



2012  
Annual Results

January 31, 2013

L V M H  
MOËT HENNESSY, LOUIS VUITTON



Bernard Arnault

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## Excellent performance in 2012

- ◆ Organic revenue growth of 9 %
  - High comparison basis
  - Strong momentum in the US and good growth in Europe and Asia with contrasts between regions
- ◆ Profit from recurring operations up 13%
- ◆ Current operating margin of 21%
- ◆ Group share of net profit up 12%
- ◆ Strengthened financial position
  - Free cash flow up 14 %
  - Reduced net debt level

## Wines & Spirits

Sustained demand and favorable product mix

### 2012 Highlights

- ◆ Volumes: champagne +2 % and Hennessy +6 %
- ◆ Product mix improvement and positive effect from price increases
- ◆ Rapid progress in emerging countries, particularly in Asia, and good resilience in Europe and the US
- ◆ Strong innovation, reinforced marketing spend and continued investment in production facilities

## Fashion & Leather Goods

Excellent performance of Louis Vuitton and other brands

### 2012 Highlights

- ◆ Louis Vuitton: double-digit revenue growth
  - Strong momentum in the US and good performances in Europe and in emerging markets despite contrasting conditions
  - Rapid progress in leather goods
  - Strengthened production capacities
- ◆ Fendi: qualitative expansion of its retail network
- ◆ Céline: all regions and product categories contributed to strong growth
- ◆ Improved performance of other fashion brands

## Perfumes & Cosmetics

Strong momentum and reinforced positioning

### 2012 Highlights

- ◆ Christian Dior: strong vitality of its iconic fragrances, *J'adore* and *Miss Dior*, successful launch of make-up innovations and sustained growth of high-end skincare, *Prestige*
- ◆ Guerlain: excellent trend of the new fragrance *La Petite Robe Noire* and of *Orchidée Impériale*
- ◆ Benefit, Make Up For Ever and Fresh: another year of strong growth

## Watches & Jewelry

Iconic lines reinforced and increased production capacity

### 2012 Highlights

- ◆ First full year of Bvlgari's integration
- ◆ Increased watch production capacity for TAG Heuer, Bvlgari, Hublot and Zenith
- ◆ Strengthened iconic lines and continued innovation momentum
- ◆ Targeted expansion of retail network

## Selective Retailing

Rapid development thanks to innovative product and service offerings

### 2012 Highlights

- ◆ DFS: in Hong Kong, started three new airport concessions and opened a third Galleria
- ◆ Sephora: market share gains, strong momentum in the US and rapid development of e-commerce

## 2013 Outlook for business groups

- ◆ Further strengthen Wines & Spirits position in emerging markets
- ◆ Continue the development of Louis Vuitton and accelerate profitable growth of other fashion brands
- ◆ Build upon Christian Dior's progress together with Couture, and develop *La Petite Robe Noire* at Guerlain
- ◆ Support Bvlgari's development, continue industrial integration and implement synergies within Watches & Jewelry
- ◆ Strengthen DFS leadership in Asia and accelerate Sephora's international expansion

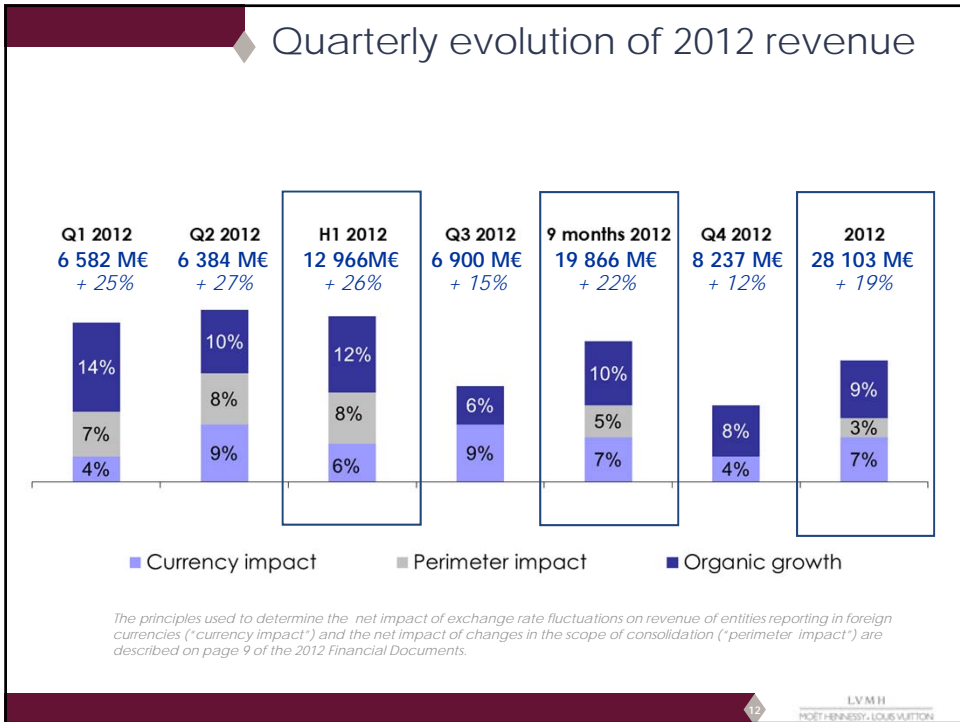
## Favorable outlook for LVMH in 2013

- ◆ Confidence for 2013 despite uncertain European economy
- ◆ Develop and enhance our brands
  - Sustain innovation
  - Targeted expansion in promising markets
  - Continue to strengthen retail
- ◆ Pursue an ambitious human resources plan
  - Cultivate entrepreneurial spirit
  - Attract and develop best talent



