



HERMÈS

First Half 2015 Results

28 August 2015



HIGHLIGHTS



HIGHLIGHTS

ACTIVITY AND RESULTS

- Sales are up +21% at current exchange rates and +9% at constant rates
- Operating income rose 20% and amounted to €748 M compared to €621M in the 1st half 2014. Operational profitability remained high at 32.5% of sales, almost stable compared the end of June 2014 (32.6% of sales).
- Group consolidated net income amounts to €482 M, compared to €413 M at the end of June 2014, up +17%, after the 3% tax on dividends



HIGHLIGHTS

ACTIVITY

- Activity was noteworthy in the Group's own stores (+11% at constant rates) despite a high comparison basis
- At the end of June, the positive currency impact amounts to approx. €220 M of sales, i.e. 12 points in growth, due to the weakening of the Euro
- Good growth in all regions, particularly in Japan
- All sectors, with the exception of watches, increased, driven by Leather Goods and Saddlery for which demand remains very high



HIGHLIGHTS

TREASURY

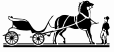
- Operating cash flow reaches €574 M, up +15%
- Restated net cash position amounts to €1 018M as at 30th June 2015 after payment of the ordinary dividend (€308 M) and exceptional dividend (€522 M)



HIGHLIGHTS

INVESTMENTS

- Operational investments amount to €100 M, mainly related to :
 - Increased activity of the two new workshops in Isère and in Charente, and work commencing on two new workshops in Franche-Comté
 - Launch of the projects *Maroquinerie de Normandie* and the *Ganterie de Saint-Junien*
 - Developing the distribution network with ten new or renovated branches



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HIGHLIGHTS

DISTRIBUTION NETWORK

- 1 store opening in Italy at Porto Cervo
- 1 concession take over in Japan
- Around 10 renovations of which Bond Street, Seattle, Washington, Düsseldorf, Cannes, Sao Paulo Stores



Bond Street Store



Seattle Store



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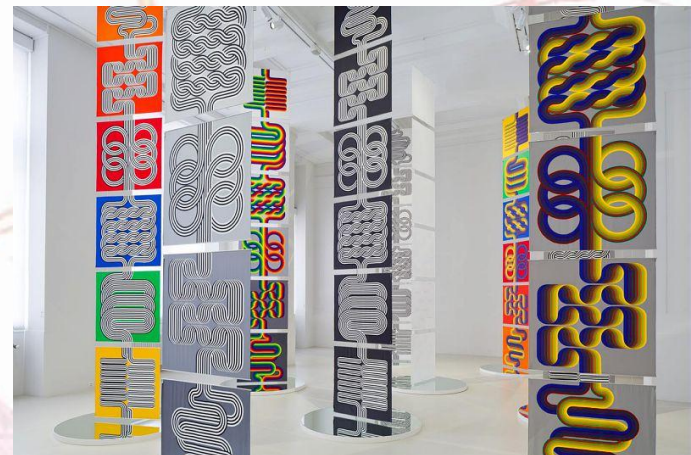
HIGHLIGHTS

COMMUNICATION

- 6th edition of the « *Saut Hermès* » at the Grand Palais in Paris
- 1st collection Women's Ready-to-wear of Nadège Vanhee-Cybulsky in Paris and fashion show in Tokyo
- " *Wanderland* " Exhibition at the Saatchi Gallery in London
- Launch of the 4th edition of « *Hermès Editeur* » by Julio Le Parc
- Launch of a new perfume *Jardin de Monsieur Li* and a new tableware set *Voyage en Ikat*



« *Wanderland* » Exhibition in London



Julio Le Parc – Hermès Editeur



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ACTIVITY BY GEOGRAPHICAL ZONE

