

# RICHEMONT

## PRESS RELEASE FOR IMMEDIATE RELEASE

9 SEPTEMBER 2009

### RICHEMONT ANNUAL GENERAL MEETING 2009

#### TRADING STATEMENT

The Annual General Meeting of Compagnie Financière Richemont SA will be held later today in the Mandarin Oriental Hotel, Geneva, Switzerland.

At that meeting, shareholders are expected to approve the proposals of the Board of Directors in terms of the approval of the financial statements and the appropriation of retained earnings. An ordinary dividend of SFr 0.30 per share has been proposed. A further press release will be issued immediately after the meeting to confirm the decision. Given the Richemont restructuring effected in October 2008, the dividend is not comparable to that paid in September last year.

At the meeting, Executive Chairman, Mr. Johann Rupert, will make the following statement in respect of Richemont's current trading performance:

*“From Richemont's perspective, the first five months of this year through to end August have seen overall sales at a level 16 per cent below the comparable period last year, at actual exchange rates. The Americas region was the worst performer, as expected in the circumstances, with a decline of 36 per cent. Sales in the Asia-Pacific region, including China, grew by 5 per cent although sales in Japan were down 7 per cent. European sales were 22 per cent lower, including the Middle East, which is still growing.*

*The strengthening of the Yen and the dollar has cushioned the decline in underlying sales by around 5 per cent. Underlying sales in constant currencies were down by 21 per cent overall.*

*The Group's retail business, through its own stores, has fared reasonably well, being only 7 per cent below last year's level; wholesale business on the other hand is down by 21 per cent, which largely reflects de-stocking by retailers, most notably in the Americas.*

*The Jewellery Maisons and the Specialist Watchmakers experienced declines in sales, of 14 per cent and 18 per cent, respectively. The Writing Instruments division reported sales down 17 per cent for the period, whilst the Leather and Accessories Maisons suffered a decline of only 1 per cent. The 'Other Businesses' segment reported sales down by some 23 per cent, which principally reflects a significant decline in the level of turnover in the Group's component manufacturing activities due to the lack of demand throughout the Swiss watch industry, including third parties.*

*Comparing the Group's watch sales with those reported by the Swiss Watchmakers' Federation for the six months to the end of June 2009, it is worth noting that, in Swiss franc terms, sales by the Maisons are down by some 19 per cent compared to a decline in Swiss watch exports over the same period of 26 per cent.*

*As I made clear when we published last year's results in May, despite our continuing cost-control measures, Richemont's profitability for the first six months of this year will inevitably be significantly below that seen in the period to September 2008.*

*Although the rate of decline in sales is slowing, we still urge caution. We would prefer to wait until we have more evidence of a broader economic recovery before speculating on the likelihood of a better second half, particularly when it comes to the wholesale business. The comparative figures for the second half of last year are already lower than for the first half and set a lower 'hurdle' in terms of performance. These comparatives, although lower, will be mitigated by an unfavourable currency environment in the second half.*

*Despite the difficult trading environment and the impact of the Group restructuring effected in October last year, which saw the spin off of the non-luxury assets and some € 350 million in cash to Reinet Investments, Richemont had some € 820 million in cash on its balance sheet at 31 March this year, a position that has been broadly maintained through to end August. The Group has no net debt. That is a very comfortable position to be in at this time.*

*Linked to this financial strength, I am confident in the power of the Maisons to innovate, improve customer service and grow their businesses. I am certain that Richemont will emerge from the current downturn very well placed to take advantage of the return of consumer confidence, whenever that may be."*

For its financial year ended 31 March 2009, Richemont reported an increase in sales of 2 per cent to €5 418 million. Operating profit amounted to €982 million, a decrease of 12 per cent compared to the prior year.

Richemont's interim results for the six-month period to 30 September 2009 will be released in November.

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Richemont owns a portfolio of leading international brands or 'Maisons', which are managed independently of one another, recognising their individuality and uniqueness. The businesses operate in five areas: **Jewellery Maisons**, being Cartier and Van Cleef & Arpels; **Specialist watchmakers**, which is made up of Jaeger-LeCoultre, Piaget, IWC, Baume & Mercier, Vacheron Constantin, Officine Panerai, A. Lange & Söhne and Roger Dubuis; **Writing Instrument Maison** - Montblanc; **Leather and accessories Maisons**, being Alfred Dunhill and Lancel; and **Other businesses**, which includes, specifically, Chloé as well as other smaller Maisons and watch component manufacturing activities for third parties.

In October 2008, Richemont spun off its investment in British American Tobacco together with some € 350 million in cash and a portfolio of other smaller investments to Reinet Investments SCA, Luxembourg.