



2007
Annual results

February 6, 2008

LVMH
MOËT HENNESSY · LOUIS VUITTON



Bernard Arnault

LVMH
MOËT HENNESSY · LOUIS VUITTON

Excellent performance in 2007

- Strong organic revenue growth of 13 %
 - Solid progress in historical markets
 - Strong momentum in emerging countries
- Profit from recurring operations up 12%
 - Double-digit growth for all business groups
 - At constant exchange rates, profit from recurring operations up 20 %
- Further increase of current operating margin to 22 %
- Cash flow from operations grew 15 %

Further strengthen our foundations in 2007
despite a difficult currency environment

Well-balanced contribution from all business groups

- Strong vitality of major brands
- New star brands increased momentum and continued to improve their profitability
- Rapid development in emerging countries benefited all business groups
- Powerful Wines and Spirits brands reinforced their value creation strategy
- New record year for Louis Vuitton, which continues to generate exceptional level of profitability
- Market share gains for TAG Heuer, Parfums Christian Dior and Sephora

2008 : continue to gain market share

- An unfavorable currency environment and an uncertain economic climate
- Sustained innovation
- Reinforced communication
- Development of new clientele
- Continued focus on productivity improvement
- Expansion of store network

Objective of tangible growth in 2008 results

LVMH
MOËT HENNESSY • LOUIS VUITTON

5



| Jean-Jacques Guiony

LVMH
MOËT HENNESSY • LOUIS VUITTON

Strong organic revenue growth +13% in 2007

Revenue by business group

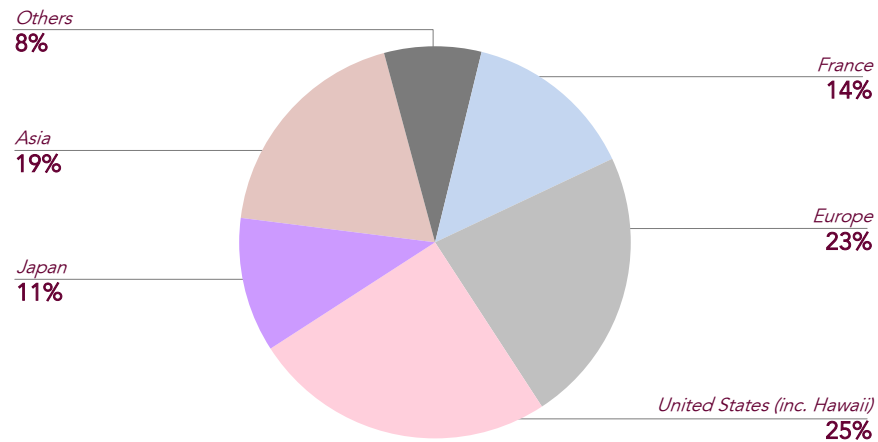
<i>In millions of euros</i>	2006	2007	Reported growth	Organic growth
Wines & Spirits	2 994	3 226	+8%	+13%
Fashion & Leather Goods	5 222	5 628	+8%	+14%
Perfumes & Cosmetics	2 519	2 731	+8%	+12%
Watches & Jewelry	737	833	+13%	+19%
Selective retailing	3 891	4 179	+7%	+12%
Others and eliminations	(57)	(116)	-	-
Total	15 306	16 481	+8%	+13%

LVMH
MOËT HENNESSY · LOUIS VUITTON

7

2007 revenue by region

In euros



LVMH
MOËT HENNESSY · LOUIS VUITTON

8

2007 revenue by region Evolution by business group

<i>Change %</i>	US*	Japan	Asia	Europe
	\$	Yen	Euros	Euros
Wines & Spirits	+10%	+5%	+19%	+11%
Fashion & Leather Goods	+15%	+3%	+21%	+11%
Perfumes & Cosmetics	+11%	+1%	+10%	+12%
Watches & Jewelry	+25%	+11%	+17%	+13%
Selective retailing	+19%	+2%	+4%	+15%
Total	+15%	+3%	+14%	+11%

