

# LVMH

## H1 2002 Sales

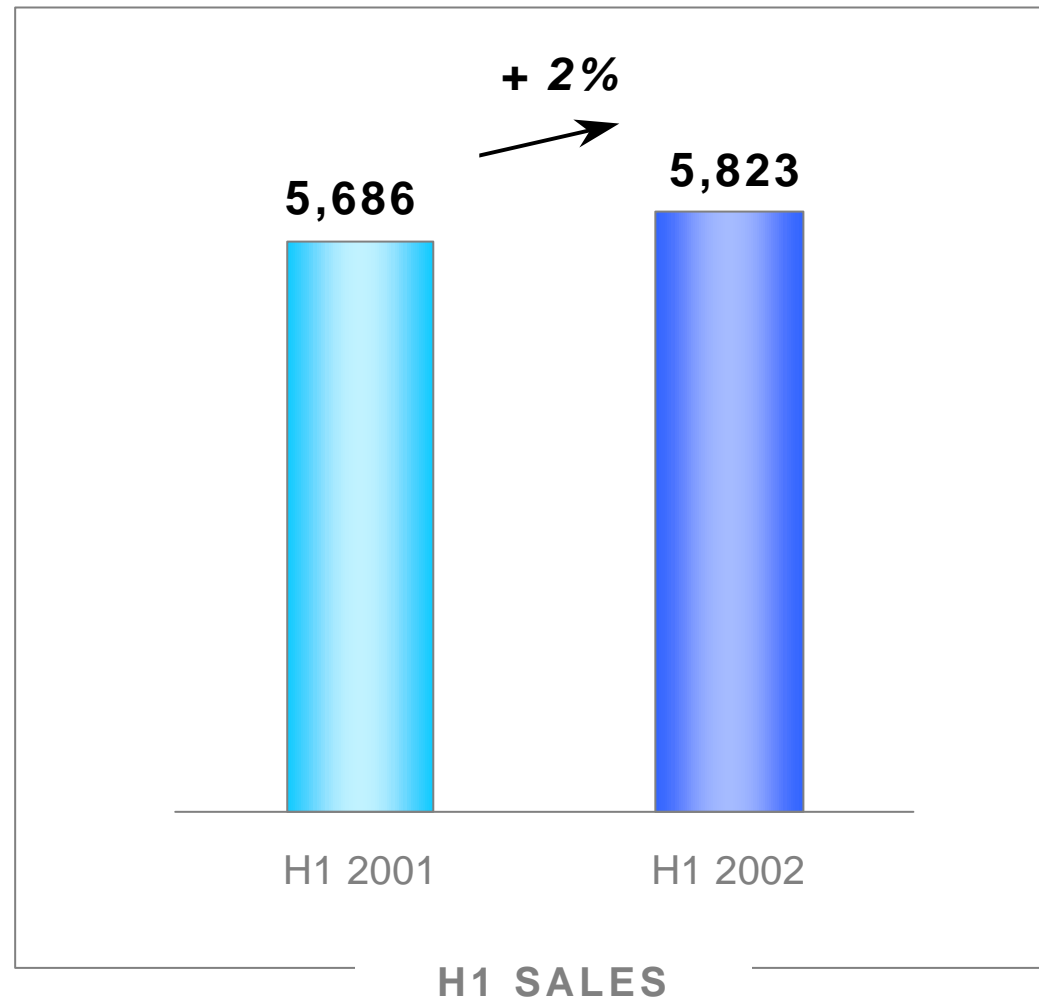
# LVMH

## H1 2002 Highlights

- Good performance thanks to our well-balanced portfolio (good geographical and business mix)
- Louis Vuitton recorded sales growth in most challenging environment
- Tourist flows slowly improving  
...and more favourable Yen/Dollar rate
- Hawaii, Guam, Saipan, US West Coast remain affected
- Temporary impact from the World Cup and strong Euro
- Improved profitability and cash flow

