LVMH

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FINANCIAL STATEMENTS
CONSOLIDATED FINANCIAL STATEMENTS

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Consolidated financial statements

This document is a free translation into English of the original French Consolidated Financial Statements as of December 31, 2014. It is not a binding document. In the event of a conflict in interpretation, reference should be made to the French version, which is the authentic text.

CONSOLIDATED INCOME STATEMENT

(EUR millions, except for earnings per share)	Notes	2014	2013 [1]	2012 [1]
Revenue	23-24	**30,638**	**29,016**	**27,970**
Cost of sales		(10,801)	(9,997)	(9,863)
Gross margin		**19,837**	**19,019**	**18,107**
Marketing and selling expenses		(11,744)	(10,767)	(10,013)
General and administrative expenses		(2,373)	(2,212)	(2,151)
Income (loss) from joint ventures and associates	7	(5)	(23)	(19)
Profit from recurring operations	23-24	**5,715**	**6,017**	**5,924**
Other operating income and expenses	25	(284)	(119)	(182)
Operating profit		**5,431**	**5,898**	**5,742**
Cost of net financial debt		(115)	(101)	(138)
Other financial income and expenses		3,062	(97)	126
Net financial income (expense)	26	**2,947**	**(198)**	**(12)**
Income taxes	27	(2,273)	(1,753)	(1,821)
Net profit before minority interests		**6,105**	**3,947**	**3,909**
Minority interests	17	(457)	(511)	(484)
Net profit, Group share		**5,648**	**3,436**	**3,425**
Basic Group share of net earnings per share *(EUR)*	28	**11.27**	**6.87**	**6.86**
Number of shares on which the calculation is based		501,309,369	500,283,414	499,133,643
Diluted Group share of net earnings per share *(EUR)*	28	**11.21**	**6.83**	**6.82**
Number of shares on which the calculation is based		503,861,733	503,217,497	502,229,952

(1) The financial statements as of December 31, 2013 and 2012 have been restated to reflect the retrospective application as of January 1, 2012 of IFRS 11 Joint Arrangements. See Note 1.2.

CONSOLIDATED STATEMENT OF COMPREHENSIVE GAINS AND LOSSES

(EUR millions)	2014	2013 [1]	2012 [1]
Net profit before minority interests	**6,105**	**3,947**	**3,909**
Translation adjustments	534	(346)	(99)
Tax impact	104	(48)	(18)
	638	**(394)**	**(117)**
Change in value of available for sale financial assets	494	963	(27)
Amounts transferred to income statement	(3,326)	(16)	(14)
Tax impact	184	(35)	(6)
	(2,648)	**912**	**(47)**
Change in value of hedges of future foreign currency cash flows	(30)	304	182
Amounts transferred to income statement	(163)	(265)	13
Tax impact	57	(17)	(50)
	(136)	**22**	**145**
Gains and losses recognized in equity, transferable to income statement	**(2,146)**	**540**	**(19)**
Change in value of vineyard land	(17)	369	85
Amounts transferred to consolidated reserves	(10)	-	-
Tax impact	9	(127)	(28)
	(18)	**242**	**57**
Employee benefit commitments: change in value resulting from actuarial gains and losses	(161)	80	(101)
Tax impact	52	(22)	29
	(109)	**58**	**(72)**
Gains and losses recognized in equity, not transferable to income statement	**(127)**	**300**	**(15)**
Comprehensive income	**3,832**	**4,787**	**3,875**
Minority interests	(565)	(532)	(469)
Comprehensive income, Group share	**3,267**	**4,255**	**3,406**

(1) The financial statements as of December 31, 2013 and 2012 have been restated to reflect the retrospective application as of January 1, 2012 of IFRS 11 Joint Arrangements. See Note 1.2.

CONSOLIDATED BALANCE SHEET

ASSETS *(EUR millions)*	Notes	**2014**	**2013** [1][2]	**2012** [1]
Brands and other intangible fixed assets	3	13,031	12,596	11,322
Goodwill	4	8,810	9,058	7,709
Property, plant and equipment	6	10,387	9,621	8,694
Investments in joint ventures and associates	7	519	480	483
Non-current available for sale financial assets	8	580	7,080	6,004
Other non-current assets	9	489	457	519
Deferred tax	27	1,436	913	952
Non-current assets		**35,252**	**40,205**	**35,683**
Inventories and work in progress	10	9,475	8,492	7,994
Trade accounts receivable	11	2,274	2,174	1,972
Income taxes		354	223	201
Other current assets	12	1,916	1,856	1,813
Cash and cash equivalents	14	4,091	3,226	2,187
Current assets		**18,110**	**15,971**	**14,167**
Total assets		**53,362**	**56,176**	**49,850**

LIABILITIES AND EQUITY *(EUR millions)*	Notes	**2014**	**2013** [1][2]	**2012** [1]
Share capital	15.1	152	152	152
Share premium account	15.1	2,655	3,849	3,848
Treasury shares and LVMH-share settled derivatives	15.2	(374)	(451)	(414)
Cumulative translation adjustment	15.4	492	(8)	342
Revaluation reserves		1,019	3,900	2,731
Other reserves		12,171	16,001	14,340
Net profit, Group share		5,648	3,436	3,425
Equity, Group share		21,763	26,879	24,424
Minority interests	17	1,240	1,028	1,084
Total equity		**23,003**	**27,907**	**25,508**
Long-term borrowings	18	5,054	4,149	3,825
Non-current provisions	19	2,291	1,797	1,772
Deferred tax	27	4,392	4,280	3,884
Other non-current liabilities	20	6,447	6,404	5,456
Non-current liabilities		**18,184**	**16,630**	**14,937**
Short-term borrowings	18	4,189	4,674	2,950
Trade accounts payable		3,606	3,297	3,118
Income taxes		549	357	442
Current provisions	19	332	324	335
Other current liabilities	21	3,499	2,987	2,560
Current liabilities		**12,175**	**11,639**	**9,405**
Total liabilities and equity		**53,362**	**56,176**	**49,850**

(1) The financial statements as of December 31, 2013 and 2012 have been restated to reflect the retrospective application as of January 1, 2012 of IFRS 11 Joint Arrangements. See Note 1.2.
(2) The consolidated balance sheet as of December 31, 2013 has been restated to reflect the finalized purchase price allocation for Loro Piana. See Note 2.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(EUR millions)	Number of shares	Share capital	Share premium account	Treasury shares and LVMH-share settled derivatives	Cumulative translation adjustment	Revaluation reserves: Available for sale financial assets	Revaluation reserves: Hedges of future foreign currency cash flows	Revaluation reserves: Vineyard land	Revaluation reserves: Employee benefit commitments	Net profit and other reserves	Total equity: Group share	Total equity: Minority interests	Total equity: Total
Notes		15.1		15.2	15.4							17	
As of December 31, 2011	**507,815,624**	**152**	**3,801**	**(485)**	**431**	**1,990**	**(15)**	**714**	**(28)**	**15,811**	**22,371**	**1,055**	**23,426**
Gains and losses recognized in equity					(89)	(47)	133	44	(60)	-	(19)	(15)	(34)
Net profit										3,425	3,425	484	3,909
Comprehensive income		**-**	**-**	**-**	**(89)**	**(47)**	**133**	**44**	**(60)**	**3,425**	**3,406**	**469**	**3,875**
Stock option plan and similar expenses										50	50	3	53
(Acquisition)/disposal of treasury shares and LVMH-share settled derivatives				24						(12)	12	-	12
Exercise of LVMH share subscription options	1,344,975		94								94	-	94
Retirement of LVMH shares	(997,250)		(47)	47							-	-	-
Capital increase in subsidiaries											-	8	8
Interim and final dividends paid										(1,447)	(1,447)	(317)	(1,764)
Changes in control of consolidated entities										(12)	(12)	(11)	(23)
Acquisition and disposal of minority interests' shares										(40)	(40)	(25)	(65)
Purchase commitments for minority interests' shares										(10)	(10)	(98)	(108)
As of December 31, 2012	**508,163,349**	**152**	**3,848**	**(414)**	**342**	**1,943**	**118**	**758**	**(88)**	**17,765**	**24,424**	**1,084**	**25,508**
Gains and losses recognized in equity					(350)	912	18	188	51	-	819	21	840
Net profit										3,436	3,436	511	3,947
Comprehensive income		**-**	**-**	**-**	**(350)**	**912**	**18**	**188**	**51**	**3,436**	**4,255**	**532**	**4,787**
Stock option plan and similar expenses										31	31	3	34
(Acquisition)/disposal of treasury shares and LVMH-share settled derivatives				(103)						(7)	(110)	-	(110)
Exercise of LVMH share subscription options	1,025,418		67								67	-	67
Retirement of LVMH shares	(1,395,106)		(66)	66							-	-	-
Capital increase in subsidiaries											-	8	8
Interim and final dividends paid										(1,500)	(1,500)	(228)	(1,728)
Acquisition of a controlling interest in Loro Piana [1]											-	235	235
Changes in control of consolidated entities										1	1	(1)	-
Acquisition and disposal of minority interests' shares										(73)	(73)	(76)	(149)
Purchase commitments for minority interests' shares [1]										(216)	(216)	(529)	(745)
As of December 31, 2013	**507,793,661**	**152**	**3,849**	**(451)**	**(8)**	**2,855**	**136**	**946**	**(37)**	**19,437**	**26,879**	**1,028**	**27,907**
Gains and losses recognized in equity					500	(2,648)	(122)	(15)	(96)	-	(2,381)	108	(2,273)
Net profit										5,648	5,648	457	6,105
Comprehensive income		**-**	**-**	**-**	**500**	**(2,648)**	**(122)**	**(15)**	**(96)**	**5,648**	**3,267**	**565**	**3,832**
Stock option plan and similar expenses										37	37	2	39
(Acquisition)/disposal of treasury shares and LVMH-share settled derivatives				27						(17)	10	-	10
Exercise of LVMH share subscription options	980,323		59								59	-	59
Retirement of LVMH shares	(1,062,271)		(50)	50							-	-	-
Capital increase in subsidiaries											-	3	3
Interim and final dividends paid										(1,579)	(1,579)	(328)	(1,907)
Distribution in kind of Hermès shares. See Note 8.			(1,203)							(5,652)	(6,855)	-	(6,855)
Changes in control of consolidated entities										(5)	(5)	11	6
Acquisition and disposal of minority interests' shares										(2)	(2)	32	30
Purchase commitments for minority interests' shares										(48)	(48)	(73)	(121)
As of December 31, 2014	**507,711,713**	**152**	**2,655**	**(374)**	**492**	**207**	**14**	**931**	**(133)**	**17,819**	**21,763**	**1,240**	**23,003**

(1) The consolidated balance sheet as of December 31, 2013 has been restated to reflect the finalized purchase price allocation for Loro Piana. See Note 2.

CONSOLIDATED CASH FLOW STATEMENT

(EUR millions)	Notes	2014	2013 [1]	2012 [1]
I. OPERATING ACTIVITIES AND OPERATING INVESTMENTS				
Operating profit		5,431	5,898	5,742
Income/(loss) and dividends from joint ventures and associates [a]	7	26	49	37
Net increase in depreciation, amortization and provisions		1,895	1,435	1,289
Other computed expenses		(188)	(29)	(59)
Other adjustments		(84)	(76)	(52)
Cash from operations before changes in working capital		**7,080**	**7,277**	**6,957**
Cost of net financial debt: interest paid		(116)	(111)	(152)
Income taxes paid [a]		(1,639)	(1,832)	(1,880)
Net cash from operating activities before changes in working capital		**5,325**	**5,334**	**4,925**
Change in working capital	14.1	(718)	(620)	(810)
Net cash from operating activities		**4,607**	**4,714**	**4,115**
Operating investments	14.2	(1,775)	(1,657)	(1,694)
Net cash from operating activities and operating investments (free cash flow)		**2,832**	**3,057**	**2,421**
II. FINANCIAL INVESTMENTS				
Purchase of non-current available for sale financial assets	8	(57)	(197)	(131)
Proceeds from sale of non-current available for sale financial assets	8	160	38	36
Dividends received [a]	8	69	71	179
Income tax related to financial investments [a]		(237)	(11)	(21)
Impact of purchase and sale of consolidated investments	2.4	(167)	(2,161)	(59)
Net cash from (used in) financial investments		**(232)**	**(2,260)**	**4**
III. TRANSACTIONS RELATING TO EQUITY				
Capital increases of LVMH SE	15.1	59	66	95
Capital increases of subsidiaries subscribed by minority interests	17	3	7	8
Acquisition and disposals of treasury shares and LVMH-share settled derivatives	15.2	1	(113)	5
Interim and final dividends paid by LVMH SE	15.3	(1,619) [b]	(1,501)	(1,447)
Income taxes paid related to interim and final dividends paid [a]		(79)	(137)	(73)
Interim and final dividends paid to minority interests in consolidated subsidiaries	17	(336)	(220)	(314)
Purchase and proceeds from sale of minority interests	2.4	10	(150)	(206)
Net cash from (used in) transactions relating to equity		**(1,961)**	**(2,048)**	**(1,932)**
Change in cash before financing activities		**639**	**(1,251)**	**493**
IV. FINANCING ACTIVITIES				
Proceeds from borrowings		2,407	3,095	1,028
Repayment of borrowings		(2,100)	(1,057)	(1,494)
Purchase and proceeds from sale of current available for sale financial assets	13	(106)	101	(67)
Net cash from (used in) financing activities		**201**	**2,139**	**(533)**
V. EFFECT OF EXCHANGE RATE CHANGES		**27**	**47**	**(43)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (I+II+III+IV+V)		**867**	**935**	**(83)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	14	**2,916**	**1,981**	**2,064**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	14	**3,783**	**2,916**	**1,981**
TOTAL INCOME TAXES PAID		**(1,955)**	**(1,980)**	**(1,974)**
Transactions included in the table above, generating no change in cash:				
- acquisition of assets by means of finance leases		5	7	5

(a) Restated to reflect the amended presentation of dividends received and income tax paid starting in 2014. See Note 1.4.
(b) The distribution in kind of Hermès shares had no impact on cash, apart from related income tax effects. See Note 8.

(1) The financial statements as of December 31, 2013 and 2012 have been restated to reflect the retrospective application as of January 1, 2012 of IFRS 11 Joint Arrangements. See Note 1.2.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

1.1. General framework and environment

The consolidated financial statements for the year ended December 31, 2014 were established in accordance with international accounting standards and interpretations (IAS/IFRS) adopted by the European Union and applicable on December 31, 2014. These standards and interpretations have been applied consistently to the fiscal years presented. The 2014 consolidated financial statements were approved for publication by the Board of Directors on February 3, 2015.

1.2. Changes in the accounting framework applicable to LVMH

Standards, amendments and interpretations for which application became mandatory in 2014

The standards, amendments and interpretations applicable to LVMH with effect from January 1, 2014 relate to IFRS 10, IFRS 11 and IFRS 12 on consolidation. These IFRS redefine the concept of the control of entities (see Note 1.6), eliminate the possibility to use proportionate consolidation to consolidate jointly controlled entities, which are accounted for only using the equity method, and introduce additional disclosure requirements in the notes to the consolidated financial statements. The application of these standards did not have a material impact on the Group's consolidated financial statements, as proportionately consolidated entities represent only a small portion of the Group's financial statements.

Although jointly controlled, those entities are fully integrated within the Group's operating activities. LVMH now discloses their net profit, as well as that of entities using the equity method for previous closings (see Note 7), in a separate line, which forms part of profit from recurring operations.

The consolidation method of Wines and Spirits distribution subsidiaries jointly owned with the Diageo group has not been impacted.

IFRS 11 has been applied retrospectively since January 1, 2012, the impact of its application on the income statement and the balance sheet of the Group, as of December 31, 2013 and 2012, is presented below:

Impacts on the income statement

(EUR millions)	Dec. 31, 2013	Dec. 31, 2012
Revenue	**(133)**	**(133)**
Cost of sales	58	54
Gross margin	**(75)**	**(79)**
Marketing and selling expenses	83	89
General and administrative expenses	11	12
Income (loss) from investments in joint ventures and associates	(23)	(19)
Profit from recurring operations	**(4)**	**3**
Other operating income and expenses	8	-
Operating profit	**4**	**3**
Net financial income (expense)	**1**	**2**
Income taxes	2	(1)
Income (loss) from investments in joint ventures and associates	(7)	(4)
Net profit, Group share	**-**	**-**

Impacts on the balance sheet

ASSETS *(EUR millions)*	Jan. 1, 2012	Dec. 31, 2012	Dec. 31, 2013
Tangible and intangible fixed assets	(384)	(360)	(357)
Investments in joint ventures and associates	329	320	328
Other non-current assets	(3)	(2)	(2)
Non-current assets	**(58)**	**(42)**	**(31)**
Inventories and work in progress	(97)	(86)	(78)
Other current assets	(31)	(21)	(14)
Current assets	**(128)**	**(107)**	**(92)**
Total assets	**(186)**	**(149)**	**(123)**

LIABILITIES AND EQUITY *(EUR millions)*	Jan. 1, 2012	Dec. 31, 2012	Dec. 31, 2013
Total equity	-	-	-
Long-term borrowings	(8)	(11)	(10)
Non-current provisions and deferred tax	(77)	(60)	(58)
Equity and non-current liabilities	**(85)**	**(71)**	**(68)**
Short-term borrowings	(32)	(26)	(14)
Other current liabilities	(69)	(52)	(41)
Current liabilities	**(101)**	**(78)**	**(55)**
Total liabilities and equity	**(186)**	**(149)**	**(123)**

Standards, amendments and interpretations for which application is mandatory with effect from January 1, 2015

The standards, amendments and interpretations applicable to LVMH, whose mandatory application date is January 1, 2015 are as follows:

- IFRIC Interpretation 21 on the accounting for levies;
- IAS 19 amendment on the accounting for employees' contributions to post-employment plans.

The application of these standards will not have a material impact on the Group's financial statements.

Other changes in the accounting framework and standards for which application is mandatory with effect later than January 1, 2015

The Group receives information on the progress of ongoing discussions held at IFRIC and IASB related to the recognition of purchase commitments for minority interests' shares and changes in their amount. See Note 1.12 for a description of the recognition method applied by LVMH to these commitments.

The Group also monitors developments with regard to the exposure draft on accounting for lease commitments.

The impact of the application of IFRS 15 on revenue recognition with effect from January 1, 2017 is being assessed. It should be of little significance in light of the nature of the Group's business activities.

1.3. First-time adoption of IFRS

The first accounts prepared by the Group in accordance with IFRS were the financial statements for the year ended December 31, 2005, with a transition date of January 1, 2004. IFRS 1 allowed for exceptions to the retrospective application of IFRS at the transition date. The procedures implemented by the Group with respect to these exceptions are listed below:

- business combinations: the exemption from retrospective application was not applied. The recognition of the merger of Moët Hennessy and Louis Vuitton in 1987 and all subsequent acquisitions were restated in accordance with IFRS 3; IAS 36 Impairment of Assets and IAS 38 Intangible Assets were applied retrospectively as of this date;
- foreign currency translation of the financial statements of subsidiaries outside the euro zone: translation reserves relating to the consolidation of subsidiaries that prepare their accounts in foreign currency were reset to zero as of January 1, 2004 and offset against "Other reserves".

1.4. Presentation of financial statements

Definitions of Profit from recurring operations and Other operating income and expenses

The Group's main business is the management and development of its brands and trade names. Profit from recurring operations is derived from these activities, whether they are recurring or non-recurring, core or incidental transactions.

Other operating income and expenses comprise income statement items which, due to their nature, amount or frequency, may not be considered as inherent to the Group's recurring operations. This caption reflects in particular the impact of changes in the scope of consolidation and the impairment of brands, trade names and goodwill, as well as any significant amount of gains or losses arising on the disposal of fixed assets, restructuring costs, costs in respect of disputes, or any other non-recurring income or expense which may otherwise distort the comparability of profit from recurring operations from one period to the next.

Cash flow statement

Net cash from operating activities is determined on the basis of operating profit, adjusted for non-cash transactions. Additionally, as from December 31, 2014:

- dividends received are presented according to the nature of the underlying investments; thus, dividends from joint ventures and associates are presented in Net cash from operating activities, while dividends from other unconsolidated entities are presented in Net cash from financial investments;
- tax paid is presented according to the nature of the transaction from which it arises: in Net cash from operating activities for the portion attributable to operating transactions; in Net cash from financial investments for the portion attributable to transactions in available for sale financial assets, notably tax paid on gains from their sale; in Net cash from transactions relating to equity for the portion attributable to transactions in equity, notably distribution taxes arising on the payment of dividends.

The cash flow statements for the fiscal years ended December 31, 2013 and 2012 have been restated to reflect this new presentation of dividends received and tax paid (previously presented in Net cash from operating activities).

1.5. Use of estimates

For the purpose of preparing the consolidated financial statements, measurement of certain balance sheet and income statement items requires the use of hypotheses, estimates or other forms of judgment. This is particularly true of the valuation of intangible assets (see Note 5), purchase commitments for minority interests (see Note 20) and of the determination of the amount of provisions for contingencies and losses (see Note 19) or for impairment of inventories and, if applicable, deferred tax assets. Such hypotheses, estimates or other forms of judgment which are undertaken on the basis of the information available, or situations prevalent at the date of preparation of the financial statements, may prove different from the subsequent actual events.

1.6. Methods of consolidation

The subsidiaries in which the Group holds a direct or indirect *de facto* or *de jure* controlling interest are fully consolidated.

Jointly controlled companies are accounted for using the equity method. See Note 1.2 regarding the impacts of the implementation of IFRS 10, IFRS 11 and IFRS 12 from January 1, 2014.

The assets, liabilities, income, and expenses of the Wines and Spirits distribution subsidiaries held jointly with the Diageo group are consolidated only in proportion to the LVMH group's share of operations (see Note 1.25).

Companies where the Group has significant influence but no controlling interest are accounted for using the equity method.

1.7. Foreign currency translation of the financial statements of entities outside the euro zone

The consolidated financial statements are stated in euros; the financial statements of entities stated in a different functional currency are translated into euros:

- at the period-end exchange rates for balance sheet items;
- at the average rates for the period for income statement items.

Translation adjustments arising from the application of these rates are recorded in equity under "Cumulative translation adjustment".

1.8. Foreign currency transactions and hedging of exchange rate risks

Transactions of consolidated companies denominated in a currency other than their functional currencies are translated to their functional currencies at the exchange rates prevailing at the transaction dates.

Accounts receivable, accounts payable and debts denominated in currencies other than the entities' functional currencies are translated at the applicable exchange rates at the balance sheet date. Unrealized gains and losses resulting from this translation are recognized:

- within cost of sales in the case of commercial transactions;
- within net financial income/expense in the case of financial transactions.

Foreign exchange gains and losses arising from the translation or elimination of inter-company transactions or receivables and payables denominated in currencies other than the entity's functional currency are recorded in the income statement unless they relate to long-term inter-company financing transactions which can be considered as transactions relating to equity. In the latter case, translation adjustments are recorded in equity under "Cumulative translation adjustment".

Derivatives which are designated as hedges of commercial transactions denominated in a currency other than the functional currency of the entity are recognized in the balance sheet at their market value (see Note 1.9) at the balance sheet date and any change in the market value of such derivatives is recognized:

- within cost of sales for the effective portion of hedges of receivables and payables recognized in the balance sheet at the end of the period;
- within equity (as "Revaluation reserves") for the effective portion of hedges of future cash flows (this part is transferred to cost of sales at the time of recognition of the hedged assets and liabilities);
- within net financial income/expense for the ineffective portion of hedges; changes in the value of discount and premium associated with forward contracts, as well as in the time value component of options, are systematically considered as ineffective portions.

When derivatives are designated as hedges of subsidiaries' equity outside the euro zone (net investment hedge), any change in fair value of the derivatives is recognized within equity under "Cumulative translation adjustment" for the effective portion and within net financial income/expense for the ineffective portion.

Market value changes of derivatives not designated as hedges are recorded within net financial income/expense.

See also Note 1.21 regarding the definition of the concepts of effective and ineffective portions.

1.9. Fair value measurement

Fair value (or market value) is the price that would be obtained from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants.

The assets and liabilities measured at fair value at each balance sheet date are as follows:

	Approaches to determining fair value	Amounts recorded at balance sheet date
Vineyard land	Based on recent transactions in similar assets. See Note 1.13.	Note 6
Grape harvests	Based on purchase prices for equivalent grapes. See Note 1.16.	Note 10
Derivatives	Based on market data and according to commonly used valuation models. See Note 1.21.	Note 22.4
Borrowings hedged against changes in value due to interest rate fluctuations	Based on market data and according to commonly used valuation models. See Note 1.20.	Note 18
Liabilities in respect of purchase commitments for minority interests' shares priced according to fair value	Generally, based on the market multiples of comparable companies. See Note 1.12.	Note 20
Available for sale financial assets	Quoted investments: price quotations at the close of trading on the balance sheet date. Non-quoted investments: estimated net realizable value, either according to formulas based on market data or based on private quotations. See Note 1.15.	Note 8, Note 13
Cash and cash equivalents	Closing price quotation. See Note 1.18.	Note 14

No other asset or liability has been remeasured at market value at the balance sheet date.

1.10. Brands, trade names and other intangible assets

Only acquired brands and trade names that are well known and individually identifiable are recorded as assets based on their market values at their dates of acquisition.

Brands and trade names are chiefly valued using the method of the forecast discounted cash flows, or of comparable transactions (i.e. using the revenue and net profit coefficients employed for recent transactions involving similar brands), or of stock market multiples observed for related businesses. Other complementary methods may also be employed: the relief from royalty method, involving equating a brand's value with the present value of the royalties required to be paid for its use; the margin differential method, applicable when a measurable difference can be identified in the amount of revenue generated by a branded product in comparison with a similar unbranded product; and finally the equivalent brand reconstitution method involving, in particular, estimation of the amount of advertising and promotion expenses required to generate a similar brand.

Costs incurred in creating a new brand or developing an existing brand are expensed.

Brands, trade names and other intangible assets with finite useful lives are amortized over their estimated useful lives. The classification of a brand or trade name as an asset of definite or indefinite useful life is generally based on the following criteria:

- the brand or trade name's positioning in its market expressed in terms of volume of activity, international presence and notoriety;
- its expected long-term profitability;
- its degree of exposure to changes in the economic environment;
- any major event within its business segment liable to compromise its future development;
- its age.

Amortizable lives of brands and trade names with definite useful lives range from 15 to 40 years, depending on their estimated period of utilization.

Any impairment expense of brands and trade names and, in some cases, amortization expense, are recognized within "Other operating income and expenses".

Impairment tests are carried out for brands, trade names and other intangible assets using the methodology described in Note 1.14.

Research expenditure is not capitalized. New product development expenditure is not capitalized unless the final decision to launch the product has been taken.

Intangible assets other than brands and trade names are amortized over the following periods:

- leasehold rights, key money: based on market conditions, generally over the lease period;
- rights attached to sponsorship agreements and media partnerships: over the life of the agreements, depending on how the rights are used;
- development expenditure: three years at most;
- software: one to five years.

1.11. Changes in the percentage interest in consolidated entities

When the Group takes *de jure* or *de facto* control of a business, its assets, liabilities and contingent liabilities are estimated at their market value as of the date when control is obtained and the difference between the cost of taking control and the Group's share of the market value of those assets, liabilities and contingent liabilities is recognized as goodwill.

The cost of taking control is the price paid by the Group in the context of an acquisition, or an estimate of this price if the transaction is carried out without any payment of cash, excluding acquisition costs which are disclosed under "Other operating income and expenses".

The difference between the carrying amount of minority interests purchased after control is obtained and the price paid for their acquisition is deducted from equity.

Goodwill is accounted for in the functional currency of the acquired entity.

Goodwill is not amortized but is subject to annual impairment testing using the methodology described in Note 1.14. Any impairment expense recognized is included within "Other operating income and expenses".

1.12. Purchase commitments for minority interests

The Group has granted put options to minority shareholders of certain fully consolidated subsidiaries.

Pending specific guidance from IFRSs regarding this issue, the Group recognizes these commitments as follows:

- the value of the commitment at the balance sheet date appears in "Other non-current liabilities";
- the corresponding minority interests are cancelled;
- for commitments granted prior to January 1, 2010, the difference between the amount of the commitments and cancelled minority interests is maintained as an asset on the balance sheet under goodwill, as well as subsequent changes in this difference. For commitments granted as from January 1, 2010, the difference between the amount of the commitments and minority interests is recorded in equity, under "Other reserves".

This accounting policy has no effect on the presentation of minority interests within the income statement.

1.13. Property, plant and equipment

With the exception of vineyard land, the gross value of property, plant and equipment is stated at acquisition cost. Any borrowing costs incurred prior to the placed-in-service date or during the construction period of assets are capitalized.

Vineyard land is recognized at the market value at the balance sheet date. This valuation is based on official published data for recent transactions in the same region. Any difference compared to historical cost is recognized within equity in "Revaluation reserves". If market value falls below acquisition cost the resulting impairment is charged to the income statement.

Vines for champagnes, cognacs and other wines produced by the Group, are considered as biological assets as defined in IAS 41 Agriculture. As their valuation at market value differs little from that recognized at historical cost, no revaluation is undertaken for these assets.

Buildings mostly occupied by third parties are reported as investment property, at acquisition cost. Investment property is thus not remeasured at market value.

Assets acquired under finance leases are capitalized on the basis of the lower of their market value and the present value of future lease payments.

The depreciable amount of property, plant and equipment comprises the acquisition cost of their components less residual value, which corresponds to the estimated disposal price of the asset at the end of its useful life.

