

HERMÈS

EXCEPTIONAL SALES GROWTH IN 2010 (+25.4%)

In 2010, the Hermès Group's sales came to €2,400.8m, a rise of 25.4% on the previous year. At constant exchange rates, they advanced by 18.9%.

The Group exceeded its sales growth target for the year owing to extremely strong business momentum for the company-owned stores, particularly during the Christmas season.

In the fourth quarter, sales expanded by 25%. At constant exchange rates, sales growth was 17%, driven by robust business in all regions, with increases of 25% in the Americas, 16% in Asia and 16% in Europe.

In 2010, the growth pattern was consistent across all regions and business lines

(At constant exchange rates, unless otherwise indicated)

Sales for the Group's own stores advanced by 31% at current exchange rates and by 24% at constant exchange rates. Hermes continued to expand its distribution network significantly. It opened thirteen new branches and renovated or enlarged nine other locations.

Wholesale revenues, which were adversely affected by the crisis in 2009, were 3% higher at comparable exchange rates over the full year.

In Europe (+ 18%), all countries delivered strong growth. At the end of the year, a new store was inaugurated on rue de Sèvres in Paris. Its original interior architecture and the area dedicated to the home universe met with resounding success. In the rest of Europe, the distribution network added a new branch in Amsterdam and three other stores were renovated or expanded.

In the Americas (+ 24%), growth was brisk throughout the year, particularly for the Group's own stores (+ 28%), and was spurred by the success of the first Hermès store dedicated to men on Madison Avenue in New York inaugurated at the beginning of 2010.

In Asia, sales moved up 19% over the full year. In Japan, sales were nearly steady. In the rest of Asia, growth came to 38%, propelled mainly by expansion in Mainland China, Macau and Hong Kong. The Group continued to enlarge its distribution network, with the opening of ten new branches, including four in China.

In Silks & Textiles, sales advanced by 19%, underpinned by the success of the new women's silk collections, which were extended to include exceptional new products in cashmere and silk, and by the products' growing appeal to young customers, who are captivated by the vast array of styles and the wide variety of ways in which they can be used.

In Leather Goods & Saddlery, sales growth was 21% in 2010, fuelled by persistently high demand for small leather goods and leather bags.

Ready to Wear & Fashion Accessories (+ 18%) benefited from the success of the new ready-to-wear collections and the development of fashion accessories.

In Perfumes, sales were up 16%, boosted by the successful launch of *Voyage d' Hermès* during the month of March and by persistently strong demand for *Terre d'Hermès*.

Watches staged an impressive recovery with a 23% surge while Tableware sales improved appreciably, with a 11% rise.

2010 earnings targets

2010 results will be reported on 4 March 2011. Over the full year, the operating margin should widen appreciably by about 3 percentage points higher than in 2009. Net profit before tax growth should be slightly above 40% compared with 2009.

Interim dividend

Due to results growth and a net cash position which amounts to about €830m as at 31st of December 2010, the Executive Management has decided on 2nd of February the payment of an interim dividend amounting to 1€ per share. The ex-dividend date shall be 7th of February 2011, and the payment date shall be 10th of February 2011.

Outlook for 2011

Hermès will continue to follow its long-term strategy of maintaining control over its know-how and distribution network. In 2011, Hermès will continue to invest in expanding its distribution network, with plans to open ten branches.

In 2011, Hermès will celebrate the “Contemporary Artisan”, focusing on the excellence and authenticity of its artisanal expertise, which forms the basis for both its success and its future. The mastery of our artisans provides the foundations for our unique and universally recognised quality and is vital in allowing us to achieve ever more ambitious and inspired creations.

INFORMATION BY SECTORS

In millions of Euros	At end of December		Evolutions	
	2010	2009	Published	At constant exchange rates
<i>Distribution via the Hermès exclusive network :</i>				
Silk & Textiles	283.8	226.8	25.1%	18.9%
Leathergoods & Saddlery (1)	1 204.8	936.1	28.7%	20.8%
Ready-to-wear & fashion accessories (2)	445.4	359.7	23.8%	17.5%
Other Hermès Sectors (3)	86.6	78.3	10.5%	5.8%
Subtotal	2,020.6	1,600.9	26.2%	19.0%
<i>Distribution via specialist outlets :</i>				
Perfumes	137.8	117.3	17.4%	16.3%
Watches	112.6	86.7	29.9%	22.9%
Tableware	43.6	38.2	14.0%	11.1%
Subtotal	294.0	242.2	21.4%	17.8%
Other products (4)	86.2	71.2	21.1%	18.8%
TOTAL	2,400.8	1,914.3	25.4%	18.9%

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

(2) Ready-to-wear and fashion accessories include ready-to-wear, men and women, 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	
	2010	2009	Published	At constant exchange rates
France	437.2	370.1	18.1%	18.1%
Europe (Excl. France)	463.4	385.4	20.2%	17.9%
Total Europe	900.6	755.5	19.2%	18.0%
Japan	453.2	408.4	11.0%	(0.8)%
Asia Pacific (Excl. Japan)	630.9	422.6	49.3%	38.0%
Total Asia	1,084.1	831.0	30.5%	19.0%
Americas	384.7	293.7	31.0%	24.1%
Others (2)	31.3	34.1	(8.2)%	(8.8)%
TOTAL	2,400.8	1,914.3	25.4%	18.9%

