



## Review of Results

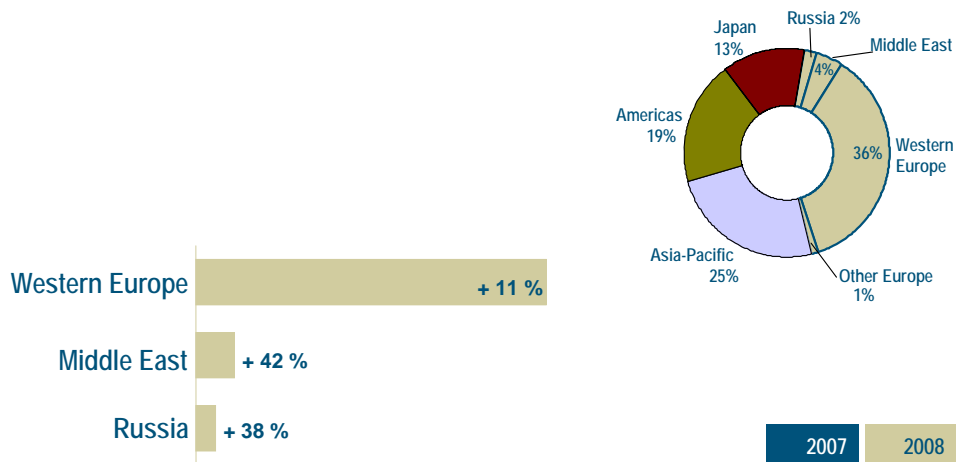
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## Group Results

€ m	2007	2008	
Sales	4 827	5 302	+ 10 %
Gross margin	3 074	3 405	+ 11 %
Selling and distribution expenses	-1 090	-1 181	+ 8 %
Communication expenses	- 570	- 607	+ 6 %
Administration expenses	- 503	- 522	+ 4 %
Other income / (expenses)	- 11	13	
Underlying operating profit	900	1 108	+ 23 %
IFRS operating profit	916	1 108	+ 21 %
Gross margin percentage	63.7%	64.2%	
Operating margin	19.0%	20.9%	

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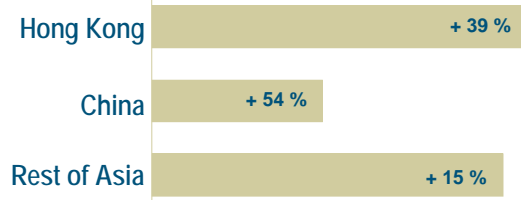
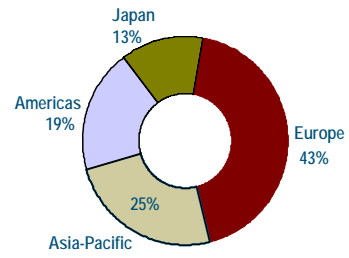
## Sales in Europe - constant rates +14%



	2007	2008
	€ 2 042 m	€ 2 293 m
Actual rate	+ 13%	+ 12%
Constant rate	+ 13%	+ 14%

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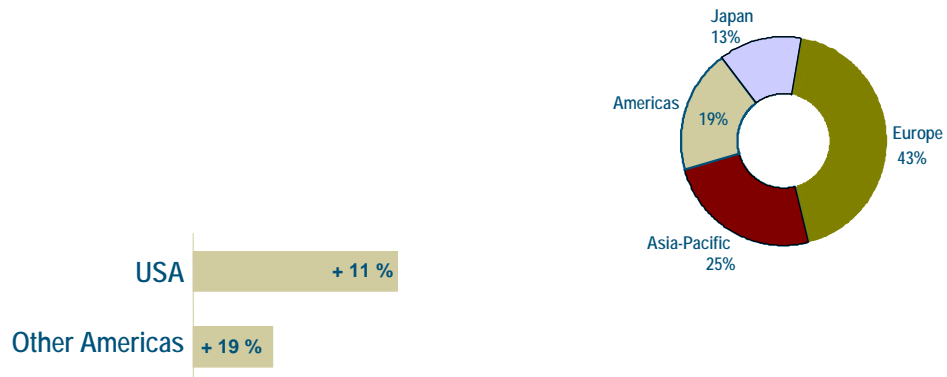
## Sales in Asia-Pacific - constant rates +31%



