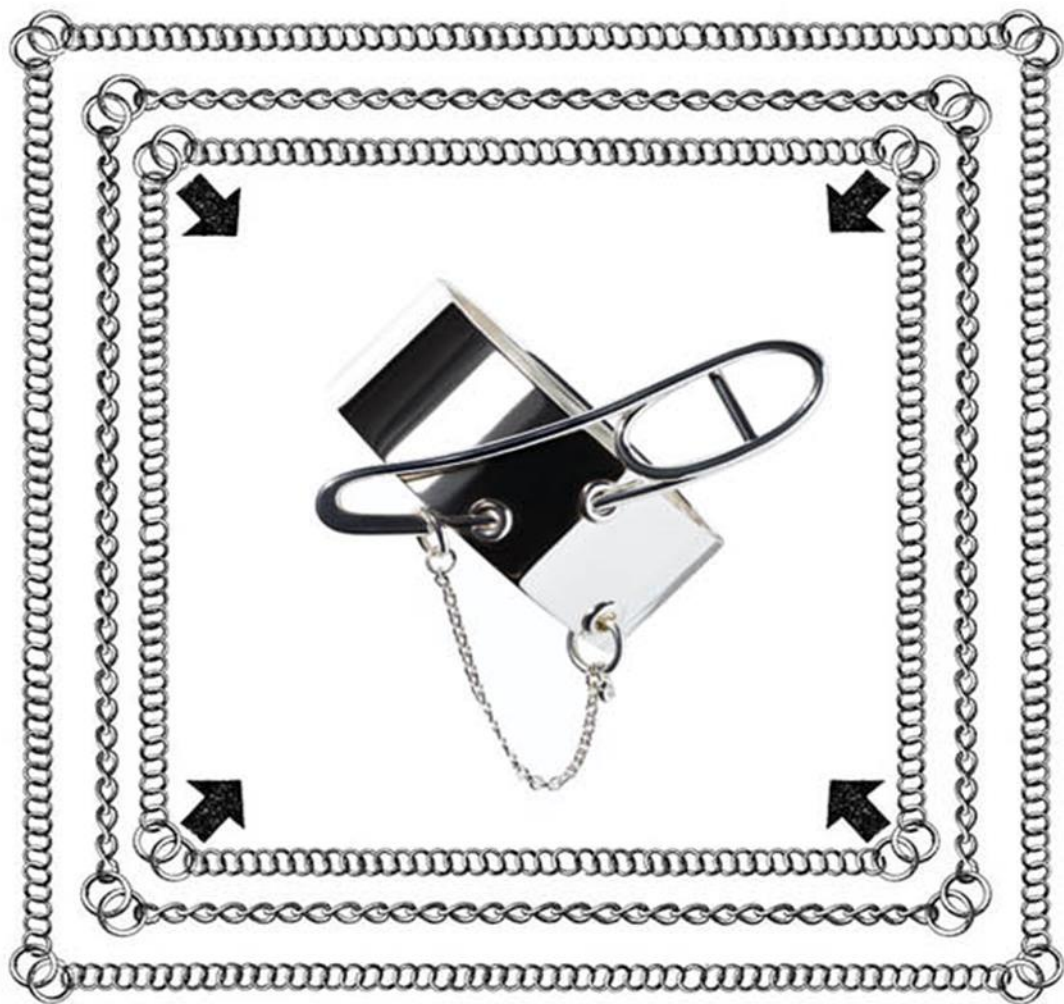


HERMÈS RESULTS

1st semester 2017





HIGHLIGHTS



ACTIVITY

- Sales are up **+11 %** at current exchange rates and **+10 %** at constant rates
- Activity was sustained in the group's stores (**+11 %** at constant rates)
- Growth is primarily organic with few price or perimeter effects





