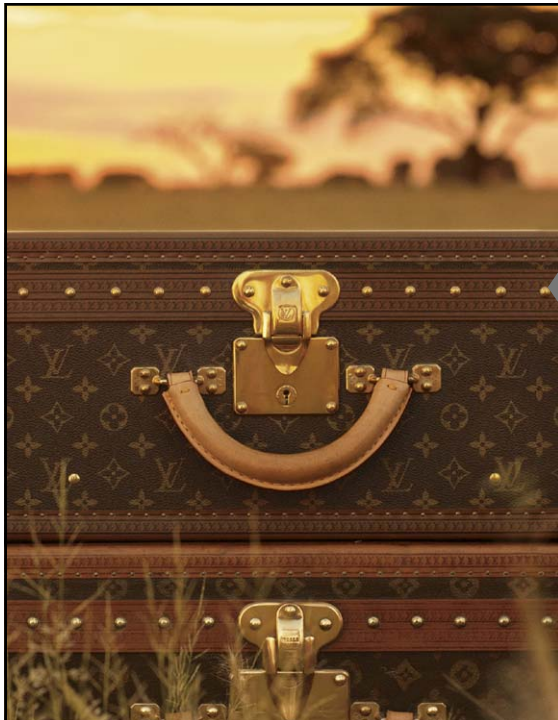


First Half 2010 results

July 27, 2010

LVMH  
MOËT HENNESSY · LOUIS VUITTON



Bernard Arnault

LVMH  
MOËT HENNESSY · LOUIS VUITTON

## Strong rebound of activity and profitability in first half 2010

- ◆ Strong revenue growth: + 16%
  - Double-digit organic revenue growth for all business groups
  - Favourable trends observed earlier this year continued in Q2
- ◆ Profit from recurring operations up 33%
- ◆ Improved current operating margin to 20%
- ◆ Group share of net profit up 53%
- ◆ Strong growth of free cash flow
  - Continued rigorous inventory management
  - Targeted investments

## LVMH benefits from start of recovery thanks to its exceptional products

- ◆ Progress of LVMH revenue in emerging countries
- ◆ Exceptional momentum of Louis Vuitton thanks to the selectivity of its distribution and to its products
- ◆ Strong recovery in orders for Wines & Spirits and Watches & Jewelry after major destocking in 2009
- ◆ Success of Christian Dior and Sephora gaining market share

## Confidence for 2010

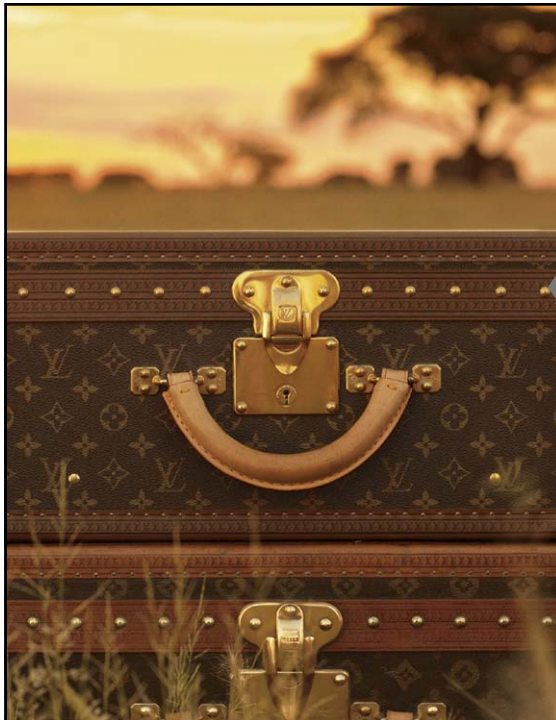
In an economic environment marked by the start of the recovery:

- ◆ Low visibility on strength of recovery
- ◆ Uncertain currency context

LVMH will pursue in 2010:

