LVMH

MOËT HENNESSY • LOUIS VUITTON

TRANSLATION OF THE FRENCH INTERIM FINANCIAL REPORT

SIX-MONTH PERIOD ENDED JUNE 30, 2020

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This document is a free translation into English of the original French "Rapport financier semestriel", hereafter referred to as the "Interim Financial Report". 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.

EXECUTIVE AND SUPERVISORY BODIES; STATUTORY AUDITORS AS OF JUNE 30, 2020

Board of Directors

Bernard Arnault
Chairman and Chief Executive Officer

Antonio Belloni
Group Managing Director

Antoine Arnault

Delphine Arnault

Nicolas Bazire

Sophie Chassat [a]

Charles de Croisset [a]
Lead Director

Diego Della Valle [a]

Clara Gaymard [a]

Iris Knobloch [a]

Marie-Josée Kravis [a]

Marie-Laure Sauty de Chalon [a]

Yves-Thibault de Silguy [a]

Natacha Valla [a]

Hubert Védrine [a]

Advisory Board members

Yann Arthus-Bertrand

Lord Powell of Bayswater

Executive Committee

Bernard Arnault
Chairman and Chief Executive Officer

Antonio Belloni
Group Managing Director

Delphine Arnault
Louis Vuitton Products

Nicolas Bazire
Development and Acquisitions

Pietro Beccari
Christian Dior Couture

Michael Burke
Louis Vuitton

Chantal Gaemperle
Human Resources and Synergies

Jean-Jacques Guiony
Finance

Christopher de Lapuente
Sephora and Beauty

Philippe Schaus
Wines and Spirits

Sidney Toledano
Fashion Group

Jean-Baptiste Voisin
Strategy

General Secretary

Marc-Antoine Jamet

Performance Audit Committee

Yves-Thibault de Silguy [a]
Chairman

Charles de Croisset [a]

Clara Gaymard [a]

Nomination and Compensation Committee

Charles de Croisset [a]
Chairman

Marie-Josée Kravis [a]

Yves-Thibault de Silguy [a]

Ethics and Sustainable Development Committee

Yves-Thibault de Silguy [a]
Chairman

Delphine Arnault

Marie-Laure Sauty de Chalon [a]

Hubert Védrine [a]

Statutory Auditors

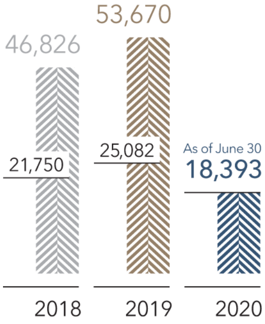
ERNST & YOUNG Audit
represented by Gilles Cohen and Patrick Vincent-Genod

MAZARS
represented by Isabelle Sapet and Loïc Wallaert

(a) Independent Director

FINANCIAL HIGHLIGHTS

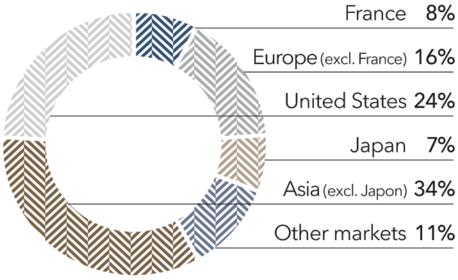
Revenue
(EUR millions)



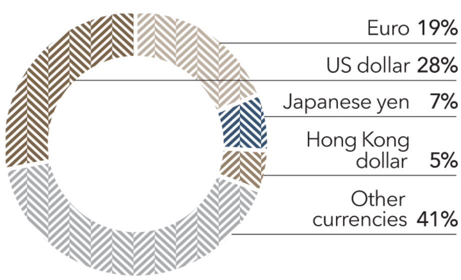
Change in revenue by business group *(EUR millions and percentage)*	June 30, 2020	June 30, 2019	Change	
			Published	Organic[(a)]
Wines and Spirits	1,985	2,486	-20%	-23%
Fashion and Leather Goods	7,989	10,425	-23%	-24%
Perfumes and Cosmetics	2,304	3,236	-29%	-29%
Watches and Jewelry	1,319	2,135	-38%	-39%
Selective Retailing	4,844	7,098	-32%	-33%
Other activities and eliminations	(48)	(298)	-	-
Total	**18,393**	**25,082**	**-27%**	**-28%**

(a) On a constant consolidation scope and currency basis. The net impact of exchange rate fluctuations on Group revenue was +1% and the net impact of changes in the scope of consolidation was virtually nil. The principles used to determine the net impact of exchange rate fluctuations on the revenue of entities reporting in foreign currencies and the net impact of changes in the scope of consolidation are described on page 11.

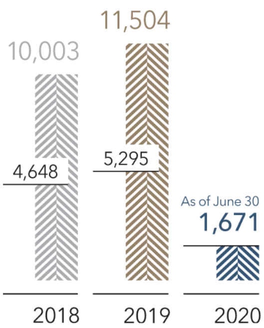
Revenue by geographic region of delivery



Revenue by invoicing currency

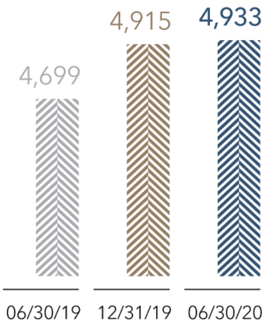


Profit from recurring operations
(EUR millions)

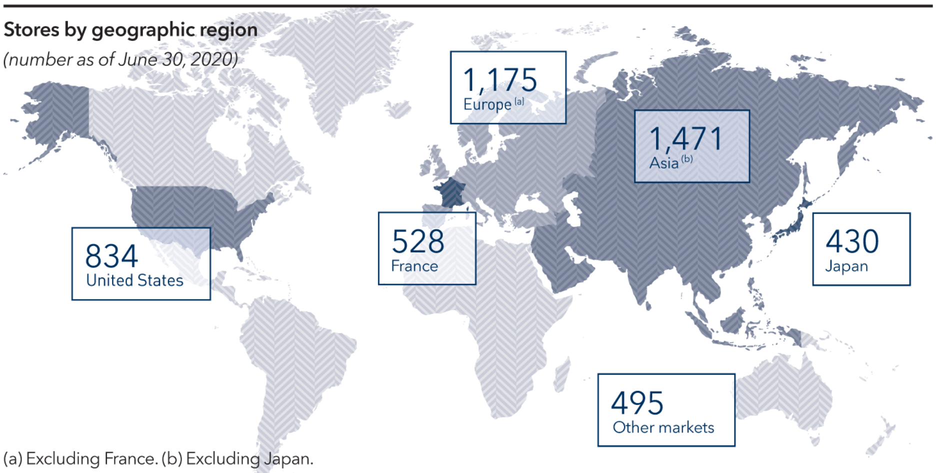


Profit from recurring operations by business group *(EUR millions)*	June 30, 2020	Dec. 31, 2019	June 30, 2019
Wines and Spirits	551	1,729	772
Fashion and Leather Goods	1,769	7,344	3,248
Perfumes and Cosmetics	(30)	683	387
Watches and Jewelry	(17)	736	357
Selective Retailing	(308)	1,395	714
Other activities and eliminations	(294)	(383)	(183)
Total	**1,671**	**11,504**	**5,295**

Stores
(number)

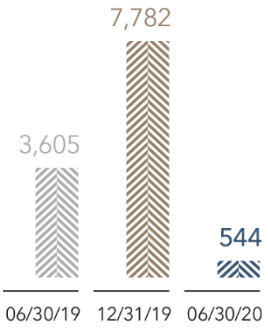


Stores by geographic region
(number as of June 30, 2020)

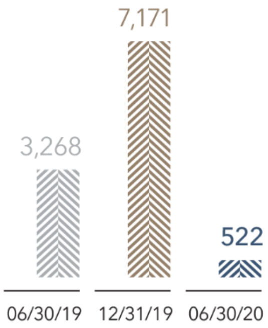


(a) Excluding France. (b) Excluding Japan.

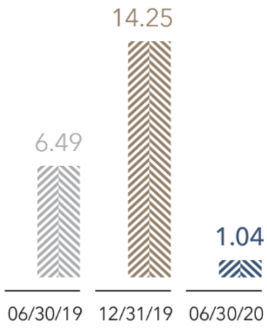
Net profit
(EUR millions)



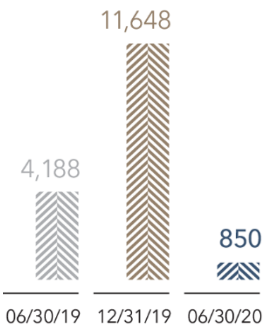
Net profit, Group share
(EUR millions)



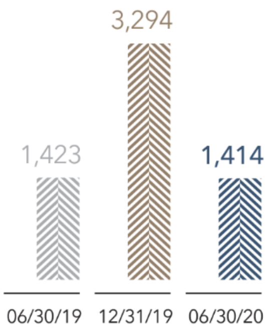
Basic Group share of net earnings per share
(EUR)



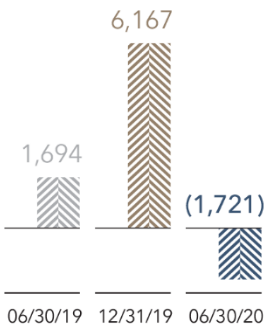
Net cash from operating activities
(EUR millions)



Operating investments
(EUR millions)

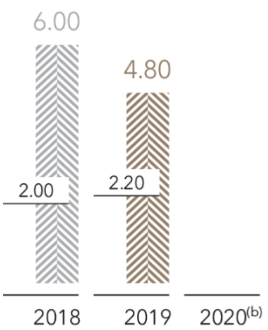


Operating free cash flow[a]
(EUR millions)



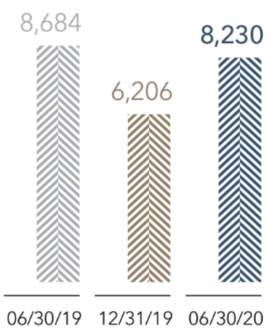
(a) See the consolidated cash flow statement on page 26 for definition of "Operating free cash flow".

Dividend per share[a]
(EUR)



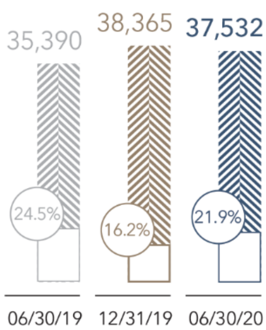
(a) Gross amount paid for the fiscal year, excluding the impact of tax regulations applicable to the recipient.
(b) The payment of an interim dividend for 2020 will be discussed by the Board of Directors in October and any decision made will be announced at that time.

Net financial debt[a]
(EUR millions)



(a) Excluding "Lease liabilities" and "Purchase commitments for minority interests". See Note 19.1 to the condensed consolidated financial statements.

Equity and Net financial debt/Equity ratio
(EUR millions and percentage)



HIGHLIGHTS

Highlights of the first half of 2020 include:

– Good resilience, notably from the major brands, in an economic environment disrupted by the global health crisis,
– Absolute priority placed on the health and safety of our employees and customers,
– Direct support in the fight against the epidemic,
– Impact of the crisis on revenue worldwide, with however a strong recovery in the second quarter in China,
– Significant acceleration in online sales, only partially offsetting the impact on revenue of several months of store closures,
– Destocking by retailers for Perfumes and Cosmetics, and Watches,
– Suspension of international travel, severely penalizing travel retail and hotel activities.

SHARE CAPITAL AND VOTING RIGHTS

	Number of shares	Number of voting rights [(a)]	% of share capital	% of voting rights
Arnault Family Group	239,591,216	467,318,824	47.44%	63.51%
Other	265,436,123	268,514,141	52.56%	36.49%
Total	**505,027,339**	**735,832,965**	**100.00%**	**100.00%**

(a) Total number of voting rights that may be exercised at Shareholders' Meetings.

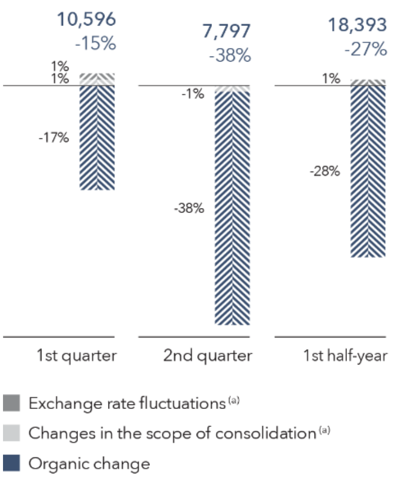
BUSINESS REVIEW AND COMMENTS ON THE HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS OF LVMH GROUP

1. COMMENTS ON THE CONSOLIDATED INCOME STATEMENT

1.1. Breakdown of revenue

Quarterly change in revenue

(EUR millions and as %)



(a) The principles used to determine the impact of exchange rate fluctuations on the revenue of entities reporting in foreign currencies and the impact of changes in the scope of consolidation are described on page 11.

The measures taken by various governments to fight the Covid-19 pandemic severely disrupted LVMH's operations during the half-year period, and significantly affected the financial statements for the first six months of 2020. The closure of stores and production facilities in most countries for several months, along with the halt in international travel, were responsible for the reduction in revenue and, consequently, the deterioration in profitability across all the business groups.

Consolidated revenue for the period ended June 30, 2020 was 18,393 million euros, down 27% from the first half of 2019. It was nevertheless boosted by the Group's main invoicing currencies strengthening against the euro, in particular the US dollar, which rose 2%.

The following changes to the Group's consolidation scope took place between the first half of 2019 and the first half of 2020: in "Other activities", the consolidation of the Belmond hotel group as of April 2019; in the Wines and Spirits business group, the consolidation of Château d'Esclans as of January 1, 2020. These changes in the scope of consolidation did not have a significant impact on half-year revenue growth.

On a constant consolidation scope and currency basis, revenue decreased by 28%.

Revenue by invoicing currency

(as %)	June 30, 2020	Dec. 31, 2019	June 30, 2019
Euro	19	22	21
US dollar	28	29	29
Japanese yen	7	7	7
Hong Kong dollar	5	5	6
Other currencies	41	37	37
Total	**100**	**100**	**100**

The breakdown of revenue by invoicing currency changed appreciably with respect to the first half of 2019: the contribution of the euro fell by 2 points to 19% and that of the US dollar and the Hong Kong dollar fell by 1 point each to 28% and 5%, respectively, while that of "Other currencies" rose by 4 points to 41%. The contribution of the Japanese yen remained stable at 7%.

Revenue by geographic region of delivery

(as %)	June 30, 2020	Dec. 31, 2019	June 30, 2019
France	8	9	9
Europe (excl. France)	16	19	17
United States	24	24	23
Japan	7	7	7
Asia (excl. Japan)	34	30	33
Other markets	11	11	11
Total	**100**	**100**	**100**

By geographic region of delivery, the relative contribution of Europe (excluding France) to Group revenue fell from 17% to 16%, while that of France fell from 9% to 8%, due to the significant reduction in tourist travel to these regions, and in the wake of the widespread lockdown that took effect starting in mid-March. The relative contributions of Japan and "Other markets" remained stable at 7% and 11%, respectively, while that of Asia (excluding Japan) and, to a lesser extent, the United States were boosted by the carryover of consumer demand among their local clientele who canceled their travel plans, with the contributions of these regions growing by 1 point each to 34% and 24%, respectively.

Revenue by business group

(EUR millions)	June 30, 2020	Dec. 31, 2019	June 30, 2019
Wines and Spirits	1,985	5,576	2,486
Fashion and Leather Goods	7,989	22,237	10,425
Perfumes and Cosmetics	2,304	6,835	3,236
Watches and Jewelry	1,319	4,405	2,135
Selective Retailing	4,844	14,791	7,098
Other activities and eliminations	(48)	(174)	(298)
Total	**18,393**	**53,670**	**25,082**

By business group, the breakdown of Group revenue changed appreciably. The contributions of Wines and Spirits, and Fashion and Leather Goods increased by 1 point and 2 points, respectively, to 11% and 43%, while the contributions of Watches and Jewelry, and Selective Retailing decreased by 1 point and 2 points, respectively, to 7% and 26%. The contribution of Perfumes and Cosmetics remained stable at 13%.

Revenue for Wines and Spirits decreased by 20% based on published figures. Boosted by a positive 1-point exchange rate impact and a positive 2-point scope impact following the consolidation of Château d'Esclans, revenue for this business group was down 23% on a constant consolidation scope and currency basis. Champagnes and wines were down 21% based on published figures and 26% on a constant consolidation scope and currency basis, after taking into account the positive 5-point impact of the consolidation of Château d'Esclans. Cognac and spirits were down 19% based on published figures and 20% on a constant consolidation scope and currency basis. The impact of the global health crisis related to the Covid-19 pandemic was felt across all geographic areas, especially Asia (including Japan) and Europe. The decline was more limited in the United States.

Revenue for Fashion and Leather Goods was down 24% in terms of organic growth and 23% based on published figures. Online sales grew rapidly. During the first half of the year, all geographic areas were affected by the crisis, especially Europe, leading all the brands to record negative performance for the period; in this context, Christian Dior Couture was remarkably resilient.

Revenue for Perfumes and Cosmetics decreased by 29% in terms of organic growth and based on published figures. Guerlain and Fresh proved highly resilient despite the global health crisis, showing more limited declines. Asia was the region where revenue decreased the least.

Revenue for Watches and Jewelry decreased by 39% in terms of organic growth and by 38% based on published figures. The first half of 2020 saw a sharp slowdown in watches and jewelry sales. All the business group's brands felt the impact of the global health crisis. The United States, Japan and Europe were the most heavily affected areas.

Revenue for Selective Retailing decreased by 33% on a constant consolidation scope and currency basis, and by 32% based on published figures. The halt in international travel and the closure of the entire store network led the business group to record major revenue declines across all its geographic areas, especially in Europe.

1.2. Profit from recurring operations

(EUR millions)	June 30, 2020	Dec. 31, 2019	June 30, 2019
Revenue	18,393	53,670	25,082
Cost of sales	(7,002)	(18,123)	(8,447)
Gross margin	11,391	35,547	16,635
Marketing and selling expenses	(8,000)	(20,207)	(9,563)
General and administrative expenses	(1,699)	(3,864)	(1,789)
Income/(loss) from joint ventures and associates	(21)	28	12
Profit from recurring operations	**1,671**	**11,504**	**5,295**
Operating margin *(%)*	**9.1**	**21.4**	**21.1**

The Group's gross margin came to 11,391 million euros, down 32% compared to end-June 2019; as a percentage of revenue, the gross margin was 62%, down 4 points. The Group incurred the negative impact of the closure of a number of production sites and a higher level of inventory impairment, especially in Fashion and Leather Goods, due to the global health crisis. These two effects had a negative impact of 2 points on the margin.

