




2009
Annual Results

February 4, 2010

LVMH
MOËT HENNESSY · LOUIS VUITTON



Bernard Arnault

LVMH
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Good resistance of LVMH in the context of 2009 crisis

- ◆ Business rebound in fourth quarter, brought 2009 revenue to 17.1 billion euros
 - Significant performance improvement for all businesses in fourth quarter
 - Record revenue reached in December
- ◆ Profit from recurring operations down 8 %
 - Adjusted costs to environment
- ◆ Maintained high level of profitability
- ◆ Strong growth of free cash flow
 - Rigorous inventory management
 - Targeted investments

Strengthened star brands in 2009

- ◆ Market share gains of star brands in key regions
- ◆ Increasing success with Asian clientele
- ◆ Exceptional momentum of Louis Vuitton
 - Double-digit revenue growth
 - Exceptional level of profitability
- ◆ Good resilience at Hennessy and Parfums Christian Dior due to ongoing product innovation
- ◆ Growth at Sephora in revenue and profit from recurring operations

2010: continue to reinforce our competitive strengths

In a context marked by:

- ◆ Uncertainty of the vigor of the recovery
- ◆ Increasing selectivity by clientele

LVMH will pursue:

- ◆ Qualitative innovation and sustained communication
- ◆ Targeted geographic expansion
- ◆ Flexibility and reactivity of brands

and take advantage of our assets:

- Quality and durability
- Heritage
- Creativity
- Know-How

LVMH: an excellent position to continue to reinforce leadership in luxury market

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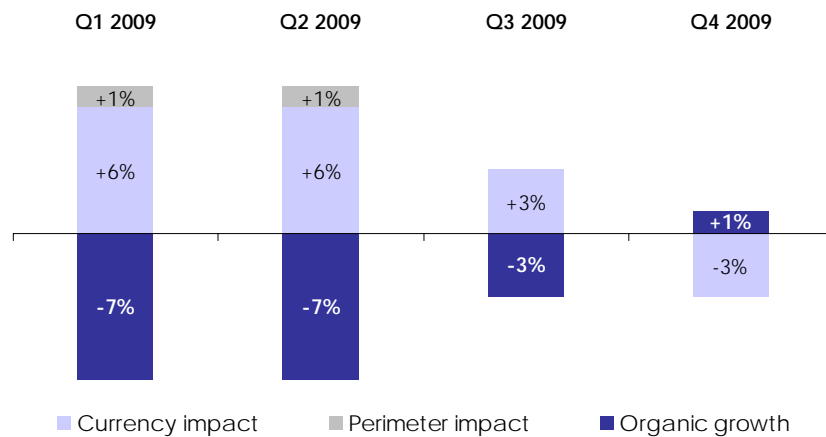
Jean-Jacques Guiony

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Revenue by business group

<i>In millions of euros</i>	2008	2009	Reported growth	Organic growth
Wines & Spirits	3 126	2 740	- 12%	- 14%
Fashion & Leather Goods	6 010	6 302	+ 5%	+ 2%
Perfumes & Cosmetics	2 868	2 741	- 4%	- 5%
Watches & Jewelry	879	764	- 13%	- 19%
Selective retailing	4 376	4 533	+ 4%	+ 1%
Others and eliminations	(66)	(27)	-	-
Total LVMH	17 193	17 053	- 1%	- 4%

Quarterly evolution of 2009 revenue



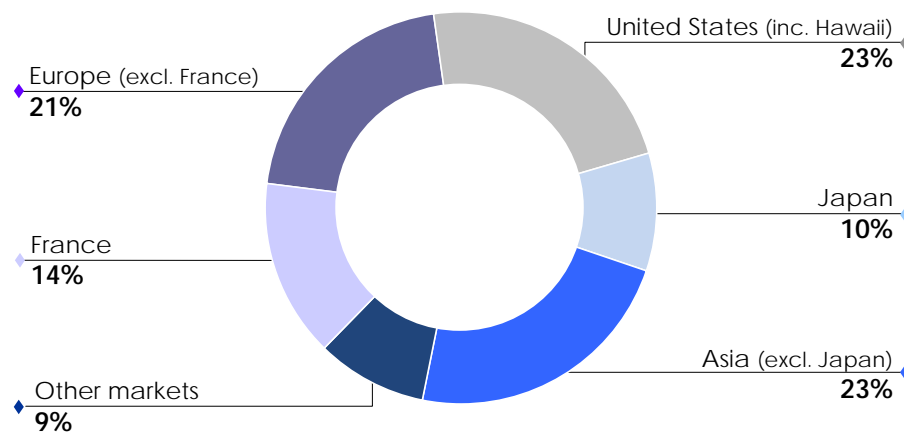
Fourth quarter 2009 revenue by business group

