BURBERRY

Christian Lacroix

LANVIN PARIS

NICKEL

Paul Smith

QUIKSILVER

ROXY

S.T. Dupont PARIS

Van Cleef & Arpels

first half report 2007

INTER PARFUMS

contents

management report

1.
review of operations

Consolidated sales for the 2007 first half totalled €110.3 million, up 9% at current exchange rates over the equivalent prior-year period. This growth, up 12% at constant exchange rates, reflected a very satisfactory sales volume.

This performance was particularly notable as it was achieved while distribution operations were being progressively set up in major European markets (Germany, Italy, Spain, and United Kingdom).

In € million	06/30/2006 (1)	06/30/2007 (1)
Burberry	68.8	73.5
Lanvin	13.7	15.6
Paul Smith	7.4	6.3
S.T. Dupont	5.0	5.4
Van Cleef & Arpels	-	4.6
Christian Lacroix	2.4	2.3
Nickel	2.4	1.8
Other	1.5	0.9
Total	**101.2**	**110.3**

(1) After allocation of year-end discounts by brand.

■ Despite the absence of major launches in the first half, Burberry fragrances continued their expansion, (+10% at constant exchange rates) reflecting good performances by both the brand's historical lines and recent additions;

■ Positive trends in 2006 for Lanvin fragrances continued in the first half, boosted by the particularly high rate of growth of the *Eclat d'Arpège* line (40% on average);

■ Paul Smith fragrances were adversely impacted in the short-term by lacklustre trends in the UK market at the start of the year and the decline in sales of the *Paul Smith London* line with its original fragrance notes;

■ Van Cleef & Arpels generated sales approaching €5 million in its initial phase of integration, unintentionally low inventory levels at the beginning of the year and the planned discontinuation of certain lines have kept sales lower than originally anticipated;

■ Nickel cosmetics sales reflected an unfavourable comparison base (launch of *Eau Maximum* in the 2006 first half).

Efforts undertaken in recent years in international markets have contributed to significant market share gains in the US (25% of total sales) notably for Burberry fragrances that now occupy important positions (with the 10th top-selling women's fragrance and 8th top-selling men's fragrance in 2006 - source: NPD).

European (+11%) and Asian markets (+14%) also achieved excellent growth driven notably by Lanvin fragrances while gains in France benefited from the contribution of Van Cleef & Arpels fragrances.

2.
key consolidated figures

In millions of euros	June 2006	June 2007	07/06
Sales	101.2	110.3	+9%
Gross margin	58.8	67.9	+15%
% of sales	*58.1%*	*61.5%*	
Operating profit	14.8	15.2	+3%
% of sales	*14.7%*	*13.8%*	
Net income	9.9	10.6	+6%
% of sales	*9.8%*	*9.6%*	

Satisfactory earnings performances

The structure and comparability of first-half earnings were impacted by:

- The creation of European subsidiaries (Italy, Germany, Spain, and the United Kingdom) in the first half and the progressive implementation of distribution activities;
- Seasonal trends in these markets (with sales in the first six months traditionally less robust than in the second half).

In this environment, the Group continued to pursue marketing and advertising investments. Operating profit in the first half posted satisfactory gains to achieve an operating margin approaching 14% while net income of €10.6 million remained in line with targets.

A sound financial position

With net cash of approximately €40 million, a reasonable level of debt of €28 million and shareholders' equity of €124 million, the Group's balance sheet remains solid.

3.
half year milestones

The license agreement for the creation and development of exclusive fragrance lines under the Van Cleef & Arpels brand entered into effect in January 2007.

In the first quarter, Inter Parfums set up new distribution subsidiaries in four key European markets (Italy, Spain, Germany, United Kingdom). As these subsidiaries are 51%-owned by Inter Parfums and 49%-owned by local distributors, they are fully consolidated.

In the second quarter, Inter Parfums acquired the remaining minority interests of Nickel that is henceforth a wholly-owned subsidiary.

In June 2007, the company proceeded with a bonus issue on the basis of one new share for every ten shares held.

4.
outlook

Given the positive sales trends over the summer season, improved inventory levels and the launch of *Roxy* and *Paul Smith Rose* fragrances, strong sales are expected for the year-end.

On this basis, Inter Parfums maintains its target of double-digit growth in net income for the 2007 full year.

5.
post-closing events

On July 1, 2007, Inter Parfums Trademark and Inter Parfums Grand Public, wholly-owned subsidiaries of Inter Parfums, were wound up by transferring their assets and liabilities (*transmission universelle de patrimoine*) to the Group. This had no impact on the consolidated financial statements.

