



## H1 2014 revenue by business group

<i>In millions of euros</i>	H1 2013*	H1 2014	Reported growth	Organic growth**
Wines & Spirits	1 795	1 677	- 7%	- 1%
Fashion & Leather Goods	4 711	5 030	+ 7%	+ 4%
Perfumes & Cosmetics	1 804	1 839	+ 2%	+ 6%
Watches & Jewelry	1 275	1 266	- 1%	+ 3%
Selective Retailing	4 198	4 382	+ 4%	+ 9%
Others and eliminations	(151)	(185)	-	-
<b>Total LVMH</b>	<b>13 632</b>	<b>14 009</b>	<b>+ 3%</b>	<b>+ 5%</b>

\*Restated to reflect the application of IFRS 10 and 11 on consolidation.

\*\* The structural impact, essentially linked to the integration of Loro Piana, is +2% and the exchange rate impact is -4%.

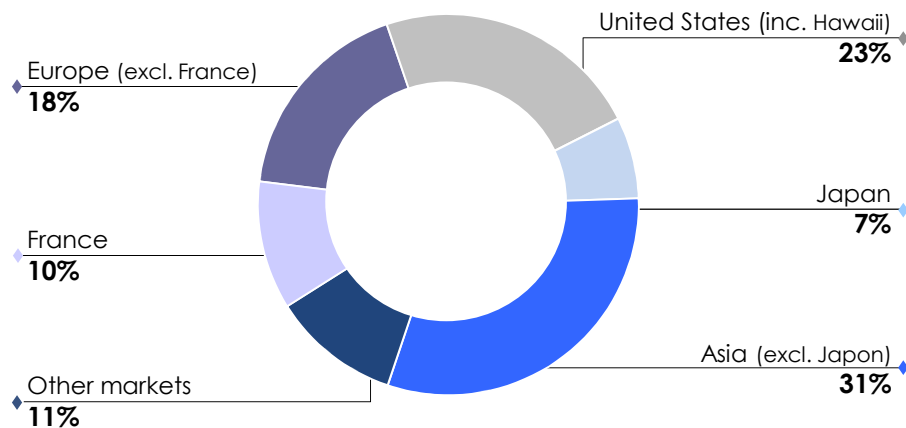
### H1 2014 revenue by quarter by business group

Organic growth versus same period of 2013

	Q1 2014	Q2 2014	H1 2014
Wines & Spirits	- 3%	+ 1%	- 1%
Fashion & Leather Goods	+ 9%	0 %	+ 4%
Perfumes & Cosmetics	+ 5%	+ 7%	+ 6%
Watches & Jewelry	+ 5%	+ 2%	+ 3%
Selective Retailing	+10%	+ 8%	+ 9%
<b>Total LVMH</b>	<b>+ 6%</b>	<b>+ 3%</b>	<b>+ 5%</b>

### H1 2014 revenue breakdown by region

In % of total revenue



## Revenue change by region

Organic growth versus same period of 2013

LVMH Group	Q1 2014	Q2 2014	H1 2014
United States*	+ 5 %	+ 6 %	+ 6 %
Japan	+ 32 %	- 11 %	+ 11 %
Asia (excl. Japan)	+ 4 %	+ 3 %	+ 3 %
Europe	+ 1 %	0 %	+ 1 %

\* excl. Hawaii

## Summarized income statement

<i>In millions of euros</i>	H1 2013*	H1 2014	% change
Revenue	13 632	14 009	+ 3%
Gross margin	8 975	9 181	+ 2%
Marketing and selling expenses	(5 174)	(5 483)	+ 6%
General and administrative expenses	(1 082)	(1 119)	+ 3%
Equity investment income	(6)	(3)	-
Profit from recurring operations	2 713	2 576	- 5%
Other operating income and expenses	(40)	(49)	
Operating profit	2 673	2 527	- 5%
Net financial income (expense)	(75)	(50)	
Income taxes	(792)	(756)	
Net profit before minority interests	1 806	1 721	- 5%
Minority interests	(229)	(212)	
<b>Group share of net profit</b>	<b>1 577</b>	<b>1 509</b>	<b>- 4%</b>

\*Restated to reflect the application of IFRS 10 and 11 on consolidation.

