



First half 2004 Results

September 15, 2004

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Bernard Arnault

Excellent performance in H1 2004

- Strong 14% organic sales growth
- Operating income increases 14 %
- Net income up 49 %
- Cash flow from operations grows 11 %

Gained market share



Improvement of operating margin

In an unfavorable currency context

- Progress in Wines & Spirits
- Remarkable performance by Louis Vuitton
- Return to profitability in Watches & Jewelry
- Very strong improvement in Selective Retailing



Growth drivers in 2004

- New product launches
 - Louis Vuitton's new leather line *Trianon*, new *LV Cup* line and first jewelry collection *Emprise*
 - New perfumes at Dior and Guerlain
 - New *Chiffre rouge* watch at Dior ...
- Numerous communication initiatives
- Expansion of store network

**Maintain objective
of significant increase of operating income**



2005 : Continued growth

- Markets growing
- New clientele
- New market share gains
- Continued improvement in profitability



A strong growth momentum for longer term

- Solid foundation ...
 - Unique portfolio of well-known brands
 - Talented and proactive teams
 - Strong commitment to creativity and quality
 - Financially sound with disciplined management
- ... to seize all new growth opportunities
 - Geographic expansion
 - New product categories
 - More active portfolio management

**Continue to drive the worldwide leadership of
LVMH in the luxury sector**

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Jean-Jacques Guiony



Key figures

in millions of Euros

	H1 2003	H1 2004	% variation
Net sales	5 236	5 678	+8%
Gross margin	3 507	3 729	+6%
Marketing and selling expense	(2 042)	(2 138)	+5%
General and Admin.expense	(591)	(595)	-
Operating income	874	996	+14%
Net financial expenses	(93)	(73)	-22%
Other income & expenses	(77)	(52)	
Income taxes	(236)	(272)	
Net income before goodwill amortization	408	539	+32%
Net income	265	396	+49%



14 % increase in H1 2004 operating income

in millions of Euros

	H1 2003	H1 2004	Variation (in m Euros)
Wines & Spirits	321	335	+14
Fashion & Leather Goods	634	634	-
Perfumes & Cosmetics	39	42	+3
Watches & Jewelry	(38)	2	+40
Selective Retailing	(15)	76	+91
Others & eliminations	(67)	(93)	(26)
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Currency impact

3 components :

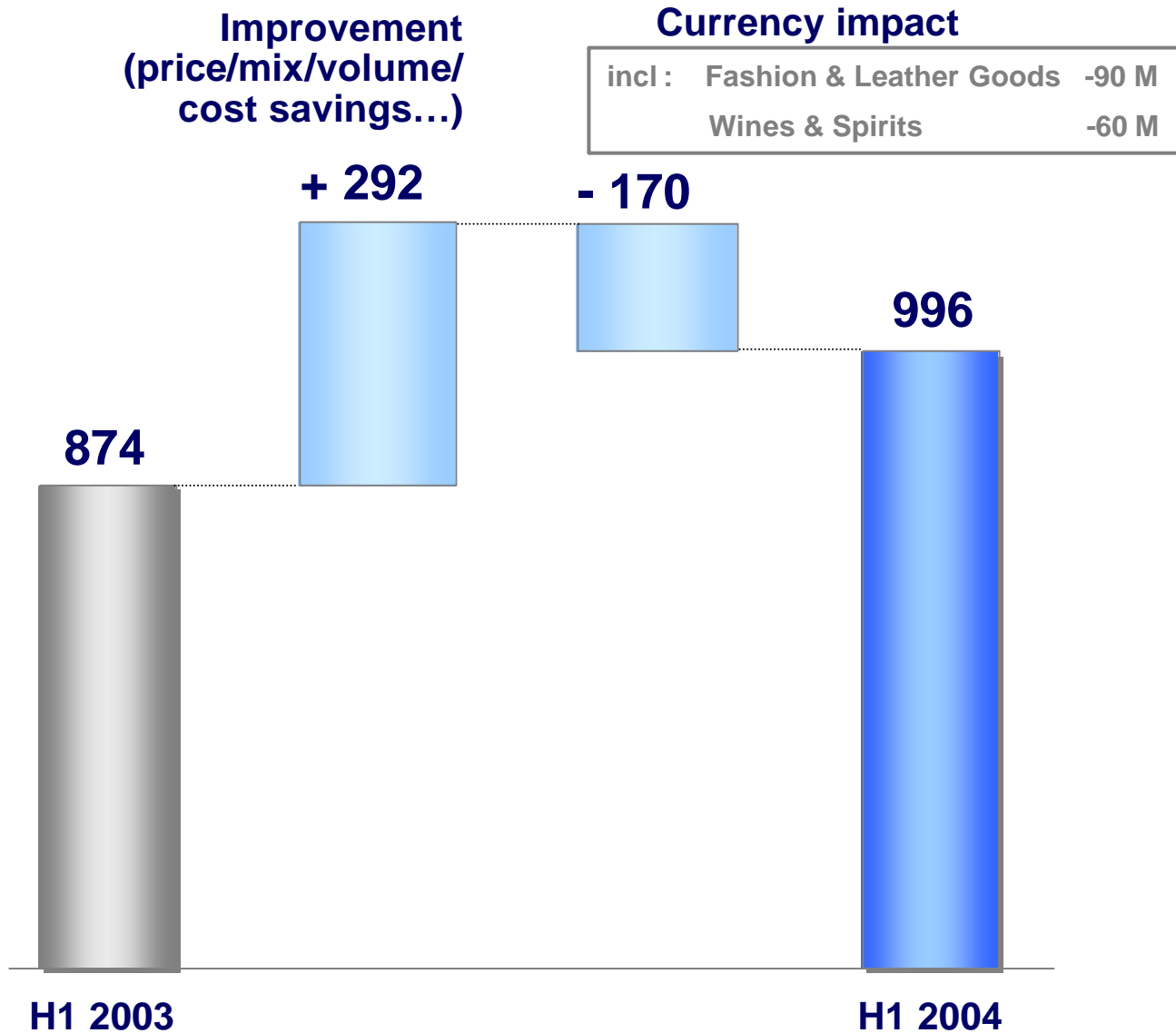
- Exported sales
- Conversion of foreign subsidiary results
- Variation of results from hedging cover

