

HERMES

Strong sales growth in 2013: +13% at constant exchange rates

13 February 2014

In 2013, the group's consolidated revenue totalled €3,754.8 million, a 13.0% rise at constant exchange rates. After adjusting for the negative impact of currencies, primarily due to the weakness of the Yen, the rise is 7.8%.

In the fourth quarter, growth remained strong (+11.0% at constant exchange rates) despite a particularly high basis for comparison.

Sales by region and sector

(at constant exchange rates unless otherwise indicated)

The annual revenue generated by the group's own stores rose by 13%. Hermès continued to qualitatively expand its distribution network with the launch of boutiques in Beverly Hills (USA), Ningbo (China) and Nagoya Mitsukoshi (Japan). In Italy, Hermès successfully opened its new store in Milan, which is located on the famous Via Montenapoleone. At the end of the year, the outlet in Hangzhou, China, was opened following extension and renovation.

All regions contributed to the growth

Non-Japan Asia (+16%) and America (+14%) were particularly dynamic. Japan (+7%) posted a very good performance. Europe (+12%) saw sustained activity in all countries despite a difficult financial climate.

Ambitious designs stimulating growth in all sectors

Leather Goods and Saddlery (+9%), for which demand remains very high, is continuing to expand its collections and develop its production capacities, particularly with the increased activity of the two workshops that opened in Isère and Charente in 2012 and plans to create two new premises in the Franche-Comté region.

The Ready-to-wear and Accessories Division (+18%) benefited from the dynamism in accessories and the latest ready-to-wear collections, which celebrated this year's theme "*A sporting life!*"

The Silk and Textiles (+12%) sector posted a good performance through the extended offering of new materials and new formats.

Perfumes (+15%) confirmed their momentum in 2013. The new fragrance for women *Jour d'Hermès* was warmly welcomed whilst *Terre d'Hermès* continued its growth and established its position as a classic male fragrance.

Following an exceptional year in 2012, Watches (+1%) were affected by the slowdown in the Chinese market.

Other Hermès sectors showed remarkable progression (+37%). Jewellery made a significant contribution to this dynamic with the success of the latest collections in gold.

Significant events

Over the past year, currency fluctuations have had a negative impact of €183 million on revenue.

During the fourth quarter, Hermès International bought back 10.746 shares for €3 million outside the liquidity contract.

2013 results target

Results will be published on 20 March 2014. With the dynamic sales at the end of the year, the current operating margin is set to be very slightly above the all-time high achieved in 2012 (32.1%).

Interim dividend

Given the available cash, the Executive Management decided on 12 February to pay an interim dividend of €1.5 per share. The ex-coupon date is set for 25 February and the payment date for 28 February 2014.

2014 outlook

Hermès will continue its long-term strategy based on creativity, fantasy, maintaining control over its know-how, expanding its distribution network, strengthening its production capacity and protecting its supply sources.

In 2014, our company will focus on the themes of metamorphosis, precious materials becoming objects in the skilled hands of artisans, and the objects themselves when buyers bring them to life and enhance their own in the process. Above all it is our company's unwavering determination to reinvent itself and push the limits of excellence that is our hallmark.

INFORMATION BY GEOGRAPHICAL ZONES (1)

In millions of Euros	4th quarter		Evolutions	
	2013	2012	Published	At constant exchange rates
France	179.5	166.8	7.6%	7.6%
Europe (excl. France)	216.0	196.8	9.7%	11.4%
Total Europe	395.5	363.6	8.8%	9.7%
Japan	133.5	163.5	-18.3%	4.7%
Asia Pacific (excl. Japan)	352.6	318.7	10.7%	15.7%
Total Asia	486.2	482.2	0.8%	12.0%
Americas	190.6	184.6	3.3%	8.5%
Other	19.8	13.8	43.7%	44.1%
TOTAL	1,092.0	1,044.1	4.6%	11.0%

In millions of Euros	As of December 31st		Evolutions	
	2013	2012	Published	At constant exchange rates
France	613.1	555.5	10.4%	10.4%
Europe (excl. France)	737.0	661.8	11.4%	12.9%
Total Europe	1,350.1	1,217.3	10.9%	11.7%
Japan	463.2	545.0	-15.0%	6.5%
Asia Pacific (excl. Japan)	1,248.1	1,100.3	13.4%	16.4%
Total Asia	1,711.2	1,645.3	4.0%	13.1%
Americas	627.4	568.9	10.3%	14.2%
Other	66.1	52.6	25.8%	26.0%
TOTAL	3,754.8	3,484.1	7.8%	13.0%

(1) Sales by destination.

