

## **Excellent performance of LVMH in 2013**

Paris, 30 January 2014

LVMH Moët Hennessy Louis Vuitton, the world's leading luxury products group, recorded revenue of €29.1 billion in 2013, an increase of 4% over the previous year. Organic revenue growth was 8%. The Group maintained good momentum in the United States and Asia, and continued to grow in Europe, despite the challenging economic environment.

With organic revenue growth of 8%, the fourth quarter performance was in line with the trends seen in the first nine months of the year.

Profit from recurring operations rose to €6 021 million, an increase of 2% over the strong growth recorded in 2012. Current operating margin reached 21%. Group share of net profit was €3 436 million, in line with 2012 which included a special dividend.

Bernard Arnault, Chairman and CEO of LVMH, said: "2013 saw another excellent performance from LVMH despite exchange rate volatility and slower growth in the European markets. Profit from recurring operations exceeded €6 billion for the first time. A significant event during the year was the acquisition of Loro Piana, a company famous for its unrivalled work with cashmere and rare textiles, and with which we share the same values of family and craftsmanship. All our brands have proven to be exceptionally dynamic. Looking beyond the appeal of our brands, it is the talent of our teams and their motivation that enables us to so effectively execute our strategy. In 2014, LVMH intends to further strengthen its global leadership position in high quality products by relying on its sound, long-term strategy."

Highlights of 2013 include:

- Profit from recurring operations exceeded 6 billion Euros for the first time
- Good momentum in Asia and the United States and continued growth in Europe
- A remarkable performance in Wines & Spirits
- The launch of very high quality leather products at Louis Vuitton whose profitability remains at an exceptional level
- Further investment in our fashion brands
- The strength and success of the iconic lines from Parfums Christian Dior
- Excellent results from Bulgari
- Continued progress at Sephora and DFS, driven by innovation in products and services
- A 20% increase in free cash flow to 3 billion Euros
- A gearing ratio of less than 20% at the end of December 2013

<b>Euro millions</b>	<b>2012</b>	<b>2013</b>	<b>% Change</b>
Revenue	28 103	29 149	+ 4 %
Profit from recurring operations	5 921	6 021	+ 2 %
Group share of net profit	3 424	3 436	+ 0.4%
Free cash flow*	2 474	2 958	+ 20 %

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

**Revenue by business group:**

<b>Euro millions</b>	<b>2012</b>	<b>2013</b>	<b>% change 2013/2012</b>	
			<b>Reported</b>	<b>Organic*</b>
Wines & Spirits	4 137	4 187	+ 1 %	+ 6 %
Fashion & Leather Goods	9 926	9 882	-0.4%	+ 5 %
Perfumes & Cosmetics	3 613	3 717	+ 3 %	+ 7 %
Watches & Jewelry	2 836	2 784	-2 %	+4 %
Selective Retailing	7 879	8 938	+ 13 %	+ 17 %
Other activities and eliminations	(288)	(359)	-	-
<b>Total LVMH</b>	<b>28 103</b>	<b>29 149</b>	<b>+ 4 %</b>	<b>+ 8 %</b>

\*With comparable structure and exchange rates

**Profit from recurring operations by business group:**

<b>Euro millions</b>	<b>2012</b>	<b>2013</b>	<b>% change</b>
Wines & Spirits	1 260	1 370	+ 9 %
Fashion & Leather Goods	3 264	3 140	-4 %
Perfumes & Cosmetics	408	414	+ 2 %
Watches & Jewelry	334	375	+ 12 %
Selective Retailing	854	901	+ 6 %
Other activities and eliminations	(199)	(179)	-
<b>Total LVMH</b>	<b>5 921</b>	<b>6 021</b>	<b>+ 2 %</b>

## **Wines & Spirits: continuation of value creation strategy**

The **Wines & Spirits** business group recorded organic revenue growth of 6% in 2013. Profit from recurring operations increased by 9%. In an environment marked by good momentum in Asia and the United States, and a contrasted market in Europe, the business group continued to reap the rewards of its value creation strategy: a focus on the high-end range, a strict pricing policy and a strong dynamic of innovation. Champagne saw sustained demand for its prestige vintages. Sparkling and still wines from Estates & Wines recorded solid performances. Hennessy cognac's growth was driven by the American market. Glenmorangie and Ardbeg whiskies recorded rapid increases in volumes. Momentum across all brands was supported by Moët Hennessy's powerful and flexible distribution network and sustained investments.