Total impact = (170) M Euros in H1 2004



33% increase in operating income at constant currency and hedging cover

in millions of Euros

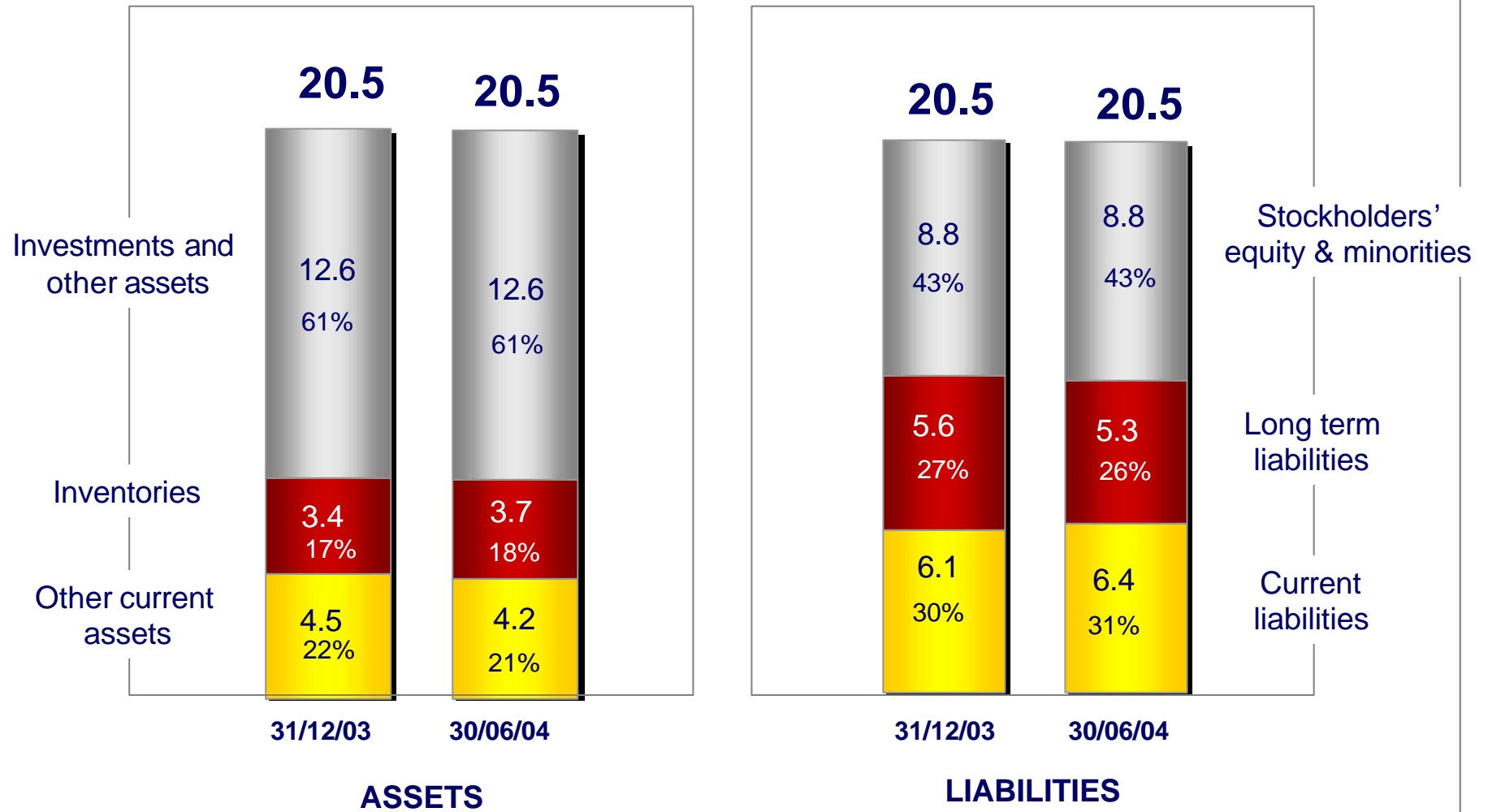


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Healthy financial structure

in billions of Euros

