

Annual Results FY10

May 2010

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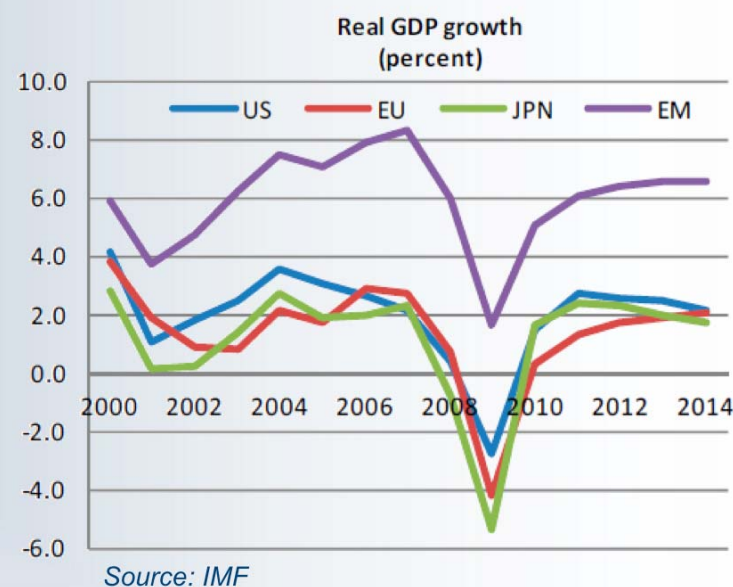


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This document contains forward-looking statements as that term is defined in the United States Private Securities Litigation Reform Act of 1995. Words such as 'may', 'should', 'estimate', 'project', 'plan', 'believe', 'expect', 'anticipate', 'intend', 'potential', 'goal', 'strategy', 'target', 'will', 'seek', and similar expressions may identify forward-looking statements. Such forward-looking statements are not guarantees of future performance. Actual results may differ materially from the forward-looking statements as a result of a number of risks and uncertainties, many of which are outside the Group's control. Richemont does not undertake to update, nor does it have any obligation to provide updates of or to revise, any forward-looking statements.

Economic Highlights: improving trends but imbalances & volatility remain

- Worst recession since the 1940s
- Very difficult H1, followed by initial signs of recovery
- Yet, persistent uncertainty...
 - Budget deficits / Sovereign debt: a major open issue
 - Uncertainty & volatility still prevail
 - Volatile €, stronger CHF
- ... questioning the strength of the recovery



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Strategic Highlights:

directions maintained, challenges met

- **Group well prepared**
- **Strategic direction maintained through these challenging times**
 - **Maisons' equity protected**
 - **Production slowed, integration level increased and resources protected**
 - **Continued investments in systems alignments**
 - **Wholesale distribution controlled, retail distribution enhanced**
 - **Focus on new wealth in growth markets strengthened**
- **Benefits of safeguarding our core strengths & enhancing our organisation demonstrated by FY10 results**
- **Focus on internal growth not precluding selective acquisitions**

FY10 Financial Highlights

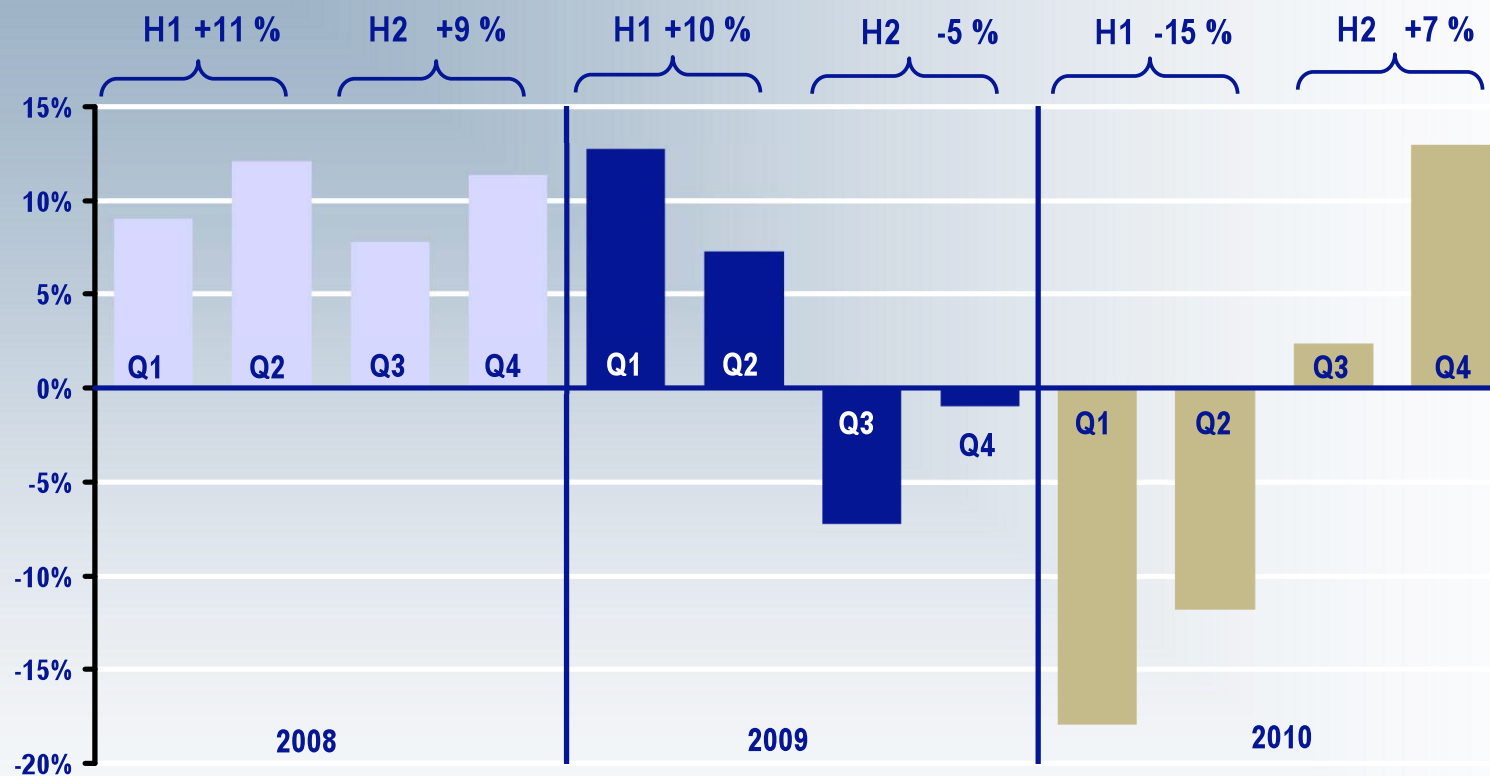
■ Limited decline in sales	€ 5 176m	- 4%
■ Contained decrease in operating profit & margin	€ 830m 16%	-14% - 190bps
■ Relative resilience of net profit from continuing operations	€ 603m	- 18%
■ Cash-flow from operations nearly doubled	€ 1 464m	+ 80%
■ Record net cash position	€ 1 896m	+€ 1 074m

Review
of
results



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FY10: a Year of Contrast



Reported sales (% change)

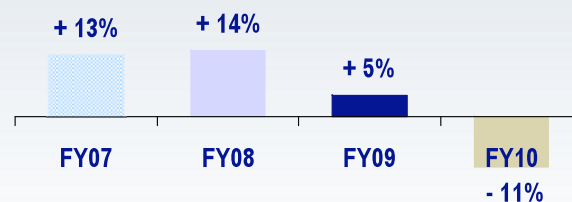
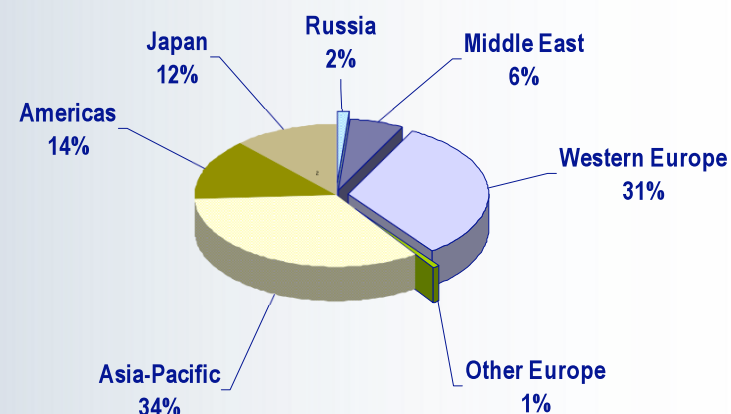
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FY10 Sales in Europe

■ Back to FY07 level

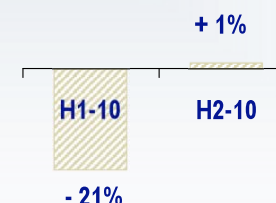
■ Difficult H1

■ Improved H2, but no clear signs of recovery yet



€ 2 042m € 2 284m € 2 363m € 2 099m

Prior years restated at constant rates

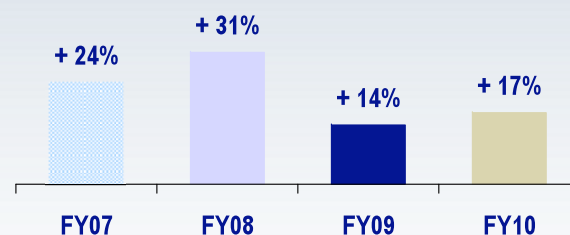
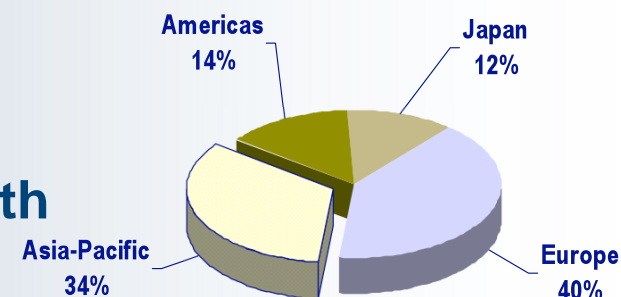


€ 995m € 1 104m

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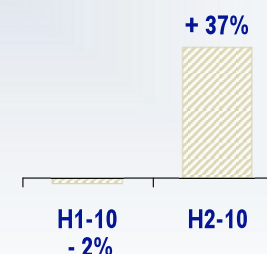
FY10 Sales in Asia Pacific

- Fifth consecutive year of double digit growth
- Barely affected by worldwide recession
- Momentum accelerating since August 09
- Leading positions for most Maisons



