Interparfums

First Half Report 2018

2018

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Management report

1 • Review of operations

Consolidated first-half sales reached €218.7 million, up 4.5% at current exchange rates from the same period in 2017. Excluding the effect of the Euro/US dollar exchange rate change, this growth was even more robust with sales up 11% at constant currencies to €232 million.

1.1 • Highlights by brand

€m	H1 2017	H1 2018	2018/2017
Montblanc	57.1	57.1	-
Jimmy Choo	54.6	42.6	-22.0%
Coach	15.7	37.4	138.2%
Lanvin	30.5	29.6	-3.0%
Rochas	18.6	16.3	-12.4%
Boucheron	8.9	10.5	18.0%
Van Cleef & Arpels	9.5	7.8	-18.9%
Other	13.0	16.3	26.2%
Perfume sales	**207.9**	**217.6**	**4.7%**
Rochas fashion license revenues	1.4	1.1	-21.4%
Total revenue	**209.3**	**218.7**	**4.5%**

In the absence of a major launch and despite an adverse currency effect, Montblanc fragrances remained steady in relation to last year at €57 million, confirming the strength of the *Montblanc Legend* line launched in 2011.

Following the strong growth in last year's first half fueled by the simultaneous launches of the *Jimmy Choo L'Eau* and *Jimmy Choo Man Ice* lines, in line with expectations Jimmy Choo fragrances sales reached €42.6 million in the 2018 first half. Second half momentum will be driven by the *Jimmy Choo Fever* line's launch.

With first-half sales of more than €37 million, Coach fragrances showed remarkable growth, particularly in the United States, illustrated both by the success of the men's and women's *Coach* lines and the successful launch of the women's fragrance, *Coach Floral* at the start of the year.

Here also, in the absence of a major launch in the period, Lanvin fragrance sales remained stable at nearly €30 million, highlighting the *Éclat d'Arpège* line's continuing strength.

Rochas fragrances continued to grow with the launch of *Eau de Toilette Mademoiselle Rochas* building on the success of *Eau de Parfum* introduced in early 2017.

Boucheron fragrances continue to benefit from the success of its collection of exclusive fragrance lines but also the *Quatre* line.

The Van Cleef & Arpels fragrances are also profiting from the performances of their Haute Parfumerie collections with a strategy intentionally more exclusive and henceforth focused solely on the *Collection Extraordinaire* and *First* lines.

Finally, Karl Lagerfeld fragrances' return to growth, initiated in the 2017 second half with *Les Parfums Matières* collection's launch, remains on track.

1.2 • Highlights by region

Virtually all regions contributed to growth in the first half, with notably strong gains in the Asia Pacific region (+9%) and North America (+8% at current exchange rates, +22% at constant exchange rates). Only Western Europe registered a marginal decline, linked mainly to the unfavorable comparison base in response to the significant revenues generated in the 2017 first half from the *Jimmy Choo L'Eau* and *Jimmy Choo Man Ice* line launches.

2 • Consolidated financial highlights

€m	H1 2017	H1 2018	2018/2017
Net sales	209.3	218.7	4.5%
Gross margin	136.6	139.1	1.8%
% of sales	*65.3%*	*63.6%*	
Operating profit	33.1	34.8	5.1%
% of sales	*15.8%*	*15.9%*	
Net income	21.7	25.2	16.1%
% of sales	*10.4%*	*11.5%*	

Improved cost prices for selected lines resulted in an increase in the gross margin as a percentage of sales at constant currencies in the 2018 first half. This indicator however was partially impacted by the negative Euro/US Dollar exchange rate which limited its increase in euros for this period to 2% at current exchange rates.

In a period without major launches, the company maintained a substantial marketing and advertising budget (21% of sales). This currency effect contributed to an increase in net income which rose 16% from the 2017 first half.

The lower US tax rate combined with a Euro-to-Dollar exchange rate below 1.20 in the last two months of the first half resulting in an unrealized foreign exchange gain for the period, amplified this trend at the level of net income with a 16% increase from the 2017 first half.

€m	12/31/17	06/30/18	2018/2017
Group shareholders' equity	421.8	421.9	-
Cash + other current financial assets	221.1	176.7	-20.1%
Medium-term loans	50.5	40.4	-20.0%

Working capital in the 2018 first half was temporarily impacted by inventory buildup for selected lines in preparation for launches planned in the next 12 months and anticipated business growth, notably by Coach fragrances.

After the €26 million dividend payment for 2017 and the €10 million Rochas loan repayment, the net cash position remained significant at more than €135 million at June 30, 2018, comparable to one year earlier.

3 • Half year milestones

January

Launch of the *Dance with Repetto* line

The new Repetto fragrance is an ode to the emancipation of the dancer and women and a tribute to the beauty and joy of the art of Dance

Launch of the *Modern Princess Eau Sensuelle* line of Lanvin

The fragrance blends the velvety softness of the vine peach with the sparkling sensuality of peony and jasmine petals.

March

Launch of the *Coach Floral* line

Coach Floral evokes the warmth of a sunny day spent in a field of wildflowers.

Launch of the *Boucheron Quatre en Rose* line

The Eau de Parfum is an original olfactory interpretation of the jeweler's eponymous collection; an ode to a sunny, sparkling woman.

April

Launch of the Eau de Toilette, *Mademoiselle Rochas*

Mademoiselle Rochas presents its new Eau de Toilette with sparkling, mischievous accents. *Mademoiselle Rochas* Eau de Toilette captivates with its delicate musky green floral accord.

May

Launch of the *Jimmy Choo Man Blue* line

A dynamic scent which plays on contrasts like the multi-facetted *Jimmy Choo Man Blue*, casual yet elegant. This new fragrance is an instinctive woody aromatic leathery scent.

Van Cleef & Arpels

In May 2018, the company extended its fragrance license agreement with Van Cleef & Arpels for an additional six years until December 31, 2024.