	2007	2008
	€ 1 070 m	€ 1 296 m
Actual rate	+ 19%	+ 21%
Constant rate	+ 24%	+ 31%

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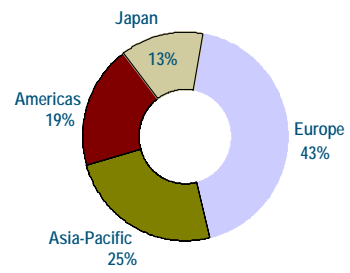
## Sales in Americas - constant rates +13%



	2007	2008
	€ 984 m	€ 1 014 m
Actual rate	+ 12%	+ 3%
Constant rate	+ 18%	+ 13%

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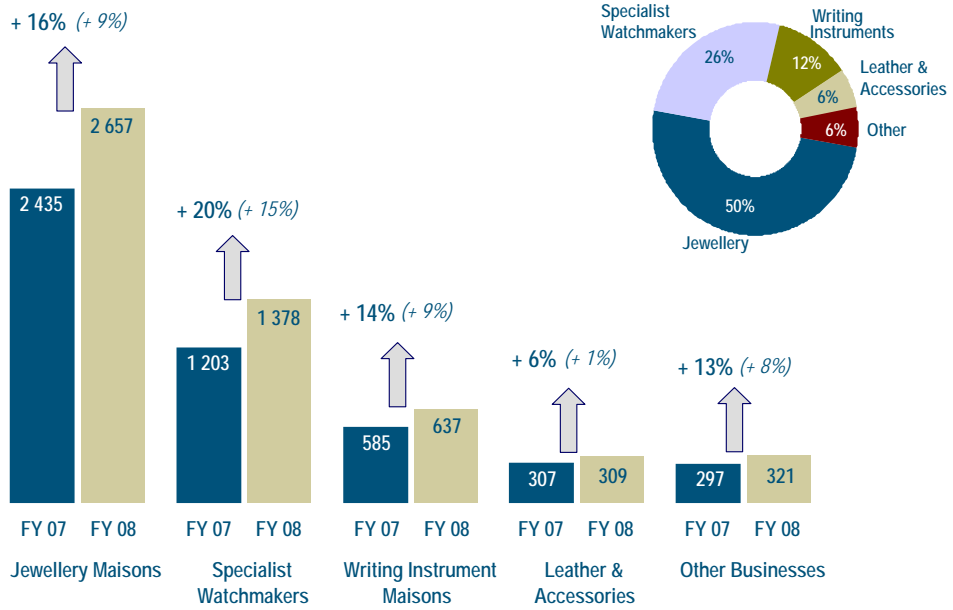
## Sales in Japan - constant rates +3%



	2007	2008
	€ 731 m	€ 699 m
Actual rate	+ 1%	- 4%
Constant rate	+ 10%	+ 3%

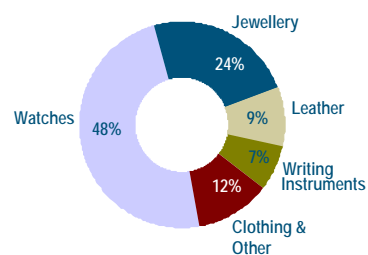
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## Sales by Business Area - constant rates (actual rates)



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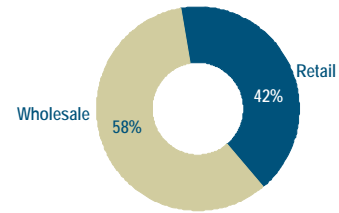
## Sales by Product Line - constant & actual rates



€ m	2007	2008	Constant Rates	Actual Rates
Watches	2 263	2 555	+ 19%	+ 13%
Jewellery	1 146	1 254	+ 16%	+ 9%
Leather Goods	463	498	+ 12%	+ 8%
Writing Instruments	373	374	+ 4%	-
Clothing & Other	582	621	+ 12%	+ 7%

