
HERMÈS



Notice of Meeting
Annual General Meeting of 7 June 2010

Dear Sir or Madam:

The shareholders of Hermès International are invited to attend the Combined Ordinary and Extraordinary General Meeting to be held on

**Monday, 7 June 2010
at 10:00 a.m. (admission begins at 8:30 a.m.)**

at Palais des Congrès, Grand Amphithéâtre, 2 avenue de La Porte-Maillot, Paris (17th), for purposes of deliberating on the attached agenda.

We would be very pleased if you could attend this meeting in person. In this case, you will be asked to show your admittance card. If you cannot personally attend the Meeting, you may vote nonetheless, either by returning a proxy or by voting by mail ballot. Please find below information and recommendations on the different ways of participating in the Meeting.

As the Meeting will begin promptly at 10:00 a.m., we recommend that you arrive early (starting at 8:30 a.m.), check in with the reception desk and the registration desk with your identification and admission card, and sign the attendance sheet.

All documents you need to prepare for the Combined General Meeting of 7 June 2010 (Volume 1 and Volume 2 of the Annual Report, together with this notice of meeting) may be consulted and downloaded on our website, www.hermes-international.com.

This year, Volume 2 of the Annual Report will be distributed at the Annual Meeting only in CD-ROM format. If you wish to receive a paper copy, please see page 27 for further information.

We hope you will be able to attend this Meeting. In the interim, please accept our best regards.

The Executive Management

Prerequisites

All shareholders or representatives of shareholders are entitled to attend the Meeting and participate in the proceedings, regardless of the number of shares they hold. However, in order to attend the Meeting, to be represented at the Meeting or to vote by mail, shareholders must be shareholders of record as evidenced by registration of shares in their name (or in the name of the financial intermediary registered on their behalf if they are not residents of France) by 12:00 midnight (CET) on the third business day preceding the Meeting, that is, by 12:00 midnight on Thursday, 2 June 2010:

- in the register of registered shares held on behalf of the Company by its agent BNP Paribas Securities Services; or
- in a securities account held by the financial intermediary with which their shares are registered if the shares are bearer shares.

How to attend the Meeting

- **If your shares are bearer shares:** you must request an admittance card, which you must present in order to be admitted to the Meeting and vote therein, by:
 - checking box "A I WISH TO ATTEND THIS MEETING AND REQUEST AN ADMISSION CARD" at top the left of the mail ballot or proxy form, then date and sign it in the "DATE AND SIGNATURE" box at the bottom of the form, without filling in any other box or blank in the document;
 - returning the form **as soon as possible** (so that you can receive your admittance card in good time) to the financial intermediary who manages your securities account and who will forward your request by drawing up a certificate of attendance.
- **If your shares are registered shares:** you may request an admittance card that will allow you to access the meeting room more rapidly, by returning the mail ballot or proxy form in the enclosed envelope, as soon as possible (so that you may receive your admittance card in good time) to BNP Paribas Securities Services, after checking box "A I WISH TO ATTEND THIS MEETING AND REQUEST AN ADMITTANCE CARD" at the top left, then date and sign it in the "DATE AND SIGNATURE" box provided at the bottom for this purpose, without filling in any other box or blank in the document.

In any event, when signing the attendance sheet, you will be asked to provide proof of identity. You may not represent your spouse or another shareholder by using his or her admittance card unless you have a proxy drawn up in accordance with the conditions set forth below.

No site as referred to in Article R 225-61 of the Code de Commerce will be arranged for purposes of participating in the Meeting and voting by videoconferencing or any other means of telecommunication, as no such provisions have been made for this meeting.

How to vote by proxy if you do not wish to attend the Meeting

You need only complete the mail ballot or proxy form as follows, after checking box "B I AM USING THE MAIL BALLOT OR PROXY FORM BELOW " at the top left of the mail ballot or proxy form:

- if you wish to be represented by the Chairman (box at centre): "I hereby appoint the Chairman of the General Meeting as my proxy"), sign and date the form in the "DATE AND SIGNATURE" box provided at the bottom for this purpose, without filling in any other box or blank in the document;
- if you wish to be represented by another person (your spouse or another shareholder), please check the box at right " I APPOINT AS MY PROXY:", provide all information on that person's identity

and his or her address, and sign and date the form in the "DATE AND SIGNATURE" box provided at the bottom for this purpose.

Then return this form as soon as possible:

- if your shares are bearer shares, to the financial intermediary who manages your equity account and who will forward the document, together with the certificate of attendance previously drawn up by that intermediary;
- if your shares are registered shares, to BNP Paribas Securities Services, using the enclosed envelope.

In all cases, proxy votes shall be counted only if the forms are duly completed and received by BNP Paribas Securities Services at least three days before the date of the Meeting, that is, **by Thursday, 3 June 2010** at the latest.

How to vote by mail if you do not wish to attend the Meeting

You need only complete the mail ballot or proxy form as follows, after checking box "B I AM USING THE MAIL BALLOT OR PROXY FORM BELOW" at the top left of the mail ballot or proxy form:

- check the box " I AM VOTING BY MAIL";
- to vote "FOR" the resolutions, leave the corresponding boxes blank;
- to vote "AGAINST" or to "ABSTAIN" from voting on certain resolutions, fill in each of the corresponding boxes.

Then return this form as soon as possible:

- **if your shares are bearer shares**, to the financial intermediary who manages your equity account and who will forward the document, together with the certificate of attendance previously drawn up by that intermediary;
- **if your shares are registered shares**, to BNP Paribas Securities Services, using the enclosed envelope.

In all cases, proxy votes shall be counted only if the forms are duly completed and received by BNP Paribas Securities Services at least three days before the date of the Meeting, that is, **by Thursday, 3 June 2010** at the latest.

ANY SHAREHOLDER WHO HAS ALREADY VOTED, APPLIED FOR AN ADMITTANCE CARD OR REQUESTED A CERTIFICATE OF ATTENDANCE (ARTICLE R 225-85 OF THE CODE DE COMMERCE) MAY NOT CHOOSE ANOTHER METHOD OF PARTICIPATING IN THE MEETING.

