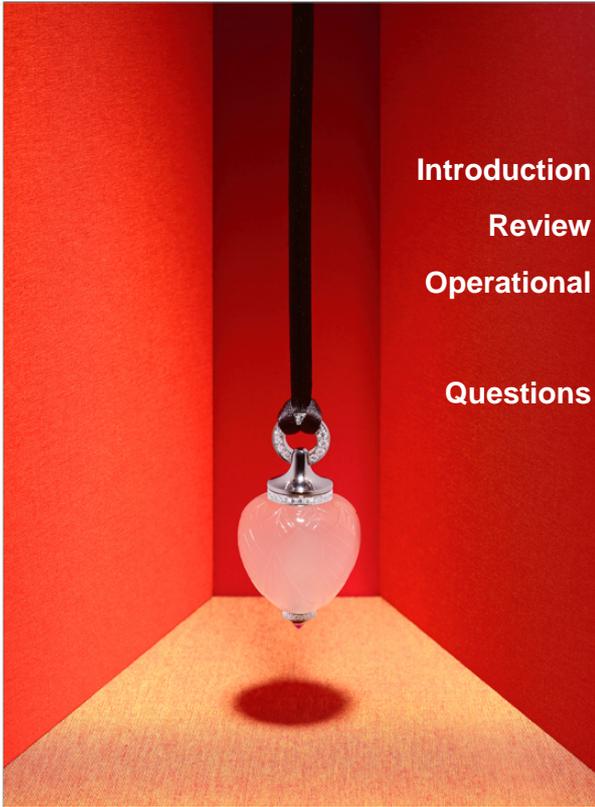


	<h1>Annual Results 2008</h1> <p>May 08</p>	
		
<h2>RICHEMONT</h2>		

This document contains forward-looking statements as that term is defined in the United States Private Securities Litigation Reform Act of 1995. Such forward-looking statements are not guarantees of future performance. Actual results may differ materially from the forward-looking statements as a result of a number of risks and uncertainties, many of which are outside the Group's control. Richemont does not undertake nor does it have any obligation to provide updates or to revise any forward-looking statements.



Introduction	& Highlights	Johann Rupert
Review	of Results	Richard Lepeu
Operational	Overview	Norbert Platt
	Conclusion	Johann Rupert
Questions	& Answers	

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Financial Highlights



- Superior growth in sales + 16% cc, +10% in €
in most business areas & regions to €5.3bn
- Strong pricing power & operating leverage €1.1bn Luxury EBIT
+ 190 bps to 21%
- Operating cash flow €968m
- Group net profit +18% to €1.6bn

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A Mixed Environment



■ Swiss watch exports in value (YoY to March 2008) with export prices:

- Over CHF 6'000 + 32% pa (+35% *mechanical* / +21% *quartz*)
- CHF 3'000 to 6'000 + 12% pa (+12% *mechanical* / +20% *quartz*)
- CHF 1'500 to 3'000 + 11% pa (+7% *mechanical* / +23% *quartz*)
- Overall growth + 21% pa

■ Unfavourable currencies

■ Rising precious material prices

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A Well-Balanced Group



■ Maisons (sales)	
- Jewellery Maisons	50%
- Specialist Watchmakers	26%
- Writing Instrument Maisons	12%
- Leather, Accessories & Clothing Maisons	12%
■ Geography (sales)	
- Western Europe	36%
- Eastern Europe, Middle-East & Africa	7%
- Asia-Pacific	25%
- USA	15%
- Japan	13%
■ Distribution network (sales)	
- Retail	42%
- Wholesale	58%

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Cash-Flow Discipline



- Innovation & appealing products to generate sales
- Investments creating value over the long-term
- Cash-flow generation remains a priority

Strategy



- Long-term value creation
- Priority given to organic growth
- Coherent and promising portfolio of Maisons

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Review of Results

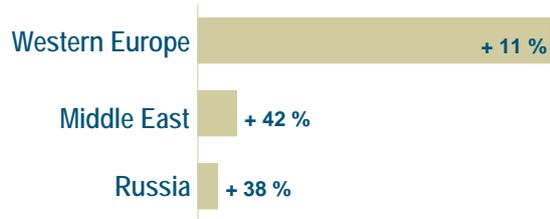
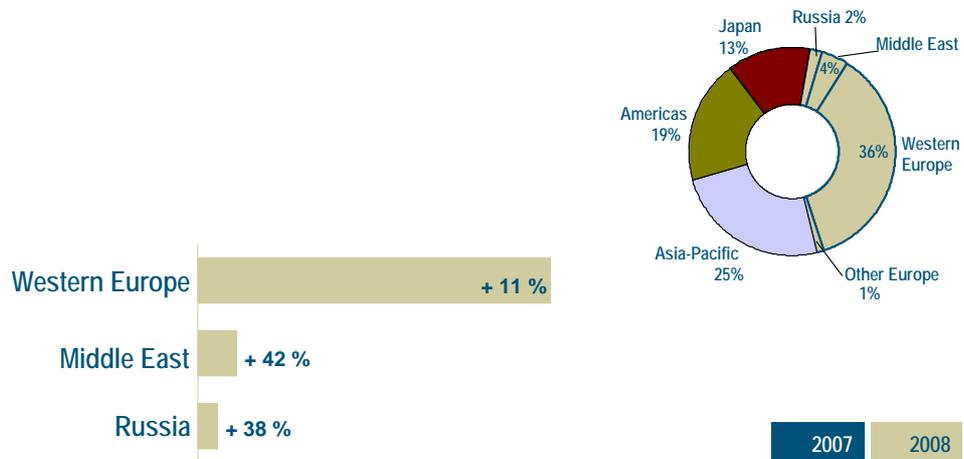
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Group Results

€ m	2007	2008	
Sales	4 827	5 302	+ 10 %
Gross margin	3 074	3 405	+ 11 %
Selling and distribution expenses	-1 090	-1 181	+ 8 %
Communication expenses	- 570	- 607	+ 6 %
Administration expenses	- 503	- 522	+ 4 %
Other income / (expenses)	- 11	13	
Underlying operating profit	900	1 108	+ 23 %
IFRS operating profit	916	1 108	+ 21 %
Gross margin percentage	63.7%	64.2%	
Operating margin	19.0%	20.9%	

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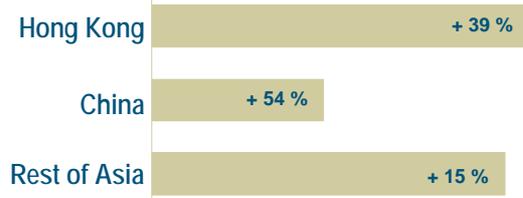
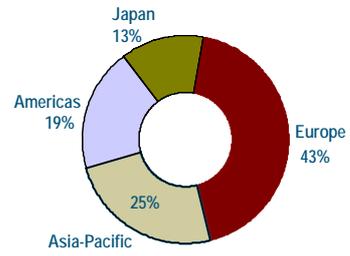
Sales in Europe - constant rates +14%



	2007	2008
	€ 2 042 m	€ 2 293 m
Actual rate	+ 13%	+ 12%
Constant rate	+ 13%	+ 14%

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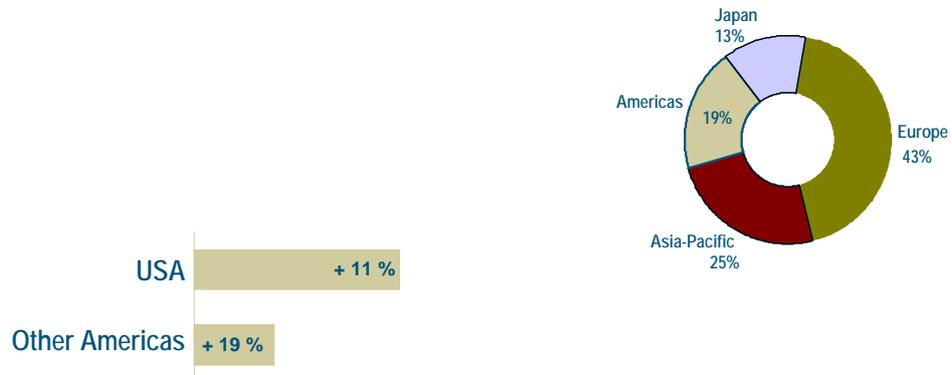
Sales in Asia-Pacific - constant rates +31%



	2007	2008
	€ 1 070 m	€ 1 296 m
Actual rate	+ 19%	+ 21%
Constant rate	+ 24%	+ 31%

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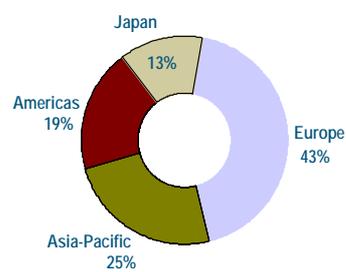
Sales in Americas - constant rates +13%