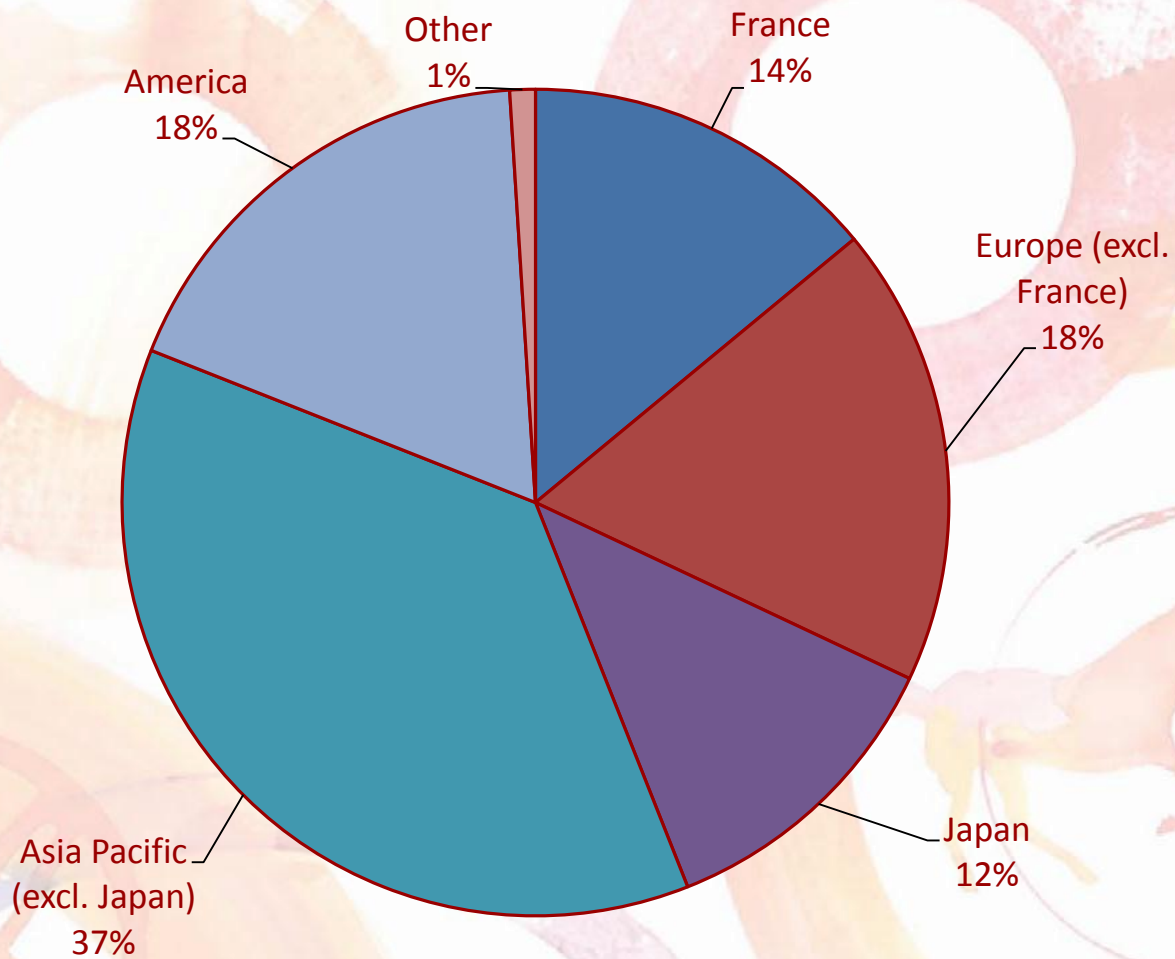


ACTIVITY BY GEOGRAPHICAL ZONE

(in M€)	June 2015	change at constant rates
France	328	6,6%
Europe (excl. France)	407	7,0%
EUROPE	735	6,8%
Japan	280	20,5%
Asia-Pacific (excl. Japan)	842	6,9%
ASIA	1 122	10,3%
Americas	404	10,3%
Others	39	0,0%
TOTAL	2 299	8,8%



