reductions in the share capital that may be carried out during the period the share buyback authorization is in force.

This authorization cancels the authorization granted to the Board of Directors by the seventh ordinary resolution of the General Meeting of April 24, 2015.

Under this program, shares may be purchased for the following purposes:

– market-making in the secondary market or ensuring the liquidity of the Interparfums share with an investment services provider through a liquidity agreement complying with the conduct of business rules of the French association of financial market professionals (AMAFI) recognized by the AMF;

– ensuring sufficient shares are available for stock option and/or restricted share award (bonus share) plans (or equivalent plans) for the benefit of employees and/or corporate officers of the Group as well as all share grants in connection with a company or group employee savings plan (or equivalent plan), employee profit-sharing schemes and/or all other forms of share grants to employees and/or corporate officers of the Group;

– retaining shares purchased for subsequent use in exchange or as payment for acquisitions;

– ensuring that sufficient shares are available to cover requirements for securities granting entitlement to shares of the company in accordance with applicable regulations;

– canceling shares purchased, subject to a grant of authorization by extraordinary resolution fifteen of this shareholders' Meeting.

These shares may be purchased by any means, including through block purchases of shares, and at times deemed appropriate by the Board of Directors.

The company does not intend to make use of options or derivatives.

The maximum purchase price is €40 per share; In the case of equity transactions including notably stock splits or reverse stock splits or bonus share grants, the amount indicated above will be adjusted in the same proportions (with the multiplier being equal to the ratio between the number of shares making up the share capital before the transaction and the number of shares thereafter).

By way of indication, the maximum amount of the transaction would be €64,343,444 based on the share capital at December 31, 2015.

The shareholders grant all powers to the Board of Directors to proceed with these transactions, set the terms and conditions and procedures, conclude all agreements and fulfill all formalities.

3.2. Extraordinary resolutions

Purpose of the resolutions

Cancellation of shares by reduction of capital for shares acquired by the company (8th resolution)

As the authorization previously granted by the General Meeting of April 25, 2014 expires on April 25, 2016, your Board of Directors, that has not made use of this authorization, requests that you grant a new authorization allowing it to decide 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 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 eighth resolution is necessary to permit the cancellation of shares provided for in connection with objectives referred to in the share repurchase program submitted to your vote in the seventh resolution.

This authorization would be granted for a term of 24 months from the date of this General Meeting.

Eighth resolution

Authorization to be granted to the Board of Directors to cancel shares purchased in connection with article L.225-209 of the French Commercial Code

The shareholders, having considered the Board of Directors' report and the Auditors' report:

1) Authorize the Board of Directors to cancel, at its sole discretion, through one or more installments, subject to a limit of 10% of the share capital calculated on the date of the cancellation decision, and deducting shares that may have been canceled during the 24 preceding months, shares the company holds or may hold pursuant to share buybacks undertaken in accordance with article L.225-209 of the French Commercial Code, and reduce the share capital by the corresponding amount in compliance with applicable laws and regulations,

2) Set the period of validity of this delegation of authority at twenty-four months from the date of this meeting,

3) Grant the Board of Directors all powers to take measures required to complete such cancellations and the corresponding reductions in share capital, to amend the company's bylaws as a result and to carry out all formalities required.

Purpose of the resolutions

Delegations of financial authority (9th to 14th resolutions and 17th resolution)

Your General Meeting regularly grants delegations of authority to the Board of Directors for the purpose of deciding, at any time, to proceed with capital increases, covering a large range of securities giving access to the capital or debt securities, maintaining or canceling the preemptive subscription rights of existing shareholders. By offering your Board this flexibility, it will be able to choose the most appropriate financial instrument according to the characteristics of the market at the time the transaction is being considered.

If your Board is required to consider a capital increase, preference would be given to the option of carrying out a capital increase that maintains shareholders' preemptive rights. However, in the company's interest, according to the conditions for carrying out the transaction, your Board will be able to consider the option of canceling the preemptive subscription rights for the purpose of optimizing certain complex financial instruments that might be more appropriate for the operation being considered.

Your Board did not make use of the authorizations given by your Meeting of April 25, 2014 and expiring on June 25, 2016. For that reason, it is hereby requested that you renew these delegations and financial authorizations.

The purpose of the 9th to the 14th resolutions is to request new financial authorizations in order to give your Board of Directors the maximum flexibility required to take appropriate measures according to market opportunities, at the most favorable time with respect to the Company's external growth projects.

In the 9th resolution, the delegation of authority relates to the issuance of equity securities and other securities giving access to the capital maintaining shareholders' preemptive rights. The maximum nominal amount of capital increases allowable by virtue of this delegation of authority would be set at €30 million or, for information, 31% of the share capital.

In the 10th, 11th and 14th resolutions you are asked to vote on the delegations of authority concerning the issuance of equity securities and other securities giving access to the share capital, suspending shareholders' preemptive rights, the first through a public offering and the second by private placement, within a maximum aggregate ceiling of 10% of the share capital. The 14th resolution provides for a delegation for the purpose of the payment of in-kind contributions granted to the Company within the maximum allowed aggregate ceiling.

The delegation requested in 10th resolution covers the issuance of shares or securities giving access to the share capital or securities giving a right to the allotment of debt securities, suspending preemptive subscription rights, by a public offering whereas the 11th resolution provides for a capital increase through a private placement for the category of persons covered by article L.411-2 of the French Monetary and financial code.

The purpose of this delegation is to enable the Company to take advantage of all opportunities for possibly bringing in qualified investors as shareholders of the Company.

The delegation requested in the 14th resolution is new and is not included in those delegations customarily submitted for your approval, and is proposed to permit your Board of Directors to take advantage of all opportunities for making acquisitions. The total nominal amount may not exceed 10% of the share capital within the aggregate ceiling applicable to authorizations for capital increases without shareholders' preemptive subscription rights, provided for under the10th and 11th resolutions.

