

HERMES

Quarterly information report as at the end of September 2017

**Solid growth in sales in the third quarter (+11% at constant exchange rates)
At the end of September, revenues were up 10% at constant exchange rates**

Paris, 8 November 2017

The Group's consolidated revenues amounted to €4,050 million at the end of September 2017, up 10% at constant and current exchange rates. The group's stores posted a solid increase in sales (+11% at constant exchange rates).

Growth in the third quarter (+11% at constant exchange rates) was particularly sound, driven by all the geographical areas, with a well-balanced contribution from all sectors.

Sales by geographical area at the end of September *(at constant exchange rates unless otherwise indicated)*

At the end of September 2017, revenues were up in all the geographical areas worldwide:

- Asia excluding Japan (+14%) pursued its progress, despite a strong comparison basis, and benefitted in particular from the favourable sales momentum both in mainland China and in South Asian countries.
- Japan (+5%) achieved a solid performance, despite the strengthening of the Yen.
- America (+9%) developed in a still contrasting economic environment. The area continued to expand in Brazil with the new store of Sao Paulo Iguatemi opened in June.
- Europe (+9%) confirmed its strong performance, driven particularly by the success of the store openings and extensions in Rome, London and Munich, and by a good increase in the group's stores in France.

Sales by sector at the end of September *(at constant exchange rates unless otherwise indicated)*

All sectors recorded growth, with a remarkable performance of the Ready-to-Wear and Accessories, Silk and Textiles, and Perfumes business lines.

Growth in Leather Goods and Saddlery (+11%) was in line with the annual growth target of around 10%, thanks to the success of the collections and the diversity of models, particularly the Constance, Halzan, Lindy and Verrou bags, alongside the Birkin and Kelly. The business line benefitted from the production capacities of the new sites. Investments continued with the *Maroquinerie de l'Allan* which will be inaugurated by the end of the year and the launch of the projects *Maroquinerie de Guyenne* and *Maroquinerie de Montereau* by 2020.

The Ready-to-wear and Accessories division (+11%) confirmed its good performance, driven by the success of the ready-to-wear collections, as well as fashion accessories and shoes.

The Silk and Textiles business line (+9%) pursued its growth, benefitting from sustained demand, the diversity of the collections and the wealth of the creations.

The Perfumes division (+13%) posted strong growth, driven notably by the launch of *Twilly d'Hermès*, which has met with great success.

The Watches business line (+1%) continued its slight improvement in the third quarter.

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

Highlights

At the end of September, currency fluctuations were slightly unfavourable representing a negative impact of €25 million on revenues.

Over the first nine months of the year, Hermès International redeemed 106,421 shares for €45.1 million, outside transactions completed within the framework of the liquidity contract.

Outlook

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. As announced when the half-year results were published in September, the performance as at the end of June, which gained from the non-recurring impact of foreign exchange hedges from 2016, cannot be extrapolated over the full year 2017.

In 2017, Hermès is celebrating the "Meaning of objects". By the wealth of its creations and its fundamental style, Hermès accompanies men and women in their everyday lives. And this ambition is what gives our objects meaning.

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

*The press release on Revenue at the end of September 2017 is available on the Group's website:
<http://finance.hermes.com>.*

Coming events:

- 8 February 2018: publication of 2017 Revenues
- 21 March 2018: publication of 2017 Results
- 3 May 2018: publication of 1st Quarter 2018 Revenues

INFORMATION BY GEOGRAPHICAL ZONE (1)

In millions of Euros	As of Sept 30th		Evolutions	
	2017	2016	Published	At constant exchange rates
France	549.9	521.6	5.4%	5.4%
Europe (excl. France)	744.9	673.4	10.6%	11.9%
Total Europe	1,294.8	1,195.1	8.3%	9.1%
Japan	515.4	506.9	1.7%	4.5%
Asia Pacific (excl. Japan)	1,462.6	1,290.4	13.3%	13.6%
Total Asia	1,977.9	1,797.3	10.1%	11.1%
Americas	709.0	649.8	9.1%	8.8%
Other	68.4	54.9	24.5%	24.6%
TOTAL	4,050.1	3,697.1	9.5%	10.2%

In millions of Euros	3rd quarter		Evolutions	
	2017	2016	Published	At constant exchange rates
France	189.2	169.3	11.7%	11.8%
Europe (excl. France)	269.4	239.7	12.4%	14.1%
Total Europe	458.6	409.0	12.1%	13.2%
Japan	166.7	177.1	(5.9)%	6.7%
Asia Pacific (excl. Japan)	464.1	434.3	6.9%	12.4%
Total Asia	630.7	611.4	3.2%	10.9%
Americas	226.6	218.2	3.8%	8.7%
Other	21.2	18.2	16.4%	16.5%
TOTAL	1,337.1	1,256.7	6.4%	11.3%

(1) Sales by destination.

