

# RICHEMONT

PRESS RELEASE FOR IMMEDIATE RELEASE

17 January 2011

## TRADING STATEMENT FOR THE THREE MONTHS ENDED 31 DECEMBER 2010

### Financial highlights

- Total sales in the quarter increased by 23 per cent at constant exchange rates. Excluding the acquisition of NET-A-PORTER.COM and at constant exchange rates, sales rose by 19 per cent
- Growth was broad-based, with the highest rate reported in the Asia-Pacific region
- Retail sales increased by 23 per cent at constant exchange rates and excluding acquisitions
- All business areas reported double-digit sales growth

	Oct-Dec 2010 € m	Oct-Dec 2009 € m	Change at constant exchange rates versus prior year (%)	Change at actual exchange rates versus prior year (%)
Sales by region				
Europe	791	656	+ 17 %	+ 20 %
Asia-Pacific	772	492	+ 42 %	+ 57 %
Americas	311	246	+ 17 %	+ 27 %
Japan	233	191	+ 3 %	+ 21 %
Sales by distribution channel				
Retail	1 069	748	+ 31 %	+ 43 %
Wholesale	1 038	837	+ 16 %	+ 24 %
Sales by business area				
Jewellery Maisons	1 088	837	+ 20 %	+ 30 %
Specialist Watchmakers	543	417	+ 21 %	+ 30 %
Writing Instruments Maison	216	183	+ 12 %	+ 19 %
Other	260	148	+ 63 %	+ 75 %
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Total Sales	2 107	1 585	+ 23%	+ 33%

Commenting on the three months sales, Executive Chairman and Group Chief Executive Officer, Mr. Johann Rupert, made the following statement:

*"Richemont's Maisons performed well and saw good sales growth, particularly at the retail level, during the three-month period. Sales in the month of December grew by 17 per cent at constant exchange rates and excluding the impact of the NET-A-PORTER.COM acquisition.*

*As indicated previously, higher comparative figures will make the final quarter of the financial year ending 31 March 2011 more challenging. Gross margin is anticipated to be negatively affected by a stronger Swiss franc given the Group's Swiss manufacturing base and by the planned changes to product lines at one of the Group's Specialist Watchmakers, which will be largely implemented during the coming quarter."*

### COMPAGNIE FINANCIERE RICHEMONT SA

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## Review of trading

Sales in Europe were significantly higher than the comparative period, partly due to the impact of the acquisition of NET-A-PORTER.COM. The growth of sales in Asia-Pacific reflects a continuation of the Maisons' expansion in that fast-growing region. The Americas continued to report strong growth, helped by the impact of NET-A-PORTER.COM. Sales in Japan continued to grow at a low rate in yen terms.

In terms of sales by distribution channel, the high rate of retail sales growth partly reflected the acquisition of NET-A-PORTER.COM. Excluding that business, retail sales increased in the third quarter by 23 per cent at constant exchange rates.

Demand for the Group's products was broad-based, with all business areas reporting double-digit sales growth. This demonstrated our Maisons' strong position in jewellery, fine watchmaking and premium accessories. The very high rate of growth reported in 'Other' reflects the acquisition of NET-A-PORTER.COM

The Group's net cash position at 31 December 2010 amounted to some € 2.2 billion (2009: € 1.4 billion). Linked to this position, it is anticipated that the strength of the Swiss franc will result in higher non-cash financial charges for the year.

Sales for the nine months ended 31 December 2010 are presented in Appendix 1a.

## Corporate calendar

The Group's results for the current financial year will be announced on Thursday, 19 May 2011.

The Compagnie Financière Richemont SA annual general meeting will be held in Geneva on Wednesday, 7 September 2011.

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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 Jaeger-LeCoultre, Piaget, IWC, Baume & Mercier, Vacheron Constantin, Officine Panerai, A. Lange & Söhne and Roger Dubuis, as well as the Ralph Lauren Watch and Jewelry joint venture; the **Writing Instrument Maison** Montblanc; and **Other**, being Alfred Dunhill, Lancel, NET-A-PORTER and Chloé as well as other smaller Maisons and watch component manufacturing activities for third parties.

For its financial year ended 31 March 2010, Richemont reported sales of € 5 176 million. Operating profit for the year amounted to € 830 million.

#### Appendix 1a: Sales for the nine months ended 31 December 2010

	April-Dec 2010 € m	April-Dec 2009 € m	Change at constant exchange rates versus prior year (%)	Change at actual exchange rates versus prior year (%)
<b>Sales by region</b>				
Europe	2 051	1 651	+ 20 %	+ 24 %
Asia-Pacific	1 929	1 263	+ 38 %	+ 53 %
Americas	800	570	+ 28 %	+ 40 %
Japan	586	480	+ 4 %	+ 22 %
<b>Sales by distribution channel</b>				
Retail	2 591	1 783	+ 34 %	+ 45 %
Wholesale	2 775	2 181	+ 18 %	+ 27 %
<b>Sales by business area</b>				
Jewellery Maisons	2 707	2 059	+ 21 %	+ 31 %
Specialist Watchmakers	1 444	1 072	+ 25 %	+ 35 %
Writing Instruments Maison	519	420	+ 16 %	+ 24 %
Other	696	413	+ 57 %	+ 68 %
<b>Total Sales</b>	<b>5 366</b>	<b>3 964</b>	<b>+ 25 %</b>	<b>+ 35 %</b>

#### Appendix 1b: Foreign exchange rates

Average exchange rates against the euro	April-Dec 2010	April-Dec 2009
United States dollar	1.31	1.42
Japanese yen	113	133
Swiss franc	1.35	1.51

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 2010 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.