interparfums

2010 annual results

Operating profit: +25%
Operating margin: 13.8%
Dividend: +35%

Interparfums continued to add market share in 2010 while exceeding year-end targets after several upward revisions in the period. Consolidated sales for the full year amounted to €305.7 million, up 18% over 2009.

Audited figures (€ millions)	2009	2010	10/09
Sales	259.2	305.7	+18%
Gross margin	152.2	186.8	+23%
% of sales	*58.7%*	*61.1%*	
Operating profit	33.7	42.2	+25%
% of sales	*13.0%*	*13.8%*	
Net income	22.6	26.8	+18%
% of sales	*8.7%*	*8.8%*	
Shareholders' equity	170.0	191.9	+13%
Borrowings	20.5	12.1	-42%
Cash and certificates of deposit	66.2	57.7	-13%

Strong earnings growth and higher margins

Despite marginally negative currency effects, the gross margin as a percentage of sales exceeded 61%, gaining more than 2 points from higher sales prices in selected markets, lower costs for certain components and a positive product mix effect.

Robust growth in operating profit (+25%) was accompanied by an increase in the operating margin from 13% to 13.8%. This performance was driven by a sustained strategy of marketing and advertising expenses targeted by country and brand combined with tight control over all costs.

With a reduction in net interest expense, a one-off charge linked to currency effects and a lower tax rate, net income was €26.8 million, up 18% and resulting in a net margin of 8.8%.

Financial position reinforced

The Group's already excellent position was further strengthened at 31 December 2010 with:

- Shareholders' equity of nearly €192 million (64% of the total balance sheet);
- Cash and cash equivalents (including certificates of deposit) of €57.7 million;
- Low net debt of €12 million.

Despite increased inventory levels linked to both strong growth in sales and launches in early 2011, operating cash flow amounted to €27 million in 2010.

Dividend and bonus share issue

The Board of Directors will ask the Annual General Meeting of 29 April 2011 to approve:

- The distribution of a dividend of €0.48 per share representing a 35% increase over the prior year, payable in cash on 5 May 2011 (ex-rights date of 2 May 2011);
- A bonus share issue for the 12th consecutive year (on the basis of one new share for every ten shares held in June 2011).

Paris, 9 March 2011

Philippe Benacin, Chairman and CEO declared:

"Interparfums is equipped to pursue its development: a brand portfolio of exceptional quality recently reinforced, an effective distribution network, an efficient internal organisation and a sustained program of creative and coherent launches. 2011 will include a number of important initiatives for the Jimmy Choo and Montblanc brands in the first six months and the Burberry brand in the second half. Combined with the strong momentum at the start of this new period, these initiatives should contribute to sales of approximately €350 million or growth of more than 14% over the prior year".

Philippe Santi, Executive Vice President and CFO, added:

"The strong growth in earnings accompanied by the significant improvement in our operating margin in 2010 once again confirms the validity of our business model. Furthermore, despite a substantial increase in media budgets in 2011 to support sales and new launches, margins should remain high this year as well".

Upcoming events

Publication of 2011 first-quarter sales
29 April 2011 (before the opening of the NYSE-Euronext Paris stock exchange)

2011 AGM
29 April 2011 (2:00 p.m. - Pavillon Gabriel - Paris)

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