TWO THOUSAND & FOURTEEN FIRST HALF REPORT

interparfums

BALMAIN
BOUCHERON
JIMMY CHOO
KARL LAGERFELD
LANVIN
MONTBLANC
PAUL SMITH
REPETTO
S.T. DUPONT
VAN CLEEF & ARPELS

TWO THOUSAND & FOURTEEN FIRST HALF REPORT

interparfums

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MANAGEMENT REPORT

1. REVIEW OF OPERATIONS

Consolidated sales for the 2014 second quarter reached €69.1 million, up like-for-like 27% at current exchange rates and 29% at constant exchange rates from the same period in 2013. This performance was attributable in particular to the continuing success of the men's line, *Montblanc Legend*, the launch of the *Montblanc Emblem* and Karl Lagerfeld lines and steady sales by Lanvin fragrances.

For the full first half, consolidated sales reached nearly €144 million on like-for-like growth of 21% at current exchange rates and 23% at constant exchange from one year earlier.

1.1. Highlights by brand

	2nd quarter		1st half	
In € millions	**2013**	**2014**	**2013**	**2014**
Montblanc	12.9	23.4	28.2	43.5
Lanvin	15.4	15.4	33.8	30.4
Jimmy Choo	9.5	8.6	27.2	21.3
Karl Lagerfeld	-	3.0	-	12.7
Van Cleef & Arpels	5.8	4.5	9.8	9.2
Boucheron	3.2	3.6	5.9	7.9
S.T. Dupont	2.8	3.6	6.0	6.2
Paul Smith	1.7	2.9	4.3	5.0
Balmain	0.9	1.0	1.4	3.1
Repetto	2.2	3.1	2.2	4.6
Recurring sales (1)	**54.4**	**69.1**	**118.8**	**143.9**
Other	16.3	-	99.7	-
Total revenue	**70.7**	**69.1**	**218.5**	**143.9**

(1) Excluding Burberry fragrances and Nickel skincare lines.

Montblanc fragrances continued to grow at a fast pace, driven by the continuing success of the top-selling men's line, *Legend* (+27%), launched in 2011, further boosted by the spring launch of the second men's line *Emblem* (€9 million on a sell-in basis). Sales for the first half thus exceeded €43 million, up 54% from the prior year.

Though adversely impacted by the unfavorable comparison base from the launch of the *Lanvin Me* line in early 2013 and the general downturn in the Russian market at the start of the year, sales for Lanvin fragrances were back up in the spring, exceeding €30 million for the period, driven in large part by the *Éclat d'Arpège* line.

Jimmy Choo fragrance sales reached €21.3 million though down as expected from the prior year, reflecting the strong 2013 first quarter launch of the *Flash* line. Based on higher than expected order intake for *Jimmy Choo Man* the new line launched in the fall, more robust sales may be foreseen for the second part of the year.

Karl Lagerfeld fragrances had sales of €12.7 million from initial shipments to distributors in mid-March of the first fragrance duo launched by the Group which met with a positive response in Europe.

With sustained demand for the Eau de Toilette, *Repetto*, the brand is moving ahead with its gradual rollout in France, and should benefit from the Eau de Parfum launch in progress.

1.2. Highlights by region

Significant gains were registered in North America, South America, Western Europe and the Middle East, of between 25% and 50% like-for-like, bolstered by the strength of Montblanc fragrances and the rollout of Karl Lagerfeld fragrances.

In an Asian market less buoyant than in the prior year, the trend of the first three months was confirmed in the second quarter with average growth for the period of 8%.

Following a substantial drop in the first quarter, mainly due to the Russian market's downturn, sales in Eastern Europe picked up in the second quarter, resulting in a marginal decline for the period (-7%).

France maintained its positive sales momentum with growth of 18%, driven by the good performances of Repetto and Montblanc fragrances.

2. CONSOLIDATED FINANCIAL HIGHLIGHTS

In € millions	**H1 2013**	**H1 2014**
Sales	218.5	143.9
Gross margin	133.1	83.5
% of sales	*60.9%*	*58.0%*
Operating profit	54.7	19.9
% of sales	*25.0%*	*13.8%*
Net income	35.3	13.8
% of sales	*16.2%*	*9.6%*

Data is not comparable for the period presented due to the exit from the Burberry license agreement.

Results for the 2014 first half are not easily comparable to those of the 2013 first half due to the Burberry license agreement exit effective as from March 31, 2013.

It is nevertheless possible to compare the gross margin as a percentage of sales (58%) for the 2014 first half with the 2013 second half (57.6%) and also the operating margin (13.8%) and the net margin (9.6%) which were in line with performances of prior years.

In € millions	**12/31/13**	**6/30/14**	**14/13**
Shareholders' equity	354.5	357.2	+0.8%
Net cash and current financial assets	222.4	199.0	-10.5%

At June 30, 2014, the Group's financial position remained excellent with shareholders' equity of €357 million and net cash still at nearly €200 million.

3.
HALF YEAR MILESTONES

January
Launch of the *First Edition Blanche* line of Van Cleef & Arpels

This luxurious and sophisticated limited edition offers a new take of the iconic fragrance line of the Van Cleef & Arpels high jewelry house.

February
Launch of the *Extatic* line of Balmain

An Eau de Parfum that opens with a sparkling floral fruity note of nashi pear, rose and osmanthus. The heart deploys floral notes such as orris and Sharry Baby orchid leaving a woody-leathered trail.

March
Interparfums a 2014 Great Place to Work award winner

In 2014, for its second participation, Interparfums was again among the winners for France in the "companies with less than 500 employees" category.

April
Eligibility for PEA-PME savings vehicles

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

May
Launch of the *Montblanc Emblem* line

This new men's fragrance which pays homage to the Montblanc heritage, is more than just a fragrance. *Emblem* is a rock, a landmark, an identity.

Amendment to the S.T. Dupont license agreement

In May 2014, Interparfums signed a license agreement amendment with S.T. Dupont. This amendment grants an exclusive license to Interparfums for the Paris-Saint-Germain brand for the production and sale of fragrances for the purpose of developing, producing and selling co-branded products. This amendment to the S.T. Dupont agreement takes effect retroactively as from January 1, 2014 for a term of two and a half years.

