RICHEMONT

PRESS RELEASE FOR IMMEDIATE RELEASE

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TRADING STATEMENT FOR THE QUARTER ENDED 31 DECEMBER 2003

Richemont, the Swiss luxury goods group, announces that its sales for the quarter ended 31 December 2003 have grown by 4 per cent in constant currency terms over the comparative period in the prior year. At actual exchange rates, sales for the quarter declined by 4 per cent, the growth in sales in local currency terms being adversely impacted by the continuing strength of the euro against the yen and, in particular, the dollar. The growth in constant currency terms of 4 per cent reflected particularly good trading in December, with sales at constant exchange rates growing by 10 per cent during the month.

Percentage change in sales by geographic region for the three-month period

	At constant exchange rates	At actual exchange rates
Europe	- 3 %	- 5 %
Japan	- 4 %	- 10 %
Asia-Pacific	+ 20 %	+ 4 %
Americas	+ 18 %	0 %
Total sales	+ 4 %	- 4 %

In Europe, the weak economic climate and the low level of tourist numbers have resulted in sales being below the prior year's level in the important markets of France, Italy and Germany. This was offset, however, to some extent by good performances in the United Kingdom and Spain as well as in Russia, where the Group has recently established its own distribution organisation. In Japan, despite the positive impact of Cartier's new Ginza boutique, sales were below the prior year's level in local currency terms. Sales growth in Asia-Pacific markets reflects the relatively strong economies in the region and a marked increase in travel, in the case of Hong Kong particularly from mainland China. Sales in the United States were buoyed by the improving economic situation there. The growth in sales in dollar terms was, however, entirely offset by the significant weakening of the dollar against the euro.

A similar pattern of growth was seen in terms of both retail and wholesale sales during the period, each channel growing by 4 per cent at constant rates and reflecting a decline of 4 per cent at actual exchange rates.

Percentage change in sales by business area for the three-month period

	At constant exchange rates	At actual exchange rates
Jewellery maisons	+ 2 %	- 7 %
Specialist watchmakers	+ 11 %	+ 4 %
Writing instrument manufacturers	+ 9 %	+ 2 %
Textile, leather and other businesses	- 3 %	- 10 %
Total sales	+ 4 %	- 4 %

Sales of the Group's jewellery maisons – Cartier and Van Cleef & Arpels – grew by 2 per cent at constant exchange rates. Cartier, the Group's largest business, reported modest growth during the quarter, reflecting the importance to the brand of the depressed European and Japanese markets. Cartier's new product lines, which were launched during the quarter, contributed to a good performance in the month of December. Van Cleef & Arpels reported good growth during the period, albeit from a smaller base.

The Group's specialist watchmakers, Jaeger-LeCoultre, Piaget, Baume & Mercier, IWC, Vacheron Constantin, A. Lange & Söhne and Officine Panerai, enjoyed a strong quarter, with all maisons reporting growth in constant currency terms.

In terms of the Group's writing instrument manufacturers, Montblanc reported good sales growth during the quarter, benefiting from new product launches and the diversification of its product lines as well as the contribution from its flagship store on Madison Avenue in New York, which opened in October.

Within textile, leather and other businesses, growth in sales at constant exchange rates at Alfred Dunhill and Chloé was offset by continuing weakness at Lancel, whilst Hackett's performance was in line with the prior year's level.

In addition to its luxury goods business, Richemont holds a 19.4 per cent interest in the ordinary share capital of British American Tobacco, the world's second largest tobacco company. This percentage has increased marginally as a consequence of the buy-back of its own shares by British American Tobacco and the consequent reduction in the number of ordinary shares in issue.

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