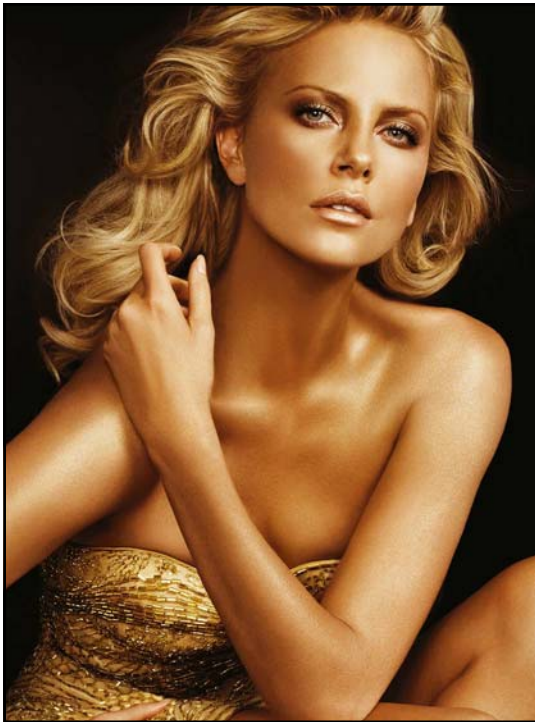


L V M H  
MOËT HENNESSY . LOUIS VUITTON

2008  
Annual Results

February 5, 2009



L V M H  
MOËT HENNESSY . LOUIS VUITTON

Bernard Arnault

## Continued strong momentum in 2008

- Revenue up 4 %
  - Organic revenue growth of 7 %
- Profit from recurring operations up 2%
  - Particularly high comparison base
  - + 6 % at constant exchange rates
- Continued high level of profitability
- Financial strength and limited debt

3

## Solid performance in 2008 in context of slowing global economy

- Strong creative initiatives of Group's brands
- Growing importance of emerging markets with an increasing contribution to Group's performance
- Double-digit organic revenue growth of Louis Vuitton which continues to deliver exceptional level of profitability
- Excellent performance of Parfums Christian Dior and Sephora

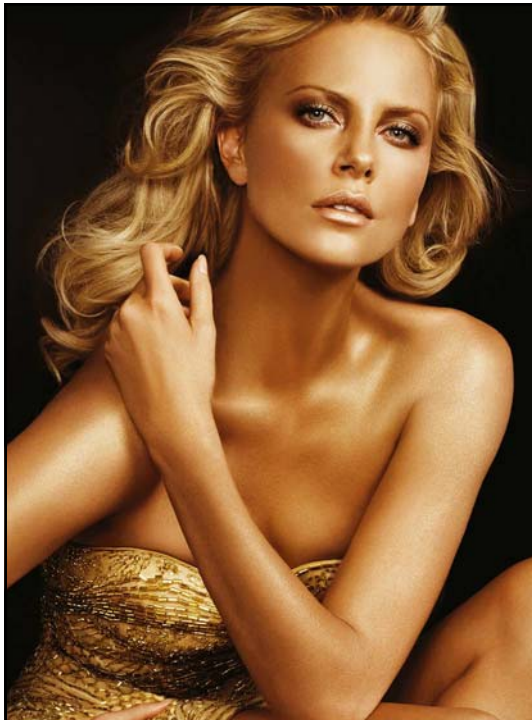
4

## 2009: focus on priorities and continue strong creativity

- Pursue strict cost control
  - Allocate resources to the most profitable activities
  - Be selective in investments
- Maintain strong and qualitative innovation
  - Launch of new products
  - Targeted communication
- Capitalize on key assets to emerge stronger from current economic crisis
  - Powerful brands
  - Quality of products
  - Talented teams

Reinforce LVMH's leadership in global luxury market

5



Jean-Jacques Guiony

## Organic revenue growth: +7 % in 2008

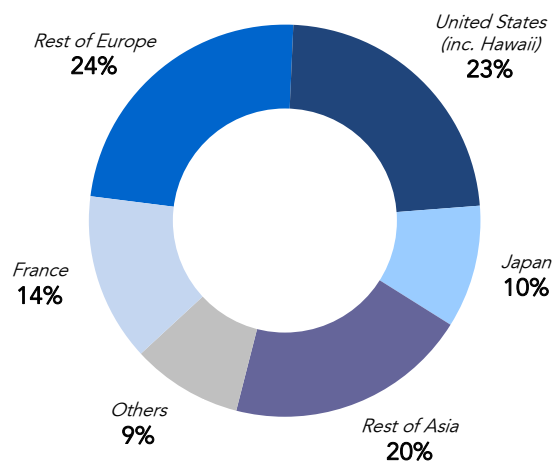
Revenue by business group

<i>In millions of euros</i>	2007	2008	Reported growth	Organic growth
Wines & Spirits	3 226	3 126	-3%	+1%
Fashion & Leather Goods	5 628	6 010	+7%	+10%
Perfumes & Cosmetics	2 731	2 868	+5%	+8%
Watches & Jewelry	833	879	+6%	-2%
Selective retailing	4 164	4 376	+5%	+9%
Others and eliminations	(101)	(66)	-	-
<b>Total</b>	<b>16 481</b>	<b>17 193</b>	<b>+4%</b>	<b>+7%</b>