* exc. Hawaii

LVMH
MOËT HENNESSY - LOUIS VUITTON

9

Summarized income statement

<i>In millions of euros</i>	2006	2007	Change %
Revenue	15 306	16 481	+8%
Gross margin	9 825	10 695	+9%
Selling expenses	(5 364)	(5 752)	+7%
Administrative expenses	(1 289)	(1 388)	+8%
Profit from recurring operations	3 172	3 555	+12%
Other income and expenses	(120)	(126)	
Operating profit	3 052	3 429	+12%
Net financial income (expense)	(53)	(252)	
Income taxes	(847)	(853)	
Equity investment income	8	7	
Net profit	2 160	2 331	+8%
of which minority interests	281	306	
Group share of net profit	1 879	2 025	+8%

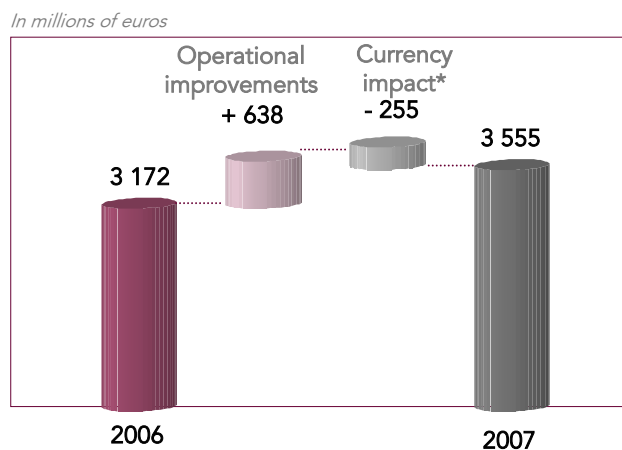
LVMH
MOËT HENNESSY - LOUIS VUITTON

10

Profit from recurring operations increased 12 %

<i>In millions of euros</i>	2006	2007	Change %
Wines & Spirits	962	1 058	+ 10%
Fashion & Leather Goods	1 633	1 829	+ 12%
Perfumes & Cosmetics	222	256	+ 15%
Watches & Jewelry	80	141	+ 76%
Selective retailing	400	439	+ 10%
Others and eliminations	(125)	(168)	-
LVMH	3 172	3 555	+ 12%

Profit from recurring operations increased 20 %
at constant currency



* incl.: Fashion and Leather Goods: -148M Wines & Spirits: -50M

Half-year changes in 2007 profit from recurring operations

Change in profit from recurring operations

<i>In millions of euros</i>	H1 2007	H2 2007	2007
Wines & Spirits	+11%	+10%	+10%
Fashion & Leather Goods	+10%	+14%	+12%
Perfumes & Cosmetics	+37%	+4%	+15%
Watches & Jewelry	+90%	+68%	+76%
Selective retailing	+3%	+14%	+10%
LVMH	+11%	+13%	+12%
LVMH at constant currency	+16%	+23%	+20%

LVMH
MOËT HENNESSY - LOUIS VUITTON

13

Changes in net financial expense

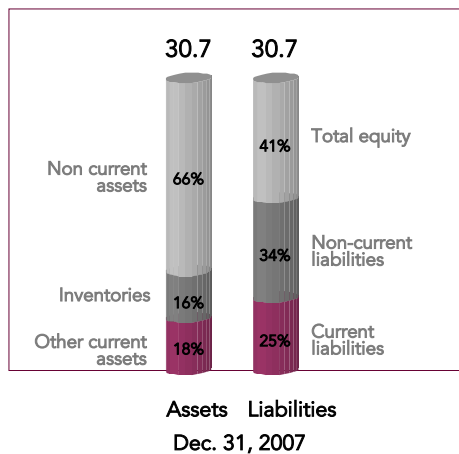
<i>In millions of euros</i>	2006	2007	Change (M€)
Cost of net financial debt	(173)	(207)	-34
Ineffective portion of currency hedge	(45)	(97)	-52
Gain/loss from sales of investments	164	44	-120
Other items - nets	1	8	+7
Net financial income (expense)	(53)	(252)	-199

