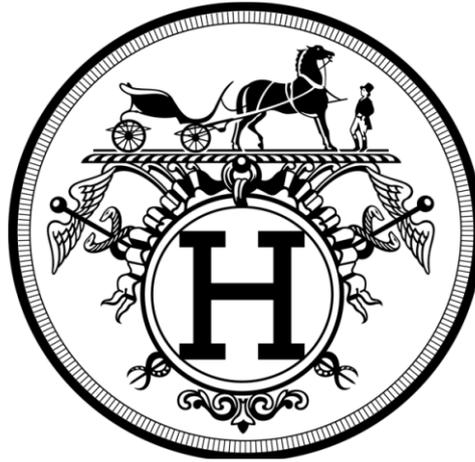


HERMÈS

INTERNATIONAL



Circular on Share Buyback Programme Authorised by the Annual General Meeting of Shareholders as of 3 June 2014

This circular has been drawn up in accordance with Articles 241-1 *et seq* of Livre IV of the General Regulation of the Autorité des Marchés Financiers. It also includes the information contained in the annual report on share buyback transactions that have been implemented within our Company and carried out in accordance with Article L. 225-211 of the Code de Commerce.

Pursuant to AMF General Regulation (Livre IV, art. 241-1 *et seq*) and article L. 451-3 of the Code Monétaire et Financier, the purpose of this circular is to describe the purposes and terms and conditions of Hermès International's share buyback programme.

OVERVIEW OF THE MAIN FEATURES OF THE SHARE BUYBACK PROGRAMME

- Issuer: Hermès International SCA
- Securities: Hermès International ordinary shares
- ISIN code: FR0000052292
- Maximum percentage of share capital that may be bought back as authorised by the Annual General Meeting of 3 June 2014: 10%
- Maximum purchase price: 400 euros excluding expenses (save for shares purchased in order to deliver them under share purchase plans for the Company's employees or corporate executive officers)
- Purposes of the share buyback programme :
 - ensuring that liquidity is provided for the shares on the equity market by an investment services provider acting entirely independently under a liquidity contract that complies with a code of conduct recognised by the Autorité des Marchés Financiers;
 - cancelling the shares, in order to increase the return on equity and earnings per share, and/or to neutralize the dilutive impact of capital increases for shareholders;
 - retaining the shares, in order subsequently to transfer the shares in payment, in exchange or as other consideration for a takeover bid initiated by the Company, it being specified that the number of shares purchased by the Company in view of retaining them and subsequently delivering them in payment or exchange under the terms of a merger, demerger or partial merger shall not exceed 5% of the share capital;
 - allotting the shares to employees and corporate executive officers of the Company or an affiliated company, under the terms and conditions stipulated by law, as part of share purchase option plans (in accordance with Articles L 225-179 *et seq.* of the Code de Commerce), or free share distributions (in accordance with Articles L 225-197-1 *et seq.* of the Code de Commerce), or as part of the Company's employee profit sharing schemes or of an employee share ownership or savings plan;
 - delivering the shares for the exercise of rights attached to securities entitling the holders to the allotment of shares in the Company, by conversion, exercise, redemption, exchange or by any other means, in accordance with stock market regulations.
- Duration of programme: Until the Annual General Meeting called to approve the financial statements for 2014 but no longer than 18 months as from 3 June 2014, i.e. until 2 December 2015 at the latest.

A - SHARES HELD BY THE COMPANY AND RESULTS OF PREVIOUS SHARE BUYBACK PROGRAMME

1 / Number of shares held as of 31 May 2014

As of 31 May 2014, the Company held 1 457 422 shares purchased under the terms of its previous share buyback programmes; the most recent such programme was authorised by the Combined General Meeting of 4 June 2013.

Percentage of share capital held directly and indirectly	1.38%
Number of shares cancelled during past 24 months	0
Number of shares held in treasury as of 31 May 2013	1 457 422
Allocation of shares held as of 31 May 2013:	
- ensuring the liquidity of the shares	15 626
- cancellation of shares	0
- external growth	23 453
- employees shareholding	1 418 343
Carrying value of portfolio	316 260 918
Market value of portfolio	378 929 720

2 / Transactions completed from 1 June 2013 until 31 May 2014 (outside the liquidity contract):

	Total gross purchases and sales		Open positions as of the date of publication of the circular					
	Bought	Sold	Open buy positions			Open sell positions		
Number of shares	23 453	16 834	Calls bought	Puts sold	Forward purchases	Calls sold	Puts bought	Forward sales
Average maximum maturity			-	-	-	-	-	-
Average transaction price (€)	249.33	91.21						
Average strike price	-	-	-	-	-	-	-	-
Amount (€)	5 847 592.08	1 535 446.77						

3 / Transactions completed from 1 June 2013 to 31 May 2014 under the liquidity contract:

On 18 June 2012, Hermès International signed a liquidity contract with Exane BNP Paribas, which replaced the previous contract with Oddo Corporate Finance.