# LVMH H1 2002 Sales

*in millions of Euros*

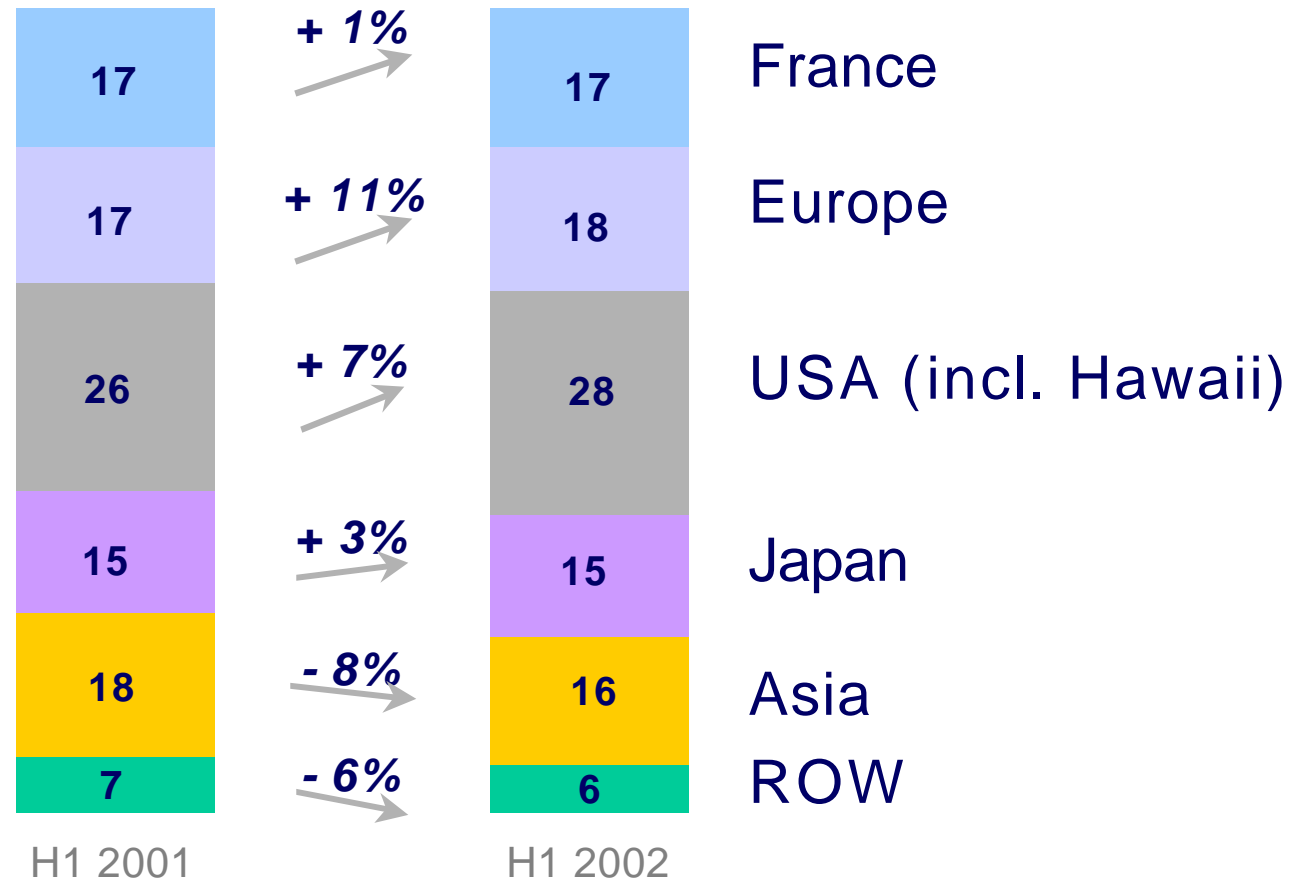


# LVMH

## H1 2002 Sales by Region

*in Euros*

*in %*



# LVMH

## H1 2002 Sales Growth in Mainland US in Dollars

	H1 2002
Champagne	+35%
Hennessy Cognac	+6%
Louis Vuitton	+5%
Perfumes & Cosmetics	+0.5%
TAG Heuer	+1%
Sephora	+31%
<b>Total</b>	<b>+ 18%</b>

# LVMH

## H1 2002 Sales Growth in Japan in Yen

	H1 2002
Champagne	+14%
Hennessy Cognac	-13%
Fashion & Leather	+15%
<i>of which Louis Vuitton</i>	+11%
Perfumes & Cosmetics	+13%
Watches & Jewelry	+19%
<b>Total</b>	<b>+ 11%</b>