Submitting a question in writing

Questions submitted to the Executive Management in writing should be sent to the Company's head office by registered post, return receipt requested, by no later than the fourth business day preceding the date of the General Meeting, that is, no later than Tuesday, 1 June 2010. They must be accompanied by a certificate evidencing that the person submitting the question is a shareholder of record.

If you plan to attend the Meeting: check box A and date and sign the form in the box at the bottom provided for this purpose.

If you do not plan to attend the Meeting: Check box B and choose one of the three options provided below.

To vote by mail ballot: check the appropriate box and date and sign the form in the box at the bottom.

To appoint the Chairman of the Meeting as your proxy: date and sign the form in the box at the bottom.

To give your proxy to your spouse or to another shareholder, check the appropriate box, fill in their full name and address, and date and sign the form in the box at the bottom.

Agenda

I- Ordinary business

[1] Presentation of reports to be submitted to the Ordinary General Meeting

- Executive Management's reports:
 - on the financial statements for the year ended 31 December 2009 and on the Company's business operations for the period;
 - on the management of the Group and on the consolidated financial statements for the year ended 31 December 2009;
 - on resolutions relating to ordinary business.
- Report from the Chairman of the Supervisory Board:
 - on the corporate governance principles applied by the Company, on the conditions for preparation and organisation of the Supervisory Board's work and on the internal control and risk management procedures instituted by the Executive Management.
- Supervisory Board's report.
- Statutory Auditors' reports:
 - on the parent company financial statements;
 - on the consolidated financial statements;
 - on related-party agreements and commitments;
- Report from the Chairman of the Supervisory Board.

[2] Vote on resolutions relating to ordinary business

- FIRST RESOLUTION - Approval of the parent company financial statements.
- SECOND RESOLUTION - Approval of the consolidated financial statements.
- THIRD RESOLUTION – Discharge.
- FOURTH RESOLUTION - Appropriation of net income.
- FIFTH RESOLUTION - Approbation des related-party agreements and commitments.
- SIXTH RESOLUTION - Appointment of Mrs Florence Woerth as a new Supervisory Board member
- SEVENTH RESOLUTION - Directors' fees and remuneration.
- EIGHTH RESOLUTION - Purchase by the Company of its own shares.
- NINTH RESOLUTION - Powers.

II - Extraordinary business

[1] Presentation of reports to be submitted to the Extraordinary General Meeting

Management Report:

- on resolutions relating to extraordinary business.

Supervisory Board's report.

Statutory Auditors' Reports:

- on the capital reduction by cancellation of shares purchased (tenth resolution).

[2] Vote on resolutions relating to extraordinary business

- TENTH RESOLUTION - Authorisation to cancel some or all of the shares purchased by the Company (Article L 225-209).
- ELEVENTH RESOLUTION - Amendments to the Articles of Association.
- TWELFTH RESOLUTION - Powers.

Description of proposed resolutions

We invite you to approve all of the resolutions proposed to you, which are presented below.

I- Ordinary business

Approval of the financial statements and discharge

In the first, second and third resolutions, we ask that you duly note the amount of expenses and charges covered by Article 39-4 of the Code Général des Impôts, which amount to €140,777; that you approve the parent company financial statements and consolidated financial statements for the year ended 31 December 2009 as they have been presented to you; and that you grant final discharge to the Executive Management for its management of the Company for the said financial year.

Appropriation of net income

In the fourth resolution, we submit to you for approval the appropriation of net income for the year, in the amount of €243,209,636.72. Under the terms of the Company's Articles of Association, of this amount, €1,629,504.57 must be distributed to the Active Partner.

The Supervisory Board recommends that you fix the dividend at €1.05 per share. This represents an increase of 1.9% in the dividend relative to the previous year. In accordance with Article 243 bis of the Code Général des Impôts, this dividend entitles shareholders who are natural persons and liable for income tax in France to a 40% tax allowance, as provided by Article 158-3 of the Code Général des Impôts.

The ex-dividend date would be 8 June 2010.

This dividend would be payable from 11 June 2010. Since Hermès International is not entitled to receive dividends in respect of shares held as treasury stock on the date the dividend becomes payable, the corresponding sums will be transferred to retained earnings.

The gross dividend per share paid in respect of each of the three previous financial years is as follows:

In euros			
Financial year	2006	2007	2008
Dividend	0.95	1.00	1.03
Amount eligible for tax allowance pursuant to Article 158-3 of the Code Général des Impôts	40%	40%	40%

We note that the five-year summary of financial data on the Company required under Article R 225-102 of the Code de Commerce appears on page 18.

Related-party agreements and commitments

In the fifth resolution, we ask that you approve the related-party agreements covered by Articles L 226-10, L 225-38 to L 225-40 of the Code de Commerce, which are described in the Statutory Auditors' Special Reports appearing on pages 20 to 25.

A report of the related-party agreements and commitments that were submitted to the Supervisory Board for approval after the end of the financial year will be submitted to you at the Annual General Meeting called in 2011 to approve the financial statements for the year ending 31 December 2010.

Appointment of a new Supervisory Board member

In the sixth resolution, the Active Partner recommends that you appoint Mrs Florence Woerth as Supervisory Board member for the standard 3-year term of office set out in the Articles of Association. Her term of office would expire at the end of the General Meeting called in 2013 to approve the financial statements for the year ended 31 December 2012.

Information concerning the person whose appointment you have been asked to approve appears on page 10.

Directors' fees and remuneration

In the seventh resolution, we ask that you fix the amount of directors' fees and remuneration for the Supervisory Board at €400,000 to take into account the appointment of a new Supervisory Board member, as recommended, and the new principles for allocating directors' fees adopted by the

Supervisory Board, which are set out in the Rules of Procedure. This amount would apply to each financial year, commencing on 1 January 2010, until such time as a decision to the contrary is adopted.

