

HERMÈS
RESULTS
2015



HIGHLIGHTS



ACTIVITY

- Sales are up **+8 %** at constant rates and **+18 %** at current exchange rates
- Operating income rose **+19 %** and operating margin reached **31,8 %** of sales (31,5 % in 2014)
- The net profitability is stable at **20 %** of sales



ACTIVITY

- Activity was steady in the Group's own stores in all regions (**+9 %** at constant rates)
- The retail growth remained solid throughout the year
- The favorable currency impacts represent **€ 389M** on sales





ACTIVITY



- The development of all sectors continues thanks to the reinforcement of the production capacities, the success of the recent collections and a sustained demand





TREASURY

- Cash flow reached **€1 218M**, up by 16%
- Restated net cash position amounts to **€1 614M** as at 31st December 2015 against **€1 494M** as at 31st December 2014



INVESTMENTS

Investments amount to **€ 267M**, mainly due to :

- The pursuit of increased production capacities, conservation of the maisons' know-how and safeguarding its procurements
- The development of the distribution network with more than twenty new or renovated branches





DISTRIBUTION NETWORK

- 3 store openings (Porto Cervo, NY perfume, Molière Mexico) and 2 concession take overs (Fukuoka and Singapore Airport)
- Renovation with extension in the Bond Street, Goum, Cannes, Turin, Dublin, The Gardens, Cidade jardim, Seattle, Boston, Dallas, Houston, Washington, Kyoto Takashimaya, Tokyo Ikebukuro stores notably
- Opening of the flagship in Miami





PRODUCTION



- Increase in production capacities at the two new sites in Isère and Charente
- Inauguration of the new workshop in Héricourt
- Pursuit of the investments for a second project in the Franche-Comté region



A fashion photograph featuring three models. On the left, a woman with long blonde hair wears a long, flowing red coat over a black turtleneck and black boots. In the center, a woman with short dark hair wears a red high-collared jacket and matching red trousers, paired with red boots. On the right, a woman with long dark hair is seen from the back, wearing a black outfit and black boots. An orange horizontal bar is superimposed over the middle of the image, containing the word 'COMMUNICATION' in white capital letters.