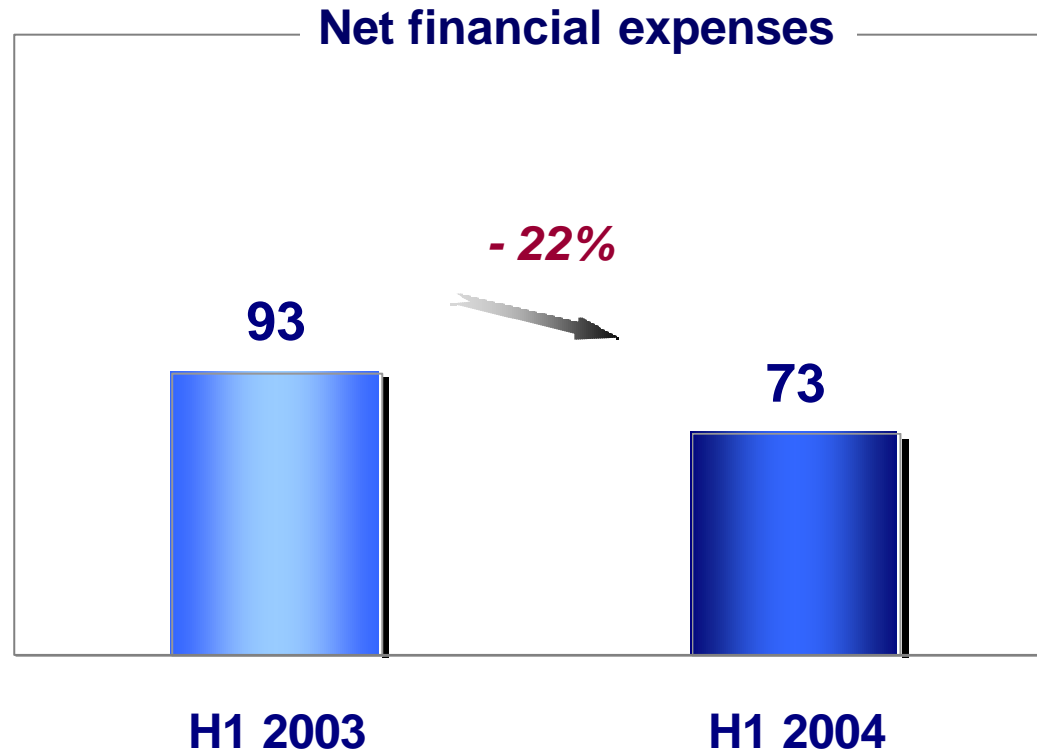


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Continued reduction in financial expenses

in millions of Euros

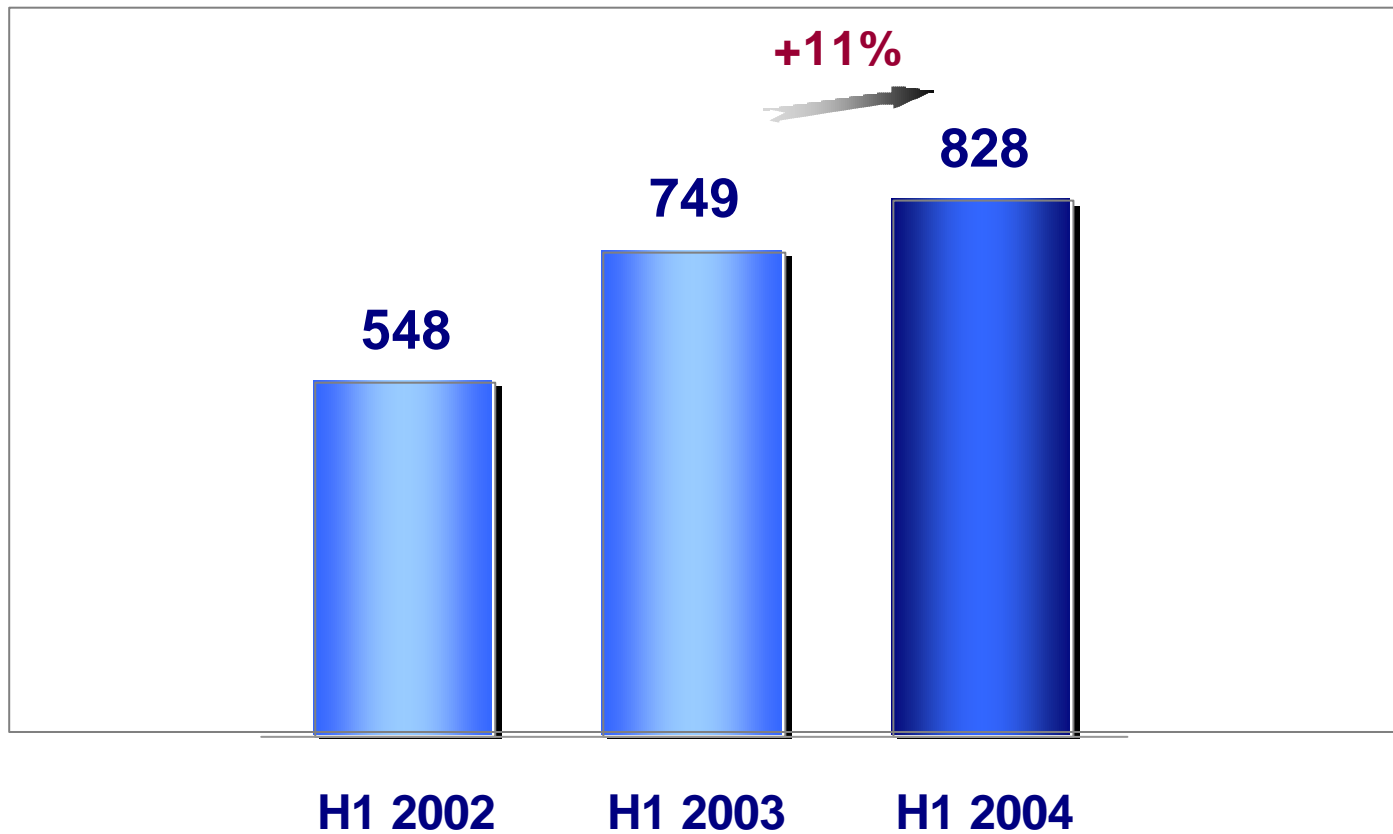


- Reduction of net debt compared to June 30, 2003
- In line with gearing objective of around 50% at end of 2004



