

Excellent first half of the year for LVMH

Paris, 27 July 2010

LVMH Moët Hennessey Louis Vuitton, the world's leading luxury products group, recorded revenue of €9.1 billion in the first half of 2010, an increase of 16%. All business groups achieved double-digit organic revenue growth. The Group performed particularly well in Asia, the United States and Europe.

Profit from recurring operations in the first half of 2010 increased by 33% to €1,816 million.

Group share of net profit increased by 53% to €1,050 million.

Bernard Arnault, Chairman and CEO of LVMH, commented:

“The 2010 first half results, once again, demonstrate the exceptional appeal of our brands as well as the effectiveness of our strategy, as pertinent in the context of a recovery in 2010 as it was during the global economic crisis in 2009. All LVMH's business groups contributed to this excellent half year. Operating margin has improved considerably thanks to robust revenue growth and the control over operating costs. This focus on cost control will continue into the second half of the year despite the momentum in the markets. The Group approaches the end of the year with confidence and is relying upon the creativity and quality of its products as well as the effectiveness of its teams to pursue further market share gains in its historical markets as well as in high potential emerging markets.”

Highlights of the first half of 2010 include:

- Double-digit organic revenue growth in all business groups,
- Market share gains of all our brands notably with double-digit revenue growth at Louis Vuitton, whose profitability continues to be at an exceptional level,
- Strong revenue growth in emerging markets,
- A record level of first half current operating margin,
- Robust rebound in orders from distributors of Wines & Spirits and Watches & Jewelry,
- Rapid progress and market share gains at Christian Dior and Sephora,
- Net cash flow from operations before changes in working capital increased by 37%,
- Solid financial position with a net debt ratio under 20%.

<i>Euro millions</i>	First half of 2009	First half of 2010	Change %
Revenue	7 811	9 099	+ 16%
Profit from recurring operations	1 363	1 816	+ 33%
Group share of net profit	687	1 050	+ 53%
Net cash flow from operations before changes in working capital	1 206	1 651	+ 37%

Revenue by business group :

<i>Euro millions</i>	First half of 2009	First half of 2010	Change %	
			Reported	Organic*
Wines & Spirits	1 079	1 302	+ 21%	+ 18%
Fashion & Leather Goods	2 988	3 516	+ 18%	+ 14%
Perfumes & Cosmetics	1 285	1 441	+ 12%	+ 10%
Watches & Jewelry	346	443	+ 28%	+ 24%
Selective Retailing	2 127	2 419	+ 14%	+ 13%
Other activities and eliminations	(14)	(22)	-	-
TOTAL	7 811	9 099	+ 16%	+ 14%

* With comparable structure and exchange rates

Profit from recurring operations, by business group:

<i>Euro millions</i>	First half of 2009	First half of 2010	Change %
Wines & Spirits	241	326	+ 35%
Fashion & Leather Goods	919	1 179	+ 28%
Perfumes & Cosmetics	121	181	+ 50%
Watches & Jewelry	20	49	+ 145%
Selective Retailing	129	176	+ 36%
Other activities and eliminations	(67)	(95)	-
TOTAL	1 363	1 816	+ 33%

Wines & Spirits: increase in orders

Following considerable destocking in 2009, the **Wines & Spirits** business group recorded revenue growth of 21% and an increase of 35% in profit from recurring operations. Champagne sales saw a significant rebound during the period thanks to improvements at prestige brands, which had been affected in 2009. In the Cognac business, Hennessy experienced strong momentum in its key markets, notably China and the United States. All qualities of cognac achieved strong growth.

Fashion & Leather Goods: exceptional momentum at Louis Vuitton

The **Fashion & Leather Goods** business group recorded revenue growth of 18% in the first half of 2010. Profit from recurring operations increased by 28% to €1,179 million. Louis Vuitton registered very strong revenue growth, which is particularly remarkable considering its already strong first half of 2009. Asian and European markets confirmed their growth momentum and the United States, which showed good resilience in 2009, continued to improve during the period. Louis Vuitton continues to rely on its incomparable creativity and the fact that it is the only luxury brand in the world to sell its products exclusively through its own store network. Fendi, Donna Karan and the other fashion brands had a good start to the year.