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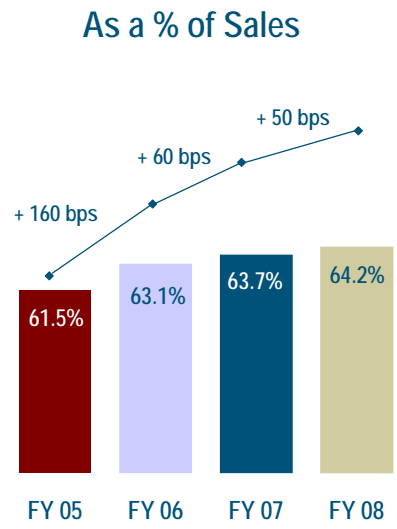
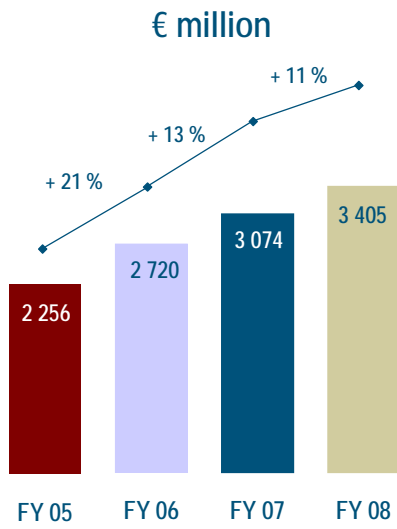
## Sales by Network - constant & actual rates



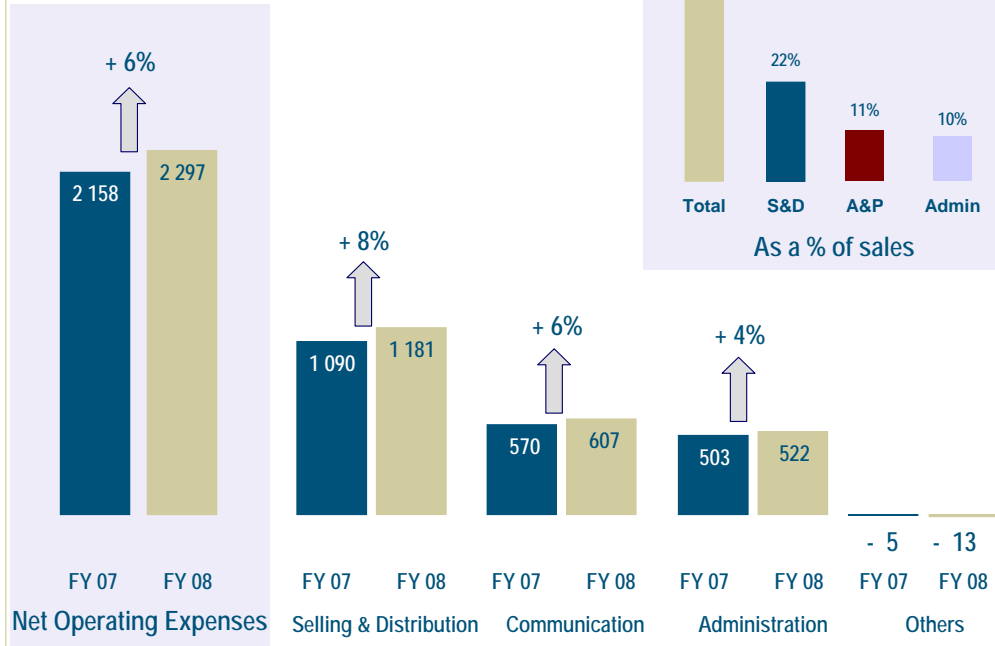
	2007	2008	Constant rates	Actual rates
Retail	€ 2 009	€ 2 214	+ 17%	+ 10%
Wholesale	€ 2 818	€ 3 088	+ 15%	+ 10%