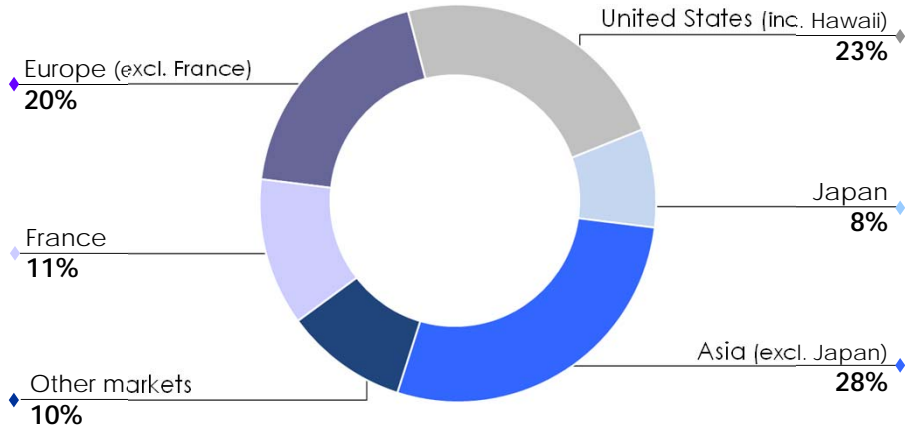
Jean-Jacques Guiony

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## 2012 revenue breakdown by region

In % of total revenue



## Revenue change by region

Organic growth  
versus same period of 2011

LVMH Group	9 months 2012	Q4 2012	2012
United States*	+ 12%	+ 11%	+ 12%
Japan	+ 7%	+ 3%	+ 6%
Asia	+ 11%	+ 8%	+ 10%
Europe	+ 7%	+ 5%	+ 7%

\* excl. Hawaii

## Revenue by business group

<i>In millions of euros</i>	2011	2012	Reported growth	Organic growth
Wines & Spirits	3 524	4 137	+ 17%	+ 11%
<i>Champagne &amp; Wines</i>	1 782	1 980	+ 11%	+ 7%
<i>Cognac &amp; Spirits</i>	1 742	2 157	+ 24%	+ 15%
Fashion & Leather Goods	8 712	9 926	+ 14%	+ 7%
Perfumes & Cosmetics	3 195	3 613	+ 13%	+ 8%
Watches & Jewelry	1 949	2 836	+ 46%	+ 6%
Selective Retailing	6 436	7 879	+ 22%	+ 14%
Others and eliminations	-157	-288	-	-
<b>Total LVMH</b>	<b>23 659</b>	<b>28 103</b>	<b>+ 19%</b>	<b>+ 9%</b>

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## Organic revenue growth by business group

Organic growth versus same period of 2011

	H1 2012	Q3 2012	Q4 2012	2012
Wines & Spirits	+ 15%	+ 6%	+ 9%	+ 11%
Fashion & Leather Goods	+ 10%	+ 5%	+ 5%	+ 7%
Perfumes & Cosmetics	+ 9%	+ 6%	+ 9%	+ 8%
Watches & Jewelry	+ 13%	+ 2%	+ 6%	+ 6%
Selective Retailing	+ 16%	+ 10%	+ 13%	+ 14%
<b>Total LVMH</b>	<b>+ 12%</b>	<b>+ 6%</b>	<b>+ 8%</b>	<b>+ 9%</b>

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## Summarized income statement

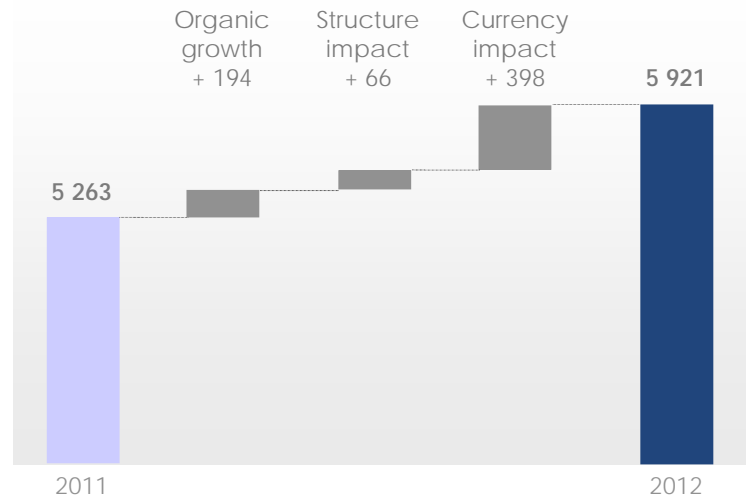
<i>In millions of euros</i>	2011	2012	% Change
Revenue	23 659	28 103	+ 19%
Gross margin	15 567	18 186	+ 17%
Marketing and selling expenses	(8 360)	(10 101)	+ 21%
General and administrative expenses	(1 944)	(2 164)	+ 11%
Profit from recurring operations	5 263	5 921	+ 13%
Other operating income and expenses	(109)	(182)	
Operating profit	5 154	5 739	+ 11%
Net financial income (expense)	(242)	(14)	
Income taxes	(1 453)	(1 820)	
Income from investments in associates	6	4	
Net profit before minority interests	3 465	3 909	+ 13%
Minority interests	(400)	(485)	
<b>Group share of net profit</b>	<b>3 065</b>	<b>3 424</b>	<b>+ 12%</b>

