HALF-YEAR REVIEW OF OPERATIONS

JUNE 2009

I. HALF-YEAR REVIEW OF OPERATIONS

Highlights

Hermès products are sold through two separate distribution channels, which delivered mixed results in the first half: the company-owned stores on one side, and the concessionaires and specialised distribution networks, which mainly sell perfumes, watches and tableware (wholesalers) on the other side.

Sales for the six months ended 30 June came to €874.9 million, up 7.6% at current exchange rates. At constant exchange rates, sales were stable by comparison with the first half of 2008, despite the economic downturn.

Fluctuations in exchange rates, and more particularly in the yen, the US dollar and currencies tied to the dollar, continued to produce a strong effect on the Group's business, with a positive impact of €65 million on sales and €7 million on operating income in the first half. There were no significant events that produced a material impact on the Hermès Group's business and results during the period.

The Group did not buy back any of its own shares during the first half of 2009, other than shares traded under the liquidity contract.

First-half sales
(at constant exchange rates, unless otherwise indicated)

Hermès continued to expand it distribution network. It opened five new branches – two in the United States, one in the United Kingdom, one in China and one in Korea – and took over a concession in Japan.

Sales for the Group's own stores advanced by 19% at current exchange rates and by 9% at constant exchange rates, driven by growth in all regions other than Japan, where they dipped 4%.

Wholesale revenues were 22% lower owing to scaled back purchasing by the specialised distribution networks for watches, perfumes and tableware.

Consolidated sales edged down slightly in Europe (other than in France), in the Americas and in Japan. They were higher in France and Asia (excluding Japan), where business was buoyed by robust expansion in China and Korea.

By sector, sales were driven by silk scarves, fashion accessories and the Leather Goods & Saddlery division, which enjoyed persistently strong demand for its products. Despite a small improvement in the second quarter, primarily for Perfumes, sales for the other sectors receded. The decline was most pronounced in Watches and Tableware, where sales generated through non-Group distribution channels were adversely affected by inventory drawdowns.

(in millions of euros)	1st semester 2009	1st semester 2008	Reported change	Change at constant exchange rates
Silk and textiles	98.4	91.1	8.0%	1.2%
Leather Goods and Saddlery (1)	433.8	340.0	27.6%	15.7%
Clothing and Accessories (2)	166.2	155.4	6.9%	(0.5)%
Other Hermès Sectors (3)	34.6	34.8	(0.3)%	(7.2)%
Distribution via the Hermès exclusive network	**733.0**	**621.2**	**18.0%**	**8.3%**
Perfumes	53.3	63.5	(16.1)%	(17.3)%
Watches	33.5	42.0	(20.2)%	(27.2)%
Tableware	17.5	24.5	(28.4)%	(31.1)%
Distribution via specialised outlets	**104.3**	**129.9**	**(19.7)%**	**(23.1)%**
Other (4)	37.6	62.0	(39.3)%	(40.0)%
TOTAL	**874.9**	**813.2**	**7.6%**	**(0.4)%**

1) "Leather Goods and Saddlery" includes bags and luggage, saddlery and riding gear, diaries and small leather goods
2) "Ready to Wear and Fashion Accessories" includes men's and women's clothing, belts, jewellery accessories, gloves, hats and Hermès shoes.
3) "Other Hermès Sectors" includes Jewellery and Art of Living products.
4) "Other" includes John Lobb shoes and products manufactured for brands outside the Group (textile printing, perfumes, tanning etc.).

(in millions of euros)	1st semester 2009	1st semester 2008	Reported change	Change at constant exchange rates
France	168.9	167.7	0.7%	0.7%
Rest of Europe	168.8	181.8	(7.1)%	(6.1)%
Total – Europe	**337.7**	**349.5**	**(3.4)%**	**(2.8)%**
Japan	198.0	174.8	13.2%	(9.9)%
Rest of Asia-Pacific region	193.3	147.7	30.8%	22.0%
Total – Asia	**391.2**	**322.5**	**21.3%**	**4.7%**
Americas	129.7	118.3	9.7%	(1.9)%
Other (1)	16.3	22.9	(28.9)%	(29.3)%
TOTAL	**874.9**	**813.2**	**7.6%**	**(0.4)%**

1) Including sales to airlines.

First-half results

The gross margin was 63.6%, a 0.7 percentage point contraction compared with the first half of 2008, owing to reduced activity at certain production sites.

Selling, marketing and administrative expenses rose to €315.7 million from €286.5 million in the six months to 30 June 2008. These mainly include advertising expenses, which amounted to €40.2 million.

Other income and expenses came to €40.7 million. The increase in net expense, which primarily includes €34.7 million of depreciation and amortisation charges, was due to significantly higher investments, with a large number of newly opened and renovated branches over the past two years.

Operating income dipped by 2% (by 5.4% at constant exchange rates) to €199.8 million from €203.8 million in the first half of 2008. The operating margin widened to 22.8% from 25.1% at 30 June 2008.

Net financial income was a loss of €4.4 million compared with a gain of €5.7 million in the six months to 30 June 2008. The change was due partly to the impact of valuation adjustments to hedging instruments and partly to a fall in the rate of return on financial investments.

The tax charge amounted to €64.5 million in the first half of 2009 compared with €72.3 million in the same year-ago period. Minority interests' share of net income was €2.8 million against €2.3 million in the first half of 2008.

After €2.7 million in negative net income of affiliated companies, the Group's consolidated net income was €125.4 million, down 7% (down 10.1% at constant exchange rates) on the €134.9 million registered in the first six months of 2008.

Earnings per share were also down 7% year-on-year in the first half of 2009.

Operating cash flow was stable, at €169.5 million in the first six months of 2009, compared with €169.8 million in the same year-ago period.

Investments

Hermès continued to make substantial investments during the first half of 2009. These came to €82.1 million over the period and were entirely financed from cash flow.

The distribution network continued to expand, with eight branches opened or renovated during the period.

(in millions of euros)	1st semester 2009	1st semester 2008
Investments in operating assets(1)	43.1	82.2
Investments in acquisitions	9.0	7.7
Financial investments (2)	30.0	-
Total investments	**82.1**	**89.9**

1) In 2008, investments in operating assets included the purchase of a building located at 39, rue du Rhône in Geneva for €45 million.
2) Financial investments consist of a €30 million investment with a 3-year maturity.

Financial position

Operating cash flow (€169.5 million) was used to finance all investments in operating assets (€43.1 million) and dividends (€113.4 million).

After the change in working capital requirements, cash amounted to €353.8 million at 30 June 2009 compared with €450.5 million at 31 December 2008.

Restated net cash (after factoring in non-liquid financial investments and borrowings) totalled €380.9 million at 30 June 2009, compared with €432.4 million at 31 December 2008.

