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MOËT HENNESSY . LOUIS VUITTON

Annual results
2006

February 14, 2007



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Bernard Arnault

Excellent performance in 2006

Despite a difficult currency environment during the second part of the year...

- Strong organic revenue growth of 12% with all business groups and all regions contributing
- Profit from recurring operations up 16%
- Current operating margin improved to 21%
- Group share of net profit rose 30%
- Continued reduction in debt

LVMH global leadership strengthened
in the luxury market

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Highly profitable growth in 2006 across all business groups

- Solid growth of star brands
- Strong contribution from Fashion & Leather Goods
- Exceptional momentum of Wines & Spirits
- Excellent performance of Parfums Dior, TAG Heuer and Sephora
- Rapid development in major traditional markets and emerging countries

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Fendi visual

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2007: new year of growth

- A robust economic environment
- Sustained innovation
 - Many new leather goods at Louis Vuitton and Fendi
 - New perfumes at Dior, Fendi and Kenzo
 - Innovation in iconic lines at TAG Heuer, Zenith and Montres Dior
- Continued focus on productivity improvements
- Expansion of store network, in particular in emerging countries

Objective of significant growth
in 2007 results

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Long term strategy focused on value creation

- Prioritize investments in brands with highest potential
 - Louis Vuitton, Moët Hennessy, Parfums Christian Dior, Sephora, Fendi, TAG Heuer...
- Emphasize the repositioning of recovering brands
- Continue to develop Group's principal historical markets
- Take full advantage of expansion of emerging clientele

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Jean-Jacques Guiony

Strong organic revenue growth: +12% in 2006

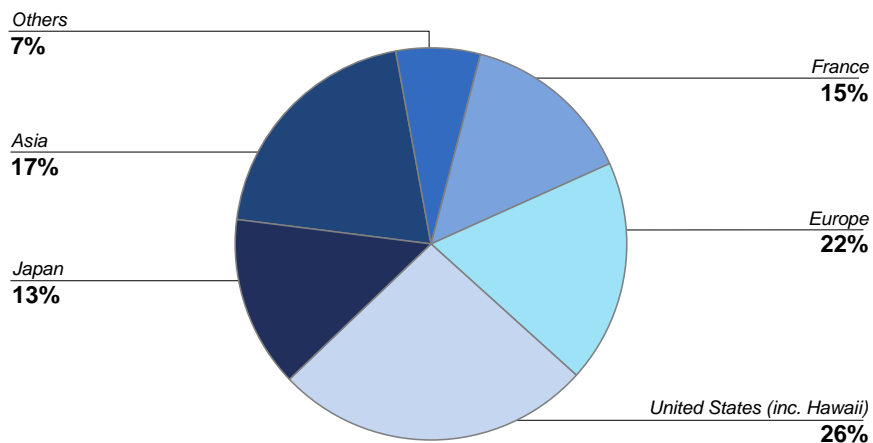
Revenue by business group

| <i>in millions of Euros</i> | 2005 | 2006 | Reported growth | Organic growth |
|-----------------------------|---------------|---------------|-----------------|----------------|
| Wines & Spirits | 2 644 | 2 994 | +13% | +14% |
| Fashion & Leather Goods | 4 812 | 5 222 | +9% | +11% |
| Perfumes & Cosmetics | 2 285 | 2 519 | +10% | +11% |
| Watches & Jewelry | 585 | 737 | +26% | +28% |
| Selective retailing | 3 648 | 3 891 | +7% | +9% |
| Others & Eliminations | (64) | (57) | - | - |
| Total | 13 910 | 15 306 | +10% | +12% |

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2006 revenue by region

- In Euros



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2006 revenue by region Evolution by business group

| | % Change | | | |
|-------------------------|-------------|------------|-------------|-------------|
| | US* | Japan | Asia | Europe |
| | \$ | Yen | Euros | Euros |
| Wines & Spirits | +8% | +19% | +25% | +13% |
| Fashion & Leather Goods | +9% | +1% | +19% | +18% |
| Perfumes & Cosmetics | +13% | +4% | +21% | +10% |
| Watches & Jewelry | +33% | +18% | +17% | +28% |
| Selective retailing | +16% | +6% | +7% | +6% |
| Total | +12% | +4% | +16% | +12% |

