

# RICHEMONT

## PRESS RELEASE FOR IMMEDIATE RELEASE

23 JANUARY 2008

### INTERIM MANAGEMENT STATEMENT FOR THE THREE MONTHS ENDED 31 DECEMBER 2007

Richemont presents its interim management statement for the three months ended 31 December 2007.

#### Sales by business area

	Oct-Dec 2007	Oct-Dec 2006	Movement at	
	€ m	€ m	Constant rates <sup>(1)</sup>	Actual rates <sup>(1)</sup>
Jewellery Maisons	863	803	+ 15 %	+ 7 %
Specialist watchmakers	426	389	+ 16 %	+ 10 %
Writing instrument Maisons	221	203	+ 14 %	+ 9 %
Leather and accessories Maisons	87	86	+ 7 %	+ 1 %
Other businesses	76	71	+ 13 %	+ 7 %
<b>Total sales</b>	<b>1 673</b>	<b>1 552</b>	<b>+ 14 %</b>	<b>+ 8 %</b>

#### Interim Management Statement

This statement is intended to provide investors with an overview of trading performance and any significant developments in the Group, not full quarterly financial reporting. Accordingly, no figures in respect of operating or attributable profit are provided in this report. Equally, no commentary is given here on the performance of the Group's principal associated company, British American Tobacco plc.

The information contained in this report has not been audited.

#### Overview

The three months ended 31 December 2007 saw strong demand for the Group's luxury products, with underlying sales growth at 14 per cent at constant exchange rates. At actual exchange rates, sales increased by 8 per cent to € 1 673 million.

Although the strongest sales growth during the period was reported in the Asia-Pacific and Europe regions, sales for the quarter in the Americas region increased by 10 per cent at constant exchange rates.

The Group overall enjoyed good growth in underlying sales during the first two months of the quarter. However, December saw

underlying growth of 10 per cent, as demand in the US and Japanese markets slowed somewhat.

#### Jewellery Maisons

The Group's Jewellery Maisons reported underlying sales growth of 15 per cent during the period. Cartier saw good growth in the Asia-Pacific region and Van Cleef & Arpels reported very strong growth in all regions, albeit from a lower base.

#### Specialist watchmakers

The Group's specialist watchmakers saw good demand during the period, with underlying sales growth of 16 per cent. Piaget, IWC and Panerai performed particularly well.

#### Writing instrument Maisons

Montblanc reported double-digit sales growth at constant rates, despite the strong comparative figures reported in 2006, its centenary year.

#### Leather and accessories Maisons

Alfred Dunhill reported continuing good sales growth, particularly through its own boutique network. Lancel's sales were marginally lower than the comparative period at actual exchange rates.

(1) See appendix 2 for details of exchange rates used.

Richemont holds a portfolio of several of the most prestigious names in the luxury goods industry including Cartier, Van Cleef & Arpels, Piaget, Vacheron Constantin, Jaeger-LeCoultre, IWC, Alfred Dunhill and Montblanc. In addition to its luxury goods interests, Richemont holds a significant investment in British American Tobacco – one of the world's leading tobacco groups.

[www.richemont.com](http://www.richemont.com)

# RICHEMONT

## Other businesses

The increase in sales of other businesses included the positive impact of watch component manufacturing acquisitions made

during the current financial year. Chloé achieved underlying sales growth of 9 per cent.

## Sales by geographic region

	Oct-Dec 2007 € m	Oct-Dec 2006 € m	Movement at	
			Constant rates	Actual rates
Europe	753	684	+ 12 %	+ 10 %
Asia-Pacific	378	313	+ 32 %	+ 21 %
Americas	327	327	+ 10 %	0 %
Japan	215	228	+ 2 %	- 6 %
<b>Total sales</b>	<b>1 673</b>	<b>1 552</b>	<b>+ 14 %</b>	<b>+ 8 %</b>

### Europe

The overall increase of 10 per cent at actual exchange rates reflects a continuation of the trend established during the first six months of the year.

