SENSE IN OUR OBJECTS,
SENSE IN OUR ACTIONS

MESSAGE FROM THE CHAIRMEN
In our own way. This inspiring expression often occupies the thoughts of our employees.

Choosing our clothes and shoes, taking care with our appearance, selecting a fragrance to suit our mood, picking a scarf or tie, checking our watch, assembling our accessories and heading out... this is, in general, what constitutes our meticulous preparations. The objects that we wear or carry make us feel well supported. They are our companions, constant or inconstant, regular or occasional.

In our own way... When this thought crosses our minds, we cannot help thinking of the freedom of action that is our hallmark, and we are proud that the principal vocation of Hermès is to provide people in movement with objects that offer pleasant company throughout their day – a day filled with success, naturally.

On that subject, our house, in constant movement, was driven by success in 2017. We owe this above all to the action of the women and men working every day at Hermès and to the quality of our objects, which resulted in strong growth in revenue and profitability at an all-time high. All regions and all Hermès métiers contributed to this unequivocal success.

Doing things in our own way, and being in constant movement, perhaps this is the sense in our actions.

AXEL DUMAS
Executive Chairman

Émile Hermès SARL
Executive Chairman, represented
by HENRI-LOUIS BAUER
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GROUP
OVERVIEW
The Executive Management ensures the management of Hermès International. The role of the Executive Chairman is to manage the Group and act in its general interest, within the scope of the corporate purpose and subject to those powers expressly granted by law or by the Articles of Association to the Supervisory Board, to the Active Partner and to Shareholders’ General Meetings.

The roles of the Executive Chairmen are distributed as follows: Axel Dumas is in charge of strategy and operational management, and Émile Hermès SARL, through its Executive Management Board, is responsible for the vision and strategic areas.

The group management is comprised of the Executive Chairman and the Executive Committee, which consists of managing directors, each of whom has well-defined areas of responsibility. Its role is to oversee the group’s strategic management and its composition reflects the group’s principal areas of expertise.
<table>
<thead>
<tr>
<th><strong>EXECUTIVE CHAIRMEN</strong></th>
<th><strong>EXECUTIVE COMMITTEE</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>AXEL DUMAS</td>
<td>AXEL DUMAS</td>
</tr>
<tr>
<td>Executive Chairman</td>
<td>Executive Chairman</td>
</tr>
<tr>
<td>ÉMILE HERMÈS SARL</td>
<td>FLORIAN CRAEN</td>
</tr>
<tr>
<td>Executive Chairman, represented by HENRI-LOUIS BAUER</td>
<td>Executive Vice-President Sales &amp; Distribution</td>
</tr>
<tr>
<td></td>
<td>CHARLOTTE DAVID</td>
</tr>
<tr>
<td></td>
<td>Executive Vice-President Communication</td>
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<tr>
<td></td>
<td>PIERRE-ALEXIS DUMAS</td>
</tr>
<tr>
<td></td>
<td>Artistic Executive Vice-President</td>
</tr>
<tr>
<td></td>
<td>OLIVIER FOURNIER</td>
</tr>
<tr>
<td></td>
<td>Executive Vice-President Governance and Organisational Development</td>
</tr>
<tr>
<td></td>
<td>WILFRIED GUERRAND</td>
</tr>
<tr>
<td></td>
<td>Executive Vice-President Digital Projects and E-commerce</td>
</tr>
<tr>
<td></td>
<td>ÉRIC DU HALGOUËT</td>
</tr>
<tr>
<td></td>
<td>Executive Vice-President Finance</td>
</tr>
<tr>
<td></td>
<td>GUILLAUME DE SEYNES</td>
</tr>
<tr>
<td></td>
<td>Executive Vice-President Manufacturing Division &amp; Equity Investments</td>
</tr>
</tbody>
</table>
1. Growth at constant exchange rates is calculated by applying, for each currency, the average exchange rates of the previous period to the revenue for the period.
2. See 2017 Registration Document, chapter 4, p.185.
3. Equity excluding non-controlling interests.
4. Restated net cash includes investments that do not meet IFRS cash equivalent criteria as a result of their original maturity of more than 3 months.
5. Difference between recurring operating income after tax on operating income and the weighted average cost of capital employed.
6. Recurring operating income, after tax on operating income, based on average capital employed (see 2017 Registration Document, p.186).
KEY FIGURES

KEY STOCK MARKET DATA (SOURCE BLOOMBERG)

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>NUMBER OF SHARES AS AT 31 DECEMBER</td>
<td>105,569,412</td>
<td>105,569,412</td>
<td>105,569,412</td>
</tr>
<tr>
<td>AVERAGE NUMBER OF SHARES (EXCLUDING TREASURY SHARES)</td>
<td>104,435,755</td>
<td>104,518,900</td>
<td>104,395,884</td>
</tr>
<tr>
<td>MARKET CAPITALISATION AS AT 31 DECEMBER</td>
<td>£47.11bn</td>
<td>£41.17bn</td>
<td>£32.91bn</td>
</tr>
<tr>
<td>EARNINGS PER SHARE (EXCLUDING TREASURY SHARES)</td>
<td>£11.70</td>
<td>£10.53</td>
<td>£9.32</td>
</tr>
<tr>
<td>DIVIDEND PER SHARE</td>
<td>£9.10 1</td>
<td>£3.75</td>
<td>£3.35</td>
</tr>
<tr>
<td>AVERAGE DAILY VOLUME (EURONEXT)</td>
<td>58,095</td>
<td>54,302</td>
<td>65,475</td>
</tr>
<tr>
<td>12-MONTH HIGH SHARE PRICE</td>
<td>£468.30</td>
<td>£399.00</td>
<td>£365.55</td>
</tr>
<tr>
<td>12-MONTH LOW SHARE PRICE</td>
<td>£386.30</td>
<td>£281.20</td>
<td>£273.70</td>
</tr>
<tr>
<td>12-MONTH AVERAGE SHARE PRICE</td>
<td>£433.02</td>
<td>£345.52</td>
<td>£325.14</td>
</tr>
<tr>
<td>SHARE PRICE AS AT 31 DECEMBER</td>
<td>£446.25</td>
<td>£390.00</td>
<td>£311.75</td>
</tr>
</tbody>
</table>

1. Corresponds to an ordinary dividend of €4.10 and an extraordinary dividend of €5.00. Subject to approval by the Ordinary General Meeting of 5 June 2018. An interim dividend of €1.50 was paid on 22 February 2018.
MONTHLY TRANSACTIONS IN NUMBER OF SHARES*
(SOURCE BLOOMBERG)

HERMÈS SHARE PRICE HISTORY (IN EUROS)
The Supervisory Board exercises ongoing control over the Company’s management. For this purpose, it has the same powers as the statutory auditors and receives the same documents, at the same time. In addition, the executive management must submit a detailed report to the Supervisory Board on the company’s operations at least once a year. The Supervisory Board submits to the Active Partners for consideration its considered recommendation:
— on the nomination and dismissal of any executive chairman of the company;
— on reducing the notice period in the event of the executive chairman’s resignation.

The Supervisory Board:
— determines the proposed appropriation of net income to be submitted to the general meeting each year;
— approves or rejects any proposed new wording of certain clauses of the articles of association of Émile Hermès SARL.

The Active Partner must consult the Supervisory Board prior to making any decisions on the following matters:
— strategic options;
— consolidated operating and investment budgets;
— proposals to the general meeting on the distribution of share premiums, reserves and retained earnings.

Each year, the Supervisory Board presents to the annual ordinary general meeting of shareholders a report in which it comments on the Company’s management and draws attention to any inconsistencies or inaccuracies identified in the financial statements for the year.

The functions exercised by the Supervisory Board do not entail any interference with the executive management, or any liability arising from the management’s actions or from the results of such actions.

The Audit Committee ascertains that the consolidated financial statements fairly and accurately reflect the group’s financial position.

The role of the Compensation, Appointments and Governance Committee is to ascertain that the remuneration of the executive chairmen complies with the provisions of the articles of association and the decisions made by the Active Partner. The committee also participates in drawing up proposed appointments of corporate executive officers and is responsible for monitoring corporate governance matters.

The Active Partner is jointly and severally liable for all the company’s debts, for an indefinite period of time.

The Active Partner has the authority to appoint or revoke the powers of the executive chairmen, after receiving the considered recommendation of the Supervisory Board.

The Active Partner makes all decisions pertaining to the group’s strategic options, consolidated operating and investment budgets, and recommendations to the general meeting with respect to the distribution of share premiums, reserves and retained earnings, on the recommendation of the Supervisory Board. It may submit recommendations to the executive management on any matter of general interest to the group. It authorises all company loans, sureties, endorsements and guarantees, any pledges of collateral and encumbrances on the company’s property, as well as the creation of any company or acquisition of an interest whenever the investment amounts to more than 10% of the group’s consolidated net worth.

Éric de Seynes
Chairman of the Supervisory Board.
SUPERVISORY BOARD

ÉRIC DE SEYNES
Chairman and member

MONIQUE COHEN
Vice-Chairwoman

DOMINIQUE SENEQUIER
Vice-Chairwoman

FRÉDÉRIC AFRIAT
(staff representative)

DOROTHÉE ALTMAYER

CHARLES-ÉRIC BAUER

MATTHIEU DUMAS

BLAISE GUERRAND

JULIE GUERRAND

OLYMPIA GUERRAND

SHARON MACBEATH

RENAUD MOMMÉJA

ROBERT PEUGEOT

AUDIT COMMITTEE

MONIQUE COHEN
Chairwoman

CHARLES-ÉRIC BAUER

SHARON MACBEATH

RENAUD MOMMÉJA

ROBERT PEUGEOT

COMPENSATION,
APPOINTMENTS AND
GOVERNANCE
COMMITTEE

DOMINIQUE SENEQUIER
Chairwoman

MATTHIEU DUMAS

SHARON MACBEATH

ROBERT PEUGEOT

ACTIVE PARTNER

ÉMILE HERMÈS SARL,
represented by its
Executive Management Board:

HENRI-LOUIS BAUER
Executive Chairman,
Chairman
and Member of the Executive
Management Board

PHILIPPE DUMAS
Vice-Chairman
and Member of the Executive
Management Board

PASCALE MUSSARD
Vice-Chairwoman
and Member of the Executive
Management Board

SANDRINE BREKKE

FRÉDÉRIC DUMAS

ÉDOUARD GUERRAND

AGNÈS HARTH

LAURENT E. MOMMÉJA

JEAN-BAPTISTE PUECH

GUILLAUME DE SEYNES
The history of the house of Hermès began in a harness-making workshop opened in 1837 by Thierry Hermès, in rue Basse-du-Rempart, a stone’s throw from a Paris district that was awakening to modern life and to its breathtaking pace. Gradually, generation after generation, the house followed this dual thread – the painstaking, patient work of the craftsman in his workshop, and the busy, active lifestyles of its customers.

In 1880, Charles-Émile Hermès, son of the founder, moved the workshops to 24 Faubourg Saint-Honoré, closer still to the economic, cultural and social pulse of Paris, and added a store where private customers could order bespoke harnesses and saddles.

When his son Adolphe, soon joined by his brother Émile, took over in the early 20th century, the house was temporarily renamed Hermès Frères. Émile nurtured a great love for the history of humanity, the arts and craftsmanship, as illustrated by his collection of curiosities, in which objects related to sophistication, travel and transport feature prominently. The Hermès emblem was also born of a piece in this collection: Duc attelé, groom à l’attente (Hitched carriage, waiting groom), a drawing by Alfred de Dreux, a minor 19th-century master and student of Géricault, depicts a duc, or phaeton, a sporty carriage intended mainly for women. The stylised image, registered as a trademark, has identified the house since 1945.

In the interwar years, lifestyles changed and the house innovated, for example retaining exclusive rights to the zip fastener, which was used for luggage and clothing, in 1922. While remaining loyal to the equestrian world, Hermès expanded its activities into other fields, skilfully negotiating the hurdle of diversification through its mastery of raw materials and culture of craftsmanship.

These were all passions of Robert Dumas, one of Émile Hermès’ sons-in-law. At the helm of the house from 1951, he was a frequent visitor to the workshops and designed objects with mechanisms (buckles, clasps, saddle nails, small chains and anchor chains) of great elegance which in no way detracted from their practicality and utility.

In 1978 his son Jean-Louis Dumas steered the house towards a more international outlook and opened it up to the spirit that permeated the age of communication. More than ever before, Hermès felt the need to proclaim its inherent attachment to know-how. Le Monde d’Hermès was introduced in France in 1975 and became biannual in 1992 with increased contributions from designers. With the same ambition for an inspired and inspirational house, Jean-Louis Dumas organised a 150th anniversary party that culminated with a firework display on the Pont Neuf bridge in Paris. Ever since, each year a new theme has illuminated the house’s activities with the same celebratory and forward-looking focus.

In 2006, Patrick Thomas continued this expansion and provided the transition to the sixth generation of the family: after his cousin Pierre-Alexis Dumas, the son of Jean-Louis Dumas, was appointed Artistic Director in 2009 and had opened up a whole new chapter by founding the Fondation d’entreprise Hermès, Axel Dumas became Executive Chairman in 2013.