Should the delegation of authority requested in the 10th resolution be implemented, shareholders may benefit from a priority subscription right for a period and according to the conditions determined by your Board of Directors.

The delegations of authority provided for under the 9th, 10th, 11th and 14th resolutions may be granted for a period of 26 months from the date of this General Meeting.

By 12th resolution, it is requested that you authorize your Board of Directors to carry out the issues provided for in the above resolutions, in the limit of 10% of the share capital per year, and to set the issue price which shall be either equal to the weighted average price of the Interparfums share on the day preceding the issue, minus, as applicable, a discount of up to 20%, or equal to the average trading price for five consecutive days selected from within a period of the last 30 trading days preceding the price fixing, minus a possible discount of up to 20%.

The independent an aggregate ceilings for the financial authorizations provided for in the 9th, 10th, 11th, 14th and 17th resolutions are as follows:

Independent ceiling: 31% of the share capital on the date of this General Meeting
– 9th resolution: issue maintaining preemptive subscription rights.

Aggregate ceiling: 10% of the share capital on the date of this General Meeting
– 10th resolution: issue suspending preemptive subscription rights within the maximum limit of 9.3% of the share capital;
– 11th resolution: issue by private placement within the maximum limit of 9% of the share capital;
– 14th resolution: issuance of shares in consideration for in-kind contributions within the maximum limit of 10% of the share capital;
– 17th resolution: capital increase reserved for participants in company savings scheme within the maximum limit of 2% of the share capital.

As a consequence of the preceding resolutions, in the 13th resolution, you are requested to delegate your authority to the Board of Directors to decide, in the event of excess demand in connection with capital increases, to increase the number of shares to be issued according to the same price initially applied.

Ninth resolution

Delegation of authority to be granted to the Board of Directors to issue ordinary shares and/or equity securities giving access to the share capital and/or rights to the allotment of debt securities and/or securities giving access to equity securities to be issued, maintaining shareholders' preemptive rights

The shareholders, having considered the Board of Directors' report and the auditors' special report, in accordance with the provisions of the French Commercial Code and particular, articles L.225-129-2, L.228-92 and L.225-132 *et seq.*:

1) Grant the Board of Directors authority to proceed with the issue through one or more installments, in amounts and at such times it chooses, either in euros or in another currency, or in any other monetary unit established by reference to several currencies, of:

– ordinary shares; and/or

– equity securities giving access to other equity securities or rights to the allotment of debt securities; and/or

– securities giving access to equity securities to be issued.

In accordance with article L.228-93 of the French Commercial Code, securities to be issued may give access to the equity securities to be issued by the company and/or any company which directly or indirectly holds more than half of its capital or a company in which it directly or indirectly holds more than half of its capital.

2) Set the duration for this authorization provided for under this resolution at twenty-six months from the date of this meeting.

3) Decide to set, as follows, the limits of the amounts for issues authorized if the Board of Directors makes use of this delegation of authority:

The total nominal amount of shares that may be issued by virtue of this authorization may not exceed €30 million (€30,000,000), or by way of indication 31% of the share capital on the date of this meeting.

This amount may be increased, as necessary, by the nominal amount of ordinary shares to be issued, to preserve, in accordance with the law, and, as applicable, contractual provisions providing for other cases for adjustments, the rights of holders of securities giving access to the company's capital.

The total nominal amount of debt securities of the company that may be issued by virtue of this authority may not exceed one hundred million euros (€100,000,000).

The limits set above are independent of all other limits set by other resolutions of this General Meeting.

4) If the Board of Directors makes use of this authority in the case of issues referred to above in point 1):

a/ Decide that the issue or issues of ordinary shares or securities giving access to the capital shall be reserved in priority for shareholders that may apply for shares on the basis of irrevocable entitlement (*à titre irréductible*);

b/ Decide that if applications for new shares on the basis of irrevocable entitlement, and as the case may be, for excess shares on a non-preferential basis (*à titre réductible*), should fail to account for the entire issue set forth in 1), the Board of Directors may have recourse to the following options:

– limit the amount of the issue to applications received, it being specified that in the case of the issuance of ordinary shares or securities for which the primary component is a share, the amount of applications to subscribe for shares must account for at least ¾ of the issue decided for this limitation to be possible;

– freely allocate all or part of the securities not taken up;

– offer all or part of the securities not taken up to the public.

5) Decide that the Board of Directors will be vested with, within the limits set forth above, all powers necessary notably to set the terms and conditions of the issue or issues and set the issue price, as appropriate, record the completion of the resulting capital increases, amend the bylaws in consequence, charge at its sole discretion the costs of the capital increase to the corresponding share premium and appropriate therefrom all amounts required to ensure that the legal reserve represents one tenth of the new share capital after each increase, and in general, take all actions required.

6) Duly note that this authorization supersedes and cancels any prior authorization having the same purpose.

Tenth resolution

Delegation of authority to be granted to the Board of Directors to issue ordinary shares and/or equity securities giving access to the share capital and/or rights to the allotment of debt securities and/or securities giving access to equity securities to be issued, suspending shareholders' preemptive rights, but with the option of introducing a priority period, through a public offering

The shareholders, having considered the Board of Directors' report and the auditors' special report, in accordance with the provisions of the French Commercial Code and particular, articles L.225-129-2, L.225-136, L.225-148 and L.228-92:

1) Grant the Board of Directors authority to proceed with the issue through one or more installments in amounts and at such times it chooses, in France and/or in other countries, through a public offering, either in euros or in another currency, or in any other monetary unit established by reference to several currencies of:

– ordinary shares; and/or

– equity securities giving access to other equity securities or rights to the allotment of debt securities; and/or

– securities giving access to equity securities to be issued.