€ 1 070m € 1 295m € 1 474m € 1 740m

Prior years restated at constant rates

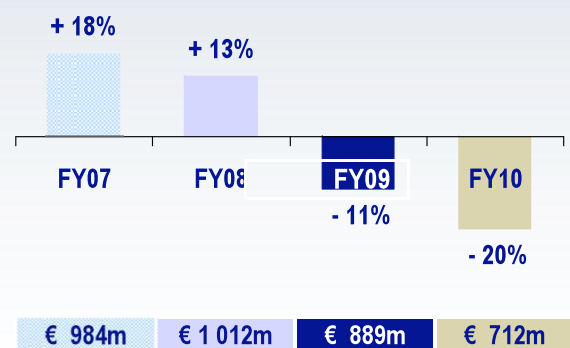
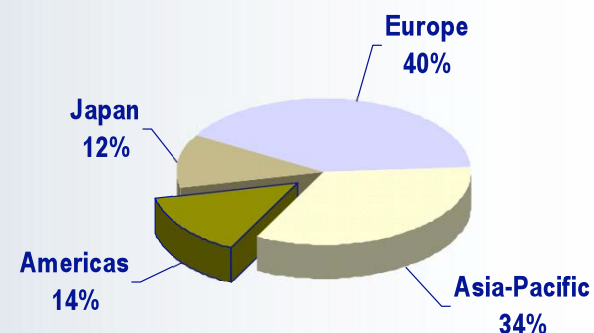


€ 771m € 969m

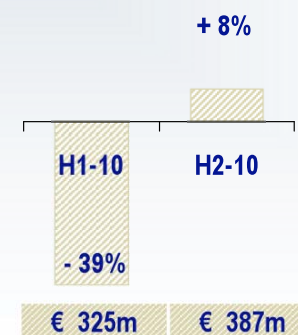
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FY10 Sales in Americas

- Significant decline started in Nov 08, entirely due to the USA
- Sharp rebound in H2, but how much is due to “easy comps”?
- “Never underestimate” the USA
 - Benefits from economic recovery & streamlined distribution network expected to materialise gradually



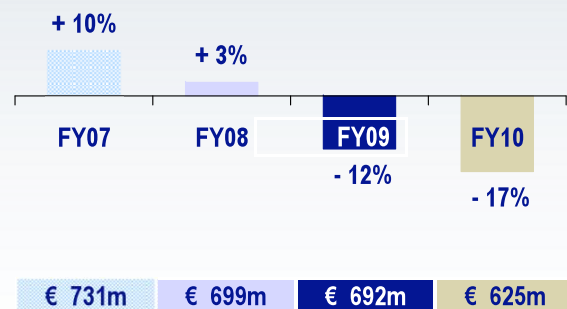
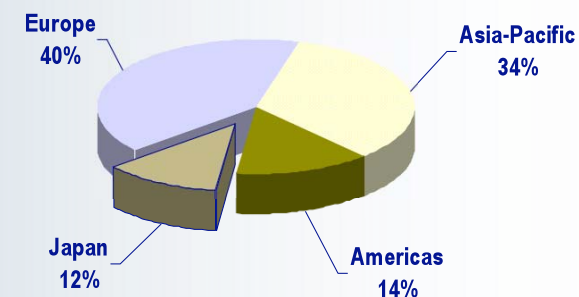
Prior years restated at constant rates



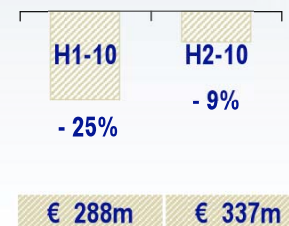
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FY10 Sales in Japan

- Down -17%
- 12% of Group sales
- Soft landing in sight?

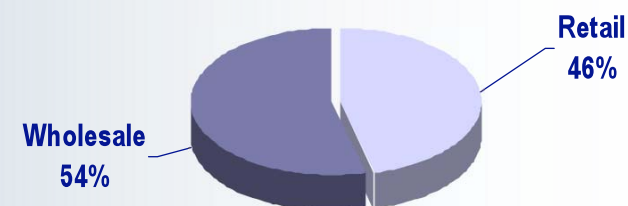


Prior years restated at constant rates



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FY10 Sales by Network

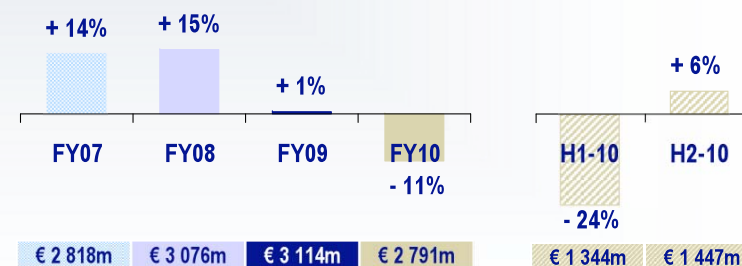


- Resilience of retail, up 2% and now 46% of Group sales
- Volatility of wholesale
 - Impacted by strong de-stocking and reduction in the number of external POS
 - Stronger take off expected – driven by restocking
 - Potential production shortages to be closely monitored

Retail



Wholesale



Prior years restated at constant rates

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Group results

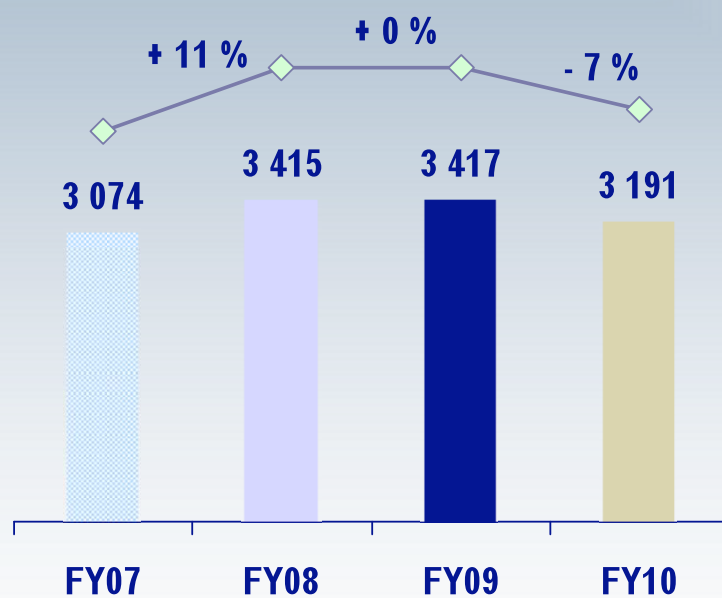
12 months	€ m	Mar 10	Mar 09	
Sales		5 176	5 418	- 4% *
Gross profit		3 191	3 417	- 7%
Net operating expenses		-2 361	-2 449	- 4%
Selling and distribution expenses		-1 277	-1 235	+ 3%
Communication expenses		- 506	- 644	- 21%
Administration expenses		- 545	- 542	+ 1%
Other income / (expenses)		- 33	- 28	
IFRS operating profit		830	968	- 14%
Gross margin percentage		61.6%	63.1%	
Operating margin		16.0%	17.9%	

* -5% at constant rates

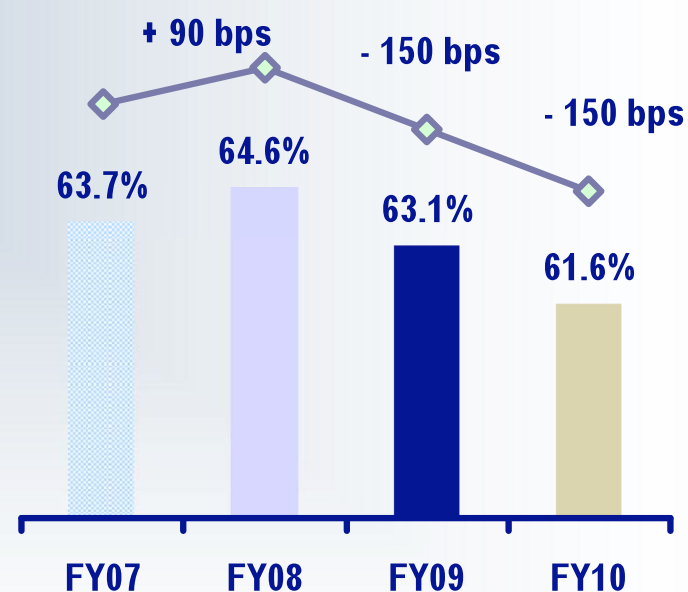
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Gross Profit