Property, plant and equipment is depreciated on a straight-line basis over its estimated useful life; the estimated useful lives are as follows:

- buildings including investment property	20 to 50 years
- machinery and equipment	3 to 25 years
- leasehold improvements	3 to 10 years
- producing vineyards	18 to 25 years

Expenses for maintenance and repairs are charged to the income statement as incurred.

1.14. Impairment testing of fixed assets

Intangible and tangible fixed assets are subject to impairment testing whenever there is any indication that an asset may be impaired, and in any event at least annually in the case of intangible assets with indefinite useful lives (mainly brands, trade names and goodwill). When the carrying amount of assets with indefinite useful lives is greater than the higher of their value in use or market value, the resulting impairment loss is recognized within "Other operating income and expenses", allocated on a priority basis to any existing goodwill.

Value in use is based on the present value of the cash flows expected to be generated by these assets. Market value is estimated by comparison with recent similar transactions or on the basis of valuations performed by independent experts for the purposes of a disposal transaction.

Cash flows are forecast for each business segment, defined as one or several brands or trade names under the responsibility of a dedicated management team. Smaller scale cash generating units, e.g. a group of stores, may be distinguished within a particular business segment.

The forecast data required for the cash flow method is based on annual budgets and multi-year business plans prepared by management of the related business segments. Detailed forecasts cover a five-year period, a period which may be extended in the case of certain brands undergoing strategic repositioning, or which have a production cycle exceeding five years. An estimated terminal value is added to the value resulting from discounted forecast cash flows which corresponds to the capitalization in perpetuity of cash flows most often arising from the last year of the plan. When several forecast scenarios are developed, the probability of occurrence of each scenario is assessed. Forecast cash flows are discounted on the basis of the rate of return to be expected by an investor in the applicable business and an assessment of the risk premium associated with that business.

1.15. Available for sale financial assets

Financial assets are classified as current or non-current based on their nature.

Non-current available for sale financial assets comprise strategic and non-strategic investments whose estimated period and form of ownership justify such classification.

Current available for sale financial assets include temporary investments in shares, shares of SICAVs, FCPs and other mutual funds, excluding investments made as part of the daily cash management, which are accounted for as "Cash and cash equivalents" (see Note 1.18).

Available for sale financial assets are measured at their listed value at the balance sheet date in the case of quoted investments, and at their estimated net realizable value at that date in the case of unquoted investments.

Positive or negative changes in value are taken to equity within "Revaluation reserves". If an impairment loss is judged to be definitive, an impairment is recognized and charged to net financial income/expense; the impairment is only reversed through the income statement at the time of sale of the underlying available for sale financial assets.

1.16. Inventories and work in progress

Inventories other than wine produced by the Group are recorded at the lower of cost (excluding interest expense) and net realizable value; cost comprises manufacturing cost (finished goods) or purchase price, plus incidental costs (raw materials, merchandise).

Wine produced by the Group, especially champagne, is measured on the basis of the applicable harvest market value, which is determined by reference to the average purchase price of equivalent grapes, as if the grapes harvested had been purchased from third parties. Until the date of the harvest, the value of grapes is calculated *pro rata temporis* on the basis of the estimated yield and market value.

Inventories are valued using the weighted average cost or FIFO method, depending on the type of business.

Due to the length of the aging process required for champagne and spirits (cognac, whisky), the holding period for these inventories generally exceeds one year. However, in accordance with industry practices, these inventories are classified as current assets.

Provisions for impairment of inventories are chiefly recognized for businesses other than Wines and Spirits. They are generally required because of product obsolescence (end of season or collection, date of expiry, etc.) or lack of sales prospects.

1.17. Trade accounts receivable, loans and other receivables

Trade accounts receivable, loans and other receivables are recorded at their face value. A provision for impairment is recorded if their net realizable value, based on the probability of their collection, is less than their carrying amount.

The amount of long-term loans and receivables (i.e. those falling due in more than one year) is subject to discounting, the effects of which are recognized under net financial income/expense, using the effective interest rate method.

1.18. Cash and cash equivalents

Cash and cash equivalents comprise cash and highly liquid money-market investments subject to an insignificant risk of changes in value over time.

Money-market investments are measured at their market value, based on price quotations at the close of trading and on the exchange rate prevailing at the balance sheet date, with any changes in value recognized as part of net financial income/expense.

1.19. Provisions

A provision is recognized whenever an obligation exists towards a third party resulting in a probable disbursement for the Group, the amount of which may be reliably estimated.

When execution of its obligation is expected to occur in more than one year, the provision amount is discounted, the effects of which are recognized in net financial income/expense using the effective interest rate method.

1.20. Borrowings

Borrowings are measured at amortized cost, i.e. nominal value net of premium and issue expenses, which are charged progressively to net financial income/expense using the effective interest method.

In the case of hedging against fluctuations in the value of borrowings resulting from changes in interest rates, both the hedged amount of borrowings and the related hedging instruments are measured at their market value at the balance sheet date, with any changes in those values recognized within net financial income/expense. Market value of hedged borrowings is determined using similar methods to those described hereafter in Note 1.21.

In the case of hedging against fluctuations in future interest payments, the related borrowings remain measured at their amortized cost while any changes in value of the effective hedge portions are taken to equity as part of revaluation reserves.

Changes in value of non-hedging derivatives, and of the ineffective portions of hedges, are recognized within net financial income/expense.

Financial debt bearing embedded derivatives is measured at market value; changes in market value are recognized within net financial income/expense.

Net financial debt comprises short and long-term borrowings, the market value at the balance sheet date of interest rate derivatives, less the amount at the balance sheet date of current available for sale financial assets, cash and cash equivalents, in addition to the market value at the balance sheet date of foreign exchange derivatives related to any of the aforementioned items.

See also Note 1.21 regarding the definition of the concepts of effective and ineffective portions.

1.21. Derivatives

The Group enters into derivative transactions as part of its strategy for hedging foreign exchange and interest rate risks.

IAS 39 subordinates the use of hedge accounting to demonstration and documentation of the effectiveness of hedging relationships when hedges are implemented and subsequently throughout their existence. A hedge is considered to be effective if the ratio of changes in the value of the derivative to changes in the value of the hedged underlying remains within a range of 80 to 125%.

Derivatives are recognized in the balance sheet at their market value at the balance sheet date. Changes in their value are accounted for as described in Note 1.8 in the case of foreign exchange hedges, and as described in Note 1.20 in the case of interest rate hedges.

Market value is based on market data and on commonly used valuation models and may be confirmed in the case of complex instruments by reference to values quoted by independent financial institutions.

Derivatives with maturities in excess of twelve months are disclosed as non-current assets and liabilities.

1.22. Treasury shares and LVMH-share settled derivatives

LVMH shares and options to purchase LVMH shares that are held by the Group are measured at their acquisition cost and recognized as a deduction from consolidated equity, irrespective of the purpose for which they are held.

The cost of disposals of shares is determined by allocation category (see Note 15.2) using the FIFO method with the exception of shares held under stock option plans for which the calculation is performed for each plan using the weighted average cost method. Gains and losses on disposal, net of income taxes, are taken directly to equity.

1.23. Pensions, contribution to medical costs and other employee benefit commitments

When retirement indemnity plans, pension plans, contribution to medical costs and other commitments entail the payment by the Group of contributions to third party organizations which assume the exclusive responsibility for subsequently paying the retirement indemnities, pensions or contribution to medical costs, these contributions are expensed in the period in which they fall due with no liability recorded on the balance sheet.

When retirement indemnity plans, pension plans, contribution to medical costs and other commitments are to be borne by the Group, a provision is recorded in the balance sheet in the amount of the corresponding actuarial commitment for the Group. Changes in this provision are recognized as follows:

- the portion related to the cost of services rendered by employees and net interest for the fiscal year is recognized in profit (loss) from recurring operations for the fiscal year;
- the portion related to changes in actuarial assumptions and to differences between projected and actual data (experience adjustments) is recognized in gains and losses taken to equity, in accordance with the amendment to IAS 19 applicable as of January 1, 2013. The financial statements as of December 31, 2012 have been restated to reflect the retrospective application of this amendment.

If this commitment is either partially or wholly funded by payments made by the Group to external financial organizations, these dedicated funds are deducted from the actuarial commitment recorded in the balance sheet.

The actuarial commitment is calculated based on assessments that are specifically designed for the country and the Group company concerned. In particular, these assessments include assumptions regarding discount rates, salary increases, inflation, life expectancy and staff turnover.

1.24. Current and deferred tax

Deferred tax is recognized in respect of temporary differences arising between the value of assets and liabilities for purposes of consolidation and the value resulting from application of tax regulations.

Deferred tax is measured on the basis of the income tax rates enacted at the balance sheet date; the effect of changes in rates is recognized during the periods in which changes are enacted.

Future tax savings from tax losses carried forward are recorded as deferred tax assets on the balance sheet which are impaired if they are deemed not recoverable; only amounts for which future use is deemed probable are recognized.

Deferred tax assets and liabilities are not discounted.

Taxes payable in respect of the distribution of retained earnings of subsidiaries are provided for if distribution is deemed probable.

1.25. Revenue recognition

Definition of revenue

Revenue mainly comprises retail sale within the Group's store network and sales through agents and distributors. Sales made in stores owned by third parties are treated as retail transactions if the risks and rewards of ownership of the inventories are retained by the Group.

Direct sales to customers are made through retail stores for Fashion and Leather Goods and Selective Retailing, as well as certain Watches and Jewelry and Perfumes and Cosmetics brands. These sales are recognized at the time of purchase by retail customers.

Wholesale sales concern Wines and Spirits, as well as certain Perfumes and Cosmetics and Watches and Jewelry brands. The Group recognizes revenue when title transfers to third party customers, generally upon shipment.

Revenue includes shipment and transportation costs re-billed to customers only when these costs are included in products' selling prices as a lump sum.

Revenue is presented net of all forms of discount. In particular, payments made in order to have products referenced or, in accordance with agreements, to participate in advertising campaigns with the distributors, are deducted from related revenue.

Provisions for product returns

Perfumes and Cosmetics and, to a lesser extent, Fashion and Leather Goods and Watches and Jewelry companies may accept the return of unsold or outdated products from their customers and distributors.

Where this practice is applied, revenue and the corresponding trade receivables are reduced by the estimated amount of such returns, and a corresponding entry is made to inventories. The estimated rate of returns is based on statistics of historical returns.

Businesses undertaken in partnership with Diageo

A significant proportion of revenue for the Group's Wines and Spirits businesses is generated within the framework of distribution agreements with Diageo generally taking the form of shared entities which sell and deliver both groups' products to customers. According to those agreements, the assets, liabilities, income, and expenses of such entities are consolidated only in proportion to the Group's share of operations. The application of IFRS 11 as from January 1, 2014 did not impact this method. See Note 1.2.

1.26. Advertising and promotion expenses

Advertising and promotion expenses include the costs of producing advertising media, purchasing media space, manufacturing samples and publishing catalogs, and in general, the cost of all activities designed to promote the Group's brands and products.

Advertising and promotion expenses are recorded upon receipt or production of goods or upon completion of services rendered.

1.27. Stock option and similar plans

Share purchase and subscription option plans give rise to recognition of an expense based on the amortization of the expected benefit granted to beneficiaries calculated according to the Black & Scholes method on the basis of the closing share price on the day before the Board Meeting at which the plan is instituted.

For bonus share plans, the expected benefit is calculated on the basis of the closing share price on the day before the Board Meeting at which the plan is instituted, less the amount of dividends expected to accrue during the vesting period. A discount may be applied to the value of the bonus shares thus calculated to account for a period of non-transferability, where applicable.

For all plans, the amortization expense is apportioned on a straight-line basis in the income statement over the vesting period, with a corresponding impact on reserves in the balance sheet.

For cash-settled compensation plans index-linked to the change in LVMH share price, the gain over the vesting period is estimated at each balance sheet date based on the LVMH share price at that date, and is charged to the income statement on a pro rata basis over the vesting period, with a corresponding balance sheet impact on provisions. Between that date and the settlement date, the change in the expected benefit resulting from the change in the LVMH share price is recorded in the income statement.

1.28. Earnings per share

Earnings per share are calculated based on the weighted average number of shares in circulation during the period, excluding treasury shares.

Diluted earnings per share are calculated based on the weighted average number of shares before dilution and adding the weighted average number of shares that would result from the exercise of existing subscription options during the period or any other diluting instrument. It is assumed for the purposes of this calculation that the funds received from the exercise of options, supplemented by the expense to be recognized for stock option and similar plans (see Note 1.27), would be employed to re-purchase LVMH shares at a price corresponding to their average trading price over the fiscal year.

2. CHANGES IN THE PERCENTAGE INTEREST IN CONSOLIDATED ENTITIES

2.1. Fiscal year 2014

Wines and Spirits

In April 2014, LVMH acquired the entire share capital of the Domaine du Clos des Lambrays. Located in Morey-Saint-Denis, in France, on 8.66 continuous hectares, Clos des Lambrays is a prestigious cru from Côte de Nuits.

Selective Distribution

LVMH acquired an additional 30% stake in Sephora Brasil (formerly known as Sack's), bringing its percentage holding to 100%. The difference between the acquisition price and minority interests was deducted from equity.

2.2. Fiscal year 2013

2.2.1. Wines and Spirits

During the first quarter of 2013, the Group acquired an additional 30% stake in Château d'Yquem, increasing its ownership interest to 95%. The difference between the acquisition price and minority interests was deducted from equity.

2.2.2. Fashion and Leather Goods

In July 2013, LVMH signed a memorandum of understanding for the acquisition of an 80% stake in Italian company Loro Piana, which makes and sells luxury fabrics, clothing, and accessories. On December 5, 2013, pursuant to that memorandum of understanding, LVMH acquired 80% of Loro Piana for 1,987 million euros. Loro Piana was fully consolidated with effect from December 5, 2013. The 20% of the share capital that has not been acquired is covered by reciprocal undertakings to buy and sell, exercisable no later than three years from December 5, 2013. The difference in value between the purchase commitment (recorded in Other non-current liabilities, see Note 20) and the minority interest, i.e. 244 million euros, was deducted from consolidated reserves.

The following table lays out the definitive allocation of the price paid by LVMH on December 5, 2013, the date of acquisition of the controlling interest:

(EUR millions)	Provisional purchase price allocation	Changes	Definitive purchase price allocation
Brand	-	1,300	1,300
Other intangible and tangible fixed assets, net	159	39	198
Other non-current assets	11	26	37
Non-current provisions	(18)	(21)	(39)
Current assets	382	(39)	343
Current liabilities	(203)	19	(184)
Net financial debt	(127)	13	(114)
Deferred tax	49	(415)	(366)
Net assets acquired	**253**	**922**	**1,175**
Minority interests (20%)	(51)	(184)	(235)
Net assets, Group share (80%)	**202**	**738**	**940**
Goodwill	1,785	(738)	1,047
Carrying amount of shares held as of December 5, 2013	**1,987**	**-**	**1,987**

The Loro Piana brand, amounting to 1,300 million euros, has been valued based on the relief from royalty method, corroborated by the discounted cash flow method. Goodwill, in the amount of 1,047 million euros, corresponds to Loro Piana's knowledge in the supply of high quality natural fibres, as well as its expertise and artisanal skill developed in the elaboration of products made from these exceptional materials.

Loro Piana acquisition expenses were recognized in Other operating income and expenses; they represented a total amount of 9 million euros as of December 31, 2013, see Note 25.

In 2013, the Loro Piana acquisition generated an outlay of 1,982 million euros, net of cash acquired in the amount of 5 million euros.

Nicholas Kirkwood

In September 2013, LVMH acquired a 52% stake in British luxury footwear company Nicholas Kirkwood. This entity was consolidated with effect from October 1, 2013. The rest of the company's share capital is covered by reciprocal undertakings to buy and sell, mainly exercisable from 2020.

Marc Jacobs

In 2013, the Group raised its stake in Marc Jacobs to 80%. The difference between the acquisition price and minority interests was deducted from equity.

2.2.3. Other activities

In June 2013, LVMH acquired an 80% stake in Cova, a patisserie business based in Milan (Italy) which is also present in Asia through its franchisee network. This entity was consolidated with effect from July 2013.

In August 2013, the Group acquired 100% of Hotel Saint-Barth Isle de France, which owns and operates a luxury hotel located on the island of St. Barts (French West Indies). This entity was consolidated with effect from September 2013. In June 2014, LVMH sold 44% of its stake in Hotel Saint-Barth Isle de France. The difference between the cash received and the carrying amount of the sold stake was recognized in consolidated reserves.

2.3. Fiscal year 2012

Fashion and Leather Goods

In May 2012, LVMH acquired the entire share capital of Les Tanneries Roux (France), a supplier of high quality leather. In June 2012, LVMH acquired a 100% ownership interest in Arnys (France), a ready-to-wear and made-to-measure menswear label. These entities were consolidated with effect from June 2012.

Perfumes and Cosmetics

In October 2012, LVMH acquired the 20% stake in the share capital of Benefit that it did not own; the price paid generated the recognition of a final goodwill in the amount of 133 million euros, previously recorded under Goodwill arising on purchase commitments for minority interests.

2.4. Impact on cash and cash equivalents of changes in the percentage interest in consolidated entities

(EUR millions)	**2014**	**2013** [1]	**2012** [1]
Purchase price of consolidated investments and of minority interests' shares	(205)	(2 321)	(264)
Positive cash balance/(net overdraft) of companies acquired	8	10	(1)
Proceeds from sale of consolidated investments	45	-	-
(Positive cash balance)/net overdraft of companies sold	(5)	-	-
Impact of changes in the percentage interest in consolidated entities on cash and cash equivalents	**(157)**	**(2 311)**	**(265)**
Of which: purchase and sale of consolidated investments	*(167)*	*(2 161)*	*(59)*
purchase and proceeds from sale of minority interests	*10*	*(150)*	*(206)*

In 2014, the impacts of changes in the percentage interest in consolidated entities were mainly related to the acquisition of Domaine du Clos des Lambrays and that of the 30% stake in Sephora Brasil.

In 2013, the impact of changes in the percentage interest in consolidated entities was related, for 1,982 million euros, to the acquisition of Loro Piana. The remainder was related to the acquisition of Hotel Saint Barth Isle de France, the Cova pastry brand, Nicholas Kirkwood, and of additional shareholdings in Château d'Yquem and Marc Jacobs.

In 2012, the impact on the Group's cash position of changes in the percentage interest in consolidated entities mainly included the effects of the acquisition of the 20% stake in Benefit not previously owned by the Group, as well as the acquisition of 100% stakes in Tanneries Roux and Arnys.

(1) The financial statements as of December 31, 2013 and 2012 have been restated to reflect the retrospective application as of January 1, 2012 of IFRS 11 Joint Arrangements. See Note 1.2.

3. BRANDS, TRADE NAMES AND OTHER INTANGIBLE ASSETS

(EUR millions)			2014	2013 [1][2]	2012 [1]
	Gross	Amortization and impairment	Net	Net	Net
Brands	10,519	(562)	9,957	9,866	8,637
Trade names	3,651	(1,496)	2,155	1,933	2,009
License rights	90	(71)	19	20	22
Leasehold rights	624	(280)	344	320	245
Software, websites	1,049	(771)	278	235	198
Other	604	(326)	278	222	211
Total	**16,537**	**(3,506)**	**13,031**	**12,596**	**11,322**
Of which: assets held under finance leases	*14*	*(14)*	-	-	-

3.1. Movements in the fiscal year

Movements during the fiscal year ended December 31, 2014 in the net amounts of brands, trade names and other intangible assets were as follows:

Gross value *(EUR millions)*	Brands	Trade names	Software, websites	Leasehold rights	Other intangible assets	Total
As of December 31, 2013 [1][2]	**10,383**	**3,257**	**898**	**567**	**589**	**15,694**
Acquisitions	-	-	101	54	161	316
Disposals and retirements	-	-	(23)	(4)	(39)	(66)
Changes in the scope of consolidation	-	-	-	-	2	2
Translation adjustment	135	394	27	9	13	578
Reclassifications	1	-	46	(2)	(32)	13
As of December 31, 2014	**10,519**	**3,651**	**1,049**	**624**	**694**	**16,537**

Accumulated amortization and impairment *(EUR millions)*	Brands	Trade names	Software, websites	Leasehold rights	Other intangible assets	Total
As of December 31, 2013 [1][2]	**(517)**	**(1,324)**	**(663)**	**(247)**	**(347)**	**(3,098)**
Amortization expense	(22)	(1)	(116)	(34)	(77)	(250)
Impairment expense	(3)	-	-	(1)	(1)	(5)
Disposals and retirements	-	-	23	3	38	64
Changes in the scope of consolidation	-	-	-	-	-	-
Translation adjustment	(19)	(171)	(17)	(1)	(7)	(215)
Reclassifications	(1)	-	2	-	(3)	(2)
As of December 31, 2014	**(562)**	**(1,496)**	**(771)**	**(280)**	**(397)**	**(3,506)**
Net carrying amount as of December 31, 2014	**9,957**	**2,155**	**278**	**344**	**297**	**13,031**

Translation adjustments arose mainly on intangible assets recognized in US dollars, based on fluctuations in the US dollar to euro exchange rate at the close of the fiscal year. This affected in particular the DFS Galleria trade name and the Donna Karan brand.

(1) The financial statements as of December 31, 2013 and 2012 have been restated to reflect the retrospective application as of January 1, 2012 of IFRS 11 Joint Arrangements. See Note 1.2.
(2) The consolidated balance sheet as of December 31, 2013 has been restated to reflect the finalized purchase price allocation for Loro Piana. See Note 2.

3.2. Movements in prior fiscal years

Net carrying amount *(EUR millions)*	Brands	Trade names	Software, websites	Leasehold rights	Other intangible assets	Total
As of December 31, 2011 [1]	**8,667**	**2,045**	**170**	**178**	**233**	**11,293**
Acquisitions	-	-	80	72	85	237
Disposals and retirements	-	-	-	(4)	(1)	(5)
Changes in the scope of consolidation	-	-	-	19	1	20
Amortization expense	(40)	(1)	(84)	(21)	(54)	(200)
Impairment expense	-	-	-	(1)	-	(1)
Translation adjustment	10	(35)	(1)	(1)	(1)	(28)
Reclassification	-	-	33	3	(30)	6
As of December 31, 2012 [1]	**8,637**	**2,009**	**198**	**245**	**233**	**11,322**
Acquisitions	-	-	96	53	105	254
Disposals and retirements	-	-	-	(3)	(2)	(5)
Changes in the scope of consolidation	1,305	-	6	53	10	1,374
Amortization expense	(25)	(1)	(96)	(30)	(63)	(215)
Impairment expense	-	-	-	(1)	(1)	(2)
Translation adjustment	(51)	(75)	(4)	(4)	(3)	(137)
Reclassification	-	-	35	7	(37)	5
As of December 31, 2013 [1][2]	**9,866**	**1,933**	**235**	**320**	**242**	**12,596**

3.3. Brands and trade names

The breakdown of brands and trade names by business group is as follows:

(EUR millions)			2014	2013 [1][2]	2012 [1]
	Gross	Amortization and impairment	Net	Net	Net
Wines and Spirits	878	(93)	785	766	791
Fashion and Leather Goods	5,237	(378)	4,859	4,816	3,533
Perfumes and Cosmetics	624	(24)	600	593	596
Watches and Jewelry	3,539	(6)	3,533	3,505	3,528
Selective Retailing	3,609	(1,450)	2,159	1,937	2,014
Other activities	283	(107)	176	182	184
Brands and trade names	**14,170**	**(2,058)**	**12,112**	**11,799**	**10,646**

The brands and trade names recognized are those that the Group has acquired. The principal acquired brands and trade names as of December 31, 2014 are:

- Wines and Spirits: Veuve Clicquot, Krug, Château d'Yquem, Belvedere, Glenmorangie, Newton Vineyards and Numanthia Termes;
- Fashion and Leather Goods: Louis Vuitton, Fendi, Donna Karan New York, Céline, Loewe, Givenchy, Kenzo, Thomas Pink, Berluti, Pucci and Loro Piana;
- Perfumes and Cosmetics: Parfums Christian Dior, Guerlain, Parfums Givenchy, Make Up For Ever, Benefit Cosmetics, Fresh and Acqua di Parma;
- Watches and Jewelry: Bulgari, TAG Heuer, Zenith, Hublot, Chaumet and Fred;
- Selective Retailing: DFS Galleria, Sephora, Le Bon Marché, Ile de Beauté and Ole Henriksen;
- Other activities: the publications of the media group Les Echos-Investir, the Royal Van Lent-Feadship brand and the patisserie brand Cova.

(1) The financial statements as of December 31, 2013 and 2012 have been restated to reflect the retrospective application as of January 1, 2012 of IFRS 11 Joint Arrangements. See Note 1.2.
(2) The consolidated balance sheet as of December 31, 2013 has been restated to reflect the finalized purchase price allocation for Loro Piana. See Note 2.

These brands and trade names are recognized in the balance sheet at their value determined as of the date of their acquisition by the Group, which may be much less than their value in use or their net selling price as of the closing date for the consolidated financial statements of the Group. This is notably the case for the brands Louis Vuitton, Veuve Clicquot, and Parfums Christian Dior, or the trade name Sephora, with the understanding that this list must not be considered as exhaustive.

Brands developed by the Group, notably Hennessy, Moët & Chandon, Dom Pérignon, Mercier and Ruinart champagnes.

Brands and trade names developed by the Group, in addition to Louis Vuitton, Veuve Clicquot, Parfums Christian Dior and Sephora, represented 21% of total brands and trade names capitalized in the balance sheet and 56% of the Group's consolidated revenue.

Please refer also to Note 5 for the impairment testing of brands, trade names and other intangible assets with indefinite useful lives.

4. GOODWILL

(EUR millions)			2014	2013 (1) (2)	2012 (1)
	Gross	Impairment	Net	Net	Net
Goodwill arising on consolidated investments	7,629	(1,510)	6,119	6,199	5,172
Goodwill arising on purchase commitments for minority interests	2,691	-	2,691	2,859	2,537
Total	**10,320**	**(1,510)**	**8,810**	**9,058**	**7,709**

Changes in net goodwill during the fiscal years presented break down as follows:

(EUR millions)			2014	2013 (1) (2)	2012 (1)
	Gross	Impairment	Net	Net	Net
As of January 1	**10,269**	**(1,211)**	**9,058**	**7,708**	**6,843**
Changes in the scope of consolidation (See Note 2)	81	-	81	1,142	60
Changes in purchase commitments for minority interests	(165)	3	(162)	294	837
Changes in impairment	-	(209)	(209)	(57)	(24)
Translation adjustment	135	(93)	42	(29)	(7)
As of December 31	**10,320**	**(1,510)**	**8,810**	**9,058**	**7,709**

Changes in the scope of consolidation in fiscal year 2014 are mainly related to goodwill arising on the acquisition of Clos des Lambrays. See Note 2.

Changes in the scope of consolidation in fiscal year 2013 were mainly attributable to goodwill arising on the acquisition of Loro Piana for 1,047 million euros, and to goodwill arising on the consolidation of Hotel Isle de France, Nicholas Kirkwood and Cova for the remaining amount.

Please refer also to Note 20 for goodwill arising on purchase commitments for minority interests.

(1) The financial statements as of December 31, 2013 and 2012 have been restated to reflect the retrospective application as of January 1, 2012 of IFRS 11 Joint Arrangements. See Note 1.2.
(2) The consolidated balance sheet as of December 31, 2013 has been restated to reflect the finalized purchase price allocation for Loro Piana. See Note 2.

5. IMPAIRMENT TESTING OF INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES

Brands, trade names, and other intangible assets with indefinite useful lives as well as the goodwill arising on acquisition have been subject to annual impairment testing. No significant impairment expense has been recognized in respect of these items during the course of fiscal year 2014. As described in Note 1.14, these assets are generally valued on the basis of the present value of forecast cash flows determined in the context of multi-year business plans drawn up over the course of each fiscal year. The main assumptions retained for the determination of these forecast cash flows are as follows:

(as %)	2014				2013			2012		
	Discount rate		Compound annual growth rate for revenue during the plan period	Growth rate for the period after the plan	Post-tax discount rate	Compound annual growth rate for revenue during the plan period	Growth rate for the period after the plan	Post-tax discount rate	Compound annual growth rate for revenue during the plan period	Growth rate for the period after the plan
	Post-tax	Pre-tax								
Wines and Spirits	7.5 to 11.2	11.2 to 16.7	8.1	2.0	7.5 to 11.2	9.2	2.0	7.5 to 11.2	10.3	2.0
Fashion and Leather Goods	8.0 to 13.1	11.9 to 19.6	9.1	2.0	8.0 to 13.1	11.1	2.0	8.0 to 13.1	11.7	2.0
Perfumes and Cosmetics	8.0 to 8.5	11.9 to 12.7	8.7	2.0	8.0 to 9.4	9.5	2.0	8.0 to 8.4	9.2	2.0
Watches and Jewelry	9.2 to 9.6	13.7 to 14.3	8.7	2.0	9.2 to 9.6	9.7	2.0	9.2 to 9.6	9.8	2.0
Selective Retailing	8.4 to 9.6	12.5 to 14.3	9.4	2.0	8.4 to 9.6	10.1	2.0	8.4 to 9.6	9.6	2.0
Other	6.5 to 8.2	9.7 to 12.2	0.9	2.0	6.5 to 8.2	2.7	2.0	6.5 to 8.2	10.9	2.0

Plans generally cover a five-year period, but may be prolonged up to ten years in case of brands for which the production cycle exceeds five years or brands undergoing strategic repositioning. The compound annual growth rate for revenue and the improvement in profit margins over plan periods are comparable to the growth achieved in the previous four fiscal years, except for brands undergoing strategic repositioning, for which the improvements projected were greater than historical performance due to the expected effects of the repositioning measures implemented.