* exc. Hawaii

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Group share of net profit increased 30% in 2006

| <i>in millions of Euros</i> | 2005 | 2006 | % Change |
|---|---------------|---------------|--------------|
| Revenue | 13 910 | 15 306 | + 10% |
| Gross margin | 8 909 | 9 825 | |
| Selling expenses | (4 892) | (5 364) | + 10% |
| Administrative expenses | (1 274) | (1 289) | + 1% |
| Profit from recurring operations | 2 743 | 3 172 | + 16% |
| Other income and expenses | (221) | (120) | |
| Operating profit | 2 522 | 3 052 | + 21% |
| Net financial income (expense) | (143) | (53) | |
| Income taxes | (718) | (847) | |
| Equity investment income | 7 | 8 | |
| Net profit | 1 668 | 2 160 | + 29% |
| of which minority interests | 228 | 281 | |
| Group share of net profit | 1 440 | 1 879 | + 30% |

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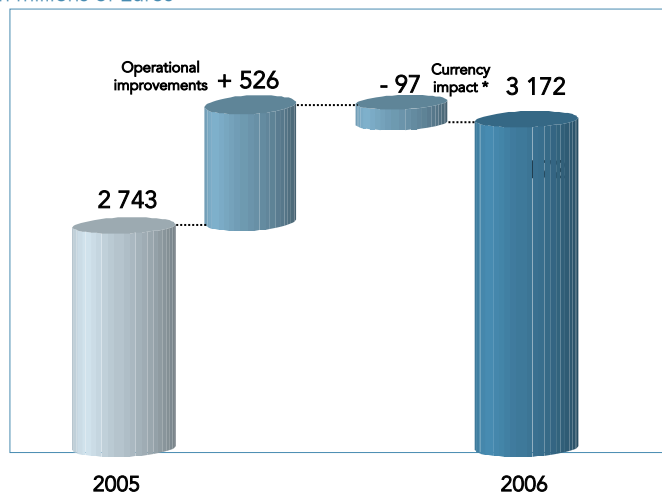
Profit from recurring operations increased 16% in 2006

| <i>in millions of Euros</i> | 2005 | 2006 | % Change |
|-----------------------------|--------------|--------------|-------------|
| Wines & Spirits | 869 | 962 | +11% |
| Fashion & Leather Goods | 1 467 | 1 633 | +11% |
| Perfumes & Cosmetics | 173 | 222 | +28% |
| Watches & Jewelry | 21 | 80 | +281% |
| Selective retailing | 347 | 400 | +15% |
| Others & Eliminations | (134) | (125) | - |
| LVMH | 2 743 | 3 172 | +16% |

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Profit from recurring operations increased 19% at constant currency

- In millions of Euros



* inc. : Fashion & Leather Goods - 46 M Wines & Spirits - 28 M

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Half-year changes in 2006 profit from recurring operations

Change in profit from recurring operations

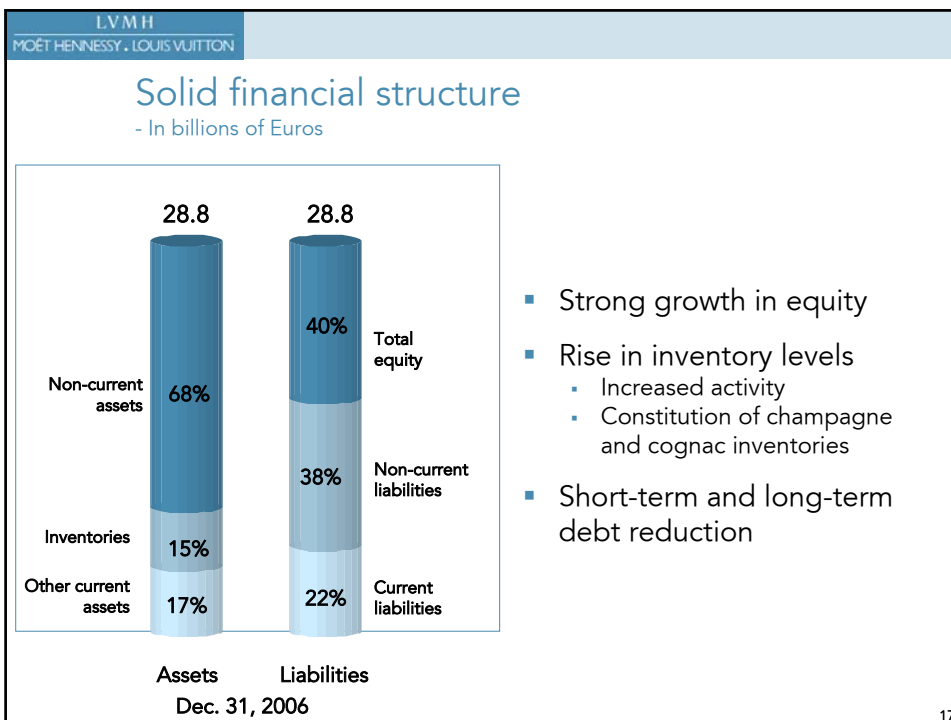
| <i>in millions of Euros</i> | H1 2006 | H2 2006 | 2006 |
|--------------------------------------|-------------|-------------|-------------|
| Wines & Spirits | +11% | +11% | +11% |
| Fashion & Leather Goods | +13% | +10% | +11% |
| Perfumes & Cosmetics | +80% | +11% | +28% |
| Watches & Jewelry | +343% | +250% | +281% |
| Selective retailing | +24% | +11% | +15% |
| LVMH | +19% | +14% | +16% |
| LVMH at constant currency | +20% | +19% | +19% |