Organic revenue growth versus same period of 2008

	9 months 2009	Q4 2009	2009
Wines & Spirits	- 18%	- 6%	- 14%
Fashion & Leather Goods	+ 1%	+ 3%	+ 2%
Perfumes & Cosmetics	- 7%	+ 2%	- 5%
Watches & Jewelry	- 28%	+ 5%	- 19%
Selective retailing	-	+ 4%	+ 1%
Total LVMH	- 6%	+ 1%	- 4%

2009 revenue breakdown by region

In % of total revenue



Revenue change by region

Evolution in local currencies
versus same period of 2008

LVMH Group	9 months 2009	Q4 2009	2009
US*	- 12%	+ 3%	- 7%
Japan	- 19%	- 18%	- 19%
Asia	+ 7%	+ 19%	+ 10%
Europe	- 5%	- 3%	- 4%

* excl. Hawaii

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Summarized income statement

<i>In millions of euros</i>	2008	2009	% Change
Revenue	17 193	17 053	- 1%
Gross margin	11 181	10 889	- 3%
Selling expenses	(6 104)	(6 051)	- 1%
Administrative expenses	(1 449)	(1 486)	+ 3%
Profit from recurring operations	3 628	3 352	- 8%
Other income and expenses	(143)	(191)	
Operating profit	3 485	3 161	- 9%
Net financial income (expense)	(281)	(342)	
Income taxes	(893)	(849)	
Equity investment income	7	3	
Net profit before minority interests	2 318	1 973	- 15%
Minority interests	(292)	(218)	
Group share of net profit	2 026	1 755	- 13%

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Profit from recurring operations by business group

<i>In millions of euros</i>	2008	2009	% Change
Wines & Spirits	1 060	760	- 28%
Fashion & Leather Goods	1 927	1 986	+ 3%
Perfumes & Cosmetics	290	291	+ 0.3%
Watches & Jewelry	118	63	- 47%
Selective retailing	388	388	-
Others and eliminations	(155)	(136)	<i>ns</i>
Total LVMH	3 628	3 352	- 8%

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Half-year changes in 2009 profit from recurring operations

<i>% Change</i>	H1 2009	H2 2009	2009
Wines & Spirits	- 41%	- 20%	- 28%
Fashion & Leather Goods	+ 7%	- 0.2%	+ 3%
Perfumes & Cosmetics	- 8%	+ 8%	+ 0.3%
Watches & Jewelry	- 73%	- 2%	- 47%
Selective retailing	- 15%	+ 9%	-
LVMH	- 12%	- 5%	- 8%
LVMH at constant currency	- 15%	- 2%	- 8%

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Change in net financial expense

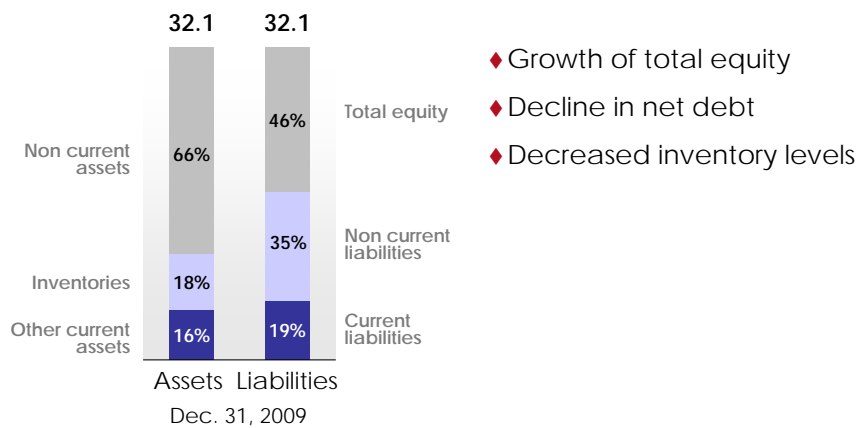
<i>In millions of euros</i>	2008	2009	Change (M€)
Cost of net financial debt	(257)	(187)	+70
Ineffective portion of currency hedge	(64)	(46)	+18
Income relating to investments, assets and other financial instruments	53	(94)	-147
Other items - net	(13)	(15)	-2
Net financial expense	(281)	(342)	-61