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# Gross Margin

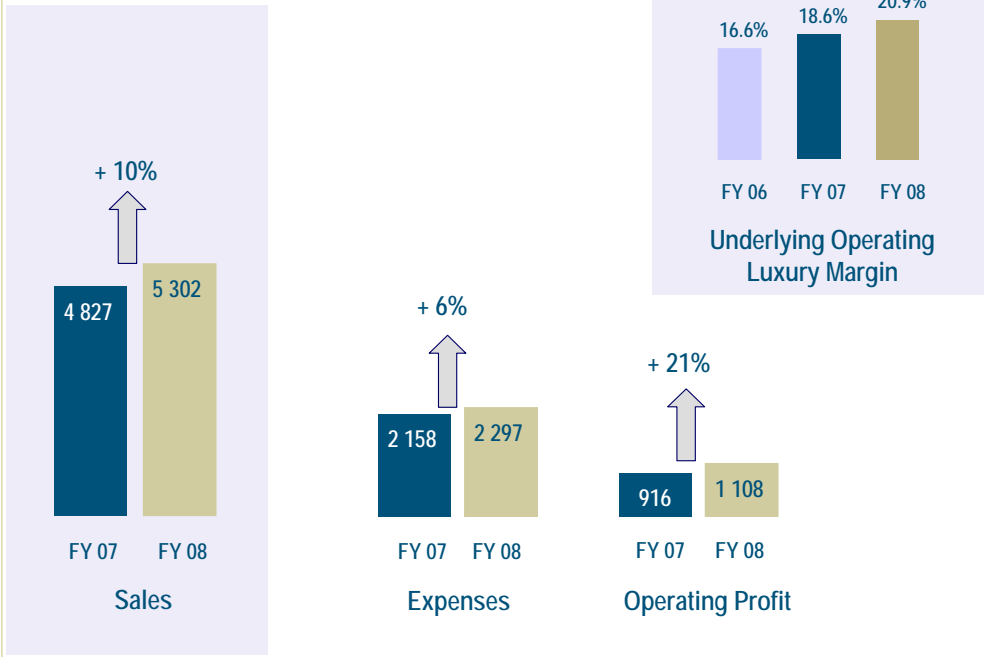


# Operating Expenses



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## Sales and Operating Profit



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## **Maisons Highlights**

- **All our major Maisons exceeded their sales and EBIT targets**
- **Significant operating improvement with a special mention for Van Cleef & Arpels, Baume & Mercier, IWC and Alfred Dunhill**
- **Specialist watchmakers and Montblanc operating contributions rising to 45% of Group profit**

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## Sales & Operating Performance - Jewellery Maisons

€ m	2007	2008	
Sales	2 435	2 657	+ 9%
Operating contribution	667	767	+ 15%
Contribution margin	27%	29%	+ 147 bps
Net assets	1 397	1 482	+ 6%
Return on assets	48%	52%	

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## Sales & Operating Performance - Specialist Watchmakers

€ m	2007	2008	
Sales	1 203	1 378	+ 15%
Operating contribution	274	376	+ 37%
Contribution margin	23%	27%	+ 451 bps
Net assets	708	855	+ 21%
Return on assets	39%	44%	

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## Sales & Operating Performance - Writing Instrument Maisons

€ m	2007	2008	
Sales	585	637	+ 9%
Operating contribution	110	120	+ 9%
Contribution margin	19%	19%	+ 4 bps
Net assets	282	360	+ 28%
Return on assets	39%	33%	

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## Sales & Operating Performance - Leather & Accessories Maisons

€ m	2007	2008	
Sales	307	309	+ 1%
Operating contribution	- 11	- 3	+ 73%
Contribution margin	-4%	-1%	+ 260 bps
Net assets	102	121	+ 19%
Return on assets	-11%	-2%	

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## Sales & Operating Performance - Other Businesses

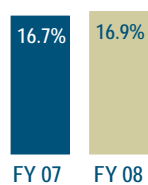
€ m	2007	2008	
Sales	297	321	+ 8%
Operating contribution	20	5	- 75%
Contribution margin	7%	2%	- 517 bps
Net assets	125	348	+ 178%
Return on assets	16%	1%	

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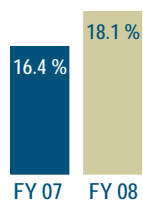
## Net Profit from Parent & Subsidiaries

€ m	2007	2008	
Operating Profit	916	1 108	+ 21%
Net Finance income	31	47	+ 52%
Profit before taxation	947	1 155	+ 22%
Taxation	- 158	- 195	+ 23%
Net profit from parent & subsidiaries	789	960	+ 22%

Taxation rate

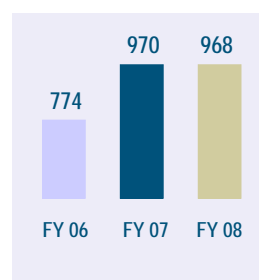


Net profitability



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## Cash Flow from Operations