Discount rates are unchanged compared to 2013; the rise in risk premiums was offset by lower interest rates. Annual growth rates applied for the period not covered by the plans are based on market estimates for the business groups concerned.

As of December 31, 2014, the intangible assets with indefinite useful lives that are the most significant in terms of their net carrying amounts and the criteria used for their impairment testing are as follows:

(EUR millions)	Brands and trade names	Goodwill	Total	Post-tax discount rate *(as %)*	Growth rate for the period after the plans *(as %)*	Period covered by the forecast cash flows
Louis Vuitton	2,058	505	2,563	8.0	2.0	5 years
Fendi	713	404	1,117	9.6	2.0	5 years
Bulgari	2,100	1,547	3,647	9.2	2.0	10 years
TAG Heuer	1,032	196	1,228	9.2	2.0	5 years
DFS Galleria	1,885	18	1,903	9.6	2.0	5 years
Sephora	274	549	823	8.4	2.0	5 years

See Note 2.2.2 for information on Loro Piana's intangible assets with indefinite useful lives.

As of December 31, 2014, for the business segments listed above, a change of 0.5 points in the post-tax discount rate or in the growth rate for the period not covered by the plans, compared to rates used as of December 31, 2014, or a reduction of 2 points in the compound annual growth rate for revenue over the period covered by the plans would not result in the recognition of any impairment losses for these intangible assets. The Group considers that changes in excess of the limits mentioned above would entail assumptions at a level not deemed relevant, in view of the current economic environment and medium to long-term growth prospects for the business segments concerned.

With respect to the other business segments, seven have disclosed intangible assets with a carrying amount close to their value in use. The carrying amount for each of these intangible assets as of December 31, 2014 as well as the impairment loss that would result from a change of 0.5 points in the post-tax discount rate or in the growth rate for the period not covered by the plans, or from a reduction of 2 points in the compound annual growth rate for revenue compared to rates used as of December 31, 2014 break down as follows:

(EUR millions)	Net value of intangible assets concerned as of 12/31/2014	Amount of impairment if:		
		Increase of 0.5% in post-tax discount rate	Decrease of 2% in compound annual growth rate for revenue	Decrease of 0.5% in growth rate for the period after the plan
Fashion and Leather Goods	523	(33)	(51)	(21)
Other business groups	558	(56)	(30)	(45)
Total	**1,081**	**(89)**	**(81)**	**(66)**

As of December 31, 2014, the gross and net values of brands, trade names and goodwill giving rise to amortization and/or impairment charges in 2014 were 1,202 million euros and 622 million euros, respectively (849 and 559 million euros as of December 31, 2013). See Note 25 regarding amortization and depreciation recorded during the fiscal year.

6. PROPERTY, PLANT AND EQUIPMENT

(EUR millions)			2014	2013 [1] [2]	2012 [1]
	Gross	Depreciation and impairment	Net	Net	Net
Land	1,172	(68)	1,104	1,055	1,180
Vineyard land and producing vineyards	2,455	(91)	2,364	2,294	1,930
Buildings	2,780	(1,350)	1,430	1,311	1,299
Investment property	679	(47)	632	605	509
Leasehold improvements, machinery and equipment	8,400	(5,386)	3,014	2,593	2,110
Assets in progress	688	(4)	684	800	715
Other tangible fixed assets	1,592	(433)	1,159	963	951
Total	**17,766**	**(7,379)**	**10,387**	**9,621**	**8,694**
Of which: assets held under finance leases	*300*	*(201)*	*99*	*105*	*109*
historical cost of vineyard land and producing vineyards	*722*	*(91)*	*631*	*537*	*535*

(1) The financial statements as of December 31, 2013 and 2012 have been restated to reflect the retrospective application as of January 1, 2012 of IFRS 11 Joint Arrangements. See Note 1.2.
(2) The consolidated balance sheet as of December 31, 2013 has been restated to reflect the finalized purchase price allocation for Loro Piana. See Note 2.

6.1. Movements in the fiscal year

Movements in property, plant and equipment during the fiscal year break down as follows:

Gross value *(EUR millions)*	**Vineyard land and producing vineyards**	**Land and buildings**	**Investment property**	**Leasehold improvements, machinery and equipment**			**Assets in progress**	**Other tangible fixed assets**	**Total**
				Stores	**Production, logistics**	**Other**			
As of December 31, 2013 [(1) (2)]	**2,378**	**3,641**	**647**	**4,157**	**1,881**	**1,045**	**800**	**1,487**	**16,036**
Acquisitions	3	132	16	474	100	98	543	166	1,532
Change in the market value of vineyard land	(17)	-	-	-	-	-	-	-	(17)
Disposals and retirements	(25)	(37)	(2)	(232)	(74)	(74)	(2)	(15)	(461)
Changes in the scope of consolidation	96	12	-	(3)	1	(1)	(6)	4	103
Translation adjustment	7	144	18	293	21	52	34	34	603
Other movements, including transfers	13	60	-	478	66	118	(681)	(84)	(30)
As of December 31, 2014	**2,455**	**3,952**	**679**	**5,167**	**1,995**	**1,238**	**688**	**1,592**	**17,766**

Depreciation and impairment *(EUR millions)*	**Vineyard land and producing vineyards**	**Land and buildings**	**Investment property**	**Leasehold improvements, machinery and equipment**			**Assets in progress**	**Other tangible fixed assets**	**Total**
				Stores	**Production, logistics**	**Other**			
As of December 31, 2013 [(1) (2)]	**(84)**	**(1,275)**	**(42)**	**(2,502)**	**(1,273)**	**(715)**	**-**	**(524)**	**(6,415)**
Depreciation expense	(6)	(125)	(5)	(621)	(140)	(122)	-	(62)	(1,081)
Impairment expense	-	(14)	(2)	14	-	1	(5)	(2)	(8)
Disposals and retirements	-	34	2	229	72	73	1	15	426
Changes in the scope of consolidation	-	(5)	-	2	(1)	1	-	(2)	(5)
Translation adjustment	(1)	(48)	-	(188)	(13)	(36)	-	(25)	(311)
Other movements, including transfers	-	15	-	(128)	1	(40)	-	167	15
As of December 31, 2014	**(91)**	**(1,418)**	**(47)**	**(3,194)**	**(1,354)**	**(838)**	**(4)**	**(433)**	**(7,379)**
Net carrying amount as of December 31, 2014	**2,364**	**2,534**	**632**	**1,973**	**641**	**400**	**684**	**1,159**	**10,387**

The impact of marking vineyard land to market was 1,733 million euros as of December 31, 2014 (1,757 million euros as of December 31, 2013; 1,396 million euros as of December 31, 2012). See Notes 1.9 and 1.13 on the measurement method of vineyard land.

The market value of investment property, according to appraisals by independent third parties, was 1 billion euros as of December 31, 2014. The valuation methods used are based on market data.

Purchases of property, plant and equipment include investments by Louis Vuitton, Sephora, DFS, and Bulgari in their retail networks, investments by Parfums Christian Dior in new counters, and investments by the champagne houses in their production equipment, as well as investments in real estate for administrative use, sales operations or rental purposes.

Translation adjustments arose mainly on property, plant and equipment recognized in US dollars, based on fluctuations in the US dollar to euro exchange rate as of December 31, 2014.

(1) The financial statements as of December 31, 2013 and 2012 have been restated to reflect the retrospective application as of January 1, 2012 of IFRS 11 Joint Arrangements. See Note 1.2.
(2) The consolidated balance sheet as of December 31, 2013 has been restated to reflect the finalized purchase price allocation for Loro Piana. See Note 2.

6.2. Movements in prior fiscal years

Net carrying amount (EUR millions)	Vineyard land and producing vineyards	Land and buildings	Investment property	Leasehold improvements, machinery and equipment: Stores	Leasehold improvements, machinery and equipment: Production, logistics	Leasehold improvements, machinery and equipment: Other	Assets in progress	Other tangible fixed assets	Total
As of December 31, 2011 [(1)]	**1,826**	**2,324**	**536**	**1,179**	**508**	**187**	**510**	**864**	**7,934**
Acquisitions	14	132	74	462	105	91	607	119	1,604
Disposals and retirements	(1)	(15)	-	(4)	(1)	(1)	(2)	(5)	(29)
Depreciation expense	(6)	(139)	(5)	(369)	(111)	(93)	-	(86)	(809)
Impairment expense	-	(75)	-	1	(1)	1	-	(3)	(77)
Change in the market value of vineyard land	85	-	-	-	-	-	-	-	85
Changes in the scope of consolidation	-	8	-	6	-	1	-	7	22
Translation adjustment	(4)	(33)	(1)	(17)	(1)	(4)	(5)	(1)	(66)
Other, including transfers	16	276	(95)	48	54	70	(395)	56	30
As of December 31, 2012 [(1)]	**1,930**	**2,478**	**509**	**1,306**	**553**	**252**	**715**	**951**	**8,694**
Acquisitions	4	96	18	580	89	115	597	82	1,581
Disposals and retirements	-	(58)	-	(2)	(1)	(2)	(2)	(22)	(87)
Depreciation expense	(6)	(120)	(7)	(469)	(118)	(110)	-	(79)	(909)
Impairment expense	-	(1)	-	(2)	1	-	(8)	-	(10)
Change in the market value of vineyard land	369	-	-	-	-	-	-	-	369
Changes in the scope of consolidation	-	155	-	31	32	2	-	1	221
Translation adjustment	(11)	(79)	(13)	(73)	(7)	(10)	(18)	(15)	(226)
Other, including transfers	8	(105)	98	284	59	83	(484)	45	(12)
As of December 31, 2013 [(1)(2)]	**2,294**	**2,366**	**605**	**1,655**	**608**	**330**	**800**	**963**	**9,621**

Purchases of property, plant and equipment in 2013 included investments by Louis Vuitton, Sephora, DFS, Bulgari and Berluti in their retail networks, as well as those of the champagne houses in their production equipment, and those of Parfums Christian Dior in new counters. Changes in the scope of consolidation were mainly attributable to the consolidation of Loro Piana.

Purchases of property, plant and equipment in 2012 included investments by Louis Vuitton, Sephora, DFS and Parfums Christian Dior in their retail networks, those of the champagne houses in their production equipment, in addition to the effects of real estate investments dedicated to administrative, commercial or rental purposes.

(1) The financial statements as of December 31, 2013 and 2012 have been restated to reflect the retrospective application as of January 1, 2012 of IFRS 11 Joint Arrangements. See Note 1.2.
(2) The consolidated balance sheet as of December 31, 2013 has been restated to reflect the finalized purchase price allocation for Loro Piana. See Note 2.

7. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

(EUR millions)			2014		2013[1]		2012[1]	
	Gross	Impairment	Net	*Of which joint arrangements* [a]	Net	*Of which joint arrangements* [a]	Net	*Of which joint arrangements* [a]
Share of net assets of joint ventures and associates as of January 1	**480**	**-**	**480**	***328***	**483**	***320***	**499**	***329***
Share of net profit (loss) for the period	(5)	-	(5)	*(15)*	(23)	*(31)*	(19)	*(23)*
Dividends paid	(21)	-	(21)	*(5)*	(26)	*(11)*	(18)	*(9)*
Changes in the scope of consolidation	7	-	7	*-*	6	*-*	(7)	*(7)*
Capital increases subscribed	16	-	16	*11*	38	*38*	14	*13*
Translation adjustment	8	-	8	*4*	(17)	*(3)*	(6)	*(2)*
Other movements, including transfers	34	-	34	*28*	19	*15*	20	*19*
Share of net assets of joint ventures and associates as of December 31	**519**	**-**	**519**	***351***	**480**	***328***	**483**	***320***

(a) Proportionately consolidated entities previously to the application of IFRS 11 Joint Arrangements. See Note 1.2.

As of December 31, 2014, investments in joint ventures and associates consisted primarily of:

• For joint arrangements:

- a 50% equity stake in the Château Cheval Blanc wine estate (Gironde, France), which produces the eponymous Saint-Émilion Grand Cru Classé A;
- a 50% equity stake in De Beers Diamond Jewellers, whose network of boutiques sells the De Beers brand jewelry;
- a 50% equity stake in Montres Dior, which designs and manufactures Dior watches. See also Note 32.1.

• For other companies:

- a 40% equity stake in Mongoual SA, a real estate company which owns an office building in Paris (France), which is the head office of LVMH Moët Hennessy - Louis Vuitton;
- a 46% equity stake in JW Anderson, a London-based ready-to-wear brand, acquired in September 2013;
- a 45% equity stake in PT. Sona Topas Tourism Industry Tbk (STTI), an Indonesian retail company, which notably holds duty-free sales licenses in airports.

8. NON-CURRENT AVAILABLE FOR SALE FINANCIAL ASSETS

(EUR millions)			2014	2013	2012
	Gross	Impairment	Net	Net	Net
Total	753	(173)	580	7,080	6,004

(1) The financial statements as of December 31, 2013 and 2012 have been restated to reflect the retrospective application as of January 1, 2012 of IFRS 11 Joint Arrangements. See Note 1.2.

Non-current available for sale financial assets changed as follows during the fiscal years presented:

(EUR millions)	2014		2013	2012
	Total	*Of which Hermès*		
As of January 1	**7,080**	***6,437***	**6,004**	**5,982**
Acquisitions	50	*11*	197	125
Disposals at net realized value	(160)	-	(38)	(36)
Changes in market value	455	*407*	941	(38)
Distribution in kind of Hermès shares	(6,797)	*(6,797)*	-	-
Changes in impairment	(12)	-	(5)	(4)
Changes in the scope of consolidation	-	-	1	-
Translation adjustment	33	-	(11)	(5)
Reclassifications	(69)	*(58)*	(9)	(20)
As of December 31	**580**	**-**	**7,080**	**6,004**

As of December 31, 2013, non-current available for sale assets mainly included an investment in Hermès International SCA ("Hermès") with a gross and net amount of 6,437 million euros (5,409 million euros as of December 31, 2012). This shareholding was distributed to LVMH's shareholders during the fiscal year as described below.

On September 2, 2014, under the aegis of the President of the Paris Commercial Court, Hermès and LVMH entered into a settlement agreement (the "Agreement") under the terms of which:

- LVMH agreed to distribute to its shareholders all of the Hermès shares it owned, namely 24,473,545 shares equal to 23.18% of the share capital and 16.56% of the voting rights of Hermès;
- LVMH, Financière Jean Goujon, Christian Dior and Mr. Bernard Arnault undertook not to acquire any Hermès shares for a period of five years.

In accordance with the terms of the Agreement, LVMH distributed its Hermès shares to its shareholders on December 17, 2014, in the form of an exceptional distribution in kind approved at the Combined Shareholders' Meeting of November 25, 2014. The share ratio used for the distribution was 2 Hermès shares for 41 LVMH shares. The amount of the distribution in kind, 6.9 billion euros, was determined on the basis of the opening Hermès share price on December 17, 2014, which was 280.10 euros. Because fractional shares were made neither tradable nor assignable, shareholders whose allocation based on the distribution ratio was not a whole number of Hermès shares received the next lower whole number of Hermès shares, plus a cash equalization payment. See also Note 15.3.

After completion of the distribution of Hermès shares to the shareholders, LVMH's stake in Hermès represented a gross and net amount of 61 million euros, corresponding to shares not distributed on account of the existence of fractional rights; under the terms of the Agreement LVMH has undertaken to dispose of those shares by no later than September 2, 2015. The Hermès share price used to value the shareholding was 294.80 euros as of December 31, 2014 (263.50 as of December 31, 2013; 226.30 as of December 31, 2012). The shares are presented in current available for sale financial assets as of December 31, 2014 (see Note 13).

The impact of the Hermès share distribution on the consolidated financial statements as of December 31, 2014 is as follows:

(EUR millions)	Impacts on equity, of which:				Impacts on cash
	Revaluation reserves	Profit	Other reserves	Total	
Distribution in kind of Hermès shares	(2,800)	3,189 [a]	(6,855)	(6,466)	-
Related income tax [b]	185	(512)	-	(327)	(210)
Net	**(2,615)**	**2,677**	**(6,855)**	**(6,793)**	**(210)**

(a) See also Note 26.
(b) Including the impact of the 3% tax on dividends paid by LVMH SE. See Note 27.

The net impact on consolidated equity is a reduction of 6.8 billion euros, corresponding to the value of the Hermès stake as of December 31, 2013, plus the tax impacts resulting from this distribution. The gain (excluding tax impacts) recorded in the income statement is 3.2 billion euros, corresponding to the difference between the value of the stake as measured using the Hermès opening share price on December 17, 2014, i.e. 6.9 billion euros, and the total cost price of the shares for accounting purposes, which is 3.7 billion euros (2.7 billion euros in cash after deduction of the gain recognized in 2010 on the unwinding of equity-linked swaps covering 12.8 million shares).

See Note 16 regarding the impacts of the distribution of Hermès shares on stock option and similar plans.

The market value of non-current available for sale financial assets is determined using the methods described in Note 1.8, see also Note 22.2 for the breakdown of these assets according to the measurement methods used. Impairment of non-current available for sale financial assets is determined in accordance with the accounting policies described in Note 1.15.

Non-current available for sale financial assets held by the Group as of December 31, 2014 include the following:

(EUR millions)	Percentage of interest	Net value	Revaluation reserve	Dividends received	Equity	Net profit
Hengdeli Holdings Ltd (China) [a]	6.3%	47	22	1	743 [c] [d]	45 [c] [d]
Tod's SpA (Italy) [a]	3.5%	77	29	3	795 [c] [d]	134 [c] [d]
L Real Estate SCA (Luxembourg) [b]	32.2%	164	81	-	522 [e]	177 [e]
L Capital 2 FCPR (France) [b]	18.5%	38	-	-	215 [c] [e]	(4) [c] [e]
Other investments		254	14	1		
Total		**580**	**146**	**5**		

(a) Market value of securities as of the close of trading on December 31, 2014.
(b) Valuation at estimated net realizable value.
(c) Figures provided reflect company information prior to December 31, 2014, as fiscal year-end accounting data for 2014 was not available at the date of preparation of the financial statements.
(d) Consolidated data.
(e) Company data.

The stake held in Sociedad Textil Lonia SA was sold in 2014.

9. OTHER NON-CURRENT ASSETS

(EUR millions)	2014	2013 [1] [2]	2012 [1]
Warranty deposits	236	223	207
Derivatives	75	68	176
Loans and receivables	156	151	118
Other	22	15	18
Total	**489**	**457**	**519**

10. INVENTORIES AND WORK IN PROGRESS

(EUR millions)			2014	2013 [1] [2]	2012 [1]
	Gross	Impairment	Net	Net	Net
Wines and *eaux-de-vie* in the process of aging	4,018	(16)	4,002	3,717	3,465
Other raw materials and work in progress	1,610	(337)	1,273	1,157	1,047
	5,628	(353)	5,275	4,874	4,512
Goods purchased for resale	1,468	(145)	1,323	1,163	1,164
Finished products	3,604	(727)	2,877	2,455	2,318
	5,072	(872)	4,200	3,618	3,482
Total	**10,700**	**(1,225)**	**9,475**	**8,492**	**7,994**

(1) The financial statements as of December 31, 2013 and 2012 have been restated to reflect the retrospective application as of January 1, 2012 of IFRS 11 Joint Arrangements. See Note 1.2.
(2) The consolidated balance sheet as of December 31, 2013 has been restated to reflect the finalized purchase price allocation for Loro Piana. See Note 2.

The net change in inventories for the fiscal years presented breaks down as follows:

(EUR millions)			2014	2013 [1][2]	2012 [1]
	Gross	Impairment	Net	Net	Net
As of January 1	**9,560**	**(1,068)**	**8,492**	**7,994**	**7,413**
Change in gross inventories [a]	941	-	941	764	827
Net effect of the market value adjustment of the harvests	(7)	-	(7)	2	(26)
Changes in impairment	-	(313)	(313)	(242)	(190)
Changes in the scope of consolidation	11	(1)	10	292	48
Translation adjustment	399	(52)	347	(297)	(78)
Other, including reclassifications	(204)	209	5	(21)	-
As of December 31	**10,700**	**(1,225)**	**9,475**	**8,492**	**7,994**

(a) Including the impact of product returns. See Note 1.25.

Changes in the scope of consolidation in 2013 were mainly related to the consolidation of Loro Piana.

The effects of marking harvests to market on Wines and Spirits' cost of sales and value of inventory are as follows:

(EUR millions)	2014	2013	2012
Effect of marking the period's harvest to market	24	37	12
Effect of inventory sold during the period	(31)	(35)	(38)
Net effect on cost of sales of the period	**(7)**	**2**	**(26)**
Net effect on the value of inventory as of period-end	**166**	**173**	**171**

See Notes 1.9 and 1.16 on the method of marking harvests to market.

11. TRADE ACCOUNTS RECEIVABLE

(EUR millions)	2014	2013 [1][2]	2012 [1]
Trade accounts receivable, nominal amount	2,546	2,416	2,214
Provision for impairment	(66)	(67)	(63)
Provision for product returns	(206)	(175)	(179)
Net amount	**2,274**	**2,174**	**1,972**

(1) The financial statements as of December 31, 2013 and 2012 have been restated to reflect the retrospective application as of January 1, 2012 of IFRS 11 Joint Arrangements. See Note 1.2.

(2) The consolidated balance sheet as of December 31, 2013 has been restated to reflect the finalized purchase price allocation for Loro Piana. See Note 2.

The change in trade accounts receivable for the fiscal years presented breaks down as follows:

(EUR millions)			2014	2013 [1][2]	2012 [1]
	Gross	Impairment	Net	Net	Net
As of January 1	**2,416**	**(242)**	**2,174**	**1,972**	**1,864**
Changes in gross receivables	30	-	30	291	147
Changes in provision for impairment	-	(5)	(5)	(4)	1
Changes in provision for product returns	-	(25)	(25)	(1)	(5)
Changes in the scope of consolidation	5	-	5	50	(1)
Translation adjustment	68	(6)	62	(136)	(44)
Reclassifications	27	6	33	2	10
As of December 31	**2,546**	**(272)**	**2,274**	**2,174**	**1,972**

The receivable auxiliary balance is comprised primarily of receivables from wholesalers or agents, who are limited in number and with whom the Group maintains ongoing relationships for the most part. As of December 31, 2014, coverage of customer credit risk had been requested from insurers for the majority of trade receivables, approximately 90% of the amount of which was granted, unchanged from December 31, 2013.

As of December 31, 2014, the breakdown of the nominal amount of trade receivables and of provisions for impairment by age was as follows:

(EUR millions)		Nominal amount of receivables	Impairment	Net amount of receivables
Not due:	- less than 3 months	2,091	(14)	2,077
	- more than 3 months	103	(7)	96
		2,194	(21)	2,173
Overdue:	- less than 3 months	224	(5)	219
	- more than 3 months	128	(40)	88
		352	(45)	307
Total		**2,546**	**(66)**	**2,480**

For each of the fiscal years presented, no single customer represented revenue exceeding 10% of the Group's consolidated revenue.

There is no difference between the present value of trade accounts receivable and their carrying amount.

12. OTHER CURRENT ASSETS

(EUR millions)	2014	2013 [1][2]	2012 [1]
Current available for sale financial assets	253	171	177
Derivatives	304	494	425
Tax accounts receivable, excluding income taxes	449	355	388
Advances and payments on account to vendors	162	173	195
Prepaid expenses	313	283	281
Other receivables	435	380	347
Total	**1,916**	**1,856**	**1,813**

There is no difference between the present value of other current assets and their carrying amount.

Please also refer to Note 13 Current available for sale financial assets and Note 22 Financial instruments and market risk management.

(1) The financial statements as of December 31, 2013 and 2012 have been restated to reflect the retrospective application as of January 1, 2012 of IFRS 11 Joint Arrangements. See Note 1.2.
(2) The consolidated balance sheet as of December 31, 2013 has been restated to reflect the finalized purchase price allocation for Loro Piana. See Note 2.

13. CURRENT AVAILABLE FOR SALE FINANCIAL ASSETS

(EUR millions)	2014	2013	2012
Unlisted securities, shares in non-money market SICAVs and funds	-	12	13
Listed securities	253	159	164
Total	**253**	**171**	**177**
Of which: historical cost of current available for sale financial assets	*180*	*136*	*161*

The net value of current available for sale financial assets changed as follows during the periods presented:

(EUR millions)	2014	2013	2012
As of January 1	**171**	**177**	**145**
Acquisitions	-	-	-
Disposals at net realized value	(15)	(27)	(4)
Changes in market value	39	22	11
Translation adjustment	-	(1)	-
Reclassifications [a]	58	-	25
As of December 31	**253**	**171**	**177**

(a) See Note 8.

The market value of current available for sale financial assets is determined using the methods described in Note 1.9, see also Note 22.2 for the breakdown of these assets according to the measurement methods used. See also Note 1.15 for the method used to determine impairment losses on current available for sale financial assets.

14. CASH AND CASH EQUIVALENTS

(EUR millions)	2014	2013 [1][2]	2012 [1]
Fixed term deposits (less than 3 months)	1,270	809	479
SICAV and FCP money market funds	784	538	98
Ordinary bank accounts	2,037	1,879	1,610
Cash and cash equivalents per balance sheet	**4,091**	**3,226**	**2,187**

The reconciliation between cash and cash equivalents as shown in the balance sheet and net cash and cash equivalents appearing in the cash flow statement is as follows:

(EUR millions)	2014	2013 [1][2]	2012 [1]
Cash and cash equivalents	4,091	3,226	2,187
Bank overdrafts	(308)	(310)	(206)
Net cash and cash equivalents per cash flow statement	**3,783**	**2,916**	**1,981**

(1) The financial statements as of December 31, 2013 and 2012 have been restated to reflect the retrospective application as of January 1, 2012 of IFRS 11 Joint Arrangements. See Note 1.2.
(2) The consolidated balance sheet as of December 31, 2013 has been restated to reflect the finalized purchase price allocation for Loro Piana. See Note 2.

14.1. Change in working capital

The change in working capital breaks down as follows for the fiscal years presented:

(EUR millions)	Notes	2014	2013 [1]	2012 [1]
Change in inventories and work in progress	10	(928)	(769)	(829)
Change in trade accounts receivable	11	(22)	(288)	(146)
Change in trade accounts payable		176	203	176
Change in other receivables and payables		56	234	(11)
Change in working capital [a]		**(718)**	**(620)**	**(810)**

(a) Increase/(Decrease) in cash and cash equivalents.

14.2. Operating investments

Operating investments comprise the following elements for the fiscal years presented:

(EUR millions)	Notes	2014	2013 [1]	2012 [1]
Purchase of intangible fixed assets	3	(316)	(253)	(237)
Purchase of tangible fixed assets	6	(1,532)	(1,581)	(1,606)
Changes in accounts payable related to fixed asset purchases		78	108	141
Net cash used in purchases of fixed assets [a]		**(1,770)**	**(1,726)**	**(1,702)**
Net cash from fixed assets disposals [a]		45	98	44
Guarantee deposits paid and other cash flows related to operating investments		(50)	(29)	(36)
Operating investments		**(1,775)**	**(1,657)**	**(1,694)**

(a) Increase/(Decrease) in cash and cash equivalents.

15. EQUITY

15.1. Share capital and share premium account

As of December 31, 2014, issued and fully paid-up shares totaled 507,711,713 (507,793,661 shares as of December 31, 2013 and 508,163,349 shares as of December 31, 2012), with a par value of 0.30 euros per share, including 226,167,633 shares with double voting rights (224,907,923 as of December 31, 2013 and 224,699,349 as of December 31, 2012). Double voting rights are granted to registered shares held for more than three years.

Changes in the share capital and share premium account, in value and in terms of number of shares, break down as follows:

(EUR millions)	2014				2013	2012
	Number	Amount			Amount	Amount
		Share capital	Share premium account	Total		
As of January 1	**507,793,661**	**152**	**3,849**	**4,001**	**4,000**	**3,953**
Exercise of share subscription options	980,323	-	59	59	67	94
Distribution in kind of Hermès shares [a]	-	-	(1,203)	(1,203)	-	-
Retirement of shares	(1,062,271)	-	(50)	(50)	(66)	(47)
As of December 31	**507,711,713**	**152**	**2,655**	**2,807**	**4,001**	**4,000**

(a) See Note 8.

(1) The financial statements as of December 31, 2013 and 2012 have been restated to reflect the retrospective application as of January 1, 2012 of IFRS 11 Joint Arrangements. See Note 1.2.

15.2. LVMH treasury shares

The portfolio of LVMH treasury shares is allocated as follows:

(EUR millions)		2014	2013	2012
	Number	Amount	Amount	Amount
Share subscription option plans	3,426,161	156	203	270
Share purchase option plans	-	-	-	7
Bonus share plans	1,492,627	102	101	75
Other plans	148,016	8	39	49
Shares held for stock option and similar plans [a]	**5,066,804**	**266**	**343**	**401**
Liquidity contract	95,000	13	13	13
Shares pending retirement	689,566	95	95	-
LVMH shares	**5,851,370**	**374**	**451**	**414**

(a) See Note 16 regarding stock option and similar plans.

"Other plans" correspond to future plans.

The market value of LVMH shares held under the liquidity contract as of December 31, 2014 amounts to 13 million euros.