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Solid financial structure

In billions of euros



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Analysis of cash flow from operations

<i>In millions of euros</i>	2008	2009	Change (M€)
Cash from operations before changes in working capital	4 096	3 928	-168
Net interest paid	(222)	(185)	+37
Income taxes paid	(866)	(900)	-34
Net cash from operations before changes in working capital	3 008	2 843	-165
Working capital requirements	(730)	91	+821
Operating investments	(947)	(729)	+218
Free cash flow*	1 331	2 205	+874

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

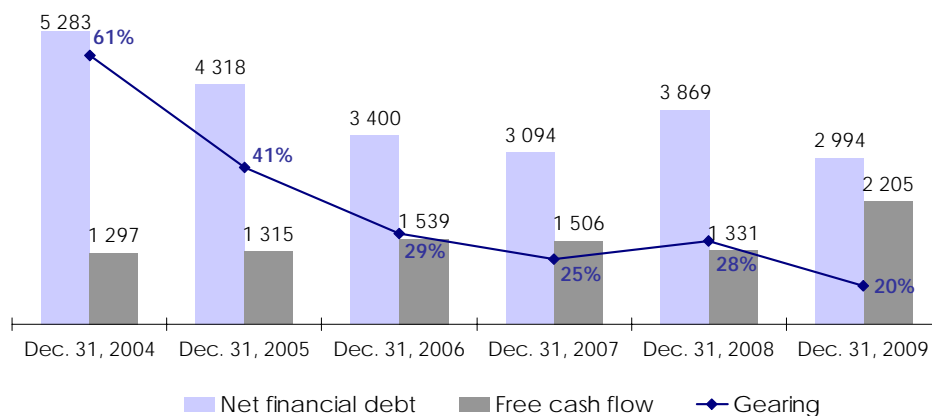
◆ Dividend per share of 1.65 euro, an increase of 3 %.

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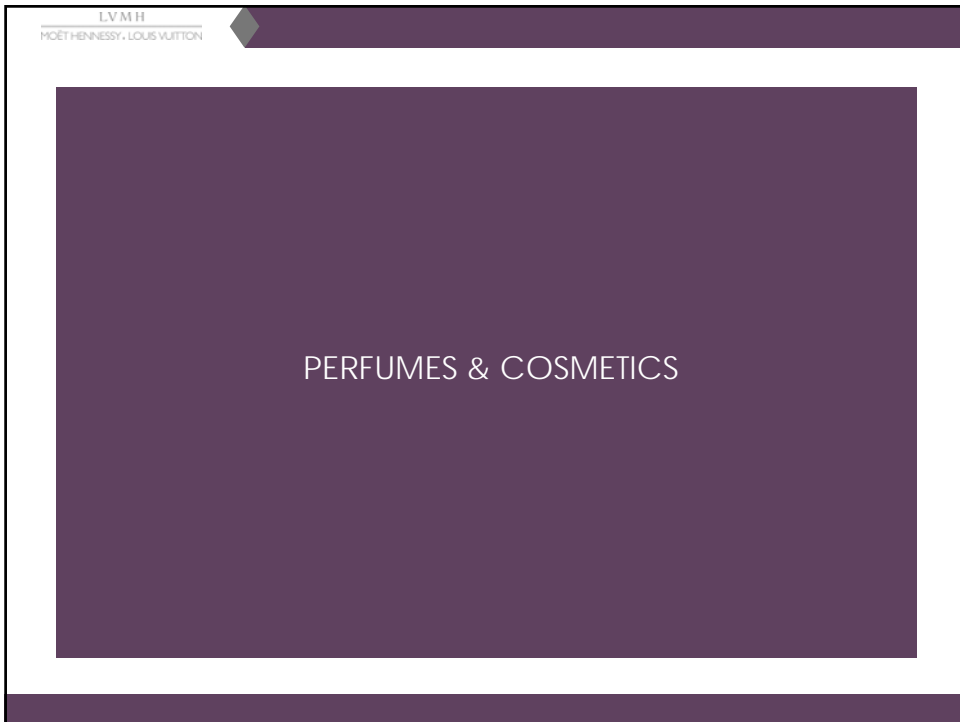
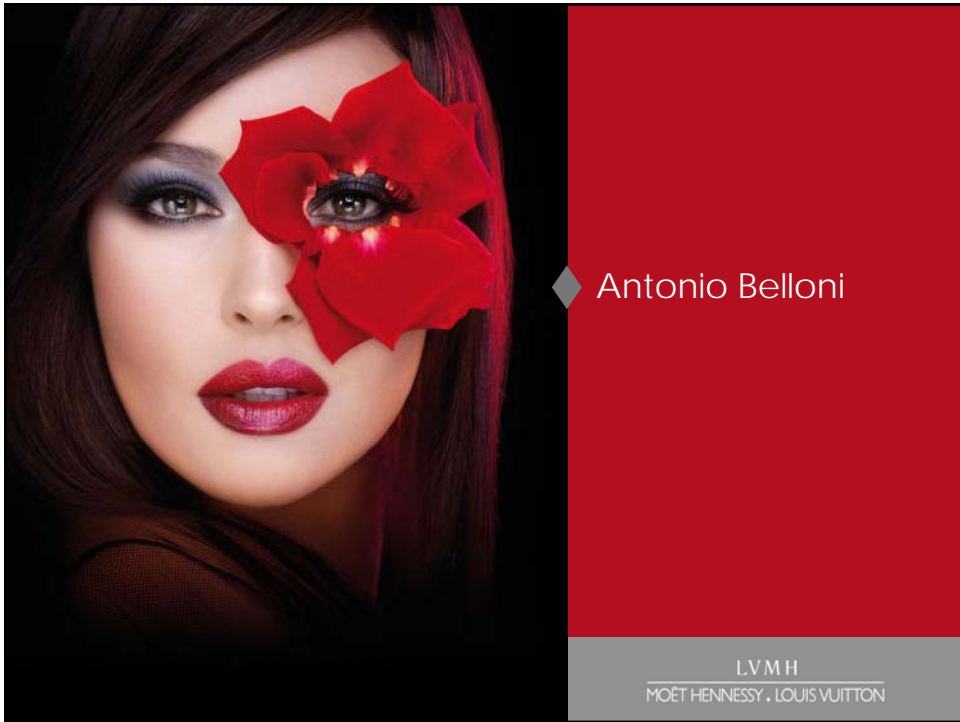
Net financial debt and free cash flow