INFORMATION BY SECTORS

In millions of Euros	4th quarter		Evolutions	
	2013	2012	Published	At constant exchange rates
Leathergoods and Saddlery (1)	470.8	472.1	-0.3%	7.3%
Ready-to-wear and fashion accessories (2)	231.0	217.7	6.1%	12.4%
Silk and Textiles	153.1	148.2	3.3%	8.9%
Other Hermès sectors (3)	68.1	53.3	27.6%	34.3%
Perfumes	51.8	45.5	13.9%	15.4%
Watches	49.6	52.0	-4.6%	0.6%
Tableware	19.2	19.0	1.4%	5.2%
Other products (4)	48.4	36.3	33.5%	37.3%
TOTAL	1,092.0	1,044.1	4.6%	11.0%

In millions of Euros	As of December 31st		Evolutions	
	2013	2012	Published	At constant exchange rates
Leathergoods and Saddlery (1)	1,633.8	1,596.6	2.3%	8.8%
Ready-to-wear and fashion accessories (2)	843.1	745.6	13.1%	17.9%
Silk and Textiles	453.9	424.6	6.9%	11.5%
Other Hermès sectors (3)	216.4	165.2	31.0%	36.5%
Perfumes	209.7	184.1	13.9%	14.8%
Watches	167.2	172.7	-3.2%	1.0%
Tableware	61.2	60.5	1.2%	4.4%
Other products (4)	169.6	134.9	25.7%	29.0%
TOTAL	3,754.8	3,484.1	7.8%	13.0%

(1) Leathergoods & Saddlery include bags & luggages, horse riding, memory holders and small leather goods.

(2) Ready-to-wear and fashion accessories include ready-to-wear, men and women, belts, accessories jewellery, gloves, hats and Hermès shoes.

(3) Other Hermès sectors include jewellery and products of the art of living department.

(4) Other products include John Lobb shoes as well as production activities realized for third parties (textile printing, perfumes, tanning,...).

REMINDER OF PREVIOUS PUBLICATIONS

INFORMATION BY GEOGRAPHICAL ZONES

In millions of Euros	2013					2012				
	Q1 report	Q2 report	S1 report	Q3 report	YTD 09/13	Q1 report	Q2 report	S1 report	Q3 report	YTD 09/12
France	137.9	151.3	289.2	144.4	433.6	123.6	132.2	255.8	132.9	388.7
Europe (excl. France)	168.2	178.7	346.9	174.1	521.0	150.6	155.8	306.4	158.6	465.0
Total Europe	306.1	330.0	636.1	318.5	954.6	274.2	288.0	562.2	291.5	853.7
Japan	110.3	111.1	221.4	108.2	329.6	119.9	127.0	246.9	134.7	381.5
Asia Pacific (excl. Japan)	292.0	299.2	591.2	304.2	895.4	248.1	258.8	506.8	274.8	781.6
Total Asia	402.3	410.3	812.6	412.4	1,225.1	368.0	385.7	753.7	409.5	1,163.2
Americas	133.0	153.1	286.1	150.7	436.7	120.6	128.2	248.8	135.5	384.3
Other	15.4	17.1	32.4	13.9	46.3	14.1	12.5	26.6	12.2	38.8
TOTAL	856.8	910.4	1,767.2	895.5	2,662.7	776.9	814.5	1,591.4	848.6	2,440.0

INFORMATION BY SECTORS

In millions of Euros	2013					2012				
	Q1 report	Q2 report	S1 report	Q3 report	YTD 09/13	Q1 report	Q2 report	S1 report	Q3 report	YTD 09/12
Leathergoods and Saddlery	372.5	407.4	779.9	383.1	1,163.0	358.4	381.0	739.5	385.0	1,124.5
Ready-to-wear and fashion accessories	187.8	207.8	395.6	216.4	612.0	161.5	173.3	334.7	193.2	527.9
Silk and Textiles	105.0	96.6	201.7	99.1	300.8	92.7	90.3	182.9	93.4	276.3
Other Hermès sectors	46.6	48.1	94.7	53.6	148.3	31.7	37.7	69.5	42.4	111.8
Perfumes	57.8	48.9	106.7	51.1	157.8	49.1	40.3	89.4	49.2	138.6
Watches	34.5	40.4	74.9	42.7	117.6	37.1	40.7	77.8	42.9	120.8
Tableware	13.5	15.4	28.9	13.0	41.9	14.0	14.1	28.0	13.4	41.5
Other products	39.1	45.7	84.7	36.4	121.1	32.4	37.1	69.5	29.1	98.6
TOTAL	856.8	910.4	1,767.2	895.5	2,662.7	776.9	814.5	1,591.4	848.6	2,440.0