On July 31, 2007, Inter Parfums acquired the Lanvin brand names and international trademarks under class 3 for fragrance products and make-up from the Jeanne Lanvin company.

The cost of this acquisition was €22 million in cash to be refinanced through a medium term loan.

In conjunction with this acquisition, the license agreement concluded in June 2004 between Inter Parfums and Lanvin was terminated with immediate effect and a new agreement was concluded for the provision of technical and creative assistance to develop new fragrances.

consolidated financial statements

CONSOLIDATED INCOME STATEMENT

In € thousands, except per share data which is in units	Notes	June 30, 2006	June 30, 2007
Sales	**3.1**	**101,163**	**110,299**
Cost of sales	3.2	(42,395)	(42,420)
Gross margin		**58,768**	**67,879**
% of sales		*58.1%*	*61.5%*
Selling expenses	3.3	(39,947)	(49,196)
Administrative expenses	3.4	(3,975)	(3,496)
Income from operations		**14,846**	**15,187**
% of sales		*14.7%*	*13.8%*
Interest income		499	944
Interest and similar expenses		(454)	(919)
Net finance profits (costs)		**45**	**25**
Other financial income and expenses		319	4
Net financial income	**3.5**	**364**	**29**
Income before income tax		**15,210**	**15,216**
% of sales		*15.0%*	*13.8%*
Income tax	3.6	(5,262)	(5,204)
Effective tax rate		*34.6%*	*34.2%*
Net income before minority interests		**9,948**	**10,012**
% of sales		*9.8%*	*9.1%*
Minority interests		(2)	570
Net income		**9,946**	**10,582**
% of sales		*9.8%*	*9.6%*
Basic earnings per share [(1)]	3.7	1.02	0.97
Fully diluted earnings per shares [(1)]	3.7	0.99	0.95

(1) Not restated for bonuses issues.

CONSOLIDATED BALANCE SHEET

Assets

In € thousands	Notes	12/31/06	06/30/07
Non-current assets			
Trademarks and other intangible assets		51,207	51,948
Impairment and amortization		(10,303)	(12,366)
Net trademarks and other intangible assets	2.1	40,904	39,582
Goodwill	2.2	5,202	5,202
Property, plant & equipment		8,615	9,098
Amortization		(4,927)	(5,598)
Net property, plant & equipment	2.3	3,688	3,500
Investments		303	303
Other fixed financial securities	2.7	311	309
Deferred tax assets	2.12	1,287	2,896
Total non-current assets		**51,695**	**51,792**
Current assets			
Inventories and work in progress	2.4	39,335	55,620
Trade receivables and related accounts	2.5	82,137	75,300
Current income tax assets		11	4
Other receivables	2.6	5,998	6,369
Marketable securities	2.7	43,667	43,264
Cash and cash equivalents		558	1,284
Total current assets		**171,706**	**181,841**
Total assets		**223,401**	**233,633**

Shareholders' equity and liabilities

In € thousands	Notes	12/31/06	06/30/07
Shareholders' equity			
Common stock		32,643	36,222
Additional paid-in capital		1,545	692
Retained earnings		62,913	76,570
Net income for the period		18,694	10,582
Total shareholders' equity	**2.9**	**115,795**	**124,066**
Minority interests		**-**	**(540)**
Non-current liabilities			
Provisions for non-current commitments	2.10	474	546
Non-current borrowings	2.11	4,953	16,111
Other non-current debt		3,519	-
Deferred tax liabilities	2.12	1,493	1,515
Total non-current liabilities		**10,439**	**18,172**
Current liabilities			
Trade payables and related accounts		47,184	51,871
Current borrowings	2.11	3,200	6,831
Commitments and contingencies	2.10	1,551	1,512
Current income tax liabilities		947	1,774
Short-term bank loans		153	5,378
Other liabilities	2.13	44,132	24,569
Total current liabilities		**97,167**	**91,935**
Total shareholders' equity and liabilities		**223,401**	**233,633**

