

Good First Half for LVMH

Paris, 25 July 2013

LVMH Moët Hennessy Louis Vuitton, the world's leading luxury products group, recorded revenue of €13.7 billion in the first half 2013, an increase of 6%. Organic revenue growth was 8% compared to the same period in 2012, which itself saw strong growth. The Group continued to experience good momentum in the US and Asia, and continues to grow in Europe in a more difficult economic environment. With organic growth of 9%, the second quarter showed some acceleration compared to the first quarter.

Profit from recurring operations for the first half of 2013 rose to € 712 million, an increase of 2% compared to the same period in 2012. This performance compares to the first half of 2012, which had shown very strong growth. Current operating margin reached 20%. Group share of net profit rose to €1 577 million.

Bernard Arnault, Chairman and CEO of LVMH, commented:

“The performance of LVMH in the first half, once again, demonstrates the exceptional appeal of our brands, the attraction of our high quality artisanal products and the relevance of our strategy. Innovation, extreme quality, strong distribution and savoir-faire in all of our businesses reinforce our Maisons. Loro Piana, with whom we share the same values of family and craftsmanship, will fit harmoniously within this dynamic. It is with confidence that we approach the second half of the year and rely on the creativity and quality of our products, as well as the effectiveness of our teams, to pursue further market share gains in our traditional markets as well as in high potential emerging territories.”

Highlights of the first half of 2013 include:

- Good resilience in Europe and sustained momentum in Asia, the United States and Japan,
- Market share gains of all our brands,
- Good performance in Wine & Spirits,
- The very qualitative development of Louis Vuitton, whose profitability remains at an exceptional level,
- Continued investment in the fashion brands,
- Further innovation and success of iconic lines at Christian Dior,
- Increased selectivity in Watches and Jewelry distribution,
- Excellent performance of DFS and Sephora worldwide,
- Cash from operations before changes in working capital of €3.3 billion,
- Net debt to equity ratio of 19% as of the end of June 2013.

<i>Euro millions</i>	First half 2012	First half 2013	% change
Revenue	12 966	13 695	+ 6%
Profit from recurring operations	2 659	2 712	+ 2%
Group share of net profit	1 681	1 577	- 6%
Cash from operations*	3 198	3 280	+ 3%

* before changes in working capital.

Revenue by business group:

<i>Euro millions</i>	First half 2012	First half 2013	% change	
			Reported	Organic*
Wines & Spirits	1 759	1 808	+ 3%	+ 5%
Fashion & Leather Goods	4 656	4 711	+ 1%	+ 5%
Perfumes & Cosmetics	1 727	1 804	+ 4%	+ 6%
Watches & Jewelry	1 343	1 310	- 3%	+ 1%
Selective Retailing	3 590	4 215	+ 17%	+ 19%
Other activities and eliminations	(109)	(153)	-	-
Total LVMH	12 966	13 695	+ 6%	+ 8%

* with comparable structure and constant exchange rates.

Profit from recurring operations by business group:

<i>Euro millions</i>	First half 2012	First half 2013	% change
Wines & Spirits	496	542	+ 9%
Fashion & Leather Goods	1 516	1 497	- 1%
Perfumes & Cosmetics	197	200	+ 2%
Watches & Jewelry	159	156	- 2%
Selective Retailing	373	407	+ 9%
Other activities and eliminations	(82)	(90)	-
Total LVMH	2 659	2 712	+ 2%

Wines & Spirits: pursuing a value strategy

The **Wines & Spirits** business group recorded organic revenue growth of 5%. Profit from recurring operations increased by 9%. The champagne business in Europe has shown good resilience in a difficult economic environment. The sustained demand enjoyed by LVMH brands in Asian markets has kept the volumes identical to those levels achieved in the first half of 2012. Hennessy cognac recorded volume growth of 3%, driven primarily by young qualities. The business group remained focused on its value strategy: firm pricing policy and strong innovation accompanied by sustained investments.

Fashion & Leather Goods: strategic development of Louis Vuitton and sustained investment in other brands

The **Fashion and Leather Goods** business group recorded organic revenue growth of 5% in the first half of 2013. Profit from recurring operations was at a comparable level to that achieved in first half of 2012. These results demonstrate the success of both the very qualitative development of Louis Vuitton and the strategy to strengthen the production of other brands as well as the quality of their distribution. Louis Vuitton continues to develop well thanks to its boundless creativity and its excellent distribution network. Leather lines progressed strongly. The opening of two new Maisons in Venice and Munich took place in the first six months of the year. Fendi has developed its outstanding savoir-faire, notably in leather. Céline recorded steady growth and accelerated the pace of expansion and renovation of its store network. Other brands will continue consolidating their positions so as to successfully tackle the next phases of their development.

