

HERMÈS

SALES UP 8.5% OVER THE YEAR

The Hermès Group's sales came to €1,914.3m in 2009, a year-on-year rise of 8.5% at current exchange rates and of 4.1% at constant exchange rates. The Group surpassed its target for 2009, owing to solid retail sales growth throughout the year.

Growth accelerated in the fourth quarter

(at constant exchange rates, unless otherwise indicated)

Solid business over the Christmas holidays drove up sales in the Group's stores up by 18% in the fourth quarter and by 11% on a consolidated basis.

Sales expanded by a robust 20% in the Americas, by 12% in Asia and by 9% in Europe.

All regions other than Japan delivered growth over the full year

(at constant exchange rates, unless otherwise indicated)

Sales for the Group's own stores advanced by 17% at current exchange rates and by 12% at constant exchange rates. Hermès rapidly expanded its distribution network, with the addition of fourteen new branches and the renovation or expansion of nine other locations.

Wholesale revenues dropped by 17% at comparable exchange rates over the year as distributors drew down their inventories.

In Europe (up 2%), retail sales were driven up by 12% owing to excellent momentum in the fourth quarter. The distribution network was enlarged, with the opening of two new branches, including the first store in Turkey, in Istanbul, which opened in December.

In Japan, in a consistently lacklustre business climate, sales receded by 11% over the year.

In non Japan Asia, sales moved up 29% over the year, propelled mainly by Mainland China, Macau and Hong Kong. Six new branches were opened in the region.

In the Americas, the fourth-quarter rebound in retail business pushed up annual sales by 7%. The distribution network was expanded with three new branches in the United States and one in Canada. Hermès opened its first location in Brazil, in the form of a concession in Sao Paulo.

By sector, sales growth was driven by Leather Goods & Saddlery (up 16%), under the impetus of leather bags, and by Silks & Textiles (up 6%), owing to a stream of new silk creations for women and men.

Ready to Wear & Fashion Accessories (up 3%) benefited primarily from solid demand in fashion accessories, while sales of Perfumes, which were adversely affected by distributor inventory drawdowns over the first nine months, fell by 7%.

Lastly, despite an improvement over the last two quarters, sales for the other sectors were down, primarily in Watches and Tableware, where the bulk of sales is generated through non-Group distribution channels.

2009 earnings projections

2009 results will be reported on 25 March 2010. Current operating income should be slightly up compared with 2008, with net income being close to the previous year.

Outlook for 2010

Hermès will continue to follow its long-term strategy of maintaining control over its know-how and distribution network. In 2010, Hermès will continue to invest in expanding its distribution network. It plans to open twelve branches, including a new store on rue de Sèvres in Paris and a second branch on Madison Avenue in New York.

Hermès' sales growth will continue to be driven by its ambitious, alluring creative designs and by the vitality of its craftsmanship. This momentum will be sustained by rallying the distribution network's efforts to showcase our lavish collections and to highlight customer service – our strongest advantage in maintaining growth.

INFORMATION BY SECTORS

In millions of Euros	At end of December		Evolutions	
	2009	2008	published	at constant exchange rates
<i>Distribution via the Hermès exclusive network :</i>				
Silk & Textiles	226.8	208.1	9.0 %	5.7 %
Leathergoods & Saddlery (1)	936.1	763.1	22.7 %	16.3 %
Ready-to-wear & fashion accessories (2)	359.7	336.6	6.9 %	3.1 %
Other Hermès Sectors (3)	78.3	80.3	(2.5) %	(6.0) %
Subtotal	1 600.9	1 388.1	15.3 %	10.2 %
<i>Distribution via specialist outlets :</i>				
Perfumes	117.3	125.1	(6.2) %	(6.7) %
Watches	86.7	94.5	(8.3) %	(12.5) %
Tableware	38.2	47.8	(20.0) %	(21.4) %
Subtotal	242.2	267.4	(9.4) %	(11.4) %
Other products (4)	71.2	109.1	(34.7) %	(35.0) %
TOTAL	1 914.3	1 764.6	8.5 %	4.1 %

(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 December		Evolutions	
	2009	2008	published	at constant exchange rates
France	370.1	359.3	3.0 %	3.0 %
Europe (Excl. France)	385.4	383.1	0.6 %	1.6 %
Total Europe	755.5	742.3	1.8 %	2.3 %
Japan	408.4	392.9	3.9 %	(10.9) %
Asia Pacific (Excl. Japan)	422.6	320.5	31.9 %	28.6 %
Total Asia	831.0	713.4	16.5 %	6.9 %
Americas	293.7	264.6	11.0 %	6.7 %
Others (2)	34.1	44.2	(22.8) %	(23.6) %
TOTAL	1 914.3	1 764.6	8.5 %	4.1 %

