

HERMES

Quarterly information report to the end of September 2013

Solid improvement of sales in the third quarter (+12.9% at constant exchange rates)

Paris, 7 November 2013

As at end of September, the group's consolidated turnover amounted to €2,662.7 million, an improvement of 13.9% at constant exchange rates. After taking into account the negative currency impact, primarily due to a weaker yen, growth was to 9.1%.

In the third quarter, sales grew by 12.9% at constant exchange rates (+5.5% at current exchange rates). The increase continues to be noteworthy both in the group's stores (+12.9% at constant exchange rates) and in wholesale channels (+12.6% at constant exchange rates).

Activity as at end of September by geographical zone

(data at comparable exchange rates unless indicated otherwise)

As at end of September 2013, sales grew in all geographical zones:

- Fine momentum continued in non-Japan Asia and in the Americas (+17%);
- France (+12%) and Europe excluding France (+14%) posted an excellent performance;
- Japan confirmed the positive trend seen in the first half of the year (+7%).

In the third quarter, Hermès continued the qualitative development of its distribution network. China and Japan opened two new stores, respectively in Ningbo and Nagoya Mitsukoshi. In the United States, the Beverly Hills store was inaugurated in September after being enlarged and renovated, and after the building's acquisition in late 2012.

Activity as at end of September by sector

(data at comparable exchange rates unless indicated otherwise)

Demand for Hermès products continues to be supported by the House's creative momentum, and the excellence of its know-how.

The Leather goods and Saddlery division (+9%) continued its qualitative growth as well as the progressive development of its production capacities, with the ramp-up of the new manufacturing plants in Isère, Charente and Franche-Comté.

The ready-to-wear and Accessories sector (+20%) posted a remarkable performance and is benefiting from the richness of ready-to-wear, fashion accessories and footwear collections.

The Silk and Textiles sector (+13%) posted excellent results thanks to the abundance and density of its collections.

Perfumes (+15%) are building on the development of the flagship line *Terre d'Hermès* while benefiting from the *Jour d'Hermès* launch at the start of the year.

Watches (+1%) returned to growth but continues to be affected by the slowdown seen in the early part of the year in the Chinese market, and by a very high comparison basis from last year.

The other Hermès sectors increased sharply (+38%) thanks to the vitality of the jewellery sector and the singular nature of the offerings from Hermès home products.

Significant events in the third quarter

As at end of September, the evolution of currency exchange rates generated a negative impact of €16 million on the turnover.

Hermès International did not buy back any shares during the third quarter, other than shares traded under the liquidity contract.

Outlook

In view of the sales generated over the first nine months, the annual growth objective for the consolidated turnover, at constant exchange rates, could exceed 11%. Depending on exchange rate fluctuations, current operating margin could be close to the historically high level reached in 2012 (32.1%).

During the fourth quarter, Hermès will continue to follow its long-term strategy based on creativity, fantasy, mastering its know-how, developing its distribution network, strengthening its production capacities and securing its sources of supply.

With its annual theme “Chic, le sport !” (A sporting life!), Hermès is clearly focusing on energy and optimism for the end of 2013. Since its origins, the House has been tapping the sports universe to feed its passion for movement, elegance and values of excellence. For Hermès, sport conveys spirit, style and pleasure before all else, and is more than ever expressed in our collections.

INFORMATION BY GEOGRAPHICAL ZONES (1)

In millions of Euros	As of Sept 30th		Evolutions	
	2013	2012	Published	At constants exchange rates
France	433,6	388,7	11,5%	11,6%
Europe (excl. France)	521,0	465,0	12,0%	13,5%
Total Europe	954,6	853,7	11,8%	12,6%
Japan	329,6	381,5	(13,6)%	7,2%
Asia Pacific (excl. Japan)	895,4	781,6	14,6%	16,7%
Total Asia	1 225,1	1 163,2	5,3%	13,6%
Americas	436,7	384,3	13,6%	16,9%
Other	46,3	38,8	19,4%	19,7%
TOTAL	2 662,7	2 440,0	9,1%	13,9%

