

## 2016 first-half results

Operating margin: 13.3%

Net margin: 8.0%

Paris, September 7, 2016

€ m (audited accounts)	H1 2015	H2 2016	16/15
Net sales	147.1	162.3	+10%
Gross margin	91.3	106.0	+16%
% of sales	62.1%	65.3%	
Operating profit	21.4	21.6	+1%
% of sales	14.6%	13.3%	
Net income	13.9	13.0	-7%
% of sales	9.5%	8.0%	

€ m (audited accounts)	12/31/15	06/30/16	16/15
Shareholders' equity	387.5	384.6	- 1%
Cash & current financial assets	226.0	196.7	- 13%
Borrowings & financial liabilities	90.6	81.0	- 11%

### Income statement highlights

The 2016 first half gross margin rose more than three points in relation to last year's first half to 65.3% of sales, bolstered by the integration of Rochas fragrances and lower cost prices, particularly for Montblanc and Jimmy Choo fragrances.

Last year's first-half operating margin was particularly high, reflecting the strong rise in the US dollar's value and limited launch expenses in the absence of major initiatives. In the 2016 first half, this margin was back in line with normal levels at around 13%. This includes an increase in advertising and marketing expenses of more than 30% linked in particular to the roll-out of the *Montblanc Legend Spirit*, *Jimmy Choo Man* and *Jimmy Choo Illicit* lines.

After recording a provision for tax of €1.8 million following a tax audit for the financial years from 2012 to 2015, net income for the 2016 first half amounted to €13 million. Excluding this provision, net income was up 6% from the 2015 first half.

### Balance sheet

As every year, increased inventory at June 30 in preparation for launches planned for the second half (this year including the *Coach* lines) temporarily impacted working capital in the 2016 first half. After distributing a dividend of €16 million for 2015 and the €10 million installment reimbursing the loan arranged for the Rochas brand acquisition, the net cash position remained significant with more than €115 million at June 30, 2016.

### S.T. Dupont license agreement

The current fragrance license agreement with S.T. Dupont was extended for an additional three years, i.e. until December 31, 2019.

### Upcoming events

Publication of 2016 third-quarter sales  
October 25, 2016  
(before the opening of Euronext Paris)

Publication of 2017 forecasts  
Mid-November 2016  
(before the opening of Euronext Paris)

Actionaria trade fair  
November 18 & 19, 2016

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**Philippe Benacin**, Chairman and CEO declared: «*The launch of Coach fragrances in the 2016 second half and a major Rochas fragrances initiative in the 2017 first half will give a new impetus to the Group. With Montblanc and Jimmy Choo having confirmed their positions as our portfolio's flagship brands, the pace of revenue growth should on that basis start to pick up in 2017.*»

**Philippe Santi**, Executive Vice President and CFO, added: «*In keeping with our business model, we support the long-term development of our brands through sustained and balanced investments year after year, while consistently showing significant earnings growth. In 2017, we expect to be able to allocate a budget of nearly €100 million to marketing, advertising and point-of-sale merchandising.*»

