



First half 2008
results

July 29, 2008

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Bernard Arnault

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Continued strong momentum in the first half of 2008

- Strong organic revenue growth of 12 %
 - Excellent performance in Asia, the US and Europe
 - Second quarter trends comparable to beginning of the year
- Profit from recurring operations up 7 %
 - +19 % at constant exchange rates
- Current operating margin increased to 20 %

Exceptional ability
to generate profitable growth
despite a difficult economic environment

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Solid growth strategy of LVMH

- Good balance between historical and emerging markets
- Exceptional vitality of our star brands despite strong currency impact, particularly on Fashion & Leather Goods
- Remarkable performance of Louis Vuitton which once again delivered double-digit organic revenue growth
- Strong growth of Wines and Spirits in second quarter impacted at the beginning of the year by unfavourable timing of price increases
- Tangible improvement of profitability of Perfumes & Cosmetics and Watches & Jewelry
- Strong momentum at Sephora

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2008 : new market share gains

- An unfavourable currency environment and an uncertain economic context
- Confidence for continued good momentum in second half
 - Incomparable strength of our brands
 - Continued creativity of our products
 - Unrivalled distribution networks
 - Talent and effectiveness of our teams

Objective of tangible growth in 2008 results

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| Jean-Jacques Guiony

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Strong organic revenue growth +12 % in first half 2008

Revenue by business group

<i>In millions of Euros</i>	H1 2007	H1 2008	Reported growth	Organic growth
Wines & Spirits	1 314	1 292	- 2%	+6%
Fashion & Leather Goods	2 601	2 768	+ 6%	+14%
Perfumes & Cosmetics	1 264	1 362	+ 8%	+13%
Watches & Jewelry	390	417	+ 7%	+15%
Selective Retailing	1 884	1 990	+ 6%	+13%
Others & Eliminations	(41)	(30)	-	-
Total	7 412	7 799	+ 5%	+12%

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Quarterly evolution of organic revenue growth

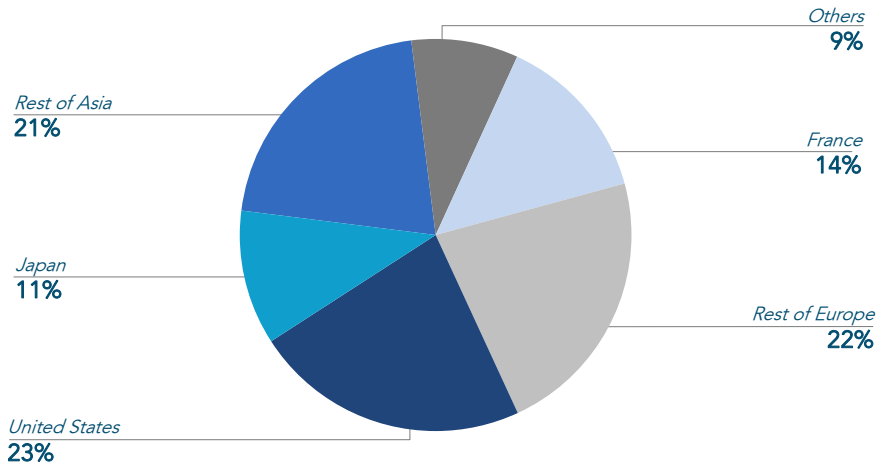
	Q1 2008	Q2 2008	H1 2008
Wines & Spirits	+1%	+13%	+6%
Fashion & Leather Goods	+14%	+14%	+14%
Perfumes & Cosmetics	+13%	+13%	+13%
Watches & Jewelry	+19%	+12%	+15%
Selective Retailing	+15%	+11%	+13%
Total	+12%	+12%	+12%

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H1 2008 revenue by region

In euros



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H1 2008 revenue Evolution by region

LVMH Group		% Change
United States*	\$	+9%
Japan	Yen	-6%
Asia	Euros	+13%
Europe	Euros	+10%

* exc. Hawaii

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Summarized income statement

<i>In millions of Euros</i>	H1 2007	H1 2008	% Change
Revenue	7 412	7 799	+ 5%
Gross margin	4 844	5 117	+6%
Selling expenses	(2 729)	(2 868)	+5%
Administrative expenses	(675)	(708)	+5%
Profit from recurring operations	1 440	1 541	+ 7%
Other income and expenses	(42)	(28)	
Operating profit	1 398	1 513	+8%
Net financial income (expense)	(100)	(102)	
Income taxes	(350)	(402)	
Equity investment income	4	4	
Net profit	952	1 013	+6%
of which minority interests	118	122	
Group share of net profit	834	891	+7%

