

HERMÈS

**Sustained sales growth in the 1st half of the year
+ 12% at constant rates and + 8% at current rates**

Paris, 18 July 2014

For the first half of 2014, the group's consolidated turnover is equal to € 1 906.9 million, an increase of 12% at constant exchange rates. After consideration of the negative currency impact, growth amounts to 8%.

In the second quarter, growth remained sustained (+10% at constant exchange rates), notably in the group's stores despite a high comparison basis in 2013.

Activity as at end of June by geographical zone

(data at comparable exchange rates unless indicated otherwise)

In the first half of 2014, the turnover increased in all regions of the world:

- Asia excluding Japan (+17%) is maintaining its dynamism in all countries, notably China,
- Japan (+11%) is continuing to improve after an exceptional first quarter, when it benefited from early purchases linked to increased prices and higher VAT,
- The first half-year was excellent in America (+13%),
- Europe (+7%) generated a good performance in a difficult economic context.

Activity as at the end of June by sector

(data at comparable exchange rates unless indicated otherwise)

Growth of Leathergoods and Saddlery (+13%) was supported by the ramp-up of the production capacities in the two new sites that opened in 2012, namely in Isère and Charente. The construction projects for two new production units in Franche-Comté were launched.

Ready-to-wear and Accessories (+16%) benefited from the success of its latest collections, notably in fashion accessories.

The Silk & Textiles sector (+11%) is continuing to successfully enhance its offer of exceptional products.

Perfumes (+8%), that in the first half of 2013 benefited from the launch of the new women's perfume *Jour d'Hermès*, generated a good performance with the promising launches of *Jour d'Hermès absolu* and *Terre d'Hermès eau très fraîche*.

Watches (-7%) were penalized by wholesale sales in an always difficult market, notably in China.

Other Hermès sectors (+18%), including Jewellery, Art of Living and Tableware, are continuing with their development and establishing themselves as growth relays.

Significant events

As at end of June, the evolution of the exchange rates was unfavourable, resulting in a negative impact on the turnover of €73 million.

In the first half of the year, Hermès International bought back 17,532 shares for €4.4 million, excluding transactions carried out under the liquidity contract.

First half results

Results for the first half of the year will be published on 29 August 2014. Due to the negative impact of exchange rates, operating margin should be slightly lower compared to the first half 2013's margin, and close to the historical high reached during the full year 2013 (32.4%).

2014 outlook

Hermès will continue its long-term strategy based on creativity, maintaining control over its know-how, expanding its distribution network, strengthening its production capacity and securing its supply sources.

In 2014, our company will focus on the theme of metamorphosis: precious materials becoming objects in the skilled hands of craftsmen. Above all it is our company's unwavering determination to continually reinvent itself in order to push the limits of excellence.

INFORMATION BY GEOGRAPHICAL ZONE (1)

In millions of Euros	First Half		Evolutions	
	2014	2013	Published	At constants exchange rates
France	307.9	289.2	6.5%	6.5%
Europe (excl. France)	370.8	346.9	6.9%	7.3%
Total Europe	678.6	636.1	6.7%	6.9%
Japan	220.8	221.4	-0.2%	11.3%
Asia Pacific (excl. Japan)	662.3	591.2	12.0%	17.2%
Total Asia	883.1	812.6	8.7%	15.6%
Americas	306.7	286.1	7.2%	12.6%
Other	38.4	32.4	18.5%	18.6%
TOTAL	1,906.9	1,767.2	7.9%	12.0%

In millions of Euros	2nd quarter		Evolutions	
	2014	2013	Published	At constants exchange rates
France	161.9	151.3	7.0%	7.0%
Europe (excl. France)	187.6	178.7	5.0%	5.2%
Total Europe	349.4	330.0	5.9%	6.0%
Japan	104.1	111.1	-6.3%	1.6%
Asia Pacific (excl. Japan)	333.0	299.2	11.3%	16.8%
Total Asia	437.1	410.3	6.5%	12.6%
Americas	156.5	153.1	2.3%	7.9%
Other	20.3	17.1	19.1%	19.2%
TOTAL	963.4	910.4	5.8%	9.6%

(1) Sales by destination.