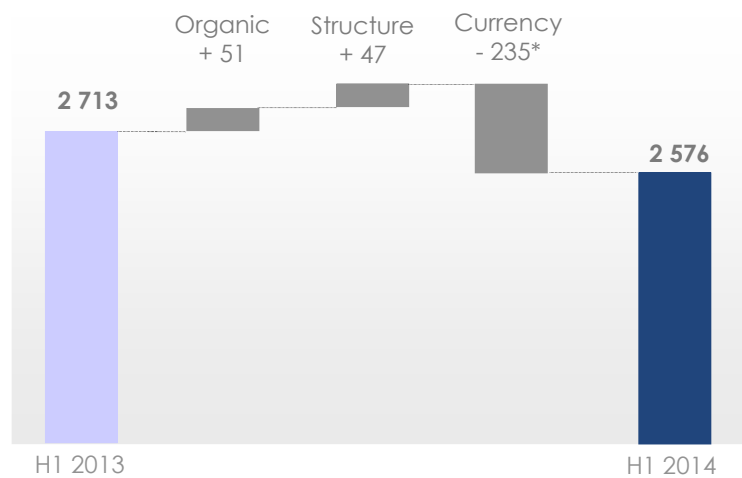
### Profit from recurring operations by business group

<i>In millions of euros</i>	H1 2013*	H1 2014	% Change
Wines & Spirits	539	461	-15%
Fashion & Leather Goods	1 493	1 487	0%
Perfumes & Cosmetics	200	204	+ 2%
Watches & Jewelry	155	107	- 31%
Selective Retailing	412	398	- 3%
Others and eliminations	(86)	(81)	na
<b>Total LVMH</b>	<b>2 713</b>	<b>2 576</b>	<b>- 5%</b>

\*Restated to reflect the application of IFRS 10 and 11 on consolidation.

### Profit from recurring operations on a same structure and currency basis

*In millions of euros*



\* With Fashion & Leather goods: : - 117 M Euros

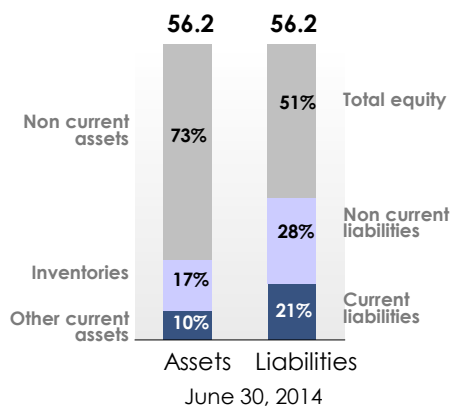
## Change in net financial income (expense)

<i>In millions of euros</i>	H1 2013	H1 2014	Change (M€)
Cost of net financial debt	(56)	(50)	+6
Ineffective portion of foreign currency hedges	(83)	(67)	+16
Net gain/(loss) relating to AFS* assets and other financial instruments, dividends received	80	82	+2
Other items - net	(16)	(15)	+1
<b>Net financial income (expense)</b>	<b>(75)</b>	<b>(50)</b>	<b>+25</b>

\*AFS : Available for sale

## Solid financial structure

*In billions of euros*



- ◆ Increased total equity
- ◆ Progress of non-current assets notably due to increased operational investments and rise in market value of Group's investment in Hermès
- ◆ Increase of inventories attributable to growth in Group's businesses and the rise in eau-de-vie stocks