Dividend

A dividend of €0.67 per share was paid in early May for 2017, a 34% increase from 2016.

June

Bonus share issue

The company proceeded with its 19th bonus share issue on the basis of one new share for every ten shares held.

4 • Risk factors and information on related parties

4.1 • Risk factors

Information on market risks and their management are presented in note 2.14 of the interim condensed consolidated 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 2017 registration document filed on March 26, 2018 with the French financial market authorities (*Autorité des Marchés Financiers* or AMF). There were no material changes in these Risk Factors in the 2018 first half.

4.2 • Related party transactions

In the 2018 first half, relations between Interparfums and affiliated companies remained comparable with those of fiscal year 2017 presented in note 6.5 “Information on related parties” of the 2017 consolidated financial statements (section 2) included in the registration document filed on March 26, 2018 with the AMF.

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

5 • Outlook

Coach fragrances confirmed their position as the third pillar of the Group’s brand portfolio based on a remarkable performance with sales of more than €37 million for the first six months, after only. With Montblanc and Jimmy Choo fragrances in particular, the company has strong foundations for accelerating growth in the coming years.

As last year, in the first half the company had a particularly high operating margin of nearly 16%. Based on a 1.20 Euro/US dollar exchange rate and structurally more substantial marketing and advertising expenses in the second half, the company maintains its operating margin target of between 13% and 13.5% for the 2018 full-year.

6 • Post-closing events

None.

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Interim condensed consolidated financial statements

1 • Consolidated income statement

€ thousands, except per share data which is in units	Notes	H1 2017	H1 2018
Net sales	3.1	**209,346**	**218,682**
Cost of sales	3.2	(72,718)	(79,620)
Gross margin		**136,628**	**139,062**
% of sales		*65.3%*	*63.6%*
Selling expenses	3.3	(96,474)	(95,841)
Administrative expenses	3.4	(7,044)	(8,403)
Operating profit		**33,110**	**34,818**
% of sales		*15.8%*	*15.9%*
Financial income		1,183	1,467
Interest and similar expenses		(647)	(580)
Net finance costs		**536**	**887**
Other financial income		4,451	3,722
Other financial expense		(5,478)	(2,684)
Net financial income (expense)	3.5	**(491)**	**1,925**
Income before income tax		**32,619**	**36,743**
% of sales		*15.6%*	*16.8%*
Income tax	3.6	(10,601)	(11,390)
Effective tax rate		32.5%	31.0%
Net income		**22,018**	**25,353**
% of sales		*10.5%*	*11.6%*
Attributable to non-controlling shareholders		**282**	**130**
Net income		**21,736**	**25,223**
% of sales		*10.4%*	*11.5%*
Net earnings per share (1)	3.7	0.60	0.64
Diluted earnings per share (1)	3.7	0.60	0.64

(1) Restated for the bonus issue of June 12, 2018.

2 • Consolidated statement of comprehensive income

€ thousands	**H1 2017**	**H1 2018**
Consolidated net profit for the period	**22,018**	**25,353**
Available-for-sale assets	-	-
Currency hedges	864	(28)
Deferred tax arising from items able to be recycled	(297)	10
Items able to be recycled in profit or loss	**567**	**(18)**
Actuarial gains and losses	-	-
Deferred taxes on items unable to be recycled	-	-
Items unable to be recycled in profit or loss	**-**	**-**
Other comprehensive income total	**567**	**(18)**
Comprehensive income for the period [1]	**22,585**	**25,335**
Attributable to non-controlling shareholders	282	130
Attributable to equity holders of the parent	**22,303**	**25,205**

3 • Consolidated balance sheet

Assets

€ thousands	Notes	12/31/17	06/30/18
Non-current assets			
Net trademarks and other intangible assets	2.1	159,177	157,410
Net property, plant, equipment	2.2	6,454	6,495
Long-term investments	2.3	2,839	11,533
Other non-current financial assets	2.3	4,066	3,791
Deferred tax assets	2.11	7,545	9,324
Total non-current assets		**180,081**	**188,553**
Current assets			
Inventory and work-in-progress	2.4	89,486	101,280
Trade receivables and related accounts	2.5	75,700	95,476
Other receivables	2.6	8,999	6,439
Corporate income tax		2,214	1,109
Current financial assets	2.7	58,283	66,531
Cash and cash equivalents	2.7	162,825	110,187
Total current assets		**397,507**	**381,022**
Total assets		**577,588**	**569,575**

Shareholders' equity & liabilities

€ thousands	Notes	12/31/17	06/30/18
Shareholders' equity			
Share capital		117,179	128,897
Additional paid-in capital		-	-
Retained earnings		264,669	267,793
Net income for the year		39,955	25,223
Equity attributable to parent company shareholders		**421,803**	**421,913**
Non-controlling interests		1,425	1,261
Total shareholders' equity	2.8	**423,228**	**423,174**
Non-current liabilities			
Provisions for non-current commitments	2.9	8,118	8,952
Non-current borrowings	2.10	30,190	20,130
Deferred tax liabilities	2.11	2,553	2,441
Total non-current liabilities		**40,861**	**31,523**
Current liabilities			
Trade payables and related accounts	2.12	64,830	65,204
Current borrowings	2.10	20,322	20,253
Provisions for contingencies and expenses	2.9	923	923
Income tax		639	4,218
Other liabilities	2.12	26,785	24,280
Total current liabilities		**113,499**	**114,878**
Total shareholders' equity and liabilities		**577,588**	**569,575**