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Profit from recurring operations increased 7%

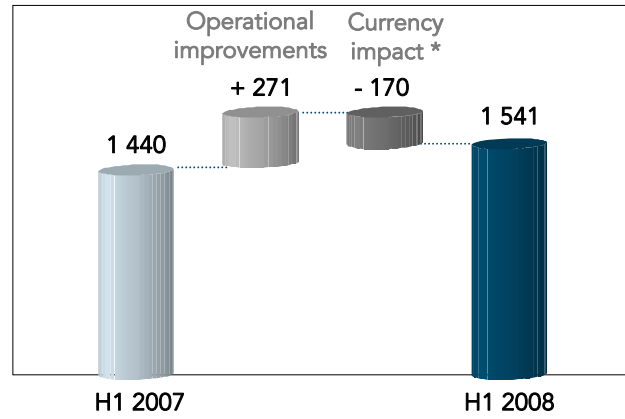
<i>In millions of Euros</i>	H1 2007	H1 2008	% Change
Wines & Spirits	393	409	+ 4%
Fashion & Leather Goods	814	858	+ 5%
Perfumes & Cosmetics	108	132	+ 22%
Watches & Jewelry	57	74	+ 30%
Selective Retailing	144	151	+ 5%
Others & Eliminations	(76)	(83)	-
LVMH	1 440	1 541	+ 7%

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Profit from recurring operations increased 19% at constant currency

In millions of euros



* inc : Fashion & Leather Goods -112 M

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Change in net financial expense

<i>In millions of Euros</i>	H1 2007	H1 2008	Change (€million)
Cost of net financial debt	(89)	(103)	-14
Ineffective portion of currency hedge	(54)	(53)	+1
Net gain related to AFS* financial assets and financial instruments	52	60	+8
Others, net	(9)	(6)	+3
Net financial income (expense)	(100)	(102)	-2

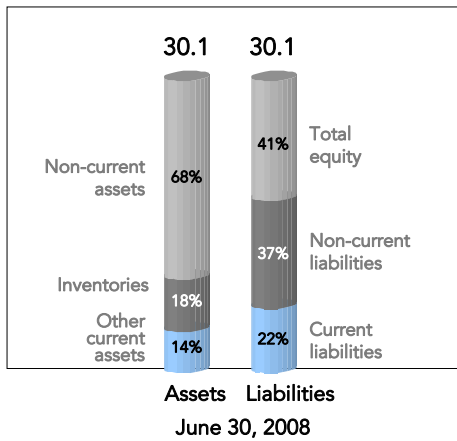
* AFS : available for sale

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Solid financial structure

In billions of Euros



- Rise in inventory levels
 - Increased business
 - Replenishment of distilled alcohol inventories for cognac

- Improvement in financial structure through relative growth in non-current liabilities (medium and long term)

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Analysis of cash flow

<i>In millions of Euros</i>	H1 2007	H1 2008	Change (€million)
Cash from operations before changes in working capital	1 675	1 701	+26
Cost of net financial debt	(98)	(106)	-8
Income taxes paid	(469)	(447)	+22
Net cash from operations before changes in working capital	1 108	1 148	+40
Working capital requirements	(481)	(736)	-255
Operating investments	(373)	(455)	-82
Free cash flow*	254	(43)	-297

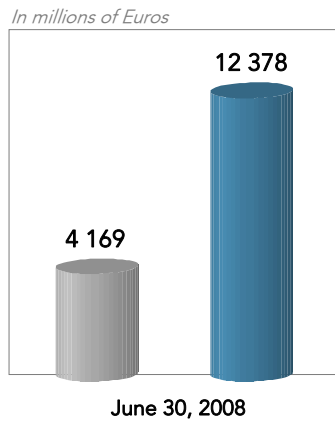
* Before available for sale financial investments, transactions relating to equity and financing activities

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Net financial debt and equity