Shareholders' equity increased again owing to the profits generated by the Group. It rose from €1,588.5 million (Group share) at 31 December 2008 to €1,621.6 million at 30 June 2009.

Events occurring after 30 June 2009

No other significant event has occurred since 30 June 2009.

Outlook for the second half

The trend seen in the first half is in line with the Group's target of steady sales for the full year at constant exchange rates, with a slight contraction in current operating income.

Hermès will continue to follow its long-term strategy of maintaining control over its know-how and distribution network. It will continue to invest significantly in the second half, during which it will open or renovate more than ten stores, primarily in Asia and in the United States.

Hermès' business will continue to be driven by its ambitious, alluring creative designs and by the vitality of its craftsmanship. This momentum will be sustained by rallying the distribution network’s efforts to showcase our lavish collections and to highlight customer service.

Risks and uncertainties

The Hermès Group's results are exposed to the risks and uncertainties described in the 2008 registration document. The assessment of these risks did not change during the first half of 2009 and no new risk had been identified as of the publication date of this report. The main risk remains exposure to currency fluctuations.

Related-party transactions

During the first half of 2009, no unusual transaction was entered into other than those described in the 2008 registration document.

II. CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS TO 30 JUNE 2009

(in millions of euros)	*Note*	1st semester 2009	1st semester 2008
Revenues	*4*	**874.9**	**813.2**
Cost of sales		(318.8)	(290.1)
Gross profit		**556.2**	**523.1**
Selling, marketing and administrative expenses	*5*	(315.7)	(286.5)
Other income and expense	*6*	(40.7)	(32.8)
Recurring operating income	*4*	**199.8**	**203.8**
Other non-recurring income and expense		-	-
Operating income		**199.8**	**203.8**
Net financial income	*7*	(4.4)	5.7
Pre-tax income		**195.4**	**209.5**
Corporate income tax	*8*	(64.5)	(72.3)
Net income from equity affiliates	*15*	(2.7)	-
CONSOLIDATED NET INCOME		**128.2**	**137.2**
Minority interests	*21*	(2.8)	(2.3)
NET INCOME - GROUP'S SHARE	*4*	**125.4**	**134.9**
Earnings per share (in euros)	*9*	1.19	1.28
Diluted earnings per share (in euros)	*9*	1.19	1.28

NET INCOME STATEMENT AND GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY

(in millions of euros)	*Note*	H1 2009	H1 2008
Consolidated net income	*4*	**128.2**	**137.2**
Actuarial gains and losses	*24*	0.3	(1.3)
Foreign currency adjustments	*20*	(11.0)	(18.5)
Derivatives included in equity	*20*	31.0	4.6
Gain/(loss) on sale of treasury shares		(0.3)	0.8
Income tax effect	*20*	(10.1)	(1.7)
Aggregate net income		**138.0**	**121.2**
. Group's share		135.4	120.3
. Minority interests' share		2.6	0.9

CONSOLIDATED BALANCE SHEET AT 30 JUNE 2009

(in millions of euros)	*Note*	30/06/2009	31/12/2008 reported	31/12/2008 restated [(1)]
Non-recurring assets		**1,024.6**	**998.0**	**999.2**
Goodwill	*10*	34.6	35.7	35.7
Intangibles	*11*	55.5	53.2	53.2
Property, plant & equipment	*12*	660.1	672.1	672.1
Investment property	*13*	10.0	10.1	10.1
Long-term investments	*14*	88.5	49.7	49.7
Investments in associates	*15*	15.0	15.7	15.7
Loans and deposits	*16*	19.6	19.8	19.8
Deferred tax assets	*8*	141.1	140.0	141.2
Other non-current assets	*18*	0.3	1.6	1.6
Current assets		**1,202.9**	**1,329.9**	**1,326.3**
Inventories and work in progress	*17*	544.7	523.6	521.6
Trade receivables	*18*	107.2	153.4	153.4
Current tax receivables	*18*	7.5	5.0	5.0
Other receivables	*18*	71.7	67.4	65.9
Financial instruments at fair value	*19*	62.2	94.8	94.8
Cash and cash equivalents	*19*	409.6	485.8	485.8
TOTAL ASSETS		**2,227.4**	**2,327.9**	**2,325.5**

Shareholders' equity		**1,635.3**	**1,604.8**	**1,602.5**
Share capital	*20*	53.8	53.8	53.8
Share premium		49.6	48.6	48.6
Treasury shares	*20*	(31.5)	(36.8)	(36.8)
Reserves	*20*	1,455.1	1,275.8	1,273.4
Foreign currency adjustments	*20*	(36.6)	(25.7)	(25.7)
Derivatives included in equity	*20*	5.8	(15.1)	(15.1)
Net income for the period (Group's share)	*4*	125.4	290.2	290.2
Minority interests	*21*	13.7	14.0	14.0
Non-current liabilities		**103.2**	**107.7**	**107.7**
Borrowings and debt		21.1	24.5	24.5
Provisions	*22*	3.4	2.8	2.8
Pension and other employee benefit obligations	*24*	50.4	48.9	48.9
Deferred tax liabilities	*8*	10.5	9.6	9.6
Other non-current liabilities	*25*	17.8	21.9	21.9
Current liabilities		**488.9**	**615.4**	**615.4**
Borrowings and debt		80.2	71.0	71.0
Provisions	*22*	9.4	15.0	15.0
Pension and other employee benefit obligations	*24*	3.0	3.0	3.0
Trade payables	*25*	149.7	210.8	210.8
Financial instruments at fair value		43.8	105.3	105.3
Current tax liabilities	*25*	34.1	44.5	44.5
Other current liabilities	*25*	168.6	165.8	165.8
TOTAL EQUITY AND LIABILITIES		**2,227.4**	**2,327.9**	**2,325.5**

[1)] Following application of the amendment to IAS 38 - *Intangibles* on the treatment of samples at the point of sale, of advertising and promotional expenditure and of catalogues (see Note 1), the comparable periods of the consolidated balance sheet have been restated.