The funds transferred amounted to 8 715 940.07 euros in cash and 14,500 shares.

	Total gross purchases and sales		Open positions as of the date of filing of the circular					
	Bought	Sold	Open buy positions			Open sell positions		
Number of shares	139 501	140 525	Calls bought	Puts sold	Forward purchases	Calls sold	Puts bought	Forward sales
Average maximum maturity			-	-	-	-	-	-
Average transaction price (€)	251.34	246.25						
Average strike price	-	-	-	-	-	-	-	-
Amount (€)	35 062 877.10	34 604 443.16						

B – PURPOSE OF SHARE BUYBACK PROGRAMME AND USE OF SHARES BOUGHT

Hermès International wishes to retain the possibility of buying back its own shares up to a maximum of 10% of its share capital for the following purposes:

- ensuring that liquidity is provided for the shares on the equity market by an investment services provider acting entirely independently under a liquidity contract that complies with a code of conduct recognised by the Autorité des Marchés Financiers;

- cancelling the shares, in order to increase the return on equity and earnings per share, and/or to neutralize the dilutive impact of capital increases for shareholders, wherein such purpose is contingent upon adoption of a special resolution by the extraordinary General Meeting;
- retaining the shares, in order subsequently to transfer the shares in payment, in exchange or as other consideration for a takeover bid initiated by the Company, it being specified that the number of shares purchased by the Company in view of retaining them and subsequently delivering them in payment or exchange under the terms of a merger, demerger or partial merger shall not exceed 5% of the share capital;
- allotting the shares to employees and corporate executive officers of the Company or an affiliated company, under the terms and conditions stipulated by law, as part of share purchase option plans (in accordance with Articles L 225-179 et seq. of the Code de Commerce), or free share distributions (in accordance with Articles L 225-197-1 et seq. of the Code de Commerce), or as part of the Company's employee profit sharing schemes or of an employee share ownership or savings plan;
- delivering the shares for the exercise of rights attached to securities entitling the holders to the allotment of shares in the Company, by conversion, exercise, redemption, exchange or by any other means, in accordance with stock market regulations.

C – TERMS AND CONDITIONS OF PROGRAMME

1. Maximum percentage of share capital bought and maximum amount payable by Hermès International

The maximum percentage of the share capital that Hermès International proposes to acquire is 10% of the Company's share capital as of the date on which the purchases are completed, up to a maximum of 800 million euros. The Company undertakes at all times to observe the ceiling of 10% of its share capital, directly or indirectly, including shares held in treasury, in accordance with the provisions of Article L.225-210 of the Code de Commerce.

In view of the ceiling that the Company has set (800 million euros), and the shares already held in treasury (1 451 827 shares as of 31 May 2013 amounting to 312.3 million euros or 1.38% of the share capital), the Company may commit 487.7 million euros, and the maximum number of shares that it may at this time buy pursuant to this authorisation amounts to 1 219 250 shares (1.15% of the share capital), based on the maximum purchase price of 400 euros, appearing in the resolution approved by the Combined General Meeting of shareholders.

The Company reserves the right to buy back a number of shares different from indicated above, as a function of market conditions.

2. Terms and conditions of share buybacks

The entire programme (10% of Hermès International's share capital as defined above) may be in the form of block purchases.

Hermès International may also use any kind of derivative instruments, except for sales of puts. Hermès International will ascertain that such options transactions do not increase the volatility of its shares.

The share buyback programme may be used, including during a public cash or share offer, within the limits authorised by stock market regulations.

3. Duration and timetable of share buyback programme

Purchases by Hermès International of its own shares under the terms of this programme may be carried out over a period ending on the date of the Annual General Meeting called to vote on the financial statements for 2014 but shall not exceed a maximum of 18 months from 3 June 2014, i.e. up to 2 December 2015 at the latest.

The shares purchased under the programme may be cancelled, up to a maximum of 10% of the share capital per twenty-four month period, in accordance with the provisions of Article L.225-209 of the Code du Commerce.

4. Financing of share buyback programme

The purchase of the securities will be financed from available cash and by debt for any amounts exceeding available cash.

As at 31 December 2013, shareholders' equity (Group's share) amounted to 2 825.6 million euros, and net cash amounted to 022.1 million euros.

Persons responsible for the circular

To the best of our knowledge, the information provided in this document is true and accurate; it contains all the facts required for investors to make an assessment on Hermès International's share buyback programme; it contains no omissions liable to impair their significance.

Axel DUMAS
Executive Chairman