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

In € thousands	Number of shares	Capital stock	Paid-in capital	Retained earnings & net income	Total equity
As of December 31, 2005 (1)	**9,727,115**	**29,204**	**1,246**	**67,599**	**98,049**
Bonus issue	976,942	2,931	(1,456)	(1,475)	-
Shares issued on exercise of stock options	169,479	508	1,755	-	2,263
2006 net income	-	-	-	18,694	18,694
2005 dividend paid in 2006	-	-	-	(3,606)	(3,606)
Treasury shares	(956)	-	-	(51)	(51)
Stock based compensation	-	-	-	380	380
Remeasurement of financial instruments at fair value	-	-	-	66	66
As of December 31, 2006 (1)	**10,872,580**	**32,643**	**1,545**	**81,607**	**115,795**
Bonus issue	1,097,541	3,293	(2,234)	(1,059)	-
Shares issued on exercise of stock options	95,611	286	1,381	-	1,667
2007 half-year net income				10,582	10,582
2006 dividend paid in 2007				(4,162)	(4,162)
Treasury shares	(1,398)			(16)	(16)
Stock based compensation				222	222
Remeasurement of financial instruments at fair value				6	6
Other changes				(28)	(28)
As of June 30, 2007 (1)	**12,064,334**	**36,222**	**692**	**87,152**	**124,066**

(1) Excluding treasury shares.

CONSOLIDATED STATEMENT OF CASH FLOWS

In € thousands	12/31/06	06/30/07
Cash flows from operating activities		
Net income	18,505	10,012
Depreciation, amortization and other	3,618	4,217
Changes in deferred taxes	616	(1,587)
Capital (gains) losses on fixed asset disposals	(12)	(5)
Net finance cost	(211)	25
Tax charge of the period	10,241	6,906
Operating cash flows	**32,757**	**19,568**
Interest expense	(1,057)	(743)
Tax payments	(10,510)	(5,136)
Cash flow after interest expense and tax	**21,190**	**13,689**
Change in inventories and work in progress	(8,212)	(17,478)
Change in trade receivables and related accounts	(15,564)	6,770
Change in other receivables	(776)	(371)
Change in trade payables and related accounts	10,159	4,687
Change in other current liabilities	11,931	(1,788)
Change in working capital needs	**(2,462)**	**(8,180)**
Net cash flows provided by (used in) operating activities	**18,728**	**5,509**
Cash flows from investing activities		
Acquisition of intangible assets	(3,999)	(18,741)
Acquisition of property, plant & equipment	(1,398)	(207)
Changes in the scope of consolidation	-	(3,549)
Changes in investments and other non-current assets	63	16
Sales of fixed assets	900	-
Net cash flows provided by (used in) investing activities	**(4,434)**	**(22,481)**
Cash flows from financing activities		
Issuance of borrowings and new financial debt	-	18,000
Debt repayments	(3,200)	(3,417)
Dividends paid	(3,606)	(4,163)
Capital increases	2,265	1,668
Treasury shares	(71)	(18)
Net cash flows from financing activities	**(4,612)**	**12,070**
Change in net cash	**9,682**	**(4,902)**
Cash and cash equivalents - beginning of year	34,390	44,072
Cash and cash equivalents - end of year	**44,072**	**39,170**

The reconciliation of net cash breaks down as follows:

In € thousands	12/31/06	06/30/07
Marketable securities	43,667	43,264
Cash and cash equivalents	558	1,284
Short-term bank loans	(153)	(5,378)
Net cash at the end of the period	**44,072**	**39,170**

notes to the consolidated financial statements

1. accounting principles

1.1 General

In accordance with EC regulations 1606/2002 of July 19, 2002 on international accounting standards, 2007 half year consolidated financial statements of the Inter Parfums Group are established in compliance with IAS/IFRS (International Accounting Standards/International Financial Reporting Standards) applicable since 2005 as endorsed by the European Union.

Financial information presented herein has been based on:

- IFRS standards and interpretations whose application was mandatory starting in 2005;
- Options retained and exemptions used by the Group for the preparation of IFRS consolidated financial statements.

The interim financial statements were prepared on the basis of the same rules and methods used to produce the annual financial statements. In addition, the comparability of interim and annual financial statements may be affected by the seasonal trends of the Group business with sales volumes in the second half greater than in the first six months.

The consolidated financial statements of June 30, 2007 were approved by the Board of Directors on September 11, 2007.

1.2 Changes in accounting standards

Standards, amendments and interpretations published by IASB or IFRIC since the closing date of 31 December, 2006 have had no impact on the financial statements presented herein.

1.3 Consolidation scope

On January 1, 2007, Inter Parfums SA set up new distribution subsidiaries in four major European markets (Italy, Germany, Spain, United Kingdom). These subsidiaries are 51%-owned by Inter Parfums and 49%-owned by local distributors. Because Inter Parfums consequently exercises exclusive control over these companies they are fully consolidated.