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

(in millions of euros)	Share capital	Share premium	Treasury shares	Consolidated reserves and net income - Group's share	Derivatives	Foreign currency adjustments	Actuarial gains and losses	**Equity - Group's share**	Minority interests	**Shareholders' equity**	**Number of shares outstanding**
Note	*20*		*20*	*20*	*20*	*20*	*24*		*21*		*9*
At 31 December 2008 - reported	**53.8**	**48.6**	**(36.8)**	**1,577.0**	**(15.1)**	**(25.7)**	**(11.1)**	**1,590.8**	**14.0**	**1,604.9**	**105,550,012**
Impact from application of IAS 38	-	-	-	(2.3)	-	-	-	(2.3)	-	(2.3)	-
At 31 December 2008 – restated	**53.8**	**48.6**	**(36.8)**	**1,574.7**	**(15.1)**	**(25.7)**	**(11.1)**	**1,588.5**	**14.0**	**1,602.5**	**105,550,012**
Net income - Group's share	-	-	-	125.4	-			125.4	2.8	128.2	-
Income and expenses recognised directly in equity	-	-	-	(0.2)	20.9	(10.9)	0.2	10.0	(0.1)	9.8	-
Sub-total	***-***	***-***	***-***	***125.2***	***20.9***	***(10.9)***	***0.2***	***135.4***	***2.6***	***138.0***	-
Change in share capital and share premium	-	1.0	-	-	-	-	-	1.0	-	1.0	19,400
Purchase or sale of treasury shares	-	-	5.3	-	-	-	-	5.3	-	5.3	-
Share-based payment	-	-	-	2.1	-	-	-	2.1	-	2.1	-
Dividends paid	-	-	-	(110.4)	-	-	-	(110.4)	(3.0)	(113.4)	-
Other	-	-	-	(0.2)	-	-	-	(0.2)	0.1	(0.1)	-
At 30 June 2009	**53.8**	**49.6**	**(31.5)**	**1,591.3**	**5.8**	**(36.6)**	**(10.9)**	**1,621.6**	**13.7**	**1,635.3**	**105,569,412**

(in millions of euros)	Share capital	Share premium	Treasury shares	Consolidated reserves and net income - Group's share	Derivatives	Translation differences	Actuarial gains and losses	**Equity - Group's share**	Minority interests	**Shareholders' equity**	**Number of shares outstanding**
At 31 December 2007 – reported	**54.1**	**43.5**	**(33.8)**	**1,436.5**	**17.0**	**(45.2)**	**(9.7)**	**1,462.4**	**12.7**	**1,475.1**	**106,089,214**
Impact from application of IAS 38	-	-	-	(2.5)	-	-	-	(2.5)	-	(2.5)	-
At 31 December 2007 – restated	**54.1**	**43.5**	**(33.8)**	**1,434.0**	**17.0**	**(45.2)**	**(9.7)**	**1,459.9**	**12.7**	**1,472.6**	**106,089,214**
Net income - Group's share	-	-	-	134.9	-			134.9	2.3	137.2	-
Income and expenses recognised directly in equity	-	-	-	0.5	2.8	(17.1)	(0.8)	(14.6)	(1.4)	(16.0)	-
Sub-total	***-***	***-***	***-***	***135.5***	***2.8***	***(17.1)***	***(0.8)***	***120.3***	***0.9***	***121.2***	-
Change in share capital and share premium	-	1.7	-	-	-	-	-	1.7	-	1.7	36,000
Purchase or sale of treasury shares	-	-	(48.4)	-	-	-	-	(48.4)	-	(48.4)	-
Share-based payment	-	-	-	2.2	-	-	-	2.2	-	2.2	-
Dividends paid	-	-	-	(106.2)	-	-	-	(106.2)	(2.3)	(108.5)	-
Other	-	-	-	(0.2)	-	-	-	(0.2)	2.1	1.9	-
At 30 June 2008 restated	**54.1**	**45.2**	**(82.2)**	**1,465.3**	**19.8**	**(62.3)**	**(10.5)**	**1,429.4**	**13.4**	**1,442.8**	**106,125,214**

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS TO 30 JUNE 2009

(in millions of euros)	*Note*	H1 2009	H1 2008
CASH FLOW FROM OPERATING ACTIVITIES			
Net income - Group's share	*4*	125.4	134.9
Depreciation and amortisation		39.7	34.1
Impairment losses	*11 and 12*	1.3	0.6
Derivatives marked to market		2.8	3.6
Currency gains/(losses) on fair value adjustments		(0.7)	(5.8)
Change in provisions		(2.6)	(4.5)
Net income from equity affiliates	*15*	2.7	-
Minority interests	*21*	2.8	2.3
Capital gains/(losses) on disposals		(0.1)	0.3
Deferred tax		(4.0)	2.2
Accrued expenses and income related to share-based payments		2.1	2.0
Other		-	0.1
Operating cash flow		**169.5**	**169.8**
Cost of net debt		3.9	(6.5)
Current tax expenses		77.4	78.8
Operating cash flow before cost of debt and current tax charge		**250.7**	**242.2**
Change in operating working capital requirement [1]		(50.9)	(79.0)
Cost of net debt		(3.9)	6.5
Corporate income tax paid		(89.1)	(78.6)
Change in cash generated from operating activities		**106.8**	**91.0**
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisitions of intangibles	*11*	(7.1)	(3.5)
Acquisitions of property, plant and equipment	*12*	(36.1)	(78.8)
Acquisitions of investments in associates		(8.2)	(4.9)
Acquisitions of other long-term investments		(30.8)	(2.8)
Amounts payable relating to non-current assets		(14.6)	(17.6)
Proceeds from sales of non-current operating assets		0.3	0.1
Change in cash provided by/used in investing activities		**(96.4)**	**(107.5)**
CASH FLOW FROM INVESTING ACTIVITIES			
Dividends paid	*20*	(113.4)	(108.5)
Purchases of treasury shares		5.3	(48.3)
Borrowings		8.2	19.3
Loan reimbursements		(21.9)	(7.8)
Other increases/(decreases) in equity		1.0	2.5
Change in cash provided by/used by financing activities		**(120.8)**	**(142.9)**
Changes in scope of consolidation	*19*	-	0.1
Effect of foreign exchange differences on intra-Group transactions [1]		16.7	12.3
Effect of foreign exchange differences	*19*	(3.0)	(4.0)
CHANGE IN NET CASH POSITION	***19***	**(96.7)**	**(151.0)**
Net cash position at 1 January	*19*	450.5	480.5
Net cash position at 30 June	*19*	353.8	329.5
CHANGE IN NET CASH POSITION	***19***	**(96.7)**	**(151.0)**

1) Certain transactions (such as inter-company loans) are carried out under specific conditions that are liable to generate foreign exchange differences. Conventionally, in previous periods, these foreign exchange differences were included in changes in working capital requirements. For the year ended 31 December 2008, these differences were shown separately so as not to distort the cash flow statement. Figures for the six months to 30 June 2008 have been adjusted accordingly.

NOTE 1. ACCOUNTING POLICIES

The interim condensed consolidated financial statements of the Hermès Group have been prepared in accordance with IAS 34, *Interim Financial Reporting*.

The accounting principles and calculation methods used to prepare these condensed interim financial statements are the same as those used to prepare in the consolidated financial statements for the year ended 31 December 2008 and described therein, with the exception of the estimated tax charge for the first half, which is measured in accordance with IAS 34.