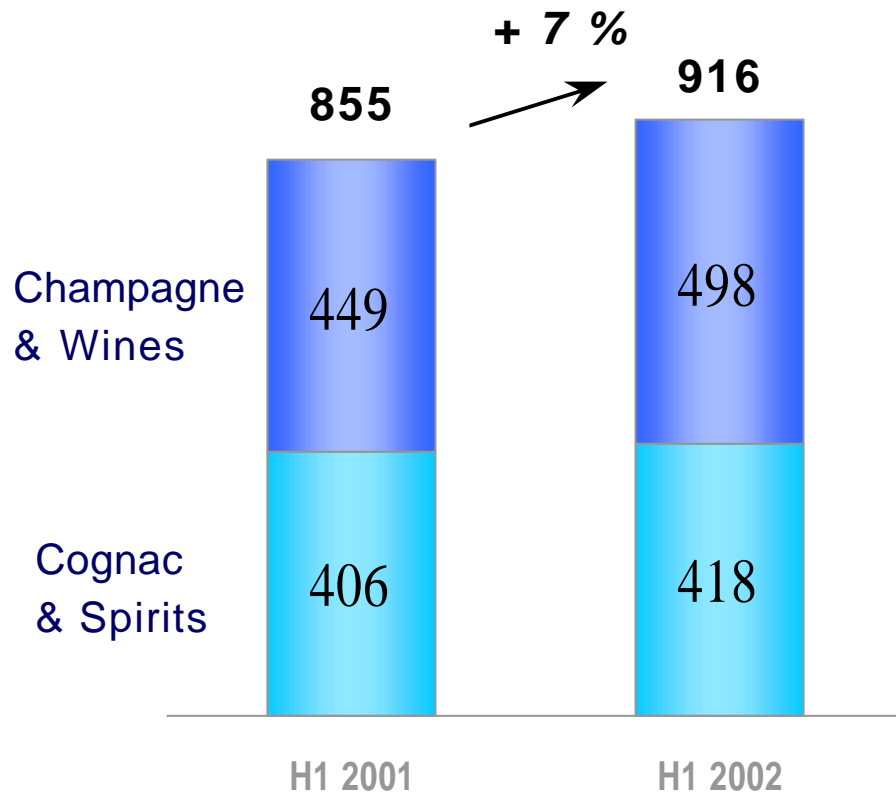
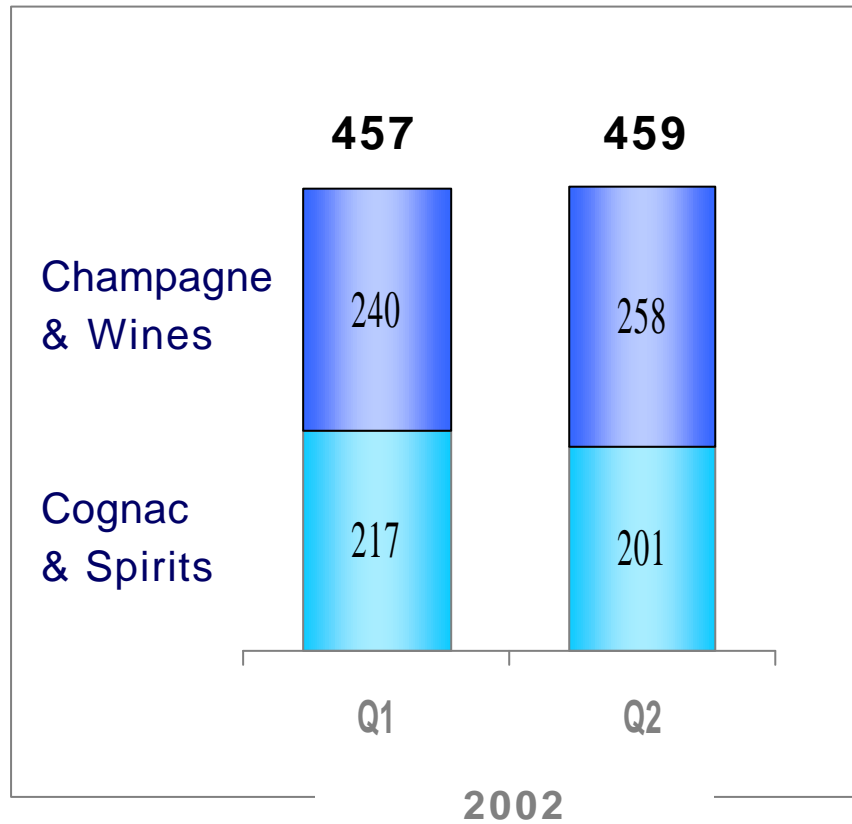
# LVMH

