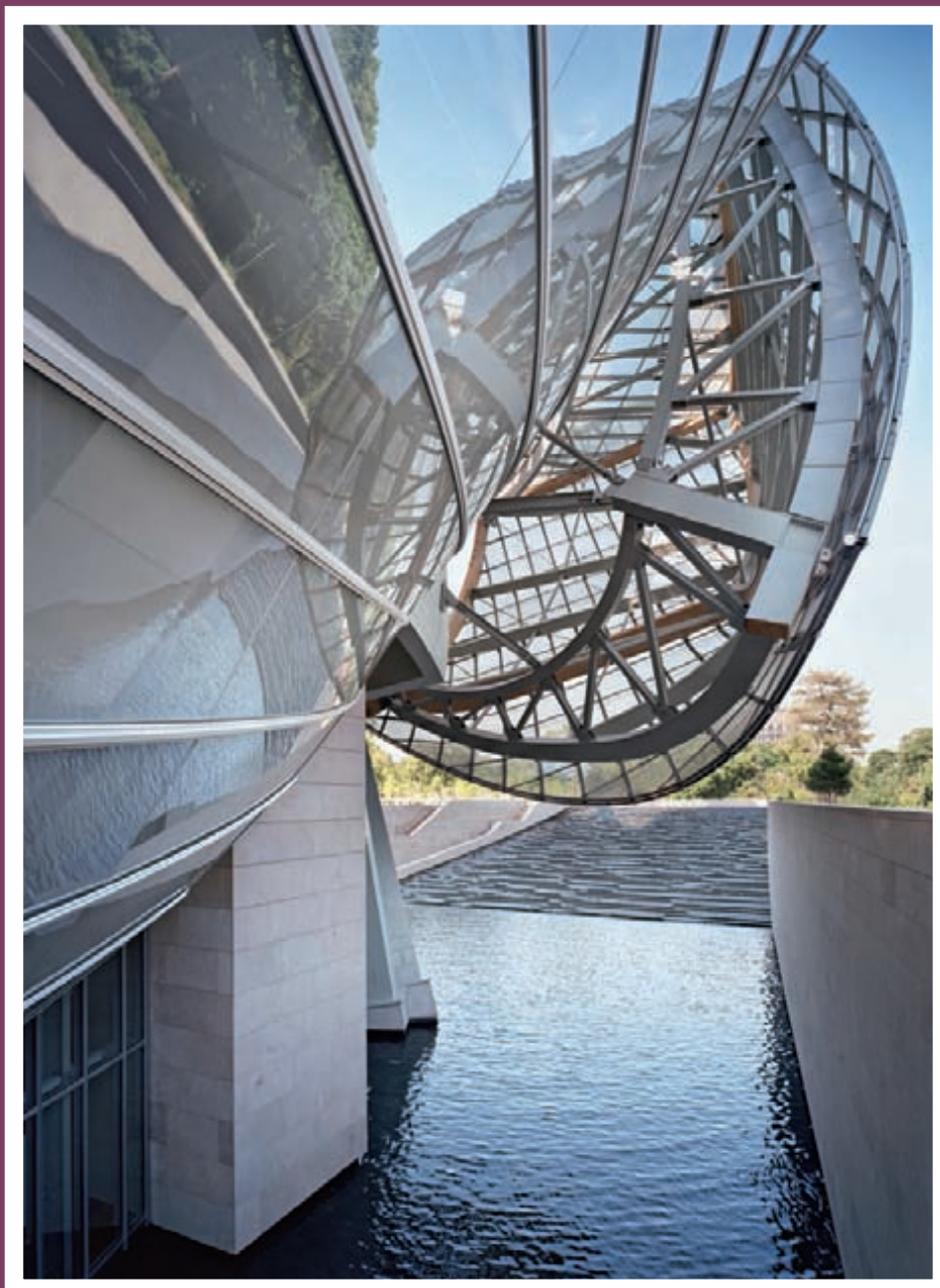


LVMH 2014  
—  
ANNUAL REPORT



GROUP



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## GROUP'S PROFILE

A coherent universe of men and women passionate about their profession and driven by the desire to innovate and achieve. An unrivalled group of powerfully evocative brands and great names that are synonymous with the history of luxury. A natural alliance between art and craftsmanship, dominated by creativity, virtuosity and quality. A remarkable economic success story with more than 120,000 employees worldwide and global leadership in the manufacture and distribution of luxury goods. A global vision dedicated to serving the needs of every customer. The successful marriage of cultures grounded in tradition and elegance with the most advanced marketing, industrial organization and management techniques. A singular mix of talent, daring and thoroughness in the quest for excellence. A unique enterprise that stands out in its sector.

**Our philosophy can be summarized in two words: CREATIVE PASSION.**

### THE VALUES OF LVMH

#### **Innovation and creativity**

Because our future success will come from the renewal of our product offering while respecting the roots of our Maisons.

#### **Excellence of products and service**

Because we embody what is most noble and accomplished in the artisan world.

#### **Brand image enhancement**

Because they represent an extraordinary asset, a source of dreams and ambitions.

#### **Entrepreneurship**

Because this guarantees our ability to react and our motivation to create and seize opportunities.

#### **Leadership - Be the best**

Because it is through continually excelling that we accomplish the best and achieve the best results.



## REINFORCING OUR FUNDAMENTALS FOR LONG-TERM SUCCESS

**2014 WAS A PROLIFIC YEAR FOR LVMH. IN AN EVER MORE RAPIDLY CHANGING ENVIRONMENT, OUR GROUP DEMONSTRATED THE STRENGTH OF ITS GROWTH MODEL AND, THANKS TO THE GREAT DEDICATION OF ITS TEAMS, PROVED THAT IT COULD COMBINE RESPONSIVENESS AND LONG-TERM VISION. AT THE INTERSECTION BETWEEN ICONIC BRANDS AND NEW GENERATIONS, IT IS LAYING THE GROUNDWORK FOR THE SUCCESSES OF TOMORROW.**

2014 was an eventful year for LVMH, mostly in positive ways. I will mention, of course, the opening of the Fondation Louis Vuitton, an enduring monument to our patronage of the arts. The magnificent building that houses it, due to the genius of Frank Gehry, is the perfect reflection of our values of excellence and innovation. I also see it as a symbol of our élan and our confidence in the future. Furthermore, I would like to recall two major initiatives that particularly illustrate the pillars underpinning our Group's strength: expert craftsmanship, showcased by the foundation of the Institut des Métiers d'Excellence, and creativity, recognized with the LVMH Prize for Young Designers.

2014 will also be remembered, unfortunately, for the precipitous passing of Yves Carcelle, one of our Group's principal managers, and for the deep sadness we felt. Yves served as the head of Louis Vuitton for more than twenty years, and was at the heart of its success. A driven leader and visionary, he was a man of enthusiasm, warmth and generosity to all.

### **A STRONG DYNAMIC MATERIALIZED BY MAJOR ACHIEVEMENTS**

Against a backdrop of economic, monetary and geopolitical uncertainty, LVMH continues to make progress, and posted record revenue and net profit in 2014. We succeeded in translating our growth dynamic into many achievements. The champagne houses registered advances in all regions. Louis Vuitton began a new chapter in its creative history with Nicolas Ghesquière's enthusiastically received debut collections. The Maison also celebrated its *Monogram*, a timeless symbol of its fabulous heritage. It was also a great year for Parfums Christian Dior, which achieved growth in all product categories and continued to gain market share.

Sephora maintained its remarkable dynamic around the world. Bvlgari celebrated its 130<sup>th</sup> anniversary, turning in an exceptional year boosted by its innovation and expanded global presence.

At the same time, destocking by distributors in China weighed on Hennessy's revenue. DFS had to deal with a complex situation in Asia, while TAG Heuer felt the effects of slower sales in the watchmaking industry. One of our Group's greatest strengths is its responsiveness: each of these Maisons demonstrated this yet again by adapting its strategy to the challenges at hand.

On a financial level, LVMH withdrew its investment in Hermès International at the end of the year, by distributing its stake to shareholders. This transaction enabled us to make a capital gain and share the corresponding value creation with our shareholders.

### **SOLID FUNDAMENTALS, GETTING STRONGER STILL**

The climate at the beginning of 2015 remains mixed. The economic horizon seems to be clearing up and the monetary situation improving. Solid European economic growth, however, has yet to arrive, and geopolitical disruptions are still creating uncertainty.

In a multipolar, ever-changing and yet also highly interconnected world, LVMH enters the next few years in an even more robust position than before, and can depend on the agility of its organization to help it rise to new challenges and seize the best opportunities for growth and market share gains. Our fundamentals are stronger thanks to the Maisons that have found the keys to lasting success, such as Fendi and Céline, as well as those that joined our Group recently: Bvlgari, a jewelry house of singular style, which has blossomed over its first four years at LVMH; and Loro Piana, master of the world's most exquisite materials and fabrics, fresh from its first year in the Group. These Maisons share our culture of excellence and creativity. They provide us with new exceptional savoir-faire, an additional source of growth potential. They also share the sense of family and entrepreneurial spirit which we have preserved in LVMH's management culture; which sustains the Group's success and that of its Maisons over the long term.

### **NEW GENERATIONS**

Attracting young creative talents and helping them develop their Maisons within the Group is another way to prepare for the future. Nicholas Kirkwood, renowned as one of the most promising designers in the booming footwear industry, joined us in 2013. As did J.W. Anderson, whose ready-to-wear brand is already influential, and who has also been appointed Artistic Director of Loewe. He will bring to Loewe his ability to marry the traditions of this Maison with modernity.

Maintaining our obsession with quality, the creation of desire, offering our customers an exceptional experience at our stores, and strengthening the influence of our brands remain the pillars of our strategy. Just as important is our creativity and innovation in everything we do. Innovation in products, distribution, communication, the digital sphere... Many new projects are under way for 2015 and beyond, across all our business lines. With a constant eye on managing our resources, we target the opportunities that offer the best prospects. Responsiveness, swift decision-making, operational agility and long-term vision: the strong dedication of our teams will continue to ensure that we keep making progress in the world's major markets.

### **CONFIDENCE IN THE FUTURE**

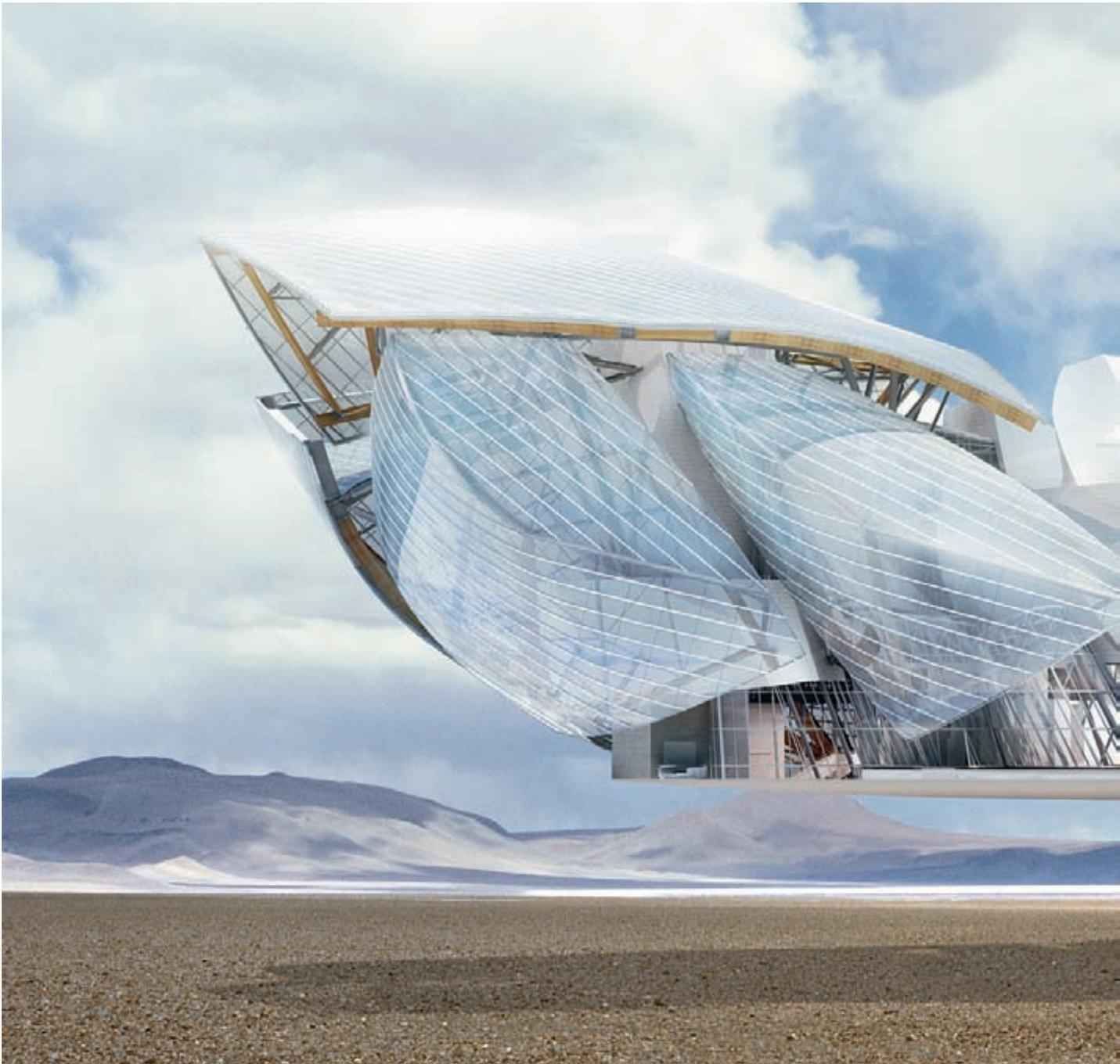
I would like to reaffirm my confidence in the future and look back on two recent events in the Group's life that bear this out in more ways than one: the opening of La Ruche, Guerlain's new ultra-modern manufacturing facility, without doubt one of the highest-quality sites in the world in terms of production, employee working conditions and respect for the environment, preceded by that of the Hélios perfumes and cosmetics research center near Orléans. This cutting-edge resource for our researchers tasked with preparing the products of tomorrow was also built in compliance with France's High Environmental Quality standard: insofar as our future lies in innovation, it also depends on preserving the riches of nature. What is more, at Hélios we provide local teams with access to our skills to help them accelerate their own innovation processes: as a leader, we have a responsibility to build strong ties with the local community and help launch the start-ups and small businesses that will become our future partners. Our citizenship commitments are also a driver of long-term success.

