

# interparfums

FIRST HALF REPORT  
2016





i n t e r p a r f u m s

# FIRST HALF REPORT 2016

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# Management report

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## 1. REVIEW OF OPERATIONS

Consolidated first-half sales reached €162.3 million, up 10.3% at current exchange rates and 10.5% at constant exchange rates from the same period in 2015. This very good performance in a difficult global economic environment reflects notably the excellent results by the Montblanc and Jimmy Choo fragrances and the successful integration of Rochas fragrances, acquired in 2015.

### 1.1. Highlights by brand

| €m                      | H1 2015      | H1 2016      |
|-------------------------|--------------|--------------|
| Montblanc               | 42.0         | 55.1         |
| Jimmy Choo              | 33.1         | 38.9         |
| Lanvin                  | 28.5         | 22.1         |
| Rochas                  | 1.5          | 13.7         |
| Van Cleef & Arpels      | 9.1          | 9.3          |
| Boucheron               | 9.6          | 8.3          |
| Paul Smith              | 3.5          | 3.8          |
| Repetto                 | 4.5          | 2.9          |
| Karl Lagerfeld          | 5.5          | 2.5          |
| S.T. Dupont             | 6.5          | 2.2          |
| Balmain                 | 2.8          | 2.1          |
| Other                   | 0.2          | 0.3          |
| <b>Perfume sales</b>    | <b>146.8</b> | <b>161.2</b> |
| Rochas license revenues | 0.3          | 1.1          |
| <b>Total revenue</b>    | <b>147.1</b> | <b>162.3</b> |

With more than €55 million in sales in six months, up 31% on the prior year, Montblanc fragrances' continuing growth momentum was bolstered by the promising launch of the *Montblanc Legend Spirit* line and a steady performance by the *Montblanc Legend Classic* line.

Jimmy Choo fragrance sales reached nearly €40 million, up 17%, with the ongoing roll-out of *Jimmy Choo Illicit*, the brand's third women's line launched in 2015 and the *Jimmy Choo Man* line's steady performance.

Lanvin fragrance sales declined in response to economic slowdowns in its two flagship markets, Russia and China. A new women's line will be launched in the fall.

Rochas fragrances had €13.7 million in sales in the first half, confirming the solid position established in Spain and France with strong demand for the *Eau de Rochas* and *Rochas Man* lines.

Van Cleef & Arpels fragrances benefited from continuing gains of the *Collection Extraordinaire* line and the launch of the *So First* line.

Finally, reflecting an unfavorable comparison base from the major launch of the *Quatre* line in the 2015 first half, Boucheron fragrances' sales declined 14%.

### 1.2. Highlights by region

North America (+28%) registered further gains driven by the *Montblanc Legend Spirit* and *Jimmy Choo Illicit* lines.

Western Europe (+33%) and France (+26%) benefited from the integration of Rochas fragrances.

With good performances in South Korea in particular, Asia achieved growth of nearly 9% in the first half.

Against the backdrop of turbulent economic, geopolitical and foreign exchange conditions, sales in Eastern Europe and, to a lesser extent, in South America, experienced significant declines.

## 2. CONSOLIDATED FINANCIAL HIGHLIGHTS

| €m               | H1 2015 | H1 2016 | 2016/2015 |
|------------------|---------|---------|-----------|
| Sales            | 147.1   | 162.3   | +10.3%    |
| Gross margin     | 91.3    | 106.0   | +16.1%    |
| % of sales       | 62.1%   | 65.3%   |           |
| Operating profit | 21.4    | 21.6    | +0.9%     |
| % of sales       | 14.6%   | 13.3%   |           |
| Net income       | 13.9    | 13.0    | -6.5%     |
| % of sales       | 9.5%    | 8.0%    |           |

In the 2016 first half, benefiting from improved cost prices for the Montblanc and Jimmy Choo brands and the integration of Rochas fragrances, the gross margin was up 3% from the same period in 2015.

After registering a particularly high operating margin of more than 14% in the 2015 first half, in large part attributable to the strong rise in the US dollars value plus, in the absence of major initiatives in the period, limited launch expenses, with a marginal currency effect, this margin returned to a more normative level in the 2016 first half of around 13%.

The Group's net income includes a provision for tax in the amount of €1.8 million following a tax audit covering the years 2012 to 2015. The net margin remains high at 8%.

| €m                                    | 06/30/15 | 06/30/16 | 2016/2015 |
|---------------------------------------|----------|----------|-----------|
| Shareholders' equity                  | 371.7    | 384.4    | +3.4%     |
| Cash + other current financial assets | 193.8    | 196.7    | +1.5%     |
| Medium-term loan                      | 99.8     | 81.0     | NA        |

Following the Rochas brand acquisition in March 2015 financed by a €100 million loan, the financial structure remains excellent with shareholders' equity of €385 million and still significant net cash and cash equivalents of nearly 200 million.

### 3. HALF YEAR MILESTONES

#### January

##### Investor relations and financial communications award

The company was the recipient of an award for the best investor relations in the mid cap segment (Trophée des *Meilleures Relations Investisseurs par une Valeur Moyenne*) for 2015.

##### Launch of the *Montblanc Legend Spirit* line

The legend continues... a newfound expression of his personality caught in a moment of total freedom and serenity with a new spirited expression of masculinity... *Montblanc Legend Spirit*.

#### April

##### Interparfums eligible for PEA-PME

Based on the eligibility criteria for French tax-advantaged PEA-PME savings accounts, as defined by the Implementing Decree No. 2014-283 of March 4, 2014, Interparfums confirmed the eligibility of its shares for inclusion in this new vehicle.

##### Launch of the *So First* line of Van Cleef & Arpels

A reinterpretation of the soul of *First* with a creation that embodies grace and modernity. A sparkling bouquet made of Jasmine petals and frangipani blossom blended with addictive notes of an intense vanilla infused with creamy sandalwood...

#### May

##### Launch of the *Escapade en Méditerranée* line, a limited edition of *Eau de Rochas*

This limited edition of *Eau de Rochas* takes us to the Mediterranean. A modern interpretation of the original fragrance, *Escapade en Méditerranée* offering an invitation to a Chypre Zesty Floral voyage.

##### Interparfums changes its shareholder registrar services provider

CM-CIC Market Solutions was appointed to provide shareholders registrar services.

#### June

##### Bonus share issue

The company proceeded with its 17<sup>th</sup> bonus share issue on the basis of one new share for every ten shares held.

### 4. RISK FACTORS AND RELATED PARTY DISCLOSURES

#### 4.1. Risk Factors

Information on market risks and their management are presented in note 2.14 of the consolidated interim financial statements included in this report.

Other Risk Factors are of the same nature as those presented in note 3 "Risk Factors" of the "Consolidated Management Report" (section 1) included in the 2015 registration document filed on March 31, 2016 with the French financial market authorities (*Autorité des Marchés Financiers* or AMF). There were no material changes in these Risk Factors in the 2016 first half.

#### 4.2. Related party transactions

In the 2016 first half, relations between Interparfums and affiliated companies remained comparable with those of fiscal year 2015 presented in note 6.5 "Information on related parties" of the 2015 consolidated financial statements (section 2) included in the registration document filed on March 31, 2016 with the AMF.

This was also the case for relations between members of the Management Committee and the Board of Directors.

### 5. OUTLOOK

Despite difficult economic, financial and foreign exchange conditions adversely impacting fragrance and cosmetics markets in selected countries, China, Russia or Brazil in particular, the company's first half performance was very satisfactory with double-digit growth. The Coach line's launch is off to a promising start and guidance for 2016 annual sales of €340 million is confirmed.

For the 2016 full year, with more substantial budgets for marketing and advertising in the second half, particularly for the Coach brand, this margin, as expected, should be within a range of 12% to 13%.

### 6. POST-CLOSING EVENTS

None.



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## Interim condensed consolidated financial statements

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# 1. CONSOLIDATED INCOME STATEMENT

| <i>In € thousands,<br/>except per share data which is in units</i> | Notes | H1 2015             | H1 2016        |
|--|-------|---------------------|----------------|
| <b>Sales</b>   | 3.1   | <b>147,124</b>      | <b>162,330</b> |
| Cost of sales  | 3.2   | (55,812)            | (56,364)       |
| <b>Gross margin</b>  |       | <b>91,312</b>       | <b>105,966</b> |
| % of sales   |       | 62.1%               | 65.3%          |
| Selling expenses   | 3.3   | (64,201)            | (77,614)       |
| Administrative expenses  | 3.4   | (5,689)             | (6,748)        |
| <b>Operating profit</b>  |       | <b>21,422</b>       | <b>21,604</b>  |
| % of sales   |       | 14.6%               | 13.3%          |
| Financial income   |       | 1,368               | 1,611          |
| Interest and similar expenses                                      |       | (531)               | (1,408)        |
| <b>Net interest expense</b>  |       | <b>837</b>          | <b>203</b>     |
| Other financial income   |       | 6,637               | 3,084          |
| Other financial expense  |       | (8,419)             | (3,140)        |
| <b>Net financial income (expense)</b>                              | 3.5   | <b>(945)</b>        | <b>147</b>     |
| <b>Income before income tax</b>                                    |       | <b>20,477</b>       | <b>21,751</b>  |
| % of sales   |       | 13.9%               | 13.4%          |
| Income tax   | 3.6   | (6,573)             | (8,957)        |
| Effective tax rate   |       | 32.1%               | 41.2%          |
| <b>Net income before non-controlling interests</b>                 |       | <b>13,904</b>       | <b>12,794</b>  |
| % of sales   |       | 9.5%                | 7.9%           |
| <b>Attributable to non-controlling shareholders</b>                |       | <b>(11)</b>         | <b>(179)</b>   |
| <b>Attributable to equity holders of the parent</b>                |       | <b>13,915</b>       | <b>12,973</b>  |
| % of sales   |       | 9.5%                | 8.0%           |
| Basic earnings per share   | 3.7   | 0.47 <sup>(1)</sup> | 0.40           |
| Fully diluted earnings per share                                   | 3.7   | 0.47 <sup>(1)</sup> | 0.40           |

(1) Restated for the bonus issue of June 2016.



