

HERMES

Quarterly information report as at the end of March 2017

Strong sales growth in the first quarter (+14%) due to the momentum of the sectors in all geographic areas

Paris, 27 April 2017

The Group's consolidated revenue amounted to €1,352 million in the first quarter, up 13.5% at current exchange rates and 11.2% at constant exchange rates.

Hermès' strong performance continues thanks to the solidity of a well balanced growth model, based on the attractiveness of a rich and diversified business offering, and the healthy geographical distribution of its sales.

Sales growth was very sustained in the group's stores (+13% at constant exchange rates).

Sales by geographical area at the end of March

(at constant exchange rates unless otherwise indicated)

In the first quarter 2017, all the geographical areas posted good organic growth, with few price or perimeter effects:

- Asia excluding Japan (+16%) achieved a remarkable performance, with a positive trend in continental China and improvements in the context in Hong Kong and Macao. The area also gained from the stores extension, in particular the Liat Towers in Singapore, and from the store opening in Chongqing in China.
- Japan (+2%) continued to grow thanks to its selective distribution network, despite the strengthening of the Yen and a particularly high comparison basis.
- America (+14%) achieved good sales growth despite an uncertain economic environment.
- Europe excluding France (+9%) continued outstanding growth and benefitted from the opening of the Bocca di Leone store in Rome in October, and the extension and renovation of the London Sloane Street store and the Munich store in March. France (+4%) posted growth, driven by sales in the Group's stores. The 8th *Saut Hermès* event was held with success at the *Grand Palais*.

Sales by sector at the end of March

(at constant exchange rates unless otherwise indicated)

The performance in the first quarter confirmed the positive momentum in Silk, Ready-to-Wear and Accessories, and Perfumes sectors.

Growth in Leather Goods and Saddlery (15%) was very sustained in the first quarter, thanks to the richness of the collections and the diversity of models, particularly the Constance, Verrou, Halzan and Lindy bags alongside the Birkin and Kelly. Development was supported by the sustained pace of deliveries at the start of the year. Investments for a third site in Franche-Comté continued.

The Ready-to-Wear and Accessories division (+8%) was driven by the success of the latest ready-to-wear collections as well as jewellery accessories and shoes.

The Silk and Textiles business line (+9%) pursued its momentum in the first quarter with sustained demand, after being penalised by events in Europe and by slowing sales in Greater China at the beginning of last year.

Perfumes (+19%) posted an increase, driven by the success of *Terre d'Hermès* and by the launch of *Eau des Merveilles Bleue* and *Galop d'Hermès*.

The Watches business line (-6%) continued to be penalised by a still challenging market.

Other Hermès business lines (+17%), which encompass Jewellery, Art of Living and Hermès Table Arts, recorded strong development over the quarter.

Highlights

At the end of March, currency fluctuations represented a positive impact of €27 million on revenue.

During the first quarter, Hermès International redeemed 14,832 shares for €6 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.

Growth at the end of March, which benefits particularly from a favourable comparison basis, cannot be projected over the full year 2017.

In 2017, Hermès is celebrating the "Meaning of objects". By the wealth of its creations and the radicality of its 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 singular communication.

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

Coming events:

- 6 June 2017: General Meeting of Shareholders
- 21 July 2017: publication of Revenue for the second quarter 2017
- 13 September 2017: publication of results for the first half 2017

INFORMATIONS BY GEOGRAPHICAL AREA (a)

In millions of Euros	1st quarter		Evolutions	
	2017	2016	Published	At constant exchange rates
France	171.3	164.1	4.4%	4.4%
Europe (excl. France)	229.1	211.4	8.3%	9.2%
Total Europe	400.4	375.6	6.6%	7.1%
Japan	178.9	167.8	6.6%	1.7%
Asia Pacific (excl. Japan)	507.7	425.7	19.3%	16.1%
Total Asia	686.6	593.5	15.7%	12.0%
Americas	240.3	204.2	17.7%	14.0%
Other	24.4	17.4	40.0%	40.0%
TOTAL	1,351.7	1,190.7	13.5%	11.2%

(a) Sales by destination.

Information by Sector

In millions of Euros	1st quarter		Evolutions	
	2017	2017	Published	At constant exchange rates
Leathergoods and Saddlery (1)	695.9	590.6	17.8%	15.0%
Ready-to-wear and Accessories (2)	282.9	256.4	10.3%	8.0%
Silk and Textiles	133.8	121.1	10.5%	8.5%
Other Hermès sectors (3)	83.8	70.4	19.1%	16.8%
Perfumes	71.1	59.9	18.8%	18.5%
Watches	33.3	34.5	(3.5)%	(5.9)%
Other products (4)	51.0	57.9	(11.9)%	(11.9)%
TOTAL	1,351.7	1,190.7	13.5%	11.2%

(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 - KEY FIGURES 2016

in millions of euros

	Fiscal year 2016	First half of 2016	Fiscal year 2015
Revenue	5,202.2	2,440.4	4,841.0
Operating income	1,696.5	826.8	1,540.7
Net income attributable to owners of the parent	1,100.3	545.4	972.6
Operating cash flows	1,438.7	699.4	1,218.2
Investments (excluding financial investments)	285.4	107.6	266.6
Shareholders' equity ⁽¹⁾	4,382.6	3,863.3	3,742.0
Net cash position	2,319.8	1,513.4	1,571.2
Restated net cash ⁽²⁾	2,345.3	1,625.4	1,614.0
Number of employees	12,834	12,510	12,244

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

(2) The restated net cash includes non-liquid financial investments and borrowings.

*The complete consolidated financial statements are available at <http://finance.hermes.com>
and on the AMF website (www.amf-france.org).*

*The press release on the 2016 Results is available on the Group's website:
<http://finance.hermes.com>*