In the second quarter, Inter Parfums acquired the remaining stake of Nickel held by minority shareholders for an amount provided for under the terms in the agreement (cf. note 2.2). As a result, Nickel is now a wholly-owned subsidiary. In effect, minority shareholders of Nickel and Inter Parfums benefited from a bilateral promise to purchase or sell the minority interests that may be exercised by either of the parties from January 1, 2007 to June 30, 2007.

As a result, all Group subsidiaries are fully consolidated. These include Inter Parfums Trademark SA, Inter Parfums Grand Public SA , Nickel SA , Inter Parfums Deutschland GmbH, Inter España Parfums et Cosmetiques S.L., Inter Parfums Srl and Inter Parfums Ltd.

Inter Parfums S.A.

Inter Parfums Trademark S.A.	France	100%
Inter Parfums Grand Public S.A.	France	100%
Nickel S.A.	France	100%
Inter Parfums Deutschland GmbH	Germany	51%
Inter España Parfums et Cosmetiques S.L.,	Spain	51%
Inter Parfums Srl	Italy	51%
Inter Parfums Ltd	United-Kingdom	51%

All consolidated companies close their accounts on December 31. No company has been excluded from the consolidation scope.

2.
notes to the balance sheet

2.1
Trademarks and other intangible assets

In € thousands	12/31/06	+	-	06/30/07
Cost				
Nickel trademark	2,133	-	-	2,133
S.T. Dupont upfront license fee	1,219	-	-	1,219
Lanvin upfront license fee	16,450	-	-	16,450
Burberry upfront license fee	5,000	-	-	5,000
Van Cleef & Arpels upfront license fee	18,250	-	-	18,250
Quiksilver acquisition cost	300	190	-	490
Rights on molds for bottles	7,445	548	-	7,993
Other	410	3	-	413
Total cost	**51,207**	**741**	**-**	**51,948**
Amortization and depreciation				
S.T. Dupont upfront license fee	(815)	(71)	-	(886)
Lanvin upfront license fee	(2,731)	(544)	-	(3,275)
Burberry upfront license fee	(676)	(223)	-	(899)
Van Cleef & Arpels upfront license fee	-	(754)	-	(754)
Rights on molds for bottles	(5,792)	(436)	-	(6,228)
Quiksilver acquisition cost	(19)	(13)	-	(32)
Other	(270)	(22)	-	(292)
Total amortization and depreciation	**(10,303)**	**(2,063)**	**-**	**(12,366)**
Total net	**40,904**	**(1,322)**	**-**	**39,582**

Nickel trademark

The Nickel trademark, acquired on April 1, 2004, was revalued on December 31, 2006 using the discounted cash flow method. No impairment was recorded.

Upfront license fees and acquisition costs

Upfront license fees and acquisition costs are amortized over the terms of the corresponding license agreements.

Rights on molds for bottles

Rights on molds for bottles are amortized over 5 years. Design costs are amortized over 3 years.

2.2
Goodwill

Goodwill from the 100% shareholding in Nickel was recognized on June 30, 2007. This goodwill corresponds to the initial acquisition of a 67.57% stake in June 2004 for €6,910,000 followed by 32.42% in June 2007 for €3,518,000.

At June 30, 2007, the allocation of the cost price broke down as follow (in € thousands):

Acquisition cost	**10,428**
Net equity purchased	2 879
Allocation to intangible assets	2 133
Allocation to deferred tax assets	969
Allocation to deferred tax liabilities	(755)
Fair value of acquired assets and liabilities	**(5,226)**
Goodwill	**5,202**

2.3
Property, plant and equipment

In € thousands	12/31/06	+	-	06/12/07
Brut				
Fixtures, improvements, fittings	2,575	29	-	2,604
Office and computer equipment and furniture	1,333	48	-	1,381
Molds for caps	4,341	245	-	4,586
Vehicles	259	83	-	342
Other	107	100	(22)	185
Total cost	**8,615**	**505**	**(22)**	**9,098**
Accumulated depreciation	(4,927)	(671)	-	(5,598)
Total net	**3,688**	**(166)**	**(22)**	**3,500**

2.4
Inventories and work in progress

In € thousands	12/31/06	06/30/07
Raw materials and components	16,769	25,111
Finished goods	27,487	35,628
Total cost	**44,256**	**60,739**
Allowance for raw materials	(2,064)	(2,254)
Allowance for finished goods	(2,857)	(2,865)
Total provisions	**(4,921)**	**(5,119)**
Total net	**39,335**	**55,620**

2.5
Trade receivables and related accounts

In € thousands	12/31/06	06/30/07
Total cost	**83,510**	**76,878**
Provisions	(1,373)	(1,578)
Total net	**82,137**	**75,300**