In millions of euros



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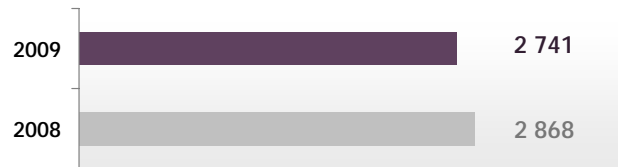
LVM H
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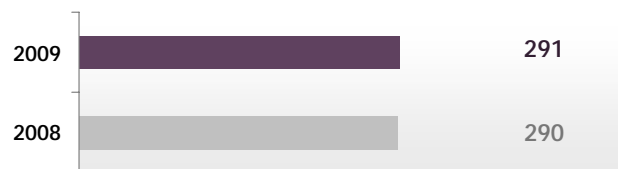
Key figures

In millions of euros

Revenue - 4%
Organic growth - 5%



Profit from recurring operations + 0.3%



2009 Highlights

- ◆ Market share gains and improved current operating margin at 11%
- ◆ Strategy of excellence, rigorous management
- ◆ Revenue by region (in local currencies): +9% in Asia ; US, Europe and Travel retail in decline
- ◆ Parfums Christian Dior: maintained aggressive strategy rooted in the fashion universe
 - Continued excellent performance of *J'adore*
 - Successful relaunch of *Miss Dior Chérie* and *Eau Sauvage*
 - Success in make-up of new foundation *Diorskin Nude* and *Sérum de Rouge* lipstick
 - Pursued growth of *Capture Totale* skincare

Perfumes & Cosmetics visual

2009 Highlights

- ◆ Guerlain: good momentum in priority markets
 - Remarkable success of new lipstick *Rouge G*
 - Promising start of new perfume *Idylle*
 - Progress of premium skincare *Orchidée Impériale*
- ◆ Parfums Givenchy: successful launches of *Play* and *Ange ou Démon Le Secret*
- ◆ Parfums Kenzo: strengthened main product lines
- ◆ Benefit: continued expansion in Asia and Europe
- ◆ Make Up For Ever: strong progress driven by success of *High Definition* and *Aqua* lines

