

RICHEMONT

COMPANY ANNOUNCEMENT FOR IMMEDIATE RELEASE

12 January 2017

TRADING UPDATE FOR THE THIRD QUARTER ENDED 31 DECEMBER 2016

Financial highlights

- Sales in the quarter increased by 5% at constant exchange rates and by 6% at actual rates compared to the prior year's period
- Europe, Asia Pacific and Americas regions showed growth
- Growth was driven by jewellery across most regions and watches in the retail channel
- Retail posted double digit growth in sales whilst the rate of decline for wholesale sales slowed to low single digit

	October- December 2016 € m	October- December 2015 € m	Change at constant exchange rates versus prior period (%)	Change at actual exchange rates versus prior period (%)
Sales by region				
Europe	861	868	+3%	-1%
Asia Pacific	1 130	1 036	+10%	+9%
Americas	559	515	+8%	+9%
Japan	313	281	-1%	+11%
Middle East and Africa	230	227	-1%	+1%
Sales by distribution channel				
Retail	1 858	1 658	+12%	+12%
Wholesale	1 235	1 269	-3%	-3%
Sales by business area				
Jewellery Maisons	1 746	1 603	+8%	+9%
Specialist Watchmakers	813	826	-2%	-2%
Other	534	498	+7%	+7%
Total Sales	3 093	2 927	+5%	+6%

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Review of trading in the three-month period ended 31 December 2016 at constant exchange rates

In Europe, sales increased by 3% in the third quarter, in contrast with the 17% decline registered in the first six months of the year. This improvement was primarily driven by robust local sales and tourist purchases in the United Kingdom as well as strong jewellery sales across the region.

The 10% growth in sales in the Asia Pacific region reflected strong performances in mainland China and Korea, mitigated by continued declines in Hong Kong and Macau.

Sales in the Americas region grew by 8%, supported by jewellery and the reopening of the Cartier Mansion in New York.

The decline in Japan was limited to 1% thanks to the resilience of the domestic clientele and the reopening of the Cartier flagship store in Tokyo. The Middle East and Africa continued to be subdued.

Retail sales grew by 12%, compared to the 5% decline in the first six months of the current year, underpinned by solid jewellery sales, positive watch sales and the reopening of the two Cartier stores mentioned above. In the wholesale channel, the decline in sales was limited to 3%.

Good demand for jewellery products and positive watch sales in retail contributed to the 8% sales increase at the Jewellery Maisons.

The Specialist Watchmakers' sales were down by 2%: positive growth in the retail channel was offset by continued weakness in the wholesale channel, albeit at a lower rate.

The other businesses posted good growth, mainly driven by Chloé, Montblanc and Peter Millar.

The Group's net cash position at 31 December 2016 amounted to € 5.2 billion (2015: € 5.1 billion).

Trading in the nine-month period ended 31 December 2016

Sales over the nine-month period to December declined by 6% at constant exchange rates and by 7% at actual exchange rates. They are presented in Appendix 1a.

Results for the year ending 31 March 2017

Net profit for the year will face a challenging comparative due to the prior year's inclusion of the € 639 million non-cash gain relating to the merger of The NET-A-PORTER GROUP with YOOX Group.

Corporate calendar

The Group's results for the current financial year will be announced on Friday, 12 May 2017.

The Company's annual general meeting will be held on Wednesday, 13 September 2017 in Geneva.

Disclaimer

The financial information contained in this announcement is unaudited.

Enquiries

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Appendix 1a: Sales for the nine months ended 31 December 2016

	April- December 2016 € m	April- December 2015 € m	Change at constant exchange rates versus prior period (%)	Change at actual exchange rates versus prior period (%)
Sales by region				
Europe	2 449	2 811	-11%	-13%
Asia Pacific	2 899	3 007	-2%	-4%
Americas	1 379	1 398	-	-1%
Japan	790	816	-15%	-3%
Middle East and Africa	662	716	-7%	-8%
Sales by distribution channel				
Retail	4 830	4 807	+1%	-
Wholesale	3 349	3 941	-15%	-15%
Sales by business area				
Jewellery Maisons	4 501	4 780	-6%	-6%
Specialist Watchmakers	2 258	2 575	-12%	-12%
Other	1 420	1 393	+3%	+2%
Total Sales	8 179	8 748	-6%	-7%

Appendix 1b: Foreign exchange rates

Average exchange rates against the euro	April- December 2016	April- December 2015
United States dollar	1.11	1.10
Japanese yen	118	134
Swiss franc	1.09	1.07

Actual exchange rates for the period are calculated using the average daily closing rates against the euro.

In terms of sales at constant exchange rates, average exchange rates for the year ended 31 March 2016 are used to convert local currency sales into euros for the current three-month period, the current nine-month period and comparative figures. Exchange rate translation effects are thereby eliminated from the reported sales performance.

About Richemont

Richemont owns a portfolio of leading international brands or 'Maisons' which are managed independently of one another, recognising their individuality and uniqueness. The businesses operate in three business areas: Jewellery Maisons, being Cartier, Van Cleef & Arpels and Giampiero Bodino; Specialist Watchmakers, being A. Lange & Söhne, Baume & Mercier, IWC Schaffhausen, Jaeger-LeCoultre, Officine Panerai, Piaget, Roger Dubuis and Vacheron Constantin, as well as the Ralph Lauren Watch and Jewelry joint venture; and Other, including Alfred Dunhill, Chloé, Lancel, Montblanc as well as other smaller Maisons and watch component manufacturing activities for third parties.

In addition, Richemont holds a 49.05% equity-accounted interest in the YOOX Net-A-Porter Group, a publicly traded company.

For its financial year ended 31 March 2016, Richemont reported sales of € 11 076 million. Operating profit for the year amounted to € 2 061 million. Net profit for the year amounted to € 2 227 million.

Richemont 'A' shares are listed on the SIX Swiss Exchange, Richemont's primary listing, and are included in the Swiss Market Index ('SMI') of leading stocks. Richemont South African Depository Receipts are listed in Johannesburg, Richemont's secondary listing.