## **Fashion & Leather Goods: strategic development at Louis Vuitton and sustained investment in other brands**

The **Fashion & Leather Goods** business group recorded organic revenue growth of 5% in 2013. Profit from recurring operations decreased by 4%. Over the year, Louis Vuitton maintained its exceptional level of profitability while continuing its quest for excellence with regard to its products as well as its distribution. Among the year's innovations, the *Capucines* model in leather and the *W* bag, which revisits the iconic *Monogram* canvas, both achieved great success. Creative momentum at Louis Vuitton was maintained with the arrival of Nicolas Ghesquière as artistic director for its women's collections, following the move of Marc Jacobs to focus on his eponymous brand. Fendi continued to focus on its high end products and the qualitative expansion of its distribution network. Céline recorded a remarkable performance, reaching a new record in its sales. Other fashion brands such as Kenzo, Berluti and Givenchy continued to strengthen as they harness their creative flair.

## **Perfumes & Cosmetics: continued enhancement of iconic lines**

The **Perfumes & Cosmetics** business group outperformed the market by recording organic revenue growth of 7%. Profit from recurring operations increased by 2%. Parfums Christian Dior continued its momentum and gained market share. The continued vitality of flagship lines like *J'adore*, which strengthened its market leadership notably in France, and *Dior Homme*, the international success of *Rouge Dior* and the development of the skin care *Prestige*, are remarkable. Guerlain continued to grow, supported by its fragrance *La Petite Robe Noire* and the rapid progress of *Orchidée impériale*. Benefit recorded a further year of strong growth. Make Up For Ever and Fresh both achieved particularly strong performances in Asia. The inauguration of the Hélios research centre at Saint-Jean-de Braye and the reopening of Guerlain's iconic boutique at 68, Champs-Élysées, were some of the major highlights of the year.

## **Watches & Jewelry: focus on high-end and strengthened quality of distribution**

The **Watches & Jewelry** business group recorded organic revenue growth of 4% in 2013. Profit from recurring operations rose 12%. An excellent performance in the directly owned boutiques, where the network continues to expand around the world, contributed to strengthening the image of the brands and the quality of their distribution. The LVMH watch brands continued to invest in innovation and development of industrial capacity, such as the new TAG Heuer movement manufacturing facility. In Jewelry, the success of Bulgari's *Serpenti* line was confirmed and the new high-end jewelry *Diva* collection achieved excellent results. Presence in multi-brand stores continues to be more selective.

## **Selective Retailing: innovation continues in both product and service offering**

The **Selective Retailing** business group recorded organic revenue growth of 17% in 2013. Profit from recurring operations increased by 6%.

DFS recorded further strong sales increases, notably reflecting the first full year's integration of three new concessions from the end of 2012 at Hong Kong International airport – each having been the focus of significant investment in upgrading works. The destinations of Hong Kong and Macau maintained strong commercial momentum while the weakness of the Yen reduced the spending power of Japanese travellers, notably in Hawaii.

Sephora continued to achieve an exceptional performance and gained market share across all its regions. Online revenue is growing well. Innovation, increased personalization of customer relations, and strengthening of service offerings, both in store and online, are at the core of Sephora's strategy. Sephora's exclusive offering has been notably enhanced by the new Marc Jacobs cosmetics line. Sephora continues to expand and upgrade its distribution network around the world and opened its first store in Thailand, a new territory.

## **Confidence for 2014**

Despite an uncertain economic environment in Europe, LVMH is well-equipped to continue its growth momentum across all business groups in 2014. The Group will maintain a strategy focused on developing its brands by continuing to build on their savoir-faire, as well as through strong innovation and expansion in fast growing markets.

Driven by the agility of its organization, the balance of its different businesses and geographic diversity, LVMH enters 2014 with confidence and has, once again, set an objective of increasing its global leadership position in luxury goods.

