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Retail declined overall, primarily due to Europe and Japan. All other regions’ sales declines were low single digits, supported by jewellery and accessories. The marked decrease in wholesale sales reflected the continuing negative trend overall, and the above mentioned watch inventory buy backs.

Richemont’s other businesses, as a whole, reported sales growth, thanks to positive performances at Montblanc, Chloé, Azzedine Alaïa and Peter Millar.

**Outlook**

We consider that the difficult trading conditions are likely to continue during September. Operating profit for the six months ending 30 September 2016 is therefore expected to be approximately 45% below the prior year’s level, reflecting the effect of one-off restructuring charges of approximately €65 million, and the additional effect of the product buy-backs.

Consequently, we anticipate profit for the period for the six months ending 30 September 2016 will also be impacted at a broadly similar level to the decline in operating profit. Profit for the period reflects not only the movement in operating profit but also the impact of movements in period-end exchange rates, interest, taxation and discontinued operations and therefore cannot be determined absolutely at this time. The results for the six months ending 30 September 2016 will be announced on 4 November 2016.

We are of the view that the current negative environment as a whole is unlikely to reverse in the short term. However, we remain convinced of the long-term prospects for luxury goods globally, and in particular for watches and jewellery. Richemont is well positioned, with a strong balance sheet and a portfolio of long-established Maisons.

**Disclaimer**

The foregoing financial information is unaudited.

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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 three areas: **Jewellery Maisons**, being Cartier, Van Cleef & Arpels and Giampiero Bodino; **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 Jewellery joint venture; and **Other**, being Alfred Dunhill, Chloé, Azzedine Alaïa, Lancel, Montblanc and Peter Millar as well as other smaller Maisons and watch component manufacturing activities for third parties.

For its financial year ended 31 March 2016, Richemont reported sales of €11,076 million. Operating profit for that year amounted to €2,061 million and profit for the year amounted to €2,227 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.