Grant of authority to the Executive Management – Share buyback programme

In the eighth resolution, you are asked to renew the authorisation granted to the Executive Management to trade in the Company's own shares, under the conditions stipulated therein, more specifically:

- purchases and sales of shares representing up to 10% of the share capital would be authorised;
- the maximum purchase price (excluding costs) would be €200 per share. The maximum amount of funds to be committed would be €850 million, in accordance with Article L 225-210 of the Code de Commerce.

This authorisation would be valid for eighteen months from the date of the General Meeting.

II - Extraordinary business

Grants of authority to the Executive Management - Cancellation of shares

In the tenth resolution, you are asked to renew the authority granted to the Executive Management to cancel some or all of the shares purchased by the Company on the stock market under the share buyback programme, on one or more occasions, up to a maximum of 10% of the share capital.

This authorisation would enable the Company to cancel shares issued to cover stock options that are no longer exercisable or that have expired.

This authorisation would be valid for twenty-four months from the date of the General Meeting.

Amendments to the Articles of Association

In the eleventh resolution, we ask that you vote to amend Article 24.2 of the Articles of Association to allow the Executive Management to set up an electronic balloting system applicable to all future General Meetings.

Information concerning the person whose appointment you have been asked to approve

FLORENCE WOERTH

Date of birth: 16 August 1956

Education

SFAF (1985)

HEC (1981)

Master of Science in Economics (1979)

Number of Hermès International shares held

0

Offices or positions held within the Hermès Group

None

Positions held during the past five years

November 2007-Present

Clymene, Head of investments and research in charge of financial asset management

February 2006-October 2007

La Compagnie 1818 (Caisse d'Épargne Group's private bank). Senior Private Banker responsible for management and development of high net worth accounts, in charge of wealth management; later appointed Head of the Wealth Management Department

November 1997-December 2005

Rothschild & Cie Gestion, Managing Partner, Portfolios and Wealth; later appointed Executive Manager in charge of marketing promotion for the private bank and head of ultra high net worth account development; member of the private bank's Executive Committee

Offices held in other companies

Écurie Dam's

Chairman

Proposed resolutions

I- Ordinary business

First resolution

Approval of the parent company financial statements

The Ordinary General Meeting, having heard the Executive Management's report on the Company's operations and situation, the Supervisory Board's report and the Statutory Auditors' Report for the year ended 31 December 2009, approves the financial statements, the balance sheet and the notes thereto as presented, as well as the transactions they reflect. The General meeting duly notes that the expenses and charges covered by Article 39-4 of the Code Général des Impôts amounted to €140,777 for the year ended 31 December 2009.

Second resolution

Approval of the consolidated financial statements

The Ordinary General Meeting, having heard the Management Report on the Group's operations and situation, the Report of the Supervisory Board and the Statutory Auditors' Report for the year ended 31 December 2009, approves the consolidated financial statements as presented, and showing consolidated net income of 288,750,475 euros.

Third resolution

Discharge

Consequently, the General Meeting gives the Executive Management final discharge for its management of the Company during the year commencing on 1 January 2009 and ending on 31 December 2009.

Fourth resolution

Appropriation of net income

The Ordinary General Meeting notes that net income for the year amounts to 243,209,636.72 euros and retained earnings, to 831,683,783.72 euros, and approves the appropriation of these sums totalling 1,074,893,420.44 euros, as proposed by the Supervisory Board:

- ♦ transferred to the legal reserve: none, as the legal reserve amounts to one-tenth of the share capital;
- ♦ to the active partner under Article 26 of the Company's Articles of Association: 1,629,504.57 euros;
- ♦ to shareholders holding shares existing at 31 December 2009, a dividend of 1.05 euros per share, totalling 110,847,882.60 euros;
- ♦ to retained earnings, the balance of: 962,416,033.27 euros;
- ♦ total amount appropriated: 1,074,893,420.44 euros.

The General Meeting resolves that:

- the ex-dividend date shall be 8 June 2010;
- the dividend shall be payable on 11 June 2010.

As Hermès International is not entitled to receive dividends for shares held in treasury, the corresponding sums will be transferred to retained earnings on the date the dividend becomes payable.

In accordance with Article 243 bis of the Code Général des Impôts, this dividend entitles shareholders who are natural persons and liable for income tax in France to a 40% tax allowance, as provided by Article 158-3 of the Code Général des Impôts.

In accordance with the provisions of Article 47 of law no. 65-566 of 12 July 1965, the General Meeting duly notes that dividends distributed to the shareholders in respect of the three previous financial years were as follows:

In euros			
Financial year	2008	2007	2006
Dividend	1.03	1.00	0.95
Amount eligible for tax allowance pursuant to Article 158-3 of the Code Général des Impôts	40%	40%	40%

Fifth resolution

Approval of related-party agreements and commitments

The Ordinary General Meeting, having heard the Statutory Auditors' Special Report on related-party agreements and commitments covered by the combined provisions of Articles L 226-10 and Articles L 225-38 through L 225-43 of the Code de Commerce, approves the agreements entered into or carried out during the year ended 31 December 2009.

Sixth resolution

Appointment of a new Supervisory Board member

On the recommendation of the Active Partner, the General Meeting elects Mrs Florence Woerth as Supervisory Board member for the standard term of office of three years set out in the Articles of Association.

Her term of office will expire at the end of the Annual General Meeting convened to vote on the financial statements for the year ended 31 December 2012.

Mrs Woerth has indicated that she is prepared to accept this appointment and that she is not legally prohibited from doing so in any manner whatsoever.

Seventh resolution

Directors' fees and remuneration

The General Meeting of Shareholders fixes the total amount of directors' fees and remuneration to be allotted to the members of the Supervisory Board and of the Board Committees at €400,000, for each financial year as from 1 January 2010, until such time as a decision to the contrary is adopted.