The portfolio movements of LVMH treasury shares in fiscal year 2014 were as follows:

(EUR millions)	Number	Amount	Effect on cash
As of December 31, 2013	**7,391,919**	**451**	
Share purchases	1,197,687	159	(159)
Bonus shares definitively allocated	(478,278)	(27)	1
Retirement of shares	(1,062,271)	(50)	-
Proceeds from disposal at net realized value	(1,197,687)	(159)	159
Gain/(loss) on disposal	-	-	
As of December 31, 2014	**5,851,370**	**374**	**1**

15.3. Dividends paid by the parent company LVMH SE

In accordance with French regulations, dividends are deducted from the profit for the fiscal year and reserves available for distribution of the parent company, after deducting applicable withholding tax and the value attributable to treasury shares.

As of December 31, 2014, the amount available for distribution was 9,082 million euros; after taking into account the proposed dividend distribution in respect of the 2014 fiscal year, the amount available for distribution is 8,092 million euros.

(EUR millions, except for data per share in EUR)	2014	2013	2012
Interim dividend for the current fiscal year (2014: 1.25 euros; 2013: 1.20 euros; 2012: 1.10 euros)	634	609	559
Distribution in kind of Hermès shares. See Note 8.	6,855	-	-
Impact of treasury shares	(7)	(9)	(9)
Gross amount disbursed for the fiscal year	**7,482**	**600**	**550**
Final dividend for the previous fiscal year (2013: 1.90 euros; 2012 and 2011: 1.80 euros)	965	914	914
Impact of treasury shares	(13)	(14)	(17)
Gross amount disbursed for the previous fiscal year	**952**	**900**	**897**
Total gross amount disbursed during the fiscal year [a]	**8,434**	**1,500**	**1,447**

(a) Excludes the impact of tax regulations applicable to the beneficiary.

The final dividend for fiscal year 2014, as proposed to the Shareholders' Meeting of April 16, 2015, is 1.95 euros per share, representing a total amount of 990 million euros, excluding the amount to be deducted in relation to treasury shares held at date of payment.

15.4. Cumulative translation adjustment

The change in the translation adjustment recognized under equity, Group share net of hedging effects of net assets denominated in foreign currency, break down as follows by currency:

(EUR millions)	2014	Change	2013	2012
US dollar	147	350	(203)	(99)
Swiss franc	450	44	406	446
Japanese yen	52	-	52	120
Hong Kong dollar	226	241	(15)	60
Pound sterling	(6)	46	(52)	(40)
Other currencies	(79)	(12)	(67)	65
Foreign currency net investment hedges	(298)	(169)	(129)	(210)
Total, Group share	**492**	**500**	**(8)**	**342**

15.5. Strategy relating to the Group's financial structure

The Group firmly believes that the management of its financial structure contributes, together with the development of the companies it owns and the management of its brand portfolio, to its objective of driving value creation for its shareholders. Maintaining a suitable quality credit rating is a core objective for the Group, ensuring good access to markets and favorable conditions, allowing it both to seize opportunities and benefit from the resources that it needs to develop its business.

To this end, the Group monitors a certain number of financial ratios and aggregate measures of financial risk, including:

- net financial debt (see Note 18) to equity;
- cash from operations before changes in working capital to net financial debt;
- net cash from operations before changes in working capital;
- net cash from operating activities and operating investments (free cash flow);
- long-term resources to fixed assets;
- proportion of long-term debt in net financial debt.

Long-term resources are understood to correspond to the sum of equity and non-current liabilities.

Where applicable, these indicators are adjusted to reflect the Group's off-balance sheet financial commitments.

The Group also promotes financial flexibility by maintaining numerous and varied banking relationships, through the frequent recourse to several negotiable debt markets (both short and long-term), by holding a large amount of cash and cash equivalents, and through the existence of sizable amounts in undrawn confirmed credit lines, so as to largely exceed the outstanding portion of its commercial paper program, while continuing to represent a reasonable cost for the Group.

16. STOCK OPTION AND SIMILAR PLANS

16.1. General characteristics of plans

Share purchase and subscription option plans

The Shareholders' Meeting of April 5, 2012 renewed the authorization given to the Board of Directors, for a period of thirty-eight months expiring in June 2015, to grant share subscription or purchase options to Group company employees or directors, on one or more occasions, in an amount not to exceed 3% of the Company's share capital.

Each plan is valid for 10 years, the options may be exercised after a four-year period.

For all plans, one option gives the right to one share.

Bonus share plans

The Shareholders' Meeting of April 18, 2013 renewed the authorization given to the Board of Directors, for a period of twenty-six months expiring in June 2015, to grant bonus shares to Group company employees or directors, on one or more occasions, in an amount not to exceed 1% of the Company's share capital on the date of this authorization.

The allocation of bonus shares to beneficiaries who are French residents for tax purposes becomes definitive after a two-year vesting period (three years for allocations related to plans having commenced from 2011 onwards), which is followed by a two-year holding period during which the beneficiaries may not sell their shares.

The allocation of bonus shares to beneficiaries who are not French residents for tax purposes becomes definitive after a vesting period of four years and may be freely transferred at that time.

Performance conditions

Certain share subscription option plans and bonus share plans have been subject to performance conditions, that determine whether the beneficiaries are entitled to receive the definitive allocation of these plans. For plans instituted before 2014, shares subject to performance conditions are definitively allocated only if LVMH's consolidated financial statements both for the fiscal year in which the plan is set up (fiscal year "Y") and for fiscal year Y+1 show a positive change compared to fiscal year Y-1 in relation to any of the following indicators: profit from recurring operations, net cash from operating activities and operating investments, current operating margin rate. For the plan instituted on October 23, 2014, performance shares will be definitively allocated only if LVMH's consolidated financial statements for 2015 show a positive change compared to 2014 in relation to any of the above-mentioned indicators.

Effects of the distribution of Hermès shares (see Note 8) on stock option and similar plans.

In order to protect the holders of share subscription options and bonus shares, the shareholders authorized the Board of Directors during the Shareholders' Meeting of November 25, 2014, to adjust the number and price of shares under option, as well as the number of bonus shares whose vesting period had not expired before December 17, 2014. Therefore, the quantities of share subscription options and bonus shares concerned were increased by 11.1%, while the exercise price of these options was reduced by 9.98%. Since these adjustments only had the objective of maintaining the gain obtained by the beneficiaries at the level attained prior to the distribution, they had no effect on the consolidated financial statements.

16.2. Share subscription option plans

The main characteristics of share subscription option plans and changes having occurred during the fiscal year are as follows:

Plan commencement date	Number of options granted [a]	Exercise price [a] (EUR)	Vesting period of rights	Number of options exercised in 2014	Number of options expired in 2014	Number of options to be exercised as of Dec. 31, 2014
January 21, 2004	2,720,425	55.70	4 years	(536,600)	(115,376)	-
"	27,050	58.90	"	(9,450)	(6,400)	-
May 12, 2005	1,865,299	47.55	"	(18,519)	(9,275)	123,956
"	72,329	50.26	"	(8,700)	(2,200)	7,779
May 11, 2006	1,797,646	70.97	"	(49,955)	(11,225)	836,446
"	77,108	74.19	"	-	-	7,083
May 10, 2007	1,764,203	77.53	"	(78,354)	(4,500)	840,661
May 15, 2008	1,708,542	65.26	"	(72,113)	(1,413)	863,571
"	78,469	65.44	"	(10,000)	-	22,369
May 14, 2009 [b]	1,333,097	50.86	"	(190,357)	(2,301)	664,005
"	37,106	50.88	"	(6,275)	(125)	18,443
Total	**11,481,274**			**(980,323)**	**(152,815)**	**3,384,313**

(a) After adjustments for the distribution in kind of Hermès shares. See Notes 8 and 16.1.
(b) Plan subject to performance conditions, see Note 16.1 General characteristics of plans.

The number of unexercised purchase options and the weighted average exercise price changed as follows during the fiscal years presented:

	2014		2013		2012	
	Number	Weighted average exercise price (EUR)	Number	Weighted average exercise price (EUR)	Number	Weighted average exercise price (EUR)
Share subscription options outstanding as of January 1	**4,177,489**	**69.97**	**5,229,396**	**68.86**	**6,603,917**	**69.07**
Options expired	(152,815)	58.42	(26,489)	63.56	(29,546)	65.36
Adjustments made following the distribution in kind of Hermès shares [a]	339,962	(7.33)	-	-	-	-
Options exercised	(980,323)	60.71	(1,025,418)	64.52	(1,344,975)	69.96
Share subscription options outstanding as of December 31	**3,384,313**	**66.15**	**4,177,489**	**69.97**	**5,229,396**	**68.86**

(a) See Note 8.

16.3. Bonus share plans

The main characteristics of bonus share plans and changes having occurred during the fiscal year are as follows:

Plan commencement date	Number of shares allocated initially[a]	*Of which: performance shares[a][b]*	*Fiscal years to which performance conditions apply*	*Conditions satisfied?*	Vesting periods of rights	Expired allocations in 2014	Shares vested in 2014	Non-vested shares as of Dec. 31, 2014
April 15, 2010	469,436	*274,367*	*2010 and 2011*	*yes*	2[c] or 4[d] years	(1,330)	(134,860)	-
March 31, 2011	459,973	*267,289*	*2011 and 2012*	*yes*	3[c] or 4[d] years	(14,011)	(244,811)	177,308
October 20, 2011	120,266	-	-	-	3 years	-	(52,766)	-
April 5, 2012	459,904	*459,904*	*2012 and 2013*	*yes*	3[c] or 4[d] years	(13,547)	(9,177)	422,833
July 26, 2012	50,912	*923*	*2012 and 2013*	*yes*	3[c] or 4[d] years	-	-	50,912
January 31, 2013	36,437	-	-	-	2 years	-	(36,437)	-
July 25, 2013	440,036	*440,036*	*2013 and 2014*	*yes*	3[c] or 4[d] years	(12,290)	(227)	425,212
October 24, 2013	6,920	*6,920*	*2013 and 2014*	*yes*	3[c] or 4[d] years	-	-	6,920
July 24, 2014	67,764	-	-	-	3[c] or 4[d] years	-	-	67,764
October 23, 2014	341,678	*341,678*	*2015*	[e]	3[c] or 4[d] years	-	-	341,678
Total	**2,453,326**	**1,791,117**				**(41,178)**	**(478,278)**	**1,492,627**

(a) After adjustments for the distribution in kind of Hermès shares. See Notes 8 and 16.1.
(b) See Note 16.1 General characteristics of plans.
(c) Beneficiaries with tax residence in France.
(d) Beneficiaries with tax residence outside France.
(e) The performance conditions were considered to have been met for the purpose of determining the expense for fiscal year 2014, on the basis of budget data.

The number of subscription options not exercised changed as follows over the course of the fiscal years presented:

(number of shares)	2014	2013	2012
Non-vested shares as of January 1	**1,484,118**	**1,273,136**	**1,160,441**
Non-vested allocations during the period	368,548	436,434	462,439
Adjustment made as a result of the distribution in kind of Hermès shares[a]	159,417	-	-
Allocations vested during the period	(478,278)	(193,440)	(313,809)
Allocations expired during the period	(41,178)	(32,012)	(35,935)
Non-vested shares as of December 31	**1,492,627**	**1,484,118**	**1,273,136**

(a) See Note 8.

Vested share allocations were settled in existing shares held.

16.4. Expense for the period

(EUR millions)	2014	2013	2012
Expense for the period for share subscription option plans and bonus share plans	39	34	53

See Note 1.27 regarding the method used to determine the accounting expense.

The LVMH share price the day before the grant date of the plan amounted to 139.80 euros for the plan instituted on July 24, 2014 and 127.05 for the plan instituted on October, 23, 2014.

At the time of these allocations, the average unit value of non-vested bonus shares granted in 2014 was 115.06 euros for beneficiaries who are French residents for tax purposes and 116.39 euros for beneficiaries with tax residence outside France.

17. MINORITY INTERESTS

(EUR millions)	2014	2013 [1][2]	2012 [1]
As of January 1	**1,028**	**1,084**	**1,055**
Minority interests' share of net profit	457	511	484
Dividends paid to minority interests	(328)	(228)	(317)
Effects of changes in control of consolidated entities:			
- consolidation of Loro Piana	-	235	-
- other movements	11	(1)	(11)
Effects of acquisition and disposal of minority interests' shares:			
- acquisition of minority interests in Château d'Yquem	-	(51)	-
- other movements	32	(25)	(25)
Total effects of changes in the percentage interest in consolidated entities	43	158	(36)
Capital increases subscribed by minority interests	3	8	8
Minority interests' share in gains and losses recognized in equity	108	21	(15)
Minority interests' share in stock option plan expenses	2	3	3
Effects of changes in minority interests subject to purchase commitments	(73)	(529)	(98)
As of December 31	**1,240**	**1,028**	**1,084**

The change in minority interests' share in gains and losses recognized in equity breaks down as follows:

(EUR millions)	Cumulative translation adjustment	Hedges of future foreign currency cash flows	Vineyard land	Revaluation adjustments of employee benefit commitments	Total share of minority interests
As of December 31, 2011	**(7)**	**(1)**	**149**	**(4)**	**137**
Changes for the fiscal year	(28)	12	13	(12)	(15)
As of December 31, 2012	**(35)**	**11**	**162**	**(16)**	**122**
Changes for the fiscal year	(44)	4	54	7	21
As of December 31, 2013	**(79)**	**15**	**216**	**(9)**	**143**
Changes for the fiscal year	138	(14)	(3)	(13)	108
As of December 31, 2014	**59**	**1**	**213**	**(22)**	**251**

Minority interests are composed primarily of Diageo's 34% stake in Moët Hennessy. Diageo's stake in Moët Hennessy may be assessed using the revenue, operating profit, and core assets of the Wines and Spirits business group, which are presented in Note 23. Since the 34% stake held by Diageo in Moët Hennessy is subject to a purchase commitment agreement, it is reclassified at year-end under Other non-current liabilities and is therefore excluded from the total amount of minority interests at the fiscal year-end date. See Notes 1.12 and 20.

There is also a minority interest of 39% held by Mr. Miller in DFS, which belongs to the Selective Retailing business group. Mr. Miller's rights are not deemed to have the potential to interfere with the implementation of the Group's strategy for DFS.

(1) The financial statements as of December 31, 2013 and 2012 have been restated to reflect the retrospective application as of January 1, 2012 of IFRS 11 Joint Arrangements. See Note 1.2.
(2) The consolidated balance sheet as of December 31, 2013 has been restated to reflect the finalized purchase price allocation for Loro Piana. See Note 2.

18. BORROWINGS

18.1. Net financial debt

(EUR millions)	2014	2013 [1][2]	2012 [1]
Long-term borrowings	5,054	4,149	3,825
Short-term borrowings	4,189	4,674	2,950
Gross amount of borrowings	**9,243**	**8,823**	**6,775**
Interest rate risk derivatives	(94)	(117)	(178)
Gross borrowings after derivatives	**9,149**	**8,706**	**6,597**
Current available for sale financial assets	(253)	(171)	(177)
Cash and cash equivalents	(4,091)	(3,226)	(2,187)
Net financial debt	**4,805**	**5,309**	**4,233**

Net financial debt does not take into consideration purchase commitments for minority interests included in "Other non-current liabilities" (see Note 20).

LVMH issued three fixed-rate bonds in 2014, in the amounts of 350 million pounds sterling, 650 million euros and 150 million Australian dollars, redeemable at par at their respective maturities in 2017, 2021 and 2019. At the time these bonds were issued, swaps were entered into that effectively converted them into floating-rate financing arrangements. The foreign currency-denominated issues are fully covered by euro-denominated swaps entered into at the time of their issue.

LVMH also issued a 300 million euro floating-rate bond maturing in 2019 and reopened its issues maturing in 2016 and 2019 for additional amounts of 150 million euros and 100 million euros.

In May 2014, LVMH redeemed its 1 billion euro bond issued in 2009 and reimbursed various bank borrowings in the amount of 600 million euros.

18.2. Analysis of gross borrowings

(EUR millions)	2014	2013 [1][2]	2012 [1]
Bonds and Euro Medium Term Notes (EMTNs)	4,794	3,866	3,337
Finance and other long-term leases	116	109	122
Bank borrowings	144	174	366
Long-term borrowings	**5,054**	**4,149**	**3,825**
Bonds and Euro Medium Term Notes (EMTNs)	925	1,013	696
Finance and other long-term leases	12	14	16
Bank borrowings	511	567	524
Commercial paper	2,004	2,348	1,212
Other borrowings and credit facilities	377	343	220
Bank overdrafts	308	310	207
Accrued interest	52	79	75
Short-term borrowings	**4,189**	**4,674**	**2,950**
Total borrowings	**9,243**	**8,823**	**6,775**

The market value of gross borrowings was 9,398 million euros as of December 31, 2014 (8,946 million euros as of December 31, 2013 and 6,955 million euros as of December 31, 2012).

As of December 31, 2014, 2013 and 2012, no amount of financial debt was recognized in accordance with the fair value option. See Note 1.20.

(1) The financial statements as of December 31, 2013 and 2012 have been restated to reflect the retrospective application as of January 1, 2012 of IFRS 11 Joint Arrangements. See Note 1.2.
(2) The consolidated balance sheet as of December 31, 2013 has been restated to reflect the finalized purchase price allocation for Loro Piana. See Note 2.

18.3. Bonds and EMTNs

Nominal amount *(in local currency)*	Date of issuance	Maturity	Initial effective interest rate [a] *(as %)*	2014 *(EUR millions)*	2013	2012
AUD 150,000,000	2014	2019	3.68	101	-	-
EUR 300,000,000	2014	2019	floating	300	-	-
EUR 650,000,000	2014	2021	1.12	657	-	-
GBP 350,000,000	2014	2017	1.83	454	-	-
EUR 600,000,000	2013	2020	1.89	596	594	-
EUR 600,000,000 [b]	2013	2019	1.25	608	490	-
EUR 650,000,000 [c]	2013	2016	floating	650	500	-
USD 850,000,000	2012	2017	1.75	701	616	653
EUR 500,000,000	2011	2018	4.08	512	518	521
EUR 500,000,000	2011	2015	3.47	504	515	527
EUR 1,000,000,000	2009	2014	4.52	-	1,013	1,036
EUR 250,000,000	2009	2015	4.59	255	260	267
EUR 150,000,000	2009	2017	4.81	161	162	167
CHF 200,000,000	2008	2015	4.04	166	163	166
CHF 300,000,000	2007	2013	3.46	-	-	253
Private placements in foreign currencies				54	48	443
Total bonds and EMTNs				**5,719**	**4,879**	**4,033**

(a) Before the impact of interest-rate hedges implemented when or after the bonds were issued.
(b) Cumulative amounts and weighted average initial effective interest rate based on a 500 million euro bond issued in 2013 at an initial effective interest rate of 1.38% plus an additional amount of 100 million euros when the issue was reopened in 2014 at an effective interest rate of 0.62%.
(c) Cumulative amounts based on a 500 million euro floating-rate bond issued in 2013 plus an additional floating-rate amount of 150 million euros issued in 2014.

18.4. Finance and other long-term leases

The amount of the Group's debt resulting from finance and other long-term lease agreements, which corresponds to the present value of future payments, breaks down as follows, by maturity:

(EUR millions)	2014		2013		2012	
	Minimum future payments	Present value of payments	Minimum future payments	Present value of payments	Minimum future payments	Present value of payments
Less than one year	19	18	21	19	23	21
One to five years	56	39	57	43	67	49
More than five years	320	71	294	61	329	69
Total minimum future payments	**395**		**372**		**419**	
Impact of discounting	(267)		(249)		(280)	
Total debt under finance and other long-term lease agreements	**128**	**128**	**123**	**123**	**139**	**139**

Assets financed or refinanced under finance or other long-term leases relate mainly to property assets or industrial machinery.

18.5. Analysis of gross borrowings by payment date and by type of interest rate

(EUR millions)		Gross borrowings			Effects of derivatives			Gross borrowings after derivatives	
	Fixed rate	Floating rate	Total	Fixed rate	Floating rate	Total	Fixed rate	Floating rate	Total
Maturity: 2015	3,696	493	4,189	(678)	649	(29)	3,018	1,142	4,160
2016	14	761	775	-	(4)	(4)	14	757	771
2017	1,387	-	1,387	(1,299)	1,268	(31)	88	1,268	1,356
2018	517	-	517	-	(5)	(5)	517	(5)	512
2019	713	300	1,013	(351)	340	(11)	362	640	1,002
2020	598	-	598	-	-	-	598	-	598
Thereafter	764	-	764	(651)	637	(14)	113	637	750
Total	**7,689**	**1,554**	**9,243**	**(2,979)**	**2,885**	**(94)**	**4,710**	**4,439**	**9,149**

See Note 22.4 regarding the market value of interest rate risk derivatives.

The breakdown by quarter of gross borrowings falling due in 2015 is as follows:

(EUR millions)	Falling due in 2015
First quarter	2,488
Second quarter	1,513
Third quarter	54
Fourth quarter	134
Total	**4,189**

18.6. Analysis of gross borrowings by currency after derivatives

(EUR millions)	2014	2013[1]	2012[1]
Euro	7,033	6,899	4,741
US dollar	226	106	151
Swiss franc	995	970	990
Japanese yen	229	222	266
Other currencies	666	509	449
Total	**9,149**	**8,706**	**6,597**

In general, the purpose of foreign currency borrowings is to hedge net foreign currency-denominated assets of consolidated companies located outside of the euro zone.

18.7. Sensitivity

On the basis of debt as of December 31, 2014:

- an instantaneous increase of 1% in the yield curves of the Group's debt currencies would raise the cost of net financial debt by 44 million euros after hedging, and would lower the market value of gross fixed-rate borrowings by 78 million euros after hedging;
- an instantaneous decline of 1% in these same yield curves would lower the cost of net financial debt by 44 million euros after hedging, and would raise the market value of gross fixed-rate borrowings by 78 million euros after hedging.

These changes would have no impact on the amount of equity as of December 31, 2014, due to the absence of hedging of future interest payments.

(1) The financial statements as of December 31, 2013 and 2012 have been restated to reflect the retrospective application as of January 1, 2012 of IFRS 11 Joint Arrangements. See Note 1.2.

18.8. Covenants

In connection with certain loan agreements, the Group has undertaken to comply with certain financial covenants. As of December 31, 2014, no significant loan agreements are concerned by those covenants.

18.9. Undrawn confirmed credit lines

As of December 31, 2014, unused confirmed credit lines totaled 3.4 billion euros.

18.10. Guarantees and collateral

As of December 31, 2014, borrowings secured by collateral were less than 200 million euros.

19. PROVISIONS

(EUR millions)	**2014**	**2013** [1][2]	**2012** [1]
Provisions for pensions, medical costs and similar commitments	640	452	520
Provisions for contingencies and losses	1,618	1,332	1,234
Provisions for reorganization	33	13	18
Non-current provisions	**2,291**	**1,797**	**1,772**
Provisions for pensions, medical costs and similar commitments	3	5	13
Provisions for contingencies and losses	314	291	282
Provisions for reorganization	15	28	40
Current provisions	**332**	**324**	**335**
Total	**2,623**	**2,121**	**2,107**

In fiscal year 2014, the changes in provisions were as follows:

(EUR millions)	**Dec. 31, 2013** [1][2]	**Increases**	**Amounts used**	**Amounts released**	**Changes in the scope of consolidation**	**Other items (including translation adjustment)**	**Dec. 31, 2014**
Provisions for pensions, medical costs and similar commitments	457	91	(88)	-	-	183	643
Provisions for contingencies and losses	1,623	489	(129)	(89)	-	38	1,932
Provisions for reorganization	41	30	(13)	(2)	-	(8)	48
Total	**2,121**	**610**	**(230)**	**(91)**	**-**	**213**	**2,623**
Of which: profit from recurring operations		*273*	*(199)*	*(60)*			
net financial income (expense)		*6*	*-*	*-*			
other		*331*	*(31)*	*(31)*			

(1) The financial statements as of December 31, 2013 and 2012 have been restated to reflect the retrospective application as of January 1, 2012 of IFRS 11 Joint Arrangements. See Note 1.2.
(2) The consolidated balance sheet as of December 31, 2013 has been restated to reflect the finalized purchase price allocation for Loro Piana. See Note 2.

Provisions for contingencies and losses correspond to the estimate of the impact on assets and liabilities of risks, disputes, or actual or probable litigation arising from the Group's activities; such activities are carried out worldwide, within what is often an imprecise regulatory framework that is different for each country, changes over time, and applies to areas ranging from product composition to the tax computation.

In particular, the Group's entities in France and abroad may be subject to tax inspections and, in certain cases, to rectification claims from local administrations. These rectification claims, together with any uncertain tax positions that have been identified but not yet officially reassessed, are subject to appropriate provisions, the amount of which is regularly reviewed in accordance with the criteria of IAS 37 Provisions and IAS 12 Income Taxes.

Provisions for retirement benefit obligations, contribution to medical costs and other employee benefit commitments are analyzed in Note 29.

20. OTHER NON-CURRENT LIABILITIES

(EUR millions)	2014	2013 (1)(2)	2012 (1)
Purchase commitments for minority interests	6,008	6,035	5,022
Derivatives (see Note 22)	16	51	41
Employee profit sharing	88	85	93
Other liabilities	335	233	300
Total	**6,447**	**6,404**	**5,456**

As of December 31, 2014, 2013 and 2012, purchase commitments for minority interests mainly include the put option granted to Diageo plc for its 34% share in Moët Hennessy, with six-months' advance notice and for 80% of the fair value of Moët Hennessy at the exercise date of the commitment. With regard to this commitment's valuation, the fair value was determined by applying the share price multiples of comparable firms to Moët Hennessy's consolidated operating results.

Moët Hennessy SNC and Moët Hennessy International SAS ("Moët Hennessy") hold the LVMH group's investments in the Wines and Spirits businesses, with the exception of the equity investments in Château d'Yquem, Château Cheval Blanc and Clos des Lambrays, and excluding certain Champagne vineyards.

Purchase commitments for minority interests also include commitments relating to minority shareholders in Loro Piana (20%, see Note 2), Ile de Beauté (35%), Heng Long (35%) and distribution subsidiaries in various countries, mainly in the Middle East. Minority interests in Benefit exercised their put option in 2012.

21. OTHER CURRENT LIABILITIES

(EUR millions)	2014	2013 (1)(2)	2012 (1)
Derivatives (see Note 22)	274	76	20
Employees and social institutions	1,110	1,007	922
Employee profit sharing	74	84	95
Taxes other than income taxes	458	405	359
Advances and payments on account from customers	184	158	116
Deferred payment for tangible and financial non-current assets	433	404	367
Deferred income	190	156	116
Other liabilities	776	697	565
Total	**3,499**	**2,987**	**2,560**

The present value of the other current liabilities is identical to their carrying amount.

(1) The financial statements as of December 31, 2013 and 2012 have been restated to reflect the retrospective application as of January 1, 2012 of IFRS 11 Joint Arrangements. See Note 1.2.
(2) The consolidated balance sheet as of December 31, 2013 has been restated to reflect the finalized purchase price allocation for Loro Piana. See Note 2.

22. FINANCIAL INSTRUMENTS AND MARKET RISK MANAGEMENT

22.1. Organization of foreign exchange, interest rate and equity market risk management

Financial instruments are mainly used by the Group to hedge risks arising from Group activity and protect its assets.

The management of foreign exchange and interest rate risk, in addition to transactions involving shares and financial instruments, are centralized.

The Group has implemented a stringent policy, as well as rigorous management guidelines to manage, measure, and monitor these market risks.

These activities are organized based on a segregation of duties between risk measurement, hedging (front office), administration (back office) and financial control.

The backbone of this organization is an integrated information system which allows hedging transactions to be monitored quickly.

The Group's hedging strategy is presented to the Audit Committee. Hedging decisions are made according to an established process that includes regular presentations to the Group's Executive Committee and detailed documentation.

Counterparties are selected based on their rating and in accordance with the Group's risk diversification strategy.

22.2. Presentation of financial assets and liabilities in the balance sheet

Breakdown and fair value of financial assets and liabilities according to the measurement categories defined by IAS 39

(EUR millions)	Notes	2014		2013		2012	
		Balance sheet value	Fair value [d]	Balance sheet value	Fair value [d]	Balance sheet value	Fair value [d]
Non-current available for sale financial assets	8	580	580	7,080	7,080	6,004	6,004
Current available for sale financial assets	13	253	253	171	171	177	177
Available for sale financial assets (see Note 1.15)		833	833	7,251	7,251	6,181	6,181
Other non-current assets, excluding derivatives	9	414	414	364	364	348	348
Trade accounts receivable	11	2,274	2,274	2,189	2,189	1,985	1,985
Other current assets [a]	12	1,046	1,046	901	901	925	925
Loans and receivables (see Note 1.17)		3,734	3,734	3,454	3,454	3,258	3,258
Cash and cash equivalents (see Note 1.18)	14	4,091	4,091	3,221	3,221	2,196	2,196
Financial assets, excluding derivatives		**8,658**	**8,658**	**13,926**	**13,926**	**11,635**	**11,635**
Long-term borrowings	18	5,054	5,206	4,159	4,256	3,836	3,977
Short-term borrowings	18	4,189	4,192	4,688	4,690	2,976	2,978
Trade accounts payable		3,606	3,606	3,308	3,308	3,134	3,134
Other non-current liabilities [b]	20	423	423	317	317	393	393
Other current liabilities [c]	21	3,035	3,035	2,773	2,773	2,459	2,459
Financial liabilities, excluding derivatives (see Note 1.20)		**16,307**	**16,462**	**15,245**	**15,344**	**12,798**	**12,941**
Derivatives (see Note 1.21)	22.3	**89**	**89**	**435**	**435**	**540**	**540**

(a) Excluding derivatives, available for sale financial assets and prepaid expenses.
(b) Excluding derivatives and purchase commitments for minority interests.
(c) Excluding derivatives and deferred income.
(d) See Note 1.9 on fair value measurement methods.