LVMH
MOËT HENNESSY - LOUIS VUITTON

14

Solid financial structure

In billions of euros



- Strong progress in equity
- Rise in inventory level
 - Increased business
 - Constitution of cognac inventories
- Net financial debt reduction

LVM H
MOËT HENNESSY - LOUIS VUITTON

15

Analysis of cash flow from operations

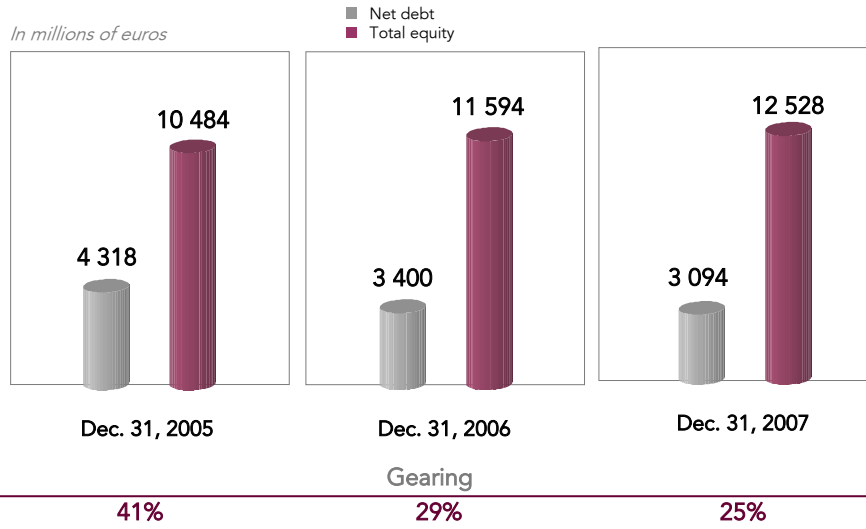
In millions of euros	2006	2007	Change (M€)
Cash from operations before changes in working capital	3 504	4 039	+535
Net interest paid	(174)	(191)	-17
Income taxes paid	(784)	(916)	-132
Net cash from operations before changes in working capital	2 546	2 932	+386
Working capital requirements	(258)	(474)	-216
Operating investments	(749)	(952)	-203
Free cash flow*	1 539	1 506	-33

