

LVMH

MOËT HENNESSY ♦ LOUIS VUITTON

LVMH Moët Hennessy Louis Vuitton

(a société anonyme, incorporated with limited liability in the Republic of France) as Issuer

Euro 10,000,000,000

Euro Medium Term Note Programme

Due from one month from the date of original issue

This second supplement (the “**Second Supplement**”) is supplemental to, and should be read in conjunction with, the Base Prospectus dated 22 June 2012 prepared in relation to the €10,000,000,000 Euro Medium Term Note Programme of LVMH, as supplemented by the first supplement dated 17 September 2012 (the “**First Supplement**”). The Base Prospectus constitutes a base prospectus for the purpose of the Prospectus Directive and was approved in Luxembourg by the *Commission de Surveillance du Secteur Financier* (the “**CSSF**”) on 22 June 2012.

The Second Supplement constitutes a supplement to the Base Prospectus for the purpose of article 16 of the Prospectus Directive and of article 13 of the Luxembourg law on prospectuses for securities dated 10 July 2005, as amended, which implements the Prospectus Directive into the law of the Grand-Duchy of Luxembourg (the “**Prospectus Law**”).

Terms defined in the Base Prospectus have the same meaning when used in this Second Supplement.

The Issuer accepts responsibility for the information contained in this Second Supplement and declares that, to its best knowledge and having taken all reasonable care to ensure that such is the case, the information contained in the Second Supplement is in accordance with the facts and contains no omission likely to affect its import in any material respect.

The Second Supplement has been prepared for the following purposes:

- (a) incorporating by reference the *Document de Référence* for the year 2012 (the “**2012 Document de Référence**”), filed with the French *Autorité des Marchés Financiers* on 27 March 2013, except for the third paragraph of the statement by the company officer responsible for the *document de référence* on page 262 of such document, which includes the audited annual consolidated financial statements of LVMH for the year ended 31 December 2012 and the audited annual non-consolidated financial statements of LVMH for the year ended 31 December 2012;
- (b) amending paragraph III. (“Selected financial data”) of the “Summary of the Programme” of the Base Prospectus;
- (c) amending section “Taxation”, paragraph “France” of the Base Prospectus.

Save as disclosed in the Second Supplement or in the First Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus which could significantly and negatively affect the assessment of the Notes issued under the Programme since the publication of the Base Prospectus.

In case of inconsistency between (a) any information incorporated by reference by this Second Supplement and (b) any other information contained in this Second Supplement or contained or incorporated by reference in the Base Prospectus, as supplemented, the information incorporated by reference by this Second Supplement shall prevail.

This Second Supplement and the 2012 *Document de Référence* are available on the website of the Luxembourg Stock Exchange (www.bourse.lu).

1. Incorporation of the 2012 *Document de Référence*

The 2012 *Document de Référence*, except for the third paragraph of the statement by the company officer responsible for the *document de référence* on page 262 of such document, is incorporated herein by reference.

Cross-reference table:

Section	Reference
<i>Commentaires sur l'activité et la situation financière</i> (Business and financial review)	Pages 23 to 36
<i>Eléments de politique financière</i> (Financial policy)	Pages 42 to 43
<i>Faits exceptionnels et litiges</i> (Exceptional events and litigation)	Pages 46 to 47
<i>Evénements postérieurs à la clôture</i> (Subsequent events)	Page 47
<i>Compte de résultat consolidé</i> (Consolidated income statement)	Page 116
<i>Etat global des gains et pertes consolidés</i> (Consolidated statement of comprehensive gains and losses)	Page 116
<i>Bilan consolidé</i> (Consolidated balance sheet)	Page 117
<i>Tableau de variation des capitaux propres consolidés</i> (Consolidated statement of changes in equity)	Page 118
<i>Tableau de variation de la trésorerie consolidée</i> (Consolidated cash flow statement)	Page 119
<i>Sociétés consolidées</i> (Consolidated companies)	Pages 176 to 180
<i>Rapport des commissaires aux comptes sur les comptes consolidés</i> (Statutory Auditors' report on the consolidated financial statements)	Page 181

Any information not listed in the cross-reference table but included in the 2012 *Document de Référence* are either not relevant in the context of a listing and admission to trading or an offer to the public of the Notes, or covered elsewhere in the Base Prospectus.

2. Amendment of paragraph III. "Selected financial data" of the Summary of the Programme

Consequently, the following paragraph shall be added to paragraph III. ("Selected financial data") of the Summary of the Programme page 10 of the Base Prospectus:

As of 31 December 2012, LVMH had a shareholders' equity of 25,666 million euros (compared to 23,512 million euros as of 31 December 2011) and a net financial debt of 4,261 million euros (compared to 4,660 million euros as of 31 December 2011).

Profit from recurring operations for the year ended on 31 December 2012 amounted to 5,921 million euros (compared to 5,263 million euros as of 31 December 2011). Group share of net profit for the year ended 31 December 2012 amounted to 3,424 million euros (compared to 3,065 million euros as of 31 December 2011).

Figures shown in the tables below are extracted from LVMH full-year condensed consolidated financial statements.

(consolidated financial data, EUR millions)	As of 31 December	
	2012	2011
Total Equity	25,666	23,512
Net financial debt	4,261	4,660
Long term borrowings	3,836	4,132
Short term borrowings	2,976	3,134
Balance sheet total	49,930	47,069

Fiscal year ended 31 December

(consolidated financial data, EUR millions)	2012	2011
Revenue	28,103	23,659
Profit from recurring operations	5,921	5,263
Net profit, Group share	3,424	3,065
Cash from operations before changes in working capital	7,113	6,137

3. Amendment of section "Taxation", paragraph "France"

Consequently, the following paragraphs shall be added to paragraph "France" of "Taxation" from pages 97 to 99 of the Base Prospectus:

FRANCE

The comments below are intended as a presentation of certain tax consequences in relation to the purchase, ownership and disposition of the Notes under French law. Persons who are in any doubt as to their tax position should consult a professional tax adviser.

The Savings Directive was implemented into French law under Article 242 *ter* of the French *Code général des impôts*, which imposes on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners domiciled in another Member State, including, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest paid to that beneficial owner.

Notes issued as from 1 March 2010

Pursuant to the French *Code Général des Impôts*, payments of interest and other revenues made by the Issuer with respect to the Notes issued on or after 1 March 2010 (other than Notes (described below) which are assimilated (*assimilées*) and form a single series with Notes issued prior to 1 March 2010 having the benefit of Article 131 *quater* of the French *Code Général des Impôts*) will not be subject to the withholding tax set out under Article 125 A III of the French *Code Général des Impôts* unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French *Code Général des Impôts* (a "**Non-Cooperative State**"). If such payments under the Notes are made in a Non-Cooperative State, a 75% withholding tax will be applicable (subject to certain exceptions and to the more favourable provisions of any applicable double tax treaty) by virtue of Article 125 A III of the French *Code Général des Impôts*.

Notwithstanding the foregoing, the French *Code Général des Impôts* provides that the 75% withholding tax will not apply in respect of the issue of the Notes if the Issuer can prove that the principal purpose and effect of such issue of Notes were not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the "**Exception**"). Pursuant to official guidelines issued by the French tax authorities under the references BOI-INT-DG-20-50-20120912, no. 990, BOI-RPPM-RCM-30-10-20-50-20120912, no. 70 and BOI-ANX-000366-20120912, no. 90, an issue of Notes will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of such issue of Notes if such Notes are:

- (i) offered by means of a public offer within the meaning of Article L.411-1 of the French *Code monétaire et financier* or pursuant to an equivalent offer in a State other than a Non-Cooperative State. For this purpose, an "equivalent offer" means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or
- (ii) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or
- (iii) admitted, at the time of their issue, to the clearing operations of a central depository or of a securities clearing and delivery and payments systems operator within the meaning of Article L.561-2 of the French

Code monétaire et financier, or of one or more similar foreign depositaries or operators provided that such depositary or operator is not located in a Non-Cooperative State.

Furthermore, pursuant to Article 238 A of the French *Code Général des Impôts*, interest and other revenues on such Notes are not deductible from the Issuer's taxable income, if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid in such a Non-Cooperative State. Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Article 109 *et seq.* of the French *Code Général des Impôts*, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis 2* of the French *Code Général des Impôts*, at a rate of 30% or 75%.

However, neither the non-deductibility set out under Article 238 A of the French *Code Général des Impôts*, nor the withholding tax set out under Article 119 *bis 2* of the French *Code Général des Impôts* will apply in respect of the Notes solely by reason of the relevant payments being made to persons domiciled or established in a Non-Cooperative State or paid in such a Non-Cooperative State if the Issuer can prove that it can benefit from the Exception and that the relevant interest or revenues relate to genuine transactions and are not in an abnormal or exaggerated amount. Pursuant to the official guidelines issued by the French tax authorities under the references BOI-INT-DG-20-50-20120912, no. 550, BOI-ANNX-000364-20120912, no. 20 and BOI-ANNX-000366-20120912, no. 90, the issue of the Notes will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of the issue of the Notes since the Notes satisfy one of the three above-mentioned conditions.

Notes which are assimilated (*assimilées*) with Notes issued before 1 March 2010

Payments of interest and other revenues with respect to Notes issued after 1 March 2010 and which are assimilated (*assimilées*) and form a single series with Notes issued before 1 March 2010 (and having the benefit of Article 131 quater of the French *Code Général des Impôts*), will continue to be exempt from the withholding tax set out under Article 125 A III of the French *Code Général des Impôts*.

Notes issued before 1 March 2010, whether denominated in Euro or in any other currency, and constituting *obligations* under French law, or *titres de créances négociables* within the meaning of rulings (*rescrits*) 2007/59 (FP) and 2009/23 (FP) of the *Direction générale des impôts* dated 8 January 2008 and 7 April 2009, respectively, or other debt securities issued under French or foreign law and considered by the French tax authorities as falling into similar categories, are deemed to be issued outside the Republic of France for the purpose of Article 131 quater of the French *Code Général des Impôts*, in accordance with Circular 5 I-11-98 of the *Direction générale des impôts* dated 30 September 1998 and the aforementioned rulings (*rescrits*) 2007/59 (FP) and 2009/23 (FP). As from 12 September 2012, the rulings 2007/59 (FP) and 2009/23 (FP), as well as the circular 5 I-11-98 have been abolished. However, the same conditions are applicable under official guidelines issued by the *Direction Générale des Finances Publiques* under the reference BOI-RPPM-RCM-30-10-30-30-20120912.

In addition, interest and other revenues paid by the Issuer on Notes issued after 1 March 2010 and which are to be assimilated (*assimilées*) and form a single series with Notes issued before 1 March 2010 will not be subject to the withholding tax set out in Article 119 *bis* of the French *Code Général des Impôts* solely on account of their being paid in a Non-Cooperative State or accrued or paid to persons established or domiciled in a Non-Cooperative State.

See "*Terms and Conditions of the Notes – Taxation*".

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Euro 10,000,000,000

Euro Medium Term Note Programme

Due from one month from the date of original issue

This first supplement (the “**First Supplement**”) is supplemental to, and should be read in conjunction with, the Base Prospectus dated 22 June 2012 prepared in relation to the € 10,000,000,000 Euro Medium Term Note Programme of LVMH. The Base Prospectus constitutes a base prospectus for the purpose of the Prospectus Directive and was approved in Luxembourg by the *Commission de Surveillance du Secteur Financier* (the “**CSSF**”) on 22 June 2012.

The First Supplement constitutes a supplement to the Base Prospectus for the purpose of article 16 of the Prospectus Directive and of article 13 of the Luxembourg law on prospectuses for securities dated 10 July 2005 which implements the Prospectus Directive into the law of the Grand-Duchy of Luxembourg (the “**Prospectus Law**”).

Terms defined in the Base Prospectus have the same meaning when used in this First Supplement.

The Issuer accepts responsibility for the information contained in this First Supplement and declares that, to its best knowledge and having taken all reasonable care to ensure that such is the case, the information contained in the First Supplement is in accordance with the facts and contains no omission likely to affect its import in any material respect.

The First Supplement has been prepared for the purpose of incorporating by reference the *Rapport Financier Semestriel* for the first half-year 2012 (the “**2012 Rapport Semestriel**”), which includes the condensed consolidated financial statements of LVMH for the six-month period ended 30 June 2012 and the notes related thereto which have been submitted to a limited review by the statutory auditors.

Save as disclosed in the First Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus which could significantly and negatively affect the assessment of the Notes issued under the Programme since the publication of the Base Prospectus.

As provided by article 16 of the Prospectus Directive and article 13 of the Prospectus Law, any investor having already accepted to purchase or subscribe for securities before this First Supplement is published has the right, exercisable within two working days after the publication of this First supplement and no later than 19 September 2012 to withdraw its acceptance.

This First Supplement and the 2012 *Rapport Semestriel* are available on the website of the Luxembourg Stock Exchange (www.bourse.lu).

1. Incorporation of the 2012 *Rapport Semestriel*

The 2012 *Rapport Semestriel* is incorporated herein by reference.

Cross-reference table:

Section	Reference
Chiffres clés (<i>Financial Highlights</i>)	Pages 2 to 4
Commentaires sur l'activité et les comptes semestriels du Groupe LVMH (<i>Business review and comments on the half-year consolidated financial statements</i>)	Pages 5 to 16
Compte de résultat consolidé (<i>Consolidated income statement</i>)	Page 18
Etat global des gains et pertes consolidés (<i>Consolidated statement of comprehensive gains and losses</i>)	Page 18
Bilan consolidé (<i>Consolidated balance sheet</i>)	Page 19
Tableau de variation des capitaux propres consolidés (<i>Consolidated statement of changes in equity</i>)	Pages 20 and 21
Tableau de variation de la trésorerie consolidée (<i>Consolidated cash flow statement</i>)	Page 22
Annexes aux comptes consolidés résumés (<i>Notes to the condensed consolidated financial statements</i>)	Pages 23 to 45
Rapport des commissaires aux comptes (<i>statutory auditors' review report</i>)	Page 47
Données comptables simplifiées de la société LVMH Moët Hennessy – Louis Vuitton SA (<i>Simplified non consolidated accounting information</i>)	Page 50

Any information not listed in the cross-reference table but included in the 2012 *Rapport Semestriel* is given for information purposes only.

LVMH

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LVMH Moët Hennessy Louis Vuitton

(incorporated with limited liability in the Republic of France)

Euro 10,000,000,000

Euro Medium Term Note Programme

Due from one month from the date of original issue

Under the Euro Medium Term Note Programme described in this Base Prospectus (the “**Programme**”), LVMH Moët Hennessy Louis Vuitton (“**LVMH**” or the “**Issuer**”) subject to compliance with all relevant laws, regulations and directives, may from time to time issue Euro Medium Term Notes (the “**Notes**”). The aggregate nominal amount of Notes issued by the Issuer and outstanding will not at any time exceed Euro 10,000,000,000 (or the equivalent in other currencies).

This Base Prospectus shall, for the purposes of Notes listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Regulated Market (as defined below) of the Luxembourg Stock Exchange, or offered to the public in Luxembourg, be updated annually.

Application has been made to the *Commission de surveillance du secteur financier* in Luxembourg in its capacity as competent authority under the “*loi relative aux prospectus pour valeurs mobilières*” dated 10 July 2005 which implements the Directive 2003/71/EC on the prospectus to be published when securities are offered to the public or admitted to trading (the “**Prospectus Directive**”), for the approval of this Base Prospectus as a base prospectus for the purposes of Article 5.4 of the Prospectus Directive. References in this Base Prospectus to the “**Prospectus Directive**” shall include the amendments made by Directive 2010/73/EU (the “**2010 PD Amending Directive**”) to the extent that such amendments have been implemented in the relevant Member State of the European Economic Area.

Application has been made to the Luxembourg Stock Exchange for the Notes issued under the Programme to be listed on the Official List of the Luxembourg Stock Exchange and to be traded on the Regulated Market of the Luxembourg Stock Exchange during the period of 12 months from the date of this Base Prospectus. Application may also be made to the competent authority of any other Member State of the European Economic Area (an “**EEA Member State**”) for Notes issued under the Programme to be listed and admitted to trading on any other Regulated Market or offered to the public in such Member State. Any Regulated Market is governed by the Directive 2004/39/EC on markets in financial instruments (referred to in this Base Prospectus as a “**Regulated Market**” under the definition of such Directive).

The CSSF assumes no responsibility for the economic and financial soundness of the transactions contemplated by this Base Prospectus or the quality or solvency of the Issuer in accordance with Article 7(7) of the Prospectus Act 2005.

Notes which are not admitted to trading on a Regulated Market, or which are not offered to the public in an EEA Member State, may be issued under the Programme and may also be listed on an alternative stock exchange or may not be listed at all.

The relevant Final Terms (forms of which are contained herein) in respect of the issue of any Notes will specify whether or not such Notes will be listed, admitted to trading and/or offered to the public and will be published, if relevant, on the website of the Regulated Market where the admission to trading is sought or on the website of the Issuer, as the case may be.

Notes will be in such denomination(s) as may be specified in the relevant Final Terms, save that the minimum denomination of each Note listed and admitted to trading on a Regulated Market or offered to the public in an EEA Member State in circumstances which require the publication of a prospectus under the Prospectus Directive will be €1,000, and if the Notes are denominated in a currency other than euro, the equivalent amount in such currency at the issue date, or such higher amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant specified currency. Notes may be issued either in dematerialised form (“**Dematerialised Notes**”) or in materialised form (“**Materialised Notes**”) as more fully described herein.

Dematerialised Notes will at all times be in book entry form in compliance with Articles L.211-3 and R.211-1 of the French *Code monétaire et financier* (Monetary and Financial Code, the “**Code**”). No physical documents of title will be issued in respect of the Dematerialised Notes.

Dematerialised Notes may, at the option of the Issuer, be in bearer dematerialised form (*au porteur*) inscribed as from the Issue Date in the books of Euroclear France (“**Euroclear France**”) (acting as central depository) which shall credit the accounts of Euroclear France Account Holders (as defined in “Terms and Conditions of the Notes - Form, Denomination(s), Title and Redenomination”) including the depository bank for Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”) and Euroclear Bank S.A./N.V. (“**Euroclear**”) or in registered dematerialised form (*au nominatif*) and, in such latter case, at the option of the relevant Noteholder (as defined in Condition 1(c)(iv)), in either fully registered form (*nominatif pur*), in which case they will be inscribed in an account maintained by the Issuer or by a registration agent (designated in the relevant Final Terms) for the Issuer, or in administered registered form (*nominatif administré*) in which case they will be inscribed in the accounts of the Euroclear France Account Holders designated by the relevant Noteholders.

Materialised Notes will be in bearer materialised form only and may only be issued outside France. A temporary global certificate in bearer form without interest coupons attached (a “**Temporary Global Certificate**”) will initially be issued in connection with Materialised Notes. Such Temporary Global Certificate will be exchanged for definitive Materialised Notes in bearer form with, where applicable, coupons for interest attached on or after a date expected to be on or after the 40th day after the Issue Date of the Notes (subject to postponement as described in “Temporary Global Certificates issued in respect of Materialised Bearer Notes”) upon certification as to non US beneficial ownership as more fully described herein.

Temporary Global Certificates will (a) in the case of a Tranche intended to be cleared through Euroclear and/or Clearstream, Luxembourg, be deposited on the Issue Date with a common depository on behalf of Euroclear and/or Clearstream, Luxembourg and (b) in the case of a Tranche intended to be cleared through a clearing system other than or in addition to Euroclear and/or Clearstream, Luxembourg or delivered outside a clearing system, be deposited as agreed between the Issuer and the relevant Dealer (as defined below).

At the date of this Base Prospectus, the long-term corporate rating of the Issuer by Standard & Poor’s Ratings Services, a division of the McGraw-Hill Companies, Inc. (“**S&P**”) is A with positive outlook. Notes issued under this Programme may or may not be rated. The credit ratings included or referred to in this Base Prospectus have been issued by S&P, which is established in the European Union and registered under the Regulation (EC) No. 1060/2009 on credit ratings agencies, as amended by Regulation (EU) No. 513/2011 (the “**CRA Regulation**”) and included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the European Securities and Markets Authority’s website as of the date of this Base Prospectus. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

The final terms of the relevant Notes will be determined at the time of the offering of each Tranche and will be set out in the relevant Final Terms.

Arranger
Deutsche Bank
Dealers

BofA Merrill Lynch
Citi
Credit Suisse
Deutsche Bank
J.P. Morgan
NATIXIS

BNP PARIBAS
Crédit Agricole CIB
Daiwa Capital Markets Europe
HSBC
Mitsubishi UFJ Securities
Société Générale Corporate & Investment Banking

The Royal Bank of Scotland

The date of this Base Prospectus is 22 June 2012.

This document constitutes the base prospectus for LVMH Moët Hennessy Louis Vuitton (“LVMH” or the “Issuer”) in respect of non-equity securities within the meaning of Article 22 no. 6(4) of the Commission Regulation (EC) no. 809/2004 of 29 April 2004 (hereinafter, the “Notes”) to be issued by LVMH under this Euro Medium Term Note Programme (the “Programme”). In relation to each Tranche of Notes, this Base Prospectus must be read in conjunction with the applicable Final Terms.

LVMH confirms, to the best of its knowledge having taken all reasonable care to ensure that such is the case, that (i) this Base Prospectus (together with any supplement to it published from time to time in accordance with the provisions of the “*loi relative aux prospectus pour valeurs mobilières*” in Luxembourg (each a “Supplement” and together the “Supplements”) (the “Base Prospectus”)) contains or incorporates all information with respect to it and its consolidated subsidiaries and affiliates taken as a whole (together with LVMH, the “Group” or “LVMH Group”) and to the Notes that is material in the context of an issue and offering of the Notes and (ii) the statements contained in it relating to the Issuer, the Group and the Notes are, at the date of this Base Prospectus, in every material particular true and accurate and not misleading. The Issuer accepts responsibility accordingly.

This Base Prospectus is to be read in conjunction with any document and/or information which is or may be incorporated herein by reference in accordance with Article 28 of the European Commission Regulation No. 809/2004 dated 29 April 2004 (see “Documents Incorporated by Reference” below) and may only be used for the purposes for which it has been published.

No person has been authorised to give any information or to make any representation other than those contained in this Base Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers or the Arranger (each as defined in “Summary of the Programme”). Neither the delivery of this Base Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the LVMH Group since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer or the LVMH Group since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Base Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required by the Issuer, the Dealers and the Arranger to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”) or with any securities regulatory authority of any state or other jurisdiction of the United States and include Materialised Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or, in the case of Materialised Notes in bearer form, delivered within the United States or to or for the account or benefit of U.S. persons (as defined in Regulation S under the Securities Act (“Regulation S”) and in the case of Materialised Notes in bearer form, the U.S Internal Revenue Code of 1986, as amended (the “U.S. Internal Revenue Code”), and the regulations thereunder). For a description of certain restrictions on offers and sales of Notes and on distribution of this Base Prospectus, see “Subscription and Sale”.

This Base Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Dealers or the Arranger to subscribe for, or purchase, any Notes.

The Arranger and the Dealers have not separately verified the information contained in this Base Prospectus. None of the Dealers or the Arranger makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Base Prospectus. Neither this Base Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Arranger or the Dealers that any recipient of this Base Prospectus or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Base Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers or the Arranger undertakes to review the financial condition or affairs of the Issuer or the LVMH Group during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arranger.

In connection with the issue of any Tranche (as defined in “General Description of the Programme”), the Dealer or Dealers (if any) named as the stabilising manager(s) (the “Stabilising Manager(s)”) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche and 60 days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s) in accordance with all applicable laws and rules.

In this Base Prospectus, unless otherwise specified or the context otherwise requires, references to “€”, “Euro”, “EUR” or “euro” are to the single currency of the participating member states of the European Monetary Union which was introduced on 1 January 1999, references to “£”, “pounds sterling”, “GBP” and “Sterling” are to the lawful currency of the United Kingdom, references to “\$”, “USD” and “US dollars” are to the lawful currency of the United States of America, references to “¥”, “JPY”, “Japanese yen” and “Yen” are to the lawful currency of Japan and references to “CHF” and “Swiss francs” are to the lawful currency of the Helvetic Confederation.

TABLE OF CONTENTS

	Page
SUMMARY OF THE PROGRAMME.....	5
RISK FACTORS	12
GENERAL DESCRIPTION OF THE PROGRAMME.....	22
DOCUMENTS INCORPORATED BY REFERENCE.....	30
INFORMATION INCORPORATED BY REFERENCE FOR THE YEARS ENDED 31 DECEMBER 2010 AND 2011	31
SUPPLEMENT TO THE BASE PROSPECTUS.....	32
PERSON RESPONSIBLE FOR THE INFORMATION GIVEN IN THE BASE PROSPECTUS.....	33
TERMS AND CONDITIONS OF THE NOTES.....	34
TEMPORARY GLOBAL CERTIFICATES ISSUED IN RESPECT OF MATERIALISED BEARER NOTES.....	63
USE OF PROCEEDS	64
SELECTED FINANCIAL INFORMATION.....	65
DESCRIPTION OF LVMH MOËT HENNESSY LOUIS VUITTON.....	66
BUSINESS OVERVIEW	67
ORGANIZATIONAL STRUCTURE.....	76
BOARD OF DIRECTORS.....	78
STATUTORY AUDITORS.....	83
INFORMATION RELATING TO LVMH CAPITAL	84
FINANCIAL INFORMATION CONCERNING LVMH'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES.....	86
RECENT DEVELOPMENTS.....	95
TAXATION.....	96
SUBSCRIPTION AND SALE	100
FORM OF FINAL TERMS.....	104
FORM OF FINAL TERMS.....	123
GENERAL INFORMATION	140

SUMMARY OF THE PROGRAMME

This summary must be read as an introduction to this Base Prospectus and any decision to invest in the Notes should be based on a consideration of this Base Prospectus as a whole, including the documents incorporated by reference. Following the implementation of the relevant provisions of the Prospectus Directive in each Member State of the European Economic Area (an “EEA Member State”), no civil liability will attach to the Responsible Person (as defined hereinafter) in any such Member State solely on the basis of the summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus. Where a claim relating to the information contained in this Base Prospectus is brought before a court in an EEA Member State, the plaintiff may, under the national legislation of the EEA Member State where the claim is brought, be required to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.

I-Key information about Notes to be issued under the Programme

Issuer:	LVMH Moët Hennessy Louis Vuitton (“LVMH” or the “Issuer”)
Description:	Euro Medium Term Note Programme for the issue of Notes (the “Programme”)
Arranger:	Deutsche Bank AG, Paris Branch
Dealers:	BNP PARIBAS, Citigroup Global Markets Limited, Crédit Agricole Corporate and Investment Bank, Credit Suisse Securities (Europe) Limited, Daiwa Capital Markets Europe Limited, Deutsche Bank AG, London Branch, HSBC Bank plc, J.P. Morgan Securities Ltd., Merrill Lynch International, Mitsubishi UFJ Securities International plc, NATIXIS, Société Générale and The Royal Bank of Scotland plc
Programme Limit:	Up to Euro 10,000,000,000
Fiscal Agent and Principal Paying Agent:	Deutsche Bank AG, London Branch Winchester House 1 Great Winchester Street London EC2N 2DB United Kingdom
Paying Agents:	Deutsche Bank AG, Paris Branch as Paris Paying Agent 3, avenue de Friedland 75008 Paris France Deutsche Bank Luxembourg S.A. as Luxembourg Paying Agent 2, boulevard Konrad Adenauer L-1115 Luxembourg Grand-Duchy of Luxembourg
Method of Issue:	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a “Series”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be

interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a “**Tranche**”) on the same or different issue dates. The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in the Final Terms to this Base Prospectus.

Maturities:	Subject to compliance with all relevant laws, regulations and directives, any maturity from one month from the date of original issue.
Currencies:	Euro, U.S. dollars, Japanese yen, Swiss francs, Sterling and any other currency specified in the relevant Final Terms.
Denomination(s):	Minimum denomination of each Note listed and admitted to trading on a Regulated Market or offered to the public in an EEA Member State in circumstances which require the publication of a prospectus under the Prospectus Directive: €1,000 (or the equivalent amount in any other currency at the Issue Date).
Status of Notes:	Unsubordinated or Subordinated Notes.
Use of Proceeds:	Unless otherwise specified in the relevant Final Terms, the net proceeds of the issue of the Notes will be used for the Issuer’s general corporate purposes.
Form of Notes:	Dematerialised form (“ Dematerialised Notes ”) or materialised form (“ Materialised Notes ”).
Dematerialised Notes or Materialised Notes:	Dematerialised Notes may be issued in bearer dematerialised form (<i>au porteur</i>) or in registered dematerialised form (<i>au nominatif</i>). Materialised Notes will be in bearer materialised form (“ Materialised Bearer Notes ”) only.
Negative Pledge:	There will be a negative pledge in respect of Unsubordinated Notes.
Events of Default:	There will be events of default in respect of Unsubordinated Notes, and limited events of default only in respect of Subordinated Notes.
Redemption:	The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the Noteholders and if so the terms applicable to such redemption.
Taxation:	All payments of principal and interest by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within

France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

See section “Taxation”.

Central Depositary:

Euroclear France in respect of Dematerialised Notes.

Listing and Admission to Trading:

Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be listed on the Official List, and to be admitted to trading on the Regulated Market, of the Luxembourg Stock Exchange or as otherwise specified in the relevant Final Terms. As specified in the relevant Final Terms, a Series of Notes may or may not be listed or admitted to trading.

Luxembourg Listing Agent:

Deutsche Bank Luxembourg S.A.

Offer to the Public in the European Economic Area:

The Notes may or may not be offered to the public in Luxembourg and/or in any EEA Member State, provided that such offer to the public is made in accordance with the European Economic Area selling restrictions (see “Subscription and Sale”).

Rating:

At the date of this Base Prospectus, the long-term corporate rating of LVMH by Standard & Poor’s Ratings Services, a division of the McGraw-Hill Companies, Inc. (“S&P”) is A with positive outlook. The credit ratings included or referred to in this Base Prospectus have been issued by S&P, which is established in the European Union and registered under the Regulation (EC) No. 1060/2009 on credit ratings agencies, as amended by Regulation (EU) No. 513/2011 (the “CRA Regulation”) and included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the European Securities and Markets Authority’s website as of the date of this Base Prospectus. Notes issued under this Programme may or may not be rated. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

Selling Restrictions:

The offer and sale of Notes will be subject to selling restrictions in various jurisdictions, in particular, those of the United States of America, those of Japan, those of the European Economic Area including France and the United Kingdom (see “Subscription and Sale”). Further restrictions that may apply to a Series of Notes will be specified in the applicable Final Terms.

Governing Law:

French law.

II. Key information about the Issuer

Description:

LVMH Moët Hennessy Louis Vuitton (“LVMH”) is a *société anonyme* formed on 19 April 1962 by way of transformation of a *société à responsabilité limitée* into a *société anonyme*, registered in Paris at the

Register of Commerce and Companies (*Registre du commerce et des sociétés*) under number 775 670 417 and having its registered place of business situated at 22, avenue Montaigne, 75008 Paris, France. LVMH is a holding company of the LVMH Group managing and coordinating the operational activities of all its subsidiaries, and offering them various management assistance services, particularly in legal, financial, tax or insurance matters.

Business Overview:

LVMH is the world's leading luxury products company. LVMH's exclusive purpose is (as per Article 2 of the by-laws) any taking of interests, through a direct or indirect equity investment, a contribution, merger, spin-off or joint venture with any company or group existing or to be formed, operating any commercial, industrial, agricultural, personal property, real estate or financial operations, and among others:

- trade in champagne and other wines, cognac and other spirits and, more generally, any food or beverage product;
- trade in all pharmaceutical products, perfumes and cosmetics and, more generally, products related to hygiene, beauty and skincare;
- the manufacture, sale and promotion of travel articles, luggage, bags, leather goods, clothing articles, accessories, as well as any high quality and branded articles or products;
- the operation of vineyards, horticultural and arboricultural estates, as well as the development of any related biotechnological process;
- the operation of any real estate;
- the development of any trademark, signature, model, design and, more generally, any industrial, literary or artistic property right.