2.6
Other receivables

In € thousands	12/31/06	06/30/07
Accruals	3,831	2,936
Company current accounts	64	-
Value-added tax	1,246	1,788
Other	857	1,645
Total net	**5,998**	**6,369**

2.7
Marketable securities and fixed assets

In € thousands	12/31/06	06/30/07
Equities	311	309
Total fixed assets (listed)	**311**	**309**
Certificates of deposit	22,100	16,800
Money-market mutual funds	21,567	26,464
Total marketable securities (unlisted)	**43,667**	**43,264**

The value of marketable securities was €43,783,000 on December 31, 2006 and €43,370,000 on June 30, 2007.

2.8
Net cash

Highlights of the consolidated statement of cash flows:

■ A significant change in cash flows from operating activities reflected notably an increase in inventories to prepare for the launch of new lines scheduled in the second half of the year and reduce the risks of stock shortages of components and/or finished products.

■ Cash flows from investing activities impacted by the acquisition of the Van Cleef & Arpels license agreement and the buyout of Nickel minority interests.

■ Cash flows from financing activities included notably financing for the Van Cleef & Arpels license agreement through a new loan for €18 million and the payment of dividends for fiscal 2006 of €4.2 million.

During this phase of acquisitions, net cash remained at a high level with a balance of €39 million at the end of the period under review versus 44 million at December 31, 2006.

2.9
Shareholders' equity

2.9.1 Common stock

As of June 30, 2007, Inter Parfums' capital was composed of 12,074,232 shares with a par value of €3, 70,9%-held by Inter Parfums Holding.

For the period under review, capital increases result from the exercise of stock options and the capital increase in connection with the bonus issue of 20 June, 2007 on the basis of one new share for every 10 shares held.

2.9.2 Stock option plans

Since 1994, the managers and employees of Inter Parfums and its subsidiaries benefit regularly from stock option plans.

At the end of June 2007, outstanding stock options broke down as follows:

Plans	Subscription price [1]	Grant date	Vesting period	Options outstanding
Plan 2001	17.50	04/27/01	4 years	48,065
Plan 2002	10.10	08/26/02	4 years	69,880
Plan 2003	16.60	08/26/03	4 years	91,595
Plan 2004	24.20	03/25/04	4 years	122,866
Plan 2005	22.70	05/26/05	4 years	121,157
Plan 2006	28.90	06/01/06	4 years	118,580
Potential number of new shares				**572,143**

(1) Subscription price adjusted for bonus issues.

Benefits granted to employees in the form of stock options recognized as additional compensation, in accordance with IFRS2, were calculated using the Black & Scholes model. The impact of this calculation represented a pre-tax charge of €339,000 as of June 30, 2007 and €264,000 as of June 30, 2006.

The estimated fair value of each stock option based on using the Black & Scholes model was calculated on the grant date on the basis of the following assumptions:

Plans	Risk-free interest rate	Dividend yield	Volatility rate	Vesting period
Plan 2003	3.00%	1.00%	41%	4 years
Plan 2004	4.20%	1.00%	23%	4 years
Plan 2005	4.50%	1.00%	22%	4 years
Plan 2006	4.60%	0.94%	25%	4 years

2.9.3 Treasury shares

Within the framework of the share repurchase program authorized by the French financial market authority (*autorité des marchés financiers*) on April 20, 2007, 9,898 Inter Parfums shares were held by the company as of June 30, 2007.

Management of the share repurchase program is assured by an investment services provider within the framework of a liquidity agreement in compliance with the conduct of business rules of the French association of investment firms (AFEI).

Purchase of shares under this program are subject to the following conditions:

- The maximum purchase price is €70 per share, excluding execution costs, and the minimum sale price €10 per share excluding execution costs,
- The total number of shares acquired may not exceed 5% of the capital stock outstanding.

2.10 Commitments and contingencies

In € thousands	2006	Increases	Utilizations	Reversals	2007
Reserves for severance benefits	474	72	-	-	546
Non-current provisions	**474**	**72**	**-**	**-**	**546**
Other commitments and contingencies	1,551	-	(26)	(13)	1,512
Total	**2,025**	**72**	**(26)**	**(13)**	**2,058**

A provision for severance benefits payable on retirement has been calculated on the basis of the following assumptions: a 5% average exit rate for the coming year, 5% average annual salary increase, a retirement age of 65, the INSEE 2000-2002 mortality table and a discount rate of 2%.

Contingencies concern primarily provisions for sales-related litigation with a supplier.