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

LVM H
MOËT HENNESSY - LOUIS VUITTON

16

Net debt and equity



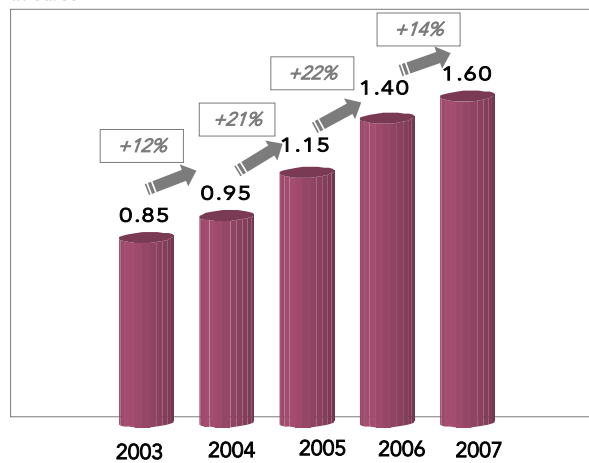
LVM H
MOËT HENNESSY - LOUIS VUITTON

17

2007 Dividend increased 14%

Net dividend per share

In euros



LVM H
MOËT HENNESSY - LOUIS VUITTON

18



|Antonio Belloni

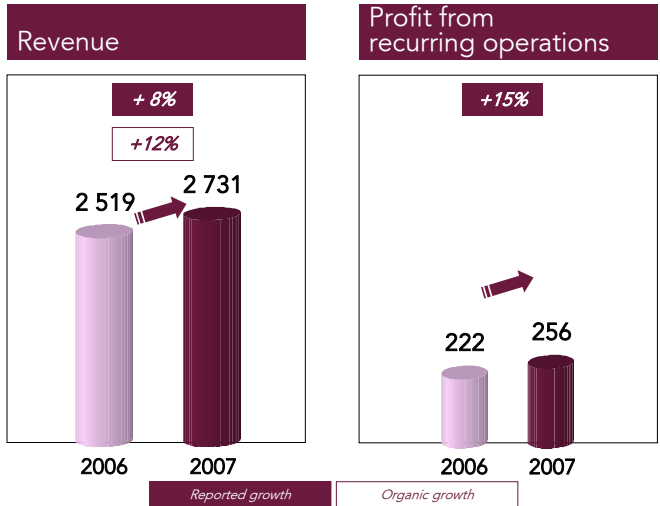
LVMH
MOËT HENNESSY · LOUIS VUITTON

PERFUMES AND COSMETICS

LVMH
MOËT HENNESSY · LOUIS VUITTON

Key figures

In millions of euros



An effective strategy

	2005	2006	2007
Organic revenue growth	+7%	+11%	+12%
Operating margin	7.6%	8.8%	9.4%
<i>Market share evolution</i>			
France*	↗	↗	↗
United-States*	↘	↗	↗
China**	↗	↗	↗
Russia**	↗	↗	↗

* NPD data
** Source : Store Panel

2007 Highlights

- Parfums Christian Dior: continued strong momentum
 - Strong performance in Europe, in Asia and in the US
 - Great vitality of the perfume segment notably thanks to continued success of *J'adore* and effective launches of *Midnight Poison* and *Fahrenheit 32*
 - Rapid progress of *Capture* in skincare and *Rouge Dior* and *DiorSkin* in makeup
 - Effective advertising with its recognisable "muses": Charlize Theron and Eva Green for perfume, Monica Bellucci for makeup and Sharon Stone for skincare

Perfumes and Cosmetics visual

2007 Highlights

- Guerlain: excellent performance
 - Success of skincare thanks to star line *Terracotta* and new makeup foundation *Parure*
 - Strong momentum of premium skincare *Orchidée Impériale*
- Parfums Givenchy: international roll-out of *Ange ou Démon* and launch of lipstick *Rouge Interdit*
- Entry of *KenzoAmour* perfume alongside the great classic *FlowerbyKenzo*
- Launch of 2 new flagship perfumes *PalazzoFendi* and *Vivara* by Pucci
- Benefit: continued success in the United States and in Europe; very promising start in China

Perfumes and Cosmetics visual

2008 Outlook

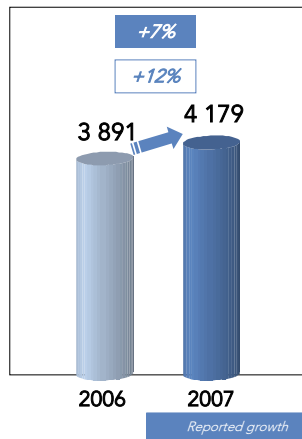
- Continue to improve market share gains and operating margin
- Christian Dior: further growth of star brand
 - Reinforce star lines
 - Innovation in makeup inspired by Couture
 - Consolidate European leadership and continue development in Asia and the US
- Profitable growth of other brands
 - New high-end products for Guerlain which celebrates its 180th anniversary
 - Enhancement of women's star lines at Givenchy and Kenzo and launch of new men's fragrances
 - BeneFit, Make Up for Ever, Parfums Givenchy: accelerated development in Asia