June
Bonus share issue

The company proceeded with its 15th bonus share issue on the basis of one new share for every five shares held.

Launch of the *Repetto* Eau de Parfum

The second act of the Repetto scented story with the Eau de Parfum, unveiling a new sensuality for a confident woman at the height of her grace and femininity.

4.
RISK FACTORS AND RELATED PARTY DISCLOSURES

4.1.
Risk Factors

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

Other Risk Factors are of the same nature as those presented in note 3 "Risk Factors" of the "Consolidated Management Report" (section 1) included in the registration document filed on April 1, 2014 with the French financial market authorities (*Autorité des Marchés Financiers* or AMF). There were no material changes in these Risk Factors in the 2014 first half.

4.2.
Related party transactions

In the 2014 first half, relations between Interparfums and affiliated companies remained comparable with those of fiscal year 2013 presented in Note 6.6 "Information on related parties" of the 2013 consolidated financial statements (section 3) included in the registration document filed on April 1, 2014 with the AMF.

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

5.
OUTLOOK

Performances in the 2014 first half were bolstered by continuing gains from Montblanc fragrances, steady sales by Lanvin and Jimmy Choo fragrances and the launch of the first Karl Lagerfeld fragrance lines. And while second half sales may be expected to be impacted by uncertain economic and foreign exchange trends, Interparfums confirms its full-year target for revenue of €280 million for 2014.

The first half's strong results the will make it possible to step up marketing and advertising efforts in the second half of the year. On that basis, profit levels are expected to remain high for 2014 with an operating margin target of 10% to 11%.

6.
POST-CLOSING EVENTS

None.

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CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. CONSOLIDATED INCOME STATEMENT

In € thousands, except per share data which is in units	**Notes**	**H1 2013**	**H1 2014**
Sales	3.1	**218,549**	**143,948**
Cost of sales	3.2	(85,471)	(60,443)
Gross margin		**133,078**	**83,505**
% of sales		*60.9%*	*58.0%*
Selling expenses	3.3	(72,208)	(58,558)
Administrative expenses	3.4	(6,196)	(4,995)
Operating profit		**54,674**	**19,952**
% of sales		*25.0%*	*13.9%*
Financial income		1,228	1,411
Interest and similar expenses		**(742)**	**(399)**
Net interest expense		486	1,012
Other financial income		3,733	2,317
Other financial expense		(4,098)	(2,364)
Net financial income	3.5	**121**	**965**
Income before income tax		**54,795**	**20,917**
% of sales		*25.0%*	*14.5%*
Income tax	3.6	(19,573)	(7,279)
Effective tax rate		*35.7%*	*34.5%*
Net income before non-controlling interests		**35,222**	**13,638**
% of sales		*16.1%*	*9.5%*
Attributable to non-controlling shareholders		**(122)**	**(183)**
Attributable to equity holders of the parent		**35,344**	**13,821**
% of sales		*16.2%*	*9.6%*
Basic earnings per share (1)	3.7	1.59	0.57
Diluted earnings per share (1)	3.7	1.58	0.56

(1) Restated for bonus share grants.

2.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In € thousands	H1 2013	H1 2014
Consolidated net profit for the period	**35,222**	**13,638**
Available-for-sale assets	(224)	-
Deferred tax arising from items that may be recycled	81	-
Items able to be recycled in profit or loss	**(143)**	**-**
Actuarial gains and losses	-	-
Deferred taxes on items unable to be recycled	-	-
Items unable to be recycled in profit or loss	**-**	**-**
Total net income and gains and losses recognized directly in equity	**35,079**	**13,638**
Attributable to non-controlling shareholders	(122)	(183)
Attributable to equity holders of the parent	**35,201**	**13,821**

3.
CONSOLIDATED BALANCE SHEET

Assets

In € thousands	**Notes**	**12/31/13**	**6/30/14**
Non-current assets			
Net trademarks and other intangible assets	2.1	73,339	71,535
Net property, plant, equipment	2.2	5,352	5,079
Long-term investments		1,980	2,572
Other non-current financial assets	2.3	6,488	6,320
Deferred tax assets	2.11	5,708	4,555
Total non-current assets		**92,867**	**90,061**
Current assets			
Inventory and work in progress	2.4	61,937	66,445
Trade receivables and related accounts	2.5	45,045	55,842
Other receivables	2.6	5,371	5,680
Corporate income tax		4,587	482
Current financial assets	2.7	131,736	157,151
Cash and cash equivalents	2.7	90,735	41,872
Total current assets		**339,411**	**327,472**
Total assets		**432,278**	**417,533**

Equity and liabilities

In € thousands	**Notes**	**12/31/13**	**6/30/14**
Shareholders' equity			
Share capital		72,694	87,450
Additional paid-in capital		280	-
Retained earnings		246,708	255,968
Net income for the year		34,833	13,821
Group shareholders' equity		**354,515**	**357,239**
Non-controlling interests		370	9
Total shareholders' equity	2.8	**354,885**	**357,248**
Non current liabilities			
Provisions for non-current commitments	2.9	3,806	4,026
Non-current borrowings	2.10	121	101
Deferred tax liabilities	2.11	653	649
Total non-current liabilities		**4,580**	**4,776**
Current liabilities			
Trade payables and related accounts	2.12	49,825	37,059
Current borrowings	2.10	100	94
Provisions for contingencies	2.9	98	148
Current income tax liabilities		675	1,385
Other payables	2.12	22,115	16,823
Total current liabilities		**72,813**	**55,509**
Total shareholders' equity and liabilities		**432,278**	**417,533**