Perfumes & Cosmetics visual

2010 Outlook

- ◆ Continue to gain market share through quality and creativity
- ◆ Parfums Christian Dior: exceptional image and innovation
 - Strengthen star lines in perfume and make-up segments
 - Major innovation in skincare with *One Essential*
 - Draw on the know-how
- ◆ Profitable growth of other brands
 - Continue to strengthen the core products at Guerlain and to roll-out *Idylle* perfume
 - New communication and launch of a cologne *FlowerbyKenzo* to celebrate the line's 10th anniversary
 - Continue to expand Parfums Loewe and Acqua di Parma

Perfumes & Cosmetics visual

SELECTIVE RETAILING

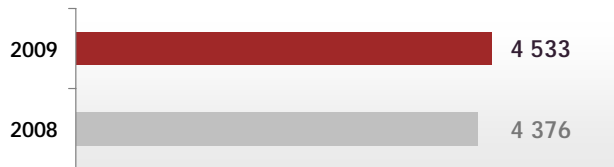
Key figures

In millions of euros

Revenue

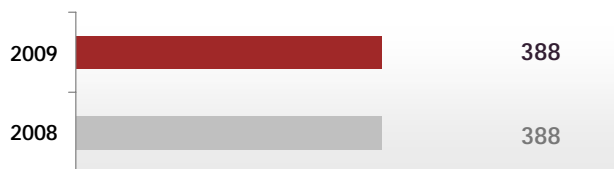
+ 4%

Organic growth + 1%



Profit from recurring operations

0%



2009 Highlights

- ◆ Revenue by region (in local currencies): Europe (+2%) and Asia (+7%) ; decline in the US

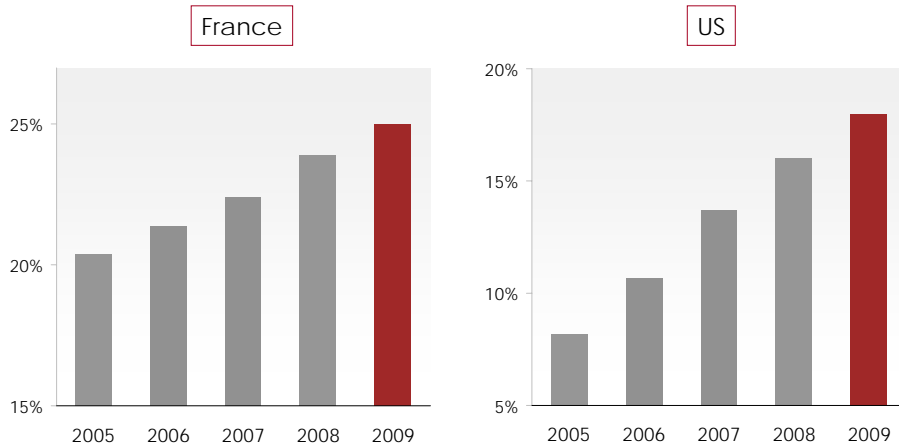
DFS

- ◆ Solid performance in terms of revenue and profitability
- ◆ Growing importance of Chinese clientele
 - Confirmed success of Macao *Galleria*
 - Strong momentum in Hong Kong thanks to investment in the *Galleries*
- ◆ Good performance of Abu Dhabi concession
- ◆ Rigorous control of costs and inventories

Selective retailing visual

2009 Highlights

Sephora – Market share evolution between 2005 and 2009



Source NPD

2009 Highlights

SEPHORA

- ◆ Revenue growth in all markets and on Internet
- ◆ Increased profit from recurring operations
- ◆ Network of 986 stores (+88 net openings)
- ◆ New brands and innovative services
- ◆ Rapid development of Sephora brand products
- ◆ Focus on productivity

LE BON MARCHE

- ◆ Reinforced store identity and positioning
- ◆ Regrouping of Home and Leisure areas on second floor

Selective retailing visual

2010 Outlook

DFS

- ◆ Strengthen Chinese clientele destinations:
Hong Kong, Macao, Singapore
- ◆ Develop new territories
- ◆ Maintain rigorous management of costs and inventories

SEPHORA

- ◆ Another year of growth
- ◆ Same pace of store openings as in 2009
- ◆ Focus on exclusivity of product offering
- ◆ Expand on-line sales in Europe
- ◆ Strong potential of "multi-channel" clients

