

Letter to shareholders two thousand sixteen

i n t e r p a r f u m s

Dear Shareholders,

While we do not yet have much hindsight with only a few weeks since the launch, the Coach adventure that has already gotten off to a very good start will be one of this year's highlights: performances across all markets have been excellent, even historic, with this line already ranking number three in selected US department stores, and with similar trends throughout Europe and Asia.

Its launch in France is scheduled for next year though 2016 targets have already been reached and the optimism displayed by our partners and agents when it was presented should be reflected in our upcoming sales figures.

Another highlight of this year is of course Rochas. For fragrances, as you already know, our first genuine launch for this brand is planned for early 2017, with preparations as of now largely complete. For fashion, things are also moving forward quickly both for menswear, spearheaded by our in-house team, and womenswear, under license, that recently unveiled the collection at Fashion Week.

This year once again our sales have maintained good momentum, especially with our top-selling brands, Montblanc and Jimmy Choo, continuing to add market share, which will allow us to exceed our 2016 targets

These achievements have set the stage for what is expected to be a very good year in 2017.

Sincerely,

Philippe Benacin
President-CEO

Philippe Santi
Executive Vice President

Corporate profile

Our business

Created in 1982 by Philippe Benacin and Jean Madar, Interparfums manufactures and distributes prestige perfumes through license agreements with leading brands in the high-end ready-to-wear, high fashion, jewelery and accessories sectors.

Specialized in prestige perfumes, in 2015 it added for the first time a brand covering both fragrances and fashion with the Rochas acquisition.

Our brands

Brands under license agreements	License expiration date
Montblanc	December 2025
Jimmy Choo	December 2021
Van Cleef & Arpels	December 2018
Coach	June 2026
Boucheron	December 2025
Paul Smith	December 2017
Karl Lagerfeld	October 2032
S.T. Dupont	December 2019
Repetto	December 2024
Balmain	December 2023

Proprietary brands	Operational launch
Lanvin	June 2004
Rochas	June 2015

A publicly-traded company

Year 2016

In a stock market environment dominated by economic uncertainty, the Interparfums share traded at around €20 over the entire first six months, with daily volume of approximately 10,000 shares. With the bonus share grant of June 16 of this year, increased trading volume pushed the share price up to the €23-€24 range.

The publication of better-than-expected nine-month sales drove the share above €26 at the end of October, representing growth of more than 20% since the start of the year. On October 31, 2016, the Group had a market capitalization of more than €900 million.

Shareholder base as of September 30, 2016

Interparfums Inc.: 72.5%

Free float: 27.5%

Interparfums has more than 7,000 individual shareholders and 500 institutional shareholders (with foreign investors representing more than one third).

Indexes and securities market information

Interparfums is a component of the CAC Mid & Small index comprised of companies with mid and small size market capitalizations and the CAC PME. By construction, these companies are positioned in the index series immediately under companies included in the CAC 40 and CAC Next 20.

Market: Euronext Paris – Segment B
PEA-PME eligibility: Yes
Indexes: CAC Mid & Small, CAC PEA-PME
EnterNext PEA-PME 150
ISIN code: FR0004024222 ITP
Reuters code: IPAR.PA
Bloomberg code: ITP
Number of shares at September 30, 2016 : 35,508,784

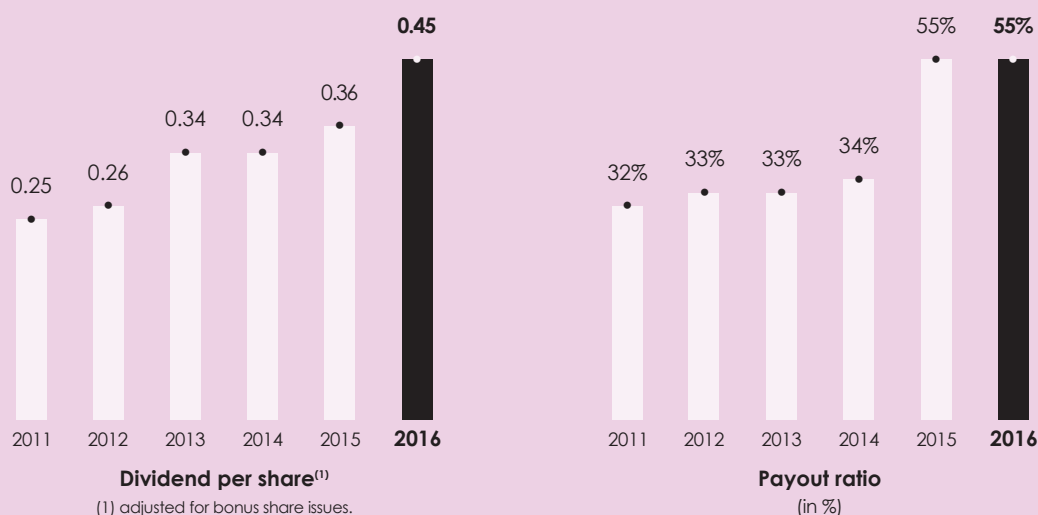
Brokerage and research firms covering Interparfums