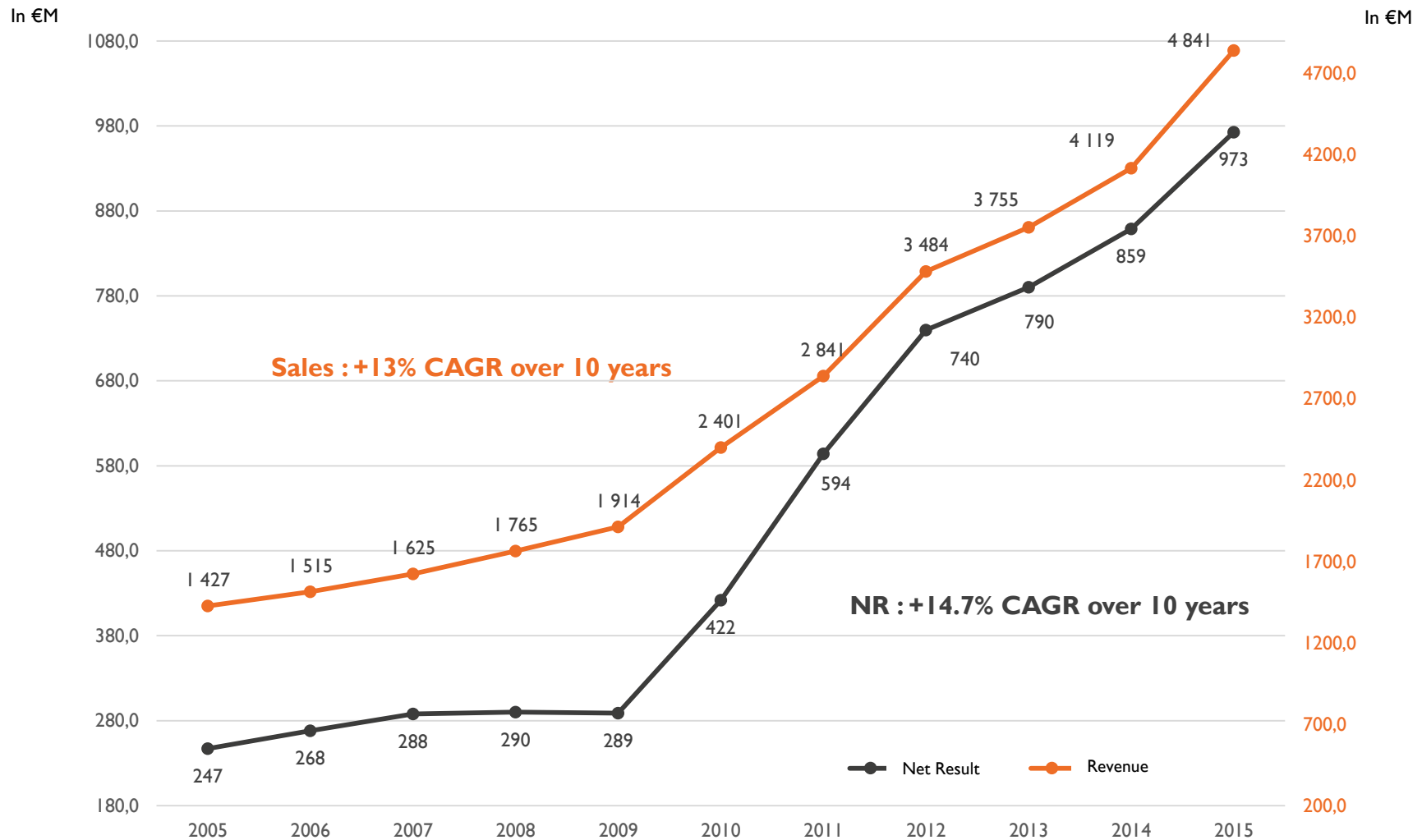
COMMUNICATION

- Nadège Vanhée-Cybulskis' first collection of Women's ready-to-wear
- *Wanderland* exhibition in London, *Dans l'œil du flaneur* in Paris
- 6th edition of the *Saut Hermès* at the Grand Palais
- *Festival des métiers* in Bangkok and Sao Paulo
- *Leather Forever* exhibition in Singapore
- Launch of a new fragrance *Le Jardin de Monsieur Li*
- Launch of the *MANifeste d'Hermès* and *Hermèsistible* sites





REVENUE AND NET RESULT





REVENUE BY GEOGRAPHICAL AREA



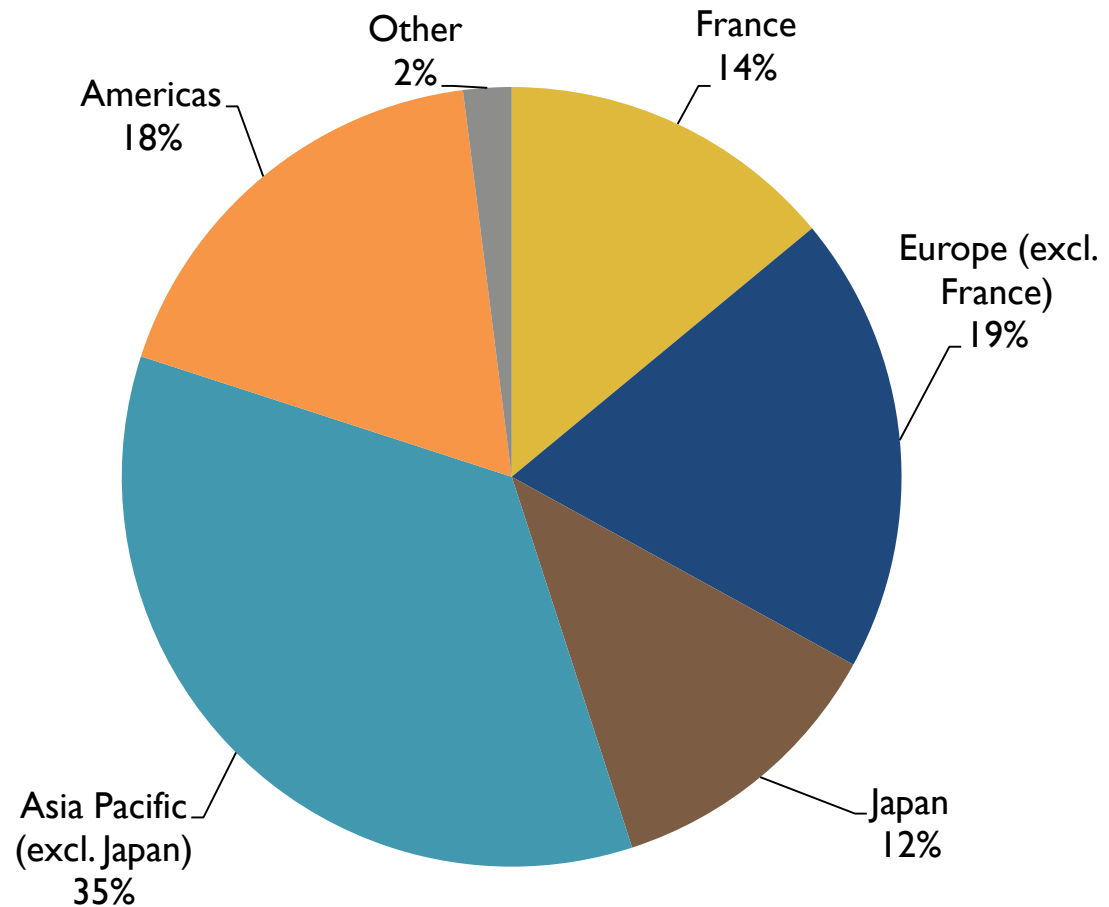

 HERMÈS

REVENUE BY GEOGRAPHICAL AREA

| In €M | 2015 | Change at Constant rates |
|-----------------------|--------------|-----------------------------|
| France | 684 | 6.2 % |
| Europe (Excl. France) | 906 | 10.8 % |
| EUROPE | 1 590 | 8.7 % |
| Japan | 600 | 18.3 % |
| Asia-Pacific | 1 694 | 5.1 % |
| ASIA | 2 294 | 8.5 % |
| Americas | 884 | 6.8 % |
| Others | 73 | - 2.2 % |
| TOTAL | 4 841 | 8.1 % |



REVENUE BY GEOGRAPHICAL AREA



A man with dark hair, wearing a light-colored blazer with a dark floral pattern, stands in a field of tall, golden-brown grass. He is looking down and to his left. The background is a soft-focus landscape under a pale sky.

