

LVMH

MOËT HENNESSY • LOUIS VUITTON

Annual Shareholders' meeting

May 13, 2004

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Bernard ARNAULT

An exceptional performance in 2003

In a difficult environment ...

- Sales increased 4%
on a comparable structure & currency basis
- Strong increase in operating margin
- Net income increased 30%
- Debt reduction

Gained market share

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Patrick HOUËL

Key figures

In millions of euros

	2002	2003	% variation
Net Sales	12 693	11 962	-6%
Gross margin <i>in % of sales</i>	8 130 64%	7 791 65%	
Marketing & selling expenses	(4 705)	(4 401)	-6%
General & Admin expenses	(1 417)	(1 208)	-15%
Operating income	2 008	2 182	+9%
Financial expenses	(294)	(233)	
Other income & expenses	(405)	(349)	
Income taxes	(350)	(488)	
Net income before goodwill amortization	818	1 023	+25%
Net income	556	723	+30%

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Operating income increased 9% in 2003

In millions of euros

	2002	2003	% variation
Wines & Spirits	750	796	+6%
Fashion & Leather Goods	1 280	1 311	+2%
Perfumes & Cosmetics	161	178	+11%
Watches & Jewelry	(13)	(48)	-
Selective retailing	20	106	x5
Others & eliminations	(190)	(161)	-
LVMH	2 008	2 182	+9%

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Strong improvement in operating margin in 2003

In millions of euros

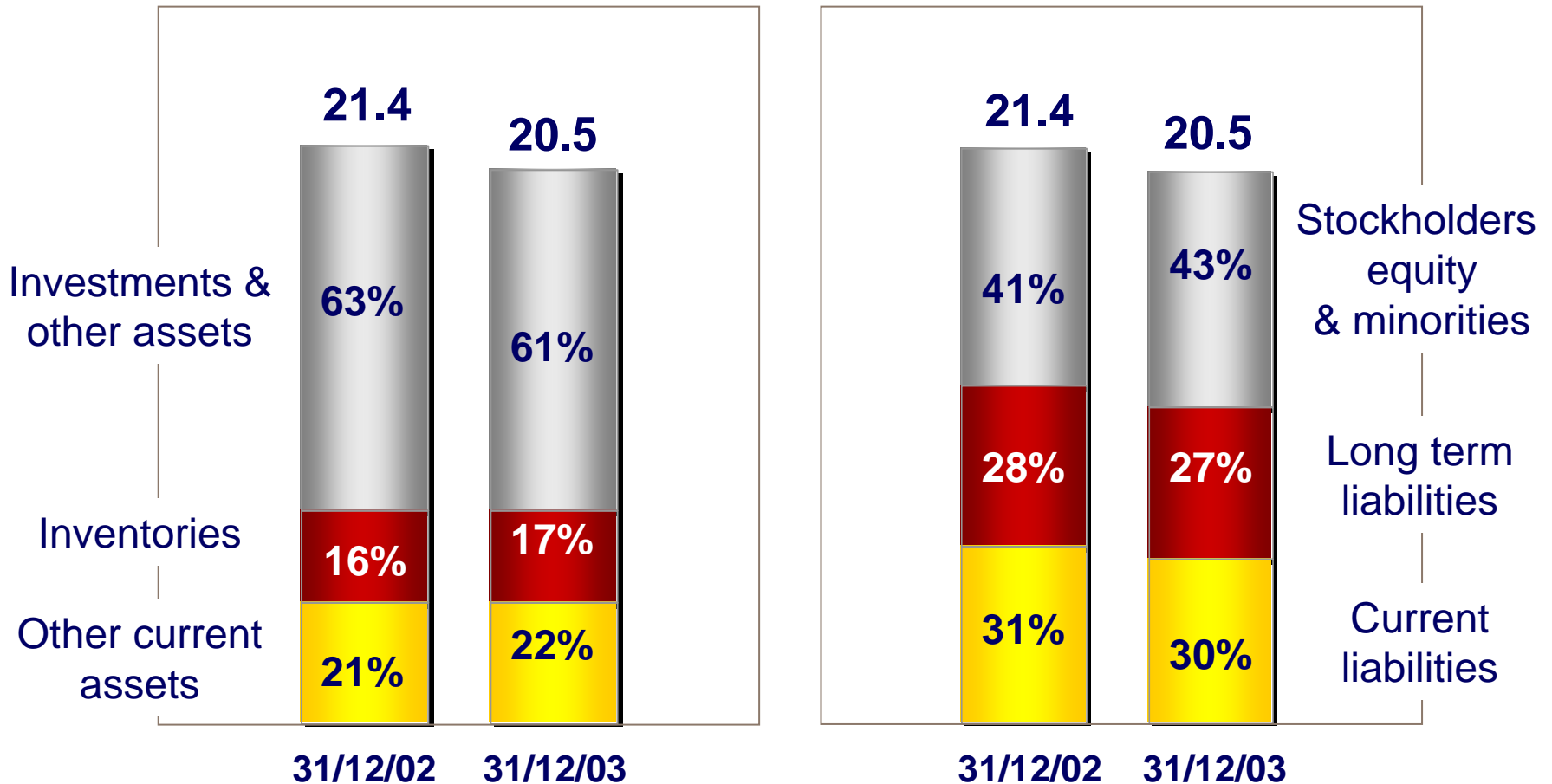
		% margin 2003	% margin 2002
Wines & Spirits	796	38%	33%
Fashion & Leather Goods	1 311	32%	30%
Perfumes & Cosmetics	178	8%	7%
Watches & Jewelry	(48)	-	-
Selective retailing	106	3%	1%
Others & eliminations	(161)	-	-
LVMH	2 182	18%	16%