7

## 2008 revenue breakdown by region

*In %*



8

## 2008 Revenue Evolution by region

LVMH Group		% Change
United States*	\$	+2%
Japan	Yen	-10%
Asia	In local currencies	+19%
Europe	Euros	+7%

\* excl. Hawaii

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## Summarized income statement

<i>In millions of euros</i>	2007	2008	% Change
Revenue	16 481	17 193	+4%
Gross margin	10 695	11 181	+5%
Selling expenses	(5 752)	(6 104)	+6%
Administrative expenses	(1 388)	(1 449)	+4%
Profit from recurring operations	3 555	3 628	+2%
Other income and expenses	(126)	(143)	
Operating profit	3 429	3 485	+2%
Net financial income (expense)	(252)	(281)	
Income taxes	(853)	(893)	
Equity investment income	7	7	
Net profit before minority interests	2 331	2 318	-1%
Minority interests	(306)	(292)	
<b>Group share of net profit</b>	<b>2 025</b>	<b>2 026</b>	<b>-</b>

10

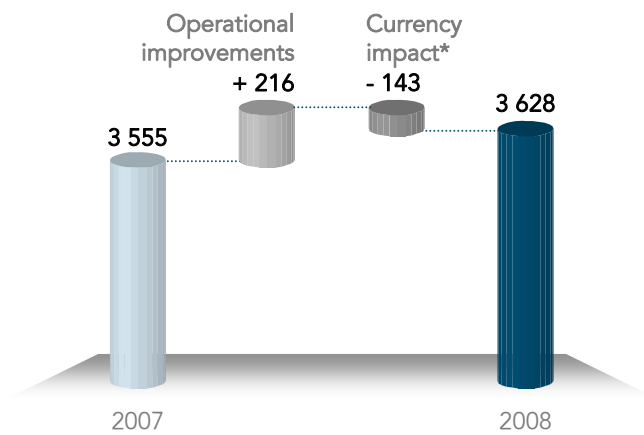
## Profit from recurring operations increased 2 %

<i>In millions of euros</i>	2007	2008	% Change
Wines & Spirits	1 058	1 060	+ 0,2%
Fashion & Leather Goods	1 829	1 927	+ 5%
Perfumes & Cosmetics	256	290	+ 13%
Watches & Jewelry	141	118	- 16%
Selective retailing	426	388	- 9%
Others and eliminations	(155)	(155)	-
<b>LVMH</b>	<b>3 555</b>	<b>3 628</b>	<b>+ 2%</b>

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## Profit from recurring operations increased 6 % at constant currency

*In millions of euros*



\* Incl.: Fashion & Leather Goods -94M Perfumes & Cosmetics -24M

12

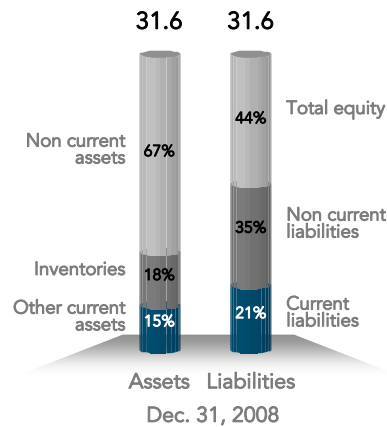
## Change in net financial expense

<i>In millions of euros</i>	2007	2008	Change (M€)
Cost of net financial debt	(207)	(257)	-50
Ineffective portion of currency hedge	(97)	(64)	+33
Income relating to investments, assets and other financial instruments	44	53	+9
Other items - nets	8	(13)	-21
<b>Net financial income (expense)</b>	<b>(252)</b>	<b>(281)</b>	<b>-29</b>

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## Solid financial structure

*In billions of euros*



- Strong increase in total equity
- Rise in inventory level
  - Build-up eaux de vie inventories for cognac
  - Acquisitions in the year

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## Analysis of cash flow from operations