(1) Sales by geographical zones are by destination

(2) Including sales to airline companies

INFORMATION BY SECTORS

In millions of Euros	4 th quarter		Evolutions	
	2009	2008	published	at constant exchange rates
<i>Distribution via the Hermès exclusive network :</i>				
Silk & Textiles	83.0	71.6	15.9 %	17.7 %
Leathergoods & Saddlery	278.7	244.0	14.2 %	16.8 %
Ready-to-wear & fashion accessories	101.8	94.4	7.9 %	12.2 %
Other Hermès Sectors	26.6	26.3	1.3 %	3.1 %
Subtotal	490.2	436.3	12.4 %	15.1 %
<i>Distribution via specialist outlets :</i>				
Perfumes	33.4	32.3	3.5 %	4.7 %
Watches	32.3	32.3	(0.0) %	1.6 %
Tableware	12.2	13.6	(10.4) %	(8.7) %
Subtotal	77.9	78.2	(0.4) %	1.1 %
Other products	19.2	26.5	(27.5) %	(26.4) %
TOTAL	587.3	540.9	8.6 %	11.0 %

INFORMATION BY GEOGRAPHICAL ZONES

In millions of Euros	4 th quarter		Evolutions	
	2009	2008	published	at constant exchange rates
France	117.1	108.6	7.8 %	7.8 %
Europe (Excl. France)	123.0	112.6	9.2 %	10.6 %
Total Europe	240.1	221.3	8.5 %	9.2 %
Japan	118.7	125.5	(5.4) %	(6.7) %
Asia Pacific (Excl. Japan)	126.1	97.5	29.3 %	35.1 %
Total Asia	244.8	223.0	9.8 %	12.4 %
Americas	91.9	82.2	11.8 %	19.5 %
Others (2)	10.5	14.5	(27.2) %	(28.0) %
TOTAL	587.3	540.9	8.6 %	11.0 %

REMINDER OF PREVIOUS PUBLICATIONS

INFORMATION BY SECTORS

In millions of Euros	2009					2008				
	Q1 published	Q2 published	S1 published	Q3 published	YTD 09/09	Q1 published	Q2 published	S1 published	Q3 published	YTD 09/08
<i>Distribution via the Hermès exclusive network :</i>										
Silk & Textiles	52.6	45.8	98.4	45.5	143.9	49.8	41.3	91.1	45.4	136.5
Leathergoods & Saddlery	205.9	228.0	433.8	223.5	657.3	169.2	170.8	340.0	179.0	519.1
Ready-to-wear & fashion accessories	88.3	77.9	166.2	91.7	257.8	86.3	69.1	155.4	86.8	242.2
Other Hermès Sectors	16.2	18.4	34.6	17.0	51.7	16.9	17.9	34.8	19.3	54.0
Subtotal	363.0	370.0	733.0	377.7	1 110.7	322.1	299.1	621.2	330.5	951.8
<i>Distribution via specialist outlets :</i>										
Perfumes	22.2	31.1	53.3	30.7	83.9	31.1	32.3	63.5	29.3	92.8
Watches	14.7	18.8	33.5	20.9	54.3	20.9	21.1	42.0	20.2	62.2
Tableware	7.9	9.6	17.5	8.5	26.1	10.8	13.7	24.5	9.7	34.2
Subtotal	44.8	59.5	104.3	60.0	164.3	62.8	67.1	129.9	59.3	189.2
Other products	20.6	17.0	37.6	14.4	52.0	30.2	31.8	62.0	20.6	82.6
TOTAL	428.4	446.6	874.9	452.1	1 327.1	415.1	398.1	813.2	410.5	1 223.6

INFORMATION BY GEOGRAPHICAL ZONES

In millions of Euros	2009					2008				
	Q1 published	Q2 published	S1 published	Q3 published	YTD 09/09	Q1 published	Q2 published	S1 published	Q3 published	YTD 09/08
France	79.4	89.5	168.9	84.2	253.1	82.4	85.2	167.7	82.9	250.6
Europe (Excl. France)	82.0	86.8	168.8	92.8	261.6	88.5	93.3	181.8	87.4	269.2
Total Europe	161.4	176.4	337.7	176.9	514.7	170.9	178.5	349.5	170.3	519.8
Japan	96.1	101.8	198.0	91.8	289.7	92.6	82.2	174.8	92.6	267.4
Asia Pacific (Excl. Japan)	99.4	93.9	193.3	103.2	296.5	79.0	68.7	147.7	75.3	223.0
Total Asia	195.5	195.7	391.2	195.0	586.2	171.6	150.9	322.5	167.9	490.4
Americas	64.7	65.1	129.7	72.1	201.8	61.0	57.3	118.3	64.1	182.4
Others (2)	6.8	9.4	16.3	8.1	24.4	11.6	11.3	22.9	8.1	31.0
TOTAL	428.4	446.6	874.9	452.1	1 327.1	415.1	398.1	813.2	410.5	1 223.6