€ m	2007	2008	€ m
Operating profit	916	1 108	192
Depreciation	144	174	30
Other items	31	- 40	- 71
Movement in working capital	- 121	- 274	- 153
Cash from operations	970	968	- 2

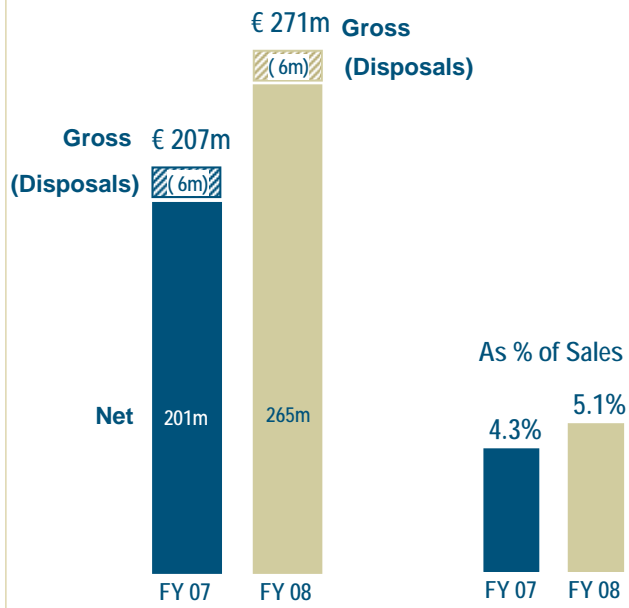
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## Free Cash Flow

€ m	2007	2008
Cash flow from operations	970	968
Net change in fixed assets	- 201	- 265
Net change in intangible assets	- 20	- 30
Net change in subsidiaries and non-current assets	- 126	- 102
Taxation paid	- 177	- 171
Net finance income	27	41
Free cash flow from subsidiaries	473	441
Dividends received from BAT	280	325
Total free cash inflow	753	766

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# Fixed Assets Investments



Cartier – Union Square, Hong Kong



Baume & Mercier – Beijing, China



Van Cleef & Arpels – Las Vegas, USA

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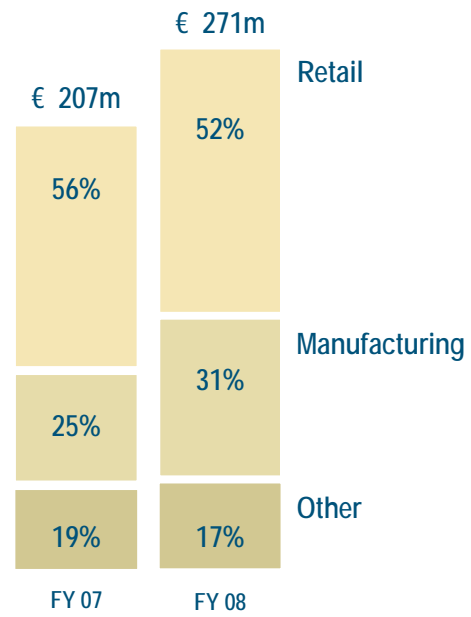
## Fixed Assets Investments



Cartier – London, UK



Montblanc – Shanghai (CITIC), China



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## Net Cash

€ m	2007	2008	
Free cash inflow	753	766	13
Dividends paid	- 612	- 701	- 89
Other movements, net	66	83	
Net cash absorbed	207	148	
Net cash	1 141	1 246	105

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## British American Tobacco



Effective interest as at 31 March 2008 390 036 627 ordinary shares	19,3 %	
Richemont share of BAT - IFRS	€ 609 m	+ 13%
Richemont share of BAT excluding non-recurring items	€ 620 m	+ 7%
Annual dividends received on 3 May 2007	€ 222 m	
Interim dividends received on 12 September 2007	€ 103 m	

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## Net Profit

€ m	2007	2008	
Net profit - parent & subsidiaries	789	960	+ 22 %
Share of post taxation results of associates	540	610	+ 13 %
Share of post-tax adjusted profit of associates	578	621	
Share of non-recurring expenses of BAT	- 38	- 11	
Net profit - Group	1 329	1 570	+ 18 %
of which minority interest	1	- 1	

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