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Changes in net financial expense

| <i>in millions of Euros</i> | 2005 | 2006 | Change (M€) |
|---------------------------------------|--------------|-------------|----------------|
| Cost of net financial debt | (188) | (173) | +15 |
| Ineffective portion of currency hedge | (106) | (45) | +61 |
| Gain/loss from sale of investments | 128 | 164 | +36 |
| Other items - net | 23 | 1 | -22 |
| Net financial expense | (143) | (53) | +90 |

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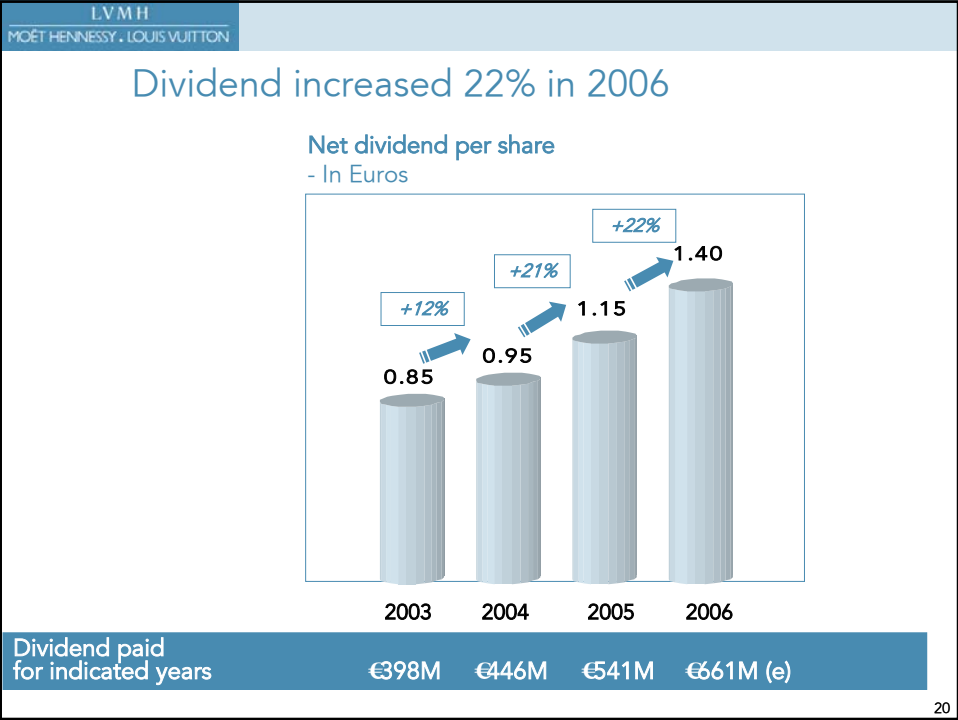
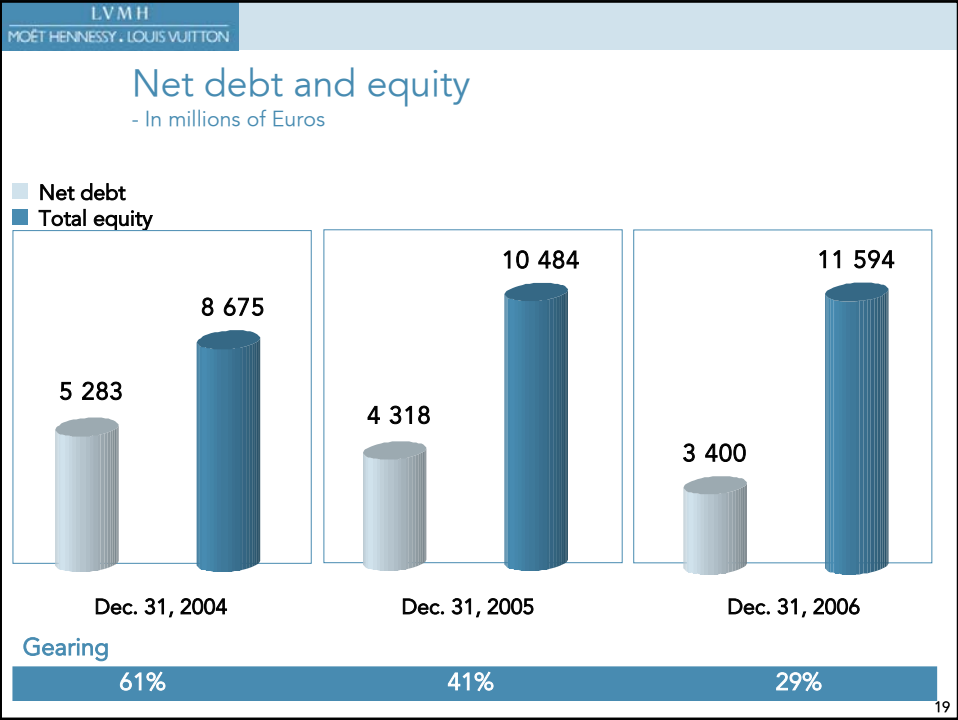
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Increasing cash flow from operations