The securities may be issued for payment of securities tendered to the Company in connection with public exchange offers for securities in accordance with the provisions of article L.225-148 of the French Commercial Code.

In accordance with article L.228-93 of the French Commercial Code, securities to be issued may give access to the capital of any Company which directly or indirectly holds more than half of its capital or a company in which it directly or indirectly holds more than half of its capital.

2) Set the duration for this authorization provided for under this resolution at twenty-six months from the date of this meeting.

3) a/ Decide that total nominal amount of shares that may be issued by virtue of this authorization may not exceed €9 million (€9,000,000), or by way of indication 9.3% of the share capital on the date of this meeting.

This amount is included within the aggregate ceiling according to the conditions described below:

The amount of the capital increases that may be carried out immediately and/or in the future by virtue of the tenth (issue suspending shareholders preemptive subscription rights through a public offering), eleventh (issue suspending shareholders preemptive subscription rights by private placement), fourteenth (issue in consideration for in-kind contributions) and seventeenth (issue reserved for participants in a company saving scheme) resolutions which may not exceed 10% of the share capital on the date of this meeting (aggregate ceiling) to which will be added, as applicable, the nominal value of ordinary shares to be issued, in accordance with the law and applicable contractual provisions providing for other cases for adjustments, to preserve the rights of holders of securities giving access to the Company's capital.

b/ Decide that the total nominal amount of debt securities of the Company that may be issued by virtue of this authority may not exceed €50 million. This amount is included within the aggregate ceiling defined as follows:

The maximum nominal amount of debt securities able to be issued by virtue of the tenth (issue suspending shareholders preemptive subscription rights through a public offering), eleventh (issue suspending shareholders preemptive subscription rights by private placement) and fourteenth (issue in consideration for in-kind contributions) resolution may not exceed €100 million (€100,000,000) representing the aggregate ceiling.

4) Decide to cancel shareholders' preemptive right to subscribe for ordinary shares and securities giving access to the capital of the company and/or debt securities covered by this resolution, while leaving the Board of Directors the possibility to grant shareholders a priority period, in accordance with the law.

5) Decide that the amount reverting, or that should revert, to the Company for each of the ordinary shares issued under this delegation of authority, after taking into account, in the case of the issue of new equity warrants, the issue price of these warrants, shall at least equal the minimum required by law and regulations applicable on the date the Board of Directors implements this delegation of authority;

6) Decide, in the case of issuance of shares destined to be used in payment of securities tendered to the Company in connection with public exchange offers for securities in accordance with the provisions of article L.225-148 of the French Commercial Code and within the limits set forth above, that the Board of Directors shall be vested with all necessary powers to draw up the list of securities to be tendered in the exchange, set the terms of the issue, the share exchange ratio, as well as, when applicable the balance to be paid in cash, and determine the procedures for the issue.

7) Decide that if applications for new shares should fail to account for the entire issue set forth in 1/, the Board of Directors may have recourse to the following options:

– limit the amount of the issue to applications received, it being specified that in the case of the issuance of ordinary shares or securities for which the primary component is a share, the amount of applications to subscribe for shares must account for at least ¾ of the issue decided for this limitation to be possible;

– freely allocate all or part of the securities not taken up.

8) Decide that the Board of Directors will be vested with, within the limits set forth above, all powers necessary notably to set the terms and conditions of the issue or issues, as appropriate, record the completion of the resulting capital increases, amend the bylaws in consequence, charge at its sole discretion the costs of the capital increase to the corresponding share premium and appropriate therefrom all amounts required to ensure that the legal reserve represents one tenth of the new share capital after each increase, and in general, take all actions required.

9) Duly note that this authorization supersedes and cancels any prior authorization having the same purpose.

Eleventh resolution

Delegation of authority to be granted to the Board of Directors to issue ordinary shares and/or equity securities giving access to the share capital and/or rights to the allotment of debt securities and/or securities giving access to equity securities to be issued, suspending shareholders' preemptive rights, by an offering covered by section II of article L.411-2 of the French Monetary and financial code

The shareholders, having considered the Board of Directors' report and the auditors' special report, in accordance with the provisions of the French Commercial Code and particular, articles L.225-129-2, L.225-136 and L.228-92:

1) Grant the Board of Directors authority to issue through one or more installments in amounts and at such times it chooses, in France and/or in other countries, through a public offering covered by article L.411-2 of the French Monetary and financial code, either in euros or in another currency, or in any other monetary unit established by reference to several currencies:

– ordinary shares; and/or

– equity securities giving access to other equity securities or rights to the allotment of debt securities; and/or

– securities giving access to equity securities to be issued.

In accordance with article L.228-93 of the French Commercial Code, securities to be issued may give access to the capital of equity securities to be issued by the company and/or any company which directly or indirectly holds more than half of its capital or a company in which it directly or indirectly holds more than half of its capital.

2) Set the duration for this authorization provided for under this resolution at twenty-six months from the date of this meeting.

3) Decide that the total nominal amount of ordinary shares that may be issued under this resolution may not exceed nine million euros (€9,000,000), and shall be furthermore capped at 20% of the share capital per year, in accordance with applicable legal provisions.

This amount is included within the aggregate ceiling referred to in paragraph 3 a/ of the tenth resolution that may be increased, as necessary, by the nominal amount of ordinary shares to be issued, to preserve, in accordance with the law, and, as applicable, contractual provisions providing for other cases for adjustments, the rights of holders of securities giving access to the Company's capital.

Decide that the total nominal amount of debt securities of the company that may be issued by virtue of this authority may not exceed fifteen million euros (€15,000,000).

This amount is included within the aggregate ceiling referred to in paragraph 3 b/of the tenth resolution.

4) Decide to cancel shareholders' preemptive right to subscribe for ordinary shares and securities giving access to the capital of the company and/or debt securities covered by this resolution.