Eighth resolution

Grant of authorisation to the Executive Management to trade in the Company's shares

The General Meeting, acting under the quorum and majority requirements applicable to ordinary general meetings, having reviewed the Management Report, the special report on the Company's share buyback programme and the circular describing the programme filed with the Autorité des Marchés Financiers, resolves:

1) To terminate the share buyback programme approved by the Ordinary and Extraordinary General Meeting of 2 June 2009 under the seventh resolution;

2) To adopt the programme described below, and for this purpose:

- ♦ authorises the Executive Management, with the option further to delegate this authority, in accordance with the provisions of Articles L 225-209 et seq. of the Code de Commerce, to buy shares in the Company, within the legal limit, while ensuring that the Company shall not at any time own more than 10% of its own share capital as of the date of this meeting, it being specified that the number of shares purchased by the Company in view of holding them and subsequently delivering them in payment or exchange under the terms of a merger, demerger or partial merger shall not exceed 5% of the share capital;
- ♦ Resolves that the shares may be bought with a view to:
 - ensuring that liquidity is provided for the shares on the equity market by an investment services provider under a contract that complies with the AFEI (French Association for Investment Firms) Code of Conduct recognised by the Autorité des Marchés Financiers;
 - cancelling the shares, in order to increase the return on equity and earnings per share, and/or to neutralise the dilutive impact for shareholders resulting from capital increases, this purpose being contingent upon adoption of a special resolution to this effect by the Extraordinary General Meeting;
 - retaining the shares, in order subsequently to transfer the shares in payment or in exchange for a takeover bid initiated by the Company;
 - allotting the shares to employees and authorised corporate Executive Officers of the Company or an affiliated company, by granting options to purchase the Company's shares in accordance with Articles L 225-179 et seq. of the Code de Commerce, or by granting bonus shares in accordance with Articles L 225-197-1 et seq. of the Code de Commerce or as part of the Company's employee profit sharing schemes or of a Company share ownership or savings plan;
 - delivering the Company's shares for the exercise of rights attached to securities entitling the holders to the allotment of shares in the Company, either by conversion, exercise, redemption or exchange, in accordance with stock market regulations;

- ♦ Resolves that the purchase price per share shall be no higher than two hundred (200) euros, excluding incidental expenses;
- ♦ Resolves, however, that the Executive Management may adjust the aforesaid purchase price in the event of: a change in the par value per share; a capital increase by capitalisation of reserves and allotment of bonus shares; a stock split or reverse split; a write-off or reduction of the share capital; distribution of reserves or other assets; and any other transactions applying to shareholders equity, to take into account the effect of such transactions on the value of the shares;
- ♦ Resolves that the maximum amount of funds that may be allocated to this share buyback programme shall be eight hundred fifty million (850,000,000) euros.
- ♦ Resolves that the shares may be purchased by any means, including partially or entirely by purchase on the stock market, block purchase, off-market purchase, public offerings to buy or exchange shares, or by the use of options or derivatives (excluding the sale of puts), at such times as the Executive Management shall deem appropriate, including times of public offerings, within the limits defined by stock market regulations. The shares acquired pursuant to this authorisation may be retained, sold, or, more generally, transferred by any means, including by block sales and during times of public offerings;
- ♦ Grants full powers to the Executive Management, with the option further to delegate such powers:
 - to effect all transactions; to determine the terms, conditions and procedures applicable thereto; and
 - to place all orders, either on or off market;
 - to adjust the purchase price of the shares to take into account the effect of the aforesaid transactions on the value of the shares,
 - to enter into all agreements, in particular for purposes of maintaining the stock transfer ledgers,
 - to file all necessary reports with the Autorité des Marchés Financiers and any other relevant authority;
 - to undertake all necessary formalities;
- ♦ Resolves that this authorisation is granted for a period expiring at the end of the Annual General Meeting convened to approve the financial statements for the year ended 31 December 2010 or eighteen months at most from the date of this Meeting.

Ninth resolution

Powers

The Ordinary General Meeting confers full powers on any bearer of an extract or copy of these minutes recording its deliberations to carry out all legal publication or other formalities.

II - Extraordinary business

Tenth resolution

Authorisation to cancel some or all of the shares purchased by the Company (Article L 225-209)

- General share cancellation programme

The General Meeting, acting under the quorum and majority requirements applicable to extraordinary general meetings, having reviewed the Management Report and the Statutory Auditors' report, and in accordance with Article L 225-209 of the Code de Commerce, hereby authorises the Executive Management to cancel some or all of the shares acquired by the Company: to cover stock options that have expired; in connection with the share buyback programme covered by the eighth resolution submitted to the present meeting; and/or pursuant to any authorisation granted by a past or future general meeting, on one or more occasions, up to a maximum of 10% of the share capital per period of twenty-four months.

The Meeting delegates to the Executive Management full powers:

- to allocate the difference between the purchase price and the par value of the shares to whichever reserve account it sees fit, to record the reduction(s) in share capital resulting from the cancellation(s) authorised by the present resolution;
- to amend the Company's Articles of Association accordingly, and to undertake all necessary formalities.

This authorisation is granted to the Executive Management for a period of twenty-four months. It supersedes the authorisation granted under the ninth resolution adopted by the Combined General Meeting of 2 June 2009 and cancels the unused portion of that authorisation.

Eleventh resolution

Amendment to the Articles of Association

The Extraordinary General Meeting, having heard the Executive Management's report and the Supervisory Board's report, resolves to amend Article 24.2 of the Articles of Association as follows:

"24.2 - The right to participate in general meetings is subordinated to registered shares (administered directly by the Company or by an intermediary) being entered in the Company's register or bearer shares being registered in a securities account opened with an authorised financial intermediary no later than three business days before the date of the meeting, before 12:00 a.m., Paris time.

Shareholders owning bearer shares must obtain an admittance certificate from the authorised financial intermediary evidencing the registration of their shares, which is attached to the mail ballot or proxy form.

All shareholders may cast their votes remotely or by proxy, under the conditions set forth in the applicable regulations.