## H1 2002 Highlights

- Operating Income increased by approx. 15% in H1
  - Strong increase in Wines & Spirits
  - Good resilience of Fashion & Leather
  - DFS on track for breakeven thanks to cost cutting
- Improvement in cash flow
  - Operational cash flow increasing
  - Sales of non-strategic assets (Fininfo, Grand Marnier, OC Clarins, treasury shares,...)
  - Sale of Pommery

# Wines & Spirits: H1 2002 Sales

*in millions of Euros*





# Wines & Spirits

## H1 2002 Sales Highlights

### **Champagne**

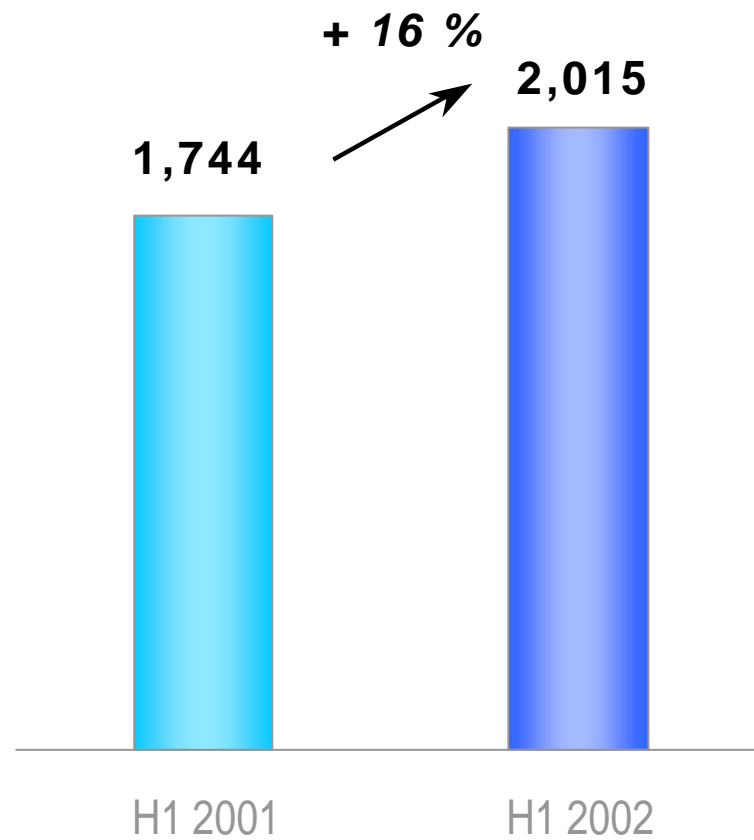
- Champagne sales up 18% in H1
- Strong depletions in the US
- US demand strong, especially for premium cuvées

### **Cognac**

- Cognac volumes up 5%
- Good performance in the US and Europe
- Mix improving: increasing demand for VSOP in the US and for XO in Asia
- Market share increasing