Perfumes & Cosmetics: success of iconic fragrances

In the first half of 2010, the **Perfumes & Cosmetics** business group registered revenue growth of 12%, and a 50% increase in profit from recurring operations. LVMH's brands benefited from strong growth in Asian markets and a return of demand in Europe as well as in the United States. By accelerating the development of its star lines, Christian Dior achieved strong growth and gained market share. Beyond the global success of *J'Adore*, the first half was notable for the progress of *Miss Dior Chérie* and *Eau Sauvage*, the leading French male fragrance. In make-up, the new foundation, *Diorskin Nude*, and the lipstick, *Rouge Dior* were a major success. Guerlain benefited from the 2009 launch of its *Idylle* perfume and from the growth of *Orchidée Impériale* which is proving to be an exceptional product. The ongoing success of *Ange ou Démon* and its major classics were the key highlights for Parfums Givenchy. Benefit and Make Up For Ever enjoyed particularly strong growth.

Watches & Jewelry: strong recovery

In the first half of 2010, the **Watches & Jewelry** business group registered revenue growth of 28% and a 145% increase in profit from recurring operations. The increase in purchases by retailers, coupled with the rise in consumer demand, contributed to the performance of our brands. TAG Heuer celebrated its 150th anniversary and grew strongly in China and the United States. At Hublot, the *King Power* line was extraordinarily well received and the recent integration of the "Confrérie Horlogère" team has strengthened the brand's expertise. Zenith benefited from the success of its new models. Fred, Chaumet and De Beers enjoyed momentum in their networks of stores. The launch of the *Josephine* collection was one of the highlights of the period for Chaumet.

Selective Distribution : robust expansion of Sephora on all continents

In the first half of 2010, the **Selective Distribution** business group saw a 14% increase in revenue and recorded growth of 36% in profit from recurring operations.

DFS benefited from the growth in Asian tourism and saw a considerable increase in revenue. The renovation of the Hong Kong's Sun Plaza Galleria continued. Macao has seen strong growth and will benefit in the second half of the year from the full opening of the City of Dreams.

Sephora performed exceptionally well and strengthened its position in all of its markets. It sustained its growth momentum on a comparable store basis and online sales have continued to grow rapidly. The brand expanded its presence in all markets, and is ready to develop in South America through the acquisition of Sack's, the leading Brazilian online specialty beauty retailer.

2010 Outlook

In the current recovery from the economic crisis, LVMH will continue to gain market share thanks to the numerous product launches planned before the end of the year, to its geographic expansion in promising markets and to its cost management.

Our strategy of focusing on quality across our entire product range, combined with the dynamism and unparalleled creativity of our teams, will enable us to reinforce, once again in 2010, LVMH's global leadership position in luxury products.

An interim dividend of €0.70 will be paid on December 2, 2010.

Regulated information related to this press release is available on our internet site www.lvmh.com.

Audit procedures carried out, audit report issued following the Board meeting.

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 and StefanoBi. LVMH is present in the Perfumes and Cosmetics sector with Parfums Christian Dior, Guerlain, Parfums Givenchy, Parfums Kenzo, Parfums 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, la Samaritaine and Sack's. 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

LVMH – Revenue by business group and by quarter

First half 2010

<i>(Euro millions)</i>	Wines & Spirits	Fashion & Leather Goods	Perfumes & Cosmetics	Watches & Jewelry	Selective Retailing	Other Activities & Eliminations	Total
First Quarter	635	1 729	736	204	1 181	(13)	4 472
Second Quarter	667	1 787	705	239	1 238	(9)	4 627
Total revenue	1 302	3 516	1 441	443	2 419	(22)	9 099

First half 2009

<i>(Euro millions)</i>	Wines & Spirits	Fashion & Leather Goods	Perfumes & Cosmetics	Watches & Jewelry	Selective Retailing	Other Activities & 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
Total revenue	1 079	2 988	1 285	346	2 127	(14)	7 811