LVMH

MOËT HENNESSY . LOUIS VUITTON

TRANSLATION OF THE FRENCH INTERIM FINANCIAL REPORT

SIX-MONTH PERIOD ENDED JUNE 30, 2013

CONTENTS

This document is a free translation into English of the original French "Rapport financier semestriel", hereafter referred to as the "Interim Financial Report". It is not a binding document. In the event of a conflict in interpretation, reference should be made to the French version, which is the authentic text.

EXECUTIVE AND SUPERVISORY BODIES; STATUTORY AUDITORS

Board of Directors

Bernard Arnault
Chairman and Chief Executive Officer

Pierre Godé
Vice-Chairman

Antonio Belloni
Group Managing Director

Antoine Arnault

Delphine Arnault

Nicolas Bazire

Bernadette Chirac (1)

Nicholas Clive Worms (1)

Charles de Croisset (1)

Diego Della Valle (1)

Albert Frère (1)

Gilles Hennessy

Marie-Josée Kravis (1)

Lord Powell of Bayswater

Yves-Thibault de Silguy (1)

Francesco Trapani

Hubert Védrine (1)

Advisory Board Members

Paolo Bulgari

Patrick Houël

Felix G. Rohatyn

Performance Audit Committee

Yves-Thibault de Silguy (1)

Nicholas Clive Worms (1)

Gilles Hennessy

Nominations and Compensation Committee

Albert Frère (1)

Charles de Croisset (1)

Yves-Thibault de Silguy (1)

(1) Independent Director.

Executive Committee

Bernard Arnault
Chairman and Chief Executive Officer

Antonio Belloni
Group Managing Director

Pierre Godé
Vice-Chairman

Nicolas Bazire
Development and Acquisitions

Michael Burke
Louis Vuitton

Yves Carcelle
Fondation Louis Vuitton

Chantal Gaemperle
Human Resources

Jean-Jacques Guiony
Finance

Christopher de Lapuente
Sephora

Christophe Navarre
Wines and Spirits

Daniel Piette
Investment Funds

Pierre-Yves Roussel
Fashion

Philippe Schaus
Travel retail

Francesco Trapani
Watches and Jewelry

Jean-Baptiste Voisin
Strategy

Mark Weber
Donna Karan, LVMH Inc.

General Secretary

Marc-Antoine Jamet

Statutory Auditors

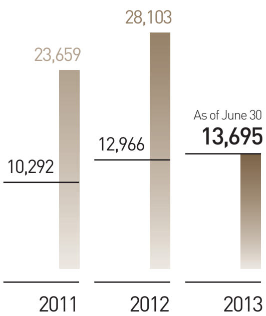
DELOITTE & ASSOCIÉS
represented by Thierry Benoit

ERNST & YOUNG et Autres
represented by Jeanne Boillet and Gilles Cohen

FINANCIAL HIGHLIGHTS

Revenue

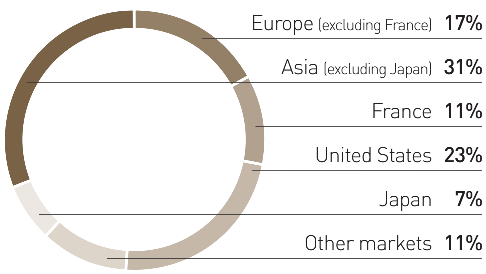
(As of June 30 and December 31, EUR millions)



Revenue by business group *(EUR millions)*	June 30, 2013	Dec. 31, 2012	June 30, 2012
Wines and Spirits	1,808	4,137	1,759
Fashion and Leather Goods	4,711	9,926	4,656
Perfumes and Cosmetics	1,804	3,613	1,727
Watches and Jewelry	1,310	2,836	1,343
Selective Retailing	4,215	7,879	3,590
Other activities and eliminations	(153)	(288)	(109)
Total	**13,695**	**28,103**	**12,966**

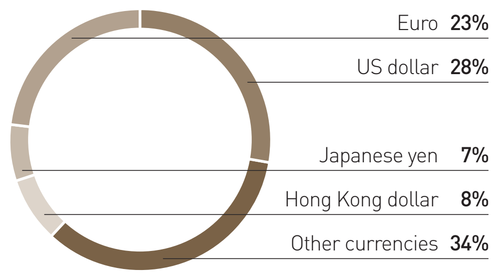
Revenue by geographic region of delivery

(As of June 30, 2013)



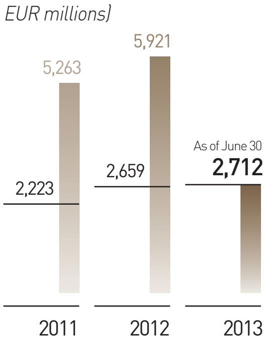
Revenue by invoicing currency

(As of June 30, 2013)



Profit from recurring operations

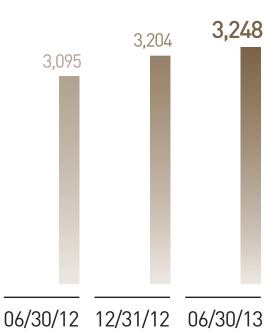
(As of June 30 and December 31, EUR millions)



Profit from recurring operations by business group *(EUR millions)*	June 30, 2013	Dec. 31, 2012	June 30, 2012
Wines and Spirits	542	1,260	496
Fashion and Leather Goods	1,497	3,264	1,516
Perfumes and Cosmetics	200	408	197
Watches and Jewelry	156	334	159
Selective Retailing	407	854	373
Other activities and eliminations	(90)	(199)	(82)
Total	**2,712**	**5,921**	**2,659**

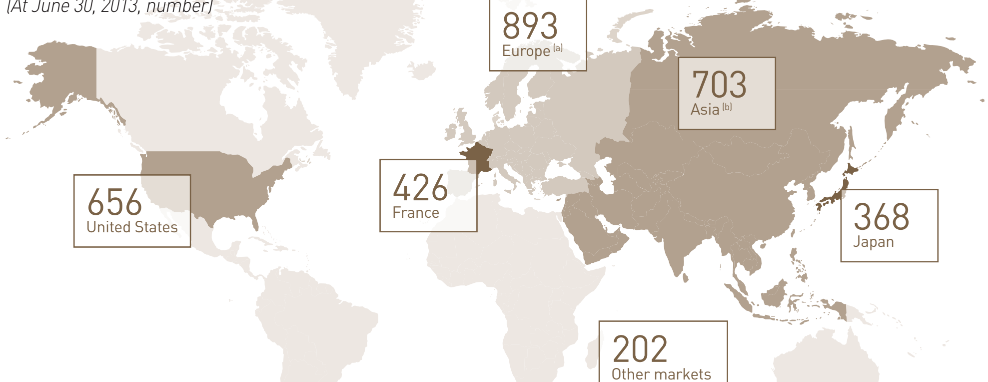
Stores

(number)



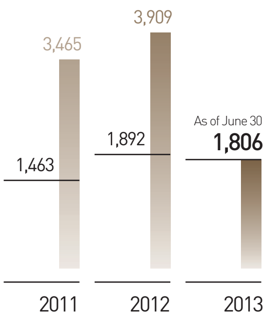
Stores network by geographic region

(At June 30, 2013, number)

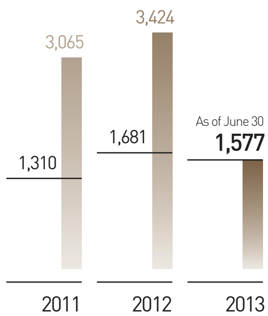


(a) Excluding France. (b) Excluding Japan.

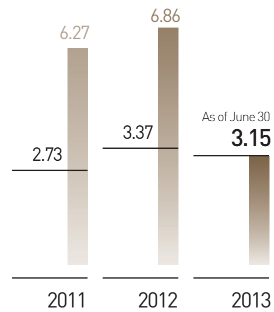
Net profit
(As of June 30 and December 31, EUR millions)



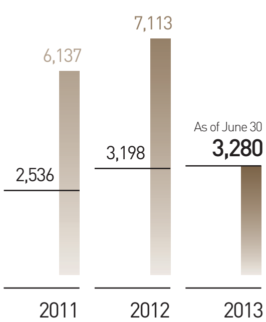
Net profit, Group share
(As of June 30 and December 31, EUR millions)



Basic Group share of net earnings per share
(As of June 30 and December 31, EUR)

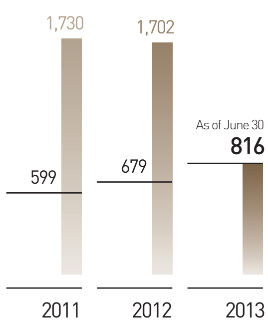


Cash from operations before changes in working capital [a]
(As of June 30 and December 31, EUR millions)

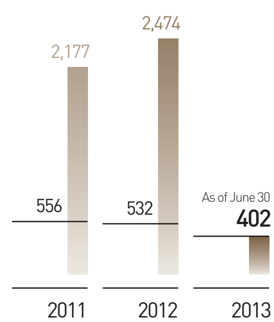


(a) Before interest and tax paid.

Operating investments
(As of June 30 and December 31, EUR millions)

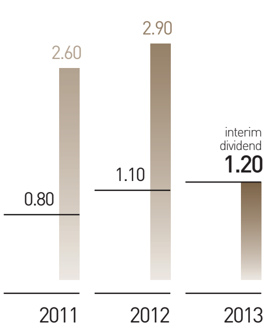


Free cash flow [a]
(As of June 30 and December 31, EUR millions)



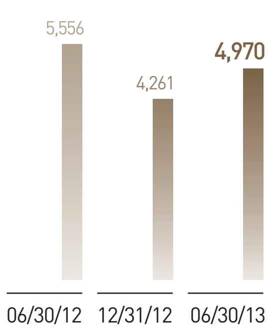
(a) Net cash from (used in) operating activities and operating investments.

Dividend per share [a]
(EUR)



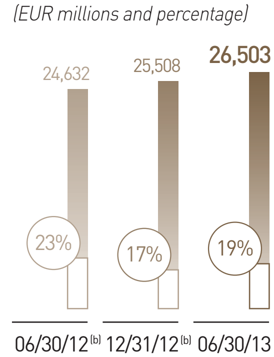
(a) Gross amount paid for fiscal year, excluding the impact of tax regulations applicable to the beneficiary.

Net financial debt [a]
(EUR millions)



(a) Excluding purchase commitments for minority interests included in Other non-current liabilities. See Note 18.1 of notes to the consolidated half-year financial statements for definition of net financial debt.

Total equity [a] and Financial debt/Total equity ratio
(EUR millions and percentage)



(a) Including minority interests.
(b) The balance sheets as of December 31, 2012 and June 30, 2012 have been restated to reflect the retrospective application as of January 1, 2011 of IAS 19 Employee benefits as amended. See Note 1.2 of the half-year consolidated financial statements.

HIGHLIGHTS AND OUTLOOK

Highlights of the first half of 2013 include:

- Resilience in Europe and good momentum in Asia, the United States and Japan,
- Market share gains of all our brands,
- A good performance in Wine & Spirits,
- The very qualitative development of Louis Vuitton, whose profitability remains at an exceptional level,
- Continued investment in the fashion brands,
- Further innovation and success of iconic lines at Parfums Christian Dior,
- Increased selectivity in Watches and Jewelry distribution,
- Excellent performance of DFS and Sephora worldwide,
- Cash from operations before changes in working capital of 3.3 billion euros,
- Net debt to equity ratio of 19% as at the end of June 2013.

Despite an uncertain European economic environment, LVMH will continue to gain market share thanks to the numerous product launches planned before the end of the year to its geographic expansion in promising markets, while continuing to manage costs.

The strategy of focusing on quality across the entire product range, combined with the dynamism and unparalleled creativity of LVMH teams, will enable the Group to reinforce, once again in 2013, its global leadership position in luxury goods.

CAPITAL AND VOTING RIGHTS

Distribution as of June 30, 2013	Number of shares	Number of voting rights [a]	% of capital	% of voting rights
Arnault family group	235,886,503	453,988,936	46.42%	62.58%
Other	272,318,569	271,464,552	53.58%	37.42%
Total	**508,205,072**	**725,453,488**	**100.00%**	**100.00%**

(a) Total number of voting rights that may be exercised at Shareholders' Meetings.

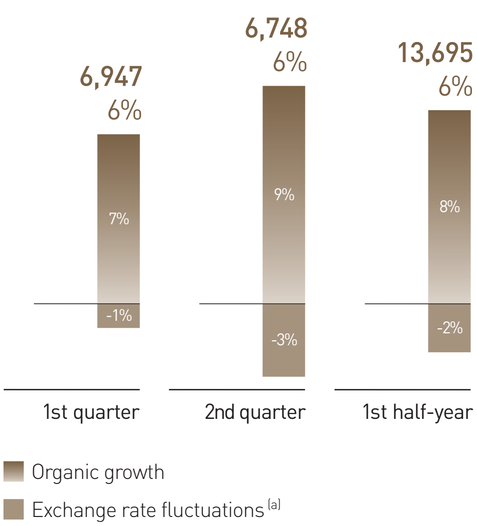
BUSINESS REVIEW AND COMMENTS ON THE HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS OF LVMH GROUP

1. COMMENTS ON THE CONSOLIDATED INCOME STATEMENT

1.1. Analysis of revenue

Change in revenue per quarter

(EUR millions and as %)



(a) The principles used to determine the net impact of exchange rate fluctuations on revenue of entities reporting in foreign currencies are described on page 9.

Consolidated revenue for the six-month period ended June 30, 2013 was 13,695 million euros, up 6% over the same period in 2012. It was affected by the depreciation of the Group's main invoicing currencies against the euro, in particular the Japanese yen, which depreciated by 18%.

On a constant currency basis, and in light of the fact that there were no changes in the scope of consolidation during the published periods, revenue increased by 8%.

Revenue by invoicing currency

(as %)	June 30, 2013	Dec. 31, 2012	June 30, 2012
Euro	23	24	24
US dollar	28	28	29
Japanese yen	7	8	8
Hong Kong dollar	8	6	6
Other currencies	34	34	33
Total	**100**	**100**	**100**

With respect to June 30, 2012, the breakdown between the various invoicing currencies changed as follows: the relative contributions of the euro, the US dollar and the Japanese yen fell by 1 point to 23%, 28% and 7%, respectively, whereas the relative contribution of other currencies increased by 3 points, to 42%.

Revenue by geographic region of delivery

(as %)	June 30, 2013	Dec. 31, 2012	June 30, 2012
France	11	11	11
Europe (excluding France)	17	20	19
United States	23	23	23
Japan	7	8	8
Asia (excluding Japan)	31	28	29
Other markets	11	10	10
Total	**100**	**100**	**100**

By geographic region of delivery, the relative contribution of Europe (excluding France) to Group revenue declined by 2 points and by 1 point for Japan to 17% and 7%, respectively, whereas Asia (excluding Japan) and Other markets witnessed their relative contribution increase by 2 points and 1 point, to 31% and 11%, respectively. The contributions of France and the United States remained stable at 11% and 23%, respectively.

In local currency terms, the change in revenue by geographic region represents a satisfactory performance for all regions, especially for Asia and Japan.

Revenue by business group

(EUR millions)	June 30, 2013	Dec. 31, 2012	June 30, 2012
Wines and Spirits	1,808	4,137	1,759
Fashion and Leather Goods	4,711	9,926	4,656
Perfumes and Cosmetics	1,804	3,613	1,727
Watches and Jewelry	1,310	2,836	1,343
Selective Retailing	4,215	7,879	3,590
Other activities and eliminations	(153)	(288)	(109)
Total	**13,695**	**28,103**	**12,966**

The breakdown of the Group's revenue varied significantly by business group, as a result of the contribution by the three major airport concessions that were won in Hong Kong at the end of 2012: the proportion accounted for by Selective Retailing thus increased by 3 points to 31%. The proportions accounted for by Fashion and Leather Goods and by Wines and Spirits fell respectively by 2 points and 1 point to 34% and 13%, whereas those of Perfumes and Cosmetics and Watches and Jewelry remained stable, at 13% and 10% respectively.

