

# RICHEMONT

## PRESS RELEASE FOR IMMEDIATE RELEASE

26 JANUARY 2006

### TRADING STATEMENT FOR THE QUARTER ENDED 31 DECEMBER 2005

Richemont, the Swiss luxury goods group, announces that its sales in the quarter ended 31 December 2005 increased by 16 per cent at actual exchange rates compared to the prior year. At constant exchange rates, sales increased by 13 per cent.

#### Percentage change in sales by business area for the three-month period

	<u>At constant exchange rates</u>	<u>At actual exchange rates</u>
Jewellery Maisons	+ 11 %	+ 15 %
Specialist watchmakers	+ 16 %	+ 19 %
Writing instrument manufacturers	+ 15 %	+ 18 %
Leather and accessories Maisons	+ 10 %	+ 13 %
Other businesses	+ 19 %	+ 22 %
<b>Total sales</b>	<b>+ 13 %</b>	<b>+ 16 %</b>

All business areas performed strongly, benefiting from the generally favourable worldwide economic environment and strong demand for the Maisons' products. The continued strength of the dollar, particularly when compared to the same period in 2004, has contributed to the high level of growth at actual exchange rates. Despite more demanding comparative figures, the rate of growth in underlying sales increased over the three-month period, with sales in December growing by 21 per cent at actual rates.

#### **Jewellery Maisons**

Cartier sales benefited from new product launches – notably the *Caresse d'Orchidées* high jewellery line – and the publicity surrounding two important events during the period. Cartier opened a major new flagship store at Aoyama in Tokyo and re-opened what has been its historic Parisian home since 1899 at 13 rue de la Paix after a major refurbishment, which lasted 14 months. Van Cleef & Arpels experienced strong growth, in part generated by the new *Pierres de Caractère* high jewellery collection, which was launched in selected markets during December.

#### **Specialist watchmakers**

The Group's specialist watchmakers all enjoyed good sales with Vacheron Constantin,

Officine Panerai, and IWC reporting particularly good results during the quarter. Vacheron Constantin benefited significantly from sales linked to its 250<sup>th</sup> anniversary celebrations in 2005.

#### **Writing instrument manufacturers**

Montblanc saw excellent growth during the quarter, particularly in sales through its own retail network, which now accounts for one third of the Maison's turnover.

#### **Leather and accessories Maisons**

Alfred Dunhill reported double-digit sales growth, primarily due to good trading results in key Asian markets. Lancel opened its second Parisian flagship boutique on the Champs Elysées in December with sales for the quarter in its core European market growing by some 7 per cent. Retail sales in France grew by 11 per cent during the quarter.

#### **Other businesses**

Excluding Hackett, which was sold in June 2005, from the results in both periods, sales from this business area would have shown growth of some 62 per cent overall. Sales at Chloé more than doubled during the period, continuing the trend seen in the earlier part of the year.

## Percentage change in sales by geographic region for the three-month period

	<u>At constant exchange rates</u>	<u>At actual exchange rates</u>
Europe	+ 8 %	+ 9 %
Japan	+ 16 %	+ 14 %
Asia-Pacific	+ 18 %	+ 26 %
Americas	+ 18 %	+ 26 %
<b>Total sales</b>	<b>+ 13 %</b>	<b>+ 16 %</b>

### Europe

Although the rate of growth seen in the quarter was lower than that of the first six months of the year, this largely reflected the higher comparative figures reported in respect of the final quarter of calendar 2004. The specialist watchmakers performed particularly well and there was significant growth in jewellery sales in Russia and the Middle East.

### Japan

Demand in all product areas has continued to be strong in the Japanese market, with Montblanc showing particularly good growth during the period, albeit from a relatively low base. Cartier and Van Cleef & Arpels also performed well in this market.

### Asia-Pacific

The Group's specialist watchmakers reported the highest rate of growth in the Asia-Pacific region during the quarter, mirroring the strong

performance seen during the first six months of the year. Alfred Dunhill also performed well.

### Americas

The Americas also showed good growth during the quarter, notwithstanding the strong underlying sales trend seen in 2004. The jewellery Maisons, specialist watchmakers and Montblanc all performed well during the quarter, as did Alfred Dunhill. Amongst the watchmakers, Panerai's growth was particularly impressive. This was due, in part, to the performance of the new boutique in Los Angeles, which opened in May 2005.

### Sales by distribution channel

At actual exchange rates, the Group's retail sales increased by 16 per cent overall, whilst wholesale sales increased by 17 per cent.

---

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 five areas: **Jewellery Maisons**, being Cartier and Van Cleef & Arpels; **Specialist watchmakers**, which is made up of Jaeger-LeCoultre, Piaget, IWC, Baume & Mercier, Vacheron Constantin, Officine Panerai and A. Lange & Söhne; **Writing instrument manufacturers** - Montblanc and Montegrappa; **Leather and accessories Maisons**, being Alfred Dunhill and Lancel; and **Other businesses**, which includes, specifically, Chloé as well as other smaller Maisons and watch component manufacturing activities for third parties.

In addition to its luxury goods business, Richemont holds an 18.6 per cent interest in British American Tobacco.

Press inquiries: Mr Alan Grieve, Director of Corporate Affairs  
Tel: + 41 22 721 3507

Analysts' inquiries: Ms Sophie Cagnard-Fabrici, Head of Investor Relations  
Tel: + 33 1 5818 2597

On 3 January 2006, Compagnie Financière Richemont SA moved to the Group's new head office:

50 Chemin de la Chênaie  
1293 Bellevue, Geneva  
Switzerland  
Tel : +41 22 721 3500  
Fax : +41 22 721 3550  
[www.richemont.com](http://www.richemont.com)

**COMPAGNIE FINANCIÈRE RICHEMONT SA**  
50, CHEMIN DE LA CHÊNAIE CH-1293 BELLEVUE - GENEVA SWITZERLAND  
TELEPHONE +41 (0)22 721 3500 TELEFAX +41 (0)22 721 3550  
[WWW.RICHEMONT.COM](http://WWW.RICHEMONT.COM)