REVENUE BY SECTOR



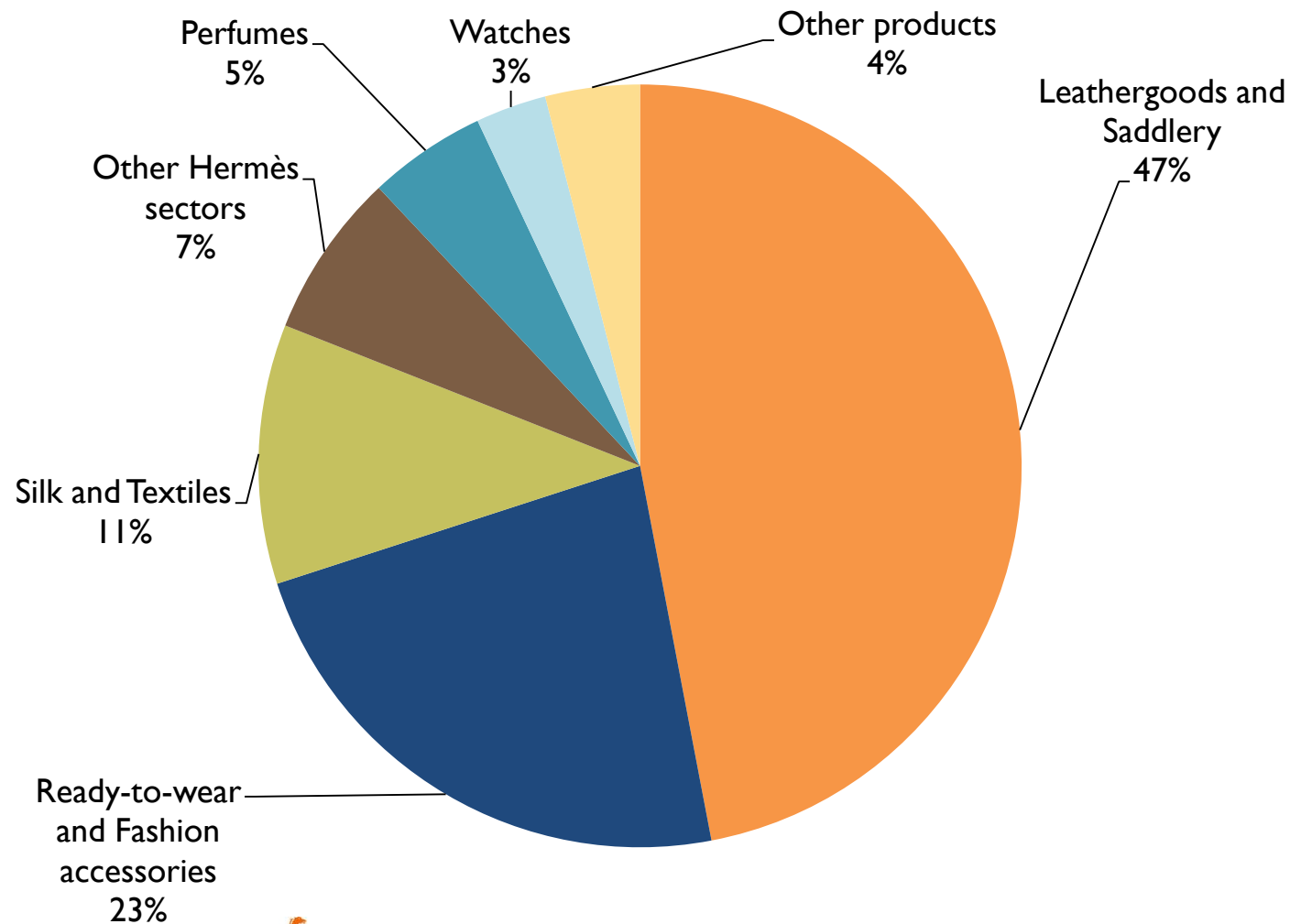


REVENUE BY SECTOR

| In €M | 2015 | Change at constant rates |
|-------------------------------------|--------------|--------------------------------|
| Leathergoods - Saddlery | 2 274 | 12.6% |
| Ready-to-wear & Fashion Accessories | 1 101 | 7.8% |
| Silk & textiles | 521 | -0.5% |
| Others Hermès Sectors | 332 | 8.5% |
| Perfumes | 241 | 3.3% |
| Watches | 163 | 0.1% |
| Others products | 209 | -0.2% |
| TOTAL | 4 841 | 8.1 % |