- Net financial debt
- Total Equity



Gearing 34%

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| Antonio Belloni

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PERFUMES & COSMETICS

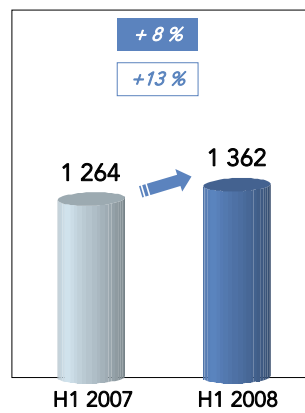
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PERFUMES & COSMETICS

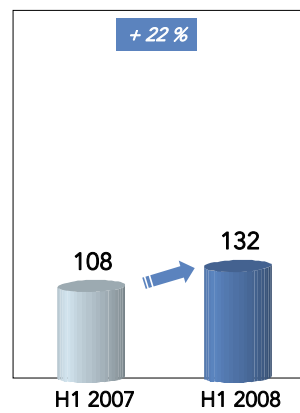
Key figures

In millions of euros

Revenue



Profit from recurring operations



Reported growth

Organic growth

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H1 2008 Highlights

- Revenue by region: strong progress in the US, Asia and Europe
- New qualitative and profitable growth at Parfums Christian Dior
 - Remarkable performance of all product categories and regions
 - Exceptional vitality of great classics in perfumes, notably *J'Adore* and *Poison*
 - Success of make-up driven by recent launches of *Addict* line and new *DiorSkin* foundation

H1 2008 Highlights

- Profitable growth at Guerlain, celebrating 180 years of prestigious creations
 - Rapid growth in make-up of *Terracotta* line and new Mascara « *Le 2* »
 - Success of *Orchidée Impériale* skincare line
- Further momentum of *Ange ou Démon* perfume at Parfums Givenchy
- Strengthening of BeneFit in all markets
- Solid progress of Make Up For Ever, Acqua di Parma and Parfums Loewe

2008 Outlook

- Continue to gain market share and improve operating margin
- Parfums Christian Dior: continue qualitative growth
 - Sustain development of the major lines: *J'Adore*, *Poison*, *Capture*, *Addict*
 - Exceptional success of *Escale à Portofino*
 - New men's fragrance *Dior Homme Sport* with actor Jude Law
- Many initiatives for other brands
 - Launch of a very innovative mascara and new male fragrance *Play* with Justin Timberlake at Parfums Givenchy
 - Reinforced expansion plan in Asia for BeneFit
 - New men's perfume *KenzoPower*

Perfumes & Cosmetics visual

SELECTIVE RETAILING

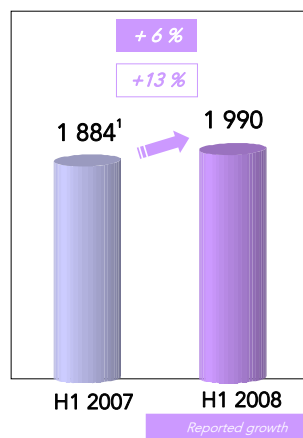
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SELECTIVE RETAILING

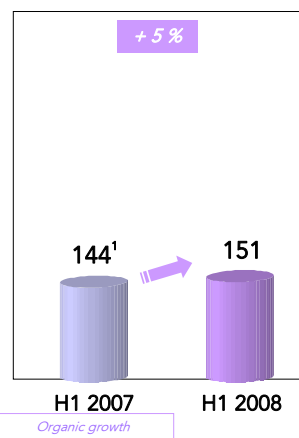
Key figures

In millions of euros

Revenue



Profit from recurring operations



1. Restated after reclassifying La Samaritaine from Selective Retailing to Other Activities.

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H1 2008 Highlights

- Revenue by region: rapid progress in the US (+16% in \$) and Europe (+14% in €) ; Asia +3% (in €)

DFS

- Good revenue growth in US dollars fueled by continued momentum of Chinese tourists
- Positive start of new projects: joint-venture in Vietnam, Terminal 3 in Singapore, enlarged stores at Auckland airport
- Particularly rapid progress of Beauty segment and Wines & Spirits