Marketing and selling expenses totaled 8,000 million euros, down 16% based on published figures and 18% on a constant consolidation scope and currency basis. Efforts made to reduce marketing and selling expenses partly offset the decrease in the gross margin. The level of these expenses expressed as a percentage of revenue came to 43%, up 5 points from June 30, 2019. Among these marketing and selling expenses, advertising and promotion costs amounted to 12% of revenue, decreasing by 26% on a constant consolidation scope and currency basis.

The geographic breakdown of stores is as follows:

(number)	June 30, 2020	Dec. 31, 2019	June 30, 2019
France	528	535	522
Europe (excl. France)	1,175	1,177	1,163
United States	834	829	792
Japan	430	427	420
Asia (excl. Japan)	1,471	1,453	1,341
Other markets	495	494	461
Total	**4,933**	**4,915**	**4,699**

General and administrative expenses totaled 1,699 million euros, down 5% based on published figures and 8% on a constant consolidation scope and currency basis. They amounted to 9% of revenue, up 2 points compared to June 30, 2019.

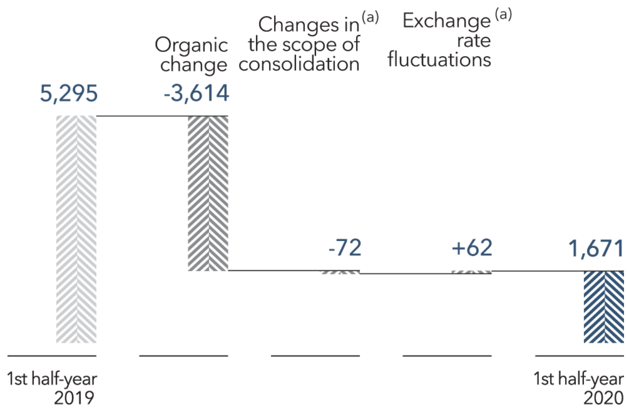
Profit from recurring operations by business group

(EUR millions)	June 30, 2020	Dec. 31, 2019	June 30, 2019
Wines and Spirits	551	1,729	772
Fashion and Leather Goods	1,769	7,344	3,248
Perfumes and Cosmetics	(30)	683	387
Watches and Jewelry	(17)	736	357
Selective Retailing	(308)	1,395	714
Other activities and eliminations	(294)	(383)	(183)
Total	**1,671**	**11,504**	**5,295**

The Group's profit from recurring operations was 1,671 million euros, down 68%. The Group's operating margin as a percentage of revenue was 9%, down 12 points with respect to June 30, 2019.

Change in profit from recurring operations

(EUR millions)



(a) The principles used to determine the impact of exchange rate fluctuations on the revenue of entities reporting in foreign currencies and the impact of changes in the scope of consolidation are described on page 11.

Exchange rate fluctuations had a positive overall impact of 62 million euros on profit from recurring operations compared to the previous fiscal year. This total comprises the following three items: the impact of exchange rate fluctuations on export and import sales and purchases by Group companies, the change in the net impact of the Group's policy of hedging its commercial exposure to various currencies, and the impact of exchange rate fluctuations on the consolidation of profit from recurring operations of subsidiaries outside the eurozone.

Wines and Spirits

	June 30, 2020	Dec. 31, 2019	June 30, 2019
Revenue *(EUR millions)*	1,985	5,576	2,486
Profit from recurring operations *(EUR millions)*	551	1,729	772
Operating margin *(%)*	27.8	31.0	31.1

Profit from recurring operations for Wines and Spirits was 551 million euros, down 29% relative to June 30, 2019. Champagne and wines contributed 103 million euros, while cognacs and spirits accounted for 448 million euros. Cost control and targeted advertising and promotional investments helped partly offset the negative impact of the decrease in volumes. The business group's operating margin as a percentage of revenue fell by 3.3 points to 27.8%.

Fashion and Leather Goods

	June 30, 2020	Dec. 31, 2019	June 30, 2019
Revenue *(EUR millions)*	7,989	22,237	10,425
Profit from recurring operations *(EUR millions)*	1,769	7,344	3,248
Operating margin *(%)*	22.1	33.0	31.2

Fashion and Leather Goods posted profit from recurring operations of 1,769 million euros, down 46% compared with the first half of 2019. Amidst the Covid-19 pandemic, efforts to control costs and adapt to new requirements enabled Christian Dior Couture and Louis Vuitton to maintain a high level of profitability. All the brands strengthened their management measures to limit the impact of store closures in most regions, carefully targeting their investments. The business group's operating margin as a percentage of revenue fell by 9.0 points to 22.1%.

Perfumes and Cosmetics

	June 30, 2020	Dec. 31, 2019	June 30, 2019
Revenue *(EUR millions)*	2,304	6,835	3,236
Profit from recurring operations *(EUR millions)*	(30)	683	387
Operating margin *(%)*	(1.3)	10.0	12.0

Profit from recurring operations for Perfumes and Cosmetics was a loss of 30 million euros, down 417 million euros compared to the first half of 2019. Special attention paid to the cost price of finished products and careful management of operating costs enabled the business group to offset a very large portion of the deterioration in gross margin. The business group's operating margin as a percentage of revenue fell by 13.2 points to -1.3%.

Watches and Jewelry

	June 30, 2020	Dec. 31, 2019	June 30, 2019
Revenue *(EUR millions)*	1,319	4,405	2,135
Profit from recurring operations *(EUR millions)*	(17)	736	357
Operating margin *(%)*	(1.3)	16.7	16.7

Profit from recurring operations for Watches and Jewelry was a loss of 17 million euros, down 374 million euros compared to the first half of 2019. In a challenging environment for the watches and jewelry industry, the business group's brands actively pursued the operating levers at their disposal in order to limit the negative impact of the public health crisis. The operating margin as a percentage of revenue for the Watches and Jewelry business group fell by 18.0 points to -1.3%.

Selective Retailing

	June 30, 2020	Dec. 31, 2019	June 30, 2019
Revenue *(EUR millions)*	4,844	14,791	7,098
Profit from recurring operations *(EUR millions)*	(308)	1,395	714
Operating margin *(%)*	(6.4)	9.4	10.1

Profit from recurring operations for Selective Retailing was a loss of 308 million euros, down 1,022 million euros compared to the first half of 2019. The halt in tourism and store closures around the world led to a very sharp decline in results. The business group's operating margin as a percentage of revenue fell by 16.5 points to -6.4%.

Other activities

The loss from recurring operations of "Other activities and eliminations" increased with respect to the first half of 2019, totaling 295 million euros. In addition to headquarters expenses, this heading includes the results of the hotel and media divisions, Royal Van Lent yachts, and the Group's real estate activities.

1.3. Other income statement items

(EUR millions)	June 30, 2020	Dec. 31, 2019	June 30, 2019
Profit from recurring operations	1,671	11,504	5,295
Other operating income and expenses	(154)	(231)	(54)
Operating profit	1,517	11,273	5,241
Net financial income/(expense)	(462)	(559)	(205)
Income taxes	(511)	(2,932)	(1,431)
Net profit before minority interests	**544**	**7,782**	**3,605**
Minority interests	(22)	(611)	(337)
Net profit, Group share	**522**	**7,171**	**3,268**

"Other operating income and expenses" amounted to a net expense of 154 million euros, compared with a net expense of 54 million euros in the first half of 2019. As of June 30, 2020, "Other operating income and expenses" included 26 million euros in donations related to the global health crisis, 11 million euros in transaction costs relating to the acquisition of consolidated companies, and 114 million euros in depreciation, amortization and impairment charges for brands, goodwill and real estate assets.

The Group's operating profit was 1,517 million euros, down 71% compared to the first half of 2019.

The net financial expense was 462 million euros, compared with a net financial expense of 205 million euros as of June 30, 2019. This item comprised the following:

- the aggregate cost of net financial debt, which totaled 46 million euros, versus a cost of 51 million euros as of June 30, 2019, representing a reduction of 5 million euros;
- interest on lease liabilities recognized under IFRS 16, which amounted to an expense of 149 million euros, compared with an expense of 145 million euros in the previous year;
- other financial income and expenses, which amounted to a net expense of 268 million euros, compared to a net expense of 9 million euros in 2019. The expense related to the cost of foreign exchange derivatives was 116 million euros, versus an expense of 102 million euros a year earlier. Lastly, fair value adjustments of available for sale financial assets amounted to a net expense of 136 million euros, compared to net income of 101 million euros for 2019.

The Group's effective tax rate was 48%, up 20 points from the first half of 2019. This increase was essentially automatic, as the expenses recognized in the accounts for the first half of 2020 that did not give rise to a deduction in the income tax computation were comparable to those incurred in the first half of 2019, while business performance was much lower due to the Covid-19 pandemic. In addition, deferred tax assets were not recognized for certain operating losses due to uncertainties regarding the near-term prospects for using these losses.

Profit attributable to minority interests was 22 million euros, compared to 337 million euros in the first half of 2019; this total mainly includes profit attributable to minority interests in Moët Hennessy and DFS.

The Group's share of net profit was 522 million euros, compared with 3,268 million euros in the first half of 2019. This represented 2.8% of revenue in the first half of 2020, compared to 13% in 2019. The Group's share of net profit for the first half of 2020 was down 84% compared to the first half of 2019.

Comments on the determination of the impact of exchange rate fluctuations and changes in the scope of consolidation

The impact of exchange rate fluctuations is determined by translating the financial statements for the fiscal year of entities with a functional currency other than the euro at the prior fiscal year's exchange rates, without any other restatements.

The impact of changes in the scope of consolidation is determined as follows:

- for the fiscal year's acquisitions, by deducting from revenue for the fiscal year the amount of revenue generated during that fiscal year by the acquired entities, as of their initial consolidation;
- for the prior fiscal year's acquisitions, by deducting from revenue for the fiscal year the amount of revenue generated over the months during which the acquired entities were not consolidated in the prior fiscal year;
- for the fiscal year's disposals, by adding to revenue for the fiscal year the amount of revenue generated by the divested entities in the prior fiscal year over the months during which those entities were no longer consolidated in the current fiscal year;
- for the prior fiscal year's disposals, by adding to revenue for the fiscal year the amount of revenue generated in the prior fiscal year by the divested entities.

Profit from recurring operations is restated in accordance with the same principles.

2. WINES AND SPIRITS

	June 30, 2020	Dec. 31, 2019	June 30, 2019
Revenue *(EUR millions)*	**1,985**	**5,576**	**2,486**
Of which: Champagne and wines	*755*	*2,507*	*960*
Cognac and spirits	*1,230*	*3,069*	*1,526*
Sales volume *(millions of bottles)*			
Champagne	17.1	64.7	24.4
Cognac	43.1	98.7	50.4
Other spirits	7.4	19.6	8.7
Still and sparkling wines	18.4	39.3	15.3
Revenue by geographic region of delivery *(%)*			
France	4	5	4
Europe (excl. France)	15	18	15
United States	45	33	36
Japan	5	7	6
Asia (excl. Japan)	21	24	27
Other markets	10	13	12
Total	**100**	**100**	**100**
Profit from recurring operations *(EUR millions)*	**551**	**1,729**	**772**
Operating margin *(%)*	**27.7**	**31.0**	**31.0**
Operating investments of the period *(EUR millions)*	**155**	**325**	**112**

Highlights

In the unprecedented context of the global health crisis and its consequences on the sector's business activity, the Wines and Spirits business group firmly maintained its value-enhancing strategy, drawing on its unique portfolio of prestige brands and building on its social and environmental responsibility initiatives. At the Vinexpo Paris trade fair in February 2020, Moët Hennessy unveiled its groundbreaking initiatives for more sustainable winegrowing and brought together a panel of international experts to share their views on living soils. The Maisons and their organizations outside France took action to support community-oriented initiatives.

Champagne sales were down 28% on a constant consolidation scope and currency basis, with volumes down 30%. **Moët & Chandon** demonstrated the potential of its innovations with the success of its *Ice Impérial* vintages and its "Specially Yours" personalization program. The Maison reaffirmed its leadership position, spurring its fast-growing online sales and confirming its ability to create value through a firm pricing policy. **Dom Pérignon** continued to pursue its unique model across all global markets. *Dom Pérignon Vintage 2010* – the first vintage crafted by Vincent Chaperon, the Maison's new Cellar Master – will be launched in the second half of the year. **Mercier** was awarded a gold medal for its *Brut Rosé* vintage, which is positioned as a reference vintage. **Veuve Clicquot** strengthened its positions in the United States and Japan, and continued to promote its exceptional cuvée, *La Grande Dame*. Didier Mariotti became the Maison's 11th Cellar Master since it was founded in 1772. Continuing to cultivate its ties to contemporary art, **Ruinart** unveiled its collaboration with British artist David Shrigley, who was given carte blanche to express his vision of the Maison on the themes of craftsmanship and nature. A new recyclable, sustainably designed case has now replaced Ruinart's previous packaging. During the global health crisis, **Krug** launched "Krug Connect", a digital program to stay connected with customers and "Krug Lovers" around the world. Julie Cavil, the Maison's Cellar Master, created *Krug Grande Cuvée 175e Édition*, while *Krug Grande Cuvée 168e Édition* received very positive ratings in the trade press.

Acclaimed by leading critics, the **Estates & Wines** Maisons continued to reaffirm the excellence of their wines. This was reflected in upgraded ratings for Ao Yun (China), Terrazas de los Andes (Argentina) and Newton (United States). Cloudy Bay (New Zealand) capitalized on strong online sales momentum in the US market with its "From Our World to Yours" digital program. Committed to offering the best that nature has to offer, the Estates & Wines Maisons stepped up their sustainable development initiatives.

The first half of the year saw the integration for the first time of **Château d'Esclans** and **Château du Galoupet**, acquired in 2019, which will strengthen Moët Hennessy's position in the promising market of high-end rosé.

Cognac sales were down 21% on a constant consolidation scope and currency basis, with volumes down 15%. After the slowdown in demand observed at the beginning of the year due to the pandemic and the timing of the 2020 Chinese New Year, the rebound in **Hennessy**'s revenue in China during the second quarter was driven by e-commerce and "off-trade" retail sales. The US market showed strong resilience, particularly for Hennessy *V.S.* In June, the Maison launched "Unfinished Business", an initiative to support African American, Latino and Asian family-owned businesses in the United States, which have been particularly hard hit by the economic crisis resulting from the pandemic.

Glenmorangie and **Ardbeg** whiskies cemented their reputation in the single malt category, winning several awards in international competitions.

Clos 19 saw a very encouraging half-year period, focusing on its European markets: the United Kingdom and Germany. Platform traffic and conversion rates increased sharply thanks to innovative marketing measures, with an emphasis on personalization.

Outlook

In an uncertain business environment, LVMH's Wines and Spirits brands are solid benchmarks of authenticity, quality and durability for their different customer bases around the world. Backed by their agile, highly committed staff, their robust positions in major traditional markets and their progress in emerging countries, our Maisons approach the future with confidence. While ensuring strict cost and inventory management, they are firmly maintaining their pricing policy and investing in a highly targeted manner in the most promising markets. The business group will strengthen its value-enhancing strategy focused on excellence, product and consumer experience innovations, and digital marketing to attract new customers. Remaining true to their long-term vision, the Maisons will step up their environmental initiatives and explore innovative solutions through the Living Soils program that was shared with the industry and its leading experts at Vinexpo Paris.

3. FASHION AND LEATHER GOODS

	June 30, 2020	Dec. 31, 2019	June 30, 2019
Revenue *(EUR millions)*	**7,989**	**22,237**	**10,425**
Revenue by geographic region of delivery *(%)*			
France	6	8	8
Europe (excl. France)	20	23	23
United States	17	18	17
Japan	11	11	11
Asia (excl. Japan)	37	31	32
Other markets	9	9	9
Total	**100**	**100**	**100**
Type of revenue as a percentage of total revenue (excluding Louis Vuitton and Christian Dior Couture)			
Retail	71	71	68
Wholesale	28	28	31
Licenses	1	1	1
Total	**100**	**100**	**100**
Profit from recurring operations *(EUR millions)*	**1,769**	**7,344**	**3,248**
Operating margin *(%)*	**22.1**	**33.0**	**31.2**
Operating investments of the period *(EUR millions)*	**534**	**1,199**	**544**
Number of stores	**1,992**	**2,002**	**1,902**

Highlights

Amid the challenging conditions that marked the half-year period, the flagship brands benefited from their solid positions and exceptional appeal. While tightening their management in response to the impact of the global health crisis, thanks to their highly committed staff all of our Maisons were able to continue mobilizing their creative resources, enriching their collections and building up their digital presence. Several initiatives contributed to the collective effort to combat the pandemic.

Louis Vuitton's performance continued to be driven by its powerful creativity, the art of innovating in all its businesses and offering its customers a unique experience. During this unprecedented period, Louis Vuitton was able to very quickly transform and boost its customer relationships with a unique, high-quality and highly effective digital clienteling strategy. In leather goods, the Maison's creative momentum was visible in the launch of new collections: the contemporary yet timeless *Pont 9* leather model; the summery, colorful *Escale* collection; and the *Taigarama* collection, a variation on its historic Taiga leather with the Monogram print. Nicolas Ghesquière's Fall/Winter 2020 show orchestrated a stylistic fusion of different eras that shaped the history of fashion. In the Tuileries Gardens, Virgil Abloh's Fall/Winter 2020 Men's collection was unveiled in a surrealist setting and paid homage to craftsmanship and the tools of the trade. The half-year period also saw the launch of the new *Tambour Horizon* smartwatch, while jewelry boasted the purchase of Sewelô, the second-largest rough diamond ever discovered – an exceptionally rare find. Flagship store openings included the Louis Vuitton Maison Osaka Midosuji, the result of a collaboration between architects Jun Aoki and Peter Marino, reflecting the atmosphere of the city of Osaka and reaffirming the Maison's ties with Japan. During the global health crisis, thanks to its highly committed craftspeople who stepped forward and volunteered, Louis Vuitton mobilized a number of its workshops in France to make protective masks and gowns for healthcare providers.

Christian Dior Couture showed remarkable resilience, with the brand confirming its exceptional appeal and gaining market share in all regions. Its richly imaginative fashion shows were a great success. Presented in the gardens of the Musée Rodin, Maria Grazia Chiuri's Spring/Summer 2020 Haute Couture collection – an ode to the power of women – was inspired by American artist Judy Chicago. The Winter 2020/2021 Ready-to-Wear show held in the Tuileries Gardens was infused with Chiuri's memories of adolescence and the feminist vision of Italian art critic Carla Lonzi. The Men's Winter 2020/2021 collection designed by Kim Jones, presented on the Place de la Concorde, paid tribute to Dior's haute couture tradition and to British fashion icon Judy Blame. In March, over the span of just a few days, the *Christian Dior: Designer of Dreams* exhibition drew nearly 50,000 visitors in Osaka. Dior also launched its "Dior Talks" podcasts in March, featuring conversations with inspiring individuals on art, culture and society. In response to the global health crisis, Maison employees volunteered to produce masks for front-line workers using the Baby Dior workshop in Redon, and workshops in Italy made gowns for hospital staff. The Dior boutique in Brussels received the Ecodynamic Enterprise Label.