5) Decide that the amount reverting, or that should revert, to the Company for each of the ordinary shares issued under this delegation of authority, after taking into account, in the case of the issue of new equity warrants, the issue price of these warrants, shall at least equal the minimum required by law and regulations applicable on the date the Board of Directors implements this delegation of authority.

6) Decide that if applications for new shares should fail to account for the entire issue set forth in 1/, the Board of Directors may have recourse to the following options:

– limit the amount of the issue to applications received, it being specified that in the case of the issuance of ordinary shares or securities for which the primary component is a share, the amount of applications to subscribe for shares must account for at least ¾ of the issue decided for this limitation to be possible;

– freely allocate all or part of the securities not taken up.

7) Decide that the Board of Directors will be vested with, within the limits set forth above, all powers necessary notably to set the terms and conditions of the issue or issues, as appropriate, record the completion of the resulting capital increases, amend the bylaws in consequence, charge at its sole discretion the costs of the capital increase to the corresponding share premium and appropriate therefrom all amounts required to ensure that the legal reserve represents one tenth of the new share capital after each increase, and in general, take all actions required.

8) Duly note that this authorization supersedes and cancels any prior authorization having the same purpose.

Twelfth resolution

Determination of the conditions for setting the subscription price, in the case of cancellation of preemptive subscription rights within the annual limit of 10% of the share capital.

The shareholders, having considered the Board of Directors' report and the auditors' report in accordance with the provisions of article L.225-136-1, paragraph 2 of the French Commercial Code, authorize the Board deciding to issue ordinary shares or securities giving access to share capital, in accordance with the tenth and eleventh resolutions, to derogate within the limit of 10% of the share capital from the conditions for setting the price provided for in the aforementioned resolutions and set the issue price for equity equivalent securities to be issued as follows:

The share price for equity equivalent securities to be issued immediately or in the future, may not be less, at the Board of Directors' choice than:

– either the weighted average price of the Company's share on the day preceding the issue, minus, as applicable, a discount of up to 20%;

– or the average trading price for five consecutive days selected from within a period of the last 30 trading days preceding the price fixing, minus a possible discount of up to 20%.

Thirteenth resolution

Authorization to increase the amount of issues in the case of oversubscription

For each issue of ordinary shares or securities giving access to the capital decided in the ninth to eleventh resolutions, the number of shares able to be issued may be increased in accordance with the provisions of articles L.225-135-1 and R.225-118 of the French Commercial Code and within the limits set by the General Meeting, when the Board of Directors determines that the issue is oversubscribed.

Fourteenth resolution

Delegation of authority to the Board of Directors to proceed with a capital increase by issuing ordinary shares and/or securities giving access to the share capital within the limit of 10% of the capital as consideration for in-kind contributions of securities giving access to the capital

The shareholders, having considered the reports of the Board of Directors and the auditors, and in accordance with and articles L.225-147 and L.228-92 of the French Commercial Code:

1) Authorize the Board of Directors, pursuant to the equity auditor's report, to issue ordinary shares or securities giving access to ordinary shares as consideration for contributions in kind granted to the company and consisting of equity securities or securities giving access to the capital when the provisions of article L.225-148 of the French Commercial Code are not applicable.

2) Set the duration for this authorization provided for under this resolution at twenty-six months from the date of this meeting.

3) Decide that the total nominal amount of ordinary shares that may be issued by virtue of this authorization may not exceed 10% of the share capital on the date of this meeting, without taking into account the nominal amount of ordinary shares to be issued, in accordance with the law, and, as applicable, contractual provisions providing for other cases for adjustments, to preserve the rights of holders of securities giving access to the Company's capital.

Capital increases carried out in compliance with this authorization are included under the aggregate ceiling provided for in paragraph 3 a/of the tenth resolution.

4) All powers are granted to the Board of Directors for the purpose of approving the valuation of in-kind contributions, deciding on the capital increase resulting therefrom and record its completion, charge as applicable to additional paid-in capital all expenses and duties incurred in connection with the capital increase, appropriating from these amounts the funds necessary so that the legal reserve equals one tenth the new capital after each issue, making the corresponding changes to the bylaws and in general do all else that is required in such matters.

5) Duly note that this authorization supersedes and cancels any prior authorization having the same purpose.

Purpose of the resolutions

Authorization to be given to the Board of Directors for restricted stock awards (bonus shares) to employees or selected corporate officers (15th resolution)

Your General Meeting of April 24, 2015 approved the 9th resolution establishing the framework for the authorizations necessary for implementing restricted stock award (bonus share) plans in favor of employees and officers of the Company.

New measures introduced in France (namely, Law No. 2015-990 dated 6 August 2015 referred to as the Macron Law) introduced major changes to legal, tax and social security provisions that apply to share awards, favorable both for the employer and the employee. However, this system only applies to share grants authorized after the date of effect of these measures of August 7, 2015. Your previous authorization granted by the General Meeting of April 24, 2015 may in consequence not be used for the new provisions introduced by this law.

For that reason, it is requested that your General Meeting terminates the previous authorization granted by the ninth resolution of the General Meeting of April 24, 2015 which to date has not been used and authorizes your Board of Directors to proceed with a new stock award, in accordance with the provisions of article L.225-197-1of the French Commercial Code.

We propose that you grant all powers to the Board of Directors, which the latter may in turn delegate within the limits provided by law, to grant, without consideration, existing shares and/or shares to be issued in the future for the benefit of salaried employees and/or officers of the company and/or companies or economic interest groups directly or indirectly related to it within the meaning of article L.225-180 of the French Commercial Code.

The total number of shares that may be granted without consideration may not represent more than 3% of the share capital on the date of this meeting.

Restricted share awards will vest only at the end of a minimum vesting period of one year to which will be added a holding period that may be decided by the Board of Directors. However, if the vesting period is more than two years, application of the holding period may be waived by the Board of Directors.

