

Excellent performance of LVMH in 2014 Record Revenue and Net Profit

Paris, 3 February 2015

LVMH Moët Hennessy Louis Vuitton, the world's leading luxury products group, recorded revenue of €30.6 billion in 2014, an increase of 6% over the previous year. Organic revenue growth was 5%. Revenue in all business groups increased with the exception of Wines & Spirits which continued to be affected by the destocking of distributors in China. The Group maintained strong momentum in the United States. Europe demonstrated good resilience despite the economic environment, while Asian countries displayed mixed trends.

In the fourth quarter, revenue increased by 10% compared to the same period of 2013. Organic growth was 5%.

Profit from recurring operations reached €5 715 million, resulting in an operating margin of 19%. Group share of net profit was €5 648 million.

Bernard Arnault, Chairman and CEO of LVMH, said: "The 2014 results confirm the capacity for LVMH to progress despite economic and currency uncertainty. Revenue and net profit reached new record levels. Commitment to excellence, a passion for quality and our capacity to innovate underpin our growth momentum and are all values epitomised by the Fondation Louis Vuitton and its emblematic building inaugurated in October 2014. The year was also marked by the arrival in the Group of Loro Piana, which saw a good performance. LVMH reached an agreement with Hermès and disposed of its stake in this company, in the form of a distribution to our shareholders. In 2014, all our Maisons demonstrated outstanding flexibility. By adapting their strategies to global changes and by continuing to evolve, they have shown the creativity and entrepreneurship that drive them forward. In an uncertain economic environment, we can rely on the desirability of our brands and the agility of our teams to further strengthen our leadership in the world of high quality products."

Key highlights from 2014 include:

- Good momentum in the United States and continued growth in Europe
- A major increase in net profit
- Large negative exchange rate effect, principally impacting Fashion & Leather Goods
- Wines & Spirits' performance penalized by the destocking by distributors in China
- The success of new products at Louis Vuitton, where profitability remains at an exceptional level
- Continued investment in our fashion brands
- Worldwide market share gains by Christian Dior
- Excellent results from Bvlgari
- Strong progress at Sephora
- Free cash flow of €2.8 billion
- A gearing ratio of 21% as at the end of December 2014

Euro millions	2013*	2014	% change
Revenue	29 016	30 638	+ 6 %
Profit from recurring operations	6 017	5 715	- 5 %
Group share of net profit	3 436	5 648	+ 64 %
Free cash flow**	3 057	2 832	- 7 %

* Restated to reflect the impact of IFRS 10 and 11 on consolidation

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

Revenue by business group:

Euro millions	2013*	2014	% change 2014/2013	
			Reported	Organic**
Wines & Spirits	4 173	3 973	- 5 %	- 3 %
Fashion & Leather Goods	9 883	10 828	+ 10 %	+ 3 %
Perfumes & Cosmetics	3 717	3 916	+ 5 %	+ 7 %
Watches & Jewelry	2 697	2 782	+ 3 %	+ 4 %
Selective Retailing	8 903	9 534	+ 7 %	+ 8 %
Other activities and eliminations	(357)	(395)	-	-
Total LVMH	29 016	30 638	+ 6 %	+ 5 %

* Restated to reflect the impact of IFRS 10 and 11 on consolidation

** With comparable structure and exchange rates. The structural impact is +3% and the exchange rate impact is -2%.

Profit from recurring operations by business group:

Euro millions	2013*	2014	% change
Wines & Spirits	1 367	1 147	- 16 %
Fashion & Leather Goods	3 135	3 189	+ 2 %
Perfumes & Cosmetics	414	415	0 %
Watches & Jewelry	367	283	- 23 %
Selective Retailing	908	882	- 3 %
Other activities and eliminations	(174)	(201)	-
Total LVMH	6 017	5 715	- 5 %

* Restated to reflect the impact of IFRS 10 and 11 on consolidation

Wines & Spirits: destocking by distributors in China and growth in the United States

The **Wines & Spirits** business group recorded a decrease in organic revenue of 3% in 2014. Profit from recurring operations reached €1 147 million. This situation is essentially explained by the evolution of cognac in China linked to the continued destocking by distributors. Against this background, Hennessy leveraged its extensive portfolio and global presence, in particular in the United States, where its growth remains strong. Other spirits, Glenmorangie and Belvedere continue their development. The champagne business performed well, driven in particular by its prestige vintages. The American and Asian markets benefited from strong demand.