*Bernard Arnault*

*Chairman and Chief Executive Officer*

**“THE FONDATION LOUIS VUITTON EXPRESSES OUR PASSION  
FOR CREATION AND FREEDOM. IT GOES BEYOND THE EPHEMERAL;  
IT IS A DREAM BECOME REALITY.”**

BERNARD ARNAULT



**“I DREAM OF DESIGNING A MAGNIFICENT VESSEL  
FOR PARIS THAT SYMBOLIZES FRANCE’S PROFOUND  
CULTURAL VOCATION.”**

FRANK GEHRY



## FONDATION LOUIS VUITTON: FOR PARIS, AN ARCHITECTURAL EMBLEM OF THE 21ST CENTURY

COMMISSIONED BY BERNARD ARNAULT AND DESIGNED BY FRANK GEHRY,  
THE FONDATION LOUIS VUITTON IS LOCATED IN PARIS' BOIS DE BOULOGNE,  
ON THE EDGE OF THE JARDIN D'ACCLIMATATION PARK.  
IT PROMOTES FRENCH AND INTERNATIONAL CONTEMPORARY ARTISTIC CREATION,  
RENDERING IT ACCESSIBLE TO A WIDER AUDIENCE VIA A PERMANENT COLLECTION,  
TEMPORARY EXHIBITS, COMMISSIONED PIECES AND MYRIAD CROSSOVER EVENTS,  
INCLUDING MUSIC, AT REGULAR INTERLUDES IN ITS PROGRAM.



Inaugurated on Monday, October 20, 2014 by the President of France, François Hollande, and Bernard Arnault, the Fondation Louis Vuitton reaffirms and perpetuates LVMH's and Louis Vuitton's engagement as patrons of the arts and culture. It enriches Paris' heritage with a landmark emblematic of 21st century architecture.

### AN EXCEPTIONAL BUILDING

Frank Gehry's creative, bold building is itself the primordial artistic statement of the Fondation Louis Vuitton. Unfurling amid the ancient trees of the Jardin d'Acclimatation, poised on a mirror of water, it slides effortlessly into its natural, woodland surroundings, engaging in genuine

dialogue with them. Twelve glass “sails” envelop the “icebergs” that hold the exhibition spaces. In the words of Frank Gehry: “To reflect our constantly changing world, we wanted to create a building that would evolve according to the time and the light in order to give the impression of something ephemeral and continually changing.” The interplay between the reflections and the transparency of the sails gives the building a feeling of movement reminiscent of the Foundation’s energy.

The building’s artistic ambitiousness is matched by a dazzling array of technological innovations. As much in the way the project was designed as in the way the work was done, the construction of the Fondation Louis Vuitton overturned the fundamentals of architecture. From its earliest stages, every partner around the project table had to learn to wield one special tool: Digital Project, a 3D design application developed by Gehry Technologies based on Dassault aéronautique’s CATIA software. Because of the building’s intricate anatomy and completely unique rooms – featuring 19,000 Ductal® panels (ultra-high performance fiber-reinforced concrete) and 3,600 panes of glass – the engineers had to alter their fabrication processes to fit the custom needs of the project. The dialogue of the glass with the wood and metal structure bears witness to a feat of technical mastery as well as esthetics.

Finally, the Fondation Louis Vuitton was selected as the pilot project to establish a new HQE® (High Environmental Quality) standard. Numerous detailed studies were carried out in advance on the fauna, flora, groundwater, noise levels and accessibility of the site so as to identify, integrate and preserve all the parameters of the existing ecosystem, at every stage of the project from design to construction and use.

#### EXHIBITS AND EVENTS

From autumn 2014 to spring 2015, the inauguration of the Fondation Louis Vuitton is unfolding in stages, each revolving around an exhibit of carefully selected works from the collection as well as various crossover events.

For the opening, a special exhibit of Frank Gehry’s architectural oeuvre was mounted.

Several internationally renowned contemporary artists – including Ellsworth Kelly, Olafur Eliasson, Taryn Simon, Sarah Morris and Cerith Wyn Evans – were also commissioned to provide works that reference and create a dialogue with the building’s architecture.

The collection, curated by Suzanne Pagé, features bold, deliberate choices and assertions of identity as intended by Bernard Arnault. It has been unveiled since the Foundation’s opening in an intentionally limited and specific selection of works by Gerhard Richter, Ellsworth Kelly, Thomas Schütte, Pierre Huyghe, Bertrand Lavier, Christian Boltanski and Frank Stella. Following exhibits will reveal all throughout 2015 the collection’s four driving themes: contemplative, pop, expressionist and music/sound.

As for temporary exhibits, in the winter of 2014-2015 the Fondation featured a monographic show of installations by Olafur Eliasson, who had completed a commission to provide work for the building’s lower deck a few weeks earlier. This spring, the “Keys to a passion” exhibit will combine a variety of exceptional pieces, notably with loans from some of the finest museums around the world.

Last but not least, music will play a central role in the life of the Fondation Louis Vuitton. The auditorium, situated at the building’s heart and envisaged as a space for emulation, transmission and musical creation, is where musicians and artists from a panoply of contemporary creative disciplines come together. It offers them and the public a performance space unique in its architecture and outfitted to the highest quality standards. On October 28, 2014, pianist Lang Lang gave an inaugural recital there, followed a few days later with a series of special concerts by Kraftwerk.



## A FAST-CHANGING MARKET, NEW STRATEGIC OPPORTUNITIES

### What are the current trends in the luxury market?

The first is the diversity of our clientele: well-to-do customers are looking for even greater exclusivity, but with the boom in emerging countries, the rise of young middle-class consumers making their first foray into luxury is an undercurrent. Another trend is that customers are increasingly well-informed, interested in the brand's heritage, values and citizenship, and want to be aligned with these aspects of its identity. With the fragmentation of traditional media and the explosion in digital content, we need to think up new ways of keeping in touch with them and getting close to them. Lastly, our clientele has become more global, buying everywhere, all the time, whether in their own countries, while traveling, online... All these changes pose exciting challenges and allow us to imagine new strategic opportunities for our brands.

### What are the challenges in terms of customer segmentation?

While more and more customers are turning to our Maisons in search of exceptional products and exclusive experiences, the number of people making their first foray into luxury is steadily rising. They come from different cultural backgrounds, with a rapidly evolving diversity of perceptions and expectations. A standardized approach would be cold and mechanical. Luxury has always been driven by the dreams and emotional engagement of its customers: in today's multifaceted society, the challenge facing our Maisons is to stay true to themselves and their foundations of excellence, while adapting their approach to local and cultural specificities. Now more than ever, we must cultivate creativity and close relationships with our customers. Even though LVMH has grown substantially over the past several years, our decentralized grassroots organization fosters this closeness to customers, as well as the agility and quick decision-making that consolidate our progress and leading position.



**Antonio Belloni**  
Group Managing Director

### How is the digital opportunity used in the Group's strategy?

Today, our customers get information, look things up and exchange views in the online world. They also want to use digital platforms to communicate with us and do their shopping. We have to be in sync with these changes and be able to offer unique, differentiating experiences in the online world, perfectly integrated and complementing the brick-

and-mortar. When approached from a mindset of excellence, the digital world allows us to offer content that is rich and consistent with the magic of our brands and shops. We consider it to be a powerful competitive lever and we support the major initiatives undertaken by our brands. Sephora is one of the most advanced in the multichannel arena. Louis Vuitton is among the most followed brands in the world on social networks. Kenzo is inviting the digital universe into its stores. And Hublot used a digital platform to communicate with millions of soccer fans during the World Cup.

### What were the highlights of environmental action in 2014?

As promised, the LIFE (LVMH Indicators For the Environment) program is now in place at almost all of our Maisons. It allows us to focus everyone's efforts on nine key points of the Group's environmental profile. We have identified major overarching themes such as energy consumption at stores and manufacturing facilities, transportation, and supply chain traceability. The Group coordinates working groups on these common subjects of interest to optimize the sharing of best practices and accelerate our progress. Of course, the Maisons continue to work on more specific issues. One of our highlights in 2014 was when LVMH became the first private-sector member of the Board of Directors of the French Foundation for Research on Biodiversity (FRB), an organization that our Group has supported for a number of years.

## PERFORMANCE AND RESPONSIBILITY: A BUSINESS MODEL IN THE SERVICE OF EXCELLENCE

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Forged over generations by alliances between Maisons – weaving together their traditions of excellence and creative passion – LVMH has built its leading position on a unique portfolio of iconic brands. These Maisons derive their energy from their exceptional heritage, innovative mindset, and receptive outlook. The Group supports their development in a spirit of entrepreneurship, long-term vision, and respect for the source of their strength and uniqueness.

As ambassadors of an authentic *art de vivre*, it is our responsibility to set the right example in every aspect of our business, from product design to the experience that customers have throughout their relationships with our brands; from investment choices to social and environmental initiatives. Because what we do requires a diverse range of talent, we are committed to training teams that embody excellence. Because passing on skills is an integral part of our culture, we want to use that to promote social inclusion and employment. Because our crafts make the most of nature at its purest and most beautiful, we see preserving the environment as a strategic imperative.

The values and actions encompassed by our sustainable development attitude emerge from a tradition that dates back to the origins of our Maisons and forms an integral part of our heritage. Our long-term success depends not only on the Group's solid business model and profitable growth strategy, but also on our unwavering commitment to creativity, excellence and sustainability in all of our development and corporate citizenship goals.

**HUMAN RESOURCES POLICY** To encourage all our employees to reach their full career potential and achieve their aspirations, to develop diversity and the wealth of human resources at our companies in all the countries where we operate, and encourage initiatives in these areas. Outside our own company, to contribute to the knowledge and preservation of our crafts and our know-how as artisans and designers.

**ECONOMIC PERFORMANCE** To combine economic growth, sustainability and commitments to creativity and excellence. To apply our creative passion to the *art de vivre* to which our customers aspire. To strengthen our position as a global leader, and to be the benchmark in the management and development of high-quality brands.

**ENVIRONMENT** To work together to preserve the planet's resources, to design and develop products that are compatible with environmental concerns, to report on our policies and projects and the progress achieved in meeting our objectives. To contribute to environmental protection above and beyond the factors directly related to our operations, by entering into active partnerships with cooperating business groups, local authorities and associations.

**CITIZENSHIP** To implement a patronage program for the widest possible public benefit, the components of which reflect and transmit our fundamental values. To provide active support for major causes, humanitarian projects and public health programs, and develop initiatives in support of art and young people.



**THE BOARD OF DIRECTORS IS THE STRATEGIC BODY OF THE COMPANY WHICH IS PRIMARILY RESPONSIBLE FOR ENHANCING THE COMPANY'S VALUE AND PROTECTING ITS CORPORATE INTERESTS. ITS MAIN MISSIONS INVOLVE THE ADOPTION OF OVERALL STRATEGIC ORIENTATIONS AND ENSURING THESE ARE IMPLEMENTED, THE VERIFICATION OF THE TRUTHFULNESS AND RELIABILITY OF INFORMATION CONCERNING THE COMPANY AND THE GROUP, AND THE OVERALL PROTECTION OF ITS ASSETS.**

A Charter has been adopted by the Board of Directors which notably specifies the rules governing its membership, duties, procedures and responsibilities. It has nine independent Directors who are free of any interest with regard to the Company.

#### **BOARD OF DIRECTORS**

Over the course of the 2014 fiscal year, the Board of Directors met five times as convened by its Chairman. The Board approved the parent company and consolidated financial statements and expressed its opinions on subjects including the Group's major strategic guidelines and decisions, its budget, the compensation of company officers, and the establishment of bonus share and performance share plans. It approved the proposal to convert the Company into a *Societas Europaea*. It authorized the settlement agreement entered into on September 2, 2014 by LVMH and Hermès International and approved the proposed exceptional distribution in kind of Hermès International shares. It also approved various regulated agreements, including with related companies or with companies in which certain Directors hold executive management positions. It also conducted an evaluation of its capacity to meet the expectations of shareholders, reviewing its membership, its organization and its procedures, and modified the composition of the Performance Audit Committee.

#### **PERFORMANCE AUDIT COMMITTEE**

The Performance Audit Committee, which currently consists of three members, all independent, appointed by the Board of Directors, met

five times in 2014. In addition to reviewing the annual and half-yearly parent company and consolidated financial statements, together with the detailed analysis of changes in the Group's activities and scope of consolidation, the Committee's work mainly addressed internal control and the management of major risks within certain Group subsidiaries; the contribution of Group cash pooling to reducing financial risk; IT security within the Group; issues relating to foreign exchange markets, the hedging of foreign exchange risks and the Group's tax position; issues relating to the valuation of brands and goodwill; and the audit plan for 2014.