4.
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

In € thousands

	Number of shares	Common stock	Paid-in capital	OCI	Retained earnings & net income	Total equity: Group share	Total equity: Non-controlling interests	Total
As of December 31, 2012 (1)	**21,968,718**	**66,001**	**-**	**(169)**	**278,581**	**344,413**	**118**	**344,531**
Bonus share issue	2,200,030	6,600	-	-	(6,600)	-	-	-
Shares issued on exercise of stock options	31,087	93	280	-	-	373	-	373
2013 net income	-	-	-	-	34,833	34,833	(10)	34,823
Change in actuarial gains and losses on provisions for retirement liabilities	-	-	-	83	-	83	-	83
2012 dividend paid in 2013	-	-	-	-	(23,725)	(23,725)	-	(23,725)
Treasury shares	6,618	-	-	-	122	122	-	122
Cost of stock-based compensation	-	-	-	-	163	163	-	163
Remeasurement of investment securities at fair value	-	-	-	(143)	(105)	(248)	-	(248)
Changes in Group structure of consolidated operations					(267)	(267)	267	-
Currency translation adjustments	-	-	-	-	(1,232)	(1,232)	(5)	(1,237)
As of December 31, 2013 (1)	**24,206,453**	**72,694**	**280**	**(229)**	**281,770**	**354,515**	**370**	**354,885**
Bonus share issue	4,858,331	14,575	(822)	-	(13,753)	-	-	-
Shares issued on exercise of stock options	60,239	181	542	-	-	723	-	723
2014 half-year net income	-	-	-	-	13,821	13,821	(183)	13,638
2013 dividend paid in 2014	-	-	-	-	(11,881)	(11,881)	(187)	(12,068)
Treasury shares	(24,809)	-	-	-	(462)	(462)	-	(462)
Cost of stock-based compensation	-	-	-	-	55	55	-	55
Remeasurement of investment securities at fair value	-	-	-	-	-	-	-	-
Currency translation adjustments	-	-	-	-	449	449	-	449
Other changes	-	-	-	-	19	19	9	28
As of June 30, 2014 (1)	**29,100,214**	**87,450**	**-**	**(229)**	**270,018**	**357,239**	**9**	**357,248**

In € thousands

	Number of shares	Common stock	Paid-in capital	OCI	Retained earnings & net income	Total equity: Group share	Total equity: Non-controlling interests	Total
As of December 31, 2012 (1)	**21,968,718**	**66,001**	**-**	**(169)**	**278,581**	**344,413**	**118**	**344,531**
Bonus share issue	2,200,030	6,600	-	-	(6,600)	-	-	-
Shares issued on exercise of stock options	-	-	-	-	-	-	-	-
2013 half-year net income	-	-	-	-	35,344	35,344	(122)	35,222
2012 dividend paid in 2013	-	-	-	-	(23,725)	(23,725)	-	(23,725)
Treasury shares	(2,668)	-	-	-	(41)	(41)	-	(41)
Cost of stock-based compensation	-	-	-	-	85	85	-	85
Remeasurement of investment securities at fair value	-	-	-	(143)	(105)	(248)	-	(248)
Changes in Group structure of consolidated operations					(267)	(267)	267	-
Currency translation adjustments	-	-	-	-	(225)	(225)	(10)	(235)
As of June 30, 2013 (1)	**24,166,080**	**72,601**	**-**	**(312)**	**283,047**	**355,336**	**253**	**355,589**

(1) Excluding treasury shares.

5.
CONSOLIDATED STATEMENT OF CASH FLOWS

In € thousands	**6/30/13**	**12/31/13**	**6/30/14**
Cash flows from operating activities			
Net income before non-controlling interests	35,222	34,823	13,636
Depreciation, amortization and other	(11,531)	(33,450)	4,810
Capital (gains) losses on fixed assets disposals	-	3,828	-
Net finance costs	(486)	(1,521)	(1,012)
Tax charge of the period	19,573	18,433	7,279
Operating cash flows	**42,778**	**22,113**	**24,713**
Interest expense payments	(673)	(1,146)	(459)
Tax payments	(72,182)	(77,409)	(751)
Cash flow after interest expense and tax	**(30,077)**	**(56,442)**	**23,503**
Change in inventory and work in progress	41,617	44,817	(6,219)
Change in trade receivables and related accounts	22,326	63,921	(10,761)
Change in other receivables	2,511	(2,903)	3,795
Change in trade payables and related accounts	(24,459)	(18,571)	(12,765)
Change in other current liabilities	(4,479)	8,489	(8,453)
Change in working capital needs	**37,516**	**95,753**	**(34,403)**
Net cash flows provided by (used in) operating activities	**7,439**	**39,311**	**(10,900)**
Cash flows from investing activities			
Net acquisitions of intangible assets	(366)	1,309	(551)
Net acquisitions of property, plants and equipment	400	(2,650)	(512)
Net acquisitions of marketable securities (>3 months)	(91,300)	(131,636)	(24,830)
Changes in non-current financial assets	(388)	(352)	(423)
Net cash flows provided by (used in) investing activities	**(91,654)**	**(133,329)**	**(26,316)**
Cash flow from financing activities			
Debt repayments	-	-	-
Dividends paid to shareholders	(23,725)	(23,725)	(11,881)
Capital increases	-	373	723
Treasury shares	12	278	(489)
Net cash flows provided by (used in) financing activities	**(23,713)**	**(23,074)**	**(11,647)**
Change in net cash	**(107,928)**	**(117,092)**	**(48,863)**
Opening cash and cash equivalents	207,827	207,827	90,735
Clothing cash and cash equivalents	**99,899**	**90,735**	**41,872**

The reconciliation of net cash breaks down as follows:

In € thousands	**6/30/13**	**12/31/13**	**6/30/14**
Cash and cash equivalents	100,068	90,735	41,872
Bank facilities	(169)	-	-
Net cash at the end of the period	**99,899**	**90,735**	**41,872**
Current financial assets	91,300	131,736	157,151
Net cash and current financial assets	**191,199**	**222,471**	**199,023**

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1.
ACCOUNTING PRINCIPLES

1.1.
Basis of presentation and compliance statement

The interim condensed consolidated financial statements for the six-month period ending June 30, 2014 were adopted by the Board of Directors on September 4, 2014. 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, 2013. 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 whose application was mandatory starting in 2005;

– options retained and exemptions used by the Group for the preparation of IFRS consolidated financial statements.

1.2.
Changes in accounting standards

The following standards, amendments and interpretations that entered into force on January 1, 2014 were applied by the company in preparing its interim consolidated financial statements for the six-month period ending June 30, 2014:

– amendment to IAS 32 "Financial instruments: Presentation – Offsetting financial assets and financial liabilities";

– amendment to IAS 36 "Recoverable amount disclosures for non-financial assets";

– IFRS 10 "consolidated financial statements;

– IFRS 11 "Joint arrangements";

– IFRS 12 "Disclosure of interests in other entities".