4 • Statement of changes in shareholders' equity

€ thousands	Number of shares	Share capital	Paid-in capital	Other compre-hensive income	Reserves and retained earnings	Total equity		
						Attributable to equity holders of the parent	Attributable to non-controlling interests	Total
As of December 31, 2016[(1)]	**35,348,002**	**106,526**	**874**	**(1,305)**	**297,463**	**403,558**	**847**	**404,405**
Bonus share issue	3,550,878	10,653	(874)	-	(9,779)	-	-	-
2017 net income	-	-	-	-	39,956	39,956	654	40,610
Change in actuarial gains and losses on provisions for pension obligations	-	-	-	(212)	-	(212)	-	(212)
Remeasurement of financial instruments at fair value	-	-	-	63	-	63	-	63
2016 dividend paid in 2017	-	-	-	-	(19,442)	(19,442)	(76)	(19,518)
Treasury shares	(20,617)	-	-	-	803	803	-	803
Currency translation adjustments	-	-	-	-	(2,923)	(2,923)	-	(2,923)
As of December 31, 2017[(1)]	**38,878,263**	**117,179**	**-**	**(1,454)**	**306,078**	**421,803**	**1,425**	**423,228**
Bonus share issue	3,905,966	11,718	-	-	(11,718)	-	-	-
2018 half-year net income	-	-	-	-	25,223	25,223	130	25,353
Remeasurement of financial instruments at fair value	-	-	-	(18)	-	(18)	-	(18)
2017 dividend paid in 2018	-	-	-	-	(26,060)	(26,060)	(294)	(26,354)
Treasury shares	(25,957)	-	-	-	89	89	-	89
Currency translation adjustments	-	-	-	-	876	876	-	876
As of June 30, 2018[(1)]	**42,758,272**	**128,897**	**-**	**(1,472)**	**294,488**	**421,913**	**1,261**	**423,174**

€ thousands	Number of shares	Share capital	Paid-in capital	Other compre-hensive income	Reserves and retained earnings	Total equity		
						Attributable to equity holders of the parent	Attributable to non-controlling interests	Total
As of December 31, 2016[(1)]	**35,348,002**	**106,526**	**874**	**(1,305)**	**297,463**	**403,558**	**848**	**404,406**
Bonus share issue	3,550,878	10,653	(874)	-	(9,779)	-	-	-
2017 net income	-	-	-	-	21,736	21,736	283	22,019
Remeasurement of financial instruments at fair value	-	-	-	567	-	567	-	567
2016 dividend paid in 2017	-	-	-	-	(19,442)	(19,442)	-	(19,442)
Treasury shares	(25,066)	-	-	-	110	110	-	110
Currency translation adjustments	-	-	-	-	(1,628)	(1,628)	-	(1,628)
As of June 30, 2017[(1)]	**38,873,814**	**117,179**	**-**	**(738)**	**288,460**	**404,901**	**1,131**	**406,032**

(1) Excluding treasury shares.

5 • Consolidated statement of cash flows

€ thousands	**06/30/17**	**12/31/17**	**06/30/18**
Cash flows from operating activities			
Net income	22,018	40,611	25,353
Depreciation, amortization and other	4,852	4,204	13,399
Net finance costs	(491)	(94)	(887)
Tax charge of the period	10,601	17,841	11,390
Operating cash flows	**36,980**	**62,562**	**49,255**
Interest expense payments	(828)	(1,604)	(674)
Tax payments	(9,207)	(17,617)	(9,618)
Cash flow after interest expense and tax	**26,945**	**43,341**	**38,963**
Change in inventory and work in progress	(26,524)	(23,059)	(19,172)
Change in trade receivables and related accounts	(10,839)	1,020	(19,634)
Change in other receivables	5,910	5,541	3,582
Change in trade payables and related accounts	(114)	2,922	514
Change in other current liabilities	(3,096)	1,746	(1,775)
Change in working capital needs	**(34,663)**	**(11,830)**	**(36,485)**
Net cash flows provided by (used in) operating activities	**(7,718)**	**31,511**	**2,478**
Cash flows from investing activities			
Net acquisitions of intangible assets	(469)	(1,076)	(496)
Net acquisitions of property, plants and equipment	(1,243)	(2,227)	(1,465)
Net acquisitions of marketable securities (>3 months)	(18,703)	31,657	(8,001)
Changes in investments and other non-current assets	790	1,212	(8,419)
Net cash flows provided by (used in) investing activities	**(19,625)**	**29,566**	**(18,381)**
Cash flow from financing activities			
Issuance of borrowings and new financial debt	-	-	-
Debt repayments	(9,993)	(20,000)	(10,000)
Dividend payments to shareholders	(19,442)	(19,442)	(26,060)
Capital increases	-	-	-
Treasury shares	(795)	(48)	(675)
Net cash flows provided by (used in) financing activities	**(30,230)**	**(39,490)**	**(36,735)**
Change in net cash	**(57,573)**	**21,587**	**(52,638)**
Cash and cash equivalents, beginning of year	141,238	141,238	162,825
Cash and cash equivalents, end of year	**83,666**	**162,825**	**110,187**

The reconciliation of net cash breaks down as follows:

€ thousands	**06/30/17**	**12/31/17**	**06/30/18**
Cash and cash equivalents	83,666	162,825	110,187
Current financial assets	108,487	58,283	66,531
Net cash and current financial assets	**192,153**	**221,108**	**176,718**

3

Notes to the interim condensed consolidated financial statements

1 • Accounting principles

1.1 • Compliance statement

The interim condensed consolidated financial statements for the six-month period ending June 30, 2018 were adopted by the Board of Directors on September 5, 2018. 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, 2017. In addition, the comparability of interim and annual financial statements may be affected by seasonal trends of Group business and notably the impact of launch phases of new fragrance lines.

Financial information presented herein is based on:

- IFRS standards and interpretations subject to mandatory application;
- options and exemptions adopted by the Group for the preparation of IFRS consolidated financial statements.

1.2 • Changes in accounting standards

Furthermore, no standards, amendments or interpretations currently under review by IASB and IFRIC were early adopted in the financial statements for the period ending June 30, 2018.