Breakdown of financial assets and liabilities measured at fair value by measurement method

(EUR millions)	2014			2013			2012		
	Available for sale financial assets	Derivatives	Cash and cash equivalents	Available for sale financial assets	Derivatives	Cash and cash equivalents	Available for sale financial assets	Derivatives	Cash and cash equivalents
Valuation based on [a]:									
Published price quotations	391	-	4,091	6,789	-	3,221	5,761	-	2,196
Formula based on market data	187	379	-	135	562	-	131	601	-
Private quotations	255	-	-	327	-	-	289	-	-
Assets	**833**	**379**	**4,091**	**7,251**	**562**	**3,221**	**6,181**	**601**	**2,196**
Valuation based on [1]:	-	-	-	-	-	-	-	-	-
Published price quotations	-	-	-	-	-	-	-	-	-
Formula based on market data	-	290	-	-	127	-	-	61	-
Private quotations	-	-	-	-	-	-	-	-	-
Liabilities	**-**	**290**	**-**	**-**	**127**	**-**	**-**	**61**	**-**

(a) See Note 1.9 for information on the valuation approaches used.

Derivatives used by the Group are measured at fair value according to generally accepted models and on the basis of observable market data. The counterparty risk associated with these derivatives (i.e. the credit valuation adjustment) is assessed on the basis of credit spreads from observable market data, as well as on the basis of the derivatives' market value adjusted by flat-rate add-ons depending on the type of underlying and the maturity of the derivative.

The amount of financial assets valued on the basis of private quotations changed as follows in 2014:

(EUR millions)	2014
As of January 1	**327**
Acquisitions	18
Disposals (at net realized value)	(139)
Gains and losses recognized in income statement	(8)
Gains and losses recognized in equity	70
Reclassifications	(13)
As of December 31	**255**

(1) The financial statements as of December 31, 2013 and 2012 have been restated to reflect the retrospective application as of January 1, 2012 of IFRS 11 Joint Arrangements. See Note 1.2.

22.3. Summary of derivatives

Derivatives are recorded in the balance sheet for the amounts and in the captions detailed as follows:

(EUR millions)			Notes	2014	2013	2012
Interest rate risk	Assets:	non-current		61	67	131
		current		42	68	56
	Liabilities:	non-current		(3)	(9)	(1)
		current		(6)	(9)	(8)
			22.3	**94**	**117**	**178**
Foreign exchange risk	Assets:	non-current		14	1	17
		current		217	389	369
	Liabilities:	non-current		(13)	(42)	(40)
		current		(268)	(60)	(9)
			22.4	**(50)**	**288**	**337**
Other risks	Assets:	non-current		-	-	28
		current		45	37	-
	Liabilities:	non-current		-	-	-
		current		-	(7)	(3)
				45	**30**	**25**
Total	Assets:	non-current	9	75	68	176
		current	12	304	494	425
	Liabilities:	non-current	20	(16)	(51)	(41)
		current	21	(274)	(76)	(20)
				89	**435**	**540**

22.4. Derivatives used to manage interest rate risk

The aim of the Group's debt management policy is to adapt the debt maturity profile to the characteristics of the assets held, to contain borrowing costs, and to protect net profit from the effects of significant changes in interest rates.

As such, the Group uses interest rate swaps and options.

Derivatives used to manage interest rate risk outstanding as of December 31, 2014 break down as follows:

(EUR millions)	Nominal amounts by maturity				Market value [a] [b]		
	Less than one year	One to five years	More than five years	Total	Fair value hedges	Not allocated	Total
Interest rate swaps in euros, floating rate payer	750	400	650	1,800	80	-	80
Foreign currency swaps	72	2,773	-	2,845	14	-	14
Other interest rate risk derivatives	-	500	-	500	-	-	-
Total					**94**	**-**	**94**

(a) Gain/(Loss).
(b) See Note 1.9 regarding the methodology used for market value measurement.

22.5. Derivatives used to manage foreign exchange risk

A significant part of Group companies' sales to customers and to their own retail subsidiaries as well as certain purchases are denominated in currencies other than their functional currency; the majority of these foreign currency-denominated cash flows are inter-company cash flows. Hedging instruments are used to reduce the risks arising from the fluctuations of currencies against the exporting and importing companies' functional currencies and are allocated to either accounts receivable or accounts payable (fair value hedges) for the fiscal year, or to transactions anticipated for future periods (cash flow hedges).

Future foreign currency-denominated cash flows are broken down as part of the budget preparation process and are hedged progressively over a period not exceeding one year unless a longer period is justified by probable commitments. As such, and according to market trends, identified foreign exchange risks are hedged using forward contracts or options.

In addition, the Group may also use appropriate financial instruments to hedge the net worth of subsidiaries outside the euro zone, in order to limit the impact of foreign currency fluctuations against the euro on consolidated equity.

Derivatives used to manage foreign exchange risk outstanding as of December 31, 2014 break down as follows:

(EUR millions)	Nominal amounts by fiscal year of allocation				Market value [a] [b]				
	2014	2015	Beyond	Total	Fair value hedges	Future cash flow hedges	Foreign currency net investment hedges	Not allocated	Total
Options purchased									
Put USD	325	1,335	-	1,660	-	2	-	-	2
Put JPY	30	13	-	43	1	-	-	-	1
Put GBP	2	12	-	14	-	-	-	-	-
Other	6	-	-	6	1	-	-	1	2
	363	**1,360**	**-**	**1,723**	**2**	**2**	**-**	**1**	**5**
Collars									
Written USD	17	2,781	357	3,155	-	(40)	-	-	(40)
Written JPY	14	609	-	623	-	34	-	-	34
Written Other	25	226	-	251	-	-	-	-	-
	56	**3,616**	**357**	**4,029**	**-**	**(6)**	**-**	**-**	**(6)**
Forward exchange contracts [c]									
USD	175	(32)	-	143	(2)	4	-	-	2
CHF	68	309	-	377	-	2	-	-	2
GBP	9	28	-	37	-	(1)	-	-	(1)
Other	32	(16)	-	16	7	2	-	1	10
	284	**289**	**-**	**573**	**5**	**7**	**-**	**1**	**13**
Foreign exchange swaps [c]									
USD	3,346	(63)	-	3,283	(67)	-	(41)	24	(84)
CHF	402	-	-	402	-	-	(7)	-	(7)
GBP	174	(5)	-	169	(1)	-	-	10	9
JPY	297	-	-	297	2	-	(1)	-	1
HKD	73	-	-	73	33	-	(38)	-	(5)
Other	217	(19)	43	241	10	-	-	14	24
	4,509	**(87)**	**43**	**4,465**	**(23)**	**-**	**(87)**	**48**	**(62)**
Total					**(16)**	**3**	**(87)**	**50**	**(50)**

(a) Gain/(Loss).
(b) See Note 1.9 regarding the methodology used for market value measurement.
(c) Sale/(Purchase).

The impact on the income statement of gains and losses on hedges of future cash flows as well as the future cash flows hedged, using these instruments, will be recognized in 2015; the amount will depend on exchange rates at this date. The impacts on the net profit for fiscal year 2014 of a 10% change in the value of the US dollar, the Japanese yen, the Swiss franc and the Hong Kong dollar against the euro, including impact of foreign currency hedges outstanding during the period, compared with the rates applying to transactions in 2014, would have been as follows:

(EUR millions)	US dollar		Japanese yen		Swiss franc		Hong Kong dollar	
	+10%	-10%	+10%	-10%	+10%	-10%	+10%	-10%
Impact of:								
- change in exchange rates of cash receipts in respect of foreign currency-denominated sales	48	89	(6)	(10)	-	-	(1)	2
- conversion to euro of net profit of entities outside the euro zone	68	(68)	13	(13)	16	(16)	33	(33)
Impact on net profit	**116**	**21**	**7**	**(23)**	**16**	**(16)**	**32**	**(31)**

The data presented in the table above should be assessed on the basis of the characteristics of the hedging instruments outstanding in fiscal year 2014, mainly comprising options and collars.

As of December 31, 2014, forecast cash collections for 2015 in US dollars and Japanese yen are both hedged in the proportion of 79%.

The Group's net equity (excluding net profit) exposure to foreign currency fluctuations as of December 31, 2014 is assessed by measuring the effect of a 10% change in the value of the US dollar, the Japanese yen, the Swiss franc and the Hong Kong dollar against the euro compared to the rates applying as of the same date:

(EUR millions)	US dollar		Japanese yen		Swiss franc		Hong Kong dollar	
	+10%	-10%	+10%	-10%	+10%	-10%	+10%	-10%
Conversion of foreign-currency denominated net assets	294	(294)	27	(27)	247	(247)	208	(208)
Change in market value of net investment hedges, after tax	(356)	207	(28)	56	(113)	92	(101)	84
Net impact on equity, excluding net profit	**(62)**	**(87)**	**(1)**	**29**	**134**	**(155)**	**107**	**(124)**

22.6. Financial instruments used to manage other risks

The Group's investment policy is designed to take advantage of a long-term investment horizon. Occasionally, the Group may invest in equity-based financial instruments with the aim of enhancing the dynamic management of its investment portfolio.

The Group is exposed to risks of share price changes either directly, as a result of its holding of equity investments and current available for sale financial assets, or indirectly, as a result of its holding of funds which are themselves partially invested in shares.

The Group may also use equity-based derivatives to create synthetically an economic exposure to certain assets, or to hedge cash-settled compensation plans index-linked to the LVMH share price. The carrying amount of these unlisted financial instruments corresponds to the estimate of the amount, provided by the counterparty, of the valuation at the balance sheet date. The valuation of financial instruments thus takes into consideration market parameters such as interest rates and share prices. As of December 31, 2014, derivatives used to manage equity risk with an impact on the Group's net profit have a market value of 44 million euros. Considering nominal values of 20 million euros for those derivatives, a uniform 1% change in their underlying assets' share prices as of December 31, 2014 would include a net impact on the Group's profit of less than 0.4 million euros. These instruments mature in 2015.

The Group, mainly through its Watches and Jewelry business group, may be exposed to changes in the prices of certain precious metals, such as gold. In certain cases, in order to ensure visibility with regard to production costs, hedges may be implemented. This is achieved either by negotiating the forecast price of future deliveries of alloys with precious metal refiners, or the price of semi-finished products with producers; or directly by purchasing hedges from top-ranking banks. In the latter case, gold may be purchased from banks, or future and/or options contracts may be taken out with a physical delivery of the gold. Derivatives outstanding relating to the hedging of precious metal prices as of December 31, 2014 have a positive market value of 1.1 million euros. Considering nominal values of 51 million euros for those derivatives, a uniform 1% change in their underlying assets' prices as of December 31, 2014 would have a net impact on the Group's consolidated reserves in an amount of less than 0.5 million euros. These instruments mature in 2015 and 2016.

22.7. Liquidity risk

In addition to local liquidity risks, which are generally immaterial, the Group's exposure to liquidity risk can be assessed in relation to the amount of its short-term borrowings excluding derivatives, net of cash and cash equivalents, i.e. 1.0 billion euros as of December 31, 2014, or through the outstanding amount of its commercial paper program, i.e. 2.0 billion euros. Should any of these instruments not be renewed, the Group has access to undrawn confirmed credit lines totaling 3.4 billion euros.

The Group's liquidity is based on the amount of its investments, its capacity to raise long-term borrowings, the diversity of its investor base (short-term paper and bonds), and the quality of its banking relationships, whether evidenced or not by confirmed lines of credit.

The following table presents the contractual schedule of disbursements for financial liabilities (excluding derivatives) recognized as of December 31, 2014, at nominal value and with interest, excluding discounting effects:

(EUR millions)	2015	2016	2017	2018	2019	Over 5 years	Total
Bonds and EMTNs	1,004	579	1,365	534	1,028	1,281	5,791
Bank borrowings	522	66	66	2	1	12	669
Other borrowings and credit facilities	378	-	-	-	-	-	378
Finance and other long-term leases	19	15	15	13	13	320	395
Commercial paper	2,004	-	-	-	-	-	2,004
Bank overdrafts	307	-	-	-	-	-	307
Gross financial debt	**4,234**	**660**	**1,446**	**549**	**1,042**	**1,613**	**9,544**
Other liabilities, current and non-current [a]	3,035	260	-	-	-	-	3,295
Trade accounts payable	3,606	-	-	-	-	-	3,606
Other financial liabilities	**6,641**	**260**	**-**	**-**	**-**	**-**	**6 901**
Total financial liabilities	**10,875**	**920**	**1,446**	**549**	**1,042**	**1 613**	**16,445**

(a) Corresponds to "Other current liabilities" (excluding derivatives, purchase commitments for minority interest and deferred income) for 3,035 million euros and to "Other non-current liabilities" (excluding derivatives, purchase commitments for minority interests and deferred income of 163 million euros as of December 31, 2014) for 260 million euros. See Note 22.2.

See Note 30.3 regarding contractual maturity dates of collateral and other guarantees commitments. See Notes 18.6 and 22.5 regarding foreign exchange derivatives and Note 22.4 regarding interest rate risk derivatives.

23. SEGMENT INFORMATION

The Group's brands and trade names are organized into six business groups. Four business groups – Wines and Spirits, Fashion and Leather Goods, Perfumes and Cosmetics, Watches and Jewelry – comprise brands dealing with the same category of products that use similar production and distribution processes. The Selective Retailing business comprises the Group's own-label retailing activities. Other activities and holding companies comprise brands and businesses that are not associated with any of the above mentioned business groups, most often relating to the Group's new businesses and holding or real estate companies.

23.1. Information by business group

Fiscal year 2014

(EUR millions)	Wines and Spirits	Fashion and Leather Goods	Perfumes and Cosmetics	Watches and Jewelry	Selective Retailing	Other and holding companies	Eliminations and not allocated [a]	Total
Sales outside the Group	3,945	10,796	3,368	2,720	9,511	298	-	30,638
Intra-Group sales	28	32	548	62	23	14	(707)	-
Total revenue	**3,973**	**10,828**	**3,916**	**2,782**	**9,534**	**312**	**(707)**	**30,638**
Profit from recurring operations	1,147	3,189	415	283	882	(162)	(39)	5,715
Other operating income and expenses	(34)	(110)	(14)	1	(74)	(53)	-	(284)
Depreciation and amortization expense	(119)	(555)	(149)	(171)	(296)	(41)	-	(1,331)
Impairment expense	(22)	(71)	(9)	(1)	(85)	(34)	-	(222)
Intangible assets and goodwill [b]	3,758	7,242	1,183	5,635	3,161	862	-	21,841
Property, plant and equipment	2,339	2,165	477	425	1,415	3,566	-	10,387
Inventories	4,567	1,561	398	1,244	1,668	239	(202)	9,475
Other operating assets	1,340	781	664	635	668	608	6,963 [c]	11,659
Total assets	**12,004**	**11,749**	**2,722**	**7,939**	**6,912**	**5,275**	**6,761**	**53,362**
Equity	-	-	-	-	-	-	23,003	23,003
Liabilities	1,461	2,265	1,325	743	2,053	932	21,580 [d]	30,359
Total liabilities and equity	**1,461**	**2,265**	**1,325**	**743**	**2,053**	**932**	**44,583**	**53,362**
Operating investments [e]	(152)	(585)	(221)	(191)	(389)	(237)	-	(1,775)

Fiscal year 2013

(EUR millions)	Wines and Spirits	Fashion and Leather Goods	Perfumes and Cosmetics	Watches and Jewelry	Selective Retailing	Other and holding companies	Eliminations and not allocated [a]	Total
Sales outside the Group	4,146	9,834	3,230	2,646	8,880	280	-	29,016
Intra-Group sales	27	49	487	51	23	15	(652)	-
Total revenue [1]	**4,173**	**9,883**	**3,717**	**2,697**	**8,903**	**295**	**(652)**	**29,016**
Profit from recurring operations [1]	1,367	3,135	414	367	908	(172)	(2)	6,017
Other operating income and expenses [1]	(4)	(63)	(6)	2	(5)	(43)	-	(119)
Depreciation and amortization expense [1]	(109)	(448)	(128)	(139)	(261)	(39)	-	(1,124)
Impairment expense [1]	1	(50)	(1)	-	(7)	(12)	-	(69)
Intangible assets and goodwill [b] [1] [2]	3,948	7,213	1,068	5,572	2,989	864	-	21,654
Property, plant and equipment [1] [2]	2,182	2,031	404	390	1,313	3,301	-	9,621
Inventories [1] [2]	4,242	1,371	356	1,079	1,438	160	(154)	8,492
Other operating assets [1] [2]	1,384	738	590	650	552	674	11,822 [c]	16,409
Total assets	**11,756**	**11,353**	**2,418**	**7,691**	**6,292**	**4,999**	**11,668**	**56,176**
Equity [2]	-	-	-	-	-	-	27,907	27,907
Liabilities [1] [2]	1,296	2,128	1,130	713	1,814	712	20,477 [d]	28,269
Total liabilities and equity	**1,296**	**2,128**	**1,130**	**713**	**1,814**	**712**	**48,384**	**56,176**
Operating investments [e] [1]	(186)	(629)	(229)	(187)	(389)	(37)	-	(1,657)

(1) The financial statements as of December 31, 2013 and 2012 have been restated to reflect the retrospective application as of January 1, 2012 of IFRS 11 Joint Arrangements. See Note 1.2.
(2) The consolidated balance sheet as of December 31, 2013 has been restated to reflect the finalized purchase price allocation for Loro Piana. See Note 2.

Fiscal year 2012

(EUR millions)	Wines and Spirits	Fashion and Leather Goods	Perfumes and Cosmetics	Watches and Jewelry	Selective Retailing	Other and holding companies	Eliminations and not allocated [a]	Total
Sales outside the Group	4,102	9,872	3,168	2,693	7,819	316	-	27,970
Intra-Group sales	20	54	445	57	24	16	(616)	-
Total revenue [1]	**4,122**	**9,926**	**3,613**	**2,750**	**7,843**	**332**	**(616)**	**27,970**
Profit from recurring operations [1]	1,256	3,257	408	336	860	(159)	(34)	5,924
Other operating income and expenses [1]	(13)	(108)	(7)	(8)	(19)	(27)	-	(182)
Depreciation and amortization expense [1]	(99)	(414)	(111)	(117)	(227)	(41)	-	(1,009)
Impairment expense [1]	(1)	(81)	(1)	-	(3)	(15)	-	(101)
Intangible assets and goodwill [b] [1]	3,718	4,852	1,032	5,566	3,042	821	-	19,031
Property, plant and equipment [1]	1,881	1,767	312	369	1,243	3,122	-	8,694
Inventories [1]	3,998	1,158	339	1,147	1,411	101	(160)	7,994
Other operating assets [1]	1,303	644	578	674	531	689	9,712 [c]	14,131
Total assets	**10,900**	**8,421**	**2,261**	**7,756**	**6,227**	**4,733**	**9,552**	**49,850**
Equity	-	-	-	-	-	-	25,508	25,508
Liabilities [1]	1,249	1,870	1,098	723	1,779	676	16,947 [d]	24,342
Total liabilities and equity	**1,249**	**1,870**	**1,098**	**723**	**1,779**	**676**	**42,455**	**49,850**
Operating investments [e] [1]	(180)	(580)	(196)	(131)	(330)	(277)	-	(1,694)

(a) Eliminations correspond to sales between business groups; these generally consist of sales from business groups other than Selective Retailing to Selective Retailing. Selling prices between the different business groups correspond to the prices applied in the normal course of business for sales transactions to wholesalers or distributors outside the Group.
(b) Intangible assets and goodwill correspond to the net carrying amounts shown under Notes 3 and 4.
(c) Assets not allocated include available for sale financial assets, other financial assets, and income tax receivables. As of December 31, 2013, they included the 23.2% shareholding in Hermès International, representing an amount of 6,437 million euros (5,409 million euros as of December 31, 2012). The Hermès shares were distributed as an exceptional distribution in kind on December 17, 2014; see Note 8.
(d) Liabilities not allocated include financial debt and both current and deferred tax liabilities.
(e) Increase/(Decrease) in cash and cash equivalents.

23.2. Information by geographic region

Revenue by geographic region of delivery breaks down as follows:

(EUR millions)	2014	2013 [1]	2012 [1]
France	3,212	3,118	3,083
Europe (excluding France)	5,830	5,453	5,397
United States	7,262	6,640	6,377
Japan	2,107	2,057	2,351
Asia (excluding Japan)	8,740	8,647	7,876
Other	3,487	3,101	2,886
Revenue	**30,638**	**29,016**	**27,970**

(1) The financial statements as of December 31, 2013 and 2012 have been restated to reflect the retrospective application as of January 1, 2012 of IFRS 11 Joint Arrangements. See Note 1.2.

Operating investments by geographic region are as follows:

(EUR millions)	2014	2013 [1]	2012 [1]
France	651	585	647
Europe (excluding France)	326	313	287
United States	255	238	281
Japan	50	70	68
Asia (excluding Japan)	387	339	323
Other	106	112	88
Operating investments	**1,775**	**1,657**	**1,694**

No geographic breakdown of segment assets is provided since a significant portion of these assets consists of brands and goodwill, which must be analyzed on the basis of the revenue generated by these assets in each region, and not in relation to the region of their legal ownership.

23.3. Quarterly information

Quarterly sales by business group break down as follows:

(EUR millions)	Wines and Spirits	Fashion and Leather Goods	Perfumes and Cosmetics	Watches and Jewelry	Selective Retailing	Other and holding companies	Eliminations	Total
First quarter	888	2,639	941	607	2,222	78	(169)	7,206
Second quarter	789	2,391	898	659	2,160	74	(168)	6,803
Third quarter	948	2,647	961	706	2,234	65	(173)	7,388
Fourth quarter	1,348	3,151	1,116	810	2,918	95	(197)	9,241
Total 2014	**3,973**	**10,828**	**3,916**	**2,782**	**9,534**	**312**	**(707)**	**30,638**
First quarter	967	2,383	932	608	2,113	72	(162)	6,913
Second quarter	828	2,328	872	667	2,085	96	(157)	6,719
Third quarter	1,032	2,428	879	655	2,093	56	(153)	6,990
Fourth quarter	1,346	2,744	1,034	767	2,612	71	(180)	8,394
Total 2013 [1]	**4,173**	**9,883**	**3,717**	**2,697**	**8,903**	**295**	**(652)**	**29,016**
First quarter	918	2,375	899	615	1,813	83	(152)	6,551
Second quarter	831	2,282	829	690	1,759	99	(139)	6,351
Third quarter	1,006	2,523	898	669	1,855	67	(145)	6,873
Fourth quarter	1,367	2,746	987	776	2,416	83	(180)	8,195
Total 2012 [1]	**4,122**	**9,926**	**3,613**	**2,750**	**7,843**	**332**	**(616)**	**27,970**

(1) The financial statements as of December 31, 2013 and 2012 have been restated to reflect the retrospective application as of January 1, 2012 of IFRS 11 Joint Arrangements. See Note 1.2.

24. REVENUE AND EXPENSES BY NATURE

24.1. Analysis of revenue

Revenue consists of the following:

(EUR millions)	2014	2013 [1]	2012 [1]
Revenue generated by brands and trade names	30,159	28,562	27,517
Royalties and license revenue	131	159	160
Income from investment property	39	28	39
Other revenue	309	265	255
Total	**30,638**	**29,014**	**27,971**

The portion of total revenue generated by the Group at its own stores was approximately 64% in 2014 (63% in 2013 and 60% in 2012), i.e. 19,564 million euros in 2014 (18,230 million euros in 2013 and 16,905 million euros in 2012).

24.2. Expenses by nature

Profit from recurring operations includes the following expenses:

(EUR millions)	2014	2013 [1]	2012 [1]
Advertising and promotion expenses	3,484	3,310	3,251
Commercial lease expenses	2,742	2,471	1,924
Personnel costs	5,455	4,980	4,759
Research and development expenses	79	71	68

Advertising and promotion expenses mainly consist of the cost of media campaigns and point-of-sale advertising, and also include personnel costs dedicated to this function.

As of December 31, 2014, a total of 3,708 stores were operated by the Group worldwide (3,384 in 2013, 3,204 in 2012), particularly by Fashion and Leather Goods and Selective Retailing.

In certain countries, leases for stores entail the payment of both minimum amounts and variable amounts, especially for stores with lease payments indexed to revenue. The total lease expense for the Group's stores breaks down as follows:

(EUR millions)	2014	2013 [1]	2012 [1]
Fixed or minimum lease payments	1,288	1,078	855
Variable portion of indexed leases	412	413	406
Airport concession fees – fixed portion or minimum amount	557	537	214
Airport concession fees – variable portion	485	443	449
Commercial lease expenses	**2,742**	**2,471**	**1,924**

Personnel costs consist of the following elements:

(EUR millions)	2014	2013 [1]	2012 [1]
Salaries and social charges	5,323	4,858	4,622
Pensions, contribution to medical costs and expenses in respect of defined benefit plans	93	88	83
Stock option plan and related expenses	39	34	54
Personnel costs	**5,455**	**4,980**	**4,759**

(1) The financial statements as of December 31, 2013 and 2012 have been restated to reflect the retrospective application as of January 1, 2012 of IFRS 11 Joint Arrangements. See Note 1.2.

25. OTHER OPERATING INCOME AND EXPENSES

(EUR millions)	2014	2013 [1]	2012 [1]
Net gains (losses) on disposals of fixed assets	1	7	(4)
Restructuring costs	(36)	(14)	(28)
Transaction costs relating to the acquisition of consolidated companies	(8)	(21)	(3)
Impairment or amortization of brands, trade names, goodwill and other property	(246)	(88)	(139)
Other items, net	5	(3)	(8)
Other operating income and expenses	**(284)**	**(119)**	**(182)**

Impairment and amortization expenses recorded in 2014 and 2013 were mostly for brands and goodwill.

In 2012, this also included, in addition to impairments of brands and goodwill, impairment of property, plant and equipment for 74 million euros.

26. NET FINANCIAL INCOME/(EXPENSE)

(EUR millions)	2014	2013 [1]	2012 [1]
Borrowing costs	(144)	(138)	(162)
Income from cash, cash equivalents and current available for sale financial assets	30	30	26
Fair value adjustment of borrowings and interest rate hedges	(1)	7	(2)
Cost of net financial debt	**(115)**	**(101)**	**(138)**
Dividends received from non-current available for sale financial assets	74	71	174
Ineffective portion of foreign currency hedges	(238)	(159)	(49)
Net gain/(loss) related to available for sale financial assets and other financial instruments	3,263	23	31
Other items, net	(37)	(32)	(30)
Other financial income/(expenses)	**3,062**	**(97)**	**126**
Net financial income/(expense)	**2,947**	**(198)**	**(12)**

Income from cash, cash equivalents and current available for sale financial assets comprises the following items:

(EUR millions)	2014	2013 [1]	2012 [1]
Income from cash and cash equivalents	18	20	17
Interest from current available for sale financial assets	12	10	9
Income from cash, cash equivalents and current available for sale financial assets	**30**	**30**	**26**

The revaluation effects of financial debt and interest rate derivatives are attributable to the following items:

(EUR millions)	2014	2013 [1]	2012 [1]
Hedged financial debt	(7)	65	(22)
Hedging instruments	7	(61)	16
Unallocated derivatives	(1)	3	4
Effects of revaluation of financial debt and interest rate instruments	**(1)**	**7**	**(2)**

(1) The financial statements as of December 31, 2013 and 2012 have been restated to reflect the retrospective application as of January 1, 2012 of IFRS 11 Joint Arrangements. See Note 1.2.

The ineffective portion of exchange rate derivatives breaks down as follows:

(EUR millions)	2014	2013 [1]	2012 [1]
Financial cost of commercial foreign exchange hedges	(222)	(146)	(38)
Financial cost of foreign-currency denominated net investment hedges	6	(6)	9
Change in the market value and financial cost of financial derivatives and unallocated derivatives	(22)	(7)	(20)
Ineffective portion of foreign exchange derivatives	**(238)**	**(159)**	**(49)**

In 2014, income from available for sale financial assets and other financial instruments consisted mainly of the 3,189 million euro capital gain recognized following the exceptional distribution in kind of Hermès shares. See Note 8.

In 2013 and 2012, the net gain/(loss) related to available for sale financial assets and other financial instruments was due to changes in market performance and the recognition of impairment losses on current and non-current available for sale financial assets.

In 2012, dividends received in respect of non-current available for sale financial assets included an exceptional dividend received from Hermès International SCA in the amount of 120 million euros (5 euros per share).

27. INCOME TAXES

27.1. Analysis of the income tax expense

(EUR millions)	2014	2013 [1]	2012 [1]
Current income taxes for the fiscal year	(2,458)	(1,958)	(2,039)
Current income taxes relating to previous fiscal years	30	13	20
Current income taxes	**(2,428)**	**(1,945)**	**(2,019)**
Change in deferred income taxes	153	185	198
Impact of changes in tax rates on deferred taxes	2	7	-
Deferred income taxes	**155**	**192**	**198**
Total tax expense per income statement	**(2,273)**	**(1,753)**	**(1,821)**
Tax on items recognized in equity	**406**	**(249)**	**(73)**

In 2014, the current income tax expense included 512 million euros in taxes relating to the exceptional distribution in kind of Hermès shares. See Note 8.

Total income tax expense for the fiscal year includes 54 million euros (41 million euros in 2013; 30 million euros in 2012) in respect of the exceptional contribution applicable in France from 2011 to 2014 (10.7% of the corporate income tax due for fiscal year 2013, 5% of the corporate income tax due for fiscal year 2012).

(1) The financial statements as of December 31, 2013 and 2012 have been restated to reflect the retrospective application as of January 1, 2012 of IFRS 11 Joint Arrangements. See Note 1.2.