REVENUE BY GEOGRAPHICAL AREA



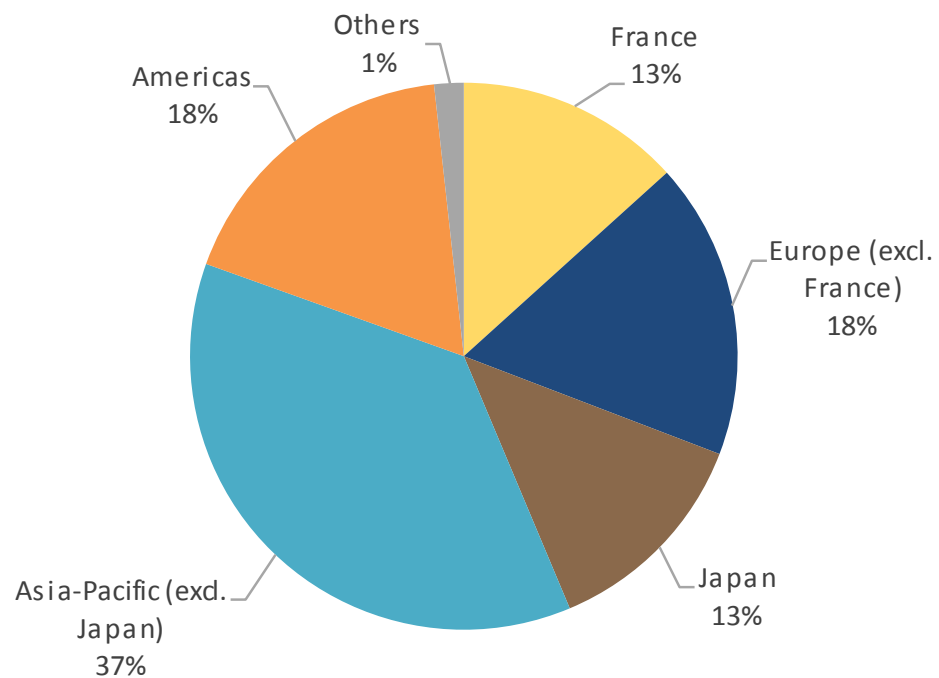
REVENUE BY GEOGRAPHICAL AREA

in €M	June 2017	Change at constant rates
France	361	2.4%
Europe (excl. France)	476	10.7%
EUROPE	836	7.0%
Japan	349	3.4%
Asia-Pacific (excl. Japan)	998	14.3%
ASIA	1,347	11.2%
Americas	482	8.8%
Others	47	28.6%
TOTAL	2,713	9.7%