€ million

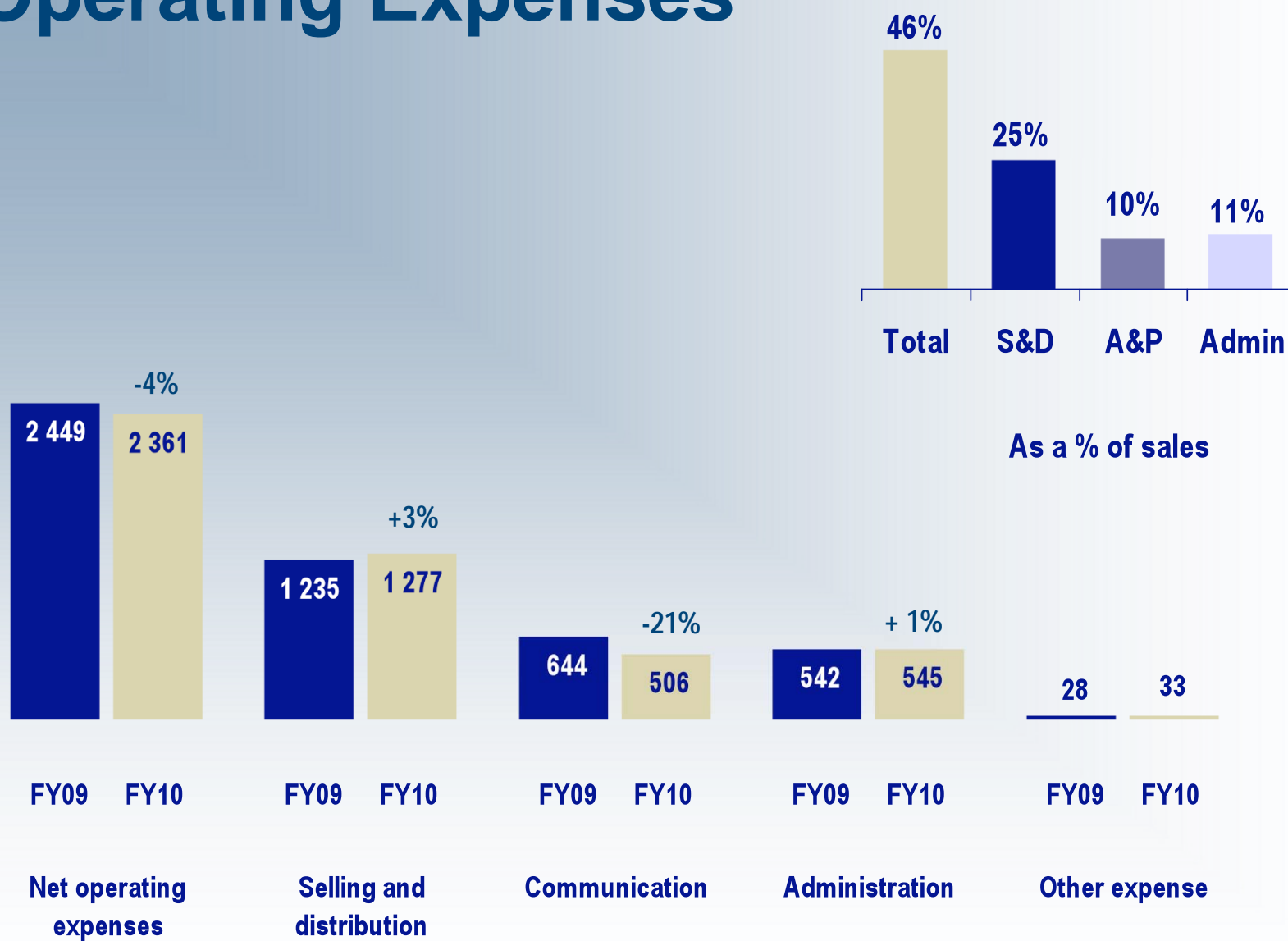


As a % of sales



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Operating Expenses



Operating Discipline Maintained

- **Cost discipline maintained**
- **Selective increase in capex, e.g. store renovation**
- **Production increased; inventories closely monitored**

FY10 Performance - Jewellery Maisons

- Limited decline in sales
- Contribution margin maintained at 28%
- Excellent performance of Cartier

12 months	€ m	Mar 10	Mar 09	Actual Rates
Sales		2 688	2 762	- 3%
Operating contribution		742	777	- 4%
Contribution margin		28%	28%	-

FY10 Performance - Specialist Watchmakers

- Very good overall performance
- Coherent portfolio of strong Maisons; great individual potential
- Excluding 2 loss makers, strong contribution margin > 20%

12 months	€ m	Mar 10	Mar 09	Actual Rates
Sales		1 353	1 437	- 6%
Operating contribution		231	301	- 23%
Contribution margin		17%	21%	- 386 bps

FY10 Performance - Writing Instrument Maison

- Limited sales decline – Montblanc, a resilient “gift destination”
- Profit & profitability improved
- Prime positioning in China

12 months	€ m	Mar 10	Mar 09	Actual Rates
Sales		551	587	- 6%
Operating contribution		79	69	+ 14%
Contribution margin		14%	12%	+ 248 bps

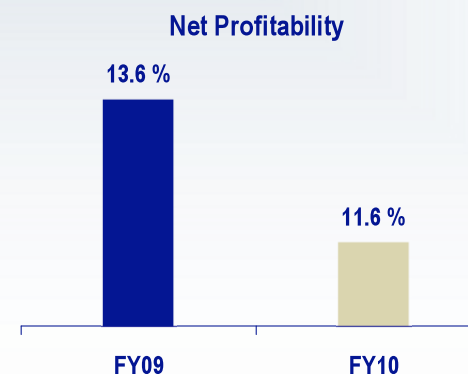
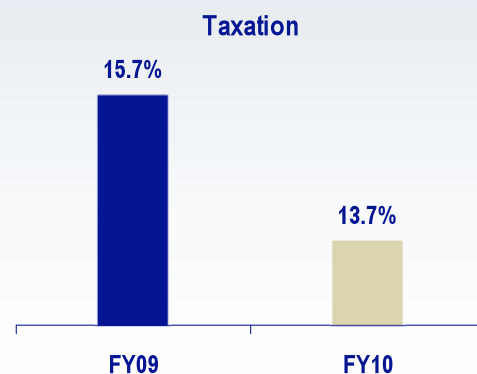
FY10 Performance - Other

- **Contrasted performance**
 - Fashion & Accessories profitable and improving
 - Production for third parties heavily impacted – loss making
- **Chloé, good resilience**
- **A. Dunhill & Lancel, close to breakeven**

12 months	€ m	Mar 10	Mar 09	Actual Rates
Sales		584	632	- 8%
Operating contribution		- 36	- 39	+ 6%
Contribution margin		-6%	-6%	- 8 bps

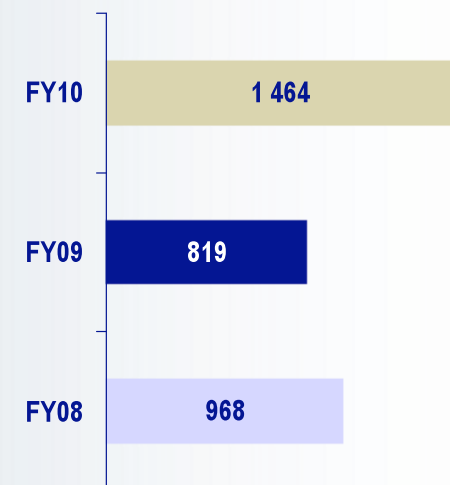
Profit for the year

12 months	€ m	Mar 10	Mar 09	
Operating profit		830	968	- 14%
Net finance income / (costs)		- 137	- 101	
Profit before taxation		693	867	- 20%
Taxation		- 94	- 133	- 29%
Share of post taxation results of associates		4	3	
Profit from continuing operations		603	737	- 18%
Discontinued operations (net of tax)		- 3	339	
Profit for the year		600	1 076	- 44%
of which minority interest		1	1	



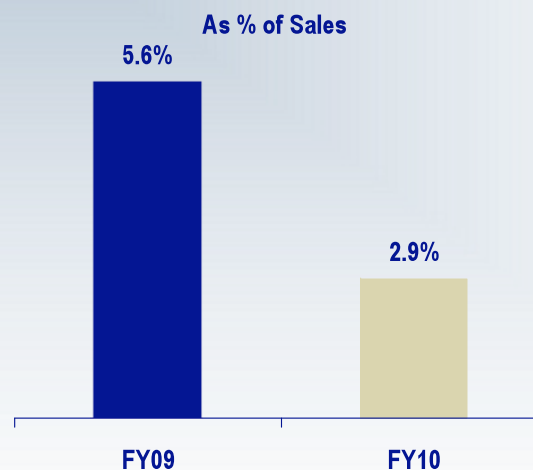
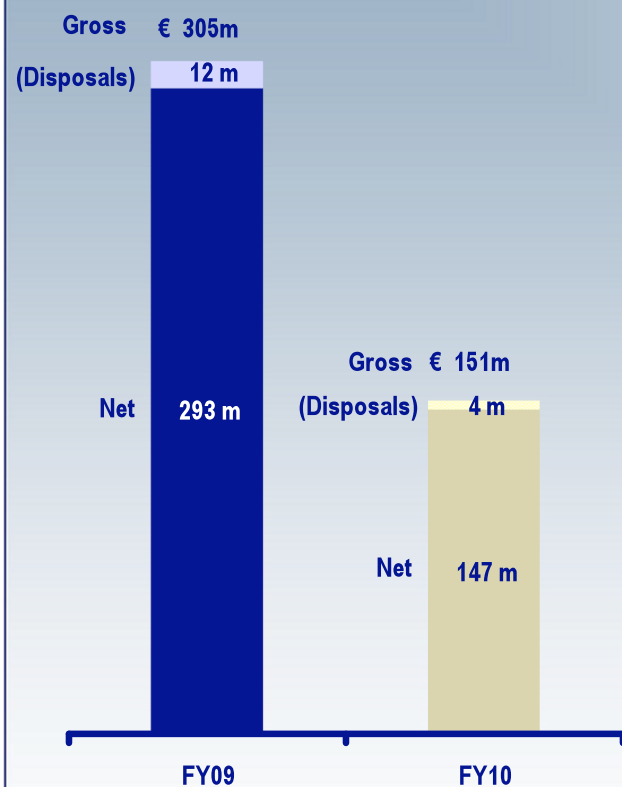
Cash-flow From Operations

- Substantial increase in cash-flow from operations
- Significant decline in working capital



12 months	€ m	Mar 10	Mar 09	
Operating profit		827	951	- 124
Depreciation		239	224	15
Other items		75	5	70
Movement in working capital		323	- 361	684
Cash-flow from operations		1 464	819	645

