

Annual General  
Meeting

—  
April 16, 2015

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MOËT HENNESSY · LOUIS VUITTON

Bernard Arnault

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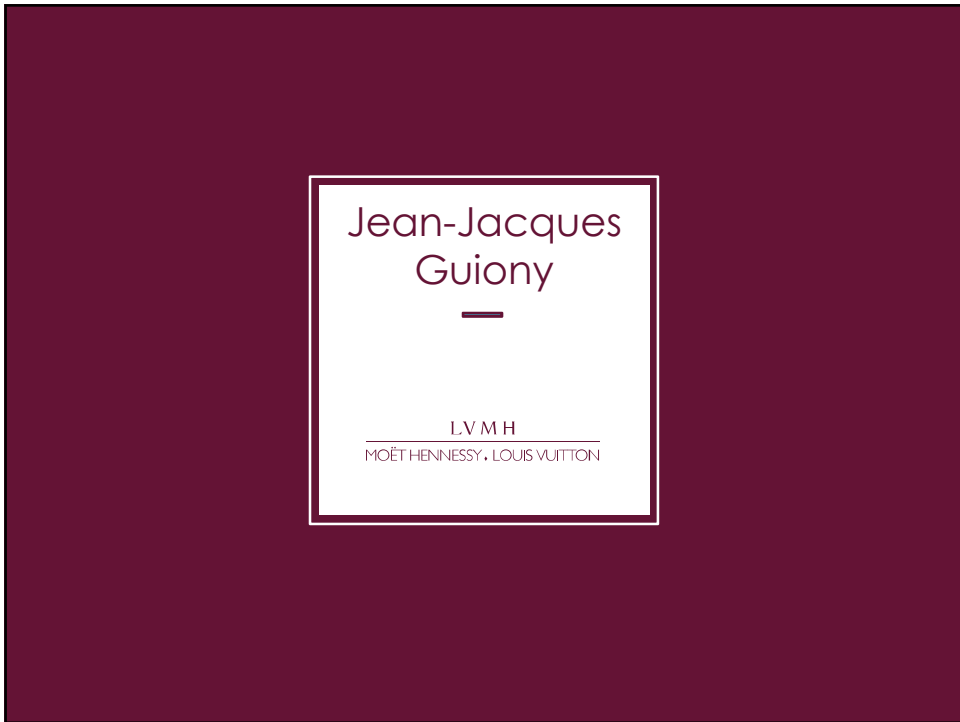
## Very good performance of LVMH

- ◆ Mixed economic and currency environment
- ◆ Organic revenue growth of 5%
- ◆ Record Group share of net profit
- ◆ Profit from recurring operations of €5.7 billion
- ◆ Particularly solid financial position
  - Free cash flow of €2.8 billion
  - Net debt to equity ratio of 21%

## Annual General Meeting

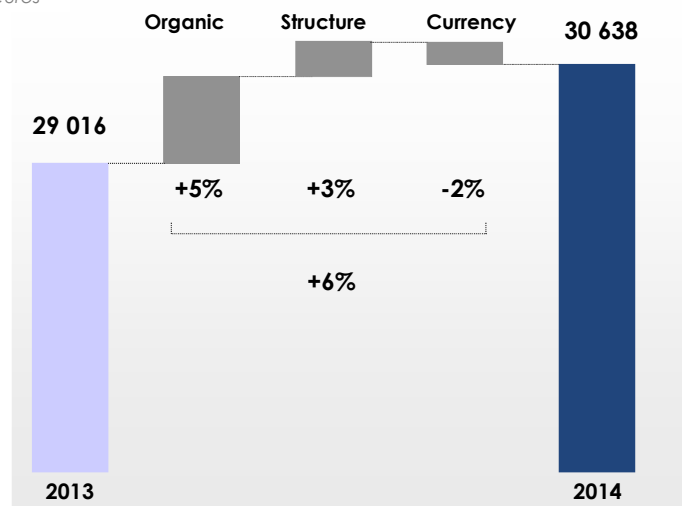
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## 2014 revenue