More generally, to undertake directly any commercial, industrial, agricultural, viticultural operations, or any operation relating to personal or real property, movable or immovable property or financial, management or service operation in any of the fields of activities described in the above paragraph.

The LVMH Group is organized in five main branches:

Wines and Spirits

The LVMH Group's Wines and Spirits activities regroup prestigious brands such as Moët & Chandon, Krug, Veuve Clicquot Ponsardin or Dom Pérignon for champagne, Hennessy for cognac, Glenmorangie for single-malt whisky and Belvedere for premium vodka.

Served by a powerful international distribution network, these emblematic brands sell exceptional products worldwide, making LVMH the world leader in prestigious wines and spirits.

Fashion and Leather Goods

Along with Louis Vuitton Malletier, the Fashion and Leather Goods business group includes the Givenchy fashion house, as well as Céline, Loewe, Berluti, Kenzo, Marc Jacobs, Fendi, Emilio Pucci, Rossimoda, Thomas Pink and Donna Karan.

Perfumes and Cosmetics

LVMH is a major world player in the Perfumes and Cosmetics sector with the large French houses Parfums Christian Dior, Guerlain, Parfums Givenchy, Parfums Kenzo and BeneFit Cosmetics.

Watches and Jewelry

The most recent LVMH business group holds a portfolio of high-quality watch and jewelry brands, with highly complementary market positions: TAG Heuer, Zenith, Montres Dior, Hublot, Chaumet and Fred. In March 2011, LVMH also acquired Bulgari.

Selective Retailing

The selective retailing businesses operate in two segments: distribution to international travelers, the business of DFS and Miami Cruiseline, and selective retailing concepts represented by Sephora and Le Bon Marché.

Other activities

LVMH is present in the media sector through Groupe Les Echos, which holds various print media publications, as well as the French radio station, *Radio Classique*, and in the designing and building of custom mega-yachts through Royal van Lent (and its brand Feadship).

Board of Directors:

The members of the Board of Directors as of the date of this Base Prospectus are as follows:

Bernard Arnault
Chairman and Chief Executive Officer

Pierre Godé
Vice-Chairman and Director

Antonio Belloni
Group Managing Director

Antoine Arnault
Delphine Arnault
Nicolas Bazire
Bernadette Chirac*
Nicholas Clive Worms*
Charles de Croisset*
Diego Della Valle*
Albert Frère*
Gilles Hennessy
Marie-Josée Kravis*
Lord Powell of Bayswater
Yves-Thibault de Silguy*
Francesco Trapani
Hubert Védrine*

Advisory Board members

Paolo Bulgari
Patrick Houël
Felix G. Rohatyn

* Independent Director

Major Shareholders

As of 31 December 2011, the Arnault family group controlled 46.48% of the share capital of LVMH and 62.38% of its voting rights.

III. Selected financial data

As of 31 December 2011, LVMH had a shareholders' equity of 23,512 million euros (compared to 18,204 million euros as of 31 December 2010) and a net financial debt of 4,660 million euros, compared to 2,678 million euros as of 31 December 2010.

Profit from recurring operations for the year ended on 31 December 2011 amounted to 5,263 million euros (compared to 4,321 million euros in 2010). Group share of net profit for the year ended on 31 December 2011 amounted to 3,065 million euros (compared to 3,032 million euros in 2010).

Figures shown in the table below are extracted from LVMH audited annual consolidated financial statements and were established in accordance with IFRS.

(consolidated financial data, millions of euros)	As of 31 December	
	2011	2010
Equity	23,512	18,204
Net financial debt	4,660	2,678
Long-term borrowings	4,132	3,432
Short-term borrowings	3,134	1,834
Balance sheet total	47,069	37,164

(consolidated financial data, millions of euros)	Fiscal year ended 31 December	
	2011	2010
Revenue	23,659	20,320
Profit from recurring operations	5,263	4,321
Group share of net profit	3,065	3,032
Cash from operations before changes in working capital	6,137	4,848

IV. Risk Factors

In this section, "LVMH" refers indifferently either to LVMH or to the Group.

A. Risk factors relating to LVMH

The main factors that may have an impact on LVMH can be summarised as follows:

- Threats to the Groups image and reputation: products or marketing strategies not in line with brand image objectives, inappropriate behaviour by brand ambassadors, as well as detrimental information circulating in the media might endanger the reputation of the Group's brands and adversely impact sales;

- Counterfeit and parallel retail networks: the Group's brands, expertise and production methods can be counterfeited or copied. Its products, in particular leather goods, perfumes and cosmetics, may be distributed in parallel retail networks, including Web-based sales networks, without the Group's consent;
- Constraints related to contractual commitments: the Group enters into multi-year agreements with its partners and some of its suppliers (especially lease, concession, distribution and procurement agreements). Should any of these agreements be terminated before its expiration date, compensation is usually provided for under the agreement in question, which would represent an expense without any immediate offsetting income item;
- Seasonality: nearly all of the LVMH Group's activities are subject to seasonal variations in demand;
- International exposure of the Group: the Group conducts business internationally and as a result is subject to various types of risks and uncertainties;
- Other risks: consumer safety; supply sources and strategic competencies; information systems; industrial and environmental risks;
- Financial markets risks: LVMH is subject to exposure to credit risk, counterparty risk, foreign exchange risk, interest rate risk, equity market risk, commodity market risk and liquidity risk.

B. Risk factors relating to the Notes to be issued under the Programme

In addition, there are certain factors that are specific to the Notes to be issued by the Issuer under the Programme.

An investment in the Notes involves certain risks which are material for the purpose of assessing the market risks associated with the Notes issued under the Programme. While all of these risk factors are contingencies which may or may not occur, potential investors should be aware that the risks involved with investing in the Notes may lead to a volatility and/or decrease in the market value of the relevant Tranche of Notes whereby the market value falls short of the expectations (financial or otherwise) of an investor upon making an investment in such Notes.

However, each prospective investor of Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its financial needs, objectives and conditions, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

These risk factors are more detailed in the section "Risk Factors" of this Base Prospectus.

RISK FACTORS

Prospective purchasers of the Notes offered hereby should consider carefully, in light of their financial circumstances and investment objectives, all of the information in this Base Prospectus and, in particular, the risk factors set forth below in making an investment decision.

RISK FACTORS RELATING TO THE ISSUER AND ITS OPERATIONS

All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

In this section, “LVMH” refers indifferently either to LVMH or to the LVMH Group.

1 Risk factors relating to LVMH

1.1 Strategic and operational Risk Factors

Threats to the Group’s image and reputation

Around the world, the LVMH group is known for its brands, unrivaled expertise and production methods unique to its products. The reputation of the Group’s brands rests on the quality and exclusiveness of its products, their distribution networks, as well as the promotional and marketing strategies applied. Products or marketing strategies not in line with brand image objectives, inappropriate behavior by brand ambassadors, as well as detrimental information circulating in the media might endanger the reputation of the Group’s brands and adversely impact sales.

Counterfeit and parallel retail networks

The Group’s brands, expertise and production methods can be counterfeited or copied. Its products, in particular leather goods, perfumes and cosmetics, may be distributed in parallel retail networks, including Web-based sales networks, without the Group’s consent.

Counterfeiting and parallel distribution have an immediate adverse effect on revenue and profit and may damage the brand image of the relevant products over time.

Constraints related to contractual commitments

In the context of its business activities, the Group enters into multi-year agreements with its partners and some of its suppliers (especially lease, concession, distribution and procurement agreements). Should any of these agreements be terminated before its expiration date, compensation is usually provided for under the agreement in question, which would represent an expense without any immediate offsetting income item.

The Group has also made commitments to some of the shareholders of its subsidiaries to distribute a minimum amount of dividends, provided the subsidiaries in question have access to sufficient cash resources.

Seasonality

Nearly all of the Group’s activities are subject to seasonal variations in demand. Historically, a significant proportion of the Group’s sales – approximately 30% of the annual total for all businesses, with the exception of Wines and Spirits and Watches and Jewelry, for which the proportion is between 35% and 40% – has been generated during the peak holiday season in the fourth quarter of the year. Unexpected events in the final months of the year may have a significant effect on the Group’s business volume and earnings.

International exposure of the Group

The Group conducts business internationally and as a result is subject to various types of risks and uncertainties. These include changes in customer purchasing power and the value of operating assets located abroad, economic changes that are not necessarily simultaneous from one geographic region to another, and provisions of corporate or tax law, customs regulations or import restrictions imposed by some countries that may, under certain circumstances, penalize the Group.

Other risk factors

- **Consumer safety**

In France, the European Union and all other countries in which the Group operates, many of its products are subject to specific regulations. Regulations apply to production and manufacturing conditions, as well as to sales, consumer safety, product labelling and composition.

- **Supply sources and strategic competencies**

The attractiveness of the Group's products depends on the availability, in sufficient quantity, of certain raw materials meeting the Group's exacting quality standards. In addition, LVMH's professions require highly specific skills and expertise, in the area of leather goods or watchmaking, for example.

- **Information systems**

The Group is exposed to the risk of information systems failure, as a result of a malfunction or malicious intent.

- **Industrial and environmental risks**

In the context of its production and storage activities, the Group is exposed to the occurrence of losses such as fires, water damage, or natural catastrophes.

The other risk factors, not directly related to business activities but to financing and investment transactions, are described in §1.3 Financial market risks.

1.2 Risk coverage and insurance policies

LVMH's overall approach is primarily based on transferring its risks to the insurance markets under reasonable financial terms, and under conditions available in those markets both in terms of scope of coverage and limits. The extent of insurance coverage is directly related either to a quantification of the maximum possible loss, or to the constraints of the insurance market.

Compared with LVMH's financial capacity, the Group's level of self-insurance is not significant.

The main insurance programs coordinated by the Group are designed to cover property damage and business interruption, transportation, credit, third party liability and product recall.

Property and business interruption insurance

Most of the Group's manufacturing operations are covered under a consolidated international insurance program for property damage and associated loss of gross margin.

Transportation insurance

All Group operating entities are covered by an international cargo and transportation insurance contract.

Third party liability

The LVMH Group has established a third-party liability and product recall insurance program for all its subsidiaries throughout the world. Coverage levels are in line with those of companies with comparable business operations.

Both environmental losses arising from gradual as well as sudden and accidental pollution and environmental liability (Directive 2004/35/EC) risks are covered under this program.

Specific insurance policies have been implemented for countries where work-related accidents are not covered by state insurance or social security schemes, such as the United States.

Coverage for special risks

Insurance coverage for political risks, directors' and officers' liability, fraud and malicious intent, trade credit risk, acts of terrorism, loss of or corruption of computer data, and environmental risks is obtained through specific worldwide or local policies.

1.3 Financial market risks

Credit risk

Because of the nature of its activities, the majority of the Group's sales are not affected by customer credit risk. Sales are made directly to customers through the Selective Retailing network, the Fashion and Leather Goods stores and, to a lesser extent, the Watches and Jewelry stores.

Furthermore, for the remaining revenue, the Group's businesses are not dependent on a limited number of customers whose default would have a significant impact on Group activity level or earnings.

Counterparty risk

The financial crisis over the last few years has had a considerable impact on the banking sector worldwide, necessitating heightened controls and a more dynamic approach to the management of counterparty risk to which the Group is exposed. Risk diversification is a key objective. Special attention is given to the exposure of bank counterparties to financial and sovereign credit risks, in addition to their credit ratings, which must always be in the top-level categories. Banking counterparty risk is monitored on a regular and comprehensive basis, a task facilitated by the centralization of risk management.

Foreign exchange risk

A substantial portion of the Group's sales is denominated in currencies other than the euro, particularly the US dollar (or currencies tied to the US dollar such as the Hong Kong dollar or the Chinese yuan, among others) and the Japanese yen, while most of its manufacturing expenses are euro-denominated.

Exchange rate fluctuations between the euro and the main currencies in which the Group's sales are denominated can therefore significantly impact its revenue and earnings reported in euros, and complicate comparisons of its year-on-year performance.

The Group actively manages its exposure to foreign exchange risk in order to reduce its sensitivity to unfavorable currency fluctuations by implementing hedges such as forward sales and options.

Owning substantial assets denominated in currencies other than euros (primarily the US dollar and Swiss franc) is also a source of foreign exchange risk with respect to the Group's net assets.

Interest rate risk

Since LVMH's debt is denominated in various different currencies, the Group's exposure to fluctuations in interest rates underlying the main currency-denominated borrowings (euro, Swiss franc, Japanese yen and US dollar) varies accordingly.

This risk is managed using interest rate swaps and by purchasing options (protections against an increase in interest rate) designed to limit the adverse impact of unfavorable interest rate fluctuations.

Equity market risk

The Group's exposure to equity market risk relates on the one hand to its treasury shares which are held primarily in coverage of stock option plans and bonus share plans. The Group also holds LVMH share-settled calls to cover these commitments. LVMH treasury shares, as well as call options on LVMH shares, are considered as equity instruments under IFRS, and as such have no impact on the consolidated income statement. In addition, the Group holds a 22.4% stake in Hermès International SCA.

Other quoted securities may be held by some of the funds in which the Group has invested, or even directly within non-current or current available for sale financial assets.

The Group may use derivatives in order to reduce its exposure to risk. Derivatives may serve as a hedge against fluctuations in share prices. For instance, equity swaps in LVMH shares allow cash-settled compensation plans index-linked to the change in the LVMH share-price to be covered. Derivatives may also be used to synthetically build a buyer position.

Commodity market risk

The Group, mainly through its Watches and Jewelry business group, may be exposed to changes in the prices of certain precious metals, such as gold. In certain cases, in order to ensure visibility with regard to production costs, hedges may be implemented.

Liquidity risk

The Group's overall exposure to liquidity risk can be assessed with regard to the amount of the short-term portion of its net financial debt before hedging, net of cash and cash equivalents, 0.8 billion euros as of 31 December 2011 or with regard to outstanding amounts in respect of its commercial paper program (1.6 billion euros). Should any of these borrowing facilities not be renewed, the Group has access to undrawn confirmed credit lines totaling 3.4 billion euros.

Therefore, the Group's liquidity is based on the large amount of its investments and long-term borrowings, the diversity of its investor base (bonds and commercial paper), and the quality of its banking relationships, whether evidenced or not by confirmed credit lines.

RISK FACTORS RELATING TO THE NOTES

The following paragraphs describe some risk factors that are material to the Notes to be offered and/or admitted to trading in order to assess the market risk associated with these Notes. They do not describe all the risks of an investment in the Notes. Prospective investors should consult their own financial and legal advisers about risks associated with investment in a particular Series of Notes and the suitability of investing in the Notes in light of their particular circumstances. These risk factors may be supplemented in the Final Terms of the relevant Notes for a particular issue of Notes.

1 General Risks Relating to the Notes

1.1 Independent Review and Advice

Each prospective investor of Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

A prospective investor may not rely on the Issuer or the Dealer(s) or any of their affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

1.2 Modification, Waivers and Substitution

The conditions of the Notes contain provisions for calling general meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all including Noteholders who did not attend and vote at the relevant general meeting and Noteholders who voted in a manner contrary to the majority.

1.3 No active Secondary/Trading Market for the Notes

Notes issued under the Programme will be new securities which may not be widely distributed and for which there may be no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single Series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. There is no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes.

1.4 Provision of Information

None of the Issuer, the Dealer(s) or any of their respective affiliates makes any representation as to an index. Any of such persons may have acquired, or during the term of the Notes may acquire, non-public information with respect to an index that is or may be material in the context of index-linked Notes. The issue of index-linked Notes will not create any obligation on the part of any such persons to disclose to the Noteholders or any other party such information (whether or not confidential).

1.5 Potential Conflicts of Interest

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and their affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent

research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

The Issuer may from time to time be engaged in transactions involving the Notes, an index or related derivatives which may affect the market price, liquidity or value of the Notes and which could be deemed to be adverse to the interests of the Noteholders.

Potential conflicts of interest may arise between the calculation agent, if any, for a Tranche of Notes and the Noteholders, including with respect to certain discretionary determinations and judgements that such calculation agent may make pursuant to the Terms and Conditions that may influence the amount receivable upon redemption of the Notes.

1.6 Exchange Rates

Prospective investors of the Notes should be aware that an investment in the Notes may involve exchange rate risks. The reference assets or the Notes may be denominated in a currency other than the currency of the purchaser's home jurisdiction; and/or the reference assets or the Notes may be denominated in a currency other than the currency in which a purchaser wishes to receive funds. Exchange rates between currencies are influenced by macro economic factors, speculation and central bank and government intervention (including the imposition of currency controls and restrictions). Fluctuations in exchange rates may affect the value of the Notes or the reference assets.

1.7 Legality of Purchase

Neither the Issuer, the Dealer(s) nor any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective investor of the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

1.8 Taxation

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for financial instruments such as the Notes. Potential investors are advised not to rely upon the tax summary contained in this Base Prospectus and/or in the Final Terms but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, holding, sale and redemption of the Notes. Only these advisors are in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of this Base Prospectus and the additional tax sections, if any, contained in the relevant Final Terms.

1.9 EU Savings Directive

On 3 June 2003, the European Union has adopted a directive 2003/48/EC regarding the taxation of savings income received in the form of interest payments (the "**Directive**"). The Directive requires Member States to provide to the tax authorities of other Member States details of payments of interest and other similar income paid by a person to an individual in another Member State, except that Austria and Luxembourg will instead impose a withholding system for a transitional period unless during such period they elect otherwise (Belgium has done so with effect as from 1 January 2010) and authorises the paying agent to disclose the above information (see "**Taxation - EU Taxation**").

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of tax were to be withheld from that payment,

neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. If a withholding tax is imposed on payments made by any Paying Agent, the Issuer will be required to maintain or appoint a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Directive.

On 15 September 2008 the European Commission issued a report to the Council of the European Union on the operation of the Directive, which included the Commission's advice on the need for changes to the Directive. On 13 November 2008 the European Commission published a more detailed proposal for amendments to the Directive, which included a number of suggested changes. The European Parliament has adopted an amended version of this proposal on 24 April 2009. If any of those proposed changes are made in relation to the Directive, they may amend or broaden the scope of the requirements described above.

1.10 Change of Law

The Terms and Conditions of the Notes are based on French law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in French law or the official application or interpretation of French law after the date of this Base Prospectus.

1.11 French Insolvency Law

Under French insolvency law, holders of debt securities are automatically grouped into a single assembly of holders (the “**Assembly**”) in order to defend their common interests if a preservation (*procédure de sauvegarde*), an accelerated financial preservation procedure (*procédure de sauvegarde financière accélérée*) or a judicial reorganisation procedure (*procédure de redressement judiciaire*) is opened in France with respect to the Issuer.

The Assembly comprises holders of all debt securities issued by the Issuer (including the Notes), whether or not under a debt issuance programme (EMTN) and regardless of their governing law.

The Assembly deliberates on the proposed safeguard (*projet de plan de sauvegarde*), accelerated financial safeguard plan (*projet de plan de sauvegarde financière accélérée*) or judicial reorganisation plan (*projet de plan de redressement*) applicable to the Issuer and may further agree to:

- increase the liabilities (*charges*) of holders of debt securities (including the Noteholders) by rescheduling due payments and/or partially or totally writing off receivables in the form of debt securities;
- establish an unequal treatment between holders of debt securities (including the Noteholders) as appropriate under the circumstances; and/or
- decide to convert debt securities (including the Notes) into securities that give or may give right to share capital.

Decisions of the Assembly will be taken by a two-third majority (calculated as a proportion of the debt securities held by the holders attending such Assembly or represented thereat). No quorum is required to convoke the Assembly.

For the avoidance of doubt, the provisions relating to the Representation of the Noteholders described in this Base Prospectus will not be applicable to the extent they are not in compliance with compulsory insolvency law provisions that apply in these circumstances.

1.12 Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. The rating reflects the possibility of default of the Issuer of the Notes as judged by the credit rating agencies.

1.13 Market Value of the Notes

The value of the Notes may be affected by the creditworthiness of the Issuer and a number of additional factors, such as market interest and yield rates and the time remaining to the maturity date and more generally all economic, financial and political events in any country, including factors affecting capital markets generally and the stock exchanges on which the Notes are traded if any. The price at which a Noteholder will be able to sell the Notes prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser. The historical market prices of the reference assets or an index should not be taken as an indication of the reference assets' or an index's future performance during the term of any Note.

2 Risks related to the structure of a particular issue of Notes

The Programme allows for different types of Notes to be issued. Accordingly, each Tranche of Notes may carry varying risks for potential investors depending on the specific features of such Notes such as, *inter alia*, the provisions for computation of periodic interest payments, if any, redemption and issue price.

2.1 Notes subject to optional redemption by the Issuer

Unless in the case of any particular Tranche of Notes the relevant Final Terms specifies otherwise, in the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the country of domicile (or residence for tax purposes) by the Issuer, or on behalf of France, or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Terms and Conditions.

In addition, if in the case of any particular Tranche of Notes the relevant Final Terms specifies that the Notes are redeemable at the Issuer's option in certain other circumstances the Issuer may choose to redeem the Notes at times when prevailing interest rates may be relatively low. During a period when the Issuer may elect, or has elected, to redeem Notes, such Notes may feature a market value not substantially above the price at which they can be redeemed. In such circumstances an investor may not be able to reinvest the amounts received upon redemption in a comparable security at a rate that will provide the same return as its investment in the Notes.

Finally, the market value of the Notes, prior to any redemption may be higher than the amount received by the relevant Noteholders upon any early redemption of the Notes occurring as described above, and the redemption may under such circumstances lead to a loss in value for the investors.

2.2 Fixed Rate Notes

Investment in the Notes which bear interest at a fixed rate involves the risk that subsequent changes in market conditions, including a change in interest rates, adversely affect the value of the relevant Tranche of Notes.

2.3 Floating Rate Notes

Investment in Notes which bear interest at a floating rate comprise (i) a reference rate and (ii) a margin to be added or subtracted, as the case may be, from such base rate. Typically, the relevant margin will not change throughout the life of the Notes but there will be a periodic adjustment (as specified in the Final Terms) of the reference rate (e.g., every three months or six months) which itself will change over time. Accordingly, the market value of floating rate Notes may be volatile if changes, particularly short term changes, to market interest rates evidenced by the relevant reference rate can only be reflected in the interest rate of these Notes upon the next periodic adjustment of the relevant reference rate.

2.4 Inverse Floating Rate Notes

Investment in Notes which bear interest at an inverse floating rate comprises (i) a fixed base rate minus (ii) a reference rate. The market value of such Notes typically is more volatile than the market value of floating rate Notes based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

2.5 Fixed to Floating Rate Notes

Fixed to floating rate Notes initially bear interest at a fixed rate, conversion from a fixed rate to a floating rate then takes place either automatically or at the option of the Issuer if certain predetermined conditions are met. The conversion (whether it be automatic or optional) of the interest rate will affect the secondary market and the market value of the Notes since the conversion may lead to a lower overall cost of borrowing. If a fixed rate is converted to a floating rate, the spread on the fixed to floating rate Notes may be less favourable than then prevailing spreads on comparable floating rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes.

2.6 Notes issued at a substantial discount or premium

The market value of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

2.7 Index-linked Notes

Index-linked Notes are debt securities which do not provide for predetermined redemption amounts and/or interest payments but amounts due in respect of principal and/or interest will be dependent upon the performance of an index, which itself may contain substantial other risks. The amount of principal and/or interest, if any, payable by the Issuer might be substantially less than the issue price or, as the case may be, the purchase price invested by the Noteholder and may even be zero in which case the Noteholder may lose his entire investment.

Index-linked Notes are not in any way sponsored, endorsed, sold or promoted by the index sponsor or the respective licensor of the index and such index sponsor or licensor makes no warranty or representation whatsoever, express or implied, either as to the results to be obtained from the use of the index and/or the figure at which the index stands at any particular time. Each index is determined, composed and calculated by its respective index sponsor or licensor, without regard to the Issuer or the Notes. None of the index sponsors or licensors is responsible for or has participated in the determination of the timing of, prices at, or quantities of the Notes to be issued or in

determination or calculation of the equation by which the Notes settle into cash. None of the index sponsors or licensors has any obligation or liability in connection with the administration, marketing or trading of the Notes. The index sponsor or licensor of an index has no responsibility for any calculation agency adjustment made for the index.

None of the Issuer, the Dealer(s) or any of their affiliates makes any representation as to an index. Any of such persons may have acquired, or during the term of the Notes may acquire, non-public information with respect to an index that is or may be material in the context of index-linked Notes. The issue of index-linked-Notes will not create any obligation on the part of any such persons to disclose to the Noteholders or any other party such information (whether or not confidential).

The market value of index-linked Notes may be affected by a number of factors in addition to those described in 1.12, including but not limited to the value of the index, the volatility of the index, or the dividend on the securities taken up in the index, market interest and yield rates and the time remaining to the maturity date. The historical price evolution of an index should not be taken as an indication of an index' future performance.

2.8 Partly-paid Notes

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of his investment.

2.9 Variable rate Notes with a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features, their market values may be even more volatile than those for securities that do not include those features.

2.10 Structured Notes

An investment in Notes, the premium and/or the interest on or principal of which is determined by reference to one or more values of currencies, commodities, interest rates or other indices or formulae, either directly or inversely, may entail significant risks not associated with similar investments in a conventional debt security, including the risks that the resulting interest rate will be less than that payable on a conventional debt security at the same time and/or that an investor may lose the value of its entire investment or part of it, as the case may be. The historical evolution of the relevant currencies, commodities, interest rates or other indices or formulae should not be taken as an indication of future evolution of such currencies, commodities, interest rates or other indices or formulae.

2.11 Subordinated Notes

In the event of any insolvency or liquidation of the Issuer, holders of Subordinated Notes would receive payments on any outstanding Subordinated Notes only after senior Noteholders and other senior creditors have been repaid in full, if and to the extent that there is still cash available for those payments. Thus, holders of Subordinated Notes generally face a higher performance risk than holders of Unsubordinated Notes.

GENERAL DESCRIPTION OF THE PROGRAMME

The following overview does not purport to be complete and is qualified by the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Series (as defined below in “Terms and Conditions of the Notes”) of Notes, the applicable Final Terms.

Issuer:	LVMH Moët Hennessy Louis Vuitton (“LVMH” or the “Issuer”)
Description:	Euro Medium Term Note Programme for the issue of Notes (the “Programme”)
Arranger:	Deutsche Bank AG, Paris Branch
Dealers:	<p>BNP PARIBAS, Citigroup Global Markets Limited, Crédit Agricole Corporate and Investment Bank, Credit Suisse Securities (Europe) Limited, Daiwa Capital Markets Europe Limited, Deutsche Bank AG, London Branch, HSBC Bank plc, J.P. Morgan Securities Ltd., Merrill Lynch International, Mitsubishi UFJ Securities International plc, NATIXIS, Société Générale and The Royal Bank of Scotland plc.</p> <p>The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Base Prospectus to “Permanent Dealers” are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and to “Dealers” are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.</p>
Programme Limit:	Up to Euro 10,000,000,000
Fiscal Agent and Principal Paying Agent:	<p>Deutsche Bank AG, London Branch Winchester House 1 Great Winchester Street London EC2N 2DB United Kingdom</p>
Paying Agents:	<p>Deutsche Bank AG, Paris Branch as Paris Paying Agent 3, avenue de Friedland 75008 Paris France</p> <p>Deutsche Bank Luxembourg S.A. as Luxembourg Paying Agent 2, boulevard Konrad Adenauer L-1115 Luxembourg Grand-Duchy of Luxembourg</p>
Method of Issue:	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a “Series”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be

interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a “**Tranche**”) on the same or different issue dates. The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in the Final Terms to this Base Prospectus.

Maturities:	Subject to compliance with all relevant laws, regulations and directives, any maturity from one month from the date of original issue.
Currencies:	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in Euro, U.S. dollars, Japanese yen, Swiss francs, Sterling and in any other currency specified in the relevant Final Terms.
Denomination(s):	Minimum denomination of each Note listed and admitted to trading on a Regulated Market or offered to the public in an EEA Member State in circumstances which require the publication of a prospectus under the Prospectus Directive: €1,000 (or the equivalent amount in any other currency at the Issue Date).
Status of the Unsubordinated Notes:	Unsubordinated Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and will rank <i>pari passu</i> among themselves and (save for certain obligations required to be preferred by French law) equally with all other present or future unsecured and unsubordinated obligations of the Issuer from time to time outstanding.
Status of the Subordinated Notes:	<p>Subordinated Notes comprise Ordinary Subordinated Notes, Deeply Subordinated Notes, Dated Subordinated Notes or Undated Subordinated Notes, all as set out and defined in Condition 3(b). See “Terms and Conditions of the Notes – Status”.</p> <p>If so specified in the relevant Final Terms, the payment of interest in respect of Subordinated Notes may be deferred in accordance with the provisions of Condition 5(h) - see “Terms and Conditions of the Notes - Interest and other Calculations”.</p>
Negative Pledge:	There will be a negative pledge in respect of Unsubordinated Notes as set out in Condition 4 - see “Terms and Conditions of the Notes - Negative Pledge”.
Events of Default:	There will be events of default in respect of Unsubordinated Notes as set out in Condition 9(a) and limited events of default only in respect of Subordinated Notes as set out in Condition 9(b) - see “Terms and Conditions of the Notes - Events of Default”.

Redemption Amount:	The relevant Final Terms will specify the basis for calculating the redemption amounts payable. Unless permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) which must be redeemed before the first anniversary of their date of issue and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000 must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).
Optional Redemption:	The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the Noteholders and if so the terms applicable to such redemption.
Redemption by Instalments:	The Final Terms issued in respect of each issue of Notes that are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed.
Early Redemption:	Except as provided in “Optional Redemption” above, Notes will be redeemable at the option of the Issuer prior to maturity only for tax reasons as set out in Condition 6. See “Terms and Conditions of the Notes - Redemption, Purchase and Options”.
Taxation:	<ol style="list-style-type: none"> 1. All payments of principal and interest by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. 2. Notes issued under the Programme (except Notes that are to be assimilated (<i>assimilées</i>) and form a single series with Notes issued before 1 March 2010 having the benefit of Article 131 <i>quater</i> of the French <i>Code général des impôts</i>) fall under the new French withholding tax regime pursuant to the French <i>loi de finances rectificative</i> pour 2009 no. 3 (n°2009-1674 dated 30 December 2009) (the “Law”). Payments of interest and other revenues made by the Issuer on such Notes will not be subject to the withholding tax set out under Article 125 A III of the French <i>Code général des impôts</i> unless such payments are made outside France in a non-cooperative State or territory (<i>Etat ou territoire non coopératif</i>) within the meaning of Article 238-0 A of the French <i>Code général des impôts</i> (a “Non-Cooperative State”). If such payments under the Notes are made in a Non-Cooperative

State, a 50 per cent. withholding tax will be applicable (subject to certain exceptions described below and the more favourable provisions of any applicable double tax treaty) by virtue of Article 125 A III of the French *Code général des impôts*.

Furthermore, interest and other revenues on such Notes will no longer be deductible from the Issuer's taxable income if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid in such a Non-Cooperative State. Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Article 109 of the French *Code général des impôts*, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* of the French *Code général des impôts*, at a rate of 30 per cent. or 55 per cent.