In accordance with regulatory provisions, the company will ensure, in the case of grant of restricted shares without consideration (bonus shares) to executive officers, to proceed with a bonus share grant to all employees of the company and at least 90% of the employees. Furthermore, in compliance with the Middlenext, code of corporate governance that the Company follows, restricted stock granted to executive officers will be subject to conditions of performance and holding periods linked to their terms as officers of the company.

This authorization would be granted for a term of thirty-eight months from the date of this General Meeting.

Fifteenth resolution

Authorization to be given to the Board of Directors for restricted stock grants (bonus shares) to employees and/or selected corporate officers

The shareholders, having considered the Board of Directors' report and the Auditors' special report, authorize the Board of Directors to, on one or more occasions, in accordance with the provisions of article L.225-197-1 and L.225-197-2 of the French Commercial Code, grant ordinary shares of the company, existing or to be issued, to the benefit of:

– salaried employees of the French or foreign companies or groups directly or indirectly related to it within the meaning of article L.225-197-2 of the French Commercial Code;

– and/or corporate officers fulfilling the conditions set forth in article L.225-197-1 of the French Commercial Code.

The number of shares able to be granted may not exceed 3% of the share capital on the date granted by the Board of Directors, with the total number of shares thus defined not taking into account adjustments that might be made in the event of corporate actions involving the company's capital.

The Board of Directors will set, according to the provisions of the law, with each decision to proceed with a grant, the vesting period after which the shares shall be considered as fully vested. The vesting period may not be less than one year from the grant date.

The Board of Directors will set, in accordance with the provisions of the law, with each decision to proceed with a grant, a mandatory period for holding the shares of the Company by beneficiaries, starting from the date the shares have been fully vested. This holding period may not be less than one year. However, if the vesting period is equal to or greater than two years, application of the holding period may be waived by the Board of Directors.

By way of exception, shares granted will be fully vested before the end of this vesting period in the cases of disability or death of the beneficiary falling under the second and third categories provided for in article L.341-4 of the French social security code (*code de la sécurité sociale*).

Existing shares able to be granted under this resolution must be acquired by the Company, either within the framework of article L.225-208 of the French Commercial Code or, as applicable, through the share buyback program authorized by the seventeenth resolution adopted by this meeting in accordance with article L.225-209 of the French Commercial Code or any share buyback program applying before or after this resolution was adopted.

The General Meeting duly notes and decides, in the case of an award of restricted shares to be issued (bonus shares) that this authorization entails, for the benefit of grants of ordinary shares to be issued, waiver by the shareholders of their preemptive subscription rights to the ordinary shares to be issued as they vest, and will entail, as applicable at the end of the vesting period, issuance of shares by capitalizing reserves, earnings, additional paid-in capital for the benefit of said beneficiaries and the corresponding waiver by the shareholders in favor of the beneficiaries of share awards (for the portion of reserves, earnings and additional paid-in capital having been capitalized).

All powers are granted to the Board of Directors to:

– set the terms and conditions and, as applicable, the criteria for share grants (notably presence and, as applicable, performance);

– determine the identity of the beneficiaries as well as the number of shares granted to each;

– for the shares that may be, as applicable granted to executive officers covered by article L.225-197-1, II paragraph 4 of the French Commercial Code, either decide that the shares may not be transferred by the beneficiaries before they terminate their functions or set the number of shares they will be required to retain in registered form until they terminate their functions, it being specified that all shares awarded to executive officers of the company shall be subject to conditions of performance;

– determine the effects on the rights of beneficiaries, of corporate actions modifying the capital or potentially affecting the value of the shares granted and carried out during the vesting and holding periods and, in consequence, modify or adjust as necessary the number of shares granted to preserve the rights of beneficiaries;

– determine, within the limits set by this resolution, the length of the vesting period and, as applicable, the holding period applying to restrictive stock units;

– as applicable:

- ensure the existence of sufficient reserves and with each grant, transfer to restricted reserves the amount required for the payment of the new shares to be granted,
- decide, when the time comes, to proceed with the capital increase(s) by the capitalization of reserves, additional paid-in capital or earnings corresponding to the issue of new shares thus granted,
- acquire shares required through the share repurchase program and allocate them to the share plan,
- take all useful measures to ensure compliance with the obligation of beneficiaries to hold the shares,
- and generally, in accordance with the laws in force, take all steps necessary to implement this authorization.

It is granted for thirty-eight months from the date of this meeting.

This authorization supersedes and cancels any prior authorization having the same purpose.

Purpose of the resolutions

Authorization to be given to the Board of Directors for stock option awards to employees or selected corporate officers (16th resolution)

In order to benefit from a wide range of options to promote its policy of associating employees with the Group's development and success, the Company wishes to renew the authorization given to your Board of Directors to grant stock options to subscribe for and/or purchase shares to employees and executive officers of the Company and its subsidiaries.

The total number of options that able to be granted may not confer a right to subscribe for or purchase a number of shares exceeding 1% of the share capital on the date of the General Meeting. The price set, in accordance with applicable regulations, shall not be less than 80% of the average share price over twenty trading sessions, nor 80% of the average purchase price for treasury shares held by the Company in accordance with articles L.225-208 and L.225-209 of the French Commercial Code, acquired in particular through the share buyback program.

This authorization would be granted for a term of thirty-eight months from the date of this General Meeting.

Sixteenth resolution

Authorization to be given to the Board of Directors for stock option awards to employees or selected corporate officers (16th resolution)

The shareholders, having considered the Board of Directors' report and the Auditors' special report:

1) Authorize the Board of Directors in connection with the provisions of articles L.225-177 to L.225-185 of the French Commercial Code, to grant, on one or more occasions, for the benefit of the beneficiaries indicated below, stock options conferring rights to subscribe for new shares of the Company to be issued in connection with a capital increase or the purchase of existing shares of the Company originating from a share buyback program according to the conditions provided for by law.