Wines and Spirits saw an increase in revenue of 3% based on published figures. Revenue for this business group increased by 5% on a constant consolidation scope and currency basis, as a result of a negative net impact of exchange rate fluctuations of 2 points. This performance was made possible by higher sales volumes and a sustained policy of price increases in line with the ongoing value-creation strategy. Demand remained very robust in Asia. China is still the second largest market for the Wines and Spirits business group.

Fashion and Leather Goods posted organic revenue growth of 5%, and 1% based on published figures. The business group's performance continues to benefit from the growth at Louis Vuitton. Céline, Kenzo, Givenchy and Berluti confirmed their potential and generated double-digit growth as of June 30, 2013.

Revenue for Perfumes and Cosmetics increased by 6% on a constant consolidation scope and currency basis, and by 4% based on published figures. This growth confirmed the effectiveness of the value-enhancing strategy resolutely pursued by the Group's brands in the face of competitive pressures spawned by the economic crisis. The Perfumes and Cosmetics business group saw considerable revenue growth in both the United States and Asia, particularly in China.

Revenue for Watches and Jewelry increased by 1% on a constant consolidation scope and currency basis, and fell by 3% based on published figures. The uncertain economic environment and the highly competitive market have led to slower purchases from multi-brand watch retailers. For all brands of Watches and Jewelry, Japan was the most dynamic region.

Based on published figures, revenue for Selective Retailing increased by 17%, and by 19% on a constant consolidation scope and currency basis. This performance was driven both by Sephora which saw considerable growth in revenue across all world regions, and DFS which made excellent progress, partly thanks to the integration since the end of 2012 of three major Hong Kong airport concessions but also the continuing development of Chinese tourism boosting business particularly at its stores in Hong Kong and Macao.

1.2. Profit from recurring operations

(EUR millions)	June 30, 2013	Dec. 31, 2012	June 30, 2012
Revenue	13,695	28,103	12,966
Cost of sales	(4,681)	(9,917)	(4,532)
Gross margin	9,014	18,186	8,434
Marketing and selling expenses	(5,215)	(10,101)	(4,740)
General and administrative expenses	(1,087)	(2,164)	(1,035)
Profit from recurring operations	**2,712**	**5,921**	**2,659**
Operating margin *(%)*	**20**	**21**	**21**

The Group posted a gross margin of 9,014 million euros, up 7% compared to the previous year. As a percentage of revenue, the gross margin was 66%, a 1 point increase reflecting in particular the firm control over the cost of products sold.

Marketing and selling expenses totaled 5,215 million euros, up 10% based on published figures, amounting to a 13% rise on a constant consolidation scope and currency basis. The new concessions at Hong Kong airport represent approximately 4 points of this increase. This remaining increase in marketing and selling expenses was mainly due to the development of the Group's retail networks, but also to higher communications expenditures by the Group's main brands. The level of these expenses rose by 1 point as a percentage of revenue to 38%. Among these marketing and selling expenses, advertising and promotion represented 12% of revenue, an increase of 5% on a constant consolidation scope and currency basis.

The geographic breakdown of stores is as follows:

(number)	June 30, 2013	Dec. 31, 2012	June 30, 2012
France	426	412	398
Europe (excluding France)	893	910	891
United States	656	644	630
Japan	368	370	359
Asia (excluding Japan)	703	670	641
Other markets	202	198	176
Total	**3,248**	**3,204**	**3,095**

General and administrative expenses totaled 1,087 million euros, up 5% based on published figures, and up 7% on a constant consolidation scope and currency basis. They represented 8% of revenue, a stable percentage with respect to June 30, 2012.

Profit from recurring operations by business group

(EUR millions)	June 30, 2013	Dec. 31, 2012	June 30, 2012
Wines and Spirits	542	1,260	496
Fashion and Leather Goods	1,497	3,264	1,516
Perfumes and Cosmetics	200	408	197
Watches and Jewelry	156	334	159
Selective Retailing	407	854	373
Other activities and eliminations	(90)	(199)	(82)
Total	**2,712**	**5,921**	**2,659**

The Group's profit from recurring operations was 2,712 million euros, representing an increase of 2%. The operating margin as a percentage of the Group's revenue was 20%, 1 point lower with respect to June 30, 2012.

Exchange rate fluctuations had a positive net impact on the Group's profit from recurring operations of 60 million euros compared to June 30, 2012. This total comprises the following three items: the impact of changes in exchange rate parities on export and import sales and purchases by Group companies, the change in the net impact of the Group's policy of hedging its commercial exposure to various currencies, and the impact of exchange rate fluctuations on the consolidation of profit from recurring operations of subsidiaries outside the euro zone. On a constant consolidation scope, currency and foreign exchange hedging basis, the Group's profit from recurring operations was stable with respect to June 30, 2012.

Wines and Spirits

	June 30, 2013	Dec. 31, 2012	June 30, 2012
Revenue *(EUR millions)*	1,808	4,137	1,759
Profit from recurring operations *(EUR millions)*	542	1,260	496
Operating margin *(%)*	30	30	28

Profit from recurring operations for Wines and Spirits was 542 million euros, up 9%. This performance was the result of both sales volume growth and a sustained policy of price increases. Control of costs, together with the positive impact of exchange rate fluctuations, helped offset the rise in marketing and selling expenses focused on certain strategic markets. The operating margin as a percentage of revenue increased 2 points to 30%.

Fashion and Leather Goods

	June 30, 2013	Dec. 31, 2012	June 30, 2012
Revenue *(EUR millions)*	4,711	9,926	4,656
Profit from recurring operations *(EUR millions)*	1,497	3,264	1,516
Operating margin *(%)*	32	33	33

Fashion and Leather Goods posted profit from recurring operations of 1,497 million euros, down 1%. Operating margin remained stable at Louis Vuitton, whereas Céline and Fendi confirmed their profitable growth momentum. The operating margin as a percentage of revenue fell 1 point to 32%.

Perfumes and Cosmetics

	June 30, 2013	Dec. 31, 2012	June 30, 2012
Revenue *(EUR millions)*	1,804	3,613	1,727
Profit from recurring operations *(EUR millions)*	200	408	197
Operating margin *(%)*	11	11	11

Profit from recurring operations for Perfumes and Cosmetics was 200 million euros, up 2% compared to 2012. This increase was driven by Guerlain and Benefit, which improved their results, thanks to the launch of *La Petite Robe Noire* at Guerlain along with the success of flagship product lines and a strong innovation momentum at Benefit. The operating margin as a percentage of revenue remained stable at 11%.

Watches and Jewelry

	June 30, 2013	Dec. 31, 2012	June 30, 2012
Revenue *(EUR millions)*	1,310	2,836	1,343
Profit from recurring operations *(EUR millions)*	156	334	159
Operating margin *(%)*	12	12	12

Profit from recurring operations for Watches and Jewelry was 156 million euros, a 2% decrease. The operating margin as a percentage of revenue remained stable at 12%.

Selective Retailing

	June 30, 2013	Dec. 31, 2012	June 30, 2012
Revenue *(EUR millions)*	4,215	7,879	3,590
Profit from recurring operations *(EUR millions)*	407	854	373
Operating margin *(%)*	10	11	10

Profit from recurring operations for Selective Retailing was 407 million euros, up 9% compared to the first half of 2012. The operating margin as a percentage of revenue for the Selective Retailing business group remained stable at 10%. This performance was achieved thanks to the strong dynamic of Sephora, which offset the start-up cost of the new DFS airport concessions in Hong Kong.

Other activities

The net result from recurring operations of Other activities and eliminations was a loss of 90 million euros, a higher loss than the first half of 2012. In addition to headquarters expenses, this heading includes the results of the Media division and those of the yacht builder Royal Van Lent.

1.3. Other income statement items

(EUR millions)	June 30, 2013	Dec. 31, 2012	June 30, 2012
Profit from recurring operations	2,712	5,921	2,659
Other operating income and expenses	(40)	(182)	(122)
Operating profit	2,672	5,739	2,537
Net financial income (expense)	(76)	(14)	56
Income taxes	(795)	(1,820)	(705)
Income (loss) from investments in associates	5	4	4
Net profit before minority interests	**1,806**	**3,909**	**1,892**
Minority interests	(229)	(485)	(211)
Net profit, Group share	**1,577**	**3,424**	**1,681**

Other operating income and expenses amounted to a net expense of 40 million euros, compared to a net expense of 122 million euros in the first half of 2012. In the first half of 2013, Other operating income and expenses mainly comprised amortization and impairment charges for brands and goodwill.

The Group's operating profit was 2,672 million euros, representing a 5% increase over 2012.

The net financial expense as of June 30, 2013 was 76 million euros, compared with net financial income of 56 million euros as of June 30, 2012. This item comprises:

- the aggregate cost of net financial debt, which amounted to 57 million euros, a decrease compared to June 30, 2012, benefiting from the combined effect of the reduction in average net financial debt outstanding compared to the first six months of 2012 and of a lower average financing cost;
- other financial income and expenses, amounting to a net expense of 19 million euros, compared to a net income of 134 million euros as of June 30, 2012. The positive result in 2012 was notably due to dividends received in connection with the Group's shareholding in Hermès, which included an exceptional amount.

The Group's effective tax rate as of June 30, 2013 was 31%, compared to 27% in 2012. The tax rate for 2012, which was specific to that fiscal year, was related to the structure of net financial income (expense).

Income from associates was 5 million euros in the first half of 2013, remaining stable compared to 2012.

Profit attributable to minority interests was 229 million euros, compared to 211 million euros in 2012. This total mainly includes profit attributable to minority interests in Moët Hennessy and DFS, and reflects higher earnings by these entities.

The Group's share of net profit was 1,577 million euros, down 6% compared to June 30, 2012. This represents 12% of revenue in 2013, down 1 point compared to June 30, 2012.

Comments on the determination of the impact of exchange rate fluctuations and changes in the scope of consolidation

The impact of exchange rate fluctuations is determined by translating the accounts for the fiscal year of entities having a functional currency other than the euro at the prior fiscal year's exchange rates, without any other adjustments.

The impact of changes in the scope of consolidation is determined:
- for the fiscal year's acquisitions, by deducting from revenue for the fiscal year the amount of revenue generated during that fiscal year by the acquired entities, as of their initial consolidation;
- for the prior fiscal year's acquisitions, by deducting from revenue for the fiscal year the amount of revenue generated over the months during which the acquired entities were not consolidated in the prior fiscal year;
- for the fiscal year's disposals, by adding to revenue for the fiscal year the amount of revenue generated by the divested entities in the prior fiscal year over the months during which those entities were no longer consolidated in the current fiscal year;
- for the prior fiscal year's disposals, by adding to revenue for the fiscal year the amount of revenue generated in the prior fiscal year by the divested entities.

Profit from recurring operations is restated in accordance with the same principles, in addition to the restatements of the impact of exchange rate fluctuations described in §1.2 Profit from recurring operations.

2. WINES AND SPIRITS

	June 30, 2013	Dec. 31, 2012	June 30, 2012
Revenue *(EUR millions)*	**1,808**	**4,137**	**1,759**
Sales volume *(millions of bottles)*			
Champagne	21.2	56.8	21.1
Cognac	33	67.1	32.1
Other spirits	7.4	15.7	6.8
Still and sparkling wines	17.6	43.3	16.8
Revenue by geographic region of delivery *(%)*			
France	6	7	7
Europe (excluding France)	16	20	16
United States	23	22	23
Japan	5	6	6
Asia (excluding Japan)	35	30	35
Other markets	15	15	13
Total	**100**	**100**	**100**
Profit from recurring operations *(EUR millions)*	**542**	**1,260**	**496**
Operating margin *(%)*	**30**	**30**	**28**
Operating investments *(EUR millions)*	**79**	**182**	**79**

Highlights

In an environment characterized by strong momentum in Asia but with a mixed market in Europe, the Wines and Spirits business group turned in a strong set of performances and continues to illustrate the priorities of its value-enhancing strategy: firm prices and moving the product mix upscale. The brands' momentum has been boosted by Moët Hennessy's retail network, which is both powerful and responsive, and by sustained investments in communication.

Champagne and Wines revenue amounted to 739 million euros, generating profit from recurring operations of 171 million euros. The champagne business has shown its resilience against a tough economic environment in Europe. The robust demand enjoyed by LVMH brands in the Asian markets meant that volumes could be maintained at a level comparable to that seen in the first half of 2012.

Moët & Chandon consolidated its global leadership position, maintaining its value strategy in its historic markets and continuing its penetration into emerging countries. **Dom Pérignon**, whose Rosé 2002 was launched in January and is achieving excellent sales results, unveiled its 2004 vintage in May at an exceptional event in Hautvillers. **Veuve Clicquot** accelerated its development in Asia and continued to combine innovation with prestigious partnerships, notably with Joël Robuchon, all of whose restaurants throughout the world will give the brand pride of place. **Ruinart** continued to expand internationally and bolstered its image through events underscoring its involvement in the world of contemporary art. **Krug** showed good momentum in Japan and the Asia-Pacific region. **Mercier** revitalized its packaging and communication, and achieved substantial growth.

The premium sparkling and still wines that together make up **Estates & Wines** turned in a solid set of performances. Wine-growing projects in China and India are making good progress.

Cognac and Spirits revenue amounted to 1,069 million euros, generating profit from recurring operations of 371 million euros. Cognac volumes increased by 3%.

After celebrating a record year, **Hennessy** witnessed further growth in its results. Under current economic conditions, the power of its brand is a key advantage for the Maison, as is the geographic mix of its sales which means that its volumes can be efficiently targeted to the most dynamic regions. In the first half of the year, volume growth was driven mainly by young qualities. The brand continued to make solid headway in the United States in volume and value terms. In China, Hennessy offset the impact of government measures, thanks to its strong sales momentum in the nightlife and restaurant segments. The brand stepped up its development in Africa and South America.

Glenmorangie and **Ardbeg** whiskies, **Belvedere** vodka and the Chinese spirits maker **Wenjun** boosted their notoriety and enjoyed robust growth in their respective markets.

Outlook

In the second half of the year, Wines and Spirits Maisons will maintain their value-creation strategy and their policy of innovation, while also continuing to build up their global reach. With the ambition of consolidating their positions in their traditional markets and stepping up their penetration into emerging markets, their investments will target the regions and segments that offer the best growth opportunities.

3. FASHION AND LEATHER GOODS

	June 30, 2013	Dec. 31, 2012	June 30, 2012
Revenue *(EUR millions)*	4,711	9,926	4,656
Revenue by geographic region of delivery *(%)*			
France	8	8	8
Europe (excluding France)	19	19	18
United States	20	20	19
Japan	13	14	14
Asia (excluding Japan)	32	31	33
Other markets	8	8	8
Total	100	100	100
Type of revenue as a percentage of total revenue (excluding Louis Vuitton)			
Retail	51	51	50
Wholesale	44	43	44
Licenses	5	6	6
Total	100	100	100
Profit from recurring operations *(EUR millions)*	1,497	3,264	1,516
Operating margin *(%)*	32	33	33
Operating investments *(EUR millions)*	303	579	237
Number of stores	1,306	1,280	1,240

Highlights

Louis Vuitton continued to make strides and implement its strategy based on ceaseless creativity, the perennial pursuit of perfection in its assorted business lines, and excellence throughout its retail network. Despite entrenched economic uncertainty in Europe, Louis Vuitton's longstanding and emerging market customers proved their attachment to the brand and its values.

Leather products, whose development remains a strategic priority, surged ahead with the *Epi* and *Monogram Empreinte* lines especially. The first half of the year saw the launch of Louis Vuitton's *Alma BB* and *Monceau BB* 'mini-icons' in both *Monogram Vernis* and *Epi* leather versions, as well as the addition of the *Métis* model to the *Monogram* canvas offering. Ready-to-wear and shoes continued to grow. As an illustration of Louis Vuitton's advertising strategy, the iconic *Alma* model starred in the "Chic on the bridge" campaign launched worldwide last May.

In a constant effort to make each of its stores the place for customers to have an exceptional and unique experience, Louis Vuitton carried on developing the quality of its global network. Two openings left their mark on the period: the Maison Louis Vuitton in Venice, which includes a cultural space, and the Maison in Munich with its similarly inspired art exhibition area.