#### **NOMINATIONS AND COMPENSATION COMMITTEE**

The Nominations and Compensation Committee, which currently consists of three members, all independent, appointed by the Board of Directors, met twice in 2014. It issued proposals, notably on the remuneration of the Chairman and Chief Executive Officer and the Group Managing Director, as well as on the allocation of performance shares to them, and gave its opinion on compensation, performance shares, and benefits in kind granted by the Company and its subsidiaries to certain Directors. It expressed a favorable opinion on an agreement involving one of the Company's Directors. It issued an opinion on the renewal of Directors' appointments which were set to expire in 2014 and on the appointment of a new Director.

Further information can be found in the 2014 Reference Document.

EXECUTIVE  
COMMITTEE



**Bernard Arnault**  
Chairman and Chief Executive Officer



**Antonio Belloni**  
Group Managing Director



**Pierre Godé**  
Vice-Chairman



**Nicolas Bazire**  
Development and Acquisitions



**Michael Burke**  
Louis Vuitton



**Chantal Gaemperle**  
Human Resources



**Jean-Jacques Guiony**  
Finance



**Christopher de Lapuente**  
Sephora



**Christophe Navarre**  
Wines and Spirits



**Daniel Piette**  
Investment Funds



**Pierre-Yves Roussel**  
Fashion



**Philippe Schaus**  
DFS



**Jean-Baptiste Voisin**  
Strategy

**Marc-Antoine Jamet**  
General Secretary

BOARD  
OF DIRECTORS

**Bernard Arnault**  
Chairman and Chief Executive Officer

**Pierre Godé**  
Vice-Chairman

**Antonio Belloni**  
Group Managing Director

**Antoine Arnault**

**Delphine Arnault**

**Nicolas Bazire**

**Bernadette Chirac**<sup>(1)</sup>

**Nicholas Clive Worms**<sup>(1)(2)</sup>

**Charles de Croisset**<sup>(1)(2)(3)</sup>

**Diego Della Valle**<sup>(1)</sup>

**Albert Frère**<sup>(1)(3)</sup>

**Marie-Josée Kravis**<sup>(1)</sup>

**Lord Powell of Bayswater**

**Marie-Laure Sauty de Chalon**<sup>(1)</sup>

**Yves-Thibault de Silguy**<sup>(1)(2)(3)</sup>

**Francesco Trapani**

**Hubert Védrine**<sup>(1)</sup>

ADVISORY  
BOARD MEMBERS

**Paolo Bulgari**

**Patrick Houël**

**Felix G. Rohatyn**

STATUTORY  
AUDITORS

**DELOITTE & ASSOCIÉS**  
represented by Thierry Benoit

**ERNST & YOUNG et Autres**  
represented by Jeanne Boillet  
and Gilles Cohen

(1) Independent Director.

(2) Members of the Performance  
Audit Committee.

(3) Member of the Nominations  
and Compensation Committee.

## LVMH IS ACTIVE IN SIX BUSINESS GROUPS



### WINES & SPIRITS

The LVMH Wines & Spirits business group focuses its growth on the high-end segments of the market. The world leader in champagne, LVMH also produces still and sparkling wines from the world's most famous wine-growing regions. The Group is also the world leader in cognac with Hennessy and is expanding its presence in the luxury spirits segment in addition to its historical business. The portfolio of brands is served by a powerful international distribution network.

### FASHION & LEATHER GOODS

Louis Vuitton, Fendi, Donna Karan, Loewe, Marc Jacobs, Céline, Kenzo, Givenchy, Thomas Pink, Pucci, Berluti, Rossimoda and Edun are the brands that form the Fashion & Leather Goods business group. This outstanding group of brands from both sides of the Atlantic has 1,534 stores throughout the world. LVMH supports the growth of these brands by providing them with shared resources, while at the same time respecting their identity and their creative positioning. In 2013, the business group welcomed Loro Piana, a paragon of excellence, renowned for its devotion to quality and the finest materials.

### PERFUMES & COSMETICS

LVMH, a major player in the perfumes, make-up and skincare sector, relies primarily on a portfolio of brands representing French companies with an international presence: Christian Dior, Guerlain, Givenchy and Kenzo. The Group also supports the development of high-potential brands: Benefit and Fresh, two rapidly-growing American brands; Acqua di Parma, whose perfumes symbolize Italian elegance; Parfums Loewe, one of the leaders in the Spanish market; and Make Up For Ever, a firm favorite of professional make-up artists which has recorded outstanding growth by opening its doors to the general public.



## WATCHES & JEWELRY

Counted among the most dynamic brands on the market, the LVMH Watches & Jewelry Maisons operate in two segments: high-quality watchmaking on the one hand and jewelry and fine jewelry on the other. A quest for excellence, creativity and innovation guide the Maisons in this area every day. The watchmaking side capitalizes on the complementary positioning of its Maisons: TAG Heuer's international stature, Hublot's strong dynamic of innovation, Zenith's age-old *savoir-faire* and Dior's creativity. In jewelry and fine jewelry, Bvlgari, Chaumet, Fred and De Beers employ their bold creativity and perfectly mastered *savoir-faire* to constantly surprise their customers and offer them the objects of their desire.

## SELECTIVE RETAILING

The LVMH Selective Retailing companies operate in Europe, North America, Asia and the Middle East. Their businesses are conducted in two segments: retailing designed for customers who are international travelers ("travel retail"), with DFS and Starboard Cruise Services, leaders in their markets; and the selective retailing concepts represented by Sephora, the most innovative company in the beauty segment, and Le Bon Marché Rive Gauche, a department store with a unique atmosphere located in Paris.

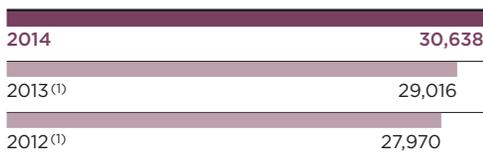
## OTHER ACTIVITIES

Being ambassadors for culture and a certain *art de vivre* is the *raison d'être* of the Maisons in this business group. That approach is part of the quest for excellence pursued by each of these Maisons: from the Les Echos group, which includes key business and cultural press titles, to Royal Van Lent, which markets custom-designed yachts under the Feadship name, and Cheval Blanc, which is developing a collection of exceptional hotels.

# EXCELLENT PERFORMANCE OF LVMH IN 2014

## RECORD REVENUE AND NET PROFIT

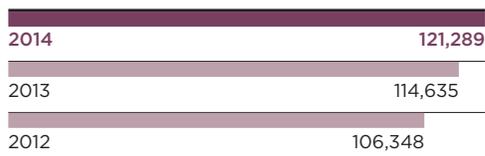
### REVENUE (EUR millions)



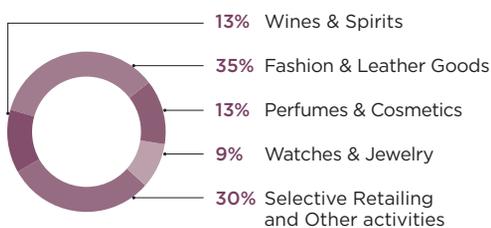
(1) The financial statements as of December 31, 2013 and 2012 have been restated to reflect the retrospective application as of January 1, 2012 of IFRS 11 Joint Arrangements.

### WORKFORCE

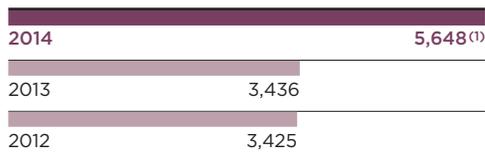
(includes both regular and temporary personnel)



### 2014 REVENUE BY BUSINESS GROUP (in %)

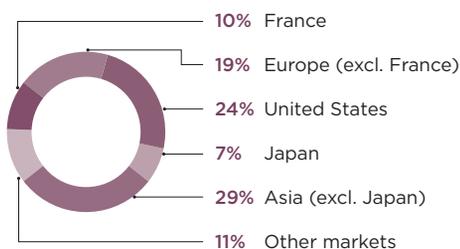


### NET PROFIT, GROUP SHARE (EUR millions)

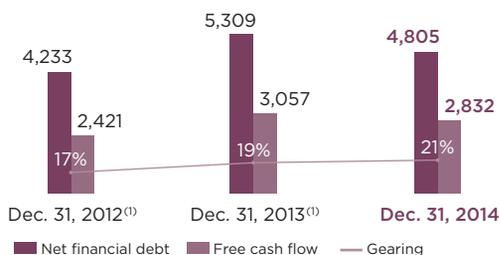


(1) Of which 2,677 million euros resulting from the distribution of Hermès shares.

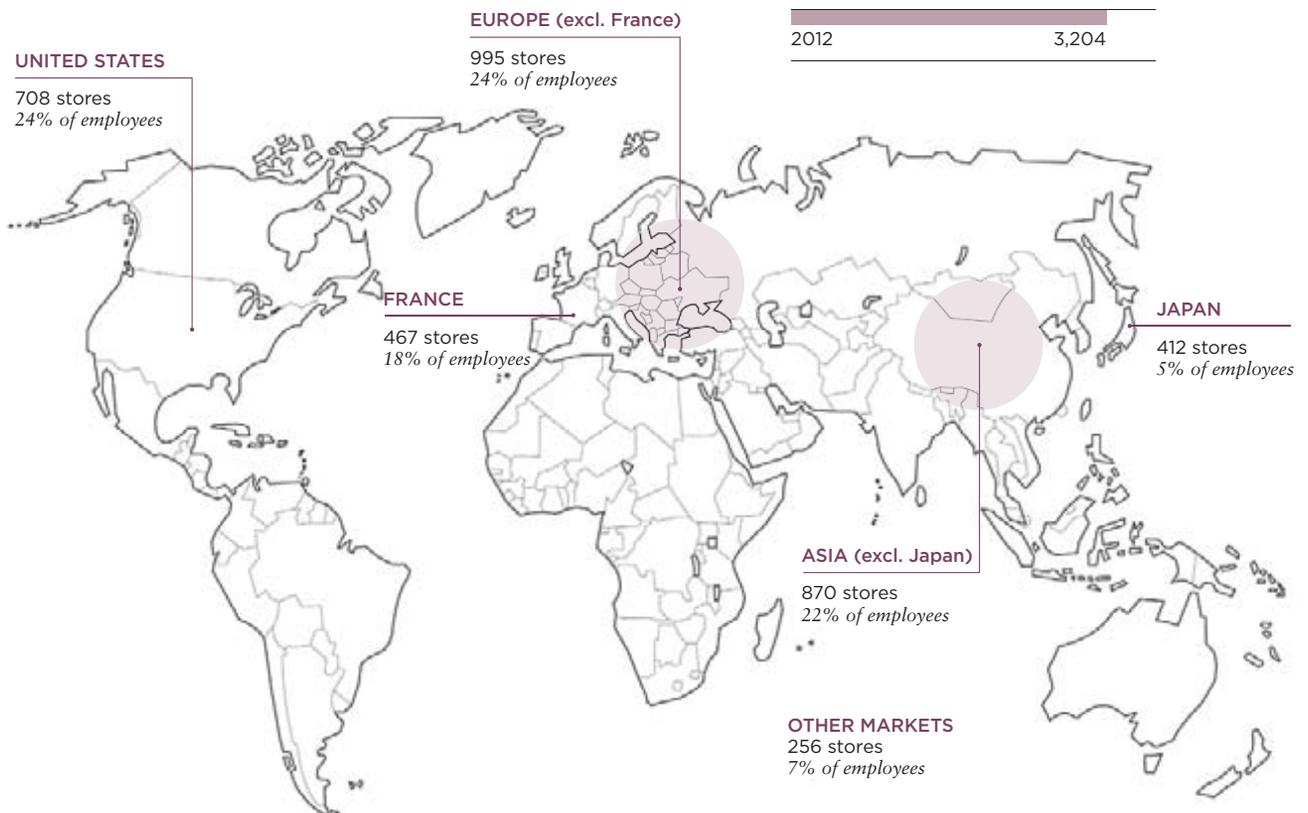
### 2014 REVENUE BY REGION (in %)



### NET FINANCIAL DEBT AND FREE CASH FLOW (EUR millions)



(1) The financial statements as of December 31, 2013 and 2012 have been restated to reflect the retrospective application as of January 1, 2012 of IFRS 11 Joint Arrangements.

**GEOGRAPHIC FOOTPRINT**  
 (at December 31, 2014)

**STORES**  
 (number)

2014	3,708
2013	3,384
2012	3,204

**2014 CONSOLIDATED DATA** (EUR millions)

	Revenue	Profit from recurring operations	Operating margin
Wines & Spirits	3,973	1,147	29%
Fashion & Leather Goods	10,828	3,189	29%
Perfumes & Cosmetics	3,916	415	11%
Watches & Jewelry	2,782	283	10%
Selective Retailing	9,534	882	9%
Other activities and eliminations	(395)	(201)	-
<b>TOTAL</b>	<b>30,638</b>	<b>5,715</b>	<b>19%</b>



## HUMAN CAPITAL: A KEY ISSUE, A MAJOR ASSET

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IN OUR UNIVERSE OF CRAFTSMANSHIP AND PRODUCTS THAT ENCAPSULATE EXCELLENCE, TALENT STANDS OUT AS A KEY COMPETITIVE DIFFERENTIATOR. AT LVMH, WE ASPIRE TO BRING TOGETHER THE WORLD'S BEST IN EVERY DISCIPLINE, IN EVERY FIELD.