2) Set the period of validity for this delegation of authority at thirty-eight months from the date of this General Meeting,

3) Decide that the beneficiaries of these options shall include only:

– on the one hand, employees or selected employees, or certain categories thereof, of the company Interparfums and, as applicable, affiliated companies or an economic interest group according to the provisions of article L.225-180 of the French Commercial Code;

– and, on the other hand, corporate officers fulfilling the conditions set forth in article L.225-185 of the French Commercial Code.

4) The total number of shares that may be granted by the Board of Directors under this authorization may not give a right to subscribe for or purchase a number of shares exceeding 1% of the share capital existing on the date of the grant by the Board of Directors, whereby the total number of options thus defined does not take into account adjustments that might be made in accordance with applicable legal and regulatory provisions for the purpose of preserving the rights of stock option beneficiaries.

5) Decide that the subscription and/or purchase price for the shares for beneficiaries shall be set on the day the options are granted by the Board of Directors within the limits and according to the procedures provided for by articles L.225-177 and L.225-179 of the French Commercial Code, whereby this amount shall at least equal the average trading price for the Interparfums share over the twenty trading sessions preceding the date the option is granted, without being less than 80% of the average purchase price for shares held by the company for purchases made in the conditions provided for by articles L.225-208 and L.225-209 of the French Commercial Code.

6) Decide that no option may be granted:

– either within a period of ten trading sessions before and after the date the consolidated financial statements are made public;

– nor within the period between the date on which the Company's corporate bodies had knowledge of information which, if rendered public, could have a material impact on the price of the Company's shares and the date following the ten trading sessions on which this information was rendered public;

– less than twenty trading days following the date on which the shares are traded ex-dividend, or twenty trading days following a capital increase.

7) Duly note that this authorization entails express waiver by shareholders in favor of beneficiaries of options of their pre-emptive subscription rights to subscribe for new shares that will be issued as the options are exercised.

8) Grant the Board of Directors all powers to set the other conditions and procedures granting stock options and their exercise and in particular to:

– set the conditions according to which the options shall be granted and determine the list or categories of beneficiaries as provided for above; set, as applicable the conditions of seniority to be fulfilled by these beneficiaries; decide the conditions according to which the price and number of shares may be adjusted, in particular in the scenarios provided for by articles R.225-137 to R.225-142 of the French Commercial Code;

– decide on the possible restrictions for the immediate resale of the shares which will be purchased and/or subscribed for, it being specified that in the case of options granted to executive officers, the Board of Directors must either decide that options may not be exercised by the beneficiaries before terminating their functions or shall set the number of shares they will be required to retain in registered form until the termination of their functions;

– set the period or periods for exercising the options thus granted, it being specified that the term of the options may not exceed a period of five years from their grant date;

– provide for the option of temporarily suspending the exercise of options for a period not to exceed three months within the framework of capital transactions involving the exercise of rights attached to shares;

– perform or have performed all measures and formalities to record the completion of the capital increase(s) that may be undertaken, amend the bylaws in consequence and, in general, undertake everything that is necessary;

– at its sole discretion if it so deems appropriate, charge issuance costs resulting from capital increases to the corresponding premiums and deduct from such premiums amounts necessary to bring the legal reserve in line with one tenth of the equity increases resulting from such issues.

9) Duly note that this authorization supersedes and cancels any prior authorization having the same purpose.

Purpose of the resolutions

Delegation of authority to the Board of Directors to proceed with a capital increase through the issuance of ordinary shares and/or securities giving access to the share capital, suspending shareholders' preemptive rights in favor of employees participating in a company savings plan pursuant to the provisions of articles L.3332-18 *et seq.* of the French Labor Code;

Because the General Meeting is to vote on delegations of powers potentially involving future capital increases of the share capital, this General Meeting must accordingly vote on a draft resolution relating to a capital increase reserved for participants in a company stock ownership plan. In this resolution, you are hereby requested to delegate your authority to the Board of Directors allowing it to issue shares for the benefit of employees participating in such a plan within the limit of 2% of the share capital on the date of this meeting.

This authorization would be valid for a period of 26 months from the date of the General Meeting.

Seventeenth resolution

Delegation of authority to the Board of Directors to proceed with a capital increase through the issuance of shares suspending shareholders' preemptive rights in favor of employees participating in a company savings plan pursuant to the provisions of articles L.3332-18 *et seq.* of the French Labor Code;

The shareholders, having considered the Board of Directors' report and the Auditors' special report, ruling in accordance with the provisions of articles L.225-129-6, L.225-138-1 and L.228-92 of the French Commercial Code and L.3332-18 *et seq.* of the French Labor Code:

1) Delegate their authority to the Board of Directors, for the purpose, if it deems opportune, on the basis of its decision alone, to increase the share capital, at once or in installments, by issuing ordinary shares or securities giving access to the company's capital in favor of participants in one or more company or group employee stock ownership plans established by the company and/or French or foreign companies affiliated in accordance with the provisions of article L.225-180 of the French Commercial Code and article L.3344-1 of the French Labor Code.

2) Cancel in favor of these persons the preemptive subscription rights to shares that may be issued under this delegation of authority.

3) Set the period of validity of this delegation of authority at twenty-six months from the date of this meeting.

4) Limit the maximum nominal amount of the capital increase(s) that may be carried out under this authorization to 2% of the share capital on the date of the Board of Directors' deciding to proceed with this capital increase, whereby this amount is included under the aggregate ceiling provided for in paragraph 3 a/ of the tenth resolution. This amount may be increased as necessary, by the additional amount of ordinary shares to be issued, in accordance with the law and applicable contractual provisions providing for other cases for adjustments, to preserve the rights of holders of securities giving access to the company's capital.

