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First half 2007  
results

July 26, 2007



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Bernard Arnault

## Excellent performance in the first half of 2007

### In a difficult currency environment...

- Strong organic revenue growth of 12 %  
with all business groups and all regions contributing
- Profit from recurring operations up 11 %
  - +16 % at constant exchange rates
- Improved current operating margin
- Debt reduction since last year

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## Strong momentum across all business groups

- Solid growth of Wines & Spirits thanks to improved  
product mix and volume growth
- Excellent performance of Louis Vuitton  
with exceptional operating margin
- Strong improvement in other fashion brands' results
- Remarkable development of Perfumes & Cosmetics  
and Sephora
- Significant increase in Watches & Jewelry's current  
operating margin

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## 2007: excellent outlook

- Robust economic context, but unfavorable currency environment
- Continuing strong momentum in innovation
- Increasing importance of growth drivers
  - Confirmed potential of developing brands
  - Development of new product categories
  - Increased demand from emerging clientele
- Targeted geographical expansion

**Objective of significant growth  
in 2007 results**

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## Key assets for durable and profitable growth

- High quality and innovative products
- Powerful brands
- Solid financial structure
- Talented managerial and creative teams
  - Proven capacity to adapt and respond

**Further strengthen Group's lead  
in the global luxury goods market**

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Jean-Jacques Guiony

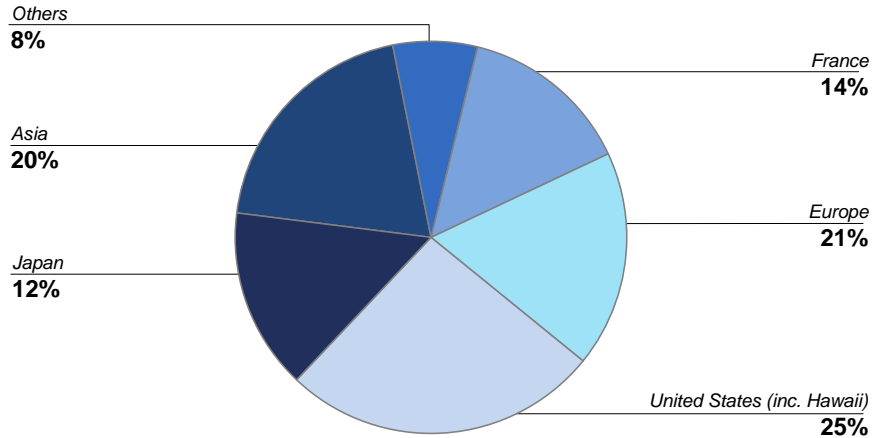
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## Strong organic revenue growth: +12% in first half 2007

### Revenue by business group

<i>in millions of Euros</i>	H1 2006	H1 2007	Reported growth	Organic growth
Wines & Spirits	1 220	1 314	+8%	+13%
Fashion & Leather Goods	2 466	2 601	+6%	+12%
Perfumes & Cosmetics	1 169	1 264	+8%	+12%
Watches & Jewelry	333	390	+17%	+23%
Selective retailing	1 798	1 891	+5%	+10%
Others & Eliminations	(18)	(48)	-	-
<b>Total</b>	<b>6 968</b>	<b>7 412</b>	<b>+6%</b>	<b>+12%</b>

## H1 2007 revenue by region - In Euros



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## H1 2007 revenue by region Evolution by business group

	% Change			
	US*	Japan	Asia	Europe
	\$	Yen	Euros	Euros
Wines & Spirits	+2%	+6%	+24%	+17%
Fashion & Leather Goods	+14%	+2%	+16%	+11%
Perfumes & Cosmetics	+4%	-1%	+6%	+13%
Watches & Jewelry	+25%	+8%	+17%	+25%
Selective retailing	+19%	-2%	+0,2%	+12%
<b>Total</b>	<b>+12%</b>	<b>+2%</b>	<b>+12%</b>	<b>+13%</b>

\* exc. Hawaii

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## Simplified income statement