Notwithstanding the foregoing, the Law provides that neither the 50 per cent. withholding tax nor the non-deductibility will apply in respect of a particular issue of Notes if the Issuer can prove that the principal purpose and effect of such a particular issue of Notes were not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the “**Exception**”). Pursuant to the ruling (*rescrit*) 2010/11 (FP and FE) of the *Direction générale des finances publiques* dated 22 February 2010, an issue of Notes will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of such issue of Notes, if such Notes are:

- offered by means of a public offer within the meaning of Article L.411-1 of the French *Code monétaire et financier* or pursuant to an equivalent offer in a State other than in a Non-Cooperative State. For this purpose, an “**equivalent offer**” means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or
- admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or
- admitted, at the time of their issue, to the clearing

operations of a central depository or of a securities clearing and delivery and payments systems operator within the meaning of Article L.561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non-Cooperative State.

3. Interest and other revenues on Notes that are to be assimilated (*assimilées*) and form a single series with Notes issued (or deemed issued) outside France as provided under Article 131 *quater* of the French *Code général des impôts*, prior to 1 March 2010 will continue to be exempt from the withholding tax set out under Article 125 A III of the French *Code général des impôts*.

In addition, interest and other revenues paid by the Issuer on Notes issued before 1 March 2010 (or Notes issued after 1 March 2010 and which are to be assimilated (*assimilées*) and form a single series with such Notes) will not be subject to the withholding tax set out in Article 119 *bis* of the French *Code général des impôts* solely on account of their being paid in a Non-Cooperative State or accrued or paid to persons established or domiciled in a Non-Cooperative State.

See section “Taxation”.

Interest Periods and Interest Rates:

The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms.

Fixed Rate Notes:

Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms.

Floating Rate Notes:

Floating Rate Notes will bear interest determined separately for each Series as follows:

- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc.; or
- (ii) by reference to LIBOR, LIBID, LIMEAN or EURIBOR (or such other benchmark as may be specified in the relevant Final Terms), in each case as adjusted for any applicable margin.

Interest periods will be specified in the relevant Final Terms.

Zero Coupon Notes:

Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest.

Dual Currency Notes:	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as may be specified in the relevant Final Terms.
Index Linked Notes:	Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula as may be specified in the relevant Final Terms.
Other Notes:	Terms applicable to high interest Notes, low interest Notes, step-up Notes, step-down Notes, reverse dual currency Notes, optional dual currency Notes, Partly Paid Notes and any other type of Notes that the Issuer and any Dealer or Dealers may agree to issue under the Programme will be set out in the relevant Final Terms.
Redenomination:	Notes issued in the currency of any Member State of the EU which participates in the single currency of the European Economic and Monetary Union may be redenominated into Euro, all as more fully provided in Condition 1 of “Terms and Conditions of the Notes - Form, Denomination(s), Title and Redenomination” below.
Consolidation:	Notes of one Series may be consolidated with Notes of another Series as more fully provided in Condition 14 of “Terms and Conditions of the Notes - Further Issues and Consolidation”.
Form of Notes:	<p>Notes may be issued in dematerialised form (“Dematerialised Notes”) or in materialised form (“Materialised Notes”).</p> <p>Dematerialised Notes may, at the option of the Issuer, be issued in bearer dematerialised form (<i>au porteur</i>) or in registered dematerialised form (<i>au nominatif</i>) and, in such latter case, at the option of the relevant Noteholder, in either <i>au nominatif pur</i> or <i>au nominatif administré</i> form. No physical documents of title will be issued in respect of Dematerialised Notes. See Condition 1 of “Terms and Conditions of the Notes - Form, Denomination(s), Title and Redenomination”.</p> <p>Materialised Notes will be in bearer materialised form (“Materialised Bearer Notes”) only. A Temporary Global Certificate will be issued initially in respect of each Tranche of Materialised Bearer Notes. Materialised Notes may only be issued outside France.</p>
Governing Law:	French law.
Initial Delivery of Dematerialised Notes:	One Paris business day before the issue date of each Tranche of Dematerialised Notes, the <i>Lettre Comptable</i> relating to such Tranche shall be deposited with Euroclear France as central depositary.

Initial Delivery of Materialised Notes:	On or before the issue date for each Tranche of Materialised Bearer Notes, the Temporary Global Certificate issued in respect of such Tranche shall be deposited with a common depository for Euroclear and Clearstream, Luxembourg or with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Fiscal Agent and the relevant Dealer.
Issue Price:	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount. Partly Paid Notes may be issued, the issue price of which will be payable in two or more instalments. The Issue Price will be specified in the relevant Final Terms.
Listing and Admission to Trading:	Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be listed on the Official List, and to be admitted to trading on the Regulated Market, of the Luxembourg Stock Exchange or as otherwise specified in the relevant Final Terms. As specified in the relevant Final Terms, a Series of Notes may or may not be admitted to trading.
Selling Restrictions:	<p>The offer and sale of Notes will be subject to selling restrictions in various jurisdictions, in particular, those of the United States of America, those of Japan, those of the European Economic Area including France and the United Kingdom (see “Subscription and Sale”). Further restrictions that may apply to a Series of Notes may be specified in the applicable Final Terms.</p> <p>The Issuer is Category 2 for the purposes of Regulation S under the United States Securities Act of 1933, as amended.</p> <p>Materialised Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (the “D Rules”) unless (i) the relevant Final Terms states that such Materialised Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (the “C Rules”) or (ii) such Materialised Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute “registration required obligations” under the United States Tax Equity and Fiscal Responsibility Act of 1982 (“TEFRA”), which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.</p>
Rating:	At the date of this Base Prospectus, the long-term corporate rating of the Issuer by Standard & Poor’s Ratings Services, a division of the McGraw-Hill Companies, Inc. (“ S&P ”) is A with positive outlook. Notes issued under this Programme may or may not be rated. The credit ratings included or referred to in this Base Prospectus have been issued by S&P, which is established in the European Union and registered

under the Regulation (EC) No. 1060/2009 on credit ratings agencies, as amended by Regulation (EU) No. 513/2011 (the “**CRA Regulation**”) and included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the European Securities and Markets Authority’s website as of the date of this Base Prospectus. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus should be read and construed in conjunction with the following documents which have been previously published or are published simultaneously with this Base Prospectus and shall be incorporated in, and form part of, this Base Prospectus (save that any statement contained in a document which is incorporated by reference herein shall be deemed to be modified and superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise)). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Base Prospectus.

Are incorporated herein by reference:

- the *document de référence* filed with the French *Autorité des marchés financiers* for the year 2010, except for the third paragraph of the statement by the company officer responsible for the *document de référence* on page 262 of such document which includes the audited annual consolidated financial statements of LVMH for the financial year ended 31 December 2010 and the notes related thereto (the “**2010 Document de Référence**”); and
- the *document de référence* filed with the French *Autorité des marchés financiers* for the year 2011, except for the third paragraph of the statement by the company officer responsible for the *document de référence* on page 256 of such document, which includes the audited annual consolidated financial statements of LVMH for the financial year ended 31 December 2011 and the notes related thereto (the “**2011 Document de Référence**”); and

All documents incorporated by reference in this Base Prospectus will be available on the website of the Luxembourg Stock Exchange (www.bourse.lu) and may be obtained, free of charge, at the offices of the Fiscal Agent and each Paying Agent set out at the end of this Base Prospectus during normal business hours so long as any of the Notes are outstanding.

**INFORMATION INCORPORATED BY REFERENCE FOR THE YEARS ENDED
31 DECEMBER 2010 AND 2011**

Information incorporated by reference	Reference
2011 Document de Référence	
Business review	Pages 26 to 36
Financial policy	Page 44
Litigation and exceptional events	Page 48
Subsequent events	Page 48
Consolidated income statement	Page 114
Consolidated statement of comprehensive gains and losses	Page 114
Consolidated balance sheet	Page 115
Consolidated cash-flow statement	Page 118
Consolidated statement of changes in equity	Pages 116 and 117
Notes to the consolidated financial statements	Pages 119 to 171
Consolidated companies in 2011	Pages 172 to 176
Statutory Auditors' report on the consolidated financial statements	Page 177
2010 Document de Référence	
Business review	Pages 24 to 38
Consolidated income statement	Page 116
Consolidated statement of comprehensive gains and losses	Page 117
Consolidated balance sheet	Page 118
Consolidated cash-flow statement	Page 119
Consolidated statement of changes in equity	Pages 120 and 121
Notes to the consolidated financial statements	Pages 123 to 176
Consolidated companies in 2010	Pages 177 to 182
Statutory Auditors' report on the consolidated financial statements	Pages 183 and 184

Any information not listed in the cross-reference table but included in the documents incorporated by reference is given for information purposes only.

SUPPLEMENT TO THE BASE PROSPECTUS

If at any time LVMH shall be required to prepare a supplement to this Base Prospectus (the “**Supplement**”) pursuant to the provisions of the *loi relative aux prospectus pour valeurs mobilières* in Luxembourg implementing the Prospectus Directive, because of the occurrence or disclosure at any time, between the date hereof and the final closing of an offer to the public of Notes to be issued under the Programme or, as the case may be, the time when trading of such Notes on a Regulated Market begins, of a significant new factor, material mistake or inaccuracy relating to the information included in this Base Prospectus, which is capable of affecting the assessment of the Notes, LVMH undertakes, *inter alia*, to the Dealers, and the *Commission de surveillance du secteur financier* in Luxembourg and to the Luxembourg Stock Exchange to prepare and make available an appropriate Supplement to this Base Prospectus or a restated Base Prospectus, which in respect of any subsequent issue of Notes to be listed on the Official List, and admitted to trading on the Regulated Market, of the Luxembourg Stock Exchange or on a Regulated Market of a Member State of the European Economic Area or to be offered to the public in Luxembourg or in any Member State of the European Economic Area, shall constitute a Supplement for the purpose of the relevant provisions of the *loi relative aux prospectus pour valeurs mobilières*.

LVMH shall submit such Supplement or restated Base Prospectus to the *Commission de surveillance du secteur financier* in Luxembourg for approval and supply each Dealer, and the *Commission de surveillance du secteur financier* in Luxembourg and the Luxembourg Stock Exchange with such number of copies of such Supplement as may reasonably be requested. All documents prepared in connection with the listing approval of the Programme will be published in accordance with the Prospectus Directive and will be available at the specified office of the Paying Agent.

**PERSON RESPONSIBLE FOR THE INFORMATION
GIVEN IN THE BASE PROSPECTUS**

To the best knowledge of the Issuer having taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus is in accordance with the facts and contains no omission likely to affect its import.

LVMH Moët Hennessy Louis Vuitton

22, avenue Montaigne

75008 Paris

France

Duly represented by:

Mr. Jean-Jacques Guiony, Chief Financial Officer (the “**Responsible Person**”)

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions that, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Final Terms and, excepting sentences in italics, shall be applicable to the Notes. In the case of Dematerialised Notes, the text of the terms and conditions will not be endorsed on physical documents of title but will be constituted by the following text as completed, amended or varied by the relevant Final Terms. In the case of Materialised Notes, either (i) the full text of these terms and conditions together with the relevant provisions of the Final Terms or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on Definitive Materialised Bearer Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Final Terms. References in the Conditions to “Notes” are to the Notes of one Series only, not to all Notes that may be issued under the Programme.

There is an amended and restated agency agreement (the “**Amended and Restated Agency Agreement**”) dated 22 June 2012 agreed between LVMH Moët Hennessy Louis Vuitton (the “**Issuer**”), Deutsche Bank AG, London Branch as fiscal agent and the other agents named in it. The fiscal agent, the paying agents, the redenomination agent, the consolidation agent and the calculation agent(s) for the time being (if any) are referred to below respectively as the “**Fiscal Agent**”, the “**Paying Agents**” (which expression shall include the Fiscal Agent), the “**Redenomination Agent**”, the “**Consolidation Agent**” and the “**Calculation Agent(s)**”. References below to “**Conditions**” are, unless the context requires otherwise, to the numbered paragraphs below.

For the purpose of these Terms and Conditions, “**Regulated Market**” means any regulated market situated in a Member State of the European Economic Area (“**EEA**”) as defined in the Financial Instruments Markets Directive 2004/39/EC.

1 Form, Denomination(s), Title, Redenomination and Method of Issue

- (a) **Form:** Notes may be issued either in dematerialised form (“**Dematerialised Notes**”) or in materialised form (“**Materialised Notes**”).
- (i) Title to Dematerialised Notes will be evidenced in accordance with Articles L.211-3 and R.211-1 of the French *Code monétaire et financier* (the “**Code**”) by book entries (*inscriptions en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the Code) will be issued in respect of the Dematerialised Notes.

Dematerialised Notes are issued, at the option of the Issuer, in either bearer dematerialised form (*au porteur*), which will be inscribed in the books of Euroclear France (acting as central depositary) which shall credit the accounts of Euroclear France Account Holders, or in registered dematerialised form (*au nominatif*) and, in such latter case, at the option of the relevant Noteholder in either administered registered form (*nominatif administré*) inscribed in the books of a Euroclear France Account Holder or in fully registered form (*au nominatif pur*) inscribed in an account in the books of Euroclear France maintained by the Issuer or by the registration agent (designated in the relevant Final Terms) acting on behalf of the Issuer (the “**Registration Agent**”).

For the purpose of these Conditions, “**Euroclear France Account Holder**” means any financial intermediary institution entitled to hold accounts, directly or indirectly, on behalf of its customers with Euroclear France, and includes the depositary bank for Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”) and Euroclear Bank S.A./N.V. (“**Euroclear**”).

- (ii) Materialised Notes are issued in bearer form (“**Materialised Bearer Notes**”). Materialised Bearer Notes are serially numbered and are issued with Coupons (each, a “**Coupon**” and, where appropriate, a talon (a “**Talon**”)) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Instalment Notes are issued with one or more receipts (each, a “**Receipt**”) attached.

In accordance with Articles L.211-3 and R.211-1 of the Code, securities (such as the Notes) which are governed by French law and are in materialised form must be issued outside the French territory.

(b) **Denomination(s):**

Notes shall be issued in the specified denomination(s) as set out in the relevant Final Terms (the “**Specified Denomination(s)**”) save that the minimum denomination of each Note listed and admitted to trading on a Regulated Market or offered to the public in a Member State of the EEA in circumstances which require the publication of a prospectus under the Prospectus Directive will be €1,000 (or, if the Notes are denominated in a currency other than Euro, the equivalent amount in such currency at the issue date) or such other higher amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency. Dematerialised Notes shall be issued in one Specified Denomination only.

(c) **Title:**

- (i) Title to Dematerialised Notes in bearer dematerialised form (*au porteur*) and in administered registered form (*au nominatif administré*) shall pass upon, and transfer of such Notes may only be effected through, registration of the transfer in the accounts of Euroclear France Account Holders. Title to Dematerialised Notes in fully registered form (*au nominatif pur*) shall pass upon, and transfer of such Notes may only be effected through, registration of the transfer in the accounts of the Issuer or of the Registration Agent.
- (ii) Title to Materialised Bearer Notes in definitive form having, where appropriate, Coupons, Receipt(s) and/or a Talon attached thereto on issue (“**Definitive Materialised Bearer Notes**”), shall pass by delivery.
- (iii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the holder.
- (iv) In these Conditions, “**Noteholder**”, “**holder of any Note**” or “**holder of Notes**” means (i) in the case of Dematerialised Notes, the person whose name appears in the account of the relevant Euroclear France Account Holder, the Issuer or the Registration Agent (as the case may be) as being entitled to such Notes and (ii) in the case of Materialised Notes, the bearer of any Definitive Materialised Bearer Note and the Receipts, Coupons (“**Receiptholder**” and “**Couponholder**” being construed accordingly) or Talon relating to it, and capitalised terms have the meanings given to them in the relevant Final Terms, the absence of any such meaning indicating that such term is not applicable to the Notes.

(d) **Redenomination:**

- (i) The Issuer may (if so specified in the relevant Final Terms), on any Interest Payment Date, without the consent of the holder of any Note, Receipt, Coupon or Talon, by giving at least

30 days' notice in accordance with Condition 15 and on or after the date on which the Member State in whose national currency the Notes are denominated has become a participating Member State in the single currency of the European Economic and Monetary Union (as provided in the Treaty establishing the European Community (the "EC"), as amended from time to time (the "Treaty")) or events have occurred which have substantially the same effects (in either case, "EMU"), redenominate all, but not some only, of the Notes of any Series into Euro and adjust the aggregate principal amount and the Specified Denomination(s) set out in the relevant Final Terms accordingly, as described below. The date on which such redenomination becomes effective shall be referred to in these Conditions as the "**Redenomination Date**".

- (ii) Unless otherwise specified in the relevant Final Terms, the redenomination of the Notes pursuant to Condition 1(d)(i) shall be made by converting the principal amount of each Note from the relevant national currency into Euro using the fixed relevant national currency Euro conversion rate established by the Council of the European Union pursuant to applicable regulations of the Treaty and rounding the resultant figure to the nearest Euro 0.01 (with Euro 0.005 being rounded upwards). If the Issuer so elects, the figure resulting from conversion of the principal amount of each Note using the fixed relevant national currency Euro conversion rate shall be rounded down to the nearest Euro. The Euro denominations of the Notes so determined shall be notified to Noteholders in accordance with Condition 15. Any balance remaining from the redenomination with a denomination higher than Euro 0.01 shall be paid by way of cash adjustment rounded to the nearest Euro 0.01 (with Euro 0.005 being rounded upwards). Such cash adjustment will be payable in Euro on the Redenomination Date in the manner notified to Noteholders by the Issuer.
- (iii) Upon redenomination of the Notes, any reference in the relevant Final Terms to the relevant national currency shall be construed as a reference to Euro.
- (iv) Unless otherwise specified in the relevant Final Terms, the Issuer may, with the prior approval of the Redenomination Agent and the Consolidation Agent, in connection with any redenomination pursuant to this Condition or any consolidation pursuant to Condition 14, without the consent of the holder of any Note, Receipt, Coupon or Talon, make any changes or additions to these Conditions or Condition 14 (including, without limitation, any change to any applicable business day definition, business day convention, principal financial centre of the country of the Specified Currency, interest accrual basis or benchmark), taking into account market practice in respect of redenominated euromarket debt obligations and which it believes are not prejudicial to the interests of such holders. Any such changes or additions shall, in the absence of manifest error, be binding on the holder of Notes, Receipts, Coupons and Talons and shall be notified to Noteholders in accordance with Condition 15 as soon as practicable thereafter.
- (v) Neither the Issuer nor any Paying Agent shall be liable to the holder of any Note, Receipt, Coupon or Talon or other person for any commissions, costs, losses or expenses in relation to or resulting from the credit or transfer of Euro or any currency conversion or rounding effected in connection therewith.

2 Conversion and Exchanges of Notes

(a) Dematerialised Notes:

- (i) Dematerialised Notes issued in bearer dematerialised form (*au porteur*) may not be converted into Dematerialised Notes in registered dematerialised form, whether in fully registered form (*au nominatif pur*) or in administered registered form (*au nominatif administré*).

- (ii) Dematerialised Notes issued in registered dematerialised form (*au nominatif*) may not be converted into Dematerialised Notes in bearer dematerialised form (*au porteur*).
- (iii) Dematerialised Notes issued in fully registered form (*au nominatif pur*) may, at the option of the Noteholder, be converted into Notes in administered registered form (*au nominatif administré*), and vice versa. The exercise of any such option by such Noteholder shall be made in accordance with Article R.211-4 of the Code. Any such conversion shall be effected at the cost of such Noteholder.

(b) **Materialised Notes:**

Materialised Bearer Notes of one Specified Denomination may not be exchanged for Materialised Bearer Notes of another Specified Denomination.

3 Status

(a) Status of Unsubordinated Notes:

Unsubordinated Notes (“**Unsubordinated Notes**”) and, where applicable, any relative Receipts and Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and rank and will rank *pari passu* among themselves and (save for certain obligations required to be preferred by French) equally with all other present or future unsecured and unsubordinated financial obligations of the Issuer, from time to time outstanding.

(b) Status of Subordinated Notes:

(i) General

Subordinated Notes (“**Subordinated Notes**”) comprise Ordinary Subordinated Notes, Deeply Subordinated Notes, Dated Subordinated Notes and Undated Subordinated Notes (all as defined below).

(ii) Ordinary Subordinated Notes

The principal and (if the applicable Final Terms so specify) interest on ordinary subordinated notes (“**Ordinary Subordinated Notes**”) constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and rank and will rank *pari passu* among themselves and (save for certain obligations required to be preferred by French law) *pari passu* with all other present or future Ordinary Subordinated Notes, but in priority to the *prêts participatifs* granted to the Issuer and Deeply Subordinated Notes.

(iii) Deeply Subordinated Notes

The principal and (if the applicable Final Terms so specify) interest on deeply subordinated notes (“**Deeply Subordinated Notes**”) constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and rank and will rank *pari passu* among themselves and (save for certain obligations required to be preferred by French law) *pari passu* with all other present or future Deeply Subordinated Notes, but subordinated to the *prêts participatifs* granted to the Issuer and Ordinary Subordinated Notes.

(iv) Dated Subordinated Notes

Subordinated Notes (which terms, for the avoidance of doubt, include both Ordinary Subordinated Notes and Deeply Subordinated Notes) may have a specified maturity date (“**Dated Subordinated Notes**”).

(v) Undated Subordinated Notes

Subordinated Notes (which terms, for the avoidance of doubt, include both Ordinary Subordinated Notes and Deeply Subordinated Notes) may not have a specified maturity date (“**Undated Subordinated Notes**”).

The use of the proceeds of issues of Undated Subordinated Notes will be set out in the applicable Final Terms.

(vi) Interest relating to Subordinated Notes

Unless otherwise specified in the relevant Final Terms, payments of interest relating to Subordinated Notes constitute obligations which rank equally with the obligations of the Issuer in respect of Unsubordinated Notes issued by the Issuer in accordance with Condition 3(a).

If so specified in the relevant Final Terms, payments of interest relating to Subordinated Notes may be deferred in accordance with the provisions of Condition 5(h).

(vii) Payment of Notes in the event of the liquidation of the Issuer

If any judgement is rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) of the Issuer, or in the event of a transfer of the whole or part of the business of the Issuer (*cession totale ou partielle de l'entreprise*) subsequent to the opening of a judicial recovery procedure, or if the Issuer is liquidated for any other reason, the payments of the creditors of the Issuer shall be made in the following order of priority (in each case subject to the payment in full of priority creditors):

- unsubordinated creditors of the Issuer (including holders of Unsubordinated Notes)
- holders of Ordinary Subordinated Notes
- lenders in relation to *prêts participatifs* granted to the Issuer, and
- holders of Deeply Subordinated Notes.

In the event of incomplete payment of unsubordinated creditors, the obligations of the Issuer in connection with Ordinary Subordinated Notes shall be terminated (then subsequently the obligations of the Issuer *vis-à-vis* the lenders in relation to *prêts participatifs* and holders of Deeply Subordinated Notes). The holders of Subordinated Notes shall take all steps necessary for the orderly accomplishment of any collective proceedings or voluntary liquidation.

The above order of priority which relates to the principal of Subordinated Notes will apply *mutatis mutandis* to interest payments depending on whether they are unsubordinated or subordinated and in the latter case whether they are ordinary subordinated or deeply subordinated.

4 Negative Pledge

So long as any of the Unsubordinated Notes or, if applicable, any Receipts or Coupons relating to them, remains outstanding (as defined below), the Issuer will not create any mortgage, lien, pledge, charge or other form of security interest (*sûreté réelle*) upon any of its assets or revenues, present or future, to secure any Relevant Debt (as defined below) or any guarantee or indemnity in respect of any Relevant Debt unless, at the same time or prior thereto, the Issuer’s obligations under the Notes are equally secured therewith.

For the purposes of this Condition, “**Relevant Debt**” means any present or future indebtedness for borrowed money in the form of, or represented by, bonds, notes or debentures (*obligations*) which are for the time being, or capable of being, quoted, listed, or ordinarily dealt in on any stock exchange.

For the purposes of these Conditions, “**outstanding**” means, in relation to the Notes of any Series, all the Notes issued other than (a) those that have been redeemed in accordance with the Conditions, (b) those in respect of which the date for redemption has occurred and the redemption moneys (including all interest accrued on such Notes to the date for such redemption and any interest payable after such date) have been duly paid (i) in the case of Dematerialised Notes in dematerialised bearer form and in administered registered form, to the relevant Euroclear France Account Holders on behalf of the Noteholder as provided in Condition 7(a), (ii) in the case of Dematerialised Notes in fully registered form, to the account of the Noteholder as provided in Condition 7(a) and (iii) in the case of Materialised Notes, to the Fiscal Agent and remain available for payment against presentation and surrender of Materialised Bearer Notes, Receipts and/or Coupons, as the case may be, (c) those which have become void or in respect of which claims have become prescribed, (d) those which have been purchased and cancelled as provided in the Conditions, (e) in the case of Materialised Notes (i) those mutilated or defaced Materialised Bearer Notes that have been surrendered in exchange for replacement Materialised Bearer Notes, (ii) (for the purpose only of determining how many such Materialised Bearer Notes are outstanding and without prejudice to their status for any other purpose) those Materialised Bearer Notes alleged to have been lost, stolen or destroyed and in respect of which replacement Materialised Bearer Notes have been issued and (iii) any Temporary Global Certificate to the extent that it shall have been exchanged for one or more Definitive Materialised Bearer Notes, pursuant to its provisions.

5 Interest and other Calculations

- (a) **Definitions:** In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“**Business Day**” means:

- (i) in the case of Euro, a day on which the Trans European Automated Real Time Gross Settlement Express Transfer (known as TARGET2) System or any successor thereto (the “**TARGET System**”) is operating (a “**TARGET Business Day**”) and/or
- (ii) in the case of a specified currency other than Euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for that currency and/or
- (iii) in the case of a specified currency and/or one or more Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres so specified

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period, the “**Calculation Period**”):

- (i) if “**Actual/Actual**” or “**Actual/Actual - ISDA**” is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in the other portion of the Calculation Period falling in a non-leap year divided by 365)

- (ii) if “**Actual/Actual-ICMA**” is specified in the relevant Final Terms:
- (A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
- (B) if the Calculation Period is longer than one Determination Period, the sum of:
the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

in each case where “**Determination Period**” means the period from and including a Determination Date in any year to but excluding the next Determination Date and “**Determination Date**” means the date specified in the relevant Final Terms or, if none is specified, the Interest Payment Date

- (iii) if “**Actual/365 (Fixed)**” is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365
- (iv) if “**Actual/360**” is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 360
- (v) if “**30/360**” or “**360/360 (Bond Basis)**” is specified in the relevant Final Terms, the number of days in the Calculation Period by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M₂**” is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30

- (vi) if “**30E/360**” or “**Eurobond Basis**” is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

“Y₁” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D₁” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D2 will be 30

- (vii) if “**30E/360 (ISDA)**” is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

“Y₁” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D₁” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30

“**Effective Date**” means, with respect to any Floating Rate to be determined on an Interest Determination Date, the date specified as such in the relevant Final Terms or, if none is so specified, the first day of the Interest Accrual Period to which such Interest Determination Date relates

“**Euro-zone**” means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union

“**Interest Accrual Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date

“**Interest Amount**” means the amount of interest payable, and in the case of Fixed Rate Notes, means the Fixed Coupon Amount or Broken Amount, as the case may be

“**Interest Commencement Date**” means the Issue Date or such other date as may be specified in the relevant Final Terms

“**Interest Determination Date**” means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such in the relevant Final Terms or, if none is so specified, (i) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is Euro or (ii) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (iii) the day falling two Business Days in the city specified in the Final Terms for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor Euro

“**Interest Payment Date**” means the date(s) specified in the relevant Final Terms

“**Interest Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date

“**Interest Period Date**” means each Interest Payment Date unless otherwise specified in the relevant Final Terms

“**ISDA Definitions**” means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., unless otherwise specified in the relevant Final Terms

“**Issue Date(s)**” means the date(s) specified in the relevant Final Terms

“**Page**” means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters) as may be specified for the purpose of providing a Relevant Rate, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to that Relevant Rate

“**Rate of Interest**” means the rate of interest payable from time to time in respect of the Notes and that is either specified or calculated in accordance with the provisions of the relevant Final Terms

“**Reference Banks**” means the institutions specified as such in the relevant Final Terms or, if none, four major banks selected by the Calculation Agent in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the Benchmark (which, if EURIBOR is the relevant Benchmark, shall be the Euro-zone)

“**Relevant Date**” means, in respect of any Note, Receipt or Coupon, the date on which payment in respect of it first became due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (in the case of Materialised Notes if earlier) the date seven days after that on which notice is duly given to the holders of such Materialised Notes that, upon further presentation of the Materialised Note, Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation

“**Relevant Financial Centre**” means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the financial centre as may be specified as such in the relevant Final Terms or, if none is so specified, the financial centre with which the relevant Benchmark is most closely connected (which, in the case of EURIBOR, shall be the Euro-zone) or, if none is so connected, Paris

“**Relevant Rate**” means the Benchmark for a Representative Amount of the Specified Currency for a period (if applicable or appropriate to the Benchmark) equal to the Specified Duration commencing on the Effective Date

“**Relevant Time**” means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified in the relevant Final Terms or, if no time is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Specified Currency in the interbank market in the Relevant Financial Centre and for this purpose “**local time**” means, with respect to Europe and the Euro-zone as a Relevant Financial Centre, Brussels time

“**Representative Amount**” means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the amount specified as such in the relevant Final Terms or, if none is specified, an amount that is representative for a single transaction in the relevant market at the time

“**Specified Currency**” means the currency specified as such in the relevant Final Terms or, if none is specified, the currency in which the Notes are denominated and

“**Specified Duration**” means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the duration specified in the relevant Final Terms or, if none is specified, a period of time equal to the relative Interest Accrual Period, ignoring any adjustment pursuant to Condition 5(c)(ii).

- (b) **Interest on Fixed Rate Notes:** Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date except as otherwise provided in the relevant Final Terms.

If a Fixed Coupon Amount or a Broken Amount is specified in the relevant Final Terms, the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount or, if applicable, the Broken Amount so specified and in the case of the Broken Amount will be payable on the particular Interest Payment Date(s) specified in the relevant Final Terms.

- (c) **Interest on Floating Rate Notes and Index Linked Interest Notes:**

(i) *Interest Payment Dates:* Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear (except as otherwise provided in the relevant Final Terms) on each Interest Payment Date. Such Interest Payment Date(s) is/are either shown in the relevant Final Terms as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown in the relevant Final Terms, Interest Payment Date shall mean each date which falls the number of months or other period shown in the relevant Final Terms as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on

a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) *Rate of Interest for Floating Rate Notes:* The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified in the relevant Final Terms and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified in the relevant Final Terms.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate plus or minus (as indicated in the relevant Final Terms) the Margin (if any). For the purposes of this sub-paragraph (A), “**ISDA Rate**” for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (a) the Floating Rate Option is as specified in the relevant Final Terms, the Designated Maturity is a period specified in the relevant Final Terms, and the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified in the relevant Final Terms.