## Profit from recurring operations by business group

<i>In millions of euros</i>	2011	2012	% Change
Wines & Spirits	1 101	1 260	+ 14%
<i>Champagne &amp; Wines</i>	531	578	+ 9%
<i>Cognac &amp; Spirits</i>	570	682	+ 20%
Fashion & Leather Goods	3 075	3 264	+ 6%
Perfumes & Cosmetics	348	408	+ 17%
Watches & Jewelry	265	334	+ 26%
Selective Retailing	716	854	+ 19%
Others and eliminations	(242)	(199)	ns
<b>Total LVMH</b>	<b>5 263</b>	<b>5 921</b>	<b>+ 13%</b>

## Profit from recurring operations on a same structure and currency basis

In millions of euros



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## Change in net financial income (expense)

In millions of euros	2011	2012	Change (M€)
Cost of net financial debt	(151)	(140)	+11
Ineffective portion of foreign currency hedges	(105)	(49)	+56
Net gain/(loss) relating to AFS* assets and other financial instruments, dividends received	43	205	+162
Other items - net	(29)	(30)	-1
<b>Net financial income (expense)</b>	<b>(242)</b>	<b>(14)</b>	<b>+228</b>

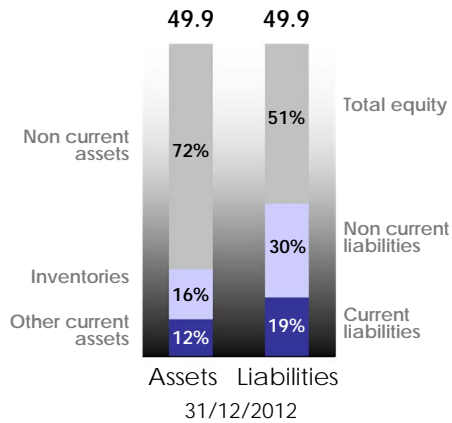
\* AFS: Available for sale

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## Sound financial structure

In billions of euros



- ◆ Increased total equity
- ◆ Reduced net debt
- ◆ Rise in non current assets mainly due to increased net investments and value of purchase commitments for minority interests
- ◆ Increase of inventories attributable to growth in the Group's businesses

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## Analysis of cash flow from operations

In millions of euros	2011	2012	Change (M€)
Cash from operations before changes in working capital	6 137	7 113	+ 976
Net interest paid	(152)	(154)	- 2
Income taxes paid	(1 544)	(1 970)	- 426
Net cash from operations before changes in working capital	4 441	4 989	+ 548
Working capital requirements	(534)	(813)	- 279
Operating investments	(1 730)	(1 702)	+28
<b>Free cash flow*</b>	<b>2 177</b>	<b>2 474</b>	<b>+ 297</b>

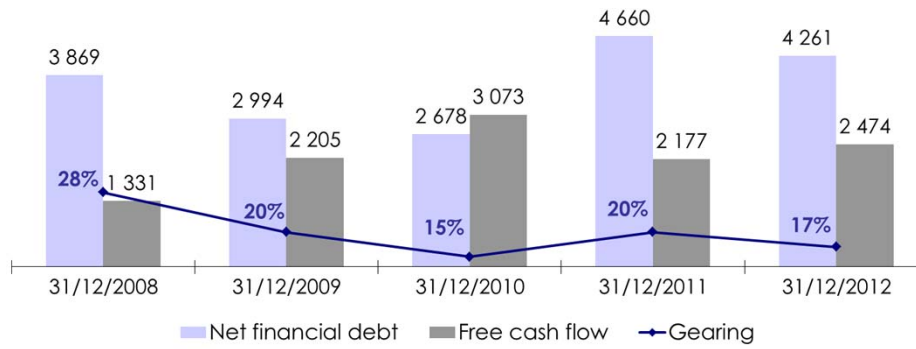
\* Before available for sale financial assets and investments, transactions relating to equity and financing activities

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## Net financial debt and free cash flow

In millions of euros



## 2012 dividend up 12 %

Gross dividend per share - In euros

Average annual growth rate over 5 years  
+13 %