Fendi continued to focus on the twin pillars of its product offering, furs and leather goods, both of which are experiencing strong sales growth, as well as on its store expansion program. The Rome-based brand opened a store in Sao Paulo, Brazil, its first in South America.

Céline once again posted sustained growth, driven by its leather goods and shoe lines. The new *Edge* handbag is very popular and the *Luggage* and *Trapèze* lines have achieved record sales. Boutiques are being opened and renovated at an accelerating pace.

Donna Karan continued to expand distribution selectively. The New York brand enjoyed a boost from the successful relaunch of its *DKNY Jeans* line and the rise of its accessories collections.

Marc Jacobs successfully took over its business in China directly. Its *Classic Q* line of handbags continues to show strong performance.

Loewe boosted the manufacturing capacity of its facility in Spain and continued the deployment of Peter Marino's new store concept. **Kenzo** built on the success of its new creative positioning, **Givenchy** performed well in exclusive brand boutiques and **Pucci** selectively expanded its global presence. **Thomas Pink** saw heavy growth in its online sales. **Berluti** has expanded its creative domain dedicated to men's elegance, with the recent inauguration in Shanghai and London of a plan to open new Maisons encompassing Berluti's universe.

Outlook

Louis Vuitton will maintain its main strategic priorities. Over the second half of the year, it will continue to illustrate its enormous capacity for innovation with strong initiatives, especially in leather goods. New advertising campaigns will come with these initiatives.

The business group's other brands will continue consolidating their positions so as to successfully tackle the next phases of their development. Creative collections and excellence in retail will remain their core objectives.

The LVMH group's acquisition of 80% of the family-owned Loro Piana label marked the beginning of the second half of the year. This transaction is subject to approval by competition authorities. With over six generations of experience, Loro Piana is a leading producer and retailer of high-end textile products.

4. PERFUMES AND COSMETICS

	June 30, 2013	Dec. 31, 2012	June 30, 2012
Revenue *(EUR millions)*	1,804	3,613	1,727
Revenue by product category *(%)*			
Perfumes	43	48	45
Cosmetics	38	35	37
Skincare products	19	17	18
Total	100	100	100
Revenue by geographic region of delivery *(%)*			
France	13	13	13
Europe (excluding France)	31	33	31
United States	12	12	12
Japan	5	6	6
Asia (excluding Japan)	24	22	23
Other markets	15	14	15
Total	100	100	100
Profit from recurring operations *(EUR millions)*	200	408	197
Operating margin *(%)*	11	11	11
Operating investments *(EUR millions)*	89	196	79
Number of stores	99	94	90

Highlights

In a highly competitive market, LVMH brands continued to make good headway, driven by a bold creative process coupled with strong communications and a constant quest for excellence, from product design to distribution. Innovation and market share gains were again the order of the day in the first half of 2013.

Spurred on by the exceptional aura of its brand and the vitality of its flagship product lines, **Parfums Christian Dior** posted excellent performance. The iconic *J'adore* perfume, coming in its *Voile de Parfum* version in the first half of the year, gained market share in all major countries, while *Miss Dior* consolidated its performance with support from new advertising. Amongst other initiatives, a newly created rare and refined fragrance, *Gris Montaigne*, part of the *Collection Privée Christian Dior*, highlighted the Maison's vision of excellence and its savoir-faire in the realm of luxury perfumes. Make-up collections, which express a special kinship with Couture, continued to thrive internationally, fueled by innovations such as *Diorskin Nude BB Crème*. *Prestige*, the premium product line that epitomizes Dior skincare, continued to grow robustly. The relaunch of *Capture Totale* was backed up by scientific innovation and a new advertising campaign, enabling Dior skincare to strengthen its position globally.

Guerlain continued to prosper, buoyed by the remarkable success of *La Petite Robe Noire*, which is generating excellent results both internationally and on the French market. The brand gained market share in most of its key countries, notably in Europe, thanks to *La Petite Robe Noire* and in Asia, where *Orchidée Impériale* skincare is enjoying strong growth. Guerlain unveiled a boutique at the Cour des Senteurs, in the heart of Versailles, providing a prestigious new showcase for its creations.

Parfums Givenchy pursued its development in a wide range of markets, mainly Russia, Asia and Latin America. The *Gentlemen Only* fragrance was launched worldwide and is doing very well. Make-up products forged ahead, building on the strong performance of the new *Le Rouge* lipstick. **Kenzo Parfums** received a boost from the success of its *Kenzo Amour I Love You* line. **Fendi Perfumes** saw a spike in business prompted by recent product launches.

Benefit and **Make Up For Ever** kept up their strong growth and international development. Benefit carried on innovating in make-up with the launch of *Fake Up*, a moisturizing concealer. The brand made its debut in Indonesia in the first half of the year. Make Up For Ever won yet more market share thanks to the strong performance of its *HD* and *Aqua* flagship lines. The brand is developing its cinema partnerships and has continued to deploy its network of boutiques. **Fresh** got off to an excellent start in Asia, where its authentic products and advertising have been very well received.

Outlook

In the business-critical second half of the year, perfume and cosmetics brands will continue to push their flagship product lines and focus on a firm policy of innovation. These efforts will be matched by heavy media investments. Initiatives will include **Parfums Christian Dior** following up its June launch of *Eau Délice* in the *Dior Addict* line with the orchestrated revival of its iconic *Rouge Dior*, while also making a splash around its *Dior Homme* fragrances with a fresh advertising campaign and a new male ambassador, Robert Pattinson. **Guerlain** will launch new advertising for *Shalimar* and open the doors of its next store at 68 Champs Élysées, the quintessence of its vision of glamour. **Benefit**, **Make Up For Ever** and **Fresh** will also be opening new boutiques as they expand worldwide.

5. WATCHES AND JEWELRY

	June 30, 2013	Dec. 31, 2012	June 30, 2012
Revenue *(EUR millions)*	1,310	2,836	1,343
Revenue by geographic region of delivery *(%)*			
France	6	6	6
Europe (excluding France)	27	27	26
United States	12	12	13
Japan	13	14	14
Asia (excluding Japan)	27	26	27
Other markets	15	15	14
Total	100	100	100
Profit from recurring operations *(EUR millions)*	156	334	159
Operating margin *(%)*	12	12	12
Operating investments *(EUR millions)*	98	136	52
Number of stores [a]	351	347	334

(a) Excluding franchises.

Highlights

In the first half of 2013, the Watches and Jewelry business group continued its upmarket strategy aimed at boosting the renown and image of its Maisons. The power of their iconic product lines, the quality and creativity of newly launched products, and the buoyancy of the high-end segment, particularly with respect to jewelry, all played a key part in the strong performance of exclusive brand boutiques. In an uncertain economic environment and a highly competitive market, the start of the year was nonetheless marked by cautious purchasing on the part of multi-brand watch retailers. The business group continued to invest in bolstering distribution quality and consolidating its savoir-faire in fine timepieces and jewelry.

Bulgari kept momentum up with events celebrating the Maison's savoir-faire as embodied by the *Serpenti* line, one of its most powerful symbols. An exhibition of legendary pieces that belonged to Elizabeth Taylor was held in Los Angeles during Oscar week. At Baselworld, Bulgari successfully presented its *Catene* watch for women and a reinterpretation of the emblematic *Bulgari Bulgari* men's watch.

In a blend of past and future, **TAG Heuer** celebrated the 50th anniversary of its legendary *Carrera* collection and, in Basel, launched its *MikropendulumS* chronograph, the first magnetic double tourbillon in the history of watchmaking. The brand has continued to demonstrate its pioneering spirit, becoming a founding member and official timekeeper of the upcoming Formula E championship designed for electrically-powered racing cars. The new TAG Heuer movement manufacturing facility, opened in June, will be fully operational by the end of the year.

Hublot boosted its upscale image with highlights such as designing the world's first brightly colored ceramic and introducing the *MP-05 LaFerrari* watch with a power reserve of 50 days, a record in watchmaking. The brand continues to strengthen its image and visibility while expanding its network of boutiques.

Zenith deployed all the new components of its brand image and continued developing its *Pilot* collection with new models for men and women.

The *Joséphine* tiara ring by **Chaumet** met with increasing success, and the Maison added new high-end jewelry watches to its *Attrape-moi si tu m'aimes* collection. **De Beers** consolidated its position as the jeweler of light, launching several new collections. **Fred** and **Montres Dior** continued to develop their emblematic product lines.

Outlook

In the second half of the year, Watches and Jewelry business group brands will get a boost in growth from deliveries of the new products successfully presented at Baselworld. Against a still mixed economic backdrop, approaching each market attentively and allocating resources selectively will remain key. Investments in innovation and in the development of manufacturing capabilities will continue. Amongst other initiatives, **Bulgari** will build a new jewelry workshop in Italy, combining excellent craftsmanship and cutting-edge technology.

6. SELECTIVE RETAILING

	June 30, 2013	Dec. 31, 2012	June 30, 2012
Revenue *(EUR millions)*	**4,215**	**7,879**	**3,590**
Revenue by geographic region of delivery *(%)*			
France	15	17	17
Europe (excluding France)	10	11	12
United States	33	36	36
Japan	1	1	1
Asia (excluding Japan)	33	27	27
Other markets	8	8	7
Total	**100**	**100**	**100**
Profit from recurring operations *(EUR millions)*	**407**	**854**	**373**
Operating margin *(%)*	**10**	**11**	**10**
Operating investments *(EUR millions)*	**178**	**332**	**143**
Number of stores			
Sephora	1,413	1,398	1,349
Other trade names	62	68	68

Highlights

Revenue at **DFS** rose sharply in comparison with the first half of 2012. This increase includes growth on a comparable store basis and the contribution from three large concessions won in late 2012 at the Hong Kong airport. These promising new locations, which have already made a substantial contribution to revenue growth, are now being invested in for extensive remodeling. On a comparable store basis, the main driver of revenue growth at DFS was its dynamic Asian clientele. Hong Kong and Macao did exceptionally well.

Miami Cruiseline posted a good first half-year, reflecting the growing success of cruise routes in the Mediterranean and Asia.

Sephora continued to achieve remarkable results fueled by sales growth at existing stores and the expansion of its global network. With an innovative product offering that is consistently at the forefront of new trends, highly committed staff and a totally customer-focused organization, Sephora has been able to gain market share in all countries. In Europe, sales are growing with help from every region, particularly France, where Sephora has led the market for four straight years, as well as in Italy and Russia. Sales continued to climb substantially in North America, where Sephora has further consolidated its positions. It is also accelerating its expansion in China, with some ten openings including its new flagship store in Shanghai, and is strengthening its presence in its new markets of Southeast Asia, Latin America and the Middle East. On-line sales are showing strong growth in all countries.

As part of the ongoing renovation of its retail spaces, **Le Bon Marché** began transforming its Accessories department. This department store on the left bank in Paris continues to cultivate its unique character in everything it does and has proven resilient against a weak economic backdrop. The successful Brazil exhibition and two restaurant openings were some of the highlights of this half year. A new space devoted to timepieces has also been created.

Outlook

Over the next few months **DFS** will continue to develop its innovative marketing programs while also expanding and renovating its flagship stores. In particular, the expansion and renovation of retail outlets in Macao and North American airports, as well as the completed refurbishment of almost 8,000 sq.m of selling space in the Hong Kong airport, will bear fruit in the second half of the year. With its plans for development, high-end product offering, and investments in *Gallerias* and strategic airport concessions, DFS is poised to take advantage of the tremendous growth opportunities available on the global retail travel market.

Miami Cruiseline will continue to prioritize moving its boutiques upmarket and tailoring its offerings to its various clienteles.

Sephora will forge ahead with the expansion and renovation of its network, always seeking to provide its customers the world over with the ultimate shopping experience in beauty products. Innovation remains the watchword, both in stores and in the online and mobile marketplace. The launch of *Marc Jacobs* cosmetics will expand Sephora's offering of exclusive brands. A new service developed in the United States will be introduced in Europe to help every customer choose the color that is best adapted to their skin complexion as their foundation.

Le Bon Marché will unveil its new Accessories department, which includes several distinctly themed, theatricalized spaces as well as a unique and selective product offering in line with the store's raison d'être. The new Grande Épicerie fine food store will open toward the end of the year.

7. COMMENTS ON THE CONSOLIDATED BALANCE SHEET

(EUR billions)	June 30, 2013	Dec. 31, 2012 [(a)]	Change
Tangible and intangible assets	28.3	28.1	0.2
Other	8.2	7.6	0.6
Non-current assets	**36.5**	**35.7**	**0.8**
Inventories	8.6	8.1	0.5
Other current assets	5.6	6.2	(0.6)
Current assets	**14.2**	**14.3**	**(0.1)**
Assets	**50.7**	**50.0**	**0.7**

(EUR billions)	June 30, 2013	Dec. 31, 2012 [(a)]	Change
Total equity	26.5	25.5	1.0
Long term borrowings	3.2	3.8	(0.6)
Other non-current liabilities	11.3	11.2	0.1
Equity and non-current liabilities	**41.0**	**40.5**	**0.5**
Short term borrowings	3.9	3.0	0.9
Other	5.8	6.5	(0.7)
Current liabilities	**9.7**	**9.5**	**0.2**
Liabilities and equity	**50.7**	**50.0**	**0.7**

(a) The balance sheet as of December 31, 2012 has been restated to reflect the retrospective application as of January 1, 2011 of IAS 19 Employee benefits as amended. See Note 1.2 of the consolidated half-year financial statements.

LVMH's consolidated balance sheet totaled 50.7 billion euros as of June 30, 2013, representing a 1% increase from year-end 2012. Non-current assets rose by 0.8 billion euros and represented 72% of total assets, up 1 point compared with year-end 2012.

Tangible and intangible fixed assets grew by 0.2 billion euros. This amount includes 0.2 billion euros in respect of the period's investments, net of disposals as well as amortization and depreciation charges. The comments on the cash flow statement provide further information about investments. The remaining amount of this change was due to an increase in the amount of goodwill, for 0.2 billion euros, reflecting the revaluation of purchase commitments for minority interests, partly offset by the 0.1 billion euros negative impact in exchange rate fluctuations.

Other non-current assets grew by 0.6 billion euros, mostly due to the increase in the value of the investment in Hermès International. As of June 30, 2013, the stake in Hermès amounted to 6.0 billion euros.

Inventories increased by 0.5 billion euros, reflecting the growth of the Group's business activities. The comments on the cash flow statement provide further information on this change.

Other current assets decreased by 0.6 billion euros, mainly due to a 0.2 billion euro reduction in trade accounts receivable, given the seasonality of the Group's business activities, and a reduction in cash and cash equivalents of 0.3 billion euros; other current assets thus came to 5.6 billion euros.

Other non-current liabilities rose by 0.1 billion euros, the increase of 0.2 billion euros in purchase commitments for minority interests and non-current provisions was partly offset, for 0.1 billion euros, by the decrease in deferred tax liabilities.

Other current liabilities totaled 5.8 billion euros, representing a decrease of 0.7 billion euros from year-end 2012. This change is due to the decrease in trade accounts payables, for 0.2 billion euros, in income tax payable, for 0.1 billion euros and in social and tax liabilities, for 0.2 billion euros; these movements are related to the seasonal nature of the Group's business activities.

(EUR billions)	June 30, 2013	Dec. 31, 2012 [(a)]	Change
Long term borrowings	3.2	3.8	(0.6)
Short term borrowings and derivatives	3.8	2.8	1.0
Gross borrowings after derivatives	**7.0**	**6.6**	**0.4**
Cash and cash equivalents and current available for sale financial assets	(2.0)	(2.3)	0.3
Net financial debt	**5.0**	**4.3**	**0.7**
Equity	**26.5**	**25.5**	**1.0**
Net financial debt/Total equity ratio	**19%**	**17%**	**2%**

(a) The balance sheet as of December 31, 2012 has been restated to reflect the retrospective application as of January 1, 2011 of IAS 19 Employee benefits as amended. See Note 1.2 of the consolidated half-year financial statements.