MIAMI CRUISELINE

- High level of foot-traffic

H1 2008 Highlights

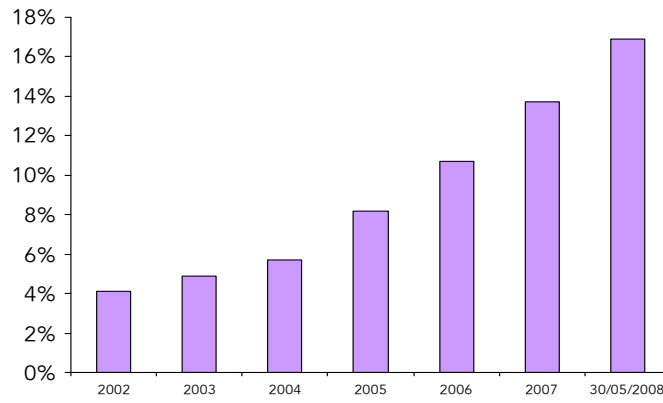
SEPHORA

- Excellent momentum in revenue and profitability on all continents
- Strong growth of sephora.com in the US and France
- Sustained innovation: new exclusive brands, new services, evolution of store concept
- Network of 809 stores in 23 countries at end of June 2008
- Opening in Netherlands, Québec and new Chinese cities
- Celebration of Sephora's 10th anniversary in the US

SELECTIVE RETAILING

H1 2008 Highlights

SEPHORA US – Selective Market Share (NPD)



Source: NPD USA

SELECTIVE RETAILING

Selective Retailing visual

2008 Outlook

DFS: fuel growth in Asian markets

- Renovation of existing stores
- Development of new territories: Macau, Abu Dhabi
- Evolution of product offering and sales staff to satisfy a more diversified clientele

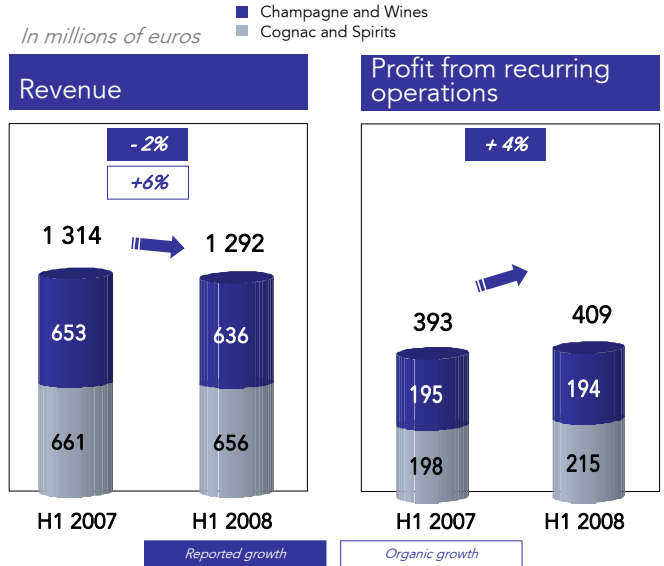
SEPHORA: pursue market share gains

- Accentuate innovation in merchandising, distinctive services and sales assistance
- Continue store network expansion
- Focus on openings in France, the US and China
- Further develop loyalty programs

LE BON MARCHÉ: continued renovation of home department

WINES & SPIRITS Christophe Navarre

Key figures



H1 2008 Highlights

Reaffirmed value creation strategy in a context of weaker currencies

- Organic revenue growth driven by « rising stars »
- Sustained price increases
- Significant improvement of revenue during second quarter, after a start to the year impacted by the reduction of distributors' inventories

Organic revenue growth vs. same period in 2007:

- 1st quarter: +1%
- 2nd quarter: +13%

Continued strong value creation strategy

H1 2008 Highlights

Confirmed vitality of « rising stars »

- Ruinart: revenue growth of more than 20%
- Glenmorangie: good revenue growth, notably in Asia (doubling volumes, very good response to the new packaging)
- Estates & Wines: continued growth
- Belvedere: repositioning in the US market, good performances in New York and in California

Double-digit organic revenue growth
of « rising stars »

H1 2008 Highlights

Remarkable performance in emerging markets

- Contrasting situations in traditional markets
 - Europe: continued revenue growth (+5%)
 - US / Japan: declining demand in a slowing economic context
- Strong progress in high potential markets
 - Asia: +17% (incl. China +33%)
 - Russia: increase of more than 30%, notably for cognac Hennessy
 - Middle East and Latin America: strong potential confirmed