REVENUE BY SECTOR



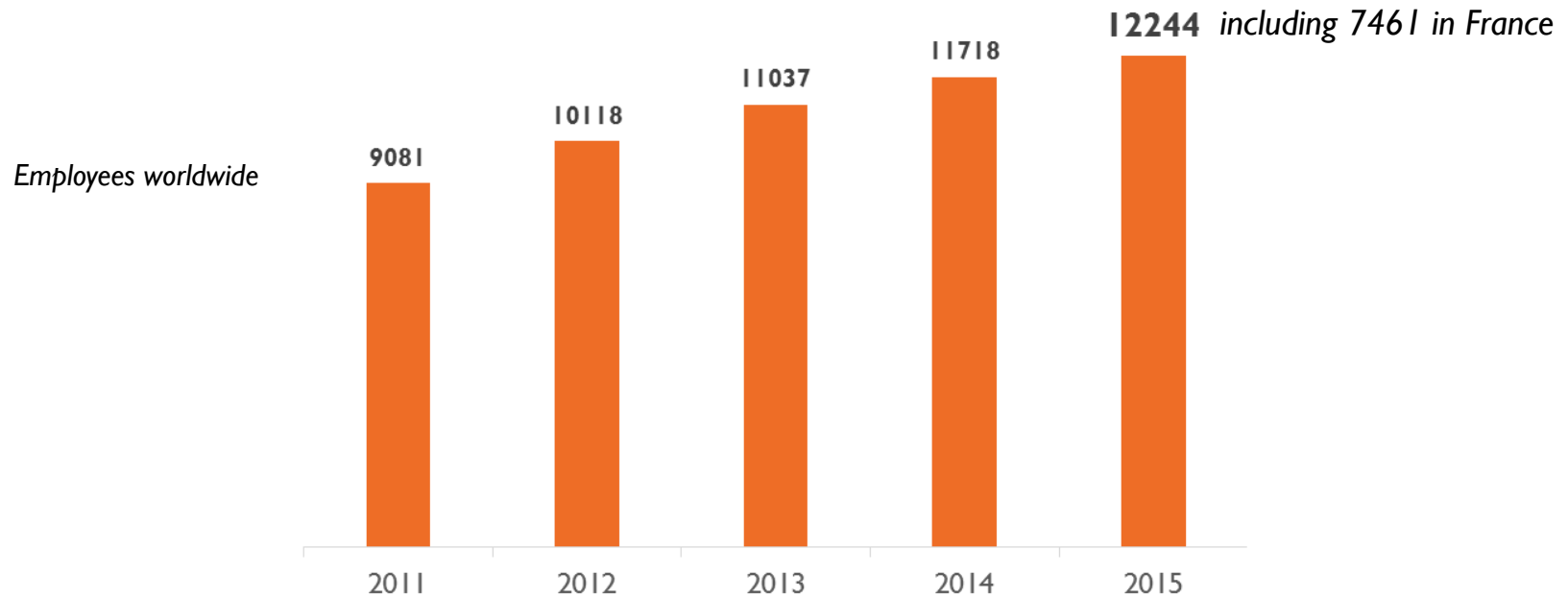


EMPLOYEES



EMPLOYEES

+ 500 people in 2015, mainly in production and sales





INCOME STATEMENT



CONSOLIDATED INCOME STATEMENT

| In €M | 2015 | % revenue | 2014 | % revenue |
|--|--------------|--------------|--------------|--------------|
| Revenue | 4 841 | | 4 119 | |
| Cost of sales | -1 642 | | -1 366 | |
| Gross profit | 3 199 | 66.1% | 2 753 | 66.8% |
| Selling and Marketing | -215 | -4.4% | -208 | -5.0% |
| Administrative expenses | -1 204 | -24.9% | -1 084 | -26.3% |
| Others income and expense | - 239 | -4.9% | - 162 | -3.9% |
| Recurring operating income | 1 541 | 31.8% | 1 299 | 31.5% |
| Others non-recurring income and expenses | - | | - | |
| OPERATING INCOME | 1 541 | 31.8% | 1 299 | 31.5% |
| Change | +18.6% | | - | |



