LVMH
MOËT HENNESSY . LOUIS VUITTON

LVMH confirms the soundness of its strategy in 2009

Significant improvement in performances across all business groups in the fourth quarter

Free cash flow increased by 66%

Paris, February 4, 2010

LVMH Moët Hennessy Louis Vuitton, the world's leading luxury products group, recorded revenue of 17.1 billion Euros in 2009. In a difficult economic environment, the Group continued its strong growth in Asia and showed good resilience in Europe. Louis Vuitton recorded double-digit revenue growth for the year.

With a significant improvement in performances across all its activities, the Group's organic revenue grew 1% in the fourth quarter. A record level of revenue was achieved in December. In Wines & Spirits, the particularly strong level of destocking seen in the first half slowed down towards the end of the year. All other business groups achieved growth in revenue on a comparable structure and at comparable exchange rates during the quarter.

Profit from recurring operations was 3 352 million Euros for the year and resulted in a current operating margin of 20%. These results reflect the strong reactivity of LVMH's teams, the cost control measures taken to adapt to the crisis as well as the success of the Group's star brands. Group share of net profit was 1 755 million Euros.

Mr. Bernard Arnault, Chairman and CEO of LVMH, said: "LVMH demonstrated exceptional resilience in 2009. The quality of the products, the powerful appeal of our brands and the reactivity of our organization are the major advantages that made the difference and enabled the Group to win market share. Louis Vuitton in particular delivered another year of growth and has fortified its leading position. Sustained by its sound strategy, LVMH is ideally positioned to benefit from the recovery and to continue in 2010 to strengthen its leadership in the global luxury goods sector."

Highlights of 2009 include:

- Market share gains for star brands in their key markets,
- Continued strong growth in Asia,
- Exceptional momentum at Louis Vuitton with double-digit revenue growth and excellent profitability,
- Good resilience from Parfums Christian Dior and Hennessy, linked notably to the strong performance in growing markets,
- Growth in revenue and profit from recurring operations at Sephora,
- Strong increase in free cash flow due to rigorous inventory management and targeted investments,
- Improvement in gearing* which fell to 20%.

** ratio of net debt to equity.*

Euro millions	2008	2009	% change
Revenue	17 193	17 053	- 1 %
Profit from recurring operations	3 628	3 352	- 8 %
Group share of net profit	2 026	1 755	- 13 %
Free cash flow*	1 331	2 205	+ 66 %

** Before financial investments, transactions relating to equity and financing activities*

Revenue by business group:

Euro millions	2008	2009	% change 2009/2008	
			Reported	Organic*
Wines & Spirits	3 126	2 740	- 12 %	- 14 %
Fashion & Leather Goods	6 010	6 302	+ 5 %	+ 2 %
Perfumes & Cosmetics	2 868	2 741	- 4 %	- 5 %
Watches & Jewelry	879	764	- 13 %	- 19 %
Selective Retailing	4 376	4 533	+ 4 %	+ 1 %
Other activities and eliminations	(66)	(27)	-	-
Total LVMH	**17 193**	**17 053**	**- 1 %**	**- 4 %**

** With comparable structure and exchange rates*

Profit from recurring operations by business group:

Euro millions	2008	2009	% change
Wines & Spirits	1 060	760	- 28 %
Fashion & Leather Goods	1 927	1 986	+ 3 %
Perfumes & Cosmetics	290	291	+ 0.3 %
Watches & Jewelry	118	63	- 47 %
Selective Retailing	388	388	-
Other activities and eliminations	(155)	(136)	-
Total LVMH	**3 628**	**3 352**	**- 8 %**

Wines & Spirits: continued value strategy

The performance of the **Wines & Spirits** business group improved significantly in the fourth quarter following a period impacted by the crisis and amplified by destocking by distributors. Hennessy, which demonstrated good resilience in 2009, registered growth in the fourth quarter due to strong renewed momentum in the United States and in China. Profit from recurring operations was 760 million Euros in 2009. The Wines & Spirits group maintained its value strategy and continued its strong culture of innovation while continuing to control costs and being rigorously selective in making investments.

Fashion & Leather Goods: continued exceptional performance from Louis Vuitton

Fashion & Leather Goods recorded revenue growth of 5% in 2009. Profit from recurring operations was 1 986 million Euros. Louis Vuitton, with double-digit revenue growth in 2009, continued its exceptional momentum and once again strengthened its leading position at the heart of the luxury goods market. The year was also notable for its creative innovations, both in terms of new models for historic lines, as well as the launch of a new high-end jewelry collection. In the fast growing men's market, the rapid progress of the *Damier Graphite* line contributed to the brand's excellent performance. Among the highlights of the fourth quarter were the opening of Louis Vuitton Maisons in Las Vegas and Macao. Fendi, Donna Karan and Marc Jacobs demonstrated their resilience in a difficult environment.

Perfumes & Cosmetics: improvement in recurring operating margin

For **Perfumes & Cosmetics**, the fourth quarter saw a return to growth with organic revenue increasing by 2%, following the impact of destocking by several retailers in the first half. Profit from recurring operations stood at 291 million Euros, and current operating margin improved to reach 11% in 2009. Parfums Christian Dior continued to benefit in 2009 from the exceptional popularity of *J'Adore*. The performances of *Miss Dior Chérie* and of *Eau Sauvage*, as well as the ongoing momentum of *Diorskin Nude*, also strongly contributed to Dior's market share gains. Guerlain confirmed its growth in its priority markets, due notably to the popularity of the *Rouge G* lipstick and the promising start for its new perfume, *Idylle*. Parfums Givenchy benefited from the success of its *Play* and *Ange ou Démon Le Secret* perfumes. Benefit made considerable progress due to its international expansion.