	2007	2008
	€ 984 m	€ 1 014 m
Actual rate	+ 12%	+ 3%
Constant rate	+ 18%	+ 13%

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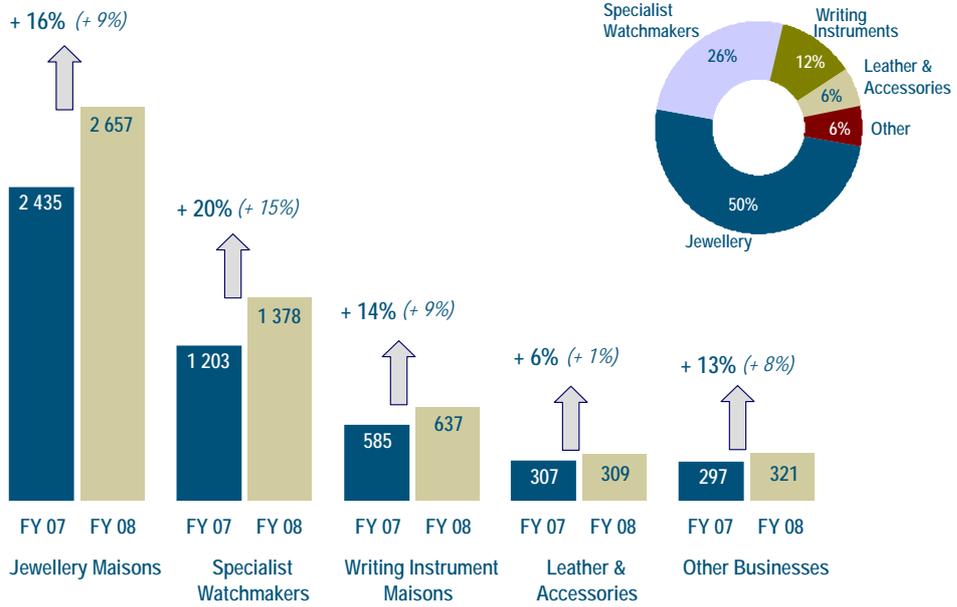
Sales in Japan - constant rates +3%



	2007	2008
	€ 731 m	€ 699 m
Actual rate	+ 1%	- 4%
Constant rate	+ 10%	+ 3%

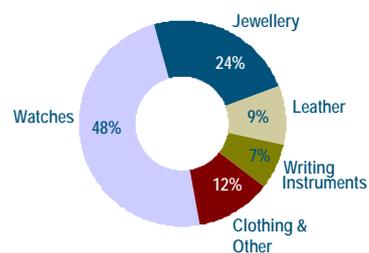
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Sales by Business Area - constant rates (actual rates)



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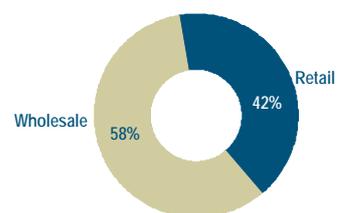
Sales by Product Line - constant & actual rates



€ m	2007	2008	Constant Rates	Actual Rates
Watches	2 263	2 555	+ 19%	+ 13%
Jewellery	1 146	1 254	+ 16%	+ 9%
Leather Goods	463	498	+ 12%	+ 8%
Writing Instruments	373	374	+ 4%	-
Clothing & Other	582	621	+ 12%	+ 7%

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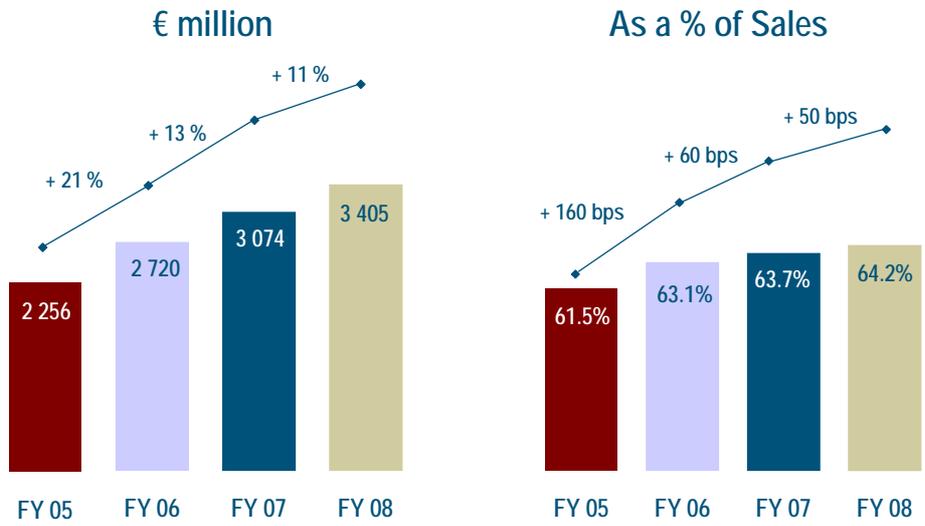
Sales by Network - constant & actual rates



	2007	2008	Constant rates	Actual rates
Retail	€ 2 009	€ 2 214	+ 17%	+ 10%
Wholesale	€ 2 818	€ 3 088	+ 15%	+ 10%

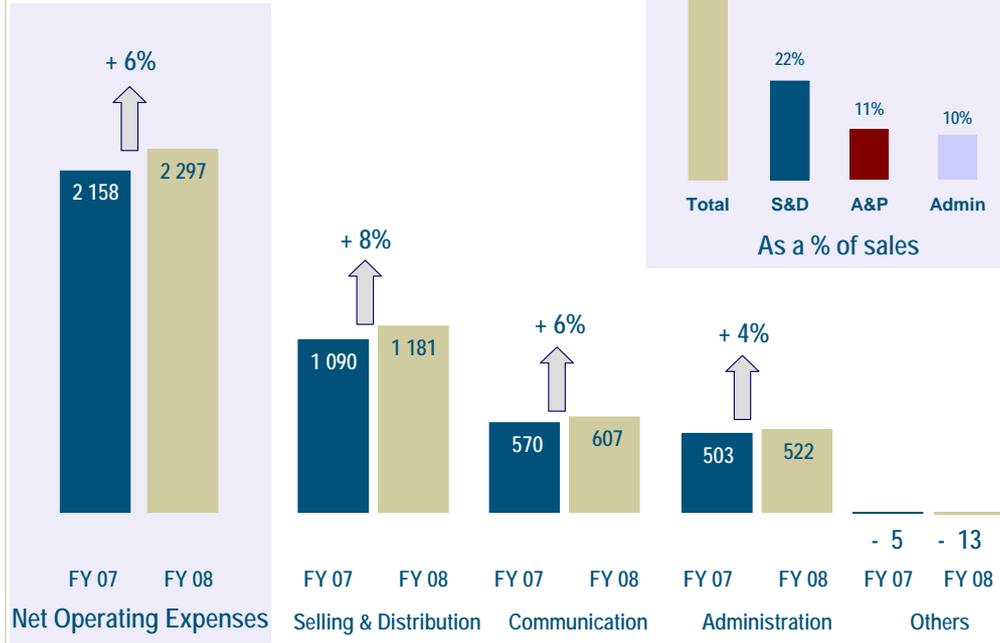
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Gross Margin



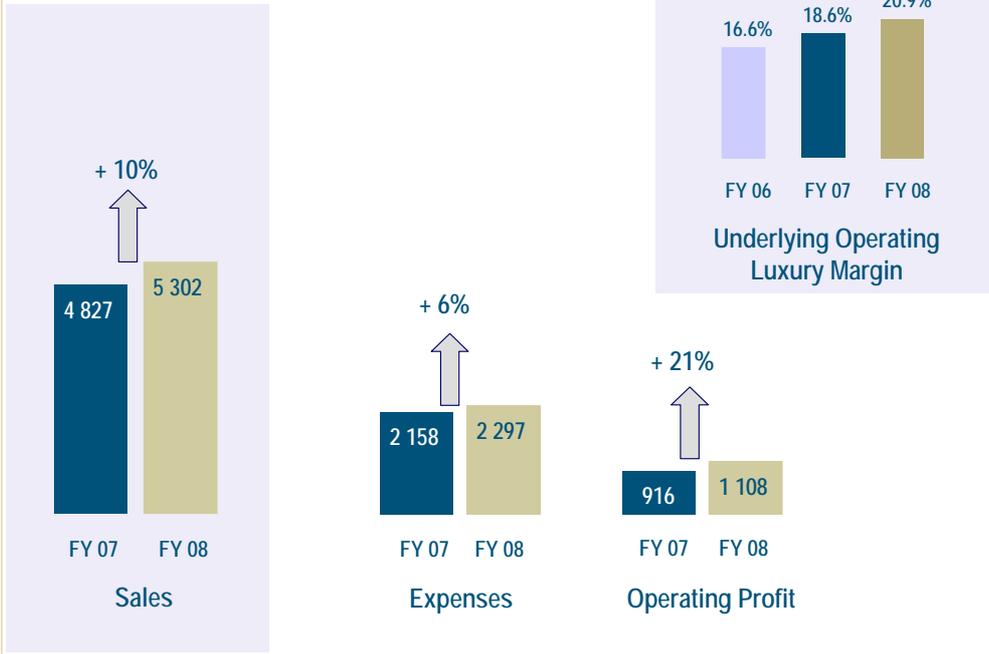
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Operating Expenses