2.11
Borrowings and other financial debt

Acquisition of licenses	Effective date	Initial amount	Term	Rate	Outstanding capital payable
Lanvin	30 June, 2004	€16 million	5 years	Euribor variable rate 3 months +0.60%	€6.4 million
Van Cleef & Arpels	January 1, 2007	€18 million	5 years	4.1% fixed rate	€16.4 million

At the same time, the company implemented a swap to cover its exposure to floating-rate risk in connection with this loan. This swap, at 12-month Euribor at year-end with a lower limit of 2.10% and an upper limit of 3.85% is accompanied in consequence by a cap and a floor.

At June 30, 2007, on the basis of a notional amount of €6.4 million, an unrealized capital gain of €23,000 was recorded. This gain breaks down as follows (in thousands of euros):

Swap	(15)
Cap	38
Floor	-
Impact of hedge	**23**

2.12
Deferred tax

Deferred taxes arise from timing differences between financial accounting and tax accounting. Deferred taxes from consolidation adjustments and loss carryforwards are recovered as follows:

In € thousands	12/31/06	Changes through reserves	Changes through income	06/30/07
Deferred tax liabilities				
Timing differences between financial and tax accounting	367	-	(78)	289
Acquisition cost	317	-	52	369
Market value on securities	67	3	-	70
Stocks options	-	117	(117)	-
Gains (losses) on treasury shares	-	(8)	8	-
Loan swap	8	-	8	16
Derivative instruments	-	-	34	34
Remeasurement gains (losses)	734	-	-	734
Total deferred tax liabilities	**1,493**	**112**	**(93)**	**1,512**
Deferred tax assets				
Timing differences between financial and tax accounting	633	-	(173)	460
Recognition of loss carryforwards	1,273	-	483	1,756
Inventory margin	-	-	1 252	1,252
Other	14	-	47	61
Total deferred tax assets before depreciation	**1,920**	**-**	**1,609**	**3,529**
Depreciation of deferred tax	(633)	-	-	(633)
Total net deferred tax assets	**1,287**	**-**	**1,609**	**2,896**

2.13
Other short-term liabilities

In € thousands	12/31/06	06/30/07
Accrued credit notes	6,827	3,396
Current accounts Inter Parfums Holding	8,965	11,914
Tax and employee-related liabilities	5,171	4,199
Van Cleef & Arpels debt	18,000	-
Other liabilities	5,169	5,060
Total	**44,132**	**24,569**

3.
notes to the income statement

3.1
Breakdown of consolidated sales

3.1.1 By geographic region

In € thousands	06/30/2006	06/30/2007
North America	27,186	27,225
South America	7,014	7,369
Asia	13,900	15,843
Eastern Europe	7,252	7,952
Western Europe	29,335	32,571
Middle East	8,480	9,106
France	7,473	9,339
Other	523	894
Total	**101,163**	**110,299**

3.1.2 By brand

In € thousands	06/30/2006 (1)	06/30/2007 (1)
Burberry	68,770	73,480
Lanvin	13,655	15,573
Paul Smith	7,399	6,257
S.T. Dupont	4,966	5,408
Van Cleef & Arpels	-	4,586
Christian Lacroix	2,428	2,295
Nickel	2,447	1,791
Other	1,497	909
Total	**101,163**	**110,299**

(1) After allocation of year-end discounts by brand.

3.2
Cost of sales

In € thousands	06/30/2006 (1)	06/30/2007 (1)
Raw materials, trade goods and packaging	(50,469)	(54,018)
Changes on inventory and allowances	12,193	17,179
POS advertising	(1,961)	(3,023)
Transportation costs	(320)	(346)
Staff costs	(647)	(727)
Subcontracting	(517)	(693)
Other expenses related to the cost of sales	(674)	(792)
Total cost of sales	**(42,395)**	**(42,420)**

3.3
Selling expenses

In € thousands	06/30/2006 (1)	06/30/2007 (1)
Advertising	(17,829)	(19,314)
Royalties	(10,438)	(13,103)
Subcontracting	(1,339)	(5,263)
Transportation costs and commissions	(2,163)	(2,694)
Staff costs	(4,209)	(5,082)
Other selling expenses	(3,969)	(3,740)
Total selling expenses	**(39,947)**	**(49,196)**

3.4
Administrative expenses

In € thousands	06/30/2006 (1)	06/30/2007 (1)
Fees	(1,155)	(652)
Tax and related expenses	(759)	(566)
Staff costs	(1,059)	(1,069)
Other administrative expenses	(1,002)	(1,209)
Total administrative expenses	**(3,975)**	**(3,496)**