1.2.1 • Standards in force in 2018

The following standards, amendments or interpretations that entered into force on January 1, 2018 were applied by the company in preparing its consolidated financial statements for the period ended June 30, 2018.

IFRS 15 – Revenue recognition

Group revenue consists exclusively of fragrance sales and, to a lesser extent (less than 0.5%) licensing royalties.

All sales are covered by firm orders that are contractual in nature. Transaction prices are set and determined by Management in advance. Similarly, commercial rebates that may be granted to customers are contractually defined for one year periods.

Control by the customer is effective upon transfer of ownership in accordance with habitual Incoterms, and mainly when the products leave the warehouse.

Revenue is recognized upon transfer of ownership in order to take into account the performance obligation for the accounting period in question.

No customer relationships have been identified by the Group other than those involving fragrance sales and license royalties. The current application in terms of both the amount and the timing of these revenue items does not differ from the requirements of IFRS 15.

In consequence IFRS 15 has no impact on the presentation of revenue as of fiscal 2018 in comparison with prior periods.

IFRS 9 – Financial instruments

The only item identified by the Group falling under the scope of IFRS 9 is the impairment of trade receivables.

Trade receivables collection risks and estimated losses therefrom are analyzed by the Group on a daily basis. The extensive knowledge of the customers with whom the Group has developed long-lasting relations and the use of tools to monitor the financial health of our current or future partners ensure that the Group possesses the information required to analyze the risks and recognize, as appropriate, impairment charges.

In addition, credit insurance exists for a significant portion of the trade receivables in all countries where the Group's revenue is generated.

On that basis, no significant changes were identified by the Group with respect to the handling of trade receivable risks that would differ from the requirements of IFRS 9.

In consequence, IFRS 9 has no impact on the impairment charges presented as of fiscal 2018 in comparison with prior periods.

1.2.1 • Standards in force in 2019

The following standards, amendments and interpretations, not yet entered into effect, have been studied in advance to evaluate their impacts on future consolidated financial statements.

IFRS 16 – Leases – entering into effect in January 2019

The company has initiated a study of this standard and its impacts on the consolidated financial statements are in the process of being quantified.

At this stage, the company has identified lease agreements to be recognized in the balance sheet under assets, and namely for the premises of the Paris headquarters, the New York and Singapore offices and the Rouen warehousing facility. No other contract has been identified as falling within the scope of this standard.

According to initial calculations based on existing leases and their maturities of June 30, a restatement of fixed assets and borrowings for a maximum amount of approximately €20 million may be expected. This first estimate may be subject to revisions according to new information for fiscal 2018 unavailable to the company to date, without however significantly calling into question the current forecasts.

With respect to these terms, the company has applied the longest possible term, including options for renewal for the lessee, based on the intention for the continued use the premises.

Because the Group has no or little debt, it will be materially impossible to base these discount and interest rates on the incremental borrowing rate. For that reason, these rates have been based on the interbank rates, country by country and according to both the maturity of the respective leases and their rate of lease payment installments.

For first-time application, Interparfums group has chosen to apply this standard using the partial retrospective approach where the comparative financial statements of prior periods are not restated. The cumulative effect net of deferred taxes on the date of the first-time application will be allocated to a specific line under consolidated reserves.

1.3 • Basis of consolidation

Entities 51%-held by Interparfums are fully consolidated based on the exercise of exclusive control.

All Group subsidiaries are fully consolidated.

Interparfums SA		**Ownership interest (%)** **Controlling interest (%)**
Interparfums Suisse Sarl	Switzerland	100%
Interparfums Asia Pacific Pte Ltd	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.

2 • Notes to the balance sheet

2.1 • Trademarks and other intangible assets

€ thousands	**12/31/17**	**+**	**–**	**06/30/18**
Gross value				
Indefinite life intangible assets				
Lanvin trademark	36,323	-	-	36,323
Rochas Fragrances trademark	86,739	-	-	86,739
Rochas Fashion trademark	19,086	-	-	19,086
Finite life intangible assets				
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
Karl Lagerfeld upfront license fee	12,877	-	-	12,877
Other intangible assets				
Rights on molds for bottles and related items	11,056	436	-	11,492
Registration of trademarks	620	10	(60)	570
Software	3,208	50	-	3,258
Total gross amount	**205,378**	**496**	**(60)**	**205,814**
Amortization and impairment				
Finite life intangible assets				
S.T. Dupont upfront license fee Dupont	(1,219)	-	-	(1,219)
Van Cleef & Arpels upfront license fee	(16,730)	(754)	-	(17,484)
Montblanc upfront license fee	(682)	(33)	-	(715)
Boucheron upfront license fee	(7,000)	(496)	-	(7,496)
Karl Lagerfeld upfront license fee	(8,430)	(317)	-	(8,747)
Other intangible assets				
Rights on molds for bottles and related items	(8,986)	(504)	-	(9,490)
Registration of trademarks	(500)	-	-	(500)
Software	(2,654)	(99)	-	(2,753)
Total amortization and impairment	**(46,201)**	**(2,203)**	**-**	**(48,404)**
Net total	**159,177**	**(1,707)**	**(60)**	**157,410**

At June 30, 2018, in light of the absence of any indications of impairment in the period, no additional impairment charges were recognized.

2.2 • Property, plant and equipment

€ thousands	**12/31/17**	**+**	**–**	**06/30/18**
Fixtures, improvements, fittings	7,587	366	-	7,953
Office and computer equipment and furniture	2,752	213	(251)	2,714
Molds for bottles and caps	10,652	849	-	11,501
Other [1]	1,188	37	(167)	1,058
Total gross amount	**22,179**	**1,465**	**(418)**	**23,226**
Accumulated depreciation and impairment [1]	(15,725)	(1,169)	163	(16,731)
Net total	**6,454**	**296**	**(255)**	**6,495**

(1) Including a gross amount of €508,000 for vehicles held under finance leases and depreciation expenses of €310,000.