11% improvement in cash flow from operations

in millions of Euros



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Hedging cover

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

<i>At September 7, 2004</i>	2003	2004	2005
EUR / USD	0.97	1.09	1.25
<i>% cover</i>		88%	66%
EUR / JPY	118.5	124.7	130.3
<i>% cover</i>		94%	34%

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Antonio Belloni

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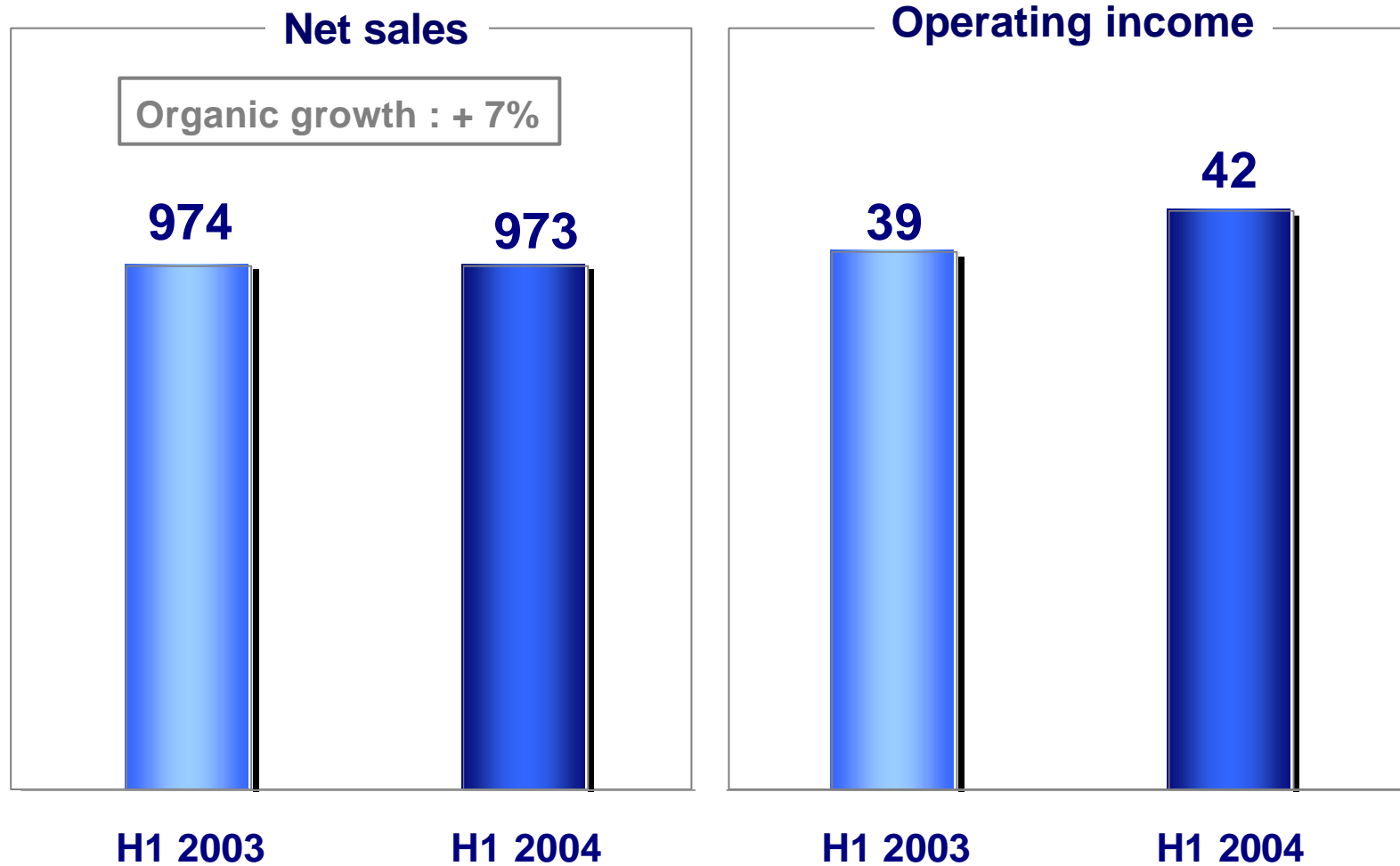
Perfumes & Cosmetics



Perfumes & Cosmetics

Key figures

in millions of Euros



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Perfumes & Cosmetics

H1 2004 – Highlights

- **Parfums Christian Dior continues its development**
 - Worldwide progress in make-up segment
 - Excellent performance in Japan and China
 - New products
- **Guerlain confirms its recovery**
 - Success of *L'Instant* de Guerlain in key countries
 - Strengthened communication and improved profitability
- **Continued strong growth of younger brands**

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**Perfumes & Cosmetics
2004 Outlook**



Perfumes & Cosmetics 2004 Outlook

- Objective : reinforce strategy and gain market share
- Numerous innovations at Parfums Christian Dior
 - New women's perfume, *Pure Poison*, and new make-up products
 - Start of Charlize Theron as new "face" of *J'Adore*
 - Reorganisation of US distribution
- New products at other principal brands
 - International roll-out of *Kenzo Air*
 - Development of make-up line
Le Make-Up at Givenchy
 - Launch by Guerlain of men's version of *L'Instant*

