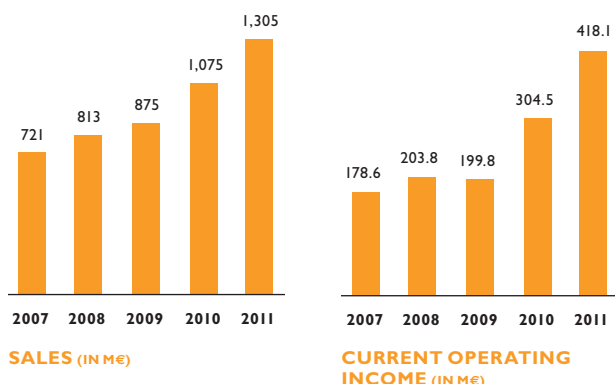


HERMÈS



Sales moved up 22% and net income 49,5%



Consolidated revenue in the first half of 2011 totalled €1,305.5 million, a rise of 22% at current exchange rates and of 21% at constant exchange rates.

The current operating margin widened to 32% – the highest level recorded by the group since its initial public offering – and net income surged by 49.5%

SALES BY REGION AND SECTOR

(AT CONSTANT EXCHANGE RATES, UNLESS OTHERWISE INDICATED)

Growth showed a solid momentum across all geographic regions, driven by the USA and China. In spite of the catastrophic events in March, sales were stable in Japan.

The distribution network continued to expand with the opening of four new branches, including the acquisition of two concessions in Moscow.

Sales expanded significantly in France (up 21%), propelled by the success of the new store on rue de Sèvres in Paris opened in late 2010, and in the rest of Europe (up 20%).

Growth was exceptionally high in the Americas (up 34%) and in non-Japan Asia (up 30%).

All business sectors delivered handsome performances, underpinned by ongoing innovation and creativity.

In Silks & Textiles, sales moved up 29%, buoyed by the sector's lavish collections and persistently high corporate communication expenditure.

In Leather Goods & Saddlery, sales advanced by 15% under the impetus of small leather goods and leather bags.

In Perfumes, sales momentum remained strong, following the launch of *Un Jardin sur le Toit* during the first quarter, with growth of 18%.

Ready-to-wear and Accessories registered a 31% rise owing to the success of the spring-summer ready-to-wear collections and to fashion accessories.

Lastly, in Watches (up 30%), Jewellery, (up 30%) and Tableware (up 25%), sales staged an impressive rebound.

At Milan's furniture fair, the Group unveiled a new range of contemporary furnishings that will be widely distributed.

OPERATING INCOME AND NET INCOME UP SHARPLY

Operating income expanded by 37.3% to €418.1 million euros from €304.5 million in the first half of 2010. The operating margin rose by 3.7 percentage points to 32%, the best performance recorded by the group since its initial public offering.

Consolidated net income moved up 49.5% to €290.9 million euros from €194.6 million in the first half of 2010. It includes the €29.5 million gross gain on disposal of the equity investment in the Jean-Paul Gaultier group.

Operating cash flows rose by 36% to 328.9 million and fully covered investments in operating assets (€56.8 million), dividends (€163.7 million) and purchases of treasury shares. During the first half, the group bought back 324,627 of its own shares for €61.7 million (not including shares traded under the liquidity contract), in order to cover grants of shares to employees.

IFRS-compliant net cash amounted to €872.8 million at 30 June 2011, compared with 828.5 million at 31 December 2010. After investments held for more than three months, restated net cash was €939.3 million.

Hermès had 8,729 employees at 30 June 2011. The Group created 363 new jobs during the first half, most of them in production and sales, to meet demand generated by the new collections' success.

OUTLOOK FOR THE SECOND HALF

Given the excellent, better-than-expected performance in the second-quarter, the group confirmed the target it announced in July. It expects consolidated revenue growth over the full year at constant exchange rates to be in the 12%-14% range and the current operating margin to be about the same as the record-high achieved in 2010.

Hermès will not deviate from its long-term strategy of maintaining control over its know-how and distribution network. In 2011, Hermès will continue to invest both in its manufacturing sites and in its distribution network and plans to open more than ten branches.

The theme for 2011, "Hermès, contemporary artisan", focuses on the excellence and authenticity of the expertise in craftsmanship that is the foundation on which the house has built its success over time, and that will continue to underpin it in the future.

The statutory auditors conducted a partial audit of the interim accounts, according to legal requirements.

The condensed interim consolidated financial statements are available at the following internet address: www.hermes-international.com.