H1 2008 Highlights

Product innovation and strengthening of brand portfolio

- Numerous product launches in Champagne
 - Dom Pérignon: Millésime 2000
 - Moët & Chandon: Grand Vintage 2003
 - Krug: exceptional vintage « Clos d'Ambonnay »
- Innovation at Veuve Clicquot Rosé: « Globalight », contemporary design piece created by Karim Rashid
- New presentation cases for mythical Richard and Paradis cognacs at Maison Hennessy
- Integration of Bodega Numanthia Termes: exceptional red wine produced in Tora Spanish region
- Glenmorangie - refocused on its premium brands, disposal of non-strategic activities
- Strengthened distribution network in Central Europe

Wines & Spirits visual

2008 Outlook

Actively supported brands through innovation and creativity

- Innovations and exclusive offers developed by Hennessy for international travellers
- Launch of new Krug 1998 vintage and two exceptional vintages: Clos du Mesnil 1998 and Krug Collection 1982
- Ruinart Winter Escapade: picnic trunk, reinvented in a sophisticated and unusual way, for a winter « blanc de blanc »
- Luxurious and spectacular packaging designs at Hennessy and Moët & Chandon for Christmas and Year End celebrations

Creations focused
on attracting new customers

2008 Outlook

Accentuate luxury positioning

- Reinforce commercial initiatives
- Maintain marketing efforts for even more luxurious and exclusive images for our products
- Cost control and continued strengthening of internal synergies
- Steadfast focus on product quality

Pursue value creation strategy
in an uncertain global economic environment

WATCHES & JEWELRY

Philippe Pascal

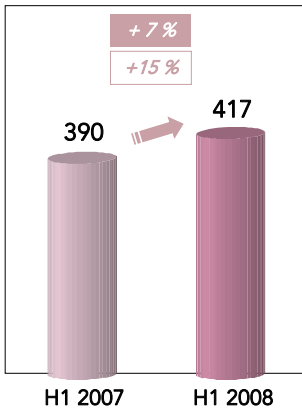
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WATCHES & JEWELRY

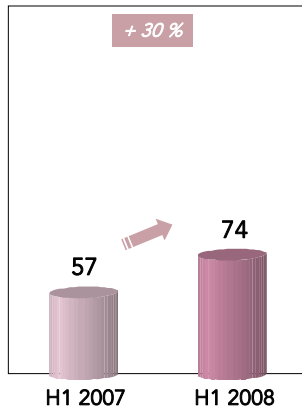
Key figures

In millions of euros

Revenue



Profit from recurring operations



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H1 2008 Highlights

- Revenue by region: solid performance in Asia (+16% in €), Europe (+14% in € ; stable in the US (\$) and Japan (Yen)
- Continued improvement of current operating margin (increased from 15% to 18%)
- Acquisition of watchmaker Hublot announced
 - Unique and powerful brand DNA: *The Art of Fusion*
 - Complementary positioning to TAG Heuer, Zenith and Montres Dior
 - Well-known expertise
- TAG Heuer
 - Sustained progress in Europe and Asia
 - Success of *Grand Carrera* collection
 - Reinforcement of iconic lines *F1, Aquaracer, Link...*
 - Good upmarket positioning momentum

H1 2008 Highlights

- Zenith
 - Excellent performance in Middle East, Russia, the US and Asia
 - Success of new models in the *Chronomaster* line
 - Grand Prix de l'Horlogerie Geneva with Zero G Tourbillon
- Montres Dior
 - Strengthened synergies with fashion and jewelry through creation of joint venture with Christian Dior
 - Progress in all key markets (Asia and Middle East)
 - Continued upmarket positioning of *Christal* line

Watches & Jewelry visual

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H1 2008 Highlights

- Chaumet
 - Joint-venture acquired in Korea ; openings in Jeddah, Riyadh, Shanghai
 - Strong momentum in Europe
 - Strengthened iconic lines: original creations for *Attrape-Moi* line and new rings *Class One Croisière* and *Premiers Liens*
- De Beers
 - New flagship in Ginza (Japan)
 - Strong progress in high-end jewelry
 - Store network expansion:
Houston, Dallas, San Francisco, Taiwan, Kiev...
- Fred
 - Renovation of historical store Place Vendôme
 - Successful relaunch of *Force 10* line