2.3 • Long-term investments and other non-current financial assets

2.3.1 • Long-term investments

Long-term investments consist primarily of deposit guarantees on property and since the end of March 2018, a loan granted to the Interparfums Inc. parent company (US$10 million) amounting to €8.1 million under normal market conditions. This loan will be repaid starting in April 2019 in the amount of US$1 million per month over a period of 10 months for the principal plus the interest thereon.

2.3.2 • 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 of €9.6 million. This advance was discounted over the license agreement term and reduced accordingly to €3.8 million at June 30, 2018.

The corresponding offset was recognized by increasing the amortization of upfront license fees.

2.4 • Inventory and work-in-progress

(€ thousands)	12/31/17	06/30/18
Raw materials and components	30,876	38,433
Finished goods	62,149	67,042
Total gross amount	**93,025**	**105,475**
Allowances for raw materials	(374)	(994)
Impairment of finished goods	(3,165)	(3,201)
Accumulated provisions for impairment	**(3,539)**	**(4,195)**
Net total	**89,486**	**101,280**

2.5 • Trade receivables and related accounts

€ thousands	12/31/17	06/30/18
Total gross amount	76,915	96,546
Impairment	(1,215)	(1,070)
Net total	**75,700**	**95,476**

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

€ thousands	12/31/17	06/30/18
Not due	65,084	83,090
0-90 days	11,291	12,124
91-180 days	8	995
181-360 days	105	45
More than 360 days	427	292
Total gross amount	**76,915**	**96,546**

2.6 • Other receivables

€ thousands	12/31/17	06/30/18
Prepaid expenses	3,328	3,051
Interparfums Holding current accounts	2,971	217
Value-added tax	1,877	2,278
Hedging instruments	140	192
License royalties	347	604
Other	336	97
Total	**8,999**	**6,439**

2.7 • Current financial assets, cash and cash equivalents

€ thousands	12/31/17	06/30/18
Current financial assets	58,283	66,531
Cash and cash equivalents	162,825	110,187
Current financial assets, cash and cash equivalents	**221,108**	**176,718**

The decrease in cash in the period reflects primarily a €10 million Rochas loan repayment and a €26 million dividend payment to shareholders for 2017.

2.7.1 • Current financial assets

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

€ thousands	12/31/17	06/30/18
Term deposit accounts	58,079	66,327
Other current financial assets	204	204
Current financial assets	**58,283**	**66,531**

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	12/31/17	06/30/18
Interest-bearing accounts	12,394	-
Term deposit accounts	45,004	35,004
Capital redemption contracts	50,306	51,314
Current interest-bearing accounts	5,436	490
Bank balances	49,685	23,379
Cash and cash equivalents	**162,825**	**110,187**

2.8 • Shareholders' equity

2.8.1 • Share capital

As of June 30, 2018, Interparfums' capital consisted of 42,965,628 shares fully paid-up with a par value of €3, 72.71%-held by Interparfums Holding.

For the period under review, capital increases result from the bonus share issue of June 12, 2018 for 3,905,966 shares on the basis of one new share for every ten shares held.

2.8.2 • Performance share awards

On September 6, 2016 Interparfums SA awarded performance shares to all employees and managers with at least six months of seniority as of the date of the plan. The maximum number of shares to be awarded, adjusted for employee departures and the bonus share issue of June 13, 2017 and June 12, 2018, of one new share for every 10 shares held is 144,365 shares for senior executives and managers and 13,475 shares for all other employees.

The restricted share units will be remitted to employees after a vesting period of three years. After this period, the beneficiaries will freely dispose of their shares, without being subject to a lock-up period.

Effective delivery of the securities is contingent on the following terms and conditions:

Beneficiaries	Vesting conditions
Senior executives and managers	– condition of presence on September 6, 2019; and: – conditions of performance based on: - consolidated revenue for fiscal 2018 for 50% of the restricted stock units awarded, - consolidated operating profit for 50% of the restricted stock units awarded.
Other beneficiaries	– condition of presence on September 6, 2019.

In accordance with IFRS 2, the Interparfums SA share price used to estimate the value in the consolidated financial statements is the average price for the last three trading sessions preceding the implementation of the plan or €23.98. The fair value on the grant date was €22.46 in light of future dividends (€18.56 based on bonus share awards of June 13, 2017 at June 12, 2018).

An employee turnover rate and a rate of probability for achieving the performance criteria were also used for the calculation, bringing the total expense to be spread over the life of the plan (three years) to €2.9 million or €0.5 million for the 2018 first half. At June 30, 2018, the cumulative expense since the beginning of the plan was €1.8 million.

To ensure the availability of shares for remittance to employees on maturity, the company purchased an initial tranche in 2016 of 131,101 shares (after taking into account the bonus shares granted on June 2017 and June 2018) and a second tranche of shares in June 2018 of 18,899 shares for a total amount of €3.3 million. These shares are presented as a deduction from shareholders' equity.

2.8.3 • Treasury shares

Within the framework of the share repurchase program authorized by the General Meeting of April 27, 2018, 57,356 Interparfums shares were held by the company as of June 30, 2018 or 0.13% of the share capital.

Changes in the period break down as follows:

€ thousands	Average price	Number of shares	Book value
At December 31, 2017	**33.27**	**62,217**	**2,070**
Acquisitions	36.79	246,890	9,082
Bonus share issue of June 12, 2018	-	3,459	-
Disposals	35.60	(255,210)	(9,085)
At June 30, 2018	**36.04**	**57,356**	**2,067**

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 € 50 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 the European subsidiaries (Interparfums Deutschland GmbH: 49%; Parfums Rochas Spain S.L: 49%) at June 30, 2018 that break down as follows:

€ thousands	12/31/17	06/30/18
Reserves attributable to non-controlling interests	770	1,131
Earnings attributable to non-controlling interests	655	130
Non-controlling interests	**1,425**	**1,261**

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 65% of consolidated net income to provide shareholders with significant returns while at the same time associating them with the Group's expansion. In early May 2018, a dividend of €0.67 per share was paid or a total of €26.1 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. At June 30, 2018, the remaining amount outstanding on this loan amounted was €40 million.