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Strengthened financial structure

In billions of euros

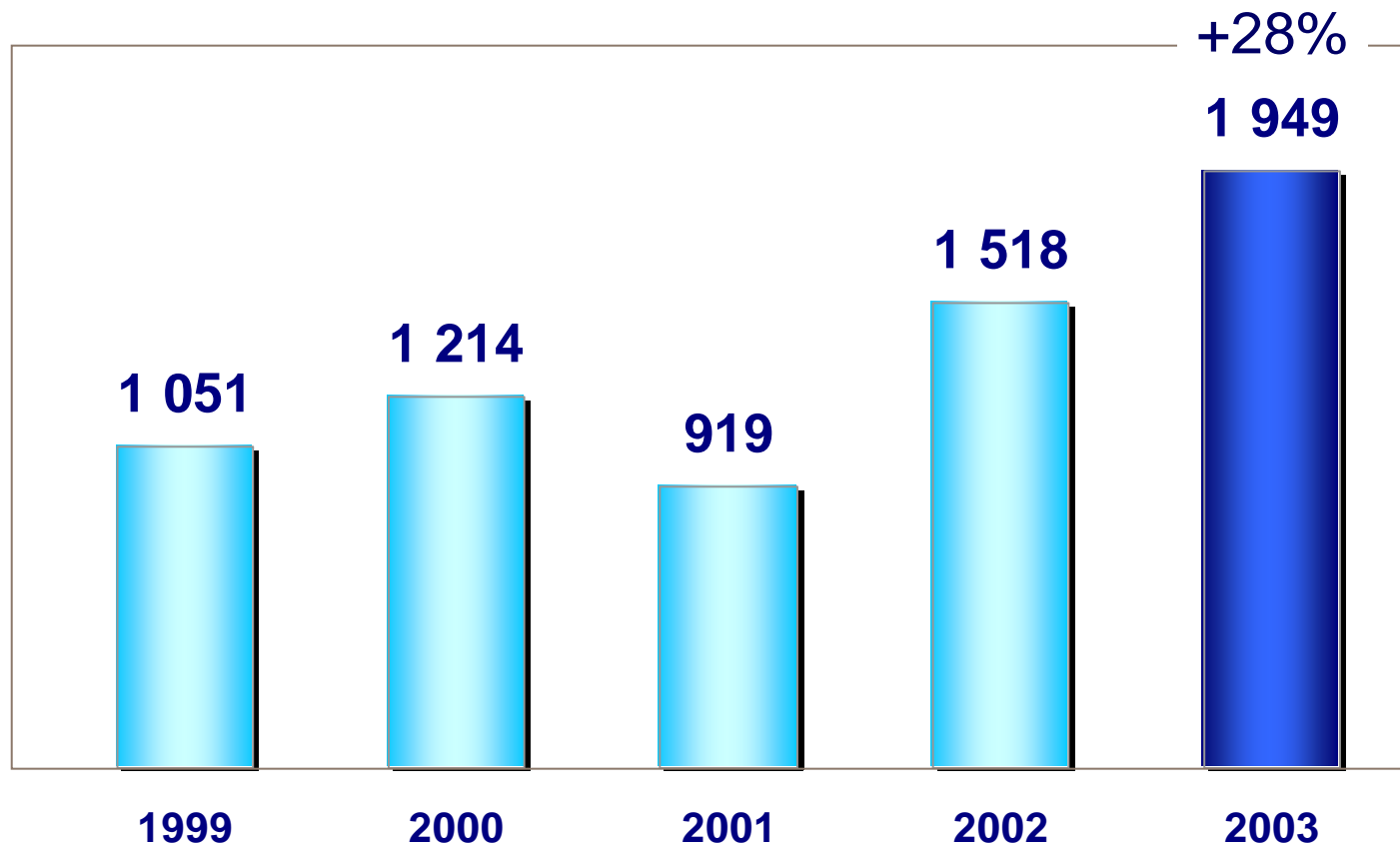


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Record