## 2. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| <i>€ thousands</i>   | H1 2015       | H1 2016       |
|--|---------------|---------------|
| <b>Consolidated net profit for the period</b>                              | <b>13,904</b> | <b>12,794</b> |
| Available-for-sale assets  | -             | -             |
| Deferred tax arising from items able to be recycled                        | -             | -             |
| <b>Items able to be recycled in profit or loss</b>                         | <b>-</b>      | <b>-</b>      |
| Actuarial gains and losses   | -             | -             |
| Deferred taxes on items unable to be recycled                              | -             | -             |
| <b>Items unable to be recycled in profit or loss</b>                       | <b>-</b>      | <b>-</b>      |
| <b>Total net income and gains and losses recognized directly in equity</b> | <b>13,904</b> | <b>12,794</b> |
| Attributable to non-controlling shareholders                               | (11)          | (179)         |
| <b>Attributable to equity holders of the parent</b>                        | <b>13,915</b> | <b>12,973</b> |

### 3. CONSOLIDATED BALANCE SHEET

#### Assets

| <i>€ thousands</i>                         | Notes | 12/31/2015     | 06/30/2016     |
|--|-------|----------------|----------------|
| <b>Non-current assets</b>                  |       |                |                |
| Net trademarks and other intangible assets | 2.1   | 172,733        | 170,810        |
| Net property, plant, equipment             | 2.2   | 5,927          | 7,045          |
| Long-term investments                      |       | 1,975          | 2,376          |
| Other non-current financial assets         | 2.3   | 5,816          | 5,648          |
| Deferred tax assets                        | 2.11  | 5,605          | 6,899          |
| <b>Total non-current assets</b>            |       | <b>192,056</b> | <b>192,778</b> |
| <b>Current assets</b>                      |       |                |                |
| Inventory and work in progress             | 2.4   | 70,653         | 81,836         |
| Trade receivables and related accounts     | 2.5   | 69,515         | 68,278         |
| Other receivables                          | 2.6   | 8,601          | 7,887          |
| Corporate income tax                       |       | 1,364          | 2,254          |
| Current financial assets                   | 2.7   | 76,097         | 104,381        |
| Cash and cash equivalents                  | 2.7   | 149,895        | 92,297         |
| <b>Total current assets</b>                |       | <b>376,125</b> | <b>356,933</b> |
| <b>Total assets</b>                        |       | <b>568,181</b> | <b>549,711</b> |

#### Shareholders' equity & liabilities

| <i>€ thousands</i>  | Notes | 12/31/2015     | 06/30/2016     |
|---|-------|----------------|----------------|
| <b>Shareholders' equity</b>                               |       |                |                |
| Share capital   |       | 96,515         | 106,264        |
| Additional paid-in capital                                |       | 459            | 105            |
| Retained earnings   |       | 260,925        | 265,057        |
| Net income for the year                                   |       | 29,152         | 12,973         |
| <b>Equity attributable to parent company shareholders</b> |       | <b>387,051</b> | <b>384,399</b> |
| Non-controlling interests                                 |       | 429            | 250            |
| <b>Total shareholders' equity</b>                         | 2.8   | <b>387,480</b> | <b>384,649</b> |
| <b>Non-current liabilities</b>                            |       |                |                |
| Provisions for non-current commitments                    | 2.9   | 5,745          | 6,028          |
| Non-current borrowings                                    | 2.10  | 70,215         | 60,509         |
| Deferred tax liabilities                                  | 2.11  | 2,676          | 2,509          |
| <b>Total non-current liabilities</b>                      |       | <b>78,636</b>  | <b>69,046</b>  |
| <b>Current liabilities</b>                                |       |                |                |
| Trade payables and related accounts                       | 2.12  | 53,730         | 50,684         |
| Current borrowings  | 2.10  | 20,357         | 20,477         |
| Provisions for contingencies and expenses                 | 2.9   | 248            | 348            |
| Income tax  |       | 6,199          | 4,927          |
| Other liabilities   | 2.12  | 21,531         | 19,580         |
| <b>Total current liabilities</b>                          |       | <b>102,065</b> | <b>96,016</b>  |
| <b>Total shareholders' equity and liabilities</b>         |       | <b>568,181</b> | <b>549,711</b> |

## 4. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

€ thousands

|  | Number<br>of shares | Share<br>capital | Paid-in<br>capital | OCI          | Retained<br>earnings<br>& net<br>income | Total equity   |                                  |                |
|--|---------------------|------------------|--------------------|--------------|---|----------------|----------------------------------|----------------|
|  |                     |                  |                    |              |   | Group<br>share | Non-<br>controlling<br>interests | Total          |
| <b>As of December 31, 2014<sup>(1)(2)</sup></b>                                  | <b>29,084,374</b>   | <b>87,460</b>    | <b>26</b>          | <b>(574)</b> | <b>280,987</b>                          | <b>367,899</b> | <b>111</b>                       | <b>368,010</b> |
| Bonus share issue  | 2,919,269           | 8,759            | (467)              | -            | (8,292)                                 | -              | -                                | -              |
| Shares issued on exercise of stock options                                       | 98,995              | 296              | 900                | -            | -                                       | 1,196          | -                                | 1,196          |
| 2015 net income <sup>(1)</sup>   | -                   | -                | -                  | -            | 29,152                                  | 29,152         | 80                               | 29,232         |
| Change in actuarial gains and losses<br>on provisions for retirement liabilities | -                   | -                | -                  | (298)        | -                                       | (298)          | -                                | (298)          |
| 2014 dividend paid in 2015   | -                   | -                | -                  | -            | (12,814)                                | (12,814)       | -                                | (12,814)       |
| Treasury shares  | (16,905)            | -                | -                  | -            | (378)                                   | (378)          | -                                | (378)          |
| Changes in Group structure<br>of consolidated operations                         | -                   | -                | -                  | -            | -                                       | -              | 238                              | 238            |
| Currency translation adjustments   | -                   | -                | -                  | -            | 2,277                                   | 2,277          | -                                | 2,277          |
| Other changes  | -                   | -                | -                  | -            | 17                                      | 17             | -                                | 17             |
| <b>As of December 31, 2015<sup>(2)</sup></b>                                     | <b>32,085,733</b>   | <b>96,515</b>    | <b>459</b>         | <b>(872)</b> | <b>290,949</b>                          | <b>387,051</b> | <b>429</b>                       | <b>387,480</b> |
| Bonus share issue  | 3,219,038           | 9,657            | (646)              | -            | (9,011)                                 | -              | -                                | -              |
| Shares issued on exercise of stock options                                       | 30,611              | 92               | 292                | -            | -                                       | 384            | -                                | 384            |
| 2016 half-year net income  | -                   | -                | -                  | -            | 12,973                                  | 12,973         | (179)                            | 12,794         |
| 2015 dividend paid in 2016   | -                   | -                | -                  | -            | (16,051)                                | (16,051)       | -                                | (16,051)       |
| Treasury shares  | 10,550              | -                | -                  | -            | 435                                     | 435            | -                                | 435            |
| Currency translation adjustments   | -                   | -                | -                  | -            | (393)                                   | (393)          | -                                | (393)          |
| <b>As of June 30, 2016<sup>(2)</sup></b>   | <b>35,345,932</b>   | <b>106,264</b>   | <b>105</b>         | <b>(872)</b> | <b>278,902</b>                          | <b>384,399</b> | <b>250</b>                       | <b>384,649</b> |
| <b>As of December 31, 2014<sup>(1)(2)</sup></b>                                  | <b>29,084,374</b>   | <b>87,460</b>    | <b>26</b>          | <b>(574)</b> | <b>280,987</b>                          | <b>367,899</b> | <b>111</b>                       | <b>368,010</b> |
| Bonus share issue  | 2,919,269           | 8,759            | (467)              | -            | (8,292)                                 | -              | -                                | -              |
| Shares issued on exercise of stock options                                       | 41,085              | 122              | 460                | -            | -                                       | 582            | -                                | 582            |
| 2015 half-year net income  | -                   | -                | -                  | -            | 13,915                                  | 13,915         | (11)                             | 13,904         |
| 2014 dividend paid in 2015   | -                   | -                | -                  | -            | (12,814)                                | (12,814)       | -                                | (12,814)       |
| Treasury shares  | (7,014)             | -                | -                  | -            | (247)                                   | (247)          | -                                | (247)          |
| Changes in Group structure<br>of consolidated operations                         | -                   | -                | -                  | -            | -                                       | -              | 245                              | 245            |
| Currency translation adjustments   | -                   | -                | -                  | -            | 2,383                                   | 2,383          | -                                | 2,383          |
| <b>As of June 30, 2015<sup>(2)</sup></b>   | <b>32,037,714</b>   | <b>96,341</b>    | <b>19</b>          | <b>(574)</b> | <b>275,932</b>                          | <b>371,718</b> | <b>345</b>                       | <b>372,063</b> |

(1) Restated to eliminate the impact of applying IFRIC interpretation 21 presented in note 1.3.

(2) Excluding treasury shares.