Furthermore, on the Executive Management's decision, shareholders may vote by any telecommunication or remote transmission means, in accordance with the regulations applicable at the time of the decision. This option shall be indicated in the notice of meeting published in the Bulletin des annonces légales obligatoires (BALO).

Votes cast by shareholders using the electronic ballot form provided on the website created by the meeting coordinator for this purpose are counted in the same way as votes cast by shareholders present or represented. The electronic ballot may be completed and signed directly on this site by any procedure approved by Executive Management and that complies with the conditions defined by Article L 1316-4 of the Civil Code, in the first sentence of Paragraph 2 (that is, by using a reliable identification procedure that guarantees that the signature is linked to the form), which may consist, inter alia of a log-in name and a password.

Any proxies given or votes cast via this electronic means before the General Meeting, and the acknowledgements of receipt sent in response, will be deemed to be irrevocable instructions that are enforceable in every way, it being specified that in the event that shares are sold before the third business day preceding the Meeting, at 12:00 midnight, CET, the Company will void or amend any proxy or voting instructions sent before that date accordingly.

Persons invited by the Executive Management or by the Chairman of the Supervisory Board may also attend general meetings.

The active partners may attend general meetings of shareholders. Active partners that are legal entities are represented by a legal representative or by any person, shareholder or otherwise, designated thereby. "

Twelfth resolution

Powers

The Extraordinary General Meeting confers full powers on any bearer of an extract or copy of these minutes recording its deliberations to carry out all legal publication or other formalities.

Overview of the Company's situation during the past year

At the Supervisory Board meeting of 24 March 2010, the Executive Management presented the audited financial statements for the year ended 31 December 2009, showing revenues of €1,914.3 million, a rise of 8.5% or 4.1% at constant exchange rates, and operating income reflecting growth of 3.1%. 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 registered growth, with the exception of Japan

(like-for-like, at constant exchange rates)

Despite the difficult business climate, 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, aggregate revenue growth was 2% and 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 lacklustre business climate, overall sales contracted by 11%.

In the rest of Asia, sales moved up 29% over the year, propelled by Mainland China, Macao and Hong Kong. Six new branches were opened in the region.

In the Americas, the improvement in retail business in the fourth quarter pushed up annual sales by 7%. The distribution network was expanded with the addition of 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.

Operating income and operating cash flows moved higher

Operating income advanced by 3.1% to €462.9 million from €449.2 million in 2008. The operating margin was 24.2% compared with 25.5% in 2008. At constant exchange rates, operating income rose by 3.9% and the operating margin was about the same as in 2008.

Consolidated net income was stable by comparison with 2008 at €288.8 million compared with €290.2 million, despite lower interest rates on invested cash and the adverse currency impact. Operating cash flows rose by 5.9 %, boosting the net cash position by an appreciable €57 million to €508 million at the end of 2009.

Persistently high investments in 2009

Hermès invested €207 million, including €80 million to purchase a building at 167 New Bond Street in London. Other investments were dedicated primarily to increasing production capacity and expanding the distribution network.

The Hermès Group did not buy back any of its own shares during 2009, other than shares traded under the liquidity contract.

New jobs created

the Hermès Group created 163 new jobs. At the end of 2009, the Group had 8,057 employees throughout the world.

2010 Outlook

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 the new store on rue de Sèvres in Paris and a second branch on Madison Avenue in New York, which will be its first store dedicated entirely to men.

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.

Five-year summary of financial data

	2009	2008	2007	2006	2005
Share capital at year-end					
Share capital (in millions of euros)	53.8	53.8	54.1	54.5	55.6
Number of shares outstanding	105,569,412	105,550,012	106,089,214	106,874,814 ⁽¹⁾	36,333,854
Aggregate results of operations (in millions of euros)					
Sales excluding VAT	67.0	72.4	64.9	50.8	47.2
Income before tax, employee profit-sharing, depreciation, amortisation, provisions, and impairment	261.3	276.4	202.6	229.7	200.4
Corporate income tax (income)	(16.5)	(2.9)	(4.4)	(9.2)	(9.2)
Employee profit-sharing (expense)	2.6	2.4	2.1	1.9	1.7
Income after tax, employee profit-sharing, depreciation, amortisation, provisions, and impairment	243.2	257.5	196.8	225.6	223.2
Profits distributed as dividends (including treasury shares)	110.8 ⁽²⁾	110.0	106.3	103.0	92.3
Per-share data (in euros)					
Income after tax and employee profit-sharing but before depreciation, amortisation, provisions and impairment	2.61	2.62	1.93	2.22 ⁽¹⁾	5.72
Income after tax, employee profit-sharing, depreciation, amortisation, provisions, and impairment	2.30	2.44	1.86	2.11 ⁽¹⁾	6.14
Net dividend paid per share	1.05 ⁽²⁾	1.03	1.00	0.95 ⁽¹⁾	2.50
Personnel					
Average number of employees	279	248	214 ⁽³⁾	216 ⁽³⁾	197 ⁽³⁾
Total payroll (in millions of euros)	26.7	23.0	21.5	18.9	17.0
Employee benefits paid during the year (in millions of euros)	20.4	12.0	8.1	9.9	10.1

(1) After three-for-one stock split on 10 June 2006.

(2) Subject to approval by the Combined General Meeting of 7 June 2010.

(3) Permanent staff on the payroll at end of period.

