

**Strategic Alliance between the Bulgari family and LVMH to constitute a
World Leader in Watches and Jewelry**

Contribution to LVMH of a Controlling Participation in Bulgari

- March 7th, 2011 -

Introduction

■ Deal main features

- The Bulgari family to contribute their controlling stake (152.5 million Bulgari shares) in Bulgari in exchange for 16.5 million newly issued LVMH shares
- The Bulgari family to become the 2nd largest family shareholder of LVMH
- LVMH to subsequently launch a cash tender offer for all other outstanding shares at a price of €12.25 per Bulgari share
- Francesco Trapani to enter the Board of Directors of LVMH as a representative of the Bulgari Family stake together with a second member(*)
- Mr. Trapani to head LVMH enlarged Watches & Jewelry (W&J) activities and become member of the Executive Committee

■ Indicative milestones

- Clearance of anti-trust: expected end of April 2011 (**)
- Closing of the share contribution: expected mid-May 2011
- Launch of the cash tender offer: expected end of May 2011
- Closing of the cash tender offer: expected end of June 2011

(*) The second member will be initially advisory board member
(**) Assuming a phase I procedure

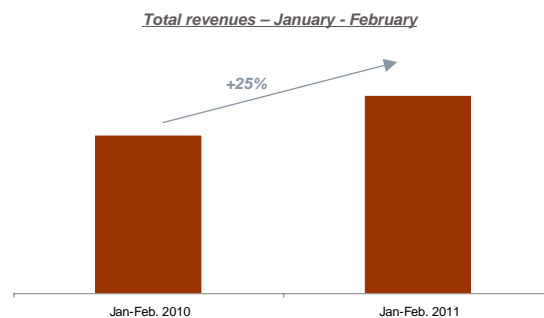
Transaction Rationale

- The Bulgari family and LVMH to form an alliance in order to capitalize on shared philosophy for exceptional craftsmanship, creativity and long-term vision and commitment
 - Emphasis on creativity and innovation
 - Product quality consistency
 - Care of details, attention to service and client satisfaction
 - Shared vision of family control and long-term strategy
- Bulgari, one the most iconic and magnificent luxury brands with a worldwide footprint enables LVMH through the quality of its products, the talent and experience of its management and its market positions to become a leader in the strategic W&J segment.
- LVMH expertise and resources to allow Bulgari to accelerate growth, reach full potential and join an exceptional platform to ensure its long-term future in the respect of values that have made its success since 1884
- The enlarged LVMH W&J activities to benefit under the leadership of Francesco Trapani from
 - Development and Optimization of retail / distribution
 - Optimization of vertical integration
 - Purchasing
 - Shared best practices in all product lines

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Bulgari Current Trading

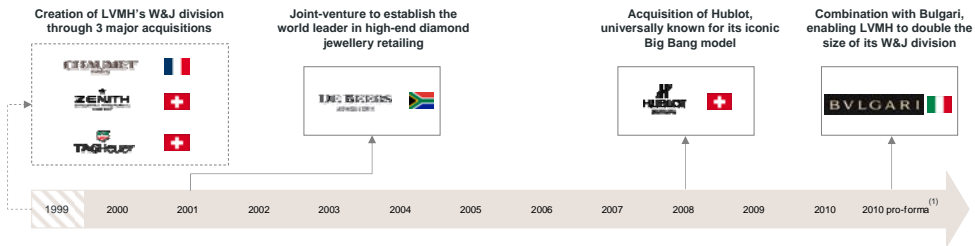
- Sales achieved by Bulgari in January and February 2011 were up 25% at comparable exchange rates at consolidated level
- In particular, sales grew by 21% in DOS (+26% excluding high jewelry)
- The order book more than doubled as of end February 2011



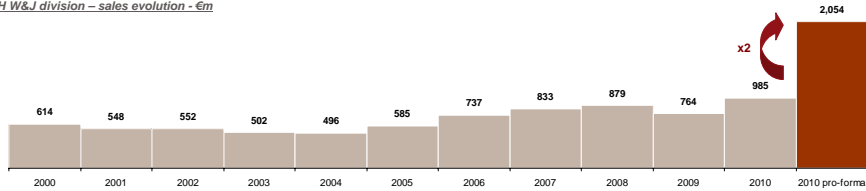
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A Landmark Transaction for LVMH W&J activities

- Bulgari acquisition crowning a decade of selected investments to constitute a world leader in W&J



LVMH W&J division – sales evolution - €m



(1) Whole Bulgari perimeter

Transaction Financing and Impacts for LVMH

- Total price of the transaction: €4.3bn
 - o/w €1.9bn financed through issuance of 16.5 million of LVMH new shares i.e. 44% of total price consideration (*)
 - o/w €2.4bn financed with available cash and new financial debt i.e. 56% of total price consideration (*)
- Limited impact on LVMH's debt profile: financial discipline maintained
- Pro-forma 2010e Net Debt/EBITDA^(**): 1.0x
- Pro-forma 2010e Net Debt/Equity^(**): 25%
- 2011 EPS dilution before synergies^(**): c.-1%

(*) According to the agreement signed, an additional 14.5 million shares that could be acquired by the Bulgari family will be contributed to LVMH on the basis of the same exchange ratio. In such case, the contemplated transaction would be financed at 48% in LVMH shares and at 52% in cash and financial debt.

(**) Ratios calculated based on Reuters estimates for LVMH 2011e and for Bulgari 2010e / 2011e figures