Hermès, which for over 150 years has been synonymous with saddlery, has enriched its métiers without deviating from its strict quality standards. The list is long, and includes leather goods, watchmaking, bootmaking, jewellery, silk, crystal, precious metals and fragrances, as well as men’s and women’s ready-to-wear, tableware, furnishing fabrics, wallpapers and petit h, one of the most recent enterprises of this family-run house whose industrial expansion takes on its full meaning when it extends the reach of the values of craftsmanship.
1837 - Harnesses
1867 - Saddles
Around 1900 - Haut à courroies bag, designed by Emile Hermès
1903 - Rocobar blanket
1922 - Belts
1923 - Two-handled bag
From 1924 - Gloves with zipper
1925 - First sports jacket, followed by the development of women’s and men’s clothing
- Mallette à coins rapportés
1927 - Wristwatches
- Filet de selle bracelet
1928 - Ermeto watch
- Sac à dépêches
1930 - Diaries
1937 - First silk scarves
1938 - Chaîne d’ancre bracelet, designed by Robert Dumas
- First garments with silk scarf patterns
1949 - Ties in printed silk
- Collier de chien belt and bracelet
1951 - Eau d’Hermès fragrance
1954 - Beach towels in printed terry towelling
1956 - The bag designed by Robert Dumas in the 1930s is officially named the Kelly
1961 - Twillaine: garments in knit and silk twill
- Calèche fragrance for women
1967 - Constance bag
1970 - Équipage fragrance for men
1971 - Nausicaa bracelet
1972 - First Hermès shoes for women
1974 - Amazone fragrance for women
1975 - Passe-Guide bag
- Kelly watch
- John Lobb shoes
1978 - First complete men’s ready-to-wear collection
- Highland ghillie shoes
- Enamel bracelets
1979 - Eau de Cologne Hermès, renamed Eau d’orange verte in 1997
1981 - Clipper watch
1984 - Pivoines first porcelain tableware
- Birkin bag, created by Jean-Louis Dumas
1985 - Gavroche scarves in silk twill
1986 - Bel Ami fragrance for men
- Toucans porcelain tableware
- Pippa furniture

1991 - Cape Cod watch
- Nantucket watch

1993 - Ozer saddle
- Médor watch

1995 - 24 Faubourg fragrance for women
- Fourre-tout bag

1996 - Harnais watch
- Heure H watch

1997 - First Hermès shoes for men

1998 - Herbag bag
- Double tour leather watch straps
- Quick trainers

1999 - Hiris fragrance for women

2000 - Corlandus dressage saddle
- Tandem watch
- Nil porcelain tableware
- Rouge Hermès fragrance for women

2002 - Picotin bag
- Plein cuir desk line, a reissue of a range originally created in the 1930s
- Quark ring

2003 - Un Jardin en Méditerranée fragrance
- Twilly in silk twill
- Dressage automatic gold watch
- Étrivière briefcase

2004 - Eau des Merveilles fragrance for women
- Brasilia jumping saddle
- First Hermessence fragrance collection

2005 - Un Jardin sur le Nil fragrance
- Balcon du Guadalquivir porcelain tableware

2006 - Terre d’Hermès fragrance for men
- Cheval d’Orient porcelain tableware

2007 - Lindy bag
- 70 scarves in vintage silk
- Kelly Calèche fragrance for women
- Fil d’argent porcelain tableware
- Jewellery in rose gold and brown diamonds

2008 - Jypsière bag
- Horizon diary
- First Hermès Éditeur scarf
- Un Jardin après la Mousson fragrance

2009 - Victoria saddle
- Dip-dye overdyed scarves
- Colognes Hermès
- Monique au 24 porcelain tableware
- Cape Cod Tonneau watch

2010 - Six generations of craftsmen
2010 ➤ First haute bijouterie collection
➤ *LesMaisons enchantées* faience tableware
➤ *Talaris* saddle
➤ *Voyage d’Hermès* fragrance
➤ Jean-Michel Frank furniture reissued by Hermès
➤ *Toolbox* bag

2011 ➤ *Bleus d’Ailleurs* porcelain tableware
➤ *Berline* bag
➤ *Un Jardin sur le toit* fragrance
➤ *Arceau Le temps suspendu* watch
➤ First collection of furnishing fabrics and wallpapers

2012 ➤ *Jour d’Hermès* fragrance for women
➤ 8cm ties in heavy silk twill
➤ Second haute bijouterie collection

2013 ➤ *Hermès Cavale* saddle
➤ *Maxibox* bag
➤ *Le Flâneur d’Hermès* bicycle
➤ *Rallye 24* porcelain tableware
➤ *Les Nécessaires d’Hermès* occasional furniture

2014 ➤ *Oxer* bag
➤ *Nautilus* pen
➤ *Faubourg* watch
➤ Third haute bijouterie collection
➤ *Le Parfum de la maison* collection
➤ *H-Déco* tea and dessert service
➤ Lighting collection

2015 ➤ *Octogone* bag
➤ *Cherche-Midi* bag
➤ *Slim d’Hermès* watch
➤ *Le Jardin de Monsieur Li* fragrance
➤ *Voyage en Ikat* porcelain tableware
➤ *Cityhall* document holder

2016 ➤ *Verron* bag
➤ *Bâton de Craie* bag
➤ *Hermès Arpège* and *Hermès Allegro* dressage saddles
➤ *Carnets d’Équateur* porcelain tableware
➤ *Galop d’Hermès* fragrance for women
➤ Fourth haute bijouterie collection

2017 ➤ *Hermès Cinhétique* bag
➤ *Twilly d’Hermès* fragrance for women
➤ *Chaîne d’ancre Punk* jewellery collection
➤ *Tie-Set* porcelain tableware
➤ *Lien d’Hermès* line of objects for the home

---

*SIX GENERATIONS OF CRAFTSMEN*
SIMPLIFIED ORGANISATION CHART

HERMÈS INTERNATIONAL

HERMÈS BRAND

RETAIL DISTRIBUTION

ARGENTINA
AUSTRALIA
BELGIUM
BRAZIL
CANADA
CHINA, HONG KONG, TAIWAN
CZECH REPUBLIC
DENMARK
FRANCE
GERMANY
GREECE
GUAM
INDIA
ITALY
JAPAN
MALAYSIA
MEXICO
PORTUGAL
PRINCIPALITY OF MONACO
RUSSIA
SINGAPORE
SOUTH KOREA
SPAIN
SWITZERLAND
THAILAND
TURKEY
UNITED KINGDOM
USA

PRODUCTION AND WHOLESALE DISTRIBUTION

PERFUMES DIVISION
WATCHES DIVISION
HOME DIVISION

PRODUCTION

LEATHER GOODS DIVISION
TANNING AND PRECIOUS LEATHERS DIVISION
TEXTILES DIVISION

BESPOKE DESIGN

HERMÈS HORIZONS
PETIT H

OTHER BRANDS

JOHN LOBB (SHOES)
SAINET-Louis
PUIFORCAT
SHANG XIA

FURNISHING FABRICS:
VEREL DE BELVAL
BUCOL
CREACTIONS MÉTAPHORES
LE CRIN
For over six generations, Hermès has fostered the values of craftsmanship, upheld by all of its employees. This culture of craftsmanship, a tangible reality personified by more than 4,500 artisans employed in France, contributes to the house’s uniqueness, particularly with regard to sustainable development.

The qualities of craftsmanship contribute to a better understanding of this mindset and the meaning of Hermès’ actions in this arena.

- **A sense of responsibility**

  Our high standards are comparable to those of the leatherworker making a bag, inspecting it at every step and putting his own name to it, uncompromising on quality and know-how. Hermès is engaged through its actions and assumes its responsibilities.

- **Authenticity and honesty**

  A good artisan does not cheat, either with materials or with his craft. He knows that the inside is as important as the outside. This integrity of the artisan – and thereby that of the house’s employees – with regard to his materials and his work extends quite naturally to his relationship with his economic, social and ecological environment. Sustainable development goals are pursued in this spirit of sincerity, high standards and continuous improvement. It is built on achievements rather than on hypothetical commitments. Its purpose is long-term effectiveness.

- **Taking the time to do good work, together**

  The saddler never skips a step to save time, and he knows how to finish what he has started. Our actions for sustainable development place complex situations in perspective, and take into account the rhythms of human and environmental ecosystems. They allow time to do things well, in order to achieve an enduring result.

**Sustainable development** at Hermès is also rooted in the house’s founding values. These values are deeply motivating in a family group that produces more than 70% of its objects internally, and therefore controls the majority of its own value chain. It is based on the communication of our culture, a clear strategy, and the coordinated implementation of numerous operations that favour a decentralised approach and local initiatives. It relies not only on the métiers, subsidiaries and services of Hermès International, but also on petit h and the Fondation d’Entreprise Hermès. Our aim is to ensure that “we are all artisans of our sustainable development”.

**Hermès’ corporate social responsibility (CSR)** is the means by which the group integrates social, environmental and economic concerns into its operations and its interactions with stakeholders on a voluntary basis.

**GOVERNANCE**

Governance for sustainable development is provided by:

- **the Sustainable Development Committee**, on which sit two members of the executive committee, which has supervised sustainable development initiatives since 2007.
- **the group’s Sustainable Development Department**, reporting to a member of the executive committee, which implements strategy and drives the process with all the group’s operational divisions and subsidiaries in France and abroad.

At their own level, the principal métiers and subsidiaries and the house’s corporate functions each drive the local sustainable development committees that steer the implementation of strategy.

- In 2017, for example, Hermès China set up a sustainable development strategy committee, as well as a sustainable development committee comprising 11 members and a network of 23 ambassadors in the stores.
The group has developed and regularly updates tools to support and implement its strategy, built using a participatory approach, in particular:

- The Code of Ethics, which asserts the group’s commitment to abide by certain fundamental principles in relationships with its stakeholders and society.

- The Code of Business Conduct, which lays out the house’s governing principles on operational matters (extra-professional activities, benefits and gifts, money laundering and corruption, confidentiality, managing conflicts of interest, insider trading, bullying, use of the group’s resources, etc.). It includes a matrix alert system (geographical and functional).

- The strategic framework document “We are all artisans of sustainable development”, distributed since 2015.

This system of reference delineates the impact that Hermès wishes to leave on the world based on three areas of focus and six goals:

- **First area of focus**
  **Men and women**
  The development and transmission of the know-how of Hermès artisans, and more broadly that of the teams, form the basis of its own sustainable development. The fulfilment and achievement of employees, and the promotion of diverse talents, are a priority and one of the drivers of sustainable growth.

- **Second area of focus**
  **The planet**
  Respecting the high-quality raw materials that are central to the house’s uniqueness guarantees the durability of the group’s business. A quest for pragmatic and ambitious long-term solutions allows us to better control our impact on the environment along the entire value chain.

- **Third area of focus**
  **Communities**
  The development of suppliers and partners is achieved through balanced and benevolent relationships of a high standard, while ensuring the group’s social, environmental and ethical aspirations are respected. The group’s ambition with regard to its corporate territorial responsibility is reaffirmed through dialogue and the harmonious relations of a corporate citizen with its stakeholders.

The teams use additional tools, such as technical criteria (property, suppliers, eco-gestures, etc.), “Harmonie Hermès”, a dedicated intranet site, and Agora, a collaborative platform.

Hermès supports the UN’s goals for sustainable development and has joined the Global Compact.

- The Hermès Group operates 52 production sites, of which 41 are in France, spread over 46 locations (35 in France, 2 in Switzerland, 2 in the United States, 4 in Australia, 1 in Great Britain and 2 in Italy), as well as the logistics centre in Bobigny. Hermès products are available worldwide through a network of 304 exclusive stores. In Paris, the group has office premises of around 27 000 m², while in Pantin, Hermès occupies production and office space including the Espace Jean-Louis Dumas, opened in 2015, and the Cité des Métiers, which received the Équerre d’Argent award in 2014.

**COORDINATION OF THE STRATEGY**

The group’s subsidiaries and entities initiate and monitor a number of projects for sustainable development throughout the year. For example, these committees work on material recycling and innovation, sustainable building, logistics, etc.
The artisans’ know-how, and more broadly that of all employees, is essential for our long-term development on solid foundations. Our artisanal model is based on the transmission of culture and know-how in a spirit of mentoring: “That which we receive, we give.” Hermès contributes to maintaining and developing these skills, not only by supporting external training in the regions in which it operates, but also and above all by numerous internal initiatives.

In 2017, 12 of the group’s companies were awarded Entreprise du patrimoine vivant (Living heritage company) status: Hermès Sellier, Holding Textile Hermès, Établissements Marcel Gandit, the Ateliers A.S., Siegl, the Ateliers de Tissage de Bussières et de Challes, Beyrand, the Cristallerie Saint-Louis, Puiforcat, John Lobb, the Ganterie de Saint-Junien and the Tanneries du Puy.
RECRUITMENT AND PROMOTING MOBILITY

With almost 13,500 staff worldwide, of whom 62% are in France, Hermès continues to develop its strategy with diversified teams, almost half of which are in the French production sector. The group is established in over 30 countries, with teams presenting a high proportion of women (67%).

The www.hermesemployeur.com website has showcased the identity and diversity of the house’s métiers since 2014. Internal mobility is facilitated through the My Way platform, and a monthly internal mobility committee. In 2017 the house came fifth on LinkedIn’s Top Companies ranking.

- In 2017, 69,240 candidates applied via www.hermesemployeur.com, (more than 1 million visits) and over 2,000 jobs (permanent and fixed-term contracts, internships and work experience) were posted.
- 528 positions were advertised on the My Way platform, 38 positions were filled internally.
- The LinkedIn page, translated into 8 languages, has more than 186,000 followers and 6,000 visits per month.

The transmission of culture is also an active force for staff engagement, and furthers the success of our initiatives for diversity and the awareness of disabilities. Scrupulous attention is paid to the health and safety of staff with practical actions (described in the 2017 Registration Document).

WORKFORCE

The workforce of the Hermès Group includes active permanent staff members and people on fixed-term contracts of more than nine months, including apprenticeships. The permanent active workforce represents 95% of the total workforce, which numbered 13,483 people on 31 December 2017.

- The group maintained balanced growth in its workforce and distribution by sector remained stable. 92% of the workforce in the production sector is located in France.

Workforce by sector:
- sales 38%
- support 16%
- production 46%

WORKFORCE BY REGION

The workforce is growing in all regions, supporting the development of the group.

<table>
<thead>
<tr>
<th>Region</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>FRANCE</td>
<td>62%</td>
</tr>
<tr>
<td>EUROPE (EXCL. FRANCE)</td>
<td>10%</td>
</tr>
<tr>
<td>AMERICAS</td>
<td>7%</td>
</tr>
<tr>
<td>JAPAN</td>
<td>6%</td>
</tr>
<tr>
<td>ASIA-PACIFIC (EXCL. JAPAN)</td>
<td>15%</td>
</tr>
</tbody>
</table>
MALE-FEMALE DISTRIBUTION – SENIORITY

The group’s policy is to ensure the absence of discrimination. The group comprises a high proportion of women, at all hierarchical levels and in all business lines, with 60% of managers, 67% of the total workforce, and one woman on the group’s executive committee. Hermès encourages the development of skills and long careers. Average seniority is nine years. Although 44% of the total workforce has less than five years’ seniority on account of the group’s growth, over a third has more than 10 years’ seniority.