# Fashion & Leather H1 2002 Sales

*in millions of Euros*

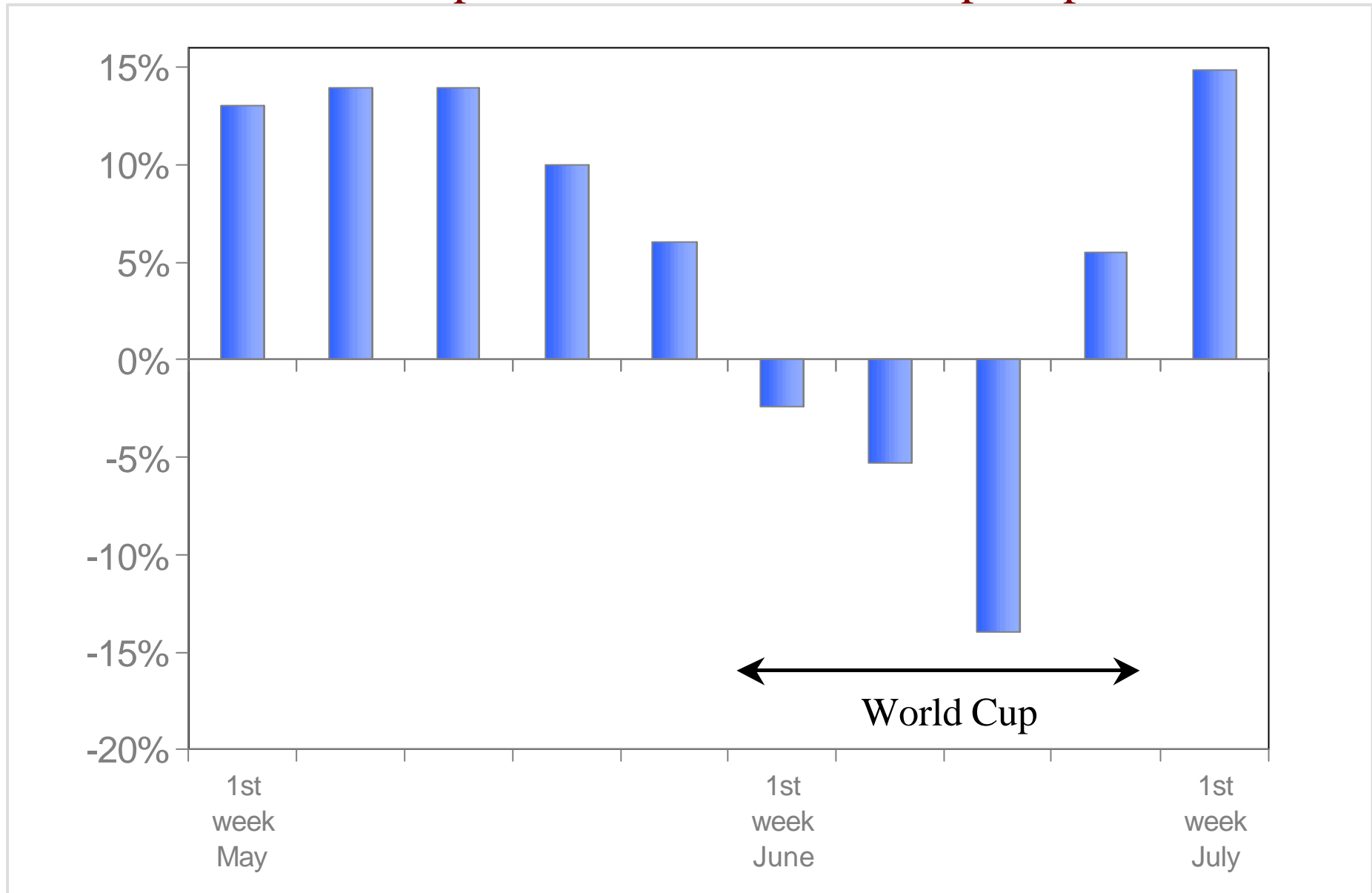


# Louis Vuitton

## H1 2002 Sales Highlights

- Strong performance of Louis Vuitton despite a difficult environment :
  - Sales (excl. Japanese tourists) up 10%
  - Travel retail has not yet recovered to previous levels
  - Temporary impact of the World Cup (June 02 with recovery in July) (Duty Free in Korea -50%, sales in Japan fell to -15%)
  - High comparable basis (constant stores network, new product launches in H2 02 against success of Graffiti bag in H1 01)
- Promising H2 :
  - New stores : net increase of 7 stores (Omotessando, Kobe, Moscow, Chicago,...)
  - New advertising campaign
  - New launches (Monogram Mat, Mini Monogram, “Tambour” watch, LV Cup line)