- ◆ Rigorous cost management and selective investments
- ◆ Rational development of production capacities
- ◆ Targeted geographic expansion
- ◆ Innovation and creativity

LVMH will gain market share  
in luxury sector

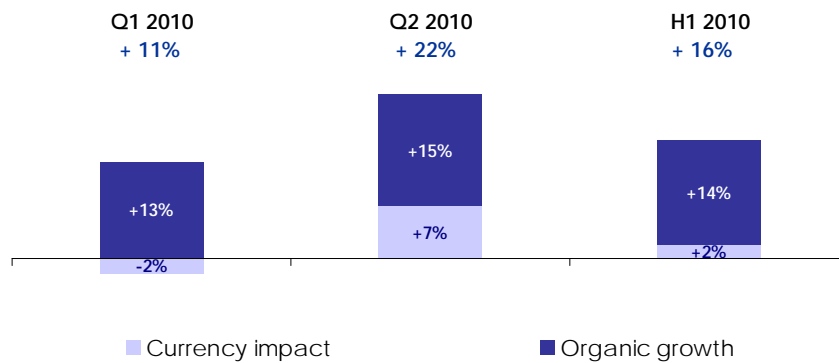


Jean-Jacques Guiony

## H1 2010 revenue by business group

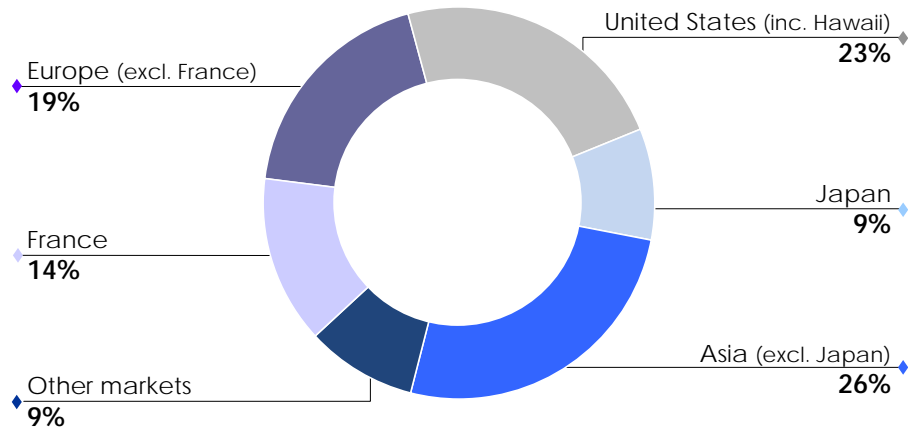
<i>In millions of euros</i>	H1 2009	H1 2010	Reported growth	Organic growth
Wines & Spirits	1 079	1 302	+ 21%	+ 18%
Fashion & Leather Goods	2 988	3 516	+ 18%	+ 14%
Perfumes & Cosmetics	1 285	1 441	+ 12%	+ 10%
Watches & Jewelry	346	443	+ 28%	+ 24%
Selective retailing	2 127	2 419	+ 14%	+ 13%
Others and eliminations	(14)	(22)	-	-
<b>Total LVMH</b>	<b>7 811</b>	<b>9 099</b>	<b>+ 16%</b>	<b>+ 14%</b>

## Quarterly evolution of H1 2010 revenue



## H1 2010 revenue breakdown by region

In % of total revenue



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## Revenue change by region

Evolution in local currencies  
versus same period of 2009

LVMH Group	H1 2010
US*	+ 18%
Japan	- 6%
Asia	+ 21%
Europe	+ 11%

\* excl. Hawaii

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## Summarized income statement

