

# RICHEMONT

COMPANY ANNOUNCEMENT FOR IMMEDIATE RELEASE

21 January 2013

## TRADING STATEMENT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2012

### Financial highlights

- Sales in the quarter increased by 5 % at constant exchange rates and 9 % at actual rates
- Solid growth in the Americas, lower growth rates in other regions
- Retail outperformed wholesale

	October-December 2012 € m	October-December 2011 € m	Change at constant exchange rates versus prior period (%)	Change at actual exchange rates versus prior period (%)
<b>Sales by region</b>				
Europe	1 013	914	+ 9 %	+ 11 %
Asia Pacific	1 116	1 051	-	+ 6 %
Americas	452	382	+ 13 %	+ 18 %
Japan	281	272	+ 2 %	+ 3 %
<b>Sales by distribution channel</b>				
Retail	1 554	1 371	+ 9 %	+ 13 %
Wholesale	1 308	1 248	+ 2 %	+ 5 %
<b>Sales by business area</b>				
Jewellery Maisons	1 477	1 363	+ 4 %	+ 8 %
Specialist Watchmakers	784	697	+ 9 %	+ 13 %
Montblanc Maison	227	220	-	+ 3 %
Other	374	339	+ 6 %	+ 10 %
<b>Total Sales</b>				
	2 862	2 619	+ 5 %	+ 9 %

### Review of trading in the three-month period

The following comments refer to changes at constant exchange rates.

The performance was highlighted by robust jewellery sales and continued retail channel momentum. This was offset by a relatively weak wholesale channel, reflecting a cautious approach by the Group's retail partners in the watch business.

In Europe, the performance was satisfactory: the growth in retail sales moderated during the quarter compared to the first six months of the financial year, whereas the wholesale trend seen in the first six months continued.

Following several years of exceptional growth in the Asia Pacific region, in particular China, sales were flat compared to the demanding comparative figures for the same quarter last year. While wholesale sales growth was lower than in the first six months and in the comparative period due to the cautious approach taken by the Group's retail partners in Hong Kong and mainland China, boutique openings contributed to the positive trend in retail sales.

Sales growth in the Americas region improved further, with both retail and wholesale channels reporting solid demand.

Sales in Japan grew by 2 %; a slightly lower rate than that seen during the first six months of the year.

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At this stage, it is unclear how business patterns may develop and how the business in the Asia Pacific region will evolve in the near future. Richemont takes a long-term view in managing its business and will continue to invest in the development of its Maisons.

Retail sales growth slowed compared to the 15 % growth rate seen in the six months to September.

Wholesale sales also slowed compared to the 8 % rate of the first six months, reflecting the caution of our retail partners and the less favourable retail environment, particularly in the Asia Pacific region.

Compared to the first six months, all business areas saw lower rates of growth.

The Jewellery Maisons reported good sales growth in their own boutique networks. The retail network performance benefitted from strong jewellery sales.

The Group's Specialist Watchmakers performed well during the period. Retail sales through the Maisons' own boutiques were the principal driver of growth. The overall increase of 9 % reflects good double-digit growth in most cases, although sales were lower for Maisons which are more focused on the Asia Pacific region and which had the strongest comparatives in the comparative period.

Sales of the Montblanc Maison were in line with the comparative period, with retail sales growth offsetting a decrease in sales to retail partners.

In the Group's other businesses, Net-a-Porter and Chloé reported good growth compared to the prior period.

### **Trading in the nine-month period**

Sales growth over the nine-month period to December was 9 % at constant exchange rates or 17 % at actual rates. The weakening of the euro against the dollar, in particular, had a positive impact on the Group's reported sales. Sales for the nine months ended 31 December 2012 are presented in Appendix 1a.

The Group's net cash position at 31 December 2012 amounted to some € 3.0 billion (2011: € 2.9 billion).

### **Corporate calendar**

The Group's results for the current financial year will be announced on Thursday, 16 May 2013.

The Company's annual general meeting will be held in Geneva on Thursday, 12 September 2013.

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### **About Richemont**

Richemont owns a portfolio of leading international brands or 'Maisons' which are managed independently of one another, recognising their individuality and uniqueness. The businesses operate in four areas: **Jewellery Maisons**, being Cartier and Van Cleef & Arpels; **Specialist watchmakers**, being A. Lange & Söhne, Baume & Mercier, IWC Schaffhausen, Jaeger-LeCoultre, Officine Panerai, Piaget, Roger Dubuis and Vacheron Constantin, as well as the Ralph Lauren Watch and Jewelry joint venture; **Montblanc Maison**; and **Other**, being Alfred Dunhill, Chloé, Lancel and Net-a-Porter as well as other smaller Maisons and watch component manufacturing activities for third parties.

For its financial year ended 31 March 2012, Richemont reported sales of € 8 867 million. Operating profit for the year amounted to € 2 040 million.

Richemont 'A' shares are listed on the SIX Swiss Exchange, Richemont's primary listing, and are included in the Swiss Market Index ('SMI') of leading stocks. Richemont South African Depository Receipts are listed in Johannesburg, Richemont's secondary listing.

#### Appendix 1a: Sales for the nine months ended 31 December 2012

	<b>April-December 2012 € m</b>	April-December 2011 € m	Change at constant exchange rates versus prior period (%)	Change at actual exchange rates versus prior period (%)
<b>Sales by region</b>				
Europe	<b>2 870</b>	2 428	+ 15 %	+ 18 %
Asia Pacific	<b>3 219</b>	2 769	+ 6 %	+ 16 %
Americas	<b>1 150</b>	984	+ 8 %	+ 17 %
Japan	<b>729</b>	652	+ 3 %	+ 12 %
<b>Sales by distribution channel</b>				
Retail	<b>4 172</b>	3 454	+ 12 %	+ 21 %
Wholesale	<b>3 796</b>	3 379	+ 6 %	+ 12 %
<b>Sales by business area</b>				
Jewellery Maisons	<b>4 084</b>	3 528	+ 8 %	+ 16 %
Specialist Watchmakers	<b>2 243</b>	1 868	+ 13 %	+ 20 %
Montblanc Maison	<b>595</b>	554	+ 2 %	+ 7 %
Other	<b>1 046</b>	883	+ 11 %	+ 19 %
<b>Total Sales</b>	<b>7 968</b>	6 833	+ 9 %	+ 17 %

#### Appendix 1b: Foreign exchange rates

Average exchange rates against the euro	<b>April-Dec 2012</b>	April-Dec 2011
United States dollar	<b>1.28</b>	1.40
Japanese yen	<b>102</b>	110
Swiss franc	<b>1.20</b>	1.21

Actual exchange rates for the period are calculated using the average daily closing rates against the euro.

In terms of sales at constant exchange rates, average exchange rates for the year ended 31 March 2012 are used to convert local currency sales into euros for the current three-month period, the current nine-month period and comparative figures. Exchange rate translation effects are thereby eliminated from the reported sales performance.