

Burberry. Jimmy Choo. Lanvin.  
Nickel. Paul Smith. S.T. Dupont.  
Van Cleef & Arpels.

i n t e r p a r f u m s

## Two thousand and nine letter to shareholders

Dear Shareholders,

Despite particularly severe economic conditions in 2009, we remained on course by pursuing the strategy in place for several years that includes notably developing a coherent product mix and consistently applying a long-term commercial approach. On this basis the planning for launches initially established in 2008 was confirmed and successfully met and supported by significant advertising investments.

This strategy will contribute to limiting the decline in sales in relation to 2008, despite the high comparison base (launches of the lines *Burberry The Beat*, *Jeanne Lanvin* and *Féerie* of Van Cleef & Arpels in 2008) and attributable to:

- solid performances by Burberry fragrances (resilience by the brand's historical lines, launches of the lines *Burberry the Beat* in 2008 and *Burberry the Beat for men* in 2009);
- good performances by Lanvin fragrances (continued advances by the *Eclat d'Arpège* line, launches of the *Jeanne Lanvin* line in 2008 and *Lanvin L'Homme Sport* line in 2009);
- the repositioning of Van Cleef & Arpels fragrances in the exclusive high-end segment (*Féerie* in 2008, *Collection Extraordinaire* in 2009).

In terms of financial results, effective management of operating expenses combined with tight control over costs have enabled us to maintain margins at particular high levels in the current market environment. Our solid balance sheet with significant equity capital and positive net cash provides us with a key advantage for pursuing our development and strategy of external growth, recently highlighted by the signature of a fragrance license agreement with the luxury brand Jimmy Choo.

In 2010, an important program of launches in the pipeline for the Burberry, Lanvin and Van Cleef & Arpels lines will further strengthen our strategic positions and contribute to revenue growth.

**Philippe Benacin**  
Chairman and Chief Executive Officer

**Philippe Santi**  
Executive Vice President



# Burberry. Jimmy Choo. Lanvin. Nickel. Paul Smith. S.T. Dupont. Van Cleef & Arpels.

## interparfums

## Profile

Created in 1982, Inter Parfums creates, manufactures and distributes prestige perfumes through license agreements with leading brands in high-end ready-to-wear, high fashion and accessories sectors as well as proprietary brands.

### Brands under license agreements Inception and expiration date

Burberry	From July 1993 to December 2016
S.T. Dupont	From July 1997 to June 2011
Paul Smith	From January 1999 to December 2017
Van Cleef & Arpels	From January 2007 to December 2018
Jimmy Choo	From January 2010 to December 2021

### Proprietary brands Inception date

Lanvin	June 2004
Nickel	April 2004

## Inter Parfums'

### Ownership structure at September 30, 2009

74%

Inter Parfums Inc.

26%

Public

Inter Parfums has approximately 6,000 individual shareholders and more than 200 institutional shareholders (with foreign investors representing more than one half).

### Securities market information

Market: Euronext Paris

Market segment: Euronext compartiment B

IPO date: November 1995

Indices: SBF250, CAC Small90

ISIN code: FR0004024222 ITP

Reuters code: IPAR.PA

Bloomberg code: ITP

Market maker: Oddo Securities

Number of shares at 09.30.09: 16,222,118

### Institutions providing financial research on Inter Parfums

Crédit Agricole Cheuvreux, CM CIC Securities, Exane BNP-Paribas, Fortis Bank, Gilbert Dupont, HSBC Securities, ID Midcaps, Natixis Securities, Oddo Securities and Société Générale

# stock market performance

## The year 2009

In the 2009 first half, against the backdrop of the financial crisis, the share price reflected the general trend of financial markets with a significant decline in the beginning of the year followed by a rebound from the lows (€14) of early March.

In July, prospects of a decline in 2009 annual sales in relation to 2008 again weighed on the share price, resulting in a renewed retreat to the €13 - €14 range.

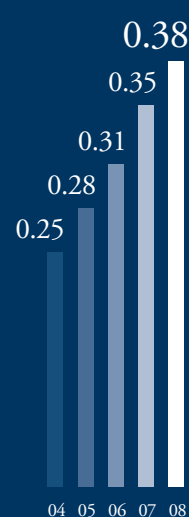
In the fall, the publication of solid first-half performances (notably the success in maintaining high margins and the absence of debt), combined with the signature of a new fragrance license agreement with the luxury brand Jimmy Choo contributed to a rebound in the share price and a return to levels more consistent with its fundamentals. Following the publication of 2009 third-quarter sales that marginally exceeded expectations, the share price then stabilized at around €19 with a market capitalization of more than €300 million.