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

Furthermore no standards, amendments or interpretations currently under review by IASB and IFRIC were applied in advance in the financial statements for the period ending June 30, 2014.

1.3.
Basis of consolidation

In April 2013, Interparfums also acquired the remaining 29% stake in its Italian subsidiary "Interparfums Srl", that is henceforth wholly-owned.

All Group subsidiaries are fully consolidated.

Interparfums SA		**Ownership interest (%) Controlling interest (%)**
Interparfums Suisse Sarl	Switzerland	100%
Interparfums Singapore	Singapore	100%
Interparfums Luxury Brands	United States	100%
Inter España Parfums et Cosmetiques S.L.	Spain	100%
Interparfums Srl	Italy	100%
Interparfums Deutschland GmbH	Germany	51%
Interparfums Ltd	United Kingdom	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

In € thousands	**12/31/13**	**+**	**-**	**6/30/14**
Gross value				
Indefinite life intangible assets				
Lanvin trademark	36,323	-	-	36,323
Finite life intangible assets				
S.T. Dupont upfront license fee	1,219	100	-	1,319
Van Cleef & Arpels upfront license fee	18,250	-	-	18,250
Montblanc upfront license fee	1,000	-	-	1,000
Boucheron upfront license fee	15,000	-	-	15,000
Balmain upfront license fee	2,050	-	-	2,050
Karl Lagerfeld upfront license fee	12,877	-	-	12,877
Other intangible assets				
Rights on molds for bottles and related items	7,453	415	-	7,868
Registration of trademarks	500	-	-	500
Software	2,299	36	-	2,335
Other	42	-	(42)	-
Total gross amount	**97,013**	**551**	**(42)**	**97,522**
Depreciation and impairment				
Finite life intangible assets				
S.T. Dupont upfront license fee	(1,219)	(20)	-	(1,239)
Van Cleef & Arpels upfront license fee	(10 648)	(754)	-	(11,402)
Montblanc upfront license fee	(348)	(50)	-	(398)
Boucheron upfront license fee	(3,000)	(496)	-	(3,496)
Balmain upfront license fee	(342)	(85)	-	(427)
Karl Lagerfeld upfront license fee	(752)	(320)	-	(1,072)
Other intangible assets				
Rights on molds for bottles and related items	(5,518)	(378)	-	(5,896)
Registration of trademarks	(472)	(6)	-	(478)
Software	(1,334)	(245)	-	(1,579)
Other	(41)	-	41	-
Total amortization and impairment	**(23,674)**	**(2,354)**	**41**	**(25,987)**
Net total	**73,339**	**(1,803)**	**(1)**	**71,535**

In the absence of any indication of impairment, indefinite life intangible assets were not revalued on June 30, 2014.

2.2. Property, plant and equipment

In € thousands	**12/31/13**	**+**	**-**	**6/30/14**
Gross value				
Fixtures, improvements, fittings	4,526	39	(4)	4,561
Office and computer equipment and furniture	1,611	47	-	1,658
Molds for bottles and caps	7,277	380	-	7,657
Other (1)	1,041	47	(31)	1,057
Total gross amount	**14,455**	**513**	**(35)**	**14,933**
Accumulated depreciation and impairment (1)	(9,103)	(765)	14	(9,854)
Net total	**5,352**	**(252)**	**(21)**	**5,079**

(1) Including a gross amount of €422,000 for vehicles held under finance leases and depreciation expenses of €239,000.

2.3.
Non-current financial assets

The signature of the Karl Lagerfeld license agreement resulted in an advance on royalty payments to be charged against future license fees of €9,589,000. This advance was discounted over the license agreement term and reduced accordingly to €6,488,000 at December 31, 2013.

An initial advance of €250,000 was charged to royalty payments on June 30, 2014.

The adjustment from discounting the balance to present value at June 30, 2014 brought this advance to €6,320,000 with the offset recognized by increasing the amortization of upfront license fees.

2.4.
Inventories and work in progress

In € thousands	**12/31/13**	**6/30/14**
Raw materials and components	27,146	22,082
Finished goods	38,997	48,256
Total gross amount	**66,143**	**70,338**
Allowances for raw materials	(721)	(806)
Allowances for finished goods	(3,485)	(3,087)
Total provisions	**(4,206)**	**(3,893)**
Net total	**61,937**	**66,445**

2.5.
Trade receivables and related accounts

In € thousands	**12/31/13**	**6/30/14**
Total gross amount	46,775	57,536
Impairment	(1,730)	(1,694)
Net total	**45,045**	**55,842**

The increase in trade receivables primarily reflects growth in sales as well as major launches at the end of the first half, in particular for the Montblanc brand.

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

In € thousands	**12/31/13**	**6/30/14**
Not due	40,326	49,402
0 – 90 days	4,852	6,472
91 – 180 days	888	365
181 – 360 days	76	120
More than 360 days	633	1,177
Total gross amount	**46,775**	**57,536**

2.6.
Other receivables

In € thousands	**12/31/13**	**6/30/14**
Prepaid expenses	1,844	2,696
Interparfums Holding current accounts	1,146	1,683
CVAE business tax	283	-
Value-added tax	1,180	1,130
Hedging instruments	113	-
Other	805	171
Net total	**5,371**	**5,680**

2.7.
Current financial assets, cash and cash equivalents

In € thousands	**12/31/13**	**6/30/14**
Current financial assets	131,736	157,151
Cash and cash equivalents	90,735	41,872
Current financial assets, cash and cash equivalents	**222,471**	**199,023**

2.7.1.
Current financial assets

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

In € thousands	**12/31/13**	**6/30/14**
Certificates of deposit	42,763	28,144
Capital redemption contracts	20,552	36,010
Term deposit accounts	68,221	92,773
Other current financial assets	200	224
Current financial assets	**131,736**	**157,151**

2.7.2.
Cash and cash equivalents

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

In € thousands	**12/31/13**	**6/30/14**
Certificates of deposit (less than 3 months)	1,500	-
Interest-bearing accounts	66,636	18,260
Term deposit accounts	13,106	4,002
Bank accounts	9,493	19,610
Cash and cash equivalents	**90,735**	**41,872**

2.8.
Shareholders' equity

2.8.1.
Common stock

As of June 30, 2014, Interparfums' capital consisted of 29,149,988 shares fully paid-up with a par value of €3, 72.97% held by Interparfums Holding.