IDENTIFYING, RECRUITING AND DEVELOPING THAT TALENT IS THE TOP PRIORITY OF OUR HUMAN RESOURCES TEAMS, WORKING CLOSELY WITH OPERATIONS MANAGERS. FOR OUR STAFF TO STAY EFFECTIVE AND MOTIVATED, OUR MAISONS AND BUSINESS LINES NEED TO HAVE THE RIGHT PEOPLE IN THE RIGHT PLACES.



Signing of the Women's Empowerment Principles in New York.

## PREPARING FOR TOMORROW

### CREATIVITY: A CORE VALUE AND A VITAL SKILL

Of all the qualities that we look for in a manager, among the most priceless is creativity. A vein of creativity must run through all our businesses, at every level of the organization. That is what makes our products compelling and original, what enables us to ensure our brands' long-term success through a constant process of reinvention. Our approach to creativity is a pragmatic one, focused on flexibility and agility, with a constant eye to delivering results. How to combine designs that are both timeless and contemporary, to reconcile disruption and continuity, to embrace both innovation and rigor: these are the kind of creative tensions we expect our talent to resolve in a pragmatic way.

### ATTRACTING DIVERSE TALENT

By building strong ties with colleges and universities, we can present young graduates with a better-developed image of the LVMH Group and its Maisons, while familiarizing them with key issues and career opportunities in the luxury industry.

In 2014 we expanded our historic partnerships with internationally renowned institutions of higher learning. We continue to sponsor the LVMH Chair in luxury marketing at ESSEC Business School, the Luxury Business Management MBA track at SDA Bocconi in Italy, scholarships for students of Central Saint Martins College of Art and Design, the LVMH Fundamentals in Luxury Retail program at Parsons The New School for Design, and the Asia Luxury Brand Research Initiative at Singapore Management University. We also started new relationships with prestigious institutions such as École Centrale Paris (backing a chair in supply chain operations) and École Polytechnique, where we sponsored this year's X-Forum jobs fair.

Beyond our on-campus presence and actions, we also tested a new form of recruitment via virtual forums. This approach helped us involve a larger pool of students and ensure we were hiring from among a diverse set of candidates.

### PROMOTING TALENTED WOMEN

At LVMH, we see encouraging diversity as a means of promoting innovation. Driven by this conviction, the Group and an overwhelming majority of Maisons have made a commitment to support initiatives such as the United Nations' Women's Empowerment Principles. This landmark commitment by LVMH's senior executives echoes the Group's actions dedicated to supporting talented women within the Group and beyond: 74% of Group employees are women, as are 62% of management-level staff. In four years, the percentage of women on management committees has increased from 26% to 38%. LVMH is committed to reaching 40% in 2015.

—  
121,289

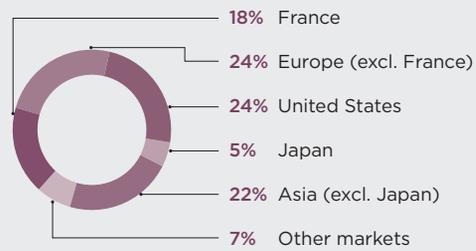
employees worldwide  
at December 31, 2014

—  
Median age of  
33

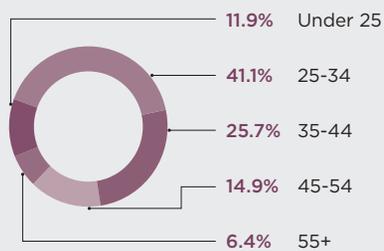
#### 74% WOMEN



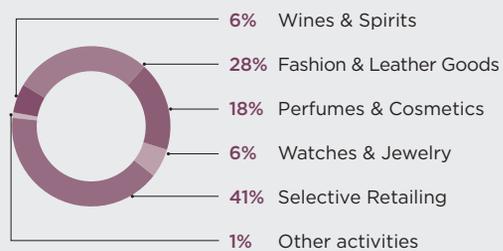
#### EMPLOYEES BY GEOGRAPHIC REGION<sup>(1)</sup> (in %)



#### WORKFORCE BY AGE



#### EMPLOYEES BY BUSINESS GROUP<sup>(1)</sup> (in %)



#### BREAKDOWN OF MEN/WOMEN BY BUSINESS GROUP (regular employees)



#### WORKFORCE BY PROFESSIONAL CATEGORY

	2013	2014	
Managers	19,634	20,584	+5%
Technicians and supervisors	11,197	11,786	+5%
Administrative and sales employees	69,688	74,365	+7%
Production workers	14,116	14,554	+3%
<b>TOTAL</b>	<b>114,635</b>	<b>121,289</b>	<b>+6%</b>

(1) Includes both regular and temporary personnel as at December 31, 2014.

## DEVELOPING TALENT WITHIN OUR TEAMS

Since our Group is decentralized, one of the Human Resources department's essential tasks is to promote knowledge sharing and cross-functionality. Its annual organizational and talent review helps push all of the Group's subsidiaries to scout in-house talent and ensure succession plans for key positions. The myriad opportunities for employees to move between Maisons, regions and positions offered by the size of the Group mean that we can grow our talent while exchanging and pooling skills and know-how.

More than 70 job-level and regional mobility committee meetings were held in 2014. As a result, 75% of senior executive positions are now filled in-house. All Group employees can take an active role in their career development using the **MOVE** internal job board, which can be accessed from anywhere in the world and which saw a 50% increase in internal job listings in 2014.

Managers naturally play a key role in cultivating organizational growth and career development. The ability to fulfill this crucial role is now systematically assessed at managers' own performance and career reviews.

Lastly, preparing for the future also means supporting our high-potential individuals through the "Futura" in-house talent development program, where candidates are selected not just on the basis of their degree, age or international background, but also – and above all – for their inherent potential, creative abilities and motivating values.



Closing ceremony of "LVMH Fundamentals in Luxury Retail" program with Parsons The New School for Design.

## TRAINING FOR EXCELLENCE

### AN ENRICHED TRAINING OFFERING

No matter how diverse our operations and teams may be, the training initiatives crafted by LVMH and its Maisons always aim to satisfy both business requirements and personal expectations regarding career development and prospects. In 2014, our Group Human Resources teams increased the number of training programs offered to employees. Among management-level staff alone, over 3,600 people took part in Group-level training. Mexico, Australia, India and South Korea joined the already extensive list of countries where such programs are offered.

### CHALLENGES AND SPECIFICITIES OF THE LUXURY INDUSTRY

In 2014, special emphasis was placed on understanding the luxury industry and the challenges it presents, and on developing excellence. In the United States, a highly successful seminar entitled “The LVMH Luxury Experience” was set up and completed by more than 85 trainees. Its aim was to help new arrivals discern the unique aspects of our industry’s approach to customer relations, and to understand the aspirational dimension of our brands. These training and luxury awareness initiatives also extend beyond LVMH itself.

#### TRAINING INVESTMENT

(EUR millions)		% of payroll
France	30.4	3.1
Europe (excl. France)	15.0	1.6
United States	25.4	2.5
Japan	4.5	2.0
Asia (excl. Japan)	18.2	2.4
Other markets	4.7	2.6
<b>TOTAL</b>	<b>98.2</b>	<b>2.4</b>

Through the “Fundamentals in Luxury Retail” project created together with the Parsons School and the Chinese-American Planning Council, two months of classes are now offered to job seekers who speak fluent Mandarin and are interested in working in luxury goods stores. In 2014, 63% of these trainees joined our in-store teams.

### **PASSING ON ARTISANAL SAVOIR-FAIRE**

Our training policy is adapted and applied by each Maison. One of our most vital priorities is to transmit and develop artisanal savoir-faire in the pursuit of excellence, particularly by establishing in-house schools. One of our newest schools is the Loewe leatherworking school in Spain, which focuses on conveying the elements of expertise specific to that craft. Some 90 people were trained at this up-and-coming school in 2014, and around 50 of them were subsequently hired.

### **DEVELOPING IN-STORE EXCELLENCE AND REINFORCING EXECUTIVE LEADERSHIP**

On the retail front, the Fendi Fur Academy was founded in Italy. The training offered there includes, in particular, lessons on the importance of offering customers an exceptional, exclusive experience by combining a high level of expertise with a passion for the brand, its DNA and its history. With over 280 salespeople trained and certified in less than six months, Fendi is just one example of our commitment to excellent service and to our employees' professional development.

For senior executives, the LVMH Group has stepped up its commitment by investing even more heavily in effective leadership throughout the world to inspire strong performance, ensure that managers are actively dedicated to further developing their teams, and enhance our brands' reach and appeal year after year.





Opening remarks by Bernard Arnault - Fondation Louis Vuitton, Auditorium, Paris.

## LVMH GLOBAL CONFERENCE JULY 2014

The upcoming opening of the Fondation Louis Vuitton provided a historic opportunity to bring together all the Group's senior executives. The resulting LVMH Global Conference was held on July 9 and 10, 2014 at the extraordinary building designed by Frank Gehry. Conference participants were thus the very first to experience the structure in its pristine purity. The topic selected for the Conference - "The Future" - could not have been more in tune with the spirit of its 21st century architectural setting. While no one can predict the future, the idea behind this topic was to get participants thinking about what disruptive phenomena might occur within the next ten to fifteen years. The goal was to discern faint signals present right now that may herald profound transformations to come, particularly those likely to influence customer expectations and distribution channels. One of the innovative ideas on display at the Conference was a dialogue between the 350 senior executives in attendance and 90 high-potential young individuals tasked with challenging the statements made by their elders. This inter-generational break with tradition sparked a number of fruitful discussions and laid the groundwork for innovative managerial developments to come.



The 2014 graduating class of Couture Flou at Institut des Métiers de l'Excellence.

## INSTITUT DES MÉTIERS D'EXCELLENCE: A NEW INITIATIVE BY LVMH

Launched in 2014, Institut des Métiers d'Excellence (IME) is a certificate-granting professional qualification program that helps the Group ensure the successful transmission of its expertise by encouraging younger generations to pursue professions in the fields of design and craftsmanship.

The training, which may be completed as an apprenticeship or a dual education program, offers participants the chance to take courses from a selection of the most renowned schools while also gaining professional experience at our Maisons. IME is unique because it also offers LVMH-specific programs in the form of master classes which complement the standard training modules.

The first partnership agreements have been signed with the BJOP jewelry school, the ECSCP Paris couture school and the *Compagnons du Devoir et du Tour de France* organization of craftspeople and artisans. In September 2014, 28 students joined the LVMH classes as part of dual education programs.

They are working under apprenticeship or professionalization contracts at our Maisons in the fields of Fashion, Leather Goods and Jewelry.

As part of its equal opportunity approach, LVMH is working to raise awareness of this program among young people of all backgrounds and origins.

Candidates are selected by our Maison workshop managers together with our partner schools. IME aims to emphasize the key role played by apprenticeship supervisors and mentors in transmitting know-how to younger generations.



Giving out the 2014 Young Talent award.

## SOCIAL RESPONSIBILITY

YEAR AFTER YEAR, LVMH HAS REAFFIRMED ITS AMBITIONS IN THE REALM OF CORPORATE CITIZENSHIP AND SOCIAL RESPONSIBILITY. THESE AMBITIONS ARE BASED ON A STRONG GUIDING PRINCIPLE OF RESPECT FOR PEOPLE, AND ON A COMMITMENT TO MAKING EXCELLENCE A CATALYST FOR SOCIAL AND WORKFORCE INCLUSION. AS A RESULT, EVERY MAISON IN THE GROUP SHARES THE PRIORITIES OF ENSURING WELL-BEING AND QUALITY OF LIFE AT WORK, PREVENTING DISCRIMINATION, DEVELOPING ALL TYPES OF TALENT, AND SUPPORTING LOCAL COMMUNITIES.

### FREQUENCY RATE OF ACCIDENTS (in %)

2014	4.75%
2013	4.80%
2012	5.46%



Safety at work at Glenmorangie.

## AN ORGANIZATION-WIDE DEDICATION TO SOCIAL RESPONSIBILITY

Our Maisons apply the principles of corporate citizenship and social responsibility in a manner consistent with each Maison's identity and according to its local footprint and specific priorities. This approach is spearheaded by a network of local correspondents and managed at Group level with guidelines such as the LVMH Code of Conduct and the Code of Conduct for Recruitment, an overall annual reporting campaign, and regular discrimination testing by an independent firm. Since the 2011 fiscal year, LVMH has documented its approach in a dedicated report.

## RESPECT FOR PEOPLE, A WEALTH OF DIFFERENT PERSONALITIES

LVMH offers a unique working environment that gives employees the opportunity to fully express their talents and potential, and to use their expertise and savoir-faire under optimal conditions. This means that employees work in an environment that respects, preserves and enriches their uniqueness. Part of that environment is the ongoing attention we pay to working conditions and a policy that aims to prevent any form of discrimination.

## EXCELLENCE AS A CATALYST FOR SOCIAL INCLUSION

At LVMH, we also firmly believe that excellence – the driver of our success – is a powerful catalyst for social and workforce inclusion. As part of our approach to responsible corporate citizenship, we put this spirit of excellence to work for underprivileged and vulnerable populations, in solidarity with the regions where we operate. One such initiative is the EXCELLhanCE program, which LVMH launched to provide luxury sales training as a way of bringing individuals who have experienced a disability back into the workforce. Actions like this are an expression of the Group's desire to expand the positive social impact of its operations and promote a generous, inclusive vision of excellence. In 2014, this commitment earned Moët Hennessy UK the British government's "Gold Award" for its philanthropic pursuits involving employees.

