INTER PARFUMS SA

2007 results exceed latest guidance
Operating margin: 13.1%
Solid growth prospects

BURBERRY
Christian Lacroix
LANVIN PARIS
NICKEL
Paul Smith
QUIKSILVER
ROXY
S.T. Dupont PARIS
Van Cleef & Arpels

Full-year results exceed latest guidance

In 2007, the Group registered another year of sustained growth with consolidated sales of €242.1 million, up 12% at current exchange rates and 15% at constant exchange rates in an environment affected by further strengthening of the euro against the dollar.

Audited figures (€ millions)	2006	2007	07/06
Sales	216.2	242.1	+12%
Operating profit	29.2	31.8	+9%
% of sales	*13.5%*	*13.1%*	
Net income	18.7	20.2	+8%
% of sales	*8.6%*	*8.3%*	
Shareholders' equity	115.8	133.9	+16%
Borrowings	26.2	40.5	+55%
Cash	44.1	56.1	+27%

The negative currency effect was considerably limited by growth in the last quarter that slightly exceeded expectations combined with the success in containing costs. As a result, Group operating profit for 2007 increased 9% over the equivalent prior-year period for an operating margin of 13.1% (13.5% excluding the impairment of Nickel goodwill), outperforming the latest guidance.

Net income of the period exceeded €20 million with a net margin of 8.3%, a particularly high level in the perfumes and cosmetics industry.

These results once again illustrate the effectiveness of the Group's business model focused on achieving a balance between growth in volume and profitability.

An extremely sound balance sheet

With shareholders' equity of €134 million and net cash of 16 million at December 31, 2007, the company has maintained a very solid balance sheet with significant borrowing capacity, enabling it to take advantage of major new acquisition opportunities.

A significant improvement in working capital that benefited notably from progress in receivables management contributed to operating cash flow of €24.6 million (+32%).

New dividend increase and bonus share issue

The Board of Directors will ask the shareholders' meeting of April 25, 2008 to approve:

■ A dividend of €0.38 per share representing an increase of 11.4% (1) over the prior year, payable May 6, 2008;
■ A bonus share issue for the ninth consecutive year of one new share for every ten shares held in early June 2008.

Prospects for accelerated growth

Despite the recent strengthening of the euro, the Group maintains targets for sales of €260 million for 2008 on the basis of:

■ A high-quality launch plan notably for Burberry, Lanvin, Van Cleef & Arpels and Quiksilver brands;
■ Positive early-2008 year trends in most markets;
■ A balanced geographical sales mix;
■ Expanding positions in new growth markets, particularly in Russia or China.

The Group expects margins to remain at current levels in 2008, despite an ambitious program of marketing and advertising investments.

Paris, March 10, 2008

(1) Taking into account the bonus share issue in 2007

Upcoming events

■ Publication of 2008 first-quarter sales
April 24, 2008 (after the close of trading)
■ 2008 Annual Shareholders' Meeting
April 24, 2008 (14h - Pavillon Gabriel - Paris)

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