Key consolidated figures

In millions of euros	2009	2008	2007	2006	2005
Sales	1,914.3	1,764.6	1,625.1	1,514.9	1,427.4
Recurring operating income	462.9	449.2	414.5	401.1	383.5
Operating income	462.9	449.2	423.7	415.2	383.5
Net income after minorities	288.8	290.2	288.0	268.4	247.0
Operating cash flows	401.1	378.9	356.6	321.7	305.9
Capital expenditure and investments (excluding financial investments)	207.3	160.4	155.9	134.3	118.5
Shareholders' equity after minorities ⁽¹⁾	1,789.9	1,588.5 ⁽²⁾	1,459.8 ⁽²⁾	1,409.0	1,380.2
Net cash position	507.6	450.5	480.5	538.2	584.7
Adjusted net cash position ⁽³⁾	576.4	432.4	485.5	536.3	584.5
Economic value added ⁽⁴⁾	191.6	190.8	196.5	197.7	188.0
Return on capital employed (ROCE) ⁽⁵⁾	21%	22%	25%	26%	27%
Number of employees	8,057	7,894	7,455	6,825	6,150

(1) Equity after minority interests.

(2) Following application of the amendment to IAS 38 - *Intangibles* on the treatment of samples at the point of sale, of advertising and promotional expenditure and of catalogues, the comparable periods of the consolidated balance sheet have been restated.

(3) Adjusted net cash includes non-liquid financial investments and borrowings.

(4) Difference between adjusted operating income after tax on operating income and the weighted average cost of capital employed (net value of long-term capital and working capital requirements).

(5) Difference between adjusted operating income, after tax on operating income, and the average cost of capital employed.

Statutory Auditors' report on related-party agreements

In our capacity as Statutory Auditors of Hermès International, we hereby present our report on related-party agreements.

I. AGREEMENTS AND COMMITMENTS APPROVED DURING THE YEAR

In accordance with Article L 226-10 of the Code de Commerce, we have been informed of related-party agreements and commitments authorised in advance by the Supervisory Board until the date of this report.

The terms of our engagement do not require us to identify other such agreements and commitments but to communicate to you, based on information provided to us, the principal terms and conditions of those agreements and commitments brought to our attention, without expressing an opinion on their usefulness and appropriateness.

It is your responsibility, under the terms of Article R 226-2 of the Code de Commerce, to assess the benefit arising from these agreements and commitments in order to decide whether they should be approved. We performed such procedures as we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) applicable to our assignment. These standards require that we perform procedures designed to check that the information given to us is consistent with the source documents.

Trademark licence agreements

Your Supervisory Board approved the signature of a deed of confirmation of the exclusive licence agreements entered into in September 2006 with the companies listed below.

- Compagnie des Arts de la Table (Supervisory Board meeting of 27 August 2009)

These deeds:

- confirmed that the exclusive licences apply to trademarks registered in France and those registered in other countries;
- incorporated the new trademarks registered after the signature of the agreement.

Royalties received by the Company under these agreements during the year ended 31 December 2009 amounted to: €454,763 excluding VAT.

- Comptoir Nouveau de la Parfumerie (Supervisory Board meeting of 27 August 2009)

These deeds:

- confirmed that the exclusive licences apply to trademarks registered in France and those registered in other countries;
- incorporated the new trademarks registered after the signature of the agreement.

Royalties received by the Company under these agreements during the year ended 31 December 2009 amounted to:

€4,057,565 excluding VAT.

Parties concerned: Messrs Jérôme Guerrand, Maurice de Kervénoaël and Renaud Momméja.

- La Montre Hermès (Supervisory Board meeting of 27 August 2009)

These deeds:

- specified the scope of the territory covered by the licence;
- incorporated the new trademarks registered after the signature of the agreement;
- incorporated trademarks registered in countries other than France, as indicated in the appendices to the new licence agreement.

Royalties received by the Company under these agreements during the year ended 31 December 2009 amounted to:

€2,329,130 excluding VAT.

Parties concerned: Messrs Patrick Thomas and Guillaume de Seynes.

- Hermès Intérieur & Design (Supervisory Board meeting of 27 August 2009)

These deeds:

- specified and incorporated trademarks registered in France and those registered in other countries, as indicated in the exhibits to the new licence agreement;
- incorporated products in the Leather goods category as authorised by Hermès Sellier, the sole beneficiary of the licence covering these products.

Royalties received by the Company under these agreements during the year ended 31 December 2009 amounted to:

€62,809 excluding VAT.

- Hermès Sellier (Supervisory Board meeting of 18 March 2009)

These deeds:

- confirmed that the exclusive licence applies to trademarks registered in France and those registered in other countries, as indicated in the appendices to the deed of confirmation;
- incorporated the new trademarks registered after the signature of the agreement.

Royalties received by the Company under these agreements during the year ended 31 December 2009 amounted to:

€30,479,927 excluding VAT.

Parties concerned: Messrs Patrick Thomas, Jérôme Guerrand and Guillaume de Seynes.

II. AGREEMENTS AND COMMITMENTS ENTERED INTO AND AUTHORISED IN PRIOR YEARS AND REMAINING IN EFFECT DURING THE YEAR ENDED 31 December 2009

In addition, in accordance with the provisions of the Code de Commerce, it has been drawn to our attention that the following agreements entered into and authorised in prior years remained in effect during the year ended 31 December 2009.

a) Compensation paid to members of the special Board Committees

At its meetings of 26 January 2005 and 2 June 2005, your Supervisory Board decided to fix the remuneration of Audit Committee and Remuneration Committee members at €5,000 per year for each member and at €10,000 per year for each Committee Chairman. Hermès International paid a combined total of €50,000 to all Committee members in consideration for the performance of their duties for the year ended 31 December 2009.

b) Service agreement

At its meetings of 23 March 2005 and 14 September 2005, your Supervisory Board authorised Hermès International to enter into a service agreement with Émile Hermès SARL for the provision of routine legal and financial services. At its meeting of 11 December 2007, your Supervisory Board authorised the signature of an amendment to this agreement to include secretarial services. Hermès International billed €116,279 for services provided under the terms of this agreement during 2009.

c) Design mission agreement

Agreement as amended between Hermès International and the firm RDAI to undertake a design mission for application of the architectural concept to Hermès stores (Supervisory Board meetings of 20 March 2003 and 15 September 2004). In 2009, Hermès International paid €47,151 (excluding VAT) in fees in connection with this mission.

d) Commercial lease

Signature of a lease agreement between Hermès International and the company SIFAH, relating to premises at 28-30-32, rue du Faubourg-Saint-Honoré, which are the subject of an undertaking to assign a commercial lease by the company SOGEC, and subject to the exercise of its purchase option by SIFAH or any subsidiary SIFAH may substitute for itself, and granting to Hermès International:

- a nine-year commercial lease, with compulsory renewal every three years, at a rent that takes into account the rental value of the premises and the assumption by Hermès International of the cost of the refurbishment works and of part of the compensation for eviction to be paid to the current occupants;
- this lease is accompanied by a junior preferred purchase option in respect of the real estate assets located at 26-28-30-32, rue du Faubourg-Saint-Honoré belonging to SIFAH or to one of its subsidiaries, or in respect of the shares of SIFAH or of whichever of its subsidiaries is the owner of such real estate assets.

