RICHEMONT

COMPANY ANNOUNCEMENT FOR IMMEDIATE RELEASE

14 SEPTEMBER 2016

RICHEMONT ANNUAL GENERAL MEETING

Compagnie Financière Richemont SA's Annual General Meeting will be held later today in Geneva.

Ahead of that meeting, the Group announces that its sales for the first five months of the current financial year ended 31 August 2016 decreased by 13% at constant exchange rates and 14% at actual rates. Excluding exceptional watch returns taken back from our multi-brand retail partners, constant currency sales decreased by 10% for the period. The Group also comments on the outlook for the six months ending 30 September 2016.

Current trading

	Change at constant exchange rates versus prior period	Change at actual exchange rates versus prior period
Sales by region		
Europe	- 18%	- 20%
Asia Pacific	- 9%	- 12%
Americas	- 6%	- 8%
Japan	- 25%	- 15%
Middle-East and Africa	- 10%	- 12%
Sales by distribution channel		
Retail	- 6%	- 8%
Wholesale	- 21%	- 22%
Sales by business area		
Jewellery Maisons	- 15%	- 16%
Specialist Watchmakers	- 18%	- 19%
Other	+ 3%	+ 2%
Total Sales	- 13%	- 14%

Following the merger of the Net-A-Porter Group with YOOX S.p.A in October 2015, the figures in the table above exclude The Net-A-Porter Group's sales in the prior period.

As expected, sales for the five-month period ended 31 August 2016 were below the prior year's level, reflecting the challenging comparative figures in 2015, the repurchase of slow moving watch inventory and the difficult global environment. Overall currency movements also adversely impacted the Group's sales.

The following comments on the Group's underlying performance refer to year-on-year movements at constant exchange rates.

Sales in the United Kingdom have shown growth since the weakening of sterling against most currencies at the end of June following the EU referendum. Elsewhere in Europe, sales were down, particularly in France, due to a significantly lower level of tourist activity. The Americas saw positive momentum in both jewellery and accessories but saw an overall decline in sales due to a weaker performance in watches. In the Asia-Pacific region, growth in mainland China and Korea was more than offset by the continuing weakness of the Hong Kong and Macau markets. The policy of buying back inventory to assist our multi-brand retail partners was primarily focused on these two markets. Japan reported significantly lower sales against very high comparative figures. The strength of the yen also depressed tourist spending in the country, with a noticeable impact on sales.

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Retail declined overall, primarily due to Europe and Japan. All other regions' sales declines were low single digits, supported by jewellery and accessories. The marked decrease in wholesale sales reflected the continuing negative trend overall, and the above mentioned watch inventory buy backs.

Richemont's other businesses, as a whole, reported sales growth, thanks to positive performances at Montblanc, Chloé, Azzedine Alaïa and Peter Millar.

Outlook

We consider that the difficult trading conditions are likely to continue during September. Operating profit for the six months ending 30 September 2016 is therefore expected to be approximately 45% below the prior year's level, reflecting the effect of one-off restructuring charges of approximately €65 million, and the additional effect of the product buy-backs.

Consequently, we anticipate profit for the period for the six months ending 30 September 2016 will also be impacted at a broadly similar level to the decline in operating profit. Profit for the period reflects not only the movement in operating profit but also the impact of movements in period-end exchange rates, interest, taxation and discontinued operations and therefore cannot be determined absolutely at this time. The results for the six months ending 30 September 2016 will be announced on 4 November 2016.

We are of the view that the current negative environment as a whole is unlikely to reverse in the short term. However, we remain convinced of the long-term prospects for luxury goods globally, and in particular for watches and jewellery. Richemont is well positioned, with a strong balance sheet and a portfolio of long-established Maisons.

Disclaimer

The foregoing financial information is unaudited.

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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 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 Jewellery joint venture; and **Other**, being Alfred Dunhill, Chloé, Azzedine Alaïa, Lancel, Montblanc and Peter Millar as well as other smaller Maisons and watch component manufacturing activities for third parties.

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