For the purposes of this sub-paragraph (A), “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Option**”, “**Designated Maturity**”, “**Reset Date**” and “**Swap Transaction**” have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent at or about the Relevant Time on the Interest Determination Date in respect of such Interest Accrual Period in accordance with the following:

- (a) if the Primary Source for Floating Rate is a Page, subject as provided below, the Rate of Interest shall be:
- (i) the Relevant Rate (where such Relevant Rate on such Page is a composite quotation or is customarily supplied by one entity) or

- (ii) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Page,

in each case appearing on such Page at the Relevant Time on the Interest Determination Date

- (b) if the Primary Source for the Floating Rate is Reference Banks or if sub-paragraph (a)(i) applies and no Relevant Rate appears on the Page at the Relevant Time on the Interest Determination Date or if sub-paragraph (a)(ii) applies and fewer than two Relevant Rates appear on the Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the arithmetic mean of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent and
- (c) if paragraph (b) above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) that the Calculation Agent determines to be the rates (being the nearest equivalent to the Benchmark) in respect of a Representative Amount of the Specified Currency that at least two out of five leading banks selected by the Calculation Agent in the principal financial centre of the country of the Specified Currency or, if the Specified Currency is Euro, in the Euro-zone as selected by the Calculation Agent (the “**Principal Financial Centre**”) are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the Effective Date for a period equivalent to the Specified Duration (I) to leading banks carrying on business in Europe, or (if the Calculation Agent determines that fewer than two of such banks are so quoting to leading banks in Europe) (II) to leading banks carrying on business in the Principal Financial Centre; except that, if fewer than two of such banks are so quoting to leading banks in the Principal Financial Centre, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date (after readjustment for any difference between any Margin, Rate Multiplier or Maximum or Minimum Rate of Interest applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).
- (iv) *Rate of Interest for Index Linked Interest Notes:* The Rate of Interest in respect of Index Linked Interest Notes for each Interest Accrual Period shall be determined in the manner specified in the relevant Final Terms and interest will accrue by reference to an Index or Formula as specified in the relevant Final Terms.
- (d) **Zero Coupon Notes:** Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date is not paid when due, the amount due and payable prior to the Maturity Date shall, unless otherwise provided in the relevant Final Terms, be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(e)(i)).
- (e) **Dual Currency Notes:** In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating a Rate of Exchange,

the rate or amount of interest payable shall be determined in the manner specified in the relevant Final Terms.

- (f) **Partly Paid Notes:** In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the relevant Final Terms.
- (g) **Accrual of Interest:** Interest shall cease to accrue on each Note on the due date for redemption unless (i) in the case of Dematerialised Notes, on such due date or (ii) in the case of Materialised Notes, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date.
- (h) **Deferral of Interest:** In the case of Subordinated Notes, interest shall be payable on each Compulsory Interest Payment Date (as defined below) in respect of the interest accrued in the Interest Period ending on the day immediately preceding such date. On any Optional Interest Payment Date (as defined below) there may be paid (unless the Issuer elects not to make such payment) the interest accrued in the Interest Period ending on the day immediately preceding such date but the Issuer shall not (in the absence of any such election) have any obligation to make such payment and any such failure to pay shall not constitute a default under the Notes or for any other purpose. Notice of the Issuer's election in respect of any Optional Interest Payment Date not to make any relevant payment of interest which would otherwise have been due on such date in accordance with this Condition 5(g) shall be given to the Noteholders in accordance with Condition 15 and (if the Notes are listed on any Stock Exchange and the applicable rules of that Stock Exchange so require) to the relevant Stock Exchange. Such notice shall be given at least seven days prior to the relevant Optional Interest Payment Date(s). Any interest not paid on an Optional Interest Payment Date shall, so long as the same remains unpaid, constitute "**Arrears of Interest**", which term shall include interest on such unpaid interest as referred to below, except if the relevant Final Terms specify that any interest not paid on an Optional Interest Payment Date shall be forfeited and accordingly not due or payable by the Issuer any longer. Arrears of Interest may, at the option of the Issuer, be paid in whole or in part at any time upon the expiration of not less than seven days' notice to such effect given to the Noteholders in accordance with Condition 15 but all Arrears of Interest on all Subordinated Notes outstanding shall become due and payable in full on whichever is the earliest of:
 - (i) the Interest Payment Date immediately following the date upon which the *Assemblée Générale* of the shareholders of the Issuer which was convened to approve the annual accounts of the Issuer for the fiscal year ended immediately prior to such *Assemblée Générale* passes a resolution to pay a dividend on the ordinary share capital of the Issuer in respect to such previous fiscal year; and
 - (ii) (a) a judgement rendered by any competent court declaring the transfer of the whole of the business (*cession totale de l'entreprise*) or the judicial liquidation (*liquidation judiciaire*) of the Issuer or (b) the liquidation of the Issuer for any other reason.

If notice is given by the Issuer of its intention to pay the whole or part of any Arrears of Interest, the Issuer shall be obliged to do so upon the expiration of such notice. When Arrears of Interest are paid in part, each such payment shall be applied in or towards satisfaction of the full amount of the Arrears of Interest accrued in respect of the earliest Interest Period in respect of which Arrears of Interest have accrued and have not been paid in full. Arrears of Interest shall (to the extent permitted by law) bear interest accruing (but only, in accordance with Article 1154 of the French civil code, after such interest has accrued for a period of one year) and compounding on the basis of the exact number of days which have elapsed at the

rate of interest calculated in accordance with the relevant provisions of this Condition 5 on the Subordinated Notes in respect of each relevant Interest Period. For these purposes the following expressions have the following meanings:

“**Compulsory Interest Payment Date**” means any Interest Payment Date unless at the *Assemblée Générale* of the shareholders of the Issuer immediately preceding such date which was required to approve the annual accounts of the Issuer for the fiscal year ended immediately prior to such *Assemblée Générale*, no resolution was passed to pay a dividend on the ordinary share capital of the Issuer in respect of such previous fiscal year and

“**Optional Interest Payment Date**” means any Interest Payment Date, as the case may be, other than a Compulsory Interest Payment Date.

(i) **Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts, Rate Multipliers and Rounding:**

- (i) If any Margin or Rate Multiplier is specified in the relevant Final Terms (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with (c) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin or multiplying by such Rate Multiplier, subject always to the next paragraph
- (ii) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified in the relevant Final Terms, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be
- (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes “**unit**” means the lowest amount of such currency that is available as legal tender in the country(ies) of such currency.

- (j) **Calculations:** The amount of interest payable in respect of any Note for any period shall be calculated by multiplying the product of the Rate of Interest and the outstanding nominal amount of such Note by the Day Count Fraction, unless an Interest Amount (or a formula for its calculation) is specified in respect of such period, in which case the amount of interest payable in respect of such Note for such period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period shall be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

- (k) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Optional Redemption Amounts, Early Redemption Amounts and Instalment Amounts:** As soon as practicable after the relevant time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, it shall determine such rate and calculate the Interest Amounts in respect of each Specified Denomination of the Notes for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Optional Redemption Amount, Early Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and

cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Optional Redemption Amount, Early Redemption Amount or any Instalment Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed and admitted to trading on a Regulated Market or stock exchange and the applicable rules of such exchange so require, such exchange as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(c)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

- (l) **Calculation Agent and Reference Banks:** The Issuer shall procure that there shall at all times be four Reference Banks (or such other number as may be required) with offices in the Relevant Financial Centre and one or more Calculation Agents if provision is made for them in the relevant Final Terms and for so long as any Note is outstanding (as defined in Condition 4). If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Issuer shall appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Period or Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal Luxembourg office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

6 Redemption, Purchase and Options

- (a) **Final Redemption:** Unless previously redeemed, purchased and cancelled as provided below or its maturity is extended pursuant to any option provided by the relevant Final Terms including any Issuer's option in accordance with Condition 6(c) or any Noteholders' option in accordance with Condition 6(d), each Note shall be finally redeemed on the Maturity Date specified in the relevant Final Terms at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount) or, in the case of a Note falling within Condition 6(b) below, its final Instalment Amount.
- (b) **Redemption by Instalments:** Unless previously redeemed, purchased and cancelled as provided in this Condition 6 or the relevant Instalment Date (being one of the dates so specified in the relevant Final Terms) is extended pursuant to any Issuer's or Noteholder's option in accordance with Condition 6(c) or Condition 6(d), each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified in the relevant Final Terms. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a

proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused (i) in the case of Dematerialised Notes, on the due date for such payment or (ii) in the case of Materialised Notes, on presentation of the related Receipt, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.

- (c) **Redemption at the Option of the Issuer, Exercise of Issuer's Options and Partial Redemption:** If a Call Option is specified in the relevant Final Terms, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice in accordance with Condition 15 to the Noteholders (or such other notice period as may be specified in the relevant Final Terms) redeem, or exercise any Issuer's option (as may be described) in relation to, all or, if so provided, some, of the Notes on any Optional Redemption Date or Option Exercise Date, as the case may be. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption (including, where applicable, any Arrears of Interest), if any. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the minimum nominal amount to be redeemed specified in the relevant Final Terms and no greater than the maximum nominal amount to be redeemed specified in the relevant Final Terms.

All Notes in respect of which any such notice is given shall be redeemed, or the Issuer's option shall be exercised, on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption or a partial exercise by the Issuer of an Issuer's option in respect of Materialised Notes, the notice to holders of such Materialised Notes shall also contain the number of the Definitive Materialised Bearer Notes to be redeemed or in respect of which such option has been exercised, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and Regulated Market or stock exchange requirements.

In the case of a partial redemption of, or a partial exercise by the Issuer of an Issuer's option in respect of, Dematerialised Notes, the redemption may be effected, at the option of the Issuer either (i) by reducing the nominal amount of all such Dematerialised Notes in a Series in proportion to the aggregate nominal amount redeemed or (ii) by redeeming in full some only of such Dematerialised Notes and, in such latter case, the choice between those Dematerialised Notes that will be fully redeemed and those Dematerialised Notes of any Series that will not be redeemed shall be made in accordance with Article R.213-16 of the Code and the provisions of the relevant Final Terms, subject to compliance with any other applicable laws and Regulated Market or stock exchange requirements.

So long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange and the applicable rules of that Regulated Market so require, the Issuer shall, once in each year in which there has been a partial redemption of the Notes, cause to be published in a leading newspaper with general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) and/or so long as the rules of such Regulated Market so permit, on the website of the Luxembourg Stock Exchange (www.bourse.lu), and so long as such Notes are listed or admitted to trading on any stock exchange and the rules of such stock exchange so require, the Issuer shall, once in each year in which there has been a partial redemption of the Notes, cause to be published in a leading daily newspaper with general circulation in the city/ies where such stock exchange(s) is/are situated, a notice specifying the aggregate nominal amount of Notes outstanding and, in the case of Materialised Notes a list of any Definitive Materialised Bearer Notes drawn for redemption but not surrendered.

- (d) **Redemption at the Option of Noteholders and Exercise of Noteholders' Options:** If a Put Option is specified in the relevant Final Terms, the Issuer shall, at the option of the Noteholder, upon the

Noteholder giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified in the relevant Final Terms) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption (including, where applicable, any Arrears of Interest).

To exercise such option or any other Noteholders' option that may be set out in the relevant Final Terms (which must be exercised on an Option Exercise Date) the Noteholder must deposit with any Paying Agent at its specified office a duly completed option exercise notice (the "**Exercise Notice**") in the form obtained from any Paying Agent or the Registration Agent, as the case may be, within the notice period. In the case of Materialised Bearer Notes, the Exercise Notice shall have attached to it such Note(s) (together with all unmatured Receipts and Coupons and unexchanged Talons). In the case of Dematerialised Notes, the Noteholder shall transfer, or cause to be transferred, the Dematerialised Notes to be redeemed to the account of the Paris Paying Agent specified in the Exercise Notice. No option so exercised and, where applicable, no Note so deposited or transferred may be withdrawn without the prior consent of the Issuer.

(e) **Early Redemption:**

(i) Zero Coupon Notes:

- (A) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 6(f) or Condition 6(j) or upon it becoming due and payable as provided in Condition 9 shall be the Amortised Nominal Amount (calculated as provided below) of such Note unless otherwise specified in the relevant Final Terms.
- (B) Subject to the provisions of sub-paragraph (C) below, the Amortised Nominal Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown in the relevant Final Terms, shall be such rate as would produce an Amortised Nominal Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(f) or Condition 6(j) or upon it becoming due and payable as provided in Condition 9 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Nominal Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Amortised Nominal Amount becomes due and payable were the Relevant Date. The calculation of the Amortised Nominal Amount in accordance with this sub-paragraph shall continue to be made (as well after as before judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(d).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown in the relevant Final Terms.

(ii) Other Notes:

The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 6(f) or Condition 6(j), or upon it becoming due and payable as provided in Condition 9 shall be the Final Redemption Amount together with interest accrued to the date fixed for redemption (including, where applicable, any Arrears of Interest) unless otherwise specified in the relevant Final Terms.

(f) **Redemption for Taxation Reasons:**

(i) If, by reason of any change in French law, or any change in the official application or interpretation of such law, becoming effective after the Issue Date, the Issuer would on the occasion of the next payment of principal or interest due in respect of the Notes, not be able to make such payment without having to pay additional amounts as specified under Condition 8, the Issuer may, at its option, on any Interest Payment Date or, if so specified in the relevant Final Terms, at any time, subject to having given not more than 45 nor less than 30 days' notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 15, redeem all, but not some only, of the Notes at their Early Redemption Amount together with, unless otherwise specified in the relevant Final Terms, any interest accrued to the date set for redemption (including, where applicable, any Arrears of Interest) provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of principal and interest without withholding for French taxes.

(ii) If the Issuer would on the next payment of principal or interest in respect of the Notes be prevented by French law from making payment to the Noteholders or, if applicable, Couponholders of the full amounts then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 8, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall upon giving not less than seven days' prior notice to the Noteholders in accordance with Condition 15, redeem all, but not some only, of the Notes then outstanding at their Early Redemption Amount together with, unless otherwise specified in the relevant Final Terms, any interest accrued to the date set for redemption (including, where applicable, any Arrears of Interest) on (A) the latest practicable Interest Payment Date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes, provided that if such notice would expire after such Interest Payment Date the date for redemption pursuant to such notice of Noteholders shall be the later of (i) the latest practicable date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes and (ii) 14 days after giving notice to the Fiscal Agent as aforesaid or (B) if so specified in the relevant Final Terms, at any time, provided that the due date for redemption of which notice hereunder shall be given shall be the latest practicable date at which the Issuer could make payment of the full amount payable in respect of the Notes, or, if applicable, Receipts or Coupons or, if that date is passed, as soon as practicable thereafter.

(g) **Partly Paid Notes:** Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the provisions specified in the relevant Final Terms.

(h) **Purchases:** The Issuer shall have the right at all times to purchase Notes (provided that, in the case of Materialised Notes, all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price subject to the applicable laws and/or regulations. Unless otherwise specified in the Final Terms, all Notes so

purchased by the Issuer may be held and resold in accordance with Articles L.213-1 A and D.213-1 A of the Code for the purpose of enhancing the liquidity of the Notes.

- (i) **Cancellation:** All Notes purchased by or on behalf of the Issuer for cancellation will forthwith be cancelled, in the case of Dematerialised Notes, by transfer to an account in accordance with the rules and procedures of Euroclear France and, in the case of Materialised Bearer Notes, by surrendering the Temporary Global Certificate and the Definitive Materialised Bearer Notes in question together with all unmatured Receipts and Coupons and all unexchanged Talons to the Fiscal Agent and, in each case, if so transferred or surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with, in the case of Dematerialised Notes, all rights relating to payment of interest and other amounts relating to such Dematerialised Notes and, in the case of Materialised Notes, all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so cancelled or, where applicable, transferred or surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.
- (j) **Illegality:** If, by reason of any change in French law, or any change in the official application of such law, becoming effective after the Issue Date, it will become unlawful for the Issuer to perform or comply with one or more of its obligations under the Notes, the Issuer will, subject to having given not more than 45 nor less than 30 days' notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 15, redeem all, but not some only, of the Notes at their Early Redemption Amount together with any interest accrued to the date set for redemption (including, where applicable, any Arrears of Interest).

7 Payments and Talons

- (a) **Dematerialised Notes:** Payments of principal and interest (including, for the avoidance of doubt, any Arrears of Interest, where applicable) in respect of Dematerialised Notes shall (in the case of Dematerialised Notes in bearer dematerialised form or administered registered form) be made by transfer to the account denominated in the relevant currency of the relevant Euroclear France Account Holders for the benefit of the Noteholders and, (in the case of Dematerialised Notes in fully registered form), to an account denominated in the relevant currency with a Bank (as defined below) designated by the Noteholders. All payments validly made to such Euroclear France Account Holders will be an effective discharge of the Issuer in respect of such payments.
- (b) **Materialised Bearer Notes:** Payments of principal and interest (including, for the avoidance of doubt, any Arrears of Interest, where applicable) in respect of Materialised Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Materialised Bearer Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 7(f)(vi)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the Noteholder, by transfer to an account denominated in such currency with a Bank.

“**Bank**” means a bank in the principal financial centre of such currency or, in the case of Euro, in a city in which banks have access to the TARGET System.

- (c) **Payments in the United States:** Notwithstanding the foregoing, if any Materialised Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in

the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

- (d) **Payments Subject to Fiscal Laws:** All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment but without prejudice to the provisions of Condition 8. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (e) **Appointment of Agents:** The Fiscal Agent, the Paying Agents, the Calculation Agent, the Redenomination Agent and the Consolidation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Fiscal Agent, the Paying Agents, the Redenomination Agent, the Consolidation Agent and the Registration Agent act solely as agents of the Issuer and the Calculation Agent(s) act(s) as independent experts(s) and, in each such case, do not assume any obligation or relationship of agency for any Noteholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Redenomination Agent, the Consolidation Agent and the Registration Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) one or more Calculation Agent(s) where the Conditions so require, (iii) a Redenomination Agent and a Consolidation Agent where the Conditions so require, (iv) Paying Agents having specified offices in at least two major European cities (including Paris so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on Euronext Paris and/or Luxembourg so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange), (v) in the case of Materialised Notes issued by the Issuer, a Paying Agent with a specified office in a European Union Member State (which may be any of the Paying Agents referred to in (iv) above) that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC of 3 June 2003 on the taxation of savings income in the form of interest payments or any other European Union Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income, or any law implementing or complying with, or introduced in order to conform to, such Directive, (vi) in the case of Dematerialised Notes, in fully registered form, a Registration Agent and (vii) such other agents as may be required by any other Regulated Market or stock exchange on which the Notes may be listed and admitted to trading.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Materialised Bearer Notes denominated in U.S. dollars in the circumstances described in paragraph (c) above.

On a redenomination of the Notes of any Series pursuant to Condition 1(d) with a view to consolidating such Notes with one or more other Series of Notes, in accordance with Condition 14, the Issuer shall ensure that the same entity shall be appointed as both Redenomination Agent and Consolidation Agent in respect of both such Notes and such other Series of Notes to be so consolidated with such Notes.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders in accordance with Condition 15.

- (f) **Unmatured Coupons and Receipts and unexchanged Talons:**
- (i) Unless Materialised Bearer Notes provide that the relative Coupons are to become void upon the due date for redemption of those Notes, Materialised Bearer Notes should be surrendered for payment together with all unexpired Coupons (if any) relating thereto,

failing which an amount equal to the face value of each missing unmatured Coupon (together, where applicable, with the amount of any Arrears of Interest corresponding to such Coupon) (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon (together, where applicable, with the amount of any Arrears of Interest corresponding to such Coupon) that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Amortised Nominal Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 10) provided that, if any Materialised Bearer Note should be issued with a maturity date and an Interest Rate or Rates such that, on the presentation for payment of any such Note without any unmatured Coupons attached thereto or surrendered therewith, the amount required to be deducted in respect of such unmatured Coupons would be greater than the relevant Redemption Amount otherwise due for payment, then, upon the due date for redemption of any such Note, such unmatured Coupons (whether or not attached) shall become void (and no payment shall be made in respect thereof) as shall be required so that, upon application of the foregoing provisions in respect of such Coupons as have not so become void, the amount required by this paragraph to be deducted would not be greater than the relevant Redemption Amount otherwise due for payment. Where the application of the foregoing provisions requires some but not all of the unmatured Coupons relating to a Materialised Bearer Note to become void, the relevant Paying Agent shall determine which unmatured Coupons are to become void, and shall select for such purpose Coupons maturing on later dates in preference to Coupons maturing on earlier dates.

- (ii) If Materialised Bearer Notes so provide, upon the due date for redemption of any such Materialised Bearer Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Materialised Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Upon the due date for redemption of any Materialised Bearer Note that is redeemable in instalments, all Receipts relating to such Materialised Bearer Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
- (v) Where any Materialised Bearer Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons, and where any Materialised Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (vi) If the due date for redemption of any Materialised Bearer Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, (including, for the avoidance of doubt, any Arrears of Interest if applicable) shall only be payable against presentation (and surrender if appropriate) of the relevant Definitive Materialised Bearer Note. Interest accrued on a Materialised Bearer Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Materialised Bearer Notes.

- (g) **Talons:** On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Materialised Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent or any of the Paying Agents in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 10).
- (h) **Business Days for Payment:** If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the Noteholder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, “**business day**” means a day (other than a Saturday or a Sunday) (A) (i) in the case of Dematerialised Notes, on which Euroclear France is open for business or (ii) in the case of Materialised Notes, on which banks and foreign exchange markets are open for business in the relevant place of presentation, (B) on which banks and foreign exchange markets are open for business in such jurisdictions as shall be specified as “**Financial Centres**” in the relevant Final Terms and (C) (i) in the case of a payment in a currency other than Euro, where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency or (ii) in the case of a payment in Euro, which is a TARGET Business Day.
- (i) **Bank:** For the purpose of this Condition 7, “**Bank**” means a bank in the principal financial centre of the relevant currency or, in the case of Euro, in a city in which banks have access to the TARGET System.

8 Taxation

- (a) **Tax exemption for Notes:** All payments of principal, interest and other revenues by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.
- (b) **Additional Amounts:** If French law should require that payments of principal or interest in respect of any Note, Receipt or Coupon be subject to deduction or withholding in respect of any present or future taxes or duties whatsoever, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts as shall result in receipt by the Noteholders or, if applicable, the Receiptholders and the Couponholders, as the case may be, of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon, as the case may be:
 - (i) **Other connection:** to, or to a third party on behalf of, a Noteholder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with the Republic of France other than the mere holding of the Note, Receipt or Coupon; or
 - (ii) **Presentation more than 30 days after the Relevant Date:** in the case of Materialised Notes, more than 30 days after the Relevant Date except to the extent that the Noteholder would have been entitled to such additional amounts on presenting it for payment on the thirtieth such day; or
 - (iii) **Payment to individuals:** where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC of 3 June 2003 or any other EU Directive implementing the conclusions of the ECOFIN

Council Meeting of 26-27 November 2000 on the taxation of savings income, or any law implementing or complying with, or introduced in order to conform to, such Directive; or

- (iv) **Payment by another Paying Agent:** in respect of Definitive Materialised Bearer Notes presented for payment by or on behalf of a holder who would be able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union.
- (c) **Supply of Information:** Each holder of Notes shall be responsible for supplying to the relevant Paying Agent, in a reasonable and timely manner, any information as may be required in order to comply with the identification and reporting obligations imposed on it by the European Council Directive 2003/48/EC or any other European Directive implementing the conclusions of the ECOFIN Council Meeting dated 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive.

As used in this Condition 8, “**Relevant Date**” in respect of any Note means the date on which payment in respect of it first becomes due (and, for the avoidance of doubt, in the case of Arrears of Interest, references to “**becomes due**” shall be interpreted in accordance with the provisions of Condition 5(h)) or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or, (if earlier) the date seven days after that on which notice is duly given to the Noteholders in accordance with Condition 15 that, upon further presentation of the Notes being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) “**principal**” shall be deemed to include any premium payable in respect of the Notes, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Nominal Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it, (ii) “**interest**” shall be deemed to include all Interest Amounts and all other amounts (including, for the avoidance of doubt, all Arrears of Interest) payable pursuant to Condition 5 or any amendment or supplement to it and (iii) “**principal**” and/or “**interest**” shall be deemed to include any additional amounts that may be payable under this Condition.

9 Events of Default

The Representative (as defined under Condition 11(a)), upon request of any Noteholder, may, upon written notice to the Fiscal Agent (with copy to the Issuer) given before all defaults shall have been cured, cause the principal amount of all Notes held by such Noteholder to become due and payable, together with accrued interest thereon, as of the date on which such notice for payment is received by the Fiscal Agent:

- (a) **Unsubordinated Notes:** In the case of Unsubordinated Notes,
 - (i) if the Issuer defaults in any payment when due of principal or interest on any Note (including the payment of any additional amounts pursuant to the provisions set forth under Condition 8 “Taxation” above) and such default continues for a period of more than 7 Business Days (as defined in Condition 5(a)) after receipt by the Fiscal Agent of written notice (and by the Issuer of a copy) of default given by the Representative upon request of the Noteholder; or
 - (ii) if there is a default by the Issuer in the due performance of any other provision of the Notes, and such default shall not have been cured within 14 Business Days (as defined in Condition 5(a)) after receipt by the Fiscal Agent of written notice (and by the Issuer of a copy) of default given by the Representative upon request of the Noteholder; or

- (iii) if:
 - (i) (a) any other present or future indebtedness of the Issuer for borrowed monies becomes due and payable prior to its stated maturity as a result of a default thereunder, or (b) any such indebtedness shall not be paid when due (or, as the case may be, within any originally applicable grace period therefore); or
 - (ii) any steps shall be taken to enforce any security in respect of any such indebtedness; or
 - (iii) any guarantee or indemnity given by the Issuer for, or in respect of, any such indebtedness of others shall not be honoured when due and called upon;

and

 - (iv) the amount requested or unpaid under (i), (ii) and/or (iii) of this sub-paragraph (iii), whether individually or in the aggregate, exceeds Euro 50,000,000 (or its equivalent in any other currency);

or

 - (iv) if the Issuer applies for or is subject to the appointment of a *mandataire ad hoc* under French bankruptcy law or enters into a conciliation procedure (*procédure de conciliation*) with its creditors or a judgement is issued for the judicial liquidation (*liquidation judiciaire*) or for a judicial transfer of the whole or part of the business (*cession totale ou partielle de l'entreprise*) of the Issuer or, to the extent permitted by applicable law, if the Issuer is subject to any other insolvency or bankruptcy proceedings or the Issuer makes any judicial conveyance, assignment, or other judicial arrangement for the benefit of its creditors or enters into a composition with its creditors.
- (b) **Subordinated Notes:** In the case of Subordinated Notes and in accordance with Condition 3(b), if any judgment is rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) of the Issuer or in the event of a transfer of the whole of the business of the Issuer (*cession totale de l'entreprise*) subsequent to the opening of a judicial recovery procedure or if the Issuer is liquidated for any other reason then the Subordinated Notes shall become immediately due and payable, in accordance with Condition 3(b), at their principal amount together with any accrued interest (together with any Arrears of Interest (as defined in Conditions 5(h)) (if any) to the date of payment.

10 Prescription

Claims against the Issuer for payment in respect of the Notes, Receipts and Coupons (which for this purpose shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

11 Representation of Noteholders

Except as otherwise provided by the relevant Final Terms, Noteholders will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a *masse* (in each case, the “**Masse**”).

The Masse will be governed by the provisions of the French *Code de commerce* with the exception of Articles L.228-48, L.228-59, R.228-63, R.228-67 and R.228-69 subject to the following provisions:

(a) **Legal Personality:**

The Masse will be a separate legal entity and will act in part through a representative (the “**Representative**”) and in part through a general meeting of the Noteholders (the “**General Meeting**”).

The Masse alone, to the exclusion of all individual Noteholders, shall exercise the common rights, actions and benefits which now or in the future may accrue respectively with respect to the Notes.

(b) **Representative:**

The office of Representative may be conferred on a person of any nationality. However, the following persons may not be chosen as Representative:

- (i) the Issuer, the members of its Board of Directors (*Conseil d'Administration*), its general managers (*directeurs généraux*), its statutory auditors, or its employees as well as their ascendants, descendants and spouse; or
- (ii) companies guaranteeing all or part of the obligations of the Issuer, their respective managers (*gérants*), general managers, members of their Board of Directors, Executive Board (*Directoire*), or Supervisory Board (*Conseil de Surveillance*), their statutory auditors, or employees as well as their ascendants, descendants and spouse;
- (iii) companies holding 10 per cent. or more of the share capital of the Issuer or companies having 10 per cent. or more of their share capital held by the Issuer; or
- (iv) persons to whom the practice of banker is forbidden or who have been deprived of the right of directing, administering or managing an enterprise in whatever capacity.

The names and addresses of the initial Representative of the Masse and its alternate will be set out in the relevant Final Terms. The Representative appointed in respect of the first Tranche of any Series of Notes will be the Representative of the single Masse of all Tranches in such Series.

The Representative will be entitled to such remuneration in connection with its functions or duties as set out in the relevant Final Terms.

In the event of death, retirement or revocation of appointment of the Representative, such Representative will be replaced by another Representative. In the event of the death, retirement or revocation of appointment of the alternate Representative, an alternate will be elected by the General Meeting.

All interested parties will at all times have the right to obtain the names and addresses of the Representative and the alternate Representative at the head office of the Issuer and the specified offices of any of the Paying Agents.

(c) **Powers of Representative:**

The Representative shall have the power to take all acts of management necessary in order to defend the common interests of the Noteholders .

All legal proceedings against the Noteholders or initiated by them, must be brought by or against the Representative.

The Representative may not be involved in the management of the affairs of the Issuer.

(d) **General Meeting:**

A General Meeting may be held at any time, on convocation either by the Issuer or by the Representative. One or more Noteholders, holding together at least one-thirtieth of the principal

amount of the Notes outstanding, may address to the Issuer and the Representative a demand for convocation of the General Meeting. If such General Meeting has not been convened within two months after such demand, the Noteholders may commission one of their members to petition a competent court in Paris to appoint an agent (*mandataire*) who will call the General Meeting.

Notice of the date, hour, place and agenda of any General Meeting will be published as provided under Condition 15.

Each Noteholder has the right to participate in a General Meeting in person, by proxy, correspondence, or, if the *statuts* of the Issuer so specify¹, videoconference or any other means of telecommunication allowing the identification of the participating Noteholders. Each Note carries the right to one vote or, in the case of Notes issued with more than one Specified Denomination, one vote in respect of each multiple of the lowest Specified Denomination comprised in the principal amount of the Specified Denomination of such Note.

(e) Powers of the General Meetings:

The General Meeting is empowered to deliberate on the dismissal and replacement of the Representative and the alternate Representative and also may act with respect to any other matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the Notes, including authorising the Representative to act at law as plaintiff or defendant.

The General Meeting may further deliberate on any proposal relating to the modification of the Conditions including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, it being specified, however, that the General Meeting may not increase the liabilities (*charges*) of the Noteholders nor establish any unequal treatment between the Noteholders.

General Meetings may deliberate validly on first convocation only if Noteholders present or represented hold at least a fifth of the principal amount of the Notes then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a two-third majority of votes cast by Noteholders attending such General Meetings or represented thereat.

In accordance with Article R.228-71 of the French *Code de commerce*, the right of each Noteholder to participate in General Meetings will be evidenced by the entries in the books of the relevant Euroclear France Account Holder of the name of such Noteholder as of 0:00, Paris time, on the third business day in Paris preceding the date set for the meeting of the relevant general assembly.

Decisions of General Meetings must be published in accordance with the provisions set forth in Condition 15.

(f) Information to Noteholders:

Each Noteholder or Representative thereof will have the right, during the 15-day period preceding the holding of each General Meeting, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented at the General Meeting, all of which will be available for inspection by the relevant Noteholders at the registered office of the Issuer, at the specified offices of any of the Paying Agents and at any other place specified in the notice of the General Meeting.

¹ At the date of this Base Prospectus the *statuts* of LVMH do not contemplate the right for a Noteholder to participate in a General Meeting by videoconference or any other means of telecommunication allowing the identification of the participating Noteholders.

(g) **Expenses:**

The Issuer will pay all expenses relating to the operation of the Masse, including expenses relating to the calling and holding of General Meetings and, more generally, all administrative expenses resolved upon by the General Meeting, it being expressly stipulated that no expenses may be imputed against interest payable under the Notes.