<i>In millions of euros</i>	H1 2009	H1 2010	% Change
Revenue	7 811	9 099	+ 16%
Gross margin	4 981	5 907	+ 19%
Selling expenses	(2 902)	(3 275)	+ 13%
Administrative expenses	(716)	(816)	+ 14%
Profit from recurring operations	1 363	1 816	+ 33%
Other income and expenses	(113)	(63)	
Operating profit	1 250	1 753	+ 40%
Net financial income (expense)	(136)	(150)	
Income taxes	(358)	(463)	
Equity investment income	1	4	
Net profit before minority interests	757	1 144	+ 51%
Minority interests	(70)	(94)	
<b>Group share of net profit</b>	<b>687</b>	<b>1 050</b>	<b>+ 53%</b>

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## Profit from recurring operations by business group

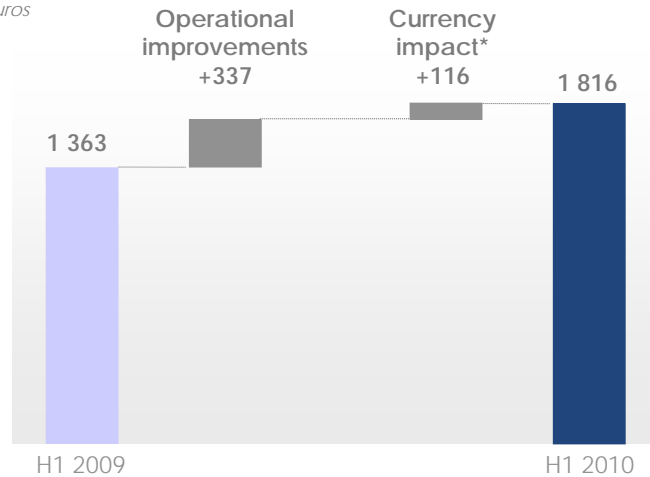
<i>In millions of euros</i>	H1 2009	H1 2010	% Change
Wines & Spirits	241	326	+ 35%
Fashion & Leather Goods	919	1 179	+ 28%
Perfumes & Cosmetics	121	181	+ 50%
Watches & Jewelry	20	49	+ 145%
Selective retailing	129	176	+ 36%
Others and eliminations	(67)	(95)	<i>ns</i>
<b>Total LVMH</b>	<b>1 363</b>	<b>1 816</b>	<b>+ 33%</b>

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## Increase in profit from recurring operations at constant currency

In millions of euros



\* Incl.: Fashion & Leather goods +76M Wines & Spirits +27M

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## Change in net financial expense

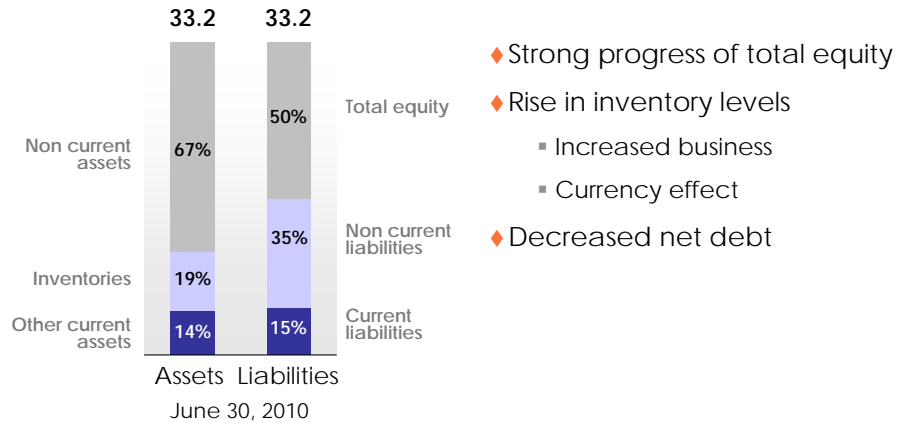
In millions of euros	H1 2009	H1 2010	Change (M€)
Cost of net financial debt	(102)	(77)	+25
Ineffective portion of currency hedge	(19)	(100)	- 81
Income relating to investments, assets and other financial instruments	0	37	+37
Other items - net	(15)	(10)	+5
<b>Net financial expense</b>	<b>(136)</b>	<b>(150)</b>	<b>-14</b>