INFORMATION BY SECTOR

In millions of Euros	First Half		Evolutions	
	2014	2013	Published	At constants exchange rates
Leathergoods and Saddlery (1)	840.7	779.9	7.8%	12.6%
Ready-to-wear and fashion accessories (2)	440.6	395.6	11.4%	15.8%
Silk and Textiles	216.0	201.7	7.1%	11.3%
Other Hermès sectors (3)	124.5	109.7	13.5%	18.0%
Perfumes	114.6	106.7	7.4%	8.0%
Watches	67.2	74.9	-10.2%	-6.7%
Other products (4)	103.3	98.6	4.7%	5.8%
TOTAL	1,906.9	1,767.2	7.9%	12.0%

In millions of Euros	2nd quarter		Evolutions	
	2014	2013	Published	At constants exchange rates
Leathergoods and Saddlery (1)	430.8	407.4	5.7%	10.0%
Ready-to-wear and fashion accessories (2)	226.0	207.8	8.8%	12.9%
Silk and Textiles	101.5	96.6	5.0%	9.0%
Other Hermès sectors (3)	64.0	55.9	14.5%	18.9%
Perfumes	53.7	48.9	9.8%	10.5%
Watches	34.4	40.4	-14.9%	-12.0%
Other products (4)	52.9	53.3	-0.6%	0.2%
TOTAL	963.4	910.4	5.8%	9.6%

Tableware sales are from now on included in Other Hermès sectors (for La Table Hermès) and in Other products (for Saint Louis and Puiforcat). The effect of this reclassification is presented retrospectively.

- (1) Leathergoods & Saddlery include bags & luggages, horse riding, memory holders and small leather goods.
- (2) Ready-to-wear and fashion accessories include ready-to-wear, men and women, belts, accessories jewellery, gloves, hats and Hermès shoes.
- (3) Other Hermès sectors include jewellery and Hermès Maison products (Art of Living and La Table Hermès)
- (4) Other products include John Lobb shoes, Saint-Louis, Puiforcat, Shang Xia as well as production activities realized for third parties (textile printing, perfumes, tanning,...).

REMINDER OF PREVIOUS PUBLICATIONS

INFORMATION BY GEOGRAPHICAL ZONE (1)

In millions of Euros	1st quarter		Evolutions	
	2014	2013	Published	At constant exchange rates
France	146.0	137.9	5.9%	5.9%
Europe (excl. France)	183.2	168.2	8.9%	9.5%
Total Europe	329.2	306.1	7.5%	7.9%
Japan	116.7	110.3	5.8%	21.7%
Asia Pacific (excl. Japan)	329.3	292.0	12.8%	17.7%
Total Asia	446.0	402.3	10.9%	18.8%
Americas	150.1	133.0	12.9%	17.9%
Other	18.1	15.4	17.8%	17.9%
TOTAL	943.5	856.8	10.1%	14.7%

(1) Sales by destination.

INFORMATION BY SECTOR

In millions of Euros	1st quarter		Evolutions	
	2014	2013	Published	At constant exchange rates
Leathergoods and Saddlery (1)	409.9	372.5	10.0%	15.5%
Ready-to-wear and fashion accessories (2)	214.6	187.8	14.3%	19.1%
Silk and Textiles	114.5	105.0	9.0%	13.6%
Other Hermès sectors (3)	60.5	53.8	12.4%	17.2%
Perfumes	60.8	57.8	5.3%	5.9%
Watches	32.8	34.5	-4.8%	-0.1%
Other products (4)	50.3	45.4	10.9%	12.4%
TOTAL	943.5	856.8	10.1%	14.7%

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(1) Leathergoods & Saddlery include bags & luggages, horse riding, memory holders and small leather goods.

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