cash flow from operations

In millions of euros



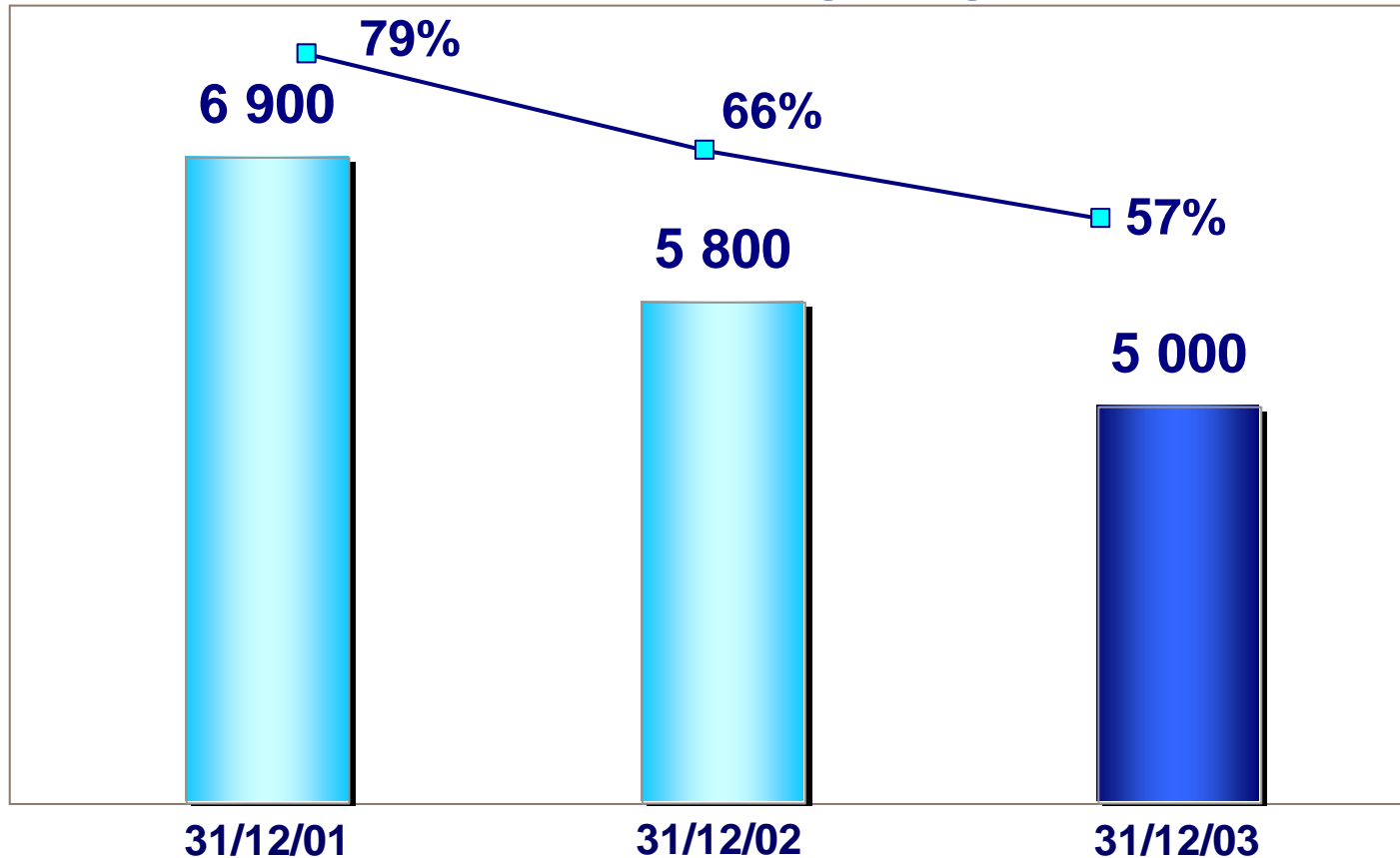
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Debt reduction in 2003