SIFAH has substituted for itself, both for the purchase option and for the implementation of the commercial lease, its subsidiary, the *société par actions simplifiée* (simplified limited company) "28-30-32 Faubourg Saint-Honoré" (Supervisory Board meeting of 21 March 2000).

On 16 February 2005, an amendment to this agreement was signed to change the stipulations pertaining to work to be performed at the 28-30-32 Faubourg Saint-Honoré property complex and to assign to Hermès International responsibility for monitoring the design and performance of the work under the terms of a representation agreement, and authorised by your Supervisory Board at its meetings of 26

January 2005 and 23 March 2005. In the amendment to this agreement, Hermès International's share of the projected budget for the work in future years was estimated at €6,000,000.

At 31 December 2009, Hermès International had recognised €9,058,443 under property, plant and equipment in its accounts for this work.

Rent paid in 2009 amounted to €1,120,079 excluding VAT.

e) Commercial lease - 26, rue du Faubourg-Saint Honoré

At its meeting of 24 January 2007, your Supervisory Board authorised the signature of a commercial lease for premises located at 26, rue du Faubourg-Saint-Honoré, 75008 Paris, for use as store, storage and technical premises, for a term of nine years firm, retroactively to 1 January 2005, in consideration for an annual rent of €696,000 excluding VAT and excluding charges. This lease was granted by SIFAH to Hermès International and the rent was fixed at market prices following an independent appraisal conducted by each party.

Rent paid in 2009 amounted to €858,052 excluding VAT. €44,780 excluding VAT was billed back for office tax and property taxes.

f) Guarantees given

- "Umbrella" guarantee for a maximum principal amount of €75,000,000 in favour of HSBC bank to give subsidiaries designated by Hermès International access to an aggregate group bank facility. (Supervisory Board meeting of 26 January 2005).
- Guarantee given to London & Provincial Shop Centres on behalf of Hermès GB Ltd in connection with the leasing of store premises at 179/180 Sloane Street, London and covering the performance by Hermès GB Ltd of all its obligations as tenant under that lease (Supervisory Board meeting of 16 February 1988).
- Blanket authorisation to the Executive Management to grant sureties, endorsements or guarantees and any pledges of collateral to subsidiaries in which Hermès International holds a direct or indirect interest of more than 50%, for the 2009 financial year, providing that the amount of such commitments does not exceed €10,000,000 collectively and over €3,000,000 individually.
- Guarantee given to 693 Madison Avenue Company L.P. on behalf of Hermès of Paris Inc. in connection with the leasing of store premises at 691-693-695 Madison Avenue in New York and covering the performance by Hermès of Paris Inc of all its obligations as tenant (Supervisory Board meeting of 23 September 1998).
- Guarantee given to Carlton House Inc on behalf of the subsidiary Hermès of Paris in connection with the leasing of the John Lobb store at 680 Madison Avenue in New York and covering the performance by Hermès of Paris Inc of all its obligations as tenant under that lease (Supervisory Board meeting of 23 March 1999).
- Guarantee given on behalf of the Japanese subsidiary Hermès Japon in connection with a loan of an initial amount of JPY5,000,000,000 from Japan Development Bank repayable at any time up to 20 May 2013 (Supervisory Board meeting of 25 May 1998). A commission of JPY3,980,041 (€25,423) was billed for the year.
- Guarantee given on behalf of the Japanese subsidiary Hermès Japon in connection with a loan of an initial amount of JPY2,500,000,000 from Japan Development Bank repayable at any time up to 20 April 2013 (Supervisory Board meeting of 23 March 1999). A commission of JPY1,956,667 (€12,499) was billed for the year.
- Guarantee given on behalf of your subsidiary Hermès of Paris Inc. to 23 Wall Commercial Owners LLC to cover the obligations incurred by Hermès of Paris under the terms of a lease for retail premises located on the ground floor of 15 Broad Street in New York (Supervisory Board meeting of 25 January 2006).
- Joint or first demand guarantee given on behalf of South Coast Plaza to cover the obligations incurred by JL & Co under a lease for retail premises located in the South Coast Plaza shopping centre in California, USA, for a term of ten years commencing on 1 May 2007.
- Joint and indefinite guarantee given on behalf of The Streets of Buckhead Development Co to cover the obligations incurred by JL & Co for a proposed lease of retail premises in Atlanta, Georgia (USA) for a term of ten years and approved by your Supervisory Board at its meeting of 19 March 2008.
- Joint guarantee given on behalf of Mrs Maria del Carmen Ordonez de Briozzo to cover the obligations incurred by Hermès Argentina following the transfer to that party of the lease agreement for the premises of the Hermès store in Buenos Aires for a term of ten years.
- Guarantee given to BNP Paribas (China), on behalf of Hermès China, in connection with a loan of a principal amount of CNY65,000,000 (the equivalent of €6,609,049 at 31 December 2009) contracted

to finance the investment and construction work for the Shanghai House (Supervisory Board meeting of 9 December 2008).

- "Umbrella" guarantee for a maximum principal amount of €100,000,000 in favour of BNP Paribas to guarantee operating cash facilities for the subsidiaries, approved by your Supervisory Board at its meeting of 9 December 2008.