<i>in millions of Euros</i>	H1 2006	H1 2007	Change %
<b>Revenue</b>	<b>6 968</b>	<b>7 412</b>	<b>+ 6%</b>
<b>Gross margin</b>	<b>4 463</b>	<b>4 844</b>	<b>+ 9%</b>
Selling expenses	(2 539)	(2 729)	+ 7%
Administrative expenses	(629)	(675)	+ 7%
<b>Profit from recurring operations</b>	<b>1 295</b>	<b>1 440</b>	<b>+ 11%</b>
Other income and expenses	(37)	(42)	
<b>Operating profit</b>	<b>1 258</b>	<b>1 398</b>	<b>+ 11%</b>
Net financial income (expense)	29	(100)	
Income taxes	(363)	(350)	
Equity investment income	4	4	
<b>Net profit</b>	<b>928</b>	<b>952</b>	<b>+ 3%</b>
of which minority interests	111	118	
<b>Group share of net profit</b>	<b>817</b>	<b>834</b>	<b>+ 2%</b>

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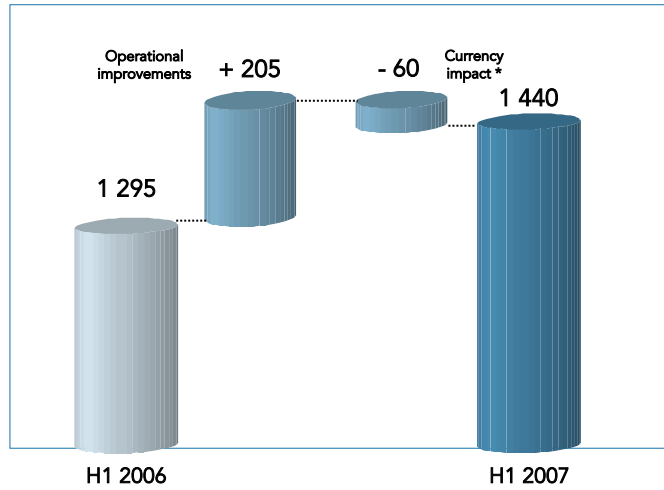
## Profit from recurring operations increased 11%

<i>in millions of Euros</i>	H1 2006	H1 2007	Change %
Wines & Spirits	355	393	+11%
Fashion & Leather goods	742	814	+10%
Perfumes & Cosmetics	79	108	+37%
Watches & Jewelry	30	57	+90%
Selective retailing	147	151	+3%
Others & Eliminations	(58)	(83)	-
<b>LVMH</b>	<b>1 295</b>	<b>1 440</b>	<b>+11%</b>

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## Profit from recurring operations increased 16% at constant currency

- In millions of Euros



\* inc.: Fashion & Leather Goods - 37 M      Selective retailing - 11 M

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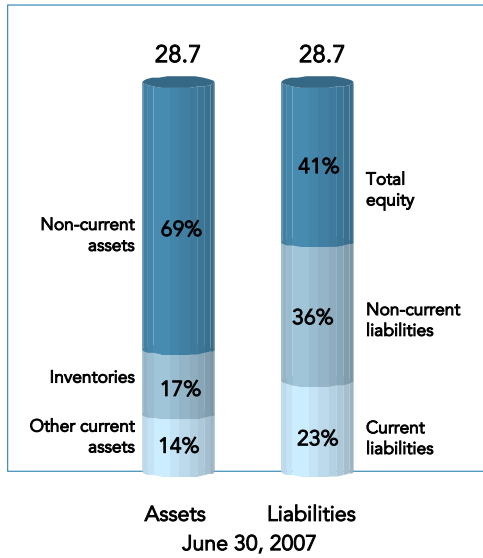
## Changes in net financial expense

<i>in millions of Euros</i>	H1 2006	H1 2007	Change (M€)
Cost of net financial debt	(83)	(89)	-6
Ineffective portion of currency hedge	15	(54)	-69
Gain/loss from sale of investments	100	36	-64
Other items - net	(3)	7	+10
<b>Net financial income (expense)</b>	<b>29</b>	<b>(100)</b>	<b>-129</b>

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## Further improvement of financial structure

- In billions of Euros



- Strong growth in equity over one year
- Rise in inventory levels
  - Increased business
  - Reconstitution of inventories of cognac's eaux de vie
- Financial debt reduction

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## Analysis of cash flow from operations