Watches & Jewelry: targeted expansion and rigorous cost control

In **Watches & Jewelry**, an improvement in trends in the fourth quarter limited the fall in revenue for the year to 13%. Profit from recurring operations stood at 63 million Euros. Despite considerable destocking by retailers and the decline of the American and Japanese markets, the Watches & Jewelry brands consolidated their market share and maintained rigorous cost and inventory control. TAG Heuer, sustained by the success of its collections, notably *Carrera* and *Monaco*, strengthened its position in all of its key markets. Hublot showed good resilience and production started at its new factory. Zenith celebrated the 40^{th} anniversary of its *El Primero* movement. Montres Dior's *Christal* line continued its transition to the high-end of the market. The jewelry brands' own store networks demonstrated good resilience, benefiting from the success of iconic collections, such as Chaumet's *Attrape-Moi* and *Liens*, Fred's *Force 10*, and De Beers' solitaire diamonds.

Selective Distribution: sustained growth at Sephora

The **Selective Distribution** business group recorded 4% revenue growth in 2009. Profit from recurring operations was 388 million Euros.

DFS registered a solid performance despite the slowdown in global tourism. The increasing importance of Asian customers was evident in the excellent momentum at the Macao Gallerias, opened in 2008, and at the recently renovated store in Hong Kong. New openings, such as Abu Dhabi and Mumbai, represent significant growth opportunities.

Sustained by the continued growth in its store network, **Sephora** had a good year with further growth in revenue and profit from recurring operations and maintained its current operating margin. This performance resulted in market share gains in all countries. Online sales continued their fast growth in France, the United States and China. Sephora strengthened its unique offering, which is built on a range of innovative and exclusive products alongside high quality services.

LVMH is in an excellent position to once again strengthen its leadership in 2010

Taking into account the uncertainty of the strength of the economic recovery, LVMH will continue in 2010 to rigorously manage all of its businesses. Focused on further increasing its competitive advantages, the Group will continue its strong dynamic innovation and expansion in the most attractive markets.

Strengthened by the flexibility of its organization and the good balance of its business lines and geographic exposure, LVMH enters 2010 with confidence and has set itself the objective of increasing, once again, its leadership of the global luxury goods industry.

Dividend increased by 3%

At the Annual Shareholders Meeting on April 15, 2010, LVMH will propose a dividend of 1.65 Euros per share, an increase of 3%. An interim dividend of 0.35 Euros per share was paid on December 2, 2009. The balance of 1.30 Euros per share will be paid on May 25, 2010.

The LVMH Board met on February 4th to approve the financial statements for 2009.
Audit procedures have been carried out and the audit report is being issued.
Regulated information related to this press release is available on the internet site www.lvmh.com.

About LVMH

LVMH Moët Hennessy Louis Vuitton is the world's leading luxury goods group. The Group is represented in Wines and Spirits by a portfolio of brands that includes Moët & Chandon, Dom Pérignon, Veuve Clicquot Ponsardin, Krug, Ruinart, Château d'Yquem, Hennessy, Glenmorangie, Ardbeg, Belvedere Vodka, Chopin, 10 Cane, Chandon, Cloudy Bay, Terrazas de los Andes, Cheval des Andes, Green Point, Cape Mentelle, Newton.
Its Fashion and Leather Goods division includes Louis Vuitton, the world's leading luxury brand, as well as Celine, Loewe, Kenzo, Givenchy, Thomas Pink, Fendi, Emilio Pucci, Donna Karan, Marc Jacobs, Berluti as well as StefanoBi. LVMH is present in the Perfumes and Cosmetics sector with Parfums Christian Dior, Guerlain, Parfums Givenchy, Parfums Kenzo, Perfumes Loewe as well as other promising cosmetic companies (BeneFit Cosmetics, Make Up For Ever, Acqua di Parma and Fresh). LVMH is also active in selective retailing through DFS, Sephora in Europe and the United States, Le Bon Marché and la Samaritaine. LVMH's Watches and Jewelry division comprises TAG Heuer, Chaumet, Christian Dior Watches, Zenith, Fred, Hublot and De Beers Diamond Jewellers Limited, a joint venture created with the world’s leading diamond group.

"Certain information included in this release is forward looking and is subject to important risks and uncertainties and factors beyond our control or ability to predict, that could cause actual results to differ materially from those anticipated, projected or implied. It only reflects our views as of the date of this presentation. No undue reliance should therefore be based on any such information, it being also agreed that we undertake no commitment to amend or update it after the date hereof.”

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APPENDIX

Quarterly revenue by business group

2009 Fiscal year

(Euro millions)	Wines & Spirits	Fashion & Leather Goods	Perfumes & Cosmetics	Watches & Jewelry	Selective Retailing	Other activities and eliminations	**Total**
First quarter	540	1 598	663	154	1 085	(22)	**4 018**
Second quarter	539	1 390	622	192	1 042	8	**3 793**
Third quarter	682	1 549	686	187	1 040	(9)	**4 135**
Fourth quarter	979	1 765	770	231	1 366	(4)	**5 107**
Total revenue	**2 740**	**6 302**	**2 741**	**764**	**4 533**	**(27)**	**17 053**

2008 Fiscal year

(Euro millions)	Wines & Spirits	Fashion & Leather Goods	Perfumes & Cosmetics	Watches & Jewelry	Selective Retailing	Other activities and eliminations	**Total**
First quarter	640	1 445	717	211	1 011	(22)	**4 002**
Second quarter	652	1 323	645	206	979	(8)	**3 797**
Third quarter	746	1 471	719	239	1 015	(30)	**4 160**
Fourth quarter	1 088	1 771	787	223	1 371	(6)	**5 234**
Total revenue	**3 126**	**6 010**	**2 868**	**879**	**4 376**	**(66)**	**17 193**