WINES & SPIRITS



Christophe Navarre

Key figures

In millions of euros

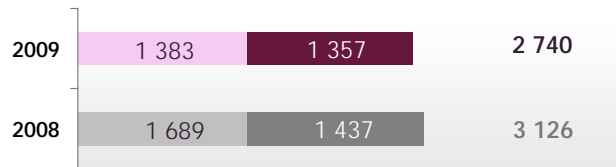
Champagne and Wines

Cognac and Spirits

Revenue

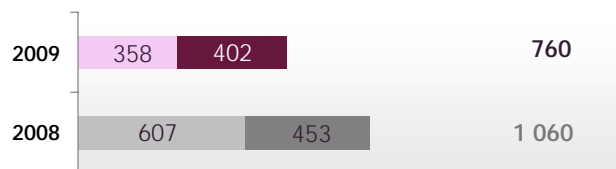
- 12%

Organic growth - 14%



Profit from recurring operations

- 28%



2009 Highlights

A very difficult year, marked by destocking at retailers and change in consumer behavior

- ◆ Impact of destocking accounted for half of decrease in sales volume
 - Optimized level of inventories at retailers at end December
- ◆ Change in consumer behavior
 - Lackluster demand
 - Growth in consumption at home
 - Trend of trading-down

2009 Highlights

In this difficult environment, our brands resisted and reinforced their value creation strategy

Champagne

- ◆ Volumes down 4 % in fourth quarter (-16 % in 2009)
 - Effective commercial promotions at year-end at point of sale
- ◆ Positive signs in second half in Europe (particularly in France) and Asia
- ◆ Lesser demand for prestige vintages

2009 Highlights

In this difficult environment, our brands resisted and reinforced their value creation strategy

Wines

- ◆ Volumes up 6 % in fourth quarter (-2% in 2009)
- ◆ Strong rebound in Argentina and Brazil at end of year
- ◆ Good momentum for sparkling wines in US

2009 Highlights

Strong rebound of cognac business in fourth quarter

Cognac

- ◆ Volumes up 11 % in fourth quarter (-5% in 2009)
- ◆ Market share gains
- ◆ China: Hennessy's largest contributing market
 - Solid revenue progress at end of the year
 - Strong recovery of consumer demand
- ◆ US: back to positive momentum in fourth quarter
- ◆ Russia: market still affected

Spirits

- ◆ Glenmorangie: encouraging performance in US and Continental Europe
- ◆ Belvedere: good resilience in US market and strong growth in all other export markets ; sustained product innovation

Wines & Spirits visual

2009 Highlights

Pursued innovation strategy and strong and targeted communication

- ◆ Scarlett Johansson, face of Moët & Chandon's new advertising campaign
- ◆ New packaging: the *Design Box* at Veuve Clicquot and the *Krug Treasure Box* at Krug
- ◆ Champagne bucket *Fusion*, for Ruinart, conceived by the artist Maarten Baas (nominated as Designer of the Year 2009 in Miami)
- ◆ Launch of Hennessy Black in the US
- ◆ Continued roll-out of Hennessy Artistry platform throughout the world
- ◆ Success of novelties at Ardbeg and Glenmorangie
 - Ardbeg ranked best whisky in 2009 for the second consecutive year (Jim Murray's Whisky Bible)
- ◆ Launch of Belvedere IX and macerated vodkas