**4.1%**

Employment rate in France  
for disabled persons.



Donna Karan: partnership with the Down Syndrome Association.



## THE LVMH SUPPLY CHAIN

AT LVMH, WE SEE SUPPLIER RELATIONS AS AN ESSENTIAL LINK  
IN THE VALUE CHAIN, WHICH IS WHY WE ARE COMMITTED  
TO MAINTAINING AND PROMOTING RESPONSIBLE RELATIONSHIPS  
WITH OUR PARTNERS AND SUBCONTRACTORS.

### SUPPLIERS AND AUDITS BREAKDOWN BY REGION

	Europe	Asia	North America	Others
Breakdown of suppliers (in %)	63	19	10	8
Breakdown of audits <sup>(1)</sup> (in %)	45	47	3	5

(1) Of which 2% preliminary audits, 49% initial audits, and 49% follow-up audits.

Scope: Wines & Spirits, Louis Vuitton, Berluti, Donna Karan, Fendi, Givenchy Couture, Loewe, Marc Jacobs, Céline, Thomas Pink, Bvlgari, Chaumet, Hublot, TAG Heuer, Zenith, De Beers, Acqua di Parma, Fresh, Perfumes & Cosmetics, DFS, Sephora, Le Bon Marché.

## SUPPLIER CODE OF CONDUCT

In 2008, the Group established a Supplier Code of Conduct that states its requirements in matters of social responsibility, the environment, and fighting corruption. The Supplier Code of Conduct has been circulated to the Maisons, and any collaboration with a partner requires that partner to comply with all the ethical principles in the Code. Some Maisons have implemented their own specifications to meet the particular needs of their businesses. For example, in 2014 the Perfumes and Cosmetics business group produced a Responsible Procurement Charter, now in use at every Maison, that addresses the following topics: long-term quality relationships with suppliers, mutual improvements in business performance, selecting sustainable materials and responsible suppliers, pursuing innovation, and preserving resources and know-how.

## TRAINING AND ASSISTANCE

Driven by a desire to work hand in hand with our suppliers, we assist them in implementing and complying with best practices for the environment, labor and corporate citizenship, while also increasing their awareness and providing training on the issues that apply to their businesses. Awareness-raising is also crucial for our in-house personnel in direct or indirect contact with suppliers (procurement staff, manufacturing teams, etc.). That is why, every year since 2005, a Suppliers Sustainability Meeting has been held with members of the Procurement, Sustainable Development, Legal and Internal Control departments of the various Maisons. All the Group's activities in France and from around the world are represented. This annual gathering provides an opportunity for the Maisons to present their plans, actions, and accomplishments in sustainable and responsible procurement, and interact with one another about common issues and best practices.

## AUDITS AND FOLLOW-UP

The goal of the audit process, which we have stepped up in recent years, is to help the Maisons develop the tools and processes they need to better identify, assess, and anticipate supplier-related risks and opportunities. In 2014, across the Group, 925 labor and/or environmental audits were carried out at 787 suppliers. More than 90% of these audits were managed by third-party specialists, and 543 were exclusively labor-related. More than 40% of the results were in line with Group requirements, and 37% presented minor non-compliances. In total, 261 corrective action plans were implemented at suppliers whose audits revealed areas for improvement. Also in 2014, in order to improve the performance of its supply chain, LVMH decided to join Sedex, a non-profit organization that promotes ethical and responsible supply chain practices. As part of their quest for ongoing improvement in 2015, our Maisons will continue to conduct supplier audits, follow up on the actions taken, and maintain their partnership with Sedex.



The Presidents of LVMH's Engaged Maisons together on November 18, 2014.

## THE ENGAGED MAISONS DINNER: HIGHLIGHTING LVMH'S SOCIAL RESPONSIBILITY INITIATIVES

"People aren't necessarily aware of it, but LVMH's Maisons are highly committed to supporting solidarity programs, hand in hand with charitable organizations and foundations," Antonio Belloni reminded listeners at the opening of the Engaged Maisons Dinner held in November 2014. This event rallies Group companies around the issue of social responsibility. In 2014, it brought together 23 Maisons and more than 250 people, both internal stakeholders and external partners for initiatives taken in this field. In attendance were Antonio Belloni, Chantal Gaemperle and 10 Maison presidents.

"This evening is a celebration – it's a chance for us to meet with our friends and partners, who work alongside us on a daily basis in pursuing our social responsibility initiatives," commented Chantal Gaemperle.

The dinner is also an opportunity to tangibly show our support for causes that matter deeply to the Group and its Maisons, through fundraising for our partners. In 2014, 130,000 euros were raised and donated to the Robert-Debré hospital in Paris for its center for sickle-cell anemia (a rare disease affecting nearly 50 million people around the world), and to the "K d'urgences" foundation, which supports single-parent families.



## ONLINE TRAINING SESSIONS FOR SUPPLIERS AT DONNA KARAN

In 2014, over 60 key suppliers, primarily from Asia, participated in a series of six pilot online training sessions provided by Donna Karan International (DKI). Three online sessions focused on social compliance topics and three others focused on restricted substances and environmental updates. DKI plans to continue to pilot online training sessions in 2015 to provide updates on key topics to suppliers and to assist suppliers in their continuous improvement efforts.



## FIRST SUPPLIERS DAY IN ITALY

In 2014, the Group's desire to assist its suppliers in implementing and complying with best practices in the environmental, labor and social spheres was illustrated by our first-ever Suppliers Day, held in Florence, Italy. The event was attended by our Maisons with significant manufacturing networks in Italy (Louis Vuitton, Givenchy, Céline, Loewe, Kenzo, Fendi, Loro Piana, Emilio Pucci, Marc Jacobs, DKNY and Bvlgari) and 140 of their suppliers, for a total of around 250 participants.



## PROTECTING THE ENVIRONMENT, A STRATEGIC ISSUE

AT LVMH, OUR LONGSTANDING COMMITMENT TO PROTECT THE ENVIRONMENT HAS GAINED NEW MOMENTUM. FOR MORE THAN TWO DECADES WE HAVE PURSUED THIS DRIVE - CLOSELY TIED TO OUR VALUES AND CRAFTS, AND ESSENTIAL FOR THE GROUP TO FLOURISH. IN 2013, THIS DYNAMIC WAS REAFFIRMED WITH THE LAUNCH OF OUR AMBITIOUS GLOBAL LIFE - LVMH INDICATORS FOR THE ENVIRONMENT - PROGRAM. TOGETHER, THESE EFFORTS HAVE ENABLED US TO IMPROVE OUR ENVIRONMENTAL PERFORMANCE YEAR AFTER YEAR, AS EVIDENCED BY OUR ACHIEVEMENTS IN 2014.



The vineyard of Château d'Yquem.

**-3%\***

Water consumption in 2014:  
**2.5 million m<sup>3</sup>**

\* Change compared to 2013  
at constant scope.

## MAKING A COMMITMENT

### A LONG-TERM VISION

At LVMH, we believe that protecting nature requires more than simply being a good corporate citizen. Our relationship to the environment is an old one, inherent in our crafts as well as in our commitment to excellence, lasting quality, and tradition. The Group's Maisons need water, air, and many of nature's rarest and finest raw materials to make their products. Preservation of these resources is critical to our success as a business. That is why LVMH has made environmental performance a key pillar of its strategy, alongside creativity, innovation, and quality craftsmanship. We set the bar high, firm in our belief that the luxury industry - the epitome of dreams and beauty - must set an example.

### A FRAMEWORK FOR ACTION

In 2001, we formalized LVMH's commitment to the environment in an Environmental Charter. On behalf of our 120,000 employees, we pledged in writing to pursue environmental excellence by inspiring shared commitment and taking action in the wider world. We followed up this founding document with two internal codes of conduct, one for suppliers in 2008 and one for all our employees in 2009. Meanwhile, LVMH made several international commitments including joining the United Nations Global Compact in 2003 and endorsing Gordon Brown's Millennium Development Goals in 2007. In France, LVMH is also a selected participant in the government's 2011-2020 National Biodiversity Strategy. Taken together, these commitments form the framework for every environmental action undertaken by the LVMH Group and its Maisons.

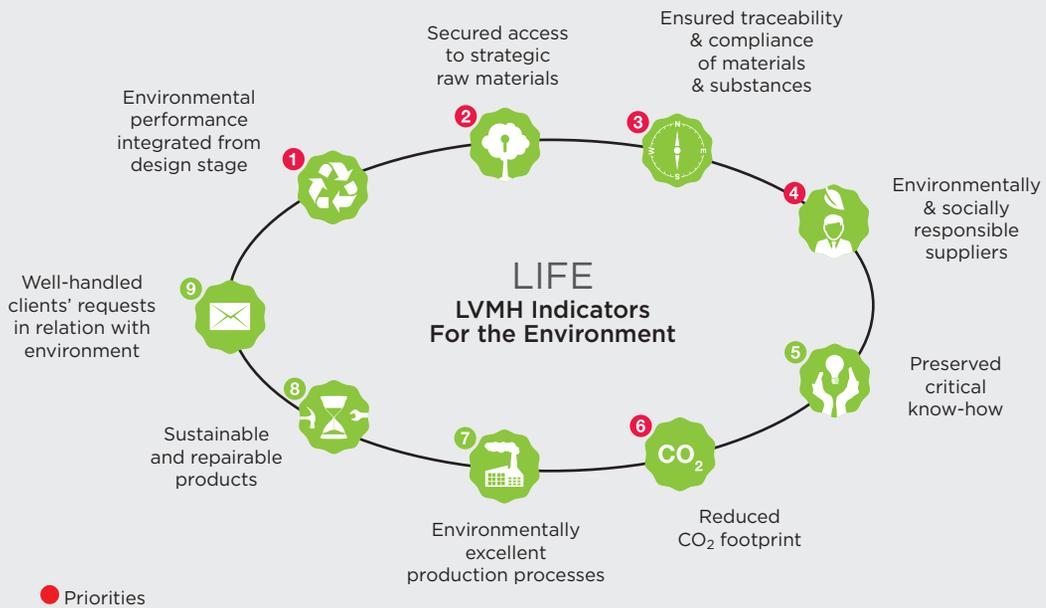


TAG Heuer's solar panels in La Chaux-de-Fonds.

**-2%\***

Greenhouse gas emissions in 2014:  
**260,840** metric tons  
of CO<sub>2</sub> equivalent

\* Change compared to 2013  
at constant scope.



## THE DYNAMICS OF THE LIFE PROGRAM

As of January 2015, virtually all of the Maisons have integrated the LIFE program into their strategic plans. While taking into account the specificity of each Maison, it offers a way to harmonize and share best practices more easily. It is a source of innovation and creativity, a common language through which to get top management highly involved.

All actions are consolidated by the Group and receive assistance from LVMH's Environment Department.

## GETTING ORGANIZED

### A DEPARTMENT DEDICATED TO THE ENVIRONMENT

LVMH has organized to turn its commitment to the environment into useful real-world actions. Our main challenge is the very thing that makes us special: the diversity and uniqueness of our business activities. Our Maisons must share a single environmental vision while also addressing specific issues directly related to their own impact on the natural world and their own operating requirements. That is why in 1992 we set up the Environment Department, which is responsible for promoting a shared vision, coordinating interdisciplinary actions, helping the Maisons accomplish their tasks, and getting ready for the future by developing new ways to act alongside them. The Environment Department is supported in these efforts by around 50 outreach correspondents at the Maisons, numerous in-house working groups, and external partnerships with public and private-sector stakeholders.

### AN EVOLVING DYNAMIC: THE LIFE PROGRAM

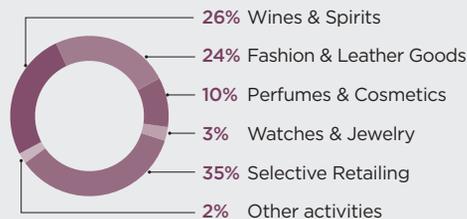
By 2013, our employees, customers, and society at large were demanding more and more in the way of environmental performance. It was then that we decided to step up our commitment to the environment with a new global program, LIFE (LVMH Indicators For the Environment). Our goal was to structure the actions undertaken by the Maisons around a single vision and a shared commitment, all with a view to the long term. LIFE first enabled us to prepare a list of the Group's strategic priorities for the environment. Each Maison that joined the program was asked to specify which priorities were most important to it, and to take action to improve performance. By setting the list of shared priorities, getting everyone's teams involved, and facilitating the development of a common language with which to collaborate and spread best practices, LIFE has created a new dynamic for LVMH's environmental policy.

**-4%\***

Energy consumption in 2014:  
**795 GWh**

\* Change compared to 2013 at constant scope.

#### ENERGY CONSUMPTION BY BUSINESS GROUP (in %)



## RALLYING THE GROUP

### NINE STRATEGIC PRIORITIES

To get the LIFE program off the ground, after a year-long collaboration with several participating Maisons, LVMH identified nine strategic priorities that now form the different aspects of its environmental performance. The top five priorities are: integrating environmental performance from the design stage, securing access to strategic raw materials, ensuring the traceability and compliance of materials and substances, choosing environmentally and socially responsible suppliers, and reducing our carbon footprint. The four others are: preserving critical know-how, promoting environmental excellence in our manufacturing processes, optimizing product durability, and properly handling environmental questions from stakeholders.