(h) **Single Masse:**

The holders of Notes of the same Series, and the holders of Notes of any other Series which have been assimilated with the Notes of such first mentioned Series in accordance with Condition 14, shall, for the defence of their respective common interests, be grouped in a single Masse. The Representative appointed in respect of the first Series of Notes issued will be the Representative of the single Masse of all such Series.

For the avoidance of doubt, in this Condition 11 “**outstanding**” shall not include those Notes subscribed or purchased by the Issuer pursuant to Article L.213-1 A of the Code that are held by it and not cancelled.

12 Modifications

These Conditions may be amended, modified or varied in relation to any Series of Notes by the terms of the relevant Final Terms in relation to such Series.

13 Replacement of definitive Notes, Receipts, Coupons and Talons

If, in the case of any Materialised Bearer Notes, a Definitive Materialised Bearer Note, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and Regulated Market or stock exchange regulations, at the specified office of the Fiscal Agent or such other Paying Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Definitive Materialised Bearer Note, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Definitive Materialised Bearer Notes, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Definitive Materialised Bearer Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

14 Further Issues and Consolidation

- (a) **Further Issues:** The Issuer may from time to time without the consent of the Noteholders, Receiptholders or Couponholders create and issue further Notes to be assimilated (*assimilées*) with the Notes provided such Notes and the further Notes carry rights identical in all respects (or in all respects save for the principal amount thereof and the first payment of interest in the relevant Final Terms) and that the terms of such Notes provide for such assimilation and references in these Conditions to “**Notes**” shall be construed accordingly.
- (b) **Consolidation:** Unless otherwise specified in the relevant Final Terms, the Issuer may, with the prior approval of the Consolidation Agent, from time to time on any Interest Payment Date occurring on or after the Redenomination Date on giving not less than 30 days’ prior notice to the Noteholders in accordance with Condition 15, without the consent of the Noteholders, Receiptholders or Couponholders, consolidate the Notes of one Series with the Notes of one or more other Series issued by it, whether or not originally issued in one of the European national currencies or in Euro, provided such other Notes have been redenominated in Euro (if not originally denominated in Euro) and which otherwise have, in respect of all periods subsequent to such consolidation, the same terms and conditions as the Notes.

15 Notices

- (a) Subject as provided in Condition 15(c) below, notices to the holders of Dematerialised Notes in registered form (*au nominatif*) shall be valid if either, (i) they are mailed to them at their respective addresses, in which case they will be deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the mailing, or, (ii) they are published (a) so long as such Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so permit, on the website of the Luxembourg Stock Exchange (www.bourse.lu) or, (b) at the option of the Issuer, in a leading daily newspaper with general circulation in Europe (which is expected to be the *Financial Times*) and so long as such Notes are listed and admitted to trading on any stock exchange including any Regulated Market and the rules of such stock exchange(s) so require, in a leading daily newspaper with general circulation in the city/ies where the stock exchange(s) on which such Notes are listed and admitted to trading is located, which in the case of the Luxembourg Stock Exchange is expected to be the *Luxemburger Wort*.
- (b) Subject as provided in Condition 15(c) below, notices to the holders of Materialised Bearer Notes and Dematerialised Notes in bearer form shall be valid if published in a daily leading newspaper of general circulation in Europe (which is expected to be the *Financial Times*) and so long as such Notes are listed and admitted to trading on any stock exchange including any Regulated Market, in a leading daily newspaper with general circulation in the city/ies where the stock exchange on which such Notes is/are listed and admitted to trading which in the case of the Luxembourg Stock Exchange, is expected to be the *Luxemburger Wort*. Such notices may also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu). If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Materialised Bearer Notes in accordance with this Condition.
- (c) Notices required to be given to the holders of Dematerialised Notes (whether in registered or in bearer form) pursuant to these Conditions may be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream, Luxembourg and any other clearing system through which the Notes are for the time being cleared in substitution for the mailing and publication as required by Conditions 15(a) and (b) above; except that (i) (a) so long as such Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange and the rules of such Stock Exchange so permit, notices shall also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu), or (b) so long as such Notes are listed and admitted to trading on any Regulated Market(s) or stock exchange(s) and the rules of that Regulated Market or stock exchange(s) so require, notices will be published in a leading daily newspaper of general circulation in the city/ies where the Regulated Market(s) or stock exchange(s) on which such Note(s) is/are listed and admitted to trading are/is situated which, in the case of the Luxembourg Stock Exchange, is expected to be the *Luxemburger Wort*, and (ii) notices relating to the convocation and decision(s) of the General Meetings pursuant to Condition 11 shall also be published in a leading daily newspaper of general circulation in Europe.

16 Governing Law and Jurisdiction

- (a) **Governing Law:** The Notes and, where applicable, the Receipts, the Coupons and the Talons, and any non-contractual obligations arising out of or in connection with them, are governed by, and shall be construed in accordance with, French law.

- (b) **Jurisdiction:** Any claim against the Issuer in connection with any Notes, Receipts, Coupons or Talons may be brought before any competent court in Paris.

TEMPORARY GLOBAL CERTIFICATES ISSUED IN RESPECT OF MATERIALISED BEARER NOTES

Temporary Global Certificates

A Temporary Global Certificate, without interest Coupons, will initially be issued in connection with Materialised Bearer Notes. Upon the initial deposit of such Temporary Global Certificate with a common depositary for Euroclear and Clearstream, Luxembourg (the “**Common Depositary**”), Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

The Common Depositary may also credit with a nominal amount of Notes the accounts of subscribers with (if indicated in the relevant Final Terms) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, a nominal amount of Notes that is initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

Exchange

Each Temporary Global Certificate issued in respect of Notes will be exchangeable, free of charge to the holder, on or after its Exchange Date (as defined below):

- (i) if the relevant Final Terms indicates that such Temporary Global Certificate is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see “General Description of the Programme - Selling Restrictions”), in whole, but not in part, for the Definitive Materialised Bearer Notes and
- (ii) otherwise, in whole but not in part upon certification as to non-U.S. beneficial ownership (the form of which shall be available at the specified offices of the Paying Agents) for Definitive Materialised Bearer Notes.

Delivery of Definitive Materialised Bearer Notes

On or after its Exchange Date, the holder of a Temporary Global Certificate may surrender such Temporary Global Certificate to or to the order of the Fiscal Agent. In exchange for any Temporary Global Certificate, the Issuer will deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Materialised Bearer Notes. In this Base Prospectus, Definitive Materialised Bearer Notes means, in relation to any Temporary Global Certificate, the Definitive Materialised Bearer Notes for which such Temporary Global Certificate may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Temporary Global Certificate and a Talon). Definitive Materialised Bearer Notes will be security printed in accordance with any applicable legal and stock exchange requirements. Forms of such Definitive Materialised Bearer Notes shall be available at the specified offices of each of the Paying Agents.

Exchange Date

“**Exchange Date**” means, in relation to a Temporary Global Certificate, the day falling after the expiry of 40 days after its issue date, provided that, in the event any further Materialised Notes are issued prior to such day pursuant to Condition 14(a), the Exchange Date for such Temporary Global Certificate shall be postponed to the day falling after the expiry of 40 days after the issue of such further Materialised Notes.

USE OF PROCEEDS

Unless otherwise specified in the relevant Final Terms, the net proceeds of the issue of the Notes will be used for the Issuer's general corporate purposes.

SELECTED FINANCIAL INFORMATION

As of 31 December 2011, LVMH had a shareholders' equity of 23,512 million euros (compared to 18,204 million euros as of 31 December 2010) and a net financial debt of 4,660 million euros, compared to 2,678 million euros as of 31 December 2010.

Profit from recurring operations for the year ended on 31 December 2011 amounted to 5,263 million euros (compared to 4,321 million euros in 2010). Group share of net profit for the year ended on 31 December 2011 amounted to 3,065 million euros (compared to 3,032 million euros in 2010).

Figures shown in the table below are extracted from LVMH audited annual consolidated financial statements and were established in accordance with IFRS.

(consolidated financial data, millions of euros)	As of 31 December	
	2011	2010
Equity	23,512	18,204
Net financial debt	4,660	2,678
Long-term borrowings	4,132	3,432
Short-term borrowings	3,134	1,834
Balance sheet total	47,069	37,164

(consolidated financial data, millions of euros)	Fiscal year ended 31 December	
	2011	2010
Revenue	23,659	20,320
Profit from recurring operations	5,263	4,321
Group share of net profit	3,065	3,032
Cash from operations before changes in working capital	6,137	4,848

DESCRIPTION OF LVMH MOËT HENNESSY LOUIS VUITTON

LVMH Moët Hennessy Louis Vuitton was incorporated in France on 1, January 1923 for a term of 99 years (except in the case of early dissolution or extension as provided by the by-laws), as a “*société à responsabilité limitée*”, and transformed on 19 April 1962 into a “*société anonyme*” with a board of directors (*conseil d’administration*). It is governed by French *Code de commerce*, as well as by its by-laws.

LVMH is registered with the *Registre du Commerce et des Sociétés* of Paris under number 775 670 417 and its registered place of business is located at 22, avenue Montaigne, 75008 Paris, France (telephone number: +33 1 44 13 22 22).

LVMH is the holding company of the LVMH Group, managing and coordinating the operational activities of all its subsidiaries, and offering them various management assistance services, particularly in legal, financial, tax and insurance matters. According to Article 2 of its by-laws, LVMH can engage in any taking of interests, through a direct or indirect equity investment, a contribution, merger, spin-off or joint venture with any company or group existing or to be formed, operating any commercial, industrial, agricultural, personal property, real estate or financial operations, and among others:

- trade in champagne and other wines, cognac and other spirits and, more generally, any food or beverage product;
- trade in all pharmaceutical products, perfumes and cosmetics and, more generally, products related to hygiene, beauty and skincare;
- the manufacture, sale and promotion of travel articles, luggage, bags, leather goods, clothing articles, accessories, as well as any high quality and branded articles or products;
- the operation of vineyards, horticultural and arboricultural estates, as well as the development of any related biotechnological process;
- the operation of any real estate;
- the development of any trademark, signature, model, design and, more generally, any industrial, literary or artistic property right.

More generally, to undertake directly any commercial, industrial, agricultural, viticultural operations, or any operation relating to personal or real property, movable or immovable property or financial, management or service operation in any of the fields of activities described in the above paragraph.

BUSINESS OVERVIEW

Business

LVMH Moët Hennessy Louis Vuitton is a luxury products company. The Group is the result of successive alliances among companies that successfully combine traditions of excellence and creative passion, with a spirit of conquest. These companies now form a powerful, global group in which the historic companies share their expertise with the newer brands, and continue to cultivate the art of growing without losing their soul or their image of distinction.

As of 31 December 2011, LVMH distribution network included 3,040 stores and the Group had 97,559 employees.

Main Activities

As of the date of this Base Prospectus, the LVMH Group is organized in five main branches:

Wines & Spirits	Fashion & Leather Goods	Perfumes & Cosmetics	Selective Retailing	Watches & Jewelry
Château d'Yquem	Loewe	Guerlain	Le Bon Marché	Chaumet
Ruinart	Louis Vuitton	Acqua di Parma	La Samaritaine	TAG Heuer
Moët & Chandon	Berluti	Parfums Christian Dior	DFS	Zenith
Hennessy	Fendi	Parfums Givenchy	Miami Cruiseline Services	Bulgari
Veuve Clicquot	Rossimoda	BeneFit Cosmetics	Sephora	Fred
Ardbeg	Céline	Make Up for Ever		Hublot
Château Cheval Blanc	Emilio Pucci	Kenzo Parfums		De Beers Diamond Jewellers
Krug	Kenzo	Fresh		Christian Dior Watches
Glenmorangie	Thomas Pink	Parfums Loewe		
Mercier	Marc Jacobs			
Dom Pérignon	Donna Karan			
Wen Jun				
Domaine Chandon				
Newton				
Cape Mentelle				
Cloudy Bay				
Belvedere				
Numanthia Termes				
Terrazas de los Andes				
10 Cane				
Chopin				

Wines and Spirits

The LVMH Group's Wines and Spirits activities are combined within Moët Hennessy, with the exception of Château d'Yquem and Château Cheval Blanc.

Served by a powerful international distribution network, these emblematic brands (for instance Moët & Chandon, Krug, Veuve Clicquot Ponsardin or Dom Pérignon for champagne, Hennessy for cognac,

Glenmorangie for single-malt whisky and Belvedere for premium vodka), sell exceptional products worldwide.

Outside France, LVMH develops high-end wines from the world's most renowned wine regions. The reputations of these wines are expanding year after year.

Fashion and Leather Goods

Along with Louis Vuitton Malletier, the Fashion and Leather Goods business group includes the Givenchy fashion house, as well as Céline, Loewe, Berluti, Kenzo, Marc Jacobs, Fendi, Emilio Pucci, Rossimoda, Thomas Pink and America's Donna Karan.

While respecting the identity and strategy of each of its brands, the business group provides a powerful infrastructure and shared resources.

Perfumes and Cosmetics

LVMH is a major world player in the Perfumes and Cosmetics sector with the large French houses Parfums Christian Dior, Guerlain, Parfums Givenchy and Parfums Kenzo.

In addition to these world-renowned brands, this business group also includes BeneFit and Fresh, two young, high growth American cosmetics companies, the prestigious Italian brand Acqua di Parma, Parfums Loewe, developed for the Spanish Fashion and Leather goods company, and Make Up for Ever, a French company specializing in professional make-up products. Fendi perfumes, launched recently, are also part of this business group.

Watches and Jewelry

The most recent LVMH business group holds a portfolio of high-quality watch and jewelry brands, with highly complementary market positions: TAG Heuer, the world's leading maker of luxury sports watches and chronographs; Zenith an upscale manufacture famous for its El Primero movement; Hublot, renowned for its original concept combining noble materials with state-of-the-art technology; Montres Dior, which offers collections inspired by the creations of the fashion house; Chaumet, the prestigious historic Place Vendôme jeweler in Paris; Fred, the designer of contemporary jewelry.

De Beers Diamond Jewellers, a joint venture formed in July 2001, is positioning itself as a diamond jeweller. In 2011, Watches and Jewelry integrated the internationally recognized Italian brand Bulgari.

Selective Retailing

The selective retailing businesses are organized to promote an environment that is appropriate to the image and status of the luxury brands. These companies are expanding in Europe, North America and Asia, and operate in two segments – distribution to international travelers, the business of DFS and Miami Cruiseline, and selective retailing concepts represented by Sephora and Le Bon Marché.

Other activities

LVMH is present in the media sector through Groupe Les Echos, which holds the French print media publications *Les Echos*, *Investir* and *Connaissance des Arts*, as well as the French radio station *Radio Classique*. LVMH is also active in the designing and building of custom mega-yachts through Royal van Lent and its brand Feadship. The Other Activities segment also includes La Samaritaine, a real estate complex located in the heart of Paris, beside the Seine river. An architectural plan has been drawn up that would transform the building into a hotel, office, shopping mall and social housing complex, subject to administrative authorizations being obtained.

Principal markets

LVMH operates on all major markets. In 2011, the breakdown of total net sales by geographic region of delivery was as follows: France: 12%; Rest of Europe: 21%; United States: 22%; Japan: 8%; Rest of Asia: 27%; Other markets: 10%.

The breakdown of sales by activity in 2011 was as follows:

%	Wines & Spirits	Fashion & Leather Goods	Perfumes & Cosmetics	Watches & Jewelry	Selective Retailing
France	8	8	10	7	20
Rest of Europe	22	20	37	26	10
United States	23	18	9	13	36
Japan	6	14	6	14	2
Rest of Asia	26	32	22	26	26
Other markets	15	8	16	14	6

Of the 97,559 employees as of 31 December 2011, more than 79% are located outside France: 24% in the rest of Europe, 24% in the United States, 5% in Japan, 21% in the rest of Asia, and 5% in other regions.

Recent products and activities

Wines and Spirits

Wines and Spirits achieved 10% organic revenue growth in 2011. The business group's profit from recurring operations rose 18%. By maintaining its value-oriented strategy during the market downturn of 2009, Wines and Spirits took full advantage of the pick-up in demand. Overall sales of all champagne brands rose 5% by volume at constant consolidation scope and Hennessy cognac sales were up 6%. A stronger product mix and a firm policy of premium pricing also contributed to these excellent results.

Moët & Chandon reaffirmed its momentum and consolidated its leading position in the world of champagne. The brand successfully rolled out Moët Ice Impérial, the first champagne made to be consumed over ice. To mark the brand's presence in China since 1843, the Moët & Chandon hot air balloon took off from Beijing for a trip around the globe that will continue in 2012.

Dom Pérignon's sales surged in most regions. This excellent performance was attributable to the unprecedented success of the 2002 vintage, which was universally acclaimed by consumers and opinion leaders alike. A new advertising campaign directed by David Lynch underscores the brand's exclusive commitment to vintage champagnes.

Mercier, which has become synonymous with conviviality and authenticity, consolidated its position in the traditional restaurant segment and is preparing a new edition of its Lieux de Toujours restaurant guide that will also be made available on the Internet.

Ruinart, whose main strategic focus is to expand its range of prestige cuvée champagnes, increased sales substantially, particularly in Western Europe and the United States. The year-end also saw the release of two new vintages: Dom Ruinart 2002 and Dom Ruinart Rosé 1998.

Veuve Clicquot confirmed the success of its value-creation strategy served by continuous innovation. Veuve Clicquot Rosé posted excellent sales and has earned a position as the brand's secondbest selling champagne

after Brut Carte Jaune. Veuve Clicquot is consolidating its positions in Europe and has experienced impressive growth in new markets, such as Australia, Brazil and Argentina.

Krug achieved excellent momentum in Europe and Asia and is continuing its redeployment in the US market. Faithful to its historic values of sharing and generosity, Krug invented a new concept called “Lieux éphémères” (ephemeral places), which positively surprised participants in such cities as New York, Los Angeles, Paris and Milan.

Estates & Wines, Moët Hennessy’s sparkling and still wines division, is growing steadily. Chandon has made strong gains, particularly in South America and Asia, and Terrazas de los Andes (Argentina) and Cloudy Bay (New Zealand) have been making good progress in key markets.

Sales of Château d’Yquem, the undisputed king of the Sauternes wines, were in keeping with its prestigious image. The vintages currently available offer a broad spectrum of aromas that are appreciated the world over, particularly in Asia.

Château Cheval Blanc inaugurated its new wine cellars, designed by French architect Christian de Portzamparc. The first release of the 2010 vintage, in July 2011, was a major success with prices reaching record levels.

Hennessy cognac maintained its robust growth trend in 2011, with sales increasing 6% by volume. Premium brands did exceptionally well. With sales at record levels, Hennessy has consolidated its position as the world’s best-selling cognac, in terms of both volume and value.

Asia is the main growth region, with all of the brand’s cognacs boasting double-digit revenue growth, notably in China and Vietnam. In the United States, high sales volume was maintained in a still sluggish economic environment and some encouraging signs of recovery were observed in the second half of the year. With Fine de Cognac, Hennessy strengthened its position in Europe. In Russia, a new commercial organization was established, which is wholly owned by Moët Hennessy.

Beyond its historical markets, Hennessy pursued its strategy to penetrate emerging markets, such as Mexico, Nigeria, South Africa and central Europe.

Glenmorangie and Ardbeg single-malt whiskies are stepping up the pace of their development. Glenmorangie’s new “Unnecessarily Well Made” advertising campaign had a big impact. Ardbeg continues to consolidate its position as the absolute benchmark for Islay malt whiskies.

Belvedere vodka grew strongly in the United States and gained market share elsewhere. The successful releases of Belvedere Bloody Mary and Belvedere Unfiltered contributed to the brand’s rapidly growing popularity throughout the world.

Fashion and Leather Goods

Fashion and Leather Goods generated organic revenue growth of 16% in 2011. Profit from recurring operations for this business group was up 20%.

Propelled by the exceptional creativity of its products and its unequalled savoir-faire steeped in exacting craftsmanship, Louis Vuitton records steady and robust growth year after year. Once again in 2011, the brand saw double-digit revenue growth, thus continuing on its stellar course and consolidating its leadership position in the luxury goods sector. Paired with its consistently high profitability, Louis Vuitton’s performance demonstrates the ever greater attractiveness and visibility of the brand as well as its organization’s exceptional ability to adapt quickly to changing circumstances. Louis Vuitton’s loyal customers demand the best possible quality, exclusive products, and an unparalleled level of service, and thus find that the brand’s values mirror their own. Louis Vuitton is also attracting growing numbers of new customers from Asia and South America, further contributing to the brand’s phenomenal development. In

2011, growth was particularly remarkable in Europe, the United States and Asia. Business activity held up well in Japan, despite the dramatic events in the month of March.

All product categories are driving Louis Vuitton's exceptional performance. In leather goods, the long-standing Damier line is still making strong advances, while the new Empreinte collection in soft leather has also met with considerable success. The production capacity has been increased during the year with, in particular, the opening of a new workshop in Marsaz in the Drôme region of France. In Louis Vuitton's retail network, the year's high points were the inauguration of the Maison in Milan on Via Montenapoleone and the unveiling of the "Island Maison" at the Marina Bay in Singapore.

As was the case in 2010, sophistication and personalization were again the watchwords in 2011, placing the customer more than ever before at the heart of the brand's strategy. The brand's new high-end leather goods special-order line is also a fine illustration of this strategy, giving customers a cornucopia of alternatives to choose from to experience the thrill of owning a truly unique design. In 2011, the brand further increased its use of fine and exotic leathers. Following the launch of the soft-leather Empreinte line, another step forward has now been taken, with the introduction of pieces made of exotic leathers such as crocodile, python or ostrich, which are becoming more prevalent in the collections. In 2011, Louis Vuitton honored its commitment to ever greater mastery and excellence as demonstrated by the acquisition of Heng Long, a top-tier exotic leather tannery and La Fabrique du Temps, a Swiss luxury watchmaking workshop specializing in the design of high-end watch movements.

Constant innovation and the will to remain at the forefront of its field and to cultivate difference – all of these ambitions are reflected in Louis Vuitton's communications strategy. Two notable developments during the year were the designation of Angelina Jolie as the new iconic ambassador for its core values campaign and a new website inviting users from around the world to experience a journey. In addition, an exhibition retracing the crowning moments in the history of Louis Vuitton at the National Museum of China and the opening of a space dedicated to contemporary art at the Louis Vuitton Maison in Tokyo's Omotesando district were among the initiatives in 2011 illustrating the brand's strong ties with the world of culture and art.

Thanks to its distinctive image and its iconic products presented in a retail network placing increasing emphasis on the highest possible quality, Fendi confirmed its exceptional appeal once again in 2011, delivering record-setting results in terms of both revenue and profitability. All of the brand's product categories recorded strong revenue growth. Its Peekaboo line, the epitome of Fendi's high-end craftsmanship, remained a landmark collection for the brand.

Fendi is seeing strong growth across all world regions, with particularly remarkable results in China. The Japanese market saw a strong recovery in the second part of the year.

Underscoring the noble Italian brand's fundamental values of craftsmanship and creativity, 2011 saw the launch of Fendi's new event concept "Fatto a Mano for the Future", which reunites artisans, artists and designers.

Donna Karan recorded another year of solid growth in revenue and profit. Donna Karan Collection, the brand's luxury line, recently enhanced by the addition of the Casual Luxe collection, continues to achieve excellent results. The good results of the accessories collection sold under the DKNY label demonstrate the effectiveness of the strategy pursued for the creative development of the brand. The anticipated transfer of the DKNY Jeans license in North and South America will strengthen the control over one of its emblematic businesses, opening up new development opportunities.

Marc Jacobs enjoyed rapid growth in 2011, spurred by strong results across all geographic regions. A ten-time winner at the annual "Council of Fashion Designers of America" (CFDA) Awards, the designer's runway shows during the year again generated considerable excitement and were enthusiastically applauded by the international press. Designs in the Marc Jacobs Collection are much in demand and the

heightened sophistication of the Marc by Marc Jacobs second line is winning over fans. The brand continues to expand its presence in high-potential markets.

Loewe recorded very strong revenue growth and a significant increase in profitability. Men's accessories reaffirmed their strong growth potential. Growth was strong across all of the brand's markets, with China in the lead. Store renovations are continuing, using the concept developed by the architect Peter Marino.

Céline performed remarkably well in 2011, attaining record-setting revenue and profit levels. Driven by the success of the collections created by Phoebe Philo, this exceptional performance was consistent across all geographic regions and product categories. The brand's leather goods saw impressive growth and the ready-to-wear collections have vigorously reaffirmed the brand's identity and consolidated its market position, associated with iconic modernity, timeless elegance and quality. Céline has launched a renovation and expansion project for its network of stores.

Kenzo focused on its repositioning around the brand's original values, now the responsibility of the new creative team of Humberto Leon and Carol Lim.

Givenchy continued its progress during the year, with all of its lines making strong advances. Women's ready-to-wear performed well, thus confirming the successful creative revitalization of the fashion house. The brand's leather lines recorded strong growth, thus reaffirming their iconic status. Men's ready-to-wear is reaping the rewards of the successful repositioning of its collections, turning in excellent results in China and the United States.

Building on the success of its shirt collections and their thoroughly British tailoring and style, Thomas Pink recorded robust growth in revenue and introduced a new retail concept, representing a modern take on London's Jermyn Street heritage.

Pucci is reaping the benefits of its efforts to refocus its collections, backed by the brand's strong core values. Recent additions to its ready-to-wear and accessories collections were warmly received.

Berluti has reaffirmed its status as a house dedicated exclusively to its discerning male customers, successfully combining craftsmanship, tradition and modernity. The brand has named Alessandro Sartori as its creative director thus staking a claim in a new territory, ready-to-wear, whose first collection received an enthusiastic welcome. Berluti is focusing expansion efforts in its network of owned stores and is taking back control of its distribution in China and Hong Kong.

Perfumes and Cosmetics

The Perfumes and Cosmetics business group posted 9% organic revenue growth in 2011. Profit from recurring operations rose 8% (at constant consolidation scope) against a background of robust commercial and advertising investments. The change in consolidation scope corresponds to the disposal of La Brosse et Dupont business at the end of 2010. All brands benefited from the vigor of the Asian and US markets. Despite a mixed business environment toward the end of the year, Europe also made a positive contribution to growth.

Parfums Christian Dior confirmed its strong momentum in 2011, in a highly competitive global market. The brand promoted its values of excellence and creativity through investments in major media campaigns that were closely associated with the "Haute Couture".

The exceptional vitality of its star product lines enabled perfume sales to make strong progress and outperform the market. J'adore continues to gain market share in all countries. This classic perfume has significantly strengthened its leadership in the French market. Miss Dior, the company's first perfume created in 1947 by its founder Christian Dior, recorded an excellent performance. The men's fragrances, Dior Homme and Eau Sauvage, are making steady progress. Dior is also strengthening its position in high

perfumery, through the international expansion of the Collection Privée Christian Dior, the creation of Dior's perfume designer François Demachy.

Make-up posted solid revenue growth, thanks to strong flagship products and successful new products. The new Dior Addict Lipstick is a historic success, becoming the leader in most markets in just a few months. The successful relaunch of Diorskin Forever has boosted the performance of the strategic foundation cream segment, while sales of the new fingernail polish colors, directly inspired by the "Haute Couture", continued to soar.

In the area of skincare, Capture One Essential, a new generation serum, has been doing exceptionally well in Asia and the new premium Prestige line was launched successfully in Europe.

Guerlain achieved record revenue and profit. Guerlain has been focusing on specific geographic markets, and in particular on Asia and France, where it continues to increase market share. Shalimar has strengthened its line with a new addition and consolidated its market positions, joining the select group of France's top-five selling perfumes. Skincare revenue was strong once again in 2011, thanks in particular to the premium Orchidée Impériale line. Make-up revenue was boosted by the very positive response to the new Rouge Automatique lipstick and the growing popularity of Terracotta and Lingerie de Peau.

Guerlain is expanding its highly selective distribution network by opening new boutiques in France, the Middle East and China.

Parfums Givenchy increased revenue significantly, further improved its operating profit margin. Sales of Very Irresistible and Ange ou Démon are growing steadily. The new Dahlia Noir fragrance, whose creation was overseen by Riccardo Tisci, has been launched in several countries and is off to a promising start.

Kenzo Parfums' revenue was underpinned by the robust performance of its star perfume, Flower by Kenzo, and by the launch of its new Madly Kenzo Eau de Parfum in several countries.

Fendi Parfums, which resumed business in the second half of 2010 with the launch of Fan di Fendi, is pursuing its global expansion.

Benefit's original market positioning once again enabled the brand to enjoy double-digit revenue growth and an excellent profit margin. Two of the year's most successful innovations were They're Real mascara and the b.right skincare line. Benefit has consolidated its presence in Southeast Asia, and is making a very promising debut in Brazil.

Make Up For Ever posted another year of exceptional growth. This may be attributed to the high quality of its products, which are enthusiastically endorsed by professional make-up artists. Its emblematic lines, HD and Aqua, continue to grow strongly. The brand opened two boutiques in Los Angeles and Paris.

Parfums Loewe has been holding up well in its home country and is pursuing its international expansion.

Fresh is expanding its distribution network in Asia. Acqua di Parma has launched a new communication campaign to emphasize its historic roots and timeless elegance.

Watches and Jewelry

Watches and Jewelry generated organic revenue growth of 23% in 2011. Profit from recurring operations for this business group doubled, reflecting both the like-for-like growth of 41% and the impact of the consolidation of Bulgari from 30 June 2011.

TAG Heuer set new records for revenue and profitability in 2011. The brand posted strong organic revenue growth in all of its markets, with particularly remarkable results in China and South Korea.

TAG Heuer perpetuated its unique expertise in mastering speed and precision in 2011 by launching the Mikrograph 100 and the Mikrotimer Flying 1000, entirely developed and manufactured in its own workshops. The brand continues to expand its retail network and now has nearly 130 stores worldwide

(owned and franchised). In addition, TAG Heuer is working to further industrialize its processes, as evidenced by the Calibre 1887, the brand's first automatic movement built in-house. TAG Heuer's industrial integration is also extending to other strategic components, with the acquisition of ArteCad, a leading Swiss manufacturer of watch dials. Also present in the manufacture of watch cases through its subsidiary Cortech, TAG Heuer is staking its place in the production of mechanical movements, cases and dials.

Hublot has stepped up its expansion efforts on all fronts and performed exceptionally well in 2011. The year was marked by a number of high-profile innovations, including Masterpieces, a new collection dedicated to grand complications (watches involving complex horological features), and the development of a new scratch-resistant material called Magic Gold. The brand has enhanced its production capacities for watch movements and now directly manages all manufacturing processes for its UNICO chronograph movement and the mechanisms of its Grand Complications, part of a strong value-added strategy. Moreover, the strategic integration of technological know-how has intensified, with the construction of a manufacturing facility for watch micro-components, a foundry for the production of pieces made of Magic Gold, and the acquisition of Profusion, a distributor of carbon fiber parts and components. Hublot doubled the number of its stores worldwide and operated a total of 40 boutiques at the end of 2011.

Manufacture Zenith furthered its progress in 2011 and confirmed its status as a rising star in the rarefied world of prestige watchmakers. The full renewal of its collections is now complete, structured around the brand's five iconic lines. Zenith has seen strong growth in Asia and the selective expansion of its retail network continues in high-potential markets, most notably with the opening of two new boutiques in Hong Kong and Geneva.

Bulgari recorded strong revenue growth in 2011 across all its product categories through its own stores as well as its other distribution channels.

An exceptional exhibition held in Paris and in Beijing, "Bulgari: 125 Years of Italian Magnificence", retraced the main chapters in the Italian jeweler's aesthetic evolution, a journey through history and culture.