Perfumes & Cosmetics: continuous innovation and increasing market share

The **Perfumes & Cosmetics** business group recorded organic revenue growth of 6%. Profit from recurring operations was up 2% compared to the first half of 2012. Innovation and market share gains were both important features of the first half of 2013. Parfums Christian Dior maintained good momentum, supported by its perfumes, including *Miss Dior* and *J'Adore* with *Voile de Parfum*. The makeup segment, with their privileged connections to couture, made significant progress. Guerlain benefited from the continuing success of *La Petite Robe Noire*. Parfums Givenchy registered good progress in its makeup line. Benefit and Fresh experienced rapid international development.

Watches & Jewelry: enhanced distribution and savoir-faire

In the first half of 2013, the **Watches & Jewelry** business group recorded organic revenue growth of 1%. Profit from recurring operations decreased by 2%. The strategy of moving further upmarket continued with the goal of enhancing the attractiveness of our brands to our customers. The performance in own stores was excellent thanks to the quality and creativity of our new products as well as the strength of iconic lines, particularly in jewelry. This was offset by restrained purchasing by watch retailers and the voluntary closure of certain multi-brand points of sale, which explain this lower first half growth. We continue to invest in strengthening the quality of our own distribution and the control over our watchmaking and jewelry production.

Selective Retailing: continued profitable growth momentum

The **Selective Retailing** business group recorded organic revenue growth of 19% and a 9% increase in profit from recurring operations in the first half of 2013. DFS benefited from strong comparable store growth supported by good momentum of Asian clientele. The new concessions won in late 2012 in the Hong Kong airport made a significant contribution to the increase in revenue while major renovation work weighed on profitability. Sephora continues to deliver outstanding performance, driven by growth in revenue at existing stores and the expansion of its global network. In North America, where the company continues to strengthen its position and innovate in the digital world, revenue growth also remained strong. Sephora also opened a flagship store in China in Shanghai, and began its expansion in India.

2013 Outlook

Despite an uncertain European economic environment, LVMH will continue to gain market share thanks to the numerous product launches planned before the end of the year and its geographic expansion in promising markets, while continuing to manage costs.

Our strategy of focusing on quality across all our activities, combined with the dynamism and unparalleled creativity of our teams, will enable us to reinforce, once again in 2013, LVMH's global leadership position in luxury goods.

An interim dividend of 1.20 Euro will be paid on December 3, 2013.

Regulated information related to this press release, the half year results presentation and the half year financial statement are available on our internet site www.lvmh.com

Audit procedures have been carried out and the audit report will be issued following the Board meeting.

APPENDIX

LVMH – Revenue by business group and by quarter

First Half 2013

<i>(Euro millions)</i>	Wines & Spirits	Fashion & Leather Goods	Perfumes & Cosmetics	Watches & Jewelry	Selective Distribution	Other Activities & Eliminations	Total
First quarter	979	2 383	932	624	2 122	(93)	6 947
Second quarter	829	2 328	872	686	2 093	(60)	6 748
Total revenue	1 808	4 711	1 804	1 310	4 215	(153)	13 695

First Half 2012

<i>(Euro millions)</i>	Wines & Spirits	Fashion & Leather Goods	Perfumes & Cosmetics	Watches & Jewelry	Selective Distribution	Other Activities & Eliminations	Total
First quarter	926	2 374	899	630	1 823	(70)	6 582
Second quarter	833	2 282	828	713	1 767	(39)	6 384
Total revenue	1 759	4 656	1 727	1 343	3 590	(109)	12 966

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, Wen Jun, Belvedere, 10 Cane, Chandon, Cloudy Bay, Terrazas de los Andes, Cheval des Andes, Cape Mentelle, Newton et Numanthia. Its Fashion and Leather Goods division includes Louis Vuitton, 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, la Samaritaine and Royal Van Lent. LVMH's Watches and Jewelry division comprises Bulgari, TAG Heuer, Chaumet, Dior Watches, Zenith, Fred, Hublot and De Beers Diamond Jewellers Ltd, a joint venture created with the world's leading diamond group.

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