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## Solid financial structure

In billions of euros



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## Analysis of cash flow from operations

In millions of euros	H1 2009	H1 2010	Change (M€)
Cash from operations before changes in working capital	1 566	2 022	+456
Net interest paid	(115)	(89)	+26
Income taxes paid	(245)	(282)	-37
Net cash from operations before changes in working capital	1 206	1 651	+445
Working capital requirements	(518)	(80)	+438
Operating investments	(352)	(426)	-74
<b>Free cash flow*</b>	<b>336</b>	<b>1 145</b>	<b>+809</b>

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

◆ Interim dividend of 0.70 euro per share

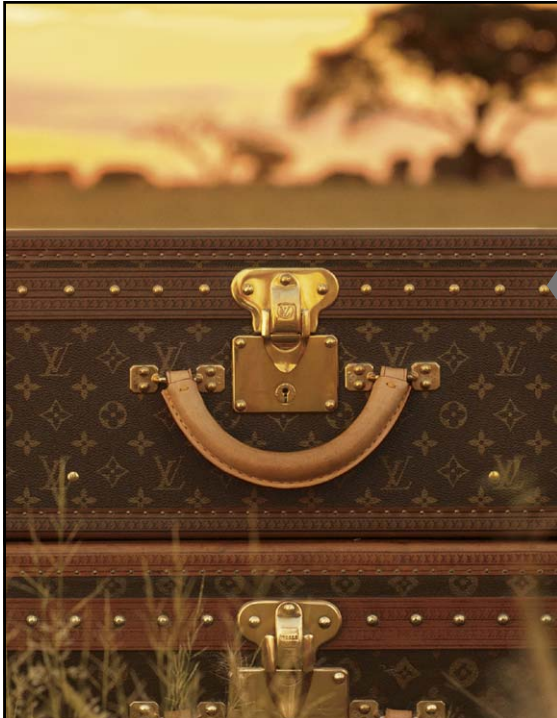
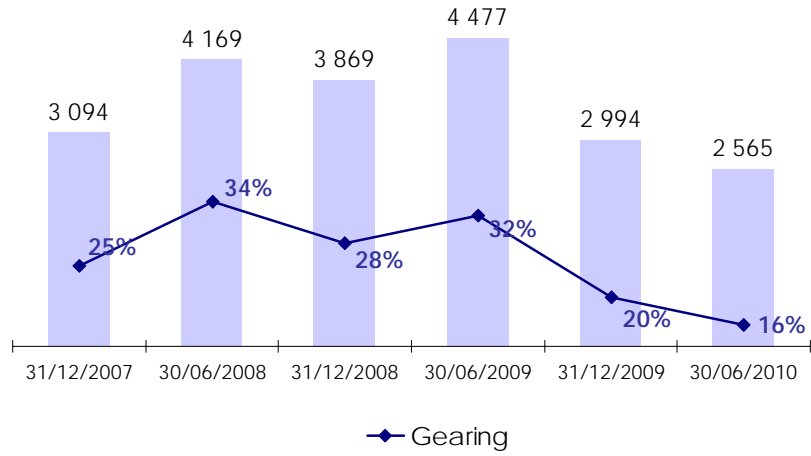
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## Net financial debt