5) Decide that the price of the shares to be issued pursuant to subsection 1/ of this authorization may not be more than 20% or 30% below, when the lock-up period provided for under the plan in accordance with articles L.3332-25 and L.3332-26 of the French Labor Code is greater than or equal to ten years, the average opening price for the twenty trading sessions preceding the date of the Board of Directors' decision regarding the rights issue and the issue of corresponding shares, nor greater than this average.

6) Decide, in application of the provisions of article L.3332-21 of the French Labor Code, that the Board of Directors may provide for grants to beneficiaries defined above in the first paragraph, of bonus shares, to be issued or already issued or other convertible securities to be issued or already issued, with respect to (i) contributions that may be paid in accordance with procedures for company or group stock ownership plans and/or (ii), as applicable, the share price discount.

7) Duly note that this authorization supersedes and cancels any prior authorization having the same purpose.

The Board of Directors may or may not implement this delegation of authority, take all necessary measures and proceed with all necessary formalities.

Purpose of the resolutions

Powers for formalities (18th resolution)

The purpose of this resolution is to request authorization by the General Meeting to perform required legal formalities.

Eighteenth resolution

Powers for formalities

All powers are granted to the bearer of copies or extracts of the minutes thereof to perform all legal formalities required by law.

4.
SUMMARY OF DELEGATIONS OF FINANCIAL AUTHORITY

Summary of delegations of financial authority requested from the General Meeting of April 22, 2016 (Art. L.225-100 paragraph 7 of the French Commercial Code)

Nature of authorizations	Limits of the issue	Expiry date
Authorization to issue shares or securities giving access to the capital of the company, maintaining shareholders' preemptive subscription rights – Renewal of the authorization granted by the 2014 AGM *(9th resolution)*	Within the limit of €30,000,000	06/22/2018
Authorization to issue shares or securities giving access to the capital of the company, canceling shareholders' preemptive subscription rights – Renewal of the authorization granted by the 2014 AGM *(10th resolution)*	Within the limit of €9,000,000	06/22/2018
Authorization to increase the share capital by an offering covered by article L.411-2 of the French Monetary and financial code – renewal of the authorization granted by the 2014 AGM *(11th resolution)*	Within the limit of €9,000,000	06/22/2018
Authorization to issue shares or securities giving access to the capital as consideration for contributions in kind *(14th resolution)*	Within the limit of 10% of the share capital	06/22/2018
Authorization to proceed with restricted share awards (bonus shares) to employees and/or selected corporate officers – Renewal of the authorization given by the 2015 AGM *(15th resolution)*	Within the limit of 3% of the share capital	06/22/2019
Authorization to grant stock options to employees or selected corporate officers *(16th resolution)*	Within the limit of 1% of the share capital	06/22/2019
Authorization to issue shares reserved for employees of the Group participating in a company savings plan *(17th resolution)*	Within the limit of 2% of the share capital	06/22/2018

Summary of authorizations in force

Authorizations granted by the 2015 AGM

Nature of authorizations	Limits of the issue	Authorizations used	Expiry date
Authorization to increase the capital by capitalizing reserves, earnings or premiums *(8th resolution)*	Within the limit of €30 million	Authorization used by the Board of Directors' meeting of May 22, 2015, creating 2,919,269 new shares in the amount of €8,757,807	06/24/2017
Authorization for restricted share awards (bonus shares) to employees and/or selected corporate officers *(9th resolution)*	Within the limit of 0.5% of the share capital	Unused authorization – Renewal proposed to the 2016 AGM pursuant to the new provisions introduced by the "Macron Law"	06/24/2018

Authorizations granted by the 2014 AGM

Nature of authorizations	Limits of the issue	Authorizations used	Expiry date
Authorization to issue shares or securities giving access to the capital of the company, maintaining shareholders' preemptive subscription rights	Within the limit of €30 million	Unused authorization – Renewal proposed to the 2016 AGM *(9th resolution)*	06/25/2016
Authorization to issue shares or securities giving access to the capital of the company, suspending shareholders' preemptive subscription rights	Within the limit of €15 million	Unused authorization – Renewal proposed to the 2016 AGM *(10th resolution)*	06/25/2016
Authorization to increase the share capital by an offering covered by article L.411-2 of the French Monetary and financial code	Within the limit of €9 million	Unused authorization – Renewal proposed to the 2016 AGM *(11th resolution)*	06/25/2016