Fixed Assets Investments



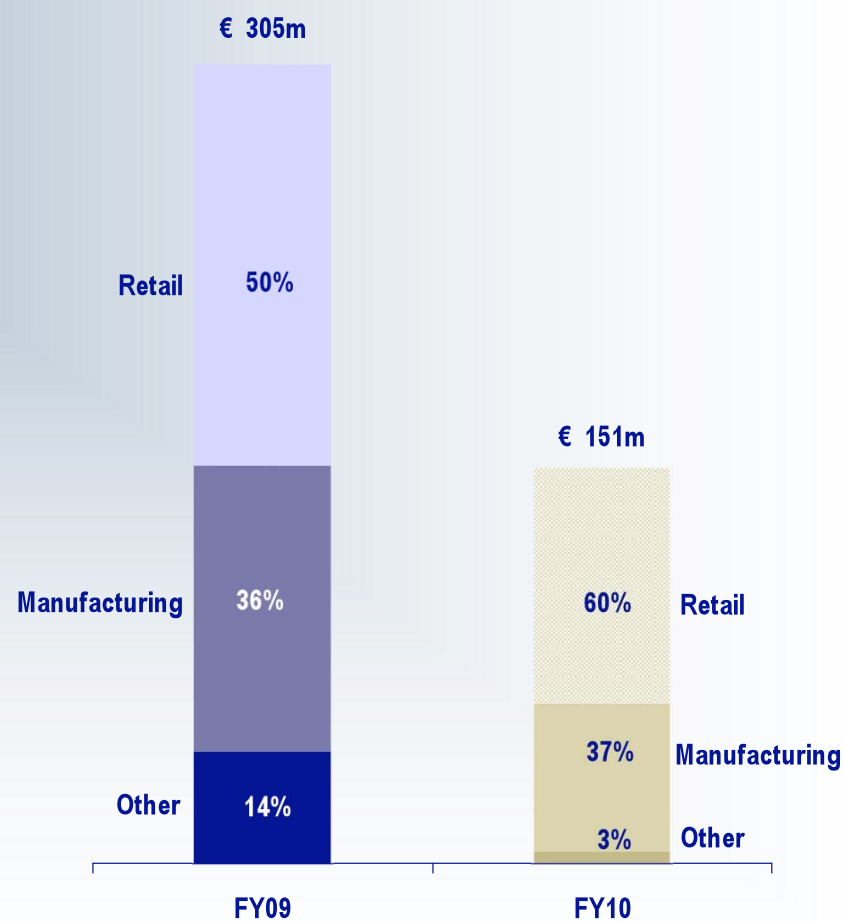
Piaget – Hai Huai Road, Shanghai



Montblanc – Heritage 1881, HK

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Fixed Assets by Category

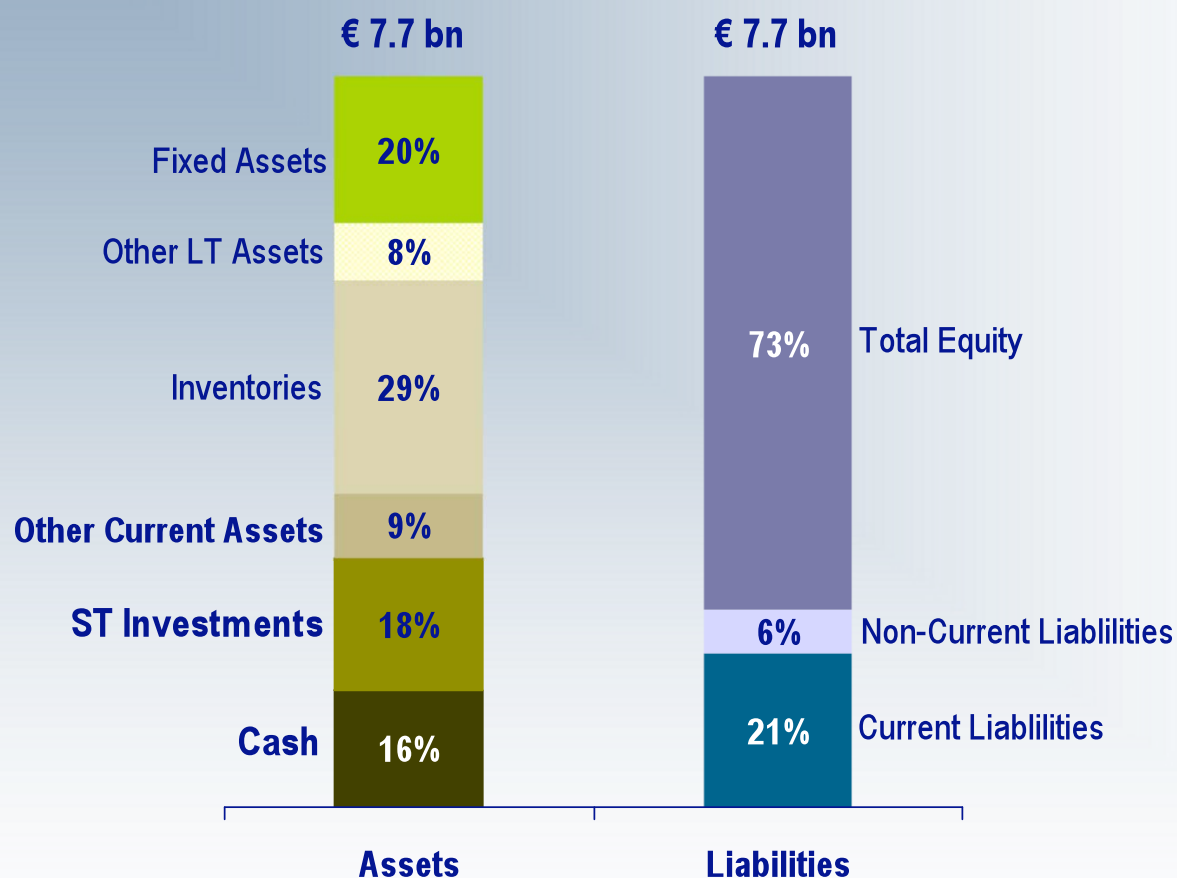


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Free Cash-flow

12 months	€ m	Mar 10	Mar 09
Cash-flow from operations		1 464	819
Net change in fixed assets		- 147	- 293
Net change in intangible assets		- 28	- 43
Net change in subsidiaries and non-current assets		35	- 127
Taxation paid		- 82	- 179
Net interest (expense)/income		- 5	36
Free cash-flow from subsidiaries		1 237	213
Dividends received from associated undertakings		1	343
Total free cash inflow		1 238	556

Strong Balance Sheet



Dividends

- FY10 dividend of CHF 0.35/share
- Up 17% from CHF 0.30/share in FY09
- Policy of steady dividend growth in value, profit allowing

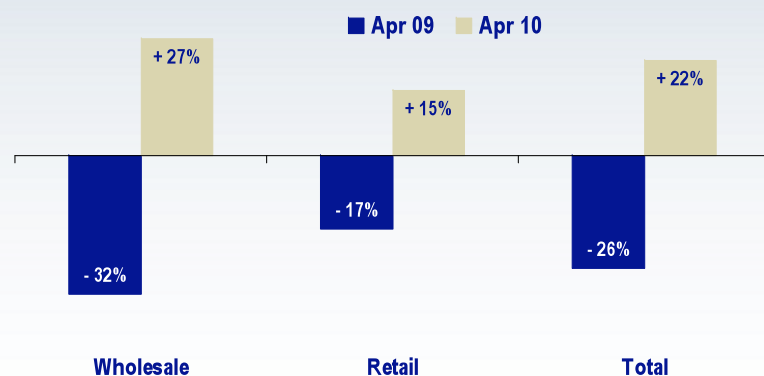
Strategy Overview & Conclusion



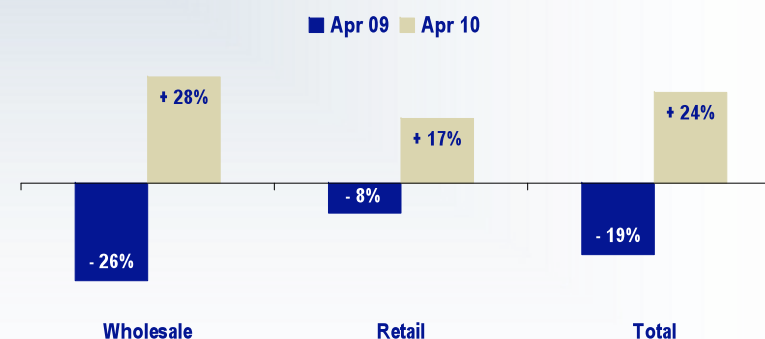
Positive Sales Momentum in April 2010

- Easy comps'
- Third party watch retailers starting to restock
- Asia-Pacific accelerating: +42%cc, +45% in €

Constant exchange rates



Actual exchange rates



NET-A-PORTER: a strategic move into new distribution channels

- Superior & unique business model created by Natalie Massenet: premier online luxury fashion retailer with unrivalled customer service
- We exercised our pre-emptive rights given third party interest
- A very well managed, profitable, customer-oriented company
- Long-term expansion prospects enhanced as part of Richemont
- Will operate as an independent entity managed by Natalie Massenet – neutral to all brands from all companies

Sales of c. £ 120m (Jan 2010) with collections from 300 leading designers to >170 countries / >millionth order / headcount of 600 between London & NY

Our Long Term Values

- **Focusing on Maisons' development**
 - **Autonomy**
 - **Creativity, authenticity**
 - **Quality, craftsmanship & service**
- **Efficiency of the business model (shared services & platforms), allowing leverage & control**
- **Increasing control over distribution**
 - **More retail**
 - **More partnership, fewer partners**
 - **Pioneering new markets**
- **Cash**
 - **The true measure of value creation**
 - **Our fortress**

Q&A
Session



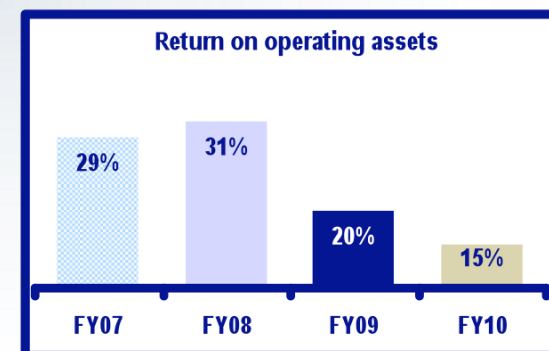
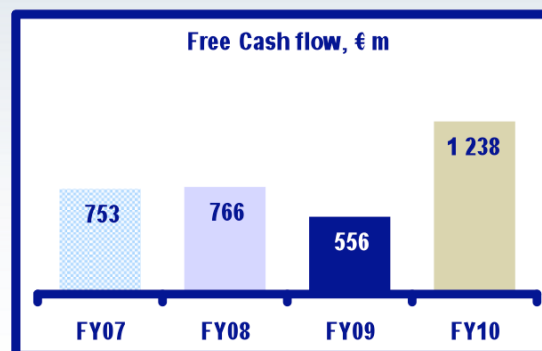
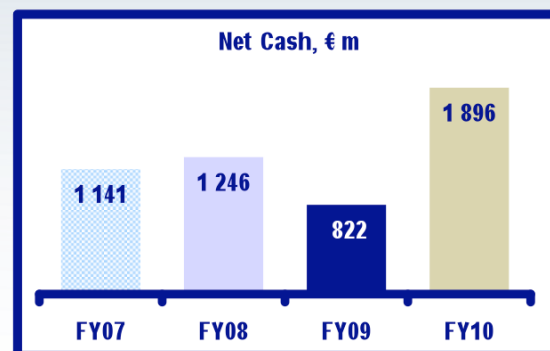
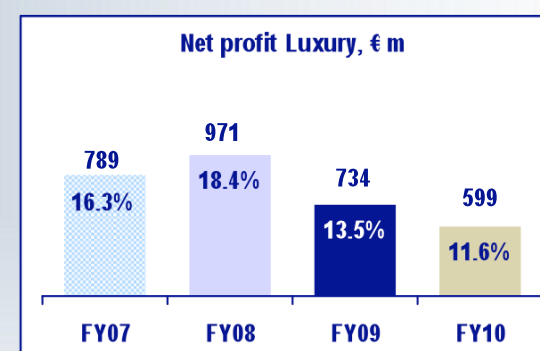
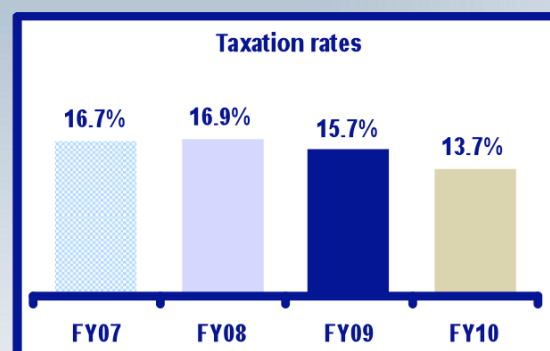
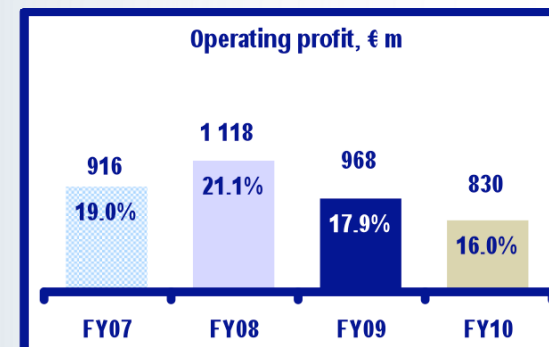
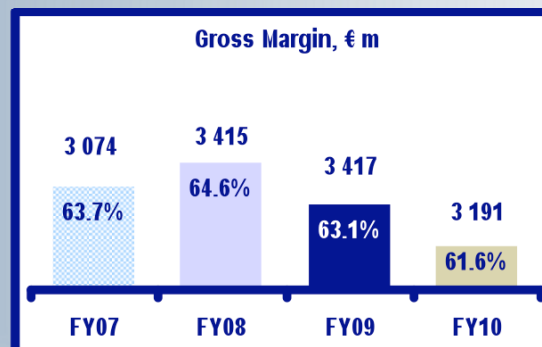
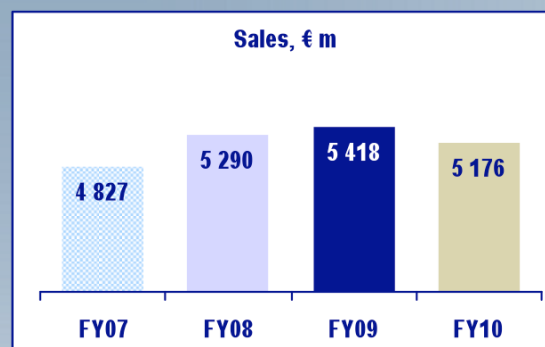
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Appendix: Financials