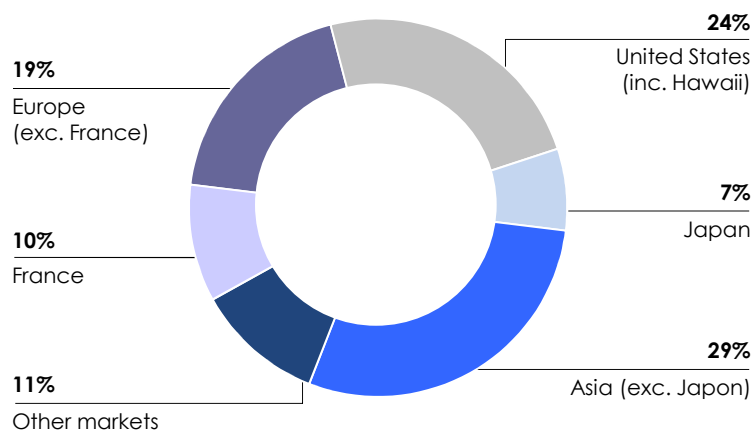
In millions of euros



*The principles used to determine the net impact of exchange rate fluctuations on revenue of entities reporting in foreign currencies ("currency impact") and the net impact of changes in the scope of consolidation ("perimeter impact") are described on page 27 of the 2014 Reference Document.*

## 2014 revenue by region

In % of total revenue



## Revenue change by region

Organic growth  
 versus same period of 2013

LVMH Group	2014
United States*	+ 8%
Japan	+ 8%
Asia	- 1%
Europe	+ 3%

\* exc. Hawaii

## Revenue by business group

In millions of euros	2013*	2014	Reported growth	Organic growth
Wines & Spirits	4 173	3 973	- 5%	- 3%
Champagne & Wines	1 937	1 985	+ 2%	+ 6%
Cognac & Spirits	2 236	1 988	- 11%	- 10%
Fashion & Leather Goods	9 883	10 828	+ 10%	+ 3%
Perfumes & Cosmetics	3 717	3 916	+ 5%	+ 7%
Watches & Jewelry	2 697	2 782	+ 3%	+ 4%
Selective Retailing	8 903	9 534	+ 7%	+ 8%
Others and eliminations	(357)	(395)	-	-
<b>Total LVMH</b>	<b>29 016</b>	<b>30 638</b>	<b>+ 6%</b>	<b>+ 5%</b>

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

## Summarized income statement

In millions of euros	2013*	2014	% Change
Revenue	29 016	30 638	+ 6%
Gross margin	19 019	19 837	+ 4%
Marketing and selling expenses	(10 767)	(11 744)	+ 9%
General and administrative expenses	(2 212)	(2 373)	+ 7%
Equity investment income	(23)	(5)	
Profit from recurring operations	6 017	5 715	- 5%
Other operating income and expenses	(119)	(284)	
Operating profit	5 898	5 431	- 8%
Net financial income (expense)	(198)	2 947	
Income taxes	(1 753)	(2 273)	
Net profit before minority interests	3 947	6 105	+ 55%
Minority interests	(511)	(457)	
<b>Group share of net profit</b>	<b>3 436</b>	<b>5 648</b>	<b>+ 64%</b>

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

## Profit from recurring operations by business group

In millions of euros	2013*	2014	% Change
Wines & Spirits	1 367	1 147	- 16%
Champagne & Wines	594	565	- 5%
Cognac & Spirits	773	582	- 25%
Fashion & Leather Goods	3 135	3 189	+ 2%
Perfumes & Cosmetics	414	415	0%
Watches & Jewelry	367	283	- 23%
Selective Retailing	908	882	- 3%
Others and eliminations	(174)	(201)	ns
<b>Total LVMH</b>	<b>6 017</b>	<b>5 715</b>	<b>- 5%</b>

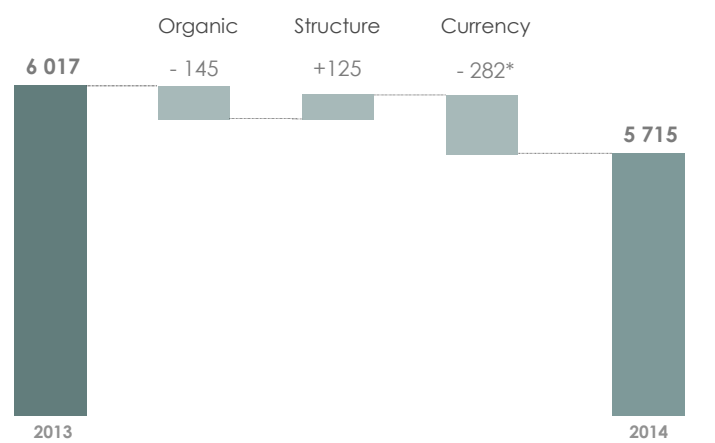
\*Restated to reflect the application of IFRS 10 and 11 on consolidation.