27.2. Analysis of net deferred tax on the balance sheet

Net deferred taxes on the balance sheet include the following assets and liabilities:

(EUR millions)	2014	2013 [1]	2012 [1]
Deferred tax assets	1,436	913	952
Deferred tax liabilities	(4,392)	(4,280)	(3,884)
Net deferred tax asset (liability)	**(2,956)**	**(3,367)**	**(2,932)**

27.3. Analysis of the difference between the theoretical and effective income tax rates

The effective tax rate is as follows:

(EUR millions)	2014	2013 [1]	2012 [1]
Profit before tax	8,378	5,700	5,730
Total income tax expense	(2,273)	(1,753)	(1,821)
Effective tax rate	**27.1%**	**30.8%**	**31.8%**

The theoretical income tax rate, defined as the rate applicable in law to the Group's French companies, including social contribution of 3.3%, may be reconciled as follows to the effective income tax rate disclosed in the consolidated financial statements:

(as % of income before tax)	2014	2013	2012
French statutory tax rate	**34.4**	**34.4**	**34.4**
Changes in tax rates	-	(0.1)	-
Differences in tax rates for foreign companies	(5.4)	(5.7)	(5.8)
Tax losses and tax loss carry forwards, and other changes in deferred tax	(0.3)	(1.2)	-
Differences between consolidated and taxable income, and income taxable at reduced rates, excluding the effect of the distribution of Hermès shares	3.0	1.8	1.6
Effect of the distribution of Hermès shares	(6.8)	-	-
Tax on distribution [a]	2.2	1.6	1.6
Effective tax rate of the Group	**27.1**	**30.8**	**31.8**

(a) Tax on distribution is mainly related to intra-Group dividends. As from 2012, it also includes the 3% tax on dividends paid by LVMH SE.

27.4. Sources of deferred taxes

In the income statement [a]

(EUR millions)	2014	2013 [1]	2012 [1]
Valuation of brands	(5)	24	8
Other revaluation adjustments	(3)	2	6
Gains and losses on available for sale financial assets	(1)	4	(2)
Gains and losses on hedges of future foreign currency cash flows	45	6	(16)
Provisions for contingencies and losses [b]	104	74	-
Intercompany margin included in inventories	48	33	148
Other consolidation adjustments [b]	(11)	41	80
Losses carried forward	(22)	8	(26)
Total	**155**	**192**	**198**

(a) Income/(Expenses).
(b) Mainly tax-driven provisions, accelerated tax depreciation and finance lease.

(1) The financial statements as of December 31, 2013 and 2012 have been restated to reflect the retrospective application as of January 1, 2012 of IFRS 11 Joint Arrangements. See Note 1.2.

In equity [a]

(EUR millions)	2014	2013 [1]	2012 [1]
Fair value adjustment of vineyard land	5	(127)	(28)
Gains and losses on available for sale financial assets	188	(65)	(5)
Gains and losses on hedges of future foreign currency cash flows	55	(17)	(50)
Gains and losses on employee benefit commitments	52	(22)	29
Total	**300**	**(231)**	**(54)**

(a) Gains/(Losses).

In the balance sheet [a]

(EUR millions)	2014	2013 [1][2]	2012 [1][2]
Valuation of brands	(3,567)	(3,479)	(3,124)
Fair value adjustment of vineyard land	(735)	(720)	(595)
Other revaluation adjustments	(371)	(379)	(374)
Gains and losses on available for sale financial assets	(23)	(207)	(150)
Gains and losses on hedges of future foreign currency cash flows	35	(33)	(24)
Provisions for contingencies and losses [b]	447	309	291
Intercompany margin included in inventories	712	654	579
Other consolidation adjustments [b]	517	432	417
Losses carried forward	29	56	48
Total	**(2,956)**	**(3,367)**	**(2,932)**

(a) Asset/(Liability).
(b) Mainly tax-driven provisions, accelerated tax depreciation and finance leases.

27.5. Losses carried forward

As of December 31, 2014, unused tax loss carryforwards and tax credits, for which no deferred tax assets were recognized, had a potential positive impact on the future tax expense of 282 million euros (249 million euros in 2013, 280 million euros in 2012).

27.6. Tax consolidation

- Tax consolidation agreements in France allow virtually all French companies of the Group to combine their taxable profits to calculate the overall tax expense for which only the parent company is liable. This tax consolidation agreement generated a decrease in the current tax expense of 189 million euros in 2014 (59 million euros in 2013, 66 million euros in 2012).
- The application of other tax consolidation agreements, notably in the United States, generated current tax savings of 33 million euros in 2014 (16 million euros in 2013, 34 million euros in 2012).

(1) The financial statements as of December 31, 2013 and 2012 have been restated to reflect the retrospective application as of January 1, 2012 of IFRS 11 Joint Arrangements. See Note 1.2.
(2) The consolidated balance sheet as of December 31, 2013 has been restated to reflect the finalized purchase price allocation for Loro Piana. See Note 2.

28. EARNINGS PER SHARE

	2014	2013	2012
Net profit, Group share *(EUR millions)*	**5,648**	**3,436**	**3,425**
Average number of shares in circulation during the fiscal year	507,978,312	507,997,567	508,041,429
Average number of treasury shares owned during the fiscal year	(6,668,943)	(7,714,153)	(8,907,786)
Average number of shares on which the calculation before dilution is based	**501,309,369**	**500,283,414**	**499,133,643**
Basic Group share of profit per share *(EUR)*	**11.27**	**6.87**	**6.86**
Average number of shares on which the above calculation is based	501,309,369	500,283,414	499,133,643
Dilution effect of stock option plans	2,552,364	2,934,083	3,096,309
Other dilution effects	-	-	-
Average number of shares on which the calculation after dilution is based	**503,861,733**	**503,217,497**	**502,229,952**
Diluted Group share of profit per share *(EUR)*	**11.21**	**6.83**	**6.82**

The impact of the distribution in kind of Hermès shares on the Group's net profit (see Note 8) was 2,677 million euros, i.e 5.34 euros per share (5.31 euros after dilution).

As of December 31, 2014, all of the instruments in circulation that may dilute earnings per share have been taken into consideration when determining the impact of dilution, given that all of the outstanding subscription options are considered to be available to be exercised at that date, since the LVMH share price is higher than the exercise price of these options.

No events occurred between December 31, 2014 and the date on which the financial statements were approved for publication that would have significantly affected the number of shares outstanding or the potential number of shares.

29. PROVISIONS FOR PENSIONS, CONTRIBUTION TO MEDICAL COSTS AND OTHER EMPLOYEE BENEFIT COMMITMENTS

29.1. Expense for the fiscal year

The expense recognized in the fiscal years presented for retirement benefit obligations, contribution to medical costs, and other employee benefit commitments is as follows:

(EUR millions)	2014	2013 [1]	2012 [1]
Service cost	76	79	64
Net interest cost	13	15	11
Actuarial gains and losses	4	2	9
Past service cost	-	-	1
Changes in regimes	-	(8)	(2)
Total expense for the period for defined benefit plans	**93**	**88**	**83**

(1) The financial statements as of December 31, 2013 and 2012 have been restated to reflect the retrospective application as of January 1, 2012 of IFRS 11 Joint Arrangements. See Note 1.2.

29.2. Net recognized commitment

(EUR millions)	2014	2013[1][2]	2012[1]
Benefits covered by plan assets	1,265	975	1,022
Benefits not covered by plan assets	161	144	139
Defined benefit obligation	**1,426**	**1,119**	**1,161**
Market value of plan assets	**(805)**	**(680)**	**(648)**
Net recognized commitment	**621**	**439**	**513**
Of which:			
Non-current provisions	640	452	519
Current provisions	3	5	13
Other assets	(22)	(18)	(19)
Total	**621**	**439**	**513**

29.3. Breakdown of the change in net recognized commitment

(EUR millions)	Defined benefit obligation	Market value of plan assets	Net recognized commitment[a]
As of December 31, 2013[1][2]	**1,119**	**(680)**	**439**
Service cost	76	-	76
Net interest cost	37	(24)	13
Payments to beneficiaries	(55)	38	(17)
Contributions to plan assets	-	(72)	(72)
Contributions of employees	9	(9)	-
Changes in scope and reclassifications	(3)	-	(3)
Actuarial gains and losses: experience adjustments[a]	3	(28)	(25)
Actuarial gains and losses: changes in demographic assumptions[a]	5	-	5
Actuarial gains and losses: changes in financial assumptions[a]	186	-	186
Translation adjustment	49	(30)	19
As of December 31, 2014	**1,426**	**(805)**	**621**

(a) Gain/(Loss).

Actuarial gains and losses resulting from changes in financial assumptions related mainly to the decrease in discount rates.

Actuarial gains and losses resulting from experience adjustments related to the fiscal years 2010 to 2013 amounted to:

(EUR millions)	2010	2011	2012	2013
Experience adjustments on the defined benefit obligation	(14)	(9)	13	1
Experience adjustments on the market value of plan assets	(4)	(34)	(31)	(35)
Actuarial gains and losses resulting from experience adjustments[a]	**(18)**	**(43)**	**(18)**	**(34)**

(a) (Gains)/Losses.

(1) The financial statements as of December 31, 2013 and 2012 have been restated to reflect the retrospective application as of January 1, 2012 of IFRS 11 Joint Arrangements. See Note 1.2.
(2) The consolidated balance sheet as of December 31, 2013 has been restated to reflect the finalized purchase price allocation for Loro Piana. See Note 2.

The actuarial assumptions applied to estimate commitments as of December 31, 2014 in the main countries where such commitments have been undertaken, were as follows:

(as %)	2014					2013					2012				
	France	United States	United Kingdom	Japan	Switzerland	France	United States	United Kingdom	Japan	Switzerland	France	United States	United Kingdom	Japan	Switzerland
Discount rate [a]	2.0	3.96	3.68	1.0	1.70	3.50	5.0	4.40	1.25	2.30	3.0	3.20	4.30	1.50	2.0
Future rate of increase of salaries	3.0	5.0	4.0	2.0	2.25	3.0	4.50	4.10	2.0	2.25	3.0	4.0	3.80	2.0	2.50

(a) Discount rates were determined with reference to market yields of AA-rated corporate bonds at the year-end in the countries concerned. Bonds with maturities comparable to those of the commitments were used.

The assumed rate of increase of medical expenses in the United States is 7% for 2015, after which it is assumed to decline progressively to reach a rate of 4.50% in 2029.

A rise of 0.5% in the discount rate would result in a reduction of 87 million euros in the amount of the defined benefit obligation as of December 31, 2014; a decrease of 0.5% in the discount rate would result in a rise of 99 million euros.

29.4. Analysis of benefits

The breakdown of the defined benefit obligation by type of benefit plan is as follows:

(EUR millions)	2014	2013 [1][2]	2012 [1]
Supplementary pensions	1,102	847	902
Retirement and other indemnities	251	205	188
Medical costs of retirees	49	44	51
Jubilee awards	21	20	18
Other	3	3	4
Defined benefit obligation	**1,426**	**1,119**	**1,163**

The geographic breakdown of the defined benefit obligation is as follows:

(EUR millions)	2014	2013 [1][2]	2012 [1]
France	501	369	376
Europe (excluding France)	506	440	436
United States	274	184	210
Japan	91	84	107
Asia (excluding Japan)	49	39	31
Other countries	5	3	3
Defined benefit obligation	**1,426**	**1,119**	**1,163**

The main components of the Group's net commitment for retirement and other defined benefit obligations as of December 31, 2014 are as follows:

- in France, these commitments include the commitment to members of the Group's Executive Committee and senior executives, who are covered by a supplementary pension plan after a certain number of years of service, the amount of which is determined on the basis of the average of their three highest amounts of annual remuneration received during the course of their career with the Group; they also include retirement indemnities and jubilee awards, the payment of which is determined by French law and collective bargaining agreements, respectively upon retirement or after a certain number of years of service;

(1) The financial statements as of December 31, 2013 and 2012 have been restated to reflect the retrospective application as of January 1, 2012 of IFRS 11 Joint Arrangements. See Note 1.2.
(2) The consolidated balance sheet as of December 31, 2013 has been restated to reflect the finalized purchase price allocation for Loro Piana. See Note 2.

- in Europe (excluding France), the main commitments concern pension plans, set up in the United Kingdom by certain Group companies, in Switzerland, participation by Group companies in the mandatory Swiss occupational pension plan, the LPP (*Loi pour la Prévoyance Professionnelle*), as well as the TFR (*Trattamento di Fine Rapporto*) in Italy, a legally required end-of-service allowance, paid regardless of the reason for the employee's departure from the company;
- in the United States, the commitment relates to defined benefit pension plans or systems for the reimbursement of medical expenses of retirees set up by certain Group companies.

29.5. Analysis of related plan assets

The breakdown of market value of plan assets by type of investment is as follows:

(as % of market value of related plan assets)	2014	2013	2012
Shares	30	35	35
Bonds			
- private issues	35	29	29
- public issues	13	15	18
Cash, investment funds, real estate and other assets	22	21	18
Total	**100**	**100**	**100**

These assets do not include any real estate assets belonging to the Group or any LVMH shares for significant amounts. The Group plans to increase the related plan assets in 2015 by paying in approximately 80 million euros.

30. OFF-BALANCE SHEET COMMITMENTS

30.1. Purchase commitments

(EUR millions)	2014	2013 [1]	2012 [1]
Grapes, wines and *eaux-de-vie*	1,706	994	1,012
Other purchase commitments for raw materials	69	110	80
Industrial and commercial fixed assets	458	379	205
Investments in joint-venture shares and non-current available for sale financial assets	99	98	41

Some Wines and Spirits companies have contractual purchase arrangements with various local producers for the future supply of grapes, still wines and *eaux-de-vie*. These commitments are valued, depending on the nature of the purchases, on the basis of the contractual terms or known year-end prices and estimated production yields. The increase in those commitments as of December, 31, 2014 is related to the renewal, during the fiscal year, of a significant portion of purchase commitments in the Champagne region.

As of December 31, 2014, the maturity schedule of these commitments is as follows:

(EUR millions)	Less than one year	One to five years	More than five years	Total
Grapes, wines and *eaux-de-vie*	654	1,034	18	1,706
Other purchase commitments for raw materials	67	2	-	69
Industrial and commercial fixed assets	348	110	-	458
Investments in joint-venture shares and non-current available for sale financial assets	15	42	42	99

(1) The financial statements as of December 31, 2013 and 2012 have been restated to reflect the retrospective application as of January 1, 2012 of IFRS 11 Joint Arrangements. See Note 1.2.

30.2. Lease and similar commitments

In connection with its business activities, the Group enters into agreements for the rental of premises or airport concession contracts. The Group also finances a portion of its equipment through long-term operating leases.

The fixed minimum portion of commitments in respect of the irrevocable period of operating lease or concession contracts were as follows as of December 31, 2014:

(EUR millions)	2014	2013 [1]	2012 [1]
Less than one year	1,658	1,394	1,218
One to five years	3,788	3,572	3,166
More than five years	1,952	1,854	1,533
Commitments given for operating leases and concessions	**7,398**	**6,820**	**5,917**
Less than one year	13	10	15
One to five years	16	14	25
More than five years	-	-	1
Commitments received for sub-leases	**29**	**24**	**41**

In addition, the Group may enter into operating leases or concession contracts that have variable guaranteed amounts. For example, in June 2012, DFS was awarded three additional five-year concessions at Hong Kong International Airport. The concession agreement provides for the payment of a variable concession fee which is dependent notably on the number of passengers using the airport. In 2014, the amount of this fee was about 340 million euros.

30.3. Collateral and other guarantees

As of December 31, 2014, these commitments break down as follows:

(EUR millions)	2014	2013 [1]	2012 [1]
Securities and deposits	366	412	295
Other guarantees	88	90	101
Guarantees given	**454**	**502**	**396**
Guarantees received	**27**	**28**	**19**

Maturity dates of these commitments are as follows:

(EUR millions)	Less than one year	One to five years	More than five years	Total
Securities and deposits	192	163	11	366
Other guarantees	48	30	10	88
Guarantees given	**240**	**193**	**21**	**454**
Guarantees received	**7**	**8**	**12**	**27**

30.4. Other commitments

The Group is not aware of any significant off-balance sheet commitments other than those described above.

(1) The financial statements as of December 31, 2013 and 2012 have been restated to reflect the retrospective application as of January 1, 2012 of IFRS 11 Joint Arrangements. See Note 1.2.

31. EXCEPTIONAL EVENTS AND LITIGATION

As part of its day-to-day management, the Group is party to various legal proceedings concerning trademark rights, the protection of intellectual property rights, the protection of Selective Retailing networks, licensing agreements, employee relations, tax audits, and any other matters inherent to its business. The Group believes that the provisions recorded in the balance sheet in respect of these risks, litigation proceedings and disputes that are in progress and any others of which it is aware at the year-end, are sufficient to avoid its consolidated financial net worth being materially impacted in the event of an unfavorable outcome.

In 2006, Louis Vuitton Malletier and the French companies of the Perfumes and Cosmetics business group filed lawsuits against eBay in the Paris Commercial Court. Louis Vuitton Malletier demanded compensation for losses caused by eBay's participation in the commercialization of counterfeit products and its refusal to implement appropriate procedures to prevent the sale of such goods on its site. The Perfumes and Cosmetics brands sued eBay for undermining their selective retailing networks. In a decision delivered on June 30, 2008, the Paris Commercial Court ruled in favor of LVMH, ordering eBay to pay 19.3 million euros to Louis Vuitton Malletier and 3.2 million euros to the Group's Perfumes and Cosmetics brands. The court also barred eBay from running listings for perfumes and cosmetics under the Dior, Guerlain, Givenchy and Kenzo brands. eBay filed a petition with the Paris Court of Appeal. On July 11, 2008, the President of the Paris Court of Appeal denied eBay's petition to stay the provisional execution order delivered by the Paris Commercial Court. In September 2010, the Paris Court of Appeal confirmed the ruling against eBay handed down in 2008, classifying this company's business as that of a broker and not merely an Internet host. Asserting that it did not have jurisdiction to evaluate the extent of losses caused by some of eBay's sites outside France, the Court reduced the amount of punitive damages to 2.2 million euros for Louis Vuitton Malletier and 0.7 million euros for the Group's Perfumes and Cosmetics brands, as the initial amount had been determined on the basis of eBay's worldwide operations. In response to the appeal filed by eBay, on May 3, 2012 the *Cour de cassation* confirmed the analysis carried out by the Paris Court of Appeal, which had held that eBay's activity was not merely that of a hosting service provider, but that it also acted as a broker. However, the *Cour de cassation* reversed the Paris Court of Appeal's decision with regard to its jurisdiction for activity conducted on the eBay Inc. and referred the case back for retrial by the Paris Court of Appeal. On July 17, 2014, eBay and LVMH announced a cooperative effort to protect intellectual property rights and combat counterfeits in online commerce. Thanks to the cooperation measures put in place, the companies have settled the ongoing litigation.

On September 2, 2014, under the aegis of the President of the Paris Commercial Court, LVMH and Hermès entered into a settlement agreement aimed at definitively ending the litigation to which LVMH's acquisition of an equity stake in Hermès had given rise, and at restoring a climate of positive relations between them. According to the terms of this agreement, (i) in December 2014, LVMH distributed to its shareholders all of the Hermès shares held by the LVMH group, and Christian Dior, which at that date held 40.9% of LVMH's share capital via Financière Jean Goujon, distributed the Hermès shares received from LVMH to its own shareholders, and (ii) LVMH and Hermès ceased all proceedings and actions undertaken against one another. See Note 8 for the impacts of this transaction on the consolidated financial statements as of December 31, 2014.

On December 17, 2012, the Mayor of Paris granted two distinct building permits authorizing the architectural project for the restructuring and reconstruction of the former La Samaritaine department stores 2 (Seine block) and 4 (Rivoli block). Both of these permits were the subject of an action for cancellation before the Paris Administrative Court (*Tribunal administratif de Paris*). On April 11, 2014, the Paris Administrative Court rejected the action for cancellation filed against the building permit authorizing the restructuring of former department store 2, which is registered as a Historic Monument (Seine block). On May 13, 2014, the Paris Administrative Court cancelled the building permit order authorizing the partial demolition of former department store 4 and the reconstruction of a contemporary building designed by the architectural firm SANAA (Rivoli block). The company Grands Magasins de La Samaritaine and the City of Paris have filed an appeal and have requested a stay of execution of this judgment. On October 16, 2014, the Paris Administrative Court of Appeal (*Cour administrative d'appel de Paris*) ordered the stay of execution of this judgment while awaiting the substantive decision. On January 5, 2015, with regard to the substantive merits of the case, the Paris Administrative Court of Appeal dismissed the appeal and ordered La Samaritaine to pay 1,500 euros under Article 761-1 of the Code of Administrative Justice (*Code de justice administrative*). The company Grands Magasins de La Samaritaine and the City of Paris decided to file a cassation appeal before the Council of State (*Conseil d'État*).

To the best of the Company's knowledge, there are no pending or impending administrative, judicial or arbitration procedures that are likely to have, or have had over the twelve-month period under review, any significant impact on the financial position or profitability of the Company and/or the Group.

32. RELATED PARTY TRANSACTIONS

32.1. Relations of LVMH with Christian Dior and Groupe Arnault

The LVMH group is consolidated within Christian Dior SA, a public company listed on the Eurolist by Euronext Paris, which is controlled by Groupe Arnault SAS via its subsidiary Financière Agache SA.

Relations of LVMH with Christian Dior

The LVMH group, via its subsidiaries Parfums Christian Dior and Montres Dior, coordinates its communications efforts with Christian Dior SA and its subsidiaries, in particular Christian Dior Couture SA. Christian Dior also provides creative assistance to LVMH for the design of Dior perfume bottles and watches, as well as in the course of its advertising and promotional campaigns. Montres Dior watches are manufactured by a company equally owned by Christian Dior and LVMH, “Les Ateliers Horlogers Dior SA” (“LAH”).

LVMH distributes Christian Dior products through its Selective Retailing businesses, and distributes Montres Dior watches through its Watches and Jewelry business group’s distribution network. Christian Dior purchases the products manufactured by Parfums Christian Dior and Montres Dior from LVMH, which it sells in its network of retail stores.

LAH has been managed since 2008 as a joint-venture between the Watches and Jewelry business Group and Christian Dior Couture. Following the implementation of IFRS 11 (see Note 1.2), retrospectively since January 1, 2012, this jointly controlled entity is accounted for using the equity method.

Finally, LVMH provides administrative assistance to the subsidiaries of Christian Dior located outside France.

Transactions between LVMH and Christian Dior, which are completed at market prices, may be summarized as follows:

(EUR millions)	2014	2013[1]	2012[1]
LVMH purchases from Christian Dior	(23)	(20)	(17)
Amount payable outstanding as of December 31	(20)	(20)	(17)
LVMH sales to Christian Dior	31	31	26
Amount receivable outstanding as of December 31	15	16	8

The transactions between LVMH and LAH, which is now accounted for using the equity method, are not included in the table above. During 2014, sales of goods and services, net of purchases, from LAH to the Group amounted to 7 million euros.

Furthermore, in 2014, the Group and Christian Dior Couture SA participated equally in the refinancing of their joint-venture, LAH, by way of 31 million euros in debt forgiveness granted by each of them.

Relations of LVMH with Groupe Arnault and its subsidiaries

The company Groupe Arnault SAS, which has specialist teams, provides assistance to the LVMH group, primarily in the areas of financial engineering, strategy, development, and corporate and real estate law. In addition, the company Groupe Arnault leases office premises to the LVMH group.

Conversely, the LVMH group provides various administrative and operational services and leases real estate and movable property assets to the company Groupe Arnault SAS and some of its subsidiaries.

Transactions between LVMH and Groupe Arnault and its subsidiaries may be summarized as follows:

(EUR millions)	2014	2013	2012
Amounts billed by Groupe Arnault SAS and its subsidiaries to LVMH	(6)	(6)	(6)
Amount payable outstanding as of December 31	(2)	(2)	(2)
Amounts billed by LVMH to Groupe Arnault SAS and its subsidiaries	3	3	2
Amount receivable outstanding as of December 31	1	-	-

(1) The financial statements as of December 31, 2013 and 2012 have been restated to reflect the retrospective application as of January 1, 2012 of IFRS 11 Joint Arrangements. See Note 1.2.

32.2. Relations with Diageo

Moët Hennessy SNC and Moët Hennessy International SAS (hereafter referred to as "Moët Hennessy") are the holding companies for LVMH's Wines and Spirits businesses, with the exception of Château d'Yquem, Château Cheval Blanc, Domaine du Clos des Lambrays and certain champagne vineyards. Diageo holds a 34% stake in Moët Hennessy. In 1994, at the time when Diageo acquired this 34% stake, an agreement was concluded between Diageo and LVMH for the apportionment of holding company expenses between Moët Hennessy and the other holding companies of the LVMH group.

Under this agreement, Moët Hennessy assumed 17% of shared expenses in 2014 (19% in 2013 and 2012) and billed the related excess costs to LVMH SE, after which the amount of the costs assumed by Moët Hennessy was 14 million euros in 2014 (15 million euros in 2013; 14 million euros in 2012).

32.3. Relations with Fondation Louis Vuitton

In October 2014, the Fondation Louis Vuitton opened a modern and contemporary art museum in Paris. The LVMH group provides financing to the Fondation Louis Vuitton as part of its corporate sponsorship activities. Its net contributions to this project are included in "Property, plant and equipment" and are depreciated from the time the museum opened (October 2014) over the remaining duration of the public property use agreement awarded by the City of Paris.

The Fondation Louis Vuitton also obtains external financing guaranteed by LVMH. These guarantees are part of LVMH's off-balance sheet commitments (See Note 30.3).

32.4. Executive bodies

The total compensation paid to the members of the Executive Committee and the Board of Directors, in respect of their functions within the Group, breaks down as follows:

(EUR millions)	**2014**	**2013**	**2012**
Gross compensation, employers' charges and benefits in kind	70	73	68
Post-employment benefits	11	10	9
Other long-term benefits	13	14	12
End of contract indemnities	-	-	3
Stock option and similar plans	14	16	26
Total	**108**	**113**	**118**

The commitment recognized as of December 31, 2014 for post-employment benefits, net of related financial assets was 106 million euros (53 million euros as of December 31, 2013 and 52 million euros as of December 31, 2012), after taking into account the retrospective adjustment as of January 1, 2011 required by IAS 19 Employee Benefits (see Note 1.2 to the consolidated financial statements as of December 31, 2013).

33. SUBSEQUENT EVENTS

No significant subsequent events occurred between December 31, 2014 and February 3, 2015, the date on which the financial statements were approved for publication by the Board of Directors.