In millions of euros



Antonio Belloni

## WINES & SPIRITS

### WINES & SPIRITS

## Key figures

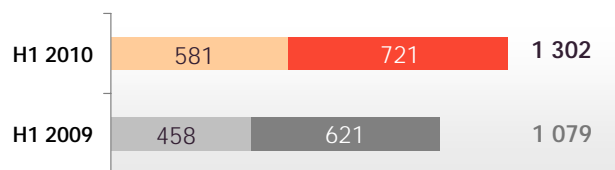
In millions of euros

■ Champagne and Wines ■ Cognac and Spirits

### Revenue

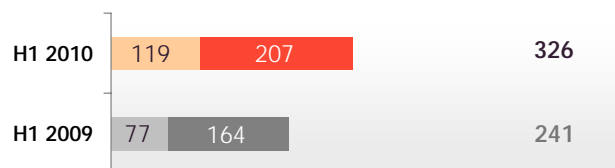
+ 21%

Organic growth + 18%



### Profit from recurring operations

+ 35%



## H1 2010 Highlights

- ◆ Revenue by region (in local currencies): US +22%, Europe +18%, Asia +9%
- ◆ Kept pricing policy consistent with brand positioning
- ◆ Absence of last year's destocking
- ◆ Recovery in final demand in Q2 for all categories
- ◆ Targeted communication and selective investments
- ◆ Champagne: volumes + 23%
  - Good progress of prestige vintages
- ◆ Cognac: volumes + 16%
  - Continued strong momentum in China
  - Success of Hennessy Black in the US

## 2010 Outlook

- ◆ Continue rigorous cost control
- ◆ Roll-out product innovations launched earlier this year
- ◆ Increase marketing programs

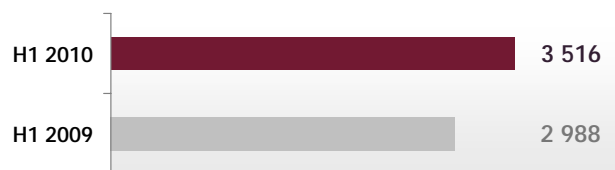
## FASHION & LEATHER GOODS

### FASHION & LEATHER GOODS

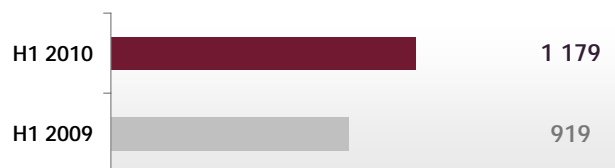
## Key figures

In millions of euros

**Revenue** + 18%  
Organic growth + 14%



**Profit from recurring operations** + 28%



## H1 2010 Highlights

- ◆ Revenue by region (in local currencies): US +21%, Europe +18%, Asia +22%
- ◆ Louis Vuitton: exceptional momentum
  - Double-digit organic revenue growth
  - Continued excellent performance of leather goods
  - Rapid development of ready-to-wear and shoes
  - Opened Shanghai and London Maisons
- ◆ Fendi: continued success of *Peekaboo* line and selective development of distribution network
- ◆ Donna Karan: solid progress of own stores
- ◆ Confirmed business recovery in own stores for other fashion brands

*Fashion & Leather goods visual*

## 2010 Outlook

- ◆ Louis Vuitton
  - New leather goods line in soft leather
  - New markets: Lebanon and Dominican Republic
  - Start of production in "Tanneries de la Comète" in Belgium
- ◆ Fendi: strengthen leather goods icons
- ◆ Marc Jacobs: accelerate global expansion
- ◆ Maintain policy of targeted investments and rigorous cost management for other brands

PERFUMES &amp; COSMETICS

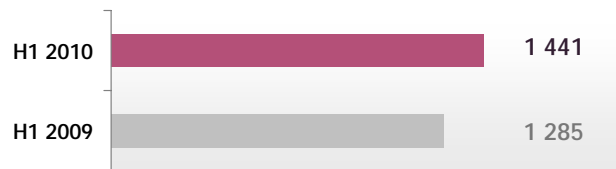
## Key figures

In millions of euros

### Revenue

+ 12%

Organic growth + 10%



### Profit from recurring operations

+ 50%



## H1 2010 Highlights

- ◆ Revenue by region (in local currencies): US +16%, Europe +8%, Asia +18%
- ◆ Christian Dior: success of value creation strategy
  - Confirmed success of *Miss Dior Chérie*, *Eau Sauvage* and *J'Adore*
  - Rapid development of *Capture Totale One Essential* skincare
  - Development of make-up
- ◆ Guerlain: roll out of *Idylle* fragrance launched in 2009 and good performance of *Orchidée Impériale* premium skincare
- ◆ Parfums Givenchy: continued success of *Ange ou Démon*, *Le Secret* and *Play*
- ◆ Benefit: first store opened in China
- ◆ Make Up For Ever: good success of *Aqua* line

