

HERMÈS

Third quarter financial report (nine months ended 30 September 2012)

Robust sales momentum in the third quarter (+24.2%)

Paris, 8 November 2012

The group's consolidated revenue for the nine months ended 30 September totalled €2,440 million, a rise of 22.7% at current exchange rates (and of 15.5% % at constant exchange rates).

In the third quarter, sales grew by 24.2% at current exchange rates and by 15.7% at constant exchange rates. Sales growth for the group's own stores remained extremely robust (up 16.8% at constant exchange rates), despite a high basis of comparison.

Sales for the first nine months by sector and region *(at constant exchange rates, unless otherwise indicated)*

Sales expanded across all regions in the nine months to 30 September 2012:

- Non-Japan Asia (+24%, driven by China, Singapore and Hong Kong) and Japan (+4%);
- France (+13%) and the Rest of Europe (+18%);
- The Americas (+11%), in spite of an exceptionally high basis of comparison in 2011 (+30%).

All sectors delivered a handsome performance owing to the new creations and excellence of craftsmanship:

- Leather Goods and Saddlery (+11%), where the group continues to invest in expanding production capacity to meet steadily rising demand;
- Ready-to-wear and Accessories (+21%), underpinned by the creativity of the latest ready-to-wear and fashion accessories collections;
- Silk and Textiles (+14%), propelled by the success of new materials and new formats ;
- Perfumes (+13%), owing to the success of the great classic *Terre d'Hermès* and to the launch of *Voyage d'Hermès* perfume;
- Watches (+16%), reflecting the success of the strategy to expand into mechanical and manufacture calibre watches;
- Other Hermès sectors, with an exceptional rise of 52% owing to the uniqueness of Hermès jewellery and the development of the Art of Living collections.

Significant events during the third quarter

At the end of September, currency fluctuations generated a positive impact of €143 million on sales.

Hermès International did not buy back any of its own shares during the third quarter. At 30 September, it held 1 456 362 shares for a total of €310 million, excluding shares traded under the liquidity contract.

Outlook

If the current trend persists, the target for consolidated annual sales growth at constant exchange rates could exceed 13%. The current operating margin is expected to be between the 2010 level and the record high achieved in 2011.

During the fourth quarter, Hermès will continue to follow its strategy based on expanding its distribution network, strengthening its production capacity and safeguarding its sources of supply.

The theme for 2012, “The Gift of Time”, highlights the excellence, passion and quality of the craftsman. Without time, nothing lasting or beautiful could be brought into being.

INFORMATION BY GEOGRAPHICAL ZONES (1)

In millions of Euros	As of Sept 30th		Evolutions	
	2012	2011	Published	At constants exchange rates
France	388.7	344.1	13.0%	13.0%
Europe (excl. France)	465.0	387.3	20.1%	18.4%
Total Europe	853.7	731.4	16.7%	15.9%
Japan	381.5	331.1	15.3%	3.6%
Asia Pacific (excl. Japan)	781.6	577.5	35.3%	23.7%
Total Asia	1,163.2	908.6	28.0%	16.3%
Americas	384.3	318.8	20.5%	11.0%
Other	38.8	29.9	29.8%	29.4%
TOTAL	2,440.0	1,988.7	22.7%	15.5%

In millions of Euros	3rd quarter		Evolutions	
	2012	2011	Published	At constants exchange rates
France	132.9	111.8	18.8%	18.8%
Europe (excl. France)	158.6	138.0	14.9%	13.5%
Total Europe	291.5	249.9	16.7%	15.9%
Japan	134.7	115.8	16.3%	4.3%
Asia Pacific (excl. Japan)	274.8	201.9	36.1%	21.9%
Total Asia	409.5	317.7	28.9%	15.6%
Americas	135.5	106.6	27.0%	14.0%
Other	12.2	9.0	36.1%	35.7%
TOTAL	848.6	683.2	24.2%	15.7%

(1) Sales by destination.

INFORMATION BY SECTORS

In millions of Euros	As of Sept 30th		Evolutions	
	2012	2011	Published	At constants exchange rates
Leathergoods & Saddlery (1)	1,124.5	949.6	18.4%	10.6%
Ready-to-wear & fashion accessories (2)	527.9	408.9	29.1%	21.1%
Silk & Textiles	276.3	227.1	21.7%	14.4%
Other Hermès Sectors (3)	111.8	69.6	60.6%	52.0%
Perfumes	138.6	121.4	14.1%	13.0%
Watches	120.8	96.8	24.7%	16.3%
Tableware	41.5	34.8	19.2%	15.2%
Other products (4)	98.6	80.5	22.5%	19.6%
TOTAL	2,440.0	1,988.7	22.7%	15.5%

In millions of Euros	3rd quarter		Evolutions	
	2012	2011	Published	At constants exchange rates
Leathergoods & Saddlery (1)	385.0	319.4	20.5%	11.2%
Ready-to-wear & fashion accessories (2)	193.2	148.1	30.5%	21.1%
Silk & Textiles	93.4	76.1	22.8%	14.2%
Other Hermès Sectors (3)	42.4	25.6	65.8%	56.0%
Perfumes	49.2	42.7	15.3%	13.9%
Watches	42.9	37.5	14.5%	6.2%
Tableware	13.4	10.9	23.0%	17.9%
Other products (4)	29.1	22.9	26.7%	22.2%
TOTAL	848.6	683.2	24.2%	15.7%

(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,...).

REMINDER OF PREVIOUS PUBLICATIONS

INFORMATION BY GEOGRAPHICAL ZONES (1)

In millions of Euros	2012			2011		
	Q1 reported	Q2 reported	S1 reported	Q1 reported	Q2 reported	S1 reported
France	123.6	132.2	255.8	108.5	123.7	232.2
Europe (excl. France)	150.6	155.8	306.4	117.7	131.6	249.3
Total Europe	274.2	288.0	562.2	226.2	255.3	481.5
Japan	119.9	127.0	246.9	102.6	112.6	215.2
Asia Pacific (excl. Japan)	248.1	258.8	506.8	192.1	183.5	375.6
Total Asia	368.0	385.7	753.7	294.7	296.2	590.9
Americas	120.6	128.2	248.8	105.1	107.1	212.2
Other	14.1	12.5	26.6	11.1	9.8	20.9
TOTAL	776.9	814.5	1,591.4	637.1	668.4	1,305.5

(1) Sales by destination.

INFORMATION BY SECTORS

In millions of Euros	2012			2011		
	Q1 reported	Q2 reported	S1 reported	Q1 reported	Q2 reported	S1 reported
Leathergoods & Saddlery	358.4	381.0	739.5	302.9	327.2	630.1
Ready-to-wear & fashion accessories	161.5	173.3	334.7	129.4	131.4	260.9
Silk & Textiles	92.7	90.3	182.9	78.6	72.4	151.0
Other Hermès Sectors	31.7	37.7	69.5	21.0	23.1	44.1
Perfumes	49.1	40.3	89.4	40.9	37.8	78.8
Watches	37.1	40.7	77.8	27.9	31.4	59.3
Tableware	14.0	14.1	28.0	10.8	13.0	23.9
Other products	32.4	37.1	69.5	25.6	31.9	57.5
TOTAL	776.9	814.5	1,591.4	637.1	668.4	1,305.5