In millions of Euros	3rd quarter		Evolutions	
	2013	2012	Published	At constants exchange rates
France	144,4	132,9	8,7%	8,7%
Europe (excl. France)	174,1	158,6	9,8%	12,0%
Total Europe	318,5	291,5	9,3%	10,5%
Japan	108,2	134,7	(19,6)%	5,8%
Asia Pacific (excl. Japan)	304,2	274,8	10,7%	16,4%
Total Asia	412,4	409,5	0,7%	13,0%
Americas	150,7	135,5	11,2%	17,6%
Other	13,9	12,2	13,5%	13,9%
TOTAL	895,5	848,6	5,5%	12,9%

(1) Sales by destination.

INFORMATION BY SECTORS

In millions of Euros	As of Sept 30th		Evolutions	
	2013	2012	Published	At constants exchange rates
Leathergoods and Saddlery (1)	1 163,0	1 124,5	3,4%	9,4%
Ready-to-wear and fashion accessories (2)	612,0	527,9	15,9%	20,2%
Silk and Textiles	300,8	276,3	8,9%	12,9%
Other Hermès sectors (3)	148,3	111,8	32,6%	37,5%
Perfumes	157,8	138,6	13,9%	14,6%
Watches	117,6	120,8	(2,6)%	1,2%
Tableware	41,9	41,5	1,1%	4,0%
Other products (4)	121,1	98,6	22,9%	26,0%
TOTAL	2 662,7	2 440,0	9,1%	13,9%

In millions of Euros	3rd quarter		Evolutions	
	2013	2012	Published	At constants exchange rates
Leathergoods and Saddlery (1)	383,1	385,0	(0,5)%	8,4%
Ready-to-wear and fashion accessories (2)	216,4	193,2	12,0%	18,9%
Silk and Textiles	99,1	93,4	6,1%	12,7%
Other Hermès sectors (3)	53,6	42,4	26,5%	33,8%
Perfumes	51,1	49,2	3,9%	5,1%
Watches	42,7	42,9	(0,5)%	5,3%
Tableware	13,0	13,4	(3,1)%	1,4%
Other products (4)	36,4	29,1	25,2%	30,1%
TOTAL	895,5	848,6	5,5%	12,9%

(1) Leathergoods & Saddlery include bags & luggages, horse riding, memory holders 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	2013			2012		
	Q1 Report	Q2 Report	S1 report	Q1 Report	Q2 Report	S1 report
France	137,9	151,3	289,2	123,6	132,2	255,8
Europe (excl. France)	168,2	178,7	346,9	150,6	155,8	306,4
Total Europe	306,1	330,0	636,1	274,2	288,0	562,2
Japan	110,3	111,1	221,4	119,9	127,0	246,9
Asia Pacific (excl. Japan)	292,0	299,2	591,2	248,1	258,8	506,8
Total Asia	402,3	410,3	812,6	368,0	385,7	753,7
Americas	133,0	153,1	286,1	120,6	128,2	248,8
Other	15,4	17,1	32,4	14,1	12,5	26,6
TOTAL	856,8	910,4	1 767,2	776,9	814,5	1 591,4

(1) Sales by destination.

INFORMATION BY SECTORS

In millions of Euros	2013			2012		
	Q1 Report	Q2 Report	S1 report	Q1 Report	Q2 Report	S1 report
Leathergoods and Saddlery	372,5	407,4	779,9	358,4	381,0	739,5
Ready-to-wear and fashion accessories	187,8	207,8	395,6	161,5	173,3	334,7
Silk and Textiles	105,0	96,6	201,7	92,7	90,3	182,9
Other Hermès sectors	46,6	48,1	94,7	31,7	37,7	69,5
Perfumes	57,8	48,9	106,7	49,1	40,3	89,4
Watches	34,5	40,4	74,9	37,1	40,7	77,8
Tableware	13,5	15,4	28,9	14,0	14,1	28,0
Other products	39,1	45,7	84,7	32,4	37,1	69,5
TOTAL	856,8	910,4	1 767,2	776,9	814,5	1 591,4

(1) Leathergoods & Saddlery include bags & luggages, horse riding, memory holders 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.

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