



LVMH
MOËT HENNESSY • LOUIS VUITTON

Annual
Shareholders' Meeting

May 10, 2007

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Bernard Arnault

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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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Jean-Jacques Guiony

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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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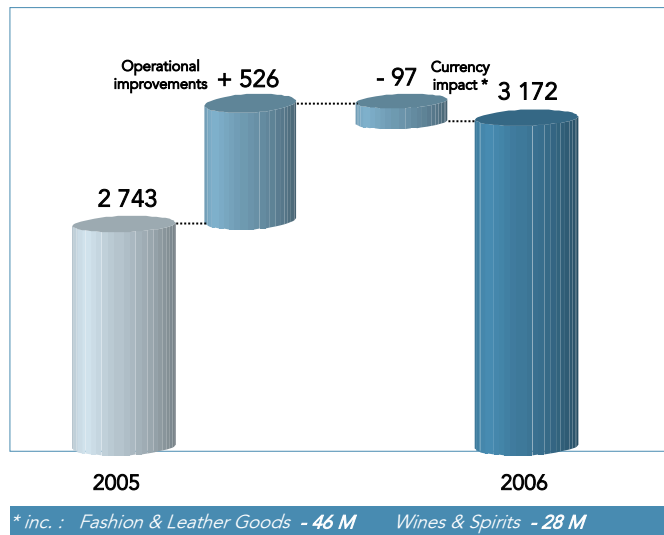
Profit from recurring operations increased 16% in 2006

<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

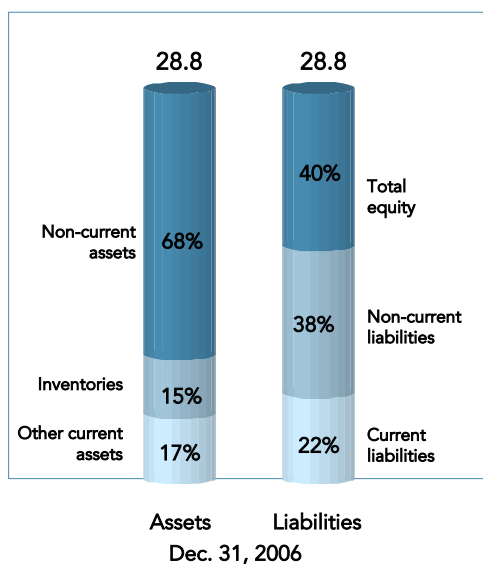
- In millions of Euros



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Solid financial structure

- In billions of Euros



- Strong growth in equity
- Rise in inventory levels
 - Increased activity
 - Constitution of champagne and cognac inventories
- Short-term and long-term debt reduction

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Increasing cash flow from operations

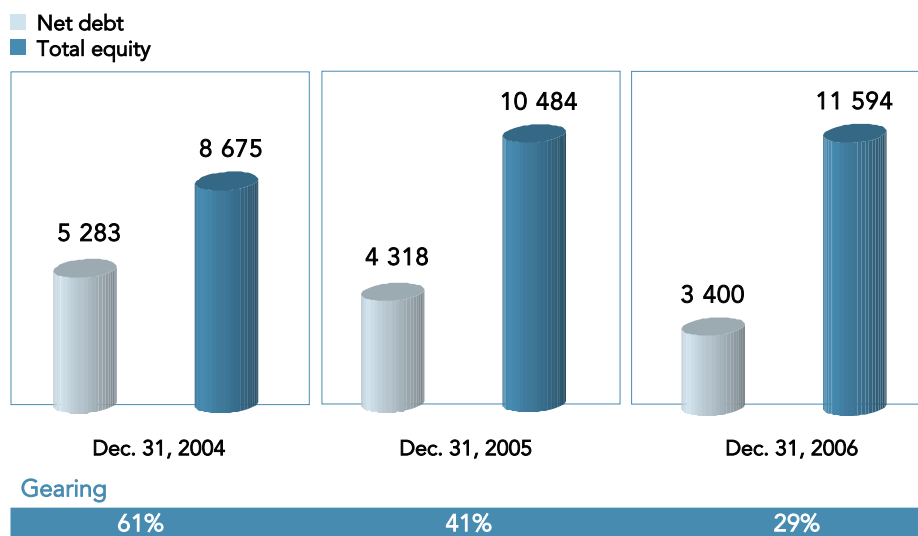
<i>in millions of Euros</i>	2005	2006	Change (M€)
Cash from operations before changes in working capital	3 089	3 504	+415
Cost of net financial debt	(222)	(174)	+48
Income taxes paid	(616)	(784)	-168
Net cash from operations before changes in working capital	2 251	2 546	+295
Working capital requirements	(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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Net debt and equity

- In millions of Euros



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Bernard Arnault

Results of the LVMH shareholder survey

- LVMH strategy
- LVMH perspectives
- LVMH and its stakeholders

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LVMH strategy

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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 developing brands
- Continue to develop Group's principal historical markets
- Take full advantage of expansion of emerging clientele

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Major strengths for profitable and sustainable growth

- Only player present in all luxury sectors
- Good geographic balance of revenue
- Quality and creativity of our products
- Powerful image of our brands
- Solid financial structure
- Talented management and creative teams

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LVMH perspectives

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Strong revenue growth in the first quarter of 2007

- Organic revenue growth of 13%
- Double-digit organic revenue growth in each business groups
- Particularly strong progress
in the United States, Asia and Europe

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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

