



**Operational
Overview**

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Allocation of resources



- **Cumulative investment in fixed assets of c. €800m over the last 3 years**
- **Scrutinized allocation of resources**
 - driven by strategy and return
 - prudent approach
- **Our plans to deal with capacity constraints and strong demand for high-end watches**

Haute Horlogerie: Component Manufacturing



- Manufacture Genevoise de Haute Horlogerie, Geneva
- Donzé-Baume, Les Breuleux
- Expanded in-house component manufacturing capacity

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Major Commercial Developments



- 9 major store openings
- Overall, 158 net store openings (internal & external)
- 11 major store enlargements/refurbishments
- Reinforced selectivity & productivity of third-party distribution
- Stable number of watch POS:
 - up in emerging markets
 - down in more established markets

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Mainland China



- Sales of €245m / 5% of Group sales
- Profitability in line with Group's average
- 14 Maisons present / Headcount of 530/ offices in Beijing and Shanghai
- Fully-controlled distribution for our major Maisons
- Fully-owned customer service centres
- 166 boutiques / 340 Watch POS in 60 cities

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Focus for FY09



- **Maintain our product & distribution channel mix**
- **Focus on Asia-Pacific & emerging markets**
- **Roll-out the Richemont Platform concept in emerging markets**
- **Further roll-out the new integrated ERP system**
- **Focus on cash-flow generation**

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