# Louis Vuitton: Sales in Japan in Yen - World Cup Impact



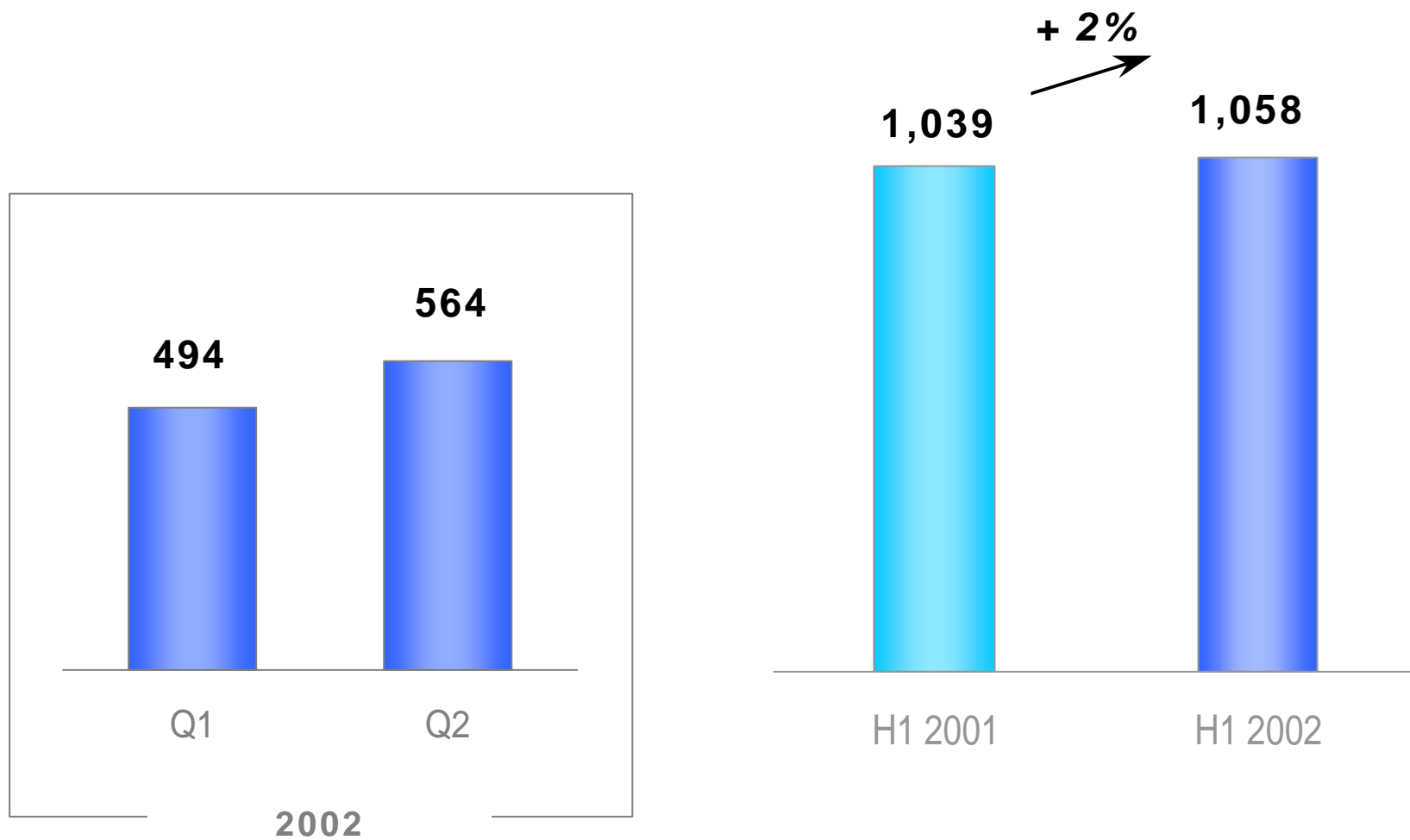
# Fashion & Leather

## H1 2002 Sales Highlights

- Most brands resisted well, due to local clientele
- Best performers :  
Berluti, Marc Jacobs and Céline (especially in the US)
- Fendi stake increased to 66.9% ; simplified management structure
- Re-positioning of Donna Karan progressing
- Easier comparables from September

