

2010: A great vintage for LVMH

Paris, 4 February 2011

LVMH Moët Hennessy Louis Vuitton, the world's leading luxury products group, recorded a 19% increase in revenue in 2010, exceeding the 20 billion Euro mark for the first time. All business groups saw excellent momentum in Europe, Asia and the United States. Louis Vuitton, in particular, once again recorded double-digit revenue growth during the year.

Revenue increased by 20% in the fourth quarter with organic growth rising 13%. This performance is in line with the favorable trends observed since the beginning of the year, and compares to the fourth quarter of 2009 which also grew.

Profit from recurring operations increased by 29% to 4 321 million Euros. The current operating margin improved by 1.6 percentage points to reach 21.3% in 2010 with all businesses contributing to this performance.

Group share of net profit was 3 032 million Euros.

Mr. Bernard Arnault, Chairman and CEO of LVMH, said: "2010 was a great vintage for LVMH. The quality of our products, the originality of our brands and the talent of our teams bolstered by the economic recovery allowed us once again to gain market share throughout the world. In 2011, LVMH intends to further strengthen its global leadership position in high quality products by relying on its sound long term strategy."

Highlights of 2010 include:

- Profit from recurring operations exceeded 4 billion Euros for the first time,
- Further market share gains throughout the world,
- Continued rapid growth in Asia,
- Double-digit revenue growth and exceptional profitability at Louis Vuitton,
- Strong results from DFS and Sephora which continue to increase their lead over competitors across all regions in which they operate,
- Rapid revenue growth for Wines & Spirits,
- Momentum at Parfums Christian Dior due to the continued success of its iconic perfumes,
- Doubled profit from recurring operations at Watches & Jewelry,
- A 39% increase in free cash flow, which for the first time passed the 3 billion Euro mark,
- Gearing* of 15% as of the end of December 2010.

** Ratio of net debt to equity*

Euro millions	2009	2010	% change
Revenue	17 053	20 320	+ 19 %
Profit from recurring operations	3 352	4 321	+ 29 %
Group share of net profit	1 755	3 032	+ 73 %
Free cash flow*	2 205	3 073	+ 39 %

*before financial investments, transactions relating to equity and financing activities

Revenue by business group:

Euro millions	2009	2010	% change 2010/2009	
			Reported	Organic*
Wines & Spirits	2 740	3 261	+ 19 %	+ 13 %
Fashion & Leather Goods	6 302	7 581	+ 20 %	+ 13 %
Perfumes & Cosmetics	2 741	3 076	+ 12 %	+ 9 %
Watches & Jewelry	764	985	+ 29 %	+ 21 %
Selective Retailing	4 533	5 378	+ 19 %	+ 14 %
Other activities and eliminations	(27)	39	-	-
Total LVMH	17 053	20 320	+ 19 %	+ 13 %

*with comparable structure and exchange rates

Profit from recurring operations, by business group :

Euro millions	2009	2010	% change
Wines & Spirits	760	930	+ 22 %
Fashion & Leather Goods	1 986	2 555	+ 29 %
Perfumes & Cosmetics	291	332	+ 14 %
Watches & Jewelry	63	128	+ 103 %
Selective Retailing	388	536	+ 38 %
Other activities and eliminations	(136)	(160)	-
Total LVMH	3 352	4 321	+ 29 %

Wines & Spirits: confirmation of a strong return in demand

The **Wines & Spirits** business group saw revenue growth of 19% in 2010 and an increase of 22% in profit from recurring operations. The business group fully benefited from the return of demand and from having held to its positioning during a difficult 2009. All champagne brands experienced a strong recovery with particularly significant growth for the prestige cuvées, notably Dom Pérignon and Krug. Hennessy cognac, which proved its resilience during the crisis, continued its excellent performance, and its superior, high-end qualities increased strongly with the rapid growth of emerging markets.

Fashion & Leather Goods: exceptional performance of Louis Vuitton

Fashion & Leather Goods recorded revenue growth of 20% in 2010 and an increase of 29% in profit from recurring operations. Louis Vuitton, which had another record year, further increased its lead over other luxury brands. Louis Vuitton's appeal to customers is constantly strengthened by its dynamic creativity, as seen in the success of its new leather products. The presence of the brand in Europe was further reinforced in 2010 with the opening of the new Maison in London. Louis Vuitton will soon open a new workshop in Marsaz in the Drôme region of France.

Fendi also performed well in all of its product categories and continued to consolidate its distribution network. Donna Karan progressed in the US. Céline and Loewe had great success. The other fashion brands continued their expansion.

Perfumes & Cosmetics: continued success of star lines

Perfumes & Cosmetics recorded revenue growth of 12% in 2010 and an increase in profit from recurring operations of 14%. Parfums Christian Dior benefited from the continued popularity of its iconic perfumes such as *J'adore*, *Poison* and *Eau Sauvage*, while maintaining focus on innovation. Other product categories enjoyed strong growth thanks to the excellent performance of the new *Rouge Dior* lipstick range and the *Capture* skincare line. Guerlain benefited from the success of its new *Idylle* fragrance and the soundness of *Shalimar*, as well as its skincare line, *Orchidée Impériale*. The new *Play for Her* feminine fragrance from Parfums Givenchy was very well received. Benefit and Make Up For Ever enjoyed outstanding momentum throughout the world.