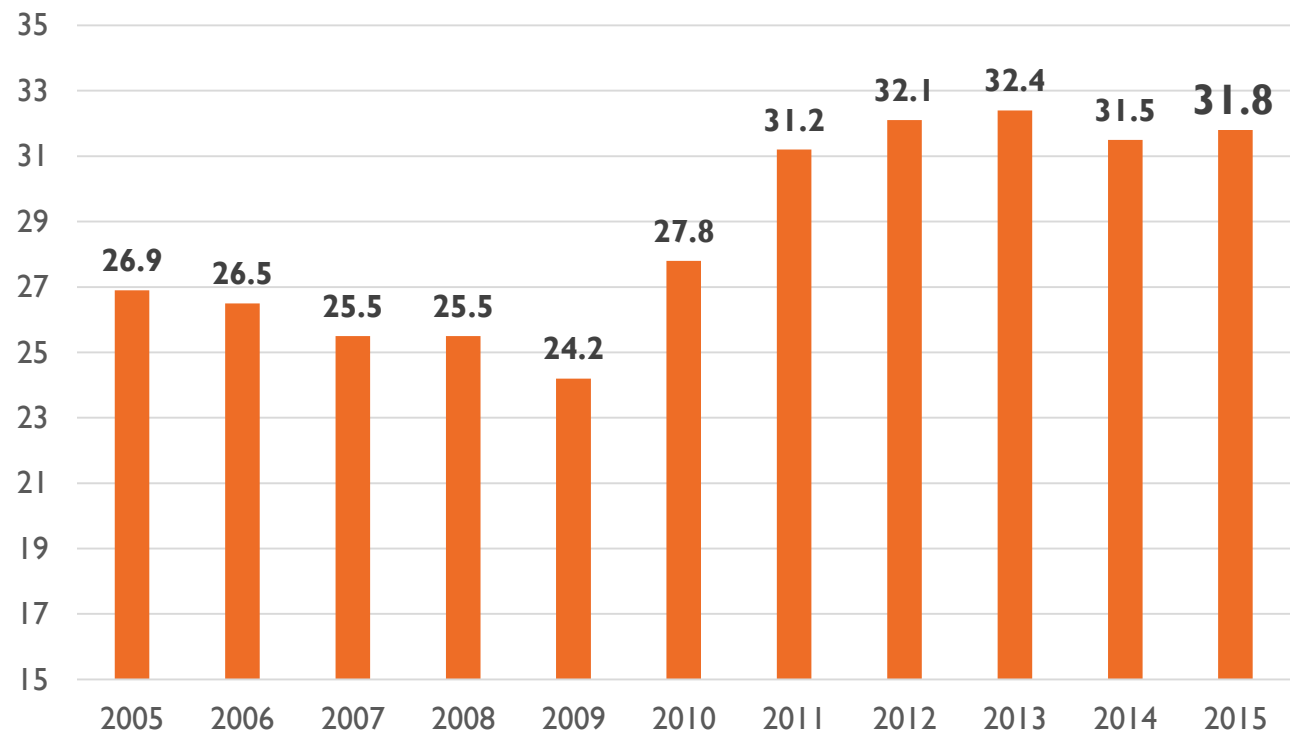
CONSOLIDATED INCOME STATEMENT

| In €M | 2015 | % revenue | 2014 | % revenue |
|--|--------------|--------------|--------------|--------------|
| OPERATING INCOME | 1 541 | 31.8 | 1 299 | 31.5 |
| Net financial income | -46 | | -25 | |
| Income tax expense | -536 | | -424 | |
| | -35.8 % | | -33.2% | |
| Net income from associates | | | | |
| Net income attributable to non controlling interest | 18 | | 12 | |
| | -5 | | -4 | |
| NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT | 973 | 20.1 | 859 | 20.9 |
| Change | +13.2% | | - | |



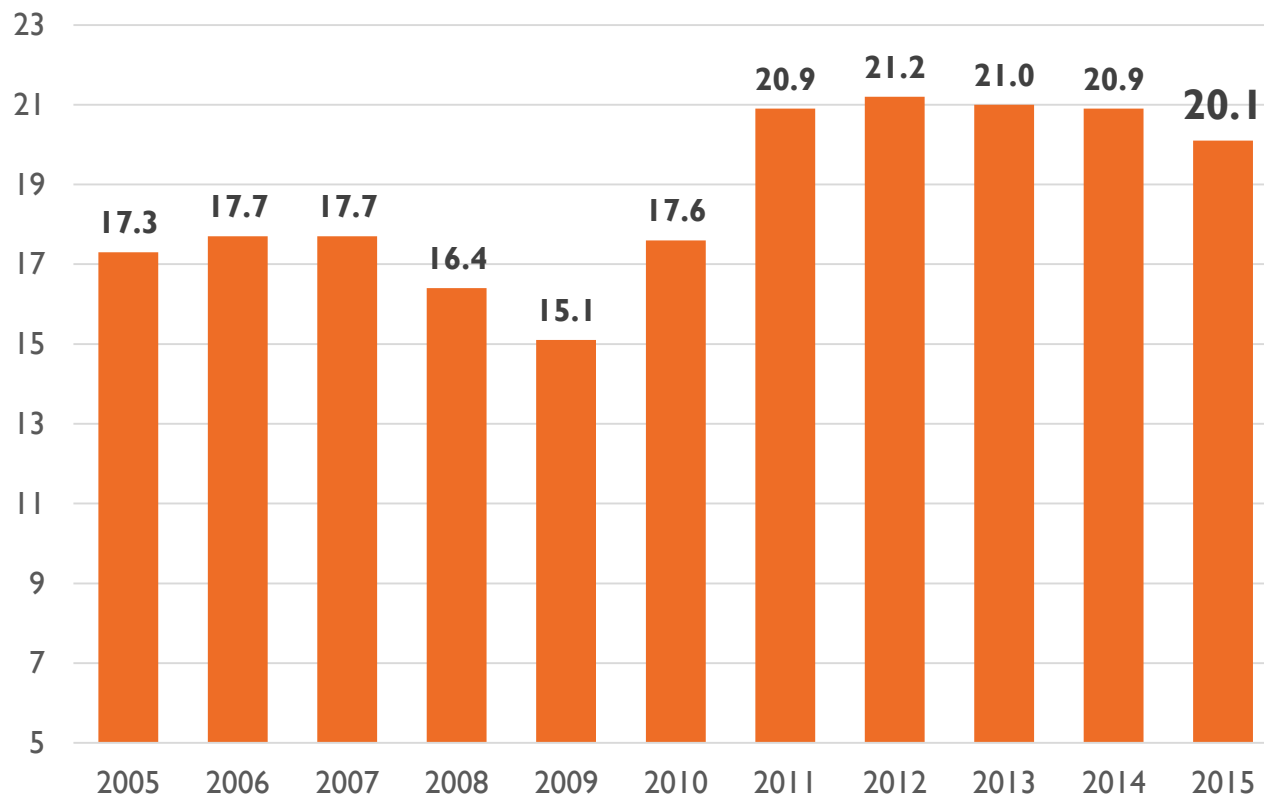
RECURRING OPERATING INCOME

ROI in % Sales



NET RESULT

In % of sales



INVESTMENTS

In M€

2015

| | |
|-------------------------|-----|
| Stores and distribution | 135 |
|-------------------------|-----|

| | |
|-------------------------------------|----|
| Production and securing of supplies | 76 |
|-------------------------------------|----|

| | |
|------------------------|----|
| Real estate and others | 56 |
|------------------------|----|

| | |
|--------------------|------------|
| Investments | 267 |
|--------------------|------------|