Among the most evocative of the brand's iconic themes from the 1950s, Bulgari's Serpenti features prominently in its marketing and in its recent innovations in jewelry, watches and leather goods. Owing to their instantly recognizable designs, their exceptional gemstones, and the superior craftsmanship of Bulgari's artisans, the Italian jeweler's collections were exceedingly well received in 2011, surpassing all expectations. In the perfume segment, the successful launches of the new eau de toilette Bulgari MAN and the eau de parfum Mon Jasmin Noir were among the year's high points. Store expansion and redesign projects are helping to reinforce the retail network's high-end image.

At Chaumet, new jewelry watch creations were introduced in the Bee My Love and Attrape moi si tu m'aimes collections. Following the opening of boutiques in Beijing and Shanghai some time ago, Chaumet continues to expand its presence considerably in China.

Montres Dior is continuing to expand its range of prestige timepieces, creating a sensation during the year with the launch of the Dior VIII collection and the Grand Bal limited edition watch series. This strategy is accompanied by an ever greater selectivity in its distribution channels.

De Beers is the clear front-runner in the diamond solitaire segment and continues to see strong business growth in its various markets, especially in Asia with the successful opening in Beijing of its first store in China.

Fred continues its targeted growth in France and Japan, with its main efforts focused in particular on its iconic Force 10 and Success lines. Celebrating 75 years of highly contemporary designs, the jeweler launched its Pain de Sucre collection in 2011.

Selective Retailing

Selective Retailing achieved organic revenue growth of 19%. Its profit from recurring operations improved by 34%.

DFS saw strong growth of both revenue and profits, driven by the steady rise of Asian tourism. The number of Chinese customers continued to expand at an increasing pace and a stronger yen boosted the purchasing power of Japanese tourists. Growing numbers of new customers from South Korea, the Middle East and India also contributed to these excellent results. The destinations of Hong Kong and Macao are making rapid progress, while North America and the Pacific region further consolidated their positions.

DFS pursued its strategy of moving upmarket and continued to invest in the expansion and renovation of its strategic Gallerias stores in 2011, completing the renovation of its Waikiki, Hawaii Galleria and continuing the expansion and renovation of its Scottswalk, Singapore and Macao stores. DFS is enhancing the appeal of its stores by offering a diversified range of products that includes new luxury brands.

Miami Cruiseline posted robust revenue growth that was driven by the commissioning of large ocean liners fitted with larger shops. Increased spending per passenger has also contributed to this excellent performance. As a new global clientele from Europe and Latin America emerges, Miami Cruiseline is reaping the benefits of its efforts to adapt its marketing strategy and products to the specific requirements of each cruise company's clientele.

Sephora did remarkably well in 2011, gaining market share in all regions. The only global specialist retailer in perfume and cosmetics, Sephora continued to offer shoppers a unique experience of innovative products and exclusive services and actively developed its customer loyalty programs in all regions. At the end of 2011 there were 1,300 Sephora stores in 26 countries.

Sephora further increases its leadership in France and is expanding its network of stores, while continuing to roll out an ambitious innovation-based strategy for services. In a mixed economic environment, Sephora is making progress in other European countries and strengthened its presence in Russia by raising its stake in the Ile de Beauté chain to 65%.

Growth in Northern America was once again strong. The new flagship store in New York, in the heart of the Meatpacking district, features Sephora's latest major innovations, such as a mobile payment system that enables customer service attendants to process customer payments directly.

Sephora further increased market share in China, where it accelerated its growth. A new store concept was launched to accompany the chain's move upmarket. Sephora also attracted quite a bit of attention by sponsoring "Beauty Academy", a popular TV show where talented young make-up artists are discovered.

The chain pursued its expansion in the Middle East and Southeast Asia, with two new stores in Kuala Lumpur, Malaysia. Sephora also opened its first two stores in Mexico.

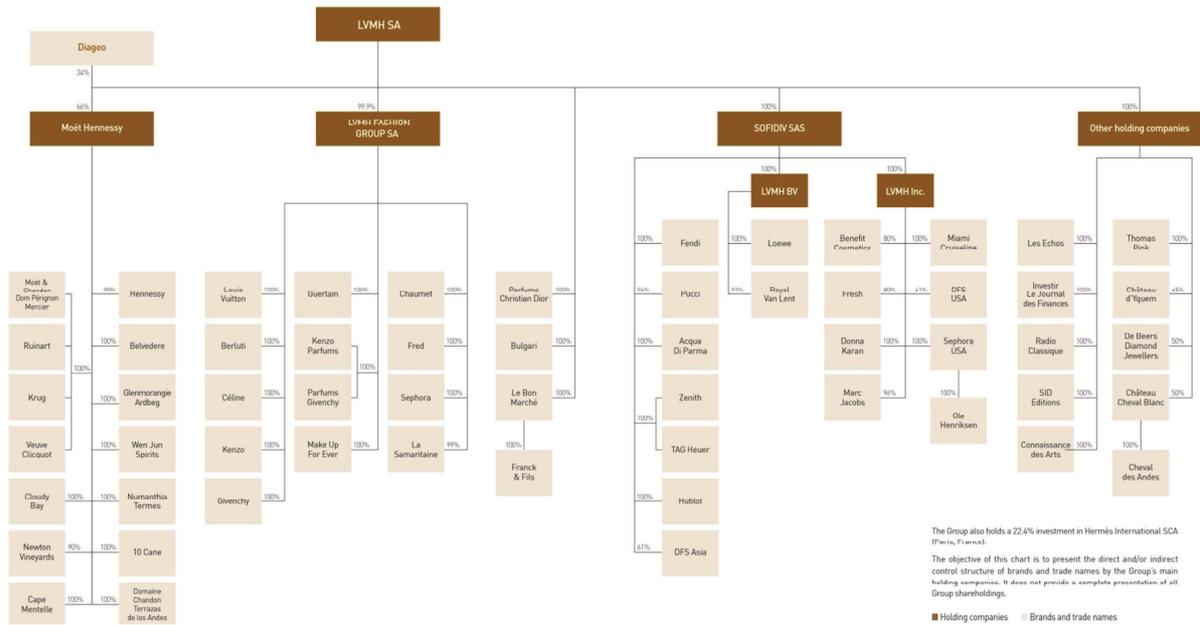
Online sales continued to grow strongly in France, the United States, Brazil and China.

Le Bon Marché, one of the world's most exceptional and prestigious department stores, saw its revenue grow substantially over the year, thanks largely to luxury goods and fashion. The famous Parisian department store on the left bank of the Seine river also benefited from increased spending by foreign customers, which accounted for a significantly higher proportion of overall sales in 2011. The completion of the women's footwear area and the refurbishment of the ground floor also contributed to this growth. Le Bon Marché is preparing new and ambitious projects that include expanding its sales floor by over 4,000 sq.m.

ORGANIZATIONAL STRUCTURE

Simplified organizational chart of the LVMH Group as of 31 January 2012

SIMPLIFIED ORGANIZATIONAL CHART OF THE GROUP AS OF JANUARY 31, 2012



LVMH manages and coordinates the operational activities of all its subsidiaries, and offers them various management assistance services, particularly in legal, financial, tax or insurance matters.

All these services are invoiced to the subsidiaries in question, based on the real cost price or normal market conditions, based on the type of service.

The LVMH Group brands belonging to the various operating subsidiaries, LVMH does not collect any royalties in connection with these brands.

BOARD OF DIRECTORS

Members of the Board of Directors (as of the date of this Base Prospectus)

Bernard Arnault
Chairman and Chief Executive Officer

Pierre Godé
Vice-Chairman and Director

Antonio Belloni
Group Managing Director

Antoine Arnault

Delphine Arnault

Nicolas Bazire

Bernadette Chirac*

Nicholas Clive Worms*

Charles de Croisset*

Diego Della Valle*

Albert Frère*

Gilles Hennessy

Marie-Josée Kravis*

Lord Powell of Bayswater

Yves-Thibault de Silguy*

Francesco Trapani

Hubert Védrine*

Advisory Board Members

Paolo Bulgari

Patrick Houël

Felix G. Rohatyn

Conflict of interest - Corporate governance

Pursuant to the provisions of the Board of Directors' Charter, all Directors must bring to the attention of the Chairman of the Board any instance, even potential, of a conflict of interest that may exist between their duties and responsibilities to the Company and their private interests and/or other duties and responsibilities. They must also provide the Chairman with details of any fraud conviction, any official public incrimination and/or sanctions, any disqualifications from acting as a member of an administrative or management body imposed by a court along with any bankruptcy, receivership or liquidation proceedings to which they have been a party. No information has been communicated with respect to this obligation.

LVMH complies with all legal and regulatory provisions relating to corporate governance currently in force in France.

* Independent Director

Principal titles, positions and offices of the members of the Board of Directors

Members of the Board of Directors

Bernard Arnault

Chairman and Chief Executive Officer of LVMH, France.

Pierre Godé

Vice-Chairman and Director of LVMH, France.

Antonio Belloni

Group Managing Director of LVMH, France.

Antoine Arnault

Chairman of the Executive Board of Berluti SA, France.

Delphine Arnault

Deputy Managing Director of Christian Dior Couture, France.

Nicolas Bazire

Senior Vice-President for Development & Acquisitions of LVMH, France.

Bernadette Chirac

Chairman of the Fondation-Hôpitaux de Paris-Hôpitaux de France, France.

Nicholas Clive Worms

Chief Executive Officer of Worms 1848 SAS, France.

Charles de Croisset

International Advisor to Goldman Sachs International, Great Britain.

Diego Della Valle

Chairman and Managing Director of Tod's S.p.A, Italy.

Albert Frère

Chairman of Frère-Bourgeois SA, Belgium.

Gilles Hennessy

Vice-Chairman of Moët Hennessy, France.

Marie-Josée Kravis

Chairman of the Museum of Modern Art of New-York, United States of America.

Lord Powell of Bayswater

Chairman of the Board of Directors of Capital Generation Partners, Great Britain.

Yves-Thibault de Silguy

Chief Executive Officer of YTSuropaconsultants, France.

Hubert Védrine

Managing Partner of Hubert Védrine (HV) Conseil SARL, France.

Francesco Trapani

President of the Watches and Jewelry business group of LVMH, France.

Advisory Board Members

Paolo Bulgari
Chairman of the Board of Directors of Bulgari S.p.A., Italy.

Patrick Houël
Manager of PGH Consultant SARL, France.

Felix G. Rohatyn
Special Advisor of the President of Lazard Ltd, United-States of America.

The members of the Board of Directors are domiciled for the purpose hereof at the registered office of the Issuer, located at 22 avenue Montaigne, 75008 Paris, France.

PERFORMANCE AUDIT COMMITTEE

Members of the Performance Audit Committee

Yves-Thibault de Silguy^{*}, (Chairman)

Nicholas Clive Worms^{*}

Gilles Hennessy

Structure of the Committee

The Performance Audit Committee (hereinafter “the Committee”) shall be made up of at least three directors, two thirds of whom shall be independent directors. Its members shall be appointed by the Board of Directors.

The Board of Directors shall appoint a Chairman of the Committee from among its members. The maximum term of the Chairman of the Committee is five years.

Neither the Chairman of the Board of Directors nor any Director performing the duties of Chief Executive Officer or Group Managing Director of LVMH may be a member of the Committee.

A Director may not be appointed as a member of the Committee if he or she comes from a company for which an LVMH Director serves as a member of a committee comparable in function.

Role of the Committee

The principal missions of the Committee are to:

- monitor the process for preparing financial information, particularly the individual company and consolidated financial statements, and verify the quality of this information;
- monitor the statutory audit of the individual company and consolidated financial statements by the Statutory Auditors, whose conclusions and recommendations it examines;
- ensure the existence, pertinence, application and effectiveness of internal control and risk management systems, monitor the ongoing effectiveness of these systems, and make recommendations to the Chief

^{*} Independent Director

^{*} Independent Director

Executive Officer concerning the priorities and general guidelines for the work of the Internal Audit team;

- examine risks to the Statutory Auditors' independence and, if necessary, identify safeguards to be put in place in order to minimize the potential of risks to compromise their independence, issue an opinion on the fees paid to the Statutory Auditors, as well as those paid to the network to which they belong, by the Company and the companies it controls or is controlled by, whether in relation to their statutory audit responsibilities or other related assignments, oversee the procedure for the selection of the Company's Statutory Auditors, and make a recommendation on the appointments to be submitted to the Shareholders' Meeting in consideration of the results of this procedure;
- analyze the exposure of the Company and the Group to risks, and in particular to those identified by the internal control and risk management systems, as well as material off-balance sheet commitments of the Company and the Group;
- review major agreements entered into by Group companies and agreements entered into by any Group company with a third-party company in which a Director of the LVMH parent company is also a senior executive or principal shareholder. Significant operations within the scope of the provisions of Article L. 225-38 of the French Commercial Code require an opinion issued by an independent expert appointed upon the proposal of the Performance Audit Committee;
- assess any instances of conflict of interest that may affect a Director and recommend suitable measures to prevent or correct them.

NOMINATIONS AND COMPENSATION COMMITTEE

Members of the Nominations and Compensation Committee

Albert Frère* (Chairman)

Charles de Croisset*

Yves-Thibault de Silguy*

EXECUTIVE COMMITTEE

Members of the Executive Committee

Bernard Arnault

Chairman & Chief Executive Officer

Antonio Belloni

Group Managing Director

Pierre Godé

Vice-Chairman and Director

Nicolas Bazire

Development & Acquisitions

* Independent Director

Ed Brennan

Travel retail

Yves Carcelle

Fashion & Leather Goods

Chantal Gaemperlé

Human Resources, Synergies

Jean-Jacques Guiony

Finance

Christopher de Lapuente

Sephora

Christophe Navarre

Wines & Spirits

Patrick Quart

Advisor to the Chairman

Daniel Piette

Investment funds

Pierre-Yves Roussel

Fashion

Francesco Trapani

Watches and Jewelry

Mark Weber

Donna Karan, LVMH Inc.

The members of Executive Committee are domiciled for the purpose hereof at the registered office of the Issuer, located at 22 avenue Montaigne, 75008 Paris, France.

GENERAL SECRETARY

Marc-Antoine Jamet

STATUTORY AUDITORS

Statutory Auditors:

ERNST & YOUNG et Autres, represented by Olivier Breillot and Gilles Cohen
1, place des Saisons – 92400 Courbevoie – Paris La Défense 1
FRANCE

DELOITTE & Associés, represented by Thierry Benoit
185 avenue Charles de Gaulle, 92524 Neuilly-sur-Seine Cedex
FRANCE

ERNST & YOUNG et Autres (member of the “*Compagnie Régionale des Commissaires aux Comptes de Versailles*”, and registered on the “*Ordre du Conseil Régional de Paris de l’Ordre des Experts Comptables*”) was first appointed by the Annual General Meeting on 9 June 1998. It was reappointed by the Annual General Meeting on 15 April 2010 for a six-year term. This term will expire at the close of the Annual General Meeting convened to approve the accounts for 2015.

DELOITTE & Associés (member of the “*Compagnie Régionale des Commissaires aux Comptes de Versailles*”, and registered on the “*Ordre du Conseil Régional de Paris de l’Ordre des Experts Comptables*”) was first appointed by the Annual General Meeting on 13 May 2004. It was reappointed by the Annual General Meeting on 15 April 2010 for a six-year term. This term will expire at the close of the Annual General Meeting convened to approve the accounts for 2015.

Deputy Statutory Auditors:

M. Denis Grison
61, rue Henri Regnault, 92075 Paris La Défense Cedex
FRANCE

Auditex
1, place des Saisons – 92400 Courbevoie – Paris La Défense 1
FRANCE

INFORMATION RELATING TO LVMH CAPITAL

Share capital

The registered capital of LVMH, as it appears in its by-laws, amounts to 152,300,950.50 euros divided into 507,669,865 shares of a nominal value of 0.30 euro each, all the same class and wholly paid up.

Shareholders and control

As of 31 December 2011, the total issued capital consisted of 507,815,624 shares. 224,575,071 shares had double voting rights.

Shareholders	Number of shares	Number of voting rights ⁽²⁾	% of capital	% of voting rights ⁽²⁾
Arnault family group ⁽¹⁾	236,018,646	450,909,333	46.48	62.38
Other shareholders	271,796,978	271,944,684	53.52	37.62
Total as of 31 December 2011	507,815,624	722,854,017	100.00	100.00

(1) Not including the 6,300,000 share purchase options equivalent to shares held by virtue of Article L 233-9-14° of the French Commercial Code.

(2) Voting rights exercisable in Shareholders' Meetings.

To LVMH's knowledge:

- no shareholder held at least 5% of the Company's share capital and voting rights as of 31 December 2011;
- no shareholder held 5% or more of the Company's share capital or voting rights, either directly, indirectly or acting in concert;
- no shareholders' agreement or any other agreement constituting an action in concert existed involving at least 0.5% of the Company's share capital or voting rights.

As of 31 December 2011, members of the Executive Committee and of the Board of Directors directly and personally held less than 2% of LVMH's share capital and voting rights as registered shares.

As of 31 December 2011, the Company held 9,536,678 shares as treasury shares. Of these shares, 2,039,665 were recognized as short term investments, with the main objective of covering commitment for share purchase option plans and bonus share plans, while the remaining 7,497,013 shares were recognized as long term investments, with the main objective of covering commitments for existing share subscription option plans. In accordance with legal requirements, these shares are stripped of their voting rights.

According to the Charter applicable to all its members, LVMH's Board of Directors acts as guarantor of the rights of each and every shareholder, and ensure they fulfill their duties.

Change in control arrangements

There are no arrangements, known to LVMH, the operation of which may at a subsequent date result in a change in control of LVMH.

**FINANCIAL INFORMATION CONCERNING LVMH'S ASSETS AND LIABILITIES,
FINANCIAL POSITION AND PROFITS AND LOSSES**

Historical financial information

These financial statements are extracted from the full set of audited consolidated financial statements for the year ended 31 December 2011 included in the 2011 Document de Référence, established in accordance with international accounting standards and interpretations (IAS/IFRS) adopted by the European Union and applicable on 31 December 2011.

The 2011 Document de Référence, except for the third paragraph of the statement by the company officer responsible for the *document de référence* on page 256 of such document, is incorporated by reference to this Base Prospectus. For more detailed information about documents incorporated by reference refer to the corresponding section of this Base Prospectus and the cross-reference list it contains.

I – CONSOLIDATED BALANCE SHEET – Assets

ASSETS (EUR millions)	31 Dec. 2011	31 Dec. 2010
Brands and other intangible assets - net	11 482	9 104
Goodwill - net	6 957	5 027
Property, plant and equipment - net	8 017	6 733
Investments in associates	170	223
Non-current available for sale financial assets	5 982	3 891
Other non-current assets	478	319
Deferred tax	716	668
Non-current assets	33 802	25 965
Inventories and work in progress	7 510	5 991
Trade accounts receivable	1 878	1 565
Income taxes	121	96
Other current assets	1 455	1 255
Cash and cash equivalents	2 303	2 292
Current assets	13 267	11 199
Total assets	47 069	37 164

I – CONSOLIDATED BALANCE SHEET – Liabilities

LIABILITIES AND EQUITY (EUR millions)	31 Dec. 2011	31 Dec. 2010
Share capital	152	147
Share premium account	3 801	1 782
Treasury shares and LVMH-share settled derivatives	(485)	(607)
Revaluation reserves	2 689	1 244
Other reserves	12 798	11 370
Cumulative translation adjustment	431	230
Net profit, Group share	3 065	3 032
Equity - Group share	22 451	17 198
Minority interests	1 061	1 006
Total equity	23 512	18 204
Long-term borrowings	4 132	3 432
Provisions	1 400	1 167
Deferred tax	3 925	3 354
Other non-current liabilities	4 506	3 947
Non-current liabilities	13 963	11 900
Short-term borrowings	3 134	1 834
Trade accounts payable	2 952	2 298
Income taxes	443	446
Provisions	349	339
Other current liabilities	2 716	2 143
Current liabilities	9 594	7 060
Total liabilities and equity	47 069	37 164

II – CONSOLIDATED STATEMENT OF INCOME

<i>(EUR millions, except for net profit per share)</i>	2011	2010
Revenue	23 659	20 320
Cost of sales	(8 092)	(7 184)
Gross margin	15 567	13 136
Marketing and selling expenses	(8 360)	(7 098)
General and administrative expenses	(1 944)	(1 717)
Profit from recurring operations	5 263	4 321
Other operating income and expenses	(109)	(152)
Operating profit	5 154	4 169
Cost of net financial debt	(151)	(151)
Other financial income and expenses	(91)	763
Net financial income (expense)	(242)	612
Income taxes	(1 453)	(1 469)
Income (loss) from investments in associates	6	7
Net profit before minority interests	3 465	3 319
Minority interests	(400)	(287)
Net profit - Group share	3 065	3 032
Basic Group share of net profit per share (EUR)	6,27	6,36
Number of shares on which the calculation is based	488 769 286	476 870 920
Diluted Group share of net profit per share (EUR)	6,23	6,32
Number of shares on which the calculation is based	492 207 492	479 739 697

III – CONSOLIDATED STATEMENT OF COMPREHENSIVE GAINS AND LOSSES

<i>(EUR millions)</i>	2011	2010
Net profit before minority interests	3 465	3 319
Translation adjustments	190	701
Tax impacts	47	89
	237	790
Change in value of available for sale financial assets	1 634	294
Amounts transferred to income statement	(38)	38
Tax impact	(116)	(35)
	1 480	297
Change in value of hedges of future foreign currency cash flows	95	(20)
Amounts transferred to income statement	(168)	(30)
Tax impact	21	14
	(52)	(36)
Change in value of vineyard land	25	206
Tax impact	(11)	(71)
	14	135
Gains and losses recognized in equity	1 679	1 186
Comprehensive income	5 144	4 505
Minority interests	(433)	(375)
Comprehensive income, Group share	4 711	4 130

IV – CONSOLIDATED CASH-FLOW STATEMENT

CONSOLIDATED CASH FLOW STATEMENT (EUR millions)	2011	2010
I OPERATING ACTIVITIES AND INVESTMENTS		
Operating profit	5 154	4 169
Net increase in depreciation, amortization and provisions	999	788
Other computed expenses	(45)	(126)
Dividends received	61	20
Other adjustments	(32)	(3)
Cash from operations before changes in working capital	6 137	4 848
Cost of net financial debt: interest paid	(152)	(149)
Income taxes paid	(1 544)	(897)
Net cash from operating activities before changes in working capital	4 441	3 802
Change in inventories and work in progress	(768)	(126)
Change in trade accounts receivable	(65)	(13)
Change in trade accounts payable	331	295
Change in other receivables and payables	(32)	91
Total change in working capital	(534)	247
NET CASH FROM OPERATING ACTIVITIES	3 907	4 049
Purchases of tangible and intangible fixed assets	(1 749)	(1 002)
Proceeds from sale of tangible and intangible fixed assets	31	33
Guarantee deposits paid and other operating investments	(12)	(7)
Operating investments	(1 730)	(976)
NET CASH FROM (USED IN) OPERATING ACTIVITIES AND OPERATING INVESTMENTS (FREE CASH FLOW)	2 177	3 073
II FINANCIAL INVESTMENTS		
Purchase of non-current available for sale financial assets	(518)	(1 724)
Proceeds from sale of non-current available for sale financial assets	17	70
Impact of purchase and sale of consolidated investments*	(785)	(61)
NET CASH FROM (USED IN) FINANCIAL INVESTMENTS	(1 286)	(1 715)
III TRANSACTIONS RELATING TO EQUITY		
Capital increases of LVMH*	94	120
Capital increases of subsidiaries subscribed by minority interests	3	1
Acquisition and disposals of treasury shares and LVMH-share settled derivatives	2	155
Interim and final dividends paid by LVMH	(1 069)	(953)
Interim and final dividends paid to minority interests in consolidated subsidiaries	(189)	(158)
Purchase and proceeds from sale of minority interests	(1 413)	(185)
NET CASH FROM (USED IN) TRANSACTIONS RELATING TO EQUITY	(2 572)	(1 020)

CONSOLIDATED CASH FLOW STATEMENT (EUR millions)	2011	2010
IV FINANCING ACTIVITIES		
Proceeds from borrowings	2 659	564
Repayment of borrowings	(1 005)	(1 290)
Purchase and proceeds from sale of current available for sale financial assets	6	(32)
NET CASH FROM (USED IN) FINANCING ACTIVITIES	1 660	(758)
V EFFECT OF EXCHANGE RATE CHANGES		
	60	188
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (I+II+III+IV+V)	39	(232)
Cash and cash equivalents at beginning of period	2 042	2 274
Cash and cash equivalents at end of period	2 081	2 042
Transactions included in the table above, generating no change in cash: - acquisition of assets by means of finance leases	3	6

**The impact of the amount attributable to the acquisition of Bulgari carried out by the capital increase of LVMH SA is not reflected in these line items*

V – CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>(EUR millions)</i>	Share capital: number of shares	Share capital	Share premium account	Treasury shares and LVMH-share settled derivatives	Cumulative translation adjustment	Revaluation reserves			Net profit and other reserves	Total equity		
						Available for sale financial assets	Future foreign currency cash flows	Vineyard land		Group share	Minority interests	Total
As of 31 December 2009	490 405 654	147	1 763	(929)	(495)	213	63	595	12 439	13 796	989	14 785
Gains and losses recognized in equity					725	297	(32)	108		1 098	88	1 186
Net profit									3 032	3 032	287	3 319
Comprehensive income					725	297	(32)	108	3 032	4 130	375	4 505
Stock option plan and similar expenses									41	41	3	44
(Acquisition)/disposal of treasury shares and LVMH-share settled derivatives				221					(43)	178		178
Exercise of LVMH share subscription options	2 012 478		120							120		120
Retirement of LVMH shares	(1 775 900)		(101)	101						0		0
Capital increase in subsidiaries										0	1	1
Interim and final dividends paid									(953)	(953)	(158)	(1 111)
Changes in control of consolidates entities										0	(3)	(3)
Acquisition and disposal of minority interests' shares									(83)	(83)	(104)	(187)
Purchase commitments for minority interests									(31)	(31)	(97)	(128)
As of 31 December 2010	490 642 232	147	1 782	(607)	230	510	31	703	14 402	17 198	1 006	18 204
Gains and losses recognized in equity					201	1 480	(46)	11		1 646	33	1 679
Net profit									3 065	3 065	400	3 465
Comprehensive income					201	1 480	(46)	11	3 065	4 711	433	5 144
Stock option plan and similar expenses									49	49	3	52
(Acquisition)/disposal of treasury shares and LVMH-share settled derivatives				15					(8)	7		7
Exercise of LVMH share subscription options	1 395 835		94							94		94
Retirement of LVMH shares	(2 259 454)		(107)	107						0		0
Acquisition of a controlling interest in Bulgari	18 037 011	5	2 032						201	2 238	772	3 010
Capital increase in subsidiaries										0	4	4
Interim and final dividends paid									(1 069)	(1 069)	(187)	(1 256)
Changes in control of consolidates entities, excluding Bulgari									-5	(5)	20	15
Acquisition and disposal of minority interests' shares									(681)	(681)	(785)	(1 466)
Purchase commitments for minority interests									(91)	(91)	(205)	(296)
As of 31 December 2011	507 815 624	152	3 801	(485)	431	1 990	(15)	714	15 863	22 451	1 061	23 512

Legal and arbitration proceedings

As part of its day-to-day management, the Group is party to various legal proceedings concerning trademark rights, the protection of intellectual property rights, the protection of Selective Retailing networks, licensing agreements, employee relations, tax audits, and any other matters inherent to its business.

Following the decision delivered in March 2006 by the Conseil de la Concurrence (the French antitrust authority) regarding the luxury perfume sector in France, and the judgment rendered on 26 June 2007 by the Paris Court of Appeal, the Group companies concerned took their case to the Cour de cassation, the highest court in France. In July 2008, the Cour de cassation overturned the decision of the Paris Court of Appeal and referred the case to the same jurisdiction, formed differently. In November 2009, the Court of Appeal set aside

the judgment of the Conseil de la Concurrence due to the excessive length of the proceedings. In November 2010, the Cour de cassation overturned the decision of the Court of Appeal and referred the matter back to the same jurisdiction, formed differently. On 26 January 2012, the Paris Court of Appeal, while reaffirming the decision handed down in 2006 by the Conseil de la Concurrence against France's leading manufacturers and distributors of luxury perfumes and cosmetics relating to events dating back to the period 1997–2000, reduced the total amount of fines imposed on the Group's companies active in this sector to 13 million euros. An appeal has been lodged with the Cour de cassation.

In 2006, Louis Vuitton Malletier and the French companies of the Perfumes and Cosmetics business group filed lawsuits against eBay in the Paris Commercial Court. Louis Vuitton Malletier demanded compensation for losses caused by eBay's participation in the commercialization of counterfeit products and its refusal to implement appropriate procedures to prevent the sale of such goods on its site. The Perfumes and Cosmetics brands sued eBay for undermining their selective retailing networks. In a decision delivered on 30 June 2008, the Paris Commercial Court ruled in favor of LVMH, ordering eBay to pay 19.3 million euros to Louis Vuitton Malletier and 3.2 million euros to the Group's Perfumes and Cosmetics brands. The court also barred eBay from running listings for perfumes and cosmetics under the Dior, Guerlain, Givenchy and Kenzo brands. eBay filed a petition with the Paris Court of Appeal. On 11 July 2008, the President of the Paris Court of Appeal denied eBay's petition to stay the provisional execution order delivered by the Paris Commercial Court. In September 2010, the Paris Court of Appeal confirmed the ruling against eBay handed down in 2008, classifying this company's business as that of a broker and not merely an Internet host. Asserting that it did not have jurisdiction to evaluate the extent of losses caused by some of eBay's sites outside France, the Court reduced the amount of punitive damages to 2.2 million euros for Louis Vuitton Malletier and 0.7 million euros for the Group's Perfumes and Cosmetics brands, as the initial amount had been determined on the basis of eBay's worldwide operations. In response, eBay has filed an appeal on points of law with the Cour de cassation. In a decision dated 3 May 2012, the Cour de cassation has confirmed the analysis of the Paris Court of Appeal which states that eBay has a brokerage activity and not only a hosting activity, but has overturned its decisions about its competence to judge the company eBay inc. It has referred the parties to the Paris Court of Appeal.

Following the announcement by LVMH in October 2010 of its acquisition of a stake in the share capital of Hermès International, the Autorité des Marchés Financiers (the French financial markets regulation authority) decided to launch an investigation into the market and financial disclosures relating to Hermès and LVMH shares. This investigation is currently under way.

In January 2011, the Paris Administrative Court canceled the order issued in 2007 that had granted Fondation Louis Vuitton a building permit for the construction of a modern and contemporary art museum in the Bois de Boulogne. The Fondation is financed by Group contributions as part of the Group's cultural sponsorship activities. The Fondation and the City of Paris have appealed the ruling of the Paris Administrative Court. In view of the nature of this project as beneficial to society and in keeping with the public interest, the French parliament passed a resolution validating the canceled building permits on the grounds advanced by the Administrative Court. In a decision dated 24 February 2012, the Constitutional Council has confirmed the conformity of this legislative resolution with the Constitution. On 18 June 2012, the Paris Administrative Court of Appeal overturned the decision of the Paris Administrative Court and confirmed the validity of the building permit granted to Fondation Louis Vuitton.

To the best of the Company's knowledge, there are no pending or impending administrative, judicial or arbitration procedures that are likely to have, or have had over the twelve-month period under review, any significant impact on the financial position or profitability of the Company and/or the Group.

Trend information and no material adverse change

There has been no significant change in the financial or trading position of LVMH or the LVMH Group and no material adverse change in the prospects, of LVMH or the LVMH Group since 31 December 2011.