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Financial Highlights



Hedging Policy

- Consistent application of hedging policy since April 2004
- 70% of our forecasted net foreign currency cash flow exposure arising in USD block, HKD, JPY is hedged versus the CHF and Euro
- In the case of the USD, the net exposure takes into account purchases of precious metals and diamonds
- Hedges are entered into each month in respect of forecast net exposures arising one year forward
- Different types of hedging contracts are used including pure forward contracts and option based contracts
- Only certain forward contracts qualify for hedge accounting:
 - gains/losses associated with realised forward contracts are released in the gross margin only after the underlying external transaction has occurred;
 - 'marked to market' gains/losses associated with unrealised forward contracts are deferred to reserves
- Certain derivative contracts, usually option based, do not qualify for hedge accounting:
 - realised and unrealised gains/losses are released to FX differences in investment income/expense line (foreign exchange gains/losses – other derivatives).

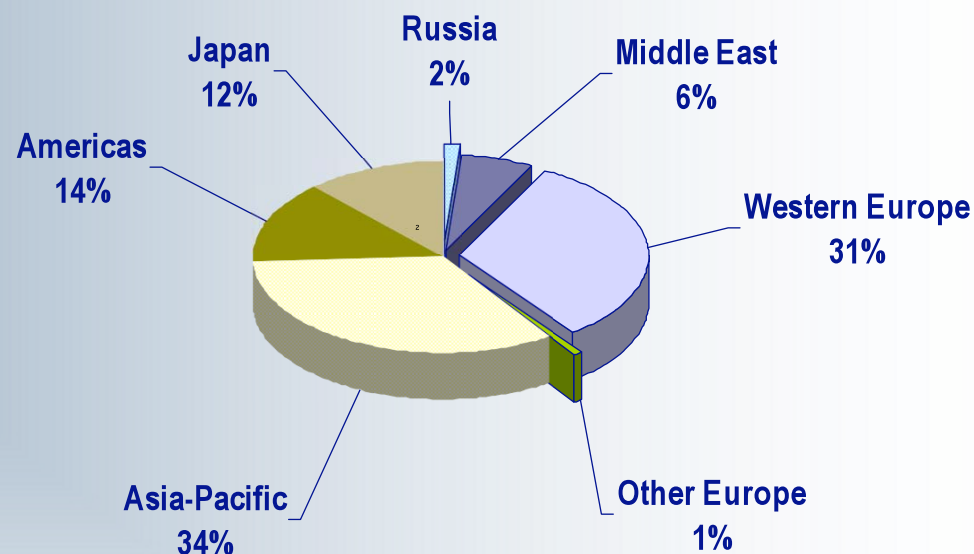
Foreign Currency Hedging Contracts

	12 months average		12 months average
Versus the EUR	Hedge rate to March 10	Actual rate to March 10	Hedge rate to March 11
YEN	146	131	126
US \$	1.42	1.41	1.38
HK \$	11.04	10.97	10.62

Average Rates against the CHF

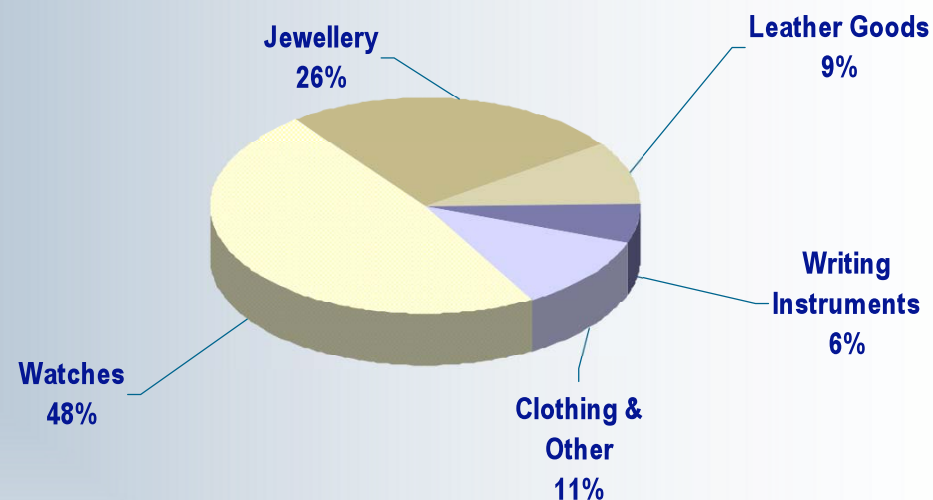
	12 months to 31 Mar 10	12 months to 31 Mar 09
US Dollar	1.06	1.10
Japanese Yen	87.42	91.73
Euro	1.50	1.56

Sales by Region



12 months	€ m	Mar 10	Mar 09	Constant rates	Actual rates
Europe		2 099	2 363	- 11%	- 11%
Asia-Pacific		1 740	1 474	+ 17%	+ 18%
Americas		712	889	- 20%	- 20%
Japan		625	692	- 17%	- 10%
Total		5 176	5 418	- 5%	- 4%

Sales by product line ~ constant & actual rates



12 months	€ m	Mar 10	Mar 09	Constant Rates	Actual Rates
Watches		2 483	2 569	- 4%	- 3%
Jewellery		1 333	1 374	- 4%	- 3%
Leather Goods		483	481	- 1%	-
Writing Instruments		296	307	- 4%	- 4%
Clothing & Other		581	687	- 16%	- 15%

Sales & Operating Result by Business Area

12 months	€ m	Mar 10	Mar 09	% Chge	
Sales					
Jewellery maisons		2 688	2 762	- 3%	52%
Specialists watchmakers		1 353	1 437	- 6%	26%
Writing instrument maison		551	587	- 6%	11%
Other		584	632	- 8%	11%
Total Sales		5 176	5 418	- 4%	100%
Operating results					
Jewellery maisons		742	777	- 4%	73%
Specialists watchmakers		231	301	- 23%	23%
Writing instrument maison		79	69	+ 14%	8%
Other		- 36	- 39	+ 6%	- 4%
Subtotal		1 016	1 108	- 8%	100%
Corporate costs		- 186	- 140	+ 33%	
Central support services		- 147	- 139	+ 6%	
Other operating (expense) / income		- 39	- 1	n/a	
Operating profit		830	968	- 14%	

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Profit & Loss Account

12 months	€ m	Mar 10	Mar 09	
Sales		5 176	5 418	- 4%
Cost of sales		-1 985	-2 001	
Gross margin		3 191	3 417	- 7%
Net operating expenses		-2 361	-2 449	
Operating profit		830	968	- 14%
Net financial (costs/income)		- 137	- 101	
Share of post-tax results of associates		4	3	
Profit before taxation		697	870	- 20%
Taxation		- 94	- 133	
Profit from continuing operations		603	737	- 18%
Discontinued operations, net of tax		- 3	339	
Profit for the year		600	1 076	- 44%
Analysed as follows:				
attributable to shareholders		599	1 075	
attributable to minority interests		1	1	
		600	1 076	
Earnings per share from continuing operations		€ 1.076	€ 1.312	- 18%
Dividend per share		CHF 0.00	CHF 0.30	- 100%

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Summary Balance Sheet

€ m	Mar 10	Mar 09
Fixed assets	1 527	1 534
Other long term assets	598	628
Net current assets	1 753	2 028
Long term liabilities excluding borrowings	- 138	- 191
Net operating assets	3 740	3 999
Investment in associates	24	14
Net cash	1 896	822
Net assets	5 660	4 835

Equity		
Shareholders' equity	5 658	4 832
Minority interests	2	3
	5 660	4 835

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Inventory

	€ m	Mar 10	Mar 09	€ m	
Finished goods		1 520	1 603	- 83	- 5%
Raw materials and work in progress		740	819	- 79	- 10%
Total		2 260	2 422	- 162	- 7%

Rotation	Mar 10	Mar 09
Number of months of COGS	18.7	18.7

Appendix: Maisons



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Jewellery Maisons in FY10

Financial highlights

- Marginal decrease in sales & profitability following record sales & profitability in FY09
- Broad-based double-digit growth in Asia-Pacific

Operational highlights

- Cartier more than ever the reference in timeless and true luxury, gaining market share in this bear market, a result of
 - Leading position in Jewellery and Watches
 - High level of innovation across product & price points
 - Very good year in Jewellery (*Diamants Légers Hearts, Trinity, Love*) as well as steel watches
 - Higher retail sales, including with watches, supported by a qualitative network
 - Strong position in growth markets
- *Ballon Bleu* - the most successful watch line ever. *Baignoire*, *Santos 100 Carbon* and new *Miss Pasha* watches also very well received
- High Jewellery affected but remain significant, underlining Cartier leadership; *Secrets et Merveilles* - a success
- Development of Bridal activity to be accelerated with a focus on service
- *Must* collection: impactful campaign helped increase traffic