## Analysis of cash flow from operations

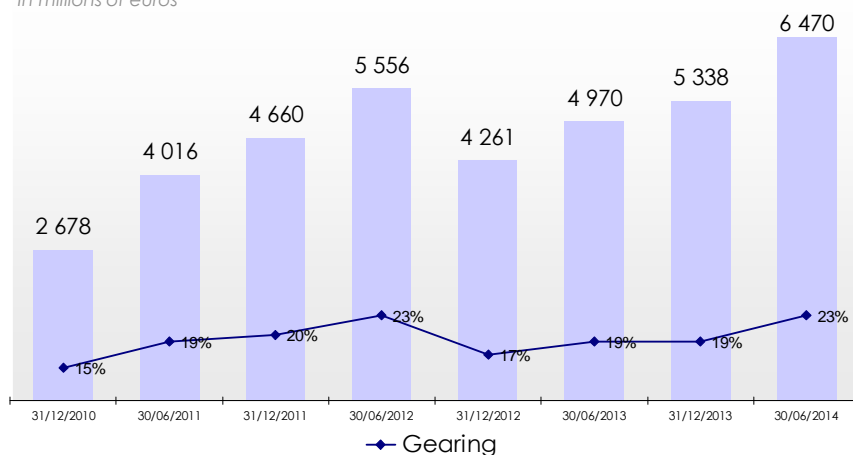
<i>In millions of euros</i>	H1 2013*	H1 2014	Change (M€)
Cash from operations before changes in working capital	3 282	3 214	- 68
Net interest paid	(62)	(57)	+ 5
Income taxes paid	(979)	(947)	- 32
Net cash from operations before changes in working capital	2 241	2 210	- 31
Working capital requirements	(1 010)	(1 274)	- 264
Operating investments	(813)	(848)	- 35
<b>Free cash flow**</b>	<b>418</b>	<b>88</b>	<b>- 330</b>

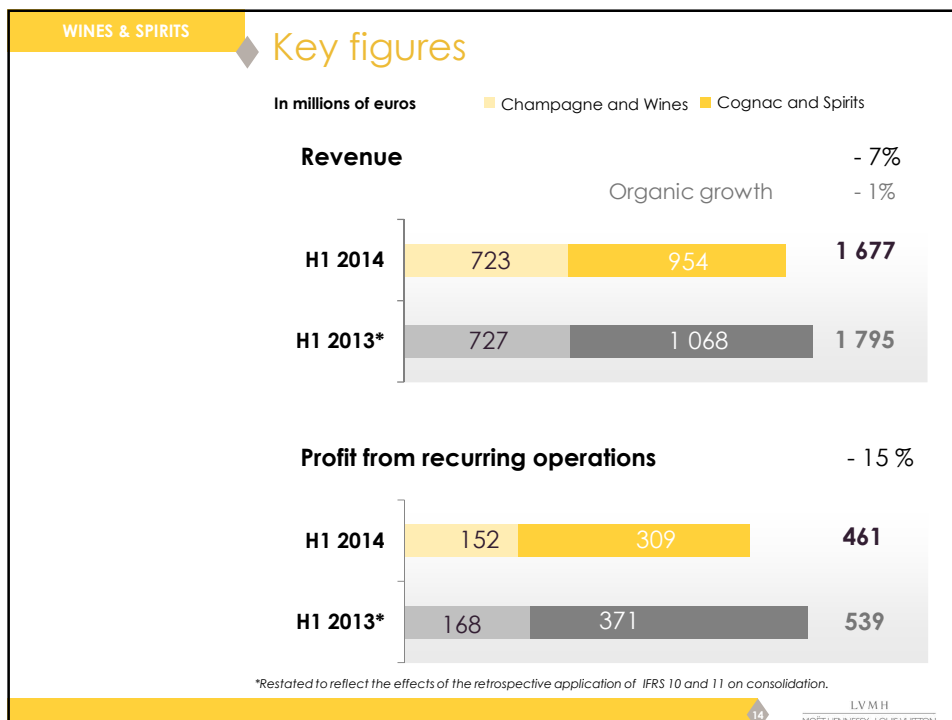
\*Restated to reflect the application of IFRS 10 and 11 on consolidation.  
\*\* Before available for sale financial assets and investments, transactions relating to equity and financing activities

◆ Interim dividend of 1.25 euro per share

## Net financial debt

*In millions of euros*





## H1 2014 Highlights

- ◆ Champagne: volumes +3 %
  - Balanced growth of revenue between volume/mix/price
  - Solid development of prestige cuvées
  - Good performance in Asia and the US
- ◆ Wines: momentum at Chandon, offset by the negative effect of Argentine peso depreciation and lower sales of the high-end wines
- ◆ Cognac: volumes -1 %
  - Good momentum in the US
  - Continued destocking by distributors of higher qualities in China
- ◆ Other spirits: sustained growth of Belvedere and Glenmorangie

