

Excellent first half for LVMH

Paris, 26 July 2012

LVMH Moët Hennessy Louis Vuitton, the world's leading luxury products group, recorded revenue of €13 billion in the first half 2012, an increase of 26%. Organic revenue growth was 12%. All business groups contributed to this performance, which is even more remarkable coming on top of the strong growth in first half of 2011. The Group continued its sustained growth in the US, Europe and Asia.

Profit from recurring operations for the first half of 2012 rose to €2 659 million, an increase of 20% compared to the same period in 2011. This performance compares to the first half of 2011, which itself had shown strong growth. Current operating margin reached 21%. Group share of net profit rose to €1 681 million, an increase of 28%.

Bernard Arnault, Chairman and CEO of LVMH, commented:

“LVMH’s excellent performance in the first half, once again, demonstrates the exceptional appeal of our brands, the attraction of our high quality artisanal products and the pertinence of our strategy. A host of initiatives, including constant innovation, successful iconic product lines, the development of our craftsmanship and targeted expansion, reinforce our Maisons. We approach the second half of the year with confidence and are relying upon the creativity and quality of our products as well as the effectiveness of our teams to pursue further market share gains in our historical markets as well as in high potential emerging markets.”

Highlights of the first half of 2012 include:

- Double-digit organic revenue growth,
- Market share gains of all our brands,
- Continued rapid growth in Asia and the US,
- Double-digit revenue growth at Louis Vuitton, where profitability remains exceptional,
- Robust demand for Wines & Spirits and Watches & Jewelry,
- Continued innovation and success of star lines at Christian Dior,
- On-going integration of Bulgari within LVMH,
- Excellent performance of DFS and Sephora globally,
- Cash from operations before changes in working capital of €3.2 billion, up 26%,
- Net debt to equity ratio of 22% as at the end of June 2012.

<i>Euro millions</i>	First half 2011	First half 2012	% change
Revenue	10 292	12 966	+ 26%
Profit from recurring operations	2 223	2 659	+ 20%
Group share of net profit	1 310	1 681	+ 28%
Cash from operations*	2 536	3 198	+ 26%

* before changes in working capital.

Revenue by business group:

<i>Euro millions</i>	First half 2011	First half 2012	% change	
			Reported	Organic*
Wines & Spirits	1 435	1 759	+ 23%	+ 15%
Fashion & Leather Goods	3 971	4 656	+ 17%	+ 10%
Perfumes & Cosmetics	1 518	1 727	+ 14%	+ 9%
Watches & Jewelry	576	1 343	+ 133%	+ 13%
Selective Retailing	2 831	3 590	+ 27%	+ 16%
Other activities and eliminations	(39)	(109)	-	-
Total LVMH	10 292	12 966	+ 26%	+ 12%

* with comparable structure and constant exchange rates.

Profit from recurring operations by business group:

<i>Euro millions</i>	First half 2011	First half 2012	% change
Wines & Spirits	413	496	+ 20%
Fashion & Leather Goods	1 381	1 516	+ 10%
Perfumes & Cosmetics	181	197	+ 9%
Watches & Jewelry	85	159	+ 87%
Selective Retailing	287	373	+ 30%
Other activities and eliminations	(124)	(82)	-
Total LVMH	2 223	2 659	+ 20%

Wines & Spirits: sustained volume growth

Continuing the very favourable trend of 2011, demand in the first half of 2012 remained strong. The **Wines & Spirits** business group recorded organic revenue growth of 15% supported by volume growth, improved product mix and its continued adapted pricing policy. Profit from recurring operations increased by 20%. Volume growth continued for champagne, driven mainly by the prestige vintages. Hennessy cognac also saw volume growth, an increase to which all the qualities contributed. Performances in Asia and the US were particularly strong.

Fashion & Leather Goods: sustained performance

The **Fashion & Leather Goods** business group recorded organic revenue growth of 10% in the first half of 2012. Profit from recurring operations increased by 10%. Louis Vuitton continued to register exceptional performance, confirming the brand's strong appeal to its global clientele. All its business lines contributed to this momentum. A number of products have waiting lists. The opening of the Maison Louis Vuitton in Rome was a highlight of the first half. Louis Vuitton is always driven by its incomparable creative capacity, and by the fact that it is the only luxury brand in the world to sell its products exclusively through its own store network. Fendi benefited from the sustained growth of the iconic *Baguette* bag, which celebrated its 15th birthday. Céline recorded a remarkable performance driven by its creative success. The other brands had an excellent beginning of the year.

