LVMH

MOËT HENNESSY . LOUIS VUITTON

2011: Another great vintage for LVMH

Paris, 2 February 2012

LVMH Moët Hennessy Louis Vuitton, the world's leading luxury products group, recorded a 16% increase in revenue reaching 23.7 billion Euros in 2011. This includes the integration of Bulgari as of 30 June 2011. Organic revenue growth was 14%. All business groups saw excellent momentum in Europe, Asia and the United States. Louis Vuitton, in particular, once again recorded double-digit revenue growth during the year.

Revenue increased by 20% in the fourth quarter with organic growth of 12%. This performance is in line with the favourable trends observed since the beginning of the year, and compares to the fourth quarter of 2010 which also grew.

Profit from recurring operations increased by 22% to 5 263 million Euros, a performance which is even more remarkable when compared to the strong growth recorded in 2010. Current operating margin continued to improve, reaching 22% in 2011.

Group share of net profit was 3 065 million Euros, an increase of 1% compared to 2010 which included a non-recurrent financial gain. Excluding this gain, the growth in Group share of net profit would have been 34%.

Bernard Arnault, Chairman and CEO of LVMH, said: "2011 was another great vintage for LVMH, highlighting once again the power of our brands, the excellence of our craftsmanship and the appeal of our products. Our businesses enjoyed excellent momentum and profit from recurring operations passed the threshold of €5 billion for the first time. The agreement with the Bulgari family was one of the key moments of the year. In 2012, LVMH intends to further strengthen its global leadership position in high quality products by relying on its sound, long-term strategy."

Highlights of 2011 include:

- Profit from recurring operations exceeded 5 billion Euros for the first time
- Further market share gains throughout the world,
- Continued rapid growth in Asia
- Excellent performance at Wines & Spirits,
- Double-digit revenue growth and exceptional profitability at Louis Vuitton,
- Growth acceleration at the other Fashion & Leather Goods brands,
- Strong growth in the results of DFS and Sephora, which continue to increase their lead over competitors across all regions in which they operate,
- Strength of Parfums Christian Dior which is sustained by a strong culture of innovation,
- Doubled profit from recurring operations at Watches & Jewelry following the strong increase in the business group's results and the integration of Bulgari in the second half of the year,
- Free cash flow of 2.2 billion Euros.

Euro millions	2010	2011	% change
Revenue	20 320	23 659	+ 16 %
Profit from recurring operations	4 321	5 263	+ 22 %
Group share of net profit	3 032	3 065	+ 1 %
Free cash flow*	3 073	2 177	- 29 %

** Before available for sale financial assets and investments, transactions relating to equity and financing activities*

Revenue by business group:

Euro millions	2010	2011	% change 2011/2010	
			Reported	Organic*
Wines & Spirits	3 261	3 524	+ 8 %	+ 10 %
Fashion & Leather Goods	7 581	8 712	+ 15 %	+ 16 %
Perfumes & Cosmetics	3 076	3 195	+ 4 %	+ 9 %
Watches & Jewelry	985	1 949	+ 98 %	+ 23 %
Selective Retailing	5 378	6 436	+ 20 %	+ 19%
Other activities and eliminations	39	(157)	-	-
Total LVMH	**20 320**	**23 659**	**+ 16 %**	**+ 14 %**

** With comparable structure and exchange rates.*

Profit from recurring operations by business group:

Euro millions	2010	2011	% change
Wines & Spirits	930	1 101	+ 18 %
Fashion & Leather Goods	2 555	3 075	+ 20 %
Perfumes & Cosmetics	332	348	+ 5 %*
Watches & Jewelry	128	265	+ 107 %**
Selective Retailing	536	716	+ 34 %
Other activities and eliminations	(160)	(242)	-
Total LVMH	**4 321**	**5 263**	**+ 22 %**

** +8% with comparable structure.*
*** +41% with comparable structure.*

Wines & Spirits: confirmed return in demand and improved product mix

The **Wines & Spirits** business group recorded organic revenue growth of 10% in 2011. Profit from recurring operations increased by 18%. Having maintained a strategy of value during the difficult period in 2009, the champagne business fully benefited from the return in demand. The improvement in product mix and a firm policy of price increases also contributed to the excellent results. Sparkling and still wines developed by Estates & Wines achieved strong growth in key markets. Hennessy cognac continued its strong momentum, led notably by the high-end qualities in Asia. Glenmorangie and Belvedere recorded sustained growth in volumes.

Fashion & Leather Goods: exceptional momentum at Louis Vuitton and the other brands

The **Fashion & Leather Goods** business group recorded organic revenue growth of 16% in 2011. Profit from recurring operations increased by 20%. Louis Vuitton, which had another record year, further increased its lead over other luxury brands. Louis Vuitton’s appeal to customers is constantly strengthened by its dynamic creativity, as seen in the success of its new leather products. Louis Vuitton opened a new workshop in Marsaz in the Drôme region of France. All of Fendi’s product categories delivered excellent performances. The star line *Peekaboo*, which demonstrates the savoir-faire of the Maison, remained a landmark collection for the brand. Donna Karan grew in the US. Confirming their brand identity with full force, Celine, Loewe and Givenchy showed remarkable momentum thanks to the creative spirit which animates them. The other brands continued their expansion.