<i>in millions of Euros</i>	H1 2006	H1 2007	Change (M€)
<b>Cash from operations before changes in working capital</b>	<b>1 485</b>	<b>1 675</b>	<b>+190</b>
Cost of net financial debt	(92)	(98)	-6
Income taxes paid	(270)	(469)	-199
<b>Net cash from operations before changes in working capital</b>	<b>1 123</b>	<b>1 108</b>	<b>-15</b>
Working capital requirements	(466)	(481)	-15
Operating investments	(371)	(373)	-2
<b>Free cash flow*</b>	<b>286</b>	<b>254</b>	<b>-32</b>

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

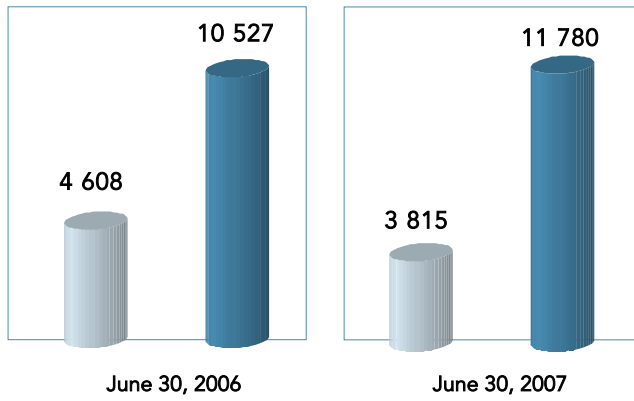
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## Net debt and equity

- In millions of Euros

■ Net Debt  
■ Total Equity



Gearing

44%

32%

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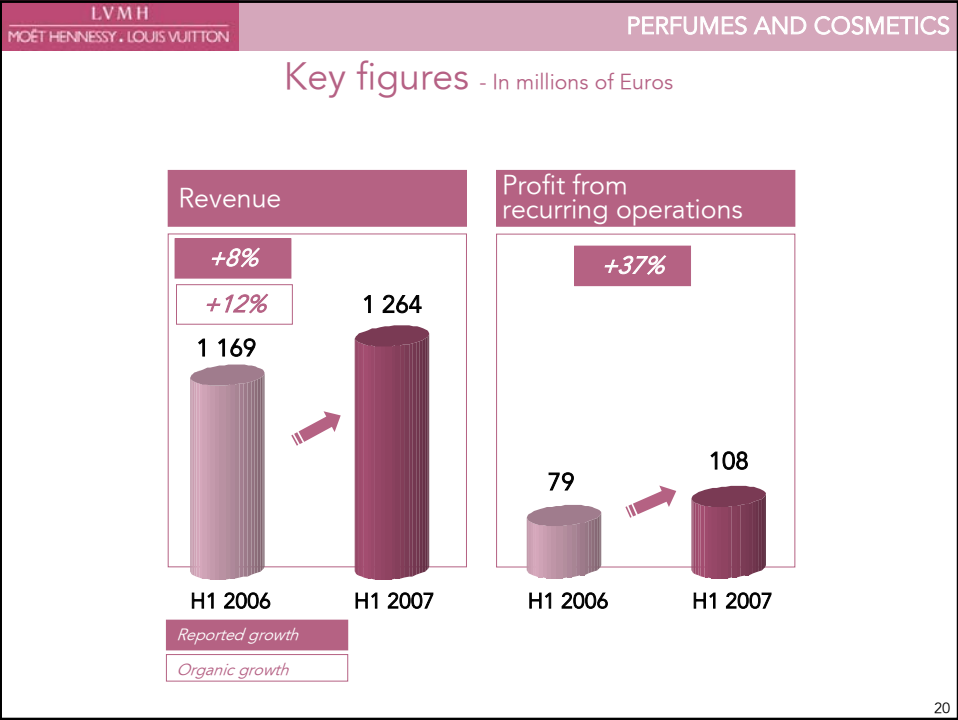
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Antonio Belloni

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## PERFUMES AND COSMETICS

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## H1 2007 Highlights

- Parfums Christian Dior: continued strong and profitable growth
  - Good performance in all regions
  - Excellent advance of perfumes notably thanks to *J'Adore*, *Miss Dior Chérie* and *Fahrenheit 32*
  - Strong demand in make-up for *Rouge Dior* and *Backstage* line

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## H1 2007 Highlights

- Guerlain: market share gain
  - Success of *Insolence*
  - Excellent dynamics of *Terracotta* line
- Successful roll-out of *Ange ou Démon* by Givenchy and *KenzoAmour*
- Strong progress of BeneFit, Make Up For Ever and Loewe Perfumes