<i>In millions of euros</i>	2007	2008	Change (M€)
Cash from operations before changes in working capital	4 039	4 096	+57
Net interests paid	(191)	(222)	-31
Income taxes paid	(916)	(866)	+50
Net cash from operations before changes in working capital	2 932	3 008	+76
Working capital requirements	(474)	(730)	-256
Operating investments	(952)	(947)	+5
<b>Free cash flow*</b>	<b>1 506</b>	<b>1 331</b>	<b>-175</b>

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

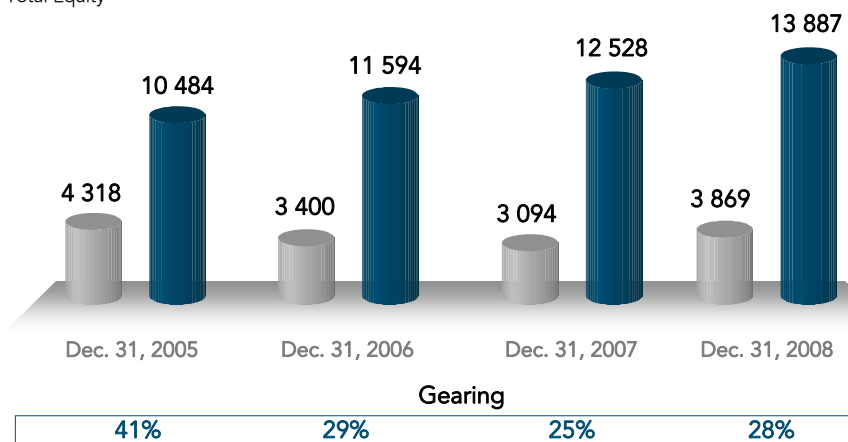
- High ratio of net financial debt covered by 2008 cash flow
- Dividend per share maintained at 1.60 euro

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## Net financial debt and equity