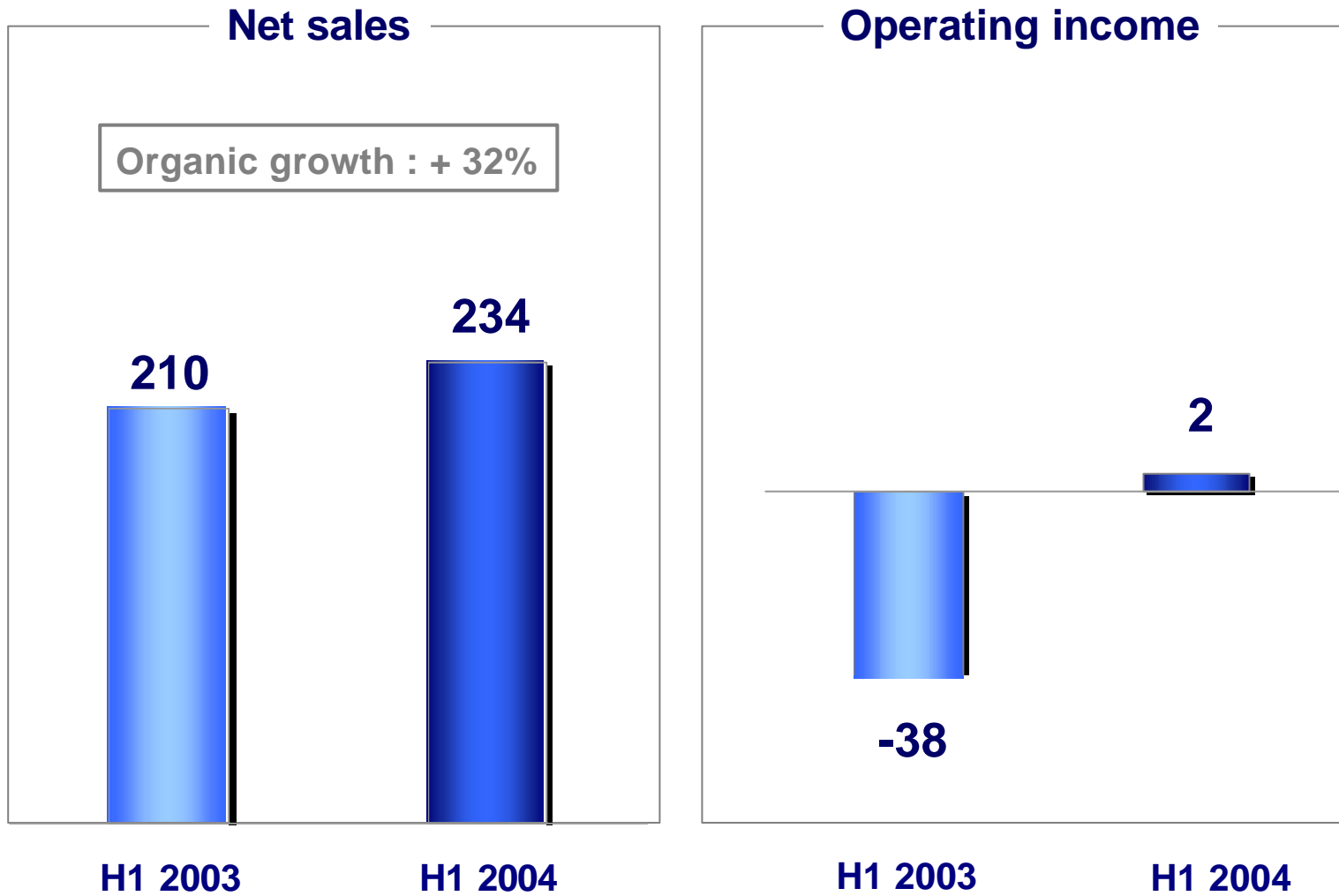
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Watches & Jewelry



Watches & Jewelry Key figures

in millions of Euros





Watches & Jewelry H1 2004 - Highlights

- **Double digit sales increase across all brands**
 - Gained market share
 - Successful launch of accessible products : *Formula One* at TAG Heuer, *Liens* ring at Chaumet
 - Success of Zenith repositioning in high-end mechanical watches
- **Strong improvement in profitability**
 - More profitable mix of products
 - Improved industrial productivity
 - Efficient marketing investments focused on star products and key markets
- **Excellent feedback on new products presented at the Basel Watch Fair**



Watches & Jewelry 2004 Outlook

- Return to profitability on track
- Industrial and administrative savings to fund communications
- Continue major innovations in H2
 - *Aquaracer* and 40th anniversary celebration of *Carrera* by TAG Heuer
 - Montre *Chiffre rouge* developed by Hedi Slimane at Christian Dior
 - Women's line *Open Star* at Zenith
 - *Class One* rings and *Liens* watches at Chaumet
- Reopening in September of historic Chaumet boutique in Paris

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Watches & Jewelry 2004 Outlook