RESTATED CASH FLOW STATEMENT

| In €M | 2015 | 2014 |
|---|--------------|--------------|
| Operating cash flows | 1 218 | 1 049 |
| Change in working capital | 2 | -105 |
| Investments | -267 | -322 |
| Dividends paid | -840 | -295 |
| Other changes | 7 | 76 |
| <i>Changes in Net cash position</i> | <i>120</i> | <i>403</i> |
| Closing restated Net cash position | 1 614 | 1 494 |
| Opening restated Net cash position | 1 494 | 1 091 |



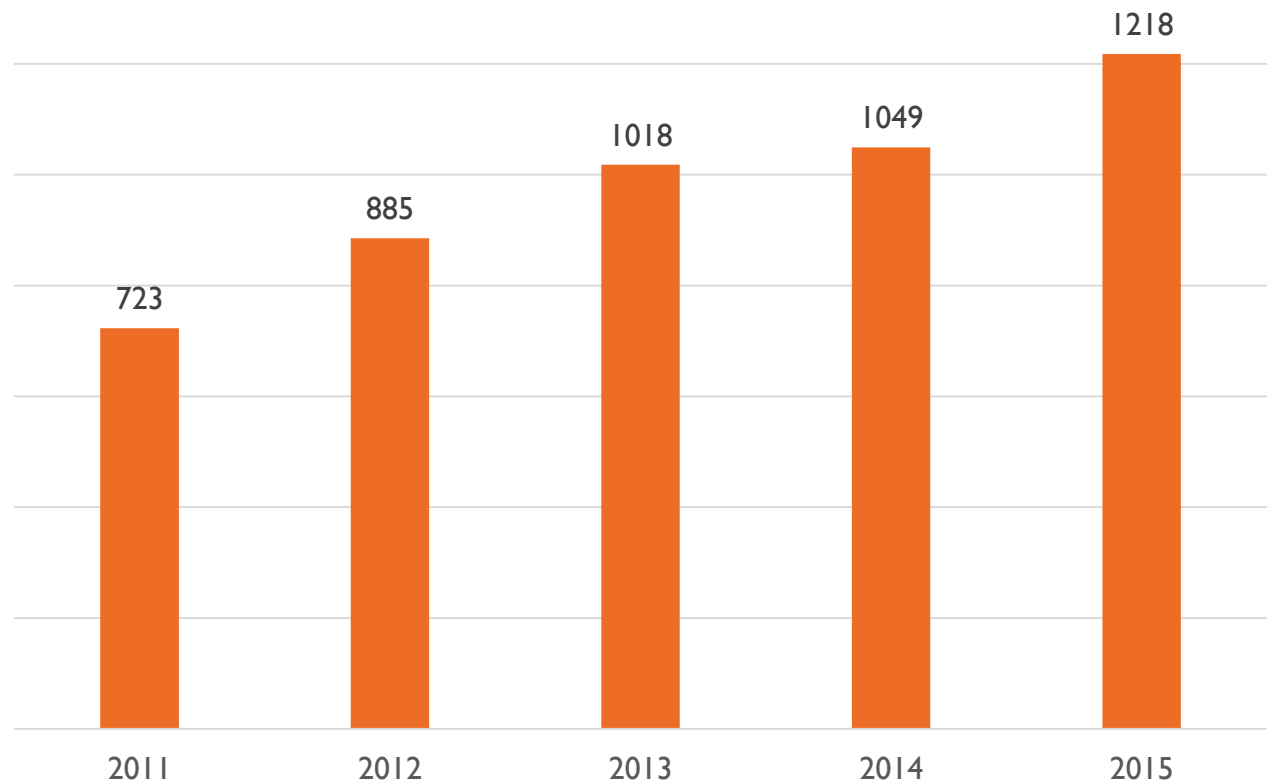
IFRS CASH FLOW STATEMENT

| In M€ | 2015 | 2014 |
|---------------------------------------|--------------|--------------|
| Operating cash flows | 1 218 | 1 049 |
| Change in working capital | 2 | -105 |
| Investments | -267 | -325 |
| Dividends paid | -840 | -295 |
| Others changes | 36 | 76 |
| <i>Changes in net cash position</i> | <i>149</i> | <i>400</i> |
| Closing IFRS Net cash position | 1 571 | 1 422 |
| Opening IFRS Net cash position | 1 422 | 1 022 |