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PERFUMES AND COSMETICS

*Perfumes and Cosmetics  
visual*

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PERFUMES AND COSMETICS

## 2007 Outlook

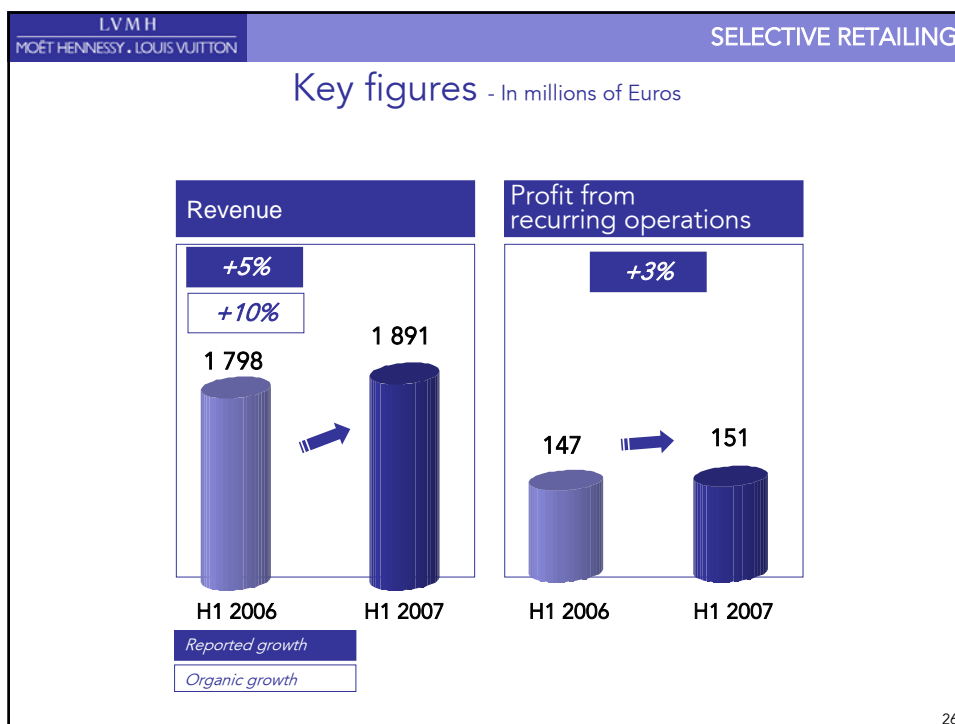
- Continue market share gains and operating margin improvement
- Parfums Dior: accentuate growth
  - Support development of major classics
  - New female perfume *Midnight Poison* with Eva Green
  - Launch of a new foundation incarnated by Monica Bellucci
  - Prioritize increased positioning in Europe and in China
- Accelerated development of other brands
  - 2 new pillars in female fragrances: *Palazzo* at Fendi and *Vivara* at Pucci
  - New male perfume *TokyobyKenzo* targeting youth
  - BeneFit introduction to China

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## SELECTIVE RETAILING

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## H1 2007 Highlights

### TRAVEL RETAIL

#### DFS

- Japanese tourists' spending limited by Yen weakness
- Expansion of Chinese clientele in several destinations
- Renovation of Singapore Galleria
- Upmarket positioning

#### MIAMI CRUISELINE

- Increased passenger's average purchase

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## H1 2007 Highlights

### SEPHORA

- Further market share gains in Europe and the US
- High level of innovation maintained
- Development of US loyalty program
- Excellent start in China (16 stores) with productivity comparable to Europe
- Good start in the Middle-East

#### LE BON MARCHÉ

- Success of modernization of fashion area

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*Selective Retailing  
visual*

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## 2007 Outlook

- DFS : Pursue development in Asia
  - Expand offer to meet more diversified clientele
  - Start of Macao Galleria construction for 2008 opening
  - Begin renovation of Hong-Kong Galleries
- Accelerate Sephora's profitable growth
  - Intensify policy of product exclusivity and services to make purchasing experience more unique
  - Accelerate rate of store openings in France, the US and China
  - Extend presence in new markets

