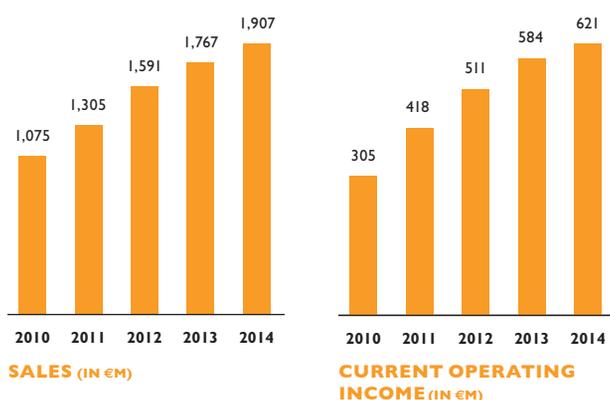


HERMÈS



Strong sales and earnings growth



In the first half of 2014, the group's consolidated revenue totalled €1,907 million, a 8% rise (+12% at constant exchange rates). Operating income amounted to €621 million (32.6% of sales) and net income rose by 8%, same as sales.

ACTIVITY AS AT END OF JUNE BY GEOGRAPHICAL ZONE

(DATA AT COMPARABLE EXCHANGE RATES UNLESS INDICATED OTHERWISE)

In the first half of 2014, the turnover increased in all regions of the world:

- Europe (+7%) generated a good performance in a particularly difficult economic context,
- Japan (+11%) is continuing to improve after an exceptional first quarter, when it benefited from early purchases linked to increased prices and higher VAT,
- The first half-year was excellent in America (+13%),
- Asia excluding Japan (+17%) is maintaining its dynamism in all countries.

ACTIVITY AS AT THE END OF JUNE BY SECTOR

(DATA AT COMPARABLE EXCHANGE RATES UNLESS INDICATED OTHERWISE)

Growth of Leathergoods and Saddlery (+13%) was supported by the ramp-up of the production capacities in the two new sites that opened in 2012, namely in Isère and Charente. The construction projects for two new production units in Franche-Comté were launched.

Ready-to-wear and Accessories (+16%) benefited from the success of its latest collections, notably in fashion accessories.

The Silk & Textiles sector (+11%) is continuing to successfully enhance its offer of exceptional products. Perfumes (+8%), that in the first half of 2013 benefited from the launch of the new women's perfume *Jour d'Hermès*, generated a good performance with the promising launches of *Jour d'Hermès absolu* and *Terre d'Hermès eau très fraîche*.

Watches (-7%) were penalized by sales to specialized networks in an always difficult market, notably in China.

Other Hermès sectors (+18%), including Jewellery, Art of Living and Hermès Tableware, are continuing with their development and establishing themselves as strong growth relays.

STEADINESS OF NET MARGIN AT 21.6% OF SALES

Operating income totalled €621 million versus €584 million in the first half of 2013. Operating margin (32.6% of sales) remains close to the all-time highs achieved last year. The small decrease versus the first half of 2013 (33.1% of sales) stems primarily from the negative currency impact.

Consolidated net income totalled € 413 million, a 8% rise at the same rate as revenue, thereby enabling the net margin (21.6% of sales) same as in the first half of 2013.

Cash flow amounted to € 499 million, up 5%. This rise is lower than the rise in net income due to the impact of the fair valuation of hedging instruments. After financing operational and financial investments (€130 million), paying the ordinary dividend (€281 million) and meeting cash flow requirements, net cash amounted to €946 million on 30 June 2014.

In the first half-year, Hermès International bought back 17,532 shares for €4.4 million, excluding purchases under the liquidity contract.

At the end of June 2014, the group's workforce comprised 11,326 employees. 289 new jobs were created in the first half-year, making it possible to strengthen the sales teams and increase production capacities.

The six-month consolidated financial statements have been selectively reviewed by the auditors in line with current legislation. They are available at the following address: <http://finance.hermes.com>.

OUTLOOK FOR 2014

The group is retaining its mid-term objective of revenue growth at constant rates of around 10%. Operating margin should be lower than the all-time high achieved in 2013 (32.4%) due to the negative currency impact.

Hermès will continue its long-term strategy based on creativity, maintaining control over its know-how, expanding its distribution network, strengthening its production capacity and securing its sources of supply. In 2014, our company will focus on the theme of "metamorphosis", that of precious materials becoming objects in the skilled hands of artisans. Moreover it is our company's unwavering determination to reinvent itself in order to push the limits of excellence.