EMPLOYMENT

Over the last 10 years, the group has not carried out any restructuring operations for economic reasons with consequences for employment. During development operations (site construction), any transfers were voluntary. In France, in 2017, individual redundancies involved 72 people (94 in 2016).

DISTRIBUTION OF ADDITIONAL JOBS

The group created 649 jobs in 2017. The Production sector saw the most growth with the creation of 326 additional jobs in order to increase production capabilities and to protect expertise and sources of supply. 265 jobs were created in the sales sector.

INVOLVING ALL STAFF IN GROWTH

The group’s total payroll is 639 million euros. In France, the group paid 70.7 million euros to its employees in the form of profit-sharing and incentive schemes. Hermès has implemented several employee shareholding schemes, notably free share schemes in 2007, 2010, 2012 and 2016. These schemes are subject to 4 or 5-year vesting periods, attendance conditions and, for some shares, performance conditions.

- 11,300 of the group’s employees benefited from the most recent free share scheme (set up in 2016) concerning a total of 806,060 shares.

SOCIAL RELATIONS

SOCIAL DIALOGUE

Social dialogue is organised in each country on the basis of the local laws and regulations. In France, it is organised by company in order to respect the realities of each situation. A group committee meets once a year to review the events of the past year and the outlook for the future. Furthermore, a social dialogue monitoring committee (France) was set up in 2008. In France in 2017, more than 57 agreements and amendments were signed, including a first one addressing the issue of disability.

CORPORATE RESPONSIBILITY

Staff fulfilment and economic performance is achieved through integration and responsible management. Responsible induction rests on the conviction that diversity of talent is a source of enrichment, creativity and innovation for Hermès. In order to facilitate integration, in 2017 the group launched a diversity management and anti-discrimination training programme for local managers. Hermès also helps vulnerable people by implementing a social inclusion initiative. For example, in 2017, a social inclusion clause was incorporated into its calls for tender in general services.

The aim of responsible management is to:
- increase initiatives to promote health and safety at work;
- empower employees and support them in carrying out their work;
- improve wellbeing at work and enable employees to achieve a better work-life balance;
- and give new meaning to commitment by encouraging those who so wish to become involved in community or charity projects.

CHANGE IN GROUP OVERALL WORKFORCE

Over the last 10 years, the workforce has increased by nearly 81%.

SOCIAL, CORPORATE AND ENVIRONMENTAL RESPONSIBILITY
EQUAL TREATMENT
The Group is committed to the principles of recognition and respect, irrespective of each person’s origin, gender, personal circumstances or profession. This respect for differences is presented to employees in the code of ethics that serves to guarantee objectivity, equal opportunities and the promotion of diversity without discrimination in recruitment, career development and everyday management. It is also the subject of a specific chapter in the diversity management training given to all managers. Employee recruitment respects profile diversity everywhere that Hermès operates.

EMPLOYMENT OF DISABLED WORKERS
Following a diagnosis carried out in 2016, in 2017 Hermès entered into a first Handicap Groupe agreement, signed on 15 June with all the representative trade unions present within the group, then approved by the Paris Direccte (Direction régionale des entreprises, de la concurrence, de la consommation, du travail et de l’emploi – Regional Directorate for Companies, Competition, Consumption, Work and Employment) on 14 December. This three-year agreement for 2018, 2019 and 2020 contains proactive objectives to develop the recruitment, integration and continued employment of disabled individuals. Through this agreement, Hermès demonstrates its support for its disabled employees, and commits to developing purchases from the sheltered employment sector, as well as communication, awareness-raising and training. Without waiting for the official start of the agreement, mobilisation, partnership and recruitment workshops were held over the year at the French sites. Store employees were also trained in receiving customers with disabilities, and all accessibility registers for the stores were finalised. The employment rate in France for disabled individuals in 2017 was 4% (excluding reductions), an increase compared to last year (3.8%). This rate includes the direct employment of the equivalent in full-time work of 283 people with disabilities. In the Leather, Textiles and Hermès Maison divisions, the main employers in France, the 2017 employment rate was slightly higher, reaching 5.5%. In 2017, the Cristallerie Saint-Louis attained 7.7% of disabled workers.

HEALTH AND SAFETY
The métiers and subsidiaries manage Environment, Health and Safety (EHS) processes with great precision, particularly in the industrial sector with a specific EHS network. In France, in 2017, the industrial accident frequency rate – in a highly industrial context (69% of the workforce) – was 14.8 (severity rate 0.75). Métier by métier, it was lower than industry averages. Internationally, the frequency rate was 4, and the severity rate 0.08. Overall, at group level, the rate was 10.1 (severity rate 0.46).

INTERNAL COMMUNICATION
Every week, the Toile H intranet (which can also be accessed by staff from their homes) provides information about the life of the group. More than 300 articles were published in 2017. A specific section, Harmonie Hermès, deals with subjects relating to sustainable development.

SHARING THE CORPORATE VISION
The year was interspersed with some memorable moments, providing an opportunity to strengthen transmission of the corporate culture. – Over 2,400 collaborators attended the Forum H in Lyon. – 315 directors of distribution subsidiaries assembled in Madrid. – 2,500 collaborators gathered at the Grand Palais, Paris, to discover the Hermès à tire-d’aile – Les mondes de Leïla Menchari exhibition.

In the subsidiaries, events were held by the Tannery division (tenth anniversary with Hermès), at Hermès Parfums (fortieth anniversary of the Vaudreuil site), at Chengdu for a Hermès China forum (twenty years of Hermès in China) and at the printer Beyrand (over ninety years of know-how).
The sustainability of Hermès’ activities is based on the availability of high quality materials that lie at the heart of what makes the house unique. As a stakeholder with a conscience, Hermès respects, protects and works to ensure the sustainability of the materials from which its products are made. They are all natural and renewable. They are obtained with respect for regulations and best practices, and in a constant quest for the highest quality and ethical standards.

The group’s approach, which has been consistent for decades, is to gain an ever-greater understanding of its supply chains, to consolidate them in order to ensure the highest standards of quality, and to develop them in preparation for future growth. Each day, in true artisan tradition, the production sites focus on optimising the use of rare and precious materials.

Respect for nature is a strong and abiding value for Hermès. Pragmatic and ambitious long-term solutions to protect the environment are systematically sought, while endeavouring to surpass regulations whenever possible. Our priority is to control our impact on our entire value chain, from agricultural production to distribution, from purchasing to our internal operations. This commitment is a specific mindset that requires the involvement of everyone, making choices ranging from everyday environmentally conscious acts to an intensified EHS culture at our sites. The group’s environmental report includes the industrial production and logistics entities controlled by the house, as well as offices and stores. (Details of the group’s environmental performance are given in pages 81 to 99 of the 2017 Registration Document.)

Over the last ten years, the group has maintained its goal of uncoupling the industrial consumption of water (×1.7) and electricity (×1.3) from growth (×3.1). In 2017, two-thirds of the electricity used by the group was ecologically sourced. Furthermore, the group has offset a proportion of its carbon emissions with the Livelihoods programme (see p.31).

The majority of Hermès production is integrated into the continuing strategy for preserving unique know-how and securing the supply chain. Our capacity for growth is, however, also linked to our suppliers’ development; their exceptional know-how and future successes will contribute to those of the group. Most subcontractors and suppliers have been partners for many years, and this stability fosters close and sustainable working relationships across a wide range of issues. Committed to supporting its partners in the long term and maintaining balanced relationships characterised by goodwill and high standards, Hermès ensures that they comply with the same social, environmental and ethical goals. Aware of its corporate social responsibility, the group also turns to the assisted sector in France for its direct and indirect purchases.
Hermès acts as a corporate citizen wherever it operates. It seeks to contribute to value creation and the sustainable development of the countries, regions and cities in which it is established, notably by generating stable jobs and through local economic, social and cultural initiatives. Hermès assumes its corporate responsibilities in local communities. Lastly, Hermès’ founding values are also seen in the work of the Fondation d’Entreprise Hermès. Created in 2008, the foundation supports philanthropic projects that focus on know-how, the transmission of knowledge and biodiversity (see p.32).

PURPOSE IN THE COMMUNITY

All of Hermès’ production and distribution sites maintain ongoing dialogue with local authorities and stakeholders to ensure they are fully integrated within the local community and nurture relationships based on trust and good neighbourliness. Our approach to industrial development is to create human-sized production sites (around 250 people), integrated into their local ecosystem, based on open dialogue with stakeholders.

LOCAL INVOLVEMENT

Each métier and each site is rooted in its community through local initiatives which create a bond between the house and its environment. In 2017, 3,200 saddle- and leatherworkers worked in 16 manufactures in Paris, Pantin and the French regions, including two sites that were opened during the year:

- The Ganterie de Saint-Junien, in Haute Vienne, employs 130 artisans from the previous town centre site in a renovated former wool processing factory.
- The Maroquinerie de Normandie, established in a new manufacture at the heart of Hermès’ leather and saddlery hub, employs 130 staff. The first facility was opened at the site in 1977.

Several manufactures (Héricourt, the Maroquinerie de Belley, the Maroquinerie Nontronnaise, and the Maroquinerie de la Tardoire) are involved in their respective local communities with sports teams, help for job seekers, partnerships with high schools, support for charities and associations, etc. The other métiers are equally dynamic, and notably organise open days to promote the rich diversity of artisanal skills.

HERMÈS HORS LES MURS

In 2017, the Hermès Hors les Murs (Hermès at Work) festival moved to Tokyo, Nagoya, Hakata and Milan, allowing 127,000 visitors to meet craftsmen from 10 different métiers and discover the house’s fields of artisanal know-how, and by extension, French excellence (see p.87).

INITIATIVES UNDERTAKEN

In their own way and with simple actions, each employee can help build the future. Hermès offers a wide range of initiatives: partnerships with schools and associations, donations to charities, projects for access to cultural activities, blood donation sessions, and participation in local operations to raise awareness of the issue of sustainable development. Through the in-house H³ (Heart, Head, Hand) call for projects, the Fondation d’entreprise Hermès allows employees who volunteer with an NGO to apply for support from the Foundation.

- The Fondation d’Entreprise has the largest budget (in relation to revenue) of all French foundations in 2017. (source: Carenews study, February 2018).

- With nearly 80 sites (manufactures, stores, logistics sites and offices), Hermès has a presence in 11 of the 13 French regions.
- 438 jobs were created in France in 2017.
In 2017, in addition to the Fondation’s initiatives and other current actions, the group’s executive management asked international distribution subsidiaries to increase their local charitable efforts, notably in support of their local communities. In France, a group methodology for the sponsorship of skills was developed in 2017. This enables partners to benefit from skills sponsorship operations in fields related to human resources.

LIVELIHOODS

Since 2012, Hermès has been a partner of the Livelihoods fund, which aims to improve the living conditions of disadvantaged communities in a sustainable manner by developing large-scale projects having a genuine impact in fighting climate change (www.livelihoods.eu).

On 31 December 2017, all investors, including Hermès, committed to investing approximately 38 million euros in the Livelihoods fund. The projects have benefits for local communities and ecosystems, as well as for the ten partners in the fund, which earn carbon credits with a high environmental and social impact in proportion to their investment over the project development period. The nine ongoing, large-scale projects, lasting 10 to 20 years, are spread across Africa, Asia and Latin America, and focus on the following issues:

- the restoration and preservation of natural ecosystems. A total of nearly 18,000 hectares of mangrove have been replanted in Casamance, the Ganges Delta and Indonesia;
- agroforestry and soil remediation through sustainable agricultural practices such as in India’s Araku Valley (6 million trees planted), in Guatemala (4,000 hectares of trees and food plants), and in Kenya (30,000 small farms and dairies assisted in implementing a responsible agricultural model);
- access to rural energy, reducing deforestation: in Kenya, 60,000 households were equipped with improved wood-burning cooking stoves. 30,000 improved stoves were also installed in Burkina Faso. In Peru, 30,000 improved wood-burning stoves are now used by families in great poverty, who are also instructed in basic hygiene.

In December 2017, Hermès celebrated the sixth anniversary of the Livelihoods fund at the Espace Jean-Louis Dumas in Pantin, at an event attended by over 800 people (shareholders, Hermès employees, partner NGOs and friends). At this event, the launch of a second carbon fund was announced, with an investment goal of 100 million euros to improve the lives of 2 million people and avoid (or sequester) more than 25 million tons of CO₂ over the next 20 years. Hermès has announced its participation in this second fund, an ambitious long-term project in keeping with its artisan heritage.

- Over a million people have benefited from the 9 Livelihoods projects, and more than 130 million trees have been planted.
- 10 million tons of CO₂ emissions have been sequestered or avoided.
By setting up the Foundation in 2008, the house’s directors sought to strengthen the impact of Hermès’ patronage while ensuring its continuity. To amplify it, naturally – but using which methods? Identifying the focus of our initiatives was just as important as the way we operated. It therefore became a priority for us to promote know-how, support creativity and encourage the transmission of skills, choosing to favour training in our métiers, as well as implementing inventive and innovative projects in each of these fields. We perpetuate Hermès’ humanist values by offering responses to needs that we identify in the field of public interest. Gradually, the outlines of the Foundation and its initiatives became clearer, leading us to draw up highly targeted programmes of which we are the creators and, for some of them, also operators in the field.

For a number of years, we have examined the initiatives that need be undertaken to promote craftsmanship in society, in particular among younger generations. In 2016, we introduced Manufacto, the factory of know-how, a programme launched via a breakthrough agreement with the Académie de Paris. The success of this first edition strengthened our determination to extend it in the coming years. Experiencing the “pleasure of making” is a lever to discovering the different branches of craftsmanship while educating the eye. At the same time, the third Académie des Savoir-faire (“Know-how Academy”) devoted to metal, once again drew a wide audience around contemporary issues facing a material and its associated skills. These programmes, whether designed for schools or professionals, reflect our conviction that craftsmanship is a profession that is forward-looking and conducive to self-fulfilment. This know-how, while undeniably passed down as heritage, is also constantly developed and open to innovation; it is therefore indisputably contemporary in nature.