### A GROUP-WIDE APPROACH

After its pilot phase, LIFE was rolled out gradually across the Group according to a specific four-step process. Step one was to designate a project manager. Step two, identify the environmental priorities for a given business and rank them in order of importance. Step three, establish one or more action plans for each priority. Step four, implement key performance indicators for the action plans. The Maisons with the most experience in environmental protection issues were first to join the program. Subsequently, Antonio Belloni, LVMH's Group Managing Director, set a new course for the program: he instructed all the Maisons to integrate LIFE into their strategic plans by the end of 2014. The Environment Department helped with the integration by going to meet the Presidents of the Maisons and publishing an implementation guide for them to use. LIFE is operational at virtually all the Maisons as of January 2015.



**+1%\***

Packaging that reaches  
customers in 2014:  
**188,200** metric tons

\* Change compared to 2013  
at constant scope.

## TAKING ACTION

### NEW ACHIEVEMENTS IN 2014

Buoyed by the dynamic of the LIFE program, and with support from the Environment Department, the Maisons continued their initiatives to protect the natural world in 2014. It was a year of several major firsts. The Louis Vuitton Leather Goods supply chain obtained ISO 14001 environmental certification, a world first recognized by AFNOR, France's standards agency. Loewe published its first sustainable development report, and Veuve Clicquot revamped the design of its Naturally Clicquot bottle cover to make it even sturdier. Naturally Clicquot is the world's first 100% biodegradable champagne packaging, made from potato starch and paper. After Louis Vuitton and the Champagne Maisons, Make Up For Ever in turn adopted inland water transport this year, sending barges from Le Havre carrying materials for its packaging plant in Paris. Last but not least, TAG Heuer was a founding sponsor of Formula E, the world's first single-seater racing championship for fully electric vehicles, which took place on September 13 in Beijing.

### MORE PROGRESS ON THE HORIZON

LVMH also used 2014 to continue improving its environmental performance for the years to come. Our Environmental Center for Packaging Recovery and Ecological Recycling (CEDRE) is dedicated to sorting, recycling and recovering all the waste from our cosmetics manufacturing and distribution processes. Its services were expanded to cover textiles in addition to fragrances, cosmetics and discarded point-of-sale displays. We prepared a catalog of 300 product data sheets and an e-commerce site to enable the Group and its outfitters to optimize its lighting systems, in particular using LED technology. We also conducted a critical review alongside the Foundation for Research on Biodiversity of two supply chains utilized in Burkina Faso and Madagascar by LVMH Recherche, our research center for perfumes and cosmetics. Another highlight of the year was our campaign to raise awareness among designers at Louis Vuitton and Loewe about how to optimize their use of environmentally friendly materials.

Further information, best practices and quantitative data can be found in the LVMH "2014 Environmental Report" and "2014 Reference Document".  
Questions for the Group may be addressed to: [environnement@lvmh.fr](mailto:environnement@lvmh.fr).



## A MODEL INITIATIVE: LOUIS VUITTON'S GREEN SUPPLY CHAIN

In a world first, Louis Vuitton earned ISO 14001 environmental certification for its Leather Goods and Accessories supply chain in late 2013, capping off its ten-year track record of responsible supply chain operations. Following an initial carbon footprint analysis (Bilan Carbone®) in 2004 and a decision to develop its use of ocean freight, as well as the opening in 2007 of EOLE, the first international logistics hub built to France's HQE environmental standard, Louis Vuitton is innovating yet again with its Green Supply Chain project. Launched in 2011 and involving all of Louis Vuitton's shipping partners, this project is a reaffirmation of the Maison's ambition to constantly reinvent the way it moves its products, combining both operational performance and environmental excellence.



## AN EXEMPLARY PARTNERSHIP WITH THE FOUNDATION FOR RESEARCH ON BIODIVERSITY (FRB)

In November 2014, LVMH became the first private-sector member of the FRB's Board of Directors, which counts eight public-sector research organizations. The proposal to include LVMH was floated by François Houllier, President of INRA (French National Institute for Agricultural Research), and unanimously approved. LVMH is now officially a member of the FRB, with whom we have been working for more than six years. Sylvie Bénard, our Environment Director, was Vice-Chairman of the FRB's Strategic Planning Committee for four years. As part of that committee, which included upwards of 160 stakeholders working on ways to build joint research programs in biodiversity, the Group devoted special attention to the issue of access to genetic resources and benefit sharing.



## SUPPORTING CULTURE, YOUNG PEOPLE AND HUMANITARIAN ACTION

FOR MORE THAN TWENTY YEARS, LVMH HAS PURSUED A BROAD ORGANIZATIONAL COMMUNICATION EFFORT DRAWING ON INNOVATIVE AND ORIGINAL SPONSORSHIP INITIATIVES. A FITTING WAY TO EXPRESS THE CULTURAL, ARTISTIC AND HUMAN VALUES THAT BIND OUR MAISONS TOGETHER AND UNDERPIN THEIR SUCCESS, WHILE RESPECTING THE FRONTIERS OF THEIR OWN COMMUNICATIONS AND IMAGE. AND A USEFUL PROCESS, BECAUSE LVMH INTENDS ITS INITIATIVES – ON BEHALF OF CULTURE AND ARTISTIC CREATION, EDUCATION AND YOUNG PEOPLE, AND MAJOR HUMANITARIAN CAUSES – TO ILLUSTRATE WHAT IT MEANS TO BE A SOCIALLY RESPONSIBLE BUSINESS.



*Les Nègres* by Jean Genet, with Robert Wilson directing, Odéon - Théâtre de l'Europe.

## CULTURE, HERITAGE AND CONTEMPORARY CREATION

LVMH's primary sponsorship focus is artistic heritage in France and around the world: restoring historical monuments, enriching the collections of major museums, contributing to high-profile national exhibits and supporting the work of contemporary artists. The support we have provided to more than 45 major exhibits in France and abroad has enabled millions of museum-goers to discover great artists, both historic and present-day.

In 2014, LVMH continued to be a committed patron of current artists.

First it renewed its support for two iconic contemporary installations: in spring, Monumenta, featuring Russian artists Ilya and Emilia Kabakov; and in autumn, Nuit Blanche. Moreover, in the area of live events, since backing the production of Marivaux's *Fausses Confidences* in 2013, LVMH renewed its support in autumn 2014 for the Théâtre de l'Odéon and its director, Luc Bondy, for the production of Jean Genet's play *Les Nègres* with Robert Wilson directing. 2014 was also marked by the opening of the Fondation Louis Vuitton, which reaffirms and perpetuates LVMH's and Louis Vuitton's engagement as patrons of the arts and culture (see pages 8-9).

In 2015, LVMH will continue to support the artists and other talents of tomorrow, in particular with its second-ever LVMH Prize for Young Fashion Designers, open to young designers the world over. In May 2014, the first prize went to Canadian designer Thomas Tait, with Hood By Air and creative duo Miuniku earning honorable mentions. All were awarded a grant and a year of mentoring by a dedicated LVMH team.

## INITIATIVES FOR YOUNG PEOPLE

Primary and secondary school pupils as well as art students participate in educational programs designed and started by the Group to enable them to take advantage of the richest possible cultural experiences, particularly in the visual arts and music. In 2014, LVMH renewed its support for the International Music Academy founded by conductor Seiji Ozawa and continued the "1,000 seats for young people" initiative. Lastly, the loan of Stradivarius instruments from LVMH's collection year after year has helped musicians such as Tedi Papavrami and Henri Demarquette to express their full virtuosity on the international stage.

## SUPPORTING MEDICAL RESEARCH AND SPECIFIC SOCIAL CAUSES

For twenty years, our Group has supported many institutions known for their work with children both in France and around the world, in particular the Hôpitaux de Paris-Hôpitaux de France foundation, the Pont Neuf association, Save the Children Japan, and the Robin Hood Foundation in New York, as well as the Claude Pompidou foundation, which serves the elderly and the disabled, and for which a gala benefit evening was held at the Fondation Louis Vuitton in December 2014. LVMH has also chosen to support several foundations and teams of scientists engaged in cutting-edge public health research. Lastly, in the humanitarian field, LVMH notably provided its support to the Fraternité Universelle foundation in Haiti.





## LVMH LAUNCHES SECOND EDITION OF THE LVMH PRIZE FOR YOUNG FASHION DESIGNERS

Drawing on its successful first edition in 2014, with over 1,200 applicants of which three very promising winners were rewarded – designer, Thomas Tait, the brand Miuniku and the collective Hood by Air – LVMH has launched the 2015 edition of the LVMH Prize for Young Fashion Designers. It rewards a particularly remarkable designer for his or her talent. The winner receives a grant of 300,000 euros, as well as a personalized mentorship from a dedicated LVMH team in developing their company for a period of twelve months. This support includes all crucial areas of expertise that are critical to successfully building a nascent fashion brand (including advisement on intellectual property, sourcing, production and distribution, image and advertising, marketing). Its jury is composed of nine creative directors of the LVMH fashion houses : Nicolas Ghesquière (Louis Vuitton), Marc Jacobs (Marc Jacobs), Karl Lagerfeld (Fendi), Humberto Leon and Carol Lim (Kenzo), Phoebe Philo (Céline), Raf Simons (Dior), Riccardo Tisci (Givenchy) who will be joined this year by J.W. Anderson (Loewe), Delphine Arnault, Jean-Paul Claverie (Advisor to Bernard Arnault and Head of Corporate Philanthropy for LVMH) and Pierre-Yves Roussel (Chairman and CEO of the LVMH Fashion Group) will also be part of it. In the words of Delphine Arnault: “With this second edition of the LVMH Prize for Young Designers, the Group confirms its ongoing dedication to young talent. It is our responsibility as leader of our industry to identify tomorrow’s talents and help them grow.”

## STOCK MARKET PERFORMANCE AND SHAREHOLDER STRUCTURE

### CHANGES IN THE LVMH SHARE PRICE

After a two-year upward progression, stock markets essentially broke even in Europe in 2014 and achieved more moderate gains in the rest of the world, with higher volatility also making a comeback. Geopolitical tensions, exchange rate fluctuations, and falling oil prices dampened investor sentiment in the second half of the year. Compared to the United States and Japan, European indices experienced a more pronounced slowdown as a result of weak euro zone growth. In the United States, the improved economic outlook overshadowed market anxieties about the Federal Reserve's tapering of its liquidity injections, while the Dow Jones attained new historic highs. In Japan, renewed quantitative easing by the country's central bank at the end of the year helped the Tokyo exchange climb back to its 2007 levels.

Against this backdrop, the LVMH share price ended 2014 up 11% at €132.25. By comparison, the CAC 40 and Euro Stoxx 50 indices essentially broke even (down 0.5% and up 1.2%, respectively). LVMH's market capitalization as of December 31 was €67.1 billion, ranking it fourth in the Paris market.

LVMH is included in the main French and European indices used by fund managers: the CAC 40, DJ-Euro Stoxx 50, MSCI Europe and the FTSE Eurotop 100, as well as the Global Dow and FTSE4Good, one of the key indices for socially responsible investing.

### TOTAL SHAREHOLDER RETURN

An LVMH shareholder who invested €1,000 on January 1, 2010 would have a capital of €2,060 on December 31, 2014, based on reinvested dividends. That is a compound annual growth rate of around 16% over five years.

### THE SHAREHOLDERS' CLUB

Dedicated to individual shareholders who show a special interest in what is happening in the Group, the LVMH Shareholders' Club gives its members a better understanding of the Group, its businesses and its brands, and the ties they maintain with the arts and culture. Through the Club membership magazine "Apartés," members may order products for delivery to addresses in France. It also offers subscriptions to "Les Échos", "Investir", and "Connaissance des Arts" at preferential rates. Members are also provided special access to certain places suitable for visits (such as wineries and wine cellars). They also benefit from VIP passes to art exhibits supported by LVMH.

Shareholders' Club members receive an individual membership card with a personal authentication number which is valid for two years.

### CALENDAR

**Tuesday, February 3, 2015:** Publication of 2014 revenue and annual results

**Thursday, April 16, 2015:** Annual Shareholder's Meeting

**April 2015:** Publication of 2015 first-quarter revenue

**Thursday, April 23, 2015:** Payment of the balance of the dividend for 2014 (last trading day with dividend rights: April 20, 2015)

**July 2015:** Publication of 2015 half-year revenue and results

**October 2015:** Publication of 2015 third-quarter revenue

### CONTACTS

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Shareholders' Club

Tel.: +33 (0)1 44 13 21 50 - [www.lvmh.fr](http://www.lvmh.fr) - [www.lvmh.com](http://www.lvmh.com)

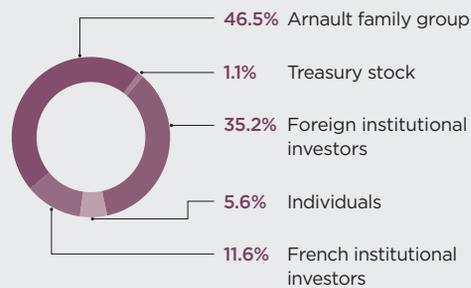
### BREAKDOWN OF SHARE CAPITAL AND VOTING RIGHTS (at December 31, 2014)

	Number of shares	Number of voting rights <sup>(1)</sup>	% of the share capital	% of voting rights
Arnault family group	236,421,811	455,684,247	46.57%	62.59%
Other	271,289,902	272,343,729	53.43%	37.41%
<b>TOTAL</b>	<b>507,711,713</b>	<b>728,027,976</b>	<b>100.00%</b>	<b>100.00%</b>

(1) Total number of voting rights that may be exercised at Shareholders' Meetings.