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

In millions of euros



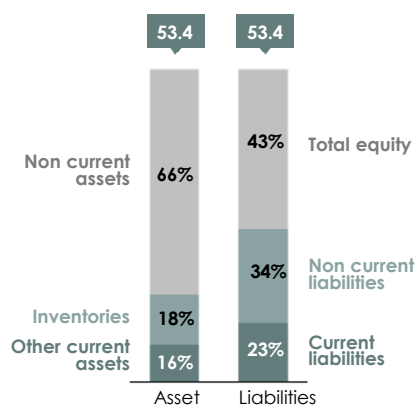
\* With Fashion & Leather Goods: -149M€

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## Particularly sound financial structure, rating A+

In billions of euros

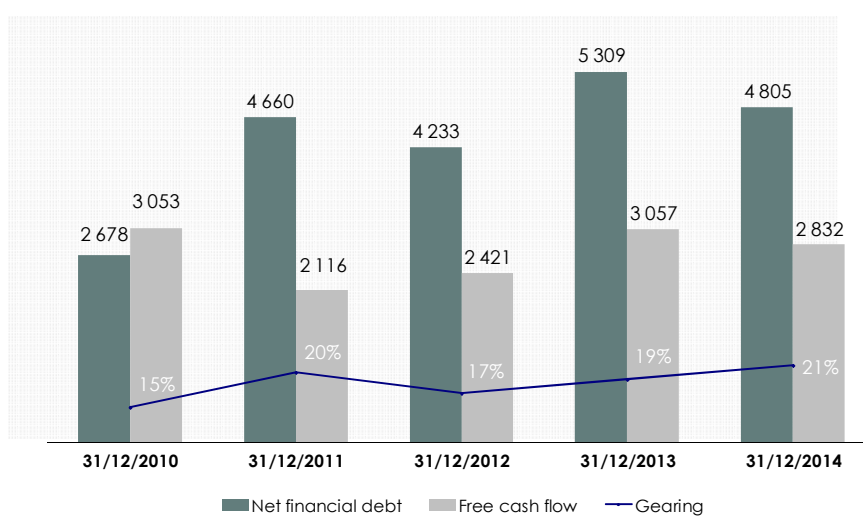


- ▶ Change in total equity following distribution in kind of Hermès shares
- ▶ Decrease of net debt
- ▶ Increase of inventories attributable to growth in Group's businesses

Dec 31, 2014

## Net financial debt and free cash flow

In millions of euros



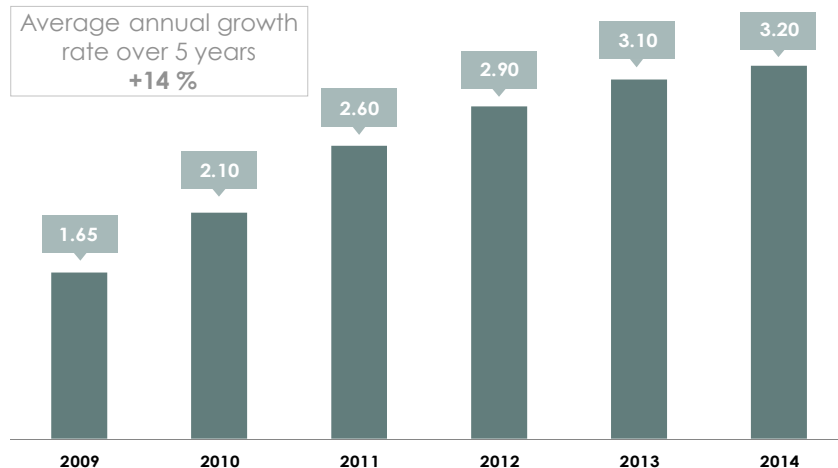
## 2014 dividend up 3%

In euros

Gross dividend per share

Average annual growth  
rate over 5 years  
**+14%**

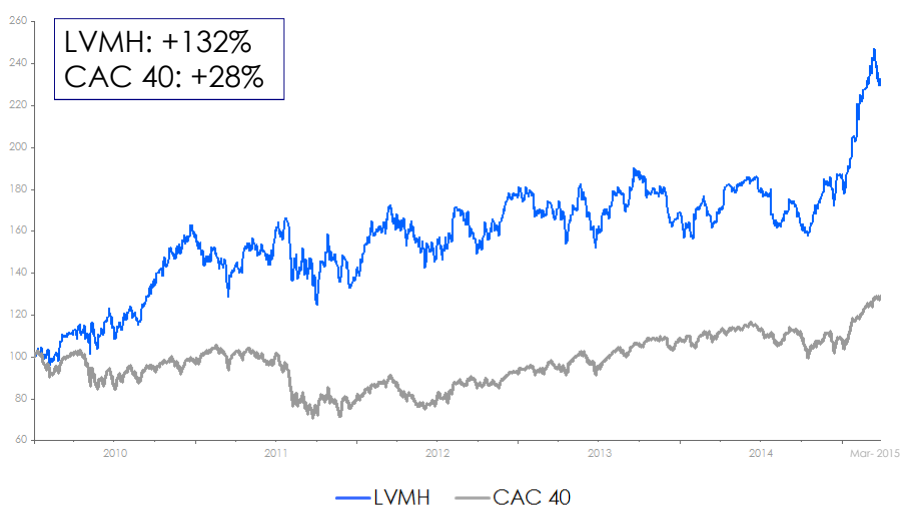
► Dividend for the 2014 fiscal year  
of 3.20 euros per share +  
distribution in kind of Hermès shares



