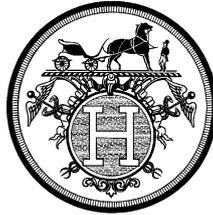


## HERMÈS INTERNATIONAL

Partnership Limited by Shares with capital of €53,840,400.12,  
listed with the Paris Trade and Companies Register under no. 572 076 396  
Head office: 24, rue du Faubourg Saint-Honoré 75008 PARIS



## Report on the Combined General Meeting of 6 June 2017

On Tuesday 6 June 2017 at 9.30 a.m., the Combined General Meeting of Hermès International met, at the Palais des Congrès in Paris, chaired by Mr. Eric de SEYNES, Chairman of the Supervisory Board.

The information relative to the quorum is available on the Hermès International financial communication Internet site: <http://finances.hermes.com> in the "*results of the votes of the general meeting of 6 June 2017*".

Shareholders were asked to vote on:

- the approval of the parent company's and the consolidated financial statements for the fiscal year 2016,
- the appropriation of the earnings and distribution, on 12 June 2017, of the balance of the fiscal year's ordinary dividend, i.e. €2.25 (an interim dividend of €1.50 per share was paid on 24 February 2017); i.e. a total dividend of €3.75 that increased by 11.9% compared to the previous year.
- the approval of related- party agreements and commitments,
- the authorisation to be given to the Executive Management in order to implement a share purchase and cancellation programme,
- the opinion to be given ("Say on pay") on the compensation elements owed or allocated to the Executive Chairmen,
- the re-election of the terms of Supervisory Board members Mrs Monique COHEN, Mr Renaud MOMMEJA and Mr Eric de SEYNES, for a period of 3 years,
- the appointment of Mrs Dorothee ALTMAYER and Mrs Olympia GUERRAND, as new Supervisory Board members, for a period of 3 years and 1 year respectively, in application of the principle that the Supervisory Board should be renewed in stages by thirds by drawing lots.
- Increase in the total amount of the directors' fees and Supervisory Board compensation to €600 000.
- Renewal of the term of office of the main Statutory Auditors (Didier Kling & Associés and PricewaterhouseCoopers Audit), and end of the term of office of the alternate Statutory Auditors
- the delegations of competence to the Executive Management in order to operate on the share capital under several circumstances (financial delegation)

Before the start of the general meeting, the shareholders were able to attend a performance by Fred RADIX "The Whistler" who whistled poetically and with poise, two opera arias accompanied by a string quartet.

After a brief welcome and introductory address, the Chairman then gave the floor to Mr Henri-Louis BAUER.

Mr. Henri-Louis BAUER, manager of the company EMILE HERMÈS Sarl, Executive Chairman and Active partner, reminded the 3 essential factors which explain the success of Hermès over time:

- The commitment and the vitality of its employees which create the wealth of the group day after day.
- Its values based on the know-how, the creation, the innovation and the constant requirement for quality in all areas.
- The continuity of its strategy and of its business vision driven by the family which, this year has again shown its attachment to the maison by increasing its participation in Hermès International share capital.

The Chairman then started the general meeting of Hermès International.

Mr. Axel DUMAS, Manager, presented the general report for 2016, while mentioning the highlights of the year:

In 2016, HERMÈS pursued its strategy, based on:

- Creativity and inventiveness
  - Re-discovery of the handbag *Verrou*
  - Launch of the table set *Carnets d'Equateur*
  - Collection of finest jewelry *HB-IV Continuum*
  - Launch of the feminine scent *Galop d'Hermès*
  - New women's ready-to-wear collections by Nadège Vanhée-Cybulski

*A film on "the silk Factory" was shown.*

- The investment in the know-how and their transmission within Hermès:
  - Opening of the leather goods manufacture of Héricourt,
  - Ramp-up of the two new manufactures in Charente, Isère and Franche-Comté
  - Investments in the implementation projects in Normandie and Limousin
  - The training and transmission of the know-how of our artisans

*A film "Training of artisans" was shown.*

- The reinforcement of the distribution network
  - Opening of a Hermès store in Rio de Janeiro, Hong Kong Airport, Macao and Chongqing
  - Renovation and enlargement of twenty stores including Liat Towers in Singapour, Bocca di Leone in Rome.