3.5
Financial result

In € thousands	06/30/2006 (1)	06/30/2007 (1)
Interest income	506	947
Currency gains (losses)	312	5
Interest and similar expenses	(454)	(919)
Other financial income and expense	-	(4)
Total financial result	**364**	**29**

3.6
Income taxes

In € thousands	06/30/2006 (1)	06/30/2007 (1)
Current income tax	(5,095)	(6,906)
Deferred tax arising from timing differences	(30)	(95)
Deferred tax arising from consolidation adjustments	(137)	1,797
Total income taxes	**(5,262)**	**(5,204)**

3.7
Earnings per share

In € thousands, except number of shares and earnings per share in euros	06/30/2006 (1)	06/30/2007 (1)
Consolidated net income	9,946	10,582
Average number f shares	9,795,063	10,919,687
Basic earnings per share (1)	**1.02**	**0.97**
Dilution effect of stock options :		
Potential number of additional shares	267,811	195,742
Potential effect on consolidated net income	-	-
Potential fully diluted consolidated net income	9,946	10,582
Potential fully diluted average number of shares outstanding	10,062,874	11,115,428
Diluted earnings per share (1)	**0.99**	**0.95**

(1) Not adjusted for bonus shares granted in 2006 and 2007.

At June 30, 2006 and June 30, 2007, all stock option plans of the company had a dilution effect on diluted earnings per share.

4. off balance sheet commitments

Off balance sheet commitments concerned exclusively ordinary operating activities of the company.

In € thousands	06/30/2006 [1]	06/30/2007 [1]
Guaranteed minima on trademark royalties	279,901	267,763
Headquarter rental payments	6,384	5,914
Other guaranteed minima for warehousing and logistics	13,250	11,950
Firm component orders (inventories)	3,460	3,571
Total commitments given	**302,995**	**289,198**

At June 30, 2007, the maturities of off balance sheet commitments broke down as follows:

In € thousands	Total	At less than 1 year	From 1 to 5 years	5 years and more
Guaranteed minima on trademark royalties	267,763	12,138	103,775	151,850
Headquarter rental payments	5,914	464	3,714	1,736
Other guaranteed minima for warehousing and logistics	11,950	1,300	10,650	-
Total contractual commitments	**285,627**	**13,902**	**118,139**	**153,586**
Firm component orders (inventories)	3,571	3,571	-	-
Total other commitments	**3,571**	**3,571**	**-**	**-**
Total commitments given	**289,198**	**17,473**	**118,139**	**153,586**

5.
other information

5.1
License agreements

Burberry

In July 1993, Inter Parfums entered into an exclusive 10-year license agreement with Burberry Ltd. to create and produce perfumes under the Burberry name and distribute them worldwide. In February 2000 Inter Parfums and Burberry Ltd extended this agreement for 3 years that expired on December 31, 2006.

In October 2004, Inter Parfums signed a new agreement for 12.5 years effective July 1, 2004 with Burberry Ltd, with an option to extend the license by an additional five years and an option by Burberry Ltd to repurchase the license at market value on December 31 of 2009 or 2011.

S.T. Dupont

In June 1997, Inter Parfums entered into an exclusive 11-year license agreement with S.T. Dupont to create and produce perfumes under the S.T. Dupont name and distribute them worldwide. In April 2006, this agreement was extended for an additional three years, i.e. until June 30, 2011.

Paul Smith

In December 1998, Inter Parfums entered into an exclusive 12-year license agreement with Paul Smith to create and produce perfumes and cosmetics under the Paul Smith name and distribute them worldwide.

Christian Lacroix

In March 1999, Inter Parfums entered into an exclusive 11-year license agreement with Christian Lacroix to develop and produce perfumes under the Christian Lacroix name and distribute them worldwide.

Celine

In May 2000, Inter Parfums entered into an exclusive 12-year license agreement with Celine to develop and produce perfumes under the Celine name and distribute them worldwide. By agreement with Celine, it agreed to terminate the license on December 31, 2007.

Lanvin

In July 2004 Inter Parfums entered into an exclusive 15-year license agreement effective July 1, 2004 with the company Lanvin to create, develop and distribute fragrances under the Lanvin name.

Quiksilver

In March 2006, Inter Parfums and Quiksilver Inc. signed an exclusive worldwide license agreement for the creation, development and distribution of fragrance, suncare, skincare and related products under the Roxy brand and suncare and related products under the Quiksilver brand. This license agreement is for 12 years ending on December 31, 2017.