CM-CIC Securities, Gilbert Dupont, ID Midcaps, Kepler Cheuvreux, Natixis Securities, Oddo Midcap.

Dividends

A dividend of €0.50 per share was paid at the end of April 2016 or a total of €16 million, an increase of 25%.

The payout ratio, representing the percentage of net income distributed to shareholders in the form of dividends, was 55% of 2015 net income.



Bonus share issue

In June 2016, the company proceeded with its 17th bonus share issue on the basis of one new share for every ten shares held.

Share price and trading volume data of Interparfums vs. CAC Mid & Small index

(source: Boursier.com)



2016 first-half financial highlights

€162.3 m

net sales

€21.6 m

operating profit

€13.0 m

net income

€384.6 m

share holders' equity

€196.7 m

net cash

€80.0 m

borrowings

55%

payout ratio

250

employees

Outlook

Based on solid third quarter performances by the main brands in the 2016 third quarter and better-than-expected results from the Coach line launch, the company has raised its guidance for annual sales that is now expected to reach €350 million for the 2016 full year.

In the 2015 first half, the company had a particularly high operating margin of more than 14%, in large part attributable to the strong rise in the US dollar's value plus, in the absence of major initiatives in the period, limited launch expenses. In the 2016 first half, with a marginal currency effect, this margin has returned to a more normative level of around 13%. For the 2016 full year, with more substantial budgets for marketing and advertising in the second half, particularly for the Coach brand, this margin, as expected, should be within a range of 12% to 13%.

Corporate social responsibility

For a number of years now, Interparfums has been applying a global approach for addressing priorities in favor of employees, the environment and society at every level.

- Interparfums is constantly working to maintain the performances of its employees at the highest level: developing team spirit, maintaining a high level of expertise and attaching importance to fostering good employee relations.
- While it does not have its own production facilities, environmental considerations are nevertheless taken into account in Interparfums' action plans to reduce its footprint: choice of techniques and materials (water consumption and production, coloring through water-soluble solutions...), monitoring suppliers (rates of wastage, waste separation and recycling, ...), reducing and optimizing packaging, use of a HQE certified warehousing facility.
- Interparfums attaches particular importance to relations with its suppliers/subcontractors and distributors for the purpose of developing lasting partnerships, responsible sourcing, compliance with quality and safety standards (ISO 22716 quality audit standard), codes of conduct based on shared ethics and social values.

Major launches in 2016



Coach

In April 2015, Interparfums signed an 11-year worldwide license agreement with Coach Inc., the leading New York design house of modern luxury and fashion accessories and lifestyle collections.

In July 2016, the company launched the first women's line, Coach, mainly in the United States, with initial sales at September 2016 of more than €12 million largely exceeding targets.

The *Eau de Parfum Coach* is inspired by the spontaneous energy and downtown style of New York City. Full of contrasts, it opens with bright, sparkling raspberry, which gives way to creamy Turkish roses, before drying down to a sensual suede musk base note.



Montblanc

With sales of €84.5 million, up nearly 23% at the 30 September 2016, Montblanc fragrances showed continuing gains, driven by the *Legend line*, launched in 2011 and the *Legend Spirit* line, launched in 2016.

The new fragrance *Legend Spirit*, launched in the beginning of the year, reveals a more casual side of the *Montblanc Legend* while maintaining the same versatility, elegance and charisma as the original. Montblanc *Legend Spirit* stands out thanks to its radically modern aesthetic of immaculate glossy white lacquer and tempered steel. Inspired by all forms and shades of white, the fresh, virile and intense fragrance is as breathtaking as a resplendent landscape.