## 5. CONSOLIDATED STATEMENT OF CASH FLOWS

| € thousands  | 06/30/2015      | 12/31/2015      | 06/30/2016      |
|--|-----------------|-----------------|-----------------|
| <b>Cash flows from operating activities</b>                      |                 |                 |                 |
| Net income   | 13,904          | 29,232          | 12,794          |
| Depreciation, amortization and other                             | 10,056          | 14,085          | 6,806           |
| Net finance costs  | (837)           | (60)            | (203)           |
| Tax charge of the period   | 6,573           | 15,923          | 8,957           |
| <b>Operating cash flows</b>                                      | <b>29,696</b>   | <b>59,180</b>   | <b>28,354</b>   |
| Interest expense payments  | (977)           | (1,950)         | (1,026)         |
| Tax payments   | (8,158)         | (13,449)        | (12,016)        |
| <b>Cash flow after interest expense and tax</b>                  | <b>20,561</b>   | <b>43,781</b>   | <b>15,352</b>   |
| Change in inventory and work in progress                         | (24,907)        | (10,172)        | (14,611)        |
| Change in trade receivables and related accounts                 | (5,519)         | (12,426)        | 1,380           |
| Change in other receivables                                      | (941)           | (2,514)         | 10              |
| Change in trade payables and related accounts                    | (2,278)         | 8,908           | (3,022)         |
| Change in other current liabilities                              | 2,576           | 6,682           | (743)           |
| <b>Change in working capital needs</b>                           | <b>(31,069)</b> | <b>(9,522)</b>  | <b>(17,026)</b> |
| <b>Net cash flows provided by (used in) operating activities</b> | <b>(10,508)</b> | <b>34,259</b>   | <b>(1,674)</b>  |
| <b>Cash flows from investing activities</b>                      |                 |                 |                 |
| Net acquisitions of intangible assets                            | (106,844)       | (108,085)       | (530)           |
| Net acquisitions of property, plants and equipment               | (950)           | (2,451)         | (2,024)         |
| Net acquisitions of marketable securities (>3 months)            | 21,306          | 80,346          | (27,882)        |
| Changes in financial assets                                      | 130             | 468             | (233)           |
| <b>Net cash flows provided by (used in) investing activities</b> | <b>(86,358)</b> | <b>(29,722)</b> | <b>(30,669)</b> |
| <b>Cash flow from financing activities</b>                       |                 |                 |                 |
| Issuance of borrowings and new financial debt                    | 99,224          | 99,224          | -               |
| Debt repayments  | -               | (10,000)        | (10,001)        |
| Dividends paid to shareholders                                   | (12,814)        | (12,815)        | (16,051)        |
| Capital increases  | 582             | 1,196           | 384             |
| Treasury shares  | (97)            | (299)           | 413             |
| <b>Net cash flows provided by (used in) financing activities</b> | <b>86,895</b>   | <b>77,306</b>   | <b>(25,255)</b> |
| <b>Change in net cash</b>  | <b>(9,971)</b>  | <b>81,843</b>   | <b>(57,598)</b> |
| Cash and cash equivalents, beginning of year                     | 68,052          | 68,052          | 149,895         |
| <b>Cash and cash equivalents, end of year</b>                    | <b>58,081</b>   | <b>149,895</b>  | <b>92,297</b>   |

The reconciliation of net cash breaks down as follows:

| € thousands                                  | 06/30/2015     | 12/31/2015     | 06/30/2016     |
|--|----------------|----------------|----------------|
| Cash and cash equivalents                    | 58,088         | 149,895        | 92,297         |
| Bank facilities                              | (7)            | -              | -              |
| <b>Net cash at the end of the period</b>     | <b>58,081</b>  | <b>149,895</b> | <b>92,297</b>  |
| Current financial assets                     | 135,759        | 76,097         | 104,381        |
| <b>Net cash and current financial assets</b> | <b>193,847</b> | <b>225,992</b> | <b>196,678</b> |

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## Notes to the interim condensed consolidated financial statements

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## 1. ACCOUNTING PRINCIPLES

### 1.1. Basis of presentation and compliance statement

The condensed interim consolidated financial statements for the six-month period ending June 30, 2016 were adopted by the Board of Directors on September 6, 2016. They have been prepared in compliance with EC regulations 1606/2002 of July 19, 2002 on international accounting standards and notably IAS 34 on interim financial reporting as endorsed by the European Union. These standards have been consistently applied over the periods presented. The interim financial statements were prepared on the basis of these same rules and methods used to produce the annual financial statements.

This interim condensed financial report must be read in conjunction with the consolidated annual financial statements for the fiscal year ended December 31, 2015. In addition, the comparability of interim and annual financial statements may be affected by seasonal trends of Group businesses and notably the impact of launch phases of new fragrance lines.

Financial information presented herein is based on:

- IFRS standards and interpretations whose application was mandatory starting in 2005;
- options retained and exemptions used by the Group for the preparation of IFRS consolidated financial statements.

### 1.2. Changes in accounting standards

Standards, amendments and interpretations that entered into force on January 1, 2016 were applied in preparing the interim consolidated financial statements for the six-month period ending June 30, 2016:

- amendment to IAS 1 "Presentation of financial statements";
- IFRS 2012-2014 annual improvement cycle.

These standards, amendments and interpretations did not have a material effect on the company's consolidated financial statements.

Furthermore, no standards, amendments or interpretations currently under review by IASB and IFRIC were applied in advance in the financial statements for the period ending June 30, 2016.

#### Interparfums SA

|   |               | Ownership interest (%) | Controlling interest (%) |
|---|---------------|------------------------|--------------------------|
| Interparfums Suisse Sarl                                  | Switzerland   | 100%                   |                          |
| Interparfums Asia-Pacific Pte Ltd (formally IP Singapore) | Singapore     | 100%                   |                          |
| Interparfums Luxury Brands                                | United States | 100%                   |                          |
| Interparfums Srl  | Italy         | 100%                   |                          |
| Inter España Parfums et Cosmetiques SL                    | Spain         | 100%                   |                          |
| Parfums Rochas S.L  | Spain         | 51%                    |                          |
| Interparfums Deutschland GmbH                             | Germany       | 51%                    |                          |

Subsidiaries' financial statements are prepared on the basis of the same accounting period as the parent company. The fiscal year covers the 12 month period ending on December 31.

### 1.3. Application of interpretation IFRIC 21 "Levies"

The interpretation IFRIC 21 was published in the Official Journal of the European Union on June 14, 2014 with a mandatory application date of January 1, 2015. It provides guidance on when to recognize a liability for a levy imposed by a government, and falling under the scope of application of IAS 37.

IFRIC 21 identifies the obligating event for the recognition of a tax liability as the activity that triggers the payment of the levy in accordance with the relevant legislation.

Only the French social security levy, *Contribution Sociale de Solidarité des Sociétés* (C3S) was identified as impacting the consolidated financial statements and as such must be recognized in the year due rather than in the year when the provision is recognized in the statutory financial statements.

The impacts of these provisions have been integrated in the financial statements as from January 1, 2015.

The impact of the change in method on equity at December 31, 2014 breaks down as follows:

| € thousands  | Shareholders' equity |
|--|----------------------|
| Other liabilities<br>(cancellation of the C3S<br>debt accrued for in 2013) | 497                  |
| Deferred tax   | (189)                |
| <b>Impacts of the amendment<br/>at December 31, 2014</b>                   | <b>308</b>           |

### 1.4. Basis of consolidation

In June 2015, Interparfums set up a new distribution subsidiary in Spain to market Rochas fragrances in a major market for this brand. This "Parfums Rochas Spain" entity is 51%-held by Interparfums and 49%-held by its local distributor Because Interparfums exercises exclusive control over this company, it is in consequence for the consolidated.

In September 2015, Interparfums UK Ltd, a wholly-owned subsidiary of the Group, with no activity as from the end of 2014, was wound up. This had no impact on the consolidated financial statements.

All Group subsidiaries are fully consolidated.

## 2. NOTES TO THE BALANCE SHEET

### 2.1. Trademarks and other intangible assets

#### 2.1.1. Breakdown of trademarks and other intangible assets

| € thousands                                   | 12/31/2015      | +              | -        | 06/30/2016      |
|---|-----------------|----------------|----------|-----------------|
| <b>Gross value</b>                            |                 |                |          |                 |
| <b>Indefinite life intangible assets</b>      |                 |                |          |                 |
| Lanvin trademark                              | 36,323          | -              | -        | 36,323          |
| Rochas fragrances brand                       | 86,739          | -              | -        | 86,739          |
| Rochas fashion brand                          | 19,086          | -              | -        | 19,086          |
| <b>Finite life intangible assets</b>          |                 |                |          |                 |
| S.T. Dupont upfront license fee Dupont        | 1,219           | -              | -        | 1,219           |
| Van Cleef & Arpels upfront license fee        | 18,250          | -              | -        | 18,250          |
| Montblanc upfront license fee                 | 1,000           | -              | -        | 1,000           |
| Boucheron upfront license fee                 | 15,000          | -              | -        | 15,000          |
| Balmain upfront license fee                   | 2,050           | -              | -        | 2,050           |
| Karl Lagerfeld upfront license fee            | 12,877          | -              | -        | 12,877          |
| <b>Other intangible assets</b>                |                 |                |          |                 |
| Rights on molds for bottles and related items | 9,808           | 332            | -        | 10,140          |
| Registration of trademarks                    | 500             | -              | -        | 500             |
| Software                                      | 2,940           | 198            | -        | 3,138           |
| <b>Total gross amount</b>                     | <b>205,792</b>  | <b>530</b>     | <b>-</b> | <b>206,322</b>  |
| <b>Amortization and impairment</b>            |                 |                |          |                 |
| <b>Finite life intangible assets</b>          |                 |                |          |                 |
| S.T. Dupont upfront license fee Dupont        | (1,219)         | -              | -        | (1,219)         |
| Van Cleef & Arpels upfront license fee        | (13,689)        | (755)          | -        | (14,444)        |
| Montblanc upfront license fee                 | (548)           | (33)           | -        | (581)           |
| Boucheron upfront license fee                 | (5,000)         | (496)          | -        | (5,496)         |
| Balmain upfront license fee                   | (684)           | (85)           | -        | (769)           |
| Karl Lagerfeld upfront license fee            | (2,040)         | (320)          | -        | (2,360)         |
| <b>Other intangible assets</b>                |                 |                |          |                 |
| Rights on molds for bottles and related items | (7,238)         | (511)          | -        | (7,749)         |
| Registration of trademarks                    | (496)           | (4)            | -        | (500)           |
| Software                                      | (2,145)         | (249)          | -        | (2,394)         |
| <b>Total amortization and impairment</b>      | <b>(33,059)</b> | <b>(2,453)</b> | <b>-</b> | <b>(35,512)</b> |
| <b>Net total</b>                              | <b>172,733</b>  | <b>(1,923)</b> | <b>-</b> | <b>170,810</b>  |