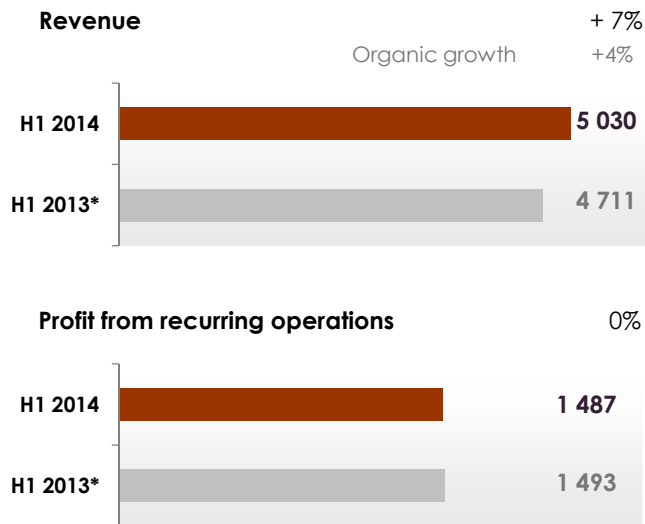
## 2014 Outlook

- ◆ Maintain a value creation strategy to strengthen the image and desirability of brands
- ◆ Continue to innovate to attract new consumers
- ◆ Focus on developing new markets
- ◆ Continue to develop our production capacities
- ◆ Sustain investment in communication
- ◆ Continued destocking by distributors in China



## Key figures

In millions of euros



\*Restated to reflect the effects of the retrospective application of IFRS 10 and 11 on consolidation.

## H1 2014 Highlights

- ◆ Louis Vuitton: strong creative dynamic
  - Development of leather lines
  - Successful launch of new models in *Monogram*
  - Excellent response to Nicolas Ghesquière's first show
- ◆ Fendi: rapid progress in leather goods
- ◆ Céline: continued growth driven by leather lines and shoes
- ◆ Loro Piana: smooth integration into LVMH
- ◆ Berluti: enhanced communication and new flagship stores in Milan and New York

## 2014 Outlook

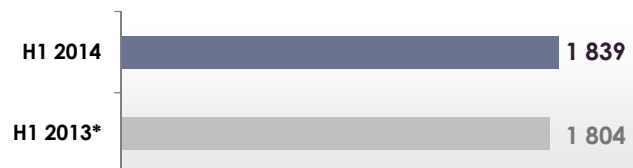
- ◆ Qualitative development of Louis Vuitton
  - New models in leather goods lines
  - Arrival of Nicolas Ghesquière's new collections
  - Continued selective and qualitative development of retail network
- ◆ Fendi: opening of flagship store in New York
- ◆ Loewe: first women's collection show for new designer
- ◆ Givenchy: expansion of retail network
- ◆ Kenzo: enhancement of collections
- ◆ Loro Piana: targeted boutique openings

## Key figures

In millions of euros

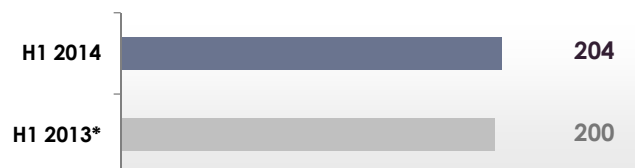
### Revenue

Organic growth + 2%  
 + 6%



### Profit from recurring operations

+ 2%



\*Restated to reflect the effects of the retrospective application of IFRS 10 and 11 on consolidation.

## H1 2014 Highlights

- ◆ Parfums Christian Dior: strengthened positions worldwide
  - Further market share gains for *J'Adore*, *Miss Dior* and *Dior Homme*
  - Outstanding success for *Dior Addict* make-up line
  - Continued growth of *Prestige* skincare
- ◆ Guerlain: worldwide success of skincare *Abeille Royale* and launch of new fragrance *L'Homme Idéal*
- ◆ Good performance of Kenzo's *Flower in the Air*
- ◆ Successful launch of Benefit's innovative eyeliner *They're real!*
- ◆ Rapid growth of Fresh in the US and exceptional development in Asia

## 2014 Outlook

- ◆ Continued strong innovation and maintain significant media investment
- ◆ Further market share gains in key regions
- ◆ Parfums Christian Dior: renaissance of *Dior Addict* and new remarkable communication for *J'Adore*
- ◆ Guerlain: opening of new production site at Chartres
- ◆ Launch of Givenchy's new women's fragrance *Dahlia Divin*
- ◆ Openings of new boutiques for Fresh, Benefit and Make Up For Ever

## Key figures

In millions of euros

### Revenue

- 1%

Organic growth + 3%



### Profit from recurring operations

- 31%



\*Restated to reflect the effects of the retrospective application of IFRS 10 and 11 on consolidation.