*A film "Opening Rome" was shown.*

- Singular events
  - Exhibition "*Fierce and fragile, felines in the work of Robert Dallet*", in association with Panthera for the preservation of felines in New York, Hong Kong, Milan and Bombay
  - 7<sup>th</sup> edition of the *Saut Hermès au Grand Palais*, in Paris
  - Event *The View from Her* in Beijing
  - Event *The Nature of Men* in Tokyo
  - Festival *Hermès hors les murs* in Paris, Amsterdam, Mexico and Vancouver

*A film about "Hermès Hors les murs" was shown.*

- Strong growth in sales which exceeds the €5 billion mark
- Development of all business lines:
  - Reinforcement of the production capacities and success of the leather goods and saddlery, mainstay of the Group and a positive momentum of the other business lines in the second semester

Mr. Axel DUMAS then presented:

- The variations and distribution of revenue by business line,
- The variations and distribution of revenue by geographic region,
- The change in the number of stores, distinguishing dealers and branches.

- ❑ The evolution and breakdown of employees (women and men)
- ❑ The continued creation of jobs in 2016 (over 10 years),
- ❑ The balance between the production / sales employees,
- ❑ The Hermès manufactures,
- ❑ The workforce breakdown by geographic region (61% in France).

*A film “Tandem” was shown.*

- ❑ The Corporate Social and environmental responsibility at Hermès in 2016

*A film “Manufacto” was shown.*

Mr. Eric du HALGOUET, Assistant Managing Director Finance, presented the consolidated financial statements:

- ❑ Profit and loss statement,
- ❑ Operating margin which reached 32.6% of the sales,
- ❑ Investments,
- ❑ Operating cash flows,
- ❑ Restated cash flow statement,
- ❑ Simplified consolidated balance sheet (assets and liabilities),
- ❑ Shareholders' equity and restated net cash.

To conclude on the figures, Mr. Axel DUMAS presented the outlook for 2017:

- ❑ Revenue in the first quarter: + 13,5% at current exchange rates and + 11,2% at constant exchange rates, and + 13% in the Group's stores
- ❑ Strong increase of sales in the first quarter thanks to the momentum of the business lines in all geographical areas
- ❑ Long-term development strategy based on creativity, maintaining control over know-how and singular communication
- ❑ Strengthening of production capacities
- ❑ A dynamic distribution network, with the opening or renovation of over twenty branches
- ❑ Continued job creation

*A film about horse riding was shown.*

The Chairman presented the main resolutions put to the vote by the meeting. Then, the Chairman mentioned the report from the Chairman of the Supervisory Board, the report from the Supervisory Board and gave the floor to the statutory auditors.

Before putting the resolutions to the vote, he began the question and answer session which addressed numerous topics.

During the discussions, the following subjects were addressed by the shareholders, journalists or financial analysts:

- French cosmetics and perfume market – the impact of the advertising campaigns on the margins
- Cyber-attack of last May / Cyber insurance – Chief Risk Officer – Member of the Supervisory board competent on the issue
- Buyback of a company in the sector or enter the luxury top 10
- The Group's projects on digital
- Activity with Apple and on the internet of objects
- Working capital
- The strategy of single branding
- How to keep Hermès soul with 10 billion of revenue and 20000 employees in 2030
- The use of exotic skins by Hermès (non-profit)
- Share split
- Number of shares repurchased by the company in 2016 and cancelled
- The absence of women on stage

- The Group's potential for evolution
- The creation process of perfumes
- Operation HermèsMatic to attract new generations?
- Operation Manufacto
- Payment of dividends in shares

Finally, the votes were cast using electronic boxes. Their operation and the correct conduct of the overall meeting were verified by Mrs Stéphanie SCHAMBOURG, bailiff.

The detailed results of the votes indicated that **24 resolutions**, including 8 extraordinary resolutions, **were adopted with a very large majority**.

These results, as well as the slides shown in support of the presentations, are available on the Hermès International financial communication Internet site: [finances.hermes.com](http://finances.hermes.com) in the document "*results of the votes of the general meeting of 6 June 2017*".

The 2017 annual ordinary general meeting will be held on Tuesday 5 June.