Since the 31 December 2008 closing date, the Group has applied the *IFRS Annual Improvements* for the first time, in accordance with Regulation EC 70/2009, which contains 35 amendments to international accounting standards. The first part contains amendments that result in accounting changes for presentation, recognition or measurement purposes, while the second part relates to changes in terminology or to amendments of editorial nature.

Revised IAS 1 - *Presentation of Financial Statements*, which is applicable to interim condensed consolidated financial statements, produced an impact on the presentation of net income and gains and losses recognised directly in equity.

The application of amended IAS 38 - *Intangibles*, on the treatment of samples at the point of sale, of advertising and promotional expenditure and of catalogues, produced a material impact on the consolidated financial statements for the six months to 30 June 2009. As from 1 January 2009, all such expenditures, which were previously recognised in the balance sheet, are taken directly to income. In accordance with this standard, shareholders' equity (Group's share) was adjusted by €2.3m at 31 December 2008 and by €2.5m at 31 December 2007. Conversely, as the impact on net income (Group's share) for the six months to 30 June 2008 was deemed to be immaterial, the income statement for that period was not restated.

Furthermore, the Group applied IFRS 8, *Operating Segments*, for the first time. This standard is applicable for accounting periods commencing on 1 January 2009 or later, in accordance with Regulation EC 1126/2008, and relates to publication of segment reporting information that is based on indicators used internally by management to assess the Group's performance. The business sectors that meet the criteria of the new standard are the same as those previously defined under IAS 14 - *Segment information*. The application of IFRS 8 did not produce a material impact on the Group's financial condition. The information is provided in Note 4.

Lastly, IAS 23 - *Borrowing Costs*, and IFRIC 13 - *Customer Loyalty Programmes*, which are applicable as from 1 January 2009, did not produce a material impact on the consolidated financial statements for the six months to 30 June 2009.

The standards adopted by the European Union may be consulted at www.eur-lex.europa.eu.

The interim consolidated financial statements as presented were approved by the Executive Management on 27 August 2009 after review by the Audit Committee at its meeting of 26 August 2009.

NOTE 2. CHANGES IN THE SCOPE OF CONSOLIDATION

The main changes in the scope of consolidation during the first half of 2009 were the following :

	Interest		Method	
	2009	**2008**	**2009**	**2008**
Additions				
Hermès Istanbul	100.00%	-	Full	-

Creation of Hermès Istanbul
To promote development of the Group's business operations in Turkey, an entity dedicated to furthering this purpose was created in the first half of 2009. The company's share capital is made up of 260,000 shares. Of these, 99.99% or 259,999 shares are owned by Hermès International, and 0.01% or 1 share is owned by Hermès Sellier.

NOTE 3. SEASONAL NATURE OF BUSINESS

The Group's business is balanced over the full year: in 2008, the Group generated 46% of its sales during the first half and 54% during the second half. The breakdown is expected to be approximately the same in 2009. Hence, the Group's business and results are not subject to significant seasonal exposure.

NOTE 4. SEGMENT INFORMATION

NOTE 4.1. INFORMATION BY BUSINESS SECTOR

The Hermès Group's business comprises two main segments: distribution through the Hermès exclusive network and distribution via specialist outlets. These two main business segments have separate strategies and structures and are exposed to different risks and rates of return.

Distribution through the Hermès exclusive network encompasses the following business lines:
- Silk and Textiles;
- Leather Goods and Saddlery, which includes bags and luggage, saddlery and riding gear, diaries and small leather goods;
- Ready to Wear and Fashion Accessories, which includes men's and women's clothing, belts, jewellery accessories, gloves, hats and Hermès shoes);
- Other Hermès Sectors, which includes Jewellery and Art of Living products.

Distribution via specialised outlets comprises the following business lines:
- Perfumes;
- Watches;
- Tableware.

"Other" products not included in these two sectors include John Lobb shoes and products manufactured for brands outside the Group (textile printing, perfumes, tanning etc.).

(in millions of euros)	1st semester 2009 Hermès network	 Specialised outlets	 Other	 **Total**
Revenues from ordinary operations	**733.0**	**104.3**	**37.6**	**874.9**
Selling, marketing and administrative expenses	(244.4)	(34.7)	(36.7)	**(315.7)**
Depreciation and amortisation	(22.0)	(5.3)	(7.4)	**(34.7)**
Operating reserves	(2.4)	(1.5)	(1.9)	**(5.8)**
Impairment losses	-	(0.6)	(0.8)	**(1.3)**
Operating income	**213.6**	**17.7**	**(31.5)**	**199.8**
Operating margin by segment	*29.1%*	*17.0%*		***22.8%***
Net financial income			(4.4)	**(4.4)**
Share of net income of associates			(2.7)	**(2.7)**
Corporate income tax			(64.5)	**(64.5)**
Minority interests			(2.8)	**(2.8)**
Net income	**213.6**	**17.7**	**(105.9)**	**125.4**

(in millions of euros)	1st semester 2008 Hermès network	 Specialised outlets	 Other	 Total
Revenues from ordinary operations	**621.2**	**130.0**	**62.0**	**813.2**
Selling, marketing and administrative expenses	(211.5)	(39.7)	(35.3)	(286.5)
Depreciation and amortisation	(18.1)	(5.8)	(5.4)	(29.3)
Operating reserves	-	(0.6)	(1.6)	(2.2)
Impairment losses	-	(0.4)	(0.2)	(0.6)
Operating income	**194.7**	**31.9**	**(22.8)**	**203.8**
Operating margin by segment	*31.3%*	*24.5%*		*25.1%*
Net financial income			5.7	5.7
Corporate income tax			(72.3)	(72.3)
Minority interests			(2.3)	(2.3)
Net income	**194.7**	**31.9**	**(91.7)**	**134.9**

NOTE 4.2. INFORMATION BY REGION

(in millions of euros)	1st semester 2009 France	Rest of Europe	Japan	Rest of Asia-Pacific	Americas	Other [1]	Holding company	Total
Revenues from ordinary operations	**168.9**	**168.8**	**198.0**	**193.3**	**129.7**	**16.3**	**-**	**874.9**
Selling, marketing and administrative expenses	(53.8)	(53.7)	(71.5)	(55.5)	(50.5)	(5.2)	(25.5)	**(315.7)**
Depreciation and amortisation	(3.4)	(6.7)	(6.1)	(7.8)	(6.1)	(0.2)	(4.3)	**(34.7)**
Operating reserves	(1.1)	(0.9)	(1.6)	(0.8)	0.2	(0.1)	(1.4)	**(5.8)**
Impairment losses	(1.1)	(0.2)	-	-	-	-	-	**(1.3)**
Operating income	**42.0**	**35.6**	**50.8**	**67.2**	**25.7**	**2.0**	**(23.4)**	**199.8**
Operating margin by segment	*24.8%*	*21.1%*	*25.6%*	*34.7%*	*19.8%*	*12.5%*		***22.8%***
Net financial income							(4.4)	**(4.4)**
Share of net income of associates							(2.7)	**(2.7)**
Corporate income tax							(64.5)	**(64.5)**
Minority interests							(2.8)	**(2.8)**
Net income	**42.0**	**35.6**	**50.8**	**67.2**	**25.7**	**2.0**	**(97.8)**	**125.4**

1) Including sales to airlines.