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Group organization

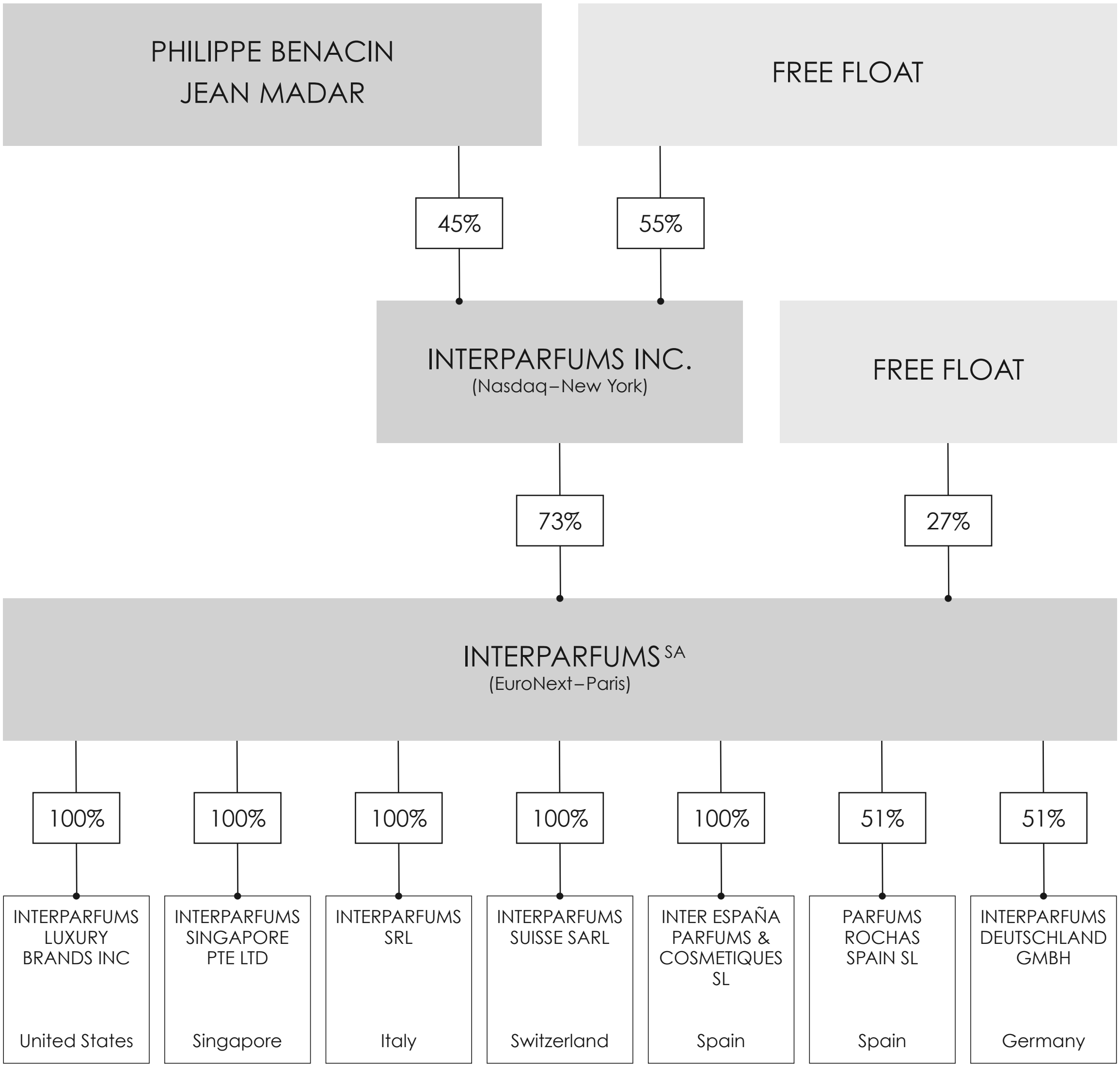
INTERPARFUMS AND ITS SUBSIDIARIES

Commercial operations are conducted largely through Interparfums SA. To pursue its international development, Interparfums set up three new subsidiaries in 2007 in the key European markets on a wholly-owned basis or in partnership with its local distributors. Germany (51%), Italy (100%) 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.

Pursuant to the Rochas brand acquisition in 2015, Interparfums SA created a subsidiary for the distribution of fragrances under this new brand in Spain (Parfums Rochas Spain SL). This entity is 51%-held.



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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 Exchange.

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 Dupont.

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.
Disposal of the Nickel brand.

2015

Signature of a license agreement to create and produce perfumes under the Coach name and distribute them worldwide.
Acquisition of the Rochas trademark and brand name for class 3 (perfumes make-up) and class 25 (fashion) products.

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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*)

"Grand Prize for Entrepreneurs – Région Île-de-France" award

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*)

2013

Trophée Relations Investisseurs – 3rd Prize for Best Investor Relations for the Mid Cap category
(*Forum des Relations Investisseurs et Communication Financière*)

2015

Trophée Relations Investisseurs – Best Investor Relations Award for the Mid Cap category
(*Forum des Relations Investisseurs et Communication Financière*)

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Auditors and responsibility statements

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 22, 2013
expiration date: 2019 AGM

SFECO & Fiducia Audit

50 rue de Picpus
75012 Paris
represented by Roger Berdugo
Appointed by the AGM of May 19, 1995
reappointed by the AGM of April 22, 2013
expiration date: 2019 AGM

The alternate Auditors are respectively:

Jean Maurice El Nouchi

61 rue Henri Regnault
92400 Courbevoie
Appointed by the AGM of December 1, 2004
reappointed by the AGM of April 22, 2013
expiration date: 2019 AGM

Serge Azan

16 rue Daubigny
75017 Paris
Appointed by the AGM of May 19, 1995
reappointed by the AGM of April 22, 2013
expiration date: 2019 AGM

Auditors' fees are described in note 6.6 to the consolidated financial statements.

Responsibility statement for the registration document

I declare, after having taken all reasonable measures in this regard that to the best of my knowledge the information in this registration document is accurate and there are no omissions likely to alter its import.

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 in part one of 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 on the consolidated financial statements for the fiscal year ended December 31, 2015 for which they issued an unqualified opinion is reproduced in section 7 of chapter 2 "consolidated financial statements" of the original French registration document. Their report contains a matter of emphasis comment on note 1.3 to the consolidated financial statements "Application of the IFRIC 21 interpretation "Levies" with presents the impact of the change in method relating to the standard.

The Statutory Auditors' Report on the separate annual financial statements of the parent company for the fiscal year ended December 31, 2015 for which they issued an unqualified opinion without comments is reproduced in section 5 of chapter 5 "Annual financial statements of the parent company" of the original French registration document.

The historical financial information for the 2014 financial year, incorporated by reference was issued with an unqualified opinion and without comments.

The historical financial information for the 2013 financial year, Incorporated by reference, includes a technical observation on the consolidated financial statements.

I have obtained a completion of work letter from the Statutory Auditors in which they indicate that they have verified the information concerning the financial situation and accounts presented in this registration document and read the entire registration document.

Philippe Santi
Executive Vice President

Executive officer responsible for financial information

Philippe Santi
Executive Vice President
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):

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

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