Perfumes & Cosmetics: continuous innovation and success of iconic product lines

The **Perfumes & Cosmetics** business group recorded organic revenue growth of 9%. Europe posted good growth over the first half and Asia confirmed its strong potential. Within the context of continued investments, profit from recurring operations increased by 9% compared to the first half of 2011. Driven by the exceptional global desirability of the brand, Christian Dior continued to demonstrate strong momentum supported both by the brand's iconic products and innovations: continued growth of the perfumes *J'Adore*, *Miss Dior* and *Dior Homme*. The makeup and skincare segments made further progress. Guerlain benefited from the promising results of its latest creation *La Petite Robe Noire* launched in France in the first half. Givenchy's growth was driven notably by the roll-out of the perfume *Very Irresistible*. Benefit and Make Up For Ever maintained a high level of growth.

Watches & Jewelry: extension of store network and development of industrial capacity

In the first half of 2012, the **Watches & Jewelry** business group recorded 13% organic revenue growth. Profit from recurring operations increased by 87%, notably as a result of Bulgari's performance, consolidated since June 30, 2011. In jewelry, Bulgari reported an excellent performance across all of its product lines and benefited from the growing success of its *Serpenti* collection. The watch brands saw record orders during the watch fairs thanks to the strength of their iconic product lines and the excellent reception given to their innovations. TAG Heuer launched a new range for women, *Link Lady*, which has already been a great success. Zenith enriched its *Pilot* collection with new and particularly original models and Hublot launched its first models made with innovative materials perfected by its research laboratory.

Selective Retailing: strong growth momentum

The **Selective Retailing** business group recorded organic revenue growth of 16% and a 30% increase in its profit from recurring operations in the first half of 2012.

DFS saw excellent momentum, driven by growth in its Asian clientele. Operations in Hong Kong, Macao, Singapore and North America recorded strong increases. Three new concessions obtained at Hong Kong airport will open at the end of the year.

Sephora achieved remarkable performance and continued to gain market share. Despite a challenging economic environment, Europe made solid progress. A first store was opened in Denmark. In Russia, the Ile de Beauté stores, consolidated since June 2011, recorded an excellent performance. Sephora maintained its exceptional momentum in the United States and Canada. Its presence in China continued to grow at a sustained level. In Latin America, a first store in Brazil has added to its presence which has, until now, been exclusively online.

2012 Outlook

In a global market experiencing strong growth but an uncertain economic environment in Europe, 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.

Our strategy of focusing on quality across our entire product range, combined with the dynamism and unparalleled creativity of our teams, will enable us to reinforce, once again in 2012, LVMH's global leadership position in luxury goods.

An interim dividend of 1.10 Euro will be paid on December 4, 2012.

Regulated information related to this press release, the half year results presentation and the half year financial statement are available on our internet site www.lvmh.com

Audit procedures carried out, audit report issued following the Board meeting.

APPENDIX

LVMH – Revenue by business group and by quarter

First half 2012

(Euro millions)	Wines & Spirits	Fashion & Leather Goods	Perfumes & Cosmetics	Watches & Jewelry	Selective Retailing	Other Activities & Eliminations	Total
First Quarter	926	2 374	899	630	1 823	(70)	6 582
Second Quarter	833	2 282	828	713	1 767	(39)	6 384
Total revenue	1 759	4 656	1 727	1 343	3 590	(109)	12 966

First half 2011

(Euro millions)	Wines & Spirits	Fashion & Leather Goods	Perfumes & Cosmetics	Watches & Jewelry	Selective Retailing	Other Activities & Eliminations	Total
First Quarter	762	2 029	803	261	1 421	(29)	5 247
Second Quarter	673	1 942	715	315	1 410	(10)	5 045
Total revenue	1 435	3 971	1 518	576	2 831	(39)	10 292

About 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, 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 and Berluti. 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 as well as in other activities through DFS, Sephora, Le Bon Marché, Samaritaine and Royal Van Lent. LVMH's Watches and Jewelry division comprises Bulgari, TAG Heuer, Chaumet, Dior Watches, Zenith, Fred, Hublot and De Beers Jewellery, a joint venture created with the world's leading diamond group.

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