MAIN CONSOLIDATED COMPANIES

WINES AND SPIRITS

Companies	Registered office	Percentage Control	Percentage Interest
MHCS SCS	Épernay, France	100%	66%
Champagne Des Moutiers SA	Épernay, France	100%	66%
Société Viticole de Reims SA	Épernay, France	100%	66%
Cie Française du Champagne et du Luxe SA	Épernay, France	100%	66%
Chamfipar SA	Épernay, France	100%	66%
GIE MHIS	Épernay, France	100%	66%
Moët Hennessy Entreprise Adaptée	Épernay, France	100%	66%
Champagne Bernard Breuzon SAS	Colombe le Sec, France	100%	66%
Champagne de Mansin SAS	Gye sur Seine, France	100%	66%
Société Civile des Crus de Champagne SA	Reims, France	100%	66%
Moët Hennessy Italia Spa	Milan, Italy	100%	66%
Moët Hennessy UK Ltd	London, United Kingdom	100%	66%
Moët Hennessy España SA	Barcelona, Spain	100%	66%
Moët Hennessy (Suisse) SA	Geneva, Switzerland	100%	66%
Moët Hennessy Deutschland GmbH	Munich, Germany	100%	66%
Moët Hennessy de Mexico, SA de C.V.	Mexico City, Mexico	100%	66%
Moët Hennessy Belux SA	Brussels, Belgium	100%	66%
Moët Hennessy Osterreich GmbH	Vienna, Austria	100%	66%
Moët Hennessy Suomi OY	Helsinki, Finland	100%	66%
Moët Hennessy Polska SP Z.O.O.	Warsaw, Poland	100%	66%
Moët Hennessy Czech Republic Sro	Prague, Czech Republic	100%	66%
Moët Hennessy Sverige AB	Stockholm, Sweden	100%	66%
Moët Hennessy România Srl	Bucharest, Romania	100%	66%
Moët Hennessy Norge AS	Høvik, Norway	100%	66%
Moët Hennessy Danmark A/S	Copenhagen, Denmark	100%	66%
Moët Hennessy Nederland BV	Baarn, Netherlands	100%	66%
Moët Hennessy USA Inc	New York, USA	100%	66%
Moët Hennessy Turkey Ltd	Istanbul, Turkey	100%	66%
Moët Hennessy Korea Ltd	Seoul, South Korea	100%	66%
MHD Moët Hennessy Diageo SAS	Courbevoie, France [b]	100%	66%
Cheval des Andes SA	Buenos Aires, Argentina [a]	50%	33%
Domaine Chandon Inc	California, USA	100%	66%
Cape Mentelle Vineyards Ltd	Margaret River, Australia	100%	66%
Veuve Clicquot Properties, Pty Ltd	Margaret River, Australia	100%	66%
Moët Hennessy do Brasil – Vinhos E Destilados Ltda	São Paulo, Brazil	100%	66%
Cloudy Bay Vineyards Ltd	Blenheim, New Zealand	100%	66%
Bodegas Chandon Argentina SA	Buenos Aires, Argentina	100%	66%
Domaine Chandon Australia Pty Ltd	Coldstream Victoria, Australia	100%	66%
Newton Vineyards LLC	California, USA	90%	59%
Domaine Chandon (Ningxia) Moët Hennessy Co, Ltd	Yinchuan, China	100%	66%
Moët Hennessy Chandon (Ningxia) Vineyards Co, Ltd	Yinchuan, China	60%	40%
Château d'Yquem SA	Sauternes, France	96%	96%
Château d'Yquem SC	Sauternes, France	96%	96%
Société Civile Cheval Blanc (SCCB)	Saint-Émilion, France [a]	50%	50%
MH Shangri-La (Deqin) Winery Company Ltd	Deqin, China	80%	53%
Jas Hennessy & Co SCS	Cognac, France	99%	65%
Distillerie de la Groie SARL	Cognac, France	100%	65%
SICA de Bagnolet	Cognac, France	100%	3%
Sodepa SARL	Cognac, France	100%	65%
Diageo Moët Hennessy BV	Amsterdam, Netherlands [b]	100%	66%
Hennessy Dublin Ltd	Dublin, Ireland	100%	66%
Edward Dillon & Co Ltd	Dublin, Ireland [a]	40%	26%
Hennessy Far East Ltd	Hong Kong, China	100%	65%
Moët Hennessy Diageo Hong Kong Ltd	Hong Kong, China [b]	100%	66%
Moët Hennessy Diageo Macau Ltd	Macao, China [b]	100%	66%
Riche Monde (China) Ltd	Hong Kong, China [b]	100%	66%
Moët Hennessy Diageo Singapore Pte Ltd	Singapore [b]	100%	66%
Moët Hennessy Ukraine	Kiev, Ukraine	100%	66%
Moët Hennessy Cambodia Co Ldt	Phnom Penh, Cambodia	51%	34%
Moët Hennessy Philippines Inc	Makati City, Philippines	75%	49%
Société du domaine des Lambrays	Gevrey-Chambertin, France	100%	100%
MH Services UK Ltd	London, United Kingdom	100%	66%
MH Services Singapore Limited Pte	Singapore	100%	66%
Moët Hennessy Diageo Malaysia SDN BHD	Kuala Lumpur, Malaysia [b]	100%	66%
Diageo Moët Hennessy Thailand Ltd	Bangkok, Thailand [b]	100%	66%
Moët Hennessy Shanghai Ltd	Shanghai, China	100%	66%
Moët Hennessy India Pvt. Ltd	New Delhi, India	100%	66%
Moët Hennessy Taiwan Ltd	Taipei, Taiwan	100%	65%
MHD Chine Co Ltd	Shanghai, China [b]	100%	66%
Moët Hennessy Whitehall Russia SA	Moscow, Russia	100%	66%
Moët Hennessy Vietnam Importation Co Ltd	Ho Chi Minh City, Vietnam	100%	65%
Moët Hennessy Vietnam Distribution Co Pte Ltd	Ho Chi Minh City, Vietnam	51%	33%
Moët Hennessy Rus LLC	Moscow, Russia	100%	66%
MHD Moët Hennessy Diageo	Tokyo, Japan [b]	100%	66%
Moët Hennessy Asia Pacific Pte Ltd	Singapore	100%	65%
Moët Hennessy Australia Ltd	Rosebury, Australia	100%	65%
Polmos Zyrardow LLC	Zyrardow, Poland	100%	66%
The Glenmorangie Company Ltd	Edinburgh, United Kingdom	100%	66%
Macdonald & Muir Ltd	Edinburgh, United Kingdom	100%	66%
The Scotch Malt Whisky Society Ltd	Edinburgh, United Kingdom	100%	66%
Wenjun Spirits Company Ltd	Chengdu, China	55%	36%
Wenjun Spirits Sales Company Ltd	Chengdu, China	55%	36%

FASHION AND LEATHER GOODS

Companies	Registered office	Percentage Control	Percentage Interest
Louis Vuitton Malletier SA	Paris, France	100%	100%
Manufacture de Souliers Louis Vuitton Srl	Fiesso d'Artico, Italy	100%	100%
Louis Vuitton South Europe Srl	Milan, Italy	100%	100%
Louis Vuitton Saint-Barthélemy SNC	Saint-Barthélemy, French Antilles	100%	100%
Louis Vuitton Cantacilik Ticaret AS	Istanbul, Turkey	100%	100%
Louis Vuitton Editeur SAS	Paris, France	100%	100%
Louis Vuitton International SNC	Paris, France	100%	100%
Louis Vuitton India Holding & Services Private Limited	Bangalore, India	100%	100%
Société des Ateliers Louis Vuitton SNC	Paris, France	100%	100%
Les Tanneries de la Comète SA	Estaimpuis, Belgium	100%	100%
Manufacture des accessoires Louis Vuitton Srl	Milan, Italy	100%	100%
Louis Vuitton Bahrain WLL	Manama, Bahrain	[c]	[c]
Société Louis Vuitton Services SNC	Paris, France	100%	100%
Louis Vuitton Qatar LLC	Doha, Qatar	[c]	[c]
Société des Magasins Louis Vuitton France SNC	Paris, France	100%	100%
Belle Jardinière SA	Paris, France	100%	100%
Les Ateliers Horlogers Louis Vuitton La Fabrique du Temps SA	La Chaux-de-Fonds, Switzerland	100%	100%
Les Ateliers Joailliers Louis Vuitton SAS	Paris, France	100%	100%
Operadora Louis Vuitton Mexico SRLCV	Mexico City, Mexico	100%	100%
Louis Vuitton Monaco SA	Monaco	100%	100%
ELV SNC	Paris, France	100%	100%
Louis Vuitton Services Europe Sprl	Brussels, Belgium	100%	100%
Louis Vuitton UK Ltd	London, United Kingdom	100%	100%
Louis Vuitton Ireland Ltd	Dublin, Ireland	100%	100%
Louis Vuitton Deutschland GmbH	Düsseldorf, Germany	100%	100%
Louis Vuitton Ukraine LLC	Kiev, Ukraine	100%	100%
Sociedad de Catalana Talleres Artesanos Louis Vuitton SA	Barcelona, Spain	100%	100%
Sociedad de Talleres de Accesorios en Cuero LV SL	Barcelona, Spain	100%	100%
Atepeli – Ateliers de Ponte de Lima SA	Ponte de Lima, Portugal	100%	100%
La Fabrique de Maroquinerie Louis Vuitton	Paris, France	100%	100%
Louis Vuitton BV	Amsterdam, Netherlands	100%	100%
Louis Vuitton Belgium SA	Brussels, Belgium	100%	100%
Louis Vuitton Luxembourg SARL	Luxembourg	100%	100%
Louis Vuitton Hellas SA	Athens, Greece	100%	100%
Louis Vuitton Cyprus Limited	Nicosia, Cyprus	100%	100%
Louis Vuitton Portugal Maleiro, Ltda.	Lisbon, Portugal	100%	100%
Louis Vuitton Ltd	Tel Aviv, Israel	100%	100%
Louis Vuitton Danmark A/S	Copenhagen, Denmark	100%	100%
Louis Vuitton Aktiebolag SA	Stockholm, Sweden	100%	100%
Louis Vuitton Suisse SA	Geneva, Switzerland	100%	100%
Louis Vuitton Polska sp. zoo.	Warsaw, Poland	100%	100%
Louis Vuitton Ceska s.r.o.	Prague, Czech Republic	100%	100%
Louis Vuitton Osterreich GmbH	Vienna, Austria	100%	100%
Louis Vuitton Kazakhstan LLP	Almaty, Kazakhstan	100%	100%
LV US Manufacturing, Inc	New York, USA	100%	100%
Somarest SARL	Sibiu, Romania	100%	100%
Louis Vuitton Hawaii Inc	Hawaii, USA	100%	100%
Louis Vuitton Guam Inc	Guam	100%	100%
Louis Vuitton Saipan Inc	Saipan, Northern Mariana Islands	100%	100%
Louis Vuitton Norge AS	Oslo, Norway	100%	100%
San Dimas Luggage Company	New York, USA	100%	100%
Louis Vuitton North America Inc	New York, USA	100%	100%
Louis Vuitton USA Inc	New York, USA	100%	100%
Louis Vuitton Liban retail SAL	Beirut, Lebanon	100%	100%
Louis Vuitton Liban Holding SAL	Beirut, Lebanon	100%	100%
Louis Vuitton Vietnam Company Ltd	Hanoi, Vietnam	100%	100%
Louis Vuitton Suomy Oy	Helsinki, Finland	100%	100%
Louis Vuitton România Srl	Bucharest, Romania	100%	100%
LVMH FG Brasil Ltda	São Paulo, Brazil	100%	100%
Louis Vuitton Panama Inc	Panama City, Panama	100%	100%
Louis Vuitton Mexico S de RL de CV	Mexico City, Mexico	100%	100%
Louis Vuitton Uruguay SA	Montevideo, Uruguay	100%	100%
Louis Vuitton Chile Ltda	Santiago de Chile, Chile	100%	100%

Companies	Registered office	Percentage	
		Control	Interest
Louis Vuitton (Aruba) N.V	Oranjestad, Aruba	100%	100%
Louis Vuitton Republica Dominica Srl	Santo Domingo, Dominican Republic	100%	100%
Louis Vuitton Kuwait	Kuwait City, Kuwait	[c]	[c]
Magasin LV Koweit	Kuwait City, Kuwait	[c]	[c]
LVMH Fashion Group Pacific Ltd	Hong Kong, China	100%	100%
Louis Vuitton Trading Hong Kong Ltd	Hong Kong, China	100%	100%
Louis Vuitton Hong Kong Ltd	Hong Kong, China	100%	100%
Louis Vuitton (Philippines) Inc.	Makati, Philippines	100%	100%
Louis Vuitton Singapore Pte Ltd	Singapore	100%	100%
LV IOS Private Ltd	Singapore	100%	100%
PT Louis Vuitton Indonesia LLC	Jakarta, Indonesia	98%	98%
Louis Vuitton (Malaysia) SDN BHD	Kuala Lumpur, Malaysia	100%	100%
Louis Vuitton (Thailand) SA	Bangkok, Thailand	100%	100%
Louis Vuitton Taïwan Ltd	Taipei, Taiwan	98%	98%
Louis Vuitton Australia PTY Ltd	Sydney, Australia	100%	100%
Louis Vuitton (China) Co Ltd	Shanghai, China	100%	100%
Louis Vuitton Mongolia LLC	Ulaanbaatar, Mongolia	100%	100%
Louis Vuitton New Zealand Limited	Auckland, New Zealand	100%	100%
Louis Vuitton India Retail Private Limited	New Delhi, India	51%	51%
LV Saudi Arabia	Jeddah, Saudi Arabia	65%	65%
Louis Vuitton EAU LLC	Dubai, United Arab Emirates	[c]	[c]
Louis Vuitton Middle East	Dubai, United Arab Emirates	65%	65%
Louis Vuitton – Jordan PCLS	Amman, Jordan	100%	100%
Louis Vuitton Orient LLC	Emirate of Ras al-Khaimah, United Arab Emirates	65%	65%
Louis Vuitton Korea Ltd	Seoul, South Korea	100%	100%
LVMH Fashion Group Trading Korea Ltd	Seoul, South Korea	100%	100%
Louis Vuitton Hungaria Sarl	Budapest, Hungary	100%	100%
Louis Vuitton Argentina SA	Buenos Aires, Argentina	100%	100%
Louis Vuitton Vostock LLC	Moscow, Russia	100%	100%
LV Colombia SA	Santa Fe de Bogotá, Colombia	100%	100%
Louis Vuitton Maroc Sarl	Casablanca, Morocco	100%	100%
Louis Vuitton South Africa Ltd	Johannesburg, South Africa	100%	100%
Louis Vuitton Macau Company Ltd	Macao, China	100%	100%
LVMH Fashion (Shanghai) Trading Co., Ltd	Shanghai, China	100%	100%
LVJ Group KK	Tokyo, Japan	99%	99%
Louis Vuitton Services KK	Tokyo, Japan	99%	99%
Louis Vuitton Canada Inc.	Toronto, Canada	100%	100%
Louis Vuitton (Barbados) Ltd	Saint Michael, Barbados	100%	100%
FG Industries	Paris, France	100%	100%
Les tanneries Roux SA	Romans sur Isère, France	100%	100%
Heng Long International Holding Pte Ltd	Singapore	65%	65%
Heng Long International Ltd	Singapore	100%	65%
Heng Long Leather Co (Pte) Ltd	Singapore	100%	65%
Heng Long Leather (Guangzhou) Co Ltd	Guangzhou, China	100%	65%
HL Australia Proprietary Ltd	Sydney, Australia	98%	65%
Starke Holding LLC	Starke, USA[*]	80%	80%
Cypress Creek Farms LLC	Starke, USA[*]	100%	80%
Florida Alligator Company LLC	Starke, USA[*]	100%	80%
Pellefina LLC	Starke, USA[b]	100%	80%
Marc Jacobs International LLC	New York, USA[*]	100%	80%
Marc Jacobs International (UK) Ltd	London, United Kingdom	100%	80%
Marc Jacobs Trademark LLC	New York, USA[*]	100%	80%
Marc Jacobs Japon KK	Tokyo, Japan	50%	40%
Marc Jacobs international Italia Srl	Milan, Italy	100%	80%
Marc Jacobs International France SAS	Paris, France	100%	80%
Marc Jacobs Commercial & Trading (Shanghai)	Shanghai, China	100%	80%
Marc Jacobs Hong Kong Ltd	Hong Kong, China	100%	80%
Marc Jacobs Holdings LLC	New York, USA[*]	80%	80%
Loewe SA	Madrid, Spain	100%	100%
Loewe Hermanos SA	Madrid, Spain	100%	100%
Manufacturas Loewe SL	Madrid, Spain	100%	100%
LVMH Fashion Group France SNC	Paris, France	100%	100%
Loewe Hermanos UK Ltd	London, United Kingdom	100%	100%
Loewe Hong Kong Ltd	Hong Kong, China	100%	100%
Loewe Commercial & Trading (Shanghai) Co Ltd	Shanghai, China	100%	100%
Loewe Fashion Pte Ltd	Singapore	100%	100%
Loewe Fashion (M) SDN BHD	Johor, Malaysia	100%	100%
Loewe Taïwan Ltd	Taipei, Taiwan	100%	98%
Loewe Korea Ltd	Seoul, South Korea	100%	100%
Loewe Macao Ltd	Macao, China	100%	100%
Loewe Italy Spa	Milan, Italy	100%	100%
Loewe Alemania Gmbh	Frankfurt, Germany	100%	100%
Loewe Hawaii Inc.	Honolulu, USA	100%	100%
LVMH Fashion Group Support	Paris, France	100%	100%
Berluti SA	Paris, France	100%	100%
Manifattura Ferrarese Srl	Ferrara, Italy	100%	100%
Berluti LLC	New York, USA	100%	100%
Berluti UK Ltd	London, United Kingdom	100%	100%
Berluti Macau Company Ltd	Macao, China	100%	100%
Berluti (Shanghai) Company Ltd	Shanghai, China	100%	100%

Companies	Registered office	Percentage	
		Control	Interest
Berluti Hong Kong Company Ltd	Hong Kong, China	100%	100%
Berluti Singapore Private Ltd	Singapore	100%	100%
Berluti Orient FZ LLC	Ras al-Khaimah, United Arab Emirates	65%	65%
Berluti UAE LLC	Dubai, United Arab Emirates	[c]	[c]
Berluti Taiwan Ltd	Taipei, Taiwan	100%	100%
Rossimoda Spa	Vigonza, Italy	100%	100%
Rossimoda USA Ltd	New York, USA	100%	100%
Rossimoda France SARL	Paris, France	100%	100%
Brenta Suole Srl	Vigonza, Italy	65%	65%
LVMH Fashion Group Services SAS	Paris, France	100%	100%
Montaigne KK	Tokyo, Japan	100%	99%
Interlux Company Ltd	Hong Kong, China	100%	100%
Celine SA	Paris, France	100%	100%
Avenue M International SCA	Paris, France	100%	100%
Enilec Gestion SARL	Paris, France	100%	100%
Celine Montaigne SA	Paris, France	100%	100%
Celine Monte-Carlo SA	Monaco	100%	100%
Celine Germany GmbH	Berlin, Germany	100%	100%
Celine Production Srl	Florence, Italy	100%	100%
Celine Suisse SA	Geneva, Switzerland	100%	100%
Celine UK Ltd	London, United Kingdom	100%	100%
Celine Inc.	New York, USA[*]	100%	100%
Celine Hong Kong Ltd	Hong Kong, China	100%	100%
Celine Commercial & Trading (Shanghai) Co Ltd	Shanghai, China	100%	100%
Celine Taïwan Ltd	Taipei, Taiwan	100%	99%
CPC International Ltd	Hong Kong, China	100%	100%
CPC Macau Ltd	Macao, China	100%	100%
LVMH FG Services UK Ltd	London, United Kingdom	100%	100%
Celine Distribution Spain	Madrid, Spain	100%	100%
Celine Distribution Singapore PTE Ltd	Singapore	100%	100%
RC Diffusion Rive Droite	Paris, France	100%	100%
Kenzo SA	Paris, France	100%	100%
Kenzo Belgique SA	Brussels, Belgium	100%	100%
Kenzo UK Ltd	London, United Kingdom	100%	100%
Kenzo Japan KK	Tokyo, Japan	100%	100%
Kenzo Accessories Srl	Lentate Sul Seveso, Italy	100%	100%
Kenzo Seta Srl	Grandate, Italy	51%	51%
Kenzo Paris KK	Tokyo, Japan	50%	50%
Kenzo Paris Singapore Pte Ltd	Singapore	100%	100%
Givenchy SA	Paris, France	100%	100%
Givenchy Corporation	New York, USA	100%	100%
Givenchy China Co Ltd	Hong Kong, China	100%	100%
Givenchy Shanghai Commercial and Trading Co Ltd	Shanghai, China	100%	100%
GCCL Macau Co Ltd	Macao, China	100%	100%
Givenchy Italia Srl	Florence, Italy	100%	100%
Givenchy Couture Limited	London, United Kingdom	100%	100%
Gabrielle Studio Inc.	New York, USA	100%	100%
Donna Karan International Inc.	New York, USA[*]	100%	100%
The Donna Karan Company LLC	New York, USA	100%	100%
Donna Karan Service Company BV	Oldenzaal, Netherlands	100%	100%
Donna Karan Company Store Ireland Ltd	Dublin, Ireland	100%	100%
Donna Karan Studio LLC	New York, USA	100%	100%
The Donna Karan Company Store LLC	New York, USA	100%	100%
Donna Karan International (Canada) Inc.	Vancouver, Canada	100%	100%
Donna Karan Company Store UK Holdings Ltd	London, United Kingdom	100%	100%
Donna Karan Management Company UK Ltd	London, United Kingdom	100%	100%
Donna Karan Company Stores UK Retail Ltd	London, United Kingdom	100%	100%
Donna Karan Company Store (UK) Ltd	London, United Kingdom	100%	100%
Donna Karan H. K. Ltd	Hong Kong, China	100%	100%
Donna Karan (Italy) Srl	Milan, Italy	100%	100%
Donna Karan (Italy) Production Services Srl	Milan, Italy	100%	100%
Fendi Prague S.r.o.	Prague, Czech Republic	100%	100%
Luxury Kuwait for Ready Wear Company WLL	Kuwait City, Kuwait	[c]	[c]
Fun Fashion Qatar LLC	Doha, Qatar	[c]	[c]
Fendi International SA	Paris, France	100%	100%
Fun Fashion Emirates LLC	Dubai, United Arab Emirates	[c]	[c]
Fendi SA	Luxembourg	100%	100%
Fun Fashion Bahrain WLL	Manama, Bahrain	[c]	[c]
Fendi Srl	Rome, Italy	100%	100%
Fendi Dis Ticaret LSi	Istanbul, Turkey	100%	100%
Fendi Adele Srl	Rome, Italy	100%	100%
Fendi Italia Srl	Rome, Italy	100%	100%
Fendi UK Ltd	London, United Kingdom	100%	100%
Fendi France SAS	Paris, France	100%	100%
Fendi North America Inc.	New York, USA[*]	100%	100%
Fendi (Thailand) Company Ltd	Bangkok, Thailand	100%	100%
Fendi Asia Pacific Ltd	Hong Kong, China	100%	100%
Fendi Korea Ltd	Seoul, South Korea	100%	100%
Fendi Taiwan Ltd	Taipei, Taiwan	100%	100%

Companies	Registered office	Percentage	
		Control	Interest
Fendi Hong Kong Ltd	Hong Kong, China	100%	100%
Fendi China Boutiques Ltd	Hong Kong, China	100%	100%
Fendi (Singapore) Pte Ltd	Singapore	100%	100%
Fendi Fashion (Malaysia) Snd. Bhd.	Kuala Lumpur, Malaysia	100%	100%
Fendi Switzerland SA	Geneva, Switzerland	100%	100%
Fendi Kids SA	Mendrisio, Switzerland	51%	51%
Fun Fashion FZCO LLC	Dubai, United Arab Emirates	73%	73%
Fendi Macau Company Ltd	Macao, China	100%	100%
Fendi Germany GmbH	Stuttgart, Germany	100%	100%
Fendi (Shanghai) Co Ltd	Shanghai, China	100%	100%
Fun Fashion India Pte Ltd	Mumbai, India	100%	73%
Interservices & Trading SA	Lugano, Switzerland	100%	100%
Fendi Silk SA	Lugano, Switzerland	51%	51%
Outshine Mexico, S. de RL de C.V.	Mexico City, Mexico	100%	100%
Fendi Timepieces USA Inc.	New Jersey, USA	100%	100%
Prime Time Inc.	New Jersey, USA	100%	100%
Fendi Timepieces SA	Neuchâtel, Switzerland	100%	100%
Taramax Japan KK	Tokyo, Japan	100%	100%
Support Retail Mexico, S. de RL de C.V.	Mexico City, Mexico	100%	100%
Fendi Brasil – Grupo de Moda Ltda	São Paulo, Brazil	100%	100%
Fendi RU Llc	Moscow, Russia	100%	100%
Emilio Pucci Srl	Florence, Italy	100%	100%
Emilio Pucci International BV	Baarn, Netherlands	67%	67%
Emilio Pucci, Ltd	New York, USA	100%	100%
Emilio Pucci Hong Kong Co Ltd	Hong Kong, China	100%	100%
Emilio Pucci (Shanghai) Commercial Ltd	Shanghai, China	100%	100%
Emilio Pucci UK Ltd	London, United Kingdom	100%	100%
Emilio Pucci (Singapore) Pte. Ltd	Singapore	100%	100%
Thomas Pink Holdings Ltd	London, United Kingdom	100%	100%
Thomas Pink Ltd	London, United Kingdom	100%	100%
Thomas Pink BV	Rotterdam, Netherlands	100%	100%
Thomas Pink Inc.	New York, USA[*]	100%	100%
Thomas Pink Ireland Ltd	Dublin, Ireland	100%	100%
Thomas Pink France SAS	Paris, France	100%	100%
Thomas Pink Canada Inc.	Toronto, Canada	100%	100%
Edun Apparel Ltd	Dublin, Ireland[a]	49%	49%
Edun Americas Inc.	North Carolina, USA[a]	49%	49%
Nowness LLC	New York, USA[*]	100%	100%
Nowness SAS	Paris, France	100%	100%
Perida Financière SA	Romans sur Isère, France	100%	100%
Loro Piana S.p.A.	Quarona, Italy	80%	80%
Loro Piana Switzerland SA	Lugano, Switzerland	100%	80%
Loro Piana France SARL	Paris, France	100%	80%
Loro Piana GmbH	Munich, Germany	100%	80%
Loro Piana GB Ltd	London, United Kingdom	100%	80%
Warren Corporation	Stafford Springs, Connecticut, USA	100%	80%
Loro Piana & C. Inc.	New York, USA	100%	80%
Loro Piana USA LLC	New York, USA	100%	80%
Loro Piana Ltd	Hong Kong, China	100%	80%
Loro Piana Com. Ltd	Shanghai, China	100%	80%
Loro Piana Textile Trading Ltd	Shanghai, China	100%	80%
Loro Piana Mongolia Ltd	Ulaanbaatar, Mongolia	100%	80%
Loro Piana Korea Ltd	Seoul, South Korea	100%	80%
Loro Piana Ltda	Macao, China	100%	80%
Loro Piana Monaco SARL	Monaco	100%	80%
Loro Piana España S.L.U.	Madrid, Spain	100%	80%
Loro Piana Japan Ltd	Tokyo, Japan	100%	80%
Loro Piana Far East Pte Ltd	Singapore	100%	80%
Loro Piana Peru S.A.C.	Lucanas, Ayacucho, Peru	100%	80%
SDM Maglierie S.r.l.	Sillavengo, Italy	100%	80%
Fibre Nobili S.r.l.	Verrone, Italy	100%	80%
Filatura Vertex S.r.l.	Quarona, Italy	100%	80%
Loro Piana Oesterreich GesmbH	Vienna, Austria	100%	80%
Loro Piana Nederland BV	Amsterdam, Netherlands	100%	80%
Loro Piana Czech Republic s.r.o.	Prague, Czech Republic	100%	80%
Loro Piana Belgique	Brussels, Belgium	100%	80%
SANIN	Rawson, Argentina	60%	48%
Linen NEWCO	Borgosesia, Italy	100%	80%
Nicholas Kirkwood Limited	London, United Kingdom	52%	52%
Nicholas Kirkwood Corp.	New York, USA	100%	52%
NK Washington LLC	Delaware, USA	100%	52%
Nicholas Kirkwood LLC	New York, USA	100%	52%
NK WLV LLC	Nevada, USA	100%	52%
JW Anderson Limited	London, United Kingdom[a]	46%	45%
Marco De Vincenzo S.R.L	Rome, Italy[a]	45%	45%

PERFUMES AND COSMETICS

Companies	Registered office	Percentage	
		Control	Interest
Parfums Christian Dior SA	Paris, France	100%	100%
LVMH P&C Thailand Co Ltd	Bangkok, Thailand	49%	49%
LVMH Parfums & Cosmétiques do Brasil Ltda	São Paulo, Brazil	100%	100%
France Argentine Cosmetics SA	Buenos Aires, Argentina	100%	100%
LVMH P&C Shanghai Co Ltd	Shanghai, China	100%	100%
Parfums Christian Dior Finland Oy	Helsinki, Finland	100%	100%
LVMH P&C Inc.	New York, USA	100%	100%
SNC du 33 avenue Hoche	Paris, France	100%	100%
LVMH Fragrances & Cosmetics (Singapore) Pte Ltd	Singapore	100%	100%
Parfums Christian Dior Orient Co	Dubai, United Arab Emirates	60%	60%
Parfums Christian Dior Emirates	Dubai, United Arab Emirates	51%	31%
LVMH Cosmetics KK	Tokyo, Japan	100%	100%
Parfums Christian Dior Arabia	Jeddah, Saudi Arabia	75%	45%
EPCD SP.Z.O.O.	Warsaw, Poland	100%	100%
EPCD CZ & SK SRO	Prague, Czech Republic	100%	100%
EPCD RO Distribution Srl	Bucharest, Romania	100%	100%
Parfums Christian Dior (UK) Ltd	London, United Kingdom	100%	100%
Parfums Christian Dior BV	Rotterdam, Netherlands	100%	100%
Iparkos BV	Rotterdam, Netherlands	100%	100%
Parfums Christian Dior S.A.B.	Brussels, Belgium	100%	100%
Parfums Christian Dior (Ireland) Ltd	Dublin, Ireland	100%	100%
Parfums Christian Dior Hellas SA	Athens, Greece	100%	100%
Parfums Christian Dior AG	Zurich, Switzerland	100%	100%
Christian Dior Perfumes LLC	New York, USA	100%	100%
Parfums Christian Dior Canada Inc.	Montreal, Canada	100%	100%
LVMH P&C de Mexico SA de CV	Mexico City, Mexico	100%	100%
Parfums Christian Dior Japon KK	Tokyo, Japan	100%	100%
Parfums Christian Dior (Singapore) Pte Ltd	Singapore	100%	100%
Inalux SA	Luxembourg	100%	100%
LVMH P&C Asia Pacific Ltd	Hong Kong, China	100%	100%
Fa Hua Fragrance & Cosmetic Co Ltd	Hong Kong, China	100%	100%
Parfums Christian Dior China	Shanghai, China	100%	100%
LVMH P&C Korea Ltd	Seoul, South Korea	100%	100%
Parfums Christian Dior Hong Kong Ltd	Hong Kong, China	100%	100%
LVMH P&C Malaysia Sdn Berhad Inc.	Kuala Lumpur, Malaysia	100%	100%
Pardior SA de CV	Mexico City, Mexico	100%	100%
Parfums Christian Dior A/S Ltd	Copenhagen, Denmark	100%	100%
LVMH Perfumes & Cosmetics Group Pty Ltd	Sydney, Australia	100%	100%
Parfums Christian Dior AS Ltd	Høvik, Norway	100%	100%
Parfums Christian Dior AB	Stockholm, Sweden	100%	100%
Parfums Christian Dior (New Zealand) Ltd	Auckland, New Zealand	100%	100%
Parfums Christian Dior GmbH Austria	Vienna, Austria	100%	100%
L Beauty Luxury Asia Inc.	Taguig City, Philippines	100%	51%
SCI Annabell	Paris, France	100%	100%
PT. L Beauty Brands	Jakarta, Indonesia	100%	51%
L Beauty Pte Ltd	Singapore	51%	51%
L Beauty Vietnam Limited Liability	Ho Chi Minh City, Vietnam	100%	51%
Cosmetic of France Inc.	Florida, USA	100%	100%
LVMH Recherche GIE	Saint-Jean de Braye, France	100%	100%
Parfums et Cosmétiques Information Services – PCIS GIE	Levallois Perret, France	100%	100%
Perfumes Loewe SA	Madrid, Spain	100%	100%
Acqua Di Parma Srl	Milan, Italy	100%	100%
Acqua Di Parma LLC	New York, USA	100%	100%
Acqua Di Parma Ltd	London, United Kingdom	100%	100%
Guerlain SA	Paris, France	100%	100%
LVMH Parfums & Kosmetik Deutschland GmbH	Düsseldorf, Germany	100%	100%
Guerlain GmbH	Vienna, Austria	100%	100%
Guerlain SA (Belgique)	Fleurus, Belgium	100%	100%
Guerlain Ltd	London, United Kingdom	100%	100%
LVMH Perfumes e Cosmetica Lda	Lisbon, Portugal	100%	100%
PC Parfums Cosmétiques SA	Zurich, Switzerland	100%	100%
Guerlain Inc.	New York, USA	100%	100%
Guerlain Canada Ltd	Montreal, Canada	100%	100%
Guerlain De Mexico SA	Mexico City, Mexico	100%	100%
Guerlain Asia Pacific Ltd	Hong Kong, China	100%	100%
Guerlain KK	Tokyo, Japan	100%	100%
Guerlain KSA	Paris, France	100%	100%
Guerlain Orient – JLT	Dubai, United Arab Emirates	100%	100%
Guerlain Oceania Australia Pty Ltd	Melbourne, Australia	100%	100%
Make Up For Ever SA	Paris, France	100%	100%
SCI Edison	Paris, France	100%	100%
Make Up For Ever LLC	New York, USA[*]	100%	100%
Make Up For Ever Canada Ltd	Montreal, Canada	100%	100%
LVMH Fragrance Brands SA	Levallois Perret, France	100%	100%
LVMH Fragrance Brands Ltd	London, United Kingdom	100%	100%
LVMH Fragrance Brands GmbH	Düsseldorf, Germany	100%	100%
LVMH Fragrance Brands LLC	New York, USA[*]	100%	100%
LVMH Fragrance Brands Ltd	Toronto, Canada	100%	100%
LVMH Fragrance Brands KK	Tokyo, Japan	100%	100%
LVMH Fragrance Brands WHD Inc.	New York, USA[*]	100%	100%
LVMH Fragrance Brands Singapore Pte Ltd	Singapore	100%	100%
Benefit Cosmetics LLC	California, USA	100%	100%
Benefit Cosmetics Ireland Ltd	Dublin, Ireland	100%	100%
Benefit Cosmetics UK Ltd	Chelmsford, United Kingdom	100%	100%