SELECTIVE RETAILING

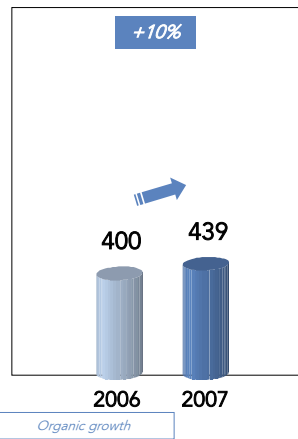
Key figures

In millions of euros

Revenue



Profit from recurring operations



2007 Highlights

DFS

- Market share gains in Asia
- Development of Chinese clientele offsetting weakening Yen effect
- New growth opportunities: implementation in Vietnam, new projects in Macao
- Luxury products increased to 80 % of total revenue

SELECTIVE RETAILING

2007 Highlights

SEPHORA

- Market share gains in Europe and the US; excellent comparable store performances
- Accelerated pace of openings: +135 net in 2007
 - Global network of 756 stores
 - 9 new countries, total of 22 countries
- Rapid progress of internet sales
- Extension of loyalty program in the US

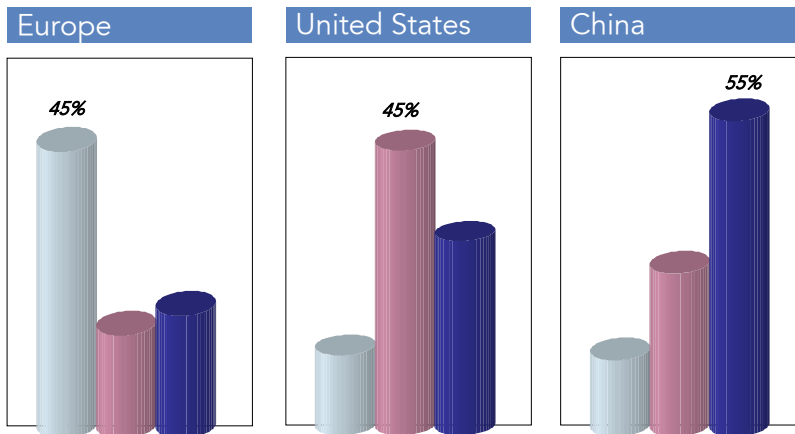
LE BON MARCHÉ

- Further improvement in profitability
- Start of transformation of home department

SELECTIVE RETAILING

Sephora : Development by category of products

■ Perfumes ■ Makeup ■ Skincare



2008 Outlook

DFS

- Further objective of profitable growth
- Strengthen leadership in Asia
 - Renovation and extension of Hong Kong Galleries
 - Opening of the Macao Galleria and of Mumbai airport concession
 - Search for new growth drivers
- Continued momentum of Chinese clientele

2008 Outlook

SEPHORA

- Focus on profitable growth
 - Increase market share in key territories
 - Pursue sustained comparable store growth
 - Accelerate differentiation through client services
 - Continued policy of innovation and exclusivity
- Investment in training: Sephora University