Material contracts

Except as disclosed in the consolidated financial statements of the company, pages 119 to 171 of the 2011 Document de Référence, there are no material contracts that are not entered into in the ordinary course of LVMH's business, which could result in any Group member being under an obligation or entitlement that is material to LVMH's ability to meet its obligation to security holders in respect of the securities being issued.

RECENT DEVELOPMENTS

Revenue Growth of 25% for LVMH in the first quarter 2012

On 18 April 2012 LVMH published its sales for the 1st quarter 2012. In the first three months of 2012, the Group achieved revenues of 6 582 billion euros, reflecting organic growth of 14% compared to the same period in 2011.

By business group, the progress was as follows:

(in million Euros)	First three months		% growth	
	2012	2011	Reported	Organic (*)
Wines & Spirits	926	762	+22%	+16%
Fashion & Leather Goods	2 374	2 029	+17%	+12%
Perfumes & Cosmetics	899	803	+12%	+9%
Watches & Jewelry	630	261	+141%	+17%
Selective Retailing	1 823	1 421	+28%	+18%
Other activities and eliminations	(70)	(29)	-	-
Total	6 582	5 247	+25%	+14%

* with a comparable structure and constant exchange rates.

Source: LVMH Group Management Accounts; the information contained in this paragraph is based on non-audited financial information.

TAXATION

The comments below are intended as a basic summary of certain tax consequences in relation to the purchase, ownership and disposition of the Notes. Persons who are in any doubt as to their tax position should consult a professional tax adviser.

EU SAVINGS DIRECTIVE

On 3 June 2003, the European Council of Economic and Finance Ministers adopted Directive 2003/48/EC on the taxation of savings income (the “**Directive**”). Pursuant to the Directive and subject to a number of conditions being met, Member States are required, since 1 July 2005, to provide to the tax authorities of another Member State, *inter alia*, details of payments of interest within the meaning of the Directive (interest, premiums or other debt income) made by a paying agent located within its jurisdiction to, or for the benefit of, an individual resident in that other Member State (the “**Disclosure of Information Method**”).

For these purposes, the term “paying agent” is defined widely and includes in particular any economic operator who is responsible for making interest payments, within the meaning of the Directive, for the immediate benefit of individuals.

However, throughout a transitional period, certain Member States (the Grand-Duchy of Luxembourg and Austria), instead of using the Disclosure of Information Method used by other Member States, unless the relevant beneficial owner of such payment elects for the Disclosure of Information Method, withhold an amount on interest payments. The rate of such withholding tax is 35% since 1 July 2011.

Such transitional period will end at the end of the first full fiscal year following the later of (i) the date of entry into force of an agreement between the European Community, following a unanimous decision of the European Council, and the last of Switzerland, Liechtenstein, San Marino, Monaco and Andorra, providing for the exchange of information upon request as defined in the OECD Model Agreement on Exchange of Information on Tax Matters released on 18 April 2002 (the “**OECD Model Agreement**”) with respect to interest payments within the meaning of the Directive, in addition to the simultaneous application by those same countries of a withholding tax on such payments at the rate applicable for the corresponding periods mentioned above and (ii) the date on which the European Council unanimously agrees that the United States of America is committed to exchange of information upon request as defined in the OECD Model Agreement with respect to interest payments within the meaning of the Directive.

A number of non-EU countries and dependent or associated territories have agreed to adopt similar measures (transitional withholding or exchange of information) with effect since 1 July 2005.

On 13 November 2008, the European Commission published a detailed proposal for amendments to the Savings Directive, which included a number of suggested changes. The European Parliament approved an amended version of this proposal on 24 April 2009. If any of these proposed changes are made in relation to the Savings Directive they may amend or broaden the scope of the requirements described above.

LUXEMBOURG

The following is a general description of certain tax laws relating to the Notes as in effect and as applied by the relevant tax authorities as at the date hereof and does not purport to be a comprehensive discussion of the tax treatment of the Notes.

Prospective investors should consult their own professional advisers on the implications of making an investment in, holding or disposing of Notes and the receipt of interest with respect to such Notes under the laws of the countries in which they may be liable to taxation.

Withholding tax

Under Luxembourg tax law currently in effect and with the possible exception of interest paid to certain individual Noteholders, there is no Luxembourg withholding tax on payments of interest (including accrued but unpaid interest). There is also no Luxembourg withholding tax, with the possible exception of payments made to certain individual Noteholders, upon repayment of principal in case of reimbursement, redemption, repurchase or exchange of the Notes.

Luxembourg non-resident individuals

Under the Luxembourg laws dated 21 June 2005 implementing the European Council Directive 2003/48/EC on the taxation of savings income (the “Directive”) and several agreements concluded between Luxembourg and certain dependent or associated territories of the European Union (“EU”), a Luxembourg based paying agent (within the meaning of the Directive) is required since 1 July 2005 to withhold tax on interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual resident in another Member State or in certain EU dependent or associated territories, unless the beneficiary of the interest payments elects for the procedure of exchange of information or for the tax certificate procedure. The same regime applies to payments of interest and other similar income made to certain “residual entities” within the meaning of Article 4.2 of the Directive established in a Member State or in certain EU dependent or associated territories (i.e., entities which are not legal persons (the Finnish and Swedish companies listed in Article 4.5 of the Directive are not considered as legal persons for this purpose), whose profits are not taxed under the general arrangements for the business taxation, that are not UCITS recognised in accordance with the Council Directive 85/611/EEC or similar collective investment funds located in Jersey, Guernsey, the Isle of Man, the Turks and Caicos Islands, the Cayman Islands, Montserrat or the British Virgin Islands and have not opted to be treated as UCITS recognised in accordance with the Council Directive 85/611/EEC).

The withholding tax rate is 35 per cent. since 1 July 2011. The withholding tax system will only apply during a transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain third countries.

Luxembourg resident individuals

Interest payments made by Luxembourg paying agents (defined in the same way as in the Directive) to Luxembourg individual residents are subject to a 10 per cent. withholding tax.

FRANCE

The comments below are intended as a basic summary of certain tax consequences in relation to the purchase, ownership and disposition of the Notes under French law. Persons who are in any doubt as to their tax position should consult a professional tax adviser.

The Savings Directive was implemented into French law under Article 242 *ter* of the French *Code général des impôts*, which imposes on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners domiciled in another Member State, including, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest paid to that beneficial owner.

Notes issued as from 1 March 2010

Following the introduction of the French *loi de finances rectificative* pour 2009 no. 3 (n° 2009-1674 dated 30 December 2009) (the “**Law**”), payments of interest and other revenues made by the Issuer with respect to notes issued on or after 1 March 2010 (other than Notes (described below) which are assimilated (*assimilées*) and form a single series with Notes issued prior to 1 March 2010 having the benefit of Article 131 *quater* of the French *Code général des impôts*) will not be subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts* unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French *Code général des impôts* (a “**Non-Cooperative State**”). If such payments under the Notes are made in a Non-Cooperative State, a 50 per cent. withholding tax will be applicable (subject to certain exceptions and to the more favourable provisions of any applicable double tax treaty) by virtue of Article 125 A III of the French *Code général des impôts*.

Furthermore, interest and other revenues on such Notes will no longer be deductible from the Issuer's taxable income if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid in such a Non-Cooperative State. Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Article 109 of the French *Code général des impôts*, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* of the French *Code général des impôts*, at a rate of 30 per cent. or 55 per cent.

Notwithstanding the foregoing, the Law provides that neither the 50 per cent. withholding tax nor the non-deductibility will apply in respect of a particular issue of Notes if the Issuer can prove that the principal purpose and effect of such a particular issue of Notes were not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the “**Exception**”). Pursuant to the ruling (*rescrit*) 2010/11 (FP and FE) of the *Direction générale des finances publiques* dated 22 February 2010, an issue of Notes will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of such issue of Notes, if such Notes are:

- offered by means of a public offer within the meaning of Article L.411-1 of the French *Code monétaire et financier* or pursuant to an equivalent offer in a State other than in a Non-Cooperative State. For this purpose, an “**equivalent offer**” means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or
- admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or
- admitted, at the time of their issue, to the clearing operations of a central depository or of a securities clearing and delivery and payments systems operator within the meaning of Article L.561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non-Cooperative State. be able to benefit from the Exception.

Notes to be assimilated (*assimilées*) with Notes issued before 1 March 2010

Payments of interest and other revenues with respect to Notes which are assimilated (*assimilées*) and form a single series with Notes issued (or deemed issued) outside France as provided under Article 131 *quater* of the French *Code général des impôts*, before 1 March 2010 will continue to be exempt from the withholding tax set out under Article 125 A III of the French *Code général des impôts*.

Notes issued before 1 March 2010, whether denominated in Euro or in any other currency, and constituting *obligations* under French law, or *titres de créances négociables* within the meaning of rulings (*rescrits*) 2007/59 (FP) and 2009/23 (FP) of the *Direction générale des impôts* dated 8 January 2008 and 7 April 2009, respectively, or other debt securities issued under French or foreign law and considered by the French tax authorities as falling into similar categories, are deemed to be issued outside the Republic of France for the purpose of Article 131 *quater* of the French *Code général des impôts*, in accordance with Circular 5 I-11-98 of the *Direction générale des impôts* dated 30 September 1998 and the aforementioned rulings (*rescrits*) 2007/59 (FP) and 2009/23 (FP).

In addition, interest and other revenues paid by the Issuer on Notes issued before 1 March 2010 (or Notes issued after 1 March 2010 and which are to be assimilated (*assimilées*) and form a single series with such Notes) will not be subject to the withholding tax set out in Article 119 *bis* of the French *Code général des impôts* solely on account of their being paid in a Non-Cooperative State or accrued or paid to persons established or domiciled in a Non-Cooperative State.

See “Terms and Conditions of the Notes – Taxation”.

SUBSCRIPTION AND SALE

Subject to the terms and on the conditions contained in an amended and restated dealer agreement dated 22 June 2012 (the “**Amended and Restated Dealer Agreement**”) between the Issuer, the Permanent Dealers and the Arranger, the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Amended and Restated Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will, unless otherwise agreed, pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Issuer has agreed to reimburse the Arranger for its expenses incurred in connection with the update of the Programme and the Dealers for certain of their activities in connection with the Programme. The commissions in respect of an issue of Notes on a syndicated basis will be stated in the relevant Final Terms.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Amended and Restated Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

Selling Restrictions

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (i) if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a “**Non-exempt Offer**”), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (ii) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (iii) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(iv) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Notes referred to in (ii) to (iv) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “**offer of Notes to the public**” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression “**Prospectus Directive**” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression “**2010 PD Amending Directive**” means Directive 2010/73/EU.

France

Each Dealer has represented and agreed that:

(a) **Offer to the public in France:**

it has only made and will only make an offer of Notes to the public in France (i) on or after the date of publication of the prospectus relating to those Notes approved by the *Autorité des marchés financiers* (“**AMF**”) or (ii) when a prospectus has been approved by the competent authority of another Member State of the European Economic Area which has implemented the Prospectus Directive 2003/71/EC, on the date of notification of such approval to the AMF, all in accordance with Articles L.412-1 and L.621-8 of the Code and the *Règlement général* of the AMF, and ending at the latest on the date which is 12 months after the date of the approval of the Base Prospectus; or

(b) **Private Placement in France:**

it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (a) persons providing investment services relating to portfolio management for the account of third parties, and/or (b) qualified investors (*investisseurs qualifiés*) acting for their own account, as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the Code.

If necessary, these selling restrictions will be amended or supplemented in the relevant Final Terms.

United States

The Notes have not been and will not be registered under the U.S. Securities Act of 1933 as amended (the “**Securities Act**”) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Materialised Bearer Notes having a maturity of more than one year are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

Each Dealer has agreed that, except as permitted by the Amended and Restated Dealer Agreement, it will not offer, sell or deliver the Notes of any identifiable Tranche, (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of such Tranche as determined, and certified to the Issuer, by the Fiscal Agent, or in the case of Notes issued on a syndicated basis, the Lead Manager, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of any identifiable tranche of Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

United Kingdom

Each Dealer has represented, warranted and agreed and each further Dealer appointed under the Programme will be required to represent, warrant and agree that:

- (i) in relation to any Notes which have a maturity of less than one year from the date of issue, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the “FSMA”) by the Issuer
- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer and
- (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (the “**Financial Instruments and Exchange Act**”). Accordingly, each Dealer has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

General

These selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the Final Terms issued in respect of the issue of Notes to which it relates or in a Supplement to this Base Prospectus.

No action has been taken in any jurisdiction that would permit an offer to the public of any of the Notes, or possession or distribution of the Base Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Base Prospectus, any other offering material or any Final Terms and neither the Issuer nor any other Dealer shall have responsibility therefore.

Each of the Dealers and the Issuer has represented and agreed that Materialised Notes may only be issued outside France.

FORM OF FINAL TERMS

FORM OF FINAL TERMS FOR USE IN CONNECTION WITH ISSUES OF NOTES WITH A DENOMINATION OF LESS THAN €[50,000/100,000] TO BE LISTED AND ADMITTED TO TRADING ON A REGULATED MARKET OR REGULATED MARKETS [AND/OR OFFERED TO THE PUBLIC] IN THE EUROPEAN ECONOMIC AREA

Final Terms dated [●]

[LOGO, if document is printed]

LVMH MOËT HENNESSY LOUIS VUITTON

Euro 10,000,000,000

Euro Medium Term Note Programme

Due from one month from the date of original issue

SERIES NO: [●]

TRANCHE NO: [●]

[Brief Description and Amount of Notes]

Issue Price: [●] per cent.

[Name(s) of Dealer(s)]

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) [as amended by Directive (2010/73/EU)] (each, a “**Relevant Member State**”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer of the Notes may only do so in:

- (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) in those Public Offer Jurisdictions mentioned in Paragraph 38 of Part A below, provided such person is one of the persons mentioned in Paragraph 38 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances] [*Include this legend where a non-exempt offer of Notes is anticipated*].

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) [as amended by Directive (2010/73/EU)] (each, a “**Relevant Member State**”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances] [*Include this legend where an exempt offer of Notes is anticipated*].

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 22 June 2012 [and the supplement to the Base Prospectus dated [●]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) [as amended by Directive (2010/73/EU)] (the “**Prospectus Directive**”).

This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus [and the supplement to the Base Prospectus] [is] [are] available for viewing at the office of the Fiscal Agent or each of the Paying Agents and was/were published in accordance with the provisions of Article 14 of the Prospectus Directive, admitting the validity of disclosure carried out, *inter alia* and always at the choice of the Issuer, through release on the website of the Issuer or on the website of the Luxembourg Stock Exchange (www.bourse.lu), and copies may be obtained from LVMH Moët Hennessy Louis Vuitton, 22, avenue Montaigne 75008 Paris, France.

[*The following alternative language applies if the first tranche of an issue which is being increased was issued under a Prospectus and/or an Offering Circular with an earlier date.*]

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the [Base Prospectus/Offering Circular] dated [original date] [and the supplement to the Base Prospectus] dated [●]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) [,as amended by Directive (2010/73/EU)] (the “**Prospectus Directive**”) and must be read in conjunction with the Base Prospectus dated [current date] [and the supplement to the Base Prospectus dated [●], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the [Base Prospectus/Offering Circular] dated [original date] [and the supplement to the Base Prospectus] dated [●] and are attached hereto. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the [Base Prospectus/Offering Circular] dated [original date] and the Base Prospectus dated [current date] [and the supplement to the Base Prospectus dated [●]. The Base Prospectus/Offering Circular [and the supplement to the Base Prospectus] are available for viewing at the office of the Fiscal Agent or each of the Paying Agents and on the website of the Luxembourg Stock Exchange (*www.bourse.lu*), or otherwise in accordance with the provisions of Article 14 of the Prospectus Directive, and copies may be obtained from LVMH Moët Hennessy Louis Vuitton, 22, avenue Montaigne 75008 Paris, France.

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Final Terms.]

[When completing any final terms, or adding any other final terms or information, consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]

1	Issuer:	LVMH Moët Hennessy Louis Vuitton
2	(i) Series Number:	[●]
	(ii) [Tranche Number:	[●]
	<i>(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible.)]</i>	
3	Specified Currency or Currencies:	[●]
4	Aggregate Nominal Amount:	[●]
	(i) Series:	[●]
	(ii) [Tranche:	[●]]
5	Issue Price:	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date], (if applicable)]
6	Specified Denomination(s):	[●] ¹ (one denomination only for Dematerialised Notes)

¹ 1,000 Euros or above or the equivalent in any other Currency. Notes (including Notes denominated in sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA and having a maturity of less than one year must have a minimum denomination of £100,000 (or its equivalent in other currencies).

7	(i) Issue Date:	[•]
	(ii) [Interest Commencement Date:	[•]]
8	Maturity Date:	[specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]
9	Interest Basis:	[[•] per cent. Fixed Rate] [[specify reference rate] +/- [•] per cent. Floating Rate] [Zero Coupon] [Index Linked Interest] [Other (specify)] [(further particulars specified below)]
10	Redemption/Payment Basis **:	[Redemption at par] [Index Linked Redemption] [Dual Currency] [Partly Paid] [Instalment] [Other (specify)]
11	Change of Interest or Redemption/Payment Basis:	[Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis]
12	Call Options:	[Investor Put] [Issuer Call] [(further particulars specified below)][Other Option specify details of provisions]
13	Status:	[Unsubordinated/Subordinated] Notes [Specify details of any provision for Subordinated Notes in particular whether dated or undated, whether ordinary or deeply, whether interest deferral provisions apply and whether any additional events of default should apply]
14	Dates of the corporate authorisations for	[decision of the Board of Directors of the Issuer dated [•] [and of the <i>Président</i> of the Board of

** If the Final Redemption Amount is less than 100% of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.

	issuance of the Notes:	Directors dated [•]] ³ /[decision of [<i>Président</i> of the Board of Directors] dated [•]] ⁴
15	Method of distribution:	[Syndicated/Non-syndicated]
PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE		
16	Fixed Rate Note Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Rate [(s)] of Interest:	[•] per cent. per annum [payable [annually/semi-annually/quarterly/ monthly] in arrear]
	(ii) Interest Payment Date(s):	[•] in each year [adjusted in accordance with [<i>specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"</i>]/not adjusted]
	(iii) Fixed Coupon Amount [(s)]:	[•] per [•] in nominal amount
	(iv) Broken Amount(s):	<i>[Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount [(s)]] and the Interest Payment Date(s) to which they relate]</i>
	(v) Day Count Fraction(Condition 5(a)):	[30/360 / Actual/Actual (ICMA/ISDA/ Other)]
	(vi) Determination Dates(Condition 5(a)):	[•] in each year (<i>insert regular interest payment dates, ignoring Issue Date or Maturity Date in the case of a long or short first or last Coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA)</i>)
	(vii) Other terms relating to the method of calculating interest for Fixed Rate Notes:	[Not Applicable/give details]
17	Floating Rate Note Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph.)</i>
	(i) Interest Period(s):	[•]
	(ii) Specified Interest Payment Dates:	[•]
	(iii) Business Day Convention:	[Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day

³ Relevant for issues of Notes constituting *obligations* under French law.

⁴ Only relevant for issues of Notes not constituting *obligations* under French law.

- Convention/other (*give details*)]
- (iv) Business Centre(s) (Condition 5(a)): [•]
- (v) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/other (*give details*)]
- (vi) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent): [•]
- (vii) Screen Rate Determination:
- Relevant Time: [•]
 - Interest Determination Date(s): [/[•] [TARGET] Business Days in [specify city] for [specify currency] prior to [the first day in each Interest Accrual Period/each Interest Payment Date]]
 - Primary Source for Floating Rate: [Specify relevant screen page or “Reference Banks”]
 - Reference Banks (if Primary Source is “Reference Banks”): [Specify four]
 - Relevant Financial Centre: [The financial centre most closely connected to the Benchmark]
 - Benchmark: [EURIBOR, LIBOR, LIBID, LIMEAN, or other benchmark – specify if not London]
 - Representative Amount: [Specify if screen or Reference Bank quotations are to be given in respect of a transaction of a specified notional amount]
 - Effective Date: [Specify if quotations are not to be obtained with effect from commencement of Interest Accrual Period]
 - Specified Duration: [Specify period for quotation if not duration of Interest Accrual Period]
- (viii) ISDA Determination(Condition 5(c)(iii)(A)):
- Floating Rate Option: [•]
 - Designated Maturity: [•]
 - Reset Date: [•]
 - ISDA Definitions: (if different from those set out in the Conditions)

	(ix) Margin(s):	[+/-] [•] per cent. per annum
	(x) Minimum Rate of Interest:	[Not Applicable] [•] per cent. per annum]
	(xi) Maximum Rate of Interest:	[Not Applicable] [•] per cent. per annum]
	(xii) Day Count Fraction (Condition 5(a)):	[•]
	(xiii) Rate Multiplier:	[•]
	(xiv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[•]
18	Zero Coupon Note Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Amortisation Yield (Condition 6(e)(i)(B)):	[•] per cent. per annum
	(ii) Day Count Fraction (Condition 5(a)):	[•]
	(iii) Any other formula/basis of determining amount payable:	[•]
19	Index-Linked Interest Note/other variable-linked interest Note Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Index/Formula/other variable:	[Give or annex details]
	(ii) Calculation Agent responsible for calculating the interest due:	[•]
	(iii) Provisions for determining Coupon where calculated by reference to Index and/or Formula and/or other variable:	[•]
	(iv) Interest Period(s):	[•]
	(v) Provisions for determining Coupon where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable:	[•] <i>[Need to include a description of market disruption or settlement disruption events and adjustment provisions]</i>
	(vi) Interest or Calculation Period(s):	[•]
	(vii) Specified Interest Payment Dates:	[•]
	(viii) Business Day Convention:	[Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day

		Convention/other (<i>give details</i>)
(ix)	Business Centre(s) (Condition 5(a)):	[•]
(x)	Minimum Rate of Interest/Minimum Amount of Interest:	[Not Applicable/[•] per cent. per annum
(xi)	Maximum Rate of Interest/Maximum Amount of Interest:	[Not Applicable/[•] per cent. per annum
(xii)	Day Count Fraction(Condition 5(a)):	[•]
20	Dual Currency Note Provisions	[Applicable/Not Applicable] (<i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i>)
(i)	Rate of Exchange/Method of calculating Rate of Exchange:	[Give details]
(ii)	Calculation Agent, if any, responsible for calculating the principal and/or interest due:	[•]
(iii)	Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:	[•] <i>[Need to include a description of market disruption or settlement disruption events and adjustment provisions]</i>
(iv)	Person at whose option Specified Currency(-ies) is/are payable:	[•]
(v)	Day Count Fraction (Condition 5(a)):	[•]

PROVISIONS RELATING TO REDEMPTION

21	Call Option	[Applicable/Not Applicable] (<i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i>)
(i)	Optional Redemption Date(s):	[•]
(ii)	Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[•] per Note of [•] Specified Denomination
(iii)	If redeemable in part:	[•]
	(a) Minimum Redemption Amount:	[•]
	(b) Maximum Redemption Amount:	[•]
(iv)	Option Exercise Date(s):	[•]
(v)	Notice period:	[•]
22	Put Option	[Applicable/Not Applicable] (<i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i>)

	(i) Optional Redemption Date(s):	[•]
	(ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[•] per Note of [•] specified denomination
	(iii) Option Exercise Date(s):	[•]
	(iv) Notice period:	[•]
23	Final Redemption Amount of each Note**	[[•] per Note of [•] specified denomination/other/see Appendix]
	(i) Index/Formula/variable:	
	(ii) Calculation Agent responsible for calculating the Final Redemption Amount:	[•]
	(iii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable:	
	(iv) Determination Date(s):	
	(v) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted:	
	(vi) Payment Date:	[Not Applicable/[•]
	(vii) Minimum Final Redemption Amount:	[Not Applicable/[•]
	(viii) Maximum Final Redemption Amount:	
24	Early Redemption Amount	<i>Noteholder</i>
	(i) Early Redemption Amount(s) of each Note payable on redemption for taxation reasons (Condition 6(f)), for illegality (Condition 6(j)) or an event of default (Condition 9) and/or the method of calculating the same (if required or if different from that set out in the Conditions):	[•]
	(ii) Redemption for taxation reasons permitted on days other than Interest Payment Dates (Condition 6(f)):	[Yes/No]
	(iii) Unmatured Coupons to become void upon early redemption (Materialised Bearer Notes only) (Condition 7(f)):	[Yes/No/Not applicable]

** If the Final Redemption Amount is less than 100% of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25	Form of Notes:	[Dematerialised Notes/ Materialised Notes in bearer form] [Delete as appropriate]
	(i) Form of Dematerialised Notes:	[Not Applicable/if <i>Applicable specify whether</i>] [Bearer dematerialised form (<i>au porteur</i>) / Registered dematerialised form (<i>au nominatif</i>)]
	(ii) Registration Agent:	[Not Applicable/if <i>Applicable give name and details</i>] (<i>note that a Registration Agent must be appointed in relation to Registered dematerialised Notes only</i>)
	(iii) Temporary Global Certificate:	Temporary Global Certificate exchangeable for Definitive Materialised Bearer Notes on [•] (the “Exchange Date”), being 40 days after the Issue Date subject to postponement as provided in the Temporary Global Certificate
	(iv) Applicable TEFRA exemption:	[C Rules/D Rules/Not Applicable] (<i>Only applicable to Materialised Notes</i>)
26	Financial Centre(s) (Condition 7(h)) or other special provisions relating to payment dates:	[Not Applicable/ <i>Give details</i>] (<i>Note that this item relates to the date and place of payment, and not interest period end dates, to which items 16(ii), 17(iv), and 19(vii) relate</i>)
27	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes/No/Not Applicable <i>If yes, give details</i>] (<i>Only applicable to Materialised Notes</i>)
28	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	[Not Applicable/ <i>give details</i>]
29	Details relating to Instalment Notes:	[Not Applicable/ <i>give details</i>]
	(i) Instalment Amount(s):	[•]
	(ii) Instalment Date(s):	[•]
	(iii) Minimum Instalment Amount:	[•]
	(iv) Maximum Instalment Amount:	[•]
30	Redenomination, renominatisation and reconventioning	[Not Applicable/The provisions [in

	provisions:	Condition 1(d)] [annexed to this Final Terms] apply]
31	Consolidation provisions:	[Not Applicable/The provisions [in Condition 14(b)] [annexed to this Final Terms] apply]
32	Representation of holders of Notes ¹ <i>Masse</i> (Condition 11):	[Applicable/Not Applicable/Condition 11 replaced by the full provisions of French <i>Code de commerce</i> relating to the <i>Masse</i>] <i>(Note that: (i) in respect of any Tranche of Notes issued <u>outside</u> France, Condition 11 <u>may</u> be waived, amended or supplemented, and (ii) in respect of any Tranche of Notes issued <u>inside</u> France, Condition 11 <u>must</u> be waived in its entirety and replaced by the provisions of the French Code de commerce relating to the Masse. If Condition 11 (as it may be amended or supplemented) applies, or if the full provisions of the French Code de commerce apply, insert, if any, details of Representative and Alternative Representative and remuneration).</i> At the date of this Final Terms the [statuts] of the Issuer [do not contemplate (to be amended if the statuts of the Issuer have been modified)] the right for a Noteholder to participate in a General Meeting by videoconference or any other means of telecommunication allowing the identification of the participating Noteholders.
33	Other terms or special conditions:	[Not Applicable/give details] <i>(When adding any other final terms consideration should be given as to whether such terms constitute a "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)</i>

¹ The provisions of the French *Code de commerce* relating to the *Masse* of holders of Notes are applicable in full to French domestic issues of Notes. Pursuant to Article L.228-90 of the French *Code de commerce*, the *Masse* provisions contained in the French *Code de commerce* are NOT applicable to international issues (*emprunt émis à l'étranger*); accordingly international issues may have no *Masse* provisions at all or the *Masse* provisions contained in the French *Code de commerce* may be varied along the lines of the provisions of Condition 11

DISTRIBUTION

- 34 (i) If syndicated, names of Managers: [Not Applicable/*give names*]
- (ii) Date of the [Subscription] Agreement: [Not Applicable/*give name*]
- (iii) Stabilising Manager (if any): [•]
- 35 If non-syndicated, names and addresses of Managers and underwriting commitments: [•] (*Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a best efforts basis if such entities are not the same as the Managers.*)
- 36 Total commission and concession: [•] per cent. of the Aggregate Nominal Amount
- 37 Additional selling restrictions: [Not Applicable/*give details*]
- 38 Non-exempt offer: [Not Applicable] [An offer of the Notes may be made by the Managers [and *specify, if applicable*] other than pursuant to Article 3(2) of the Prospectus Directive in *specify relevant Member State(s) - which must be jurisdictions where the Prospectus and any supplements have been passported*] (“**Public Offer Jurisdictions**”) during the period from *specify date* until *specify date* (“**Offer Period**”). See further Paragraph 3 of Part B below.

LISTING AND ADMISSION TO TRADING APPLICATION

This Final Terms comprises the Final Terms required to list the issue of Notes described herein pursuant to the Euro 10,000,000,000 Euro Medium Term Note Programme of LVMH Moët Hennessy Louis Vuitton.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [•] has been extracted from [•]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [•], no facts have been omitted which would render the reproduced inaccurate or misleading. Signed on behalf of the Issuer:

Duly represented by:

PART B – OTHER INFORMATION

1 RISK FACTORS

[[Insert any issue specific risk factors that are material to the Notes being offered and/or admitted to trading in order to assess the market risk associated with these Notes, that may affect the Issuer's ability to fulfil its obligations under the Notes and which are not specifically described under Risk Factors" in the Base Prospectus. If any such additional risk factors need to be included consideration should be given as to whether they constitute significant new factors and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.] [Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information.]]*

2 LISTING AND ADMISSION TO TRADING

- (i) Listing: [Official List of the Luxembourg Stock Exchange/EuroMTF/other (specify)/None]
- (ii) Admission to trading: [Application has been made for the Notes to be admitted to trading on [the Regulated Market of the Luxembourg Stock Exchange/[•]] with effect from [•].] [Not Applicable.]
(Where documenting a fungible issue need to indicate that original securities are already admitted to trading)

3 [TERMS AND CONDITIONS OF THE OFFER, PLAN OF DISTRIBUTION AND ALLOTMENT, PRICING AND PLACING AND UNDERWRITING]

TERMS AND CONDITIONS OF THE OFFER

CONDITIONS, OFFER STATISTICS, EXPECTED TIMETABLE AND ACTION REQUIRED TO APPLY FOR THE OFFER:

- Conditions to which the offer is subject. [•]
- Total amount of the issue/offer; if the amount is not fixed, description of the arrangements and time for announcing to the public the amount of the offer. [•]
- The time period, including any possible amendments, during which the offer will be open and description of the application process. [•]
- A description of the possibility to reduce subscriptions and the manner for refunding excess amount paid by applicants. [•]
- Details of the minimum and/or maximum amount [•]

* Required for derivative securities to which Annex XII to the Prospectus Directive Regulation applies. See footnote ** below.

** If the Final Redemption Amount is less than 100% of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.

of application, (whether in number of securities or aggregate amount to invest).