*In millions of euros*

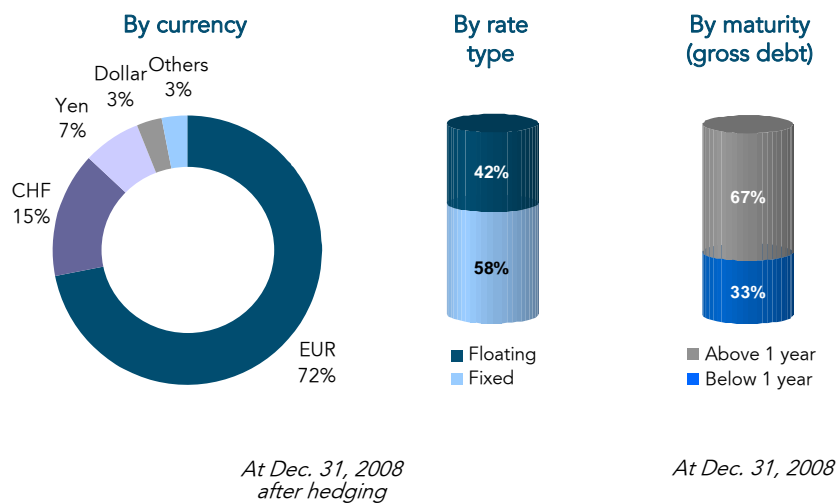
- Net financial debt
- Total Equity



16

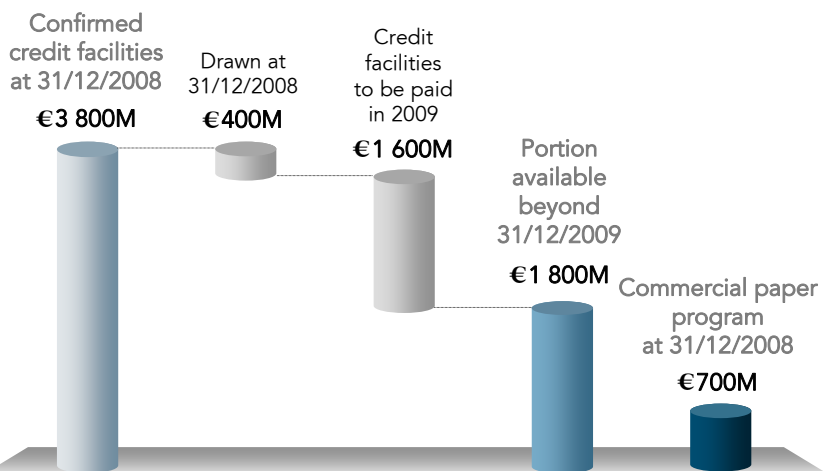


## Debt analysis

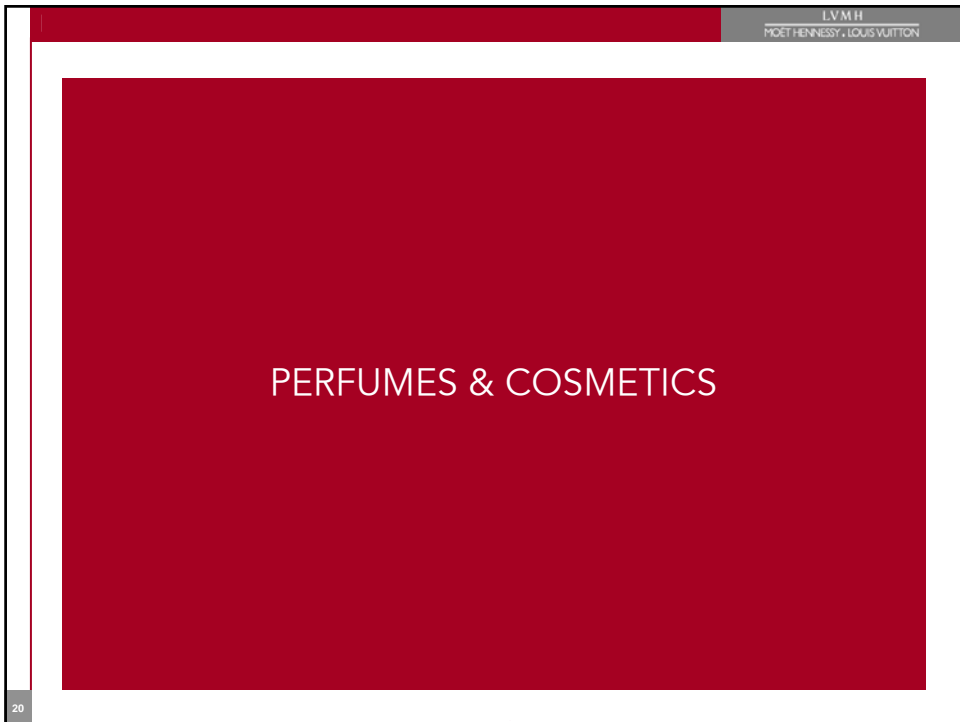
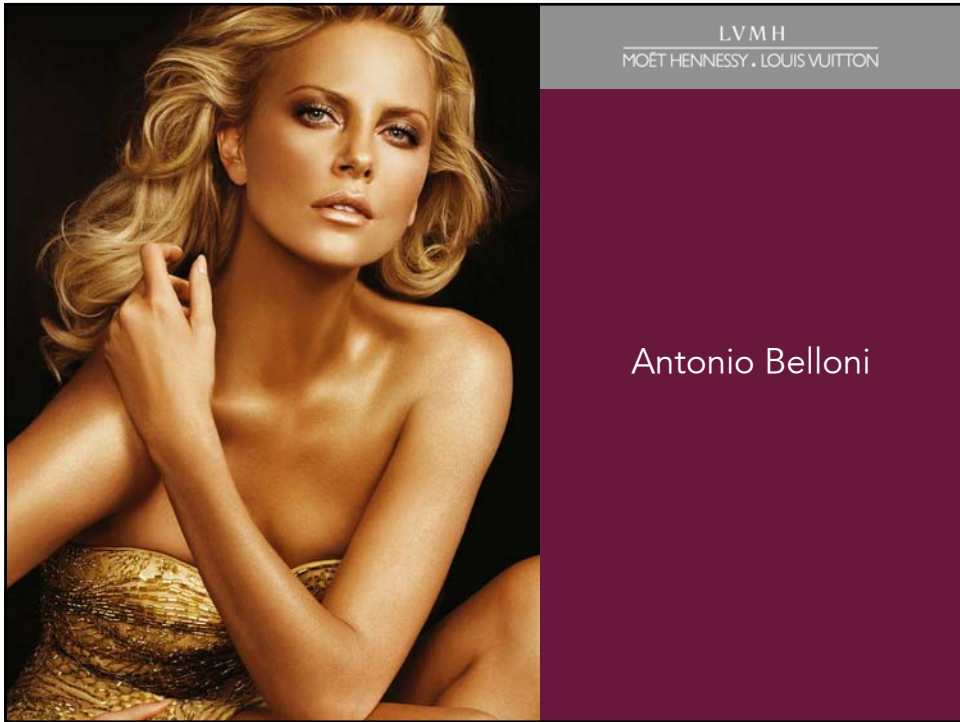