(in millions of euros)	1st semester 2008 France	Rest of Europe	Japan	Rest of Asia-Pacific	Americas	Other [1]	Holding company	Total
Revenues from ordinary operations	**167.7**	**181.8**	**174.8**	**147.7**	**118.3**	**22.9**	**-**	**813.2**
Selling, marketing and administrative expenses	(52.0)	(52.8)	(62.0)	(45.4)	(43.4)	(5.8)	(25.2)	(286.5)
Depreciation and amortisation	(3.1)	(6.6)	(5.5)	(5.9)	(4.8)	(0.2)	(3.1)	(29.3)
Operating reserves	1.1	(0.4)	(1.1)	(0.4)	-	(0.1)	(1.3)	(2.2)
Impairment losses	(0.4)	(0.2)	-	-	-	-	-	(0.6)
Operating income	**45.0**	**41.8**	**53.7**	**52.0**	**32.4**	**7.1**	**(28.2)**	**203.8**
Operating margin by segment	*26.8%*	*23.0%*	*30.7%*	*35.2%*	*27.4%*	*31.0%*		*25.1%*
Net financial income							5.7	5.7
Corporate income tax							(72.3)	(72.3)
Minority interests							(2.3)	(2.3)
Net income	**45.0**	**41.8**	**53.7**	**52.0**	**32.4**	**7.1**	**(97.1)**	**134.9**

1) Including sales to airlines.

NOTE 5. SELLING, MARKETING AND ADMINISTRATIVE EXPENSES

(in millions of euros)	1st semester 2009	1st semester 2008
Advertising and marketing	(40.2)	(45.0)
Other selling, marketing and administrative expenses	(275.5)	(241.5)
TOTAL	**(315.7)**	**(286.5)**

NOTE 6. OTHER INCOME AND EXPENSE

(in millions of euros)	*Note*	1st semester 2009	1st semester 2008
Depreciation and amortisation		(34.7)	(29.3)
Net change in provisions		(1.5)	1.4
Cost of defined-benefit plans	*24*	(4.3)	(3.6)
Impairment losses on non-current assets		(1.3)	(0.6)
Other income/(expense)		1.2	(0.7)
TOTAL		**(40.7)**	**(32.8)**

NOTE 7. NET FINANCIAL INCOME

(in millions of euros)	1st semester 2009	1st semester 2008
Income from cash and cash equivalents	3.4	7.8
Gross cost of debt	0.4	2.9
- of which: income from hedging instruments	*1.1*	*2.6*
Net cost of debt	**3.8**	**10.7**
Other financial income and expense	(8.2)	(5.0)
- of which: changes in the value of trading assets and liabilities	*(7.5)*	*(4.5)*
TOTAL	**(4.4)**	**5.7**

NOTE 8. INCOME TAX

NOTE 8.1. INCOME TAX

In accordance with IAS 34, the tax charge for the first half is calculated based on an estimated average annual rate. The Group estimates that its tax rate will be 33% in 2009 compared with 34.5% in 2008.

NOTE 8.2. DEFERRED TAX

(in millions of euros)	2009	2008
Deferred tax assets at 1 January (1)	141.2	109.7
Deferred tax liabilities at 1 January	9.6	8.1
Net deferred tax assets at 1 January	**131.6**	**101.6**
Impact on the income statement	12.9	6.5
Impact of foreign exchange movements	(3.6)	(3.1)
Other (2)	(10.2)	(1.9)
Net deferred tax assets at 30 June	**130.6**	**103.1**
Deferred tax assets at 30 June	141.1	112.6
Deferred tax liabilities at 30 June	10.5	9.5

1) Reported figures have been restated to reflect the impact arising from the application of IAS 38 - *Intangibles*, in the amounts of €1.2 million at 1 January 2009 and €1.3 million at 1 January 2008 (see Note 1).

2) Other items relate to deferred taxes resulting from reversal of the portion of revaluation of financial instruments recorded under equity (transferable portion) and on actuarial gains and losses on employee benefit obligations recognised during the year. These changes produced no impact on net income for the period.

At 30 June 2009, deferred tax assets related mainly to restatements of internal profits as inventories and on charges to reserves for inventories (€94.1 million), restricted reserves (-€12.4 million), employee obligations (€26.4 million) and other timing differences (€22.5 million).

NOTE 9. EARNINGS PER SHARE

	1st semester 2009	1st semester 2008
Numerator (in millions of euros)		
Basic net income	125.4	134.9
Adjustments	-	-
Diluted net income	125.4	134.9
Denominator (number of shares)		
Weighted average number of ordinary shares	**105,109,662**	**105,111,525**
Basic earnings per share	**1.19**	**1.28**
Weighted average number of ordinary shares under option	220,567	371,675
Weighted average number of shares that would have been issued at fair value	(112,231)	(284,368)
Weighted average number of diluted ordinary shares	**105,217,997**	**105,198,832**
Diluted earnings per share	**1.19**	**1.28**

NOTE 10. GOODWILL

(in millions of euros)	31/12/2008	Increases	Decreases	Currency impact	30/06/2009
Goodwill	70.2	-	-	(2.4)	67.8
TOTAL GROSS AMOUNT	**70.2**	**-**	**-**	**(2.4)**	**67.8**
Amortisation booked before 1 January 2004	34.3	-	-	(1.3)	33.0
Impairment losses	0.2	-	-	-	0.2
TOTAL DEPRECIATION AND IMPAIRMENT LOSSES	**34.5**	**-**	**-**	**(1.3)**	**33.2**
TOTAL NET VALUE	**35.7**	**-**	**-**	**(1.1)**	**34.6**