For the period under review, capital increases result from the exercise of stock options for 60,239 shares and the capital increase in connection with the bonus issue of June 23, 2014 for 4,858,331 shares on the basis of one new share for every five shares held.

2.8.2.
Stock option plans

The managers and employees of Interparfums and its subsidiaries benefit from stock option plans.

The characteristics of plans currently in force are as follows:

Plans	**Number of beneficiaries**	**Number of shares granted/ exercised at inception**	**Grant date**	**Vesting period**	**Exercise price** [1]
Plan 2009	135	87,000	12/17/09	4 years	€10.00
Plan 2010	143	114,700	10/08/10	4 years	€14.30

(1) Subscription price adjusted for bonus issues.

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

Plans	**Fair value of the options**	**Risk free interest rates**	**Dividend yield**	**Volatility rate**	**Share price retained for the calculation**
Plan 2009	€4.27	3.56%	2.67%	30%	€17.60
Plan 2010	€6.55	2.81%	1.81%	30%	€22.95

In the period, changes in plans issued by Interparfums break down as follows:

Plans	**Options outstanding at 12/31/13**	**Conversions in the period**	**Bonus share grants**	**Cancellations in the period**	**Options outstanding at 6/30/14**	**Exercise price (1)**
Plan 2009	91,307	(60,239)	6,105	(588)	36,585	€10.00
Plan 2010	136,514	-	27,147	(2,294)	161,367	€14.30
	227,821	**(60,239)**	**33,252**	**(2,882)**	**197,952**	

(1) Subscription price adjusted for bonus issues.

At June 30, 2014, the potential number of Interparfums shares that may be created was 197,952.

Benefits granted to employees in the form of stock options, in accordance with IFRS 2, were calculated using the Black & Scholes model. The impact of this calculation, including the US plan, represents an expense that is recognized over the duration of the vesting period. This expense amounted to €89,000 for the first half of 2014 and €133,000 for the first half of 2013.

For all these plans, the stock options have terms of six years.

2.8.3.
Treasury stock

Within the framework of the share repurchase program authorized by the General Meeting of April 25, 2014, 49,774 Interparfums shares were held by the company as of June 30, 2014 or 0.17% of the share capital.

Changes in the period break down as follows:

In € thousands	**Number of shares**	**Book Value**
At December 31, 2013	**24,965**	**757**
Acquisitions	216,642	6,845
Bonus issue of June 23, 2014	5,995	-
Sales	(197,828)	(6,314)
Impairment of securities	-	(113)
At June 30, 2014	**49,774**	**1,175**

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 European subsidiaries (Interparfums Deutschland GmbH: 49%; Interparfums Ltd: 49%) on June 30, 2014 that break down as follows:

In € thousands	**12/31/13**	**6/30/14**
Reserves attributable to non-controlling interests	380	192
Earnings attributable to non-controlling interests	(10)	(183)
Non-controlling interests	**370**	**9**

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 30% of consolidated earnings to reward shareholders while at the same time associating them with the Group's expansion. In early May 2014, a dividend of €0.49 per share was paid or a total of €11.9 million.

Given its financial structure, the Group is able to secure financing for important projects from banks in the form of medium-term loans.

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

In € thousands	**12/31/13**	**Allowances**	**Actuarial gains/losses**	**Provisions used in the period**	**Reversal of unused provisions**	**6/30/14**
Provisions for retirement severance payments	3,806	220	-	-	-	4,026
Total provisions for expenses > 1 year	**3,806**	**220**	**-**	**-**	**-**	**4,026**
Provisions for contingencies < 1 year	98	50	-	-	-	148
Total provisions for contingencies and expenses	**3,904**	**270**	**-**	**-**	**-**	**4,174**

2.10.
Borrowings

Borrowings correspond to debt relating to fixed assets held under finance leases (vehicles).

2.11.
Deferred tax

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

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

In € thousands	**12/31/13**	**Changes through reserves**	**Changes through profit or loss**	**6/30/14**
Deferred tax assets				
Timing differences between financial and tax accounting	3,696	-	(1,894)	1,802
Past service costs- restated	188	-	-	188
Recognition of loss carryforwards	514	-	(8)	506
Inventory margin	1,240	-	494	1,734
Advertising and promotional costs	507	-	251	758
Other	77	-	(4)	73
Total deferred tax assets before amortization	**6,222**	**-**	**(1,161)**	**5,061**
Amortization of deferred tax	(514)	-	8	(506)
Total net deferred tax assets (1)	**5,708**	**-**	**(1 153)**	**4,555**
Deferred tax liabilities				
Acquisition cost	653	-	(4)	649
Stocks options	-	(34)	34	-
Gains (losses) on treasury shares	-	27	(27)	-
Total deferred tax liabilities	**653**	**(7)**	**3**	**649**
Total net deferred tax	**5,055**	**7**	**(1,156)**	**3,904**

2.12.
Trade payables and other current liabilities

2.12.1.
Trade payables and related accounts

In € thousands	12/31/13	6/30/14
Trade payables for components	18,751	17,593
Other trade payables	31,074	19,466
Total	**49,825**	**37,059**

2.12.2.
Other liabilities

In € thousands	12/31/13	6/30/14
Accrued credit notes	2,516	2,960
Tax and employee-related liabilities	13,622	7,276
Accrued royalties	5,458	5,933
Hedging instruments	-	86
Other payables	519	568
Total other short-term liabilities	**22,115**	**16,823**

The decrease in tax and employee-related liabilities is mainly due to the non-recurring nature in 2013 of profit sharing expenses linked to the discontinuation of the Burberry license.