17

## Strong financial flexibility

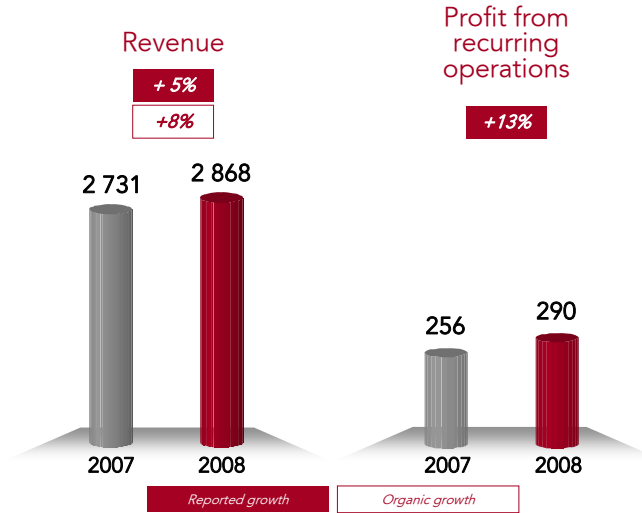


18



## Key figures

*In millions of euros*



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## An effective strategy

	2005	2006	2007	2008
Organic revenue growth	+7%	+11%	+12%	+8%
Operating margin	7.6%	8.8%	9.4%	10.1%
<i>Market share evolution</i>				
France*	↗	↗	↗	↗
US*	↘	↗	↗	↗
China**	↗	↗	↗	↗
Russia**	↗	↗	↗	↗

\* NPD Data

\*\* Source: Store Panel

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## 2008 Highlights

- Revenue growth in all markets: Asia (+20 % in local currencies) ; US (+10 % in \$) ; Europe (+3 % in €) ; Japan (+3 % in Yen)
  
- Parfums Christian Dior: exceptional image
  - Record year in terms of revenue and profitability
  - Good performance of perfumes fueled by vitality of *J'Adore* and success of new launches *Dior Homme Sport* and *Escale à Portofino*
  - Excellent progress of make-up driven by *Diorshow Iconic* mascara and *Dior Addict* line
  - Continued development of *Capture* skincare line

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*Perfumes & Cosmetics visual*

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## 2008 Highlights

- Guerlain: Another year of profitable growth
  - Very favorable reception to new perfume *Guerlain Homme* and new communication campaign for *Shalimar*
  - Success of new mascara *Le 2* and continued strong momentum for premium skincare *Orchidée Impériale*
  
- Parfums Givenchy: Growth in all product categories
  - Sustained development of *Very Irresistible* and promising launch of male fragrance *Play*
  - Success of new mascara *Phenomen'Eye*
  
- Benefit: Continued success of its playful positioning and strong progress in China

25

## 2009 Outlook

- Continue to gain market share, priority on countries with strong potential
  
- Parfums Christian Dior: Pursue growth driven by great quality
  - Reinforce star lines in perfume segment: *J'Adore*, *Poison*, *Miss Dior*
  - Makeup creativity inspired by couture, launch *Diorskin Nude*
  - Development of skincare range *Capture*
  
- Profitable development of other brands
  - International deployment of Givenchy's *Play* fragrance
  - Priority to strengthening key products at Guerlain: *Shalimar*, *Terracotta*, *Orchidée Impériale*
  - Expand Kenzo and Make Up For Ever in China, launch Benefit in Russia

26

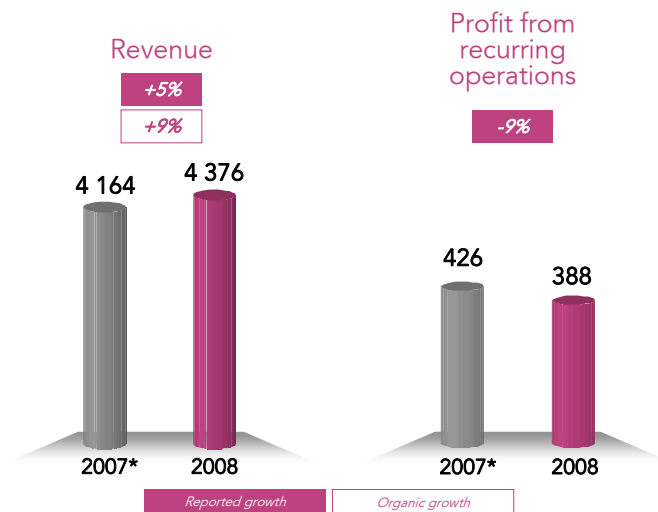
## SELECTIVE RETAILING

27

### SELECTIVE RETAILING

## Key figures

*In millions of euros*



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\* After reclassification of La Samaritaine activities from Selective retailing to Other activities.