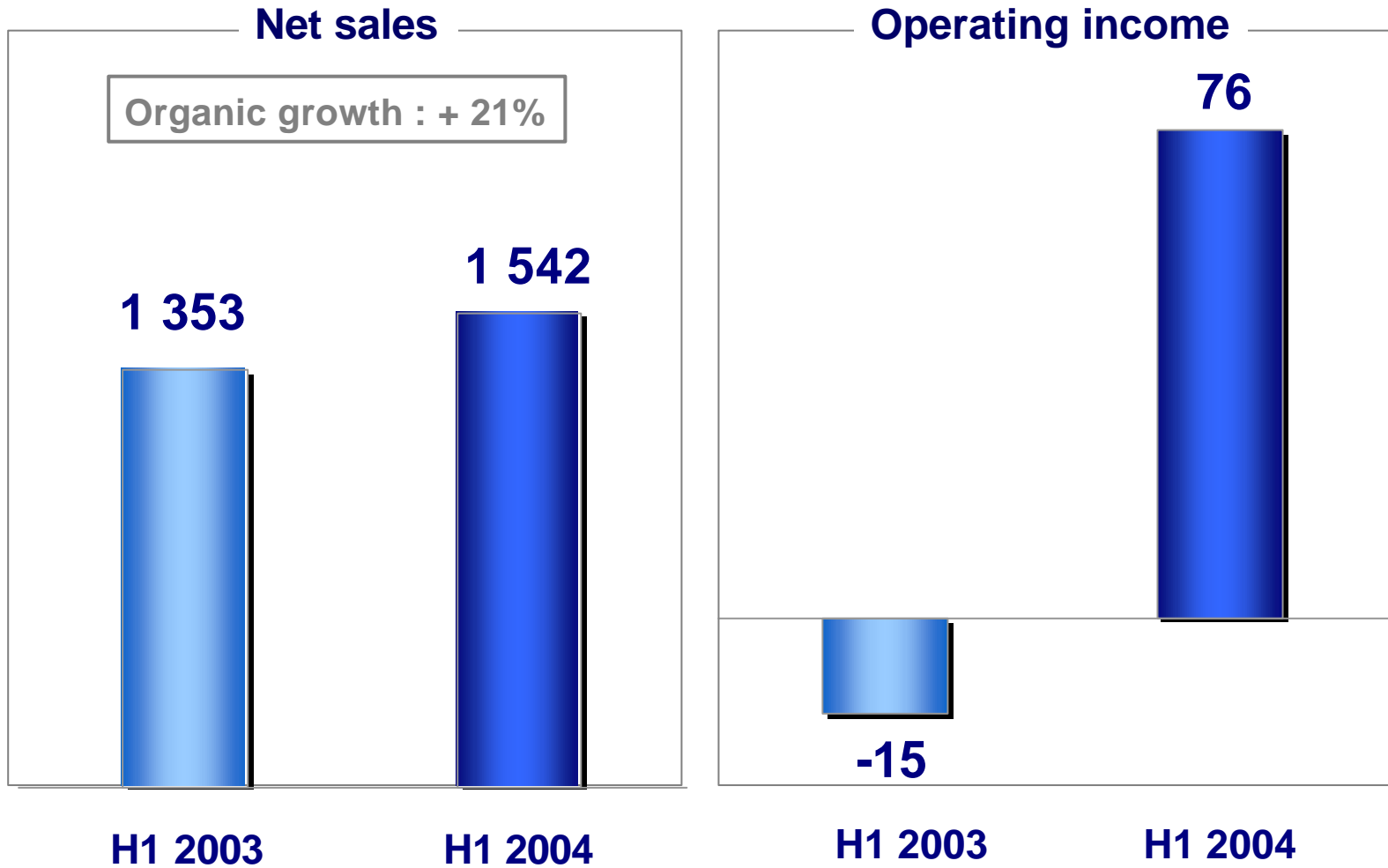
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Selective Retailing



Selective Retailing Key figures

in millions of Euros



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Selective Retailing

H1 2004 - Highlights

DFS

- Increased sales due to recovery in tourism
- Improved profitability : good cost controls
- Transfer of head-office to Hong Kong - nearer to Chinese customer

Sephora

- Market share gains in France and efficiency of innovative products and services
- Double digit sales increase in US and increase in profitability
- Good start in Russian market

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Selective Retailing H1 2004 - Highlights



Selective Retailing 2004 Outlook

- Continue recovery at DFS
 - Take advantage of improving travel retail
 - Adapt offer and services to a more varied clientele
 - Maintain rigorous cost control
- Strengthen worldwide competitiveness of Sephora
 - Innovation leadership throughout Europe
 - Gain market share and “cool factor” in US
 - Sephora branded products to create customer loyalty and improve profitability