Cartier



High Jewellery
Secrets & Merveilles



Ronde
Astrotourbillon

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Jewellery Maisons in FY10

■ Constant upgrading of distribution

- 21 net boutique openings mostly in Asia-Pacific (o.w. 7 in China) led to a network of 286 stores
- Increased selectivity in wholesale network, notably in the US

■ Key PR events

- Major exhibitions of the Cartier collection: Tokyo National Museum, Beijing Palace Museum, Miami Art Basel
- Many local events: Trinity relaunch

Strategic directions

■ Actions to assert position as a major player in “High Watchmaking”

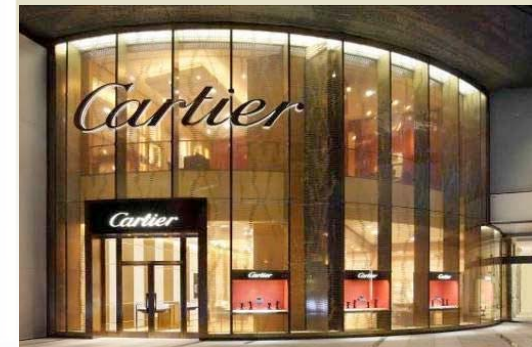
- Comprehensive Haute Horlogerie Collection comprised of 33 models including 15 “Poinçon de Genève” timepieces (*Flying Tourbillon*, *Flying Tourbillon Skeleton*)

■ Focus on home markets as well as on growth markets of China, South East Asia and Middle East

Cartier



*Secrets et Merveilles
Collection*



Orchard Road boutique

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Main Product Launches & Store Openings/Renovations April 2009 – April 2010

Cartier

Watches

Fine Watchmaking Collection	Apr 09
New Baignoire	Jun 09
Santos 100 Carbon	Jun 09
Miss Pasha	Nov 09
Tank Solo Steel - Collection les Must	Nov 09
Pasha Seatimer Lady	Jan 10

Jewellery

Re-launched Trinity	Apr 09
Panthère de Cartier	Sept 09
Secrets et Merveilles	Sept 09
Diamants Légers Hearts	Nov 09
Collection les Must	Nov 09 to April 10

Accessories

Roadster pen	Apr 09
Marcello – further references	July 09
Collection les Musts	Nov 09

Openings

Jeddah	UAE Mar 09
HK Heritage 1881	Hong Kong Jun 09
Orchard Ion, Singapore	Singapore Jul 09
Shenzhen Mix C	China Dec 09
AIA Plaza	Hong Kong Dec 09

Renovations/Relocations

Florence	Italy Mar 09
Dusseldorf	Germany Sept 09
Bahrain	UAE Nov 09

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Jewellery Maisons in FY10

Financial highlights

- Lower sales, after record revenue & profitability in FY09
- Good performance of Asia-Pacific and the Middle East; Europe and the US confronted with challenging environment
- Europe particularly affected by very tough comparatives due to spectacular sales of High Jewellery sets in FY09

Operational highlights

- Creativity borne out by a series of exquisite launches:
 - The *744 Fifth*, *Papillons* and *California Rêverie* High Jewellery collections
 - The *Oiseaux de Paradis* Creative Jewellery collection
 - *Une journée à Paris* & *Effeillage Bijoux* collections
 - High Jewellery watches and *Poetic Complications* (trademark of VCA)
- Selectivity in distribution: only 8 new stores, including HK Heritage 1881 and Milan, leading to a network of 78
- Awareness enhanced through exhibitions worldwide
 - The Art of Magical Jewels (Art Dubai)
 - The Spirit of Beauty (Mori Museum, Tokyo)

Strategic direction

- Focus on High Jewellery
- Further development in China and the Middle-East

Van Cleef & Arpels



Pacific Grove necklace,
California Rêverie



Lady Arpels Colibris Berylline,
Extraordinary dials

RICHEMONT

Main Product Launches & Store Openings/Renovations April 2009 – April 2010

Van Cleef & Arpels



High Jewellery

Eternal Pearls	Apr 09
Le Quattro Stagioni	Jun 09
California Rêverie	Oct 09
Papillons	Oct 09
744 Fifth Avenue	Dec 09

Bijoux & Creative Jewellery

Une Journée à Paris	May 09
Magic & Sweet Alhambra – further references	Sept 09
Oiseaux de Paradis	Sept 09

Watches

Une Journée à Paris Poetic Complications	Apr 09
Charms	Apr 09
Lady Arpels Jour Nuit	Oct 09
Jardins extraordinaires	Jan10

Openings

Shanghai	China May 09
HK Heritage 1881 - Kowloon	Hong Kong Jun 09
Milan	Italy Jun 09
Moda Mall, Bahrain	UAE Nov 09

Relocations/Renovations

Palm Beach	USA Oct 09
Paris - Printemps	France Nov 09

RICHEMONT

Specialist Watchmakers in FY10

Financial highlights

- Excellent performance: higher sales and profit
- Robust growth in retail and in Asia-Pacific – now over 60% of sales – mitigated by declines elsewhere
 - Effective take-over of agent in China/Korea and retail strategy
 - Success of the *Polo 45*, *Altiplano*, *Magic Hour* and *Limelight Twice* watches (Grand Prix de l'Horlogerie award – Nov 09)

Operational highlights

- SIHH 2010
 - New *Altiplano 43mm*, the thinnest automatic watch ever
 - Successful *Limelight Paradise* High jewellery & precious watch collection further enriched by the *Limelight Jazz Party Collection*
- Retail network strengthened
 - 67 boutiques, with 8 openings (o.w. 2 in HK and 2 in the Middle East)
 - Internalisation of Mainland China stores under way (already 6 internal)
- Sponsorship renewed for FINDS festival
 - Raising visibility with the entertainment industry
 - Interesting product placement opportunities

Strategic direction

- Continue to capitalise on strength in Asia-Pacific, in particular through retail

PIAGET

Altiplano
43 mm



Ring Rose Yves Piaget

RICHEMONT

Main Product Launches & Store Openings/Renovations April 2009 – April 2010

PIAGET

Watches

Twice	Nov 09
Piaget Emperador Coussin Regulator	Nov 09
Piaget Emperador Coussin Big Moon	Nov 09
Piaget Emperador Big Moon	Dec 09

Jewellery

Yves Piaget Rose	Jun 09
Limelight Paradise	Jun 09
Possession entrelacée	Sept 09

Openings

HK Heritage 1881 + Piaget Time Gallery	Hong Kong Jun 09
Hyunday Coex	Seoul Nov 09
Hai Huai Road	Shanghai Dec 09
Kuwait 360	Kuwait Jan 10

Relocations/Renovations

Galleria – Seoul	South Korea Apr 09
Shanghai – Plaza 66	China Apr 09
Salhiya – Kuwait city	Kuwait Jun 09

RICHEMONT

Specialist Watchmakers in FY10

Financial highlights

- Very satisfactory performance after excellent FY10
 - Higher sales thanks to strong growth in Asia-Pacific (leadership in China)
 - Very good profitability level, in line with FY09

Operational highlights

- Numerous product line successes
 - The iconic *Patrimony* line, further supported by new “complication” models
 - *The Quai de l’Île* line (personalised watches bearing the prestigious “Poinçon de Genève”)
 - The *Overseas* line (sport line in steel)
- Reputation of a “Master craftsman” strengthened with
 - 4 new *Kallista* HJ models to celebrate the watch 30th anniversary
 - 4 new models of the *Métiers d’Art les Masques* collection
- Highly selective distribution policy maintained
 - 23 exclusive stores (o.w. 11 in Mainland China)
 - 425 carefully selected external Points Of Sales
- New advertising campaign:

“Founded in 1755, on an island in Lake Geneva. And still there”

Strategic direction

- Further focus on retail development

✱
VACHERON CONSTANTIN
Manufacture Horlogère. Genève, depuis 1755.



Patrimony Traditionnelle
Perpetual Calendar Chronograph



New advertising campaign

RICHEMONT

Main Product Launches & Store Openings/Renovations April 2009 – April 2010



VACHERON CONSTANTIN

Manufacture Horlogère. Genève, depuis 1755.

Watches

Patrimony Traditionelle 38mm (new caliber 4400)	Apr 09
Historiques American 1921	Apr 09
Overseas self-winding & Chronograph	May 09
Métiers d'Art "Les Masques" 2009	Jun 09
Métiers d'Art "Kalla Haute Couture"	Sept 09
Malte Moon phase and power-reserve	Sept 09
Pocket Watch	Nov 09

Openings

HK Heritage 1881 - Kowloon Sep 09	Hong Kong
Shenzhen Mar 10	China

Renovations/Relocations

Geneva July 09	Switzerland
Ningbo Sept 09	China
HK Ocean Terminal Jan 10	Hong Kong

RICHEMONT

Specialist Watchmakers in FY10

Financial & Operational highlights

- **Achievements in spite of challenging FY10 (sales/profit)**
 - Europe (>40% of sales), higher sales since November
 - Asia- Pacific, up double digit versus FY09
 - The *Richard Lange "Pour le Mérite"*, a watch with a fusée-and-chain transmission, awarded "Grand Prize of the year"
 - The *Lange Zeitwerk* awarded "l'Aiguille d'Or", the most prominent award of the Swiss watch-making industry
- **SIHH 2010: a firework of striking new models**
 - The 165 Years – *Homage to F.A. Lange* Collection with the *Tourbograph Pour le Mérite*, the *Lange 1 Tourbillon* and the *1815 Moonphase*
 - The *Lange 1 Daymatic* (new self-winding movement)
 - The *Saxonia Annual Calendar*

Strategic direction

- Further focus on Asia-Pacific and South America in FY11
- New commercial structure & teams in those growing markets, including a new boutique in Shanghai for summer 2010

A. LANGE & SÖHNE
GLASHÜTTE I/SA



165 Years Homage to F. A. Lange Collection



Grand Prix d'Horlogerie
de Genève

Grand Prix de l'Aiguille d'Or · 2009

« L'Aiguille d'Or »
for the Lange Zeitwerk

RICHEMONT

Main Product Launches & Store Openings/Renovations April 2009 – April 2010

A. LANGE & SÖHNE
GLASHÜTTE I/SA

Watches

Richard Lange Pour le Mérite pink gold / platinum	July 09
Lange Zeitwerk in gold / platinum	Sept 09
Saxonia Annual Calendar	Apr 10
1815 Chronograph	Apr 10
Lange Double Split in pink gold	Apr 10
Datograph Perpetual in pink gold	Apr 10
Grand Lange 1, ref. 115.028	Apr 10