A rich and diversified portfolio



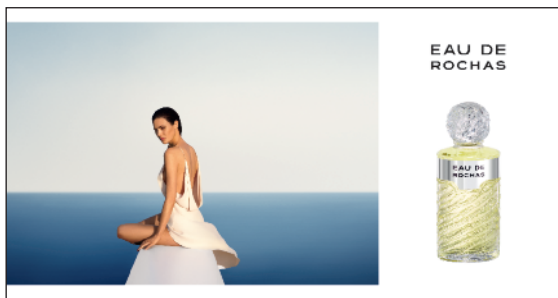
Jimmy Choo

Despite an important base effect from the Illicit line launch in the 2015 third quarter, Jimmy Choo fragrances were bolstered by steady growth from the main lines, *Jimmy Choo*, *Jimmy Choo Man* and *Jimmy Choo Illicit* with sales of more than €63 million at 30 September 2016.



Lanvin

Lanvin fragrances rebounded in the 2016 third quarter, boosted by the launch of the *Modern Princess* line, primarily in France, and stronger sales, leading to revenue of €41 million for nine months.



Rochas

Rochas fragrances had €20 million in sales at September 30, 2016, confirming its solid position in Spain and France, with strong demand for the *Eau de Rochas* and *Rochas Man* lines. The first Rochas line produced by Interparfums is to be launched in early 2017.



Van Cleef & Arpels

Van Cleef & Arpels fragrances benefited from the continuing gains from the *Collection Extraordinaire* line, up more than 90% for the first nine months; Revenue for all the brand's lines rose to €14.3 million on growth of 15%.



Boucheron

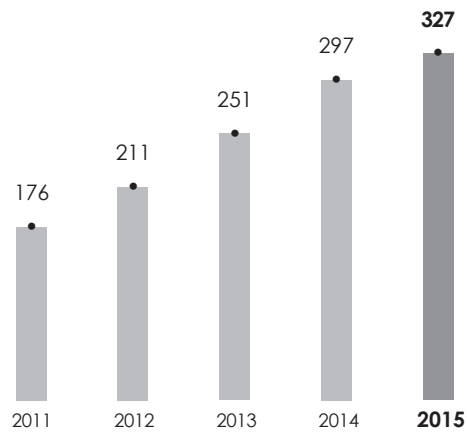
Boucheron fragrances had revenue of more than €12 million at 30 September 2016, marginally down year-on-year, largely reflecting an unfavorable comparison base from the launch of the *Quatre* line in 2015.



The other brands

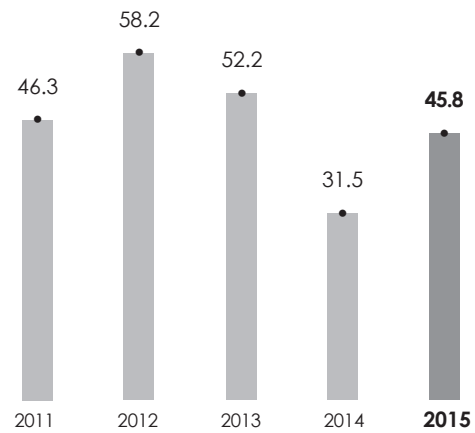
And finally, Paul Smith, Karl Lagerfeld, S.T. Dupont, Repetto and Balmain contributed revenue of nearly €24 million for the nine-month period ending 30 September 2016.

Key figures in 2015



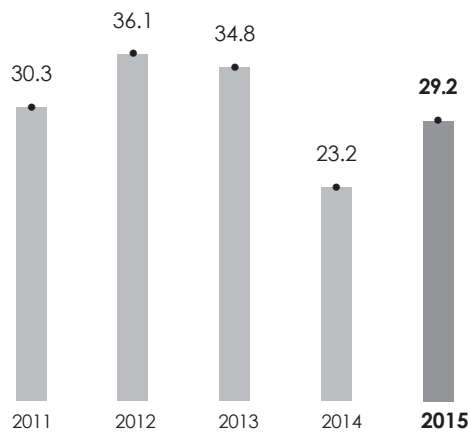
Consolidated sales⁽¹⁾ – (€m)

(1) Excluding Burberry until December 31, 2012.