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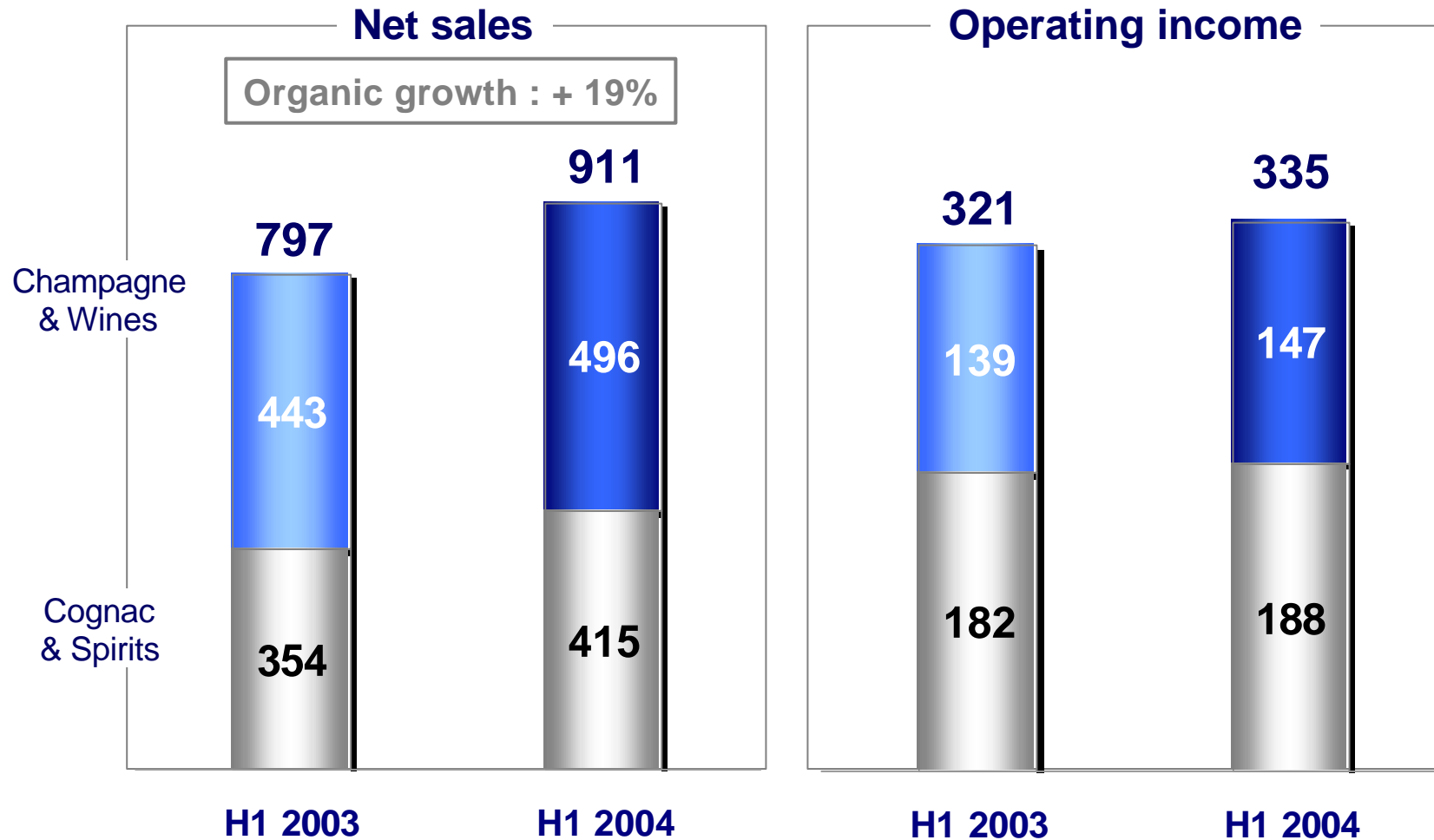
Wines & Spirits

Christophe Navarre



Wines & Spirits Key figures

in millions of Euros



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Wines & Spirits H1 2004 - Highlights

- Continued volume growth of star brands
- Price increases implemented in all markets
- Consolidation of distribution network in Italy, UK and Austria
- Increased efficiency of the distribution network in the US thanks to new organization
 - Creation of Schieffelin & Co
 - Creation of a US committee



Champagne & Wines

H1 2004 - Highlights

- Increased market share in key regions, particularly in UK, US and Japan
- Successful launch of new Veuve Clicquot non-vintage rosé in Japan
- Continued success of still wines portfolio
- Development of high-end products with high margins (ex : Dom Pérignon, Krug, Ruinart, rosé champagnes), particularly in US and Japan

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Launch of Dom Pérignon 1996

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Launch of Dom Pérignon 1996



Cognac & Spirits H1 2004 - Highlights

- Strong growth in VS and VSOP segments in US
- Rapid development of Hennessy in China, Taiwan and Russia
- Improving product mix
- Good result for super-premium vodkas in US

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Hennessy USA



Wines & Spirits 2004 Outlook

- Pursue value creation strategy through firm pricing policy and development of premium qualities
- Reinforce leadership in high-end segments, particularly in high-image accounts
- Continue steps taken to reinforce our distribution network
- Continue focus on innovation and image of star brands in key markets