| <i>in millions of Euros</i> | 2005 | 2006 | Change (M€) |
|---|--------------|--------------|--------------|
| Cash from operations before changes in working capital | 3 089 | 3 504 | +415 |
| Cost of net financial debt | (222) | (174) | +48 |
| Income taxes paid | (616) | (784) | -168 |
| Net cash from operations before changes in working capital | 2 251 | 2 546 | +295 |
| Working capital requirements | (257) | (258) | -1 |
| Operating investments | (679) | (749) | -70 |
| Free cash flow* | 1 315 | 1 539 | + 224 |

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

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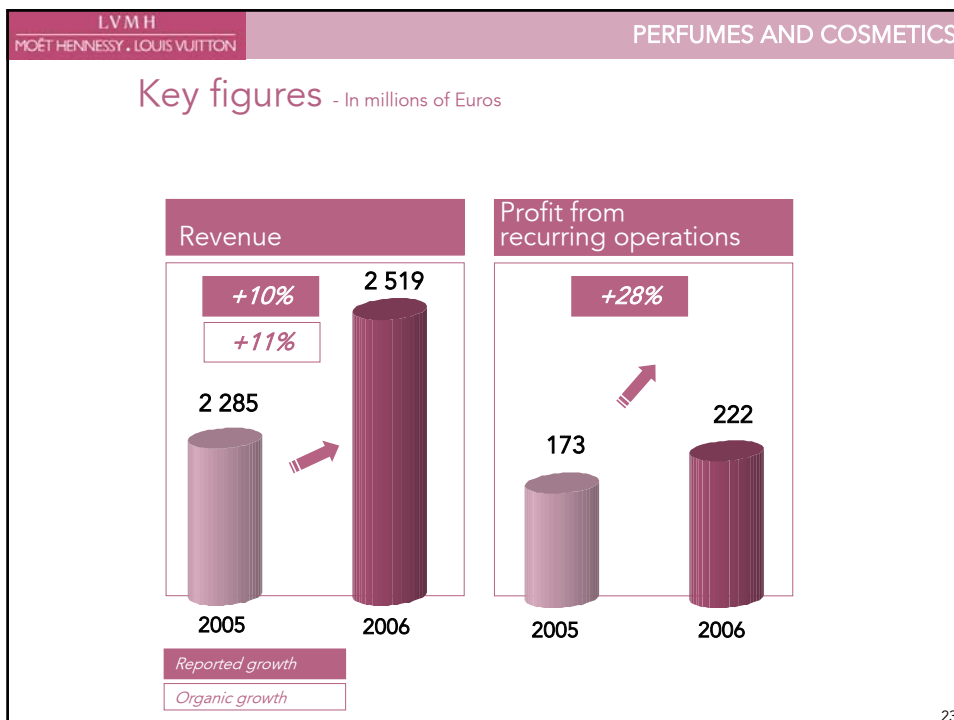