In addition, the Foundation is also involved in the field of artistic creation. Our actions are based on promoting freedom of expression by giving artists the time to create their own means of interpretation, and also by giving the public access to sensitive, critical and political thought. We have chosen to promote the forms of our era – those that will become the heritage of the future – by supporting the production of new works. The artists are engaged through four programmes that provide them with different contexts to approach their work – New Settings, the Foundation’s exhibitions, artists’ residencies, and Immersion, a Franco-American photography commission. Taking artistic risks, whether on a stage or in the workshops of a manufacture, contributes to the emergence of unprecedented forms. Over the last ten years, a large number of designers have successfully ventured into new artistic and geographic territories thanks
to the Foundation’s support. Many spectators and visitors have been moved and excited, even shaken, by some compellingly intense works of art. The Foundation is delighted to contribute not only to some of the boldest emerging creations, but also to promoting them among an ever-growing public.

One of the strengths of a foundation such as ours is its corporate anchoring. Our shared culture has allowed us to gain our colleagues’ engagement and participation. In this respect, the H³ – Heart, Head, Hand – programme has increased understanding of our public interest role and boosted dialogue among the house’s employees. Over the last two instalments of the H³ programme, they have enabled us to support some remarkable projects through their relevance and their impact in the fields of transmitting know-how, access to culture, and preserving biodiversity. Furthermore, our support for the WWF strengthens our commitment to biodiversity, and follows on from initiatives in this area undertaken in partnership with the IDDRI since the Foundation was set up.

Working for the common good is an altruistic act that results de facto in respect for otherness, a stance that is particularly important in a complex world. Every one of our representatives, whether they are artisans, artists, volunteers or leaders of public interest organisations, embodies this responsibility to take action for a peaceful and just world. The exemplary nature of their “creative gestures” is the driving force of our action.

CATHERINE TSEKENIS
Director of the Fondation d’Entreprise Hermès
GENERAL TREND
RECORD PROFITABILITY IN 2017

The Group’s consolidated revenue amounted to €5,549 million, up +9% at constant exchange rates and +7% at current exchange rates. Operating income, up 13%, amounted to €1,922 million (34.6% of sales) and net profit increased 11% to €1,221 million.

Axel Dumas, Executive Chairman of Hermès, said: “Hermès achieves a new year of historic results, thanks to the quality of our know-how, the success of our creations and especially the incredible commitment of the women and men of Hermes that I thank particularly.”

ALL THE GEOGRAPHICAL AREAS POSTED GROWTH IN 2017 (at constant exchange rates unless otherwise indicated)

The significant rise in revenues recorded in 2017 in Group stores (+9%) was driven by growth in all the geographical areas. Hermès continued to improve the quality of its distribution network, completing renovation and extension work on almost twenty stores. Hermès deployed its new website in Canada and then the USA. It will be launched in Europe in the first half of 2018, then in China at the end of the year.

Asia excluding Japan (+11%) pursued its upward curve with a positive outlook in mainland China and in South Asian countries. The context is improving in Hong Kong and Macao. The region particularly extended and renovated the Sogo Fuxing store in Taiwan, Kowloon Elements in Hong Kong and the Kuala Lumpur store in Malaysia.

Japan (+4%) despite a high comparison basis, recorded a sustained increase thanks to its selective distribution network.

America (+8%) achieved a good year in particular in the United States. The stores in Toronto and Palm Beach were renovated and extended at the end of the year. Brazil benefited from the opening of the new São Paulo Iguatemi store in June.
Europe (+8%) confirmed an outstanding performance in the Group stores. This was particularly due to the success of the stores opened or extended on Sloane Street in London, in Munich and Copenhagen. France in particular (+5%), whose store on avenue George V is being renovated, performed well.

ALL MÉTIERS RECORDED GROWTH IN 2017
(at constant exchange rates unless otherwise indicated)

All métiers recorded growth, with a remarkable performance of the Ready-to-Wear and Accessories, Perfumes and Other métiers.

Growth in Leather Goods and Saddlery (+10%) is in line with the annual growth target in production capacities, in order to meet the strong demand for both iconic bags and the other models such as the Constance, Halzan, Lindy and Verrou bags. Development projects continue with the Manufacture de l’Allan, and the launch of the maroquineries de Guyenne and de Montereau which are likely to be completed by the year 2020.

The Ready-to-Wear and Accessories division (+9%) confirmed its great performance, driven by the success of the ready-to-wear collections, fashion accessories and particularly shoes.

The Silk and Textiles business line (+6%), gaining from sustained demand, the diversity of materials and the wealth of creations, pursued its growth.

The Perfumes division (+10%) posted strong growth, particularly due to the successful launch of Twilly d’Hermès.

The Watches business line (+1%) recorded a slight increase, with good sales in Group stores. The watches offer was presented for the first time in Geneva at the Salon International de la Haute Horlogerie (SIHH).

Other Hermès métiers (+11%) which encompass Jewellery, Art of Living and Hermès Table Arts, continued their development.

THE OPERATING MARGIN REACHED AN ALL-TIME HIGH OF 34.6% OF SALES

Recurring operating income increased 13% to €1,922 million compared to €1,697 million in 2016. The operating margin (34.6% of sales) is up 2.0 points from 2016. This outstanding result is driven mainly by the success of the collections, the very high level of productivity at the production sites and the positive impact of foreign exchange hedges from 2016.

Consolidated net profit (Group share) increased 11% to €1,221 million, representing an all-time high of 22% of sales.

Operating cash flows reached €1,598 million, up 11%, enabling the Group to finance all capital expenditure (€265 million), the ordinary dividend distribution (€399 million) and share redemptions (€187 million). After adjustment for the reduction in working capital requirements (€25 million), the IFRS net cash position gained almost €600 million to reach €2,912 million as at 31 December 2017.

In 2017, Hermès International redeemed 433,242 shares for €187 million, outside transactions completed within the framework of the liquidity contract.

The Hermès Group increased its workforce by almost 650 people, including more than 400 in France, mainly in the production units and sales teams. At year-end 2017, the Group employed 13,483 people, including 8,319 in France.

GROWTH IN WORKFORCE

The Hermès Group increased its workforce by almost 650 people, including more than 400 in France, mainly in the production units and sales teams. At year-end 2017, the Group employed 13,483 people, including 8,319 in France.
“Hermès is a house which endeavours to accompany today’s men and women with elegance in their everyday lives. It is this ambition that gives our objects their meaning.”

PIERRE-ALEXIS DUMAS
Artistic Director of Hermès
LEATHER GOODS AND SADDLERY

Leather Goods and Saddlery, Hermès’ original métier, includes women’s and men’s bags as well as clutches, document holders, luggage, diaries, writing objects and small leather goods, not forgetting saddles, bridles, and all other equestrian objects and clothing. All of Hermès’ leather objects are born of an alchemy of authentic materials, selected according to rigorous standards, and the skilled hands of the saddler-leatherworkers, who apply traditional know-how passed down from generation to generation. The daily, patient dialogue with raw leather that the artisans bend to their will and fashion into shape endows these objects with the extra measure of soul that makes them unique.

BAGS AND LUGGAGE

The new 2017 collections combined aesthetic appeal with functionality, and the theme of the year offered an opportunity to showcase timeless objects drawn from the history of Hermès. One look at these pieces and “Object Sense” becomes self-evident. This is the case for Fortunio, the reissue of an elegant 1930s clutch with a finely engraved clasp and a clever mechanism. In the travel universe, special mention must go to the RD bag – which takes its name from its designer, Robert Dumas – of which a contemporary version was also reissued.

As for the house’s classics, they appeared in a new light this year: the Kelly gained a handle with the appearance of a bridle browband, or was transformed, like the Birkin and the Constance, with Toile de camp canvas in an equestrian chain print from the Émile Hermès museum.

There was also a colourful version of the Constance, featuring Nigel Peake’s design On a Summer Day, screen-printed on leather. Meanwhile, the Bolide 1923 moved closer to resembling the original, streamlined version. Lastly, sometimes a strap is enough to give a bag a new twist! Whether in Cavale or leather braiding, a label version that invites the addition of its owner’s initials, or a more exceptional offering in studded box calfskin, these straps provide a different way to approach the house’s classics.

Amongst the innovations for 2017, the Opli line, feminine and casual, is remarkable for its intrinsic nature, namely that of a single piece of leather, remarkably folded to become a bag or clutch with an invisible clasp. That of the Hermès Cinétic line, on the other hand, personifies the house’s signature. Inspired by kinetic art, this ingenious clasp depicts an H when closed. It opens a bag, a clutch or a small leather item by pivoting to become a subtle silver-coloured line. The Hermès Cinétic bag is also remarkable for its shape: a small box directly inspired by travel cases from the Conservatoire, for which some now rare techniques had to be revived, such as corner seams and joining seams on the handle. Know-how and exceptional materials are both central to the design of leather goods, whether for creating a jewellery clasp in semi-precious stones or for detailed embroidery work. The choice of specific materials makes it possible in effect to update certain models: the Étrivière line takes on an aviator style when made in sheepskin. The strict lines of Plume 40 are softened by a new Maurice bullcalf which combines suppleness and structure, giving it a more casual shape. The Haut à courroies bag was also transformed, reappearing in felt and wool.

Lastly, the backpacks and duffle bags of the Airsilk line, with its sporty and fluid appearance, were derived directly from the creation of Tech silk, which presents a unique finish combining the feel of silk with the performance of a waterproof coating.
Men’s designs with an urban character, such as Cityslide, are intended for men in movement, both the messenger bag and document holder are adjustable in size thanks to an ingenious system reminiscent of the cartridge case. The Citynews line also includes a sleek messenger bag, as well as a document holder with removable strap. Also worthy of mention is the new and highly practical Cityhall document case, which stands out for its distinctive clasp, and the light backpack, of streamlined dimensions. Lastly, the collection explored the field of new hybrid wearing styles, part bag, part small leather item: with its adjustable straps inspired by men’s ready-to wear, Hapache constitutes a hands-free kit for the active man.

DIARIES, SMALL LEATHER GOODS AND WRITING OBJECTS
Small leather goods evolve with the times, but without ever taking themselves seriously. As an illustration, a playful line draws its inspiration from the house’s equestrian universe. Composed of a long wallet, a purse and a key-case, its construction of superimposed edges and bright colours is based on the protective horse hood. Villandry calfskin, a new, smooth and slightly mottled leather, gives it unparalleled softness. New uses are shaking up formats – or vice versa! Offering several wearing styles, a new model, part bag-part document-holder, features a clasp inspired by the house’s archives, enhancing it with a timeless vintage touch. Other pieces have evolved to suit modern usage, for example becoming tablet cases, while the famous cover of the Ulysse notebook is equipped with storage for cards, phones and tablets.

Lastly, the smallest objects in the new line of accessories are sometimes those that require the greatest know-how. A 1920s dog collar from the Émile Hermès museum has been miniaturised to become a key ring with delicate precious metalwork and metal detailing. The handle of a trunk from the late 1920s, turned into a key ring, evokes the most precious of gems with its diamond shape enhanced by leather sheathing. Lastly, thinness was a true challenge in crafting the three new, functional and very compact card-holders.

EQUESTRIAN
2017 consolidated the success of the Hermès saddle and its three latest models: Hermès Cavale, Hermès Allegro and Hermès Arpège. As a result, the saddlery workshop in Faubourg Saint-Honoré recruited new artisans to increase production capacity. The modernisation of the bridle-making activity continued in parallel. The collection was expanded with ultra-supple reins and single-piece dressage stirrup leathers, as well as a halter, bradoons and an all-purpose girth, ergonomically designed to ensure maximum comfort for the horse. Equipment for the rider was also the subject of cutting-edge innovation, with pieces such as a waterproof jacket offering true technical progress: ultra-stretch and completely waterproof, it is entirely seam-free. Finally, the new physiological riding breeches improve the performance of the rider’s muscles and aid recovery thanks to its compression properties.

1867 ➔ First saddles
Early 20th c. ➔ Haut à courroies bag, designed by Émile Hermès
1930s ➔ Robert Dumas created the bag that would be named the Kelly in 1956
1967 ➔ Constance bag
1984 ➔ Birkin bag, created by Jean-Louis Dumas
2013 ➔ Hermès Cavale saddle
2016 ➔ Hermès Allegro and Hermès Arpège dressage saddles ➔ Verrou bag

— Leather Goods—Saddlery represents the group’s primary activity with 50% of consolidated sales. 2017 revenue: €2,800m
— Hermès welcomed two new partner riders in 2017: Jérôme Guéry for Belgium and Abdelkebir Ouaddar for Morocco.
— In the competition arena, Hermès was present on 25 occasions on the finest international courses, notably for the first time at the legendary La Baule competition.
READY-TO-WEAR AND ACCESSORIES

Ready-to-wear and accessories is Hermès’ second-largest business line, and includes women’s ready-to-wear, men’s ready-to-wear, and the accessories that complete the Hermès wardrobe for today’s men and women.

WOMEN’S READY-TO-WEAR

In the words of Nadège-Vanhée Cybulski, creator of women’s ready-to-wear, “a Hermès object must be as beautiful on the inside as on the outside”.

The interplay of materials that she created for the 2017 collections clearly resonates with this statement. Summer clothes were crafted to reflect their function, like the new college-style coat-and-trouser suit for the early season. Denim for modern, urban use was expressed in a mouliné cotton drill with contrasting top-stitched detail. The exceptional summer leather is the result of technical prowess: the delicacy of lambskin or a glossy calfskin was associated with very light pieces, while judiciously placed perforations contributed to plays of shadow and light. Lastly, the conjunction of silk and lambskin offered a different perspective for summer evenings. The look was reminiscent of late 1930s style, with plain and printed dresses with accentuated waistlines, in flowing fabrics.

Inspiration for the winter collection was drawn mainly from the equestrian universe that is so dear to the house, as well as from Hermès sport. The horse blanket and hood were reinvented as coats, capes and jackets in luxurious fabrics such as plain or two-coloured, double-sided cashmere. In saturated colours, the silhouette was generous and enveloping.

