

INTER PARFUMS SA

Strong growth in operating profit in the 2008 first half: +16%

BURBERRY

Christian Lacroix

LANVIN
PARIS

NICKEL

Paul Smith

QUIKSILVER 

ROXY

S.T. Dupont
PARIS

Van Cleef & Arpels

In the 2008 first half, the Group achieved sustained growth in sales volumes. Consolidated sales increased 16% to €128.3 million at current exchange rates and 24% at constant exchange rates over the same period in 2007.

€ millions	June 2007	June 2008	08/07
Sales	110.3	128.3	+16%
Gross margin	67.9	76.8	+13%
% sales	61.5%	59.9%	
Operating profit	15.2	17.7	+16%
% sales	13.8%	13.8%	
Net income	10.6	11.2	+6%
% sales	9.6%	8.7%	

Strict control of production costs, improved product mix and increased sales prices in selected markets partially mitigated the unfavourable impact of the dollar/euro exchange rate. Gross margin increased 13.2% to represent approximately 60% percent of sales.

Significant ongoing marketing and advertising investments (+19%) were accompanied by rigorous control of all other operating expenses. On this basis, operating profit grew 16% and the operating margin remained at a high level.

Following increased financial expenses in connection with the acquisition of Lanvin trademarks and a temporary increase in deferred tax, net income grew 6% to more than €11 million in the first half of 2008.

With limited debt of €35 million and total shareholders' equity of €141 million, the Group's balance sheet remains solid. The significant increase in inventory levels, normal during the period, temporarily negatively impacted net cash that nevertheless exceeded €25 million at June 30, 2008.

Paris, September 8, 2008

Philippe Benacin, Chairman and Chief Executive Officer, commented: *"Inter Parfums has achieved solid financial performances in an environment marked by particularly unfavourable economic and foreign exchange trends. These positive results illustrate the effectiveness of our strategy, the quality of our brand portfolio and validity of our business model for generating growth in sales and earnings. In light of the good summer sales, strength in new markets, notably China, and the launch of the Van Cleef & Arpels Féerie and Jeanne Lanvin lines, we expect to meet our targets for the full year"*.

Philippe Santi, Executive Vice President, added: *"By effectively targeting advertising and marketing efforts and maintaining excellent control of expenses, operating profit increased significantly in the 2008 first half. Furthermore, because of the quality of our balance sheet, we remain able to take advantage of any acquisition opportunities that may arise"*.

Upcoming events

- Publication of 3rd quarter sales, October 23, 2008 (after the close of trading)
- Actionaria trade show, Paris November 21 & 22, 2008

Investor relations - Inter Parfums
Philippe Santi - Tel.: +33 1 53 77 00 00
mail: psanti@inter-parfums.fr

Media relations - RLPV Conseil
Cyril Levy-Pey - Tel.: +33 1 42 70 31 29
mail: inter-parfums@rlpv.com

Shareholder information
Tel.: +33 1 53 77 00 99

www.inter-parfums.fr

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