Watches & Jewelry visual

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2008 Outlook

Objective of further market share gains

- **TAG Heuer**
 - Increase industrial integration
 - Develop single-brand stores (Asia)
 - Launch mobile phone
- **Hublot**
 - Integration in LVMH W&J in second half
 - Construction of Hublot Manufacture at Nyon
- **Zenith**
 - Delivery of new classical and high-end watch collections
 - Maintain selective distribution
- **Chaumet**
 - Strengthen high-end jewelry
 - Store network expansion (Beijing, Macau, Hong Kong, Taiwan...)
- **De Beers**
 - Further enhance collections and *classiques* line
 - Store network expansion (Beijing, Macau, Turkey, Riyadh, Jeddah, Bahrain, Florida, Los Angeles...)
- **Fred**
 - Strengthen France and Asia (Japan, Beijing)
 - Develop mid-range jewelry

FASHION & LEATHER GOODS

Yves Carcelle

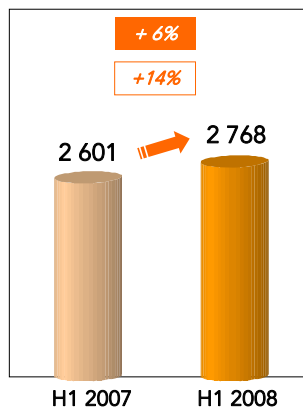
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FASHION & LEATHER GOODS

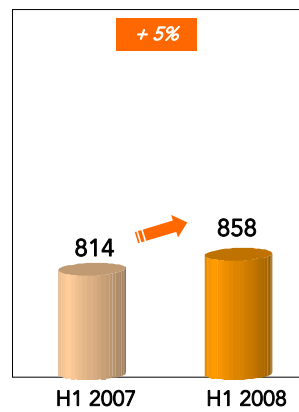
Key figures

In millions of euros

Revenue



Profit from recurring operations



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H1 2008 Highlights

- Revenue by region: progress comparable to the first quarter in the US, Asia and Europe

LOUIS VUITTON

- Double-digit organic revenue growth, once again, in first half 2008
- Excellent performance in Asia, the US and Europe
- Continued strong demand from emerging countries clientele
- 3 new countries : Finland, Qatar, Romania
- 405 stores at end June 2008 (with 15 net openings)
 - Canton Road Hong Kong, Hankyu Osaka, Bangalore, Bucharest, Helsinki, New York Brooklyn Museum, Sao Paulo...

H1 2008 Highlights

LOUIS VUITTON

- Continued high-level of innovation
 - *Mahina*
 - *Tahitienne*
 - New models for permanent lines: *Palermo, Tivoli, Trevi, Galliera...*
 - Bags resulting from the collaboration between Marc Jacobs and Richard Prince
- Strong growth of accessories
- Dynamic and creative communication
 - Launch of the first corporate film
 - New iconic personalities for the institutional campaign
 - Entry into digital world

H1 2008 Highlights

- Continued good performance at Fendi
 - Success of *Maxi-Baguette* bag
 - Successful development of the *Selleria* line
 - Sustained growth of ready-to-wear and shoe collections
 - Continued store network expansion (165 stores at end June 2008)
- Donna Karan: strong revenue progress and profitability improvement
 - Strengthened design around brand values

H1 2008 Highlights

- Loewe: creative renewal with the arrival of Stuart Vevers
- Marc Jacobs: excellent performance of *Marc by Marc Jacobs* line and continued international expansion of store network
- Givenchy: presentation of Riccardo Tisci's first men's collection and opening of new store concept in Paris
- Celine: new leather goods best seller, *l'Orlov* and focused development in China
- Berluti: launch of the shoe collection *L'Empreinte du Loup* and new leather goods products
- Kenzo: continued international roll-out of new store concept
- Pucci: strong growth of orders for next Winter collection and first directly owned store opening in Hong Kong

Fashion & Leather Goods visual

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2008 Outlook

- Pursue Fendi's profitable growth
 - Strengthen iconic leather goods products
 - Continue to optimize distribution network
- Drive growth of other brands in an uncertain economic environment

2008 Outlook

LOUIS VUITTON

- Continue creative momentum
 - Strengthen icons with the *Damier Graphite* launch
 - Launch of new *Monogramouflage* line
- Sustain store opening program
 - New territory: Bahrain
 - 3 new stores in China (including Urumqi)
- Maintain strong communication
- Confidence for the remainder of the year

Fashion & Leather Goods visual