

HERMÈS

FIRST QUARTER 2012 FINANCIAL REPORT (THREE MONTHS ENDED 31 MARCH 2012)

SALES GROWTH OF 21.9% IN THE FIRST QUARTER

First-quarter 2012 consolidated revenue totalled €776.9 million, a rise of 21.9% at current exchange rates. At constant exchange rates, revenue increased by 17.6% – a remarkable performance on the back of very high growth in the same year-ago period.

Sales continued to expand briskly both in by the Group's own stores (+17% at constant exchange rates) and in the wholesales channels (+19.7% at constant exchange rates), which benefited from robust demand.

First-quarter sales by region and sector

(At constant exchange rates, unless otherwise indicated)

In the first quarter, all geographic regions contributed to sales growth, underpinned namely by stores opened or renovated during the second half of 2011:

- Non-Japan Asia (+22% fuelled by China, Macau and Hong Kong),
- France (+14%) and the the rest of Europe (+27%),
- America (up 11% despite a very high basis of comparison), and Japan, where disaster struck on 11 March 2011, +8%.

All business sectors are generating growth, underpinned by innovation and the richness of their creation.

In Silk & Textiles and Leatherwork & Saddlery sectors, where strong investments are being made in production capacities, sales registered similar increases of 14%.

Ready-to-wear & Fashion Accessories divisions delivered impressive growth of 20%, driven by the success of fashion accessories and of the latest ready-to-wear collections.

Other Hermès Sectors (Jewellery and Art of Living) registered an excellent first quarter, with sales up 46%.

In Watches and Tableware, sales increased by 27%. Perfumes, where product lines were enhanced by the introduction of *Voyage d'Hermès parfum*, advanced by 19%.

Significant events during the first quarter

Exchange rates evolution in the first three months was favourable and produced a positive impact of €28m on sales.

During the first quarter, Hermès International continued to buy back shares for its employee share ownership plans. The company bought back 89,482 of its own shares for €21m. At 31 March, it held 1,476,895 shares worth a total of €311m, not including shares covered by a liquidity contract. These shares have been purchased in connection with bonus share plans allocated to employees.

Outlook for 2012

Hermès will pursue its long-term strategy, which is based on maintaining control over its know how and its distribution network. It will continue to invest in developing its production capacity and its distribution network, with the opening or renovation of some fifteen branches.

In 2012 – as in every year since the firm was founded in 1837 – Hermès will take its time, at its own pace, and it will celebrate "The gift of time" as its theme of the year. Time, that singular phenomenon, rules the excellence epitomised in the consummate skills of our saddlers, the meticulous precision of our watchmakers, the virtuosity of our engravers and the dedication to quality of all our craftspeople and designers. Without it, nothing lasting or beautiful could be brought into being.

INFORMATION BY GEOGRAPHICAL ZONES (1)

In millions of Euros	1 st quarter		Evolutions	
	2012	2011	published	at constant exchange rates
France	123.6	108.5	13.9%	13.9%
Europe (Excl. France)	150.6	117.7	28.0%	26.6%
Total Europe	274.2	226.2	21.2%	20.5%
Japan	119.9	102.6	16.9%	8.1%
Asia Pacific (Excl. Japan)	248.1	192.1	29.1%	22.4%
Total Asia	368.0	294.7	24.9%	17.4%
Americas	120.6	105.1	14.7%	10.7%
Others (2)	14.1	11.1	27.0%	26.6%
TOTAL	776.9	637.1	21.9%	17.6%

(1) Sales by geographical zones are by destination

(2) Including sales to airline companies

INFORMATION BY SECTORS

In millions of Euros	1 st quarter		Evolutions	
	2012	2011	published	at constant exchange rates
Silk & Textiles	92.7	78.6	17.8%	13.5%
Leathergoods & Saddlery (1)	358.4	302.9	18.3%	13.5%
Ready-to-wear & fashion accessories (2)	161.5	129.4	24.8%	20.2%
Other Hermès Sectors (3)	31.7	21.0	51.5%	46.4%
Perfumes	49.1	40.9	20.0%	19.4%
Watches	37.1	27.9	33.1%	26.9%
Tableware	14.0	10.8	29.2%	26.9%
Other products (4)	32.4	25.6	26.4%	24.8%
TOTAL	776.9	637.1	21.9%	17.6%

(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,...).