## **Dividend increase of 7%**

At the Annual Shareholders' Meeting on April 10, 2014, LVMH will propose a dividend of €3.10 per share, an increase of 7%. An interim dividend of €1.20 per share was paid on December 3 of last year. The balance of €1.90 per share will be paid on April 17, 2014.

*The LVMH Board met on January 30 to approve the financial statements for 2013.*

*Audit procedures have been carried out and the audit report is being issued.*

*Regulated information related to this press release, the presentation of annual results and the report "Financial Documents" are available at [www.lvmh.fr](http://www.lvmh.fr)*

# APPENDIX

## Revenue by business group and by quarter

### 2013

<i>(Euro millions)</i>	Wines & Spirits	Fashion & Leather Goods	Perfumes & Cosmetics	Watches & Jewelry	Selective Retailing	Other Activities and Eliminations	<b>Total</b>
First quarter	979	2 383	932	624	2 122	(93)	<b>6 947</b>
Second quarter	829	2 328	872	686	2 093	(60)	<b>6 748</b>
Third quarter	1 032	2 428	879	677	2 101	(97)	<b>7 020</b>
Fourth quarter	1 347	2 743	1 034	797	2 622	(109)	<b>8 434</b>
<b>Total revenue</b>	<b>4 187</b>	<b>9 882</b>	<b>3 717</b>	<b>2 784</b>	<b>8 938</b>	<b>(359)</b>	<b>29 149</b>

### 2012

<i>(Euro millions)</i>	Wines & Spirits	Fashion & Leather Goods	Perfumes & Cosmetics	Watches & Jewelry	Selective Retailing	Other Activities and Eliminations	<b>Total</b>
First quarter	926	2 374	899	630	1 823	(70)	<b>6 582</b>
Second quarter	833	2 282	828	713	1 767	(39)	<b>6 384</b>
Third quarter	1 006	2 523	898	690	1 862	(79)	<b>6 900</b>
Fourth quarter	1 372	2 747	988	803	2 427	(100)	<b>8 237</b>
<b>Total revenue</b>	<b>4 137</b>	<b>9 926</b>	<b>3 613</b>	<b>2 836</b>	<b>7 879</b>	<b>(288)</b>	<b>28 103</b>

### LVMH

LVMH Moët Hennessy Louis Vuitton is represented in Wines and Spirits by a portfolio of brands that includes Moët & Chandon, Dom Pérignon, Veuve Clicquot Ponsardin, Krug, Ruinart, Mercier, Château d'Yquem, Château Cheval Blanc, Hennessy, Glenmorangie, Ardbeg, Wen Jun, Belvedere, 10 Cane, Chandon, Cloudy Bay, Terrazas de los Andes, Cheval des Andes, Cape Mentelle, Newton et Numanthia. Its Fashion and Leather Goods division includes Louis Vuitton, Céline, Loewe, Kenzo, Givenchy, Thomas Pink, Fendi, Emilio Pucci, Donna Karan, Marc Jacobs, Berluti, Nicholas Kirkwood and Loro Piana. LVMH is present in the Perfumes and Cosmetics sector with Parfums Christian Dior, Guerlain, Parfums Givenchy, Parfums Kenzo, Parfums Loewe as well as other promising cosmetic companies (BeneFit Cosmetics, Make Up For Ever, Acqua di Parma and Fresh). LVMH is also active in selective retailing as well as in other activities through DFS, Sephora, Le Bon Marché, la Samaritaine and Royal Van Lent. LVMH's Watches and Jewelry division comprises Bulgari, TAG Heuer, Chaumet, Dior Watches, Zenith, Fred, Hublot and De Beers Diamond Jewellers Ltd, a joint venture created with the world's leading diamond group.

"Certain information included in this release is forward looking and is subject to important risks and uncertainties and factors beyond our control or ability to predict, that could cause actual results to differ materially from those anticipated, projected or implied. It only reflects our views as of the date of this presentation. No undue reliance should therefore be based on any such information, it being also agreed that we undertake no commitment to amend or update it after the date hereof."

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