

R I C H E M O N T

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TRADING STATEMENT FOR THE FIVE MONTHS ENDED 31 AUGUST 2003

In anticipation of the forthcoming annual meeting of shareholders to be held on Wednesday, 17 September, Richemont, the Swiss luxury goods group, announces its sales for the first five months of its current financial year.

Sales in the three-month period June, July and August 2003 grew by 1 per cent at constant exchange rates. This modest growth is in marked contrast to the severe downturn of 19 per cent seen during April and May, when the SARS crisis and the war in Iraq had a major impact on consumer spending and resulted in a significant downturn in international travel. There has been an improving trend in sales in many markets in recent months.

The percentage change in Group sales for the five-month period may be summarised as follows:

	At constant exchange rates	At actual exchange rates
April & May 2003	- 19 %	- 27 %
June, July & August 2003	+ 1 %	- 7 %
5-month period to August 2003	- 7 %	- 16 %

Sales in the Asia-Pacific region, which had been hardest hit by the SARS crisis, showing a decline of 29 per cent at constant rates in April and May, grew by 6 per cent in the June to August period. Overall for the five-month period, sales in this region were some 8 per cent below the level seen in the comparative period of the prior year. The Americas region continued to perform strongly, growing by 4 per cent at constant rates over the five-month period. Sales in Europe declined by 13 per cent over the five months, reflecting both the depressed economic situation generally and the decline in overseas tourist numbers, in particular. Japan has proved to be resilient to some degree to the problems seen elsewhere, with sales for the five-month period only 1 per cent below the comparative period at constant rates. Sales in July and August have benefited from the opening of Cartier's new 800 square metre boutique in the Ginza district of Tokyo in mid-July. The new store is performing well and exceeding expectations.

During the five-month period, retail sales at constant rates were some 5 per cent below the prior year's levels, whilst wholesale sales declined by some 8 per cent.

The percentage change in Group sales by business area for the five-month period is summarised below:

	At constant exchange rates	At actual exchange rates
Jewellery maisons	- 8 %	- 18 %
Specialist watchmakers	- 3 %	- 11 %
Writing instrument manufacturers	- 2 %	- 11 %
Textile, leather and other businesses	- 12 %	- 20 %
Total sales	- 7 %	- 16 %

In the analysis above, those businesses which have a heritage as producers of high jewellery and jewellery watches – Cartier and Van Cleef & Arpels – are grouped together as jewellery maisons and all of their product ranges, including watches and writing instruments, have been reflected in the sales figures for that segment. The Group’s specialist watchmakers, Jaeger LeCoultre, Piaget, Baume & Mercier, IWC, Vacheron Constantin, A. Lange & Söhne and Officine Panerai, are also grouped together for the purposes of this analysis. Montblanc and Montegrappa are the Group’s two writing instrument manufacturers, whilst the heading ‘textile, leather and other businesses’ includes Alfred Dunhill, Lancel, Chloé and Hackett.

In addition to its luxury goods business, Richemont holds a 19.0 per cent interest in the ordinary share capital of British American Tobacco, the world’s second largest tobacco company. This percentage has increased marginally as a consequence of the buy-back of its own shares by British American Tobacco and the consequent reduction in the number of ordinary shares in issue.

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