At June 30, 2016, no impairments were recognized for intangible assets linked to losses in value.

#### 2.1.2. Acquisition of the Rochas brand

At the end of May 2015, Interparfums acquired the Rochas brand (perfumes and fashion) from Procter & Gamble.

This transaction covered all Rochas brand names and registered trademarks (*Femme, Madame, Eau de Rochas...*) for France and international markets, mainly for class 3 (fragrances) and class 25 (fashion).

This brand was acquired for a price of US\$108 million, excluding inventory (€101.3 million). The additional costs of €5 million generated by the acquisition were added into the value of the asset.

The purchase price allocation for the Rochas fragrances brand and the Rochas Fashion brand were measured by an outside appraiser and analyzed as follows:

| € thousands  | Perfumes      | Fashion       | Total          |
|--|---------------|---------------|----------------|
| Brand  | 82,745        | 18,210        | 100,955        |
| Allocated costs (cost of intermediaries and attorneys) | 594           | 130           | 724            |
| Allocated costs (registration rights)                  | 3,400         | 746           | 4,146          |
| <b>Total indefinite life intangible assets</b>         | <b>86,739</b> | <b>19,086</b> | <b>105,825</b> |
| Rights on molds for bottles                            | 155           | -             | 155            |
| Fixtures, improvements, fittings                       | 197           | -             | 197            |
| <b>Total property, plant and equipment</b>             | <b>352</b>    | <b>-</b>      | <b>352</b>     |
| <b>Total acquisition of Rochas brand</b>               | <b>87,091</b> | <b>19,086</b> | <b>106,177</b> |

## 2.2. Property, plant and equipment

| € thousands  | 12/31/2015    | +            | -           | 06/30/2016    |
|--|---------------|--------------|-------------|---------------|
| Gross value  |               |              |             |               |
| Fixtures, improvements, fittings                       | 5,700         | 943          | (8)         | 6,635         |
| Office and computer equipment and furniture            | 1,936         | 313          | (65)        | 2,184         |
| Molds for bottles and caps                             | 9,285         | 768          | -           | 10,053        |
| Other <sup>(1)</sup>                                   | 1,098         | -            | -           | 1,098         |
| <b>Total gross amount</b>                              | <b>18,019</b> | <b>2,024</b> | <b>(73)</b> | <b>19,970</b> |
| Accumulated depreciation and impairment <sup>(1)</sup> | (12,092)      | (898)        | 65          | (12,925)      |
| <b>Net total</b>                                       | <b>5,927</b>  | <b>1,126</b> | <b>(8)</b>  | <b>7,045</b>  |

(1) Including a gross amount of €552,000 for vehicles held under finance leases and depreciation expenses of €376,000.

The increase in the line items "Fixtures, improvements, fittings", "office and computer equipment and "furniture reflects mainly installations for the new premises for the Fashion business.

## 2.3. Non-current financial assets

The signature of the Karl Lagerfeld license agreement resulted in an advance on royalty payments to be charged against future royalties €9,589,000. This advance was discounted over the license agreement term and reduced accordingly to €5,816,000 at December 31, 2015.

The adjustment from discounting the balance to present value at June 30, 2016 brought this advance to €5,648,000 with the offset recognized by increasing the amortization of upfront license fees.

## 2.4. Inventories and work in progress

| € thousands                   | 12/31/2015     | 06/30/2016     |
|-------------------------------|----------------|----------------|
| Raw materials and components  | 23,494         | 25,189         |
| Finished goods                | 52,209         | 61,890         |
| <b>Total gross amount</b>     | <b>75,703</b>  | <b>87,079</b>  |
| Allowances for raw materials  | (2,241)        | (2,856)        |
| Allowances for finished goods | (2,809)        | (2,387)        |
| <b>Total provisions</b>       | <b>(5,050)</b> | <b>(5,243)</b> |
| <b>Net total</b>              | <b>70,653</b>  | <b>81,836</b>  |

The increase in inventory is primarily the result of inventory accumulation in preparation for new launches in the second half, mainly for the Coach and Jimmy Choo brands.

## 2.5. Trade receivables and related accounts

| <i>€ thousands</i> | <b>12/31/2015</b> | <b>06/30/2016</b> |
|--------------------|-------------------|-------------------|
| Total gross amount | 71,010            | 69,760            |
| Impairment         | (1,495)           | (1,482)           |
| <b>Net total</b>   | <b>69,515</b>     | <b>68,278</b>     |

The aged trial balance for trade receivables breaks down as follows:

| <i>€ thousands</i>        | <b>12/31/2015</b> | <b>06/30/2016</b> |
|---------------------------|-------------------|-------------------|
| Not due                   | 62,170            | 65,139            |
| 0-90 days                 | 6,822             | 3,540             |
| 91-180 days               | 909               | 7                 |
| 181-360 days              | 185               | 274               |
| More than 360 days        | 924               | 800               |
| <b>Total gross amount</b> | <b>71,010</b>     | <b>69,760</b>     |

## 2.6. Other receivables

| <i>€ thousands</i>                    | <b>12/31/2015</b> | <b>06/30/2016</b> |
|---------------------------------------|-------------------|-------------------|
| Prepaid expenses                      | 2,754             | 3,725             |
| Interparfums Holding current accounts | 2,807             | 2,452             |
| Value-added tax                       | 1,849             | 1,186             |
| Hedging instruments                   | 115               | 301               |
| License royalties                     | 237               | 110               |
| Other                                 | 839               | 113               |
| <b>Net total</b>                      | <b>8,601</b>      | <b>7,887</b>      |

## 2.7. Current financial assets, cash and cash equivalents

| <i>€ thousands</i>   | <b>12/31/2015</b> | <b>06/30/2016</b> |
|--|-------------------|-------------------|
| Current financial assets                                   | 76,097            | 104,381           |
| Cash and cash equivalents                                  | 149,895           | 92,297            |
| <b>Current financial assets, cash and cash equivalents</b> | <b>225,992</b>    | <b>196,678</b>    |

The decrease in cash in the period reflects primarily payment of a €10 million installment on the Rochas loan and a €16 million dividend payment to shareholders.

The breakdown between current financial assets in cash and cash equivalents has been modified in favor of longer-term investments providing higher return. These investments however remain highly liquid.

### 2.7.1. Current financial assets

Current financial assets, represented by investments with maturities greater than three months, break down as follows:

| <i>€ thousands</i>              | <b>12/31/2015</b> | <b>06/30/2016</b> |
|---------------------------------|-------------------|-------------------|
| Certificates of deposit         | 1,000             | 1,003             |
| Capital redemption contracts    | 36,938            | 37,555            |
| Term deposit accounts           | 37,935            | 65,609            |
| Other current financial assets  | 224               | 214               |
| <b>Current financial assets</b> | <b>76,097</b>     | <b>104,381</b>    |

## 2.7.2. Cash and cash equivalents

Cash in banks and cash equivalents having maturities of less than three months break down as follows:

| € thousands                                  | 12/31/2015     | 06/30/2016    |
|--|----------------|---------------|
| Certificates of deposit (less than 3 months) | 1,915          | 4,812         |
| Interest-bearing accounts                    | 6,715          | 21,732        |
| Term deposit accounts                        | 65,267         | 45,013        |
| Current interest-bearing accounts            | 43,089         | 6,328         |
| Bank accounts                                | 32,909         | 14,412        |
| <b>Cash and cash equivalents</b>             | <b>149,895</b> | <b>92,297</b> |

## 2.8. Shareholders' equity

### 2.8.1. Common stock

As of June 30, 2016, Interparfums' capital was comprised of 35,421,381 shares fully paid-up with a par value of €3, 72.69% -held by Interparfums Holding.

For the period under review, capital increases result from the exercise of stock options for 30,611 shares and the capital increase in connection with the bonus share issue of June 20, 2016 for 3,219,038 shares on the basis of one new share for every ten shares held.

### 2.8.2. Stock option plans

The managers and employees of the company and its subsidiaries benefited from stock option plans until 2010.

The characteristics of plans remaining in force are as follows:

| Plans     | Number of beneficiaries | Number of shares granted/exercised at inception | Grant date | Vesting period | Exercise price <sup>(1)</sup> |
|-----------|-------------------------|---|------------|----------------|-------------------------------|
| Plan 2010 | 143                     | 114,700   | 10/08/10   | 4 years        | €11.80                        |

(1) Subscription price adjusted for bonus issues.