NOTE 11. INTANGIBLES

(in millions of euros)	31/12/2008	Increases	Decreases	Currency impact	Other	30/06/2009
Leasehold rights	44.4	1.7	-	-	-	46.2
Concessions, patents, licences and software	23.3	0.5	-	(0.4)	0.3	23.7
Other intangible assets	45.8	0.8	-	(0.3)	0.9	47.1
Work in progress	10.9	4.0	-	-	(1.3)	13.6
TOTAL GROSS AMOUNT	**124.4**	**7.1**	**-**	**(0.7)**	**-**	**130.7**
Amortisation of leasehold rights	19.5	0.7	-	-	-	20.1
Amortisation of concessions, patents, licences and software	19.4	1.2	-	(0.4)	-	20.2
Amortisation of other intangible assets	31.5	2.9	-	(0.2)	(0.1)	34.0
Impairment losses	0.8	-	-	-	-	0.8
TOTAL DEPRECIATION AND IMPAIRMENT LOSSES	**71.1**	**4.7**	**-**	**(0.6)**	**(0.1)**	**75.2**
TOTAL NET VALUE	**53.2**	**2.4**	**-**	**(0.1)**	**0.1**	**55.5**

NOTE 12. PROPERTY, PLANT & EQUIPMENT

(in millions of euros)	31/12/2008	Increases	Decreases	Currency impact	Other	30/06/2009
Land	139.7	0.5	-	(7.1)	-	133.2
Buildings	380.5	1.9	(0.1)	(7.6)	0.3	374.9
Machinery, plant and equipment	132.3	3.7	(1.0)	1.2	1.6	137.9
Other property, plant and equipment	466.7	17.9	(1.0)	(3.7)	5.9	486.0
Work in progress	29.0	12.1	-	(0.1)	(7.1)	33.9
TOTAL GROSS AMOUNT	**1,148.3**	**36.1**	**(2.0)**	**(17.2)**	**0.8**	**1,165.8**
Depreciation of buildings	119.3	8.5	(0.1)	(2.8)	-	125.0
Depreciation of machinery, plant and equipment	88.0	4.2	(0.8)	0.3	-	91.7
Depreciation of other property, plant and equipment	253.3	22.2	(0.9)	(2.4)	(0.1)	272.2
Impairment losses	15.5	1.3	-	0.2	-	16.9
TOTAL DEPRECIATION AND IMPAIRMENT LOSSES	**476.1**	**36.2**	**(1.8)**	**(4.7)**	**(0.1)**	**505.7**
TOTAL NET VALUE	**672.1**	**(0.1)**	**(0.2)**	**(12.6)**	**0.9**	**660.1**

Investments during the first half of 2009 relate mainly to the opening and renovation of stores and capital expenditure to expand production capacity.

NOTE 13. INVESTMENT PROPERTY

(in millions of euros)	31/12/2008	Increases	Decreases	30/06/2009
Land	3.2	-	-	3.2
Buildings	7.9	-	-	7.9
TOTAL GROSS AMOUNT	**11.1**	**-**	**-**	**11.1**
Depreciation	1.0	0.1	-	1.1
TOTAL NET VALUE	**10.1**	**(0.1)**	**-**	**10.0**

NOTE 14. LONG-TERM INVESTMENTS

NOTE 14.1. AVAILABLE-FOR-SALE SECURITIES

(in millions of euros)	31/12/2008	Increases	Decreases	Currency impact	Other	30/06/2009
Term investments [1]	24.3	30.0	-	-	0.2	54.5
Liquidity agreement	6.9	0.8	-	-	-	7.7
Other long-term investments	6.5	-	(0.1)	(0.3)	-	6.1
Other non-consolidated investments [2]	1.2	8.2	-	-	-	9.3
TOTAL GROSS AMOUNT	**38.9**	**38.9**	**(0.1)**	**(0.3)**	**0.2**	**77.7**
Impairment	0.8	1.7	-	-	-	2.5
TOTAL	**38.1**	**37.2**	**(0.1)**	**(0.3)**	**0.2**	**75.2**

1) Term investments, which are not liquid, include term deposits with banks or insurance companies held for more than 3 months. Term investments were equivalent to senior notes.

2) Other investments in available-for-sale non-consolidated investments do not include listed securities.

NOTE 14.2. SECURITIES HELD TO MATURITY

(in millions of euros)	31/12/2008	Increases	Decreases	Currency impact	Other	30/06/2009
Gaulme convertible bonds and accrued interest	8.2	-	(0.2)	-	-	8.0
Vaucher participating loan	3.4	2.0	-	(0.1)	-	5.2
TOTAL GROSS AMOUNT	**11.6**	**2.0**	**(0.2)**	**(0.1)**	**-**	**13.2**
Impairment	-	-	-	-	-	-
TOTAL	**11.6**	**2.0**	**(0.2)**	**(0.1)**	**-**	**13.2**

NOTE 15. INVESTMENTS IN ASSOCIATES

NOTE 15.1. VALUE OF SHARES IN ASSOCIATES

(in millions of euros)	30/06/2009	31/12/2008
Vaucher Manufacture Fleurier	6.6	7.2
Groupe Perrin	7.2	7.2
Leica Camera Japan Co.	1.2	1.3
Gaulme	-	-
H.W.	-	-
TOTAL	**15.0**	**15.7**

NOTE 15.2. CHANGE IN INVESTMENTS IN ASSOCIATES

(in millions of euros)	2009	2008
Balance at 1 January	**15.7**	**21.8**
Impairment	-	2.7
Impact of changes in scope of consolidation	-	1.6
Share of net income of associates	(2.7)	-
Dividends paid	-	(0.1)
Change in foreign exchange rates	(0.3)	0.2
Other (1)	2.4	-
Balance at 30 June	**15.0**	**26.2**

1) Reclassification of share of negative net worth.

NOTE 16. LOANS AND DEPOSITS

(in millions of euros)	31/12/2008	Increases	Decreases	Currency impact	30/06/2009
Loans and deposits (1)	21.1	1.3	(0.3)	(0.7)	21.4
Impairment	1.3	0.5	-	-	1.8
TOTAL	**19.8**	**0.8**	**(0.3)**	**(0.7)**	**19.6**

At 30 June 2009, security deposits amounted to €17.5 million, compared with €17.1 million at 31 December 2008.

NOTE 17. INVENTORIES AND WORK IN PROGRESS

	30/06/2009			31/12/2008
(in millions of euros)	Gross	Impairment	Net	Net
Purchased goods, semi-finished and finished goods	497.8	140.4	357.4	332.2
Raw materials and work in progress	234.6	47.3	187.3	189.4
TOTAL	**732.4**	**187.7**	**544.7**	**521.6**

The net charge to provisions for inventories was €21.8 million for the first half of 2009.

NOTE 18. TRADE RECEIVABLES AND OTHER RECEIVABLES

	30/06/2009			31/12/2008
(in millions of euros)	Gross	Impairment	Net	Net
Trade receivables	112.2	5.0	107.2	153.4
Current tax receivables	7.5	-	7.5	5.0
Other receivables	72.0	0.3	71.7	65.9
Other non-current assets	0.3	-	0.3	1.6
TOTAL	**192.0**	**5.3**	**186.7**	**225.9**

All accounts receivable are due within one year, with the exception of those included under other non-current assets. There were no receivables for which payment had been materially deferred and to which a discount was applied.