2.13.
Financial instruments

2.13.1.
Financial assets and liabilities by category

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

In € thousands **At June 30, 2014**	Notes	Carrying value	Fair value	Fair value through profit or loss	Available-for-sale assets	Loans & receivables or payables	Derivatives
Long-term investments		2,572	2,572	-	-	2,572	-
Other non-current financial assets	2.3	6,320	6,320	-	-	6,320	-
Trade receivables and related accounts	2.5	55,842	55,842	-	-	55,842	-
Other receivables	2.6	5,680	5,680	-	-	5,680	-
Current financial assets	2.7	157,151	157,151	-	-	157,151	-
Cash and cash equivalents	2.7	41,872	41,872	-	-	41,872	-
Total financial assets		**269,437**	**269,437**	**-**	**-**	**269,437**	**-**
Borrowings and financial liabilities	2.10	195	195	-	-	195	-
Trade payables and related accounts	2.12	37,059	37,059	-	-	37,059	-
Bank facilities	2.10	-	-	-	-	-	-
Other payables	2.12	16,823	16,823	-	-	16,737	86
Total financial liabilities		**54,077**	**54,077**	**-**	**-**	**53,991**	**86**

In € thousands **At December 31, 2013**	Notes	Carrying value	Fair value	Fair value through profit or loss	Available-for-sale assets	Loans & receivables or payables	Derivatives
Long-term investments		1,980	1,980	-	-	1,980	-
Other non-current financial assets	2.3	6,488	6,488	-	-	6,488	-
Trade receivables and related accounts	2.5	45,045	45,045	-	-	45,045	-
Other receivables	2.6	5,371	5,371	-	-	5,258	113
Current financial assets	2.7	131,736	131,736	-	-	131,736	-
Cash and cash equivalents	2.7	90,735	90,735	-	-	90,735	-
Total financial assets		**281,355**	**281,355**	**-**	**-**	**281,242**	**113**
Borrowings and financial liabilities	2.10	221	221	-	-	221	-
Trade payables and related accounts	2.12	49,825	49,825	-	-	49,825	-
Other payables	2.12	22,115	22,115	-	-	22,115	-
Total financial liabilities		**72,161**	**72,161**	**-**	**-**	**72,161**	**-**

2.13.2.
Breakdown by method for measuring financial assets and liabilities

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

In € thousands **At June 30, 2014**	**Carrying value**	**Fair value**	**Quoted prices (level 1)**	**Internal model based on directly observable market inputs (level 2)**	**Prices not based on observable market data (level 3)**
Long-term investments	2,572	2,572	-	2,572	-
Other non-current financial assets	6,320	6,320	-	6,320	-
Trade receivables and related accounts	55,842	55,842	-	55,842	-
Other receivables	5,680	5,680	-	5,680	-
Current financial assets	157,151	157,151	-	157,151	-
Cash and cash equivalents	41,872	41,872	-	41,872	-
Assets	**269,437**	**269,437**	**-**	**269,437**	**-**
Borrowings and financial liabilities	195	195	-	195	-
Trade payables and related accounts	37,059	37,059	-	37,059	-
Bank facilities	-	-	-	-	-
Other payables	16,823	16,823	-	16,823	-
Liabilities	**54,077**	**54,077**	**-**	**54,077**	**-**

In € thousands **At December 31, 2013**	**Carrying value**	**Fair value**	**Quoted prices (level 1)**	**Internal model based on directly observable market inputs (level 2)**	**Prices not based on observable market data (level 3)**
Long-term investments	1,980	1,980	-	1,980	-
Other non-current financial assets	6,488	6,488	-	6,488	-
Trade receivables and related accounts	45,045	45,045	-	45,045	-
Other receivables	5,371	5,371	-	5,371	-
Current financial assets	131,736	131,736	-	131,736	
Cash and cash equivalents	90,735	90,735	-	90,735	-
Assets	**281,355**	**281,355**	**-**	**281,355**	**-**
Borrowings and financial liabilities	221	221	-	221	-
Trade payables and related accounts	49,825	49,825	-	49,825	-
Other payables	22,115	22,115	-	22,115	-
Liabilities	**72,161**	**72,161**	**-**	**72,161**	**-**

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 and the use of floor and caps.

This policy will be implemented, without adopting a speculative approach, when the company obtains loans.

2.14.2.
Liquidity risks

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

In € thousands	< 1 year	1 to 5 years	> 5 years	Total
Other non-current financial assets	-	-	6,320	6,320
Current financial assets	59,676	97,475	-	157,151
Cash and cash equivalents	41,872	-	-	41,872
Total financial assets	**101,548**	**97,475**	**6,320**	**205,343**
Borrowings and financial liabilities	94	101	-	195
Total financial liabilities	**94**	**101**	**-**	**195**
Net position before hedging	**101,454**	**97,374**	**6,320**	**205,148**
Hedging of assets and liabilities	-	-	-	-
Net position after hedging	**101,454**	**97,374**	**6,320**	**205,148**

2.14.3.
Foreign exchange risks

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

In € thousands	USD	GBP	JPY	CAD
Assets	26,887	4,467	1,025	151
Liabilities	(1,971)	(88)	(14)	-
Net position before hedging at the closing price	**24,916**	**4,379**	**1,011**	**151**
Hedging instruments	(12,137)	(3,699)	(723)	-
Net position after hedging	**12,779**	**680**	**288**	**151**

In addition, because a significant portion of Group sales is in foreign currencies, it incurs a risk from exchange rate fluctuations, primarily from the US dollar (42.5% of sales) and to a lesser extent the Pound sterling (6.9% of sales) and the Japanese yen (1.7% 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

In € thousands	H1 2013	H1 2014
Montblanc	28,237	43,517
Lanvin	33,834	30,383
Jimmy Choo	27,171	21,288
Karl Lagerfeld	-	12,675
Van Cleef & Arpels	9,753	9,189
Boucheron	5,966	7,818
S.T. Dupont	5,933	6,153
Paul Smith	4,255	5,038
Repetto	2,236	4,653
Balmain	1,412	3,098
Other	61	136
Recurring sales (1)	**118,858**	**143,948**
Other	99,691	-
Total revenue	**218,549**	**143,948**

(1) Excluding Burberry fragrances and Nickel skincare lines.