Revenue rose in **all geographical areas**



REVENUE BY GEOGRAPHICAL AREA





REVENUE BY SECTOR





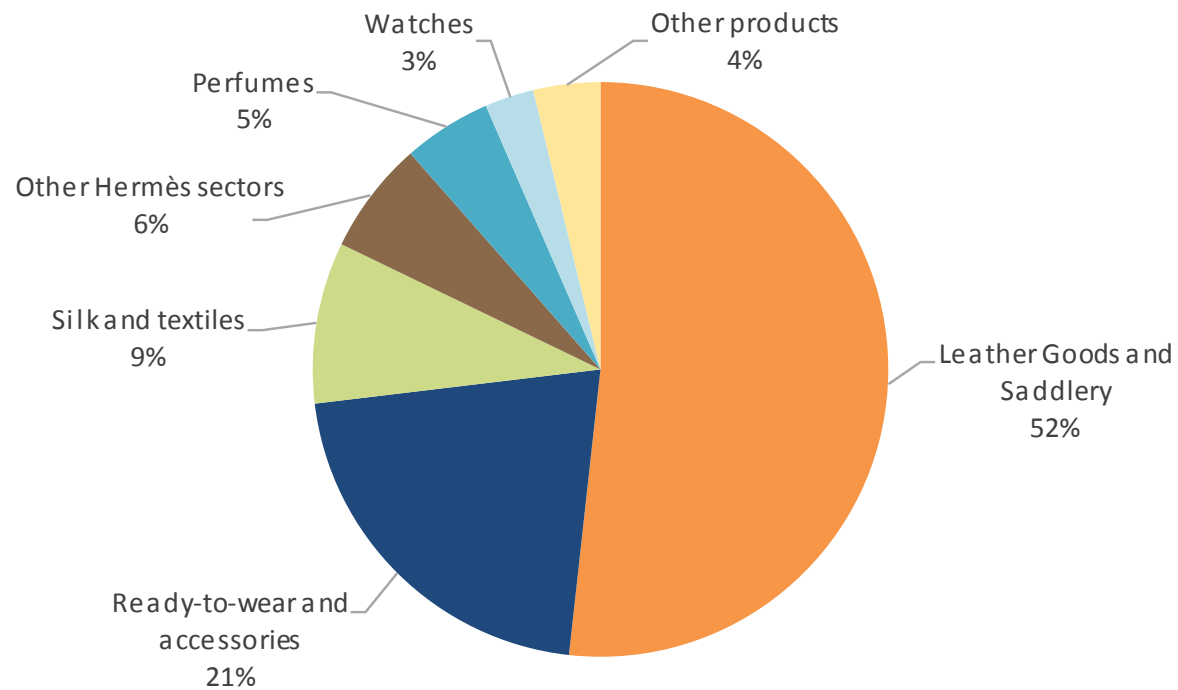
REVENUE BY SECTOR

in €M	June 2017	Change at constant rates
Leather Goods and Saddlery	1,404	12.2%
Ready-to-wear and accessories	579	10.4%
Silk and textiles	246	5.8%
Other Hermès sectors	172	13.0%
Perfumes	134	7.7%
Watches	75	(1.2)%
Other products	102	(8.7)%
TOTAL	2,713	9.7%

The Ready-to-wear and Accessories
and the Silk and Textiles business lines confirmed their
positive momentum



REVENUE BY SECTOR





RESULTS

- Operating income rose **+13 %** and reached € 931M in the first half 2017
- Net income amounted to € 605M representing **22.3 %** of sales, up +11 %
- Net cash position amounted to **€ 2,434M** as of 30 June 2017 compared to € 2,320M as of 31 December 2016





INVESTMENTS

Investments amounted to **€ 105M** and were mainly related to:

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





DISTRIBUTION NETWORK

- Opening of the Sao Paulo store
- Re-opening of the London and Munich stores
- Extension and renovation of the Athens, Seoul and Biarritz stores



PRODUCTION

- Inauguration of the *Maroquinerie de Normandie* and the *Ganterie-Maroquinerie de Saint Junien* in June
- Investments for a third site in Franche-Comté continued



COMMUNICATION



- 8th edition of the *Saut Hermès* at the Grand Palais in Paris
- *Margiela the Hermès years* exhibition in Anvers
- *Men's Universe* in Los Angeles, *Women's Universe* in Shanghai
- *Wanderland* in Shanghai
- *Hermès at Work* in Tokyo and Milan
- *Crazy Carré* in Madrid