Van Cleef & Arpels

The Van Cleef & Arpels and Inter Parfums SA groups have signed a worldwide license agreement to manufacture and distribute perfumes and ancillary products under the Van Cleef & Arpels brand name with a 12-year term effective January 2007.

5.2
Insurance

Inter Parfums is named as beneficiary under a €15 million life insurance policy for Philippe Benacin.

5.3
Risks exposure

5.3.1 Foreign exchange risk

Inter Parfums applies a conservative approach in managing exchange rate risk, seeking only to hedge its exposure from operations and maintain its gross margins.

Forward sales are carried out routinely for twelve moth periods, mainly on the U.S. dollar that at June 30, 2007 accounted for 38% of total billings compared with 35% at June 30, 2006. In addition, the impact of sharp U.S. dollar parity fluctuations on the gross margin can be partially offset through adjustments to the products' sales.

The breakdown of the consolidated net sales by currencies is as follows:

% of sales	06/30/2006	06/30/2007
Euro zone	54%	53%
US dollar	35%	38%
Other	11%	9%
Total	**100%**	**100%**

For all currencies combined, the nominal amounts of hedges at June 30, 2007 recognized at closing prices were as follows:

In € thousands	12/31/06	06/30/07
Forward sales - nominal value at closing rate	43,912	37,220
Adjustment for difference between market and book value	-	-

5.3.2 Risks of default

The risk of not meeting its financial commitments for the company is extremely low given the ratio of non-current debt to equity of less than 13% and significant net cash resources representing 17% of total balance sheet.

5.4
Employee-related data

5.4.1 Employees by category

Number of employees	12/31/06	06/30/07
Management employees	68	79
Non-management employees	60	62
Total	**128**	**141**

5.4.2 Employees by department

Number of employees	12/31/06	06/30/07
Executive management	2	2
Production & Operations	18	21
Burberry Fragrances	26	27
Luxe & Fashion	19	22
France	42	46
Finance & Corporate Affairs	21	23
Total	**128**	**141**

5.5
Post-closing events

On July 1, 2007, Inter Parfums Trademark and Inter Parfums Grand Public, wholly-owned subsidiaries of Inter Parfums were wound up by transferring their assets and liabilities (*transmission universelle de patrimoine*) to the Group. This had no impact on the consolidated financial statements.

On July 31, 2007, Inter Parfums acquired the Lanvin brand names and international trademarks under class 3 for fragrance products and make-up from the Jeanne Lanvin company.

The cost of this acquisition was €22 million paid in cash and to be refinanced through a medium term loan.

In conjunction with this acquisition, the license agreement concluded in June 2004 between Inter Parfums and Lanvin was terminated with immediate effect and a new agreement was concluded for the provision of technical and creative assistance to develop new fragrances.

Certificate of the company officer responsible for the interim financial report

I declare that, to the best of my knowledge, the condensed consolidated financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of Inter Parfums, and that this interim report includes a fair review of the information referred to in Article 222-6 of the general regulations of the AMF.

Paris, September 11, 2007

Philippe Benacin
Chairman and Chief Executive Officer

Responsibility for financial information

Philippe Santi
Executive Vice President & Chief Financial Officer

statutory auditors' report

on the 2007 consolidated half-year financial information 27

To the shareholders,

In our capacity as statutory auditors of Inter Parfums S.A., and pursuant to the Article L. 232-7 of the *Code de commerce*, we have carried out:

- A limited review of the accompanying report on activity and results, presented in the form of consolidated half-year condensed financial statements of Inter Parfums S.A. for the period from January 1st, 2007 to June 30th, 2007 ;
- The verification of information given in the half-year report.

These financial statements are the responsibility of the Board. Our responsibility is to express a conclusion on these financial statements based on our limited review.

We conducted our review in accordance with the professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our limited review of the accompanying consolidated half-year condensed financial statements, nothing has come to our attention giving cause to believe that they are not in conformity, in all material respects, with the IFRS accounting and assessment rules adopted in the European Union.

In addition, and in accordance with French professional standards, we have examined the fairness of the information contained in the consolidated half-year activity report accompanying the consolidated half-year condensed financial statements submitted to our review.

Based on our review, we have nothing to report on the fairness of this information and its consistency with the consolidated half-year condensed financial statements.

Paris La Défense and Paris, September 11, 2007
The Statutory Auditors

Mazars & Guérard	Sfeco & Fiducia Audit
Denis Grison	**Gilbert Métoudi**

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2007 first half report inter parfums
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