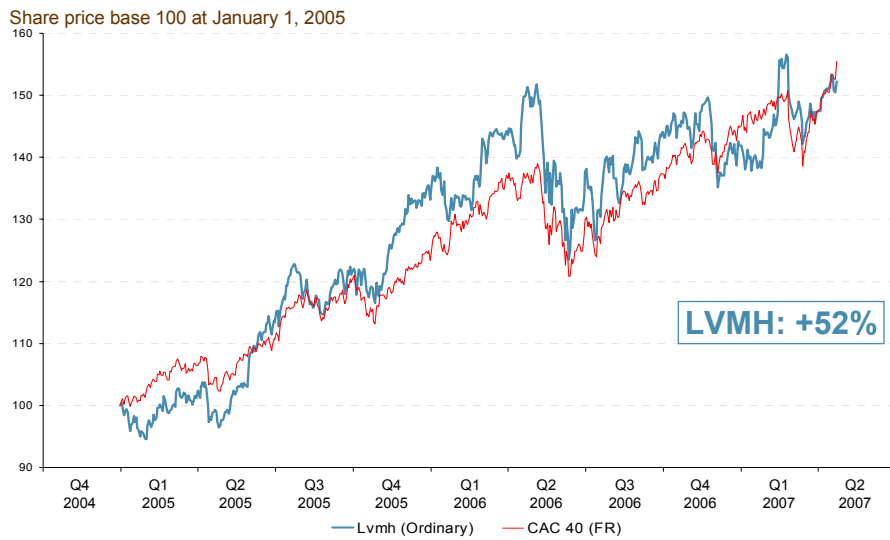
Objective of significant growth
in 2007 results

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LVMH
and its stakeholders

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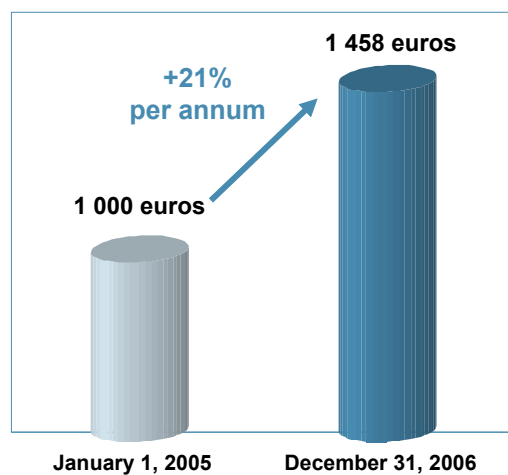
Share price performance since 2005



Source: JCF Group – April 20, 2007

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An average annual shareholder return* of nearly 21% over 2 years

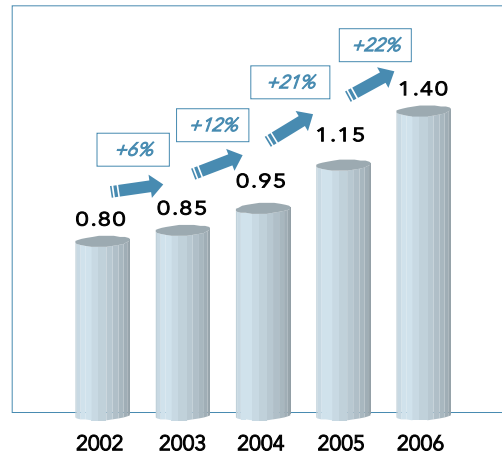


* Taking into account reinvested dividends

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Dividend increased 22% in 2006

Net dividend per share
- In Euros



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Strong commitment to preserving environment

- Raise employees' consciousness, motivate and involve them in an ecological approach
- Tangible results
 - Greenhouse gas emissions assessments help take effective measures for energy savings
 - Eole, the new logistics platform of Louis Vuitton
 - Protection of biodiversity
 - Reduction in waste
- Share our environmental practices with suppliers

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A human resources policy that promotes the Group's values

- Identify, attract and retain talent
- Encourage functional and geographical mobility
- Develop professional expertise and skills
- Promote equal opportunity and diversity
- Undertake a dynamic and innovative patronage program

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Joint Auditors' Reports to the Annual Shareholders' Meeting

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Reports on the Financial Statements *(1st and 2nd resolutions)*

- Opinion on consolidated and parent company financial statements:
 - "(...) true and fair view of the financial position of the parent company and the Group (...) and the results of their operations for the period (...)"

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Special Report on Related Party Transactions *(3rd resolution)*

- Agreements authorized during the year
 - Amendment to the service agreement entered into with Groupe Arnault SAS
 - Renewal of guarantee agreement with Tajan SA
- Agreements authorized in previous years having a continuing effect during the year

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Other Special Reports *(14th, 15th, 16th, 17th and 18th resolutions)*

- Authorization to reduce the share capital
 - No matters to report on the reasons and conditions thereof
- Authorization to issue shares and marketable securities with maintaining and/or cancellation of preferential subscription rights
 - No matters to report on the proposed methods subject to later examination of issue terms
 - Advice on cancellation of preferential subscription rights will be given at the time of the issue price setting
 - Additional report on the conditions when the transaction takes place

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Other Special Reports (20th resolution)

- Authorization to increase the share capital reserved for employees with cancellation of preferential subscription rights
 - No matters to report on the proposed methods subject to later examination of issue terms
 - Advice on cancellation of preferential subscription rights will be given at the time of the issue price setting
 - Additional report on the conditions when the transaction takes place

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