SELECTIVE RETAILING

Selective Retailing visual

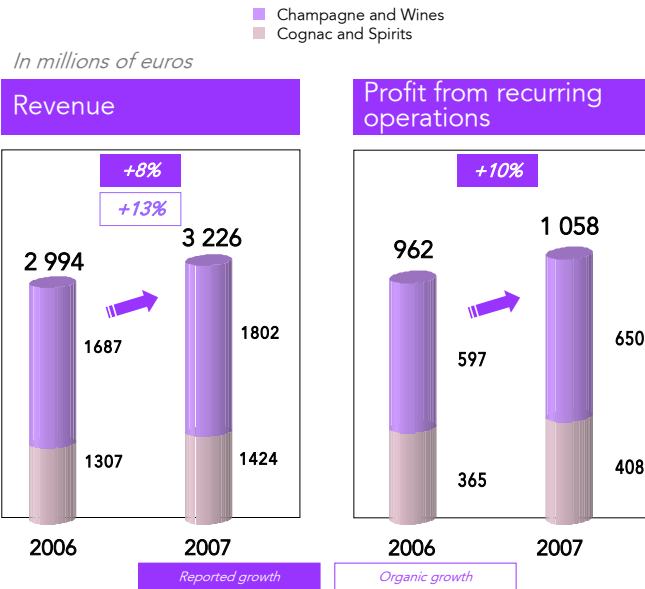
LVMH
MOËT HENNESSY · LOUIS VUITTON

WINES AND SPIRITS
Christophe Navarre

LVMH
MOËT HENNESSY · LOUIS VUITTON

WINES AND SPIRITS

Key figures



LVMH
MOËT HENNESSY, LOUIS VUITTON

37

WINES AND SPIRITS

2007 Highlights

Solid growth of star brands

- Growth in sales volumes
 - Champagne: + 4% vs. 2006
 - Cognac: + 10% vs. 2006
 - Whisky Glenmorangie: + 16% vs. 2006
 - New World wines: + 13% vs. 2006
- Policy of price increases
- Improved product mix
 - Prestige vintage champagne: + 6%
 - Champagne rosé: + 21%
 - XO Hennessy: + 12%

Continued strong value creation strategy

LVMH
MOËT HENNESSY, LOUIS VUITTON

38

2007 Highlights

Confirmed vitality of rising stars

- Krug and Ruinart: remarkable revenue growth, greater than 20% in strategic markets
- Estates & Wines: continued strong double-digit revenue growth
- Belvedere and 10 Cane: confirmed appeal in very competitive US market
- Excellent revenue growth from Glenmorangie and Ardbeg

Increasing contribution of « rising stars »
to global growth

2007 Highlights

All regions contributed to increased revenue

- Solid performance in traditional markets
 - Europe: +11% (in EUR)
 - United States: +10% (in USD)
 - Japan: + 5% (in YEN) and Asia exc. Japan: + 19% (in EUR)
- China
 - Continued strong momentum (+ 31% in EUR)
 - 3rd market in terms of results contribution
 - Hennessy: Number 1 Cognac brand
- Russia
 - Strong growth in Moscow and in the regions
 - Powerful distribution network through joint venture created in 2006
 - Dominance of our champagne brands and Hennessy

Wines and Spirits visual

LVMH
MOËT HENNESSY . LOUIS VUITTON

2007 Highlights

Continued strong effort in communication
and good momentum of new brands

- Launch of Dom Pérignon œnothèque 1993 (Lagerfeld advertising campaign) and of Moët & Chandon Grand vintage 2000
- Creation and launch of Veuve Clicquot « Yellowboams », limited prestige series
- Launch of Glenmorangie « New World »
 - Renewed brand's image to attract new consumers
 - New packaging and communication platform
- Acquisition of 55 % of Wen Jun Spirits in China
 - Launch of new product with new visual identity (bottle and packaging)

Luxury positioning supported
by innovation and creativity of our brands

2008 Outlook

Confirm our leadership thanks to marketing and commercial initiatives

- Marketing initiatives to reinforce our brands' luxury reputation and attract new clients
 - Dom Pérignon: international extension of « night flagships » program
 - Hennessy: second year of global musical advertising campaign « Hennessy Artistry »
 - Krug: new communication plan in the US and in Japan
- Extension of distribution network and mobilization of commercial teams in strategic markets
 - Openings of new subsidiaries in Poland and in Czech Republic on April 1, 2008
 - Reinforce teams in the US, Japan and China

2008 Outlook

Pursue value creation strategy and reinforce luxury positioning

- Improve product mix: a strong strategic focus
- Increase prices and further enhance the premium image of our brands
- Tight control of costs and strengthen internal synergies

Continued growth for Moët Hennessy thanks to creativity and strong flexibility of our brands as well as powerful distribution network