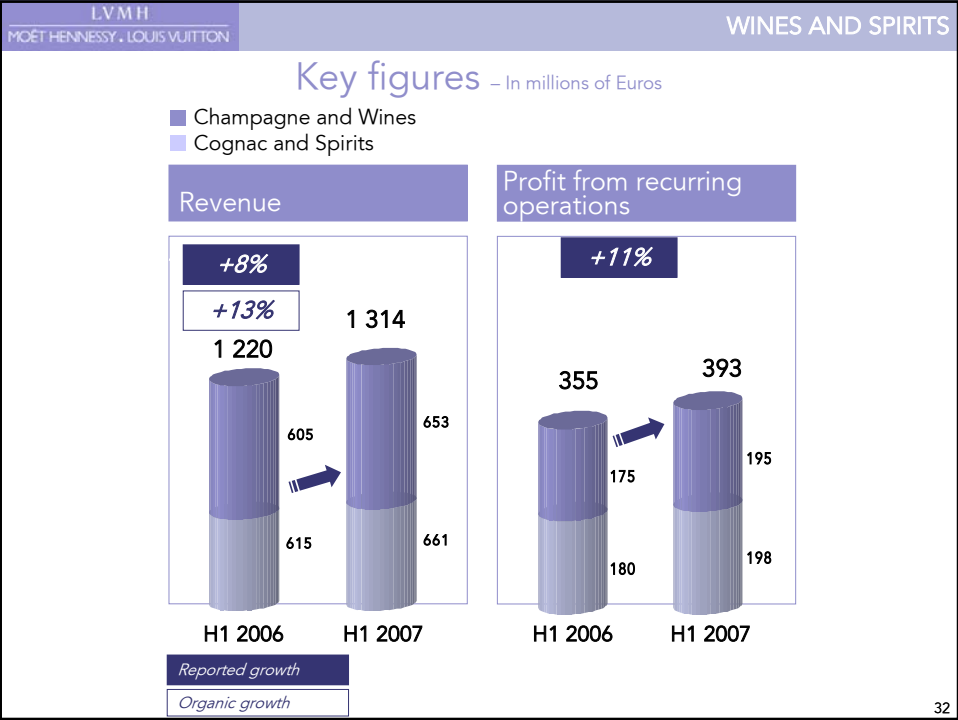
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**WINES AND SPIRITS**

Christophe Navarre

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## H1 2007 Highlights Efficient levers of value creation

- Further volume growth
  - Champagne: +9%
  - New World wines: +12%
  - Cognac: +8%
  - Vodka: -23% (effect of 2 month suspension of Belvedere sales in the US)
  - Glenmorangie whisky: +11%
- Improved product mix
  - Rosé Champagnes : +42%
  - Hennessy X.O : +25%
- Price increases in most regions

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## H1 2007 Highlights Good geographical balance of sales

- Strong growth in Europe
  - Robust growth in historical markets
  - Increasing importance of Russia
- Continued progress in the US
- Rapid development in China
- Excellent progress in the emerging countries
  - Vietnam, Central Europe...

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## H1 2007 Highlights Continued innovation and communication

- World launch of Moët & Chandon Grand Vintage 2000
- Increased visibility of Veuve Clicquot following the roll-out of the « Love seat » in the distribution network
- Widespread marketing campaign in Asia for Hennessy cognac
- Box of secrets « Beauté du Siècle » created for Hennessy by Jean-Michel Othoniel
- 10 Cane : new advertising campaign « The world's best rum » and new packaging for « easy-to-mix » Mojito 10 Cane

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## Strong potential of « new » brands

- **Belvedere vodka**
  - Acquisition of Belvedere brand in the US
  - Most dynamic spirits category in the US
  - Accelerated development in the US and strong potential in Europe and Asia
  - Roll-out of new advertising campaign
- **Glenmorangie whisky**
  - Positioned in growing « luxury single malt scotch » segment
  - Relaunch of whole range consistent with high-end positioning
  - Sustained communication around new range
  - Pursue international growth

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## Strong potential of « new » brands

- **Estates & Wines**
  - Passion for sparkling wines in the US and Europe
  - Diversified offerings of wines from different origins and grape varieties
- **10 Cane**
  - Increased on-premise visibility in the US
  - Emergence of new super premium rum segment
- **Wen Jun Spirits**
  - Acquisition of 55% of Wen Jun Spirits, Chinese premium white spirits producer
  - Brand with exceptional heritage and of renowned quality
  - Develop brand in super premium and ultra premium segments