Another section of the collection, however, showed post-modern influences in a palette of flamboyant colours: anemone, mauve, burnt orange, rust and bougainvillea. These included the geometric patterns of the Beta de Nathalie du Pasquier scarf in silk twill, used as the starting point for a city wardrobe that harmoniously combined clean lines and optical illusions. The look was resolutely bold and dynamic.

Lastly, the evening theme of black and white offered contrasts between matt and shine effects. Elegance and refinement held a prominent place thanks to structured fabrics such as silk faille, or wool and silk, with a satin back.

Thus, in 2017, the women’s ready-to-wear designer modernised the classics, giving them an urban touch to express an unfailingly natural and casual elegance.

1920s ☛ First sports clothing for women
1938 ☛ First garments with silk scarf patterns
1967 ☛ Creation of the women’s ready-to-wear department with Catherine de Károlyi
2014 ☛ Nadège Vanhée-Cybulski is appointed designer of the women’s collections

The 2017 autumn-winter collection for women – ready-to-wear and accessories – was showcased at an event at the Shanghai Long Museum: the Hermès Club (see p.84).

“I design clothes to be objects of everyday life, by instilling them with an enduring quality thanks to the expertise of the artisans. Their sophistication matches the poetic charm of hand-crafted objects. For every one of the house’s creations, this is where object sense lies, in this harmony between simplicity and the exceptional.”

NADÈGE VANHÉE-CYBULSKI
Artistic Director of women’s ready-to-wear
MEN'S READY-TO-WEAR

The 2017 theme of “Object Sense”, provided an opportunity to emphasise the essentials in the Hermès men’s universe through a new wardrobe of “object-clothes”, a fundamental concept for Véronique Nichanian, men’s ready-to-wear designer. The spring-summer collection displayed a diverse lightness interspersed with exuberant colour. Patterns and micro-patterns, changing effects and tie-and-dye were all present for a joyful, vibrant summer look.

The 2017 autumn-winter collection was marked by contrasting volumes and textures, reversible items and colours in deep halftones. The house’s exceptional know-how was embodied in the use of leather, in trompe l’œil cable-stitch effect on sheepskin, and in macro patterns and designs, while suits in smooth velvet took on muted shades. This collection with “rock-mantic” overtones brought menswear a confident and casual style. With these two collections, Véronique Nichanian reinvented masculine elegance with vitality and modernity.

1925 ➔ First men’s garment
1978 ➔ First complete men’s ready-to-wear collection

- Representing 21% of consolidated sales, ready-to-wear and accessories is the group’s second largest métier. 2017 revenue: €1,181m.
- The 2017 spring-summer men’s collection, from ready-to-wear to accessories, was showcased at the DwntwnMen special event held in Los Angeles (see p.80).
- A topsy-turvy event – Men Upside Down – offered the occasion to present the 2017 autumn-winter men’s collection, from ready-to-wear to accessories, in Hong Kong (see p.84).

“Hermès is a house of objects, it is a signature. I design object-clothes which men take ownership of, and which endure.”

VÉRONIQUE NICHANIAN
Artistic Director of the men’s universe
SHOES

The annual theme is a major source of inspiration for Pierre Hardy. In 2017 it provided the Creative Director for men’s and women’s shoes with a context to employ the familiar language of shoemaking expertise. This appropriation with an offbeat focus enabled him to highlight “Object Sense” with a resolutely contemporary style.

For summer, the women’s collection included flat sandals with raw edges and articulated straps inspired by a folding ruler, in leathers in natural tones. Also worthy of mention is a colourfully elegant trainer-sandal in printed silk, with hand-worked cut-outs and braiding, offering a new usage to be explored.

In winter, ankle boots were enhanced with palladium-plated rivets evoking workshop tools. The shapes of shoes were emphasised with leather mid-soles highlighting the arches. Lastly, certain ankle and thigh boots featured wedge heels for an assertive look.

For men, the 2017 designs favoured thin leather soles for a supple and light gait. Sandals in calfskin, combined with technical canvas and a sports sole, offered a new, sporting look for high summer. To face winter, derby shoes with a strap and halter buckle, on a rubber and leather sole, provided a masculine, robust footing.

JEWELLERY

In a nod to the pedestrian crossings on the streets of Paris, the Passage clouté line of jewellery, interspersed with round, smooth studs, clearly proclaimed its urban inspiration. It also echoed a collection from the 1930s. The Play line for men, both funky and elegant, revisited the Chaîne d’ancre design with a masculine slant, for a ring or a cuff bracelet.

BELTS

Thanks to a clever sliding system, one-size belts can be adapted to all wearing styles, whether on the waist or the hips. In 2017, this range of belts was expanded to include a new model with a clasp inspired by hinged enamel bracelets. It is enhanced with an elegant saddle nail that operates the mechanism.

For men, new identities were introduced. Inspiration for belt buckles was drawn from the origins of the house of Hermès, whether as a stirrup buckle, a discreet hallmark in the form of a saddle nail, or a reinterpretation of the Chaîne d’ancre pattern.

HATS

For several seasons, the enthusiasm of men of all ages and all styles for the peaked cap has not waned. It was therefore a natural choice to expand the collections with caps in popular designs: baseball, American, flat and five-panel caps. Hats nonetheless remain an excellent alternative, with a wide array of styles, from round or men’s crowns to boater-type, with brims in varying depths. For women, the diversity of shapes, colours, trims and linings affords numerous combinations for hats that are as beautiful inside as out – like the silk twill that is visible or hidden depending on the model.

GLOVES

Gloves have adapted to current trends and a semi-bespoke service is now available. The personalisation of gloves has allowed male and female customers to have gloves made to suit their needs and desires. From the colour of the leather to the finish, lining and initials, everyone can design their own pair during an in-store consultation. This exceptional service is also an opportunity to promote glove-making know-how, which is one of the oldest of the house’s métiers.

SMART OBJECTS

Combined with the Apple Watch Series 3, the Apple Watch Hermès now offers a wider range of exclusive straps with two models in Gala calfskin. Punctuated with six perforations, the Rallye strap is reminiscent of the classic Hermès driving gloves. The printed Éperon d’or strap is illustrated with the equestrian pattern of the eponymous scarf designed by Henri d’Origny in 1974. Lastly, 2017 saw the emergence of a new dial for the Apple Watch Hermès, inspired by the Hermès Carrick watch, also designed by Henri d’Origny in the 1990s.
The theme of the year – “Object Sense” – proved particularly inspiring for the house’s designers, led by Bali Barret, Artistic Director of the women’s universe. The object became a natural focus in their 2017 creations of 90cm silk twill scarves. Based on a motif from the Émile Hermès collection, Fouets et badines was designed by Virginie Jamin. Parures de samouraïs, conceived by Aline Honoré, showcased a suit of armour surrounded by sumptuous decoration. For Trésors d’un artiste Pierre Marie drew inspiration from a 19th-century paint box. Lastly, a Hermès fine jewellery set served as a model for Florence Manlik’s Étude pour une parure de gala, approached in the style of a jeweller’s preliminary drawings.

The emblematic design of Brides de gala – the embodiment of an equestrian object – by Hugo Grygkar was produced in a number of different versions in 2017: interpreted with a positive-negative effect like a shadow puppet, revisited in pastel shades, printed with flowers like an embroidery, or scattered with small, brightly-coloured hearts and presented for the occasion in a heart-shaped orange box! In 2017 Hermès also expanded its collections with plain and faux-plain models. In a 70cm format, women’s scarves were adorned with polka dots, stripes or cubes, producing a new graphic language between printed and plain. Lastly, a new object joined the women’s wardrobe for autumn-winter 2017: a losange in printed cashmere and silk. This soft and colourful new object was born of a unique synthesis of size and material, with perfectly reconstructed illustrations.

“The multi-faceted, multi-functional Hermès scarf is an object that is full of meaning. A space for freedom in design, a blank page for narrative, a territory for skill, a dream palette for colour. Its silk twill is warm in winter and cool in summer, it caresses and comforts. Light and intense, a Hermès scarf passes from hand to hand, from one generation to the next.”

Bali Barret
Artistic Director of the women’s universe
For autumn-winter, the Double jeu scarf in cashmere and silk illustrated the desire to associate prints with plains. The light jersey knit conceals Cyrille Diatkine’s Suite et poursuite design on the reverse side. Lastly, the 7cm tie has become a key piece over the last few seasons. The 2017 version in a heavy silk weave illustrates the house’s micro-patterns. It sometimes allows itself a humorous note, such as the mischievous dog hiding on the reverse side of a houndstooth pattern tie. Another model displays the 13 shades of a denim canvas.

MEN’S SILK

The scarf designers also seized the year’s theme with brio for the men’s wardrobe. In the spring-summer collection, the new 65cm format showcased the house’s landmark objects in an exotic and colourful version called Le Boubou H, designed by Karen Petrossian. For the Flamboyant Web 100 cm scarf in cashmere and silk, featuring two robot spiders, the Japanese designer Daiske Nomura was inspired by the equestrian objects in the Émile Hermès collection, which appear in a unique composition.

For autumn-winter, Silk and Textiles is Hermès’ third largest business line, accounting for 10% of consolidated sales. 2017 revenue: €534m.

Hermèsmatic pop-up stores made an appearance in New York, Moscow, Dubai, Brussels, Nashville, Zurich and Istanbul. In 2017, 15 cities played host to these offbeat laundrettes equipped to overdye neglected scarves and offering pre-overdyed scarves for sale. All over the world, tens of thousands of scarf enthusiasts came to Hermèsmatic, which became one of the year’s success stories (see p.87).

“A sense of balance, pertinence, elegance, practical intelligence, and good sense are transformed into tangible objects in the hands of our designers and artisans. They craft objects that nourish an active dialogue. Then, as faithful as familiar friends, these are transformed again, this time into the abstract object that is pleasure.”

CHRISTOPHE GOINEAU
Creative Director of men’s silk
The house of Hermès also offers collections of gold and silver jewellery, as well as objects and furniture for the home. The common denominators of these very diverse creations are the noble materials, the unique designs and high-quality know-how deployed.

JEWELLERY

In 2017, the Chaîne d’ancre turned punk! Under the influence of Pierre Hardy, Artistic Director of Hermès jewellery, the house’s classic motif was elongated into a safety pin. This simple everyday object was the symbol of rebellious youth in the late 1970s, and today, streamlined, even liberated, this elegant and contemporary shape is transformed into brooches, earrings, rings, bracelets and pendants, playing with clasps and wearing styles. In 2017, Chaîne d’ancre was reinvented in gold and silver, with or without diamonds, gaining a new personality while remaining as timeless as ever.

1938 – Creation of the Chaîne d’ancre bracelet by Robert Dumas. The design has since become a source of inspiration for watches, silk, leather goods, tableware, and more.

2010 – First biennial haute bijouterie collection

2017 – Pierre Hardy imagined the Chaîne d’ancre punk

“*The creative process is not the result of obscure ideas. On the contrary, it is all about the tangibility of an object, the way we visualise it to make it as beautiful, elegant and functional as possible.”*

PIERRE HARDY
Artistic Director of Hermès jewellery
THE HOME UNIVERSE

Accompanying its customers’ everyday lives with elegance, even into the intimacy of their homes, and creating objects that are different, remarkable and unique: this is the ambition of the Hermès home universe. Furniture and lighting, textiles, furnishing fabrics and wallpapers, decorative objects and tableware, as well as personalised creations, are all everyday companions that stand out for the intelligence of their uses and the synergy they display between form, material and function. Their exquisite workmanship combines creative strength with the skilled gesture of the craftsman.

The new collections for 2017, developed under the aegis of Charlotte Macaux Perelman and Alexis Fabry, Artistic Directors of the home universe, were naturally presented during the Milan Furniture Fair. With its brick architecture inspired by the Mediterranean, the light-filled Hermès pavilion designed by Charlotte Macaux Perelman showcased the new collections of objects, furniture, textiles and tableware with simplicity and elegance. Certain pieces drew the particular attention of the public, such as the bronze Aes table by British designers Barber & Osgerby, the Karumi line of bamboo seating designed by the architect Alvaro Siza and the Lien d’Hermès line of objects with its spectacular Groom attelé. Also worthy of mention are the surprising pieces in the Équipages d’Hermès furniture line, as well as the new Tie Set collection of porcelain inspired by Philippe Mouquet’s tie designs, while the powerful and colourful graphics of the plaids designed by Korean artist Seulgi Lee also made a strong impression. The new collection of fabrics and wallpapers was revealed in a light-hearted and cheerful way in the heart of Milan itself as they temporarily decorated the façades of an ice-cream parlour, a bakery and a bar. These in situ initiatives were widely photographed and shared by passing Instagram users.

The second highlight of the year took place in Singapore, at the new Liat Towers flagship store. The collections were presented to the public in the public in the astonishing displays of the Through The Walls event. Playing on architecture within the architecture, the store space presented a house within the house, the walls of which were naturally bedecked with the bold, colourful prints of the new wallpapers. The sales area became a vibrant living space enlivened by remarkable everyday objects (see p.84).

1920 ☛ First objects for the home (ashtrays, beach towels, etc.)
1984 ☛ First porcelain dinner service
1986 ☛ Creation of the Pippa furniture line
2010 ☛ Jean-Michel Frank furniture reissued by Hermès
2011 ☛ First collection of furnishing fabrics and wallpapers

“The Hermès pavilion during the 2017 Milan Furniture Fair received 35,000 visitors.

— #HermesOnTheWall on Instagram accompanied the launch of the new collection of fabrics and wallpapers in Milan.
— #HermesThroughTheWalls accompanied the Singapore event.

Design at Hermès aims for a particular temporal quality. Although it is important for us to be in tune with our age, we also seek a more enduring relationship with time. The lifespan of a Hermès object enables it to be passed on.”

CHARLOTTE MACAUX PERELMAN AND ALEXIS FABRY
Artistic Directors of the home universe
FRAGRANCES

Hermès fragrances are signatures in their own right, diffusing in their wake the house’s elegance and uniqueness. Garden-Fragrances, Hermessence, Colognes and more, a range of essential collections.