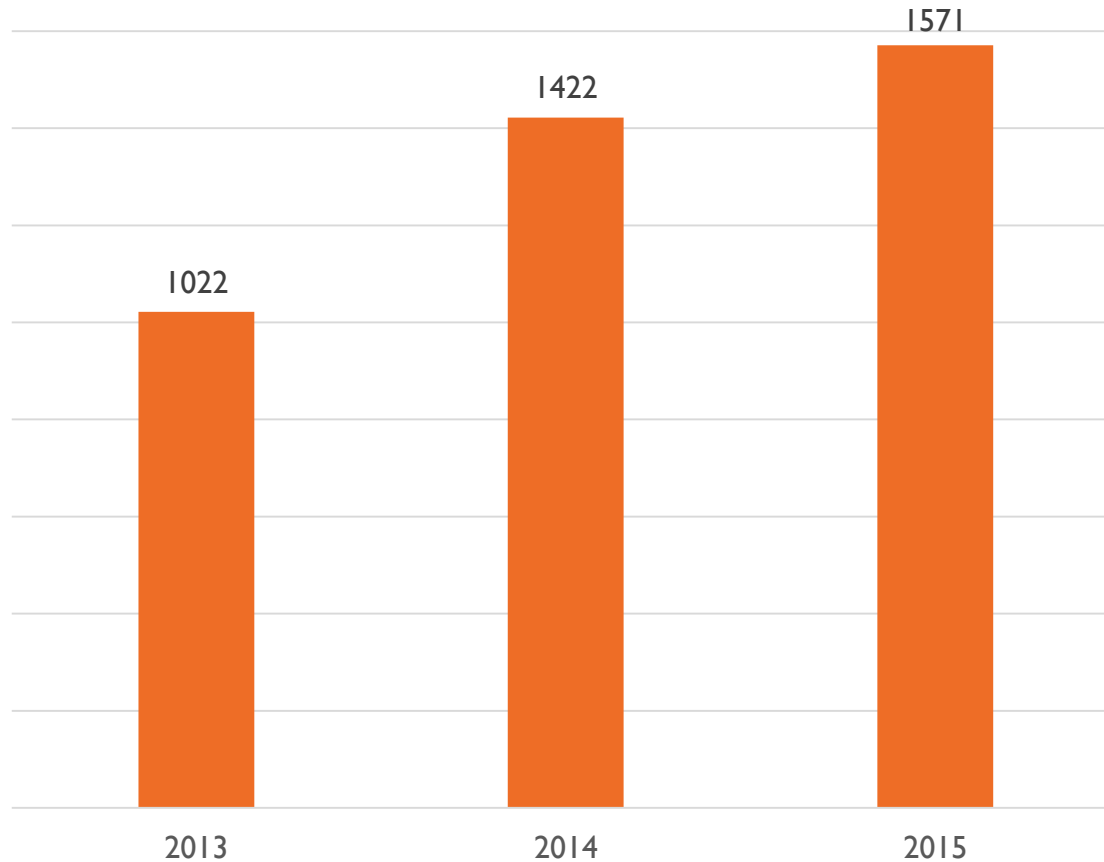
EVOLUTION OF THE OPERATING CASH FLOWS

In €M



NET CASH POSITION AT CLOSING

In €M



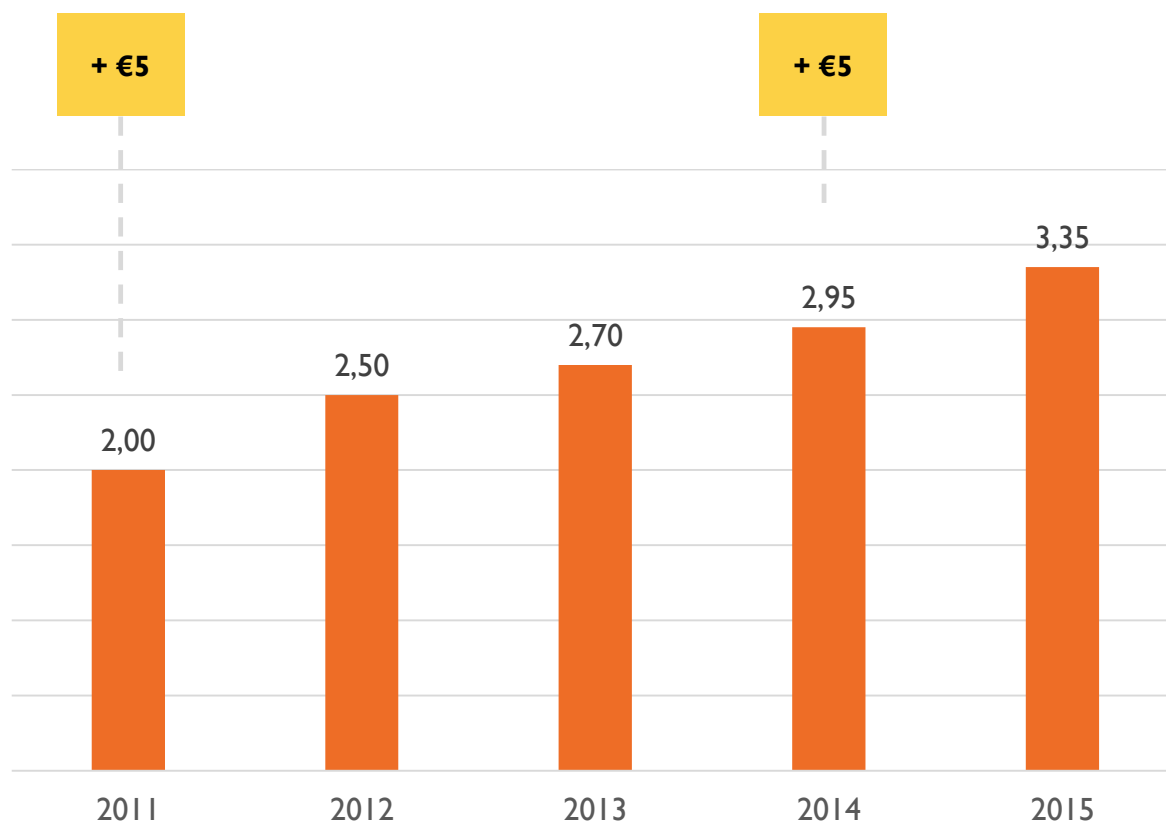
EVOLUTION OF DIVIDEND BY SHARE

Exceptional dividend

Ordinary dividend

In €/share

For the period



OUTLOOK





OUTLOOK

- Thanks to its unique business model, Hermès will continue its long-term development strategy based on creativity, maintaining control over know-how and a singular communication
- The development of the distribution network will continue with the opening, renovation or extension of more than twenty subsidiaries