Jewellery Watches

Little Lange 1 moonphase	May 09
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Openings / Renovations

None

RICHMONT

Specialist Watchmakers in FY10

Financial highlights

- Positive impact on sales of recent redeployment following the acquisition of Asian distribution rights in April 2009
- Still significant losses partly attributable to post acquisition restructuring

Operational highlights

- Product offer being revisited
 - To underline unique combination of powerful design with highly demanding technical content
 - All watches produced in limited series with the “Poinçon de Genève”, €10k entry price
 - SIHH 2010: iconic *Excalibur* collection redesigned + 2 new movements COSC-certified and “Poinçon de Genève”

Strategic directions

- Becoming a worldwide luxury Maison
 - Most countries within the Richemont Distribution Platforms (USA, Asia, Middle East & Moscow)
 - Developing a comprehensive network of boutiques (6 to-date: Geneva + 5 in Asia) and of carefully selected external POS (<200)
 - Looking to develop further in growth markets (Greater China, Middle East and South America) given relevance to this clientele
- Capacity to supply high end escapements to the Group



MANUFACTURE
ROGER DUBUIS



Excalibur
Double tourbillon
skeleton



Peninsula boutique – Hong Kong

RICHMONT

Main Product Launches & Store Openings/Renovations April 2009 – April 2010



MANUFACTURE
ROGER DUBUIS

Watches

Excalibur Double Tourbillon Skeleton	Sept 09
Kingsquare Chronograph	Oct 09
EasyDiver – hours, minutes & small seconds	Apr 10
Excalibur Double Tourbillon Skeleton (rose gold)	Apr 10

Jewellery

My Heart, pendant, white/pink gold	Jun 09
Cabaret, ring, white/pink gold	Jun 09

Openings

Shanghai	China Sep 09
Hong Kong	China Oct 09
Kiev	Russia Dec 09

Renovations/Relocations

Geneva	Switzerland Nov 09
Hong Kong	China Nov 09
Geneva	Switzerland Mar 10

RICHEMONT

Specialist Watchmakers in FY10



Financial highlights

- Decline in sales & profit contained thanks to strong growth in retail and resilience of Asia-Pacific
- Europe (>50% of sales) affected by lower wholesale sales

Operational highlights

- Product lines update
 - Good sales performance of Iconic lines (*Reverso*, *Master Control*), Grandes Complications, notably the new *Master Grande Tradition Minute Repeater* and *Grande Reverso 986 Duodate*
 - New diving sport watches - *Compressor Diving Navy Seals*
 - Launch of a Trilogy of High complications (o.w. *Hybris Mechanica 55*) underlying its expertise in Haute Horlogerie
 - Active PR programme to support sales of higher end complication watches
- Successful integration of European logistics operations in CFR structure
- Ongoing optimisation of wholesale
 - > 70 external doors closed
 - 4 new boutiques (o.w. Abu Dhabi, HK and Buenos Aires) bringing the total network to 31

Strategic directions

- Well positioned to take advantage of future rebound
 - Rich collection of Classic and Complications pieces
 - Improved network
 - Recently extended manufacturing facility



Master Grande Tradition Tourbillon

RICHEMONT

Main Product Launches & Store Openings/Renovations April 2009 – April 2010



Watches

Master Grande Ultra Thin	Apr 09
Grande Reverso	Jun 09
Master Compressor Diving GMT lady céramique	Aug 09
AMVOX 3 Tourbillon GMT	Aug 09
Compressor Diving Navy Seals	Sept 09
Master Grande Tradition	Nov 09
101 Collection	Nov 09

Art Craftsmanship

Atmos Birth Date	Aug 09
Master Minute Repeater Enamel	Sept 09
Master Tourbillon Enamel	Sept 09

Openings

Cannes	France May 09
Buenos Aires	Argentina Oct 09
Hong Kong HC	HK Dec 09
Abu Dhabi	UAE Dec 09

Renovations/Relocations

Geneva	Switzerland Jan 10
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Specialist Watchmakers in FY10

Financial highlights

- Satisfactory performance after record sales in FY09
- Strong sales in Asia-Pacific, limited decline in the US
- Good level of profitability driven by:
 - Resilience of iconic *Pilot* and *Portuguese* lines
 - Great offer in the steel segment, most resilient segment of the industry until now
 - New products (*Aquatimer* line, *Ingenieur Mission Earth*, *Da Vinci Perpetual Calendar Digital*) selling well
 - Strong support from the trade with whom many joint marketing initiatives were undertaken in FY10

Operational highlights

- 7 new stores – including HK, Shanghai and Kiev – brought network to 28 boutiques (of which 3 internal)
- Involved in a number of CSR initiatives – Laureus Sport for Good / Adventure Ecology / Plastiki expedition

Strategic directions

- Further store expansion planned in Asia-Pacific and the Middle East while a further reduction in number of external POS is taking place in Europe
- The eco-friendly extension of the manufacturing facility, operational since early 2009, set to provide a good base for an expanded manufacturing of movement parts

IWC
INTERNATIONAL WATCH CO. SCHAFFHAUSEN
SWITZERLAND, SINCE 1868



Portuguese
Chronograph



IWC Flagship boutique, HK

RICHEMONT

Main Product Launches & Store Openings/Renovations April 2009 – April 2010

IWC

INTERNATIONAL WATCH CO. SCHAFFHAUSEN
SWITZERLAND, SINCE 1868

Watches

Ingenieur Mission Earth	Jun 09
Da Vinci Perpetual Calendar Digital	Jun 09
Aquatimer Automatic / Chrono	July 09

Openings

HK Heritage 1881 - Kowloon	Hong Kong Jun 09
Ion Orchard Road, Singapore	Singapore July 09
Noblesse, Kiev	Ukraine Nov 09
Twin Villas, Shanghai	China Feb 10

Renovations/Relocations

None

RICHEMONT

Specialist Watchmakers in FY10

OFFICINE PANERAI
FIRENZE 1860

Financial highlights

- Sales decline resulting from:
 - Termination of the Ferrari licence
 - Europe (>40% of sales) down - but rather resilient
- Contained sales decline and effective cost control led to a high profit margin

Operational highlights

- Continued success of the Manifattura Collection (in house movements & high tech materials)
 - E.g. the *Luminor Marina 1950 3 Days Automatic*
 - *Radiomir Tourbillon GMT Pink Gold 48mm*
- Ongoing selectivity in distribution
 - 6 new external boutiques (o.w. Geneva, Macao, Doha & Beirut) raised network to 16 (o.w. 6 DOS)
 - Unchanged number of high end wholesale doors (c.500)
- Awareness enhanced in China through the Galileo exhibition

Strategic direction

- Focus on in house movements and Asia-Pacific (2nd store in Shanghai and HK due in FY11)



Luminor Marina 1950
3 Days Automatic



Geneva boutique

RICHEMONT

Main Product Launches & Store Openings/Renovations April 2009 – April 2010

OFFICINE PANERAI
FIRENZE 1860

Watches

Luminor Marina 1950 3 Days Automatic, 44mm	Apr 09
Luminor Chrono Daylight Titanium, 44mm	Sep 09
Luminor 1950 Chrono Monopulsante 8 Days Ceramic, 44mm	Sep 09
Radiomir Tourbillon GMT Pink Gold, 48mm	Dec 09

Openings

Doha	Qatar Nov 09
Geneva	Switzerland Dec 09
Macao	China Dec 09
Beirut	Lebanon Jan 10

Renovations/Relocations

None

RICHMONT

Specialist Watchmakers in FY10

BAUME & MERCIER
GENEVE · 1830

Financial highlights

- **A tough year**
 - High exposure to Europe & US customers
 - 100% wholesale exposure
 - Highly competitive segment
- **Significant loss, partly due to restructuring charges**

Strategic directions

- **Marketing & distribution strategy revisited under the new CEO**



Hampton Classic

RICHEMONT

Main Product Launches & Store Openings/Renovations April 2009 – April 2010

BAUME & MERCIER
GENEVE • 1830

Watches

New Hampton	
- XL Automatic open balance	Apr 09
- Small and XL Quartz	Apr 09
Riviera Flyback automatic 45mm	Jun 09
William Baume	
- Tourbillon 43mm	Sept 09
- XL Manual Ultra-thin silver guilloché 41 mm	Sept 09

Renovations

Geneva	Switzerland	Oct 09
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RICHEMONT

Montblanc Maison in FY10

Financial highlights

- Sales decline contained to 6% despite
 - Relatively high exposure to the local European and North American clientele more sensitive to economic slowdowns
 - Continued downsizing of wholesale network and closure of 18 DOS
- Higher profit & profitability, despite lower sales
- Performance achieved thanks to :
 - Growing retail sales, now 46% of total sales, despite fewer DOS
 - Higher sales in Asia-Pacific (1/3rd of sales) and the Middle East
 - Excellent Christmas and Chinese New Year seasons for this « gift destination »
 - Focus on iconic products
 - Resilience of the watch & pen business; watch sales up, especially in retail

Operational highlights

- Main launch within the iconic *Meisterstück* offer
 - The *Unicef Signature for Good*

**MONT
BLANC**



Montblanc Collection Villeret 1858
Metamorphosis – one watch, two faces



Meisterstück UNICEF
Signature for Good Edition

RICHEMONT

Montblanc Maison in FY10

- Watch competence & appeal further strengthened
 - Success of *Star Nicholas Rieussec* watch (in house movement) supported growth of watch category
 - Increased interest generated by the *Haute Horlogerie Collection Villeret 1858*
 - Strong creativity & exclusive in house movements underlined at the SIHH 2010 with the *Metamorphosis* and *Exco-Tourbillon* watches
- Continued upgrading of distribution, both retail & wholesale
 - 5 net closures led to a boutique network of 356 (of which 92 in China)
 - Very selective store openings include HK Heritage 1881 and Paris
 - Relationships ceased with 330 wholesale doors (mostly pen / some watch POS)
- Continued support of charitable & cultural events worldwide
 - Charity event of the *Signature for Good* initiative with *Unicef* – a cooperation in place since 2004
 - *Montblanc de la Culture Arts Patronage* Award in 11 countries

Strategic directions

- Accelerate growth in watches (in house movements / High Watchmaking pieces)
- Continue focus on icon *Meisterstück*
- Investment focused on China



Montblanc Nicolas Rieussec
Monopusher Chronograph Open Date

Rue de la Paix Boutique, Paris

RICHEMONT

Main Product Launches & Store Openings/Renovations April 2009 – April 2010



Watches

Rieussec Automatic Steel	July 09
TimeWalker Gold Ceramic	Sept 09
Star 4810 Chronograph Automatic	Dec 09
Sport Black DLC	Dec 09