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## H1 2014 Highlights

- ◆ Solid progress in own stores
- ◆ Cautious purchasing by multi-brand watch retailers
- ◆ Success of new watches at Baselworld fair
- ◆ Good momentum at Bulgari, celebrating its 130th anniversary, with rapid progress in jewelry
- ◆ Innovation and renewed communication for TAG Heuer
- ◆ Continued investments to optimize production
- ◆ Sustained investment in communication

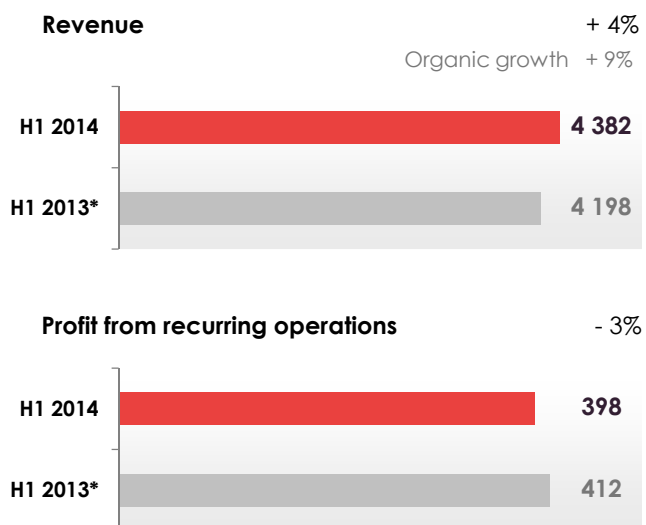
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## 2014 Outlook

- ◆ Strengthen image of brands
- ◆ Focus on development of iconic products
- ◆ Launch of numerous new products at Bulgari
- ◆ Expansion of own store network
- ◆ Increased selectivity in multi-brand distribution

## Key figures

In millions of euros



\*Restated to reflect the effects of the retrospective application of IFRS 10 and 11 on consolidation.

## H1 2014 Highlights

### DFS

- ◆ Further development of Asian tourism, but weak yen impacting Japanese travelers
- ◆ Profitability impacted by expansion and renovation of several airport concessions
- ◆ Remarkable progress of Macao's Gallerias
- ◆ Further deployment of new visual identity *T Galleria*

### SEPHORA

- ◆ Market share gains in key regions
- ◆ Excellent momentum in North America, Asia and Middle East
- ◆ Rapid growth of online sales
- ◆ Mastering of new cosmetic trends
- ◆ Global deployment of exclusive *Marc Jacobs* and *Formula X* brands

## 2014 Outlook

### DFS

- ◆ Strengthening its market leadership in Asia
- ◆ Renovation of renewed Changi airport concession in Singapore
- ◆ Deployment of loyalty program *Loyal T* and a multi-media communication

### SEPHORA

- ◆ Continued renovation of store network
- ◆ Expansion into new territories
- ◆ Continuous innovation in digital and mobile technologies



## ◆ Good resilience of LVMH in the first half 2014

- ◆ Good resilience in Europe and continued growth in the US and Asia
- ◆ Highly negative impact of currencies, mainly in Fashion & Leather Goods and Watches & Jewelry
- ◆ Wines & Spirits performance penalized by destocking by distributors in China
- ◆ Qualitative development of Louis Vuitton; profitability remains at an exceptional level
- ◆ Continued investment in fashion brands
- ◆ Strong innovation momentum at Christian Dior
- ◆ Sustained communication investment in Watches & Jewelry
- ◆ Excellent performance of Sephora

## 2014 Outlook

- ◆ Confidence for 2014
  - Uncertain economic environment in Europe
  - Unfavorable currency environment
- ◆ Continue creative momentum of brands
  - Enhance iconic lines
  - Ongoing communication
  - Further strengthen distribution
- ◆ Maintain targeted investments in markets with high potential

LVMH's objective is to reinforce its global leadership position in luxury goods