The Group's policy is to recommend securing accounts receivable insurance cover, local conditions permitting. Consequently, the risk of non-recovery is low, as evidenced by accounts receivable impairment, which amounted to some 4% of the gross amount at 30 June 2009, compared with under 3% at 31 December 2008. There is no significant concentration of credit risk.

NOTE 19. CASH AND CASH EQUIVALENTS

NOTE 19.1. CHANGE IN NET CASH POSITION

(in millions of euros)	31/12/2008	Cash flows	Currency impact	Other	30/06/2009
Cash and cash equivalents	119.8	(1.4)	(3.0)	0.4	115.8
Marketable securities [1]	365.6	(71.1)	(0.7)	-	293.8
Cash and cash equivalents	*485.4*	*(72.5)*	*(3.7)*	*0.4*	*409.6*
Bank overdrafts and current accounts in debit	(34.9)	(21.6)	0.7	-	(55.8)
Net cash position	**450.5**	**(94.1)**	**(3.0)**	**0.4**	**353.8**

1) Consisting mostly of investments in the euro money market

The majority of marketable securities consists of investments in the euro money market. All cash and equivalents mature in less than three months and have a sensitivity of less than 0.5 %.

NOTE 20. EQUITY - GROUP'S SHARE

At 30 June 2009, the share capital of Hermès International was made up of 105,569,412 fully-paid shares with a par value of €0.51 each. 412,000 of these shares are treasury shares.

During the first half of 2009, changes in the share capital included a €10k capital increase (19,400 shares) resulting from the exercise of options to subscribe for new shares reserved for employees of the Hermès Group.

It is specified that no shares are reserved for issuance under stock option or sale contracts.

For management purposes, the Hermès Group uses the notion of "shareholders' equity, Group's share" as shown in the Statement of changes in consolidated shareholders' equity. More specifically, shareholders' equity includes the part of financial instruments that has been transferred to equity as well as actuarial gains and losses.

The Group's goals, policies and procedures in the area of capital management are in keeping with the sound management principles designed to ensure that operations are well-balanced financially and to minimise the use of debt. As its surplus cash position gives it some flexibility, the Group does not use prudential ratios such as "return on equity" in its capital management. In the first half of 2009, the Group's capital management policy and goals were the same as in the previous year.

NOTE 20.1. DIVIDEND

During the first half of 2009, a dividend of €1.03 par share was paid after approval by the shareholders at the Annual General Meeting of 2 June 2009 convened to approve the parent company financial statements for the year ended 31 December 2008.

NOTE 20.2. DERIVATIVES – SHARE INCLUDED IN EQUITY

During the first half of 2009, changes in derivatives (after tax) were broken down as follows:

(in millions of euros)	2009	2008
Balance at 1 January	**(15.1)**	**17.0**
Amount transferred to equity during the year - derivatives	14.4	(15.9)
Amount transferred to equity during the year - financial investments	0.7	(1.1)
Adjustments in the value of derivatives at 30 June	6.3	20.2
Fair value adjustments of financial investments marked to market	(0.5)	(0.5)
Balance at 30 June	**5.8**	**19.8**

NOTE 20.3. TRANSLATION DIFFERENCES

The change in currency translation differences during the first half of 2009 is broken down as follows:

(in millions of euros)	2009	2008
Balance at 1 January	**(25.7)**	**(45.2)**
Japanese yen	(7.3)	(1.3)
Swiss franc	(2.9)	2.5
US dollar	(2.1)	(5.7)
Hong Kong dollar	(1.7)	(2.1)
Singapore dollar	(1.4)	(1.5)
Australian dollar	0.8	0.2
Pound sterling	1.5	(1.4)
South Korean won	1.5	(8.1)
Other currencies	0.8	0.3
Balance at 30 June	**(36.6)**	**(62.2)**

NOTE 20.4. INCOME AND EXPENSES RECOGNISED DIRECTLY IN EQUITY

Income and expenses recognised directly in equity in the first half of 2009 are broken down as follows:

(in millions of euros)	Gross impact	Income tax effect	Net impact
Actuarial gains and losses	0.3	(0.1)	0.2
Foreign currency adjustments	(11.0)	-	(11.0)

Derivatives included in equity	31.0	(10.1)	20.9
Gain/(loss) on sale of treasury shares	(0.3)	0.1	(0.2)
Balance at 30 June 2009	**20.0**	**(10.1)**	**9.8**

(in millions of euros)	Gross impact	Income tax effect	Net impact
Actuarial gains and losses	(1.3)	0.5	(0.8)
Foreign currency adjustments	(18.5)	-	(18.5)
Derivatives included in equity	4.6	(1.8)	2.8
Gain/(loss) on sale of treasury shares	0.8	(0.3)	0.5
Balance at 30 June 2008	**(14.3)**	**(1.7)**	**(16.0)**

NOTE 21. MINORITY INTERESTS

(in millions of euros)	2009	2008
Balance at 1 January	**14.0**	**12.7**
Minority interests in net income	2.8	2.3
Minority interests in dividends distributed	(3.0)	(2.3)
Currency adjustments on foreign companies	(0.1)	(1.4)
Other changes	0.1	2.1
Balance at 30 June	**13.7**	**13.4**

NOTE 22. RESERVES

(in millions of euros)	31/12/2008	Charges	Amounts released* [(1)]	Currency impact	Other	30/06/2009
Recurring reserves	15.0	2.0	(7.7)	-	0.1	9.4
Non-recurring reserves	2.8	-	(0.1)	-	0.7	3.4
TOTAL	**17.8**	**2.0**	**(7.8)**	**-**	**0.8**	**12.8**

1) Including €7.3 million in amounts released and used and €0.5 million in amounts released and unused.

NOTE 23. EMPLOYEES

The geographical breakdown of the total number of employees is as follows :

	30/06/2009	31/12/2008
France	5,029	5,004
Rest of Europe	817	789
Rest of world	2,142	2,101
TOTAL	**7,988**	**7,894**

Breakdown by category:

	30/06/2009	31/12/2008
Production	3,593	3,539
Sales	3,070	3,004
Other (design, marketing, administration)	1,325	1,351
TOTAL	**7,988**	**7,894**

Personnel charges amounted to €239.5 million in the first half of 2009.