The estimation of the fair value of each stock option based on the Black & Scholes model is calculated on the grant date on the basis of the following assumptions:

| Plans     | Fair value of the options | Risk free interest rates | Dividend yield | Volatility rate | Share price applied for the calculation |
|-----------|---------------------------|--------------------------|----------------|-----------------|---|
| Plan 2010 | €6.55                     | 2.81%                    | 1.81%          | 30%             | €22.95                                  |

In the period, changes in plans issued by Interparfums<sup>SA</sup> break down as follows:

| Plans     | Options outstanding at 12/31/2015 | Conversions in the period | Bonus share grants | Cancellations in the period | Options outstanding at 06/30/2016 |
|-----------|-----------------------------------|---------------------------|--------------------|-----------------------------|-----------------------------------|
| Plan 2010 | 109,153                           | (30,611)                  | 9,066              | (196)                       | 87,412                            |

At June 30, 2016, the potential number of Interparfums<sup>SA</sup> shares that may be created was 87,412.

Benefits granted to employees in the form of stock options, in accordance with IFRS 2, were calculated using the Black & Scholes model. The impact of this calculation represents an expense that is recognized over the duration of the vesting period. This expense had been fully amortized on June 30, 2015.

For the 2010 plan, the stock options have terms of six years.

### 2.8.3. Treasury stock

Within the framework of the share repurchase program authorized by the General Meeting of April 22, 2016, 75,449 Interparfums shares were held by the company as of June 30, 2016 or 0.21% of the share capital.

Changes in the period break down as follows:

| <i>€ thousands</i>           | <b>Average<br/>price</b> | <b>Number<br/>of shares</b> | <b>Book<br/>Value</b> |
|------------------------------|--------------------------|-----------------------------|-----------------------|
| <b>At December 31, 2015</b>  |                          | <b>85,999</b>               | <b>1,952</b>          |
| Acquisition                  | 22.32                    | 109,559                     | 2,445                 |
| Bonus issue of June 20, 2016 |                          | 6,959                       | -                     |
| Sales                        | 22.15                    | (127,068)                   | (2,814)               |
| <b>At June 30, 2016</b>      |                          | <b>75,449</b>               | <b>1,583</b>          |

Management of the share buyback program is assured by an investment services provider within the framework of a liquidity agreement in compliance with the conduct of business rules of the French association of financial market professionals (AMAFI).

Purchases of shares under this program are subject to the following conditions:

- the maximum purchase price is €40 per share, excluding execution costs;
- the total number of shares acquired may not exceed 5% of the capital stock outstanding.

### 2.8.4. Non-controlling interests

Non-controlling interests concern percentages not held in certain European subsidiaries (Interparfums Deutschland GmbH: 49%; Parfums Rochas Spain S.L: 49%) at June 30, 2016.

that break down as follows:

| <i>€ thousands</i>                                 | <b>12/31/2015</b> | <b>06/30/2016</b> |
|--|-------------------|-------------------|
| Reserves attributable to non-controlling interests | 349               | 429               |
| Earnings attributable to non-controlling interests | 80                | (179)             |
| <b>Non-controlling interests</b>                   | <b>429</b>        | <b>250</b>        |

Non-controlling shareholders have an irrevocable obligation and the ability to offset losses by an additional investment.

### 2.8.5. Information on equity

In compliance with the provisions of article L. 225-123 of the French Commercial Code, the shareholders' Meeting of September 29, 1995 decided to create shares carrying a double voting right. These shares must be fully paid up and recorded in the company's share register in registered form for at least three years.

Since 1998, the company has adopted a policy of distributing dividends that today represents more than 55% of consolidated net income to reward shareholders while at the same time associating them with the Group's expansion. In early May 2016, a dividend of €0.50 per share was paid or a total of €16.1 million.

Given its financial structure, the Group is able to secure financing for important projects from banks in the form of medium-term loans. At the end of May 2015, a 5 year €100 million loan was obtained to finance the acquisition of the Rochas brand.

The level of consolidated shareholders' equity is regularly monitored to ensure the company continues to have sufficient financial flexibility to take advantage of all potential opportunities for external growth.

## 2.9. Provisions for contingencies and expenses

| € thousands  | 12/31/2015   | Allowances | Actuarial gains/losses | Provisions used in the period | Reversal of unused provisions | 06/30/2016   |
|--|--------------|------------|------------------------|-------------------------------|-------------------------------|--------------|
| Provisions for retirement severance payments           | 5,745        | 283        | -                      | -                             | -                             | 6,028        |
| <b>Total provisions for expenses &gt; 1 year</b>       | <b>5,745</b> | <b>283</b> | <b>-</b>               | <b>-</b>                      | <b>-</b>                      | <b>6,028</b> |
| Provisions for contingencies < 1 year                  | 248          | 150        | -                      | -                             | (50)                          | 348          |
| <b>Total provisions for contingencies and expenses</b> | <b>5,993</b> | <b>433</b> | <b>-</b>               | <b>-</b>                      | <b>(50)</b>                   | <b>6,376</b> |

## 2.10. Borrowings

A loan with was obtained on May 29, 2015 with a face value of €100 million repayable over five years to finance the acquisition of the Rochas brand executed on that same date.

Its repayment is made in quarterly installments of €5 million each for the principal. This loan will be subject to interest equal to the 3-month Euribor plus the applicable margin.

This debt is recognized at fair value to which is allocated the €775,000 in transaction costs directly attributable to the acquisition, in compliance with IAS 39.

At June 30, 2016, €20 million had been reimbursed, with the remaining balance amounting to €80 million.

The line item "Borrowings" also corresponds to debt relating to fixed assets held under finance leases (vehicles).

### 2.10.1. Borrowings by the maturities

| € thousands                   | Total         | < 1 year      | 1 to 5 years  | > 5 years |
|-------------------------------|---------------|---------------|---------------|-----------|
| Variable-rate bank debt       | 79,512        | 19,839        | 59,673        | -         |
| Interest rate swap            | 1,279         | 533           | 746           | -         |
| Automobile leases             | 195           | 105           | 90            | -         |
| <b>Total at June 30, 2016</b> | <b>80,986</b> | <b>20,477</b> | <b>60,509</b> | <b>-</b>  |

### 2.10.2. Additional disclosures

The Rochas loan contracted in May 2015 was covered by an interest rate swap covering 90% of the debt and guaranteeing a maximum rate of 2% over the loan's full term.

At June 30, 2016, on the basis of a notional amount of €80 million, a notional loss of €354,000 in connection with this swap was recognized in the income statement whereby the Group did not apply hedge accounting in accordance with IAS 39. The market value of the swap at June 30, 2016 represented a negative amount for the company of €1,279,000.

### 2.10.3. Covenants

The Rochas loan obtained by the parent company is subject to the following covenant ratios:

- interest coverage ratio: consolidated EBITDA/consolidated interest expense;
- leverage ratio: Consolidated net debt/consolidated EBITDA.

In 2016, all these covenants were met. The current level of these ratios is considerably below the contractual limits. As a result, the Group has considerable financial flexibility in respect to these commitments.

## 2.11. Deferred tax

The standard effective interest rate applied country by country is used to calculate the tax charge for all periods presented.

Deferred taxes arise mainly from timing differences between financial accounting and tax accounting. Deferred taxes from consolidation adjustments and loss carryforwards are recovered as follows:

| <i>€ thousands</i>                                      | 12/31/2015   | Changes<br>through<br>reserves | Changes<br>through<br>profit or loss | 06/30/2016   |
|---|--------------|--------------------------------|--------------------------------------|--------------|
| <b>Deferred tax assets</b>                              |              |                                |                                      |              |
| Timing differences between financial and tax accounting | 2,419        | -                              | 75                                   | 2,494        |
| Past service costs- restated                            | 179          | -                              | -                                    | 179          |
| Recognition of loss carryforwards                       | 279          | -                              | 260                                  | 539          |
| Inventory margin  | 1,993        | -                              | 532                                  | 2,525        |
| Advertising and promotional costs                       | 527          | -                              | 587                                  | 1,114        |
| Straight-line rental payments                           | 139          | -                              | (4)                                  | 135          |
| Swap instrument   | 318          | -                              | 122                                  | 440          |
| Other   | 30           | -                              | (18)                                 | 12           |
| <b>Total deferred tax assets before amortization</b>    | <b>5,884</b> | <b>-</b>                       | <b>1,554</b>                         | <b>7,438</b> |
| Amortization of deferred tax                            | (279)        | -                              | (260)                                | (539)        |
| <b>Total net deferred tax assets</b>                    | <b>5,605</b> | <b>-</b>                       | <b>1,294</b>                         | <b>6,899</b> |

| <i>€ thousands</i>                         | 12/31/2015     | Changes<br>through<br>reserves | Changes<br>through<br>profit or loss | 06/30/2016     |
|--|----------------|--------------------------------|--------------------------------------|----------------|
| <b>Deferred tax liabilities</b>            |                |                                |                                      |                |
| Acquisition costs                          | (576)          | -                              | 4                                    | (572)          |
| Levies imposed by governments              | (152)          | -                              | 70                                   | (82)           |
| Gains (losses) on treasury shares          | (39)           | 22                             | 17                                   | -              |
| Rochas borrowing costs                     | (211)          | -                              | 43                                   | (168)          |
| Capitalization of Rochas acquisition costs | (1,677)        | -                              | -                                    | (1,677)        |
| Derivatives                                | (21)           | -                              | 11                                   | (10)           |
| <b>Total deferred tax liabilities</b>      | <b>(2,676)</b> | <b>22</b>                      | <b>145</b>                           | <b>(2,509)</b> |
| <b>Total net deferred tax</b>              | <b>2,929</b>   | <b>22</b>                      | <b>1,439</b>                         | <b>4,390</b>   |