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Sales and Operating Profit



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Maisons Highlights

- **All our major Maisons exceeded their sales and EBIT targets**
- **Significant operating improvement with a special mention for Van Cleef & Arpels, Baume & Mercier, IWC and Alfred Dunhill**
- **Specialist watchmakers and Montblanc operating contributions rising to 45% of Group profit**

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Sales & Operating Performance - Jewellery Maisons

€ m	2007	2008	
Sales	2 435	2 657	+ 9%
Operating contribution	667	767	+ 15%
Contribution margin	27%	29%	+ 147 bps
Net assets	1 397	1 482	+ 6%
Return on assets	48%	52%	

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Sales & Operating Performance - Specialist Watchmakers

€ m	2007	2008	
Sales	1 203	1 378	+ 15%
Operating contribution	274	376	+ 37%
Contribution margin	23%	27%	+ 451 bps
Net assets	708	855	+ 21%
Return on assets	39%	44%	

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Sales & Operating Performance - Writing Instrument Maisons

€ m	2007	2008	
Sales	585	637	+ 9%
Operating contribution	110	120	+ 9%
Contribution margin	19%	19%	+ 4 bps
Net assets	282	360	+ 28%
Return on assets	39%	33%	

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Sales & Operating Performance - Leather & Accessories Maisons

€ m	2007	2008	
Sales	307	309	+ 1%
Operating contribution	- 11	- 3	+ 73%
Contribution margin	-4%	-1%	+ 260 bps
Net assets	102	121	+ 19%
Return on assets	-11%	-2%	

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Sales & Operating Performance - Other Businesses

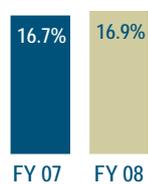
€ m	2007	2008	
Sales	297	321	+ 8%
Operating contribution	20	5	- 75%
Contribution margin	7%	2%	- 517 bps
Net assets	125	348	+ 178%
Return on assets	16%	1%	

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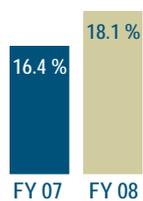
Net Profit from Parent & Subsidiaries

€ m	2007	2008	
Operating Profit	916	1 108	+ 21%
Net Finance income	31	47	+ 52%
Profit before taxation	947	1 155	+ 22%
Taxation	- 158	- 195	+ 23%
Net profit from parent & subsidiaries	789	960	+ 22%

Taxation rate

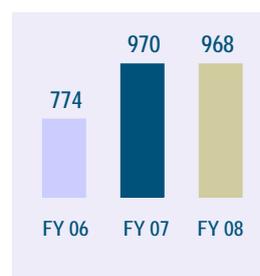


Net profitability



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Cash Flow from Operations



€ m	2007	2008	€ m
Operating profit	916	1 108	192
Depreciation	144	174	30
Other items	31	- 40	- 71
Movement in working capital	- 121	- 274	- 153
Cash from operations	970	968	- 2

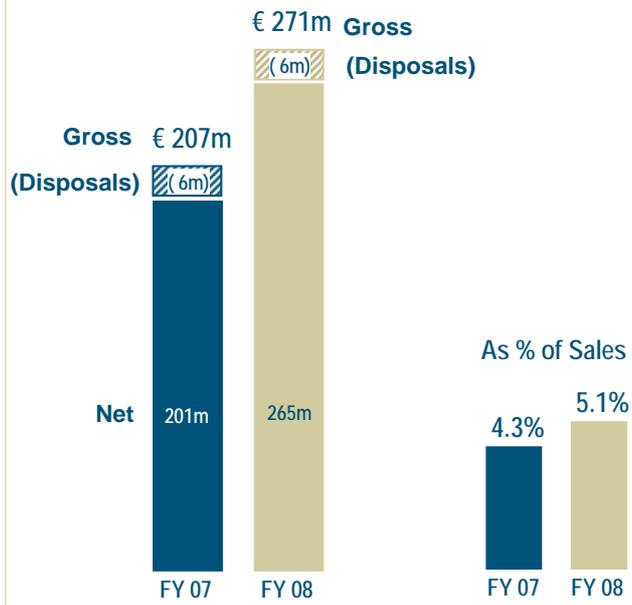
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Free Cash Flow

€ m	2007	2008
Cash flow from operations	970	968
Net change in fixed assets	- 201	- 265
Net change in intangible assets	- 20	- 30
Net change in subsidiaries and non-current assets	- 126	- 102
Taxation paid	- 177	- 171
Net finance income	27	41
Free cash flow from subsidiaries	473	441
Dividends received from BAT	280	325
Total free cash inflow	753	766

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Fixed Assets Investments



Cartier – Union Square, Hong Kong



Baume & Mercier – Beijing, China



Van Cleef & Arpels – Las Vegas, USA

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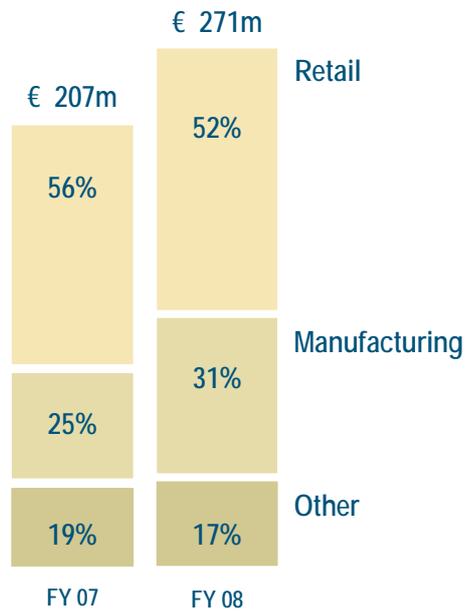
Fixed Assets Investments



Cartier – London, UK



Montblanc – Shanghai (CITIC), China



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Net Cash

€ m	2007	2008	
Free cash inflow	753	766	13
Dividends paid	- 612	- 701	- 89
Other movements, net	66	83	
Net cash absorbed	207	148	
Net cash	1 141	1 246	105

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British American Tobacco



Effective interest as at 31 March 2008 390 036 627 ordinary shares	19,3 %	
Richemont share of BAT - IFRS	€ 609 m	+ 13%
Richemont share of BAT excluding non-recurring items	€ 620 m	+ 7%
Annual dividends received on 3 May 2007	€ 222 m	
Interim dividends received on 12 September 2007	€ 103 m	

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Net Profit

€ m	2007	2008	
Net profit - parent & subsidiaries	789	960	+ 22 %
Share of post taxation results of associates	540	610	+ 13 %
Share of post-tax adjusted profit of associates	578	621	
Share of non-recurring expenses of BAT	- 38	- 11	
Net profit - Group	1 329	1 570	+ 18 %
of which minority interest	1	- 1	

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**Operational
Overview**

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Allocation of resources



- **Cumulative investment in fixed assets of c. €800m over the last 3 years**
- **Scrutinized allocation of resources**
 - driven by strategy and return
 - prudent approach
- **Our plans to deal with capacity constraints and strong demand for high-end watches**

Haute Horlogerie: Component Manufacturing



- Manufacture Genevoise de Haute Horlogerie, Geneva
- Donzé-Baume, Les Breuleux
- Expanded in-house component manufacturing capacity

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Major Commercial Developments



- 9 major store openings
- Overall, 158 net store openings (internal & external)
- 11 major store enlargements/refurbishments
- Reinforced selectivity & productivity of third-party distribution
- Stable number of watch POS:
 - up in emerging markets
 - down in more established markets

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Mainland China



- Sales of €245m / 5% of Group sales
- Profitability in line with Group's average
- 14 Maisons present / Headcount of 530/ offices in Beijing and Shanghai
- Fully-controlled distribution for our major Maisons
- Fully-owned customer service centres
- 166 boutiques / 340 Watch POS in 60 cities

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Focus for FY09



- **Maintain our product & distribution channel mix**
- **Focus on Asia-Pacific & emerging markets**
- **Roll-out the Richemont Platform concept in emerging markets**
- **Further roll-out the new integrated ERP system**
- **Focus on cash-flow generation**