3.2.
Cost of sales

In € thousands	**H1 2013**	**H1 2014**
Raw materials, trade goods and packaging	(57,218)	(61,412)
Changes in inventory and allowances	(24,196)	6,344
POS advertising	(1,162)	(2,716)
Staff costs	(1,656)	(1,682)
Property rental expenses	(775)	(764)
Transportation costs	(360)	(142)
Other expenses related to the cost of sales	(104)	(71)
Total cost of sales	**(85,471)**	**(60,443)**

3.3.
Selling expenses

In € thousands	**H1 2013**	**H1 2014**
Advertising	(25,449)	(23,550)
Royalties	(17,367)	(9,944)
Subcontracting	(3,679)	(2,948)
Transportation costs	(1,998)	(1,349)
Sales commissions	(912)	(592)
Travel expenses	(1,474)	(1,384)
Staff costs	(8,321)	(8,472)
Service fees/subsidiaries	(7,116)	(4,133)
Allowances and reversals for depreciation/impairment	(3,010)	(2,323)
Tax and related expenses	(918)	(1,294)
Other selling expenses	(1,964)	(2,569)
Total selling expenses	**(72,208)**	**(58,558)**

The decline in “advertising”, “royalties” and “service fees/subsidiaries” primarily reflects the fact that in 2013, these line items included the last operations relating to the Burberry brand for an amount totaling approximately €17 million.

3.4.
Administrative expenses

In € thousands	**H1 2013**	**H1 2014**
Purchases and external costs	(1,922)	(1,205)
Staff costs	(2,288)	(2,314)
Tax and related expenses	(468)	(42)
Allowances and reversals for depreciation/impairment	(402)	(263)
Travel and entertainment expenses	(342)	(430)
Property rentals	(307)	(267)
Other administrative expenses	(467)	(474)
Total administrative expenses	**(6,196)**	**(4,995)**

3.5.
Net financial expense

In € thousands	**H1 2013**	**H1 2014**
Financial income	1,228	1,411
Interest and similar expenses	(742)	(399)
Net finance costs	**486**	**1,012**
Currency losses	(2,483)	(1,239)
Currency gains	1,725	1,190
Net currency gains (losses)	**(758)**	**(49)**
Other financial income and expenses	393	2
Net financial income/(expense)	**121**	**965**

3.6.
Income taxes

In € thousands	H1 2013	H1 2014
Current income tax	(15,157)	(6,137)
Deferred tax arising from timing differences	(1,757)	(1,894)
Deferred tax arising from consolidation adjustments	(2,659)	752
Total income taxes	**(19,573)**	**(7,279)**

3.7.
Earnings per share

In € thousands, except number of shares and earnings per share in euros	H1 2013 (1)	H1 2014
Net income	35,344	13,821
Average number of shares	22,298,848	24,413,103
Basic earnings per share	**1.59**	**0.57**
Dilutive effect of stock options:		
Potential additional number of fully diluted shares	87,738	98,458
Potential fully diluted average number of shares outstanding	22,386,586	24,511,561
Diluted earnings per share	**1.58**	**0.56**

(1) Restated to eliminate the impact of the bonus issue of one new share for every five shares held on June 23, 2014.

4.
SEGMENT REPORTING

4.1.
Business lines

Up until 2013, the activity of the Interparfums Group was organized and focused around two profit centers: "Perfumes" and "Skincare and Beauty".

The "Skin Care and Beauty" profit center included operations relating to the makeup business developed under the Burberry brand and cosmetics products developed under the Nickel brand.

As these two brands were sold in 2013, only be "Perfumes" profit center remained in 2014.

As the performance metrics for each of the brands included in this business are similar, company management grouped its marketing and export activities into a single division.

In consequence, in accordance with IFRS 8, the brands were grouped together within the signal segment of "Perfumes".

In consequence, the Group's income statement and balance sheet henceforth reflect the operations of the "Perfumes" activity in its entirety.

4.2.
Geographical segments

Sales by geographical sector break down as follows:

In € thousands	H1 2013	H1 2014
North America	21,911	28,482
South America	10,710	16,100
Asia	22,078	23,957
Eastern Europe	12,708	11,769
Western Europe	23,993	30,569
France	11,638	13,728
Middle East	13,688	16,871
Africa	2,132	2,472
Recurring sales (1)	**118,858**	**143,948**
Other	99,691	-
Total revenue	**218,549**	**143,948**

(1) Excluding Burberry fragrances and Nickel skincare lines.

5.
OFF BALANCE SHEET COMMITMENTS

5.1.
Off balance sheet commitments

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

5.1.1.
Summary of off-balance sheet commitments

In € thousands	**2013**	**2014**
Off-balance sheet commitments in connection with the company's operating activities	165,927	161,893
Off-balance sheet commitments in connection with the company's financing activities	-	-
Total commitments given	**165,927**	**161,893**

5.1.2.
Off-balance sheet commitments in connection with the company's operating activities

In € thousands	**Main characteristics**	**2013**	**2014**
Guaranteed minima on trademark royalties	Guaranteed minima on royalties regardless of sales achieved for each of the trademarks in the period.	120,170	114,863
Rental expenses for the Paris headquarters and the subsidiaries (USA in Singapore)	Rental payments due over the remainder of the lease period (3, 6 or 9 years).	7,402	9,937
Guaranteed minima for warehousing and logistics	Contractual minima for remuneration of warehouses regardless of sales volume for the period.	8,723	8,052
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.	29,632	28,441
Total commitments given in connection with operating activities		**165,927**	**161,893**

5.1.3.
Off-balance sheet commitments in connection with financing activities

Commitments with respect to forward currency sales at June 30, 2014 amounted to US$17,900,000, £2,964,000 and ¥100,000.

Commitments with respect to forward currency purchases for US dollar hedges at June 30, 2014 amounted to €966,000.

5.1.4.
Other off-balance sheet commitments

In € thousands	**Main characteristics**	**2013**	**2014**
Nickel guarantee commitment	Maximum amount for events incurred by the buyer of Nickel for an operation preceding the Nickel brand transfer (18 months until June 17, 2015).	600	600
Total other commitments given		**600**	**600**

5.1.5.
Commitments given by maturity at June 30, 2014

In € thousands	**Total**	**Up to 1 year**	**1 to 5 years**	**5 years or more**
Guaranteed minima on trademark royalties	114,863	5,808	50,855	58,200
Headquarters rental payments	9,937	598	5,164	4,175
Guaranteed minima for warehousing and logistics	8,052	671	5,368	2,013
Firm component orders	28,441	28,441	-	-
Commitments given in connection with operating activities	**161,293**	**35,518**	**61,387**	**64,388**
Bank guarantees	-	-	-	-
Commitments given in connection with financing activities	**-**	**-**	**-**	**-**
Total commitments given	**161,293**	**35,518**	**61,387**	**64,388**

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

5.1.6.
Commitments received

Commitments received in connection with forward currency sales at June 30, 2014 amounted to €13,084,000 for hedges for US dollars, €3 642,000 for Pound sterling and €716,000 for Japanese yen representing total commitments of €17,442,000.

