

- Sales are up +7 % at constant rates and +6 % at current exchange rates
- Activity was sustained in the group's stores (+8 % at constant rates)
- As at end of June, the negative currency impacts represent € 25M on sales
- All regions recorded growth
- Leathergoods Saddlery confirms its role as a pillar of the group

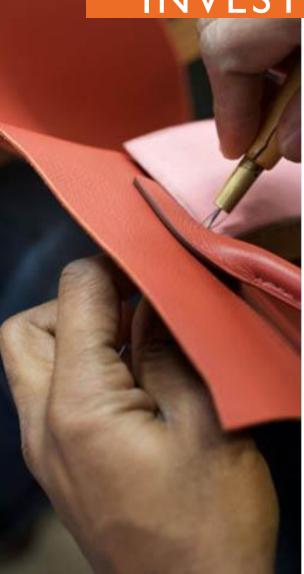


- Operating income rose + I I % and reached € 827M in the first semester
- Operating margin reached 33.9 % of sales, up 1.4 pt compared to first half 2015, mainly due to the favourable impact of foreign exchange
- Net income amounted to € 545M representing **22.3** % of sales, up + 13 %



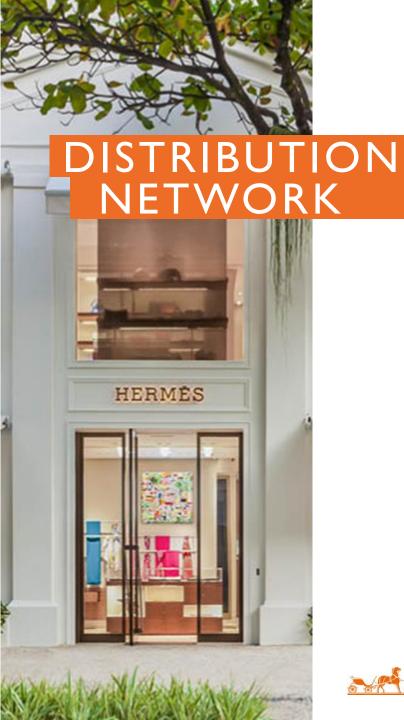
- Operating cash flow reached € 699M, up by 22%
- Restated net cash position amounted to € 1,625M as at 30 June 2016 compared to €1 614 M as at 31 December 2015





Investments amounted to € 108M and were mainly related to:

- the development of the distribution network
- the continuing ramp-ups of new leather goods workshops
- the launch of projects for new production sites



- Re-opening and extension of the Liat Towers shop in Singapore
- Renovations and extensions in the Terminal T2 in Singapore airport and in Lausanne
- One concession takeover in Japan

PRODUCTION



- Increase in production capacities at the 3 new workshops in Isère, in Charente and in Franche-Comté
- Launch of projects for the Manufacture de l'Allan and Maroquinerie de Normandie and Saint Junien

COMMUNICATION



- Pre-collection of Nadège Vanhée-Cybulski, Women's ready-to-wear
- Launch of a new table service Carnets d'Equateur and 3 Jewelleries ranges, of which the High Jewellery, designed by Pierre Hardy entitled Continum IV
- Héricourt workshop inauguration





- Launch of Christine Nagel's first perfume for women Galop d'Hermès
- 7th edition of the Saut Hermès at the Grand Palais in Paris
- Festival des métiers in Amsterdam and Mexico
- Robert Dallet exhibition in collaboration with Panthera in New York





REVENUE BY GEOGRAPHICAL AREA



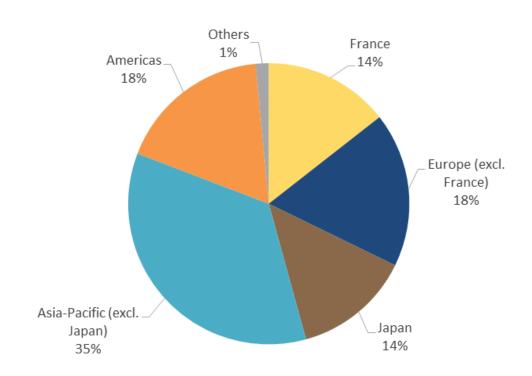


REVENUE BY GEOGRAPHICAL AREA

in €M	June 2016	Change at	
	Julie 2010	constant rates	
France	352	7.3%	
Europe (excl. France)	434	9.1%	
EUROPE	786	8.3%	
Japan	330	10.0%	
Asia-Pacific (excl. Japan)	856	5.3%	
ASIA	1,186	6.5%	
Americas	432	8.3%	
Others	37	(4.9)%	
TOTAL	2,440	7.2%	



REVENUE BY GEOGRAPHICAL AREA







REVENUE BY SECTOR



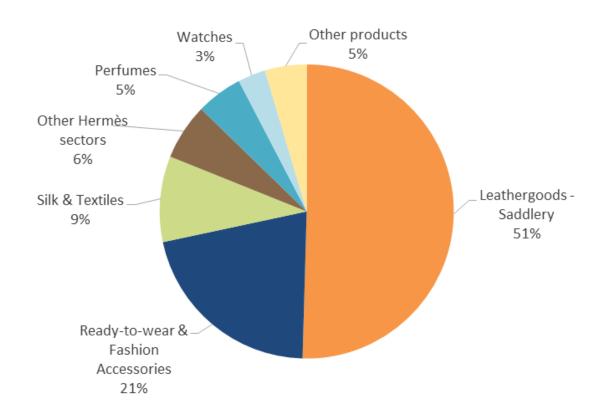


REVENUE BY SECTOR

in €M	June 2016	Change at
	Julie 2010	constant rates
Leathergoods - Saddlery	1,231	16.3%
Ready-to-wear & Fashion Accessories	517	(1.7)%
Silk & Textiles	230	(6.9)%
Other Hermès sectors	151	(1.5)%
Perfumes	125	3.7%
Watches	75	0.7%
Other products	112	15.8%
TOTAL	2,440	7.2%