OUTLOOK

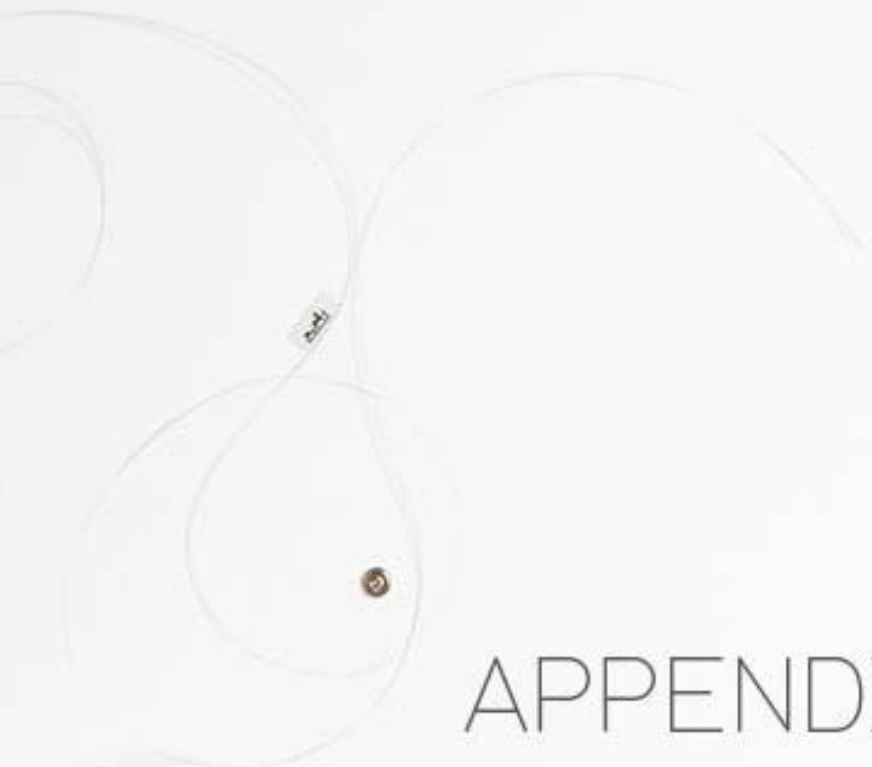
- As indicated in the February 10th 2016 publication, sales growth in 2016 could be below the medium-term goal of 8% revenue growth at constant exchange rates owing to the economic, geopolitical and monetary uncertainties around the world
- In 2016, Hermès will celebrate "nature at a gallop". Through horses, its very first customer, Hermès has developed a genuine and profound bond with nature, built on inspiration, admiration and respect.



HERMÈS
RESULTS
2015



APPENDIX





Goum - Moscow





Miami





London Bond Street

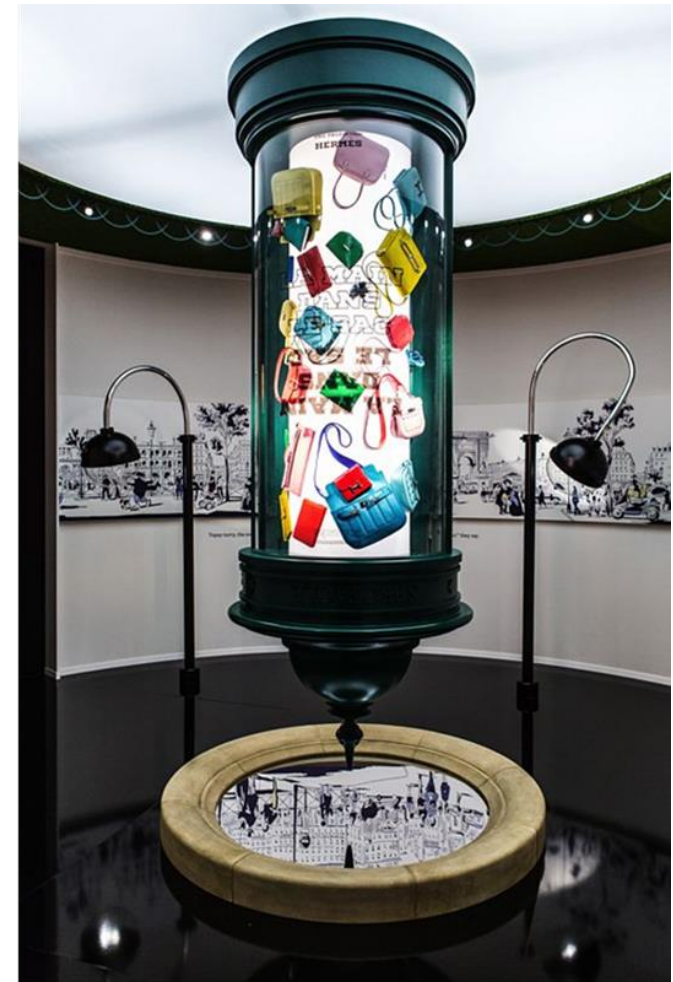


Seattle





Wanderland Exhibition



Women's Ready-to-wear fashion show



Shoes Presentation