Fendi's Fall/Winter 2020 collections, designed under the creative direction of Silvia Venturini Fendi, were very well received by the press at the beginning of the year. The Maison launched the *California Sky* capsule collection, a collaboration with artist Joshua Vides, who reinterpreted its iconic pieces with a bold graphic design. With the gradual resumption of sales activity around the world, Fendi was boosted by its strong appeal in China and South Korea. Its online sales saw very rapid growth. In a new initiative celebrating the city of Rome and its artistic heritage, on the day of the summer solstice, the Maison held Anima Mundi, a concert imbued with a universal message of rebirth, in partnership with the Accademia Nazionale di Santa Cecilia.

Loro Piana opened its new flagship store in Tokyo's Ginza district, a breathtaking edifice designed by Japanese architect Jun Aoki. Its e-commerce platform was enhanced by an online concierge service for a more personalized customer experience, and expanded to countries in the Middle East. Loro Piana's ten manufacturing units received ISO 14001 environmental certification.

Celine continued to develop its ready-to-wear collections, which saw growing demand spurred by its signature looks. In leather goods, the *Triomphe* line received a very warm welcome.

Under the impetus of Jonathan W. Anderson, **Loewe** launched the fourth edition of the *Paula's Ibiza* collection – enhanced by a fragrance and a *Loewe x Smiley* capsule collection – with part of the proceeds donated to a Spanish organization that helps children. The half-year period was marked by strong growth in online sales.

At **Givenchy**, Matthew M. Williams – a finalist for the 2016 LVMH Prize for Young Fashion Designers – was appointed Creative Director of the Maison's women's and men's collections in June. His first collection will be presented in October.

A highlight for **Kenzo** was the first Men's and Women's show by Felipe Oliveira Baptista, which received unanimous acclaim from the fashion world. This collection marked a new chapter in the interpretation of the Maison's values, firmly rooted in modernity.

Berluti expanded its offering with the creation of the *Signature* canvas, featuring the Scritto motif, inspired by an 18th-century manuscript. Together with the emblematic *Venezia* leather, it adorns a line that has been excellently received in stores since April.

Amidst the temporary closure of its three production sites and the suspension of international travel, **Rimowa** illustrated its drive for innovation and its spirit of resilience by preparing a series of product launches for the coming weeks and months.

Outlook

In an environment that remains uncertain, LVMH's Maisons can count on their highly committed, responsive staff to unleash their creativity and build on their values of quality and sustainability, while maintaining their efforts to adapt to the economic situation. Focusing on their priorities, they will be well positioned to take advantage of a solid recovery, when it arrives, and regain strong momentum in the medium term. Driven by its talented designers and craftspeople, **Louis Vuitton** will continue to enrich its offering and pursue the quality-focused transformation of its distribution network. Future developments will fit within the Maison's steadfast aim of infusing its exceptional heritage with the best of modernity, providing each customer with an exceptional experience in its stores and online. **Christian Dior Couture** expects to build momentum through a number of high-impact events starting in July, in particular the presentation of the 2021 Cruise collection in Lecce, Italy. A new store will open on Rue Saint-Honoré in Paris. The *Christian Dior: Designer of Dreams* exhibition will stop over in Shanghai. **Fendi** will innovate across all its product lines and will finalize a number of projects aimed at preserving expertise and protecting the environment. In October, **Loro Piana** will hold an event featuring the launch of a capsule collection to celebrate the opening of its Ginza store in Tokyo. **Celine** will continue to build up its digital presence, particularly in China with the launch of an e-commerce mini-program on the WeChat platform.

4. PERFUMES AND COSMETICS

	June 30, 2020	Dec. 31, 2019	June 30, 2019
Revenue *(EUR millions)*	**2,304**	**6,835**	**3,236**
Revenue by geographic region of delivery *(%)*			
France	8	10	9
Europe (excl. France)	16	20	19
United States	12	15	13
Japan	5	5	5
Asia (excl. Japan)	49	40	43
Other markets	10	10	11
Total	**100**	100	100
Profit from recurring operations *(EUR millions)*	**(30)**	**683**	**387**
Operating margin *(%)*	**(1.3)**	**10.0**	**12.0**
Operating investments of the period *(EUR millions)*	**137**	**378**	**171**
Number of stores	**431**	**426**	**376**

Highlights

LVMH's major Perfumes and Cosmetics brands demonstrated their resilience in the midst of destocking by retailers. Thanks to digital developments, online sales grew rapidly for all the Maisons. Combining rigorous management with their strong drive for innovation, they also showed their support in the collective fight against the pandemic. In France in particular, thanks to a large number of employee volunteers, Parfums Christian Dior, Guerlain and Parfums Givenchy were able to adapt the operations of their production units to manufacture large quantities of hand sanitizer for hospitals.

After experiencing a slowdown in its manufacturing and sales activity for part of the half-year period, **Parfums Christian Dior** proved its resilience as consumer spending gradually picked up again, with the vitality of its flagship lines and its powerful innovation continuing to fuel the brand's performance. Following their highly promising launches, *Miss Dior Rose N'Roses* and the new version of *Dior Homme* are expected to see their success grow over the rest of the year. Men's fragrance *Sauvage* continued on its growth trajectory. Within the *Maison Christian Dior* collection – a range of exceptional fragrances – the launch of *Rouge Trafalgar* was also well received. Skincare made a major breakthrough, with *Dior Prestige*, *Micro-Lotion de Rose* and *Micro-Huile de Rose* continuing their strong development, particularly in Asia. The *Capture Totale Super Potent* serum, launched in January, epitomizes the scientific rigor of LVMH's research and innovation center, Dior's floral mastery and the sensory expertise that characterizes its formulas. The Maison saw an impressive uptick in online sales through its directly operated websites and developed a number of digital initiatives to reach new customer bases, offering them a unique brand experience.

Guerlain demonstrated its resilience and responsiveness. As the situation gradually improved, the Maison saw signs of a return to positive momentum. This progress was driven by the impressive performance of skincare lines *Abeille Royale* – which celebrated its 10th anniversary – and *Orchidée Impériale*. It was also thanks to the continued success of makeup products such as *Rouge G* with its customizable case and, in fragrances, the momentum of *Mon Guerlain* and the *Aqua Allegoria* collection. The resumption of operations in China, Guerlain's largest market, was accompanied by strong revenue growth. The Maison reaffirmed its commitment to sustainability: "In the Name of Beauty – In the Name of All-Embracing Beauty". Bees – Guerlain's historic emblem and a symbol of the Maison's commitment to biodiversity – were given pride of place around the world at "Bee Garden" pop-up boutiques.

Parfums Givenchy's iconic lines – its fragrance *L'Interdit*, *Le Rouge* and *Prisme Libre* in makeup – showed good resilience. The brand also saw good momentum in skincare and an acceleration in online sales. It also benefited from the promising debut of its new fragrance, *Irresistible Givenchy*. **Kenzo Parfums** innovated in its flagship fragrance line, enriched by a new version: *Flower by Kenzo Poppy Bouquet*. **Benefit**'s revenue was boosted at the beginning of the year by the launch of *Hydrate Primer* in its *The POREfessional* range. Since the reopening of its points of sale, its Brow Bars have seen strong demand. **Fresh**'s revenue was buoyed by its strong growth in China and by the growing momentum of skincare products worldwide. To support those on the front lines of the Covid-19 pandemic, the US-based Maison donated 10,000 products through the Frontline Workers organization in New York. After a good start to the year, **Make Up For Ever** – despite the slowdown in its activity due to the global health crisis – stayed connected with its customers and the students at its Academy through social media and its e-commerce platform. **Fenty Beauty**

by Rihanna strengthened its positions, in particular with *Cream Blush* and *Bronzer*, two products that are now leaders in their categories. **Acqua di Parma** launched the fifth fragrance in its *Note di Colonia* range and reopened its iconic store on Rome's Piazza di Spagna in May, following several months of renovations. After a challenging period due to the global health crisis in Spain, **Perfumes Loewe** saw a solid recovery in China and encouraging results from the launch of its limited-edition fragrance, *Paula's Ibiza*. **Maison Francis Kurkdjian** turned in a strong performance at the beginning of the year and benefited from a good carry-over to online sales among its clientele in the second quarter. **Ole Henriksen** was boosted by very rapid growth in its online sales and the success of its *Banana Bright Vitamin C Serum*.

Outlook

In an environment that remains uncertain, LVMH's Maisons will remain vigilant in light of the economic situation, reaffirm their fundamentals and focus their efforts on their strategic development priorities: innovation, utmost quality in their products, the pursuit of excellence in distribution, and developing their digital presence. **Parfums Christian Dior** will innovate heavily in all its categories. Flagship products in the *Dior Prestige* and *Capture* ranges will capitalize on the promising growth seen in recent months, and bold initiatives will boost perfume and makeup. Alongside its already prominent presence on social media, the Maison will build up its online sales, particularly in China. **Guerlain** will continue to pursue its ambition of becoming the ultimate reference in high perfumery and luxury cosmetics. This vision will be expressed at the end of the year with the development of a new store concept. **Parfums Givenchy** will benefit from the ongoing roll-out of *Irresistible Givenchy*. **Benefit** will launch *California Kissin' ColorBalm*, a new tinted lip balm with a unique texture. **Fresh** will inaugurate a new store concept in Guangzhou, China, offering a unique customer experience and an unprecedented range of services. **Perfumes Loewe** will launch a home fragrance line, developed in collaboration with Jonathan Anderson, Creative Director of the Loewe fashion house. **Make Up For Ever** will launch its new *Rouge Artist* lipstick, backed by major in-store initiatives. **Maison Francis Kurkdjian** will unveil a surprise in the fall with a very masculine take on roses.

5. WATCHES AND JEWELRY

	June 30, 2020	Dec. 31, 2019	June 30, 2019
Revenue *(EUR millions)*	**1,319**	**4,405**	**2,135**
Revenue by geographic region of delivery *(%)*			
France	4	5	5
Europe (excl. France)	21	23	21
United States	7	8	8
Japan	12	12	12
Asia (excl. Japan)	41	38	40
Other markets	15	14	14
Total	**100**	**100**	**100**
Profit from recurring operations *(EUR millions)*	**(17)**	**736**	**357**
Operating margin *(%)*	**(1.3)**	**16.7**	**16.7**
Operating investments of the period *(EUR millions)*	**110**	**296**	**142**
Number of stores	**468**	**457**	**440**

Highlights

Store closures and the suspension of international travel due to the global health crisis affected the Watches and Jewelry businesses, leading to negative organic revenue growth of 39%. In this context, the Maisons took measures to reduce costs and preserve cash while doing their best to spur demand and develop alternative distribution methods such as digital channels and direct sales. Watch Week – an event held by Bvlgari, Hublot, TAG Heuer and Zenith in Dubai in January – was an excellent opportunity to present the Maisons' new collections to retailers and the media.

Faced with the downturn in China starting in January, followed by the closure of other markets from mid-March, **Bvlgari** quickly capitalized on the recovery in China in the second quarter. A number of digital initiatives were developed. The Maison helped combat the pandemic by donating hand sanitizer to healthcare facilities in Italy, Switzerland and the United Kingdom, and launched the Bvlgari Virus Free Fund to support Covid-19 vaccine research being done by leading teams at Oxford University, Rockefeller University and Lazzaro Spallanzani Hospital. New designs continued to appear at a rapid pace, with the *B.Zero1 "Rock"* collection adding rings, bracelets, pendants and earrings, reflecting the brand's bold creativity along with other iconic jewelry models launched in the *Fiorever* and *Bvlgari Bvlgari* series. High jewelry featured the presentation of the *Jannah Flower* collection in Abu Dhabi and sales held in Taiwan and South Korea. The *Serpenti Seduttori Tourbillon* and *Octo Répétition Minutes* watch designs sparked a keen interest. A new marketing campaign was launched worldwide with Zendaya, Naomi Watts, Kris Wu and Lily Aldridge.

In March, **TAG Heuer** unveiled the third generation of its smartwatch in New York. Performance, precision, innovative materials, a wide range of features and elegance are the defining characteristics of this product, which was met with great success, amplified by the more recent launch of the *Golf* edition. A new online store was launched in February. The *Autavia* collection was enriched with new models, as were the iconic *Formula 1* and *Aquaracer* series. New directly operated stores were opened in Dubai (in February) and in Japan (in March). Together with Hublot and Zenith, TAG Heuer supported the fight against the pandemic by donating 150,000 protective face masks to Swiss hospitals.

Hublot's most significant new additions included the *Big Bang Integral*, for the first time featuring an integrated metal bracelet, and the *Spirit of Big Bang Meca-10*, whose manufacture movement offering a 10-day power reserve was adapted to the "barrel" design. The marketing launch of the *Big Bang e* digital model was accompanied by the addition of an e-commerce function to the Hublot.com website. In Japan, which is now the brand's number-one market, a store was opened in the Hublot Tower in Tokyo. To mark Hublot's 40th anniversary, a *#timetoreflect* campaign began in May, retracing the origins of its iconic *Big Bang Original*, *Classic Fusion* and *Spirit of Big Bang* series, and celebrating its constant quest for innovation.

Zenith launched its *Time To Reach Your Star* marketing campaign and a new website offering online sales. The Maison enriched its collections with the *Defy Midnight* women's model, the new *Elite* and the *Chronomaster Revival*, which celebrates its long tradition of watchmaking.

After a year of renovations, **Chaumet** reopened its Place Vendôme location, unveiling a meticulously restored space, true to the spirit of the Maison. To mark the occasion, the *Légendes de Chaumet* collection of 29 medallions was presented, along with *Trésors d'Ailleurs*, a sparkling combination of gemstones, colors and textures in 16 original high jewelry rings. After a challenging first quarter, the Maison regained strong momentum in China, spurred by the launch of a WeChat site offering a wide range of products, with pendants in the *Jeux de Liens* series performing especially well. In other regions, initiatives were taken to boost direct and remote sales.

Fred expanded its *Force 10* line with the creation of *Color Crush* and launched *Chance Infinie*, an original, seductive capsule collection. The Maison ramped up its development in China and expanded its digital presence. It showed its commitment to the fight against the pandemic by participating in the *Visières de l'Espoir* program, which donated face shields to healthcare providers.

Outlook

The Watches and Jewelry business group will maintain its target of gaining market share in 2020. To adapt to an environment whose future and pace of improvement are still uncertain, the Maisons and their subsidiaries will continue their cost-cutting and cash-preservation measures. Market developments are being closely monitored and the focus is on extremely rigorous resource allocation. Production and supply levels will remain strictly aligned with demand. The Watches and Jewelry brands will receive highly targeted investments, with a special emphasis on digital, and will continue their programs focused on distribution quality and productivity. **Bvlgari** will launch its *Barocko* high jewelry collection. **TAG Heuer** will prepare to celebrate the brand's 160th anniversary with the launch of limited special editions, particularly in the *Carrera* collection. **Chaumet, Hublot** and **Fred** will expand their store networks in China.

6. SELECTIVE RETAILING

	June 30, 2020	Dec. 31, 2019	June 30, 2019
Revenue *(EUR millions)*	**4,844**	**14,791**	**7,098**
Revenue by geographic region of delivery *(%)*			
France	**11**	11	10
Europe (excl. France)	**8**	9	9
United States	**38**	37	36
Japan	**1**	2	2
Asia (excl. Japan)	**28**	27	30
Other markets	**14**	14	13
Total	**100**	**100**	**100**
Profit from recurring operations *(EUR millions)*	**(308)**	**1,395**	**714**
Operating margin *(%)*	**(6.4)**	**9.4**	**10.1**
Operating investments of the period *(EUR millions)*	**241**	**659**	**276**
Number of stores			
Sephora	**1,970**	1,957	1,910
Other	**53**	54	53

Highlights

The Covid-19 pandemic slowed revenue sharply in Selective Retailing for the first half of the year, spurring the Maisons to take the necessary measures to adapt to the situation and expand their presence in digital channels. With the improvement in the global health situation, they welcomed back their customers to their stores with the unwavering desire to offer them the best experience yet while ensuring their safety and that of their employees.

Sephora demonstrated its resilience during the global health crisis that led to the closure of more than 90% of its stores worldwide for nearly two months. The agility and commitment of its staff enabled it to respond to the unprecedented success of its online sales, which reached record levels and showed very strong growth with respect to the previous year. Sephora gained market share in its main countries, illustrating its inventiveness and the effectiveness of its omni-channel strategy. This was reflected in the success of its *Virtual Sephora Day*, presenting its beauty trends in China at a 100% digital event that drew more than one million people on social media. Sephora underscored its commitment to its local communities, donating hand care products to hospitals in all its countries and expanding the long-term "Sephora Cares" program devoted to combating domestic violence in the United States. Stores were gradually reopened from May to the end of June, with special attention paid to health and safety, reflected in new services for preparing orders placed remotely (Click & Collect Drive, Call and Reserve, etc.). Sephora continued to focus on training and building motivation among its staff, as well as the exclusivity of its product selection, to offer its customers an exceptional experience. Its own *Sephora Collection* brand, which helped build customer loyalty, was enhanced by innovations such as the *Size Up* mascara.

In an unprecedented context of suspended travel activity and store closures, **DFS** was particularly affected by the global health crisis and its economic consequences. Placing top priority on the health and safety of its customers and staff, starting in January the Maison deployed a wide range of resources to inform and protect them and adapt employees' working hours. It also launched a number of programs to support its local communities, aimed at donating food and protective equipment to the most at-risk individuals. DFS's two main markets were affected to varying degrees during this trying period: Hong Kong, which was already hampered by the drop in tourism in 2019, was much more heavily hit by the pandemic, whereas in Macao, the closure of DFS's seven stores only lasted two weeks. The Maison resolutely undertook a series of cost-cutting measures and, in order to continue to serve its customers, concentrated on ramping up its digital marketing. In recognition of these efforts, it was awarded a Grand Prize for a number of initiatives improving the customer experience on the WeChat app, with which DFS became a privileged partner.

After a promising start to the year, particularly in the Caribbean, **Starboard Cruise Services** gradually suspended its operations, first in Asia, then in the rest of the world, in conjunction with cruise lines and authorities in the markets it serves. In anticipation of its operations resuming, the Maison accelerated the digital development of its service offering to meet its clientele's new requirements.

At the beginning of the year, continuing its tradition of creative exhibitions, **Le Bon Marché** opened its doors to Studio Nendo and its founder, Japanese designer Oki Sato. After two months of business growth, the department store was required to close from March 15 to May 11. Thanks to its highly committed staff, the two sites of La Grande Épicerie de Paris continued to welcome their customers without interruption and to support their suppliers, particularly small-scale producers. For the Easter holidays, to offer some comfort during this trying time, more than 3,000 chocolates were given to the AP-HP hospital system for young patients and the children of healthcare providers. The heightened health and safety measures accompanying the reopening of Le Bon Marché included the launch of "Team Angels", a group of staff from various departments of the Maison, who helped sales associates guide customers and hand out masks and hand sanitizer.