## 2.12. Trade payables and other current liabilities

### 2.12.1. Trade payables and related accounts

| <i>€ thousands</i>            | 12/31/2015    | 06/30/2016    |
|-------------------------------|---------------|---------------|
| Trade payables for components | 21,357        | 28,665        |
| Other trade payables          | 32,373        | 22,019        |
| <b>Total</b>                  | <b>53,730</b> | <b>50,684</b> |

### 2.12.2. Other liabilities

| <i>€ thousands</i>                        | 12/31/2015    | 06/30/2016    |
|---|---------------|---------------|
| Accrued credit notes                      | 2,446         | 3,055         |
| Tax and employee-related liabilities      | 11,507        | 9,265         |
| Accrued royalties                         | 6,545         | 6,203         |
| Hedging instruments                       | 4             | 352           |
| Other liabilities                         | 1,029         | 705           |
| <b>Total other short-term liabilities</b> | <b>21,531</b> | <b>19,580</b> |

## 2.13. Financial instruments

### 2.13.1. Financial assets and liabilities by category

The following table presents financial instruments in the balance sheet according to the categories provided for under IAS 39.

| € thousands                            | Notes | Carrying value | Fair value     | Fair value through profit or loss | Available-for-sale assets | Loans & receivables or payables | Derivatives |
|--|-------|----------------|----------------|-----------------------------------|---------------------------|---------------------------------|-------------|
| <b>At June 30, 2016</b>                |       |                |                |                                   |                           |                                 |             |
| Long-term investments                  |       | 2,376          | 2,376          | -                                 | -                         | 2,376                           | -           |
| Other non-current financial assets     | 2.3   | 5,648          | 5,648          | -                                 | -                         | 5,648                           | -           |
| Trade receivables and related accounts | 2.5   | 68,278         | 68,278         | -                                 | -                         | 68,278                          | -           |
| Other receivables                      | 2.6   | 7,887          | 7,887          | -                                 | -                         | 7,586                           | 301         |
| Current financial assets               | 2.7   | 104,381        | 104,381        | -                                 | -                         | 104,381                         | -           |
| Cash and cash equivalents              | 2.7   | 92,297         | 92,297         | -                                 | -                         | 92,297                          | -           |
| <b>Total financial assets</b>          |       | <b>280,867</b> | <b>280,867</b> | -                                 | -                         | <b>280,566</b>                  | <b>301</b>  |
| Borrowings and financial liabilities   | 2.10  | 80,986         | 80,299         | 1,279                             | -                         | 79,707                          | -           |
| Trade payables and related accounts    | 2.12  | 50,684         | 50,684         | -                                 | -                         | 50,684                          | -           |
| Other liabilities                      | 2.12  | 19,580         | 19,580         | -                                 | -                         | 19,228                          | 352         |
| <b>Total financial liabilities</b>     |       | <b>151,250</b> | <b>150,563</b> | <b>1,279</b>                      | -                         | <b>149,619</b>                  | <b>352</b>  |

| € thousands                            | Notes | Carrying value | Fair value     | Fair value through profit or loss | Available-for-sale assets | Loans & receivables or payables | Derivatives |
|--|-------|----------------|----------------|-----------------------------------|---------------------------|---------------------------------|-------------|
| <b>At December 31, 2015</b>            |       |                |                |                                   |                           |                                 |             |
| Long-term investments                  |       | 1,975          | 1,975          | -                                 | -                         | 1,975                           | -           |
| Other non-current financial assets     | 3.3   | 5,816          | 5,816          | -                                 | -                         | 5,816                           | -           |
| Trade receivables and related accounts | 3.5   | 69,515         | 69,515         | -                                 | -                         | 69,515                          | -           |
| Other receivables                      | 3.6   | 8,601          | 8,601          | -                                 | -                         | 8,486                           | 115         |
| Current financial assets               | 3.7   | 76,097         | 76,097         | -                                 | -                         | 76,097                          | -           |
| Cash and cash equivalents              | 3.7   | 149,895        | 149,895        | -                                 | -                         | 149,895                         | -           |
| <b>Assets</b>                          |       | <b>311,899</b> | <b>311,899</b> | -                                 | -                         | <b>311,784</b>                  | <b>115</b>  |
| Borrowings and financial liabilities   | 3.10  | 90,572         | 88,780         | 925                               | -                         | 89,647                          | -           |
| Trade payables and related accounts    | 3.12  | 53,730         | 53,730         | -                                 | -                         | 53,730                          | -           |
| Other liabilities                      | 3.12  | 21,531         | 21,531         | -                                 | -                         | 21,527                          | 4           |
| <b>Liabilities</b>                     |       | <b>165,833</b> | <b>164,041</b> | <b>925</b>                        | -                         | <b>164,904</b>                  | <b>4</b>    |

With the exception of hedging instruments and the loan measured at amortized cost, the carrying value of other financial assets and liabilities represents a satisfactory approximation of their fair value.

### 2.13.2. Breakdown by method for measuring financial assets and liabilities

Financial instruments are broken down according to different levels of fair value defined by the amendment to IFRS 7.

| € thousands                            | Carrying value | Fair value     | Quoted prices (level 1) | Internal model based on directly observable market inputs (level 2) | Prices not based on observable market data (level 3) |
|--|----------------|----------------|-------------------------|---|--|
| <b>At June 30, 2016</b>                |                |                |                         |   |  |
| Long-term investments                  | 2,376          | 2,376          | -                       | 2,376   | -  |
| Other non-current financial assets     | 5,648          | 5,648          | -                       | 5,648   | -  |
| Trade receivables and related accounts | 68,278         | 68,278         | -                       | 68,278  | -  |
| Other receivables                      | 7,887          | 7,887          | -                       | 7,887   | -  |
| Current financial assets               | 104,381        | 104,381        | -                       | 104,381   | -  |
| Cash and cash equivalents              | 92,297         | 92,297         | -                       | 92,297  | -  |
| <b>Assets</b>                          | <b>280,867</b> | <b>280,867</b> | -                       | <b>280,867</b>  | -  |
| Borrowings and financial liabilities   | 80,986         | 80,299         | -                       | 80,299  | -  |
| Trade payables and related accounts    | 50,684         | 50,684         | -                       | 50,684  | -  |
| Other liabilities                      | 19,580         | 19,580         | -                       | 19,580  | -  |
| <b>Liabilities</b>                     | <b>151,250</b> | <b>150,563</b> | -                       | <b>150,563</b>  | -  |

| € thousands                            | Carrying value | Fair value     | Quoted prices (level 1) | Internal model based on directly observable market inputs (level 2) | Prices not based on observable market data (level 3) |
|--|----------------|----------------|-------------------------|---|--|
| <b>At December 31, 2015</b>            |                |                |                         |   |  |
| Long-term investments                  | 1,975          | 1,975          | -                       | 1,975   | -  |
| Other non-current financial assets     | 5,816          | 5,816          | -                       | 5,816   | -  |
| Trade receivables and related accounts | 69,515         | 69,515         | -                       | 69,515  | -  |
| Other receivables                      | 8,601          | 8,601          | -                       | 8,601   | -  |
| Current financial assets               | 76,097         | 76,097         | -                       | 76,097  | -  |
| Cash and cash equivalents              | 149,895        | 149,895        | -                       | 149,895   | -  |
| <b>Assets</b>                          | <b>311,899</b> | <b>311,899</b> | <b>-</b>                | <b>311,899</b>  | <b>-</b>   |
| Borrowings and financial liabilities   | 90,572         | 88,780         | -                       | 88,780  | -  |
| Trade payables and related accounts    | 53,730         | 53,730         | -                       | 53,730  | -  |
| Other liabilities                      | 21,531         | 21,531         | -                       | 21,531  | -  |
| <b>Liabilities</b>                     | <b>165,833</b> | <b>164,041</b> | <b>-</b>                | <b>164,041</b>  | <b>-</b>   |

## 2.14. Risk management

The primary risks related to the Group's business and organization result from interest rate and foreign exchange rate exposures that are hedged using derivative financial instruments. The potential impacts of other risks on the company's financials are not material.

### 2.14.1. Interest rate risks

The Group's policy for reducing its interest rate exposure risk seeks to ensure a stable level of financial expense by making use of all financial instruments such as hedges in the form of fixed rate swaps.