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Conclusion

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Outlook for FY09



- April sales: 24% at cc, 16% in €
- Twelve months to April 2008: +17% at cc
- Cautiously optimistic for the near-term
- Continuous growth opportunities

Conclusion



- Uniquely positioned high-end portfolio
- Well-balanced group in terms of geography, product mix & distribution
- Continued focus on organic growth
- Investments in new markets
- Focus on cash-flow generation

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Q&A Session

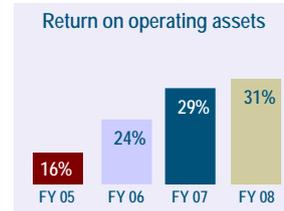
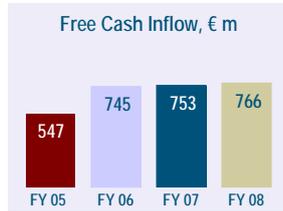
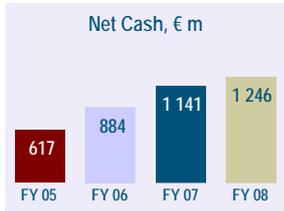
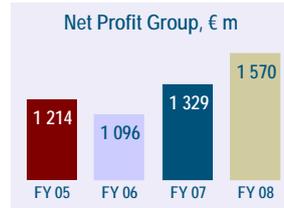
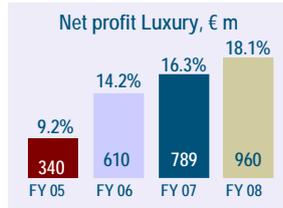
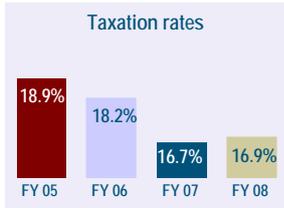
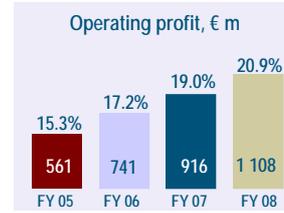
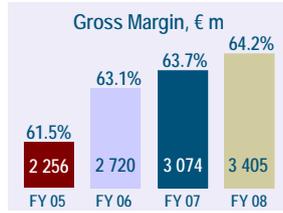
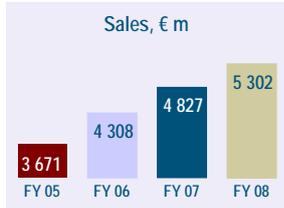
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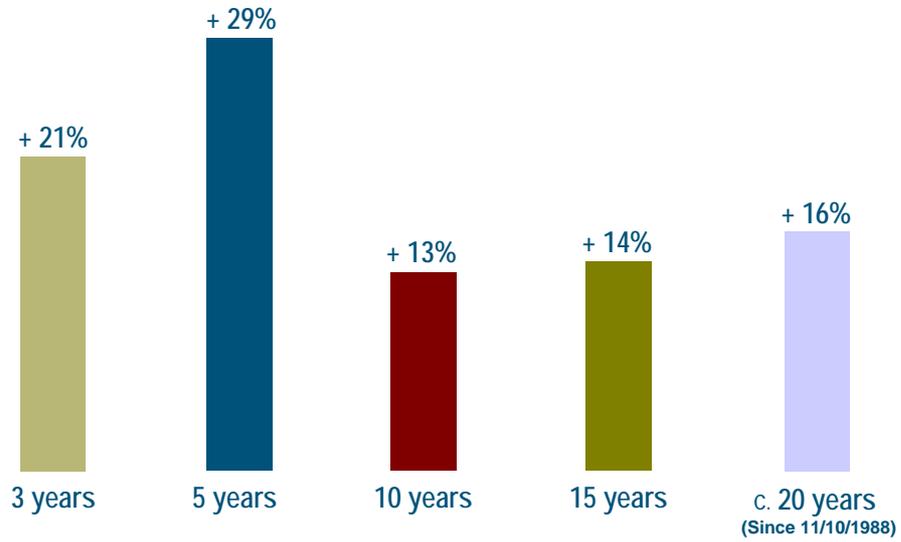
Appendix: Financials

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Financial Highlights



Total Unitholders' Return as at 31 March 2008



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Average Euro Rates

Average rates against the Euro	12 months to 31 Mar 07	12 months to 31 Mar 08
US Dollar	1.28	1.42
Japanese Yen	150	162
Swiss Franc	1.59	1.64
Pound Sterling	0.68	0.71

Hedging Policy

- Consistent application of hedging policy since April 2004.
- 70% of our forecasted net foreign currency cash flow exposures arising in USD, HKD, JPY, SGD and CNY are hedged versus the CHF.
- In the case of the USD, the net exposure takes into account purchases of precious materials.
- Hedges are entered into each month in respect of forecast net exposures arising one year forward.
- Different types of hedging contracts are used including pure forward contracts and option based contracts.
- Only certain forward contracts qualify for hedge accounting. Accordingly:
 - gains/losses associated with realised forward contracts are released in the gross margin at the same time as the underlying external transaction that was hedged;
 - 'marked to market' gains/losses associated with unrealised forward contracts are deferred to reserves.
- Certain derivative contracts, usually option based, do not qualify for hedge accounting. Accordingly:
 - realised and unrealised gains/losses are released to FX differences in investment income/expense line (foreign exchange gains/losses – other derivatives).
- All EUR/CHF exposures and the GBP exposure relating to the BAT dividend are un-hedged.

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Foreign Currency Hedging Contracts as at 31 March 2008

Versus the CHF	12 months average		12 months average
	Hedge rate to March 08	Actual rate to March 08	Hedge rate to March 09
YEN	95.0	99.0	97.0
US \$	1.19	1.16	1.10
HK \$	6.50	6.74	7.00

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Sales by Region

€ m	2007	2008	Movement at	
			Constant rates	Actual rates
Europe	2 042	2 293	+ 14%	+ 12%
Asia-Pacific	1 070	1 296	+ 31%	+ 21%
Americas	984	1 014	+ 13%	+ 3%
Japan	731	699	+ 3%	- 4%
Total	4 827	5 302	+ 16%	+ 10%

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Sales & Operating Results by Business Area

€ m	2007	2008	% Chge
Sales			
Jewellery maisons	2 435	2 657	+ 9%
Specialists watchmakers	1 203	1 378	+ 15%
Writing instrument maisons	585	637	+ 9%
Leather and accessories maisons	307	309	+ 1%
Other businesses	297	321	+ 8%
Total Sales	4 827	5 302	+ 10%
Operating results			
Jewellery maisons	667	767	+ 15%
Specialists watchmakers	274	376	+ 37%
Writing instrument maisons	110	120	+ 9%
Leather and accessories maisons	- 11	- 3	+ 73%
Other businesses	20	5	- 75%
Subtotal	1 060	1 265	+ 19%
Corporate costs	- 144	- 157	+ 9%
Central support services	- 137	- 146	+ 7%
Other operating (expense) / income	- 7	- 11	+ 57%
Operating profit	916	1 108	+ 21%

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Summary Balance Sheet

€ m	2007	2008
Fixed assets	922	1 207
Other long term assets	546	493
Net current assets	1 594	1 866
Long term liabilities excluding borrowings	- 196	- 168
Net operating assets	2 866	3 398
Investment in associates	3 506	3 008
Net cash	1 141	1 246
Net assets	7 513	7 652
Equity		
Unitholders' equity	7 511	7 648
Minority interests	2	4
	7 513	7 652

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Inventory

€ m	2007	2008	€ m	
Finished goods	1 161	1 273	112	+ 10%
Raw materials and work in progress	571	803	232	+ 41%
Total	1 732	2 076	344	+ 20%

Rotation	2007	2008
Number of months of COGS	15.1	16.4

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Appendix: Maisons

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Retail Network

	March 2008	of which internal	vs FY07 Internal	vs FY07 External	March 2007
Montblanc	330	221	+ 12	+ 3	315
Cartier	257	163	+ 2	+ 9	246
Alfred Dunhill	198	122	+ 9	+ 6	183
Lancel	224	68	+ 3	+ 47	174
Van Cleef & Arpels	65	45	+ 8	+ 3	54
Chloé	92	58	+ 14	+ 12	66
Piaget	52	29	+ 5	+ 2	45
Shanghai Tang	27	10	+ 1	+ 3	23
Vacheron Constantin	12	2	+ 0	- 4	16
Jaeger-LeCoultre	19	6	+ 4	+ 4	11
Others*	36	14	+ 7	+ 8	21
Total	1312	738	+ 65	+ 93	1154
Internal	-	738	+ 65	-	673
External	574	-	-	+ 93	481