(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	
	2010	2009	Published	At constant exchange rates
<i>Distribution via the Hermès exclusive network :</i>				
Silk & Textiles	103.7	83.0	25.0%	17.3%
Leathergoods & Saddlery	361.6	278.7	29.7%	19.2%
Ready-to-wear & fashion accessories	129.5	101.8	27.1%	18.3%
Other Hermès Sectors	32.0	26.6	20.0%	13.6%
Subtotal	626.7	490.2	27.9%	18.4%
<i>Distribution via specialist outlets :</i>				
Perfumes	32.4	33.4	(3.0)%	(4.7)%
Watches	36.4	32.3	12.8%	5.2%
Tableware	15.0	12.2	23.1%	19.3%
Subtotal	83.9	77.9	7.6%	3.2%
Other products	25.4	19.2	32.3%	28.6%
TOTAL	736.0	587.3	25.3%	16.7%

INFORMATION BY GEOGRAPHICAL ZONES

In millions of Euros	4 th quarter		Evolutions	
	2010	2009	Published	At constant exchange rates
France	138.8	117.1	18.6%	18.6%
Europe (Excl. France)	144.4	123.0	17.4%	14.4%
Total Europe	283.3	240.1	18.0%	16.4%
Japan	138.5	118.7	16.6%	(0.1)%
Asia Pacific (Excl. Japan)	182.9	126.1	45.1%	30.9%
Total Asia	321.3	244.8	31.3%	15.9%
Americas	124.6	91.9	35.6%	25.4%
Others (2)	6.8	10.5	(35.8)%	(36.5)%
TOTAL	736.0	587.3	25.3%	16.7%

REMINDER OF PREVIOUS PUBLICATIONS

INFORMATION BY SECTORS

In millions of Euros	2010					2009				
	Q1 published	Q2 published	S1 published	Q3 published	YTD 09/10	Q1 published	Q2 published	S1 published	Q3 published	YTD 09/09
<i>Distribution via the Hermès exclusive network :</i>										
Silk & Textiles	60.4	56.9	117.3	62.8	180.1	52.6	45.8	98.4	45.5	143.9
Leathergoods & Saddlery	247.9	299.9	547.7	295.5	843.2	205.9	228.0	433.8	223.5	657.3
Ready-to-wear & fashion accessories	103.2	97.9	201.0	114.9	315.9	88.3	77.9	166.2	91.7	257.8
Other Hermès Sectors	16.9	18.0	34.9	19.7	54.6	16.2	18.4	34.6	17.0	51.7
Subtotal	428.4	472.6	901.0	492.8	1,393.8	363.0	370.0	733.0	377.7	1,110.7
<i>Distribution via specialist outlets :</i>										
Perfumes	30.6	36.3	67.0	38.4	105.4	22.2	31.1	53.3	30.7	83.9
Watches	20.0	25.5	45.5	30.6	76.1	14.7	18.8	33.5	20.9	54.3
Tableware	9.7	9.4	19.1	9.5	28.6	7.9	9.6	17.5	8.5	26.1
Subtotal	60.3	71.3	131.6	78.5	210.1	44.8	59.5	104.3	60.0	164.3
Other products	19.0	23.0	42.1	18.7	60.8	20.6	17.0	37.6	14.4	52.0
TOTAL	507.7	567.0	1,074.7	590.1	1,664.8	428.4	446.6	874.9	452.1	1,327.1

INFORMATION BY GEOGRAPHICAL ZONES

In millions of Euros	2010					2009				
	Q1 published	Q2 published	S1 published	Q3 published	YTD 09/10	Q1 published	Q2 published	S1 published	Q3 published	YTD 09/09
France	90.9	101.4	192.3	106.1	298.4	79.4	89.5	168.9	84.2	253.1
Europe (Excl. France)	95.1	109.9	205.1	113.9	318.9	82.0	87.0	169.1	93.3	262.4
Total Europe	186.0	211.3	397.3	220.0	617.3	161.4	176.5	338.0	177.5	515.5
Japan	91.7	112.0	203.7	111.0	314.7	96.1	101.8	198.0	91.8	289.7
Asia Pacific (Excl. Japan)	143.9	147.6	291.4	156.6	448.0	99.4	93.9	193.3	103.2	296.5
Total Asia	235.6	259.6	495.2	267.6	762.8	195.5	195.7	391.2	195.0	586.2
Americas	77.5	88.2	165.7	94.5	260.1	64.7	65.1	129.7	72.1	201.8
Others	8.6	7.9	16.5	8.1	24.6	6.8	9.2	16.0	7.6	23.6
TOTAL	507.7	567.0	1,074.7	590.1	1,664.8	428.4	446.6	874.9	452.1	1,327.1