### 2.14.2. Liquidity risks

The net position of financial assets and liabilities by maturity is as follows:

| € thousands                          | < 1 year        | 1 to 5 years    | > 5 years    | Total           |
|--------------------------------------|-----------------|-----------------|--------------|-----------------|
| Other non-current financial assets   | -               | -               | 5,648        | 5,648           |
| Current financial assets             | 39,075          | 65,306          | -            | 104,381         |
| Cash and cash equivalents            | 92,297          | -               | -            | 92,297          |
| <b>Total financial assets</b>        | <b>131,372</b>  | <b>65,306</b>   | <b>5,648</b> | <b>202,328</b>  |
| Borrowings and financial liabilities | (19,944)        | (59,763)        | -            | (79,707)        |
| <b>Total financial liabilities</b>   | <b>(19,944)</b> | <b>(59,763)</b> | <b>-</b>     | <b>(79,707)</b> |
| <b>Net position before hedging</b>   | <b>111,428</b>  | <b>5,543</b>    | <b>5,648</b> | <b>122,619</b>  |
| Hedging of assets and liabilities    | (533)           | (746)           | -            | (1,279)         |
| <b>Net position after hedging</b>    | <b>110,895</b>  | <b>4,797</b>    | <b>5,648</b> | <b>121,340</b>  |

### 2.14.3. Foreign exchange risks

Net positions of the Group in the main foreign currencies are as follows:

| € thousands   | USD           | GBP          | JPY          | CAD        |
|---|---------------|--------------|--------------|------------|
| Assets  | 26,311        | 4,411        | 1,709        | 235        |
| Liabilities   | (3,930)       | (609)        | -            | -          |
| <b>Net position before hedging at the closing price</b> | <b>22,381</b> | <b>3,802</b> | <b>1,709</b> | <b>235</b> |
| Hedging instruments                                     | (11,371)      | (3,463)      | (1,683)      | -          |
| <b>Net position after hedging</b>                       | <b>11,010</b> | <b>339</b>   | <b>26</b>    | <b>235</b> |

In addition, because a significant portion of Group sales is in foreign currencies, it incurs a risk from exchange rate fluctuations, primarily from the US dollar (42% of sales) and to a lesser extent the Pound sterling (6% of sales) and the Japanese yen (2.3% of sales).

The Group's exchange-rate risk management policy seeks to cover exposures related to monetary flows resulting from sales in US dollars, pounds sterling and Japanese yens.

### 3. NOTES TO THE INCOME STATEMENT

#### 3.1. Breakdown of consolidated sales by brand

| <i>€ thousands</i>              | <b>H1 2015</b> | <b>H1 2016</b> |
|---------------------------------|----------------|----------------|
| Montblanc                       | 42,026         | 55,057         |
| Jimmy Choo                      | 33,151         | 38,929         |
| Lanvin                          | 28,458         | 22,102         |
| Rochas                          | 1,533          | 13,743         |
| Van Cleef & Arpels              | 9,124          | 9,334          |
| Boucheron                       | 9,594          | 8,256          |
| Paul Smith                      | 3,467          | 3,772          |
| Repetto                         | 4,468          | 2,946          |
| Karl Lagerfeld                  | 5,475          | 2,485          |
| S.T. Dupont                     | 6,487          | 2,236          |
| Balmain                         | 2,804          | 2,077          |
| Other                           | 245            | 304            |
| <b>Perfume sales</b>            | <b>146,832</b> | <b>161,241</b> |
| Rochas fashion license revenues | 292            | 1,089          |
| <b>Total revenue</b>            | <b>147,124</b> | <b>162,330</b> |

#### 3.2. Cost of sales

| <i>€ thousands</i>                                 | <b>H1 2015</b>  | <b>H1 2016</b>  |
|--|-----------------|-----------------|
| Raw materials, trade goods and packaging           | (73,717)        | (66,164)        |
| Changes in inventory and allowances for impairment | 22,221          | 14,811          |
| POS advertising                                    | (1,278)         | (1,561)         |
| Staff costs  | (1,936)         | (2,016)         |
| Property rental expenses                           | (761)           | (1,093)         |
| Transportation costs                               | (242)           | (240)           |
| Other expenses related to the cost of sales        | (99)            | (101)           |
| <b>Total cost of sales</b>                         | <b>(55,812)</b> | <b>(56,364)</b> |

### 3.3. Selling expenses

| <i>€ thousands</i>                                   | <b>H1 2015</b>  | <b>H1 2016</b>  |
|--|-----------------|-----------------|
| Advertising  | (25,561)        | (33,857)        |
| Royalties  | (12,091)        | (12,349)        |
| Subcontracting                                       | (2,956)         | (3,190)         |
| Transportation costs                                 | (1,488)         | (1,568)         |
| Sales commissions                                    | (677)           | (588)           |
| Travel expenses                                      | (1,548)         | (1,855)         |
| Staff costs  | (9,654)         | (12,579)        |
| Service fees   | (4,166)         | (4,054)         |
| Allowances and reversals for depreciation/impairment | (2,287)         | (2,345)         |
| Tax and related expenses                             | (1,517)         | (1,566)         |
| Other selling expenses                               | (2,256)         | (3,663)         |
| <b>Total selling expenses</b>                        | <b>(64,201)</b> | <b>(77,614)</b> |

The rise in selling expenses reflects mainly advertising expenses that were increased namely for the Montblanc and Jimmy Choo brands in addition to wage increases as the US subsidiary, Interparfums Luxury Brands, reinforced structures.

### 3.4. Administrative expenses

| <i>€ thousands</i>                                   | <b>H1 2015</b> | <b>H1 2016</b> |
|--|----------------|----------------|
| Purchases and external costs                         | (1,810)        | (2,108)        |
| Staff costs  | (2,663)        | (3,086)        |
| Allowances and reversals for depreciation/impairment | (122)          | (254)          |
| Travel and entertainment expenses                    | (378)          | (476)          |
| Property rentals                                     | (335)          | (333)          |
| Other administrative expenses                        | (381)          | (491)          |
| <b>Total administrative expenses</b>                 | <b>(5,689)</b> | <b>(6,748)</b> |

### 3.5. Net financial income/(expense)

| <i>€ thousands</i>                    | <b>H1 2015</b> | <b>H1 2016</b> |
|---------------------------------------|----------------|----------------|
| Financial income                      | 1,368          | 1,611          |
| Interest and similar expenses         | (531)          | (1,408)        |
| <b>Net borrowing costs</b>            | <b>837</b>     | <b>203</b>     |
| Currency losses                       | (7,422)        | (2,412)        |
| Currency gains                        | 5,636          | 2,348          |
| <b>Net currency gains (losses)</b>    | <b>(1,786)</b> | <b>(64)</b>    |
| Other financial income and expenses   | 4              | 8              |
| <b>Net financial income/(expense)</b> | <b>(945)</b>   | <b>147</b>     |

Net borrowings costs for the 2016 first half were impacted by interest expenses and hedging costs relating to the Rochas loan arranged in May 2015. The foreign exchange result was significantly impacted by currency fluctuations, mainly the US dollar in the 2015 first half, followed by a more limited impact in the 2016 first half.

### 3.6. Income taxes

| <i>€ thousands</i>                                  | <b>H1 2015</b> | <b>H1 2016</b> |
|---|----------------|----------------|
| Current income tax                                  | (5,731)        | (10,396)       |
| Deferred tax arising from timing differences        | (261)          | 75             |
| Deferred tax arising from consolidation adjustments | (581)          | 1,364          |
| <b>Total income taxes</b>                           | <b>(6,573)</b> | <b>(8,957)</b> |

A tax audit of 2012 of the French company resulted in a tax deficiency notification amounting to €6 million at the end of 2015.

After the company filed a formal challenge of these tax deficiency notifications and provided additional information and explanations, the tax authorities reduced this tax adjustment to €800,000 in May 2016. This tax adjustment concerned mainly the tax on royalties and commissions paid to certain Group subsidiaries.

The impact of this tax adjustment for the 2013, 2014 and 2015 financial years resulted in the recognition of an additional tax expense of €1 million, increasing the total provision in the accounts at June 30, 2016 for tax to €1.8 million.

As these rates were adjusted starting with fiscal 2016, the company does not anticipate any tax contingencies of this nature for the following years.

### 3.7. Earnings per share

| <b>In € thousands, except number of shares and earnings per share in euros</b> | <b>H1 2015</b> | <b>H1 2016</b> |
|--|----------------|----------------|
| Net income   | 13,915         | 12,973         |
| Average number of shares   | 29,410,257     | 32,303,032     |
| <b>Basic earnings per share<sup>(1)</sup></b>                                  | <b>0.47</b>    | <b>0.40</b>    |
| <b>Dilutive effect of stock options:</b>                                       |                |                |
| Potential additional number of fully diluted shares                            | 90,393         | 37,631         |
| Potential fully diluted average number of shares outstanding                   | 29,500,650     | 32,340,663     |
| <b>Diluted earnings per share<sup>(1)</sup></b>                                | <b>0.47</b>    | <b>0.40</b>    |

(1) Restated to eliminate the impact of the bonus issue of one new share for every ten shares held on June 20, 2016.

## 4. SEGMENT REPORTING

### 4.1. Business lines

Up until December 31, 2014, the company operated solely in the segment of "Perfumes" where the indicators for financial performances for each brand of this segment were comparable. In consequence, the Group's income statement and balance sheet henceforth reflected the operations of the "Perfumes" activity in its entirety.

Since the acquisition of the Rochas brand on May 29, 2015, the company now operates in two distinct segments: "Perfumes" henceforth including Rochas' fragrance business and "Fashion" corresponding to activity generated by Rochas' fashion business.

However, a separate presentation is not provided for income statement aggregates because the "Fashion" business represents less than 0.7% of Group sales.

Assets and liabilities relating to the Rochas brand at June 30, 2016 were as follows:

| <i>€ thousands</i>               | <b>Perfumes</b> | <b>Fashion</b> | <b>Total</b> |
|----------------------------------|-----------------|----------------|--------------|
| Intangible assets – Rochas brand | 86,739          | 19,086         | 105,825      |
| Medium-term loan                 | 66,220          | 14,571         | 80,791       |

The amount of the loan has been allocated by business line in proportion to the breakdown of intangible assets.

Segment assets and liabilities consist of operating assets (liabilities) used primarily in France.



