

HERMES

Quarterly information report as at the end of March 2016

**Good revenue growth up 6% in the 1st Quarter 2016,
sustained by an increase in retail sales (8%)**

Paris, 28 April 2016

Consolidated revenues amounted to €1 191 million in the first quarter, up 6% at constant exchange rates and current exchange rates.

The group's stores posted solid sales growth (+8% at constant exchange rates) in all the regions, despite the more challenging conditions.

Sales by region at the end of March

(at comparable exchange rates, unless otherwise indicated)

During the first quarter 2016, all the regions progressed:

- Japan (+13%) continued its excellent performance, thanks to the success of its highly selective distribution network,
- Asia excluding Japan (+4%) continued to grow, due largely to the rise in sales in mainland China, despite a difficult context in Hong Kong and Macao,
- America (+4%) developed in a still contrasted environment,
- Europe (+9%) saw an increase in the Group's stores which fared remarkably well, despite the negative impact of recent events, particularly in Paris. The 7th *Saut Hermès* took place successfully at the *Grand Palais*.

Sales by sector at the end of March

(at comparable exchange rates, unless otherwise indicated)

In a more adverse context, growth was driven by the success of Leather Goods and Saddlery which confirmed its role as the mainstay of the Group.

Growth in Leather Goods and Saddlery (+15%) was driven by sustained demand and the increase in production capacities at the two new sites in Isère and Charente. The fifteenth leather goods production facility was inaugurated on 1 April in Héricourt. Investments for a third site in Franche-Comté continued.

In contrast with the success of the latest women's ready-to-wear and footwear collections, the Ready-to-wear and Accessories division (-2%) was down slightly, due to the slowdown in Asia, the US and France.

The Silk and Textiles business line (-9%) suffered from the impact of recent events in Europe, and slowing sales in Greater China and America.

The Perfumes division (-4%) was slightly down, despite good progress in *Terre d'Hermès* and the latest creations with the launch of colognes. For memory, the placement of *Terre d'Hermès Eau très fraîche* and *Le Jardin de Monsieur Li* perfumes began in the first quarter 2015.

Watches (-3%) continued to be penalized by a still challenging market, particularly in Asia excluding Japan.

Other Hermès business lines (-2%) pursued their development, particularly in Jewellery and Table Arts.

Highlights

At the end of March, currency fluctuations were slightly unfavourable, representing a non-significant impact on revenues (€1 million).

During the first quarter, Hermès International redeemed 939 shares for €0.3 million, outside transactions completed within the framework of the liquidity contract.

Outlook

Thanks to its unique business model, Hermès will continue its long-term development strategy based on creativity, maintaining control over know-how and singular communication.

As announced when the 2015 Revenues and Results were published, sales growth in 2016 could be below the medium-term goal of 8% revenue growth at constant exchange rates owing to the economic, geopolitical and monetary uncertainties around the world.

In 2016, Hermès will celebrate "nature at a gallop". Through horses, its very first clients, Hermès has developed a genuine and profound bond with nature, built on inspiration, admiration and respect.

The press release on revenues at the end of March 2016 is available on the Group's website: <http://finance.hermes.com>

Upcoming events:

- 31 May 2016: General Meeting of Shareholders
- 21 July 2016: publication of Revenues Q2 2016
- 14 September 2016: publication of Results for the first half of 2016

INFORMATION BY GEOGRAPHICAL ZONE (1)

In millions of Euros	1st quarter		Evolutions	
	2016	2015	Published	At constant exchange rates
France	164.1	155.4	5.6%	5.6%
Europe (excl. France)	211.4	192.4	9.9%	11.6%
Total Europe	375.6	347.8	8.0%	8.9%
Japan	167.8	141.6	18.5%	12.6%
Asia Pacific (excl. Japan)	425.7	417.0	2.1%	3.9%
Total Asia	593.5	558.6	6.3%	6.1%
Americas	204.2	194.5	4.9%	4.4%
Other	17.4	21.3	-18.2%	-18.2%
TOTAL	1,190.7	1,122.2	6.1%	6.2%

(1) Sales by destination.

INFORMATION BY SECTOR

In millions of Euros	1st quarter		Evolutions	
	2016	2015	Published	At constant exchange rates
Leathergoods and Saddlery (1)	590.6	511.3	15.5%	15.4%
Ready-to-wear and fashion accessories (2)	256.4	262.3	-2.3%	-1.9%
Silk and Textiles	121.1	133.9	-9.5%	-9.2%
Other Hermès sectors (3)	70.4	72.2	-2.6%	-2.3%
Perfumes	59.9	62.0	-3.5%	-3.5%
Watches	34.5	35.7	-3.3%	-3.1%
Other products (4)	57.9	44.7	29.6%	29.8%
TOTAL	1,190.7	1,122.2	6.1%	6.2%

(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...).