The ratio of net financial debt to equity, which was 17% as of December 31, 2012, rose 2 points to 19%; the growth in equity was less rapid than that of net financial debt. These are characteristic movements given the seasonal nature of the Group's business activities.

Total equity amounted to 26.5 billion euros as of June 30, 2013, representing an increase of 4% compared to year-end 2012. This increase reflects the Group's strong earnings, which have only been partially distributed, and the increase in the value of the investment in Hermès. As of June 30, 2013, total equity accounted for 52% of the balance sheet total, up slightly from the 51% recorded at year-end 2012.

Gross borrowings after derivatives totaled 7.0 billion euros as of June 30, 2013, representing a 0.4 billion euro increase compared to year-end 2012. In May 2013, LVMH issued six-year bonds with a total nominal amount of 500 million euros, while the Group also issued 0.2 billion euros in other borrowings. Conversely, repayments of borrowings amounted to 0.6 billion euros, including the reimbursement of foreign-currency denominated private placements for 0.3 billion euros. In addition to this, commercial paper outstanding increased by 0.3 billion euros. Cash and cash equivalents and current available for sale financial assets totaled 2.0 billion euros as of June 30, 2013, down slightly from 2.3 billion euros at year-end 2012.

As of June 30, 2013, the Group's undrawn confirmed credit lines amounted to 3.1 billion euros, substantially exceeding the outstanding portion of its commercial paper program, which came to 1.5 billion euros as of June 30, 2013.

8. COMMENTS ON THE CONSOLIDATED CASH FLOW STATEMENT

(EUR millions)	June 30, 2013	June 30, 2012	Change
Cash from operations before changes in working capital	**3,280**	**3,198**	**82**
Cost of net financial debt: interest paid	(62)	(98)	36
Income taxes paid	(979)	(963)	(16)
Net cash from operating activities before changes in working capital	**2,239**	**2,137**	**102**
Total change in working capital	(1,021)	(926)	(95)
Operating investments	(816)	(679)	(137)
Free cash flow	**402**	**532**	**(130)**
Financial investments	**(141)**	**(131)**	**(10)**
Transactions related to equity	**(1,140)**	**(1,070)**	**(70)**
Change in cash before financing activity	**(879)**	**(669)**	**(210)**

Cash from operations before changes in working capital totaled 3,280 million euros, compared to 3,198 million euros a year earlier, representing an increase of 3%. Net cash from operating activities before changes in working capital (i.e. after interest and income taxes paid) amounted to 2,239 million euros, up 5% compared to the first half of 2012.

Interest paid, which totaled 62 million euros, was down compared to the amount paid in the first half of 2012, due to combined favorable effect of lower interest rates on borrowings and the lower average amount of debt outstanding compared with the first half of 2012.

Income taxes paid came to 979 million euros, remaining stable compared to the amount of 963 million euros paid a year earlier.

Working capital requirements increased by 1,021 million euros, primarily as a result of a rise in inventories, which generated a cash requirement of 711 million euros. This increase in inventories, driven by growth in volume of the Group's business activities and number of stores, was mainly related to Wines and Spirits, especially as a result of purchases of *eaux-de-vie*, Fashion and Leather Goods, and Selective Retailing. Lower trade accounts payable in addition to social security and tax liabilities generated an additional working capital requirement of 489 million euros, which was partially offset by a reduction in trade accounts receivable of 179 million euros. These changes are attributable to the seasonal nature of the Group's business activities.

Operating investments net of disposals resulted in a net cash outflow of 816 million euros in the first half of 2013, compared to 679 million euros a year earlier. They consisted mainly of investments by Louis Vuitton, Sephora, DFS and TAG Heuer in their retail networks, those of the champagne and perfume brands in their production facilities, and those of Parfums Christian Dior in display counters.

In the first half of the year, 162 million euros were allocated to acquisitions of financial investments, mainly relating to the purchase of Hermès shares on the market. Conversely, disposals of financial investments generated a cash inflow of 21 million euros.

Transactions relating to equity generated an outflow of 1,140 million euros. A portion of this amount, 901 million euros, corresponds to the balance of the dividend due in respect of 2012 paid in April by LVMH SA, excluding the amount attributable to treasury shares. In addition, dividends paid out to minority shareholders of consolidated subsidiaries amounted to 173 million euros, and the impact of acquisitions of minority interests corresponded, in the amount of 84 million euros, to the acquisition of the additional 30% stake in Château d'Yquem. Conversely, share subscription options exercised during the six-month period generated an inflow of 35 million euros.

The net cash outflow after all operating, investment, and equity-related activities thus amounted to 879 million euros; this was partially financed by an increase in debt. The cash balance at the end of the period was lower, by an amount of 378 million euros, than at year-end 2012.

CONDENSED HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

(EUR millions, except for earnings per share)	Notes	June 30, 2013	Dec. 31, 2012	June 30, 2012
Revenue	23	**13,695**	**28,103**	**12,966**
Cost of sales		(4,681)	(9,917)	(4,532)
Gross margin		**9,014**	**18,186**	**8,434**
Marketing and selling expenses		(5,215)	(10,101)	(4,740)
General and administrative expenses		(1,087)	(2,164)	(1,035)
Profit from recurring operations	23-24	**2,712**	**5,921**	**2,659**
Other operating income and expenses	25	(40)	(182)	(122)
Operating profit		**2,672**	**5,739**	**2,537**
Cost of net financial debt		(57)	(140)	(78)
Other financial income and expenses		(19)	126	134
Net financial income (expense)	26	**(76)**	**(14)**	**56**
Income taxes	27	(795)	(1,820)	(705)
Income (loss) from investments in associates	7	5	4	4
Net profit before minority interests		**1,806**	**3,909**	**1,892**
Minority interests	17	(229)	(485)	(211)
Net profit, Group share		**1,577**	**3,424**	**1,681**
Basic Group share of net earnings per share *(EUR)*	28	**3.15**	**6.86**	**3.37**
Number of shares on which the calculation is based		500,208,913	499,133,643	498,706,626
Diluted Group share of net earnings per share *(EUR)*	28	**3.13**	**6.82**	**3.35**
Number of shares on which the calculation is based		503,567,531	502,229,952	502,008,025

CONSOLIDATED STATEMENT OF COMPREHENSIVE GAINS AND LOSSES

(EUR millions)	June 30, 2013	Dec. 31, 2012 [a]	June 30, 2012 [a]
Net profit before minority interests	**1,806**	**3,909**	**1,892**
Translation adjustments	(119)	(99)	93
Tax impact	(7)	(18)	28
	(126)	**(117)**	**121**
Change in value of available for sale financial assets	533	(27)	308
Amounts transferred to income statement	(9)	(14)	(11)
Tax impact	(35)	(6)	(10)
	489	**(47)**	**287**
Change in value of hedges of future foreign currency cash flows	79	182	3
Amounts transferred to income statement	(116)	13	6
Tax impact	3	(50)	1
	(34)	**145**	**10**
Gains and losses recognized in equity, transferable to income statement	**329**	**(19)**	**418**
Change in value of vineyard land	-	85	(1)
Tax impact	-	(28)	-
	-	**57**	**(1)**
Employee benefit commitments: change in value resulting from actuarial differences	46	(101)	-
Tax impact	(13)	29	-
	33	**(72)**	**-**
Gains and losses recognized in equity, not transferable to income statement	**33**	**(15)**	**(1)**
Comprehensive income	**2,168**	**3,875**	**2,309**
Minority interests	(241)	(470)	(232)
Comprehensive income, Group share	**1,927**	**3,405**	**2,077**

(a) The consolidated statement of comprehensive gains and losses as of December 31, 2012 and June 30, 2012 have been restated to reflect the retrospective application as of January 1, 2011 of IAS 19 Employee benefits as amended. See Note 1.2.

CONSOLIDATED BALANCE SHEET

ASSETS	Notes	June 30, 2013	Dec. 31, 2012 [a]	June 30, 2012 [a]
(EUR millions)				
Brands and other intangible assets	3	11,490	11,510	11,572
Goodwill	4	7,956	7,806	7,245
Property, plant and equipment	6	8,889	8,769	8,243
Investments in associates	7	163	163	167
Non-current available for sale financial assets	8	6,658	6,004	6,374
Other non-current assets	9	467	519	521
Deferred tax		870	954	947
Non-current assets		**36,493**	**35,725**	**35,069**
Inventories and work in progress	10	8,592	8,080	8,301
Trade accounts receivable	11	1,769	1,985	1,581
Income taxes		223	201	204
Other current assets	12	1,724	1,811	1,431
Cash and cash equivalents	14	1,888	2,196	2,601
Current assets		**14,196**	**14,273**	**14,118**
Total assets		**50,689**	**49,998**	**49,187**

LIABILITIES AND EQUITY	Notes	June 30, 2013	31 Dec. 31, 2012 [a]	June 30, 2012 [a]
(EUR millions)				
Share capital		152	152	152
Share premium account		3,860	3,848	3,836
Treasury shares and LVMH-share settled derivatives		(398)	(414)	(465)
Cumulative translation adjustment		206	342	532
Revaluation reserves		3,217	2,731	2,956
Other reserves		16,845	14,341	14,871
Net profit, Group share		1,577	3,424	1,681
Equity, Group share	15	25,459	24,424	23,563
Minority interests	17	1,044	1,084	1,069
Total equity		**26,503**	**25,508**	**24,632**
Long term borrowings	18	3,228	3,836	4,323
Provisions	19	1,751	1,756	1,531
Deferred tax		3,868	3,960	3,962
Other non-current liabilities	20	5,660	5,456	4,686
Non-current liabilities		**14,507**	**15,008**	**14,502**
Short term borrowings	18	3,905	2,976	4,103
Trade accounts payable		2,905	3,134	2,761
Income taxes		301	442	392
Provisions	19	316	335	335
Other current liabilities	21	2,252	2,595	2,462
Current liabilities		**9,679**	**9,482**	**10,053**
Total liabilities and equity		**50,689**	**49,998**	**49,187**

(a) The balance sheets as of December 31, 2012 and June 30, 2012 have been restated to reflect the retrospective application as of January 1, 2011 of IAS 19 Employee benefits as amended. See Note 1.2.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(EUR millions)	Number of shares	Share capital	Share premium account	Treasury shares and LVMH-share settled derivatives	Cumulative translation adjustment	Revaluation reserves				Net profit and other reserves	Total equity		
						Available for sale financial assets	Hedges of future foreign currency cash flows	Vineyard land	Employee benefit commit-ments		Group share	Minority interests	Total
Notes		15.1		15.2	15.4							17	
As of December 31, 2011	**507,815,624**	**152**	**3,801**	**(485)**	**431**	**1,990**	**(15)**	**714**	**-**	**15,863**	**22,451**	**1,061**	**23,512**
Impact of changes in accounting standards (See Note 1.2)									(28)	(52)	(80)	(6)	(86)
As of December 31, 2011, after restatement	**507,815,624**	**152**	**3,801**	**(485)**	**431**	**1,990**	**(15)**	**714**	**(28)**	**15,811**	**22,371**	**1,055**	**23,426**
Gains and losses recognized in equity					(89)	(47)	133	44	(60)		(19)	(15)	(34)
Net profit										3,424	3,424	485	3,909
Comprehensive income		**-**	**-**	**-**	**(89)**	**(47)**	**133**	**44**	**(60)**	**3,424**	**3,405**	**470**	**3,875**
Stock option plan and similar expenses										50	50	3	53
(Acquisition)/disposal of treasury shares and LVMH-share settled derivatives				24						(12)	12	-	12
Exercise of LVMH share subscription options	1,344,975	-	94								94	-	94
Retirement of LVMH shares	(997,250)	-	(47)	47							-	-	-
Capital increase in subsidiaries											-	8	8
Interim and final dividends paid										(1,448)	(1,448)	(317)	(1,765)
Changes in control of consolidated entities										(11)	(11)	(11)	(22)
Acquisition and disposal of minority interests' shares										(39)	(39)	(26)	(65)
Purchase commitments for minority interests' shares										(10)	(10)	(98)	(108)
As of December 31, 2012	**508,163,349**	**152**	**3,848**	**(414)**	**342**	**1,943**	**118**	**758**	**(88)**	**17,765**	**24,424**	**1,084**	**25,508**
Gains and losses recognized in equity					(136)	489	(33)	-	30		350	12	362
Net profit										1,577	1,577	229	1,806
Comprehensive income		**-**	**-**	**-**	**(136)**	**489**	**(33)**	**-**	**30**	**1,577**	**1,927**	**241**	**2,168**
Stock option plan and similar expenses										11	11	1	12
(Acquisition)/disposal of treasury shares and LVMH-share settled derivatives				(7)						(5)	(12)	-	(12)
Exercise of LVMH share subscription options	535,207	-	35								35	-	35
Retirement of LVMH shares	(493,484)	-	(23)	23							-	-	-
Capital increase in subsidiaries											-	2	2
Interim and final dividends paid										(900)	(900)	(173)	(1,073)
Changes in control of consolidated entities										-	-	-	-
Acquisition and disposal of minority interests' shares										(33)	(33)	(54)	(87)
Purchase commitments for minority interests' shares										7	7	(57)	(50)
As of June 30, 2013	**508,205,072**	**152**	**3,860**	**(398)**	**206**	**2,432**	**85**	**758**	**(58)**	**18,422**	**25,459**	**1,044**	**26,503**
As of December 31, 2011	**507,815,624**	**152**	**3,801**	**(485)**	**431**	**1,990**	**(15)**	**714**	**-**	**15,863**	**22,451**	**1,061**	**23,512**
Impact of changes in accounting standards (See Note 1.2)									(28)	(52)	(80)	(6)	(86)
As of December 31, 2011, after restatement	**507,815,624**	**152**	**3,801**	**(485)**	**431**	**1,990**	**(15)**	**714**	**(28)**	**15,811**	**22,371**	**1,055**	**23,426**
Gains and losses recognized in equity					101	287	9	(1)	-		396	21	417
Net profit										1,681	1,681	211	1,892
Comprehensive income		**-**	**-**	**-**	**101**	**287**	**9**	**(1)**	**-**	**1,681**	**2,077**	**232**	**2,309**
Stock option plan and similar expenses										23	23	2	25
(Acquisition)/disposal of treasury shares and LVMH-share settled derivatives				13						(11)	2	-	2
Exercise of LVMH share subscription options	572,085	-	42								42	-	42
Retirement of LVMH shares	(145,759)	-	(7)	7							-	-	-
Capital increase in subsidiaries											-	-	-
Interim and final dividends paid										(898)	(898)	(208)	(1,106)
Changes in control of consolidated entities										-	-	(10)	(10)
Acquisition and disposal of minority interests' shares										-	-	-	-
Purchase commitments for minority interests' shares										(54)	(54)	(2)	(56)
As of June 30, 2012	**508,241,950**	**152**	**3,836**	**(465)**	**532**	**2,277**	**(6)**	**713**	**(28)**	**16,552**	**23,563**	**1,069**	**24,632**

CONSOLIDATED CASH FLOW STATEMENT

(EUR millions)	Notes	June 30, 2013	31 Dec. 31, 2012	June 30, 2012
I. OPERATING ACTIVITIES AND OPERATING INVESTMENTS				
Operating profit		2,672	5,739	2,537
Net increase in depreciation, amortization and provisions		644	1,299	572
Other computed expenses		(74)	(62)	(69)
Dividends received		71	188	185
Other adjustments		(33)	(51)	(27)
Cash from operations before changes in working capital		**3,280**	**7,113**	**3,198**
Cost of net financial debt: interest paid		(62)	(154)	(98)
Income taxes paid		(979)	(1,970)	(963)
Net cash from operating activities before changes in working capital		**2,239**	**4,989**	**2,137**
Change in working capital	14.1	(1,021)	(813)	(926)
Net cash from operating activities		**1,218**	**4,176**	**1,211**
Operating investments	14.2	(816)	(1,702)	(679)
Net cash from operating activities and operating investments (free cash flow)		**402**	**2,474**	**532**
II. FINANCIAL INVESTMENTS				
Purchase of non-current available for sale financial assets	8	(162)	(131)	(112)
Proceeds from sale of non-current available for sale financial assets	8	21	36	24
Impact of purchase and sale of consolidated investments	2	-	(45)	(43)
Net cash from (used in) financial investments		**(141)**	**(140)**	**(131)**
III. TRANSACTIONS RELATING TO EQUITY				
Capital increases of LVMH	15.1	35	94	42
Capital increases of subsidiaries subscribed by minority interests	17	1	8	-
Acquisition and disposals of treasury shares and LVMH-share settled derivatives	15.2	(14)	5	(4)
Interim and final dividends paid by LVMH	15.3	(901)	(1,447)	(898)
Interim and final dividends paid to minority interests in consolidated subsidiaries	17	(176)	(314)	(210)
Purchase and proceeds from sale of minority interests	2	(85)	(206)	-
Net cash from (used in) transactions relating to equity		**(1,140)**	**(1,860)**	**(1,070)**
IV. FINANCING ACTIVITIES				
Proceeds from borrowings		1,068	1,068	1,980
Repayment of borrowings		(620)	(1,526)	(1,103)
Purchase and proceeds from sale of current available for sale financial assets	13	8	(67)	(68)
Net cash from (used in) financing activities		**456**	**(525)**	**809**
V. EFFECT OF EXCHANGE RATE CHANGES		**45**	**(42)**	**(46)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (I+II+III+IV+V)		**(378)**	**(93)**	**94**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	14	**1,988**	**2,081**	**2,081**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	14	**1,610**	**1,988**	**2,175**
Transactions included in the table above, generating no change in cash:				
- acquisition of assets by means of finance leases		5	5	1

SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

1.1. General framework and environment

The condensed consolidated financial statements for the six-month period ended June 30, 2013 were approved by the Board of Directors on July 25, 2013. The financial statements were established in accordance with IAS 34 relating to the preparation of interim financial statements in addition to international accounting standards and interpretations (IAS/IFRS) adopted by the European Union and applicable on June 30, 2013; these standards and interpretations have been applied consistently to the periods presented.