Companies	Registered office	Percentage Control	Percentage Interest
Benefit Cosmetics Canada Inc.	Toronto, Canada	100%	100%
Benefit Cosmetics Korea	Seoul, South Korea	100%	100%
Benefit Cosmetics SAS	Boulogne Billancourt, France	100%	100%
Benefit Cosmetics Hong Kong Limited	Hong Kong, China	100%	100%
L Beauty Sdn Bhn	Kuala Lumpur, Malaysia	100%	51%
L Beauty Thailand	Bangkok, Thailand	45%	48%
Nude Brands Ltd	London, United Kingdom	70%	70%
Nude Skincare Inc.	California, USA	100%	70%
Fresh Inc.	Massachusetts, USA	80%	80%
Fresh Cosmetics Ltd	London, United Kingdom	100%	80%
Fresh Hong Kong Ltd	Hong Kong, China	100%	80%
Fresh Korea Ltd	Seoul, South Korea	100%	80%

WATCHES AND JEWELRY

Companies	Registered office	Percentage Control	Percentage Interest
TAG Heuer International SA	Luxembourg	100%	100%
LVMH Swiss Manufactures SA	La Chaux-de-Fonds, Switzerland	100%	100%
LVMH Relojeria & Joyeria España SA	Madrid, Spain	100%	100%
LVMH Montres & Joaillerie France SA	Paris, France	100%	100%
LVMH Watch & Jewelry Central Europe GmbH	Bad Homburg, Germany	100%	100%
LVMH Watch & Jewelry UK Ltd	Manchester, United Kingdom	100%	100%
LVMH Watch & Jewelry USA Inc.	New Jersey, USA	100%	100%
LVMH Watch & Jewelry Canada Ltd	Toronto, Canada	100%	100%
LVMH Watch & Jewelry Far East Ltd	Hong Kong, China	100%	100%
LVMH Watch & Jewelry Singapore Pte Ltd	Singapore	100%	100%
LVMH Watch & Jewelry Malaysia Sdn Bhd	Kuala Lumpur, Malaysia	100%	100%
LVMH Watch & Jewelry Capital Pte Ltd	Singapore	100%	100%
LVMH Watch & Jewelry Japan KK	Tokyo, Japan	100%	100%
LVMH Watch & Jewelry Australia Pty Ltd	Melbourne, Australia	100%	100%
LVMH Watch & Jewelry Hong Kong Ltd	Hong Kong, China	100%	100%
LVMH Watch & Jewelry Taiwan Ltd	Hong Kong, China	100%	100%
LVMH Watch & Jewelry India Pvt Ltd	New Delhi, India	100%	100%
LVMH Watch & Jewelry (Shanghai) Commercial Co Ltd	Shanghai, China	100%	100%
LVMH Watch & Jewelry Russia SARL	Moscow, Russia	100%	100%
Cortech SA	Cornol, Switzerland	100%	100%
Timecrown Ltd	Worsley, United Kingdom	100%	100%
ArteCad SA	Tramelan, Switzerland	100%	100%
Alpha Time Corp. Ltd	Hong Kong, China	100%	100%
Dream Tech (Shanghai) Co. Ltd	Shanghai, China	100%	100%
Dream Tech Intl Trading Co. Ltd	Shanghai, China	100%	100%
Chaumet International SA	Paris, France	100%	100%
Chaumet London Ltd	London, United Kingdom	100%	100%
Chaumet Horlogerie SA	Bienne, Switzerland	100%	100%
Chaumet Korea Chusik Hoesa	Seoul, South Korea	100%	100%
Chaumet Middle East FZCO	Dubai, United Arab Emirates	60%	60%
Chaumet UAE	Dubai, United Arab Emirates	[c]	[c]
LVMH Watch and Jewellery Macau Company Limited	Macao, China	100%	100%
Zenith International SA	Le Locle, Switzerland	100%	100%
Farouk Trading	Riyadh, Saudi Arabia	[c]	[c]
LVMH Watch & Jewelry Italy Spa	Milan, Italy	100%	100%
Delano SA	La Chaux-de-Fonds, Switzerland	100%	100%
Fred Paris SA	Paris, France	100%	100%
Joaillerie de Monaco SA	Monaco	100%	100%
Fred Inc.	California, USA[*]	100%	100%
Fred Londres Ltd	London, United Kingdom	100%	100%
Dior Montres SARL	Paris, France[a]	50%	50%
Les Ateliers Horlogers Dior SA	La Chaux-de-Fonds, Switzerland[a]	50%	50%
Hublot SA	Nyon, Switzerland	100%	100%
Bentim International SA	Luxembourg	100%	100%
Hublot SA Genève	Geneva, Switzerland	100%	100%
Hublot of America, Inc.	Florida, USA	100%	100%
Hublot Japan KK Ltd	Tokyo, Japan	100%	100%
Nyon LLC	Miami, USA	50%	51%
Nyon Services LLC	Miami, USA[*]	100%	51%
Atlanta Boutique LLC	Atlanta, USA	100%	51%
Echidna Distribution Company LLC	Dallas, USA	100%	51%
Furioso LLC	Orlando, USA	100%	51%
Fusion World Dallas LLC	Dallas, USA	100%	51%
Fusion World Houston LLC	Houston, USA	100%	51%
New World of Fusion LLC	Miami, USA[*]	100%	51%
De Beers Diamond Jewellers Ltd	London, United Kingdom[a]	50%	50%
De Beers Diamond Jewellers Trademark Ltd	London, United Kingdom[a]	50%	50%
De Beers Diamond Jewellers UK Ltd	London, United Kingdom[a]	50%	50%
De Beers Diamond Jewellers Japan KK Co	Tokyo, Japan[a]	50%	50%
De Beers Diamond Jewellers (Hong Kong) Ltd	Hong Kong, China[a]	50%	50%
De Beers Diamond Jewellers Limited Taiwan	Taipei, Taiwan[a]	50%	50%
De Beers Diamond Jewellers US. Inc.	Delaware, USA[a]	50%	50%
De Beers Jewellers Commercial (Shanghai) Co, Ltd	Shanghai, China[a]	50%	50%
De Beers Diamond Jewellers (Macau) Company Limited	Macao, China[a]	50%	50%
Bulgari SpA	Rome, Italy	100%	100%
Bulgari Italia SpA	Rome, Italy	100%	100%
Bulgari International Corporation (BIC) NV	Amsterdam, Netherlands	100%	100%
Bulgari Corporation of America Inc.	New York, USA	100%	100%
Bulgari SA	Geneva, Switzerland	100%	100%
Bulgari Horlogerie SA	Neuchâtel, Switzerland	100%	100%
Bulgari France SAS	Paris, France	100%	100%
Bulgari Montecarlo SAM	Monaco	100%	100%
Bulgari (Deutschland) GmbH	Munich, Germany	100%	100%
Bulgari Espana SA Unipersonal	Madrid, Spain	100%	100%
Bulgari South Asian Operations Pte Ltd	Singapore	100%	100%
Bulgari (UK) Ltd	London, United Kingdom	100%	100%
Bulgari Belgium SA	Brussels, Belgium	100%	100%
Bulgari Australia Pty Ltd	Sydney, Australia	100%	100%
Bulgari (Malaysia) Sdn Bhd	Kuala Lumpur, Malaysia	100%	100%
Bulgari Global Operations SA	Neuchâtel, Switzerland	100%	100%
Bulgari Asia Pacific Ltd	Hong Kong, China	100%	100%
Bulgari (Taiwan) Ltd	Taipei, Taiwan	100%	100%
Bulgari Korea Ltd	Seoul, South Korea	100%	100%
Bulgari Saint Barth SAS	Saint-Barthélemy, French Antilles	100%	100%
Bulgari Gioielli SpA	Valenza, Italy	100%	100%
Bulgari Accessori Srl	Florence, Italy	100%	100%
Bulgari Holdings (Thailand) Ltd	Bangkok, Thailand	100%	100%
Bulgari (Thailand) Ltd	Bangkok, Thailand	100%	100%
Bulgari Commercial (Shanghai) Co. Ltd	Shanghai, China	100%	100%
Bulgari Japan Ltd	Tokyo, Japan	100%	100%
Bulgari Panama Inc.	Panama City, Panama	100%	100%
Bulgari Ireland Ltd	Dublin, Ireland	100%	100%
Bulgari Qatar Lcc	Doha, Qatar	[c]	[c]
Bulgari Kuwait Wll	Kuwait City, Kuwait	[c]	[c]
Gulf Luxury Trading LLC	Dubai, United Arab Emirates	51%	51%
Bulgari do Brazil Ltda	São Paulo, Brazil	100%	100%
Bulgari Hotels and Resorts Milano Srl	Rome, Italy[a]	50%	50%
Lux Jewels Kuwait For Trading In gold Jewelery and Precious Stones WLL	Kuweit City, Kuweit	[c]	[c]
Lux Jewels Bahrain Wll	Manama, Bahrein	[c]	[c]
India Luxco Retail Private Limited	New Delhi, India	[c]	[c]
BK for Jewelry and Precious Metals and Stones Co W.L.L	Kuwait City, Kuwait	[c]	[c]
Famaf Accessori S.r.l.	Florence, Italy	100%	100%
Bulgari Turkey Lüks Ürün Ticareti Limited Sirketi	Istanbul, Turkey	100%	100%
Bulgari Russia Llc	Moscow, Russia	100%	100%
Bvulgari Mexico SA DE CV	Cancun, Mexico	100%	100%
Bulgari Canada Inc.	Quebec, Canada	100%	100%

SELECTIVE RETAILING

Companies	Registered office	Percentage Control	Percentage Interest
LVMH Iberia SL	Madrid, Spain	100%	100%
LVMH Italia SpA	Milan, Italy	100%	100%
Sephora SA	Boulogne Billancourt, France	100%	100%
Sephora Luxembourg SARL	Luxembourg	100%	100%
Sephora Portugal Perfumaria Lda	Lisbon, Portugal	100%	100%
Sephora Pologne Spzoo	Warsaw, Poland	100%	100%
Sephora Marinopoulos SA	Alimos, Greece	100%	100%
Sephora Marinopoulos Romania SA	Bucharest, Romania	100%	100%
Sephora S.R.O.	Prague, Czech Republic	100%	100%
Sephora Monaco SAM	Monaco	99%	99%
Sephora Cosmeticos España	Madrid, Spain[a]	50%	50%
S+	Boulogne Billancourt, France	100%	100%
Sephora Marinopoulos Bulgaria EOOD	Sofia, Bulgaria	100%	100%
Sephora Marinopoulos Cyprus Ltd	Nicosia, Cyprus	100%	100%
Sephora Unitim Kozmetik AS	Istanbul, Turkey	100%	100%
Perfumes & Cosmeticos Gran Via SL	Madrid, Spain[a]	45%	45%
Sephora Marinopoulos D. O.O.	Zagreb, Croatia	100%	100%
Sephora Marinopoulos Cosmetics D. O.O.	Belgrade, Serbia	100%	100%
Sephora Nederland BV	Amsterdam, Netherlands	100%	100%
Sephora Danmark ApS	Copenhagen, Denmark	100%	100%
Sephora Sweden AB	Malmö, Sweden	100%	100%
Sephora Moyen Orient SA	Fribourg, Switzerland	60%	60%
Sephora Middle East FZE	Dubai, United Arab Emirates	100%	60%
Sephora Asia Pte Ltd	Shanghai, China	100%	100%
Sephora (Shanghai) Cosmetics Co. Ltd	Shanghai, China	81%	81%
Sephora (Beijing) Cosmetics Co. Ltd	Beijing, China	81%	81%
Sephora Xiangyang (Shanghai) Cosmetics Co., Ltd	Shanghai, China	100%	81%
Sephora Singapore Pte Ltd	Singapore	100%	100%
Sephora Thailand Company Ltd	Bangkok, Thailand	100%	100%

Companies	Registered office	Percentage Control	Percentage Interest
Sephora Australia	Sydney, Australia	100%	100%
Sephora USA Inc.	California, USA [*]	100%	100%
Sephora Cosmetics Private Ltd	New Delhi, India	100%	100%
Sephora Beauty Canada, Inc.	California, USA	100%	100%
Sephora Puerto Rico LLC	California, USA	100%	100%
Sephora Mexico, SRLCV	Lomas de Chapultepec, Mexico	100%	100%
Servicios Ziphorah, SRLCV	Mexico City, Mexico	100%	100%
Sephora Emirates LLC	Dubai, United Arab Emirates	[c]	[c]
Sephora Bahrain WLL	Manama, Bahrain	[c]	[c]
Sephora Do Brasil Participacoes SA	Rio de Janeiro, Brazil	100%	100%
PT Sephora Indonesia	Jakarta, Indonesia	100%	100%
Dotcom group Comercio de Presentes SA	Rio de Janeiro, Brazil	100%	100%
Kendo Holdings Inc.	California, USA	100%	100%
LGCS Inc.	New York, USA	100%	100%
Ole Henriksen of Denmark Inc.	California, USA	100%	100%
Sephora Do Brazil – avenue Hoche	São Paulo, Brazil	100%	100%
Galonta Holdings Limited	Nicosia, Cyprus	65%	65%
United Europe – Securities OJSC	Moscow, Russia	100%	65%
Beauty in Motion Sdn. Bhd.	Kuala Lumpur, Malaysia	100%	100%
Le Bon Marché SA	Paris, France	100%	100%
SEGEP SNC	Paris, France	99%	99%
Franck & Fils SA	Paris, France	100%	100%
DFS Holdings Ltd	Hamilton, Bermuda	61%	61%
DFS Australia Pty Ltd	Sydney, Australia	100%	61%
DFS Group Ltd	Delaware, USA	100%	61%
DFS Hong Kong Ltd	Hong Kong, China	100%	61%
TRS Hong Kong Ltd	Hong Kong, China [a]	45%	28%
DFS France SAS	Paris, France	100%	61%
DFS Okinawa KK	Okinawa, Japan	100%	61%
TRS Okinawa	Okinawa, Japan [a]	45%	28%
JAL/DFS Co., Ltd	Chiba, Japan [a]	40%	24%
DFS Korea Ltd	Seoul, South Korea	100%	61%
DFS Seoul Ltd	Seoul, South Korea	100%	61%
DFS Cotai Limitada	Macao, China	100%	61%
DFS Sdn. Bhd.	Kuala Lumpur, Malaysia	100%	61%
Gateshire Marketing Sdn Bhd	Kuala Lumpur, Malaysia	100%	61%
DFS Middle East LLC	Abu Dhabi, United Arab Emirates	100%	61%
DFS Venture Brasil Participações Ltda	São Paulo, Brazil	100%	61%
DFS Merchandising Ltd	Delaware, USA	100%	61%
DFS New Caledonia Sarl	Nouméa, New Caledonia	100%	61%
DFS New Zealand Ltd	Auckland, New Zealand	100%	61%
TRS New Zealand Ltd	Auckland, New Zealand [a]	45%	28%
Commonwealth Investment Company Inc.	Saipan, Northern Mariana Islands	97%	59%
DFS Saipan Ltd	Saipan, Northern Mariana Islands	100%	61%
Kinkaï Saipan LP	Saipan, Northern Mariana Islands	100%	61%
DFS Business consulting (Shanghai) Co. Ltd	Shanghai, China	100%	61%
Hainan DFS Retail Company Limited	Hainan, China	100%	61%
DFS Taiwan Ltd	Taipei, Taiwan	100%	61%
Tou You Duty Free Shop Co. Ltd	Taipei, Taiwan	100%	61%
DFS Singapore (Pte) Ltd	Singapore	100%	61%
DFS Venture Singapore (Pte) Ltd	Singapore	100%	61%
TRS Singapore Pte Ltd	Singapore [a]	45%	28%
DFS India Private Ltd	Mumbai, India [a]	51%	31%
DFS Vietnam (S) Pte Ltd	Singapore	70%	43%
New Asia Wave International Pte Ltd	Singapore	70%	43%
IPP Group Pte Ltd	Singapore	70%	43%
L Development & Management Ltd	Hong Kong, China [a]	40%	25%
DFS Group LP	Delaware, USA	61%	61%
LAX Duty Free Joint Venture 2000	California, USA	75%	46%
Royal Hawaiian Insurance Company Ltd	Hawaii, USA	100%	61%
JFK Terminal 4 Joint Venture 2001	New York, USA	80%	49%
DFS Guam LP	Guam	61%	61%
DFS Liquor Retailing Ltd	Delaware, USA	61%	61%
Twenty Seven – Twenty Eight Corp.	Delaware, USA	61%	61%
DFS Credit Systems Ltd	Hamilton, Bermuda	100%	61%
DFS European Logistics Ltd	Hamilton, Bermuda	100%	61%
DFS Italy S.r.L.	Milan, Italy	100%	61%
Preferred Products Ltd	Hong Kong, Chine	100%	61%
DFS (Cambodia) Limited	Phnom Penh, Cambodia	70%	43%
TRS Hawaii LLC	Hawaii, USA [a]	45%	28%
TRS Saipan Ltd	Saipan, Northern Mariana Islands [a]	45%	28%
TRS Guam LLC	Guam [a]	45%	28%
Tumon Entertainment LLC	Guam	100%	100%
Comete Guam Inc.	Guam	100%	100%
Tumon Aquarium LLC	Guam	97%	97%
Comete Saipan Inc.	Saipan, Northern Mariana Islands	100%	100%
Tumon Games LLC	Guam	100%	100%
DFS Vietnam LLC	Ho Chi Minh City, Vietnam	100%	61%
PT Sona Topas Tourism industry Tbk	Jakarta, Indonesia [a]	45%	28%
Cruise Line Holdings Co	Delaware, USA	100%	100%
Starboard Cruise Services Inc.	Delaware, USA	100%	100%
Starboard Holdings Ltd	Delaware, USA	100%	100%
International Cruise Shops Ltd	Cayman Islands	100%	100%
Vacation Media Ltd	Kingston, Jamaica	100%	100%

Companies	Registered office	Percentage Control	Percentage Interest
STB Srl	Florence, Italy	100%	100%
On Board Media Inc.	Delaware, USA	100%	100%
Parazul LLC	Delaware, USA	100%	100%
Onboard.com LLC	Delaware, USA	100%	100%
Y.E.S. Your Extended Services LLC	Delaware, USA [a]	33%	33%
BHUSA Inc.	Delaware, USA	100%	100%
SLF USA Inc.	Delaware, USA	100%	100%
Suzanne Lang Fragrance Inc.	Toronto, Canada	100%	100%

OTHER ACTIVITIES

Companies	Registered office	Percentage Control	Percentage Interest
Groupe Les Echos SA	Paris, France	100%	100%
Dematis SAS	Paris, France	80%	80%
Les Echos Management SAS	Paris, France	100%	100%
Régiepress SAS	Paris, France	100%	100%
Les Echos Légal SAS	Paris, France	100%	100%
Radio Classique SAS	Paris, France	100%	100%
Les Echos Medias SAS	Paris, France	100%	100%
SFPA SARL	Paris, France	100%	100%
Les Echos SAS	Paris, France	100%	100%
Percier Publications SNC	Paris, France	100%	100%
Investir Publications SAS	Paris, France	100%	100%
Les Echos Business SAS	Paris, France	100%	100%
SID Presse SAS	Paris, France	100%	100%
Magasins de La Samaritaine SA	Paris, France	99%	99%
Mongoual SA	Paris, France [a]	40%	40%
Le Jardin d'Acclimatation	Paris, France	99%	99%
RVL Holding BV	Kaag, Netherlands	91%	91%
Royal Van Lent Shipyard BV	Kaag, Netherlands	100%	91%
Tower Holding BV	Kaag, Netherlands	100%	91%
Green Bell BV	Kaag, Netherlands	100%	91%
Gebroeders Olie Beheer BV	Waddinxveen, Netherlands	100%	91%
Van der Loo Yachtinteriors BV	Waddinxveen, Netherlands	100%	91%
Red Bell BV	Kaag, Netherlands	100%	91%
De Voogt Naval Architects BV	Haarlem, Netherlands [a]	50%	46%
Feadship Holland BV	Amsterdam, Netherlands [a]	50%	46%
Feadship America Inc.	Florida, USA [a]	50%	46%
OGMNL BV	Nieuw-Lekkerland, Netherlands [a]	50%	46%
Probinvest SAS	Paris, France	100%	100%
Ufipar SAS	Paris, France	100%	100%
L Capital Management SAS	Paris, France	100%	100%
Sofidiv SAS	Paris, France	100%	100%
GIE LVMH Services	Paris, France	100%	85%
Moët Hennessy SNC	Paris, France	66%	66%
LVMH Services Ltd	London, United Kingdom	100%	100%
UFIP (Ireland) PRU	Dublin, Ireland	100%	100%
Moët Hennessy Investissements SA	Paris, France	100%	66%
LV Group	Paris, France	100%	100%
Moët Hennessy International SAS	Paris, France	66%	66%
Creare SA	Luxembourg	100%	100%
Creare Pte Ltd	Singapore	100%	100%
Société Montaigne Jean Goujon SAS	Paris, France	100%	100%
Delphine SAS	Paris, France	100%	100%
LVMH Finance SA	Paris, France	100%	100%
Primae SAS	Paris, France	100%	100%
Eutrope SAS	Paris, France	100%	100%
Flavius Investissements SA	Paris, France	100%	100%
LBD Holding SA	Paris, France	100%	100%
LVMH Hotel Management SAS	Paris, France	100%	100%
Ufinvest SAS	Paris, France	100%	100%
Delta	Paris, France	100%	100%
Hôtel Les Tovets	Courchevel, France	100%	100%
Société Immobilière Paris Savoie Les Tovets	Courchevel, France	100%	100%
Moët Hennessy Inc.	New York, USA [*]	100%	66%
One East 57th Street LLC	New York, USA [*]	100%	100%
LVMH Moët Hennessy - Louis Vuitton Inc.	New York, USA [*]	100%	100%
Sofidiv Art Trading LLC	New York, USA [*]	100%	100%
Sofidiv Inc.	New York, USA [*]	100%	100%
598 Madison Leasing Corp	New York, USA [*]	100%	100%
1896 Corp	New York, USA [*]	100%	100%
319-323 N. Rodeo LLC	New York, USA [*]	100%	100%
LVMH MJ Holding Inc.	New York, USA [*]	100%	100%
Arbelos Insurance Inc.	New York, USA	100%	100%
Meadowland Florida LLC	New York, USA	100%	100%
LVMH Participations BV	Naarden, Netherlands	100%	100%
LVMH Moët Hennessy - Louis Vuitton BV	Naarden, Netherlands	100%	100%
LVP Holding BV	Naarden, Netherlands	100%	100%
LVMH Services BV	Baarn, Netherlands	100%	100%
LVMH Finance Belgique SA	Brussels, Belgium	100%	100%
LVMH International SA	Brussels, Belgium	100%	100%
Marithé SA	Luxembourg	100%	100%
Ginza SA	Luxembourg	100%	100%
LVMH EU	Luxembourg	100%	100%

Companies	Registered office	Percentage	
		Control	Interest
L Real Estate SA	Luxembourg [a]	49%	49%
Ufilug SA	Luxembourg	100%	100%
Delphilug SA	Luxembourg	100%	100%
Glacea SA	Luxembourg	100%	100%
Naxara SA	Luxembourg	100%	100%
Pronos SA	Luxembourg	100%	100%
Sofidil SA	Luxembourg	100%	100%
Hanninvest SA	Brussels, Belgium	100%	100%
LVMH Publica SA	Brussels, Belgium	100%	100%
Sofidiv UK Ltd	London, United Kingdom	100%	100%
LVMH Moët Hennessy - Louis Vuitton KK	Tokyo, Japan	100%	100%
Osaka Fudosan Company Ltd	Tokyo, Japan	100%	100%
LVMH Asia Pacific Ltd	Hong Kong, China	100%	100%
LVMH Shanghai Management and Consultancy Co, Ltd	Shanghai, China	100%	100%

Companies	Registered office	Percentage	
		Control	Interest
L Capital Asia Advisors PLC	Port Louis, Mauritius	100%	100%
LVMH South & South East Asia Pte Ltd	Singapore	100%	100%
Vicuna Holding Spa	Milan, Italy	100%	100%
Pasticceria Confetteria Cova S.r.l	Milan, Italy	80%	80%
Cova Montenapoleone S.r.l	Milan, Italy	100%	80%
Investissement Hotelier			
Saint Barth Plage des Flamands SAS	Saint-Barthélemy, French Antilles	100%	56%
Isle de France SARL	Saint-Barthélemy, French Antilles	100%	56%
Isle de France Group Limited	London, United Kingdom	100%	56%
Drift Saint Barth Holding Limited	London, United Kingdom	100%	56%
CT Saint Barth Limited	London, United Kingdom	100%	56%
Drift Saint Barth Limited	London, United Kingdom	100%	56%
Alderande SAS	Paris, France	56%	56%
LVMH Moët Hennessy - Louis Vuitton SE	Paris, France	Parent company	

(*) The address given corresponds to the company's administrative headquarters; the corporate registered office is located in the state of Delaware.
(a) Accounted for using the equity method.
(b) Joint venture company with Diageo: only the Moët Hennessy activity is consolidated.
(c) The Group's percentages of control and interest are not disclosed, the result of these companies being consolidated on the basis of the Group's contractual share in their business.

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders,

In compliance with the assignment entrusted to us by your Shareholder's Meeting, we hereby report to you, for the year ended December 31, 2014, on:

- the audit of the accompanying consolidated financial statements of the company LVMH Moët Hennessy - Louis Vuitton;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by your Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2014, and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Without qualifying our opinion, we draw your attention to:

- Note 1.2 to the consolidated financial statements related to the change in presentation of the Income/Loss from joint ventures and associates, which now forms part of Profit from recurring operations;

- Note 1.4 to the consolidated financial statements related to the change in presentation within the cash flow statement of dividends received, now presented according to the nature of the underlying investments, and of taxes paid, now presented according to the nature of the transactions from which they arise.

II. Justification of our assessments

In accordance with the requirements of Article L. 823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

- The valuation of brands and goodwill has been tested under the method described in Note 1.14 to the consolidated financial statements. Based on the aforementioned, we have assessed the appropriateness of the methodology applied based on certain estimates and have reviewed the data and assumptions used by the Group to perform these valuations.

- We have verified that Note 1.12 to the consolidated financial statements provides an appropriate disclosure on the accounting treatment of commitments to purchase minority interests, as such treatment is not specifically provided for by the IFRS framework as adopted by the European Union.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. Specific verification

As required by law we have also verified in accordance with professional standards applicable in France the information presented in the Group's Management Report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Neuilly-sur-Seine and Paris-La Défense, February 12, 2015

The Statutory Auditors

DELOITTE & ASSOCIÉS	ERNST & YOUNG et Autres	
Thierry Benoit	Jeanne Boillet	Gilles Cohen

This is a free translation into English of the Statutory Auditors' report on the consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users.

The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.

This report also includes information relating to the specific verification of information given in the Group's Management Report.

This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

LVMH

MOËT HENNESSY . LOUIS VUITTON

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