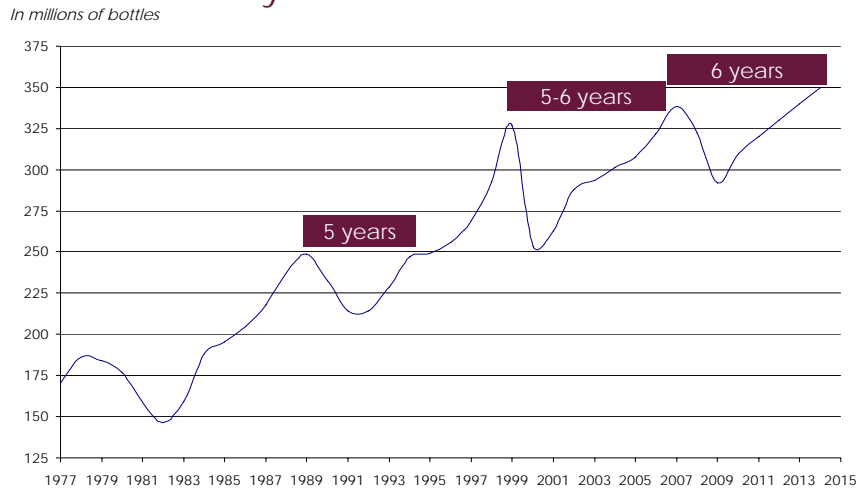
2009 Highlights

Confirmed value creation strategy, coupled with strong response to crisis

- ◆ Maintained prices, and even slight increase
- ◆ Strengthened commercial promotion
- ◆ Adapted operational costs
 - Adjusted communication costs
 - Optimized distribution network
 - Control of administrative costs
- ◆ Optimized supplies of eaux-de-vie and grapes
- ◆ Capital expenditures adapted to crisis situation

Rapid reaction to crisis of unusual dimension

Champagne shipment forecasts by CIVC



- ◆ Better than forecast end 2009
- ◆ Rebound linked to past destocking

Source: CIVC

2010 Outlook

Aggressive image and value creation strategy to benefit most from recovery

- ◆ New strategic initiatives to accelerate growth in key markets
 - Strengthen marketing programs
 - Continue product innovation, for spirits as well as champagne
- ◆ Maintain pricing policy consistent with brand positioning
- ◆ Simplify legal structure in champagne and optimize logistics
- ◆ Pursue rigorous cost control

Continue to strengthen leadership in luxury wines and spirits

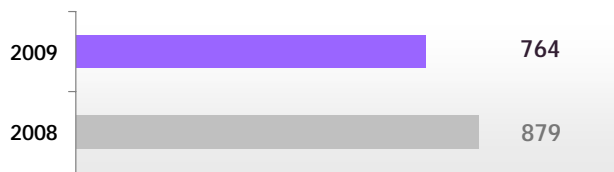
WATCHES & JEWELRY

◆
Philippe Pascal

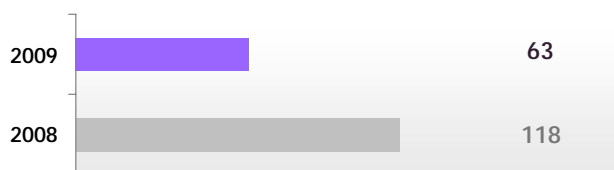
Key figures

In millions of euros

Revenue - 13%
Organic growth - 19%



Profit from recurring operations - 47%



2009 Highlights

- ◆ Decreased demand, destocking at retailers
- ◆ Improved trends in Q4 and in December particularly
- ◆ Strong exposure to US and Japan, good resilience in Europe and progress in Asia
- ◆ Market share gains for TAG Heuer and Hublot
- ◆ Confirmed productivity of retail network
- ◆ Reinforced key lines through innovation and pursuit of upmarket positioning
- ◆ Cost reduction, optimization of inventories
- ◆ Targeted strategic investments

Watches & Jewelry visual

2009 Highlights - Watches

- ◆ TAG Heuer
 - Launch of *Monaco V4* for the 40th anniversary of the collection
 - Good performances of *Carrera* and *Monaco* lines
 - Investment in movements production
 - Store openings: Tokyo, Hong Kong, Beijing, Shanghai...
 - Successful roll-out of *Meridist* phone in Asia
- ◆ Hublot
 - "Grand prix de L'Horlogerie de Genève"
 - Successful launch of *King Power*
 - New automatic chronograph movement *Unico*
 - Inauguration of manufacturing plant in Nyon
 - Store openings: Prague, Doha, St Thomas, Istanbul...
- ◆ Zenith
 - Restructured manufacturing plant
 - 40th anniversary of movement *El Primero* and refocus on classics
 - Store openings: Moscow and Dubai
- ◆ Montres Dior
 - New versions of *Christal* line
 - Launch of *Mini D* and *Chiffre Rouge diving*

Watches & Jewelry visual

Watches & Jewelry visual

2009 Highlights - Jewelry

- ◆ Chaumet
 - Very good resilience of own retail stores
 - Success of *Liens* and *Attrape-Moi* lines
 - Launch of *Lune de Miel* collection
 - Developed watches: jewelry models and *Dandy Arty*
- ◆ De Beers
 - Continued progress of "classic" collections and solitaires
 - Launch of *Lotus* line
- ◆ Fred
 - Success of jewelry versions of *Force 10* line
 - Launch of automatic chronograph *Gladiateur*