Fashion & Leather Goods: major success of new products at Louis Vuitton and successful investments in other brands

The **Fashion & Leather Goods** business group recorded organic revenue growth of 3% in 2014. Profit from recurring operations reached €3 189 million. For Louis Vuitton, 2014 was characterised by strong creative momentum, dominated by the enthusiastic reception of Nicolas Ghesquière's first runway shows and of the new products. The celebration of the *Monogram* canvas as revisited by six leading designers and the inauguration of the Avenue Montaigne flagship store in Paris are among the highlights of the last quarter. 2014 marks the first year of Loro Piana's integration into the business group. Fendi experienced strong growth driven by the success of its iconic lines. Celine continued its remarkable performance. Other fashion brands such as Givenchy, Kenzo and Berluti experienced accelerated growth while Donna Karan and Marc Jacobs are in a redeployment phase.

Perfumes & Cosmetics: market share gains and remarkable vitality of iconic products

The **Perfumes & Cosmetics** business group significantly outperformed the market with organic revenue growth of 7%. Profit from recurring operations amounted to €415 million. The business group's momentum was boosted by continuous innovation and sustained investments. Iconic perfumes of Christian Dior, *J'adore*, *Miss Dior* and *Dior Homme* continued to demonstrate their exceptional appeal. The make-up segment also contributed to the good performance of the Maison, notably thanks to *Dior Addict Fluid Stick*. Guerlain benefited from the successful launch of its new fragrance *L'Homme Idéal* and the success of its high-end skincare range *Abeille Royale*. Benefit confirmed its strong global momentum and is ranked as the leading make-up brand in the UK. Fresh and Make Up For Ever continued to strengthen their positions.

Watches & Jewelry: strengthened positioning of jewelry and cautious purchasing behaviour of multi-brand watch retailers

The **Watches & Jewelry** business group recorded organic revenue growth of 4%. Profit from recurring operations reached €283 million. While jewelry revenue showed remarkable momentum, watches were penalized by the cautious purchasing behaviour of multi-brand retailers in an uncertain economic environment. Bvlgari recorded strong growth driven by the success of its iconic lines and enhanced its watch collections with its new *Lvcea* watch for women. TAG Heuer refocused on its core offering, adapting its organization accordingly. While maintaining tight control, the Maisons continued to selectively invest in their distribution network and production capacity.

Selective Retailing: strong growth at Sephora, DFS's progress impacted by currency and geopolitical developments

The **Selective Retailing** business group recorded organic revenue growth of 8%. Profit from recurring operations reached €882 million in 2014. Sephora had an exceptional year and continued to gain market share. Performance was excellent especially in North America, the Middle East and Asia. Online sales grew significantly, supported by innovative mobile features. The store network expansion continued: the company established a new presence in Indonesia and Australia while several flagship stores, such as the Champs-Élysées and Dubai Mall, have been renovated. New brands enhanced the product offering, bringing a diversity that never ceases to keep Sephora ahead in beauty innovation.

Faced with a complex situation in Asia, particularly relating to currency and geopolitical developments, DFS continued to focus on optimizing its offer and deploying its loyalty program. Its profitability was equally impacted by the expansion and renovation of several airport concessions.

Confidence for 2015

Despite a climate of economic, currency and geopolitical uncertainties, LVMH is well-equipped to continue its growth momentum across all business groups in 2015. The Group will maintain a strategy focused on developing its brands by continuing to build on strong innovation and a constant quest for quality in their products and their distribution.

Driven by the agility of its teams, the balance of its different businesses and geographic diversity, LVMH enters 2015 with confidence and has, once again, set an objective of increasing its global leadership position in luxury goods.

Dividend increase of 3%

At the Annual Shareholders' Meeting on April 16, 2015, LVMH will propose a dividend of €3.20 per share, an increase of 3%. An interim dividend of €1.25 per share was paid on December 4 of last year. The balance of €1.95 per share will be paid on April 23, 2015.