### SHAREHOLDER STRUCTURE

(Euroclear France survey of bearer shares, December 2014)



### LVMH STOCK MARKET DATA<sup>(1)</sup>

(in euros)	2012	2013	2014
High (mid-session)	126.53	135.23	<b>132.80</b>
Low (mid-session)	97.33	106.16	<b>109.50</b>
Year-end share price	125.09	119.50	<b>132.25</b>
Change during the year (%)	+27%	-4%	<b>+11%</b>
Change in the CAC 40 (%)	+15%	+18%	<b>-1%</b>
Market capitalization at Dec. 31 (EUR bn)	63.5	60.7	<b>67.1</b>

(1) Data restated for the exceptional distribution of Hermès International shares.

### CHANGE IN THE DIVIDEND

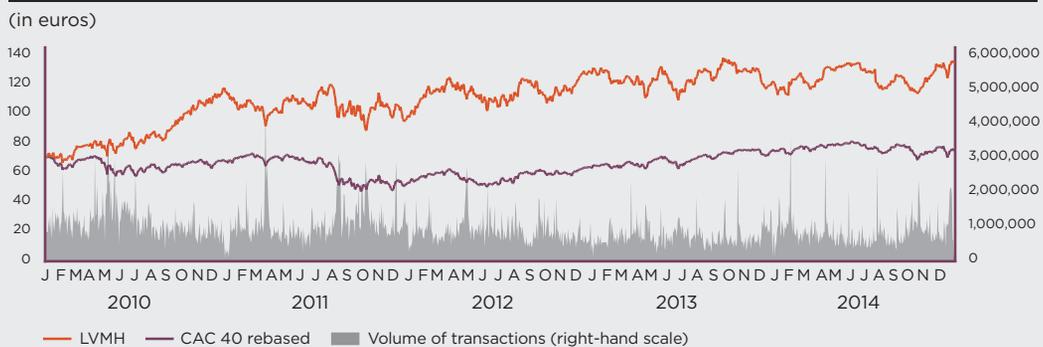
	2012	2013	2014
Gross dividend (in euros)	2.90	3.10	<b>3.20<sup>(1)</sup></b>
Growth for the year	12%	7%	<b>3%</b>
Payout ratio	43%	46%	<b>29%<sup>(2)</sup></b>
Basic Group share of net earnings per share (in euros)	6.86	6.87	<b>11.27<sup>(3)</sup></b>

(1) Amount proposed to the Shareholders' Meeting of April 16, 2015.

(2) Excluding the exceptional distribution of Hermès International shares, this percentage would have been 55%.

(3) Of which 5.34 euros per share resulting from the distribution of Hermès shares.

### COMPARISON BETWEEN THE LVMH SHARE PRICE AND THE CAC 40 SINCE JANUARY 4, 2010



## REVENUE BY BUSINESS GROUP

(EUR millions)	2013 <sup>(1)</sup>	2014	Reported growth	Organic growth <sup>(2)</sup>
Wines & Spirits	4,173	3,973	-5%	-3%
<i>Champagne &amp; Wines</i>	1,937	1,985	+2%	+6%
<i>Cognac &amp; Spirits</i>	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>

(1) The financial statements as of December 31, 2013 and 2012 have been restated to reflect the retrospective application as of January 1, 2012 of IFRS 11 Joint Arrangements.

(2) With comparable structure and exchange rates. The structural impact is +3% and the exchange rate impact is -2%.

**Revenue** for 2014 was up 6% over the preceding fiscal year. Revenue was impacted by the depreciation of the Group's main invoicing currencies against the euro, mainly during the first eight months of the year. The yen and the ruble were the two currencies most affected. The following changes have been made in the Group's scope of consolidation since January 1, 2013: in Fashion and Leather Goods, the acquisition of 80% of Loro Piana on December 5, 2013 and 52% of British luxury footwear company Nicholas Kirkwood on October 1, 2013. In Other activities, the acquisition of the Milan-based patisserie business Cova in June 2013 and Hotel Saint-Barth Isle de France in September 2013; these changes in the scope of consolidation did not have any significant effect on revenue growth for the year. On a constant consolidation scope and currency basis, revenue increased by 5%. **Wines and Spirits** revenue decreased by 3% on a constant consolidation scope and currency basis. The significant decline in volumes in China was not offset by the positive effects of the sustained policy of price increases or by the continuing high demand in the United States. **Fashion and Leather Goods** revenue was up 3% on a constant consolidation scope and

currency basis. This business group's performance continued to benefit from the exceptional performance of Louis Vuitton. Céline, Kenzo, Givenchy, Fendi and Berluti delivered on their potential with double-digit growth. Revenue for **Perfumes and Cosmetics** increased by 7% on a constant consolidation scope and currency basis. The business group saw appreciable revenue growth in the United States and Asia, notably China, and was boosted by the excellent performances of Parfums Christian Dior, Benefit and Guerlain. Revenue for **Watches and Jewelry** increased by 4% on a constant consolidation scope and currency basis. Economic uncertainty and a highly competitive market caused a slowdown in purchases by multibrand watch retailers. For all of the Watches and Jewelry business group's brands, Japan was the most dynamic region. Revenue for **Selective Retailing** increased by 8% on a constant consolidation scope and currency basis. The drivers of this performance were Sephora, which generated very appreciable growth in revenue across all world regions, and to a lesser extent DFS, which made substantial progress, spurred by development at the North American airports renovated at the end of 2013.

## SUMMARIZED INCOME STATEMENT

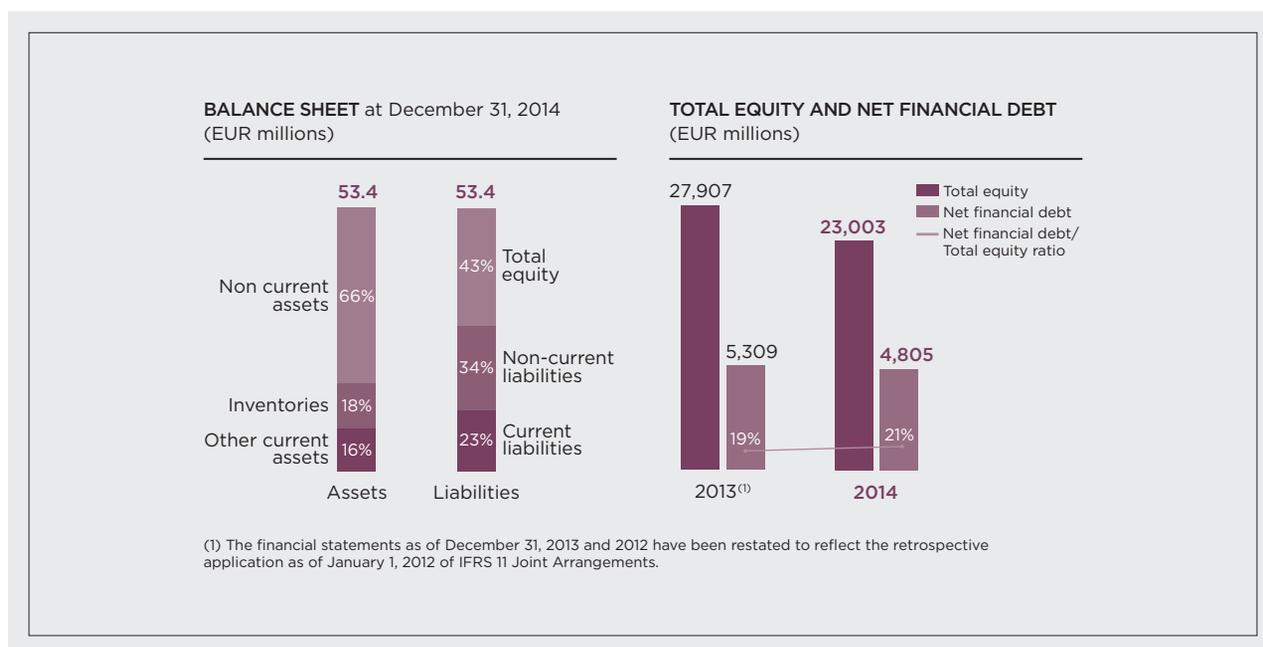
(EUR millions)	2013 <sup>(1)</sup>	2014	% Change
Revenue	29,016	30,638	+6%
Gross margin	19,019	19,837	+4%
Marketing and selling expenses	(10,767)	(11,744)	+9%
General and administrative expenses	(2,212)	(2,373)	+7%
Equity investment income	(23)	(5)	
Profit from recurring operations	6,017	5,715	-5%
Other 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>

(1) The financial statements as of December 31, 2013 and 2012 have been restated to reflect the retrospective application as of January 1, 2012 of IFRS 11 Joint Arrangements.

**Gross margin** was up 4% compared to 2013. As a percentage of revenue, the gross margin was 65%, a decrease of 1 point. **Marketing and selling expenses** were up 9% based on published figures, amounting to a 8% increase on a constant consolidation scope and currency basis. This increase was mainly due to the ongoing development of the Group's retail networks, but also to higher communications investments by the Group's main brands. The level of these marketing and selling expenses nonetheless rose by only 1 point as a percentage of revenue, amounting to 38%. Among these marketing and selling expenses, advertising and promotion costs amounted to 11% of revenue, an increase of 6% on a constant consolidation scope and currency basis. **General and administrative expenses** were up 7% based on published figures, and up 6% on a constant consolidation scope and currency basis. They amounted to 8% of revenue, the same proportion as in 2013. **Profit from recurring operations** decreased by 5%. The operating margin as a percentage of Group revenue was 19%, 2 points lower than in 2013. Excluding currency impacts, foreign exchange hedging effects and changes in scope, profit from recurring operations decreased by 2%. **Other operating income**

**and expenses** amounted to a net expense of 284 million euros, compared to a net expense of 119 million euros in 2013. In 2014, other operating income and expenses included 246 million euros in depreciation, amortization and impairment charges related to brands and goodwill for the main part. The remainder mainly consisted of expenses connected with acquisitions completed in 2014 and with costs for the reorganization of sales structures or industrial processes. **Net financial income** for 2014 was 2,947 million euros. This item comprises the aggregate cost of net financial debt and other financial income and expenses, amounting to net financial income of 3,062 million euros. This positive result essentially consists of capital gains arising on the distribution in kind of Hermès shares, of 3.2 billion euros. The Group's effective **tax** rate was 27%, compared to 31% in 2013. This change was due essentially to the specific impact of the distribution of Hermès shares. The **Group's share of net profit** was up 64% compared to 2013. This represented 18% of revenue in 2014, up 6 points. Net of tax, the Hermès transaction contributed 2,677 million euros to the Group share of net profit. Excluding Hermès, the Group share of net profit was 2,971 million euros.

## BALANCE SHEET DATA



LVMH's consolidated **balance sheet** totaled 53.4 billion euros as of year-end 2014, representing a 5% decrease from yearend 2013. **Non-current assets** represented 66% of total assets, compared with 72% as of year-end 2013. The decrease in non-current assets resulted from the distribution in kind of Hermès shares to LVMH shareholders. As of the year-end close, the remaining shareholding in Hermès, after deduction of the shares distributed to shareholders in early January 2015, amounted to 0.1 billion euros. This amount corresponded to shares not distributed on account of the existence of fractional rights. This shareholding will be sold in 2015, pursuant to the provisions of the Settlement Agreement entered into with Hermès. **Inventories** represented 18 % of total assets. **Other current assets** grew by 1.1 billion euros, of which 0.9 billion euros were related to the increased cash balance. **Total equity** amounted to 23.0 billion euros as of year-end 2014, representing a decrease of 4.9 billion euros compared to year-end 2013, and represented 43% of the balance sheet total, compared to 50% as of year-end 2013. The distribution in kind of Hermès shares had a negative impact of 6.8 billion euros.

This was partially offset by the Group's earnings (excluding the impacts of the Hermès transaction on earnings) which, net of dividends distributed, contributed an increase of 1.5 billion euros. In addition to this, a positive impact of 0.5 billion euros was recorded due to exchange rate fluctuations on the reserves of entities reporting in foreign currency, mainly US dollars and Hong Kong dollars. Conversely, the change in revaluation reserves had a negative impact of 0.2 billion euros, related mainly to the remeasurement of foreign exchange hedges. The **ratio of net financial debt to equity** rose 2 points to 21%; equity decreased noticeably as a result of the distribution in kind of Hermès shares. **Other non-current liabilities**, totaling 13.2 billion euros, increased by 0.7 billion euros, mainly influenced by the increase in provisions for contingencies and losses. **Other current liabilities** increased by 1.0 billion euros, totaling 8.0 billion euros, of which 0.3 billion euros were related to the increase in trade accounts payable, 0.2 billion euros to the increase in the market value of derivatives and 0.3 billion euros to increased tax and social charge liabilities.