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Antonio Belloni

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PERFUMES AND COSMETICS



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- PERFUMES AND COSMETICS
- ### 2006 Highlights
- Parfums Christian Dior: strong and profitable growth
 - Continued progress in all regions
 - Excellent performance of *J'Adore*, *Addict* and *Miss Dior Chérie*
 - Proven success of new *Rouge Dior*
 - Strong growth in skincare driven by *Capture* line
 - Guerlain: increased market share and profitability
 - Particularly good growth in Asia
 - Remarkable performance of *Orchidée Impériale* skincare line and good start of *Insolence*
 - Promising launch of *Ange ou Démon* (Givenchy) and *KenzoAmour*
 - Double-digit revenue growth at BeneFit, Make Up For Ever and Acqua di Parma
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Parfums Christian Dior visual

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2007 Outlook

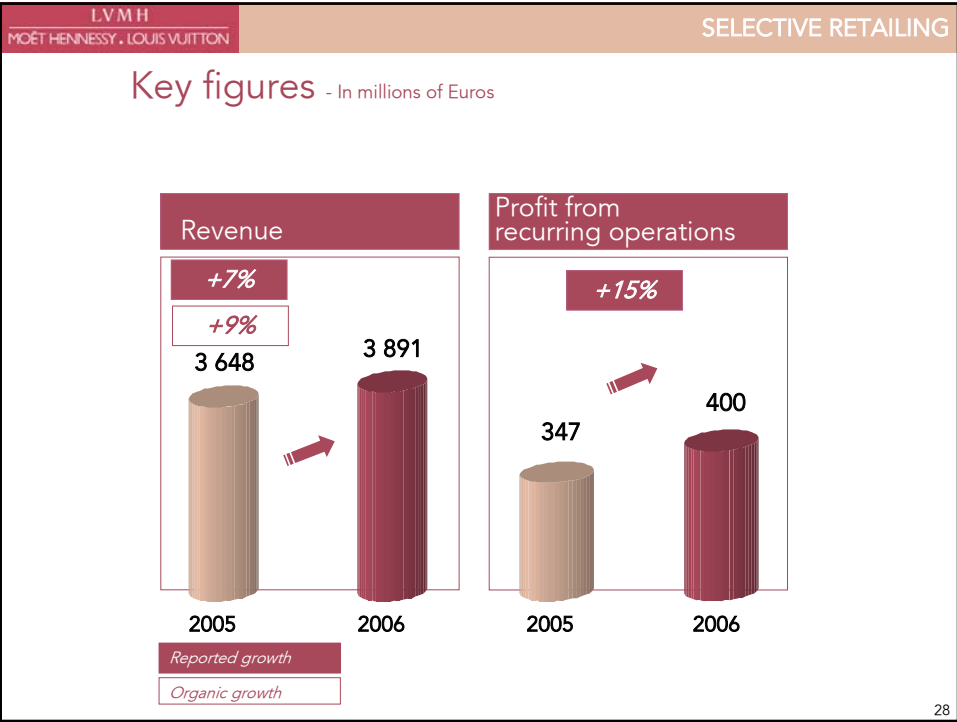
- Continue to gain market share and improve operating margin
- Parfums Dior: emphasize the growth dynamic
 - Strengthen the star fragrances
 - Launch of a major fragrance for women in September
 - High quality innovations in skincare segment
 - Reinforce make-up synergies with Couture
 - Focus on Europe, China and the US
- Profitable development of other brands
 - Pursue success of new perfumes launched in 2006 by Guerlain, Givenchy and Kenzo
 - Launch of fragrance for women at Fendi
 - Worldwide expansion of BeneFit

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SELECTIVE RETAILING

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SELECTIVE RETAILING
TRAVEL RETAIL

DFS visual

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SELECTIVE RETAILING
TRAVEL RETAIL

2006 Highlights

- DFS: continued development in Asia
 - Japanese tourists' purchasing power impacted by weakening Yen
 - Expansion of Chinese tourism
 - Renovation of Guam Galleria
 - Renewal of concession agreement in Hawaii
 - Signed agreement for construction of Galleria in Macao