Two creations left their olfactory mark on 2017: with *Eau des merveilles bleue* and *Twilly d’Hermès*, the feminine facet of Hermès fragrances was reinforced, and growth of this business line was particularly strong. During the first half-year, the Director of olfactory creation for Hermès Parfums, Christine Nagel, invented a new version of *Eau des merveilles*, which both sustains and refreshes the magic of this fragrance created in 2004. Between sea and sky, *Eau des merveilles bleue* has been given salty notes that highlight the original woody and mineral accord. This multi-faceted fragrance has successfully achieved the feat of expressing sparkling femininity. This was followed by the *Twilly d’Hermès* whirlwind. In the second half-year, the impish lantern-shaped bottle accentuated by a hand-tied silk ribbon became a popular choice with the Hermès girls. Christine Nagel created this new fragrance by “observing them live: free, bold and irreverent”. Its notes of ginger, tuberose and sandalwood combine to express freshness, mystery and woodiness for young women who radiate both sensuality and gentleness with plenty of spirit. *Twilly d’Hermès* has achieved great success with a generation of girls who have taken ownership not only of a fragrance that reflects their nature, but also of its colourful silk ribbon-tie, each one unique, to echo the individuality of each girl – and bears witness to an adventure shared by the fragrance and silk métiers. For men, the strong growth of *Terre d’Hermès* in a highly competitive market contributed to consolidating its status as a classic in the field of men’s fragrance. Lastly, the year ended with the international launch of five new creations by Christine Nagel – including two perfume essences – for the *Hermessence* collection. For women and men alike, *Cardamusc, Musc Pallida, Myrrhe Églantine, Agar Ébène*, and *Cèdre Sambac* are all remarkable new fragrances in the house’s essential collection of understated and intense olfactory poems.

“Fragrance and the object? Something that seemed to me to be contradictory in essence finds its full meaning in light of the Hermès object. Perfume is a creative object, a seductive object, a desirable object. Perfume is also a bottle, giving tangible form to the imaginary, to the transient, embodying it and becoming inseparable from memory.”

CHRISTINE NAGEL
Director of olfactory creation, Hermès Parfums

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
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<tbody>
<tr>
<td>1951</td>
<td>The house’s first fragrance: <em>Eau d’Hermès</em></td>
</tr>
<tr>
<td>1961</td>
<td><em>Calèche</em> fragrance for women</td>
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<tr>
<td>1979</td>
<td><em>Eau de Cologne</em> Hermès, named <em>Eau d’orange verte</em> in 1979</td>
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<tr>
<td>2004</td>
<td>Launch of the <em>Hermessence</em> collection</td>
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<tr>
<td>2006</td>
<td><em>Terre d’Hermès</em> fragrance for men</td>
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<tr>
<td>2016</td>
<td>Christine Nagel becomes Director of olfactory creation, Hermès Parfums</td>
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— 2017 revenue: €288m.
By creating exceptional timepieces without losing sight of the house’s poetic spirit, Hermès chooses to develop watch collections that stand out in the watchmaking industry.

In the network of Hermès stores, watch sales benefited from the global success of the Cape Cod and Heure H collections. The former was significantly updated and expanded over the year. The models launched in 2017 thus featured some entirely new expressions, through dials in mother-of-pearl, onyx and lacquer, a diamond-set case, or adopting a more rock-chic look with the matt black dial and carbon-finish case of the Cape Cod Shadow.

As for the Heure H line, the new models with cases inlaid with white or black lacquer were extremely popular, and offered a new, more striking interpretation of this emblematic Hermès line. Since the Baselworld show in March, Hermès has strongly asserted the originality of its approach within the watchmaking industry by defining its field of expression: Hermès offers a unique relationship with time, full of inventiveness and emotion, time that we can play with without trying to control it. It is this concept of time with which Hermès builds our affinity through its designs.

Hermès’ new products for 2017 notably included a third complication in its Slim d’Hermès line, after Le Temps suspendu in 2011 and L’Heure masquée in 2014. L’Heure impatiente offers a visual countdown of the hour preceding a keenly-anticipated event. It was nominated for the GPHG (Grand Prix d’Horlogerie de Genève – Geneva Watchmaking Grand Prix) in 2017 in the Men’s watch category.

“Hermès creates objects. Objects shaped by artisans to make them true companions for those who wear them. For Hermès, time is also an object. Rather than measuring, ordering, and seeking to control it, Hermès dares to explore another time, designed to arouse emotions, open up interludes and create spaces for recreation. The new products for 2017 express this boldness, this wonderment, while telling a story and throwing off temporal constraints.”

PHILIPPE DELHOTAL
Director of creation and development, La Montre Hermès
The success of exceptional pieces continued in 2017. This was the case for the jewellery watches (such as Faubourg, Arceau and Médor), expanded at the end of the year with the new Klikti line, which showcased the house’s jewellery-making skills through an original design inspired by the equestrian universe. This was also true for the “artistic craft” watches, which explore the finest artisanal watchmaking skills and showcase the creativity and designs specific to Hermès. Hermès now manufactures almost all of its watches, movements and components in-house at its watchmaking hub in Switzerland, and more than ever demonstrates its uniqueness in the watchmaking industry.

1928 ➔ Belt-watch for golfers, automatic pocket watch.
1978 ➔ La Montre Hermès watchmaking workshops established in Biel in Switzerland; creation of the Arceau model
1991 ➔ Cape Cod watch designed by Henri d’Origny
1998 ➔ Martin Margiela creates the double tour watch strap in leather for Hermès
2011 ➔ Arceau Le Temps suspendu watch
2015 ➔ Slim d’Hermès watch

— 2017 revenue: €158m.
— 2017 was marked by a twofold movement, with a marked resumption of growth in retail stores, particularly in Asia, and the gradual reduction in distribution by external retailers, in which Hermès aims to be increasingly selective.
— Exhibited at the Baselworld show in March.
With Hermès Horizons, Hermès applies its traditional sheathing know-how, its creativity, and its sense of innovation to all bespoke orders for private customers. Since its inception, Hermès has never ceased to develop opportunities to support the know-how of its artisans, in order to respond to the requirements of private customers seeking exceptional pieces. In 2011, the special order department, combining creativity and innovation, became Hermès Horizons. This service continues to employ the most prestigious materials and cutting-edge technologies to create unique objects and to personalise all types of vehicles.

Development of these bespoke operations continued in 2017 with specifically designed bags, the customisation of objects from the collections, and even brand new creations designed specifically for customers worldwide. Examples include a bag in Barénia calfskin with a lid, inspired by a binoculars case, made to store a long Kelly bag, and a bespoke backpack in gold Epsom calfskin, a smaller version of which was subsequently reproduced for a child. In the field of bespoke mobility solutions, Hermès Horizons has completed the interior design of a personal jet for a private customer, and is currently working on a project concerning a 42-metre yacht.

Hermès Horizons also plays a role in the internal Mon Rêve Hermès initiative, which offers store managers an opportunity to invent a dream object that they would like to make available to their customers. This year, the four objects developed were a table football table, a skateboard, a longboard and a kite!

- Reissue of the 1962 London bag to mark the reopening of the Sloane Street store in London (see p.75).
- Several objects were created for the reopening of the Toronto store: hockey sticks sheathed in indigo and rouge H Togo calfskin, a Mini Bolide bag embroidered in a bayadere pattern, and two special edition Le Flâneur d’Hermès bicycles.
- 1949 - The Duke of Windsor ordered a wheelbarrow sheathed in black patent calfskin for his wife
- 2002 - Apple holder: structure in Puiforcat sterling silver, sheathed in bright green lambskin
- 2011 - Creation of Hermès Horizons
- 2013 - Creation of Le Flâneur d’Hermès range of bicycles
- 2014 - Case for a triptych of photographs in rouge H box calfskin, presented by the President of France to Queen Elizabeth II
- 2016 - Bespoke rickshaw for a Japanese customer
A true laboratory, petit h brings together all the materials and all the know-how of the Hermès group in a single workshop.

Petit h is a unique place for innovation, the fruit of interaction between ideas and hands, a workshop which invites artists and designers to work with materials and objects unused by Hermès manufactures to design quintessentially hybrid objects in total freedom. Thus fragments of leather, silk, porcelain, crystal, fabric, metal, etc. give form to remarkable, often playful and decidedly quirky objects thanks to the know-how of artisan saddlers and leatherworkers, precious metal-workers, master glass and porcelain-makers, master bootmakers, and more.

French designer François Azambourg joined in the petit h adventure in 2017 with an idea for glass blown into leather. This research, undertaken with the Centre international d’art verrier (CIAV – International centre for glass art) in Meisenthal, resulted in a unique series of leather-and-glass vases. These pieces were presented at the D’Days design festival in Paris in 2017, in an exhibition entitled Les États limites de la création (“The Boundaries of Creation”) to reflect the way in which the artisans had to transcend their respective expertise in glass-making and leather-working to achieve this unprecedented hybridisation of materials (see p.76).

This stand-out project in 2017 reflects the ethos of this unique “laboratory” which is open to designers and at the crossroads of the materials and know-how present within the Hermès group.

2010 Creation of petit h by Pascale Mussard
2013 Petit h moved into the Rue de Sèvres store in Paris

“Essential and therefore precious, Hermès objects have been designed to gain a patina, to embrace the marks of time and to be passed on. Their meaning is in their function, like the petit h hammer: the link between intention and its implementation, time past and future dreams, it works on the material and reflects the love of a craftsman for his tool, without which his gestures would be futile.”

Pascale Mussard and Godefroy de Virieu, Artistic Directors of petit h
CRISTALLERIE
SAINT-LOUIS

For over two centuries, Saint-Louis’ artisans have employed their age-old skills to create new pieces that continue to enrich the Cristallerie’s history and collections. French designer Noé Duchaufour-Lawrence drew inspiration for the Folia collection, launched in 2017, from the natural environment in the Bitche area in the northern Vosges mountains, where the crystalworks is located. Geometric in appearance, the cut of these 25 pieces in crystal takes on a remarkable fractal form drawn from the plant world. This range is in keeping with Saint-Louis’ long-standing categories of tableware, decoration, lighting and furniture, whilst adopting a unique perspective: it includes illuminated furniture, and for several pieces combines the radiance of crystal with the strength of ash wood. A truly contemporary vision of nature’s organic character, Folia pays tribute to the leaves of the Moselle woodland and to creative folly. Meanwhile, the Tommy collection was expanded with new table lamps and oval vases in clear or coloured crystal. Created in 1928, this emblematic collection is remarkable for its six different cuts and for its variety of colours, a true embodiment of the virtuosity of the Cristallerie’s artisans. Lastly, two new paperweights were presented this year in accordance with a custom dating back to 1953, delighting collectors and enthusiasts. These new pieces, crafted with a blowtorch, celebrate in their own way the Chinese astrological sign for 2018, the dog. The animal, depicted in detail, stands out against a white muslin background and is surrounded by a row of canes with clear, green, white and amethyst centres.

www.saint-louis.com

1767  • The Münzthal glassworks, founded in 1586, is renamed the “Verrerie Royale de Saint-Louis”

1829  • The Cristallerie Royale de Saint-Louis produces only crystal

1995  • The Cristallerie Saint-Louis joins the Hermès group

— New stores in Taiwan (Taichung and Kaohsiung).
— Opening of showrooms in Casablanca and Berlin.
— Renovation of dedicated areas in the Paris department stores Printemps and Galeries Lafayette.
**PUIFORCAT**

Puiforcat, which cultivates the art of fine taste and decoration, launched new collections in 2017 that were fully in keeping with this “art of living silverware”.

Available in a limited edition, the *Bureau d’architecte* line comprises nine objects for the office designed by architect Joseph Dirand. An ad hoc manufacturing process was introduced to combine gold and silver in line with the designer’s wishes: all the components were processed separately to allow the different professions to operate, before being silver or gold plated, polished and assembled in their final form with the greatest attention to detail.

*Cannes*, the emblematic cutlery collection designed by Jean Puiforcat in 1928, was expanded in 2017 to include a version set with semi-precious stones: *Cannes précieux*. Available to order only, *Cannes précieux* features handles embellished with onyx, lapis lazuli, jade and jasper. Each of these exceptional pieces demonstrates the perfect match between the know-how of the craftsmen and the designers’ creativity, which perpetuates and at times reinterprets Puiforcat’s excellence in the field of fine silverware.

[www.puiforcat.com](http://www.puiforcat.com)

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**JOHN LOBB**

John Lobb’s designs for 2017 perpetuate the high standards of the Northampton bootmaker, which also continues its tradition of made-to-measure shoemaking in its Paris workshop.

The year’s autumn-winter season was marked by the launch of the first collection of John Lobb shoes for women. Inspired by archives of bespoke shoes and boots, the six models combine contemporary elegance, comfort and functionality. A number of details highlight the house’s expertise in craftsmanship, such as soles with hand-crafted edges, wheeling detail on the heel, and whole-cut construction. This first collection is thus a perfect embodiment of British bootmaking know-how.

The 2017 autumn-winter collection for men draws its inspiration from the river Nene, which flows through Northampton, by emphasising the movement and flow of uninterrupted lines. The collection also confirms its weatherproof credentials, thanks to new rubber soles and storm welt stitching (a type of construction that ensures high level of waterproofing), an underlying theme of this collection.

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**1820** Establishment of a family cutler in Paris

**1915** The cutlery business becomes an exceptional silversmithing company

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Tasting dinners organised in Paris stores and in Japan, China and America to present the art of good taste according to Puiforcat.
Several models have also been cut from a single piece of leather thanks to the superb quality of the raw material, which makes it possible to use patterns of a considerable size. Also worthy of mention is the re-launch of Lobb brown – a colour created in the Paris workshops in the 1960s, drawn from the made-to-measure archives – which features marbled glazing with a finish that develops a patina over time. Lastly, the highly popular collection of sneakers has been expanded with several variants of the Levah model, available in Museum Calf leather. For the spring-summer collection, several models have been designed with the new Tensile construction, an innovation exclusive to John Lobb, resulting from a desire to craft shoes that are not only robust, thanks to the Goodyear welt, but also light and comfortable.

www.johnlobb.com

– In the spring, John Lobb took part in Paris Fashion Week for the first time to present the first women’s collection.
– In 2017, the network of John Lobb own-brand stores was modernised and developed, notably with new addresses in the United States.