The LVMH Board met on 3 February 2015 to approve the financial statements for 2014.

Audit procedures have been carried out and the audit report is being issued.

Regulated information related to this press release, the presentation of annual results and the report "Financial Documents" are available at www.lvmh.fr.

APPENDIX

Revenue by business group and by quarter

2014

<i>(Euro millions)</i>	Wines & Spirits	Fashion & Leather Goods	Perfumes & Cosmetics	Watches & Jewelry	Selective Retailing	Other Activities and Eliminations	Total
First quarter	888	2 639	941	607	2 222	(91)	7 206
Second quarter	789	2 391	898	659	2 160	(94)	6 803
Third quarter	948	2 647	961	706	2 234	(108)	7 388
Fourth quarter	1 348	3 151	1 116	810	2 918	(102)	9 241
Total revenue	3 973	10 828	3 916	2 782	9 534	(395)	30 638

2013 restated*

<i>(Euro millions)</i>	Wines & Spirits	Fashion & Leather Goods	Perfumes & Cosmetics	Watches & Jewelry	Selective Retailing	Other Activities and Eliminations	Total
First quarter	967	2 383	932	608	2 113	(90)	6 913
Second quarter	828	2 328	872	667	2 085	(61)	6 719
Third quarter	1 032	2 428	879	655	2 093	(97)	6 990
Fourth quarter	1 346	2 744	1 034	767	2 612	(109)	8 394
Total revenue	4 173	9 883	3 717	2 697	8 903	(357)	29 016

* Restated to reflect the impact of IFRS 10 and 11 on consolidation

2013

<i>(Euro millions)</i>	Wines & Spirits	Fashion & Leather Goods	Perfumes & Cosmetics	Watches & Jewelry	Selective Retailing	Other Activities and Eliminations	Total
First quarter	979	2 383	932	624	2 122	(93)	6 947
Second quarter	829	2 328	872	686	2 093	(60)	6 748
Third quarter	1 032	2 428	879	677	2 101	(97)	7 020
Fourth quarter	1 347	2 743	1 034	797	2 622	(109)	8 434
Total revenue	4 187	9 882	3 717	2 784	8 938	(359)	29 149

LVMH

LVMH Moët Hennessy Louis Vuitton is represented in Wines and Spirits by a portfolio of brands that includes Moët & Chandon, Dom Pérignon, Veuve Clicquot Ponsardin, Krug, Ruinart, Mercier, Château d'Yquem, Domaine du Clos des Lambrays, Château Cheval Blanc, Hennessy, Glenmorangie, Ardbeg, Wen Jun, Belvedere, Chandon, Cloudy Bay, Terrazas de los Andes, Cheval des Andes, Cape Mentelle, Newton et Numanthia. Its Fashion and Leather Goods division includes Louis Vuitton, Céline, Loewe, Kenzo, Givenchy, Thomas Pink, Fendi, Emilio Pucci, Donna Karan, Marc Jacobs, Berluti, Nicholas Kirkwood and Loro Piana. LVMH is present in the Perfumes and Cosmetics sector with Parfums Christian Dior, Guerlain, Parfums Givenchy, Parfums Kenzo, Perfumes Loewe as well as other promising cosmetic companies (BeneFit Cosmetics, Make Up For Ever, Acqua di Parma and Fresh). LVMH is also active in selective retailing as well as in other activities through DFS, Sephora, Le Bon Marché, la Samaritaine and Royal Van Lent. LVMH's Watches and Jewelry division comprises Bulgari, TAG Heuer, Chaumet, Dior Watches, Zenith, Fred, Hublot and De Beers Diamond Jewellers Ltd, a joint venture created with the world's leading diamond group.

"Certain information included in this release is forward looking and is subject to important risks and uncertainties and factors beyond our control or ability to predict, that could cause actual results to differ materially from those anticipated, projected or implied. It only reflects our views as of the date of this presentation. No undue reliance should therefore be based on any such information, it being also agreed that we undertake no commitment to amend or update it after the date hereof."

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