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	12/31/17	Allowances	Actuarial gains/ losses	Provisions used the period	Reversal of unused provisions	06/30/18
Provisions for retirement severance payments	7,791	724	-	-	-	8,515
Provisions for expenses	327	110	-	-	-	437
Total provisions for expenses >1 year	**8,118**	**834**	**-**	**-**	**-**	**8,952**
Accruals for taxes	573	-	-	-	-	573
Other provisions for contingencies <1 year	350	-	-	-	-	350
Total provisions for contingencies >1 year	**923**	**-**	**-**	**-**	**-**	**923**
Total provisions for contingencies and expenses	**9,041**	**834**	**-**	**-**	**-**	**9,875**

2.10 • Borrowings and financial liabilities

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, 2018, €60 million had been reimbursed, with the remaining balance amounting to €40 million.

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

2.10.1 • Changes in finance costs

In accordance with IAS 7, cash flows relating to changes in borrowings and financial liabilities break down as follows:

€ thousands	2017	Cash flow	Non-cash items: Net acquisitions	Non-cash items: Changes in fair value	Non-cash items: Amortization	2018
Borrowings	50,000	(10,000)	-	-	-	40,000
Loan acquisition costs	(197)	-	-	-	68	(129)
Interest rate swap	441	-	-	(134)	-	307
Total Rochas loan	**50,244**	**(10,000)**	**-**	**(134)**	**68**	**40,178**
Lease financing	268	-	(63)	-	-	205
Total borrowings and other financial debt	**50,512**	**(10,000)**	**(63)**	**(134)**	**68**	**40,383**

2.10.2 • Borrowings by the maturities

€ thousands	Total	< 1 year	1 to 5 years	> 5 years
Variable-rate bank debt	39,871	19,906	19,965	-
Interest rate swap	307	233	74	-
Automobile leases	205	114	91	-
Total at June 30, 2018	**40,383**	**20,253**	**20,130**	**-**

2.10.3 • 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, 2018, on the basis of a notional amount of €40 million, a gain of €134,000 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, 2018 represented a negative amount for the company of €307,000.

2.10.4 • 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 2018, 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 income tax rate used to calculate the tax expense is the projected annualized rate at the Group level 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:

€ thousands	**12/31/17**	**Changes through reserves**	**Changes through profit or loss**	**06/30/18**
Deferred tax assets				
Timing differences between financial and tax accounting	3,733	-	(83)	3,650
Currency forward contracts	-	10	(2)	8
Provisions for retirement liabilities	179	-	-	179
Loss carryforwards	434	-	(114)	320
Advertising and promotional costs	946	-	594	1,540
Intra-group inventory margin	2,581	-	1,275	3,856
Other	106	-	(15)	91
Total deferred tax assets before amortization	**7,979**	**10**	**1,655**	**9,644**
Depreciation of deferred tax assets	(434)	-	114	(320)
Net deferred tax assets	**7,545**	**10**	**1,769**	**9,324**
Deferred tax liabilities				
Acquisition costs	(562)	-	3	(559)
Bonus shares	-	43	(43)	-
Levies imposed by governments	(193)	-	132	(61)
Currency forward contracts	(9)	-	9	-
Borrowing costs associated with the Rochas brand acquisition	(69)	-	24	(45)
Capitalization of costs associated with the Rochas brand acquisition	(1,677)	-	-	(1,677)
Gains (losses) on treasury shares	-	(153)	153	-
Derivatives	(43)	-	(56)	(99)
Total deferred tax liabilities	**(2,553)**	**(110)**	**222**	**(2,441)**
Total net deferred tax	**4,992**	**(100)**	**1,991**	**6,883**

2.12 • Trade payables and other current liabilities

2.12.1 • Trade payables and related accounts

€ thousands	**12/31/17**	**06/30/18**
Trade payables for components	18,803	27,274
Other trade payables	46,027	37,930
Total	**64,830**	**65,204**

2.12.2 • Other liabilities

€ thousands	**12/31/17**	**06/30/18**
Accrued credit notes	3,003	4,171
Tax and employee-related liabilities	15,947	11,423
Accrued royalties	6,957	7,767
Hedging instruments	18	24
Other liabilities	860	895
Total	**26,785**	**24,280**

2.13 • Financial instruments

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

€ thousands At June 30, 2018	Notes	Carrying value	Fair value	Fair value through profit or loss	Available-for-sale assets	Loans & receivables or payables	Derivatives
Long-term investments	2.3	11,533	11,533	-	-	11,533	-
Other non-current financial assets	2.3	3,791	3,791	-	-	3,791	-
Trade receivables and related accounts	2.5	95,476	95,476	-	-	95,476	-
Other receivables	2.6	6,439	6,439	-	-	6,247	192
Current financial assets	2.7	66,531	66,531	-	-	66,531	-
Cash and cash equivalents	2.7	110,187	110,187	-	-	110,187	-
Assets		**293,957**	**293,957**	**-**	**-**	**293,765**	**192**
Borrowings and financial liabilities	2.10	40,383	40,109 (1)	307	-	40,076	-
Trade payables and related accounts	2.12	65,204	65,204	-	-	65,204	-
Other liabilities	2.12	24,280	24,280	-	-	24,256	24
Liabilities		**129,867**	**129,593**	**307**	**-**	**129,536**	**24**