## 4.2. Geographic segments

Sales by geographical sector break down as follows:

| <i>€ thousands</i>                     | <b>H1 2015</b> | <b>H1 2016</b> |
|--|----------------|----------------|
| Africa                                 | 2,318          | 2,667          |
| North America                          | 32,096         | 41,075         |
| South America                          | 14,428         | 12,435         |
| Asia                                   | 25,663         | 27,898         |
| Eastern Europe                         | 11,403         | 7,127          |
| Western Europe                         | 27,591         | 36,699         |
| France                                 | 13,293         | 16,724         |
| Middle East                            | 20,040         | 16,616         |
| <b>Perfume sales</b>                   | <b>146,832</b> | <b>161,241</b> |
| South America                          | 59             | 174            |
| Asia                                   | -              | 311            |
| Western Europe                         | -              | 459            |
| France                                 | 233            | 145            |
| <b>Rochas fashion license revenues</b> | <b>292</b>     | <b>1,089</b>   |
| <b>Total revenue</b>                   | <b>147,124</b> | <b>162,330</b> |

## 5. OFF BALANCE SHEET COMMITMENTS

### 5.1. Off balance sheet commitments

The following presentation of off-balance sheet commitments is based on AMF recommendation No. 2010-14 of December 6, 2010.

#### 5.1.1. Summary of off-balance sheet commitments

| <i>€ thousands</i>  | <b>12/31/2015</b> | <b>06/30/2016</b> |
|---|-------------------|-------------------|
| Off-balance sheet commitments in connection with the company's operating activities | 130,379           | 162,105           |
| <b>Total commitments given</b>  | <b>130,379</b>    | <b>162,105</b>    |

### 5.1.2.

Off-balance sheet commitments in connection with the company's operating activities

| <i>€ thousands</i>   | <b>Main characteristics</b>  | <b>12/31/2015</b> | <b>06/30/2016</b> |
|--|--|-------------------|-------------------|
| Guaranteed minima on trademark royalties   | Guaranteed minima on royalties regardless of sales achieved for each of the trademarks in the period.  | 104,966           | 133,893           |
| Rental expenses for the Paris headquarters and the subsidiaries (USA in Singapore) | Rental payments due over the remainder of the lease terms (3, 6 or 9 years).   | 15,574            | 14,315            |
| Guaranteed minima for warehousing and logistics                                    | Contractual minima for remuneration of warehouses regardless of sales volume for the period.   | 6,039             | 5,368             |
| Firm component orders  | Inventories of components on stock with suppliers that the company undertakes to purchase as required for the start of production phase and for which in consequence the company is the owner. | 3,800             | 8,529             |
| <b>Total commitments given in connection with operating activities</b>             |  | <b>130,379</b>    | <b>162,105</b>    |

### 5.1.3.

Off-balance sheet commitments in connection with financing activities

Commitments with respect to forward currency sales at June 30, 2016 amounted to US\$16,972,000, £3,350,000 and ¥192,000,000.

Commitments in connection with forward currency purchases at June 30, 2016 amounted to €928,000 for US dollar hedges and 604,000 for Pound sterling hedges.

### 5.1.4.

Commitments given by maturity at June 30, 2016

| <i>€ thousands</i>   | <b>Total</b>   | <b>Up to 1 year</b> | <b>1 to 5 years</b> | <b>5 years or more</b> |
|--|----------------|---------------------|---------------------|------------------------|
| Guaranteed minima on trademark royalties                         | 133,893        | 7,800               | 58,826              | 67,267                 |
| Headquarters rental payments                                     | 14,315         | 1,193               | 7,829               | 5,293                  |
| Guaranteed minima for warehousing and logistics                  | 5,368          | 671                 | 4,697               | -                      |
| Firm component orders  | 8,529          | 8,529               | -                   | -                      |
| <b>Commitments given in connection with operating activities</b> | <b>162,105</b> | <b>18,193</b>       | <b>71,352</b>       | <b>72,560</b>          |

Maturities are defined on the basis of the contract terms (license agreements, leases, logistic agreements, etc.).

### 5.1.5.

Commitments received

Commitments received in connection with forward currency sales at June 30, 2016 amounted to €15,025,000 for hedges for US dollars, €4,313,000 for Pound sterling and €1,580,000 for Japanese yen representing total commitments of €22,287,000.

Commitments with respect to forward currency sales at June 30, 2016 amounted to US\$1,066,000 and £488,000.

## 6. INFORMATION ON RELATED PARTIES

In the 2016 first half, there were no changes with respect to relations between Interparfums and affiliated undertakings (parent company and subsidiaries) and those disclosed in the notes to the consolidated financial statements in the 2015 annual report.

This is also the case for relations between members of the Management Committee and the Board of Directors.

## 7. OTHER INFORMATION

### 7.1. License agreements

|                    | Nature of license | License inception date | Duration              | Expiration date |
|--------------------|-------------------|------------------------|-----------------------|-----------------|
| S.T. Dupont        | Amount            | July 1997              | 11 years              | -               |
|                    | Renewal           | January 2006           | 5 years and 6 months  | -               |
|                    | Renewal           | January 2011           | 6 years               | December 2016   |
|                    | PSG amendment     | January 2014           | 2 years and 6 months  | June 2016       |
| Paul Smith         | Amount            | January 1999           | 12 years              | -               |
|                    | Renewal           | July 2008              | 7 years               | December 2017   |
| Van Cleef & Arpels | Amount            | January 2007           | 12 years              | December 2018   |
| Jimmy Choo         | Amount            | January 2010           | 12 years              | December 2021   |
| Montblanc          | Amount            | July 2010              | 10 years and 6 months | -               |
|                    | Renewal           | January 2016           | 5 years               | December 2025   |
| Boucheron          | Amount            | January 2011           | 15 years              | December 2025   |
| Balmain            | Amount            | January 2012           | 12 years              | December 2023   |
| Repetto            | Amount            | January 2012           | 13 years              | December 2024   |
| Karl Lagerfeld     | Amount            | November 2012          | 20 years              | October 2032    |
| Coach              | Amount            | June 2016              | 10 years              | June 2026       |

In April 2015, Interparfums signed a license agreement for a 10 year term to start in June 2016 with Coach Inc., the leading New York design house of modern luxury and fashion accessories and lifestyle collections.

Under this agreement, Interparfums creates, produces and distributes new perfumes and fragrance-related products, including new men's and women's scents and ancillary products. Interparfums will distribute these fragrances globally to department and specialty stores and duty free shops, as well as in Coach retail stores beginning fall 2016.

In October 2015, the company extended its partnership with Montblanc in advance for an additional five years, i.e. until December 31, 2025.

### 7.2. Proprietary brands

#### Lanvin

In June 2004, Interparfums<sup>SA</sup> signed an exclusive worldwide license agreement with Lanvin effective July 1, 2004 to create, develop and distribute fragrance lines under the Lanvin brand name for 15 years.

At the end of July 2007, Interparfums acquired the Lanvin brand names and international trademarks for fragrance and make-up products from the Jeanne Lanvin company. The two companies concluded in parallel a technical and creative assistance agreement in view of developing new perfumes based on net sales and effective until June 30, 2019. The Jeanne Lanvin company holds a buy back option for the brands which will be exercisable on July 1, 2025.

#### Rochas

At the end of May 2015, Interparfums acquired the Rochas brand (perfumes and fashion) from Procter & Gamble.

This transaction covered all Rochas brand names and registered trademarks (*Femme, Madame, Eau de Rochas...*) for France and international markets, mainly for class 3 (fragrances) and class 25 (fashion).

This brand was acquired for a price of US\$108 million, excluding inventory and financed by a €100 million loan repayable over five years, subject to standard covenants.

### 7.3. Employee-related data

Changes in the period in the number of employees in the period reflect mainly the significant number of recruitments by the US subsidiary, after it became an independent operation and its collaboration with its local partner, which included use of its sales force and administrative services, was ended.

#### 7.3.1. Employees by category

| <b>Number of employees at</b> | <b>06/30/2015</b> | <b>06/30/2016</b> |
|-------------------------------|-------------------|-------------------|
| Managers                      | 133               | 168               |
| Supervisory staff             | 7                 | 7                 |
| Employees                     | 79                | 75                |
| <b>Total</b>                  | <b>219</b>        | <b>250</b>        |

#### 7.3.2. Employees by department

| <b>Number of employees at</b> | <b>06/30/2015</b> | <b>06/30/2016</b> |
|-------------------------------|-------------------|-------------------|
| Executive Management          | 2                 | 2                 |
| Production & Operations       | 34                | 35                |
| Marketing                     | 50                | 55                |
| Export                        | 41                | 64                |
| France                        | 42                | 41                |
| Finance & Corporate Affairs   | 46                | 48                |
| Rochas fashion                | 4                 | 5                 |
| <b>Total</b>                  | <b>219</b>        | <b>250</b>        |

### 7.4. Post-closing events

None.

## Certificate of the company officer responsible for the interim financial report

I hereby declare that to the best of my knowledge the interim condensed financial statements presented for the first six months were prepared in accordance with applicable accounting standards and give a true and fair view of the financial position and results of Interparfums and its consolidated subsidiaries and that the interim management report included herein presents a true and fair view of the important events occurring during the first six months of the fiscal year, their impact on the interim financial statements, the main transactions with related parties and the principal risks and uncertainties for the remaining six months of the fiscal year.

Paris, September 6, 2016

**Philippe Benacin**

Chairman-Chief Executive Officer

## Executive officer responsible for financial information

**Philippe Santi**

Executive Vice President & Chief Financial Officer





BALMAIN  
BOUCHERON  
COACH  
JIMMY CHOO  
KARL LAGERFELD  
LANVIN  
MONTBLANC  
PAUL SMITH  
REPETTO  
ROCHAS  
S.T. DUPONT  
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