# Perfumes & Cosmetics H1 2002 Sales

*in millions of Euros*

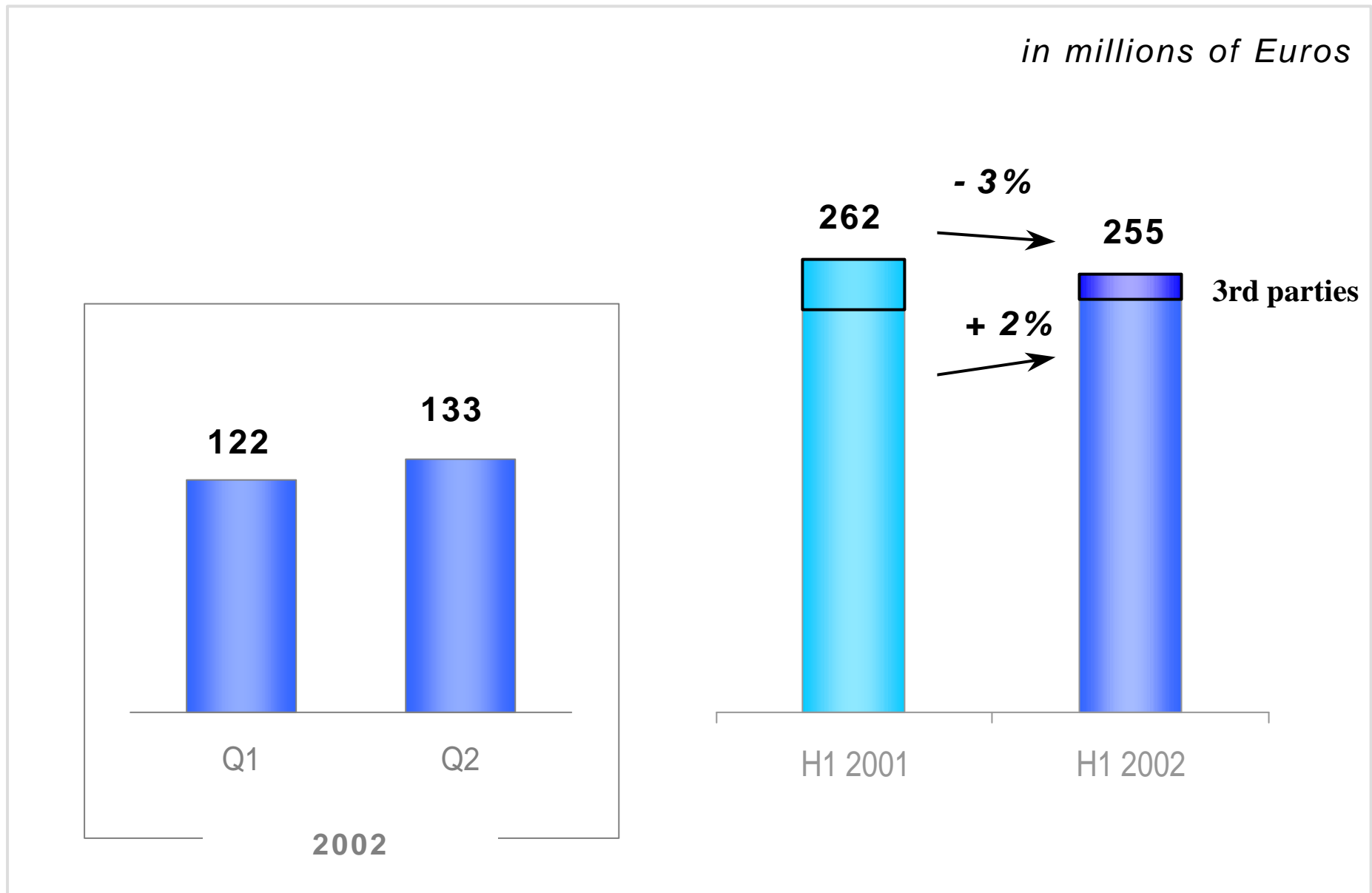


# Perfumes & Cosmetics

## H1 2002 Sales Highlights

- Sales increased by 6% in Q2  
(on top of a 12% increase last year)
- Givenchy benefited in Q2 from new launches :  
*Eau Torride* and *Homme de Givenchy*
- Kenzo recorded double-digit sales growth in Q2
- BeneFit, Fresh and the licences (Kors and Jacobs) continued to progress strongly
- Parfums Christian Dior resisted well to current environment (weak travel retail and difficult US market) and continued to take market share from competitors
- New Dior perfume launch announced for Sept. : *Addict*