The accounts have been prepared using the same accounting principles and policies as those applied for the preparation of the annual accounts, with the exception of the determination of the income tax rate, which has been calculated based on the expected rate for the fiscal year. Moreover, comparability of the Group's half-year and annual accounts may be affected by the seasonal nature of the Group's businesses, which achieve a higher level of revenue during the second half of the year (see Note 23 Segment information).

1.2. Changes in the accounting framework applicable to LVMH in 2013

Standards, amendments and interpretations for which application is mandatory in 2013

The standards, amendments and interpretations applicable to LVMH with effect from January 1, 2013, relate to:

- amendments to IAS 19 on employee benefit commitments (pensions, reimbursement of medical costs and similar commitments) which require the immediate recognition of the effect of actuarial differences taken directly to equity and the calculation of the expected return on plan assets on the basis of the discount rate used to value the underlying obligation rather than on the basis of market expectations for returns.

  Up to December 31, 2012, the LVMH group applied the partial recognition in the income statement for actuarial gains and losses, in accordance with the "corridor approach". In light of the amendments to IAS 19, the Group retroactively recognized as of January 1, 2011, the date of the transition to IAS 19R, an additional provision in the amount of 85 million euros as well as the associated deferred tax assets, representing a net amount of 54 million euros. The provision, which corresponds to the balance of actuarial gains and losses not yet recognized as of January 1, 2011, was recognized as an adjustment to equity. The retrospective impact on equity of the change in standard is analyzed below:

(EUR millions)	As of Jan. 1, 2011	As of Dec. 31, 2011	As of Dec. 31, 2012
Non-current provisions	(85)	(130)	(226)
Other non-current assets	-	-	(5)
Deferred taxes	31	44	73
Total equity	(54)	(86)	(158)
Of which: Group share	*(52)*	*(80)*	*(140)*
Minority interests	*(2)*	*(6)*	*(18)*

The resulting changes in equity were recognized retrospectively in comprehensive income. The net profit for 2011 and 2012 fiscal years was not restated since the impact of the amended standard on both of these fiscal years was less than 5 million euros.

- amendment to IAS 1 on gains and losses recognized in equity and their separate presentation, depending on whether or not they may subsequently be transferred to the income statement;
- IFRS 13, which defines the measurement principles of fair value and related disclosures on methodology to be presented in the notes to the financial statements, where fair value applies. The application of this text did not have a significant impact on the Group's consolidated financial statements.

Standards, amendments and interpretations for which application will be mandatory after 2013

The main standards applicable to LVMH with effect from January 1, 2014 are IFRS 10, IFRS 11 and IFRS 12 relating to consolidation. Those standards redefine the concept of control exercised over an entity, eliminating the possibility of using proportional consolidation to consolidate jointly controlled entities which will be accounted for exclusively using the equity method, and introducing additional disclosure requirements in the notes to the consolidated financial statements.

The application of these standards will not have a significant impact on the Group's consolidated financial statements, due to the limited contribution to the Group's financial statements of proportionately consolidated jointly controlled entities. Moreover, the consolidation method of distribution subsidiaries jointly owned with the Diageo group will not be impacted. See Note 1.5 of consolidated financial statements for the fiscal year ended December 31, 2012 regarding the consolidation method of these subsidiaries.

Other changes in standards and interpretations

The Group monitors the progress of ongoing discussions held at IFRIC and IASB related to the recognition in profit or loss of changes in purchase commitments for minority interests' shares. See Note 1.10 of consolidated financial statements for the fiscal year ended December 31, 2012 for a description of the recognition method applied by LVMH for these commitments.

The Group also monitors developments with regard to the exposure draft on accounting for lease commitments.

2. CHANGES IN THE PERCENTAGE OF INTEREST IN CONSOLIDATED ENTITIES

Wines and Spirits

During the six-month period, the Group acquired an additional 30% stake in Château d'Yquem for 84 million euros, increasing its ownership interest to 95%. The difference between the acquisition price and minority interests, 33 million euros, was deducted from equity.

Other activities

In June 2013, LVMH acquired a 80% stake in Cova, a patisserie business based in Milan (Italy) which is also present in Asia through its franchisee network. This investment will be consolidated with effect from the second half of 2013.

3. BRANDS, TRADE NAMES AND OTHER INTANGIBLE ASSETS

(EUR millions)			June 30, 2013	Dec. 31, 2012	June 30, 2012
	Gross	Amortization and impairment	Net	Net	Net
Brands	9,277	(518)	8,759	8,819	8,875
Trade names	3,416	(1,392)	2,024	2,009	2,093
License rights	91	(70)	21	22	25
Leasehold rights	502	(224)	278	248	192
Software, web sites	786	(593)	193	200	173
Other	490	(275)	215	212	214
Total	**14,562**	**(3,072)**	**11,490**	**11,510**	**11,572**
Of which: assets held under finance leases	*14*	*(14)*	*-*	*-*	*-*

Movements during the six-month period ended June 30, 2013 in the net amounts of brands, trade names and other intangible assets were as follows:

Gross value *(EUR millions)*	**Brands**	**Trade names**	**Software, web sites**	**Leasehold rights**	**Other intangible assets**	**Total**
As of December 31, 2012	**9,318**	**3,389**	**759**	**468**	**567**	**14,501**
Acquisitions	-	-	21	42	58	121
Disposals and retirements	-	-	(11)	(13)	(9)	(33)
Changes in the scope of consolidation	-	-	-	-	-	-
Translation adjustment	(41)	27	(3)	(2)	(9)	(28)
Reclassifications	-	-	20	7	(26)	1
As of June 30, 2013	**9,277**	**3,416**	**786**	**502**	**581**	**14,562**

Accumulated amortization and impairment *(EUR millions)*	**Brands**	**Trade names**	**Software, web sites**	**Leasehold rights**	**Other intangible assets**	**Total**
As of December 31, 2012	**(499)**	**(1,380)**	**(559)**	**(220)**	**(333)**	**(2,991)**
Amortization expense	(19)	(1)	(45)	(14)	(28)	(107)
Impairment expense	-	-	-	-	-	-
Disposals and retirements	-	-	11	9	10	30
Changes in the scope of consolidation	-	-	-	-	-	-
Translation adjustment	-	(11)	2	1	6	(2)
Reclassifications	-	-	(2)	-	-	(2)
As of June 30, 2013	**(518)**	**(1,392)**	**(593)**	**(224)**	**(345)**	**(3,072)**
Net carrying amount as of June 30, 2013	**8,759**	**2,024**	**193**	**278**	**236**	**11,490**

4. GOODWILL

(EUR millions)			**June 30, 2013**	**Dec. 31, 2012**	**June 30, 2012**
	Gross	**Impairment**	**Net**	**Net**	**Net**
Goodwill arising on consolidated investments	6,445	(1,198)	5,247	5,270	5,184
Goodwill arising on purchase commitments for minority interests	2,712	(3)	2,709	2,536	2,061
Total	**9,157**	**(1,201)**	**7,956**	**7,806**	**7,245**

Changes in net goodwill during the periods presented break down as follows:

(EUR millions)			**June 30, 2013**	**Dec. 31, 2012**	**June 30, 2012**
	Gross	**Impairment**	**Net**	**Net**	**Net**
As of January 1	**8,990**	**(1,184)**	**7,806**	**6,957**	**6,957**
Changes in the scope of consolidation	11	-	11	43	25
Changes in purchase commitments for minority interests	155	-	155	836	255
Changes in impairment	-	(13)	(13)	(24)	(11)
Translation adjustment	1	(4)	(3)	(6)	19
As of period-end	**9,157**	**(1,201)**	**7,956**	**7,806**	**7,245**

Please refer also to Note 20 for goodwill arising on purchase commitments for minority interests.

5. IMPAIRMENT TESTING OF INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES

Brands, trade names, and other intangible assets with indefinite useful lives as well as the goodwill arising on acquisition have been subject to annual impairment testing as of December 31, 2012. No significant impairment expense were recognized during the first half of 2013, as no indicator of impairment was identified.

6. PROPERTY, PLANT AND EQUIPMENT

(EUR millions)			June 30, 2013	Dec. 31, 2012	June 30, 2012
	Gross	Depreciation and impairment	Net	Net	Net
Land	1,146	(60)	1,086	1,182	1,180
Vineyard land and producing vineyards	2,048	(82)	1,966	1,971	1,885
Buildings	2,599	(1,310)	1,289	1,314	1,310
Investment property	676	(73)	603	509	446
Leasehold improvements, machinery and equipment	6,178	(3,957)	2,221	2,124	1,884
Assets in progress	773	-	773	716	603
Other tangible fixed assets	1,548	(597)	951	953	935
Total	**14,968**	**(6,079)**	**8,889**	**8,769**	**8,243**
Of which: assets held under finance leases	*231*	*(130)*	*101*	*110*	*108*
historical cost of vineyard land and producing vineyards	*654*	*(82)*	*572*	*575*	*570*

Movements in property, plant and equipment during the first half of 2013 break down as follows:

Gross value *(EUR millions)*	Vineyard land and producing vineyards	Land and buildings	Investment property	Leaseholds improvements, machinery and equipment			Assets in progress	Other tangible fixed assets	Total
				Stores	Production, logistics	Other			
As of December 31, 2012	**2,051**	**3,865**	**580**	**3,454**	**1,629**	**850**	**716**	**1,538**	**14,683**
Acquisitions	-	43	10	197	44	40	284	43	661
Change in the market value of vineyard land	-	-	-	-	-	-	-	-	-
Disposals and retirements	-	(31)	-	(80)	(39)	(23)	(2)	(50)	(225)
Changes in the scope of consolidation	-	(1)	-	1	-	-	-	1	1
Translation adjustment	(4)	(67)	(4)	(49)	(10)	(7)	(1)	(2)	(144)
Other movements, including transfers	1	(64)	90	32	29	110	(224)	18	(8)
As of June 30, 2013	**2,048**	**3,745**	**676**	**3,555**	**1,653**	**970**	**773**	**1,548**	**14,968**

Depreciation and impairment *(EUR millions)*	Vineyard land and producing vineyards	Land and buildings	Investment property	Leaseholds improvements, machinery and equipment			Assets in progress	Other tangible fixed assets	Total
				Stores	Production, logistics	Other			
As of December 31, 2012	**(80)**	**(1,369)**	**(71)**	**(2,139)**	**(1,072)**	**(598)**	**-**	**(585)**	**(5,914)**
Depreciation expense	(3)	(63)	(3)	(212)	(56)	(50)	-	(45)	(432)
Impairment expense	-	-	-	-	1	-	-	-	1
Disposals and retirements	-	31	-	79	38	22	-	27	197
Changes in the scope of consolidation	-	1	-	-	-	-	-	-	1
Translation adjustment	1	18	1	32	6	5	-	3	66
Other movements, including transfers	-	12	-	40	3	(56)	-	3	2
As of June 30, 2013	**(82)**	**(1,370)**	**(73)**	**(2,200)**	**(1,080)**	**(677)**	**-**	**(597)**	**(6,079)**
Net carrying amount as of June 30, 2013	**1,966**	**2,375**	**603**	**1,355**	**573**	**293**	**773**	**951**	**8,889**

Purchases of property, plant and equipment reflect investments by Louis Vuitton, Sephora, DFS and TAG Heuer in their retail networks, those of the Champagne and perfumes houses in their production equipment, and of Parfums Christian Dior in its counters.

7. INVESTMENTS IN ASSOCIATES

(EUR millions)			June 30, 2013	Dec. 31, 2012	June 30, 2012
	Gross	Impairment	Net	Net	Net
Share of net assets of associates as of January 1	**163**	**-**	**163**	**170**	**170**
Share of net profit (loss) for the period	5	-	5	4	4
Dividends paid	(6)	-	(6)	(9)	(7)
Changes in the scope of consolidation	-	-	-	1	(4)
Translation adjustment	(2)	-	(2)	(4)	1
Other movements, including transfers	3	-	3	1	3
Share of net assets of associates as of period-end	**163**	**-**	**163**	**163**	**167**

8. NON-CURRENT AVAILABLE FOR SALE FINANCIAL ASSETS

(EUR millions)			June 30, 2013	Dec. 31, 2012	June 30, 2012
	Gross	Impairment	Net	Net	Net
Total	6,809	(151)	6,658	6,004	6,374

Non-current available for sale financial assets changed as follows during the periods presented:

(EUR millions)	June 30, 2013		Dec. 31, 2012	June 30, 2012
	Total	Of which Hermès		
As of January 1	**6,004**	**5,409**	**5,982**	**5,982**
Acquisitions	162	113	125	108
Disposals at net realized value	(21)	-	(36)	(24)
Changes in market value	523	517	(38)	306
Changes in impairment	(2)	-	(4)	(1)
Changes in the scope of consolidation	-	-	-	-
Translation adjustment	2	-	(5)	6
Reclassifications	(10)	-	(20)	(3)
As of period-end	**6,658**	**6,039**	**6,004**	**6,374**

As of June 30, 2013, non-current available for sale assets mainly include an investment in Hermès International SCA ("Hermès"), which increased during the six-month period from 22.6% as of December 31, 2012 to 23.1%, resulting from the acquisition of shares on the market. Given the legal form of Hermès, a "Société en Commandite par Actions (SCA)", the investment stake held by LVMH is not accounted for under the equity method.

As of June 30, 2013, the Hermès share price, applied for the purpose of valuing this investment, was 248.00 euros (226.30 as of December 31, 2012, 242.25 as of June 30, 2012).

See also Note 30 Contingent liabilities and outstanding litigation.

9. OTHER NON-CURRENT ASSETS

(EUR millions)	June 30, 2013	Dec. 31, 2012[a]	June 30, 2012[a]
Warranty deposits	248	210	210
Derivatives	92	176	169
Loans and receivables	113	115	127
Other	14	18	15
Total	**467**	**519**	**521**

(a) The balance sheets as of December 31, 2012 and June 30, 2012 have been restated to reflect the retrospective application as of January 1, 2011 of IAS 19 Employee benefits as amended. See Note 1.2.

