

HERMÈS

Quarterly information report at the end of September 2014

12% growth in sales at constant exchange rates over the first nine months of 2014

Paris, 6 November 2014

At the end of September, the group's consolidated revenue totalled € 897.4 million, a 12% rise at constant exchange rates. After adjusting for the negative impact of currencies, growth is 9%.

In the third quarter, growth remained strong (+11% at constant exchange rates), particularly in the group's stores.

Sales by region at the end of September

(at comparable exchange rates unless otherwise indicated)

The opening of China's first Maison Hermès in Shanghai was one of the major events of the quarter. This new three-storey store in a fully renovated historic building is part of the group's long-term strategy of qualitative development of its distribution network.

At the end of September 2014, sales were growing in all regions:

- Asia (excluding Japan) (+15%) posted a good performance despite recent events in Hong Kong and the slowdown in China's luxury market,
- Japan (+13%) was buoyant and confirmed the positive trend observed in the first half-year,
- America (+14%) maintained its dynamism following a strong third quarter,
- Europe (+7%) made solid advances in a difficult economic climate.

Sales by sector at the end of September

(at comparable exchange rates unless otherwise indicated)

Growth in Leather Goods and Saddlery (+15%) was supported by the increased production capacities of the two new sites in Isère and Charente. Plans to build two new workshops in Franche-Comté are underway.

The dynamism in Ready-to-wear and Accessories sales (+13%) results notably from the success of fashion accessories and the latest ready-to-wear collections.

The Silk and Textiles business line (+9%) continues to expand its collections with new formats and exceptional materials. A new online showroom and store for Hermès silk *lamaisondescarres.com* was launched in September.

Perfumes (+9%) continue to grow. Two lines were extended with new launches, *Terre d'Hermès eau très fraîche* and *Jour d'Hermès absolu*, which were warmly received.

Watches (-10%) continue to be penalized by wholesale sales in a market that remains challenging, particularly in Asia (excluding Japan).

Other Hermès sectors (+15%) continue to grow. Jewellery, which presented its new *haute bijouterie* collection at the 24 Faubourg Saint Honoré store in Paris, made a significant contribution to this dynamic with the success of the latest collections in gold.

Important developments

At the end of September, currency fluctuations represented a negative impact of €77 million on revenue.

On 2 September 2014 and led by the President of Paris Commercial Court, the companies Hermès International (Hermès) and Louis Vuitton Moët Hennessy (LVMH) reached a settlement agreement in which LVMH undertook to distribute all the Hermès shares held by the LVMH Group to its shareholders, it being understood that Christian Dior company distribute these Hermès shares to its own shareholders. The operation was detailed in a press release circulated by LVMH on 3 November 2014.

Over the first nine months of the year, Hermès International redeemed 23,214 shares for €5.8 million, outside the movements made in the framework of the liquidity contract.

Outlooks

For the full year, the group is retaining its mid-term objective of revenue growth at constant rates of around 10%. Operating margin could be slightly less than the all-time high achieved in 2013 (32.4%) due to the negative impact of currencies.

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 protecting its supply sources.

In 2014, our company will focus on the themes of metamorphosis and precious materials becoming works of art in the skilled hands of artisans. Above all it is our company's unwavering determination to reinvent itself and push the limits of excellence that is our hallmark.

INFORMATION BY GEOGRAPHICAL ZONE (1)

In millions of Euros	As of Sept 30th		Evolutions	
	2014	2013	Published	At constant exchange rates
France	461.2	433.6	6.4%	6.4%
Europe (excl. France)	559.2	521.0	7.3%	7.3%
Total Europe	1,020.4	954.6	6.9%	6.9%
Japan	341.0	329.6	3.5%	13.0%
Asia Pacific (excl. Japan)	999.2	895.4	11.6%	14.8%
Total Asia	1,340.3	1,225.1	9.4%	14.3%
Americas	480.9	436.7	10.1%	14.1%
Other	55.9	46.3	20.6%	20.7%
TOTAL	2,897.4	2,662.7	8.8%	11.7%