In line with objective of around 50% gearing at end 2004

Net debt* (in millions of euros) and gearing* (%)



* net of market value of Bouygues and LVMH treasury shares

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Hedging cover

- Favorable hedging cover in 2004 but at a lower level than 2003

<i>At May 7, 2004</i>	2002	2003	2004
EUR / USD	0.90	0.97	1.09
<i>% cover</i>			90%
EUR / JPY	103.3	118.5	125.3
<i>% cover</i>			83%

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Results of the LVMH shareholder consultation

- LVMH strategy
- LVMH perspectives
- LVMH and its stakeholders

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LVMH strategy

LVMH Group key strengths

- Complimentary businesses
- Good geographic balance of sales
- Portfolio of timeless and internationally known brands
- Diversity of clientele
- Group's financial strength

Priority on internal growth

- Strong focus on innovation
- Uncompromising demand for quality
- Control of distribution
- Intensive communication

Strong profitability

- Increase profitability of leading brands and their market shares
- Improvement of results of developing brands with high potential
- Rigorous financial discipline

Good level of cash flow

- Selective investments
- Continue the disposal of non-strategic assets
- Reduce debt

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LVMH perspectives

Very good start to year 2004

- Accelerated organic sales growth for LVMH in first quarter 2004: +10 %
- Recovery in tourism in a more favorable economic and monetary environment
- US and Asian economies in full expansion
- Signs of recovery in Europe

Continue to execute proven strategy in 2004

LVMH growth drivers

- Continued high level of innovation
- Strengthened communication
- Expansion of store network
- Development of future growth drivers
 - New markets (China, Russia, India)
 - New product categories