TEXTILES

Holding Textile Hermès (HTH), located in the Rhône-Alpes region, brings together ten facilities across four main sites under a single umbrella.

HTH unites all know-how relating to textile production: from design to manufacturing, via weaving, engraving, printing, dyeing and finishing. It supplies not only the group’s various métiers, but also external markets such as clothing and interior decoration, notably for the brands Bucol, Métaphores, Vérel de Belval and Le Crin.

2017 was marked by the buoyancy of internal orders from Hermès’ divisions, for both well-established and new products. These excellent results were due to the complementarity of our métiers and to the preservation of a high level of service whilst structuring work continues. Furthermore, HTH is particularly committed to the preservation and transmission of skills, training a regular flow of apprentices, and maintaining its innovation hub.

2001 ○ Establishment of Holding Textile Hermès
TANNING AND PRECIOUS LEATHERS

The precious leathers that are the hallmark of the Hermès wardrobe, its collections of leather goods and its luxury watches, come from the tannery hub which handles the purchasing, tanning, dyeing and finishing required for high-quality finished products.

In 2017, the exotic leather and calfskin markets were globally sluggish. This trend, which has been observed over a number of years, nevertheless varies between destination markets: although luxury markets maintained the demand for high-quality skins, mid-range and lower grade leather markets continued to slow down – in particular for footwear and, to a lesser extent, fashion. It was in this climate that the hub continued to increase its production and its potential for the group’s métiers in the two sectors of exotic leathers and calfskin.

The major investment programme already underway at the Tanneries du Puy continued – as did organisational and technical restructuring and improving the security of the site, its work stations and manufacturing processes – and will continue over the coming years. At the same time synergies with the Tannerie d’Annonay were strengthened, particularly in supply, as well as in the development of tanning and new finishes.

New exotic finishes, achieved through chrome-free tanning, were very well received by customers in 2017. The pastel shades that have been added to the house’s collections are particularly worthy of note. The watchmaking industry also showed a marked interest in this type of tanning. New developments have emerged, like the Grain 135 calfskin which has been added to the leathers used for the belt collections and the watchmaking sector.

The tannery hub’s ongoing operations and investments are therefore in line with its objectives: to consolidate its position as expert in the precious leathers market – thanks to increased reliability of supply, the optimisation of production capacities, and the development of know-how, innovation and creativity – while continuing to set an example in terms of compliance with ethical and environmental standards.
**SHANG XIA**

The Shang Xia brand was launched by Hermès in 2010 to support the excellence of Chinese know-how and to celebrate a contemporary art of living that aspires to heritage and refinement. It designs, manufactures and sells its own products, which include furniture, lifestyle, accessories, clothes and jewellery.

Amongst the new products added to the collections in 2017 is the Ming Yue bag, the shape of which was inspired by the travel cases used to transport tea services in ancient China. Also worthy of note amongst these exceptional objects is the In Heart collection of furniture which incorporates traditional precious materials such as marble and ebony in a resolutely modern design.

This Chinese contemporary design house has made significant progress this year in its development in Asia. Shang Xia notably entered the Japanese market, allowing a new audience to discover present-day China’s vision of the contemporary art of living.

www.shang-xia.fr

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**2010** ➤ Launch of the brand and opening of the first store in Shanghai

**2013** ➤ Opening of a store in Paris

- Opening of two concessions in prestigious department stores in Asia outside China, in Hong Kong and Osaka.
- A 122 m² store was also opened in Shanghai, in one of the country’s most renowned furniture shopping malls.
In addition to its tableware and art of living collections, Hermès offers a complete range for the home that includes upholstery fabrics and wallpapers. The latter are developed in partnership with the Italian fabric producer Dedar, which also controls international distribution. A joint subsidiary, named Faubourg Italia, was created in 2011. Hermès International holds 60% of its capital.

Hermès holds a 30% share in the capital of J3L, a long-standing French supplier of the group, specialising in metal parts destined principally for leather goods and fashion accessories.

Holding Textile Hermès has a 39.5% stake in the capital of Perrin & Fils. The Perrin Group specialises in weaving for a range of sectors as diverse as lingerie, furnishing fabrics, ready-to-wear and accessories.

www.tissages-perrin.com
VAUCHER MANUFACTURE FLEURIER

Since 2006, La Montre Hermès has held a 25% share in the capital of Vaucher, the watchmaking manufacture. Located in the heart of traditional watchmaking territory, between Neuchâtel in Switzerland and the French border, the Vaucher Manufacture perpetuates exceptional know-how and produces high-end and prestige watch movements.

www.vauчермaнufacturе.сh

BETTINA

Hermès holds a 40% share in the capital of Bettina, a long-standing partner of the group. Specialising in the production of twillaine, a unique marriage of knit and silk, the company operates in the ready-to-wear sector, but also in silk and textiles and the art of living.

www.bettina.mc

MAISON PIERRE HARDY

In July 2016, Hermès acquired a minority stake in the capital of Maison Pierre Hardy, a French shoe and fashion accessory design house directed by Pierre Hardy, its founder and Artistic Director. This partnership further strengthens the links between Hermès and Pierre Hardy, Creative Director of shoes and jewellery at Hermès.

www.pierrehardy.com
3/
HERMÈS
AROUND
THE WORLD
In Europe, 2017 was a particularly intense year for Hermès with the opening of five new stores and a busy programme of events, notably in Paris and Italy.

Amongst the major changes of address, that of a London store is noteworthy: after 30 years of operation, the Sloane Street store moved just a stone’s throw away, to a listed building at 1 Cadogan Place. The area devoted to the collections now covers 380m² over two floors, showcasing the house’s 16 métiers in a setting decorated in shades of pastel pink with touches of copper and warm wood.

To accompany this opening, the British artist Fotis Evans designed two surrealist-inspired window displays, while the store offered articles specifically produced for the occasion, such as the reissued London bag. Designed in 1962, this bag features a clasp inspired by the epaulettes on the uniforms worn by London policemen.

The Munich store, which opened in 1987, also moved a short distance from its first address to the Münz-Arkaden at number 8 Maximilianstraße. In this 16th-century building which once housed a mint, three floors covering a total of 620m² accommodate all of the house’s métiers. A central staircase in marble, emphasised by a subtle interplay of light and transparency, leads to the three floors decorated in warm hues and refurnished in keeping with the original structure.

In April, Athens celebrated the reopening of its store, inaugurated in 2005. The renovated space covers 175m² and offers a new perspective on the house’s métiers. To mark the occasion, Greek artist Socratis Socratous designed three window displays, in which he showcased some remarkable animal-objects in traditional materials, part-dream and part-legend, in a variation on the theme of “Object sense”. This reopening provided an opportunity to host the Carré Mania event, a true festival of colour and silk, on the first day of autumn.

This event was followed shortly afterwards by the reopening of the historic Biarritz store, which, since 1926, has been located in a small listed building with Art Deco style façades just a stone’s throw from the ocean. At the entrance to the 110m² store, the duc attelé motif, the house’s symbol, greets visitors on a floor in shades of sand, pearl grey, green and white that echo the colours of this Basque city.

Lastly, in high summer, Hermès unveiled its new premises in the Danish capital: a neoclassical building with 17 windows located at number 4, Højbro Plads, one of Copenhagen’s largest squares. The 16 Hermès métiers are represented over 330m² in an interior that coordinates the house’s themes with Scandinavian design.

In parallel, the year was interspersed with numerous Hermès events taking place throughout Europe. The 2017 season of events began with the success of the eighth Saut Hermès at the Grand Palais in Paris, which has become an unmissable fixture on the equestrian calendar. Some 16,000 visitors attended the show-jumping trials and other activities programmed over the three-day celebration of equestrianism. For the first time, the international competition included an evening session on the Saturday, offering an opportunity to introduce a new class: the Prix du 24 Faubourg.

In late March, petit h objects made a stopover in the original Hermès store in via Condotti, Rome. These unique objects, created specifically for the Eternal City, formed a veritable contemporary cabinet of curiosities, including for example a “bearbookshelf”, a leather horse, and leather charms featuring Italian motifs. This pop-up outlet was accompanied by workshops open to all, and meetings with the designers.
Shortly afterwards, the Antwerp museum of fashion, MoMu, offered an immersion in Hermès’ recent history. The Margiela – The Hermès Years exhibition retraced the collaboration between Martin Margiela and the house at 24, Faubourg Saint-Honoré: from 1997 to 2003 he was Artistic Director for the women’s ready-to-wear collections, while at the same time working on the development of his own brand. Over five years and twelve collections, the Belgian designer reinvented the Hermès women’s wardrobe by emphasising quality, comfort and the timeless character of the clothes.

In early April, the design world gathered in Milan, where Hermès presented a Mediterranean-inspired pavilion to showcase the house’s latest designs for the home universe. 35,000 people visited the Hermès pavilion, while in the city’s historic centre the new collection of fabrics and wallpapers was unveiled, cheerfully decorating the façades of a café, a patisserie and an ice-cream parlour. The #HermesOnTheWall hashtag then took over, giving these patterns global prominence (see p.56).

Back in Paris, in early May, petit h revealed the research undertaken by its artisans with French designer François Azambourg for the D’Days design festival. The Les États limites de la création (“The Boundaries of Creation”) exhibition featured some remarkable objects achieved by blowing glass into leather (see p.64).

In mid-May, after an international tour, lions, tigers, leopards, panthers and other large cats invaded the Faubourg Saint-Honoré store in Paris in a tribute to the talented artist and illustrator Robert Dallet. The Fierce and Fragile, Big Cats in the Art of Robert Dallet exhibition offers a moving journey into the world of this artist and highlights his close collaboration with Hermès, while raising visitors’ awareness of the threat to the survival of these species.

In November, the house paid tribute to a key figure in its history. Leïla Menchari arrived at the Faubourg store in 1961 to “draw her dreams” alongside Annie Beaumel, and was put in charge of store windows in 1978, creating some flamboyant displays. The Hermès à tire-d’aile – Les mondes de Leïla Menchari exhibition at the Grand Palais in Paris, offered an opportunity to see – or see again – bags, saddles and other emblematic objects of the house set in eight colourful compositions inspired by an oriental palace, an Egyptian temple or a treasure cave, playing with “Object sense” before its time.

2017 drew to a close to music in Madrid, with Silk Mix, a pop-up store in which record sleeves were decorated with men’s silk scarves, and cassette tapes with ties. Each record contained the soundtrack to a men’s runway show and each cassette the recording of a piece released in 2017. In just a week, 6,300 people discovered Hermès silk designs while listening to music – and vice versa!

Lastly, the ready-to-wear collections were presented at Paris runway shows in the rotunda at the Salle Pleyel for men, and at the Palais de Chaillot for women.
<table>
<thead>
<tr>
<th>Country</th>
<th>Branches</th>
<th>Concessionaires</th>
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<tr>
<td>Combined</td>
<td>7</td>
<td>7</td>
</tr>
</tbody>
</table>

**AUSTRIA:** 2
- 2 concessionaires

**BELGIUM:** 3
- 3 branches
  - Antwerp
  - Brussels
  - Knokke-le-Zoute

**CZECH REPUBLIC:** 1
- 1 branch
  - Prague

**DENMARK:** 2
- 1 branch
  - Copenhagen
- 1 concessionaire

**FRANCE:** 31
- 14 branches
  - Aix-en-Provence
  - Biarritz
  - Bordeaux
  - Cannes
  - Deauville
  - Lille
  - Lyon
  - Marseille
  - Paris Faubourg Saint-Honoré
  - Paris George-V
  - Paris Sèvres
  - Rennes
  - Saint-Tropez
  - Strasbourg
- 17 concessionaires

**GERMANY:** 17
- 10 branches
  - Baden-Baden
  - Berlin KaDeWe
  - Berlin West
  - Cologne
  - Düsseldorf
  - Frankfurt
  - Hamburg
  - Hanover
  - Munich
  - Nuremberg
- 7 concessionaires

**GREECE:** 1
- 1 branch
  - Athens

**IRELAND:** 1
- 1 branch
  - Dublin

**ITALY:** 16
- 11 branches
  - Bologna
  - Capri
  - Florence
  - Milan
  - Naples
  - Padua
  - Palermo
  - Porto Cervo
  - Rome
  - Turin
  - Venice
- 5 concessionaires

**LUXEMBOURG:** 1
- 1 concessionaire

**NETHERLANDS:** 4
- 2 branches
  - Amsterdam De Bijenkorf
  - Amsterdam P.C. Hoofstraat
- 2 concessionaires

**NORWAY:** 1 concessionaire

**PORTUGAL:** 1 branch
- Lisbon

**PRINCIPALITY OF MONACO:** 1
- 1 branch
  - Monte Carlo

**RUSSIA:** 2
- 2 branches
  - Moscow Gum
  - Moscow Stoleshnikov

**SPAIN:** 5
- 5 branches
  - Barcelona Diagonal
  - Barcelona Paseo de Gracia
  - Madrid Castellana
  - Madrid Ortega y Gasset
  - Marbella

**SWEDEN:** 1
- 1 concessionaire

**SWITZERLAND:** 11
- 9 branches
  - Basel
  - Bern
  - Crans
  - Geneva
  - Gstaad
  - Lausanne
  - Lugano
  - St. Moritz
  - Zurich
- 2 concessionaires

**TURKEY:** 3
- 2 branches
  - Istanbul Istinye Park
  - Istanbul Nisantasi
- 1 concessionaire

**UNITED KINGDOM:** 9
- 7 branches
  - Glasgow
  - London Bond Street
  - London Harrods
  - London Royal Exchange
  - London Selfridges
  - London Sloane Street
  - Manchester Selfridges
- 2 concessionaires
On the American continent, 2017 was marked by three major store openings: in Brazil, the United States and Canada, strengthening Hermès’ presence on the entire continent.