## Share price and trading volume data

Share price in euros and SBF250



## Dividends <sup>(1)</sup> (€)



(1) per share (adjusted for bonus share issues)

## Key figures at December 31, 2008

**264.9**  
million euros  
of net sales

**34.3**  
million euros of  
operating profit

**155.9**  
million euros of  
shareholders' equity

**26.3**  
million euros  
of net cash

**+52%**  
of dividends per share  
in 4 years

## BURBERRY

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The portfolio's flagship brand (more than 60% of Group sales), Burberry fragrances registered strong growth in the 2009 third-quarter with gains in all its historic lines, the resilience of the *Burberry the Beat* and the continued rollout of the *Burberry the Beat for men* line.



## LANVIN

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Lanvin fragrances delivered good results with sales of €29.1 million at the end of September 2009, driven by solid performances from the *Éclat d'Arpège* line, the steady performance by the *Jeanne Lanvin* line, encouraging responses to the *Lanvin L'Homme Sport* line launched in spring 2009 and the robust expansion in Asia (+36%) and the Middle East (+22%).



THE YEAR 2009

Experience  
and  
know-how

# Van Cleef & Arpels

The success of the *Féerie* line offset the drop in sales by First, contributing to net gains by Van Cleef & Arpels fragrances (+4% at September 30). The 2009 third quarter was marked by the launch of an exclusive new line, *Collection Extraordinaire*, an extraordinary collection of six rare and luxurious scents inspired by the beauty of nature that has always been the muse of the fine jeweller Van Cleef Arpel's.



# Paul Smith

The portfolio's fourth brand with sales of €10.2 million at September 30, 2009, Paul Smith fragrances has maintained its strong position in the UK market with steady sales by the brand's historic lines, *Paul Smith* and *Paul Smith Extrême*. In the fall, the Group is launching a new men's line, *Paul Smith Man*, a fragrance that embodies the very essence of British elegance and sophistication.



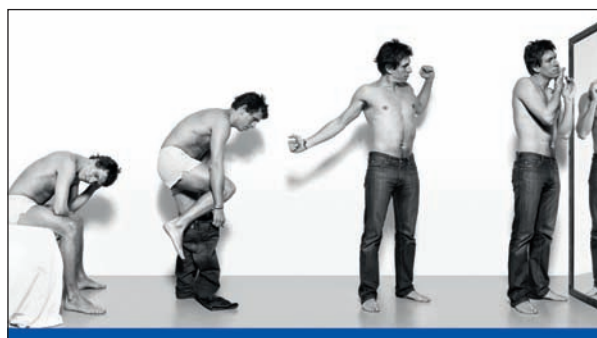
# S.T. Dupont

2009 was marked by launches of the *ST Dupont Intense* and *ST Dupont Rose* lines, and the steady performance of the *Passenger* line, launched in 2008. S.T. Dupont fragrances delivered excellent results at September 30, 2009 on strong growth in the Middle East (+57%) and Asia (+109%).



# NICKEL

In the men's skin care market that has remained sluggish, Nickel has successfully maintained a good level of sales in the French market. The *Bonne gueule* moisturizer line has been expanded by the addition of a new formulation for dry skin *Bonne Gueule Peau Seche*. Nickel is pursuing its strategy of offering a range of effective skin care solutions for every type of skin.



## Results

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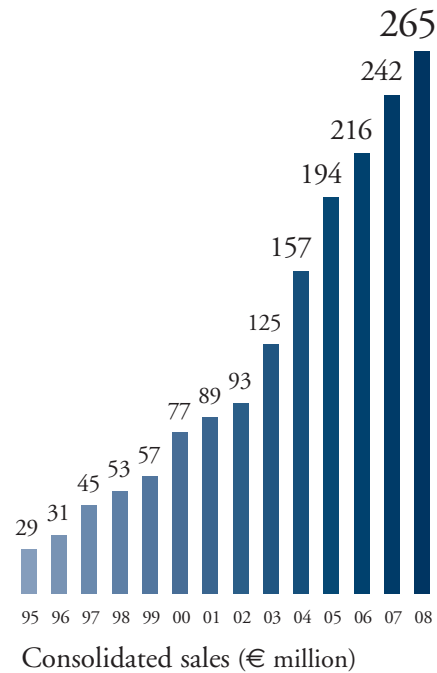
In line with its development strategy, the Group pursued its expansion through targeted marketing and advertising initiatives by country and brand while maintaining tight control over costs. On this basis, first-half operating profit was €15 million with an operating margin that remained at a satisfactory level of 12.4%.

The revaluation of hedging instruments combined with the decline in the tax rate had a positive impact on net income that came to €11.5 million in the 2009 first half, up 3% in relation to the same period last year. The net margin was 9.5%.

The Group's financial position at June 30, 2009 remained excellent with:

- net cash of €22 million, followed by a significant increase in recent months (€32 million at August 31, 2009);
- limited net debt of €24.5 million;
- shareholders' equity of almost €160 million.