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2007 Outlook

- Increase revenue and profitability for DFS
 - Widen the offer with emerging brands
 - Take full advantage of expansion of Chinese clientele
 - Renovate key Gallerias: Hong-Kong, Hawaii, Singapore
 - Look for new growth drivers: China, Thailand, India
- Continue to improve Miami Cruiseline
 - Increase appeal and commercial effectiveness by renovating stores
 - Better targeted offer for each product category

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Le Bon Marché visual

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2006 Highlights

- Continued growth in Europe
 - Further market share gain
 - Strong policy of innovation
 - Extension of loyalty program
- Rapid development in US
 - Double-digit comparable store revenue growth for the sixth consecutive year
 - Internet sales: a core activity
- Expansion in China: 12 stores at end of 2006

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2007 Outlook

- Accelerate profitable growth at Sephora
 - Reinforce policy of exclusive products and services
 - Accelerate pace of openings in France, US and China
 - Enhance customer loyalty programs
 - Develop new markets: Middle East, Central Europe
- Continue to reinforce the Bon Marché positioning as the luxury and prestige store of Paris

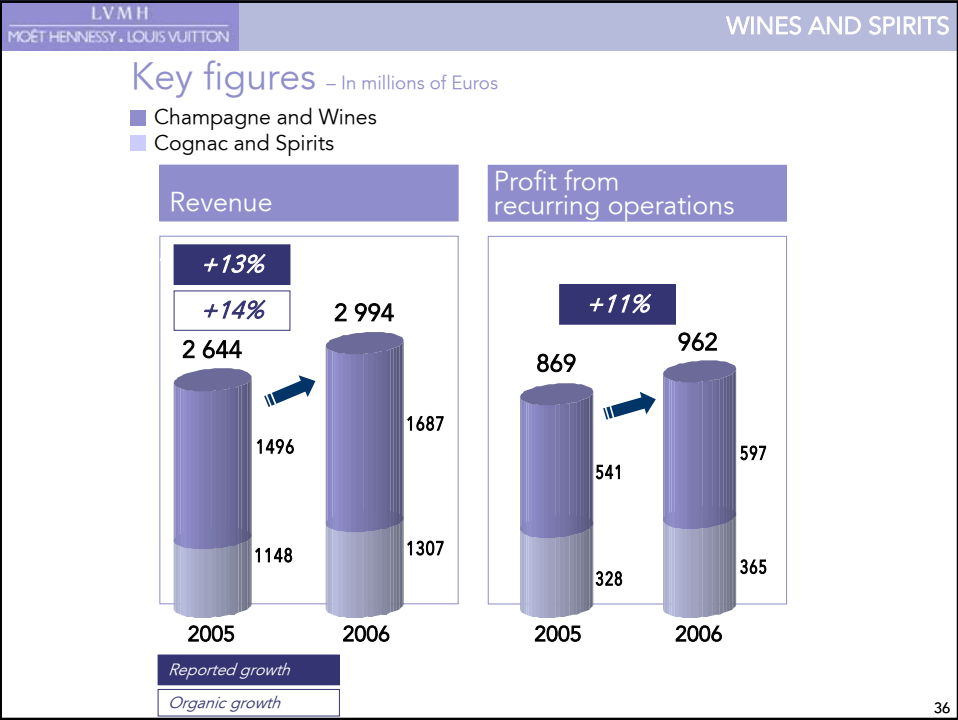
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WINES AND SPIRITS

Christophe Navarre

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2006 Highlights

Continued progress of star brands

- Gained market share
 - Champagne: 19.3% in 2006 (vs. 18% in 2005) (1)
 - Cognac: 40.7% in 2006 (vs. 39.9% in 2005) (2)
- Strong volume growth
 - Champagne: +8%
 - New World wines: +9%
 - Cognac: +10%
 - Vodka: +13%
 - Glenmorangie whisky: +25%
- Improved product mix
 - Prestige vintage champagne: +10%
 - Brut rosés: +50%
 - Hennessy XO: +15%
- Price increase policy accounted for one third of revenue growth

Effectiveness of the value driven strategy

(1) CIVC (2) BNIC

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2006 Highlights

Contribution of all regions to revenue growth

- Continued rapid development in traditional markets
 - Japan: +19% (in JPY)
 - Europe: +13% (in EUR)
 - United States: + 8% (in USD)
- Spectacular progress in emerging markets
 - Asia (excluding Japan): +25% (in EUR)
 - Latin America: +21% (in EUR)