ACTIVITY BY GEOGRAPHICAL ZONE





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ACTIVITY BY SECTOR



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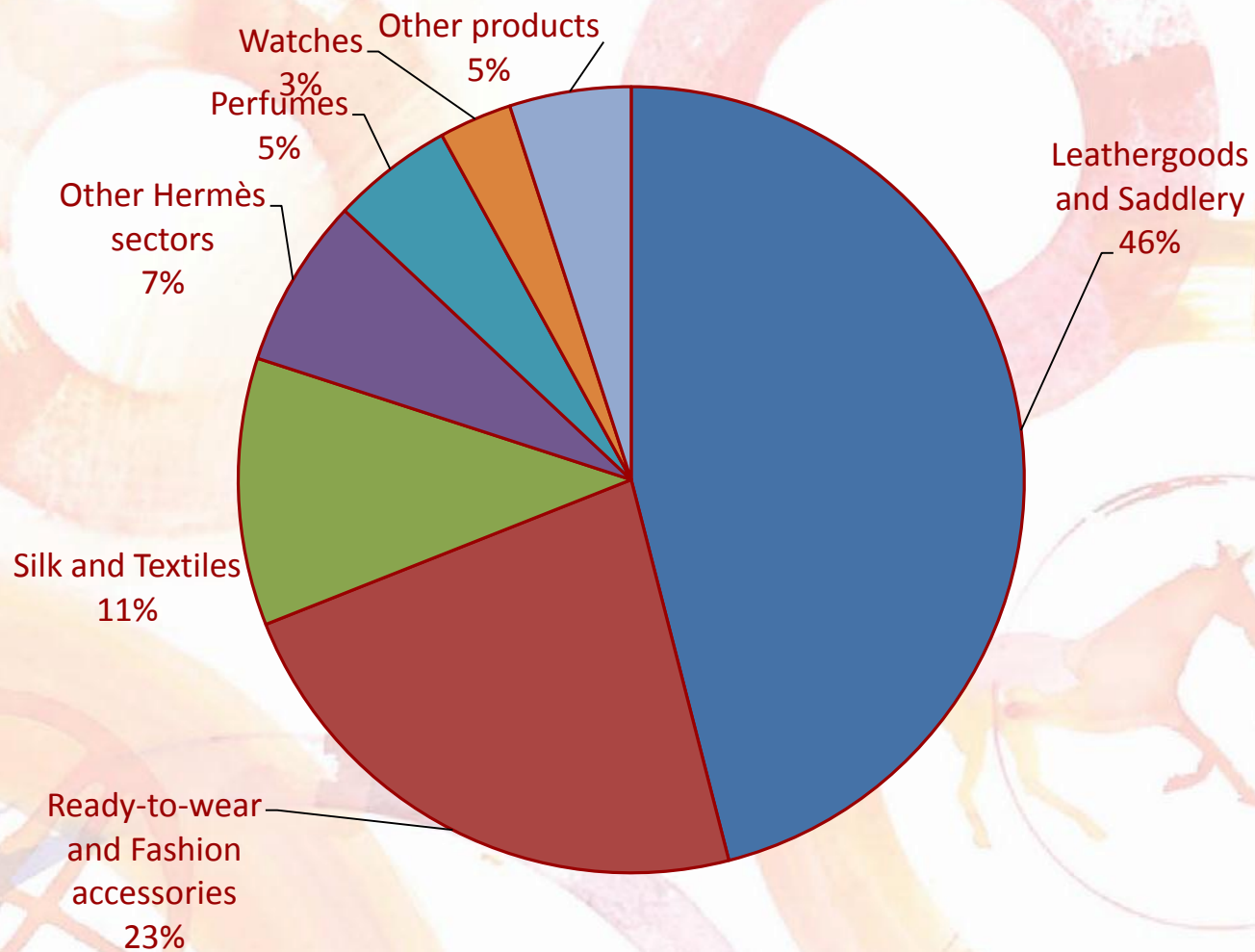
ACTIVITY BY SECTOR

(in M€)	June 2015	change at constant rates
Leathergoods - Saddlery	1,067	13.6%
Ready-to-wear & Fashion Accessories	534	8.1%
Silk & Textiles	251	4.6%
Other Hermès sectors	155	11.8%
Perfumes	120	3.6%
Watches	75	-0.9%
Other products	97	-9.7%
TOTAL	2,299	8.8%