Perfumes & Cosmetics: continued success of star lines

The **Perfumes & Cosmetics** business recorded organic revenue growth of 9%. Profit from recurring operations on a comparable structure basis increased by 8% in the context of sustained commercial investments. All of the brands played a part in the strong momentum of the Asian and American markets. Europe, despite the uncertain environment at the end of the year, also contributed to their growth. Parfums Christian Dior successfully adhered to its values of creativity and high quality, and confirmed its good momentum, supported by its recent innovations and the strength of its star lines. *J’adore* was once again the leading female perfume in France in 2011. Guerlain continued its development in its key markets and benefited from the force of its emblematic perfume, *Shalimar*. At Parfums Givenchy, the new women’s fragrance *Dahlia Noir*, launched in the second half of the year, enjoyed a promising start. Benefit and Make Up For Ever continued their strong growth across all their markets.

Watches & Jewelry: market share gains

The **Watches & Jewelry** business group recorded organic revenue growth of 23% in 2011. Profit from recurring operations doubled as a result of the 41% increase in results on a comparable structure basis and the integration of Bulgari, consolidated as of 30 June 2011. The LVMH brands continued their sustained growth across all geographies. Driven by strong demand, this remarkable momentum resulted in new market share gains. TAG Heuer made a splash with the launch of two exceptional products entirely developed and manufactured by its own workshop: the *Mikrograph 100* and the *Mikrotimer Flying 1000*. Hublot continued its innovations with the launch of *Masterpieces*, the new watch collection of Grandes Complications, and extended its store network. Zenith benefited from the renewal of its emblematic lines which demonstrate the first class craftsmanship of its Manufacture. Bulgari’s excellent performance across all categories confirmed the considerable appeal of its products. The collections, which were developed around the theme *Serpenti*, a symbol for the Maison since the 1950s, were very well received. Driven by the strong momentum at their network of stores, the other jewelry brands Chaumet, De Beers and Fred, continued to develop their star collections.

Selective Retailing: remarkable momentum

The **Selective Retailing** business group recorded organic revenue growth of 19% in 2011. Profit from recurring operations increased by 34%.
DFS's excellent performance benefited from continued growth in Asian tourism. The Gallerias in Hong Kong and in Macao recorded remarkable growth while North America and the Pacific zone also strengthened. DFS's renovation program and the expansion of its leading stores - the principal pillars for the brand's high-end quality offer strategy - continued throughout the year. Sephora recorded solid revenue growth and increased market share across all its regions. Alongside the selective expansion of its network, numerous store renovations accompanied the increase in the brand's development. Growth for Sephora continued, notably in Russia where it increased its shareholding in the Ile de Beauté chain to 65%. The brand opened in two new countries in 2011: Malaysia and Mexico.

Excellent outlook for 2012

After an exceptional 2011, and despite an uncertain economic environment in Europe, LVMH is well-equipped to continue its growth momentum across all business groups in 2012. Its strategy will remain focused on developing brands through strong innovation, quality and expansion in high potential markets.

Driven by the agility of its organization, the balance of its different businesses and geographic diversity, LVMH enters 2012 with confidence and has, once again, set an objective of increasing its global leadership position in luxury goods.

Dividend increase of 24%

At the Annual Shareholders Meeting on April 5, 2012, LVMH will propose a dividend of 2.60 Euros per share, an increase of 24%. An interim dividend of 0.80 Euros per share was paid on December 2 of last year. The balance of 1.80 Euros per share will be paid on April 25, 2012.

The LVMH Board met on February 2nd to approve the financial statements for 2011.
Audit procedures have been carried out and the audit report is being issued.
Regulated information related to this press release is available at www.lvmh.fr

APPENDIX

Quarterly revenue by business group

2011

(In Euro millions)	Wines & Spirits	Fashion & Leather Goods	Perfumes & Cosmetics	Watches & Jewelry	Selective Retailing	Other activities & eliminations	**Total**
First quarter	762	2 029	803	261	1 421	(29)	**5 247**
Second quarter	673	1 942	715	315	1 410	(10)	**5 045**
Third quarter	871	2 218	793	636	1 547	(54)	**6 011**
Fourth quarter	1 218	2 523	884	737	2 058	(64)	**7 356**
Total revenues	**3 524**	**8 712**	**3 195**	**1 949**	**6 436**	**(157)**	23 659

2010

(in Euro millions)	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**
Third quarter	846	1 948	805	244	1 294	(26)	**5 111**
Fourth quarter	1 113	2 117	830	298	1 665	87	**6 110**
Total Revenues	**3 261**	**7 581**	**3 076**	**985**	**5 378**	**39**	**20 320**

About LVMH
LVMH Moët Hennessy Louis Vuitton is represented in Wines and Spirits by a portfolio of brands that includes Moët & Chandon, Dom Pérignon, Veuve Clicquot Ponsardin, Krug, Ruinart, Mercier, Château d’Yquem, Hennessy, Glenmorangie, Ardbeg, Vodka Belvedere, 10 Cane, Chandon, Cloudy Bay, Terrazas de los Andes, Cheval des Andes, Green Point, Cape Mentelle, Newton, Wen Jun. Its Fashion and Leather Goods division includes Louis Vuitton, the world's leading luxury brand, as well as Céline, Loewe, Kenzo, Givenchy, Thomas Pink, Fendi, Emilio Pucci, Donna Karan, Marc Jacobs and Berluti. 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 as well as in other activities through DFS, Sephora, Le Bon Marché, Samaritaine and Royal Van Lent. LVMH's Watches and Jewelry division comprises Bulgari, TAG Heuer, Chaumet, Dior Watches, Zenith, Fred, Hublot and De Beers Jewellery, 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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