WATCHES AND JEWELRY

Philippe Pascal

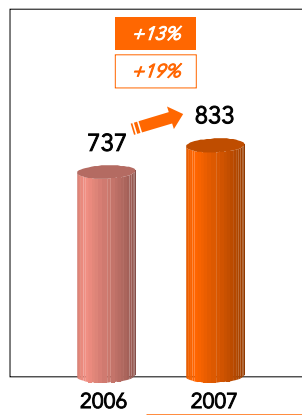
LVMH
MOËT HENNESSY · LOUIS VUITTON

WATCHES AND JEWELRY

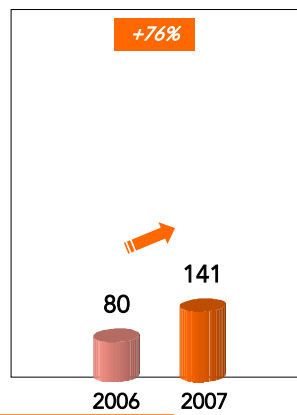
Key figures

In millions of euros

Revenue



Profit from recurring operations



LVMH
MOËT HENNESSY · LOUIS VUITTON

2007 Highlights

- **Further strong operating margin improvement** (increased from 11 to 17%)
- **TAG Heuer:** acceleration of profitable growth
 - Significant progress in all markets
 - Continued upmarket positioning and consolidation of iconic lines: *F1, Aquaracer, Link* and *Carrera*
 - Innovation with new movement *Calibre S*
 - Upmarket positioning: *Grand Carrera*
 - Update of stores architecture and targeted openings of stores and corners
- **Zenith:** enhanced positioning in high-end watches
 - Confirmed success of the *Defy* line: "Grand Prix du Public" (Geneva 2007) for *Chronomaster Defy Xtreme Stealth*
 - Expanded high-end watch offering
- **Montres Dior**
 - High-end positioning driven by success of *Christal* line
 - Enhanced image personified by Sharon Stone
 - Development of men's line *Chiffre Rouge*

Watches and Jewelry visual

2007 Highlights

- **Chaumet:** targeted and profitable expansion
 - Very promising development in Asia
 - Success of *Attrape-moi... si tu m'aimes* collection
 - Successful relaunch of *Liens* line
 - Improvement in store productivity and openings in London, Shanghai, Moscow...
- **De Beers:** growing productivity per store
 - Confirmed status of iconic line for *Talisman*
 - Strong organic revenue growth per store
 - Store openings: US, Japan, Seoul, Moscow, Taipei, Dubai...
 - Launched on-line sales in the US
- **Fred:** strong growth in France
 - New lines *Princess K* and *Miss Fred*

Watches and Jewelry visual

Watches and Jewelry visual

2008 Outlook

- Pursue further market share gains in watches and jewelry
- **TAG Heuer**
 - Watch-making integration in Chaux-de Fonds
 - Continued upmarket positioning (Grand Carrera)
 - Develop stores and corners
 - Launch of mobile phone offer
- **Zenith:** modernization of the Manufacture and focus on icons
- **Dior Montres:** continue upmarket positioning and optimize synergies with Dior Joaillerie
- **Chaumet and De Beers:** targeted expansion of store network and new jewelry and watch collections
- **Fred:** focus on Japan and relaunch *Force 10*

