

HERMÈS

Financial report for the first quarter as at end of March 2009

Sales growth of 3.2% in the first quarter

Sales rose by 3.2% at current exchange rates to €428.4 million over the first three months despite a difficult business climate. At constant exchange rates, sales edged down 4.7 %.

Sales for the Group's own stores expanded by a robust 16% at current exchange rates (6% at constant rates) while sales to specialised distribution networks were adversely affected by poor economic conditions.

First-quarter sales by sector and region

(at constant exchange rates, except otherwise mentioned)

During the first three months of 2009, Hermès continued to expand its distribution network. It opened two new branches (one in Korea, the other in the United States) and took over a concession in Japan.

Sales for the Group's own stores advanced by 16% at current rates and by 6% at constant rates. Retail sales were higher in all regions except Japan, where the trend seen in the past few months persisted (-11%).

Owing to a fall in wholesale sales (-27%), primarily to the specialised distribution networks which strongly reduced their purchases, consolidated sales for the main regions were down slightly, except Asia-Pacific excluding Japan, where business momentum was fuelled by robust expansion in China and Korea.

By sector, sales growth was driven by silk scarves, fashion accessories and the Leather Goods & Saddlery division, with persistently brisk demand for leather bags. In the other sectors, sales receded, with a more pronounced downturn in Perfumes despite the success of *Terre d'Hermès*, Watches and Tableware, where sales, achieved outside the Group's stores, have been affected by distributors cutting down their inventories.

Significant events during the first quarter

No significant events materially affected the Hermès Group's business during the first quarter of 2009.

During the first three months of the year, currency trends, and notably the appreciation against the euro of the Japanese yen, the US dollar and related currencies, pushed up sales by €33 million.

The Group did not buy back any shares during the first quarter, other than shares traded under the liquidity contract.

Outlook for 2009

The trend observed over the first three months of the year is in line with the Group's target of steady sales over the full year.

Hermès will continue to follow its long-term strategy of maintaining control over its know-how and distribution network. Hermès will continue to invest significantly in expanding its distribution network. It will open or renovate over twenty stores in 2009, primarily in Asia and in the United States.

The Group's business will continue to be driven by an ambitious and alluring creation and by the vitality of its craftsmanship know-how. This momentum will be sustained by rallying our distribution network's efforts to showcase our lavish collections and to provide outstanding customer service.

INFORMATION BY SECTORS

In millions of Euros	At end of March		Evolutions	
	2009	2008	published	at constant exchange rates
<i>Distribution via the Hermès exclusive network :</i>				
Silk & Textiles	52.6	49.8	5.6 %	(1.4) %
Leathergoods & Saddlery (1)	205.9	169.2	21.7 %	10.2 %
Ready-to-wear & fashion accessories (2)	88.3	86.3	2.3 %	(5.4) %
Other Hermès Sectors (3)	16.2	16.9	(3.7) %	(10.4) %
<i>Subtotal</i>	363.0	322.1	12.7 %	3.1 %
<i>Distribution via specialist outlets :</i>				
Perfumes	22.2	31.1	(28.7) %	(29.9) %
Watches	14.7	20.9	(29.5) %	(35.7) %
Tableware	7.9	10.8	(27.0) %	(30.0) %
<i>Subtotal</i>	44.8	62.8	(28.7) %	(31.8) %
Other products (4)	20.6	30.2	(31.8) %	(32.4) %
TOTAL	428.4	415.1	3.2 %	(4.7) %

(1) Leathergoods & Saddlery include bags & luggages, horse riding, diaries and small leather goods.

(2) Ready-to-wear and fashion accessories include ready-to-wear, male and female, belts, accessories jewellery, gloves, hats and Hermès shoes.

(3) Other Hermès sectors include jewellery and products of the art of living department.

(4) Other products include John Lobb shoes as well as production activities realized for third parties (textile printing, perfumes, tanning,...).

INFORMATION BY GEOGRAPHICAL ZONES (1)

In millions of Euros	At end of March		Evolutions	
	2009	2008	published	at constant exchange rates
France	79.4	82.4	(3.7) %	(3.7) %
Europe (Excl. France)	82.0	88.5	(7.4) %	(6.0) %
Total Europe	161.4	170.9	(5.6) %	(4.9) %
Japan	96.1	92.6	3.8 %	(19.3) %
Asia Pacific (Excl. Japan)	99.4	79.0	25.7 %	18.3 %
Total Asia	195.5	171.6	13.9 %	(2.0) %
Americas	64.7	61.0	6.1 %	(5.3) %
Others (2)	6.8	11.6	(40.8) %	(41.0) %
TOTAL	428.4	415.1	3.2 %	(4.7) %

(1) Sales by geographical zones are by destination

(2) Including sales to airline companies