**Objective of a significant increase
in operating income in 2004**

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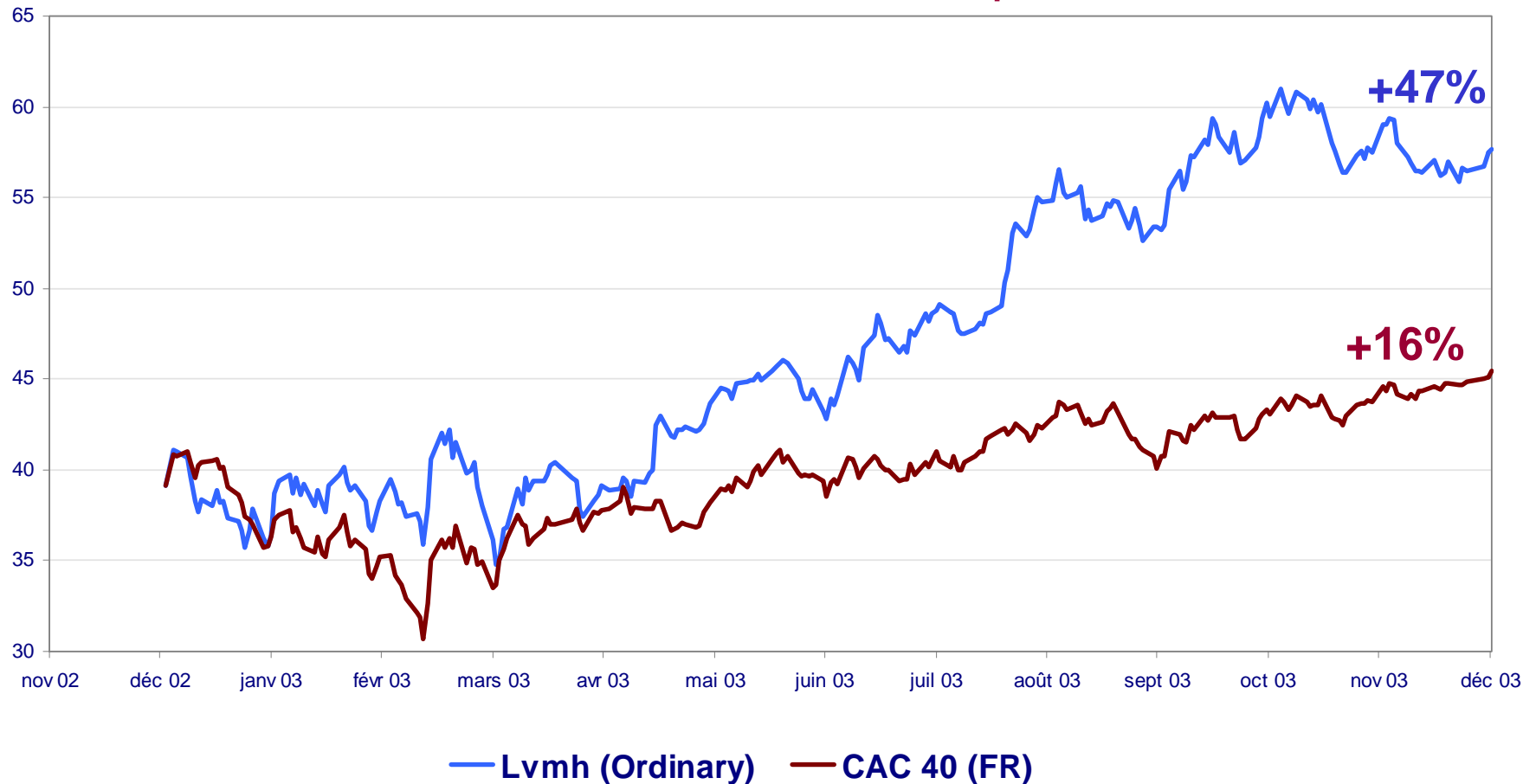
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**LVMH
and
its stakeholders**