## 2008 Highlights

- Progress in US (+10% in \$) and Europe (+7% in €) ; Asia +7% (in local currencies)

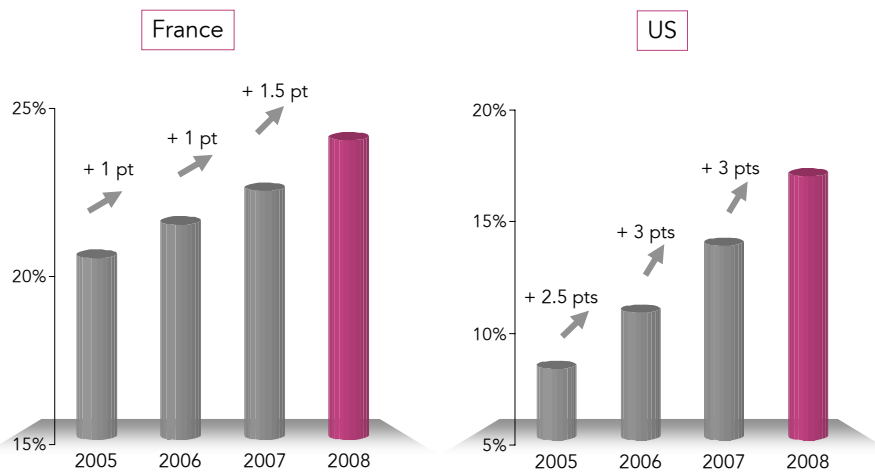
### DFS

- Slight increase in revenue despite crisis
- Lower Japanese tourism
- Development of new Asian clientele
  - Opening in Macao, relaunch of Chinachem (Hong Kong) to benefit from increasing momentum of Chinese clientele
  - Openings in Abu Dhabi and Mumbai, first stage of development in these territories
- Short-term impact of investments on profitability
- Structural cost reductions in fourth quarter

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## 2008 Highlights

### Sephora - Market share gains between 2005 and 2008



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## 2008 Highlights

### SEPHORA

- Excellent momentum in revenue and profits
- Solid comparable store revenue growth
- Network of 898 stores in 23 countries
  - 142 net openings, 4 new countries
  - Acquired stake in Ile de Beauté in Russia
- Excellent performance of Internet sales in France, US and China
- Sustained innovation: new exclusive brands, new services, store concept evolution
- Rapid development of own brand products

### LE BON MARCHÉ

- Refurbishment of home department
- Launch of on-line sales website *treees/bm.com*

*Selective retailing visual*



## 2009 Outlook

### DFS

- Continue rigorous cost management
- Open second store in Macao in summer 2009
- Develop profitability of new sites

### SEPHORA: another year of profitable growth

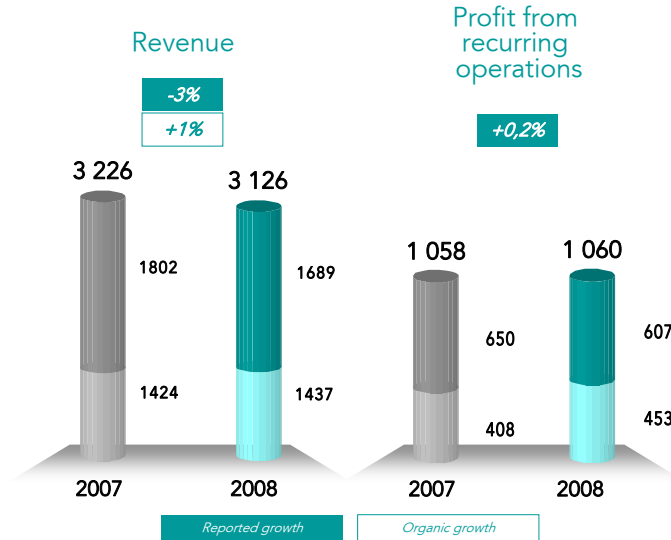
- Focus openings in highest potential countries
- Pursue innovation policy accompanied by efforts to drive productivity
- Roll-out loyalty programs

## WINES & SPIRITS

## Key figures

In millions of euros

■ Champagne and Wines  
■ Cognac and Spirits



35

## 2008 Highlights

Maintained performance in difficult economic context

- Revenue growth, except Champagne - traditionally more sensitive to economic context
  - Champagne -4% vs 2007 (*organic*)
  - Wines +4% "
  - Cognac +4% "
  - Spirits +13% "
- Sustained price increase policy
- Increased market share
- Business contraction in 4th quarter
- Good resilience in profit which remained stable despite slight revenue decline in euros

Demonstrated good capacity to absorb cycles, thanks to our value and portfolio strategy