2010 Outlook

- ◆ Objective of market share gains in a recovery environment
- ◆ Maintain rigorous cost management
- ◆ Focus on development of key markets, notably in China
- ◆ Innovation and product creativity centered on “icons”
- ◆ Celebrate TAG Heuer’s 150th anniversary
- ◆ Prioritize industrial integration of TAG Heuer and Hublot
- ◆ Improve productivity of existing retail networks
- ◆ Very selective store openings

Watches & Jewelry visual

Watches & Jewelry visual

FASHION & LEATHER GOODS



Yves Carcelle

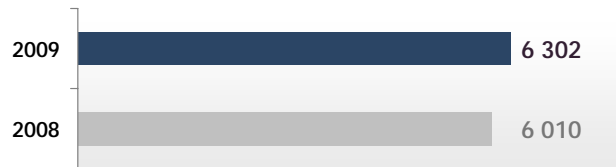
Key figures

In millions of euros

Revenue

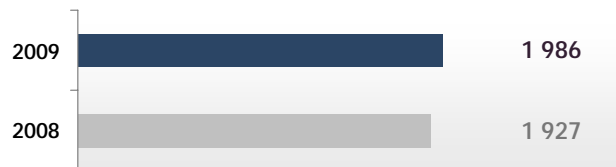
+ 5%

Organic growth + 2%



Profit from recurring operations

+ 3%



2009 Highlights

- ◆ Revenue by region (in local currencies): good performance in Asia (+20%) and Europe (+5%), decline in US and Japan

LOUIS VUITTON

- ◆ Double-digit revenue growth in 2009
- ◆ Market share gains
- ◆ Excellent performance in Asia, Europe, Middle East and US
- ◆ Strong growth of sales to Chinese clientele
- ◆ New territory: Mongolia

Fashion & Leather Goods visual

Fashion & Leather Goods visual

2009 Highlights

LOUIS VUITTON

- ◆ Excellent performance of *Damier Graphite* line and of overall Men's business
- ◆ New popular models of historic lines
- ◆ Success of collections in tribute to Stephen Sprouse
- ◆ Strong progress of other product categories
- ◆ Launch of high-end jewelry line created by Lorenz Bäumer: *L'Âme du Voyage*
- ◆ Maintained strong communication
 - New iconic stars for institutional campaign
 - New advertising campaign centered on know-how
 - Digital communication
- ◆ Increased efficiency and flexibility of Supply Chain
 - New shoe production site in Italy
 - Take-over of a tannery in Belgium specializing in production of leather tanned with plant extracts

Fashion & Leather Goods visual

2009 Highlights

- ◆ Fendi: good resilience and efficient inventory management
 - Confirmed success of leather goods line *Peekaboo*
 - Selective extension of store network
 - 187 stores at end December 2009: openings in Middle East and Asia

- ◆ Donna Karan: record results in a difficult environment
 - Good reception to Fall 2009 fashion show
 - New *Cashmere* line

2009 Highlights

- ◆ Marc Jacobs: solid progress of *Marc by Marc Jacobs* line, good start of jewelry and success of new perfume *Lola*

- ◆ Givenchy: successful introduction of "capsules" collections and success of *Nightingale* line

- ◆ Loewe: strengthened offer in leather and accessories

- ◆ Berluti: good resistance due to successful launch of city shoes line *Pierre* and performance of new territories (particularly China and Korea)

- ◆ Kenzo: reorganization of distribution network and launch of e-commerce website

- ◆ First collections of new designers at Céline and Pucci

Fashion & Leather Goods visual

2010 Outlook

- ◆ Consolidate the good fundamentals of Fendi
 - Strengthen iconic leather goods products
 - Selectively expand store network, notably in Asia and Europe
- ◆ Continue to develop the star products of each line at Donna Karan
- ◆ Accelerate the development of Marc Jacobs, particularly the second line
- ◆ Turn creative renewal of Céline, Pucci, Givenchy and Loewe into commercial successes
 - Dynamism of creative teams
 - Selective investments in store networks, particularly in emerging markets
- ◆ Pursue reorganisation of other brands

LOUIS VUITTON

- ◆ Strong momentum in creation and communication
 - Continue innovation in leather goods
 - Fashion campaign with Lara Stone and develop Know-How campaign
 - New exceptional locations for the Louis Vuitton Trophy

- ◆ Targeted expansion of store network
 - Priority on major architectural projects
 - Open new Maison in London
 - Singapore store inauguration
 - New territories

Fashion & Leather Goods visual