Outlook

In the months ahead, **Sephora** will maintain the strategy pursued in the first half of the year, with ambitious targets in e-commerce and a network of stores almost fully reopened in a secure environment. To constantly improve its ability to captivate and serve its customers, the Maison will continue to focus on personalized relationships and an innovative offering, enriched with exclusive products and services. Drawing on synergies between its physical store network and its highly creative digital presence, it is well placed to achieve its ambition of building the world's favorite beauty community. While continuing its omni-channel transformation and its cost-cutting measures, **DFS** will prepare for the gradual reopening of its stores with even more stringent health and safety measures, in coordination with the health monitoring service operated by local authorities and forecasts for a resumption of air traffic. Remaining firmly committed to supporting its local communities, the Maison has maintained its plans to expand in the Asia-Pacific region as well as the grand opening of La Samaritaine in Paris planned for 2021. Resolutely committed to gradually returning to a robust level of business activity in the second half of the year, **Le Bon Marché** will rely more than ever on its excellent customer service, its exclusive offering and its unique program of events. This fall's highlights will include an exhibition devoted to Belgium. La Grande Épicerie will continue to pursue its cultural and customer loyalty-building initiatives on both sides of the Seine.

7. COMMENTS ON THE CONSOLIDATED BALANCE SHEET

(EUR millions)	June 30, 2020	Dec. 31, 2019	Change
Intangible assets	30,675	33,246	(2,570)
Property, plant and equipment	18,543	18,533	10
Right-of-use assets	13,236	12,409	827
Other non-current assets	5,108	5,810	(702)
Non-current assets	**67,562**	**69,997**	**(2,435)**
Inventories	14,078	13,717	362
Cash and cash equivalents	14,426	5,673	8,753
Other current assets	7,577	7,120	456
Current assets	**36,081**	**26,510**	**9,571**
Assets	**103,643**	**96,507**	**7,136**

	June 30, 2020	Dec. 31, 2019	Change
Equity	37,532	38,365	(833)
Long-term borrowings	14,842	5,101	9,741
Non-current lease liabilities	11,159	10,373	786
Other non-current liabilities	16,902	20,045	(3,143)
Equity and non-current liabilities	**80,435**	**73,884**	**6,551**
Short-term borrowings	8,655	7,610	1,045
Current lease liabilities	2,337	2,172	165
Other current liabilities	12,216	12,841	(625)
Current liabilities	**23,208**	**22,623**	**585**
Liabilities and equity	**103,643**	**96,507**	**7,136**

LVMH's consolidated balance sheet totaled 103.6 billion euros as of end-June 2020, up 7.1 billion euros from year-end 2019. This increase resulted, on the asset side, from the 8.8 billion euro increase in cash and cash equivalents, and, on the liability side, from the 10.8 billion euro increase in borrowings, changes mostly related to the future acquisition of Tiffany & Co. Within liabilities, the 2.5 billion euro decrease in the liability in respect of purchase commitments for minority interests partly offset the increase in borrowings.

Intangible assets were down 2.6 billion euros from year-end 2019, totaling 30.7 billion euros. This change was mainly due to the impact on goodwill of the revaluation of purchase commitments for minority interests.

Property, plant and equipment remained stable at 18.5 billion euros. The increase generated by investments for the half-year, net of depreciation charges as well as disposals, was limited to 0.2 billion euros, with investments held back in response to the circumstances surrounding the Covid-19 pandemic; the comments on the cash flow statement provide further information on investments. This slight increase was fully offset by the negative 0.1 billion euro impact of exchange rate fluctuations.

Right-of-use assets totaled 13.2 billion euros as of end-June 2020, up 0.8 billion euros with respect to year-end 2019, with the increase resulting from lease renewals outweighing depreciation during the half-year period. Store leases represented the majority of right-of-use assets, for a total of 10.7 billion euros.

Other non-current assets decreased by 0.7 billion euros, amounting to 5.1 billion euros, with this change primarily resulting from the reclassification within "Other current assets" of the market value of non-current available for sale financial assets and other financial instruments subscribed in connection with convertible bonds issued in 2016 and maturing in early 2021 (see Notes 9 and 23.5 to the condensed consolidated financial statements).

Inventories grew moderately (up 0.4 billion euros), an increase regularly observed as of June 30 due to the seasonal nature of the Group's business activities, but which was limited during this half-year period due to the sharp decline in business activity (see also "Comments on the consolidated cash flow statement").

Excluding inventories, other current assets increased by 9.2 billion euros, largely due to the 8.8 billion euro increase in cash and cash equivalents. The decrease in trade accounts receivable – often observed as of June 30 but accentuated by the decline in business activity – came to 1.1 billion euros. This change was offset by the 1.1 billion euro increase in current available for sale financial assets and other financial instruments (including 0.7 billion euros reclassified from "Other non-current assets"; see above), as well as the 0.4 billion euro increase in tax receivables.

Lease liabilities arising from the application of IFRS 16 were up 1.0 billion euros, in line with the increase in right-of-use assets.

Non-current liabilities totaled 16.9 billion euros, down 3.1 billion euros from 20.0 billion euros as of year-end 2019. This change resulted from the decrease in value of financial instruments, including a 0.7 billion euro decrease resulting from the reclassification within "Current liabilities" of the market value of options embedded in convertible bonds issued in 2016 (see Note

23.5 to the condensed consolidated financial statements). The liability in respect of purchase commitments for minority interests was down 2.5 billion euros due to changes in the metrics used to measure these commitments.

Lastly, other current liabilities decreased by 0.6 billion euros, amounting to 12.2 billion euros. This change was mainly due to the 1.6 billion euro decrease in trade accounts payable, combined with the 0.8 billion euro decrease in tax and social security liabilities, with the impact of the seasonal nature of the Group's business activities accentuated by the steep downturn. This change was partly offset by the recognition of a 1.3 billion euro liability toward shareholders in respect of the final dividend for 2019 (paid on July 9, 2020), as well as the increase in current available for sale financial assets and other financial instruments arising from the reclassification of 0.7 billion euros from "Other non-current liabilities" (see above).

Net financial debt and equity

(EUR millions or as %)	June 30, 2020	Dec. 31, 2019	Change
Long-term borrowings	14,842	5,101	9,741
Short-term borrowings and derivatives	8,767	7,641	1,126
Gross borrowings after derivatives	**23,609**	**12,742**	**10,867**
Cash and cash equivalents	(15,379)	(6,536)	(8,843)
Net financial debt	**8,230**	**6,206**	**2,024**
Equity	**37,532**	**38,365**	**(833)**
Net financial debt/Equity ratio	**21.9%**	**16.2%**	**5.7 pts**

Total equity amounted to 37.5 billion euros as of end-June 2020, down 0.8 billion euros from 38.4 billion euros as of year-end 2019. This decrease comprised the 1.3 billion euro deduction from equity of the final dividend (which was paid on July 9, 2020) and, conversely, net profit for the half-year period, which totaled 0.5 billion euros. As of end-June 2020, net financial debt was equal to 21.9% of total equity, compared to 16.2% as of year-end 2019, up 5.7 points largely due to the 2.0 billion euro increase in net financial debt.

Gross borrowings after derivatives totaled 23.6 billion euros as of end-June 2020, up 10.9 billion euros compared with year-end 2019, mainly due to the 9.4 billion euro increase in bond debt. Eight bond issues were completed during the half-year period, in preparation in particular for the acquisition of Tiffany & Co., comprised of six euro-denominated bonds totaling 9.0 billion euros, and two sterling-denominated bonds totaling 1.55 billion pounds sterling. At the time the sterling-denominated bonds were issued, swaps were entered into that converted them into euro-denominated borrowings in their entirety. Details on these issues are provided in Note 19 to the condensed consolidated financial statements. Conversely, the 1.25 billion euro bond issued in 2017 was repaid. Euro- and US-dollar denominated commercial paper (ECP and USCP) outstanding increased by 1.0 billion euros, with this increase resulting from the combined impact of the 2.1 billion euro increase in USCP outstanding and the 1.1 billion euro decrease in ECP outstanding. Bank borrowings increased slightly, up 0.2 billion euros. Cash, cash equivalents, and current available for sale financial assets totaled 15.3 billion euros as of end-June 2020, up 8.8 billion euros from 6.5 billion euros at year-end 2019. Net financial debt thus increased by 2.0 billion euros.

As of end-June 2020, the Group's undrawn confirmed credit lines amounted to 16.5 billion euros. This amount exceeded the outstanding portion of its euro- and US dollar-denominated commercial paper (ECP and USCP) programs, which came to 5.9 billion euros as of June 30, 2020.

8. COMMENTS ON THE CONSOLIDATED CASH FLOW STATEMENT

(EUR millions)	June 30, 2020	June 30, 2019	Change
Cash from operations before changes in working capital	**4,421**	**7,399**	**(2,978)**
Cost of net financial debt: interest paid	(42)	(37)	(4)
Lease liabilities: interest paid	(142)	(109)	(32)
Tax paid	(1,382)	(1,191)	(191)
Change in working capital	(2,005)	(1,873)	(133)
Net cash from operating activities	**850**	**4,189**	**(3,339)**
Operating investments	(1,414)	(1,423)	9
Repayment of lease liabilities	(1,157)	(1,071)	(86)
Operating free cash flow	**(1,721)**	**1,695**	**(3,416)**
Financial investments and purchase and sale of consolidated investments	(77)	(1,965)	1,889
Equity-related transactions	(81)	(2,339)	2,258
Change in cash before financing activities	**(1,879)**	**(2,609)**	**731**

Cash from operations before changes in working capital totaled 4,421 million euros, down 2,978 million euros from 7,399 million euros a year earlier. This significant decrease directly resulted from the impact of the crisis triggered by the Covid-19 pandemic, with operating profit 3,724 million euros lower in the first half of 2020 than in the first half of 2019.

After tax and interest paid on net financial debt and lease liabilities, and after the change in working capital, net cash from operating activities amounted to 850 million euros, down 3,339 million euros from the first half of 2019.

Interest paid on net financial debt came to 42 million euros, comparable to the level paid as of end-June 2019, despite a significant increase in average gross borrowings related to the financing of the acquisition of Tiffany & Co. planned for the second half of 2020. This unfavorable impact was offset by the favorable impact of the decrease in the average interest rate.

Tax paid came to 1,382 million euros, 16% higher than the 1,191 million euros paid a year earlier.

The 2,005 million euro working capital requirement was 133 million euros higher than the 1,873 million euro requirement observed a year earlier. The cash requirement relating to the increase in inventories amounted to 936 million euros, lower than the 1,210 million euros recorded in the first half of 2019. The increase in inventories mainly concerned the Fashion and Leather Goods business group. The decrease in trade accounts payable and tax and social security liabilities generated an additional financing requirement of 2,042 million euros, compared with 917 million euros as of end-June 2019. The decrease in trade accounts receivable helped cover these requirements for 972 million euros, versus 254 million euros a year earlier. These changes reflected the steep decline in the Group's business activities during the half-year period with respect to 2019.

Operating investments net of disposals resulted in an outflow of 1,414 million euros in the first half of 2020, very close to the amount of the outflow of 1,423 million euros as of end-June 2019. These mainly included investments by the Group's brands – in particular Louis Vuitton, Sephora and Christian Dior Couture – in their retail networks. They also included investments related to the La Samaritaine project as well as investments by the champagne houses, Hennessy, Parfums Christian Dior and Louis Vuitton in their production equipment.

Repayment of lease liabilities totaled 1,157 million euros as of end-June 2020, versus 1,071 million euros as of end-June 2019.

As of end-June 2020, "Operating free cash flow" [(a)] amounted to a net outflow of 1,721 million euros, down 3,416 million euros from a net inflow of 1,695 million euros recorded in the first half of 2019.

In the first half of 2020, financial investments accounted for an outflow of 77 million euros, including an outflow of 45 million euros for purchases of consolidated investments and an outflow of 33 million euros for the purchase and proceeds from sale of non-current available for sale financial assets.

Equity-related transactions generated an outflow of 81 million euros, and were limited to the impact of acquisitions of minority interests' shares and dividends paid to minority interests, for 42 million euros, and that of tax paid related to dividends, for 40 million euros. No dividends were paid by LVMH SE during the half-year period, as the final dividend for 2019, totaling 1,310 million euros, was paid in July 2020, following the postponement of the Shareholders' Meeting to June 30, 2020. In the first half of 2019, a total of 2,012 million euros had been paid to shareholders in respect of the final dividend for 2018.

The financing requirement after all transactions relating to operating activities, investing activities and equity-related transactions thus totaled 1,879 million euros. Proceeds from borrowings after repayments and changes in the value of current available for sale financial assets came to 10,643 million euros, after which the half-year end cash balance was 8,795 million euros higher than at year-end 2019, including a positive 31 million euro impact of the change in the cumulative translation adjustment on cash balances. It totaled 14,292 million euros as of the half-year period-end.

(a) "Operating free cash flow" is defined in the consolidated cash flow statement. In addition to net cash from operating activities, it includes operating investments and repayment of lease liabilities, both of which the Group considers as components of its operating activities.

CONDENSED HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

As table totals are based on unrounded figures, there may be discrepancies between these totals and the sum of their rounded component figures.

CONSOLIDATED INCOME STATEMENT

(EUR millions, except for earnings per share)	Notes	June 30, 2020	Dec. 31, 2019	June 30, 2019
Revenue	24	**18,393**	**53,670**	**25,082**
Cost of sales		(7,002)	(18,123)	(8,447)
Gross margin		**11,391**	**35,547**	**16,635**
Marketing and selling expenses		(8,000)	(20,207)	(9,563)
General and administrative expenses		(1,699)	(3,864)	(1,789)
Income/(loss) from joint ventures and associates	8	(21)	28	12
Profit from recurring operations	24	**1,671**	**11,504**	**5,295**
Other operating income and expenses	25	(154)	(231)	(54)
Operating profit		**1,517**	**11,273**	**5,241**
Cost of net financial debt		(46)	(107)	(51)
Interest on lease liabilities		(149)	(290)	(145)
Other financial income and expenses		(267)	(162)	(9)
Net financial income/(expense)	26	**(462)**	**(559)**	**(205)**
Income taxes	27	(511)	(2,932)	(1,431)
Net profit before minority interests		**544**	**7,782**	**3,605**
Minority interests	18	(22)	(611)	(337)
Net profit, Group share		**522**	**7,171**	**3,268**
Basic Group share of net earnings per share *(EUR)*	28	**1.04**	**14.25**	**6.49**
Number of shares on which the calculation is based		503,625,126	503,218,851	503,611,097
Diluted Group share of net earnings per share *(EUR)*	28	**1.04**	**14.23**	**6.48**
Number of shares on which the calculation is based		504,357,270	503,839,542	504,554,724

CONSOLIDATED STATEMENT OF COMPREHENSIVE GAINS AND LOSSES

(EUR millions)	Notes	June 30, 2020	Dec. 31, 2019	June 30, 2019
Net profit before minority interests		**544**	**7,782**	**3,605**
Translation adjustments		(150)	299	101
Amounts transferred to income statement		-	1	1
Tax impact		4	11	4
	16.5, 18	**(145)**	**311**	**106**
Change in value of hedges of future foreign currency cash flows		(39)	(16)	(12)
Amounts transferred to income statement		(7)	25	25
Tax impact		11	(3)	(3)
		(35)	**6**	**10**
Change in value of the ineffective portion of hedging instruments		(51)	(211)	(81)
Amounts transferred to income statement		119	241	109
Tax impact		(26)	(7)	(8)
		42	**23**	**20**
Gains and losses recognized in equity, transferable to income statement		**(138)**	**340**	**136**
Change in value of vineyard land	6	-	42	-
Amounts transferred to consolidated reserves		-	-	-
Tax impact		-	(11)	-
		-	**31**	**-**
Employee benefit obligations: change in value resulting from actuarial gains and losses		5	(167)	(78)
Tax impact		-	39	25
		5	**(128)**	**(53)**
Gains and losses recognized in equity, not transferable to income statement		**5**	**(97)**	**(53)**
Comprehensive income		**411**	**8,025**	**3,688**
Minority interests		(30)	(628)	(338)
Comprehensive income, Group share		**381**	**7,397**	**3,350**

CONSOLIDATED BALANCE SHEET

ASSETS	Notes	June 30, 2020	Dec. 31, 2019	June 30, 2019
(EUR millions)				
Brands and other intangible assets	3	17,189	17,212	16,893
Goodwill	4	13,486	16,034	16,406
Property, plant and equipment	6	18,543	18,533	16,225
Right-of-use assets	7	13,236	12,409	12,138
Investments in joint ventures and associates	8	1,053	1,074	715
Non-current available for sale financial assets	9	789	915	910
Other non-current assets	10	934	1,546	1,454
Deferred tax		2,332	2,274	2,077
Non-current assets		**67,562**	**69,997**	**66,818**
Inventories and work in progress	11	14,078	13,717	13,561
Trade accounts receivable	12	2,378	3,450	3,004
Income taxes		1,038	406	334
Other current assets	13	4,161	3,264	3,208
Cash and cash equivalents	15	14,426	5,673	3,999
Current assets		**36,081**	**26,510**	**24,106**
Total assets		**103,643**	**96,507**	**90,924**