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2006 Highlights

Rapid advance of "rising stars"

- Ruinart, Krug, Glenmorangie and Belvedere: revenue growth over 20%
- Estates & Wines: continued double-digit revenue growth
- Increasing internationalization of Glenmorangie
 - 61% of revenue from the export market in 2006 (vs 52% in 2004, fiscal year before LVMH acquisition)
 - Very strong growth in international revenue:
 - +90% in Asia – Pacific – Japan region
 - +54% in the United States
 - +39% in Continental Europe

**Rapid growth of "rising stars"
thanks to powerful distribution network**

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2006 Highlights

Strengthened distribution network

- Reinforced Moët Hennessy USA
- Successful establishment of joint venture in Russia facilitated capture of this market's growth
- Maintained close relationship with Diageo

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2006 Highlights

Sustained communication and strong innovation dynamic

- Deployment of Moët & Chandon "Be Fabulous" ad campaign in Japan and the US
- Launch of Dom Pérignon Rosé 1996
 - Original ad campaign by Karl Lagerfeld
- International debut of Veuve Clicquot Rosé
- Hennessy Pure Character new ad campaign in the US
- Commencement of Hennessy Artistry global communication plans to be rolled out over 3 years

Focused marketing expenses

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Market trends in 2007

- Increasingly competitive market
- Continued trend of consumers preference for super premium brands
- Strong development of spirits in US, China and Russia
- Sustained demand for champagne and New World wines in all markets
- New movements in the industry

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China: a growth driver

- Revenue growth over 40% in 2006
- China is the largest contributor to results growth in 2006
- China became the 4th largest market in terms of results contribution in 2006
- Hennessy confirmed its leadership in China with a market share over 50% (40% in 2005)

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2007 Outlook

- Pursue a value driven strategy
 - Improve product mix
 - Price increase policy
 - Cost control
- Continue communication investments
- New organization in the US to enable accelerated growth
- Priority to develop US, China and Russia

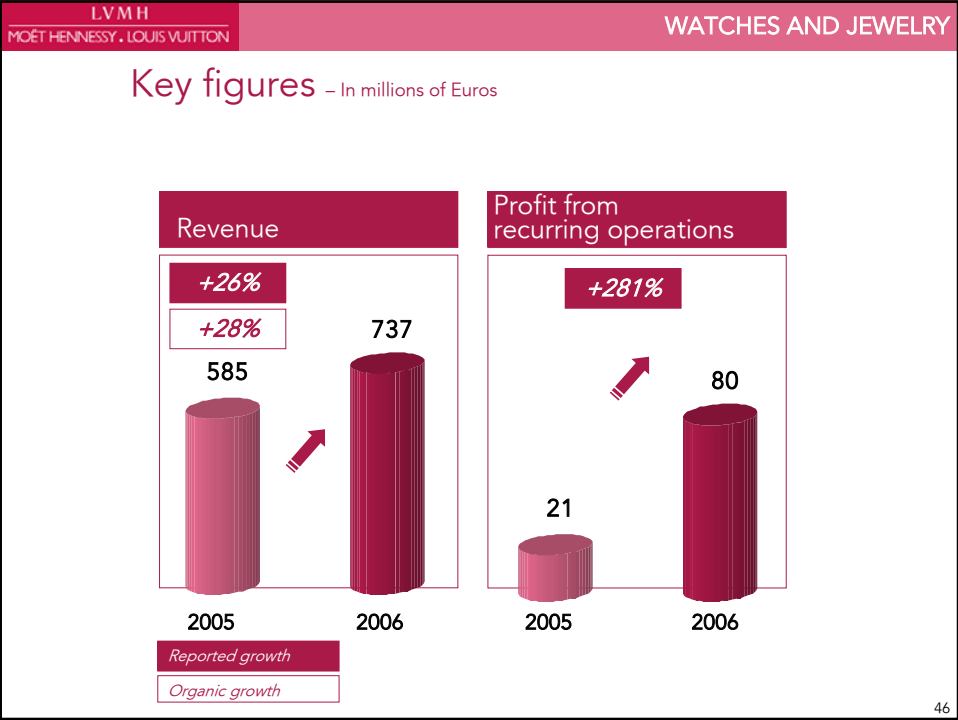
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WATCHES AND JEWELRY