* Others: Panerai, IWC, A. Lange & Söhne, Baume & Mercier, Purdey, Montegrappa, Azzedine Alaïa

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Retail Network China

	Beijing	Shanghai	Other Mainland Cities	Total Mainland China	Hong Kong	Macau	TOTAL
Alfred Dunhill	9	6	36	51	8	2	61
Montblanc	10	6	29	45	7	1	53
Cartier	3	2	13	18	8	1	27
Lancel	-	3	8	11	8	1	20
Piaget	3	1	2	6	4	3	13
Shanghai Tang	2	3	1	6	7	-	13
Vacheron Constantin	2	1	5	8	1	-	9
Van Cleef & Arpels	1	1	-	2	4	1	7
Jaeger-LeCoultre	2	2	-	4	1	1	6
Panerai	-	1	-	1	1	-	2
IWC	3	-	-	3	2	-	5
Chloé	3	2	5	10	6	-	16
A. Lange & Söhne	-	-	-	-	-	-	-
Baume & Mercier	1	-	-	1	-	-	1
Others	-	-	-	-	1	-	1
TOTAL	39	28	99	166	58	10	234

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Retail Network Russia & CIS Countries

Number of Stores	Moscow			Other CIS Countries			TOTAL		
	Internal	External	Total	Internal	External	Total	Internal	External	Total
Cartier	3	1	3	-	5	5	3	5	8
Van Cleef & Arpels	2	4	6	2	4	6	4	8	12
Piaget	2	-	2	-	1	1	2	1	3
Vacheron Constantin	1	-	1	-	-	-	1	-	1
IWC	-	1	1	-	-	-	-	1	1
Jaeger LeCoultre	-	1	1	-	-	-	-	1	1
Officine Panerai	-	-	-	-	-	-	-	-	-
Lange & Söhne	-	-	-	-	-	-	-	-	-
Montblanc	2	2	4	-	-	-	2	2	4
Baume & Mercier	-	-	-	-	-	-	-	-	-
Total	10	8	18	2	10	12	12	18	30
Internal	10	-	-	2	-	-	12	-	-
External	-	8	-	-	10	-	-	18	-

NB: Dunhill, Lancel & Chloé are operated by agents

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Jewellery Maisons

Cartier

Another year of double-digit sales growth for the world's most influential Jewellery House.

All regions ended FY08 above previous year and budget.

Strong jewellery and watch positions were further consolidated (double-digit growth) while accessories made excellent progress, in particular the *Marcello* bag.



Marcello bag



Ballon Bleu

The *Inde Mystérieuse* High Jewellery collection, the *Love* bijoux together with the *Ballon Bleu* (that won the Lady's watch award of the Grand Prix d'Horlogerie de Genève), the *Pasha Seatimer* and the *Cartier Libre* jewellery watches all met with great success.



Inde Mystérieuse Collection

More mature markets continued to do well, while emerging countries (China, Russia & the Middle East) grew significantly.

This success came through the launch of innovative and beautiful products, a successful distribution strategy, dedication to service, a key component of Cartier's long-term growth plans and active PR.

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Jewellery Maisons

Cartier

After three years of reduction, Cartier maintained a very selective wholesale network. It also further improved its retail network: there were 8 major renovations (the New Bond street flagship in London, Tokyo Ginza2, Zürich, San Francisco, Osaka Shinsaibashi, Bur Jurman Mall in Dubai, Amsterdam and Brussels) and 6 major openings (Chongqing, Kunming and Tianjin Hinsense in China, Union Square Kowloon in HK, Gum in Moscow, Istanbul) bringing the total number of stores to 18 in China and to 255 worldwide.

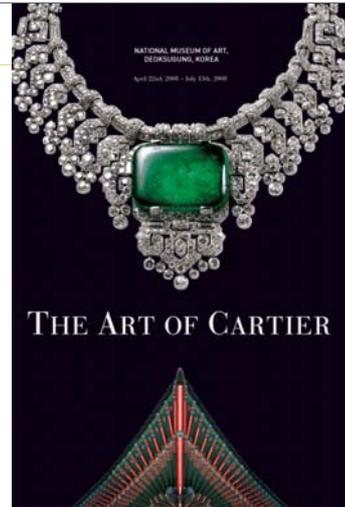
Terrific exposure was obtained from the *Inde Mystérieuse* party launch in London, participation in the Miami Art Basel, and exhibitions of the Cartier collection at the Kremlin last July and at Seoul this April, to name just a few.



New « Red box » advertising campaign

Cartier saw its leadership as the most desirable luxury brand reinforced. This year, new PR events and a powerful advertising campaign themed on the famous “Red box” will further convey the richness of this mythical Maison.

The introduction at the SIHH 08 of watches bearing the prestigious “Poinçon de Genève” heralds the entry of Cartier into the restricted circle of manufacturers of high-end watches. It opens up a new market with great potential largely untapped by Cartier.



Seoul Deoksugung Museum

RICHEMONT

Jewellery Maisons

Van Cleef & Arpels



A very strong double digit growth in sales in all regions led to a contribution margin above 15% for FY08. Van Cleef & Arpels enjoyed the highest growth rate within the Group.

The two new major High Jewellery collections *Ballet Précieux* and *Atlantide* enjoyed a worldwide success, emphasising the universal appeal of the Van Cleef & Arpels style.

Their launches gave rise to striking PR events in London and Hong Kong.

Watches, although still a minor part of the turnover, have seen a significant increase in sales and average price. This is a major growth opportunity which will be strongly pursued.



Lady Arpels Féerie Watch



Snowflake Necklace

The new advertising campaign featuring collections in an "Alice in Wonderland" universe is being very well received.

Selected store openings in Macau, Las Vegas Moscow, Kuala Lumpur and Singapore brought the network to 65.

RICHEMONT

Specialist Watchmakers

PIAGET

As one of the few watchmakers to be also a jeweller, Piaget is renowned for its complicated watches for men, High Jewellery watches for ladies and its Jewellery collection.

Another very good year for Piaget, especially in its main regions of Asia-Pacific and Europe.

The *Magic Hour* watch launched in October has already become a Piaget icon, symbolising the innovative spirit of the Maison.

Its daring creativity and expertise was expressed in the *Limelight Party II* collection of watches and High Jewellery, while the more accessible jewellery line has been reinforced by the launch of the *Miss Protocole* ring inspired by the eponymous legendary ladies' watch.



Maggie Cheung is Piaget ambassador



Piaget Emperor Cousin Perpetual Calendar

Miss Protocole Ring



Piaget was very active in the PR front: the *Magic Hour* watch launching events, the exhibition of its museum pieces at the Tokyo's National Art Centre and the three leading Tokyo department stores as well as its involvement as a major sponsor to the Los Angeles Spirit Awards.

It strengthened its retail network with 7 net boutique openings including three in Beijing and one in Moscow, bringing the total to 52.

RICHEMONT

Specialist Watchmakers

A. LANGE & SÖHNE
GLASHÜTTE I/SA

A manufacturer of highly exclusive mechanical watches in precious metals only, A. Lange & Söhne has reached record sales, despite capacity constraints (work on the new manufacturing site will start in 2009).

Its very high-end positioning has enabled the Maison to benefit from the evolution of the market.

The new *Saxonia* line introduced in May 2007 has become a best seller while the *Lange 31*, the first-ever watch with a 31-day power reserve and unique winding technology has met great success.



Lange 31



Saxonia Line

Although very much wholesale driven, a first boutique opened in Dresden, its historical cradle, last July, while a second one will open in Shanghai this June. A. Lange & Söhne also entered the Indian market this January through a retailer in Mumbai.

Another milestone was the foundation of the "A. Lange & Söhne Akademie" for its official retailers.

RICHEMONT

Specialist Watchmakers



Jaeger-LeCoultre is successfully making its way into the top tier of high-watchmaking. In FY08, it received 31 prestigious awards, 10 for its new Complications line, *Duomètre à chronographe*, and the "Jury's Prize at the Grand Prix d'horlogerie de Genève" for its *Grande Complication à Tryptique* (3 dials, 19 complications, 5 patents).

Sales were strong across all lines. They grew at a double-digit rate for the fourth consecutive year. The second semester was notably marked by a strong demand for the *Reverso Squadra* and the successful introduction of the new technical sports line, *Master Compressor Diving*, supported by prominent advertising and an innovative on-line campaign.



Duomètre à chronographe



Reverso Squadra Black

Work started on the extension of its manufacturing site at Le Sentier, which will add much-needed capacity by 2010.

FY08 was marked by the opening of a museum (the Heritage Gallery) and sustained PR events around the world and on-line.

In 2008, Jaeger-LeCoultre will celebrate its 175th anniversary with exceptional timepieces to be unveiled at SIHH08.