LIABILITIES AND EQUITY	Notes	June 30, 2020	Dec. 31, 2019	June 30, 2019
(EUR millions)				
Equity, Group share	16.1	35,811	36,586	33,678
Minority interests	18	1,721	1,779	1,712
Equity		**37,532**	**38,365**	**35,390**
Long-term borrowings	19	14,842	5,101	5,588
Non-current lease liabilities	7	11,159	10,373	10,139
Non-current provisions and other liabilities	20	3,253	3,812	3,647
Deferred tax		5,452	5,498	5,123
Purchase commitments for minority interests' shares	21	8,197	10,735	9,989
Non-current liabilities		**42,903**	**35,519**	**34,486**
Short-term borrowings	19	8,655	7,610	7,890
Current lease liabilities	7	2,337	2,172	2,029
Trade accounts payable	22.1	4,200	5,814	5,163
Income taxes		566	722	800
Current provisions and other liabilities	22.2	7,450	6,305	5,166
Current liabilities		**23,208**	**22,623**	**21,048**
Total liabilities and equity		**103,643**	**96,507**	**90,924**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(EUR millions)	Number of shares	Share capital	Share premium account	Treasury shares	Cumulative translation adjustment	Revaluation reserves				Net profit and other reserves	Total equity		
						Available for sale financial assets	Hedges of future foreign currency cash flows and cost of hedging	Vineyard land	Employee benefit commit-ments		Group share	Minority interests	Total
Notes		**16.1**	**16.1**	**16.3**	**16.5**					**18**			
As of January 1, 2019 [(a)]	**505,029,495**	**152**	**2,298**	**(421)**	**573**	**-**	**(129)**	**1,117**	**(113)**	**28,787**	**32,264**	**1,664**	**33,928**
Gains and losses recognized in equity					289	-	22	22	(107)	-	226	17	242
Net profit										7,171	7,171	611	7,783
Comprehensive income		**-**	**-**	**-**	**289**	**-**	**22**	**22**	**(107)**	**7,171**	**7,397**	**628**	**8,025**
Stock option plan-related expenses										69	69	3	72
(Acquisition)/disposal of treasury shares				18						(44)	(26)	-	(26)
Exercise of LVMH share subscription options	403,946		21							-	21	-	21
Retirement of LVMH shares	(2,156)									-	-	-	-
Capital increase in subsidiaries										-	-	95	95
Interim and final dividends paid										(3,119)	(3,119)	(433)	(3,552)
Changes in control of consolidated entities										2	2	25	27
Acquisition and disposal of minority interests' shares						-				(17)	(17)	-	(17)
Purchase commitments for minority interests' shares										(5)	(5)	(203)	(208)
As of Dec. 31, 2019	**505,431,285**	**152**	**2,319**	**(403)**	**862**	**-**	**(107)**	**1,139**	**(220)**	**32,844**	**36,586**	**1,779**	**38,365**
Gains and losses recognized in equity					(149)	-	5	-	3		(141)	8	(133)
Net profit										522	522	22	544
Comprehensive income		**-**	**-**	**-**	**(149)**	**-**	**5**	**-**	**3**	**522**	**381**	**30**	**411**
Stock option plan-related expenses										37	37	2	39
(Acquisition)/disposal of treasury shares				(10)						(2)	(13)	-	(13)
Exercise of LVMH share subscription options											-	-	-
Retirement of LVMH shares	(403,946)		(20)	20							-	-	-
Capital increase in subsidiaries											-	28	28
Interim and final dividends paid										(1,310)	(1,310)	(15)	(1,325)
Changes in control of consolidated entities										-	-	(2)	(2)
Acquisition and disposal of minority interests' shares										(17)	(17)	7	(10)
Purchase commitments for minority interests' shares										146	146	(108)	38
As of June 30 , 2020	**505,027,339**	**152**	**2,299**	**(394)**	**713**	**-**	**(102)**	**1,140**	**(217)**	**32,220**	**35,811**	**1,721**	**37,532**
As of January 1, 2019 [(a)]	**505,029,495**	**152**	**2,298**	**(421)**	**573**	**-**	**(129)**	**1,117**	**(113)**	**28,787**	**32,264**	**1,664**	**33,928**
Gains and losses recognized in equity					102	-	27	-	(48)	-	81	1	82
Net profit										3,268	3,268	337	3,605
Comprehensive income		**-**	**-**	**-**	**102**	**-**	**27**	**-**	**(48)**	**3,268**	**3,349**	**338**	**3,687**
Stock option plan-related expenses										34	34	2	36
(Acquisition)/disposal of treasury shares				10						4	14	-	14
Exercise of LVMH share subscription options	403,946		21								21	-	21
Retirement of LVMH shares	(2,156)										-	-	-
Capital increase in subsidiaries											-	49	49
Interim and final dividends paid										(2,012)	(2,012)	(360)	(2,372)
Changes in control of consolidated entities										4	4	2	6
Acquisition and disposal of minority interests' shares										(6)	(6)	2	(4)
Purchase commitments for minority interests' shares										10	10	15	25
As of June 30, 2019	**505,431,285**	**152**	**2,319**	**(411)**	**675**	**-**	**(102)**	**1,117**	**(161)**	**30,089**	**33,678**	**1,712**	**35,390**

(a) After the application of IFRS 16. See Note 1.2 to the 2019 consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

(EUR millions)	Notes	June 30, 2020	Dec. 31, 2019	June 30, 2019
I. OPERATING ACTIVITIES				
Operating profit		1,517	11,273	5,241
(Income)/loss and dividends received from joint ventures and associates	8	25	(10)	(9)
Net increase in depreciation, amortization and provisions		1,636	2,700	1,193
Depreciation of right-of-use assets	7.1	1,294	2,408	1,171
Other adjustments and computed expenses		(51)	(266)	(197)
Cash from operations before changes in working capital		**4,421**	**16,105**	**7,399**
Cost of net financial debt: interest paid		(42)	(124)	(37)
Lease liabilities: interest paid		(142)	(239)	(109)
Tax paid		(1,382)	(2,940)	(1,191)
Change in working capital	15.2	(2,005)	(1,154)	(1,873)
Net cash from operating activities		**850**	**11,648**	**4,189**
II. INVESTING ACTIVITIES				
Operating investments	15.3	(1,414)	(3,294)	(1,423)
Purchase and proceeds from sale of consolidated investments	2	(45)	(2,478)	(1,885)
Dividends received		1	8	1
Tax paid related to non-current available for sale financial assets and consolidated investments		-	(1)	-
Purchase and proceeds from sale of non-current available for sale financial assets	9	(33)	(104)	(81)
Net cash from (used in) investing activities		**(1,491)**	**(5,869)**	**(3,388)**
III. FINANCING ACTIVITIES				
Interim and final dividends paid	15.4	(46)	(3,678)	(2,412)
Purchase and proceeds from sale of minority interests		(36)	(21)	(9)
Other equity-related transactions	15.4	1	54	82
Proceeds from borrowings	19	13,543	2,837	2,988
Repayment of borrowings	19	(2,712)	(1,810)	(956)
Repayment of lease liabilities	7.2	(1,157)	(2,187)	(1,071)
Purchase and proceeds from sale of current available for sale financial assets	14	(188)	71	-
Net cash from/(used in) financing activities		**9,405**	**(4,734)**	**(1,378)**
IV. EFFECT OF EXCHANGE RATE CHANGES		**31**	**39**	**15**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (I+II+III+IV)		**8,795**	**1,084**	**(562)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	15.1	**5,497**	**4,413**	**4,413**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	15.1	**14,292**	**5,497**	**3,851**
TOTAL TAX PAID		**(1,422)**	**(3,070)**	**(1,256)**

Alternative performance measure

The following table presents the reconciliation between "Net cash from operating activities" and "Operating free cash flow" for the periods presented:

(EUR millions)	June 30, 2020	Dec. 31, 2019	June 30, 2019
Net cash from operating activities	850	11,648	4,189
Operating investments	(1,414)	(3,294)	(1,423)
Repayment of lease liabilities	(1,157)	(2,187)	(1,071)
Operating free cash flow [a]	**(1,721)**	**6,167**	**1,695**

(a) Under IFRS 16, fixed lease payments are treated partly as interest payments and partly as principal repayments. For its own operational management purposes, the Group treats all lease payments as components of its "Operating free cash flow", whether the lease payments made are fixed or variable. In addition, for its own operational management purposes, the Group treats operating investments as components of its "Operating free cash flow".

SELECTED NOTES TO THE CONDENSED HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

1.1. General framework and environment

The consolidated financial statements for the first half of 2020 were established in accordance with the international accounting standards and interpretations (IAS/IFRS) adopted by the European Union and applicable on June 30, 2020. These standards and interpretations have been applied consistently to the periods presented. The consolidated financial statements for the first half of 2020 were approved by the Board of Directors on July 27, 2020. The consolidated financial statements presented are “condensed”, which means that they only include notes that are significant or facilitate understanding of changes in the Group’s business activity and financial position during the period

1.2. Changes in the accounting framework applicable to LVMH

The application of the other standards, amendments and interpretations that took effect on January 1, 2020 did not have any significant impact on the Group’s financial statements.

1.3. Impact of the Covid-19 pandemic on the condensed consolidated financial statements

The measures taken by governments to fight the Covid-19 pandemic severely disrupted LVMH’s operations during the half-year period, and significantly affected the half-year financial statements. The closure of stores and production facilities in most countries for a number of months, along with the halt in international travel, were responsible for the reduction in revenue and, consequently, the deterioration in profitability across all the business groups. The impact of the crisis on the Group’s results is discussed in detail in the “Business review and comments on the half-year consolidated financial statements” section.

The assumptions and estimates used as a basis for measuring certain balance sheet and income statement items (see Note 1.5 to the 2019 consolidated financial statements) were updated in light of the crisis. This concerned the following topics:

- valuation of intangible assets: impairment tests were run. See Note 5;
- all of the Maisons took steps to renegotiate their leases in order to optimize their lease expenses. The lease reductions thus obtained during the half-year period were recognized as a deduction to "Marketing and selling expenses";
- valuation of purchase commitments for minority interests’ shares: this valuation takes into account the latest market data and EBITDA forecasts. The change in these metrics led to a significant reduction in the associated liability;
- the costs arising from lower activity levels were excluded from the valuation of inventories as of June 30, 2020;
- provisions for inventory impairment were updated to reflect slower inventory turnover and more limited sales prospects for seasonal products (see Note 11);
- where applicable, provisions for impairment of trade accounts receivable included the impact of adjustments for the probability of default and the extent of losses anticipated following changes to coverage levels by credit insurance in particular, as well as the stimulus measures taken by different governments, from which the Group’s clients benefited. In particular, the bankruptcy proceedings initiated by certain distribution groups in the United States were taken into account;
- payments received or receivable from states or social security systems in respect of measures to safeguard the economy: such payments were deducted from the expenses in respect of which the payments were obtained, in compliance with IAS 20 Accounting for Government Grants and Disclosure of Government Assistance. If these measures took the form of an income tax reduction, the amounts were deducted from the tax expense, in compliance with IAS 12. These measures were mainly aimed at protecting jobs and essentially concerned certain Group subsidiaries in Europe, North America and Asia;
- lower share prices as of June 30, 2020 led to a significant decrease in the value of available for sale financial assets compared with December 31, 2019. This change was recognized within “Net financial income/(expense)”, under “Other financial income and expenses”;
- the portfolio of derivatives used to hedge commercial transactions and the hedging policy were adjusted to take into account the most recent budget forecasts. The impact of these adjustments was not significant as of June 30, 2020;
- deferred tax assets on tax losses (past and anticipated in respect of fiscal year 2020) were reassessed taking into account earnings forecasts. No significant impairment expense or non-recognition of 2020 losses was recorded.

The items detailed above did not have a significant impact on profit from recurring operations.

The Group’s access to liquidity was preserved through its euro- and US dollar-denominated commercial paper programs; its EMTN program, through which a number of issues were carried out during the half-year period; and a significant reserve of undrawn confirmed credit lines. See also Note 19.4.

2. CHANGES IN OWNERSHIP INTERESTS IN CONSOLIDATED ENTITIES

Belmond

On April 17, 2019, pursuant to the transaction agreement announced on December 14, 2018 and approved by Belmond's shareholders on February 14, 2019, LVMH acquired, for cash, all the Class A shares of Belmond Ltd at a unit price of 25 US dollars, for a total of 2.2 billion US dollars. After taking into account the shares acquired on the market in December 2018, the carrying amount of Belmond shares held came to 2.3 billion euros. Following this acquisition, Belmond's Class A shares were no longer listed on the New York Stock Exchange.

Belmond, which has locations in 24 countries, owns and operates an exceptional portfolio of very high-end hotels and travel experiences in the world's most desirable, prestigious destinations.

The following table details the provisional allocation of the purchase price paid by LVMH on April 17, 2019, the date of acquisition of the controlling interest:

(EUR millions)	Provisional allocation as of December 31, 2019	Change	Final allocation as of June 30, 2020
Brand and other intangible assets	147	-	147
Property, plant and equipment	2,312	-	2,312
Other current and non-current assets	311	27	338
Net financial debt	(604)	-	(604)
Deferred tax	(434)	4	(430)
Current and non-current liabilities	(366)	(43)	(409)
Minority interests	(1)	-	(1)
Net assets acquired	**1,365**	**(12)**	**1,353**
Goodwill	888	12	900
Carrying amount of shares held as of April 17, 2019	**2,253**	**-**	**2,253**

The amounts presented in the table above are taken from Belmond's unaudited financial statements at the date of acquisition of the controlling interest. The main revaluations concern real estate assets, for 1,193 million euros, and the Belmond brand, for 140 million euros.

3. BRANDS, TRADE NAMES AND OTHER INTANGIBLE ASSETS

(EUR millions)			June 30, 2020	Dec. 31, 2019	June 30, 2019
	Gross	Amortization and impairment	Net	Net	Net
Brands	14,535	(797)	13,737	13,736	13,593
Trade names	3,930	(1,621)	2,309	2,303	2,277
License rights	130	(86)	44	45	11
Software, websites	2,346	(1,711)	635	650	552
Other	1,008	(545)	463	479	460
Total	**21,949**	**(4,760)**	**17,189**	**17,212**	**16,893**

The net amounts of brands, trade names and other intangible assets changed as follows during the six-month period:

Gross value *(EUR millions)*	**Brands**	**Trade names**	**Software, websites**	**Other intangible assets**	**Total**
As of December 31, 2019	**14,511**	**3,920**	**2,258**	**1,177**	**21,865**
Acquisitions	-	-	55	116	172
Disposals and retirements	-	-	(39)	(40)	(79)
Changes in the scope of consolidation	14	-	-	-	14
Translation adjustment	10	11	(4)	2	18
Reclassifications	-	-	76	(117)	(41)
As of June 30, 2020	**14,535**	**3,930**	**2,346**	**1,138**	**21,949**

Amortization and impairment *(EUR millions)*	**Brands**	**Trade names**	**Software, websites**	**Other intangible assets**	**Total**
As of December 31, 2019	**(775)**	**(1,617)**	**(1,608)**	**(653)**	**(4,653)**
Amortization expense	(10)	-	(144)	(62)	(216)
Impairment expense	(14)	-	-	1	(13)
Disposals and retirements	-	-	39	33	72
Changes in the scope of consolidation	-	-	-	-	-
Translation adjustment	2	(4)	3	-	-
Reclassifications	-	-	(1)	51	50
As of June 30, 2020	**(797)**	**(1,621)**	**(1,711)**	**(631)**	**(4,760)**
Carrying amount as of June 30, 2020	**13,737**	**2,309**	**635**	**507**	**17,189**

4. GOODWILL

(EUR millions)			June 30, 2020	Dec. 31, 2019	June 30, 2019
	Gross	Impairment	Net	Net	Net
Goodwill arising on consolidated investments	11,496	(1,851)	9,646	9,722	10,598
Goodwill arising on purchase commitments for minority interests' shares	3,840	-	3,840	6,312	5,808
Total	**15,337**	**(1,851)**	**13,486**	**16,034**	**16,406**

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

(EUR millions)			June 30, 2020	Dec. 31, 2019	June 30, 2019
	Gross	Impairment	Net	Net	Net
As of January 1	**17,807**	**(1,773)**	**16,034**	**13,727**	**13,727**
Changes in the scope of consolidation	13	-	13	1,033	1,935
Changes in purchase commitments for minority interests' shares	(2,488)	-	(2,488)	1,247	733
Changes in impairment	-	(89)	(89)	(22)	(11)
Translation adjustment	4	11	16	50	23
As of period-end	**15,337**	**(1,851)**	**13,486**	**16,034**	**16,406**

See Note 21 for goodwill arising on purchase commitments for minority interests' shares.

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 were subject to annual impairment testing as of December 31, 2019.

The Covid-19 pandemic severely disrupted production and commercial operations, leading to a substantial decrease in the Group's revenue and profit from recurring operations in the first half of 2020. Nevertheless, although the effects of the decrease in levels of business travel and tourism will still be felt for some time, the Group believes that its activities will not be significantly affected over the long term.

For the purposes of preparing the half-year financial statements, the business segments that are most sensitive to negative changes in the market environment have been identified. For these segments, multi-year plans drawn up previously have been adjusted to take into account the reduced business activity observed in the first half of 2020, as well as a scenario in which business activity returns to its 2019 level in 2022.

With respect to these business segments, three have disclosed intangible assets with a carrying amount close to their recoverable amount. The amount of these intangible assets as of June 30, 2020 and the impairment loss that would result from a 1-point change in the post-tax discount rate or a 0.5-point change in the growth rate for the period not covered by the plans, or from a 2-point reduction in the compound annual growth rate for revenue over the plan period compared to rates used as of June 30, 2020, break down as follows:

(EUR millions)	**Amount of intangible assets concerned as of au 30/06/2020**	**Amount of impairment if :**		
		Post-tax discount rate increases by 1.0 point	**Annual growth rate for revenue decreases by 2 points**	**Growth rate for the period after the plan decreases by 0.5 points**
Watches and Jewelry	1,386	(193)	(88)	(64)
Other activities	1,222	(137)	(13)	(17)
Total	**2,608**	**(330)**	**(101)**	**(81)**

Impairment expenses recognized in the first half of 2020 came to 103 million euros.

6. PROPERTY, PLANT AND EQUIPMENT

(EUR millions)			June 30, 2020	Dec. 31, 2019	June 30, 2019
	Gross	**Depreciation and impairment**	**Net**	**Net**	**Net**
Land	4,555	(18)	4,537	4,411	2,694
Vineyard land and producing vineyards [(a)]	2,679	(120)	2,559	2,537	2,473
Buildings	5,339	(2,218)	3,121	3,218	3,240
Investment property	357	(39)	319	319	602
Leasehold improvements, machinery and equipment	14,399	(9,941)	4,458	4,717	4,113
Assets in progress	1,851	(2)	1,849	1,650	1,430
Other property, plant and equipment	2,255	(554)	1,701	1,682	1,673
Total	**31,435**	**(12,892)**	**18,544**	**18,533**	**16,225**
Of which: Historical cost of vineyard land	*590*	-	*590*	*587*	*577*

(a) Almost all of the carrying amount of "Vineyard land and producing vineyards" corresponds to vineyard land.

