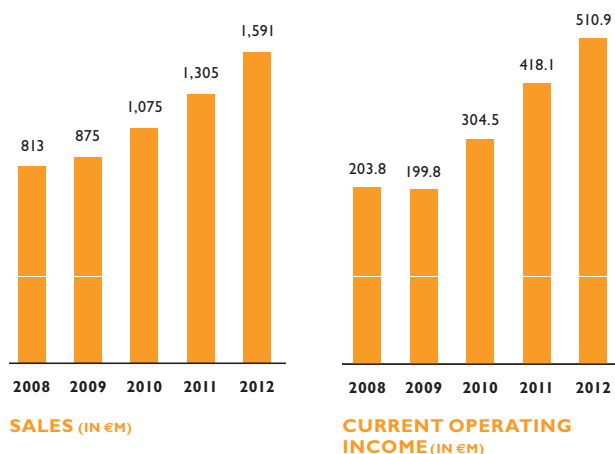


HERMÈS



## Strong growth in sales and operating income (+22%)



The group's consolidated sales for the first half of 2012 totalled €1,591.4 million, up by 21.9% at current exchange rates (15.4% at constant exchange rates). Current operating profitability reached 32.1% of sales.

### SALES BY GEOGRAPHICAL REGION AND BY SECTOR

(AT CONSTANT EXCHANGE RATES UNLESS SPECIFIED OTHERWISE)

In the first half of 2012, all geographical regions contributed to the growth in business:

- Non-Japan Asia (+25%, led by China, Singapore and Hong Kong) and Japan (+3%);
- France (+10%) and the rest of Europe (+21%);
- the Americas (+9%), despite an exceptional basis of comparison in 2011 (+34%);

All business sectors are developing thanks to an innovative creativity.

Sales of the Leather Goods and Saddlery division, in which investment in production capacity is continuing, are still rising (+10%).

The Clothing and Accessories division has registered strong growth due to the success of the spring- summer ready-to-wear collections and fashion accessories (+21%).

The Silk and Textiles sector, with 15% growth, is benefiting from the richness of its collections.

Perfumes are continuing to forge ahead due to the success of *Terre d'Hermès* and the launching of new perfume *Voyage d'Hermès* in the first quarter of the year (+13%).

The Watchmaking sector is reaping the rewards of its continuous investment in know-how and showing strong growth (+23%).

Other sectors (Jewellery and Art of Living) had a quite remarkable first half of the year (+50 %).

### OPERATING PROFITABILITY REACHES

#### 32.1 % OF SALES

Operating income has increased by 22.2 % to reach €510.9 million compared to €418.1 million in the first half of 2011, i.e. a 32.1% operating profitability, close to the performance achieved last year.

Consolidated net income totals €335.1 million compared to €290.9 million in the first half of 2011. After adjustment for the gross capital gain (€29.5 million) resulting from the sale of the share in the Jean-Paul Gaultier group in the first half of 2011, growth in net income comes to 28 %.

The group's cash flow totals €392.5 million, up by 19 %. After financing of all operational and financial investments (€68.8 million), payment of the ordinary dividend and a special dividend, the net cash position (IFRS) was €463.7 million on the 30th of June 2012 compared to €1,038.3 million at the end of 2011.

In the first half of the year the group bought back 89,582 shares for €21,0 million, excluding movements under the liquidity contract.

Hermès had 9,526 employees at the end of June 2012. 445 new jobs were created in the first half of the year, enabling the sales and production teams to be reinforced to deal with the success of the collections. The accounts have undergone a limited examination by the auditors.

The summarised half-yearly consolidated accounts are available at: [www.hermes-international.com](http://www.hermes-international.com).

### OUTLOOK FOR THE GROUP

#### IN THE SECOND HALF OF THE YEAR

Given the sales achieved in the first half of the year, the target for annual growth in consolidated sales at constant exchange rates could be around 12 %.

The current operating margin, expressed as a percentage of sales, should be somewhere between the 2010 figure and the all-time high reached in 2011. In the second half of the year, Hermès will continue its strategy based on developing its distribution network, strengthening its production capacities and securing its supplies.

The theme for 2012, "The Gift of Time" emphasises craftsman's excellence, passion and quality. Without time, nothing lasting or beautiful could be created.