€ thousands At December 31, 2017	Notes	Carrying value	Fair value	Fair value through profit or loss	Available-for-sale assets	Loans & receivables or payables	Derivatives
Long-term investments	2.3	2,839	2,839	-	-	2,839	-
Other non-current financial assets	2.3	4,066	4,066	-	-	4,066	-
Trade receivables and related accounts	2.5	75,700	75,700	-	-	75,700	-
Other receivables	2.6	8,999	8,999	-	-	8,859	140
Current financial assets	2.7	58,283	58,283	-	-	58,283	-
Cash and cash equivalents	2.7	162,825	162,825	-	-	162,825	-
Assets		**312,712**	**312,712**	**-**	**-**	**312,572**	**140**
Borrowings and financial liabilities	2.10	50,512	50,112 (1)	441	-	50,071	-
Trade payables and related accounts	2.12	64,830	64,830	-	-	64,830	-
Other liabilities	2.12	26,785	26,785	-	-	26,767	18
Liabilities		**142,127**	**141,727**	**441**	**-**	**141,668**	**18**

(1) The fair value of borrowings and financial liabilities is measured as the total value of future cash flows discounted according to the prevailing interest rate on the market for comparable instruments.

In accordance with IFRS 13, current and non-current financial assets, cash and cash equivalents and borrowings and financial liabilities are measured using directly observable inputs other than quoted market prices or provided by financial institutions (level 2). The carrying value of other financial assets presented above represents a satisfactory approximation of their fair value.

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	500	2,000	1,291	3,791
Current financial assets	22,915	43,412	204	66,531
Cash and cash equivalents	110,187	-	-	110,187
Total financial assets	**133,602**	**45,412**	**1,495**	**180,509**
Borrowings and financial liabilities	(20,020)	(20,056)	-	(40,076)
Total financial liabilities	**(20,020)**	**(20,056)**	**-**	**(40,076)**
Net position before hedging	**113,582**	**25,356**	**1,495**	**140,433**
Hedging of assets and liabilities (swaps)	(233)	(74)	-	(307)
Net position after hedging	**113,349**	**25,282**	**1,495**	**140,126**

2.14.3 • Foreign exchange risks

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

€ thousands	USD	GBP	JPY
Assets	40,902	5,113	1,945
Liabilities	(5,409)	(79)	-
Net position before hedging at the closing price	**35,493**	**5,034**	**1,945**
Net position hedged	(24,876)	(959)	(775)
Net position after hedging	**10,617**	**4,075**	**1,170**

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 (45.9% of sales) and to a lesser extent the Pound sterling (3.9% of sales) and the Japanese yen (2.1% 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

€ thousands	H1 2017	H1 2018
Montblanc	57,104	57,069
Jimmy Choo	54,577	42,626
Coach	15,723	37,387
Lanvin	30,465	29,600
Rochas	18,580	16,264
Boucheron	8,869	10,520
Van Cleef & Arpels	9,513	7,800
Karl Lagerfeld	2,241	5,274
Paul Smith	3,007	2,871
S.T. Dupont	2,617	3,098
Repetto	2,201	2,796
Balmain	2,270	-
Other	817	2,293
Perfume sales	**207,984**	**217,598**
Rochas fashion license revenues	1,362	1,084
Total revenue	**209,346**	**218,682**

3.2 • Cost of sales

€ thousands	H1 2017	H1 2018
Raw materials, trade goods and packaging	(92,813)	(88,303)
Changes in inventory and allowances for impairment	26,137	14,056
POS advertising	(2,322)	(1,585)
Staff costs	(2,259)	(2,316)
Property rental expenses	(1,049)	(1,045)
Transportation costs	(297)	(321)
Other expenses related to the cost of sales	(115)	(106)
Total cost of sales	**(72,718)**	**(79,620)**

3.3 • Selling expenses

€ thousands	H1 2017	H1 2018
Advertising	(48,052)	(46,481)
Royalties	(13,631)	(15,388)
Staff costs	(14,407)	(14,488)
Service fees/subsidiaries	(4,868)	(3,657)
Subcontracting	(4,071)	(3,344)
Transportation costs	(1,919)	(2,494)
Travel expenses	(1,901)	(1,974)
Allowances and reversals	(1,599)	(2,370)
Tax and related expenses	(1,834)	(2,143)
Commissions	(799)	(817)
Property rental expenses	(996)	(809)
Other selling expenses	(2,397)	(1,876)
Total selling expenses	**(96,474)**	**(95,841)**

3.4 • Administrative expenses

€ thousands	H1 2017	H1 2018
Purchases and external costs	(2,016)	(2,133)
Staff costs	(3,480)	(4,547)
Property rental expenses	(240)	(240)
Allowances and reversals	(436)	(480)
Travel expenses	(402)	(488)
Other administrative expenses	(470)	(515)
Total administrative expenses	**(7,044)**	**(8,403)**

3.5 • Net financial income (expense)

€ thousands	H1 2017	H1 2018
Financial income	1,183	1,467
Interest and similar expenses	(647)	(581)
Net finance costs	**536**	**886**
Currency losses	(5,478)	(2,684)
Currency gains	4,451	3,723
Net currency gains (losses)	**(1,027)**	**1,039**
Other financial income and expenses	-	-
Net financial income/(expense)	**(491)**	**1,925**

The change in net currency gains reflects strong rise in the value of the US dollar relative to the euro in the last two months of the first half, with receivables in this currency invoiced at an exchange rate considerably higher than the rate prevailing on June 30, 2018.