Changes in property, plant and equipment during the six-month period broke 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 property, plant and equipment**	**Total**
				Stores and hotels	**Production, logistics**	**Other**			
As of December 31, 2019	**2,655**	**9,775**	**357**	**9,801**	**2,964**	**1,478**	**1,652**	**2,205**	**30,887**
Acquisitions	24	158	1	180	54	31	538	39	1,025
Change in the market value of vineyard land	-	-	-	-	-	-	-	-	-
Disposals and retirements	(2)	(18)	-	(148)	(20)	(28)	(3)	(3)	(222)
Changes in the scope of consolidation	-	-	-	-	-	-	-	-	-
Translation adjustment	(3)	(94)	-	(106)	(10)	(6)	(7)	(5)	(230)
Other movements, including transfers	4	74	-	75	42	92	(329)	18	(24)
As of June 30, 2020	**2,679**	**9,894**	**357**	**9,803**	**3,029**	**1,567**	**1,851**	**2,255**	**31,435**

Depreciation and impairment *(EUR millions)*	**Vineyard land and producing vineyards**	**Land and buildings**	**Investment property**	**Leasehold improvements, machinery and equipment**			**Assets in progress**	**Other property, plant and equipment**	**Total**
				Stores and hotels	**Production, logistics**	**Other**			
As of December 31, 2019	**(118)**	**(2,146)**	**(37)**	**(6,586)**	**(1,949)**	**(991)**	**(2)**	**(524)**	**(12,354)**
Depreciation expense	(4)	(121)	(1)	(501)	(97)	(86)	-	(35)	(845)
Impairment expense	-	(1)	-	-	1	-	(1)	-	(1)
Disposals and retirements	2	18	-	144	18	28	-	3	213
Changes in the scope of consolidation	-	-	-	-	-	-	-	-	-
Translation adjustment	1	13	-	63	5	4	-	3	89
Other movements, including transfers	-	1	-	65	(5)	(53)	-	(2)	6
As of June 30, 2020	**(120)**	**(2,236)**	**(39)**	**(6,815)**	**(2,028)**	**(1,098)**	**(2)**	**(554)**	**(12,892)**
Carrying amount as of June 30, 2020	**2,559**	**7,658**	**319**	**2,988**	**1,001**	**469**	**1,849**	**1,701**	**18,544**

"Other property, plant and equipment" includes in particular the works of art owned by the Group.

Purchases of property, plant and equipment mainly include investments by the Group's brands – notably Louis Vuitton, Sephora and Christian Dior Couture – in their retail networks. They also included investments related to the La Samaritaine project as well as investments by the champagne houses, Hennessy, Parfums Christian Dior and Louis Vuitton in their production equipment.

7. LEASES

7.1. Right-of-use assets

Right-of-use assets break down as follows, by type of underlying asset:

(EUR millions)	June 30, 2020			Dec. 31, 2019	June 30, 2019
	Gross	Depreciation and impairment	Net	Net	Net
Stores	13,467	(2,810)	10,657	9,861	9,598
Offices	1,898	(414)	1,484	1,436	1,443
Other	920	(168)	752	749	725
Capitalized fixed lease payments	**16,285**	**(3,393)**	**12,892**	**12,047**	**11,766**
Leasehold rights	791	(447)	344	362	372
Total	**17,076**	**(3,840)**	**13,236**	**12,409**	**12,138**

The net amounts of right-of-use assets changed as follows during the half-year period:

Gross value	Capitalized fixed lease payments				Leasehold rights	Total
(EUR millions)	Stores	Offices	Other	Total		
As of December 31, 2019	**11,817**	**1,724**	**860**	**14,402**	**738**	**15,140**
New leases entered into	1,270	154	59	1,483	4	1,487
Changes in assumptions	704	37	-	741	-	741
Leases ended or canceled	(232)	(19)	(15)	(266)	(4)	(269)
Changes in the scope of consolidation	-	-	-	-	-	-
Translation adjustment	(94)	(7)	(4)	(105)	(5)	(111)
Other movements, including transfers	2	9	20	31	57	88
As of June 30, 2020	**13,467**	**1,898**	**920**	**16,285**	**791**	**17,076**

Depreciation and impairment	Capitalized fixed lease payments				Leasehold rights	Total
(EUR millions)	Stores	Offices	Other	Total		
As of December 31, 2019	**(1,956)**	**(288)**	**(111)**	**(2,355)**	**(376)**	**(2,731)**
Depreciation expense	(1,061)	(143)	(63)	(1,267)	(27)	(1,295)
Impairment expense	1	-	-	1	-	1
Leases ended or canceled	181	17	8	205	3	208
Changes in the scope of consolidation	-	-	-	-	-	-
Translation adjustment	28	2	1	31	2	33
Other movements, including transfers	(3)	(2)	(3)	(8)	(49)	(57)
As of June 30, 2020	**(2,810)**	**(414)**	**(168)**	**(3,393)**	**(447)**	**(3,840)**
Carrying amount as of June 30, 2020	**10,657**	**1,484**	**752**	**12,892**	**344**	**13,236**

"New leases entered into" mainly concern store leases, in particular for Louis Vuitton, Loro Piana, Sephora and DFS. They also include leases of office space, mainly for Moët Hennessy and Benefit Cosmetics. Changes in assumptions mainly related to the exercise of options to extend existing leases, in particular for DFS and Christian Dior Couture, leading to a corresponding increase in right-of-use assets and lease liabilities.

7.2. Lease liabilities

Lease liabilities break down as follows:

(EUR millions)	June 30, 2020	Dec. 31, 2019	June 30, 2019
Non-current lease liabilities	11,159	10,373	10,139
Current lease liabilities	2,337	2,172	2,029
Total	**13,495**	**12,545**	**12,168**

The change in lease liabilities during the six-month period breaks down as follows:

(EUR millions)	Stores	Offices	Other	Total
As of December 31, 2019	**10,264**	**1,532**	**749**	**12,545**
New leases entered into	1,253	154	57	1,463
Principal repayments	(961)	(128)	(57)	(1,146)
Change in accrued interest	5	1	2	8
Leases ended or canceled	(52)	(3)	(3)	(57)
Changes in assumptions	703	37	-	739
Changes in the scope of consolidation	-	-	-	-
Translation adjustment	(62)	(5)	(1)	(67)
Other movements, including transfers	-	6	3	10
As of June 30, 2020	**11,151**	**1,595**	**750**	**13,495**

7.3. Breakdown of lease expense

The lease expense for the period breaks down as follows:

(EUR millions)	June 30, 2020	Dec. 31, 2019	June 30, 2019
Depreciation and impairment of right-of-use assets	1,248	2,407	1,170
Interest on lease liabilities	149	290	145
Capitalized fixed lease expense	**1,397**	**2,697**	**1,315**
Other lease expenses	654	1,971	953
Total	**2,051**	**4,668**	**2,268**

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. As required by IFRS 16, only the minimum fixed lease payments are capitalized. For leases not required to be capitalized, there is little difference between the expense recognized and the payments made.

8. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

(EUR millions)	June 30, 2020				Dec. 31, 2019		June 30, 2019	
	Gross	Impairment	Net	*Of which: joint arrangements*	Net	*Of which: joint arrangements*	Net	*Of which: joint arrangements*
Share of net assets of joint ventures and associates as of January 1	**1,074**	**-**	**1,074**	*448*	**638**	*278*	**638**	*278*
Share of net profit/(loss) for the period	(21)	-	(21)	*(4)*	28	*11*	12	*9*
Dividends paid	(6)	-	(6)	*(4)*	(20)	*(9)*	(3)	-
Changes in the scope of consolidation	(1)	-	(1)	-	415	*163*	58	*58*
Capital increases subscribed	6	-	6	*3*	5	*2*	3	*2*
Translation adjustment	(1)	-	(1)	-	5	-	3	-
Other, including transfers	3	-	3	*6*	3	*3*	4	*4*
Share of net assets of joint ventures and associates as of period-end	**1,053**	**-**	**1,053**	*450*	**1,074**	*448*	**715**	*351*

9. NON-CURRENT AVAILABLE FOR SALE FINANCIAL ASSETS

(EUR millions)	June 30, 2020	Dec. 31, 2019	June 30, 2019
As of January 1	**915**	**1,100**	**1,100**
Acquisitions	48	146	117
Disposals at net realized value	(4)	(45)	(40)
Changes in market value [(a)]	(48)	(16)	7
Changes in the scope of consolidation	-	-	-
Translation adjustment	1	7	2
Reclassifications	(123)	(276)	(276)
As of period-end	**789**	**915**	**910**

(a) Recognized within "Net financial income/(expense)".

Acquisitions in the first half of 2020 included, for 24 million euros, the impact of subscription of securities in investment funds. Reclassifications related to non-current available for sale financial assets used to hedge financial debt maturing in less than one year.

10. OTHER NON-CURRENT ASSETS

(EUR millions)	June 30, 2020	Dec. 31, 2019	June 30, 2019
Warranty deposits	433	429	408
Derivatives [(a)]	147	782	696
Loans and receivables	311	291	305
Other	43	45	45
Total	**934**	**1,546**	**1,454**

(a) See Note 23.

11. INVENTORIES AND WORK IN PROGRESS

(EUR millions)	June 30, 2020			Dec. 31, 2019	June 30, 2019
	Gross	Impairment	Net	Net	Net
Wines and *eaux-de-vie* in the process of aging	5,198	(14)	5,184	5,017	4,834
Other raw materials and work in progress	2,608	(563)	2,045	1,900	1,971
	7,806	(577)	7,229	6,917	6,805
Goods purchased for resale	2,353	(242)	2,111	2,189	2,296
Finished products	6,057	(1,318)	4,739	4,611	4,460
	8,410	(1,560)	6,850	6,800	6,756
Total	**16,216**	**(2,138)**	**14,078**	**13,717**	**13,561**

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

(EUR millions)			June 30, 2020	Dec. 31, 2019	June 30, 2019
	Gross	Impairment	Net	Net	Net
As of January 1	**15,537**	**(1,820)**	**13,717**	**12,485**	**12,485**
Change in gross inventories	936	-	936	1,604	1,210
Impact of provision for returns [(a)]	(1)	-	(1)	2	(4)
Impact of marking harvests to market	(11)	-	(11)	(6)	4
Changes in provision for impairment	-	(462)	(462)	(559)	(217)
Changes in the scope of consolidation	-	-	-	36	19
Translation adjustment	(117)	12	(105)	153	63
Other, including reclassifications	(127)	132	5	-	1
As of period-end	**16,216**	**(2,138)**	**14,078**	**13,717**	**13,561**

(a) See Note 1.26 to the 2019 consolidated financial statements.

In the first half of 2020, due to the Covid-19 pandemic, more limited sales prospects for inventories led to the recognition of a non-recurring impairment charge of around 170 million euros.

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

(EUR millions)	June 30, 2020	Dec. 31, 2019	June 30, 2019
Impact of marking the period's harvest to market	(5)	14	11
Impact of inventory sold during the period	(6)	(20)	(7)
Net impact on cost of sales for the period	**(11)**	**(6)**	**4**

See Notes 1.9 and 1.17 to the 2019 consolidated financial statements on the method of marking harvests to market.

12. TRADE ACCOUNTS RECEIVABLE

(EUR millions)	June 30, 2020	Dec. 31, 2019	June 30, 2019
Trade accounts receivable, nominal amount	2,485	3,539	3,081
Provision for impairment	(107)	(89)	(77)
Net amount	**2,378**	**3,450**	**3,004**

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

(EUR millions)			June 30, 2020	Dec. 31, 2019	June 30, 2019
	Gross	Impairment	Net	Net	Net
As of January 1	**3,539**	**(89)**	**3,450**	**3,222**	**3,222**
Changes in gross receivables	(1,007)	-	(1,007)	121	(285)
Changes in provision for impairment	-	(19)	(19)	(10)	2
Changes in the scope of consolidation	-	-	-	50	34
Translation adjustment	(45)	1	(44)	72	36
Reclassifications	(2)	-	(2)	(5)	(5)
As of period-end	**2,485**	**(107)**	**2,378**	**3,450**	**3,004**

The trade accounts receivable balance is comprised essentially of receivables from wholesalers or agents, who are limited in number and with whom the Group maintains long-term relationships.

13. OTHER CURRENT ASSETS

(EUR millions)	June 30, 2020	Dec. 31, 2019	June 30, 2019
Current available for sale financial assets [(a)]	953	733	788
Derivatives [(b)]	1,073	180	159
Tax accounts receivable, excluding income taxes	847	1,055	994
Advances and payments on account to vendors	210	254	190
Prepaid expenses	491	454	513
Other receivables	586	589	564
Total	**4,161**	**3,264**	**3,208**

(a) See Note 14.
(b) See Note 23.

14. CURRENT AVAILABLE FOR SALE FINANCIAL ASSETS

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

(EUR millions)	June 30, 2020	Dec. 31, 2019	June 30, 2019
As of January 1	**733**	**666**	**666**
Acquisitions	388	50	-
Disposals at net realized value	(200)	(121)	-
Changes in market value [(a)]	(88)	138	122
Changes in the scope of consolidation	-	-	-
Translation adjustment	-	-	-
Reclassifications	120	-	-
As of period-end	**953**	**733**	**788**
Of which: Historical cost of current available for sale financial assets	*984*	*538*	*575*

(a) Recognized within "Net financial income/(expense)".

See also Note 9.

15. CASH AND CHANGE IN CASH

15.1. Cash and cash equivalents

(EUR millions)	June 30, 2020	Dec. 31, 2019	June 30, 2019
Term deposits (less than 3 months)	10,042	879	277
SICAV and FCP funds	169	147	122
Ordinary bank accounts	4,215	4,647	3,600
Cash and cash equivalents per balance sheet	**14,426**	**5,673**	**3,999**

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)	June 30, 2020	Dec. 31, 2019	June 30, 2019
Cash and cash equivalents	14,426	5,673	3,999
Bank overdrafts	(133)	(176)	(148)
Net cash and cash equivalents per cash flow statement	**14,292**	**5,497**	**3,851**

15.2. Change in working capital

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

(EUR millions)	Notes	June 30, 2020	Dec. 31, 2019	June 30, 2019
Change in inventories and work in progress	11	(936)	(1,604)	(1,210)
Change in trade accounts receivable	12	1,007	(121)	285
Change in balance of amounts owed to customers	22.1	(34)	9	(31)
Change in trade accounts payable	22.1	(1,536)	463	(159)
Change in other receivables and payables		(506)	98	(758)
Change in working capital [(a)]		**(2,005)**	**(1,154)**	**(1,873)**

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

15.3. Operating investments

Operating investments comprise the following elements for the periods presented:

(EUR millions)	Notes	June 30, 2020	Dec. 31, 2019	June 30, 2019
Purchase of intangible assets	3	(172)	(528)	(201)
Purchase of property, plant and equipment	6	(1,025)	(2,860)	(1,117)
Change in accounts payable related to fixed asset purchases		(230)	163	(62)
Initial direct costs	7	(4)	(62)	(43)
Net cash used in purchases of fixed assets		**(1,431)**	**(3,287)**	**(1,423)**
Net cash from fixed asset disposals		20	29	16
Guarantee deposits paid and other cash flows related to operating investments		(3)	(36)	(16)
Operating investments [(a)]		**(1,414)**	**(3,294)**	**(1,423)**

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

15.4. Interim and final dividends paid and other equity-related transactions

Interim and final dividends paid comprise the following elements for the periods presented:

(EUR millions)	June 30, 2020	Dec. 31, 2019	June 30, 2019
Interim and final dividends paid by LVMH SE	-	(3,119)	(2,012)
Interim and final dividends paid to minority interests in consolidated subsidiaries	(6)	(429)	(334)
Tax paid related to interim and final dividends paid	(40)	(130)	(66)
Interim and final dividends paid	**(46)**	**(3,678)**	**(2,412)**

The final dividend in respect of fiscal year 2019, approved by the shareholders at the Shareholders' Meeting of June 30, 2020, was paid on July 9, 2020. See Notes 16.4 and 22.2.

Other equity-related transactions comprised the following elements for the periods presented:

(EUR millions)	Notes	June 30, 2020	Dec. 31, 2019	June 30, 2019
Capital increases of LVMH SE	16	-	21	21
Capital increases of subsidiaries subscribed by minority interests		14	82	45
Acquisition and disposals of LVMH treasury shares	16	(13)	(49)	16
Other equity-related transactions		**1**	**54**	**82**

16. EQUITY

16.1. Equity

(EUR millions)	Notes	June 30, 2020	Dec. 31, 2019	June 30, 2019
Share capital	16.2	152	152	152
Share premium account	16.2	2,299	2,319	2,319
LVMH shares	16.3	(394)	(403)	(411)
Cumulative translation adjustment	16.5	713	862	675
Revaluation reserves		821	813	854
Other reserves		31,698	25,672	26,821
Net profit, Group share		522	7,171	3,268
Equity, Group share		**35,811**	**36,586**	**33,678**

16.2. Share capital and share premium account

As of June 30, 2020, the share capital consisted of 505,027,339 fully paid-up shares (505,431,285 as of December 31, 2019 and June 30, 2019), with a par value of 0.30 euros per share, including 232,204,364 shares with double voting rights (232,293,143 as of December 31, 2019 and 230,051,242 as of June 30, 2019). Double voting rights are attached 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)				June 30, 2020	Dec. 31, 2019	June 30, 2019
	Number			Amount	Amount	Amount
		Share capital	Share premium account	Total		
As of January 1	**505,431,285**	**152**	**2,319**	**2,470**	**2,450**	**2,450**
Exercise of share subscription options	-	-	-	-	21	21
Retirement of LVMH shares	(403,946)	-	(20)	(20)	-	-
As of period-end	**505,027,339**	**152**	**2,299**	**2,451**	**2,470**	**2,470**

16.3. LVMH shares

The portfolio of LVMH shares is allocated as follows:

(EUR millions)	June 30, 2020		Dec. 31, 2019	June 30, 2019
	Number	Amount	Amount	Amount
Share subscription option plans	-	-	20	20
Bonus share plans	1,093,238	306	294	301
Shares held for stock option and similar plans [(a)]	**1,093,238**	**306**	**314**	**321**
Liquidity contract	35,500	14	15	16
Shares pending retirement	270,000	74	74	74
LVMH treasury shares	**1,398,738**	**394**	**403**	**411**

(a) See Note 17 regarding stock option and similar plans.

The market value of LVMH shares held under the liquidity contract as June 30, 2020 amounted to 14 million euros.

The portfolio movements of LVMH shares during the period were as follows:

(Number of shares or EUR millions)	Number	Amount	Impact on cash
As of December 31, 2019	**1,778,911**	**403**	
Share purchases [(a)]	338,245	116	(116)
Vested bonus shares	(21,700)	(4)	-
Retirement of LVMH shares	(403,946)	(20)	-
Disposals at net realized value [(a)]	(292,772)	(103)	103
Gain/(loss) on disposal	-	2	-
As of June 30, 2020	**1,398,738**	**394**	**(13)**

(a) Purchases and sales of LVMH shares mainly related to the management of the liquidity contract.

16.4. Dividends paid by the parent company LVMH SE

(EUR millions)	June 30, 2020	Dec. 31, 2019	June 30, 2019
Interim dividend for the current fiscal year (2019: 2.20 euros)	-	1,112	-
Impact of treasury shares	-	(4)	-
Gross amount disbursed for the fiscal year	**-**	**1,108**	**-**
Final dividend for the previous fiscal year (2018: 4.00 euros)	-	2,020	2,020
Impact of treasury shares	-	(8)	(8)
Gross amount disbursed for the previous fiscal year	**-**	**2,012**	**2,012**
Total gross amount disbursed during the period [(a)]	**-**	**3,119**	**2,012**

(a) Excluding the impact of tax regulations applicable to the recipient.