Watches & Jewelry: strong growth in profitability

In **Watches & Jewelry**, revenue growth of 29% was recorded in 2010 and profit from recurring operations doubled. With continued growth in demand from their clients, LVMH brands gained market share across all regions. For its 150th anniversary, TAG Heuer successfully launched a new watch movement and enhanced its presence in Asia. Hublot benefited from the growing success of the *Big Bang* and *King Power* collections, continued to increase its high-end offering and integrated its workshop of high-end watch making. Zenith found a new strong momentum with its new collections and the *El Primero* movement. The jewelry brands Chaumet, De Beers and Fred registered solid revenue growth in their European and Asian store networks.

Selective Retailing: strengthened positioning

The **Selective Retailing** business group recorded revenue growth of 19% in 2010 and an increase of 38% in profit from recurring operations. DFS's excellent performance was due to the rise in international travel, notably among Asian tourists. The Gallerias of Hong Kong, Macao and Singapore enjoyed remarkable growth and benefited from the investments made in renovation and expansion. New operations in India, the Middle East and Vietnam are promising.

Driven by its innovative concept, Sephora continued to gain market share and recorded comparable store growth across all regions. The good momentum in online sales continued. The rhythm of its store openings continued as well. The opening of flagship stores in 2010 significantly increased its presence in Asia and Europe. Sephora also entered the Latin American market through the acquisition of Sack's, the leading Brazilian online retailer of selective perfumes and cosmetics.

Excellent outlook for 2011

After an exceptional 2010, LVMH is well equipped to continue its growth momentum across all business groups in 2011. Its strategy will remain focused on developing its brands through strong innovation, quality and expansion in high potential markets.

Driven by the agility of its organisation, the balance of its different businesses and geographic diversity, LVMH enters 2011 with confidence and has set itself the objective of increasing, once again, its global leadership position in luxury goods.

Dividend increased by 27%

At the Annual Shareholders Meeting on March 31, 2011, LVMH will propose a dividend of 2.10 Euros per share, an increase of 27%. An interim dividend of 0.70 Euros per share was paid on December 2 of last year. The balance of 1.40 Euros per share will be paid on May 25, 2011.

The LVMH Board met on February 3rd to approve the financial statements for 2010.

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

Regulated information related to this press release is available on the Internet site

www.lvmh.com.

About LVMH

LVMH Moët Hennessy Louis Vuitton is the world's leading luxury goods group. The Group 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, Hennessy, Glenmorangie, Ardbeg, Vodka Belvedere, 10 Cane, Chandon, Cloudy Bay, Terrazas de los Andes, Cheval des Andes, Green Point, Cape Mentelle, Newton, Wen Jun. Its Fashion and Leather Goods division includes Louis Vuitton, the world's leading luxury brand, as well as Céline, Loewe, Kenzo, Givenchy, Thomas Pink, Fendi, Emilio Pucci, Donna Karan, Marc Jacobs, Berluti and StefanoBi. LVMH is present in the Perfumes and Cosmetics sector with Parfums Christian Dior, Guerlain, Parfums Givenchy, Parfums Kenzo, Parfums 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 through DFS, Sephora in Europe and the United States, Le Bon Marché, la Samaritaine and Sack's. LVMH's Watches and Jewelry division comprises TAG Heuer, Chaumet, Dior Jewelry, Zenith, Fred, Hublot and De Beers Diamond Jewellers Limited, a joint venture created with the world's leading diamond group.

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APPENDIX

Quarterly revenue by business group

2010 Fiscal year

<i>(Euro millions)</i>	Wines & Spirits	Fashion & Leather Goods	Perfumes & Cosmetics	Watches & Jewelry	Selective Retailing	Other activities and eliminations	Total
First quarter	635	1 729	736	204	1 181	(13)	4 472
Second quarter	667	1 787	705	239	1 238	(9)	4 627
Third quarter	846	1 948	805	244	1 294	(26)	5 111
Fourth quarter	1 113	2 117	830	298	1 665	87	6 110
Total revenue	3 261	7 581	3 076	985	5 378	39	20 320

2009 Fiscal year

<i>(Euro millions)</i>	Wines & Spirits	Fashion & Leather Goods	Perfumes & Cosmetics	Watches & Jewelry	Selective Retailing	Other activities and eliminations	Total
First quarter	540	1 598	663	154	1 085	(22)	4 018
Second quarter	539	1 390	622	192	1 042	8	3 793
Third quarter	682	1 549	686	187	1 040	(9)	4 135
Fourth quarter	979	1 765	770	231	1 366	(4)	5 107
Total revenue	2 740	6 302	2 741	764	4 533	(27)	17 053