One of the best share price performances of the CAC 40 index in 2003

- Outperformed the CAC 40 by 27% in 2003 and 98% over five years

Evolution of LVMH share price in 2003



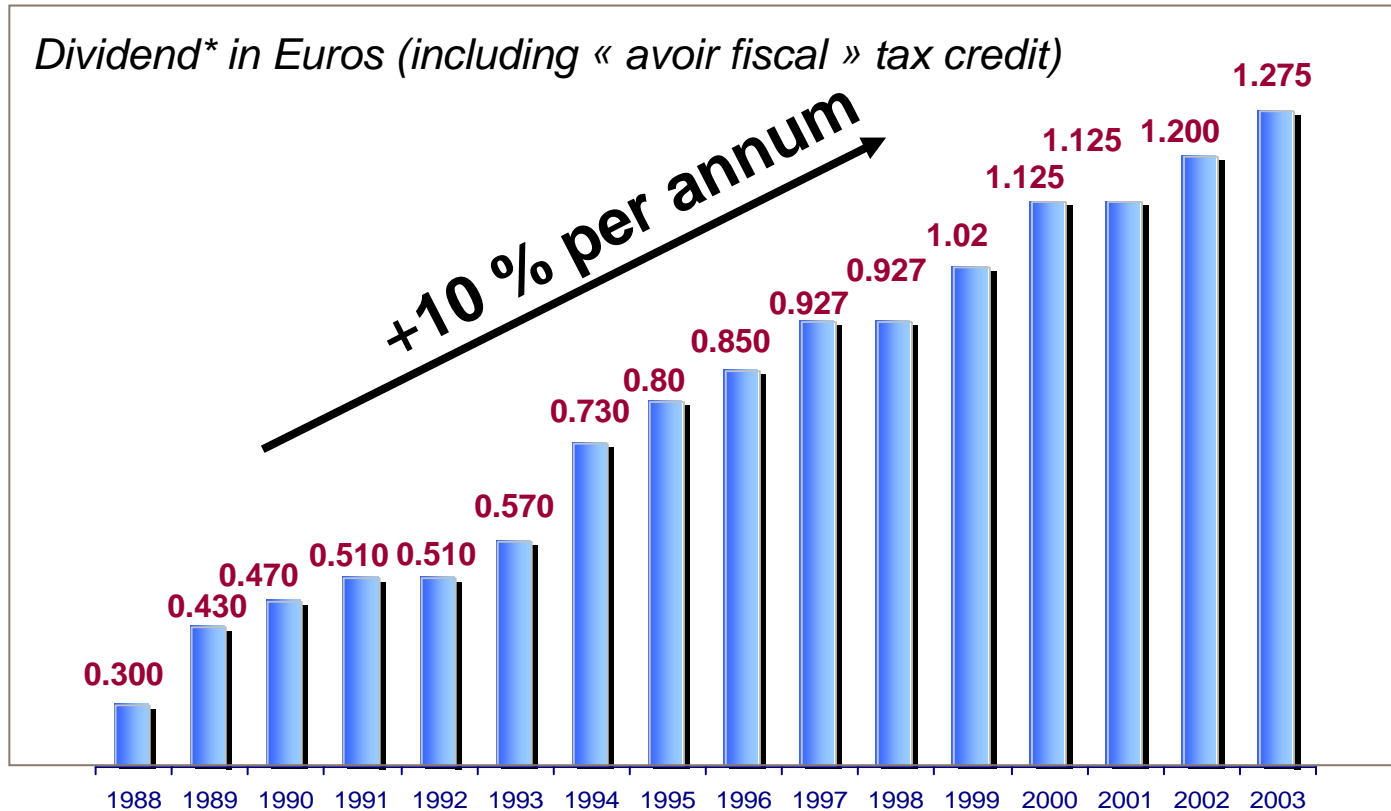
Source : JCF Group

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A regularly progressing dividend

- A payout ratio of 58 % in 2003 (calculated on net result)