At its meeting of April 15, 2020, the Board of Directors decided to modify the total amount of the dividend in respect of the fiscal year ended December 31, 2019 proposed by the Board of Directors on January 28, 2020, reducing the final dividend to 2.60 euros per share, versus the 4.60 euros per share initially planned. The final dividend for fiscal year 2019, totaling 1,310 million euros after the impact of treasury shares (presented within "Other current liabilities" – see Note 22.2), was distributed on July 9, 2020 in accordance with the resolutions of the Shareholders' Meeting of June 30, 2020.

The payment of an interim dividend will be discussed by the Board of Directors in October 2020 and any decision made will be announced at that time.

16.5. Cumulative translation adjustment

The change in "Cumulative translation adjustment" recognized within "Equity, Group share", net of hedging effects of net assets denominated in foreign currency, breaks down as follows by currency:

(EUR millions)	June 30, 2020	Change	Dec. 31, 2019	June 30, 2019
US dollar	324	(40)	364	322
Swiss franc	828	67	761	680
Japanese yen	134	9	125	123
Hong Kong dollar	398	10	388	364
Pound sterling	(132)	(57)	(75)	(112)
Other currencies	(359)	(129)	(230)	(244)
Foreign currency net investment hedges [(a)]	(480)	(9)	(471)	(458)
Total, Group share	**713**	**(149)**	**862**	**675**

(a) Including: -148 million euros with respect to the US dollar (-146 million euros as of December 31, 2019 and -143 million euros as of June 30, 2019), -118 million euros with respect to the Hong Kong dollar (-117 million euros as of December 31,2019 and as of June 30, 2019) and -217 million euros with respect to the Swiss franc (-208 million euros as of December 31, 2019 and -200 million euros as of June 30, 2019). These amounts include the tax impact.

17. STOCK OPTION AND SIMILAR PLANS

17.1. Share subscription option plans

The number of unexercised share subscription options and the weighted average exercise price changed as follows during the periods presented:

	June 30, 2020		Dec. 31, 2019		June 30, 2019	
	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	**-**	**-**	**411,088**	**50.86**	**411,088**	**50.86**
Options expired	-	-	(7,142)	50.86	(7,142)	50.86
Options exercised	-	-	(403,946)	50.86	(403,946)	50.86
Share subscription options outstanding as of period-end	**-**	**-**	**-**	**-**	**-**	**-**

17.2. Bonus share plans

The number of provisional allocations of shares awarded changed as follows during the periods presented:

(number of shares)	June 30, 2020	Dec. 31, 2019	June 30, 2019
Provisional allocations as of January 1	**1,052,718**	**1,351,978**	**1,351,978**
Provisional allocations for the period	-	200,077	-
Shares vested during the period	(21,700)	(477,837)	(17,322)
Shares expired during the period	(8,620)	(21,500)	(8,678)
Provisional allocations as of period-end	**1,022,398**	**1,052,718**	**1,325,978**

Vested share allocations were settled in existing shares held.

No new plans were set up during the first half of 2020.

17.3. Expense for the period

(EUR millions)	June 30, 2019	2019	June 30, 2019
Expense for the period for share subscription option and bonus share plans	39	72	36

18. MINORITY INTERESTS

(EUR millions)	June 30, 2020	Dec. 31, 2019	June 30, 2019
As of January 1	**1,779**	**1,664**	**1,664**
Minority interests' share of net profit	22	611	337
Dividends paid to minority interests	(15)	(433)	(360)
Impact of changes in control of consolidated entities	(2)	25	2
Impact of acquisition and disposal of minority interests' shares	7	-	2
Capital increases subscribed by minority interests	28	95	49
Minority interests' share in gains and losses recognized in equity	8	17	1
Minority interests' share in stock option plan expenses	2	3	2
Impact of changes in minority interests with purchase commitments	(108)	(203)	15
As of period-end	**1,721**	**1,779**	**1,712**

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 and cost of hedging	Vineyard land	Employee benefit commitments	Minority interests' share in cumulative translation adjustment and revaluation reserves
As of December 31, 2019	**138**	**(10)**	**266**	**(50)**	**345**
Changes during the period	4	2	-	2	8
As of June 30, 2020	**142**	**(7)**	**266**	**(48)**	**353**

Minority interests are composed primarily of Diageo's 34% stake in Moët Hennessy SAS and Moët Hennessy International SAS ("Moët Hennessy") and the 39% stake held by Mari-Cha Group Ltd in DFS. Since the 34% stake held by Diageo in Moët Hennessy is subject to a purchase commitment, it is reclassified at the period-end within "Purchase commitments for minority interests' shares" under "Other non-current liabilities" and is therefore excluded from the total amount of minority interests at the period-end. See Notes 1.12 and 21 to the 2019 consolidated financial statements.

No dividends were paid to Moët Hennessy's shareholders during the first half of 2020. Net profit attributable to Diageo for the first half of 2020 was 120 million euros, and its share in accumulated minority interests (before recognition of the purchase commitment granted to Diageo) came to 3,511 million euros as of June 30, 2020.

No dividends were paid to DFS's shareholders during the first half of 2020. Net profit attributable to Mari-Cha Group Ltd for the first half of 2020 was -63 million euros, and its share in accumulated minority interests as of June 30, 2020 came to 1,421 million euros.

19. BORROWINGS

19.1. Net financial debt

(EUR millions)	June 30, 2020	Dec. 31, 2019	June 30, 2019
Bonds and Euro Medium-Term Notes (EMTNs)	14,500	4,791	5,360
Bank borrowings	342	310	228
Long-term borrowings	**14,842**	**5,101**	**5,588**
Bonds and Euro Medium-Term Notes (EMTNs)	1,569	1,854	1,950
Commercial paper	5,919	4,868	5,077
Bank overdrafts	133	176	148
Other short-term borrowings	1,034	712	715
Short-term borrowings	**8,655**	**7,610**	**7,890**
Gross borrowings	**23,497**	**12,711**	**13,478**
Interest rate risk derivatives	(53)	(16)	(34)
Foreign exchange risk derivatives	164	47	154
Gross borrowings after derivatives	**23,609**	**12,742**	**13,598**
Current available for sale financial assets [(a)]	(953)	(733)	(788)
Non-current available for sale financial assets used to hedge financial debt [(b)]	-	(130)	(127)
Cash and cash equivalents [(c)]	(14,426)	(5,673)	(3,999)
Net financial debt	**8,230**	**6,206**	**8,684**

(a) See Note 14.
(b) See Note 9.
(c) See Note 15.1.

The change in gross borrowings after derivatives during the fiscal year breaks down as follows:

(EUR millions)	As of December 31, 2019	Impact on cash [(a)]	Translation adjustment	Impact of market value changes	Changes in the scope of consolidation	Reclassifications and Other	June 30, 2020
Long-term borrowings	5,101	10,872	(165)	24	-	(990)	14,842
Short-term borrowings	7,610	42	(27)	31	-	1,000	8,655
Gross borrowings	**12,711**	**10,914**	**(192)**	**54**	**-**	**10**	**23,497**
Derivatives	31	(27)	-	108	-	-	111
Gross borrowings after derivatives	**12,742**	**10,887**	**(192)**	**162**	**-**	**10**	**23,609**

(a) Including a positive impact of 13,543 million euros in respect of proceeds from borrowings and a negative impact of 2,712 million euros in respect of repayment of borrowings.

In February and April 2020, LVMH completed eight bond issues totaling 10.7 billion euros to finance in particular the acquisition of Tiffany planned for the second half of 2020. The details of those bond issues are presented in the table below:

Nominal amount	Maturity	Initial effective interest rate *(%)*	Floating-rate swap	June 30, 2020 *(EUR millions)*
GBP 850,000,000	2027	1.125	Total	955
EUR 1,250,000,000	2024	-	-	1,251
EUR 1,250,000,000	2026	-	-	1,243
EUR 1,750,000,000	2028	0.125	-	1,733
EUR 1,500,000,000	2031	0.375	-	1,486
EUR 1,750,000,000	2022	Floating	-	1,734
GBP 700,000,000	2023	1.000	Total	776
EUR 1,500,000,000	2025	0.75	-	1,500
Total bonds and EMTNs issued during the half-year period				**10,679**

At the time the sterling-denominated bonds were issued, swaps were entered into that converted them into euro-denominated borrowings.

During the half-year period, LVMH repaid the 1,250 million euro bond issued in 2017.

Net financial debt does not include purchase commitments for minority interests (see Note 21) or lease liabilities (see Note 7).

19.2. Breakdown of gross borrowings by payment date and type of interest rate

(EUR millions)		Gross borrowings			Impact of derivatives			Gross borrowings after derivatives		
		Fixed rate	Floating rate	Total	Fixed rate	Floating rate	Total	Fixed rate	Floating rate	Total
Maturity:	June 30, 2021	2,227	6,428	8,655	(402)	383	(19)	1,825	6,811	8,636
	June 30, 2022	1,948	1,900	3,848	(1,279)	1,310	31	669	3,210	3,880
	June 30, 2023	1,518	-	1,518	(737)	804	66	781	804	1,584
	June 30, 2024	2,480	-	2,480	(301)	292	(9)	2,179	292	2,471
	June 30, 2025	1,516	-	1,516	-	-	-	1,516	-	1,516
	June 30, 2026	1,256	-	1,256	-	-	-	1,256	-	1,256
	Thereafter	4,224	-	4,224	(896)	937	41	3,329	937	4,266
Total		**15,169**	**8,329**	**23,497**	**(3,615)**	**3,726**	**111**	**11,554**	**12,055**	**23,609**

See Note 23.3 regarding the market value of interest rate risk derivatives.

19.3. Breakdown of gross borrowings by currency after derivatives

The purpose of foreign currency borrowings is to finance the development of the Group's activities outside the eurozone, as well as the Group's assets denominated in foreign currency.

(EUR millions)	June 30, 2020	Dec. 31, 2019	June 30, 2019
Euro	17,780	7,849	8,541
US dollar	3,959	3,457	4,148
Swiss franc	72	-	-
Japanese yen	927	622	587
Other currencies	872	814	322
Total	**23,609**	**12,742**	**13,598**

19.4. Undrawn confirmed credit lines and covenants

As of June 30, 2020, undrawn confirmed credit lines came to 16.3 billion euros. This amount exceeded the outstanding portion of the euro- and US dollar-denominated commercial paper (ECP and USCP) programs, which totaled 5.9 billion euros as of June 30, 2020.

In connection with certain credit lines, the Group may undertake to maintain certain financial ratios. As of June 30, 2020, no significant credit lines were concerned by these provisions.

20. PROVISIONS AND OTHER NON-CURRENT LIABILITIES

Non-current provisions and other liabilities comprise the following:

(EUR millions)	June 30, 2020	Dec. 31, 2019	June 30, 2019
Non-current provisions	1,439	1,457	1,400
Uncertain tax positions	1,160	1,172	1,204
Derivatives[(a)]	185	712	587
Employee profit sharing	81	96	83
Other liabilities	388	375	373
Non-current provisions and other liabilities	**3,253**	**3,812**	**3,647**

(a) See Note 23.

Provisions concern the following types of contingencies and losses:

(EUR millions)	June 30, 2020	Dec. 31, 2019	June 30, 2019
Provisions for pensions, medical costs and similar commitments	820	812	695
Provisions for contingencies and losses	619	646	705
Non-current provisions	**1,439**	**1,457**	**1,400**
Provisions for pensions, medical costs and similar commitments	7	8	6
Provisions for contingencies and losses	394	406	319
Current provisions	**401**	**414**	**325**
Total	**1,840**	**1,872**	**1,725**

Provisions changed as follows during the half-year period:

(EUR millions)	As of December 31 2019	Increases	Amounts used	Amounts released	Changes in the scope of consolidation	Other[(a)]	At closing
Provisions for pensions, medical costs and similar commitments	820	38	(24)	-	-	(7)	827
Provisions for contingencies and losses	1,052	93	(91)	(38)	-	(4)	1,013
Total	**1,872**	**132**	**(115)**	**(38)**	**-**	**(10)**	**1,840**

(a) Including the impact of translation adjustment and change in revaluation reserves.

Provisions for contingencies and losses correspond to the estimate of the impact on assets and liabilities of risks, disputes (see Note 31), 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 and packaging to relations with the Group's partners (distributors, suppliers, shareholders in subsidiaries, etc.).

Non-current liabilities related to uncertain tax positions included an estimate of the risks, disputes and actual or probable litigation related to the income tax computation. The Group's entities in France and abroad may be subject to tax inspections and, in certain cases, to rectification claims from local administrations. A liability is recognized for these rectification claims, together with any uncertain tax positions that have been identified but not yet officially notified, the amount of which is regularly reviewed in accordance with the criteria of the application of IFRIC 23 Uncertainty over Income Tax Treatment.

21. PURCHASE COMMITMENTS FOR MINORITY INTERESTS' SHARES

As of June 30, 2020, purchase commitments for minority interests' shares mainly include the put option granted by LVMH to Diageo plc for its 34% share in Moët Hennessy for 80% of the fair value of Moët Hennessy at the exercise date of the option. This option may be exercised at any time subject to a six-month notice period. The fair value of this commitment was calculated by applying the share price multiples of comparable firms to Moët Hennessy's consolidated operating results.

Moët Hennessy SAS 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, Clos des Lambrays and Colgin Cellars, and excluding certain champagne vineyards.

Purchase commitments for minority interests' shares also include commitments relating to minority shareholders in Loro Piana (15%), Rimowa (20%), and distribution subsidiaries in various countries, mainly in the Middle East.

22. TRADE ACCOUNTS PAYABLE AND OTHER CURRENT LIABILITIES

22.1. Trade accounts payable

The change in trade accounts payable for the periods presented breaks down as follows:

(EUR millions)	**June 30, 2020**	**Dec. 31, 2019**	**June 30, 2019**
As of December 31	**5,814**	**5,206**	**5,206**
Change in trade accounts payable	(1,537)	335	(159)
Changes in amounts owed to customers	(34)	9	(31)
Changes in the scope of consolidation	-	216	98
Translation adjustment	(30)	56	36
Reclassifications	(12)	(8)	13
As of period-end	**4,200**	**5,814**	**5,163**

22.2. Current provisions and other liabilities

(EUR millions)	**June 30, 2020**	**Dec. 31, 2019**	**June 30, 2019**
Current provisions (a)	401	414	325
Derivatives (b)	901	138	213
Employees and social institutions	1,297	1,786	1,395
Employee profit sharing	58	123	59
Taxes other than income taxes	568	752	623
Advances and payments on account from customers	696	559	392
Provision for product returns (c)	366	399	316
Deferred payment for non-current assets	493	769	590
Deferred income	339	273	274
Other liabilities	2,330	1,093	979
Total	**7,450**	**6,305**	**5,166**

(a) See Note 20.
(b) See Note 23.
(c) See Note 1.26 to the 2019 consolidated financial statements.

As of June 30, 2020, "Other liabilities" included the final dividend for 2019 approved by the shareholders at the Shareholders' Meeting of June 30, 2020 (see Note 16).

23. FINANCIAL INSTRUMENTS AND MARKET RISK MANAGEMENT

23.1. 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, is centralized.

The Group has implemented a stringent policy and 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.

23.2. Summary of derivatives

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

(EUR millions)			Notes	June 30, 2020	Dec. 31, 2019	June 30, 2019
Interest rate risk	Assets:	non-current		67	20	33
		current		19	12	14
	Liabilities:	non-current		(14)	(3)	(1)
		current		(19)	(14)	(12)
			23.3	**53**	**16**	**34**
Foreign exchange risk	Assets:	non-current		79	68	103
		current		433	165	140
	Liabilities:	non-current		(170)	(15)	(26)
		current		(269)	(124)	(201)
			23.4	**72**	**93**	**16**
Other risks	Assets:	non-current		-	694	560
		current		622	3	5
	Liabilities:	non-current		-	(694)	(560)
		current		(613)	-	-
			23.5	**9**	**2**	**5**
Total	Assets:	non-current	10	147	782	696
		current	13	1,073	180	159
	Liabilities:	non-current	20	(185)	(712)	(587)
		current	22	(901)	(138)	(213)
				134	**112**	**55**

23.3. 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 impact of significant changes in interest rates.

For these purposes, the Group uses interest rate swaps and options.

Derivatives used to manage interest rate risk outstanding as of June 30, 2020 break down as follows:

(EUR millions)	**Nominal amounts by maturity**				**Market value [(a) (b)]**			
	Less than 1 year	**From 1 to 5 years**	**More than 5 years**	**Total**	**Future cash flow hedges**	**Fair value hedges**	**Not allocated**	**Total**
Interest rate swaps, floating-rate payer	1,050	1,706	932	3,687	-	80	-	80
Interest rate swaps, fixed-rate payer	114	789	-	904	(19)	-	(4)	(22)
Foreign currency swaps, euro-rate payer	-	1,206	932	2,137	-	-	(1)	(1)
Foreign currency swaps, euro-rate receiver	71	133	-	204	-	-	(3)	(3)
Total					**(19)**	**80**	**(8)**	**53**

(a) Gain/(Loss).
(b) See Note 1.9 to the 2019 consolidated financial statements regarding the methodology used for market value measurement.

23.4. Derivatives used to manage foreign exchange risk

A significant portion of Group companies' sales to customers and to their own distribution 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 intra-Group 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.

The Group may also use appropriate financial instruments to hedge the net worth of subsidiaries outside the eurozone, 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 June 30, 2020 break down as follows:

(EUR millions)	Nominal amounts by fiscal year of allocation [a]				Market value [b] [c]				
	2020	2021	Thereafter	Total	Future cash flow hedges	Fair value hedges	Foreign currency net investment hedges	Not allocated	Total
Options purchased									
Call USD	(120)	-	-	(120)	2	-	-	-	2
Put JPY	32	115	-	148	4	-	-	-	4
Put GBP	114	-	-	114	8	-	-	-	8
Other	22	-	-	22	-	-	-	-	-
	49	**115**	**-**	**165**	**13**	**1**	**-**	**-**	**14**
Collars									
Written USD	3,679	3,247	-	6,926	113	1	-	-	114
Written JPY	757	729	-	1,486	35	-	-	-	35
Written GBP	219	304	-	523	26	1	-	-	27
Written HKD	260	267	-	527	8	-	-	-	8
Written CNY	297	750	-	1,047	33	1	-	-	35
Other	-	-	-	-	-	-	-	-	-
	5,212	**5,297**	**-**	**10,509**	**215**	**4**	**-**	**-**	**220**
Forward exchange									
USD	(14,457)	(83)	-	(14,540)	(91)	-	-	-	(91)
JPY	62	-	-	62	-	-	-	-	-
MYR	31	-	-	31	-	(1)	-	-	(1)
BRL	16	-	-	16	-	-	-	-	-
CHF	18	-	-	18	-	-	-	-	-
KRW	7	-	-	7	-	-	-	-	-
IDR	8	-	-	8	-	-	-	-	-
Other	25	-	-	25	-	-	-	-	-
	(14,290)	**(83)**	**-**	**(14,373)**	**(91)**	**(1)**	**-**	**-**	**(92)**
Foreign exchange									
USD	3,706	(973)	-	2,732	(7)	46	9	-	48
GBP	703	-	(2,137)	(1,434)	1	(128)	-	-	(128)
JPY	413	-	149	562	-	(13)	-	-	(13)
CNY	(581)	5	14	(562)	-	4	-	-	4
Other	273	37	-	310	-	11	8	-	19
	4,514	**(931)**	**(1,974)**	**1,609**	**(6)**	**(81)**	**17**	**-**	**(70)**
Total	**(4,515)**	**4,399**	**(1,974)**	**(2,090)**	**131**	**(76)**	**17**	**-**	**72**

(a) Sale/(Purchase).
(b) See Note 1.9 to the 2019 consolidated financial statements regarding the methodology used for market value measurement.
(a) Gain/(Loss).