**Access to Moët Hennessy's marketing know-how  
and powerful distribution network**

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## 2007 Outlook

- Continue strategy of value creation
  - Improve product mix
  - Increasing price policy
  - Control costs
- Manage grape supply
- Strengthen distribution network
- Prioritize development in the US, China and Russia
- Continue to invest in communications

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WINES AND SPIRITS

*Wines and Spirits  
visual*

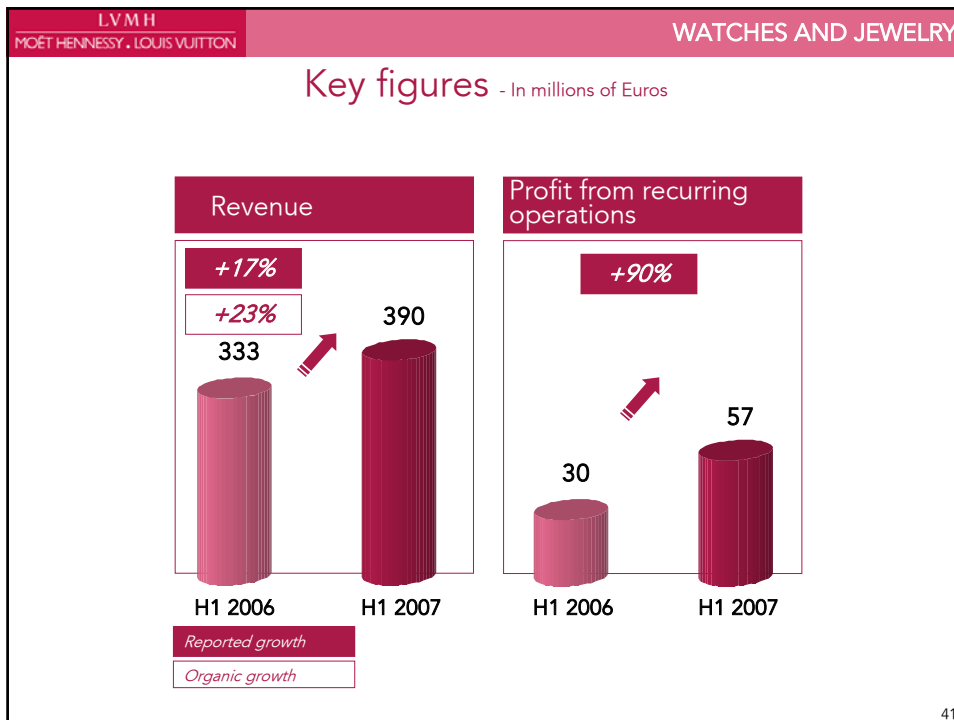
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WATCHES AND JEWELRY

Philippe Pascal

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- WATCHES AND JEWELRY
- ### H1 2007 Highlights
- Strong growth and market share gains
  - Increased current operating margin (15 % vs 9 % in 2006)
  - TAG Heuer : solid growth continues
    - 1 luxury Swiss watch out of 9 sold is a TAG Heuer (source: Fédération Horlogère)
      - Well-balanced performance on all markets supported by strong sell-out
      - Continued upscale positioning of *Carrera*, *Link* and *Aquaracer* lines
      - Launched *Calibre S* movement developed by TAG Heuer
      - Continued success of *Formula 1* collection
      - New architectural store concept
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## H1 2007 Highlights

- Zenith
  - Confirmed success of sporting line, *Defy*
  - Consolidation of the *Class Open* line (*Tourbillons*)
  
- Dior
  - Strong growth of *Christal* and *Chiffre Rouge*
  - Sharon Stone, new ambassadress for Dior Montres

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## H1 2007 Highlights

- Improved stores productivity
  
- Chaumet
  - Opening of Nagoya flagship store
  - Strengthened icons *Liens*, *Dandy* and *Attrape-moi*
  
- De Beers
  - Opening in Las Vegas and launching of Internet site in the US
  - Reinforced icons (*Talisman*)
  - New solitaire collection (*Forever two*)
  
- Fred
  - Success of pendants (« calibreurs »)
  - Opening in Beijing

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## 2007 Outlook

- Market share gains and major improvement in profitability
- Launch of several models introduced at Basel Watch fair
- Increase industrial investments for TAG Heuer