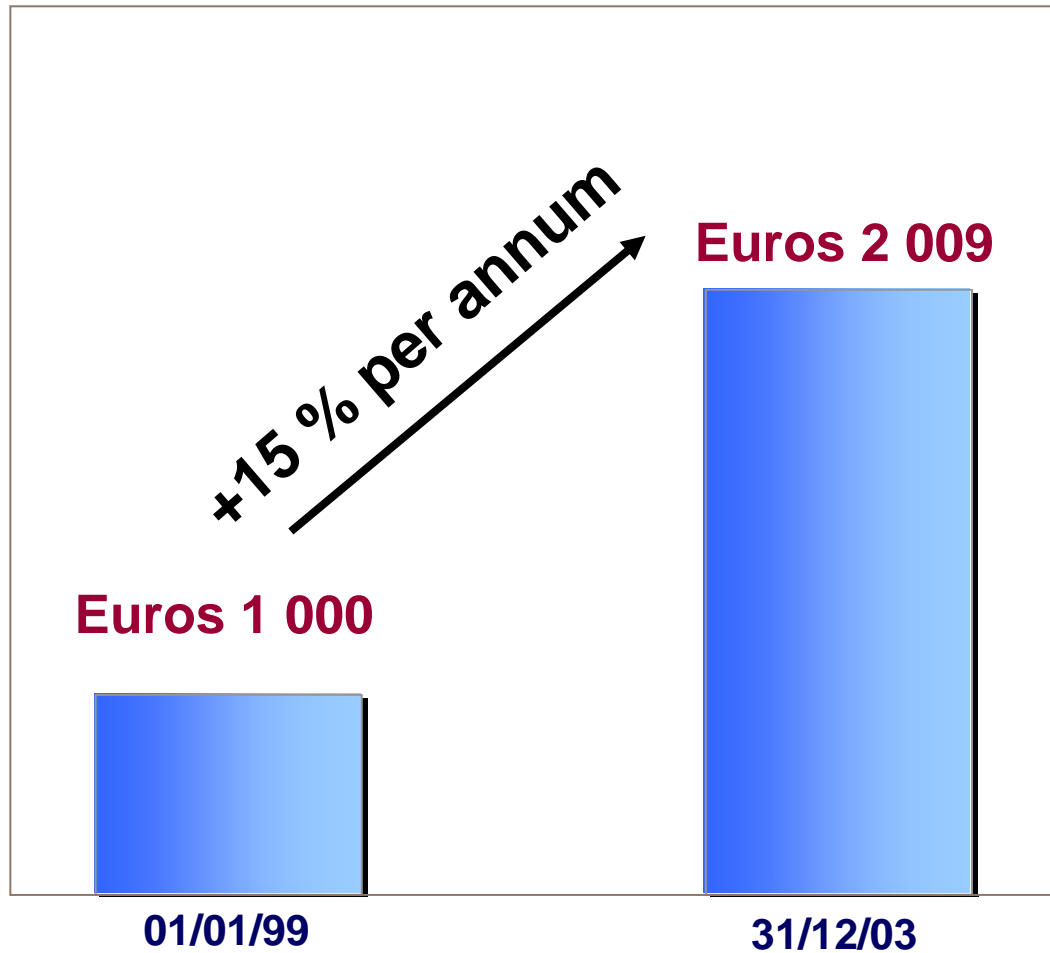


* Adjusted for five-for-one stock splits and bonus allotments

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An annual average 15 % yield for shareholders over 5 years



** Taking into account a one-for-ten stock allotment in June 1999 and reinvested dividends*

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Corporate governance

- 3 new Board members submitted at today's AGM
- Reinforced internal control with the application of the new financial securities law (LSF)
 - Risk evaluation
 - Procedure formalisation

Strong commitment for protecting the environment

- Increased commitments of LVMH in environmental matters
 - Improvement in environmental data reporting system
 - More attention to environmental issues in the conception of products
 - Increased saving in the consumption of water resources, energy and raw materials
 - Increased awareness of personnel
- Selected in the 3 main « sustainable development » indices

A dynamic societal policy

- Creating industrial employment in France
- Importance given to development of craftsman know-how
- Encouraging initiatives and innovation
- A strong policy of training and internal communication
- A commitment to solidarity in favor of cultural activities, young people and great humanitarian and public health causes

LVMH shared values

- Innovation and creativity
- Excellence
- Brand image enhancement
- Entrepreneurship
- Leadership-Be the best

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**Joint Auditors' Reports
to the Shareholders' Meeting**

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Questions / Answers

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Resolutions

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