Forward contracts and options purchased for the US dollar include instruments to hedge the purchase price of Tiffany & Co. shares.

23.5. 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 subsidiaries, 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 synthetically create an economic exposure to certain assets, to hedge cash-settled compensation plans index-linked to the LVMH share price, or to hedge certain risks related to changes in the LVMH share price. In connection with the convertible bonds issued in 2016 (see Note 18 to the consolidated financial statements as of December 31, 2016), LVMH subscribed to financial instruments enabling it to fully hedge the exposure to any positive or negative changes in the LVMH share price.

As provided by applicable accounting policies, the optional components of convertible bonds and financial instruments subscribed for hedging purposes are recorded under "Derivatives". The change in market value of these options is index-linked to the change in the LVMH share price.

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 June 30, 2020 have a positive market value of 9 million euros.

24. 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, and Watches and Jewelry – comprise brands dealing with the same category of products that use similar production and distribution processes. Information on Louis Vuitton and Bvlgari is presented according to the brand's main business, namely the Fashion and Leather Goods business group for Louis Vuitton and the Watches and Jewelry business group for Bvlgari.

The Selective Retailing business group 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, particularly the media division, the Dutch luxury yacht maker Royal Van Lent, hotel operations and holding or real estate companies.

24.1. Information by business group

First half 2020

(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	1,976	7,972	1,931	1,290	4,828	396	-	18,393
Intra-Group sales	9	17	373	29	16	8	(452)	-
Total revenue	**1,985**	**7,989**	**2,304**	**1,319**	**4,844**	**404**	**(452)**	**18,393**
Profit from recurring operations	551	1,769	(30)	(17)	(308)	(319)	25	1,671
Other operating income and expenses	(1)	5	(7)	-	(90)	(61)	-	(154)
Depreciation, amortization and impairment expenses	(98)	(905)	(216)	(215)	(718)	(353)	47	(2,458)
Of which: Right-of-use assets	*(17)*	*(506)*	*(71)*	*(109)*	*(367)*	*(270)*	*47*	*(1,294)*
Other	*(82)*	*(398)*	*(145)*	*(106)*	*(351)*	*(83)*	*-*	*(1,164)*
Intangible assets and goodwill [(b)]	5,104	13,112	1,411	5,742	3,362	1,944	-	30,675
Right-of-use assets	172	5,708	524	1,233	5,274	907	(583)	13,236
Property, plant and equipment	3,192	4,312	741	599	1,850	7,857	(7)	18,543
Inventories and work in progress	5,971	2,895	945	1,933	2,635	43	(344)	14,078
Other operating assets [(c)]	1,020	1,634	1,174	658	739	1,553	20,332	27,110
Total assets	**15,458**	**27,660**	**4,794**	**10,166**	**13,860**	**12,305**	**19,398**	**103,643**
Equity	-	-	-	-	-	-	37,532	37,532
Lease liabilities	180	5,700	529	1,191	5,491	979	(573)	13,495
Other liabilities [(d)]	1,259	4,040	2,249	1,118	2,150	3,032	38,768	52,616
Total liabilities and equity	**1,439**	**9,740**	**2,778**	**2,309**	**7,641**	**4,011**	**75,727**	**103,643**
Operating investments [(e)]	(155)	(534)	(137)	(110)	(241)	(239)	1	(1,414)

Fiscal year 2019

(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	5,547	22,164	5,738	4,286	14,737	1,199	-	53,670
Intra-Group sales	28	73	1,097	120	54	16	(1,388)	-
Total revenue	**5,576**	**22,237**	**6,835**	**4,405**	**14,791**	**1,214**	**(1,388)**	**53,670**
Profit from recurring operations	1,729	7,344	683	736	1,395	(351)	(32)	11,504
Other operating income and expenses	(7)	(20)	(27)	(28)	(15)	(135)	-	(231)
Depreciation, amortization and impairment expenses	(191)	(1,856)	(431)	(477)	(1,409)	(253)	98	(4,519)
Of which: Right-of-use assets	*(31)*	*(1,146)*	*(141)*	*(230)*	*(872)*	*(85)*	*98*	*(2,408)*
Other	*(160)*	*(710)*	*(290)*	*(247)*	*(536)*	*(168)*	-	*(2,111)*
Intangible assets and goodwill [(b)]	7,582	13,120	1,401	5,723	3,470	1,950	-	33,246
Right-of-use assets	116	5,239	487	1,196	5,012	824	(465)	12,409
Property, plant and equipment	3,142	4,308	773	610	1,919	7,788	(7)	18,533
Inventories and work in progress	5,818	2,884	830	1,823	2,691	44	(375)	13,717
Other operating assets [(c)]	1,547	2,028	1,518	740	895	1,317	10,558	18,603
Total assets	**18,205**	**27,581**	**5,009**	**10,092**	**13,987**	**11,923**	**9,711**	**96,507**
Equity	-	-	-	-	-	-	38,365	38,365
Lease liabilities	118	5,191	481	1,141	5,160	888	(434)	12,545
Other liabilities [(d)]	1,727	4,719	2,321	1,046	2,938	1,674	31,172	45,597
Total liabilities and equity	**1,845**	**9,910**	**2,802**	**2,187**	**8,098**	**2,562**	**69,104**	**96,507**
Operating investments [(e)]	(325)	(1,199)	(378)	(296)	(659)	(436)	-	(3,294)

First half 2019

(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	2,471	10,387	2,714	2,066	7,072	372	-	25,082
Intra-Group sales	15	38	522	69	26	8	(678)	-
Total revenue	**2,486**	**10,425**	**3,236**	**2,135**	**7,098**	**380**	**(678)**	**25,082**
Profit from recurring operations	772	3,248	387	357	714	(179)	(4)	5,295
Other operating income and expenses	3	-	(8)	(8)	-	(41)	-	(54)
Depreciation, amortization and impairment expenses	(87)	(882)	(207)	(227)	(663)	(106)	-	(2,172)
Of which: Right-of-use assets	*(15)*	*(529)*	*(68)*	*(106)*	*(414)*	*(39)*	-	*(1,171)*
Other	*(72)*	*(353)*	*(139)*	*(121)*	*(249)*	*(67)*	-	*(1,001)*
Intangible assets and goodwill [(b)]	6,895	13,069	1,381	5,684	3,420	2,850	-	33,299
Right-of-use assets	123	5,171	481	1,044	4,900	845	(426)	12,138
Property, plant and equipment	2,913	3,895	694	576	1,820	6,336	(9)	16,225
Inventories and work in progress	5,666	2,739	931	1,831	2,716	43	(365)	13,561
Other operating assets [(c)]	1,156	1,635	1,407	761	868	1,310	8,564	15,701
Total assets	**16,753**	**26,509**	**4,894**	**9,896**	**13,724**	**11,384**	**7,764**	**90,924**
Equity	-	-	-	-	-	-	35,390	35,390
Lease liabilities	127	5,081	469	993	5,019	910	(431)	12,168
Other liabilities [(d)]	1,330	4,233	1,900	1,050	2,593	1,579	30,681	43,366
Total liabilities and equity	**1,457**	**9,314**	**2,369**	**2,043**	**7,612**	**2,489**	**65,640**	**90,924**
Operating investments [(e)]	(112)	(544)	(171)	(142)	(276)	(176)	(2)	(1,423)

(a) Eliminations correspond to sales between business groups; these generally consist of sales to Selective Retailing from other business groups. 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 carrying amounts shown in Notes 3 and 4.
(c) Assets not allocated include available for sale financial assets, other financial assets, and current and deferred tax assets.
(d) Liabilities not allocated include financial debt, current and deferred tax liabilities, and liabilities related to purchase commitments for minority interests' shares.
(e) Increase/(Decrease) in cash and cash equivalents.

24.2. Information by geographic region

Revenue by geographic region of delivery breaks down as follows:

(EUR millions)	June 30, 2020	Dec. 31, 2019	June 30, 2019
France	1,419	4,725	2,153
Europe (excl. France)	2,924	10,203	4,338
United States	4,477	12,613	5,784
Japan	1,275	3,878	1,810
Asia (excl. Japan)	6,277	16,189	8,190
Other countries	2,021	6,062	2,807
Revenue	**18,393**	**53,670**	**25,082**

Operating investments by geographic region are as follows:

(EUR millions)	**June 30, 2020**	**Dec. 31, 2019**	**June 30, 2019**
France	579	1,239	548
Europe (excl. France)	297	687	306
United States	175	453	191
Japan	102	133	55
Asia (excl. Japan)	179	534	230
Other countries	82	248	93
Operating investments	**1,414**	**3,294**	**1,423**

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.

24.3. Quarterly information

(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	1,175	4,643	1,382	792	2,626	251	(273)	10,596
Second quarter	810	3,346	922	527	2,218	153	(179)	7,797
Total for first half 2020	**1,985**	**7,989**	**2,304**	**1,319**	**4,844**	**404**	**(452)**	**18,393**

(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	1,349	5,111	1,687	1,046	3,510	187	(352)	12,538
Second quarter	1,137	5,314	1,549	1,089	3,588	193	(326)	12,544
Total for first half 2019	**2,486**	**10,425**	**3,236**	**2,135**	**7,098**	**380**	**(678)**	**25,082**
Third quarter	1,433	5,448	1,676	1,126	3,457	511 [(a)]	(335)	13,316
Fourth quarter	1,657	6,364	1,923	1,144	4,236	323	(375)	15,272
Total for second half 2019	**3,090**	**11,812**	**3,599**	**2,270**	**7,693**	**834**	**(710)**	**28,588**
Total for 2019	**5,576**	**22,237**	**6,835**	**4,405**	**14,791**	**1,214**	**(1,388)**	**53,670**

(a) Including the entire revenue of Belmond from April to September 2019.

25. OTHER OPERATING INCOME AND EXPENSES

(EUR millions)	**June 30, 2020**	**Dec. 31, 2019**	**June 30, 2019**
Net gains/(losses) on disposals	-	-	3
Restructuring costs	-	(57)	-
Remeasurement of shares acquired prior to their initial consolidation	-	-	-
Transaction costs relating to the acquisition of consolidated companies	(11)	(45)	(4)
Impairment or amortization of brands, trade names, goodwill and other fixed assets	(114)	(26)	(37)
Other items, net	(29)	(104)	(16)
Other operating income and expenses	**(154)**	**(231)**	**(54)**

Impairment and amortization expenses recorded are mostly for brands and goodwill. "Other items, net" mainly comprised a 20 million euro donation to Fondation Hôpitaux de Paris – Hôpitaux de France.

26. NET FINANCIAL INCOME/(EXPENSE)

(EUR millions)	June 30, 2020	Dec. 31, 2019	June 30, 2019
Borrowing costs	(67)	(156)	(77)
Income from cash, cash equivalents and current available for sale financial assets	19	50	29
Fair value adjustment of borrowings and interest rate hedges	2	(1)	(3)
Cost of net financial debt	**(46)**	**(107)**	**(51)**
Interest on lease liabilities	**(149)**	**(290)**	**(145)**
Dividends received from non-current available for sale financial assets	1	8	1
Cost of foreign exchange derivatives	(116)	(230)	(102)
Fair value adjustment of available for sale financial assets	(136)	82	101
Other items, net	(18)	(22)	(9)
Other financial income and expenses	**(268)**	**(162)**	**(9)**
Net financial income/(expense)	**(462)**	**(559)**	**(205)**

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

(EUR millions)	June 30, 2020	Dec. 31, 2019	June 30, 2019
Income from cash and cash equivalents	17	36	21
Income from current available for sale financial assets	2	14	8
Income from cash, cash equivalents and current available for sale financial assets	**19**	**50**	**29**

The cost of foreign exchange derivatives breaks down as follows:

(EUR millions)	June 30, 2020	Dec. 31, 2019	June 30, 2019
Cost of commercial foreign exchange derivatives	(101)	(230)	(103)
Cost of foreign exchange derivatives related to net investments denominated in foreign currency	(9)	5	3
Cost and other items related to other foreign exchange derivatives	(6)	(5)	(2)
Cost of foreign exchange derivatives	**(116)**	**(230)**	**(102)**

27. INCOME TAXES

(EUR millions)	June 30, 2020	Dec. 31, 2019	June 30, 2019
Total tax expense per income statement	(511)	(2,932)	(1,431)
Tax on items recognized in equity	(11)	28	15

The effective tax rate is as follows:

(EUR millions)	June 30, 2020	Dec. 31, 2019	June 30, 2019
Profit before tax	1,055	10,714	5,036
Total income tax expense	(511)	(2,932)	(1,431)
Effective tax rate	**48.4%**	**27.4%**	**28.4%**

The effective tax rate used as of June 30 is the forecast effective tax rate for the fiscal year.

The Group's effective tax rate was 48%, up 20 points from the first half of 2019. This increase was essentially automatic, as the accounting expenses for the first half of 2020 that did not give rise to a deduction in the income tax computation were comparable to those incurred in the first half of 2019, while business performance was much lower due to the Covid-19 pandemic. In addition, deferred tax assets were not recognized for certain operating losses due to uncertainties regarding the near-term prospects for using these losses.

28. EARNINGS PER SHARE

	June 30, 2020	Dec. 31, 2019	June 30, 2019
Net profit, Group share *(EUR millions)*	**522**	**7,171**	**3,268**
Average number of shares outstanding during the period	505,161,988	505,281,934	505,182,367
Average number of treasury shares owned during the period	(1,536,862)	(2,063,083)	(1,571,270)
Average number of shares on which the calculation before dilution is based	**503,625,126**	**503,218,851**	**503,611,097**
Basic earnings per share *(EUR)*	**1.04**	**14.25**	**6.49**
Average number of shares outstanding on which the above calculation is based	503,625,126	503,218,851	503,611,097
Dilutive effect of stock option and bonus share plans	732,144	620,691	943,627
Other dilutive effects	-	-	-
Average number of shares on which the calculation after dilution is based	**504,357,270**	**503,839,542**	**504,554,724**
Diluted earnings per share *(EUR)*	**1.04**	**14.23**	**6.48**

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

No significant events concerning provisions for pensions and other benefit commitments occurred during the six-month period.

30. OFF-BALANCE SHEET COMMITMENTS

As of December 31, 2019, the Group's off-balance sheet commitments totaled 18.5 billion euros, including 14.7 billion euros related to LVMH's commitment to acquire, for cash, all the shares of Tiffany & Co. ("Tiffany") at a unit price of 135 US dollars, for a total of 16.2 billion US dollars. The acquisition of Tiffany by LVMH was approved by its shareholders at the Shareholders' Meeting held on February 4, 2020.

The transaction is expected to close in second half of 2020, subject to approval by regulatory authorities and other customary conditions.

There were no significant changes in other off-balance sheet commitments in the first half of 2020.

31. EXCEPTIONAL EVENTS AND LITIGATION

No significant exceptional events or litigation occurred during the six-month period.

32. RELATED-PARTY TRANSACTIONS

No significant related-party transactions occurred during the six-month period.

33. SUBSEQUENT EVENTS

No significant subsequent events occurred between June 30, 2020 and July 27, 2020, the date at which the financial statements were approved for publication by the Board of Directors.

STATUTORY AUDITORS' REPORT ON THE HALF-YEAR FINANCIAL INFORMATION

To the Shareholders,

In compliance with the assignment entrusted to us by your Shareholders' Meeting and in accordance with the requirements of Article L.451-1-2 III of the French Monetary and Financial Code (Code monétaire et financier), we hereby report to you on:

- The limited review of the accompanying condensed half-year consolidated financial statements of LVMH Moët Hennessy - Louis Vuitton, for the period from January 1 to June 30, 2020;
- the verification of the information presented in the half-year Management Report.

These condensed half-year consolidated financial statements were prepared under your Board of Directors' responsibility on July 27, 2020, on the basis of the information available at that date, within the developing context of the Covid-19 public health crisis, and the difficulties assessing its effects and perspectives for the future. Our role is to express a conclusion on these financial statements based on our limited review.

1. Conclusion on the financial statements

We conducted our limited review in accordance with professional standards applicable in France. A limited review of interim financial information consists primarily of making inquiries of persons responsible for financial and accounting matters, and applying analytical review procedures. A limited review is substantially lesser in scope than an audit conducted in accordance with the professional standards applicable in France and consequently does not enable us to obtain assurance that the financial statements, taken as a whole, are free from material misstatements, as we may not become aware of all significant matters that might be identified in an audit.

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying condensed half-year consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – one of the standards of the IFRSs as adopted by the European Union applicable to interim financial information.

2. Specific verification

We have also verified the information presented in the half-year Management Report prepared on July 27, 2020 on the condensed half-year consolidated financial statements subject to our limited review.

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

Paris-La Défense, July 27, 2020

The Statutory Auditors

French original signed by

MAZARS		ERNST & YOUNG et Autres	
Loïc Wallaert	Isabelle Sapet	Gilles Cohen	Patrick Vincent-Genod

This is a free translation into English of the statutory auditors' limited review report on the half-year financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information provided in the Group's half-year management report.

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

STATEMENT BY THE PERSON RESPONSIBLE FOR THE INTERIM FINANCIAL REPORT

We declare that, to the best of our knowledge, the condensed interim consolidated financial statements have been prepared in accordance with applicable accounting standards and provide a true and fair view of the assets, liabilities, financial position and profit or loss of the parent company and of all consolidated companies, and that the interim management report presented on page 7 gives a true and fair picture of the significant events during the first six months of the fiscal year and their impact on the financial statements, and the main related party transactions, as well as a description of the main risks and uncertainties for the remaining six months of the fiscal year.

Paris, July 27, 2020

Under delegation from the Chairman and Chief Executive Officer

Jean-Jacques GUIONY

Chief Financial Officer, Member of the Executive Committee

LVMH

MOËT HENNESSY • LOUIS VUITTON

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