# Watches & Jewelry H1 2002 Sales



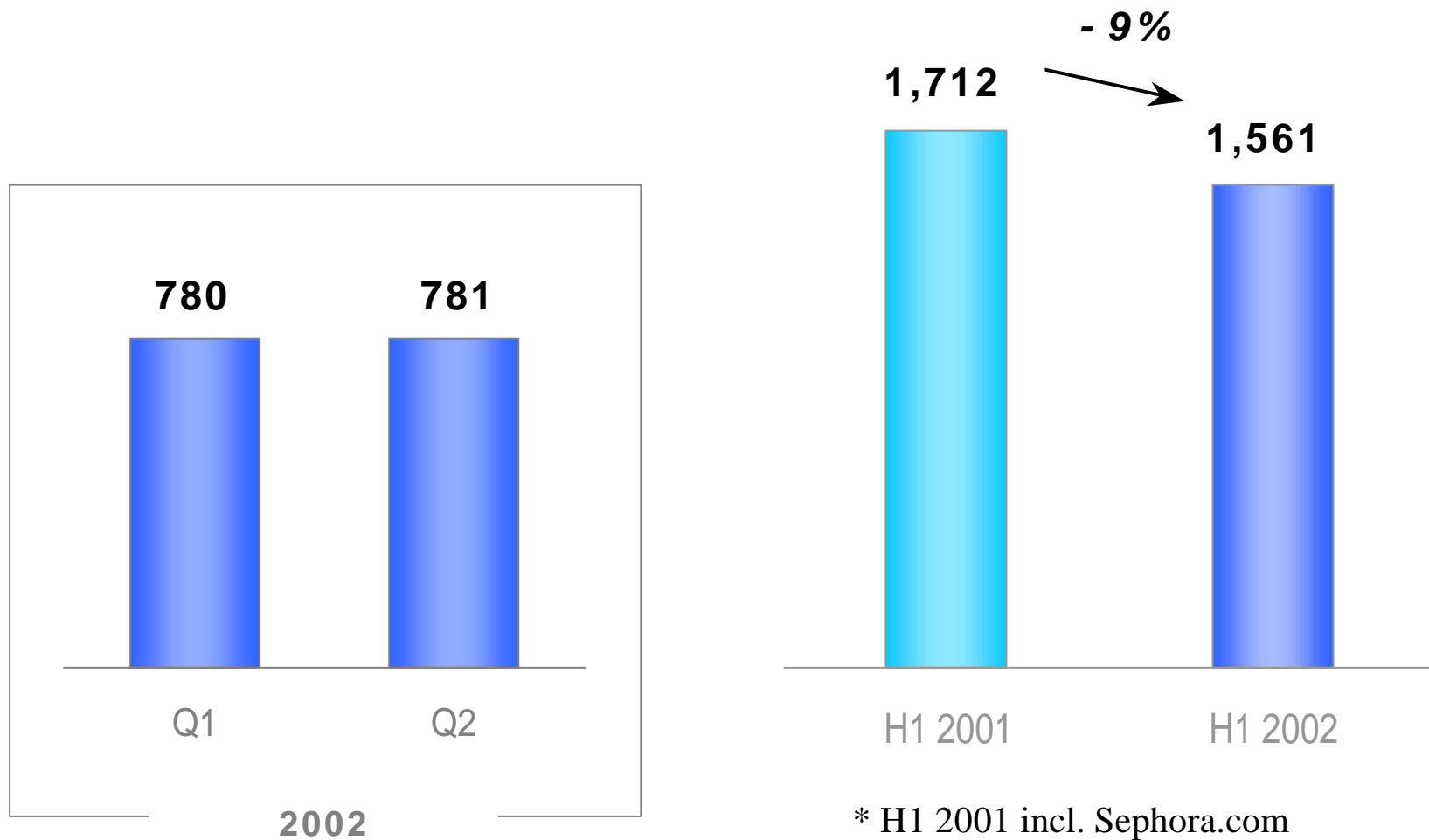


## Watches & Jewelry: H1 2002 Highlights

- Own brands sales at +2%, outperform industry
- Good performances in UK and Japan
- Effects of termination of third party contracts becoming more limited
- Zenith, Christian Dior and Chaumet continue their strong performances
- New collections presented at Basle in stores in September

# Selective Distribution H1 2002 Sales

*in millions of Euros*



# Selective Distribution

## H1 2002 Sales Highlights

- **DFS:**
  - Travel recovery is slow - sales still below last year (in line with expectations)
  - Temporary impact of World Cup on Japanese tourists
  - Cost cutting completed - on track for breakeven for full year
- **Sephora**
  - Exceptional sales growth in the US continued - same store sales +25% in H1
  - Sephora Europe: +2.4% same store sales in H1 (despite impact of weak travel retail)
- Profitability improvements on track at DFS and Sephora

# LVMH

## Conclusion

- Star brands performed well in difficult environment
- Slow recovery in travel retail
- Strong local demand from domestic customers
- Well positioned for second half:
  - Champagne stocks back to normal
  - Innovations and new stores for Vuitton and other fashion brands
  - A new female perfume for Parfums Christian Dior
  - Easier sales comparisons in second half
- Profitability and cash flow improvement on track

**Confirm objective of significant rebound in  
Operating Income in 2002**