The Maison performed well across all regions, particularly in Asia-Pacific and new territories such as Russia and the Middle East. Ten new boutiques were opened, mostly in the second semester, notably in Macau, Beijing, Taipei and Kiev.



Master Compressor Diving
Press Launch and record - June 07

RICHEMONT

Specialist Watchmakers



VACHERON CONSTANTIN
Manufacture Horlogère. Genève, depuis 1755.

Vacheron Constantin, positioned at the pinnacle of High Technical Horology, enjoyed double-digit sales growth in most regions.

FY08 saw the successful re-launching of the *Patrimony* line with three new Geneva Hallmark movements, the new *Patrimony Contemporaine Retrograde Day&Date* watch awarded "Watch of the year" as well as an enlarged offer of the *Patrimony Traditionnelle* models.

"*Les Masques*", a *Métiers d'Art* Collection inspired by the primitive art collection of the Barbier Mueller museum, attracted much collectors interest when shown last November.

Finally, Vacheron Constantin introduced a much sought-after limited edition of the *Chronomètre Royal 1907* that bear both the COSC and Geneva Hallmark certificates to celebrate the 100 anniversary of the line.



Les Masques
Collection

Patrimony Contemporaine
Retrograde Day&Date



Vacheron Constantin launched a web-based discussion forum www.thehourlounge.com for its aficionados; further evidence of its commitment to an outstanding customer service.

It also organised its most important event since the 250th anniversary by inviting over 500 guests to a contemporary art exhibition at its site to celebrate its corporate values: *pursuit of excellence, openness towards the world, transmission of know-how, respect of tradition and the sharing of passion*. This event underlined the importance of Vacheron Constantin as a Geneva institution.

The Beijing store was opened in FY08 bringing the total network to 14 of which 8 are in mainland China alone. The continued selectivity of the wholesale network brought down the number of POS to 450.

RICHEMONT

Specialist Watchmakers

OFFICINE PANERAI FIRENZE 1860

A true "success story", Officine Panerai extended its record of continuous growth and increased market presence since its acquisition by Richemont in 1997.

In FY08, sales grew at a strong double-digit rate in all regions and watch lines despite delivery constraints.

Impressive success of the increasingly important *Manifattura* Collection, a strategic collection of high-end watches (entry price above €10k) with exclusive movements designed, engineered and produced entirely in-house. The new *Radiomir 10 Days GMT* with the Panerai Calibre P2003, the *Luminor 1950 Tourbillon GMT* with the Panerai Calibre P2005 and *Luminor 8 Days Chrono Monopulsante GMT* with the Panerai Calibre P2004 were very well received.

The Ferrari collection engineered by Officine Panerai Collection further developed new models such as the *Perpetual Calendar* watch.

Officine Panerai continued its selective distribution policy with only 5 boutiques worldwide and a network of just 460 POS despite the penetration into new markets.



Luminor 1950
Tourbillon GMT

RICHEMONT

Specialist Watchmakers

IWC

INTERNATIONAL WATCH CO. SCHAFFHAUSEN
SWITZERLAND, SINCE 1868

“A star in the making”, IWC enjoyed well balanced double-digit growth among its five pillars (*Portuguese, Da Vinci, Pilot, Aquatimer* and *Ingenieur*) and regions.

The performance of Asia-Pacific, second region after Europe, was particularly outstanding generating now 20% of sales. Overall, IWC enjoyed the strongest growth in sales among the Specialist Watchmakers.

FY08 was marked by the successful launch of the redesigned *Da Vinci* and *Pilot* pillars notably with the *Da Vinci Perpetual Calendar* and the *Pilot's Double Chronograph Edition Top Gun* watches.



Pilot's Watch
Top Gun

The much needed expansion of the production site in Schaffhausen is due to be completed this summer, with a further extension likely in 2009.

New external boutique openings in Kuala Lumpur, Istanbul, Beijing and Abu Dhabi brought the total number of boutiques to 20 by the end of March 08.

The IWC museum, opened last June, has given further visibility and credibility to the Maison's expertise in highly complicated precision watchmaking and a preview of its 140 anniversary.



Big Ingenieur Watch

Handle without care.



IWC



David de Rothschild
Adventure Ecology

IWC has stepped up its commitment towards corporate social responsibility through its partnership with environmentalist David de Rothschild. It also sponsored the Laureus World Sports Awards for the fourth time.

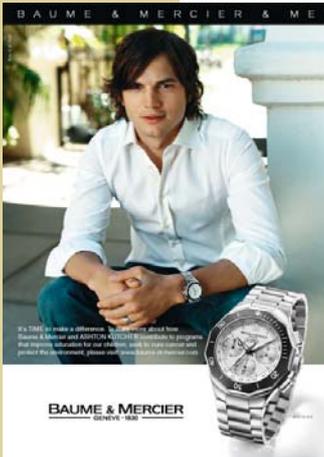
RICHEMONT

Specialist Watchmakers

BAUME & MERCIER
GENEVE · 1830

A traditional premium Swiss watchmaker, Baume & Mercier ended FY08 above budget with sales rising at a high single-digit rate at constant rates.

It has entered Mainland China with success and opened its first-ever boutique in Beijing this January.



Ashton Kutcher wearing Riviera

BAUME & MERCIER & ME



Teri Hatcher wearing Iléa unveiled at SIHH 08

BAUME & MERCIER
GENEVE · 1830

New references within the Maison pillars Riviera, *Classima*, *Diamant* and *Hampton* (such as the *Riviera XXL Magnum*, *Classima Executives GMT* or *Hampton Square Magnum*) equally met success.

These models are being effectively supported by a successful advertising campaign now in its third year. Teri Hatcher has been its new ambassador since January and Ashton Kutcher since April.

Brand visibility was further enhanced by a programme of international PR events around the theme of photography.

RICHEMONT

Writing Instruments Maisons

**MONT
BLANC**

The second largest Maison after Cartier, Montblanc performed particularly well across most regions, product lines and channels. This is quite a notable achievement given the high comparative base of FY07 marked by its 100 year anniversary.

The robust sales growth was particularly fuelled by developing markets, notably China (#3 market, 8% of sales, 45 stores and over 100 POS).

Product-wise, watches, leather, pens outperformed boosted by increased sell-through and uptrading in value. The *Meisterstück* ball point pen, the *TimeWalker Chronograph Automatic* and the white gold ring 4810 with diamonds were the best sellers of the year.

FY08 was rich in product launches. Apart from the introduction of the *Alexander von Humboldt* Limited Edition and the *Marlene Dietrich* Special Edition pen, most of the launches took place in autumn 07: the first-ever *Haute Horlogerie* range "*Montblanc Collection Villeret 1858*", developed at Minerva, and the new *Diamond Jewellery* Collection.



Prince Rainier III Limited Edition 81

Montblanc's development as a global luxury Maison continues. "Non-pen" sales rose to 48% of overall sales. The writing instruments business is increasingly focused on "*jewellery pieces that happen to write*".



Montblanc Star Rieussec Monopusher Chronograph

SIHH 08 saw the strategic launch of '*Montblanc Star Rieussec*' watches, featuring the Maison's first own manufactured movement.

The renovation of the Minerva manufacturing site to be completed by the Autumn 08 will further add capacity and raise Montblanc's watchmaking competence.

Montblanc is increasingly targeting women, notably with jewellery, enhancing its watchmaking capabilities and investing in retail. Watches and jewellery are expected to represent an ever-increasing share of sales.

RICHEMONT

Writing Instruments Maisons

**MONT
BLANC**

Montblanc enjoyed further success with the *Montblanc Diamond Jewellery* following its silver jewellery collection introduced in December 06. Ladies Jewellery now accounts for 6% of total retail sales with some stores exceeding 15%. Its success is very encouraging for the future of the Maison and its strategy of targeting the female customer.

Li Bing Bing



Eva Green

Montblanc has a very active communication strategy: events organised by the Montblanc de la Culture Foundation, its involvement with Unicef and an advertising campaign with a charity theme, featuring Eva Green and other international and local celebrities.



World-renowned pianist Lang Lang as new chairman of Montblanc Cultural Foundation

Montblanc has stepped up its policy of increased selectivity. It closed more than 1500 POS in FY 08, with some 270 POS in Japan alone. As a result of such reductions; but also of the products being sold in the Montblanc stores, retail outperformed wholesale. Retail sales now represent 38% of global sales.

Its network is constantly upgraded with "ladies jewellery areas" (Zurich, San Francisco), relocations and openings. New boutique openings, including the Maison's largest flagship store in Shanghai, brought the number of internal boutiques to 329 (vs 315 in March 07).

RICHEMONT

Leather & Accessories



Alfred Dunhill is committed to being the world's premier destination for men's luxury goods. It has expertise in leather goods and menswear and a philosophy of creating innovative and functional products.