On 3 June, Hermès opened a store in São Paulo, its third in Brazil, at the prestigious Iguatemi shopping centre. This 185m² space, with white façades interspersed with horizontal, modular blinds, evokes the architecture of a 1950s South-American house. The project was designed by the Paris agency RDAI, which is responsible for applying Hermès’ identity to all stores worldwide, in harmony with the culture and customs of the host country. The furniture and decorative panels were thus made out of wood from the cabreúva tree, a South American species. To accompany the opening of these new Brazilian premises, French artist Zaven Paré designed window displays which featured a kinetic sculpture, Solar Machine, made up of 180 yellow arms to symbolise the house’s know-how.

In the United States, Hermès also had a change of address in Palm Beach, where the house opened its first store in 1977. This year it moved to the Royal Poinciana Plaza, increasing its floor space to 430m². This shopping centre, set in immaculate gardens, is remarkable for its 1950s architecture in soft hues. This new space in a timeless style has been personalised with designs from 24 Faubourg. The choice of fresh colours and oak for the furniture are well-matched with Palm Beach’s unique light and climate. A stone staircase connects the two levels which showcase Hermès’ 16 métiers, combined with an openwork panel that procures a feeling of serenity.

Lastly, in Canada the Toronto store was opened just a stone’s throw from its former location. 100 Bloor Street West covers 450m² on two floors, and presents a distinctive brick façade with bevelled pillars framing recessed windows, which over the course of the day and the seasons create an interplay of shadow and light. A monumental oval staircase in light marble unfurls like a ribbon at the centre of a vast area decorated in warm hues. The silk universe unfolds around this spiral sculpture, the dazzling palette of colours contrasting with the whiteness of the staircase. On the first floor, the home universe has been expanded and now offers the people of Toronto furniture and lighting, while a private area is available for a more personalised experience. In addition to the full range of Hermès métiers present in the store, 100 Bloor Street West also offered specially designed objects to mark the opening: a hockey bag and sticks, two models of bicycles, miniature winged saddles, Jigé clutch bags and vibrant versions of the Kelly and Bolide bags. This new store reflects the special bond between Hermès and the Canadians, marked by a shared energy for innovation and a love of hand-crafted objects.
In Mexico, the Monterrey and Guadalajara concessions have been taken back under Hermès’ control.

In addition to these permanent establishments, Hermès also presented the unique DwnTwnMen event in Los Angeles on 9 March. Centred on the 2017 spring-summer men’s collection – from ready-to-wear to accessories – it was designed for the modern urban man in downtown L.A. Whatever their style and influences, they share an open-mindedness, a visionary creativity, an ecological conscience and an interest in culture. After the runway show, DwnTwnMen offered them an immersive experience in a sensory and digital environment marked by seven energetic slogans (Shake me Up, Please Do Touch, Feel the Color, Say Something, etc.), inviting the audience to take part in the various activities on offer. Each guest was able to explore every facet of Hermès according to their own path, before the evening drew to a close with musical entertainment.

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The new Hermès website was launched in Canada, then the United States in 2017, with roll-out continuing in Europe and China in 2018. The new site offers a smooth, fast purchasing experience and reflects the originality of Hermès’ designs and know-how. It also promotes the house’s major events (runway shows, exhibitions, etc.).

www.hermes.com/ca
www.hermes.com/us
#hermessilkmix

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51 STORES IN THE AMERICAS

**ARGENTINA:** 1
1 branch
Buenos Aires

**BRAZIL:** 3
3 branches
Rio de Janeiro
São Paulo Cidade Jardim
São Paulo Iguatemi

**CANADA:** 5
4 branches
Calgary
Montreal
Toronto
Vancouver
1 concessionaire

**CARIBBEAN:** 1
1 branch
Saint-Barthélemy

**CHILE:** 1
1 concessionaire

**MEXICO:** 6
6 branches
Mexico City Guadalajara
Mexico City Masaryk
Mexico City Moliere
Mexico City Monterrey
Mexico City Palacio Perisur
Mexico City Santa Fe

**PANAMA:** 1
1 concessionaire

**USA:** 33
26 branches
Atlanta
Bergen County
Beverly Hills
Boston
Chicago
Dallas
Denver
Greenwich
Hawai Ala Moana
Hawai Waikiki
Houston
Las Vegas Bellagio
Las Vegas City Center
Las Vegas Wynn
Miami
New York Madison
New York Men on Madison
New York Wall Street
Palm Beach
Philadelphia King of Prussia
San Diego
San Francisco
Seattle
Short Hills
South Coast Plaza
Washington
7 concessionaires
In 2017 Hermès strengthened its presence in Asia with a new store in China, while several stores were re-opened to the public after refurbishment. Hermès’ firmly-established presence in the Far East was also apparent in a series of events that contributed to extending its reach.

The Maison Hermès Dosan Park re-opened in Seoul: the indoor areas of this emblematic cubic building, built in 2006, were sensitively refurbished. In the space of 10 years, the site has deservedly become one of Seoul’s major cultural centres. The second floor now houses a surprising tribute to Sol LeWitt by the Korean sculptress Haegue Yang.

Meanwhile, the Atelier Hermès offered a “retro-prospective” exhibition of works by artists Baek Kyung Ho, Kim Heecheon, Kim Minae, Yoon Hyangro, Park Kiljong and Kim Yunha, examining both the past decade and the decade to come. The window displays evoked previous installations by artists Flying City, Young-Whan Bae, Jinnie Seo and Jackson Hong, while the Mino mascot, designed by French illustrator Ugo Gattoni, was featured on the façade to announce the reopening to the wider public.

In the autumn, Taipei celebrated the reopening of its store in the Far Eastern Sogo Fuxing department store after refurbishment. Opened in 2008 after being transferred from the Asia Shopping Mall, this store now covers 260m² of floor space on two levels, connected by an atrium with a strikingly high ceiling. This configuration enables the large windows on the upper level to bathe the Hermès objects within in natural light.

To round off the year, the Kuala Lumpur store in Malaysia, located in the Pavilion shopping centre, re-opened on two floors in a larger, refurbished space. Now covering 250m² of floor space, this store presents the home universe for the first time.

In Japan, two sites were also re-opened after building work: Shinjuku Takashimaya and Yokohama Takashimaya.
Over the course of 2017, Hermès also organised large-scale events to strengthen its presence in Asia.

The Long Museum in Shanghai was transformed for one night only into a Hermès Club to celebrate the spirit of the Hermès woman: sophisticated, mysterious and joyful! Close to 1,200 guests had the opportunity to explore this pop-up club, in which a series of striking environments showcased the ready-to-wear and accessories collections. It was a celebratory experience in a colourful pop-up club devoted to the house’s creations.

Hermès invited over 2,200 guests to celebrate the men’s collections at Hong Kong’s former airport, facing the sea, for an evening celebrating a sense of opposites, sense of direction, broader sense and sense of humour! Men Upside Down was well and truly an opportunity to invert perspectives and change viewpoints, like the men’s collections which play with the contrasts, asymmetry and ingenuity of a detachable collar or reversible coat... This topsy-turvy party, combining elegance with poetic charm, rigour and creativity, offered a sense of freedom through joyful and playful experiences that engaged all the senses!

In the autumn, the Through the Walls installation completely transformed the Singapore store into a large-scale house within a house that pushed back the boundaries of reality: partitions split open, objects interacted with each other... The latest designs from the home universe mischievously came to life in the most unexpected ways... This immersive installation gave a prominent place to “Object sense” in a vibrant and welcoming house that was open to all, offering fun workshops for visitors over the weekend. To take part they simply had to... walk through walls!

To celebrate the twentieth anniversary of Hermès’ entry into the Chinese market, the Maison Hermès in Shanghai hosted Harnessing the Roots, the first instalment of Hermès Heritage, “a series of travelling exhibitions designed to share the richness of a living heritage with a wider public”, in the words of Pierre-Alexis Dumas. Through this vast project, Hermès examines its past in the light of its contemporary identity. The first chapter of the series is dedicated to equestrian harnesses, their successive metamorphoses, and their influence on Hermès creations. In fact, as the Artistic Director of Hermès reminds us: “There is no amnesia in design.”

Lastly, as the year drew to a close, the Maison Hermès Dosan Park was transformed into an enchanted garden dotted with kinetic art. This installation by Korean artist Yeondoo Jung associated surprises and optical illusions, offering an ideal setting to welcome petit h and its quirky pieces to Seoul for the first time. Visitors admired an astonishing cockerel-origami-bookcase and a life-size tiger whose coat, composed of 189 pieces of leather, is the result of a remarkable work of marquetry by house’s craftsmen, and was created especially for the occasion.

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**Hermès Club**
Shanghai Long Museum, China
15 June 2017
#hermesclub

**Men Upside Down**
Hong Kong former airport
23 September 2017
#hermesupsidedown,
#hermesmenupsidedown

**Through the Walls**
Hermès Singapore Liat Towers, Singapore
7-29 October 2017
#hermesthroughthewalls,
#hermesmaison

**Hermès Héritage, Harnessing the Roots exhibition**
Maison Hermès, Shanghai, China
20 October-18 November 2017
#hermesheritage

**Petit h in Seoul**
Maison Hermès Dosan Park, Seoul, South Korea
21 November-17 December 2017
#petith
https://maisondosanpark.hermes.com

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above Hermès Club women’s event at the Long Museum in Shanghai.

opposite Hermès Heritage – Harnessing the Roots exhibition at the Maison Hermès in Shanghai.
### 140 Stores in Asia-Pacific

<table>
<thead>
<tr>
<th>Region</th>
<th>Stores</th>
<th>Concessionaires</th>
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<tbody>
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<tr>
<td><strong>Beijing ParkLife</strong></td>
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<td><strong>Beijing Peninsula</strong></td>
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<td><strong>Beijing Shin Kong</strong></td>
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<td><strong>Chengdu Swire</strong></td>
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<td><strong>Chongqing Mixc</strong></td>
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<td><strong>Dalian</strong></td>
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<td><strong>Shenyang Mixc</strong></td>
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<td><strong>Shenzhen City Crossing</strong></td>
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<tr>
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**Hermès Around the World**
On an international level, Hermès also organises offbeat or cultural events that tour the world to meet a wider public.

In 2017, the joyful and creative Hermèsmatic touring launderette travelled to 15 cities worldwide, enabling scarf collectors to give their favourite pieces a second lease of life. In the United States, Switzerland and France, dazzling pop-up boutiques with distinctive orange-coloured washing machines offered a free machine dyeing service for scarves. Like an elixir of youth, the procedure made it possible to transform scarves with unusual colours. Scarves that had been overdyed in advance were also available for sale, to enable enthusiasts to expand their wardrobe – and their collection.

After many other ports of call, in 2017 the Wanderland exhibition toured Asia. It extended an invitation to wander through an imaginary Paris scattered with objects drawn from the collections of the Émile Hermès museum and the house’s archives, as well as from the latest Hermès collections. Not without imagination, these objects revive a vision of Paris that is both eternal and playful. Here we see a square literally suspended in time, there a café of forgotten objects, further on a covered passage with a thousand surprises in the window displays... and even a metro station. Wanderland proved highly successful, attracting nearly 80,000 visitors in Shanghai, then close to 65,000 in Taipei.

Launched in 2016, the Hermès hors les murs festival called in on two further cities this year under the names of Hermès At Work in Japan then Hermès dietro le quinte in Italy. Each one offered an immersion in Hermès know-how, with the opportunity to watch artisans as they crafted their materials, and to listen to them sharing their passion. Discovering the techniques used to give shape to objects enabled the public to better understand the value of these hand-crafted pieces. At the same time, conferences to learn more about the festival’s themes were offered at the Maison Ginza in Tokyo. Hermès hors les murs proved highly popular in both cities, with more than 5,000 visitors attending in Tokyo and more than 10,500 in Milan.

Lastly, 2017 was also marked by another Hermès campaign: an intangible initiative without borders, a play on words. Hermèsistible, the dictionary of imagination, continued to grow over the year with new whimsical but highly evocative terms to describe the house’s jewellery accessories.

Hermès artisans travelled all the way to Hakata in Japan to share their know-how at the Hermès At Work festival.
In a geopolitical and socio-economic environment which has been characterised for several years by great instability and volatility worldwide, Hermès’ unique model is very solid and strong year after year, with regular growth in its revenue over time.

Hermès is proud of its long tradition, drawing on the excellence of its craftsmanship, a high degree of creativity and an exclusive distribution network.

The house continues to flourish, thanks to its attractive range of rich and diverse métiers.

The Group thus launched a new Internet platform, firstly in Canada and the United States. It will be available in the first half of 2018 in Europe, then in China at the end of the year, to offer a unique and original digital experience, bringing together editorial content and products that reflect the diversity and originality of our creations, and the proficiency of our savoir-faire, as well as relaying the house’s major events, all at a single point of entry.

The qualitative development of our network will be pursued with the opening of eight new stores, notably in Hong Kong, Palo Alto in the United States, Cancún in Mexico, Bangkok in Thailand and Xi’an in China. Priority will be given to extensions and renovations in over twenty stores around the world.

In light of our particularly strong growth, Hermès will continue to increase its production capacities. The strong demand in Leather Goods & Saddlery, both for iconic bags and for other models such as the Constance, Halsan, Lindy and Verrou bags, will be sustained by the development of the new sites, projects to increase production capacity, and the recruitment and training of craftsmen.
Following the site extensions in Le Vaudreuil in Normandy and Saint-Junien in Limousin in 2017, the Manufacture de l’Allan will open in 2018, followed by the Guyenne and Montereau sites by 2020.

Meanwhile, the house’s other métiers will continue to draw on their know-how to design and produce exceptional objects in harmony with each other.

True to its tradition of unique communication that accompanies our numerous projects, Hermès will continue to devise rich and surprising events whose impact will be enhanced by a series of media-wide campaigns. The events strategy will remain extremely dynamic with the Saut Hermès at the Grand Palais, events inspired by our universes (women, men and home), as well as the Hermès At Work festival, petit h sales events and celebrations for the store openings and re-openings.

In 2018, Hermès celebrates the theme of “Let’s play!”. Beyond mere recreation, this guiding vision reminds us of the importance of enjoyment as a driver of creativity, innovation and agility.

In the medium term, despite growing economic, geopolitical and monetary uncertainties around the world, the group confirms an ambitious goal for revenue growth at constant exchange rates.

Giant 140cm Fouets et badines scarf in cashmere and silk, designed by Virginie Jamin.