RESULTS





INCOME STATEMENT





CONSOLIDATED INCOME STATEMENT

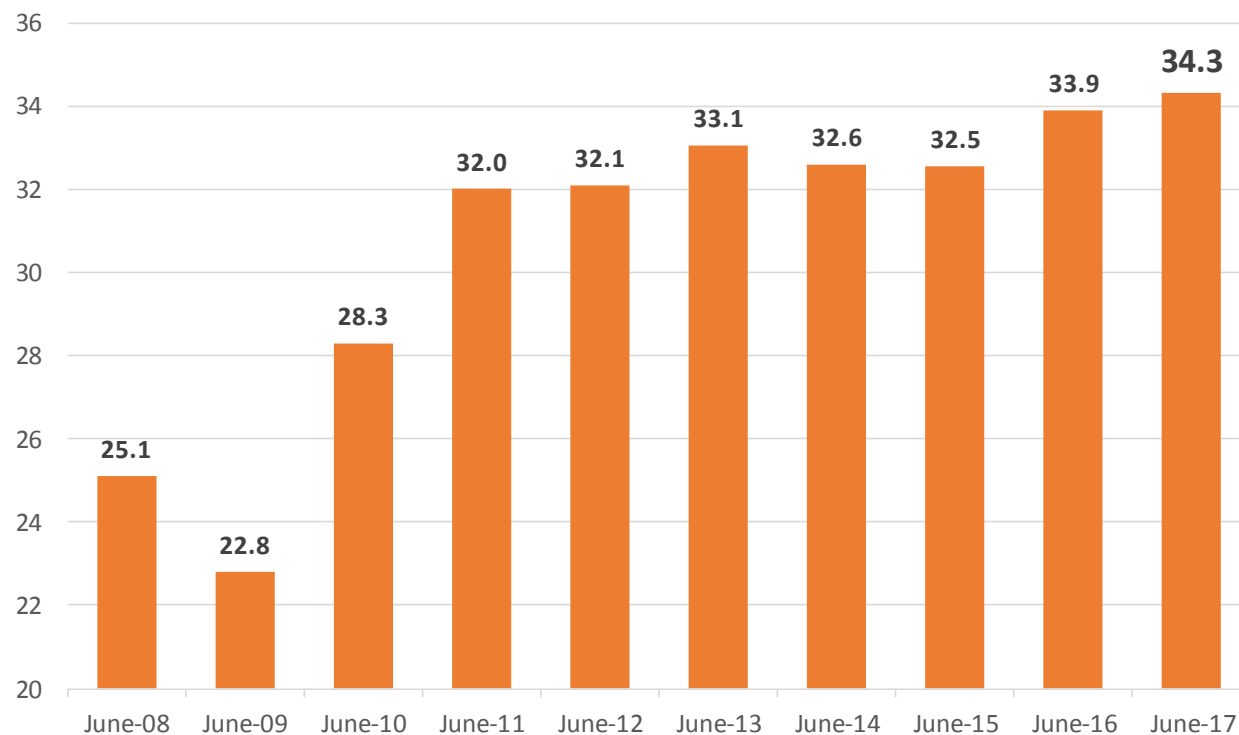
in €M	June 2017	% revenue	June 2016	% revenue
Revenue	2,713		2,440	
Cost of sales	(810)		(770)	
Gross margin	1,903	70.1%	1,670	68.4%
Communication	(120)	(4.4)%	(100)	(4.1)%
Selling, marketing and administrative expenses	(688)	(25.3)%	(625)	(25.6)%
Other income and expenses	(165)	(6.2)%	(119)	(4.9)%
Recurring operating income	931	34.3%	827	33.9%
Other non-recurring income and expenses	-		-	
OPERATING INCOME	931	34.3%	827	33.9%
Change	+12.6%			

The operating margin reaches an all-time high of **34.3%** of sales, up 0.4 point compared to the first half 2016, particularly due to the non-recurring favourable impact of foreign exchange hedges