Dunhill reported a small profit thanks to strong sales in Asia-Pacific (55% of sales). Sales in Mainland China grew by 28% in Rimimbi while sales in Japan remained level in Yen.

Leather and Menswear outperformed, thanks notably to the success of the *Avorities* and *Sentryman* leather goods collections as well as the improvement of the casual menswear offer.



Home of Alfred Dunhill - Ginza, Japan



Avorities Leather

December saw the opening of the first "Home of Alfred Dunhill" in Ginza, Tokyo, to be followed later this year by London and Shanghai. Alongside the full range of products the "Home" offers a bar, VIP lounge, barber & valet services. They will ensure Alfred Dunhill once again becomes the destination for discerning men seeking the very best.



The effective international Jude Law advertising campaign will run until the end of 2009.

FY08 saw a further roll out of the new store concept to 20 new boutiques and 27 existing boutiques. A quarter of the network is now under this new concept. 6 external stores (including New Delhi and Bangalore) and 9 internal stores were opened (including one in Macau). India is seen as the next and very promising market for Dunhill.

For the sixth year running, the Alfred Dunhill Links Championship retained its status as the most coveted invitation in world golf.

RICHEMONT

Leather & Accessories

LANCEL
PARIS



FY 08 witnessed the refocusing of Lancel towards ladies bags of higher quality and price. As a result, the average price within its retail network rose by over 50% and gross margin improved further.

However, the new clients did not fully compensate for the loss of traditional clientele and the reduced luggage offering led to a 6% decline in sales.

The launch plan for the year centred on the "Elsa" and "Flirt" best sellers. "Premier flirt" became an icon product with over 30'000 units sold in FY08.



Beijing Red Party – November 07

Isabelle Adjani



A more glamorous ad campaign to reflect the upgrading of Lancel has just been launched with the actress Isabelle Adjani as its ambassador.

The Hong Kong, Macau (Venitian) and Deauville stores were renovated while four stores opened in Moscow, Dubai and Abu Dhabi.

Now that improved positioning is clearly established, growth opportunity lies in the Far East market where Lancel is re-developing a presence through agents.

With the "Lancel Red Parties" at l'Olympia in Paris, HK, Beijing and Moscow, Lancel gained a lot of much needed media coverage. Such events contributed to placing Lancel amongst the top-ranking leather businesses in terms of media exposure in France.

RICHEMONT

Other Businesses

Chloé

After an exceptional FY07 (> +50%), sales in FY08 were level in euros. Sales were down in Wholesale and up in Retail supported by the opening of eight stores.

Sales declined in the Americas (15% of global sales) but went up in all the other regions, especially in Asia (strong double-digit growth).

Leather was challenging; the successful launches of the *Héloïse*, *Saskia* and *Paddington plexi* lines not compensating the slowdown in the *Paddington* line. RTW did well. So did the new eyewear line, the *Myrte* and *Children* collection both under licence. The new Chloé fragrance in stores since January 2008 is having an excellent start.

Retail expansion slowed down bringing the total number of stores to 74, a number which at this stage seems optimal. In April 2008, its four external boutiques were internalised in Beijing and Shanghai.

In March Hannah MacGibbon was appointed Creative Director. Her first runway collection will be shown this October. We are confident that her overall creative vision will significantly impact the activity of Chloé.



Advertising Campaign
RTW Summer 08
Héloïse bag



Saskia bag

RICHEMONT

Main Product Launches April 2007 – April 2008

Cartier

Jewellery

Love Apr 07
Inde Mystérieuse (High & New Jewellery) Sep 07

Watches

Love de Cartier Watch Apr 07
Ballon Bleu Jun 07
Santos 100 Rubber strap Jun 07
La Doña Leather strp Jul 07
Ballon Bleu Gold/Steel Sep 07
Pasha Seatimer Chronograph Nov 07

Leather

Marcello de Cartier Hand bag Jun 07
Santos brown Leather collection Nov 07
Marcello Exotic Leather bags Dec 07

Fragrances

Délices de Cartier Jun 07

IWC

INTERNATIONAL WATCH CO. SCHAFFHAUSEN
SWITZERLAND, SINCE 1868

Big Ingenieur stainless steel Jun 07
Ingenieur Automatic ceramic Jun 07
Pilot's Watch Double Chronograph Edition Top Gun Aug 07
Da Vinci Chronograph rose gold Sep 07

LANCEL
PARIS



Easy Flirt	Drawstring bag	Jun 07
Pirate	Drawstring bag	Jul 07
Elsa Sellier	Drawstring bag	Jul 07
Espiègle	Drawstring bag monogram	Jul 07
Premier Flirt	Drawstring bag Croc. Niloticus	Dec 07
Califourchon	Shoulder bag	Dec 07
Premier Flirt	Drawstring bag metallic	Jan 08
Désinvolté	Drawstring bag	Jan 08
Serment	Resort Canvas line	Mar 08

RICHEMONT

Main Product Launches April 2007 – April 2008

Van Cleef & Arpels

Sweet Alhambra	
Vintage Alhambra – WG white MOP	
Flowerface collection – Creative Jewellery	Oct 07
Une journée à Paris – Creative Jewellery	Sep-Oct 07
L'Atlantide – High Jewellery	Nov 07
Ballet Précieux – High Jewellery	Nov 07
Watches	
Lady Arpels Papillon	May 07
Lady Arpels Féerie	Oct 07
Midnight In Paris	Nov 07
Charms	Apr 08
Day/Night Watch	Apr 08



OFFICINE PANERAI FIRENZE 1860

Radiomir	
Radiomir Black Seal Automatic	May 07
Radiomir 8 Days	Jun 07
Radiomir Chronograph	July 07
Radiomir 10 Days GMT	Aug 07
Radiomir Blackseal Ceramic	Nov 07
Luminor	
Luminor 1950 Regatta Rattrapante	May 07
Luminor 1950 8 Days GMT	Nov 07
Luminor 1950 Submersible Depth Gauge 47mm	Dec 07
Luminor 1950 Tourbillon GMT	Feb 08
Ferrari	
Ferrari Chronograph	Jun 07
Ferrari Flyback	Jun 07
Ferrari Scuderia Chronograph 40mm	Dec 07
Ferrari Granturismo GMT/Alarm	Feb 08



VACHERON CONSTANTIN

Manufacture Horlogère, Genève, depuis 1755.

Patrimony Traditionnelle	Oct 07
Chronomètre Royal 1907	Oct 07
Métiers d'Art "Les Masques"	Nov 07
Collection Excellence Platine	Feb 08

RICHEMONT

Main Product Launches April 2007 – April 2008

BAUME & MERCIER

GENÈVE - 1830

Classima Executives Business Class	Jun 07
Hampton Classic set with diamonds	Jun 07
Hampton Square Magnum	Jul 07
Riviera XXL Magnum	Jul 07
Classima William Baume	Oct 07
Classima Executives GMT	Oct 07
Classima Executives open balance	Oct 07
Hampton Classic automatic for men	Apr 08
Riviera Magnum Chrono flyback	Apr 08

A. LANGE & SÖHNE

GLASHÜTTE I/SA

Saxonia	May 07
Saxonia Automatik	May 07
Grand Saxonia Automatik	May 07
Cabaret "Soirée" in brown	May 07
Langematik Perpetual Pink gold	Aug 07

Chloé

Chloé Winter 07-08 RTW & Accessories collection	Aug 07
FW 07-08 Children wear collection	Sept 07
"See by Chloé" Cruise collection	Dec 07
Chloé Spring 08 RTW & Accessories collection	Dec 07
Chloé new fragrance	Jan 08
"See by Chloé" Spring/Summer 08 collection	Jan 08
Chloé Summer 08 RTW & Accessories collection	Feb 08

JAEGER-LECOULTRE

Reverso Squadra Hometime Black	May 07
Reverso Squadra Chrono GMT Black	May 07
Master Compressor Extreme Alarm	Sep 07
AMVOX 2 chrono DBS	Sep 07
Master Tourbillon Heritage Gallery	Oct 07
Master Perpetual Calendar skeleton	Oct 07
Master Compressor World Alarm	Oct 07
Master Compressor Diving GMT	Oct 07
Master Compressor Lady GMT	Nov 07
Master Compressor Diving chronograph	Nov 07
Master Compressor Diving Lady Chronograph	Nov 07
101 Jewellery Art Déco	Nov 07
Reverso GT Pink Gold	Apr 08

RICHEMONT

Main Product Launches April 2007 – April 2008

**MONT
BLANC**

Watches		
Haute Horlogerie Collection Villeret 1858		Oct 07
Leather		
Starisma Lady handbags		Oct 07
Jewellery		
Silver Jewellery Summer Collection		Jun 07
Diamond Jewellery Collection		Nov 07
La Dame Blanche - Solitaire Diamond Ring		Apr 08
Writing Instruments		
StarWalker Collection Blue Ballpoint		Apr 07
Marlene Dietrich Special Edition		Apr 07
Patron of Arts "Francois I." Fountain Pen 888 Edition		Apr 08