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## 2008 Highlights

### Significant contribution of emerging markets

- **Europe:** good resistance of markets with 3% growth
- **US / Japan:** reduced demand in slowing economic climate
- Sustained revenue growth (in local currencies) in high-potential markets
  - **Asia:** continued strong revenue growth (+17%)
  - **China:** + 22% vs 2007, 2nd contributor to profits of Moët Hennessy and 1st for Cognac
  - **Russia:** + 18% vs 2007
  - **Middle East and Latin America:** + 23% vs 2007

Validation of geographic balance strategy

37

## 2008 Highlights

### Contrasting performances in product categories

- **Difficult year for champagne, particularly in US**
  - Sustained growth in emerging markets (China, Central Europe, Latin America, Middle East)
  - General revenue slowdown in fourth quarter
  - Cautious inventory management at year-end in the US
- **Growth in spirits**
  - Hennessy: strong progress in Asia and market share gains
  - Glenmorangie: good performance in Asia
  - Millennium: market share gains in US
- **Notable progress of *rising stars***
  - Ruinart: + 11%
  - Estates & Wines: + 4%, with a strategy of up market positioning for still wines

Luxury spirits confirm their resilience  
to economic cycles

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## 2008 Highlights

Reinforced worldwide leadership of prestige sector, thanks to numerous marketing and commercial initiatives

- Innovative year
  - Glenmorangie Signet revolutionized pure malt whisky
  - Krug Clos d'Ambonnay 1995: a unique Champagne
  - Hennessy Diptyque: exclusively for duty free market
  - Numanthia Termes: acquisition of exceptional Spanish wine
- Reinforced our worldwide commercial network
  - Significant expansion of sales force in China
  - Established commercial program of *portfolio selling*
  - Strengthened *off-trade* channel and major accounts in US

Reflects dynamism and ability to react rapidly  
to new context

*Wines & Spirits visual*

## 2009 Outlook

Refine and better target value creation strategy

- Selective price increases in selected products and markets
- Continue targeted marketing initiatives
  - Planned launches of numerous new products:  
Hennessy, Ardbeg, Belvedere, Glenmorangie, etc,
- Reorganize teams and focus resources on sales forces
- Reinforce off-trade distribution channel,  
taking into account changes in consumption trends

Maximize all available opportunities  
in current difficult situation

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## 2009 Outlook

Intensify innovation and creativity effort to prepare for future

- Spirits: continue intensive innovation program
- Champagne: refine the portfolio strategy and  
develop new growth opportunities
- Mobilize efforts in US and Asia as a priority
- Maximize organisational strengths and generate new synergies

Emerge stronger from crisis

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# WATCHES & JEWELRY

## WATCHES & JEWELRY

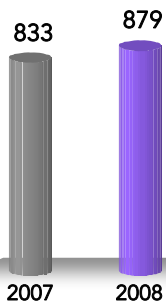
### Key figures

In millions of euros

#### Revenue

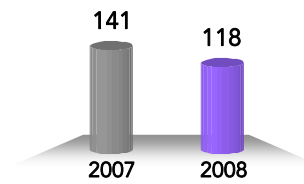
+6%

-2%



#### Profit from recurring operations

-16%



Reported growth

Organic growth

## 2008 Highlights

- **Revenue by region** (including Hublot): Solid performance in Asia (+19% in local currencies) and in Europe (+20% in €) ; decline in US and Japan
- **Hublot:** Complementary high-end positioning
  - Double-digit revenue growth in all markets
  - Relaunch of classic range
  - Construction of manufacturing plant in Nyon
- **TAG Heuer:** Pursued upmarket positioning
  - Successful worldwide deployment of *Grand Carrera* collections
  - First mobile phones line, *Meridiist*
  - Targeted expansion of store network
  - Geneva "Grand prix d'Horlogerie" in the sports category
- **Zenith:** Affirmed positioning in high-end watches
  - Solid performance of classic collections (*Chronomaster, Class*)
  - Innovative watch complications
  - Expanded distribution in China and opened in India
- **Montres Dior:** Automatic models and first tourbillon for *Christal* collection
  - Creation of joint-venture with Dior Couture

45

*Watches & Jewelry visual*

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## 2008 Highlights

- Chaumet: Targeted development
  - Sustained growth in France
  - Reinforced presence in key markets
  - Success of jewelry collection *Attrape-Moi*
  - Enhanced image personified by Sophie Marceau
- De Beers: Reinforced diamond positioning
  - Growth in high-end jewelry and solitaire collections
  - Development of store network (US, Japan, Taiwan, Middle East)
  - Enhanced reputation
- Fred
  - Acclaimed success of *Force 10* line
  - Refurbishment of Place Vendôme flagship
  - New ad campaign featuring Kate Moss