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ACTIVITY BY SECTOR





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PROFIT AND LOSS STATEMENT



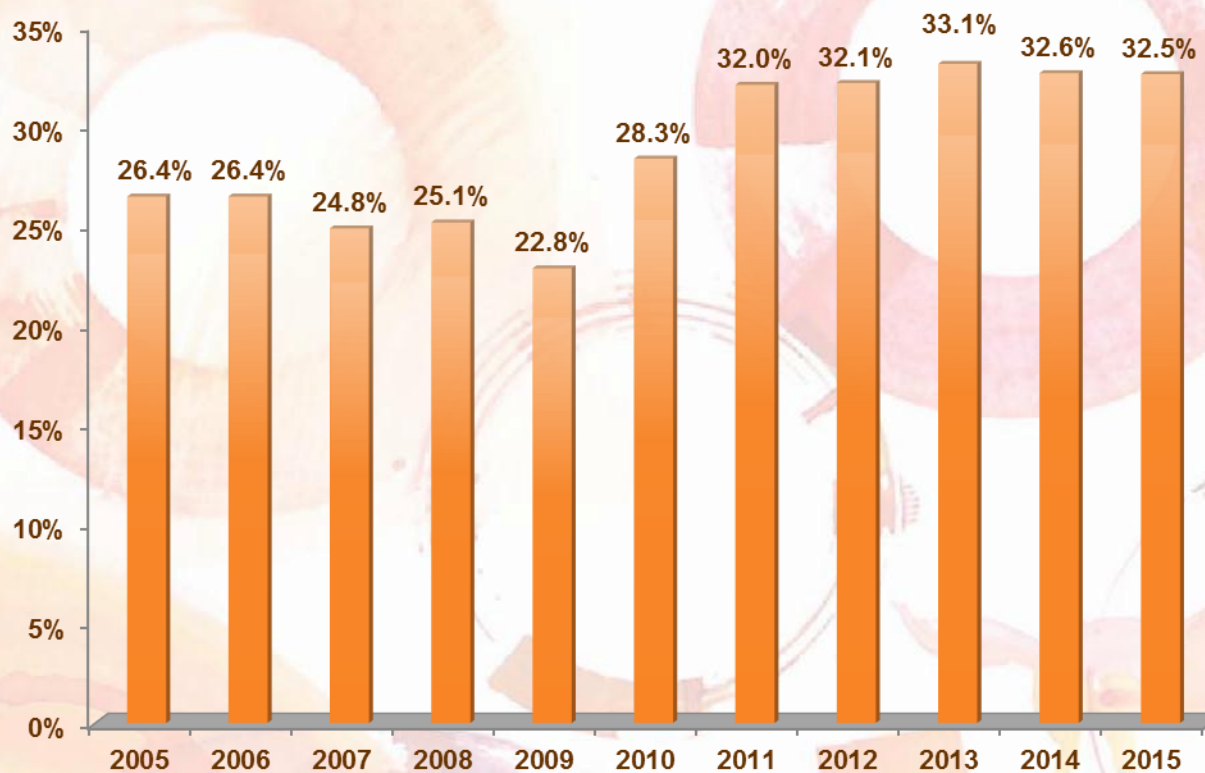
CONSOLIDATED INCOME STATEMENT

in M€	June 2015	% revenue	June 2014	% revenue
Revenue	2,299		1,907	
Cost of sales	-771		-608	
Gross profit	1,529	66.5%	1,298	68.1%
Communication	-97		-93	
Selling, marketing and administrative expenses	-597		-519	
Other income and expense	-87		-65	
Recurring operating income	748	32.5%	621	32.6%
Other non-recurring income and expense	-		-	
OPERATING INCOME	748	32.5%	621	32.6%
<i>Change</i>	+20.4%			



HERMÈS – 1st Half 2015 Results

HALF YEAR CURRENT OPERATING PROFIT (in % of sales)