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Dom Pérignon Irodori 1996

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La Grande Dame Pucci 1996

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Veuve Clicquot Ice Jacket

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Fashion & Leather Goods

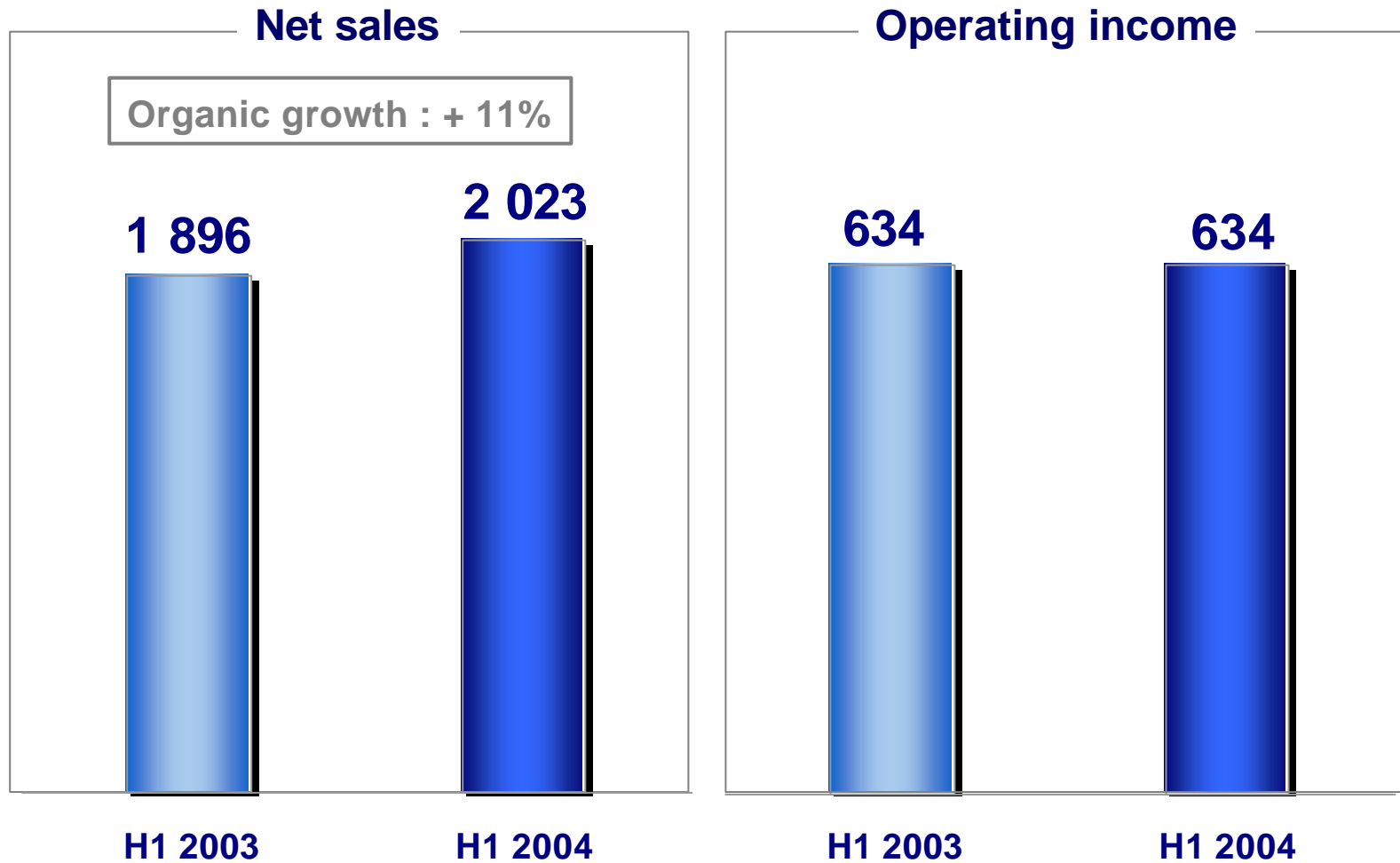
Yves Carcelle



Fashion & Leather Goods

Key figures

in millions of Euros



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Fashion & Leather Goods H1 2004 - Highlights

- **Double-digit organic sales growth of Louis Vuitton**
 - Strong demand from local clientele in Asia and US, especially with February opening of LV flagship on 5th Ave, New York
 - Continued growth of sales to Japanese clients
 - Excellent performance of *Multico* and *Suhali* lines
 - Successful new leather products :
Damier Géant line, *Theda* and *Leonor* handbags, *Monogram Multipoches*
 - Contract with Marc Jacobs extended for 10 years
- **Repositioning of Fendi continues**
 - Continued investments in store network
 - Good performance in Asia and US
- **More selective distribution at Donna Karan**
- **Continued growth of Celine, Marc Jacobs, Pucci and Berluti**

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**Fashion & Leather Goods
2004 Outlook**



Fashion & Leather Goods 2004 Outlook

- Fendi : development of new products and new advertising campaign
- Donna Karan : new DKNY accessories lines
- Accelerate growth at Celine, Marc Jacobs, Berluti and Pucci
- New stores :
 - Marc Jacobs : Boston, Los Angeles
 - Celine : Hangzhou, Las Vegas, Berlin and reopening of Ave Montaigne
 - Pucci : New York, Las Vegas, Tokyo

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Celine : Avenue Montaigne, Paris



Louis Vuitton 2004 Outlook

- New products
 - First jewelry line *Emprise*
 - New *Trianon* line
 - New *LV Cup* line
 - New *Tambour* watch models
(*Lovely Pink, Regate*)
- Important new stores :
Tokyo Namiki Dori, Shanghai Plaza 66,
Rodeo Drive, Sloane Street,...
- New territories : Red Square Moscow,
Johannesburg, Mumbai
- New advertising campaigns featuring 4 young actresses
and 1 actor
- Several events to celebrate 150th anniversary

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**Louis Vuitton : 150th anniversary
in Hong Kong**

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Louis Vuitton : Red Square, Moscow

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Louis Vuitton : Mumbai, India

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Louis Vuitton : Tokyo Namiki Dori

Fashion & Leather Goods Outlook - China

- Key figures

- 10 cities of 4 million or more inhabitants ;
171 cities of more than 1 million inhabitants
 - Important commercial centers specializing in Luxury :
4 in Shanghai, 5 in Beijing, 3 in Guangzhou, 3 in Shenzhen,...
 - Tourists in 2003 : 20.2m Chinese travelling abroad
of which 8.4m Chinese travelling to Hong Kong
- => estimates :** 49 million in 2008 and >60 million in 2010
Objective : 100 million by 2015 (*source : EIU 2004*)

- Proportion of young people (post-communism)

- 727 million < 35 years old - ie. 60% of total population
of which 320m between 20 and 34 years old
(nb: 27m Japanese between 20 and 34 years old)

**=> China : exceptionally strong potential local and
touristic markets**



Fashion & Leather Goods Outlook - China

- First opening of Louis Vuitton in Beijing Palace Hotel 12 years ago in 1992
- By year end, Louis Vuitton will be present in 10 cities with 13 stores
- In September, opening of a 1000 m² Louis Vuitton store in Shanghai
- Local organization complete (general management, marketing team, human resources, finances) based in Shanghai

=> Established presence

=> Excellent visibility of our brands

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Louis Vuitton : Shanghai



First half 2004 Results

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