PIAGET

Watches		
Emperador Coussin		Jun 07
Magic Hour watch, PG/WG		Oct 07
Piaget Emperador XL, WG/PG		Oct 07
Protocole XXL, PG/WG		Oct 07
Altiplano double jeu, PG/WG		Dec 07
Jewellery		
Limelight party II Collection		Jun 07
Miss Protocole Ring		Oct 07

dunhill
LONDON

SS07 Leather, Pens & Jewellery		Apr 07
AW07 Menswear collection		Sep 07
AW07 Leather, Pens & Jewellery		Oct 07
Tradition Leathergoods		Nov 07
Christmas Gifts		Nov 07
SS08 Menswear collection		Jan-Apr 08
Poacher Leathergoods		Mar 08
Namiki Kingfisher Pen		Mar 08
Avorities & Sentryman Leathergoods		Apr 08
SS08 Pens & Jewellery		Apr 08

RICHEMONT

Main Boutique Openings & Renovations April 2007 – May 2008



LONDON

Openings

Hong Kong	China	Oct. 07
Moscow	Russia	Nov 07
Tokyo	Japan	Dec 07
Macau	China	Dec 07
Moscow	Russia	Jan 08
Beijing	China	Jan 08
Bangalore	India	Mar 08
Dubai	UAE	Jun 07

Renovations

Seoul	Korea	Aug 07
Beijing	China	Oct 07
Changchun	China	Dec 07
Hong Kong	China	Mar. 08
Shanghai	China	Mar 08



Openings

Chongqing	China	Apr 07
Tianjin Hinsense	China	Aug 07
GUM Moscow	Russia	Sept 07
Union Square Kowloon	Hong Kong	Oct 07
Johannesburg	South Africa	Oct 07
Istanbul	Turkey	Oct 07
Taipei Sogo	Taiwan	Dec 07
Kunming	China	Feb 08

Renovations/Relocations

23 place Vendôme, Paris	France	Apr 07
Beijing, Peninsula Hotel	China	Jun 07
San Fransisco	USA	Aug 07
Osaka Shinsaibashi	Japan	Sept 07
Ngee Ann City	Singapore	Sept 07
New Bond Street, London	UK	Sep 07
Shanghai Plaza	China	Oct 07
Amsterdam	Holland	Nov 07
Palm Beach	USA	Nov 07
Bruxelles	Belgium	Dec 07
Burjurman Mall Dubai	UAE	Dec 07
Macao	Hong Kong	May 08

RICHEMONT

Main Boutique Openings & Renovations April 2007 – May 2008



Openings

Orlando (Millennia Mall)	USA	Jun 07
Macao (Venitian Mall)	China	Aug 07
Pavillon, Kuala Lumpur	Thailand	Oct 07
Shanghai Flagship (Citic Square)	China	Nov 07
Moscow (Four Seasons Mall)	Russia	Nov 07
Palazzo, Las Vegas	USA	Jan 08

Renovations

Osaka (Shinsaibashi)	Japan	Apr 07
Dusseldorf	Germany	Jun 07
San Francisco	USA	Aug 07
Zurich	Switzerland	Nov 07
Beijing Oriental	China	Jan 08

Van Cleef & Arpels

Openings

Ngee Ann	Singapore	Apr 07
Beijing II	China	Sep 07
Riyadh	UAE	Oct 07
Gum Moscow	Russia	Nov 07
Macau	China	Jan 08
Las Vegas	USA	Feb 08



Renovations

London New Bond Street	UK	Apr 07
Paris Rue de la Paix	France	Apr 07



VACHERON CONSTANTIN

Manufacture Horlogère, Genève, depuis 1755.

Openings

Beijing	China	Jun 07
Macau	China	April 08
Riyadh	Saudi Arabia	May 08

Renovations

Hong Kong	China	Jun 07
Beijing I	China	Apr-May 08

RICHEMONT

Main Boutique Openings & Renovations April 2007 – May 2008

Chloé

Openings

Vilnius	Lithuania	May 07
Seoul	Korea	Jul 07
Shenyang	China	Jul 07
Suzhou	China	Aug 07
Moscow	Russia	Sep 07
Istanbul	Turkey	Sep 07
Ngee Ann City	Singapore	Dec 07
Las Vegas	USA	Jan 08

Renovations

Seoul	Korea	Jul 07
New York	USA	Sep 07

A. LANGE & SÖHNE
GLASHÜTTE I/SA

Openings

Dresden	Germany	Jul 07
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LANCEL
PARIS

Openings

Moscow	Russia	Apr 07
Dubai	U.A.E	Jun 07
Abu Dhabi	U.A.E.	Dec 07
Moscow	Russia	Dec 07

Renovations

Chonging	China	May 07
Hong Kong	China	May 07
Deauville	France	Jun 07
Macau	China	Sep 07
Zhengzhou	China	Sep 07
St Germain des Prés, Paris	France	Nov 07



RICHEMONT

Main Boutique Openings & Renovations

April 2007 – May 2008

PIAGET

Openings

Shing Kong Place, Beijing	China	Apr 07
Iwataya, Fukuoka	Japan	Aug 07
GUM, Moscow	Russia	Sep 07
Venetian Hotel	Macau	Sep 07
Breeze, Taipei	China	Oct 07
Hong Kong Elements	Hong Kong	Oct 07
Las Vegas Palazzo	USA	Jan 08
Beijing Oriental Plaza	China	Mar 08
Beijing Sunrise Airport	China	Mar 08
Baku	Azerbaijan	Mar 08
Costa Mesa, Los Angeles	USA	May 08
Emporio Mall, New Dehli	India	May 08
Istanbul	Turkey	May 08

Renovations

Palace Peninsula, Beijing	China	Jun 07
Wafi, Dubai	UAE	Sep 07
Walker Hill	South Korea	Mar 08

JAEGE-LECOULTRE

Openings

The Venetian Hotel	Macau	Aug 07
Season's Place, Beijing	China	Sep 07
Istanbul	Turkey	Oct 07
Taipei 101, Taipei	Taiwan	Oct 07
Raffles Hotel Arcade	Singapore	Nov 07
Plaza 66, Shanghai	China	Dec 07
Central Place, Beijing	China	Jan 08
Wafi Mall, Dubai	UAE	Mar 08
Kiev	Ukraine	Mar 08
Boca Raton, Florida	USA	May 08

IWC

INTERNATIONAL WATCH CO. SCHAFFHAUSEN
SWITZERLAND, SINCE 1868

Openings

Beijing Mitsukoshi	China	Apr 07
Schaffhausen	Switzerland	Jun 07
Beijing Season's Place	China	Sep 07
Hong Kong Union Square	China	Oct 07
Istanbul	Turkey	Oct 07
Beijing	China	Nov 07
Kuala Lumpur Pavilion	Malaysia	Nov 07
Las Vegas	USA	Jan 08
Macau	China	Apr 08

RICHEMONT

The Hallmark of Geneva – Le Poinçon de Genève

The 12 criteria for issuance (excerpted from the Official Regulations of the Hallmark of Geneva)

1. "The quality of all parts and components of the movement, including those used for auxiliary mechanisms, must comply with the standards prescribed by the Office for the optional inspection of Genevan watches. Steel parts must display polished angles and their sides parallel file strokes, their visible faces must be smoothed and polished, screw heads must be polished or circular grained (with their rim and slot bevelled)."
2. "All movements must be fitted on the going train and on the escapement with ruby jewels with polished hole. On the bridge side, jewels must be semi-mirror polished and their sinks polished."
3. "The balance spring must be secured by a sliding stud cap with round head and neck. Mobile stud holders are accepted."
4. "Fitted or split indexes (regulators) with a fastening system are accepted, save on extra-thin movements, where the system is not mandatory."
5. "Regulating systems featuring a balance wheel with variable radius of rotation are accepted."
6. "Geartrain wheels must be bevelled on their upper and lower sides and their sinks polished. For wheels 0.15 mm thick or less, bevelling on the bridge side only is tolerated."
7. "Pinion shanks and faces must be polished."
8. "A lightweight escape wheel is mandatory: no more than 0.16 mm thick for larger sizes or 0.13 mm for wheels less than 18 mm across; locking faces must be polished."
9. "The lever's angle of travel must be contained by solid bankings, to the exclusion of pins or studs."
10. "Movements fitted with shock absorbers are accepted."
11. "The ratchet and transmission (crown) wheel must be finished in conformity with prescribed models."
12. "Wire springs are prohibited."

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