10. INVENTORIES AND WORK IN PROGRESS

(EUR millions)			June 30, 2013	Dec. 31, 2012	June 30, 2012
	Gross	Impairment	Net	Net	Net
Wines and eaux-de-vie in the process of aging	3,642	(21)	3,621	3,478	3,425
Other raw materials and work in progress	1,451	(310)	1,141	1,062	1,133
	5,093	(331)	4,762	4,540	4,558
Goods purchased for resale	1,373	(119)	1,254	1,171	841
Finished products	3,144	(568)	2,576	2,369	2,902
	4,517	(687)	3,830	3,540	3,743
Total	**9,610**	**(1,018)**	**8,592**	**8,080**	**8,301**

The net change in inventories for the periods presented breaks down as follows:

(EUR millions)			June 30, 2013	Dec. 31, 2012	June 30, 2012
	Gross	Impairment	Net	Net	Net
As of January 1	**9,057**	**(977)**	**8,080**	**7,510**	**7,510**
Change in gross inventories [a]	706	-	706	827	681
Fair value adjustment for the harvest of the period	1	-	1	(26)	7
Changes in impairment	-	(103)	(103)	(192)	(24)
Changes in the scope of consolidation	2	-	2	32	34
Translation adjustment	(106)	11	(95)	(78)	90
Other, including reclassifications	(50)	51	1	7	3
As of period-end	**9,610**	**(1,018)**	**8,592**	**8,080**	**8,301**

(a) Including the impact of product returns accruals.

The effects on Wines and Spirits' cost of sales of marking harvests to market are as follows:

(EUR millions)	June 30, 2013	Dec. 31, 2012	June 30, 2012
Fair value adjustment for the harvest of the period	14	12	20
Adjustment for inventory consumed	(13)	(38)	(13)
Net effect on cost of sales of the period	**1**	**(26)**	**7**

11. TRADE ACCOUNTS RECEIVABLE

(EUR millions)	June 30, 2013	Dec. 31, 2012	June 30, 2012
Trade accounts receivable, nominal amount	1,994	2,227	1,804
Provision for impairment	(63)	(63)	(64)
Provision for product returns	(162)	(179)	(159)
Net amount	**1,769**	**1,985**	**1,581**

The change in trade accounts receivable for the periods presented breaks down as follows:

(EUR millions)			June 30, 2013	Dec. 31, 2012	June 30, 2012
	Gross	Impairment	Net	Net	Net
As of January 1	**2,227**	**(242)**	**1,985**	**1,878**	**1,878**
Change in gross receivables	(179)	-	(179)	147	(326)
Changes in provision for impairment	-	-	-	1	2
Changes in provision for product returns	-	15	15	(5)	18
Changes in the scope of consolidation	-	-	-	(2)	(2)
Translation adjustment	(35)	1	(34)	(44)	19
Reclassifications	(19)	1	(18)	10	(8)
As of period-end	**1,994**	**(225)**	**1,769**	**1,985**	**1,581**

As of June 30, 2013, the breakdown of the nominal amount of trade receivables and of provisions for impairment by age was as follows:

(EUR millions)		Nominal amount of receivables	Impairment	Net amount of receivables
Not due:	- less than 3 months	1,555	(10)	1,545
	- more than 3 months	80	(3)	77
		1,635	(13)	1,622
Overdue:	- less than 3 months	247	(3)	244
	- more than 3 months	112	(47)	65
		359	(50)	309
Total		**1,994**	**(63)**	**1,931**

As of June 30, 2013, insurance coverage for trade receivables was received for approximately 91% of the total amount requested (93% as of December 31, 2012 and June 30, 2012).

12. OTHER CURRENT ASSETS

(EUR millions)	June 30, 2013	Dec. 31, 2012	June 30, 2012
Current available for sale financial assets	187	177	144
Derivatives	369	425	124
Tax accounts receivable, excluding income taxes	384	393	409
Advances and payments on account to vendors	150	195	160
Prepaid expenses	323	284	276
Other receivables	311	337	318
Total	**1,724**	**1,811**	**1,431**

Please also refer to Note 13 Current available for sale financial assets and Note 22 Financial instruments and market risk management.

13. CURRENT AVAILABLE FOR SALE FINANCIAL ASSETS

(EUR millions)	June 30, 2013	Dec. 31, 2012	June 30, 2012
Unlisted securities, shares in non-money market SICAVs and funds	12	13	12
Listed securities	175	164	132
Total	**187**	**177**	**144**
Of which: historical cost of current available for sale financial assets	*176*	*176*	*151*

Net value of current available for sale financial assets changed as follows during the periods presented:

(EUR millions)	June 30, 2013	Dec. 31, 2012	June 30, 2012
As of January 1	**177**	**145**	**145**
Disposals at net realized value	-	(4)	(4)
Changes in market value	10	11	3
Reclassifications	-	25	-
As of period-end	**187**	**177**	**144**

14. CASH AND CASH EQUIVALENTS

(EUR millions)	June 30, 2013	Dec. 31, 2012	June 30, 2012
Fixed term deposits (less than 3 months)	419	480	729
SICAV and FCP money market funds	91	112	273
Ordinary bank accounts	1,378	1,604	1,599
Cash and cash equivalents per balance sheet	**1,888**	**2,196**	**2,601**

The reconciliation between cash and cash equivalents as shown in the balance sheet and net cash and cash equivalents appearing in the cash flow statement is as follows:

(EUR millions)	June 30, 2013	Dec. 31, 2012	June 30, 2012
Cash and cash equivalents	1,888	2,196	2,601
Bank overdrafts	(278)	(208)	(426)
Net cash and cash equivalents per cash flow statement	**1,610**	**1,988**	**2,175**

14.1. Change in working capital

The change in working capital breaks down as follows for the periods presented:

(EUR millions)	Notes	June 30, 2013	Dec. 31, 2012	June 30, 2012
Change in inventories and work in progress	10	(711)	(829)	(683)
Change in trade accounts receivable	11	179	(147)	326
Change in trade accounts payable		(227)	173	(234)
Change in other receivables and payables		(262)	(10)	(335)
Change in working capital [a]		**(1,021)**	**(813)**	**(926)**

(a) Increase / (Decrease) in cash and cash equivalents.

14.2. Operating investments

Operating investments comprise the following elements for the periods presented:

(EUR millions)	Notes	June 30, 2013	Dec. 31, 2012	June 30, 2012
Purchase of intangible fixed assets	3	(121)	(238)	(78)
Purchase of tangible fixed assets	6	(661)	(1,613)	(613)
Changes in accounts payable related to fixed asset purchases		(16)	141	(5)
Net cash used in purchases of fixed assets [a]		**(798)**	**(1,710)**	**(696)**
Net cash from fixed assets disposals [a]		**30**	**44**	**38**
Guarantee deposits paid and other cash flows related to operating investments		(48)	(36)	(21)
Operating investments		**(816)**	**(1,702)**	**(679)**

(a) Increase / (Decrease) in cash and cash equivalents.

15. EQUITY

15.1. Share capital and share premium account

As of June 30, 2013, issued and fully paid-up shares of the parent company LVMH Moët Hennessy-Louis Vuitton totaled 508,205,072 (508,163,349 shares as of December 31, 2012 and 508,241,950 shares as of June 30, 2012), with a par value of 0.30 euros per share, including 224,900,692 shares with double voting rights (224,699,349 as of December 31, 2012, 224,629,667 as of June 30, 2012). Double voting rights are granted to registered shares held for more than three years.

During the six-month period, 535,207 shares were issued following the exercise of share subscription options, which resulted in an increase in capital and share premium account of 35 million euros, and 493,484 shares were retired, which resulted in a reduction of capital and share premium account of 23 million euros.

15.2. Treasury shares and derivatives settled in LVMH shares

The portfolio of treasury shares and derivatives settled in LVMH shares is allocated as follows:

(EUR millions)		June 30, 2013	Dec. 31, 2012	June 30, 2012
	Number	Amount	Amount	Amount
Share subscription option plans	5,202,907	246	270	311
Share purchase option plans	-	-	7	4
Bonus share plans	1,171,774	70	75	76
Other plans	1,058,595	54	49	50
Shares held for stock option and similar plans [(a)]	**7,433,276**	**370**	**401**	**441**
Liquidity contract	219,000	28	13	21
LVMH treasury shares	**7,652,276**	**398**	**414**	**462**
LVMH share-based calls [(b)]	-	-	-	3
LVMH treasury shares and derivatives settled in LVMH shares	**7,652,276**	**398**	**414**	**465**

(a) See Note 16 regarding stock option and similar plans.
(b) Number of shares which could be purchased if all of the calls outstanding at the balance sheet date were exercised and related premium paid on subscription.

"Other plans" correspond to future plans.

The market value of LVMH shares held under the liquidity contract as of June 30, 2013 amounts to 27 million euros.

The portfolio movements during the six-month period were as follows:

LVMH shares

(EUR millions)	Number	Amount	Effect on cash
As of December 31, 2012	**8,167,519**	**414**	
Share purchases, including through the exercise of call options	1,114,347	148	(148)
Exercise of share purchase options	(19,620)	(2)	1
Bonus shares definitively allocated	(124,139)	(6)	-
Retirement of shares	(493,484)	(23)	-
Proceeds from disposal at net realized value	(992,347)	(133)	133
Gain/(loss) on disposal	-	-	-
As of June 30, 2013	**7,652,276**	**398**	**(14)**

15.3. Dividends paid by the parent company LVMH SA

(EUR millions, except for data per share in EUR)	June 30, 2013	Dec. 31, 2012	June 30, 2012
Interim dividend for the current fiscal year (2012: 1.10 euros)	-	559	-
Impact of treasury shares	-	(9)	-
	-	**550**	**-**
Final dividend for the previous fiscal year (2012: 1.80 euros; 2011: 1.80 euros)	914	914	914
Impact of treasury shares	(14)	(16)	(16)
	900	**898**	**898**
Total gross amount disbursed during the fiscal year [a]	**900**	**1,448**	**898**

(a) Excludes the impact of tax regulations applicable to the beneficiary.

The final dividend for 2012 was paid on April 25, 2013 in accordance with the resolutions of the Shareholders' Meeting of April 18, 2013. The Board of Directors approved the payment of an interim dividend for fiscal year 2013 of 1.20 euros in December 2013.

15.4. Cumulative translation adjustment

The change in the translation adjustment recognized under equity, Group share net of hedging effects of net assets denominated in foreign currency, break down as follows by currency:

(EUR millions)	June 30, 2013	Change	Dec. 31, 2012	June 30, 2012
US dollar	(81)	18	(99)	10
Swiss franc	392	(54)	446	451
Japanese yen	75	(45)	120	169
Hong Kong dollar	73	13	60	135
Pound sterling	(74)	(34)	(40)	(34)
Other currencies	16	(49)	65	94
Foreign currency net investment hedges	(195)	15	(210)	(293)
Total, Group share	**206**	**(136)**	**342**	**532**

16. STOCK OPTION AND SIMILAR PLANS

For all plans, one option entitles the holder to purchase one LVMH share.

The number of outstanding instruments included in the plans in existence as of June 30, 2013 break down as detailed below.

16.1. Share purchase option plans

	June 30, 2013	
	Number	Weighted average exercise price *(EUR)*
Share purchase options outstanding as of January 1	**105,320**	**37.39**
Options expired	(85,700)	37.46
Options exercised	(19,620)	37.04
Share purchase options outstanding as of June 30	**-**	**-**

16.2. Share subscription option plans

	June 30, 2013	
	Number	Weighted average exercise price *(EUR)*
Share subscription options outstanding as of January 1	**5,229,396**	**68.86**
Options expired	(26,489)	63.56
Options exercised	(535,207)	64.59
Share subscription options outstanding as of June 30	**4,667,700**	**69.39**

16.3. Bonus share plans

(number of shares)	June 30, 2013
Non-vested shares as of January 1	**1,273,136**
Non-vested allocations during the period	32,800
Vested allocations during the period	(124,139)
Expired allocations during the period	(10,023)
Non-vested shares as of June 30	**1,171,774**

During the six-month period, a bonus share plan was instituted, on January 31,2013, comprising 32,800 shares.

Owned shares were remitted in settlement of the bonus shares vested during the periods presented.

16.4. Expense for the period

(EUR millions)	June 30, 2013	Dec. 31, 2012	June 30, 2012
Share subscription and purchase option plans, bonus share plans	12	53	24
Cash-settled share-based compensation plans index-linked to the change in the LVMH share price	-	1	1
Expense for the period	**12**	**54**	**25**

The LVMH share price on the grant date of the January 2013 plan amounted to 139.50 euros.

The volatility of LVMH's shares is determined on the basis of their implicit volatility.

The unit value of non-vested bonus shares granted in January 2013 was 130.38 euros.

17. MINORITY INTERESTS

(EUR millions)	June 30, 2013	Dec. 31, 2012[a]	June 30, 2012[a]
As of January 1	**1,084**	**1,055**	**1,055**
Minority interests' share of net profit	229	485	211
Dividends paid to minority interests	(173)	(317)	(208)
Effects of changes in control of consolidated entities:	-	(11)	(10)
Effects of acquisition and disposal of minority interests' shares:			
- acquisition of minority interests in Château d'Yquem	(51)	-	-
- other movements	(3)	(26)	-
Total effects of changes in the percentage of interests in consolidated entities	(54)	(37)	(10)
Capital increases subscribed by minority interests	2	8	-
Minority interests' share in gains and losses recognized in equity	12	(15)	21
Minority interests' share in stock option plan expenses	1	3	2
Effects of changes in purchase commitments for minority interests	(57)	(98)	(2)
As of period-end	**1,044**	**1,084**	**1,069**

(a) The balance sheets as of December 31, 2012 and June 30, 2012 have been restated to reflect the retrospective application as of January 1, 2011 of IAS 19 Employee benefits as amended. See Note 1.2.

The change in minority interests' share in gains and losses recognized in equity breaks down as follows:

(EUR millions)	Cumulative translation adjustment	Hedges of future foreign currency cash flows	Vineyard land	Revaluation adjustments of employee benefits[a]	Total share of minority interests
As of December 31, 2012	**(35)**	**11**	**162**	**(16)**	**122**
Changes for the half-year period	10	(1)	-	3	12
As of June 30, 2013	**(25)**	**10**	**162**	**(13)**	**134**

(a) The balance sheets as of December 31, 2012 and June 30, 2012 have been restated to reflect the retrospective application as of January 1, 2011 of IAS 19 Employee benefits as amended. See Note 1.2.

18. BORROWINGS

18.1. Net financial debt

(EUR millions)	June 30, 2013	Dec. 31, 2012	June 30, 2012
Bonds and Euro Medium Term Notes (EMTN)	2,768	3,337	3,737
Bank borrowings and finance lease	460	499	586
Long term borrowings	**3,228**	**3,836**	**4,323**
Bonds and Euro Medium Term Notes (EMTN)	1,388	696	349
Commercial paper	1,513	1,212	2,643
Bank overdrafts	278	208	426
Other short term borrowings	726	860	685
Short term borrowings	**3,905**	**2,976**	**4,103**
Gross amount of borrowings	**7,133**	**6,812**	**8,426**
Interest rate risk derivatives	(88)	(178)	(125)
Other derivatives	-	-	-
Gross borrowings after derivatives	**7,045**	**6,634**	**8,301**
Current available for sale financial assets	(187)	(177)	(144)
Cash and cash equivalents	(1,888)	(2,196)	(2,601)
Net financial debt	**4,970**	**4,261**	**5,556**

Net financial debt does not take into consideration purchase commitments for minority interests included in "Other non-current liabilities" (see Note 20). The market value of gross borrowings was 7,239 million euros as of June 30, 2013 (6,955 million euros as of December 31, 2012 and 8,673 as of June 30, 2012).

In May 2013, LVMH issued an amount of 500 million euros, under its EMTN program, which is redeemable on maturity at par value in November 2019. The proceeds of this borrowing, issued at 99.473% of par value with a coupon rate of 1.25%, were swapped on issuance, thus converting 50% of its nominal value into a floating-rate euro-denominated financing arrangement.

Moreover, a portion of the debt comprising foreign currency-denominated private placements was reimbursed during the six-month period, for an amount of 290 million euros, after taking into account the effect of derivatives.