INFORMATION BY SECTOR

In millions of Euros	As of Sept 30th		Evolutions	
	2017	2016	Published	At constant exchange rates
Leathergoods and Saddlery (1)	2,057.6	1,861.4	10.5%	11.2%
Ready-to-wear and Fashion accessories (2)	882.7	801.3	10.2%	10.9%
Silk and Textiles	362.4	334.5	8.3%	9.2%
Other Hermès sectors (3)	256.6	233.0	10.1%	10.8%
Perfumes	220.5	194.9	13.1%	13.3%
Watches	113.5	112.6	0.9%	1.3%
Other products (4)	156.8	159.5	(1.7)%	(0.9)%
TOTAL	4,050.1	3,697.1	9.5%	10.2%

In millions of Euros	3rd quarter		Evolutions	
	2017	2016	Published	At constant exchange rates
Leathergoods and Saddlery (1)	653.7	630.2	3.7%	9.3%
Ready-to-wear and Fashion accessories (2)	303.5	283.8	6.9%	11.9%
Silk and Textiles	116.1	104.3	11.3%	16.8%
Other Hermès sectors (3)	84.3	82.4	2.3%	6.8%
Perfumes	86.1	70.3	22.4%	23.1%
Watches	38.5	38.0	1.5%	6.2%
Other products (4)	54.9	47.7	15.2%	17.4%
TOTAL	1,337.1	1,256.7	6.4%	11.3%

(1) The “Leather Goods and Saddlery” business line includes bags, riding, diaries and small leather goods.

(2) The “Ready-to-wear and Accessories” business line includes Hermès Ready-to-wear for men and women, belts, costume jewellery, gloves, hats and shoes.

(3) The “Other Hermès business lines” include Jewellery and Hermès home products (Art of Living and Hermès Tableware).

(4) The “Other products” include the production activities carried out on behalf of non-group brands (textile printing, tanning...), as well as the John Lobb, Saint-Louis, Puiforcat and Shang Xia products.

REMINDER OF PREVIOUS PUBLICATIONS

INFORMATION BY GEOGRAPHICAL ZONE (1)

In millions of Euros	2017			2016		
	Q1 Report	Q2 Report	S1 report	Q1 Report	Q2 Report	S1 report
France	171.3	189.4	360.7	164.1	188.2	352.3
Europe (excl. France)	229.1	246.5	475.5	211.4	222.3	433.8
Total Europe	400.4	435.8	836.2	375.6	410.6	786.1
Japan	178.9	169.9	348.7	167.8	162.0	329.8
Asia Pacific (excl. Japan)	507.7	490.7	998.5	425.7	430.4	856.1
Total Asia	686.6	660.6	1,347.2	593.5	592.4	1,185.9
Americas	240.3	242.1	482.4	204.2	227.5	431.6
Other	24.4	22.8	47.2	17.4	19.3	36.7
TOTAL	1,351.7	1,361.3	2,713.1	1,190.7	1,249.7	2,440.4

(1) Sales by destination.

INFORMATION BY SECTOR

In millions of Euros	2017			2016		
	Q1 Report	Q2 Report	S1 report	Q1 Report	Q2 Report	S1 report
Leathergoods and Saddlery (1)	695.9	708.1	1,404.0	590.6	640.6	1,231.2
Ready-to-wear and Fashion accessories (2)	282.9	296.3	579.2	256.4	261.1	517.5
Silk and Textiles	133.8	112.5	246.3	121.1	109.1	230.3
Other Hermès sectors (3)	83.8	88.5	172.3	70.4	80.2	150.6
Perfumes	71.1	63.3	134.4	59.9	64.7	124.6
Watches	33.3	41.7	75.0	34.5	40.1	74.6
Other products (4)	51.0	50.9	101.9	57.9	53.9	111.8
TOTAL	1,351.7	1,361.3	2,713.1	1,190.7	1,249.7	2,440.4

(1) The “Leather Goods and Saddlery” business line includes bags, riding, diaries and small leather goods.

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REMINDER OF KEY FIGURES – 2017 FIRST HALF RESULT

	in millions of euros		
	First half of 2017	Fiscal year 2016	First half of 2016
Revenue	2,713.1	5,202.2	2,440.4
Operating income	931.3	1,696.5	826.8
Net income attributable to owners of the parent	605.2	1,100.3	545.4
Operating cash flows	794.2	1,438.7	699.4
Investments (excluding financial investments)	105.2	285.4	107.6
Shareholders' equity ⁽¹⁾	4,564.5	4,382.6	3,863.3
Net cash position	2,434.3	2,319.8	1,513.4
Restated net cash ⁽²⁾	2,530.4	2,345.3	1,625.4
Number of employees	13,059	12,834	12,510

(1) Corresponds to equity excluding non-controlling interests.

(2) The restated net cash includes non-liquid financial investments, as defined by the IAS 39 standard, and borrowings.

Limited review procedures have been carried out on the condense interim consolidated financial statements by the Statutory Auditors in accordance with applicable regulations.

The interim activity report, the press release and the presentation of the 2017 interim Results are available on the Group's website: <http://finance.hermes.com>.