Method and time limits for paying up the securities and for delivery of the securities. [•]

A full description of the manner and date in which results of the offer are to be made public. [•]

The procedure for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised. [•]

PLAN OF DISTRIBUTION AND ALLOTMENT

The various categories of potential investors to which the securities are offered. If the offer is being made simultaneously in the markets of two or more countries and if a tranche has been or is being reserved for certain of these, indicate any such tranche. [•]

Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made. [•]

PRICING

Indication of the expected price at which the securities will be offered or the method of determining the price and the process for its disclosure. [•]

Indicate the amount of any expenses and taxes specifically charged to the subscriber or purchaser. [•]

PLACING AND UNDERWRITING

Name and address of the co-ordinator(s) of the global offer and of single parts of the offer and, to the extent known to the issuer or to the offeror, of the placers in the various countries where the offer takes place. [•]

Name and address of any paying agents and depository agents in each country. [•]

Entities agreeing to underwrite the issue on a firm commitment basis, and entities agreeing to place the issue without a firm commitment or under [•]

“best efforts” arrangements. Where not all of the issue is underwritten, a statement of the portion not covered.

Indication of the overall amount of the underwriting commission and of the placing commission. [•]

When the underwriting agreement has been or will be reached. [•]

4 RATINGS

Ratings:

[At the Issue Date, the long-term corporate rating by Standard & Poor’s Ratings Services, a division of the McGraw-Hill Companies, Inc. of the Issuer is [A] with [positive] outlook.]

[Applicable/Not Applicable][The Notes to be issued have been rated]:

[S&P: [•]]

[Other: [•]]

[[Each of [•] [and [•] is established in the European Union and has applied for registration under Regulation (EC) No 1060/2009, as amended by Regulation (EU) No 513/2011, although the result of such applications has not been determined.]

[[Each of [S&P] and] [•] is established in the European Union and registered under Regulation (EC) No 1060/2009, as amended by Regulation (EU) No 513/2011.]

[[None of [•] and] [•] is [not] established in the European Union [nor has/and has not] applied for registration under Regulation (EC) No 1060/2009, as amended by Regulation (EU) No 513/2011.]

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

5 [NOTIFICATION

The Commission de surveillance du secteur financier in Luxembourg [has been requested to provide/has provided - include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues] the [include names of competent authorities of host Member States] with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.]

6 [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

["Save as disclosed in ["Subscription and Sale"] so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."]

7 REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

[(i) Reasons for the offer: [•]
(See Use of Proceeds" wording in Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)

[(ii) Estimated net proceeds: [•]
(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)

[(iii) Estimated total expenses: [•] *[Include breakdown of expenses.]*

(If the Notes are derivative securities to which Annex 12 of the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)

8 [Fixed Rate Notes only – YIELD

Indication of yield: [•]
Calculated as *[include details of method of calculation in summary form]* on the Issue Date.
As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

9 [Floating Rate Notes only - HISTORIC INTEREST RATES

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].]

10 [Index-linked or other variable-linked Notes only – PERFORMANCE OF INDEX/FORMULA/other variable, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS and other information concerning the underlying

Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident and any settlement disruption events that affect the underlying. [Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information. Include other information concerning the underlying required by Paragraph 4.2 of Annex 12 of the Prospectus Directive Regulation.]

[(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]

11 [Dual Currency Notes only – PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT

Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

12 [Derivatives only – EXPLANATION OF EFFECT ON VALUE OF INVESTMENT, RETURN ON DERIVATIVES SECURITIES AND INFORMATION CONCERNING THE UNDERLYING*

EXPLANATION OF EFFECT ON VALUE OF INVESTMENT

Need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.

INFORMATION CONCERNING THE UNDERLYING

- a statement setting out the type of the underlying and details of where information on the underlying can be obtained:
- an indication where information about the past and the further performance of the underlying and its volatility can be obtained [•]
- where the underlying is a security: [Applicable/Not Applicable]
- the name of the issuer of the security: [•]
- the ISIN (International Security Identification Number) or other such security identification code: [•]
- where the underlying is an index: [Applicable/Not Applicable]
- the name of the index and a description of the index if it is composed by the issuer. If the index is not composed by the issuer, where information about the index can be obtained: [•]
- where the underlying is an interest rate: [Applicable/Not Applicable]
- a description of the interest rate: [•]
- others: [Applicable/Not Applicable]
- where the underlying does not fall within the

categories specified above the securities note shall contain equivalent information: [•]

- where the underlying is a basket of underlyings: [Applicable/Not Applicable]
- disclosure of the relevant weightings of each underlying in the basket: [•]

A description of any market disruption or settlement disruption events that affect the underlying: [•]

[Adjustment rules with relation to events concerning the underlying:] * [•]

- an indication of the intent of the Issuer regarding the providing of post-issuance information relating to the underlying and where the intent of the Issuer is to report such information, an indication of the type of information reported and where it can be obtained: [•]

13 OPERATIONAL INFORMATION

ISIN Code: [•]

Common Code: [•]

[Stabilising Manager (if syndicated)] [•]

Depositories:

(i) Euroclear France to act as Central Depository: [Yes/No]

(ii) Common Depository for Euroclear and Clearstream, Luxembourg: [Yes/No]

Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]

Delivery: Delivery [against/free of] payment

The Agents appointed in respect of the Notes are: [•]

Name and address of the Calculation Agent: [•]

* Required for derivative securities to which Annex XII to the Prospectus Directive Regulation applies. See footnote ** below.

** If the Final Redemption Amount is less than 100% of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.

Names and addresses of additional

Paying Agent(s) (if any):

The aggregate principal amount of [Not Applicable/Euro] (Only applicable for Notes not denominated
Notes issued has been translated in Euro)
into Euro at the rate of *[currency]*
per euro 1.00, producing a sum of:

FORM OF FINAL TERMS

**FORM OF FINAL TERMS FOR USE IN CONNECTION WITH ISSUES OF NOTES WITH A
DENOMINATION OF AT LEAST €[50,000/100,000]
TO BE ADMITTED TO TRADING ON A E.U. REGULATED MARKET**

Final Terms dated [●]

[LOGO, if document is printed]

LVMH MOËT HENNESSY LOUIS VUITTON

Euro 10,000,000,000

Euro Medium Term Note Programme

Due from one month from the date of original issue

SERIES NO: [●]

TRANCHE NO: [●]

[Brief Description and Amount of Notes]

Issued by: LVMH Moët Hennessy Louis Vuitton (the “Issuer”)

Issue Price: [●] per cent.

[Name(s) of Dealer(s)]

The date of this Final Terms is [●].

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 22 June 2012 [and the supplement to the Base Prospectus dated [•] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) [as amended by Directive (2010/73/EU)] (the “**Prospectus Directive**”).

This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus [and the supplement to the Base Prospectus] [is] [are] available for viewing at the office of the Fiscal Agent or each of the Paying Agents and was/were published in accordance with the provisions of Article 14 of the Prospectus Directive, admitting the validity of disclosure carried out, *inter alia* and always at the choice of the Issuer, though release on the website of the Issuer or on the website of the Luxembourg Stock Exchange (www.bourse.lu), and copies may be obtained from LVMH Moët Hennessy Louis Vuitton, 22, avenue Montaigne 75008 Paris, France.

[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Prospectus and/or an Offering Circular with an earlier date.]

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the [Base Prospectus/Offering Circular] dated [original date] [and the supplement to the Base Prospectus] dated [•]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) [as amended by Directive (2010/73/EU)] (the “**Prospectus Directive**”) and must be read in conjunction with the Base Prospectus dated [current date] [and the supplement to the Base Prospectus dated [•], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the [Base Prospectus/Offering Circular] dated [original date] [and the supplement to the Base Prospectus] dated [•] and are attached hereto. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the [Base Prospectus/Offering Circular] dated [original date] and the Base Prospectus dated [current date] [and the supplement to the Base Prospectus dated [•]. The Base Prospectus/Offering Circular [and the supplement to the Base Prospectus] are available for viewing at the office of the Fiscal Agent or each of the Paying Agents and on the website of the Issuer, on the website of the Luxembourg Stock Exchange (www.bourse.lu), or otherwise in accordance with the provisions of Article 14 of the Prospectus Directive, and copies may be obtained from LVMH Moët Hennessy Louis Vuitton, 22, avenue Montaigne 75008 Paris, France.

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Final Terms.]

[When completing any final terms, or adding any other final terms or information, consideration should be given as to whether such terms or information constitute Significant new factors and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]

1	Issuer:	LVMH Moët Hennessy Louis Vuitton
2	(i) Series Number:	[•]
	(ii) [Tranche Number:	[•]
	<i>(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible.)]</i>	
3	Specified Currency or Currencies:	
4	Aggregate Nominal Amount:	[•]
	(i) Series:	[•]
	(ii) [Tranche:	[•]
5	Issue Price:	[•] per cent. of the Aggregate Nominal Amount [plus accrued interest from <i>[insert date]</i> , (if applicable)]
6	Specified Denomination(s):	[•] <i>(one denomination only for Dematerialised Notes)</i>
7	(i) Issue Date:	[•]
	(ii) Interest Commencement Date:	[•]
8	Maturity Date:	<i>[specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]</i>
9	Interest Basis:	[[•] per cent. Fixed Rate] [[specify reference rate] +/- [•] per cent. Floating Rate] [Zero Coupon] [Index Linked Interest] [Other (specify)] [(further particulars specified below)]
10	Redemption/Payment Basis:	[Redemption at par] [Index Linked Redemption] [Dual Currency] [Partly Paid]

		[Instalment]	
		[Other (<i>specify</i>)]	
11	Change of Interest or Redemption/Payment Basis:	[Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis]	
12	Call Options:	[Investor Put] [Issuer Call]	
		[(further particulars specified below)][Other Option specify details of provisions]	
13	Status:	[Unsubordinated/Subordinated]	Notes
		[Specify details of provisions]	
14	Dates of the corporate authorisations for issuance of the Notes:	[Decision of the Board of Directors of the Issuer dated [•] [and of the <i>Président</i> of the Board of Directors dated [•]] ³ /[decision of [Président of the Board of Directors] dated [•]] ⁴	
15	Method of distribution:	[Syndicated/Non-syndicated]	

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16	Fixed Rate Note Provisions	[•] per cent. per annum [payable [annually/semi-annually/quarterly/ monthly] in arrear]	
	(i) Rate [(s)] of Interest:	[•] in arrear]	
	(ii) Fixed Coupon Amount [(s)]:	[•] per [•] in Nominal Amount	
	(iii) Broken Amount(s):	[Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount [(s)]]	
	(iv) Day Count Fraction (Condition 5(a)):	[30/360 / Actual/Actual (ICMA/ISDA)]	
	(v) Determination Dates (Condition 5(a)):	[•] in each year (<i>insert regular interest payment dates, ignoring Issue Date or Maturity Date in the case of a long or short first or last Coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA)</i>)	

³ Relevant for issues of Notes constituting *obligations* under French law.

⁴ Only relevant for issues of Notes not constituting *obligations* under French law.

(vi)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	[Not Applicable/ <i>give details</i>]
17	Floating Rate Note Provisions	[Applicable/Not Applicable] (<i>If not applicable, delete the remaining sub-paragraphs of this paragraph.</i>)
(i)	Interest Period(s):	[•]
(ii)	Specified Interest Payment Dates:	[•]
(iii)	Business Day Convention:	[Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (<i>give details</i>)]
(iv)	Business Centre(s) (Condition 5(a)):	[•]
(v)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination/other (<i>give details</i>)]
(vi)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent):	[•]
(vii)	Screen Rate Determination:	
	– Relevant Time:	[•]
	– Interest Determination Date(s):	[[•] <i>[TARGET] Business Days in [specify city] for [specify currency] prior to [the first day in each Interest Accrual Period/each Interest Payment Date]</i>]
	– Primary Source for Floating Rate:	[Specify relevant screen page or “Reference Banks”]
	– Reference Banks (if Primary Source is “Reference Banks”):	[Specify four]
	– Relevant Financial Centre:	[The financial centre most closely connected to the Benchmark]
	– Benchmark:	[EURIBOR, LIBOR, LIBID, LIMEAN, or other benchmark]
	– Representative Amount:	[Specify if screen or Reference Bank quotations are to be given in respect of a transaction of a specified

notional amount]

- Effective Date: *[Specify if quotations are not to be obtained with effect from commencement of Interest Accrual Period]*
- Specified Duration: *[Specify period for quotation if not duration of Interest Accrual Period]*
- (viii) ISDA Determination (Condition 5(c)(iii)(A)):
 - Floating Rate Option: [•]
 - Designated Maturity: [•]
 - Reset Date: [•]
 - ISDA Definition: (if different from those set out in the Conditions)
- (ix) Margin(s): [+/-] [•] per cent. per annum
- (x) Minimum Rate of Interest: [Not Applicable] [•] per cent. per annum
- (xi) Maximum Rate of Interest: [Not Applicable] [•] per cent. per annum
- (xii) Day Count Fraction(Condition 5(a)): [•]
- (xiii) Rate Multiplier: [•]
- (xiv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [•]

18 Zero Coupon Note Provisions *[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Amortisation Yield(Condition 6(e)(i)(B)): [•] per cent. per annum
- (ii) Day Count Fraction(Condition 5(a)): [•]
- (iii) Any other formula/basis of determining [•]

amount payable:

- 19 Index-Linked Interest Note/other variable-linked interest Note Provisions** [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Index/Formula/other variable: [give or annex details]
 - (ii) Calculation Agent responsible for calculating the interest due: [•]
 - (iii) Provisions for determining Coupon where calculated by reference to Index and/or Formula and/or other variable: [•]
 - (iv) Interest Period(s): [•]
 - (v) Provisions for determining Coupon where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable [•]
[Need to include a description of market disruption or settlement disruption events and adjustment provisions]
 - (vi) Interest or Calculation Period(s) [•]
 - (vii) Specified Interest Payment Dates: [•]
 - (viii) Business Day Convention: [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other *(give details)*]
 - (ix) Business Centre(s) (Condition 5(a)): [•]
 - (x) Minimum Rate of Interest/Minimum Amount of Interest: [Not Applicable/[•] per cent. per annum]
 - (xi) Maximum Rate of Interest/Maximum Amount of Interest: [Not Applicable/[•] per cent. per annum]
 - (xii) Day Count Fraction (Condition 5(a)): [•]
- 20 Dual Currency Note Provisions** [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate of Exchange/method of calculating Rate of Exchange: [give details]

- (ii) Calculation Agent, if any, responsible for calculating the principal and/or interest due: [•]
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [•]
[Need to include a description of market disruption or settlement disruption events and adjustment provisions]
- (iv) Person at whose option Specified Currency(-ies) is/are payable: [•]
- (v) Day Count Fraction(Condition 5(a)): [•]

PROVISIONS RELATING TO REDEMPTION

- 21 Call Option** [Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Optional Redemption Date(s): [•]
 - (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [•] per Note of [•] specified denomination
 - (iii) If redeemable in part: [•]
 - (a) Minimum Redemption Amount: [•]
 - (b) Maximum Redemption Amount: [•]
 - (iv) Option Exercise Date(s): [•]
 - (v) Notice period: [•]
- 22 Put Option** [Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Optional Redemption Date(s): [•]
 - (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [•] per Note of [•] specified denomination
 - (iii) Option Exercise Date(s): [•]
 - (iv) Notice period: [•]

- 23 Final Redemption Amount of each Note** [[•] per Note of [•] specified denomination/other/see Appendix]
- (i) Index/Formula/variable:
 - (ii) Calculation Agent responsible for calculating the Final Redemption Amount:
 - (iii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable:
 - (iv) Determination Date(s):
 - (v) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted:
 - (vi) Payment Date:
 - (vii) Minimum Final Redemption Amount:
 - (viii) Maximum Final Redemption Amount:

24 Early Redemption Amount

- (i) Early Redemption Amount(s) of each Note payable on redemption for taxation reasons (Condition 6(f)), for illegality (Condition 6(j)) or an event of default (Condition 9) and/or the method of calculating the same (if required or if different from that set out in the Conditions): [•]
- (ii) Redemption for taxation reasons permitted on days other than Interest Payment Dates (Condition 6(f)): [Yes/No]
- (iii) Unmatured Coupons to become void upon early redemption (Materialised Bearer Notes only) (Condition 7(f)): [Yes/No/Not applicable]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 25** Form of Notes: [Dematerialised Notes/
Materialised Notes in bearer form]

[Delete as appropriate]
- (i) Form of Dematerialised Notes: [Not Applicable/if Applicable specify whether] [Bearer dematerialised form (au porteur) / Registered dematerialised form (au nominatif)]

(ii)	Registration Agent:	[Not Applicable/if Applicable <i>give name and details</i>] (<i>note that a Registration Agent must be appointed in relation to Registered dematerialised Notes only</i>)
(iii)	Temporary Global Certificate:	Temporary Global Certificate exchangeable for Definitive Materialised Bearer Notes on [•] (the “ Exchange Date ”), being 40 days after the Issue Date subject to postponement as provided in the Temporary Global Certificate
(iv)	Applicable TEFRA exemption:	[C Rules/D Rules/Not Applicable] (<i>Only applicable to Materialised Notes</i>)
26	Financial Centre(s) (Condition 7(h)) or other special provisions relating to payment dates:	[Not Applicable/ <i>Give details</i>] (<i>Note that this item relates to the date and place of payment, and not interest period end dates, to which items 16(ii), 17(iv), and 19(vii) relate</i>)
27	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes/No/Not Applicable <i>If yes, give details</i>] (<i>Only applicable to Materialised Notes</i>)
28	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	[Not Applicable/ <i>give details</i>]
29	Details relating to Instalment Notes:	[Not Applicable/ <i>give details</i>]
(i)	Instalment Amount(s):	[•]
(ii)	Instalment Date(s):	[•]
(iii)	Minimum Instalment Amount:	[•]
(iv)	Maximum Instalment Amount:	[•]
30	Redenomination, renominatisation and reconventioning provisions:	[Not Applicable/The provisions [in Condition 1(d)] [annexed to this Final Terms] apply]
31	Consolidation provisions:	[Not Applicable/The provisions [in Condition 14(b)] [annexed to this Final

32 Representation of holders of Notes¹
Masse (Condition 11):

Terms] apply]

[Applicable/Not Applicable/Condition 11 replaced by the full provisions of French *Code de commerce* relating to the *Masse*] (Note that: (i) in respect of any *Tranche of Notes* issued outside France, Condition 11 may be waived, amended or supplemented, and (ii) in respect of any *Tranche of Notes* issued inside France, Condition 11 must be waived in its entirety and replaced by the provisions of the French *Code de commerce* relating to the *Masse*. If Condition 11 (as it may be amended or supplemented) applies, or if the full provisions of the French *Code de commerce* apply, insert, if any, details of Representative and Alternative Representative and remuneration).

At the date of this Final Terms the *statuts* of the Issuer [do not contemplate (to be amended if the *statuts* of the Issuer have been modified)] the right for a Noteholder to participate in a General Meeting by videoconference or any other means of telecommunication allowing the identification of the participating Noteholders.

33 Other terms or special conditions:

[Not Applicable/give details]

(When adding any other final terms consideration should be given as to whether such terms constitute a "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)

¹ The provisions of the French *Code de commerce* relating to the *Masse* of holders of Notes are applicable in full to French domestic issues of Notes. Pursuant to Article L.228-90 of the French *Code de commerce*, the *Masse* provisions contained in the French *Code de commerce* are Not applicable to international issues (*emprunt émis à l'étranger*); accordingly international issues may have no *Masse* provisions at all or the *Masse* provisions contained in the French *Code de commerce* may be varied along the lines of the provisions of Condition 11.

DISTRIBUTION

- 34 (i) If syndicated, names of Managers: [Not Applicable/*give names*]
- (ii) Stabilising Manager (if any): [Not Applicable/*give name*]
- 35 If non-syndicated, name of Manager: [Not Applicable/*give name*]
- 36 Additional selling restrictions: [Not Applicable/*give details*]

LISTING AND ADMISSION TO TRADING APPLICATION

This Final Terms comprises the Final Terms required to list the issue of Notes described herein pursuant to the Euro 10,000,000,000 Euro Medium Term Note Programme of LVMH Moët Hennessy Louis Vuitton.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [•] has been extracted from [•]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [•], no facts have been omitted which would render the reproduced inaccurate or misleading.]

Signed on behalf of the Issuer:

Duly represented by:

PART B – OTHER INFORMATION

1 RISK FACTORS

[[Insert any issue specific risk factors that are material to the Notes being offered and/or admitted to trading in order to assess the market risk associated with these Notes, that may affect the Issuer's ability to fulfil its obligations under the Notes and which are not specifically described under Risk Factors" in the Base Prospectus. If any such additional risk factors need to be included consideration should be given as to whether they constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.] [Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information.]]*

2 LISTING AND ADMISSION TO TRADING

- (i) Listing: [Official List of the Luxembourg Stock Exchange/EuroMTF/other (specify)/None]
- (ii) Admission to trading: [Application has been made for the Notes to be admitted to trading on [the Regulated Market of the Luxembourg Stock Exchange/ [•]] with effect from [•].] [Not Applicable.]
- (Where documenting a fungible issue need to indicate that original securities are already admitted to trading)*

3 RATINGS

Ratings: [At the Issue Date, the long-term corporate rating by Standard & Poor's Ratings Services, a division of the McGraw-Hill Companies, Inc. of the Issuer is [A] with [positive] outlook]

[Applicable/Not Applicable][The Notes to be issued have been rated]:

[S&P: [•]]

[[Other: [•]]

[[Each of] [S&P] [and [•] is established in the European Union and has applied for registration under Regulation (EC) No 1060/2009, as amended by Regulation (EU) No 513/2011, although the result of such applications has not been determined.]

[[Each of [•] and] [•] is established in the European Union and registered under Regulation (EC) No 1060/2009, as amended by Regulation (EU) No 513/2011.]

[[None of [•] and] [•] is [not] established in the European Union [nor has/and has not] applied for registration under Regulation (EC) No 1060/2009, as amended by Regulation (EU) No 513/2011.]

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue

* Required for derivative securities to which Annex XII to the Prospectus Directive Regulation applies. See footnote ** below.

** If the Final Redemption Amount is less than 100% of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.

has been specifically rated, that rating.)

4 [NOTIFICATION]

The Commission de surveillance du secteur financier in Luxembourg [has been requested to provide/has provided - include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues] the [include names of competent authorities of host Member States] with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.]

5 [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

["Save as disclosed in ["Subscription and Sale"] so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."]

6 REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

[(i) Reasons for the offer: [•]
(See Use of Proceeds"wording in Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)]

[(ii) Estimated net proceeds: [•]
(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)

[(iii) Estimated total expenses: [•] *[Include breakdown of expenses.]*

(If the Notes are derivative securities to which Annex 12 of the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)

7 [Fixed Rate Notes only – YIELD]

Indication of yield: [•]
Calculated as *[include details of method of calculation in summary form]* on the Issue Date.
As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

8 [Floating Rate Notes only - HISTORIC INTEREST RATES]

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].]

9 [Index-Linked or other variable-linked Notes only – PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING

*Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident. [Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information. Include other information concerning the underlying required by Paragraph 4.2 of Annex 12 of the Prospectus Directive Regulation.]**

[(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]

10 [Dual Currency Notes only – PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT

Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

11 [Derivatives only – EXPLANATION OF EFFECT ON VALUE OF INVESTMENT, rETURN ON DERIVATIVES SECURITIES AND INFORMATION CONCERNING THE UNDERLYING*

EXPLANATION OF EFFECT ON VALUE OF INVESTMENT

Need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.

INFORMATION CONCERNING THE UNDERLYING

- a statement setting out the type of the underlying and details of where information on the underlying can be obtained: [•]
- an indication where information about the past and the further performance of the underlying and its volatility can be obtained: [•]
- where the underlying is a security: [Applicable/Not Applicable]

- the name of the issuer of the security: [•]
- the ISIN (International Security Identification Number) or other such security identification code: [•]
- where the underlying is an index: [Applicable/Not Applicable]

* Required for derivative securities to which Annex 12 to the Prospectus Directive Regulation applies. See footnote ** below.

** If the Final Redemption Amount is less than 100% of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex 12 to the Prospectus Directive Regulation will apply.

the name of the index and a description of the index if it is composed by the issuer. If the index is not composed by the issuer, where information about the index can be obtained:

[•]

- where the underlying is an interest rate:

[Applicable/Not Applicable]

a description of the interest rate:

[•]

- others:

[Applicable/Not Applicable]

where the underlying does not fall within the categories specified above the securities note shall contain equivalent information:

[•]

- where the underlying is a basket of underlyings:

[Applicable/Not Applicable]

disclosure of the relevant weightings of each underlying in the basket:

[•]

A description of any market disruption or settlement disruption events that affect the underlying:

[•]

[Adjustment rules with relation to events concerning the underlying:] *

[•]

- an indication of the intent of the Issuer regarding the providing of post-issuance information relating to the underlying and where the intent of the Issuer is to report such information, an indication of the type of information reported and where it can be obtained:

[•]

12 OPERATIONAL INFORMATION

ISIN Code: [•]

Common Code: [•]

[Stabilising Manager (if syndicated)] [•]

Depositories:

(i) Euroclear France to act as Central Depository: [Yes/No]

(ii) Common Depository for Euroclear Bank and Clearstream, Luxembourg: [Yes/No]

Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]

Delivery: Delivery [against/free of] payment

* Required for derivative securities to which Annex XII to the Prospectus Directive Regulation applies. See footnote ** below.

** If the Final Redemption Amount is less than 100% of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.

The Agents appointed in respect of [•]
the Notes are:

Name and address of the Calculation [•]
Agent:

Names and addresses of additional [•]
Paying Agent(s) (if any):

The aggregate principal amount of
Notes issued has been translated into [Not Applicable/Euro [•]] (Only applicable for Notes not denominated
Euro at the rate of [currency] per in Euro)
euro 1.00, producing a sum of:

GENERAL INFORMATION

- (1) Application has been made to the Luxembourg Stock Exchange to list the Notes on the Official List of the Luxembourg Stock Exchange and to trade on the Regulated Market of the Luxembourg Stock Exchange and/or on any other Regulated Market in an EEA Member State, as the case may be or to be offered to the public in Luxembourg and/or in any EEA Member State, as the case may be.

In compliance with Article 18 of the Prospectus Directive, application may also be made for the notification of certificate of approval to any competent authority of any EEA Member State.

- (2) The Issuer has obtained all necessary corporate and other consents, approvals and authorisations in the Republic of France, in connection with the Programme.
 - (i) The update of the Programme was authorised by a decision of the *Président-Directeur Général* of LVMH made on 12 April 2012.
 - (ii) Any issue of Notes by LVMH under the Programme, to the extent that such Notes constitute *obligations* under French law, requires (i) a decision of the Board of Directors of LVMH or (ii) a resolution of the Ordinary General Meeting of LVMH's shareholders if (a) the *statuts* of LVMH so require (at the date hereof the *statuts* of LVMH do not require a resolution of the Ordinary General Meeting) or (b) the shareholders at an Ordinary General Meeting decide to authorise an issue of *obligations*, all pursuant to Article L.228-40 of French *Code de commerce*. Pursuant to the same Article, the Board of Directors may delegate to any of its members, the *Président-Directeur Général* of LVMH, or, subject to the latter's approval, any *Directeur Général Délégué*, the power to issue *obligations* for up to one year.
 - (iii) Any issue of the Notes by LVMH under the Programme will, to the extent they do not constitute *obligations*, fall within the general powers of the *Président-Directeur Général* or a *Directeur Général Délégué* of LVMH or of any other authorised official acting by delegation.
- (3) There has been no significant change in the financial or trading position of LVMH or the LVMH Group and no material adverse change in the prospects, of LVMH or the LVMH Group since 31 December 2011.
- (4) Except as disclosed in this Base Prospectus on pages 32 and 93-94, neither the Issuer nor any member of the LVMH Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Base Prospectus which may have or have had in the recent past, significant effects on the financial position or profitability of the Issuer and/or the LVMH Group.
- (5) Each Definitive Materialised Bearer Note, Receipt, Coupon and Talon will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".
- (6) Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems which are entities in charge of keeping the records. The Common Code and the International Securities Identification Number (ISIN) and (where applicable) the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Final Terms.

The address of Euroclear is 1 boulevard du Roi Albert II, 1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 avenue John Fitzgerald Kennedy, 1855 Luxembourg, Grand-Duchy of Luxembourg.

- (7) Dematerialised Notes will be inscribed in the books of Euroclear France (acting as central depository). Dematerialised Notes which are in registered form (*au nominatif*) are also inscribed either with the Issuer or with the registration agent.

The address of Euroclear France is 115 rue Réaumur, 75081 Paris Cedex 02, France.

- (8) For so long as Notes issued under the Programme are outstanding, the following documents will be available free of charge, during usual business hours on any weekday (Saturdays and public holidays excepted), at the office of the Fiscal Agent or of each of the Paying Agents:

- (i) the Amended and Restated Agency Agreement;
- (ii) the constitutive documents of the Issuer;
- (iii) each Final Terms for Notes that are listed on the Official List, and admitted to trading on the Regulated Market, of the Luxembourg Stock Exchange(s) or any other Regulated Market or stock exchange.

- (9) For so long as Notes issued under the Programme are outstanding, the following documents will be available, free of charge, during usual business hours on any weekday (Saturdays and public holidays excepted), at the office of the Fiscal Agent or of each of the Paying Agents:

- (i) The *documents de référence* of LVMH for the years 2010 and 2011 (in English and French) (containing the audited non-consolidated and consolidated accounts of LVMH); and
- (ii) all reports, letters and other documents, balance sheets, valuations and statements by any expert any part of which is extracted or referred to in this Base Prospectus in respect of each issue of Notes.

- (10) For so long as Notes may be issued pursuant to this Prospectus, the following documents will be available, on the website of the Luxembourg Stock Exchange (www.bourse.lu):

- (i) the Final Terms for Notes that are listed on the Official List, and admitted to trading on the Regulated Market, of the Luxembourg Stock Exchange;
- (ii) this Base Prospectus together with any Supplement or further Base Prospectus; and
- (iii) the documents incorporated by reference in this Base Prospectus.

- (11) In respect of outstanding Notes issued in the past by the Issuer, separate applications may have been made, for such Notes to be listed and admitted to trading on the Paris and Luxembourg stock exchanges.

- (12) Copies of the latest *documents de référence* of LVMH (containing the non-consolidated and the consolidated accounts of LVMH) (in English and French), the *Rapports financiers semestriels* of LVMH (including the semi-annual condensed consolidated financial statements of LVMH) (in English and French) (in each case as soon as they are published) may be obtained, and copies of the Amended and Restated Agency Agreement will be available, at the specified offices of each of the Paying Agents during normal business hours, so long as any of the Notes is outstanding.

- (13) In respect of derivatives securities as defined in Article 15.2 of Commission Regulation no.809/2004, the Final Terms will indicate whether or not the Issuer intends to provide post-issuance information concerning the underlying. If the Issuer intends to report such information, the Final Terms will specify what information will be reported and where such information can be obtained.

- (14) Ernst & Young et Autres at 1, place des Saisons - 92400 Courbevoie – Paris La Défense 1, France and Deloitte & Associés at 185 avenue Charles de Gaulle, 92524 Neuilly-sur-Seine Cedex, France (both entities regulated by the *Haut Conseil du Commissariat aux Comptes* and duly authorised as

Commissaires aux comptes) have audited and rendered unqualified audit reports on the consolidated financial statements of the LVMH Group for the year ended 31 December 2010 and for the year ended 31 December 2011.

Issuer

LVMH Moët Hennessy Louis Vuitton

22 avenue Montaigne
75008 Paris
France
Telephone: +33 1 44 13 22 22

Arranger

Deutsche Bank AG, Paris Branch

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75008 Paris
France

Dealers

BNP PARIBAS
10 Harewood Avenue
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United Kingdom

Citigroup Global Markets Limited

Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

Crédit Agricole Corporate and Investment Bank

9, quai du Président Paul Doumer
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France

Credit Suisse Securities (Europe) Limited

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United Kingdom

Daiwa Capital Markets Europe Limited

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United Kingdom

Deutsche Bank AG, London Branch

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