REVENUE BY SECTOR







INCOME STATEMENT





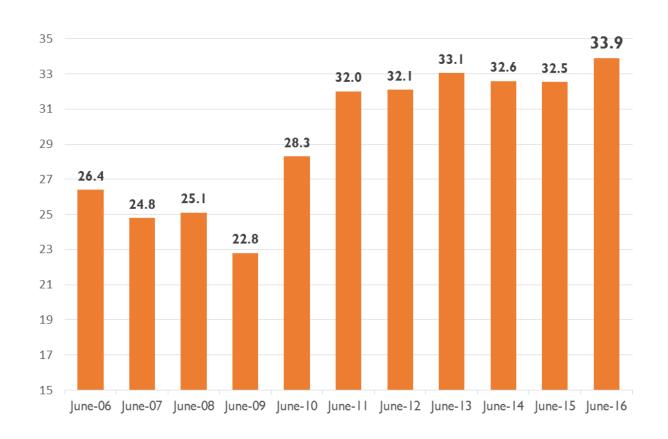
CONSOLIDATED INCOME STATEMENT

in €M	June 2016	% revenue	June 2015	% revenue
Revenue	2,440		2,299	
Cost of sales	(770)		(771)	
Gross profit	1,670	68.4%	1,529	66.5%
Communication	(100)	(4.1)%	(97)	(4.2)%
Selling, marketing and administrative expenses	(625)	(25.6)%	(597)	(26.0)%
Other income and expense	(119)	(4.9)%	(87)	(3.8)%
Recurring operating income	827	33.9%	748	32.5%
Other non-recurring income and expense	_			
OPERATING INCOME	827	33.9%	748	32.5%
Change	10.5%			



HALFYEAR RECURRING **OPERATING INCOME**

In % of Sales







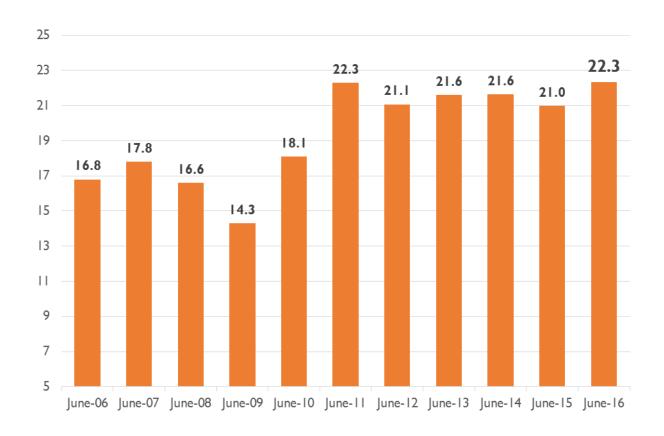
CONSOLIDATED **INCOME STATEMENT**

in €M	June 2016	% revenue	June 2015	% revenue
OPERATING INCOME	827	33,9%	748	32,5%
Net financial income	(20)		(25)	
Income tax expense	(268)		(248)	
In % of income before tax	33,2%		34,3%	
Net income from associates	8		9	
Net income attributable to non-controlling interests	(2)		(2)	
NET INCOME ATTRIBUTABLE TO	F 4F	45 22 20/ 40/	402	21,0%
OWNERS OF THE PARENT	545	22,3%	482	
Change	+13,0%			



HALFYEAR NET RESULT

In % of Sales







INVESTMENTS

in €M	June 2016	
Stores and distribution	49	
Production and securing of supplies	31	
Real estate and others	28	
Investments	108	





RESTATED CASH FLOW STATEMENT

in €M	June 2016	June 2015
Operating cash flow	699	574
Change in working capital	(143)	(108)
Investments	(108)	(101)
Dividends paid	(360)	(840)
Other changes	(77)	(1)
Change in net cash position	11	(475)
Closing restated Net cash position	1,625	1,018
Opening restated Net cash position	1,614	1,494





IFRS CASH FLOW STATEMENT

Opening IFRS Net cash position	1,571	1,422
Closing IFRS Net cash position	1,513	952
Change in net cash position	(58)	(470)
Other changes	(60)	6
Dividends paid	(360)	(840)
Investments	(194)	(102)
Change in working capital	(143)	(108)
Operating cash flow	699	574
in €M	June 2016	June 2015







- Thanks to its unique business model, Hermès continues its long-term development strategy based on creativity, maintaining control over know-how and singular communication.
- For the full year 2016, Hermès confirms its outlook of sales growth at constant exchange rates as announced when the Q2 2016 Revenues were published.

 Operating margin should be slightly higher than in 2015 given the favourable impact of foreign exchange hedges taken out last year.



- In the medium term, despite growing economic, geopolitical and monetary uncertainties around the world, the Group confirms an ambitious goal for sales growth at constant exchange rates but not quantified anylonger(*).
- In 2016, Hermès celebrates "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.



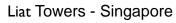
^(*) Compared to the medium-term goal of around 8% revenue growth at constant exchange rates (communicated on the 4th Quarter 2014 Revenues publication), the group will no longer communicate any quantified goal due to the reinforcement of economic, geopolitical and monetary uncertainties around the world, but maintains an ambitious goal for sales growth.





Rio de Janeiro











Launch of table service Equateur



Inauguration Hericourt workshop





Saut Hermès



Ready-to-Wear shows