### Asia-Pacific

The region continued to report outstanding sales growth, particularly in China and Hong Kong. Sales in the region represented 23 per cent of Group turnover during the quarter.

### Americas

In the Americas region, constant currency sales grew by 10 per cent. The increase was offset by significant exchange rate effects, resulting in sales at actual exchange rates being in line with the comparative period.

### Japan

The Japanese market remained challenging during the quarter with sales growth of 2 per cent in yen terms.

### Sales by distribution channel

At actual exchange rates, the Group's retail sales increased by 10 per cent and wholesale sales increased by 6 per cent.

### Financial position

The Group's overall financial situation did not change significantly during the quarter under review. The Group's net cash position at 31 December 2007 amounted to € 1 093

million, an increase of € 189 million over the position at 30 September 2007. This increase primarily reflected seasonal net cash inflows in respect of operations, partly offset by investing activities. During the period, the Group acquired Azzedine Alaïa SAS, a small but prestigious French fashion house, and Donzé-Baume SA, a Swiss watch case manufacturer.

### British American Tobacco

At 31 December 2007, the Group's effective interest in British American Tobacco plc ('BAT') was 19.3 per cent. Based on the market price of ordinary shares on that date, the market value of the Group's interest in BAT amounted to € 10 456 million. Richemont equity accounts its interest in BAT; accordingly, the Group does not include turnover reported by BAT in its sales figures.

### Restructuring

On 19 November, Richemont announced that the Group was investigating the potential to restructure its operations to separate its luxury goods businesses from its other interests. The announcement intimated that such a restructuring may entail providing Richemont unitholders with the option of becoming direct shareholders in British American Tobacco plc.

A further announcement will be made in due course.

# **RICHEMONT**

Press inquiries: Mr Alan Grieve  
Director of Corporate Affairs  
[pressoffice@cfrinfo.net](mailto:pressoffice@cfrinfo.net)  
Tel: + 41 22 721 3507

Analysts' inquiries: Ms Sophie Cagnard  
Head of Investor Relations  
[investor.relations@cfrinfo.net](mailto:investor.relations@cfrinfo.net)  
Tel: + 33 1 5818 2597

## Sales by business area for the nine months ended 31 December

	April-Dec	April-Dec	Movement at	
	2007	2006	Constant	Actual
	€ m	€ m	rates <sup>(1)</sup>	rates <sup>(1)</sup>
Jewellery Maisons	2 139	1 973	+ 15 %	+ 8 %
Specialist watchmakers	1 133	986	+ 21 %	+ 15 %
Writing instrument Maisons	505	460	+ 14 %	+ 10 %
Leather and accessories Maisons	224	222	+ 6 %	+ 1 %
Other businesses	220	214	+ 8 %	+ 3 %
<b>Total sales</b>	<b>4 221</b>	<b>3 855</b>	<b>+ 15 %</b>	<b>+ 9 %</b>

## Sales by geographic region for the nine months ended 31 December

	April-Dec	April-Dec	Movement at	
	2007	2006	Constant	Actual
	€ m	€ m	rates <sup>(1)</sup>	rates <sup>(1)</sup>
Europe	1 845	1 659	+ 13 %	+ 11 %
Asia-Pacific	990	812	+ 31 %	+ 22 %
Americas	833	805	+ 12 %	+ 3 %
Japan	553	579	+ 5 %	- 4 %
<b>Total sales</b>	<b>4 221</b>	<b>3 855</b>	<b>+ 15 %</b>	<b>+ 9 %</b>

(1) See appendix 2 for details of exchange rates used.

## Appendix 2

# RICHEMONT

Foreign exchange rates	April-December	April-December
Average rates against the euro	2007	2006
United States dollar	1.39	1.27
Japanese yen	162.85	147.85
Swiss franc	1.65	1.58
Pound sterling	0.69	0.68

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 2007 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.

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 Maisons**, being 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 a 19.3 per cent interest in British American Tobacco. Richemont equity accounts its interest in British American Tobacco; accordingly, the Group does not include turnover reported by British American Tobacco in its sales figures.