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*Watches & Jewelry visual*

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## 2009 Outlook

- Objective of market share gains
- Increase marketing focus on highest potential brand/market couples
- Improve productivity of existing network (reduce openings)
- Prioritize industrial integration of TAG Heuer and Hublot
- Continue cost reduction plan initiated in 2008
- Optimize production volumes and model ranges
- Product creativity: focus on "icons" and "classics"

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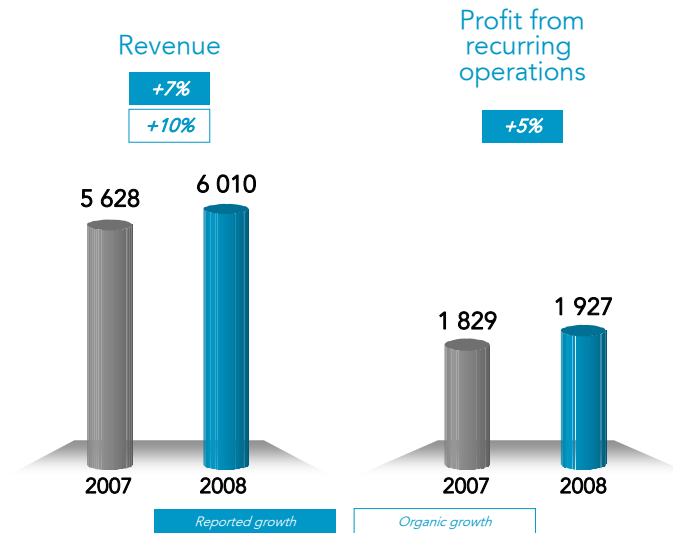
*Watches & Jewelry visual*

50

*Watches & Jewelry visual*

FASHION & LEATHER GOODS

## Key figures

*In millions of euros*

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## 2008 Highlights

- Good performance in US (+9% in \$), in Asia (+27% in local currencies) and in Europe (+9% in €, decline in Japan).

## LOUIS VUITTON

- Another year of double-digit organic revenue growth
- Remarkable performance in Europe, US and Asia
- Strong momentum of Chinese clientele, now the second largest clientele of the brand worldwide
  - Greater China : 20% of 2008 revenue
- 425 stores at end 2008 (35 net openings)
- New territories: Finland, Qatar, Romania, Bahrain

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## 2008 Highlights

### LOUIS VUITTON

- Successful launch of new *Damier Graphite* line
- Enhancement of permanent lines with new popular models:  
*Palermo, Tivoli, Trevi, Galliera...*
- New collaborations in leather goods with Rei Kawabuko (*Comme des Garçons*), Richard Prince and Takashi Murakami
- Strong progress of accessories
- Continued focus on the environment:  
ISO 14001 certification of Pont-Neuf corporate headquarters
- Strengthened communication
  - New iconic stars for institutional campaign
  - First institutional film
  - Major architectural programs

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*Fashion & Leather Goods visual*

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## 2008 Highlights

- Fendi: continued profitable growth
  - Rapid progress in Europe and in Asia
  - Sustained development in leather goods of the iconic *Baguette* and of historical line *Selleria*
  - Growing success of ready-to-wear
  - 180 stores at end 2008 (2 new territories, Qatar and Mexico)
- Donna Karan: record year despite a difficult fourth quarter
  - Strong progress of *Donna Karan Collection* luxury line and *DKNY* line
  - Good reception to new *DKNYC* line

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## 2008 Highlights

- Marc Jacobs: growing success of Marc by Marc Jacobs line and store network expansion
- Givenchy: strong growth of women's ready-to-wear in Europe and US ; confirmed success of *Nightingale* leather goods line
- Berluti: launch of new shoe collection *L'empreinte du loup* and new leather goods line *Cervo*
- Kenzo: continuation of store network refurbishment
- New designers at Celine, Pucci and Loewe

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## 2009 Outlook

- Continued profitable growth at Fendi
  - Innovate in leather goods
  - Reinforce iconic products in leather goods
  - Selectively develop store network
- Strengthen foundations of other brands
  - Vitality of creative teams
  - Selective investments in store networks

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## 2009 Outlook

## LOUIS VUITTON

- Strong creative momentum
  - Continued innovation in leather goods
  - Initiate new fields such as high-end jewelry
- New collaboration with major artists (Stephen Sprouse)
- Continue targeted expansion of store network
- Exploit new shoe production site in Fiesso (Italy)
- Prepare new Maison openings in London and Rome

60