3.6 • Income tax

€ thousands	H1 2017	H1 2018
Current income tax – France	(8,663)	(10,361)
Current income tax – Foreign operations	(2,714)	(3,020)
Total current income tax	**(11,377)**	**(13,381)**
Non-current income tax	**(140)**	**-**
Deferred tax- France	219	1,471
Deferred tax- Foreign operations	697	520
Total deferred taxes	**916**	**1,991**
Total income taxes	**(10,601)**	**(11,390)**

3.7 • Earnings per share

€ thousands, *except number of shares and earnings per share in euros*	H1 2017	H1 2018
Consolidated net income	21,736	25,223
Average number of shares	36,029,322	39,255,881
Basic earnings per share (1)	**0.60**	**0.64**
Dilutive effect of stock options:		
Potential additional number of fully diluted shares	-	-
Potential fully diluted average number of shares outstanding	36,029,322	39,255,881
Diluted earnings per share (1)	**0.60**	**0.64**

(1) Restated to eliminate the impact of the bonus issue of one new share for every ten shares held on June 12, 2018.

4 • Segment reporting

4.1 • Business line segments

The company now operates in two distinct segments, “Perfumes” and “Fashion” corresponding to the activity generated by Rochas’ fashion business.

However, a separate presentation is not provided for income statement aggregates because the “Fashion” business represents less than 0.5% of Group sales.

Assets and liabilities relating to the Rochas brand at June 30, 2018 were as follows:

€ thousands	**Perfumes**	**Fashion**	**Total**
Intangible assets – Rochas brand	86,739	19,086	105,825
Medium-term loan	32,932	7,246	40,178

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:

€ thousands	**H1 2017**	**H1 2018**
North America	54,710	59,186
South America	18,910	20,012
Asia	35,948	39,074
Eastern Europe	13,876	15,300
Western Europe	41,601	38,203
France	16,034	18,137
Middle East	24,617	25,652
Africa	2,288	2,034
Perfume sales	**207,984**	**217,598**
South America	235	154
Asia	345	213
Western Europe	675	516
France	107	201
Rochas fashion license revenues	1,362	1,084
Total	**209,346**	**218,682**

5 • Off balance sheet commitments

5.1 • Off balance sheet commitments given

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

€ thousands	**Main characteristics**	**12/31/2017**	**06/30/2018**
Guaranteed minima on trademark royalties	Guaranteed minima on royalties regardless of sales achieved for each of the trademarks in the period.	304,832	303,237
Headquarters rental payments	Rental payments due over the remainder of the lease terms (3, 6 or 9 years).	13,981	13,493
Guaranteed minima for warehousing and logistics	Contractual minima for remuneration of warehouses regardless of sales volume for the period.	3,355	2,684
Firm component orders	Inventories of components on stock with suppliers that the company undertakes to purchase as required for releases and which the company does not own.	5,174	6,481
Total commitments given in connection with operating activities		**327,342**	**325,895**

5.1.2 • Off-balance sheet commitments in connection with the company's financing activities

Commitments with respect to forward currency sales at June 30, 2018 amounted to US$29,000,000 and ¥100,000,000.

Commitments with respect to forward currency sales at June 30, 2018 budgeted for 2018 amounted to £6,600,000.

5.1.3 • Commitments given by maturity at June 30, 2018

€ thousands	**Total**	**Up to 1 year**	**1 to 5 years**	**5 years or more**
Guaranteed minima on trademark royalties	303,237	22,515	134,494	146,228
Headquarters rental payments	13,493	2,459	9,672	1,362
Guaranteed minima for warehousing and logistics	2,684	1,342	1,342	-
Firm component orders	6,481	6,481	-	-
Total commitments given	**325,895**	**32,797**	**145,508**	**147,590**

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

5.2 • Off balance sheet commitments received

Commitments received in connection with forward currency purchases at June 30, 2018 amounted to €24,435,000 for US dollar hedges and €775,000 for Japanese Yen hedges representing total commitments of €25,210,000.

Commitments with respect to forward currency purchases at June 30, 2018 budgeted in 2018 amounted to €7,392,000 for Pound sterling hedges.

6 • Information on related parties

In the 2018 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 2017 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	Inception	July 1997	11 years	-
	Renewal	January 2006	5 years and 6 months	-
	Renewal	January 2011	6 years	-
	Renewal	January 2017	3 years	December 2019
Paul Smith	Inception	January 1999	12 years	-
	Renewal	July 2008	7 years	-
	Renewal	July 2017	4 Years	December 2021
Van Cleef & Arpels	Inception	January 2007	12 years	-
	Renewal	January 2019	6 years	December 2024
Jimmy Choo	Inception	January 2010	12 years	-
	Renewal	January 2018	13 years	December 2031
Montblanc	Inception	July 2010	10 years and 6 months	-
	Renewal	January 2016	5 years	December 2025
Boucheron	Inception	January 2011	15 years	December 2025
Repetto	Inception	January 2012	13 years	December 2024
Karl Lagerfeld	Inception	November 2012	20 years	October 2032
Coach	Inception	June 2016	10 years	June 2026

In May 2018, the company extended its fragrance license agreement with Van Cleef & Arpels for an additional six years until December 31, 2024.

7.2 • Own brands

• Lanvin

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 ownership of 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).

7.3 • Employee-related data

Changes in the number of employees for the period concerned all of the company's business lines and reflected primarily growth in business.

7.3.1 • Workforce by category

Number of employees at	06/30/17	06/30/18
Managers	186	182
Supervisory staff	7	5
Employees	74	76
Internships	2	7
Total	**267**	**270**

7.3.2 • Workforce by department

Number of employees at	06/30/17	06/30/18
Executive Management	2	2
Production & Operations	37	40
Marketing	57	63
Export	73	65
France	41	41
Finance & Corporate Affairs	51	57
Rochas fashion	6	2
Total	**267**	**270**

7.4 • Post-closing events

None.

Statement of the company officer responsible for the interim financial report

I hereby declare that to the best of my knowledge the 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 5, 2018

Philippe Benacin

Chairman-Chief Executive Officer

Executive officer responsible for financial information

Philippe Santi

Executive Vice President

Boucheron
Coach
Jimmy Choo
Karl Lagerfeld
Lanvin
Montblanc
Paul Smith
Repetto
Rochas
S.T. Dupont
Van Cleef & Arpels

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