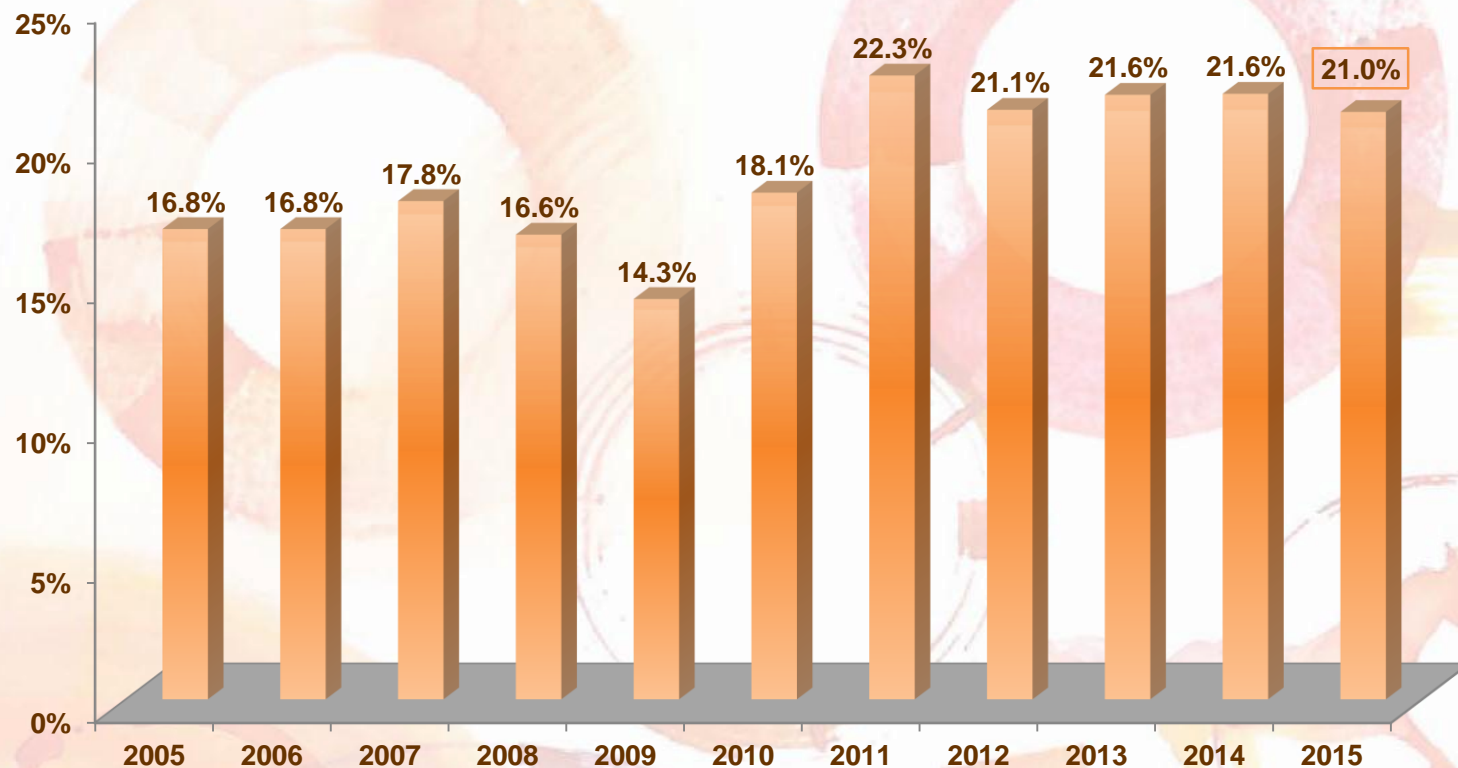
CONSOLIDATED INCOME STATEMENT

in M€	June 2015	% revenue	June 2014	% revenue
OPERATING INCOME	748	32.5%	621	32.6%
Net financial income	-25		-8	
Income tax expense	-248		-204	
	-34.3%		-33.2%	
Net income from associates	9		6	
Net income attributable to non-controlling interests	-2		-3	
NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT	482	21.0%	412	21.6%
<i>Change</i>	+17.0%			



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HALF YEAR NET RESULT (in % of sales)





INVESTMENTS

in M€	June 2015
Stores and distribution	59
Production and divisions	23
Real estate and Group projects	19
Investments	101



RESTATED CASH FLOW STATEMENT

in M€	June 2015	June 2014
Operating cash flow	574	499
Change in working capital	-108	-157
Investments	-101	-130
Dividends paid	-840	-291
Other changes	1	5
<i>Change in net cash position</i>	<i>-475</i>	<i>-74</i>
Closing restated Net cash position	1,018	1,017
Opening restated Net cash position	1,494	1,091



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2015 OUTLOOK



LONG-TERM STRATEGY TO BE PURSUED

- Alliance between creativity and exceptional craftsmanship
- Control of our know-how
- Continuing the development of the distribution network with the opening or renovation of more than twenty stores
- Reinforcement of flexibility with the balance of divisions / geographical areas



HERMÈS – 2015 OUTLOOK

- Increasing production capacities and development of growth drivers
- Despite economic, geopolitical and monetary uncertainties around the world, the Group is maintaining its medium-term objective of increasing the turnover at constant rates in the area of 8%
- True to its Parisian roots, Hermès invites us to look at 2015 through the eyes of a loafer. A loafer is capable of heading off the beaten track and looking at the world with wide-open eyes: a chance encounter, the joy of discovery, and even the benefits of a little break





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APPENDIX



IFRS CASH FLOW STATEMENT

in M€	June 2015	June 2014
Operating cash flow	574	499
Change in working capital	-108	-157
Investments	-102	-131
Dividends paid	-840	-291
Other changes	7	4
<i>Change in net cash position</i>	<i>-470</i>	<i>-76</i>
Closing IFRS Net cash position	952	946
Opening IFRS Net cash position	1,422	1,022