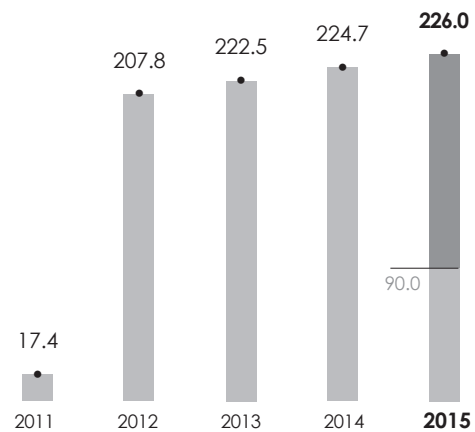
Consolidated operating profit⁽¹⁾ – (€m)

(1) Excluding Burberry until December 31, 2012.



Consolidated net income⁽¹⁾ – (€m)

(1) Excluding Burberry until December 31, 2012.



Net cash – (€m)

■ Net cash
■ Borrowings

2016-2017 investors calendar

January 31, 2017: Publication of 2016 annual sales
 March 14, 2017: Publication of 2016 annual results
 April 28, 2017: Publication of Q1 2017 sales
 April 28, 2017: Annual General Meeting
 End of July 2017: Publication of Q2 2017 sales
 Mid-September 2017: Publication of H1 2017 results
 End of October 2017: Publication of Q3 2017 sales
 Mid-November 2017: Publication of 2018 targets

Why become an Interparfums shareholder?

Our business and organization

1. A streamlined organization retaining a human scale (approximately 200 employees);
2. Excellent knowledge of the prestige fragrance market;
3. More than 30 years in combined management experience and teams that are passionate about their business;
4. Long-standing partnerships, both with licensors and distributors throughout the world and suppliers, facilitating rapid and efficient decision-making;
5. Extensive know-how covering the complete cycle from the design of the product to its launch, and including manufacturing, making it possible to achieve cost efficiencies and continuous quality control of our products.

Our financial structure and relations with shareholders

1. Long-term license agreements (10, 15 and even 20 years);
2. A solid financial structure with substantial cash resources and limited debt;
3. A stable long-term shareholder base, with a significant stake held by the company's founders that remain its current managers;
4. Bonus share grants to shareholders every year for the last 16 years;
5. A significant dividend (55% of net income in 2016), with increases every year.

Investor relations

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This shareholders letter and other company publications can be downloaded directly from our website:
<http://www.interparfums.fr/en/publications.php>

How to become an Interparfums shareholder?

Bearer shares:

Your shares are not registered in Interparfums' share account. Your securities account is maintained by your financial intermediary who is your only contact for share services. As such, only this intermediary can apply custody charges and has the ability to identify you.

Advantages:

1. Simple and rapid execution of purchase or sell orders placed;
2. Possibility of having all securities of your portfolio managed by a single financial intermediary.

Interparfums is authorized to make use of provisions available by law for identifying holders of securities conferring voting rights in shareholders' meetings. Twice a year the company carries out surveys to identify bearer shareholders (*Titres au Porteur Identifiable*).

Standard registered shares (*nominatif pur*):

To register as or convert your Interparfums shares into standard registered shares, you must transfer the shares to CMC-CIC Market Solutions – Middle Office Corporates – Euroclear member No. 025 – 6 avenue de Provence- 75452 Paris Cedex 9, selected by Interparfums as the share services provider to maintain the account for standard registered shares. You are then registered directly with the Company as a shareholder and your securities are maintained in a custody-only securities account opened with CMC-CIC Market Solutions who will be your only contact for share services.

Advantages:

1. No custody charges;
2. The company sends you the notice for the general meeting, the admission card in addition to all information concerning corporate actions;
3. Double voting rights in shareholders' meetings after the securities are held three years;
4. A French tax reporting form (*Imprimé Fiscal Unique or IFU*) is sent including the amount of shares sold, the value and the capital gain or loss to report from the sale of Interparfums shares.

Administered registered shares (*nominatif administré*):

To register as or convert your Interparfums shares into administered registered shares, you must submit a request to your financial intermediary. Your financial intermediary remains your account holder who however is required to provide information about your holdings to CM-CIC Market Solutions so that you may be known to the company.

Advantages:

1. The company sends you the notice for the general meeting in addition to all information for transactions involving the share;
2. Facilitated access to the general meeting: no prior formalities to render the shares temporarily nontransferable, and, on request, sending of the admission card;
3. Double voting rights in shareholders' meetings after the securities are held three years.