NOTE 24. POST-EMPLOYMENT AND OTHER EMPLOYEE BENEFITS

Hermès Group employees are entitled to post-employment benefits, in the form of defined contribution plans or defined benefit plans. Under defined-contribution plans, regular payments are made to outside organisations, which are responsible for administrative and financial management of the plans. Under defined-benefit plans, the employer assumes an obligation vis-à-vis its employees. If these plans are not entirely funded in advance, an allowance is booked to a reserve.

A description of these plans and of the main assumptions used to assess pension benefit obligations appears in Note 26 of the consolidated financial statements, on pages 154 *et seq*. of the 2008 registration document.

NOTE 24.1. COST OF DEFINED-BENEFIT PLANS RECOGNISED IN THE INCOME STATEMENT

The total charge recognised in respect of defined-benefit plans is broken down as follows:

(in millions of euros)	Defined-benefit pension plans	Other defined-benefit plans	H1 2009	H1 2008
Service costs	3.1	-	3.1	2.6
Interest costs	1.5	-	1.5	1.1
Expected return on plan assets	(0.4)	-	(0.4)	(0.2)
Unrecognised past service costs	0.1	-	0.1	0.1
Net actuarial (gains)/losses recognised during the year	-	-	-	-
Other	-	-	-	-
Cost of defined-benefit plans	**4.3**	**-**	**4.3**	**3.6**

NOTE 24.2. CHANGE IN PENSION OBLIGATIONS RECOGNISED ON THE BALANCE SHEET

The change in defined-benefit pension obligations recognised on the balance sheet is broken down as follows:

(in millions of euros)	Defined-benefit pension plans	Other defined-benefit plans	30/06/2009	31/12/2008
Reserves at 1 January	**50.7**	**1.2**	**51.9**	**43.8**
Foreign currency adjustments	(1.0)	-	(1.0)	3.7
Pension expense	4.3	-	4.3	7.8
Benefits/contributions paid	(1.3)	-	(1.3)	(4.8)
Actuarial gains and losses/limit on hedging assets	(0.3)	-	(0.3)	1.8
Changes in scope of consolidation	-	-	-	-
Adjustment to opening equity	-	-	-	0.3
Other	(0.1)	-	(0.1)	(0.8)
Provisions at end of period	**52.2**	**1.2**	**53.4**	**51.9**

NOTE 24.3. CHANGES IN ACTUARIAL GAINS AND LOSSES RECOGNISED IN EQUITY

During the first half of 2009, changes in derivatives (after tax) were broken down as follows:

	(in millions of euros)
Actuarial gains and losses recognised in equity at 31 December 2006	**16.7**
Actuarial gains and losses experienced	2.4
Actuarial gains and losses due to changes in assumptions	(2.6)
Other actuarial gains and losses	-
Actuarial gains and losses recognised in equity at 30 June 2007	**16.5**
Actuarial gains and losses recognised in equity at 31 December 2007	**14.9**
Actuarial gains and losses experienced	1.3
Actuarial gains and losses due to changes in assumptions	-
Other actuarial gains and losses	-
Actuarial gains and losses recognised in equity at 30 June 2008	**16.2**
Actuarial gains and losses recognised in equity at 31 December 2008	**17.0**
Actuarial gains and losses experienced	(1.1)
Actuarial gains and losses due to changes in assumptions	0.9
Other actuarial gains and losses	(0.1)
Actuarial gains and losses recognised in equity at 30 June 2009	**16.7**

NOTE 25. SUPPLIERS AND OTHER TRADE PAYABLES

(in millions of euros)	30/06/2009	31/12/2008
Suppliers	138.6	185.0
Amounts payable relating to non-current assets	11.1	25.7
Trade payables	**149.7**	**210.8**
Current tax liabilities	34.1	44.5
Other current liabilities	168.6	165.8
Other non-current liabilities	17.8	21.9
SUPPLIERS AND OTHER TRADE PAYABLES	**370.3**	**442.9**

NOTE 26. SHARE-BASED PAYMENTS

There was no new plan during the first half 2009.

The IFRS charge incurred in the first half of 2009 for stock option plans or bonus share issues was €2.1 million, compared with €2.0 million in the first half of 2008.

NOTE 27. EVENTS OCCURRING AFTER 30 JUNE

No significant event has occurred since 30 June 2009.

III. STATUTORY AUDITORS' REPORT ON INTERIM FINANCIAL INFORMATION FOR THE FIRST HALF OF 2009

To the Shareholders

In compliance with the assignment entrusted to us by your Shareholders' Meeting and pursuant to articles L. 451-1-2 III of the Code Monétaire and Financier:

- we carried out a partial audit of the condensed interim consolidated financial statements of Hermès International for the six months from 1 January to 30 June 2009, as appended to this report;
- we reviewed the information provided in the first-half management report.

These condensed consolidated interim financial statements have been prepared under the Executive Management's responsibility. Our role is to express an opinion on these financial statements, based on our partial audit.

1. Opinion on the consolidated financial statements

We have conducted our partial audit in accordance with professional standards applicable in France. A partial audit is mainly confined to obtaining information from the senior managers responsible for financial and accounting matters, and to conducting analyses. An audit of this type does not include performing all the examinations required for a full audit in accordance with the professional auditing standards applicable in France. It therefore does not provide the same assurance that all material items that might have been identified under a full audit have been identified.

Based on our partial audit, we have identified no material misstatements that raise questions over the consistency of the condensed interim consolidated financial statements with standard IAS 34 – an International Financial Reporting Standard (IFRS) as endorsed by the European Unions pertaining to interim financial information.

Without qualifying the opinion expressed above, we draw your attention to Note 1, Accounting policies, of the notes to the condensed financial statements, which sets out the changes in accounting methods and in the presentation of the financial statements since 1 January 2009, resulting from the application of amendments to standards, or of new standards.

2. Specific procedures

We have also verified the information given in the Group management report containing comments on the condensed interim consolidated financial statements on which we conducted our partial audit. We have no matters to report as to its fair presentation and consistency with the condensed interim consolidated financial statements.

Paris and Neuilly-sur-Seine, 28 August 2009

The Statutory Auditors

Didier Kling & Associés	Deloitte & Associés
Didier Kling – Bernard Roussel	David Dupont-Noel

IV. STATEMENT BY PERSONS RESPONSIBLE FOR THE INTERIM FINANCIAL REPORT

We certify that, to the best of our knowledge, the condensed financial statements for the first six months of 2009 have been prepared in accordance with the applicable accounting standards and give a fair view of the assets and liabilities and of the financial position of the Group as at 30 June 2009, and of the results of its operations for the six months then ended and that the review of operations for the first half gives a fair view of significant events that occurred during the first six months of the year, of their impact on the financial statements, of the main related-party transactions, as well as a description of the main risks and uncertainties for the last six months of the year.

Paris, 28 August 2009

The Executive Management,

Patrick Thomas / Emile Hermès SARL