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## 2007 Outlook

- Chaumet
  - First store in Shanghai
  - Openings in Jeddah, Riyadh and Old Bond Street
  - Class One : launch of *Vivid Blue*
- Fred
  - New unisex watch *36 XL* and launch of *Lucifer*
  - New advertising campaign
  - Opening in Dubai
- De Beers
  - Openings at San Francisco, Houston, Taipei, Hong Kong, Moscow, Seoul, Jeddah
  - Extend *Talisman* watch collection
  - New collection *Ice on Fire*

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WATCHES AND JEWELRY

*Watches and Jewelry  
visual*

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FASHION AND LEATHER GOODS

Yves Carcelle

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- FASHION AND LEATHER GOODS
- ### H1 2007 Highlights
- LOUIS VUITTON
- Double-digit organic revenue growth
  - Excellent performance in Asia, Europe and the US
  - Major improvement of trends in Japan
  - Strong demand from new customers travelling from China, Eastern Europe and the Middle East
  - 374 stores at end of June 2007 (net increase of 6)
    - Principal openings : 2 new territories (Cyprus, Aruba), China (Kunming and Shenyang), Japan (Nagoya), United-States (Austin)...
    - Major renovations : Paris (Galeries Lafayette), Rome (Via Condotti)...
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LVMH MOËT HENNESSY · LOUIS VUITTON	FASHION AND LEATHER GOODS
<h2 style="margin: 0;">H1 2007 Highlights</h2> <span style="float: right; font-weight: bold;">LOUIS VUITTON</span>	
<ul style="list-style-type: none"> <li>▪ Many innovations in leather goods : <i>Monogram Vernis Pomme d'Amour, Mini Lin Dune, Epi Ivoire</i></li> <li>▪ Strong contribution from <i>Damier Azur</i> launched at end of 2006</li> <li>▪ Success of new models in permanent collections           <ul style="list-style-type: none"> <li>▪ <i>Epi : Montaigne</i></li> <li>▪ <i>Monogram : Riveting, Beverly, Neverfull, Eole</i></li> </ul> </li> <li>▪ Good performance of 2007 LV Cup collections</li> <li>▪ Robust progress in other product categories (shoes, sunglasses, ready-to-wear, watches)</li> </ul>	
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LVMH MOËT HENNESSY · LOUIS VUITTON	FASHION AND LEATHER GOODS
<h2 style="margin: 0;">H1 2007 Highlights</h2>	
<ul style="list-style-type: none"> <li>▪ Further improvement in Fendi's profitability           <ul style="list-style-type: none"> <li>▪ Good performance of new leather products <i>BMix</i> and <i>Crosswords</i> and continued progress of <i>B.Fendi</i> line</li> <li>▪ Steady progress in ready-to-wear and shoe collections</li> <li>▪ Excellent response to Cruise collection</li> <li>▪ Expansion of store network (142 stores at end of June 2007, including 10 in China)</li> </ul> </li> </ul>	
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## H1 2007 Highlights

- Donna Karan : success of luxury line *Collection* and *Icons* program
- Marc Jacobs : strong momentum
  - Continued extension of international store network
  - Further development of leather goods and shoes notably for the *Marc by Marc Jacobs* line
- Givenchy : very strong growth of ladies ready-to-wear and growth of accessories
- Loewe : success of new leather goods line, *Napa Aire*, and continued progress of *Amazona* line
- Celine : success of *Bittersweet* line and promising start for renovated Cannes store
- Berluti : launch of *Fil d'Ariane* collection and new stores in Cannes, Ginza and Los Angeles
- Pucci : excellent ready-to-wear performance

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*Fashion and Leather Goods  
visual*

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## 2007 Outlook

- Continue Fendi's profitable growth
  - Strengthen pillars of leather goods offerings
  - Launch new leather goods line (*To You*)
  - Further expand distribution network
- Accentuate steps to increase other brands profitability

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## 2007 Outlook

LOUIS VUITTON

- Continue Louis Vuitton's strong momentum
  - Many innovations expected: variations of historic lines and launch new leather goods products
    - Extraordinary success of new lines
    - Continue store opening program, in particular in China, Panama, Doha, Ho Chi Minh, Bucarest
  - Strengthen shoe division with start of extension work at Fiesso (Italy) production site
  - New communications campaign

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*Fashion and Leather Goods  
visual*