No calls were made on these guarantees during the year ended 31 December 2009.

g) Commitments to an Executive Manager

- Top-up pension scheme granted to a Corporate Executive Officer

At its meeting of 13 September 2006, your Supervisory Board authorised an amendment, to the rules governing the top-up pension scheme established in 1991 for the Company's senior executives, including the Executive Chairman, who is a corporate executive officer. The main changes related to the scope of this scheme, its potential beneficiaries, the terms and conditions for awarding benefits, and coverage provided under the plan. Under this scheme, the beneficiary will receive annual payments calculated based on years of service and annual remuneration. The payments amount to a percentage of remuneration for each year of service. The beneficiary is also eligible for a reversion scheme, under which the surviving spouse receives 60% of annual remuneration. Like all employees of the Group's French subsidiaries, the Executive Chairman, who is a natural person, is also eligible for the supplemental defined-contribution pension plan that was established during 2006. The maximum annual payment including payments under the mandatory plans and any supplemental plans established within the Group may not exceed 70% of remuneration, including the fixed and variable components of salary and other compensation, paid during the last year of service.

- General provident scheme, including in favour of an Executive Chairman

On 1 October 2004, Hermès International instituted a medical expense reimbursement plan and a group provident scheme, under which the Executive Chairman, like all other Company employees, was covered. Due to the prevailing guidelines adopted by the French Social Security Department and to certain practices in effect, these schemes must be deemed to be optional. To take into account changes in laws and regulations since 2003, the Board decided to institute a compulsory scheme, within the meaning ascribed to that term by the French Social Security Department in its July 2006 circular. The new scheme, which was approved by the Supervisory Board at its meeting of 9 December 2008, replaced the previous scheme as from 1 January 2009, in compliance with jurisprudential procedure applicable to changing customary practices. The change is one of form, not substance and does not in any way alter the cover provided under the two schemes, which remain the same.

- Undertaking to pay compensation to Mr Patrick Thomas upon completion of his term of office as Executive Chairman

At its meeting of 19 March 2008, your Supervisory Board authorised the signature of an agreement between your Company and Mr Patrick Thomas calling for payment to Mr Patrick Thomas upon completion of his term of office as Executive Chairman of compensation equal to 24 months' remuneration, subject to meeting the following performance criteria: he must meet projected targets (sales and operating profit growth targets measured at constant exchange rates) in at least four of the previous five years, with no deterioration in the Hermès brand image.

Executed in Paris and Neuilly-sur-Seine, 25 March 2010
The Statutory Auditors

Didier Kling & Associés
Didier Kling Bernard Roussel

Deloitte & Associés
David Dupont-Noel

As from the date of the meeting notice and until the fifth day before the meeting, that is, until Wednesday, 2 June 2010, any shareholder may request that the Company send the meeting documents and additional legal information.

If you wish to receive these documents, please return this form to the following address: BNP PARIBAS Securities Services, GCT - Services des Assemblées, Grands Moulins de Pantin, 93761 Pantin Cedex, which will send you these documents other than those attached to the notice of meeting.

If your shares are registered shares, you may receive these documents prior to all subsequent Meetings without having to send another request.

REQUEST FOR DOCUMENTS AND LEGAL INFORMATION
Combined General Meeting of 7 June 2010

The undersigned
Last name
Given name
Address

owner of: _____ registered share(s)
bearer share(s) registered in an account _____ (1)
with _____

- requests that the documents or information covered by Articles R 225-81 and R 225-83 of the Code de Commerce be sent to the address indicated above,

Executed in _____, on _____ 2010

(1) Please attach a certificate evidencing that you are a shareholder of record.

REQUEST FOR ANNUAL REPORT
Combined general meeting of 7 June 2010

The undersigned

The undersigned
Last name
Given name
Address

requests that the following be sent to the address indicated above:

- 2009 Annual report — Volumes 1 and 2 on CD-ROM
- or ▪ 2009 Annual Report – Volume 1 (Introduction to the Group - Review of Operations)
- and/or ▪ 2009 Annual Report – Volume 2 (Other information contained in the registration document, consolidated financial statements and parent company financial statements) on paper
- in French ▪ in English

If you wish to receive these documents, please return this form to the following address: BNP Paribas Securities Services, GCT - Services des Assemblées, Grands Moulins de Pantin, 93761 Pantin Cedex, which will send you the documents (except for those attached to the Notice of Meeting).

Executed in _____, on _____ 2010

ENROLLMENT FOR ELECTRONIC DELIVERY OF SHAREHOLDER PUBLICATIONS

Form⁽¹⁾ to be returned by mail to:

BNP PARIBAS Securities Services
GCT - Services aux émetteurs – Assemblées
Grands Moulins de Pantin
93761 Pantin Cedex
France

■ Once BNP Paribas Securities Services begins to offer this service at the request of the Company, which will notify me of this, I wish to enrol for the electronic delivery service linked to my registered securities account. More specifically, I wish to receive the Notice of Meeting and all materials relating to shareholders' meetings of **Hermès International** exclusively by e-mail (electronic mail), as from the 2011 Annual General Meeting.

Should you wish to opt out of this service and to receive your Notice of Meeting and the meeting materials by mail, you may do so by notifying BNP Paribas Securities Services by registered post with proof of delivery.

To enrol in the service, please complete the following fields ⁽²⁾ (all fields are required and must be entered in ALL CAPS):

Mr ■ Mrs ■ Ms ■

Last name

Given name

Date of birth (dd/mm/yyyy)

Place and *département* of birth

Country of birth

Shareholder number at BNP Paribas Securities Services (CCN)

My e-mail address appears below:

Executed in _____, on ____ / ____ / ____

Signature:

(1) BNP Paribas Securities Services must receive this form no later than one month before the date of the Annual General Meeting.

(2) You have the right to access, edit and alter any of your personal information held by BNP Paribas Securities Services.