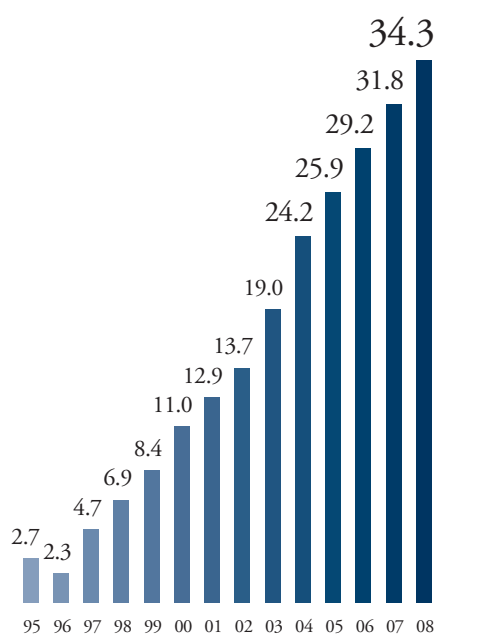
Measures taken to reduce inventory levels and optimize trade receivables management have also produced results: operating cash flow increased significantly from a net outflow of €19.7 million in the 2008 first-half to a net inflow of €8.5 million for the first six months of 2009.



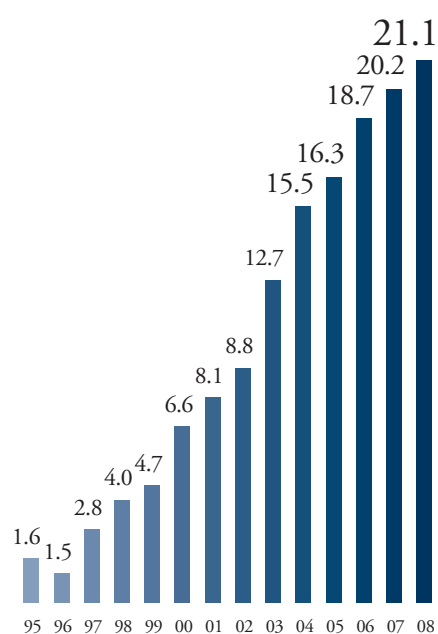
# THE YEAR 2009 Results and outlook

## Outlook

Efforts in the coming weeks will focus primarily on launches of the lines *Paul Smith Man* and *Collection Extraordinaire* of Van Cleef & Arpels and the finalization of several launches programmed for the following year.



Consolidated operating profit (€ million)



Consolidated net income (€ million)

Key consolidated data (in € thousands)	2004	2005	2006	2007	2008
Sales	157,426	194,442	216,235	242,123	264,864
% International	91%	92%	92%	91%	90%
Income from operations	24,207	25,913	29,182	31,812	34,259
% Operating margin	15.4%	13.3%	13.5%	13.1%	12.9%
Net income	15,518	16,295	18,694	20,193	21,119
% Net margin	9.9%	8.4%	8.6%	8.3%	8.0%
Shareholders' equity (attributable to the parent)	82,665	98,049	115,795	134,233	155,928
Net cash	15,857	34,390	44,072	56,113	26,304
Total assets	143,398	172,078	223,401	271,544	262,064
Workforce (at December 31)	90	112	128	145	152

# Information for Inter Parfums shareholders

## Bearer

Securities are registered under your name by an authorized financial intermediary of your choice.

- Custody charges can be high;
- Inter Parfums is not able to send you information as it does not possess your contact information;
- to be granted admittance in shareholders meetings, you must contact the financial intermediary to obtain a certificate.

## Managed registered share account

Securities are registered in the Inter Parfums' books and deposited with an authorized financial intermediary of your choice.

- Documents issued by Inter Parfums are sent by mail to your home address;
- notifications of shareholders' meetings are sent by mail to your home address;
- custody charges can be high;
- double voting rights in shareholders' meetings after securities are held three years.

## Direct registered share account

Securities are registered in Inter Parfums' books and deposited with CACEIS, the financial intermediary selected by Inter Parfums.

- No custody charges;
- documents issued by Inter Parfums are sent by mail to your home address;
- notifications of shareholders' meetings are sent by mail to your home address;
- double voting rights in shareholders' meetings after securities are held three years;
- an IFU form (*Imprimé Fiscal Unique*) is sent to your home address. The document, which will be requested by French tax authorities specifies the amount of shares sold, the value and the capital gain on sales of Inter Parfums stocks.

## Investors calendar

November 23, 2009	Publication of 2010 targets
January 26, 2010	Publication of 2009 annual sales
March 10, 2010	Publication of 2009 annual results
April 22, 2010	Publication of 2010 first-quarter sales
April 23, 2010	Annual General Meeting
End of July 2010	Publication of 2010 second-quarter sales
Mid-September 2010	Publication of 2010 first-half results
End of October 2010	Publication of 2010 third-quarter sales

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