WATCHES AND JEWELRY

Watches and Jewelry visual

LVMH
MOËT HENNESSY · LOUIS VUITTON

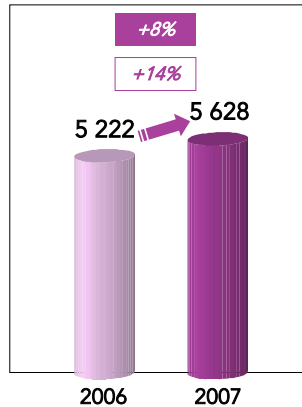
FASHION AND LEATHER GOODS
Yves Carcelle

LVMH
MOËT HENNESSY · LOUIS VUITTON

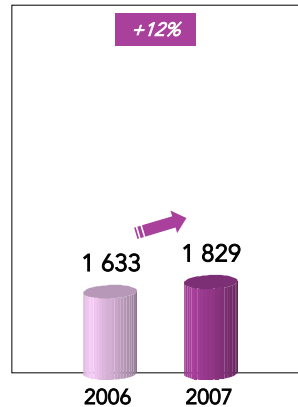
Key figures

In millions of euros

Revenue



Profit from recurring operations



Reported growth

Organic growth

2007 Highlights

LOUIS VUITTON

- Another year of double-digit organic revenue growth
- Excellent performance in Asia, in China and in Japan
- Continued strong momentum in Europe and the US
- Increasing demand from new tourist customers from China, Eastern European countries and Middle East
- 3 new countries: Cyprus, Aruba, Panama
- 390 stores at end 2007 (with 22 net openings and 40 renovations)
 - Ho Chi Minh, Beijing, Nagoya (Asia), Nicosie, Saint-Petersbourg (Europe) Austin, Los Angeles (US), Cape Town (South Africa) ...

Fashion and Leather Goods visual

LVMH
MOËT HENNESSY . LOUIS VUITTON

2007 Highlights

LOUIS VUITTON

- Strong momentum in leather goods
 - Success of *Damier Azur* (launched end 2006)
 - New colors *Pomme d'amour* and *Amarante* for *Monogram Vernis*, *Ivoire* for *Epi* and *Dune* for *Mini Lin*
 - New models for permanent lines : *Riveting*, *Neverfull* and *Beverly* in *Monogram*, *Montaigne* in *Epi* and *Trevi* in *Damier Ebène*
- Excellent performance of accessories
- Rapid progress of other product categories (shoes, RTW, watches)
- Very positive impact of new communication campaign based on the eternal values of Louis Vuitton
- Strengthening of collaboration with Takashi Murakami

2007 Highlights

- Donna Karan: good performance of *Collection* luxury line and *Icons* program
- Loewe: excellent progress of *Amazona* emblematic line and new *Napa Aire* collection
- Marc Jacobs: success of *Marc by Marc Jacobs* RTW lines and excellent performance of leather goods and shoe collections
- Givenchy: good momentum of women's RTW created by Riccardo Tisci, strong growth of accessories and reinforcement in China
- Celine: development of leather goods driven by new *Bittersweet* line and expansion of store network, notably in China
- Berluti: successful launch of *Fil d'Ariane* and *Démesures* new shoe collections and expansion of Ferrare workshop
- Kenzo: deployment of new store concept
- Pucci: strong development of RTW and international expansion

2007 Highlights

- Continued strong momentum of Fendi
 - Rapid development of leather goods products (*BMix, Crossword, To You*)
 - Excellent performance of RTW collections and shoes
 - Expansion of store network (160 stores at end 2007)
 - 4 new territories: Spain, Turkey, Switzerland, Bahrain
 - Strong media impact of fashion show on Great Wall of China

Fashion and Leather Goods visual

LVMH
MOËT HENNESSY · LOUIS VUITTON

2008 Outlook

- Continue profitable growth at Fendi
 - Strengthen iconic leather goods products
 - Pursue store network optimization
- Accentuate progress at other brands

2008 Outlook

LOUIS VUITTON

- Continue innovation
 - Further strengthening of iconic products with launch of *Damier Graphite*
 - New collaborations with major artists (Richard Prince)
- Strong momentum of emerging countries
- Important program of store openings with new « Maison » in Hong Kong and implementation in new countries (Romania, Finland, Qatar, Bahrain...)
- Start of Fiesso production site expansion
- Wider-ranging communication
 - New iconic stars for institutional campaign
 - New product campaign
 - First institutional film