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## Share price performance since January 1, 2010



Source: Factset – share price base 100 at January 1, 2010 to March 31 2015.

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## 2014 Highlights

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### 2014 Key highlights

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

## Strategy and outlook

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### 2015 Outlook

- ◆ Rebound in VSOP cognac volume in China and focus on innovation of Wines and Spirits brands
- ◆ Continue the strategy of Louis Vuitton, and accelerate profitable growth of other fashion brands
- ◆ Increase advance of Parfums Christian Dior and support Guerlain's international development
- ◆ Continue to refocus TAG Heuer and build on momentum at Bvlgari, optimize production facilities
- ◆ DFS to adapt to geopolitical context and Sephora to continue innovation dynamic in stores and in the digital world

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

## Performance and responsibility: a business model in the service of excellence

- ◆ Associating creativity and environmental performance in the design stage of our products
- ◆ Preserving our exceptional natural raw materials
- ◆ Integrating the LIFE program into the strategic plans of each Maison
- ◆ Developing, encouraging and passing on the talent and creativity of our teams
- ◆ Sustaining skills in craftsmanship and creation

## Annual General Meeting

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Auditors' reports  
to the  
Combined  
Shareholders'  
Meeting

## Statutory Auditors' Reports

- ◆ Ordinary Annual Shareholders' Meeting
  - Report on the consolidated financial statements
  - Report on the parent company financial statements
  - Special report on regulated related party agreements and commitments
  
- ◆ Extraordinary Annual Shareholders' Meeting
  - Five special reports related to capital transactions

## Reports on the LVMH parent company and consolidated financial statements (1st and 2nd resolutions)

- ◆ 1<sup>st</sup> resolution: LVMH parent company financial statements
  - Pages 215 and 216 of the translation of the French "document de référence"
  - In our **opinion**, the financial statements give a **true and fair view** of the financial position and the assets and liabilities of the Company as of December 31, 2014 and of the results of its operations for the year then ended, in accordance with accounting principles generally accepted in France.
- ◆ 2<sup>nd</sup> resolution: LVMH consolidated financial statements
  - Pages 187 and 188 of the translation of the French "document de référence"
  - In our **opinion**, the consolidated financial statements give a **true and fair view** of the assets and liabilities and of the financial position of the Group as of December 31, 2014, and of the results of its operations for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union.

## Special Report on regulated related party agreements and commitments (3rd resolution)

- ◆ Pages 217 to 219 of the translation of the French "document de référence"
- ◆ The regulated related party agreements and commitments entered into and previously authorized by your Board of Directors during the year relate to:
  - An amendment to the assistance agreement with Groupe Arnault SAS;
  - An amendment to the service agreement with Christian Dior SE;
  - The renewal of the service agreement with A.A. Conseil SAS;
  - A service agreement with Mr. Francesco Trapani;
  - The sale by LV Group to LVMH of the investment stake it held in Hermès International;

## Special Report on regulated related party agreements and commitments (3rd resolution)

- ◆ On February 3, 2015 the Board of Directors disqualified the joint-venture agreement between Christian Dior Couture SA and LVMH related to the production and distribution of Dior Watches by “Les Ateliers Horlogers Dior SA” as not being subject to the procedure for regulated agreements.
- ◆ The other agreements and commitments authorized in prior years and which remain current during the year are also presented in our special report.

## Special reports regarding capital transactions

- ◆ Delegation of authority / Authorization granted to the Board of Directors

Page 271	Authorization to decrease share capital	Resolution 13
Pages 272 and 273	Issue of shares and marketable securities with retention and/or waiver of preferential subscription rights	Resolutions 14, 15, 16, 17, 18, 19 and 20
Page 274	Granting of stock subscription or purchase options	Resolution 21
Page 275	Issue of shares and marketable securities reserved for employees who are members of company savings plan	Resolution 22
Page 276	Granting of existing shares or shares to be issued, for no consideration, to employees and senior executive officers	Resolution 24

- We have nothing to report on these transactions, which comply with the conditions provided by the French Commercial Code.

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