Jewellery

Silver Collection, Star Onyx	July 09
UNICEF Signature for Good Collection	Sept 09
Ladies' Silver Star Grande Dame	Oct 09

Writing Instruments

Meisterstück UNICEF Signature for Good	Jun 09
Thomas Mann Writers Edition	Aug 09
Ingrid Bergman Diva Edition	Sept 09

Leather

Meisterstück Soft	July 09
Starisma Alcina	Sept 09

Openings

Red Sea Mall, Jeddah	Saudia Arabia Apr 09
HK Heritage 1881 - Kowloon	Hong Kong July 09
Paris, Rue de la Paix	France Aug 09
Riga	Latvia Dec 09
Shenzhen Mix City	China Dec 09
One Central Macau	Macau Dec 09
Singapore Mandarin Gallery	Singapore Jan 10

Renovations

Chep Lak Kok Airport	Hong Kong Jun 09
Rodeo Drive	USA July 09
Mauria Sheraton	India Jan 10

RICHEMONT

Other: Fashion & Accessories in FY10

Financial highlights

- Decline in sales contained thanks to the performance of leather & menswear and resilience of retail (up on prior year)
- Single digit growth in Asia-Pacific (c.60% of sales) mitigated by Japan (c.25% of sales)
- Breakeven maintained in core business

Operational highlights

- Upgrading of the distribution network
 - 14 net franchised store openings leading to 207 stores overall
 - Number of DOS unchanged (131) after the opening of HK Heritage 1881, the 4th Alfred Dunhill Home (also in HK) and 2 stores in China
 - Relationship ceased with many external POS worldwide

Strategic directions

- Work on merchandising to continue
 - New watch collection launched - initial response positive
 - Menswear and Leather collections - ranges being tightened, primary drivers of growth
- Work on new ERP & merchandising system - just started

dunhill
LONDON



Ad Campaign
Chassis bag



Flagship in HK

RICHEMONT

Main Product Launches & Store Openings/Renovations April 2009 – April 2010



Men Leather Goods

Chassis (Small Leather Goods)	Aug 09
Heist Traveller (Large Leather Goods)	Aug 09
Micro D8 (Large & Small)	Aug 09
Facet (Large & Small)	Aug 09
Explorer (Large Leather)	Dec 09
Chassis (Large Leather)	Feb 10
Black Wood (Large & small Leather)	Apr 10

Men Ready-to-Wear

AW09 Collections	July 09
SS10 Collection	Feb 10

Openings

HK Heritage 1881 - Kowloon	Hong Kong Jun 09
Hangzhou Tower	China Dec 09

Renovations/Relocations

Pacific Place	Hong Kong Apr 09
Singapore Paragon	Singapore Apr 09
Festival City	Dubai Oct 09
Princes Building (Flagship)	Hong Kong March 10
Ngee Ann City	Singapore March 10

Other: Fashion & Accessories in FY10

LANCEL
PARIS



Financial highlights

- Strategic repositioning continues and is starting to bear fruit
- Strong reported sales reflect growth in retail (double digit) and w/s (single d)
- Solid performance in France (c.3/4 of total sales) and China
- Strong sales growth across all product lines
 - Bags - continued success of the higher priced *Premier Flirt* & *Adjani* bags and successful introduction of *Angelina* & *Roll'n Rocks* bags
 - Small leather goods taking off
 - Luggage, up - albeit at a lower rate
- Close to breakeven

Operational highlights

- Rationalisation & upgrading of the distribution network
 - 9 net store closures in FY10 (7 franchised, 2 DOS)
 - Gradual introduction of the new store concept, beginning with France
 - Upgrading of the wholesale network initiated in France
- Satisfactory progress made with product rejuvenation, supply chain restructuring, distribution optimisation and internationalisation

Strategic directions

- Strategic repositioning actions maintained, building on current achievements
- New bag: strategic launch with new ambassadress Beatrice Rosen
- Focus on strategic markets: France, China, Japan, Russia & the Middle East
- Work on new ERP & merchandising system to start in FY11



New ad campaign with Beatrice Rosen



HK Heritage 1881 store

RICHEMONT

Main Product Launches & Store Openings/Renovations April 2009 – April 2010

LANCEL
PARIS



Ladies Handbags

Angelina by Lancel	Jun 09
Roll'n Rock	Oct 09
La Belle	Dec 09
Dolcetta	Feb 10
Paris Line	Feb 10
Vienne	Mar 10

Men Lines

Esthete	May 09
Nouvelle L	Aug 09
Broadway	Sept 09
Fripon	Dec 09
Au phenix by Lancel	Feb 10

Openings

Tokyo	Japan	Jun 09
Shanghai West Gate Mall	China	Jun 09
HK Heritage 1881 - Kowloon	Hong Kong	Nov 09

Renovations/Relocations

Lyon	France	May 09
Moscow	Russia	Dec 09

RICHEMONT

Other: Fashion & Accessories in FY10

Chloé

Financial highlights

- Good resilience from Japan, Asia-Pacific and retail led to limited decline in sales
- Costs and capex controlled with no new internal store in FY10. 3 new franchised stores in Mainland China, and 1 in Beirut
- Profitability maintained, albeit at a lower level

Operational highlights

- RTW sales under pressure, especially in the Americas and Europe
- Leather sales higher thanks to a balanced bag offer and success of shoes
- Good reception of Spring/Summer & Fall/Winter 10/11 collections
 - Hence further increase in free editorial
 - Buzz back, bringing new clients

Strategic directions

- New fragrance to be launched this summer to enhance the visibility of Chloé worldwide
- Focus on strengthening foundations will continue
 - Creative teams
 - Information systems
 - Penetration of growth markets



Marcie Bag



Spring Summer 10

RICHEMONT

Main Product Launches & Store Openings/Renovations April 2009 – April 2010

Chloé

Leather Goods

Marlow bag	July 09
Marcie bag	Dec 09

Chloé shoes, Fall/Winter 2009-10	Jun 09
See by Chloé shoes, Fall/Winter 2009-10	July 09
Chloé shoes, Spring 2010	Nov 09
See by Chloé shoes, Spring/Summer 2010	Jan 10
Chloé shoes, Summer 2010	Jan 10

Ready-to-Wear

Chloé, Fall/Winter 2009-10	Jun 09
Chloé, Spring 2010	Nov 09

Openings

Beirut	Lebanon	Oct 09
Paris – Le Printemps	France	Dec 09

Renovations/Relocations

London	UK	Sep 09
Pacific Place	HK	Dec 09
Osaka	Japan	Feb 10

RICHMONT

Retail Network

	March 2010	of which internal	vs PY Internal	vs PY External	March 2009
Montblanc	354	221	- 10	+ 8	356
Cartier	283	171	- 1	+ 9	275
Alfred Dunhill	206	131	+ 1	+ 4	201
Lancel	144	73	+ 3	- 14	155
Chloé	111	68	+ 1	+ 1	109
Van Cleef & Arpels	79	49	+ 2	+ 7	70
Piaget	68	41	+ 9	- 6	65
Shanghai Tang	38	20	+ 3	- 4	39
Jaeger-LeCoultre	29	10	+ 2	+ 0	27
IWC	29	7	+ 4	+ 2	23
Vacheron	24	5	+ 1	+ 1	22
Panerai	16	7	+ 1	+ 4	11
Others*	18	14	+ 4	- 3	17
TOTAL	1399	817	+ 20	+ 9	1370

Internal	-	817	+ 20	-	797
External	582	-	-	+ 9	573

Retail Network China

As at 31 March 2010	Boutiques						TOTAL
	Beijing	Shanghai	Other Mainland Cities	SubTotal China	Hong Kong	Macau	
Alfred Dunhill	13	7	71	91	10	2	103
Montblanc	10	6	76	92	7	2	101
Cartier	6	2	23	31	9	4	44
Chloé	2	4	11	17	5	1	23
Piaget	4	3	6	13	6	3	22
Shanghai Tang	5	4	2	11	9	1	21
IWC	4	1	6	11	4	2	17
Lancel	0	1	7	8	7	1	16
Vacheron Constantin	2	2	7	11	3	1	15
Van Cleef & Arpels	2	1	1	4	4	2	10
Jaeger-LeCoultre	3	2	1	6	2	0	8
Panerai	1	1	0	2	1	1	4
Roger Dubuis	0	1	0	1	2	0	3
A. Lange & Söhne	0	1	0	1	0	0	1
Baume & Mercier	1	0	0	1	0	0	1
Others	0	0	0	0	0	0	0
TOTAL	53	36	211	300	69	20	389

Retail Network Russia & CIS Countries

Number of Stores	Moscow	Russia & Other CIS Countries	Total
Cartier	4	5	9
Van Cleef & Arpels	2	4	6
Piaget	2	3	5
Vacheron Constantin	1	1	2
IWC	1	1	2
Jaeger-LeCoultre	1	1	2
Officine Panerai	0	0	0
Lange & Söhne	0	0	0
Montblanc	3	11	14
Baume & Mercier	0	0	0
Lancel	2	0	2
Total	16	26	42

NB: Alfred Dunhill is operated by an agent

The Hallmark of Geneva

– Le poinçon de Genève

1. "The quality of all parts and components of the movement, including those used for auxiliary mechanisms, must comply with the standards prescribed by the Office for the optional inspection of Geneva watches. Steel parts must display polished angles and their sides parallel file strokes, their visible faces must be smoothed and polished, screw heads must be polished or circular grained (with their rim and slot bevelled)."
2. "All movements must be fitted on the going train and on the escapement with ruby jewels with polished hole. On the bridge side, jewels must be semi-mirror polished and their sinks polished."
3. "The balance spring must be secured by a sliding stud cap with round head and neck. Mobile stud holders are accepted."
4. "Fitted or split indexes (regulators) with a fastening system are accepted, save on extra-thin movements, where the system is not mandatory".
5. "Regulating systems featuring a balance wheel with variable radius of rotation are accepted."
6. "Geartrain wheels must be bevelled on their upper and lower sides and their sinks polished. For wheels 0.15 mm thick or less, bevelling on the bridge side only is tolerated."
7. "Pinion shanks and faces must be polished."
8. "A lightweight escape wheel is mandatory: no more than 0.16 mm thick for larger sizes or 0.13 mm for wheels less than 18 mm across; locking faces must be polished."
9. "The lever's angle of travel must be contained by solid bankings, to the exclusion of pins or studs."
10. "Movements fitted with shock absorbers are accepted."
11. "The ratchet and transmission (crown) wheel must be finished in conformity with prescribed models."
12. "Wire springs are prohibited."

RICHMONT