## 2010 Outlook

- ◆ Continue to gain market shares through strong communication and innovation
- ◆ Christian Dior: strengthen star lines in perfumes and make-up
  - Roll-out *Rouge Dior* lipstick
  - International expansion of *Eau Sauvage*
  - New muse for *Miss Dior Chérie*
- ◆ Profitable development of other brands
  - New anti-aging skincare at Guerlain
  - Feminine version of *Play* at Parfums Givenchy
  - New fragrance launches at Fendi and Pucci

WATCHES &amp; JEWELRY



## Key figures

In millions of euros

## Revenue

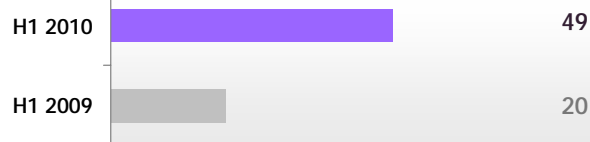
+ 28%

Organic growth + 24%



## Profit from recurring operations

+ 145%



## H1 2010 Highlights

- ◆ Revenue by region (in local currencies): US +34%, Europe +10%, Asia +45%, Japan +5%
- ◆ Replenishment of retailers' inventories and recovery in final demand
- ◆ Strong innovation centered on iconic products
- ◆ Maintained rigorous management of costs and inventories
- ◆ Strong improvement in current operating margin

*Watches & Jewelry visual*

## 2010 Outlook

- ◆ Objective of market share gains
- ◆ Pursue up-market positioning through strong innovation
- ◆ Accelerate development in high potential markets, notably in China
- ◆ Celebrate TAG Heuer's 150<sup>th</sup> anniversary
- ◆ Focus on industrial integration of TAG Heuer and Hublot
- ◆ Selective expansion of mono-brand store network

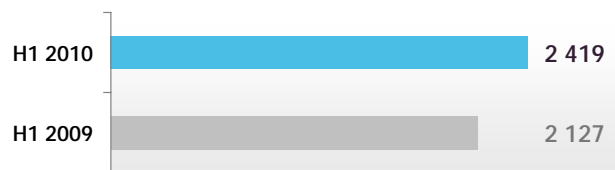
## SELECTIVE RETAILING

### SELECTIVE RETAILING

## Key figures

In millions of euros

**Revenue** + 14%  
Organic growth + 13%



**Profit from recurring operations** + 36%



## H1 2010 Highlights

- ◆ Revenue by region (in local currencies): Asia +28%, US +12%, Europe +5%

### DFS

- ◆ Strong growth in sales to Asian clientele
- ◆ Increased momentum at Macao
- ◆ Continued renovation of Hong Kong Sun Plaza Galleria
- ◆ Sustained growth of Abu Dhabi and Mumbai

### SEPHORA

- ◆ Market share gains in all regions
- ◆ Pursued strong momentum in China and accelerated growth in Middle East
- ◆ Solid momentum in online sales
- ◆ Acquisition of Sack's in Brazil
- ◆ 1 020 stores at end June 2010

*Selective retailing visual*

## DFS

- ◆ Strengthen presence in destinations of Asian travelers
- ◆ Full opening of second Galleria in Macao, City of Dreams
- ◆ Maintain rigorous management of costs and inventories

## SEPHORA

- ◆ Objective of market share gains
- ◆ Further expansion of store network
- ◆ Enter new high potential markets
- ◆ Reinforce unique concept and exclusive offering
- ◆ Continue development of e-commerce