Philippe Pascal

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2006 Highlights

- Significant improvement in current profit margin (increased to 11%)
- Excellent commercial momentum at TAG Heuer
 - Market share gain in Americas (North and South), Europe, Asia and Japan
 - Continued upscale positioning and development of female offer
 - Strengthened iconic *Carrera* and *Aquaracer* lines
 - 2006 Geneva Grand Prix for Watchmaking (*Carrera Calibre 360*)
- Strong progress and profitability of Zenith
 - New *Open* concept in the *Class* line
 - Successful launch of its first sporting line *Defy*
 - Solid growth in Europe, North Asia and US
- Montres Dior
 - Confirmed success of *Crystal* line with jewelry versions
 - Increased selectivity of worldwide distribution network
- Reinforced distribution agreements in China for watch brands

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2006 Highlights

- Chaumet: expansion in China with a flagship store in Hong Kong
 - Strengthened Eastern Europe and England
 - Launch of *Attrape-moi* jewelry line
- De Beers: very strong momentum and upscaling
 - Progress in productivity of stores in London, Paris, Japan and US
 - Successful opening in Dubai and Taiwan
 - New collection *Secrets of the Rose* and success of iconic line *Talisman*
- Fred: celebrated 70th anniversary with launch of *Coral* collection
- Omas: "Grand Prix du Stylographe" for its line *Emotica*

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Zenith visual

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2007 Outlook

- Continue growth in profitability and gain market share in watches and jewelry
- Consolidate sustained growth at TAG Heuer
 - Enhance historical *Link* line
 - Innovate in automatic offering and in female models
 - New architectural concept of stores and corners
- Zenith: strengthen iconic *Chronomaster Open*, *Class* and *Defy* lines
- Montres Dior: enrich *Christal* line
- Chaumet: continue to innovate *Liens* line
- De Beers: first watch collection
- Distribution
 - Watch: focus on improving store productivity
 - Jewelry: targeted expansion of Chaumet and De Beers store network

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WATCHES AND JEWELRY

De Beers visual

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FASHION AND LEATHER GOODS

Yves Carcelle

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- FASHION AND LEATHER GOODS
- 2006 Highlights
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- Another year of double-digit organic revenue growth
 - Excellent performance in Asia, Europe and the US
 - Strong momentum of new clientele from China, Eastern Europe and Middle East
 - 3 new countries: Ukraine, Norway, Hungary
 - 368 stores at end of 2006 (with 23 net openings and around 50 renovations)
 - Continued positive momentum deriving from Maison des Champs-Élysées
 - Maison Louis Vuitton in Taipei, Macao Wynn, Kiev, Oslo, Budapest, Tokyo Ginza Matsuya, Yokohama,...
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2006 Highlights

LOUIS VUITTON

- Success of new leather goods lines:
Mini Lin, Monogram Groom and Perforé, Monogram Miroir, Damier Azur...
- Successful development of other product categories (shoes, sunglasses, RTW, watches)
- Opening of cultural space in Maison des Champs-Élysées
- Key events: Louis Vuitton Cup in Valence, Louis Vuitton Classic Bohème Run from Budapest to Prague...

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2006 Highlights

- Spectacular development of Fendi
 - Continued strengthening of leather goods (Spy, BFendi, Chef, Bag-de-jour)
 - Strong momentum of ready-to-wear collections, shoes and sunglasses
 - Increased productivity of store network (137 stores at end 2006)
 - 4 new territories : Kuwait, Germany, Macao, India

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2006 Highlights

- Donna Karan: continued strategic repositioning
 - Success of *Collection* luxury line
 - Promising start of *Gold Donna Karan* fragrance
- Marc Jacobs: strong growth
 - Expansion of distribution network (opening in Paris - first European store)
 - Success of second line, *Marc by Marc Jacobs*
- Celine: opened new concept store in Milan
- Berluti: launch of new shoe collection *Indio* and expansion of historical rue Marbeuf store in Paris
- Loewe: excellent performance of the *Senda* and *Amazona* lines

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Loewe visual

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2007 Outlook

LOUIS VUITTON

- Continue the strong momentum at Louis Vuitton
 - Sustain innovation
 - Enrich permanent lines and launch new leather goods products
 - Louis Vuitton Cup
 - Invest in Italy for shoes and maintain productivity efforts
 - Expand network with 4 new territories: Aruba, Panama, Cyprus, Qatar
 - Strengthen leadership in existing territories, notably China with major store opening program

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Louis Vuitton Cup visual

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