HALF YEAR RECURRING OPERATING INCOME

In % of Revenue



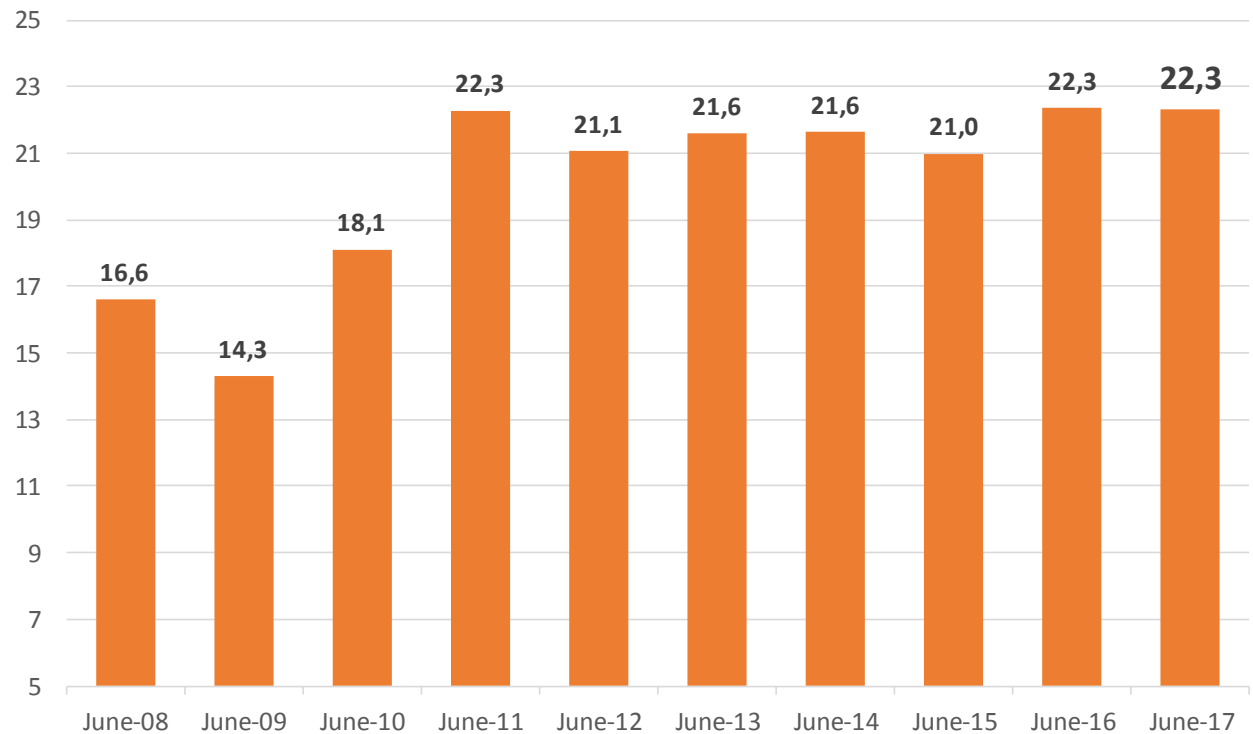
CONSOLIDATED INCOME STATEMENT

in €M	June 2017	% revenue	June 2016	% revenue
OPERATING INCOME	931	34.3%	827	33.9%
Net financial income	(10)		(20)	
Income tax	(323)		(268)	
	<i>In % of income before tax</i>		<i>33.2%</i>	
	35.0%			
Net income from associates	8		8	
Net income attributable to non-controlling interests	(1)		(2)	
NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT	605	22.3%	545	22.3%
<i>Evolution</i>	<i>+11.0%</i>			



HALF YEAR NET RESULT

In % of Revenue





INVESTMENTS

in €M

June 2017

Stores and distribution	49
Production and divisions	25
Real estate and Group projects	31
<hr/>	
Investments	105



RESTATED CASH FLOW STATEMENT

in €M	June 2017	June 2016
Operating cash flow	794	699
Change in working capital	(27)	(143)
Investments	(105)	(108)
Dividends paid	(402)	(360)
Other changes	(75)	(77)
Change in net cash position	185	11
Closing restated Net cash position	2,530	1,625
Opening restated Net cash position	2,345	1,614



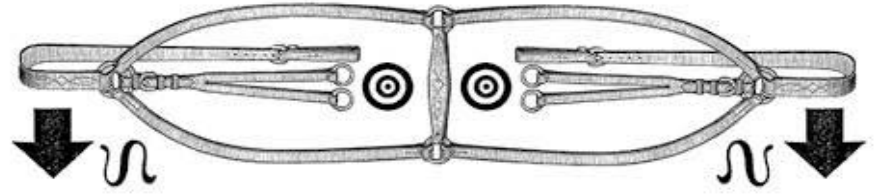


IFRS CASH FLOW STATEMENT

in €M	June 2017	June 2016
Operating cash flow	794	699
Change in working capital	(27)	(143)
Investments	(190)	(195)
Dividends paid	(402)	(360)
Other changes	(61)	(59)
Change in net cash position	114	(58)
Closing IFRS Net cash position	2,434	1,513
Opening IFRS Net cash position	2,320	1,571



OUTLOOK





OUTLOOK

- The performance of the results at the end of June, benefiting from the non-recurring impact of foreign exchange hedging from the year 2016, can not be extrapolated over the full year 2017.
- 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.





OUTLOOK

- In 2017, Hermès is celebrating the "Meaning of objects". By the wealth of its creations and its fundamental style, Hermès accompanies men and women in their everyday lives. And this ambition is what gives our objects meaning.
- Thanks to its unique business model, Hermès is pursuing its long-term development strategy based on creativity, maintaining control over know-how and original communication.



HERMÈS RESULTS

1st semester 2017