Commitments with respect to forward currency sales at June 30, 2014 amounted to US$1,320,000.

6.
INFORMATION ON RELATED PARTIES

In the 2014 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 2013 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	Original	July 1997	11 years	-
	Renewal	January 2006	5 years and 6 months	-
	Renewal	January 2011	6 years	December 2016
	PSG amendment	January 2014	2 years and 6 months	June 2016
Paul Smith	Original	January 1999	12 years	
	Renewal	July 2008	7 years	December 2017
Van Cleef & Arpels	Original	January 2007	12 years	December 2018
Jimmy Choo	Original	January 2010	12 years	December 2021
Montblanc	Original	July 2010	10 years and 6 months	December 2020
Boucheron	Original	January 2011	15 years	December 2025
Balmain	Original	January 2012	12 years	December 2023
Repetto	Original	January 2012	13 years	December 2024
Karl Lagerfeld	Original	November 2012	20 years	October 2032

In May 2014, Interparfums signed an license agreement amendment with S.T. Dupont. This amendment grants an exclusive license to Interparfums for the Paris-Saint-Germain brand for the production and sale of fragrances for the purpose of developing, producing and selling co-branded products. This amendment to the S.T. Dupont agreement takes effect retroactively as from January 1, 2014 for a term of two and a half years and will expire on June 30, 2016.

7.2. Proprietary brands

Lanvin

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

At the end of July 2007, Interparfums acquired the Lanvin brand names and international trademarks for fragrance and make-up products from the *Jeanne Lanvin* company.

Interparfums and Lanvin thereupon mutually agreed with immediate effect to terminate the license agreement signed in June 2004 and at the same time concluded a technical and creative assistance agreement in view of developing new perfumes based on net sales until June 30, 2019. The *Jeanne Lanvin* company holds a buy back option for the brands which will be exercisable on July 1, 2025.

Nickel

Interparfums and l'Oréal Group executed the purchase and sale agreement for Nickel, the men's skin care business on November 27, 2013 with an effective date for the transfer of title of December 17, 2013.

7.3. Insurance

Interparfums is named as beneficiary under a €15 million life insurance policy for its Chairman and Chief Executive Officer, Philippe Bénacin.

7.4. Employee-related data

7.4.1. Employees by category

Number of employees at	6/30/13	6/30/14
Managers	121	125
Supervisory staff	6	6
Employees	72	79
Total	**199**	**210**

7.4.2. Employees by department

Number of employees at	6/30/13	6/30/14
Executive Management	2	2
Production & Operations	33	36
Marketing	30	37
Export	30	29
France	43	39
Finance & Corporate Affairs	35	34
Subsidiaries	26	33
Total	**199**	**210**

7.5. Post-closing events

None.

Certificate of the company officer responsible for the interim financial report

I hereby declare that to the best of my knowledge the 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 4, 2014

Philippe Bénacin
Chairman and Chief Executive Officer

Executive officer responsible for financial information

Philippe Santi
Executive Vice President & Chief Financial Officer

STATUTORY AUDITORS' REVIEW REPORT

(For the six-month period ended June 30, 2014)

This is a free translation into English of the Statutory Auditors' report issued in the French language and is consequently provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and is construed in accordance with, French law and professional auditing standards applicable in France. As the English version of the interim financial statements has not been audited by the Statutory Auditors, only the original French version of the Statutory Auditors' report is legally binding.

To the Shareholders,

Pursuant to our appointment as Statutory Auditors by your shareholders' Meeting and in accordance with article L. 451-1-2 III of the French Monetary and Financial Code ("*Code Monétaire et Financier*"), we hereby report to you on:

– the limited review of the accompanying interim condensed consolidated financial statements of Interparfums SA for the six-month period ended June 30, 2014;

– the verification of the information given in the interim management report.

These interim condensed consolidated financial statements were prepared under the responsibility of your Board of Directors. Our responsibility is to express a conclusion on these statements on the basis of our limited review of these financial statements.

I. Conclusion on the financial statements

We have conducted our limited review in accordance with the professional standards applicable in France.

A review of interim financial information consists of making inquiries, primarily with persons responsible for financial and accounting matters, and applying analytical and other review procedures. The scope of a review is substantially less than for an audit conducted in accordance with generally accepted audit standards in France. As such, it provides a moderate assurance that the financial statements as a whole are free of material misstatements that is lower than that which would result from an audit.

Based on our limited review, we have identified no material irregularities that would indicate that the interim condensed consolidated financial statements are inconsistent with IAS 34, the IFRS adopted in the European Union for interim financial reporting.

II. Specific verifications

We have also verified information given in the interim management report on the condensed consolidated interim financial statements that were subject to our review.

We have no matters to report as to the fair presentation and consistency of this information with the condensed consolidated interim financial statements.

Courbevoie and Paris, September 4, 2014

The Statutory Auditors

French original signed by:

SFECO & Fiducia Audit
Roger Berdugo

Mazars
Simon Beillevaire

Translation disclaimer: This is a free translation into English of the original French language version of the interim financial report (rapport semestriel) provided solely for the convenience of English speaking. This report should consequently be read in conjunction with, and construed in accordance with French law and French generally accepted accounting principles. While all possible care has been taken to ensure that this translation is an accurate representation of the original French document, this English version has not been audited by the company's Statutory Auditors and in all matters of interpretation of information, views or opinions expressed therein, only the original language version of the document in French is legally binding. As such, the translation may not be relied upon to sustain any legal claim, nor be used as the basis of any legal opinion and the Interparfums expressly disclaims all liability for any inaccuracy herein.

Requests for information

To receive information or be added to the company's financial communications mailing list contact the Investor Relations department (attention: Karine Marty):

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Via the website: www.interparfums.fr

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