18.2. Analysis of gross borrowings by payment date and by type of interest rate

(EUR millions)		Gross borrowings			Effects of derivatives			Gross borrowings after derivatives		
		Fixed rate	Floating rate	Total	Fixed rate	Floating rate	Total	Fixed rate	Floating rate	Total
Maturity:	2013	3,453	452	3,905	(1,000)	977	(23)	2,453	1,429	3,882
	2014	993	285	1,278	(731)	690	(41)	262	975	1,237
	2015	61	25	86	28	(34)	(6)	89	(9)	80
	2016	828	8	836	(800)	782	(18)	28	790	818
	2017	524	-	524	-	(5)	(5)	524	(5)	519
	2018	5	-	5	-	-	-	5	-	5
	Thereafter	498	1	499	(251)	256	5	247	257	504
Total		**6,362**	**771**	**7,133**	**(2,754)**	**2,666**	**(88)**	**3,608**	**3,437**	**7,045**

See Note 22.3 regarding market value of interest rate risk derivatives.

18.3. Analysis of gross borrowings by currency after derivatives

(EUR millions)	June 30, 2013	Dec. 31, 2012	June 30, 2012
Euro	5,161	4,753	6,341
US dollar	166	174	341
Swiss franc	984	992	1,000
Japanese yen	250	266	354
Other currencies	484	449	265
Total	**7,045**	**6,634**	**8,301**

In general, the purpose of foreign currency borrowings is to hedge net foreign currency-denominated assets of consolidated companies located outside of the euro zone.

19. PROVISIONS

(EUR millions)	June 30, 2013	Dec. 31, 2012[a]	June 30, 2012[a]
Provisions for pensions, medical costs and similar commitments	491	519	419
Provisions for contingencies and losses	1,244	1,219	1,088
Provisions for reorganization	16	18	23
Non-current provisions	**1,751**	**1,756**	**1,530**
Provisions for pensions, medical costs and similar commitments	2	13	12
Provisions for contingencies and losses	285	282	271
Provisions for reorganization	29	40	52
Current provisions	**316**	**335**	**335**
Total	**2,067**	**2,091**	**1,865**

(a) The balance sheets as of December 31, 2012 and June 30, 2012 have been restated to reflect the retrospective application as of January 1, 2011 of IAS 19 Employee benefits as amended. See Note 1.2.

During the half-year period, the changes in provisions were as follows:

(EUR millions)	Dec. 31, 2012[a]	Increases	Amounts used	Amounts released	Changes in the scope of consolidation	Other items (including translation adjustment)	June 30, 2013
Provisions for pensions, medical costs and similar commitments	532	47	(35)	-	-	(51)	493
Provisions for contingencies and losses	1,501	86	(45)	(9)	-	(4)	1,529
Provisions for reorganization	58	6	(14)	(5)	-	-	45
Total	**2,091**	**139**	**(94)**	**(14)**	**-**	**(55)**	**2,067**
Of which: profit from recurring operations		*90*	*(81)*	*(6)*			
net financial income (expense)		-	-	-			
other		*49*	*(13)*	(8)			

(a) The balance sheets as of December 31, 2012 and June 30, 2012 have been restated to reflect the retrospective application as of January 1, 2011 of IAS 19 Employee benefits as amended. See Note 1.2.

20. OTHER NON-CURRENT LIABILITIES

(EUR millions)	June 30, 2013	Dec. 31, 2012	June 30, 2012
Purchase commitments for minority interests	5,220	5,022	4,338
Derivatives	53	41	7
Employee profit sharing [a]	80	93	78
Other liabilities	307	300	263
Total	**5,660**	**5,456**	**4,686**

(a) French companies only, pursuant to legal provisions.

Moët Hennessy SNC and MH International SAS ("Moët Hennessy") hold the LVMH group's assets in the Wines and Spirits businesses, with the exception of the equity investments in Château d'Yquem, Château Cheval Blanc and excluding certain Champagne vineyards.

As of June 30,2013 purchase commitments for minority interests mainly include the put option granted to Diageo plc for its 34% share in Moët Hennessy, with six-months' advance notice and for 80% of the fair value of Moët Hennessy at the exercise date of the commitment. With regard to this commitment's valuation, the fair value was determined by applying the share price multiples of comparable firms to Moët Hennessy's consolidated operating results.

Purchase commitments for minority interests also include commitments relating to minority shareholders in Ile de Beauté (35%), Heng Long (39%) and distribution subsidiaries in various countries, mainly in the Middle East.

The present value of the other non-current liabilities is identical to their carrying amount.

21. OTHER CURRENT LIABILITIES

(EUR millions)	June 30, 2013	Dec. 31, 2012	June 30, 2012
Derivatives	61	20	142
Employees and social institutions	830	924	748
Employee profit sharing [a]	57	95	61
Taxes other than income taxes	268	361	250
Advances and payments on account from customers	119	139	144
Deferred payment for tangible and financial non-current assets	313	367	259
Deferred income	147	116	158
Other liabilities	457	573	700
Total	**2,252**	**2,595**	**2,462**

(a) French companies only, pursuant to legal provisions.

Derivatives are analyzed in Note 22.

22. FINANCIAL INSTRUMENTS AND MARKET RISK MANAGEMENT

22.1. Organization of foreign exchange, interest rate and equity market risk management

Financial instruments are mainly used by the Group to hedge risks arising from Group activity and protect its assets.

Both the management of foreign exchange and interest rate risk as well as that of transactions involving shares and financial instruments are centralized.

The Group has implemented a stringent policy, as well as rigorous management guidelines to manage, measure, and monitor these market risks.

These activities are organized based on a segregation of duties between risk measurement, hedging (front office), administration (back office) and financial control.

The backbone of this organization is an integrated information system which allows hedging transactions to be monitored quickly.

The Group's hedging strategy is presented to the Audit Committee. Hedging decisions are made according to an established process that includes regular presentations to the Group's Executive Committee and detailed documentation.

Counterparties are selected based on their rating and in accordance with the Group's risk diversification strategy.

22.2. Summary of derivatives

Derivatives are recorded in the balance sheet for the amounts and in the captions detailed as follows:

(EUR millions)			Notes	June 30, 2013	Dec. 31, 2012	June 30, 2012
Interest rate risk	Assets:	non-current		74	131	125
		current		34	56	13
	Liabilities:	non-current		(12)	(1)	(6)
		current		(8)	(8)	(7)
			22.4	**88**	**178**	**125**
Foreign exchange risk	Assets:	non-current		18	17	12
		current		302	369	109
	Liabilities:	non-current		(41)	(40)	(1)
		current		(40)	(9)	(135)
			22.5	**239**	**337**	**(15)**
Other risks	Assets:	non-current		-	28	32
		current		33	-	2
	Liabilities:	non-current		-	-	-
		current		(13)	(3)	-
				20	**25**	**34**
Total	Assets:	non-current	9	92	176	169
		current	12	369	425	124
	Liabilities:	non-current	20	(53)	(41)	(7)
		current	21	(61)	(20)	(142)
				347	**540**	**144**

22.3. Derivatives used to manage interest rate risk

The aim of the Group's debt management policy is to adapt the debt maturity profile to the characteristics of the assets held, to contain borrowing costs, and to protect net profit from the effects of significant changes in interest rates. As such, the Group uses interest rate swaps and options. Derivatives used to manage interest rate risk outstanding as of June 30, 2013 break down as follows:

(EUR millions)	Nominal amounts by maturity				Market value [a]		
	Below 1 year	From 1 to 5 years	Beyond	Total	Fair value hedges	Not allocated	Total
Interest rate swaps in euros:							
- fixed rate payer	-	-	-	-	-	-	-
- floating rate payer	1,000	900	250	2,150	92	-	92
- floating rate/floating rate	-	152	-	152	-	-	-
Foreign currency swaps	148	1,628	-	1,776	(1)	-	(1)
Other interest rate risk derivatives	250	500	-	750	-	(3)	(3)
Total					**91**	**(3)**	**88**

(a) Gain/(Loss).

22.4. Derivatives used to manage foreign exchange risk

A significant portion of Group companies' sales to customers and to their own retail subsidiaries as well as certain purchases are denominated in currencies other than their functional currency; the majority of these foreign currency-denominated cash flows are inter-company cash flows. Hedging instruments are used to reduce the risks arising from the fluctuations of currencies against the exporting and importing companies' functional currencies and are allocated to either accounts receivable or accounts payable (fair value hedges) for the fiscal year, or, under certain conditions, to transactions anticipated for future periods (cash flow hedges). In addition, the Group may also use appropriate financial instruments to hedge the net worth of subsidiaries outside the euro zone, in order to limit the impact of foreign currency fluctuations against the euro on consolidated equity.

Derivatives used to manage foreign exchange risk outstanding as of June 30, 2013 break down as follows:

(EUR millions)	Nominal amounts by fiscal year of allocation				Market value [a]				
	2013	2014	Beyond	Total	Fair value hedges	Future cash flow hedges	Foreign currency net investment hedges	Not allocated	Total
Options purchased									
Put USD	1	-	-	1	-	-	-	-	-
Put JPY	-	-	-	-	-	-	-	-	-
Put GBP	83	-	-	83	1	1	-	-	2
	84	**-**	**-**	**84**	**1**	**1**	**-**	**-**	**2**
Collars									
Written USD	2,470	2,234	-	4,704	15	113	-	2	130
Written JPY	45	171	-	216	3	11	-	-	14
Written other	17	-	-	17	-	-	-	-	-
	2,515	**2,405**	**-**	**4,937**	**18**	**124**	**-**	**2**	**144**
Forward exchange contracts [b]									
USD	(8)	-	-	(8)	-	-	-	-	-
JPY	320	130	-	450	16	83	-	11	110
GBP	18	-	-	18	-	-	-	-	-
Other	(51)	(140)	-	(191)	3	2	-	-	5
	279	**(10)**	**-**	**269**	**19**	**85**	**-**	**11**	**115**
Foreign exchange swaps [b]									
USD	3,023	8	-	3,031	(2)	-	6	(44)	(40)
CHF	508	-	-	508	-	-	1	(1)	-
GBP	211	-	-	211	-	-	-	2	2
JPY	353	-	-	353	2	-	(1)	8	9
Other	269	-	-	269	1	-	(1)	7	7
	4,364	**8**	**-**	**4,372**	**1**	**-**	**5**	**(28)**	**(22)**
Total					**39**	**210**	**5**	**(15)**	**239**

(a) Gain/(Loss).
(b) Sale/(Purchase).

22.5. Financial instruments used to manage other risks

The Group's investment policy is designed to take advantage of a long term investment horizon. Occasionally, the Group may invest in equity-based financial instruments with the aim of enhancing the dynamic management of its investment portfolio.

The Group is exposed to risks of share price changes either directly, as a result of its holding of equity investments and current available for sale financial assets, or indirectly, as a result of its holding of funds which are themselves partially invested in shares.

The Group may also use equity-based derivatives to create synthetically an economic exposure to certain assets, or to hedge cash-settled compensation plans index-linked to the LVMH share price. The carrying amount of these unlisted financial instruments corresponds to the estimate of the amount, provided by the counterparty, of the valuation at the balance sheet date. The valuation of financial instruments thus takes into consideration market parameters such as interest rates and share prices. As of June 30, 2013, derivatives used to manage equity risk with an impact on the Group's net profit have a positive market value of 33 million euros. Considering nominal values of 20 million euros for those derivatives, a uniform 1% change in their underlying assets' share prices as of June 30, 2013 would induce a net impact on the Group's profit for an amount of less than 0.4 million euros. Most of these instruments mature in 2014.

The Group, mainly through its Watches and Jewelry business group, may be exposed to changes in the prices of certain precious metals, such as gold. In certain cases, in order to ensure visibility with regard to production costs, hedges may be implemented. This is achieved either by negotiating the forecast price of deliveries of alloys with precious metal refiners, or the price of semi-finished products with products, or directly by purchasing hedges from top-ranking banks. In the latter case gold is purchased from banks, or future and/or options contracts are taken out with a physical delivery of the gold. Derivatives outstanding relating to the hedging of precious metal prices as of June 30, 2013 have a market value of 13 million euros. Considering nominal values of 50 million euros for those derivatives, a uniform 1% change in their underlying assets' share prices as of June 30, 2013 would induce a net impact on the Group's consolidated reserves for an amount of less than 1 million euros. These instruments mature in 2013 and 2014.

23. SEGMENT INFORMATION

The Group's brands and trade names are organized into six business groups. Four business groups – Wines and Spirits, Fashion and Leather Goods, Perfumes and Cosmetics, Watches and Jewelry – comprise brands dealing with the same category of products that use similar production and distribution processes. The Selective Retailing business comprises the Group's own-label retailing activities. Other activities and holding companies comprise brands and businesses that are not associated with any of the abovementioned business groups, most often relating to the Group's new businesses and holding or real estate companies.

23.1. Information by business group

First half 2013

(EUR millions)	Wines and Spirits	Fashion and Leather Goods	Perfumes and Cosmetics	Watches and Jewelry	Selective Retailing	Other and holding companies	Eliminations and not allocated [a]	Total
Sales outside the Group	1,796	4,684	1,568	1,282	4,204	161	-	13,695
Intra-Group sales	12	27	236	28	11	8	(322)	-
Total revenue	**1,808**	**4,711**	**1,804**	**1,310**	**4,215**	**169**	**(322)**	**13,695**
Profit from recurring operations	542	1,497	200	156	407	(74)	(16)	2,712
Other operating income and expenses	2	(17)	-	3	(4)	(24)	-	(40)
Depreciation and amortization expense	53	217	58	69	123	19	-	539
Impairment expense	-	4	-	-	2	7	-	13
Intangible assets and goodwill [b]	4,054	4,607	976	5,403	2,920	800	-	18,760
Property, plant and equipment	1,955	1,836	334	386	1,273	3,105	-	8,889
Inventories	4,268	1,231	378	1,246	1,524	117	(172)	8,592
Other operating assets	879	840	612	773	601	688	10,055 [c]	14,448
Total assets	**11,156**	**8,514**	**2,300**	**7,808**	**6,318**	**4,710**	**9,883**	**50,689**
Equity	-	-	-	-	-	-	26,503	26,503
Liabilities	1,049	1,783	1,015	712	1,572	641	17,414 [d]	24,186
Total liabilities and equity	**1,049**	**1,783**	**1,015**	**712**	**1,572**	**641**	**43,917**	**50,689**
Operating investments [e]	(79)	(303)	(89)	(98)	(178)	(69)	-	(816)

Fiscal year 2012

(EUR millions)	Wines and Spirits	Fashion and Leather Goods	Perfumes and Cosmetics	Watches and Jewelry	Selective Retailing	Other and holding companies	Eliminations and not allocated [(a)]	Total
Sales outside the Group	4,116	9,872	3,165	2,778	7,856	316	-	28,103
Intra-group sales	21	54	448	58	23	16	(620)	-
Total revenue	**4,137**	**9,926**	**3,613**	**2,836**	**7,879**	**332**	**(620)**	**28,103**
Profit from recurring operations	1,260	3,264	408	334	854	(164)	(35)	5,921
Other operating income and expenses	(13)	(108)	(7)	(8)	(19)	(27)	-	(182)
Depreciation and amortization expense	100	414	112	122	229	42	-	1,019
Impairment expense	1	81	-	-	3	16	-	101
Intangible assets and goodwill [(b)]	3,881	4,640	967	5,439	2,916	813	-	18,656
Property, plant and equipment	1,937	1,768	312	378	1,252	3,122	-	8,769
Inventories	4,008	1,158	339	1,213	1,421	101	(160)	8,080
Other operating assets	1,165	875	648	773	589	592	9,851 [(c)]	14,493
Total assets [(f)]	**10,991**	**8,441**	**2,266**	**7,803**	**6,178**	**4,628**	**9,691**	**49,998**
Equity	-	-	-	-	-	-	25,508	25,508
Liabilities	1,271	1,870	1,098	732	1,785	675	17,059 [(d)]	24,490
Total liabilities and equity [(f)]	**1,271**	**1,870**	**1,098**	**732**	**1,785**	**675**	**42,567**	**49,998**
Operating investments [(e)]	(182)	(579)	(196)	(136)	(332)	(277)	-	(1,702)

First half 2012

(EUR millions)	Wines and Spirits	Fashion and Leather Goods	Perfumes and Cosmetics	Watches and Jewelry	Selective Retailing	Other and holding companies	Eliminations and not allocated [(a)]	Total
Sales outside the Group	1,752	4,631	1,513	1,316	3,579	175	-	12,966
Intra-group sales	7	25	214	27	11	8	(292)	-
Total revenue	**1,759**	**4,656**	**1,727**	**1,343**	**3,590**	**183**	**(292)**	**12,966**
Profit from recurring operations	496	1,516	197	159	373	(62)	(20)	2,659
Other operating income and expenses	(7)	(91)	-	1	(10)	(15)	-	(122)
Depreciation and amortization expense	46	196	51	58	109	20	-	480
Impairment expense	-	77	-	-	3	5	-	85
Intangible assets and goodwill [(b)]	3,292	4,727	960	5,444	2,990	825	-	18,238
Property, plant and equipment	1,839	1,646	261	357	1,162	2,978	-	8,243
Inventories	4,067	1,249	373	1,327	1,362	73	(150)	8,301
Other operating assets	744	689	562	720	517	573	10,600 [(c)]	14,405
Total assets [(f)]	**9,942**	**8,311**	**2,156**	**7,848**	**6,031**	**4,449**	**10,450**	**49,187**
Equity	-	-	-	-	-	-	24,632	24,632
Liabilities	1,053	1,718	968	696	1,437	776	17,907 [(d)]	24,555
Total liabilities and equity [(f)]	**1,053**	**1,718**	**968**	**696**	**1,437**	**776**	**42,539**	**49,187**
Operating investments [(e)]	(79)	(237)	(79)	(52)	(143)	(89)	-	(679)

(a) Eliminations correspond to sales between business groups; these generally consist of sales from business groups other than Selective Retailing to Selective Retailing. Selling prices between the different business groups correspond to the prices applied in the normal course of business for sales transactions to wholesalers or distributors outside the Group.