In millions of Euros	3rd quarter		Evolutions	
	2014	2013	Published	At constant exchange rates
France	153.3	144.4	6.2%	6.2%
Europe (excl. France)	188.5	174,1	8.2%	7.4%
Total Europe	341.8	318.5	7.3%	6.8%
Japan	120.2	108.2	11.0%	16.4%
Asia Pacific (excl. Japan)	337.0	304.2	10.8%	10.2%
Total Asia	457.2	412.4	10.8%	11.8%
Americas	174.2	150.7	15.6%	16.9%
Other	17.4	13.9	25.6%	25.4%
TOTAL	990.6	895.5	10.6%	11.1%

(1) Sales by destination.

INFORMATION BY SECTOR

In millions of Euros	As of Sept 30th		Evolutions	
	2014	2013	Published	At constant exchange rates
Leathergoods and Saddlery (1)	1,294.7	1,163.0	11.3%	14.8%
Ready-to-wear and Fashion accessories (2)	676.0	612.0	10.5%	13.4%
Silk and Textiles	318.5	300.8	5.9%	8.7%
Other Hermès sectors (3)	189.4	169.8	11.5%	14.6%
Perfumes	171.7	157.8	8.8%	9.2%
Watches	103.7	117.6	-11.8%	-9.6%
Other products (4)	143.4	141.6	1.3%	2.0%
TOTAL	2,897.4	2,662.7	8.8%	11.7%

In millions of Euros	3rd quarter		Evolutions	
	2014	2013	Published	At constant exchange rates
Leathergoods and Saddlery (1)	454.0	383.1	18.5%	19.3%
Ready-to-wear and Fashion accessories (2)	235.4	216.4	8.8%	9.1%
Silk and Textiles	102.6	99.1	3.4%	3.6%
Other Hermès sectors (3)	64.9	60.1	8.0%	8.5%
Perfumes	57.1	51.1	11.7%	11.8%
Watches	36.5	42.7	-14.6%	-14.4%
Other products (4)	40.1	42.9	-6.5%	-6.6%
TOTAL	990.6	895.5	10.6%	11.1%

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

In millions of Euros	2014			2013		
	Q1 Report	Q2 Report	S1 report	Q1 Report	Q2 Report	S1 report
France	146,0	161,9	307,9	137,9	151,3	289,2
Europe (excl. France)	183,2	187,6	370,8	168,2	178,7	346,9
Total Europe	329,2	349,4	678,6	306,1	330,0	636,1
Japan	116,7	104,1	220,8	110,3	111,1	221,4
Asia Pacific (excl. Japan)	329,3	333,0	662,3	292,0	299,2	591,2
Total Asia	446,0	437,1	883,1	402,3	410,3	812,6
Americas	150,1	156,5	306,7	133,0	153,1	286,1
Other	18,1	20,3	38,4	15,4	17,1	32,4
TOTAL	943,5	963,4	1 906,9	856,8	910,4	1 767,2

INFORMATION BY SECTOR

In millions of Euros	2014			2013		
	Q1 Report	Q2 Report	S1 report	Q1 Report	Q2 Report	S1 report
Leathergoods and Saddlery	409,9	430,8	840,7	372,5	407,4	779,9
Ready-to-wear and Fashion accessories	214,6	226,0	440,6	187,8	207,8	395,6
Silk and Textiles	114,5	101,5	216,0	105,0	96,6	201,7
Other Hermès sectors	60,5	64,0	124,5	53,8	55,9	109,7
Perfumes	60,8	53,7	114,6	57,8	48,9	106,7
Watches	32,8	34,4	67,2	34,5	40,4	74,9
Other products	50,3	52,9	103,3	45,4	53,3	98,6
TOTAL	943,5	963,4	1 906,9	856,8	910,4	1 767,2