(b) Brands, trade names, licenses, and goodwill correspond to the net carrying amounts shown under Notes 3 and 4.

(c) Assets not allocated include investments in associates, available for sale financial assets, other financial assets, and income tax receivables. As of June 30, 2013, they include the 23.1% shareholding in Hermès International, representing an amount of 6,039 million euros, see Note 8 (5 409 million euros as of December 31, 2012 and 5 790 million euros as of June 30, 2012).

(d) Liabilities not allocated include borrowings and both current and deferred tax liabilities.

(e) Increase / (Decrease) in cash and cash equivalents.

(f) The balance sheets as of December 31, 2012 and June 30, 2012 have been restated to reflect the retrospective application as of January 1, 2011 of IAS 19 Employee benefits as amended. See Note 1.2.

23.2. Information by geographic region

Revenue by geographic region of delivery breaks down as follows:

(EUR millions)	June 30, 2013	Dec. 31, 2012	June 30, 2012
France	1,451	3,107	1,430
Europe (excluding France)	2,437	5,455	2,415
United States	3,094	6,390	2,918
Japan	1,019	2,363	1,096
Asia (excluding Japan)	4,253	7,895	3,793
Other	1,441	2,893	1,314
Revenue	**13,695**	**28,103**	**12,966**

Operating investments by geographic region are as follows:

(EUR millions)	June 30, 2013	Dec. 31, 2012	June 30, 2012
France	284	648	275
Europe (excluding France)	161	290	113
United States	102	283	85
Japan	67	69	39
Asia (excluding Japan)	151	326	141
Other	51	86	29
Operating investments	**816**	**1,702**	**679**

No geographic breakdown of segment assets is provided since a significant portion of these assets consists of brands and goodwill, which must be analyzed on the basis of the revenue generated by these assets in each region, and not in relation to the region of their legal ownership.

23.3. Quarterly information

Quarterly sales by business group break down as follows:

(EUR millions)	Wines and Spirits	Fashion and Leather Goods	Perfumes and Cosmetics	Watches and Jewelry	Selective Retailing	Other and holding companies	Eliminations	Total
First quarter	979	2,383	932	624	2,122	72	(165)	6,947
Second quarter	829	2,328	872	686	2,093	97	(157)	6,748
Total first half-year 2013	**1,808**	**4,711**	**1,804**	**1,310**	**4,215**	**169**	**(322)**	**13,695**

(EUR millions)	Wines and Spirits	Fashion and Leather Goods	Perfumes and Cosmetics	Watches and Jewelry	Selective Retailing	Other and holding companies	Eliminations	Total
First quarter	926	2,374	899	630	1,823	84	(154)	6,582
Second quarter	833	2,282	828	713	1,767	99	(138)	6,384
Total first half-year 2012	**1,759**	**4,656**	**1,727**	**1,343**	**3,590**	**183**	**(292)**	**12,966**
Third quarter	1,006	2,523	898	690	1 862	66	(145)	6,900
Fourth quarter	1,372	2,747	988	803	2 427	83	(183)	8,237
Total second half-year 2012	**2,378**	**5,270**	**1,886**	**1,493**	**4 289**	**149**	**(328)**	**15,137**
Total 2012	**4,137**	**9,926**	**3,613**	**2,836**	**7,879**	**332**	**(620)**	**28,103**

24. EXPENSES BY NATURE

Profit from recurring operations includes the following expenses:

(EUR millions)	June 30, 2013	Dec. 31, 2012	June 30, 2012
Advertising and promotion expenses	1,582	3,277	1,534
Commercial lease expenses	1,207	1,944	912
Personnel costs	2,479	4,803	2,333
Research and development expenses	36	69	34

25. OTHER OPERATING INCOME AND EXPENSES

(EUR millions)	June 30, 2013	Dec. 31, 2012	June 30, 2012
Net gains (losses) on disposals of fixed assets	(3)	(4)	1
Restructuring costs	(1)	(28)	(13)
Transaction costs relating to the acquisition of consolidated companies	-	(3)	(3)
Impairment or amortization of brands, trade names, goodwill and other property	(32)	(139)	(104)
Other items, net	(4)	(8)	(3)
Other operating income and expenses	**(40)**	**(182)**	**(122)**

26. NET FINANCIAL INCOME/(EXPENSE)

(EUR millions)	June 30, 2013	Dec. 31, 2012	June 30, 2012
Borrowing costs	(64)	(164)	(97)
Income from cash, cash equivalents and current available for sale financial assets	12	26	17
Fair value adjustment of borrowings and interest rate hedges	(5)	(2)	2
Cost of net financial debt	**(57)**	**(140)**	**(78)**
Dividends received from non-current available for sale financial assets	66	174	173
Ineffective portion of foreign currency hedges	(83)	(49)	(38)
Net gain/(loss) related to available for sale financial assets and other financial instruments	14	31	12
Other items, net	(16)	(30)	(13)
Other financial income/(expenses)	**(19)**	**126**	**134**
Net financial income/(expense)	**(76)**	**(14)**	**56**

27. INCOME TAXES

(EUR millions)	June 30, 2013	Dec. 31, 2012	June 30, 2012
Current income taxes for the fiscal year	(852)	(2,039)	(845)
Current income taxes relating to previous fiscal years	(5)	20	(6)
Current income taxes	**(857)**	**(2,019)**	**(851)**
Change in deferred income taxes	62	199	162
Impact of changes in tax rates on deferred taxes	-	-	(16)
Deferred income taxes	**62**	**199**	**146**
Total tax expense per income statement	**(795)**	**(1,820)**	**(705)**
Tax on items recognized in equity [a]	**(52)**	**(73)**	**19**

(a) The balance sheets as of December 31, 2012 and June 30, 2012 have been restated to reflect the retrospective application as of January 1, 2011 of IAS 19 Employee benefits as amended. See Note 1.2.

The effective tax rate is as follows:

(EUR millions)	June 30, 2013	Dec. 31, 2012	June 30, 2012
Profit before tax	2,596	5,725	2,593
Total income tax expense	(795)	(1,820)	(705)
Effective tax rate	**30.6%**	**31.8%**	**27.2%**

The effective tax rate used at June 30 is the forecast effective tax rate for the fiscal year.

This takes into consideration the difference between French and foreign tax rates, which lower the effective tax rate by 7 points, compared with the tax rate applicable in France as of June 30, 2013.

Total income tax expense for France during the half-year period includes, in the amount of 15 million euros, the impact of the exceptional contribution applicable from 2011 to 2014, as well as, for an amount of 27 million euros, the impact of the 3% tax on dividends.

28. EARNINGS PER SHARE

	June 30, 2013	Dec. 31, 2012	June 30, 2012
Net profit, Group share *(EUR millions)*	**1,577**	**3,424**	**1,681**
Average number of shares in circulation during the fiscal year	508,052,631	508,041,429	508,028,787
Average number of treasury shares owned during the fiscal year	(7,843,718)	(8,907,786)	(9,322,161)
Average number of shares on which the calculation before dilution is based	**500,208,913**	**499,133,643**	**498,706,626**
Basic Group share of profit per share *(EUR)*	**3.15**	**6.86**	**3.37**
Average number of shares on which the above calculation is based	500,208,913	499,133,643	498,706,626
Dilution effect of stock option plans	3,358,618	3,096,309	3,301,399
Other dilution effects	-	-	-
Average number of shares on which the calculation after dilution is based	**503,567,531**	**502,229,952**	**502,008,025**
Diluted Group share of profit per share *(EUR)*	**3.13**	**6.82**	**3.35**

29. OFF BALANCE SHEET COMMITMENTS

The Group off-balance sheet commitments grew by approximately 750 million euros during the first half of 2013, of which 430 million euros are related to operating lease and concession fee commitments.

30. CONTINGENT LIABILITIES AND OUTSTANDING LITIGATION

Following the announcement by LVMH on October 23, 2010 of its acquisition of a stake in the share capital of Hermès International, the *Autorité des Marchés Financiers* (the French financial markets regulation authority), launched an investigation into the market and financial disclosures relating to Hermès and LVMH shares. On August 13, 2012, the AMF served LVMH with a statement of objections for alleged infringements of financial and public disclosure requirements, a copy of which was forwarded to AMF's Enforcement Committee. The Committee met on May 31, 2013 and on June 25, 2013 handed down its decision, holding that LVMH should have informed the public in June 2010 of the possibility that it had of deciding to acquire a stake in Hermès, despite the fact that the matter was not put before its Board of Directors until October 21, 2010. It therefore ordered LVMH to pay a fine of 8 million euros. LVMH has declared its intention to appeal this decision.

On June 18, 2013, Hermès International filed a suit with the Paris Commercial Court against LVMH and some of its subsidiaries on the grounds of requesting the cancelation of the equity swap contracts entered into by Group companies in 2008, along with subsequent transactions. The lawsuit refers to a criminal complaint filed in October 2012 for insider trading, share price manipulation and complicity. LVMH has filed a counter-complaint with the public prosecutor for false accusations.

On January 26, 2012, the Paris Court of Appeal, while reaffirming the decision handed down in 2006 by the *Conseil de la Concurrence* against France's leading manufacturers and distributors of luxury perfumes and cosmetics relating to events dating back to the period 1997–2000, reduced the total amount of fines imposed on the Group's companies active in this sector to 13 million euros. On June 11, 2013, the *Cour de cassation* confirmed the decision of the Court of Appeal.

No significant developments occurred during the six-month period ended June 30, 2013 with respect to any of the other legal proceedings in which the Group is involved.

31. SUBSEQUENT EVENTS

In July 2013 LVMH signed a memorandum of understanding for the acquisition of an 80% stake in Italian company Loro Piana, which makes and sells luxury fabrics, clothing, and accessories. The acquisition should become final by the end of 2013, after approval by appropriate competition authorities particularly in Europe and the United States, and after the conditions precedent set out in the memorandum of understanding are satisfied. The remaining 20% stake is covered by reciprocal undertakings to buy and sell, exercisable within three years of the date on which the aforementioned transaction is completed. Under the memorandum of understanding, the parties have agreed on an enterprise value for Loro Piana of 2.7 billion euros.

No other significant subsequent events occurred as of July 25, 2013, the date on which the financial statements were approved for publication by the Board of Directors.

STATUTORY AUDITORS' REVIEW REPORT

To the Shareholders,

In compliance with the assignment entrusted to us by the Shareholders' Meeting and in accordance with the Article L. 451-1-2 III of the French Monetary and Financial Code (*Code monétaire et financier*), we hereby report to you on:

- the review of the accompanying condensed half-year consolidated financial statements of LVMH Moët Hennessy - Louis Vuitton, for the period from January 1 to June 30, 2013;
- the verification of the information contained in the interim management report.

These condensed half-year consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with the professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the professional standards applicable in France and consequently does not enable us to obtain assurance that the financial statements, taken as a whole, are free from material misstatements, as we would not become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that these condensed half-year consolidated financial statements are not prepared in all material respects in accordance with IAS 34 - IFRS as adopted by the European Union applicable to interim financial information.

Without qualifying our opinion, we draw your attention to the Note 1.2 of footnotes to interim financial statements, detailing the impacts of the implementation, as of January 1, 2013, of amendments to the IAS 19 accounting standard on employee benefit commitments.

2. Specific verification

We have also verified the information provided in the interim management report in respect of the condensed consolidated half-year financial statements that were the object of our review. We have no matters to report on the fairness and consistency of this information with the condensed consolidated half-year financial statements.

Neuilly-sur-Seine and Paris-La Défense, July 25, 2013

The Statutory Auditors

French original signed by

DELOITTE & ASSOCIÉS	ERNST & YOUNG et Autres	
Thierry Benoit	Jeanne Boillet	Gilles Cohen

This is a free translation into English of the Statutory Auditors' review report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

SIMPLIFIED ACCOUNTING INFORMATION OF LVMH MOËT HENNESSY-LOUIS VUITTON SA

INCOME STATEMENT

Income/(Expenses) *(EUR millions - French accounting principles)*	June 30, 2013	Dec. 31, 2012	June 30, 2012
Income from subsidiaries and investments	1,796	1,951	1,435
Profit from recurring operations before tax	1,731	1,731	1,219
Exceptional income / (expense)	(8)	-	-
Income tax income / (expense)	(38)	(64)	65
Net profit	1,685	1,667	1,284

CHANGE IN EQUITY

(EUR millions - French accounting principles)	Share capital and share premium	Other reserves and regulated provisions	Retained earnings	Interim dividends	Net profit	Total equity
As of December 31, 2012 before appropriation of 2012 net profit	**4,001**	**583**	**4,937**	**(550)**	**1,667**	**10,638**
Appropriation of 2012 net profit	-	-	1,667	-	(1,667)	-
2012 dividend: final	-	-	(1,472)	550	-	(922)
Impact of treasury shares	-	-	23	-	-	23
Exercise of share subscription options	34	-	-	-	-	34
Retirement of LVMH shares	(23)	-	-	-	-	(23)
Net profit for the first half year	-	-	-	-	1,685	1,685
As of June 30, 2013	**4,012**	**583**	**5,155**	**-**	**1,685**	**11,435**

STATEMENT BY THE COMPANY OFFICER RESPONSIBLE FOR THE INTERIM FINANCIAL REPORT

We declare that, to the best of our knowledge, the condensed interim consolidated financial statements have been prepared in accordance with applicable accounting standards and provide a true and fair view of the assets, liabilities, financial position and profit or loss of the parent company and of all consolidated companies, and that the interim management report presented on page 6 gives a true and fair picture of the significant events during the first six months of the fiscal year and their impact on the financial statements, of the main related party transactions as well as a description of the main risks and uncertainties for the remaining six months of the fiscal year.

Paris, July 25, 2013

Under delegation from the Chairman and Chief Executive Officer

Jean-Jacques GUIONY

Chief Financial Officer, Member of the Executive Committee

Design and production: Agence Marc Praquin

LVMH

MOËT HENNESSY . LOUIS VUITTON

For any information:
LVMH, 22 avenue Montaigne - 75008 Paris
Tel. +33 1 44 13 22 22 - Fax +33 1 44 13 21 19

www.lvmh.com