## ANALYSIS OF CASH FLOW

(EUR millions)	2013 <sup>(1)</sup>	2014	Change
Cash from operations before changes in working capital	7,277	7,080	-197
Net interest paid	(111)	(116)	-5
Income taxes paid	(1,832)	(1,639)	+193
Net cash from operations before changes in working capital	5,334	5,325	-9
Working capital requirements	(620)	(718)	-98
Operating investments	(1,657)	(1,775)	-118
<b>FREE CASH FLOW<sup>(2)</sup></b>	<b>3,057</b>	<b>2,832</b>	<b>-225</b>

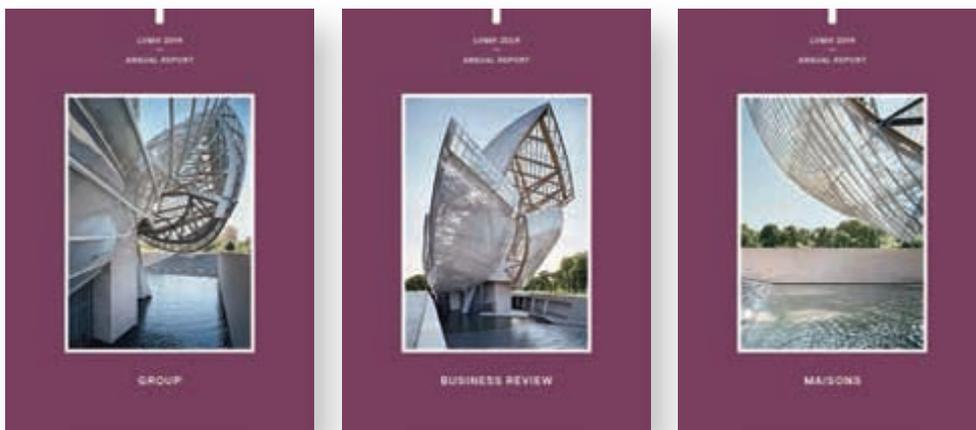
(1) The financial statements as of December 31, 2013 and 2012 have been restated to reflect the retrospective application as of January 1, 2012 of IFRS 11 Joint Arrangements.

(2) Before available for sale financial assets and investments, transactions relating to equity and financing activities.

**Cash from operations before changes in working capital** totaled 7,080 million euros, compared to 7,277 million euros a year earlier, representing a decrease of 3%. Net cash from operating activities before changes in working capital (i.e. after interest and income taxes paid) amounted to 5,325 million euros, stable compared to fiscal year 2013. Income taxes paid came to 1,639 million euros, representing a decrease compared to the amount of 1,832 million euros paid a year earlier. This was mainly due to the decrease in taxes relating to foreign exchange hedge amounts recognized in equity. **Working capital requirements** increased by 718 million euros, primarily as a result of a rise in inventories, of 928 million euros. The impact was offset in the amount of 210 million euros by the increase in trade accounts payable and social security liabilities. The increase in inventory related mainly to Wines and

Spirits and Fashion and Leather Goods, and to a lesser extent Selective Retailing and Watches and Jewelry. **Operating investments** net of disposals resulted in an outflow of 1,775 million euros in 2014, compared to 1,657 million euros a year earlier. They consisted mainly of investments by Louis Vuitton, Sephora, DFS and Bvlgari in their retail networks, investments by Parfums Christian Dior in new counters, and investments by the champagne houses in their production facilities, as well as investments in real estate for administrative use, sales operations or rental purposes. The **free cash flow** thus amounted to 2,832 million euros.

For further information, consolidated financial statements and notes to the statements are included in the 2014 Reference Document.



## PHOTOGRAPHS

Cover: Fondation Louis Vuitton, Polka Galerie, Yves Marchand and Romain Meffre, 2014  
 - Karl Lagerfeld - Jean Larivière for Fondation Louis Vuitton - Frank Gehry - Louis Vuitton Malletier,  
 Gérard Uféras - Parfums Christian Dior - Peter Marlow/Magnum Photos - Hennessy - Bvlgari,  
 Antonio Barrella - Sephora - Cheval Blanc Saint-Barth Isle de France, Stefano Candito - Louis Vuitton Malletier,  
 Benjamin Decoin - Louis Vuitton Malletier, Stéphanie Lacombe - Gabriel de la Chapelle/Agence Figure  
 - Gwenn Dubourthoumieu - Donna Karan - Studiobonon - Loro Piana - Paolo Verzzone - Veuve Clicquot  
 - Louis Vuitton, Jean-Philippe Caulliez - Fondation Louis Vuitton, Iwan Baan - Lucie Jansch  
 - BETC Luxe - Picture libraries of LVMH and Group's Maisons.

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LVMH  

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MOËT HENNESSY ♦ LOUIS VUITTON

LVMH 2014  
—  
ANNUAL REPORT



**BUSINESS REVIEW**



02	WINES & SPIRITS
10	FASHION & LEATHER GOODS
18	PERFUMES & COSMETICS
26	WATCHES & JEWELRY
34	SELECTIVE RETAILING

## HIGHLIGHTS OF 2014 INCLUDE:

- Good momentum in the United States and continued growth in Europe
- Large negative exchange rate effect, principally impacting Fashion & Leather Goods
- Wines & Spirits' performance penalized by the destocking by distributors in China
- 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





LVMH 2014

WINES & SPIRITS

P2

MAISON FONDÉE EN 1785  
DOM PÉRIGNON MILLÉSIMÉ  
ASSEMBLAGE  
CHAMPAGNE  
DOM PÉRIGNON  
VINTAGE 1998  
MAISON FONDÉE EN 1785

## REINFORCING OUR FUNDAMENTALS, ACCELERATING INNOVATION



**Christophe Navarre**  
President of the Wines  
and Spirits business group

The global wines and spirits market is set to achieve strong growth, cyclical fluctuations aside, and demand is focusing more and more on quality and high-end offerings. This underlying trend is very positive for our positioning and our value-based strategy.

In a time of increased competition among international brands, we possess a completely unique asset: our historic Maisons embody world-renowned quality and *art de vivre*. All of our Maisons, whether they produce wines, champagnes or spirits, share in these values of authenticity and heritage. Maintaining excellence is absolutely essential in order to reinforce our fundamentals and consolidate our leading position in the luxury universe. The 2014 acquisition of Clos des Lambrays, an exceptional estate in Burgundy, was part of this process. The same vision drives us to invest in our production facilities and develop our supply operations, both of which are key to ensuring the quality that makes our products successful.

Our development potential lies in both large consumer countries, where we are investing to bolster our market share, and in emerging

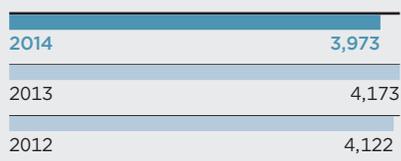
markets, where we have been pioneers and are building on our achievements. Our balanced geographic coverage, along with the scope of our product ranges, is an asset that served us well in 2014. Faced with a slowdown of sales in China, Hennessy harnessed all its potential areas for growth and built

on its strong momentum in the United States and the success of its *Very Special* cognac.

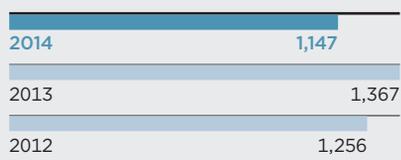
Innovation remains a major strategic priority. Innovation in products to win over new consumers and, amid diversifying demand, cater to new consumption patterns. Innovation in distribution, whether through conventional channels or thanks to original travel retail concepts and digital technology. In all spaces, physical or virtual, where customers and consumers can enter into the world of our brands and experience excellence. With the support of our highly committed teams all over the world, both at the Maisons and in the field, our initiatives are actively supported by communications to raise our brands' profiles and further enhance their image, targeting the most promising geographic and market segments.



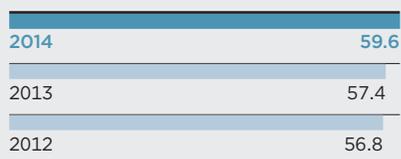
**REVENUE**  
 (EUR millions)



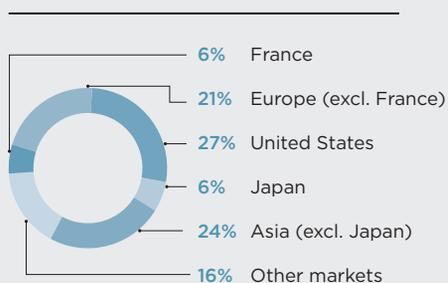
**PROFIT FROM RECURRING OPERATIONS**  
 (EUR millions)



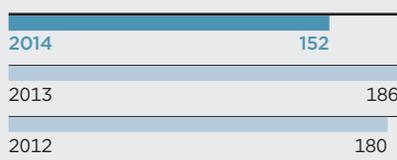
**SALES VOLUMES - CHAMPAGNE**  
 (in millions of bottles)



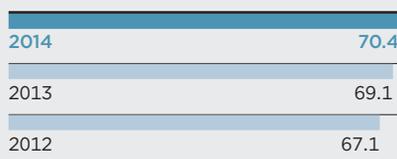
**2014 REVENUE BY GEOGRAPHIC REGION OF DELIVERY** (in %)



**OPERATING INVESTMENTS**  
 (EUR millions)



**SALES VOLUMES - COGNAC**  
 (in millions of bottles)



**MAJOR STRATEGIC PRIORITIES**

- Pursue value creation strategy.
- Target balanced and sustainable growth.
- Develop production capacities.
- Further strengthen efficiency of distribution.



Krug



Ruinart

Excellence and innovation, firm pricing, sustained communication: in a mixed market characterized by strong competitive pressures, the Wines and Spirits business group stayed true to the priorities of its value-enhancing strategy. With economic uncertainty still prevailing in Europe, business was buoyed by a strong dynamic in the American marketplace. The high demand for our brands in promising markets and segments, and the responsiveness of the Moët Hennessy retail network, partially offset the slowdown in cognac sales in China due to destocking by distributors. Champagne volumes were up 4%. Reflecting the Maisons' value strategy, prestige cuvées recorded solid growth.

**MOËT & CHANDON** bolstered its image throughout the world. The brand achieved significant growth in the United States thanks to its investment plan targeting key cities. It continued to thrive in Japan, now its second-largest market, while fresh growth prospects appeared in Africa.

**DOM PÉRIGNON** launched its new product range worldwide, completed the very successful release of its *Deuxième Plénitude* Vintage 1998, and enjoyed a strong performance by Dom Pérignon Rosé.

**MERCIER** reaffirmed its new identity and expanded its offering.



Hennessy

**RUINART**, maintaining its consistent focus on premium cuvées, further improved its positions in France and accelerated its international expansion, particularly in new markets.

**VEUVE CLICQUOT** had a good year featuring robust growth, high-end price positioning and an enhanced product mix. Driven by constant innovation, the brand built on its leading position in the United States, maintained strong momentum in the Asia-Pacific region and achieved solid growth in the United Kingdom.

**KRUG** developed its brand awareness and launched a new communications approach with champagne-music pairings. In addition to the excellent performances recorded in Japan and the Asia-Pacific region, a very positive dynamic emerged in the United States.

In **ESTATES & WINES**, the Chandon brand reinforced its positions in its domestic markets and successfully launched its export business. The recently established branches Chandon India and Chandon China, in the Ningxia region of China, showed promising growth. A decrease in business for special quality wines weighed on profit for the Wines segment.

In April, LVMH acquired **CLOS DES LAMBRAYS**, one of the oldest and most prestigious Bourgogne vineyards, covering more than 8 hectares in the Côte-de-Nuits.

Faced with destocking by distribution channels in China, **HENNESSY** drew on the strength of its global presence and extensive product portfolio. It recorded volumes up 2% thanks to the enormous success of the *Very Special* Hennessy cognac in both historic and all growth markets. In the United States,



Glenmorangie

its already healthy business got an additional boost from the *Very Special* communications platform, which benefited the entire product range. The brand expanded in Eastern Europe as well as in Taiwan, Malaysia and Vietnam. Promising countries such as India and the Philippines showed rapid development, and Hennessy recorded steady growth in the travel retail circuits.

**GLENMORANGIE** and **ARBEG** whiskies and **BELVEDERE** vodka maintained their growth, fuelled by a policy of innovation, the brands' increasing renown and the many international awards they have won.

## OUTLOOK

In 2015, against a still uncertain economic backdrop, the Wines & Spirits business group will maintain its strategy of value creation to further strengthen the image and appeal of its brands. Product excellence and innovation will remain the key vectors to promote loyalty among the Maisons' existing clientele and win over new customers. In order to maintain the highest level of quality and enhance supply chain operations, the business group will continue to upgrade its production facilities and build on its strong partnerships with winegrowers, particularly in the case of Hennessy. Investments in communication will primarily help target the regions and market segments that present the greatest potential in the months to come and over the long term. Among other highlights, Hennessy will commemorate its 250<sup>th</sup> anniversary with numerous celebrations held around the world. The power of Moët Hennessy's product portfolio and distribution network, coupled with the commitment and responsiveness of its brand teams in major consumer countries and new markets, are essential strengths that will help consolidate the Group's leading position in the field of exceptional wines and spirits.





LVMH 2014

FASHION & LEATHER GOODS



## ICONIC BRANDS AND NEW GENERATIONS

LVMH is a major player in the fashion and leather goods sector. Its dynamic performance is driven by Louis Vuitton's leading position around the world and a set of high-potential brands which the Group supports in their development. Over the past two years, LVMH has reinforced this business group by welcoming new designers and making a number of acquisitions and investments. By bringing together iconic brands and new generations, heirloom traditions, creativity, and an enterprising spirit, the Group has consolidated its expertise in excellence and expanded its growth prospects.

Louis Vuitton – which celebrated its 160<sup>th</sup> anniversary in 2014 – has been illustrating its exceptional talent for innovation more than ever before. It beautifully began a new chapter in its creative history with the launch of Nicolas Ghesquière's first ready-to-wear collections, expanded its leather goods lines, and paid bold homage to its classic *Monogram*. Six major designers, among the most iconoclastic in the art, architecture and fashion communities, revisited this icon through a series of exceptional new pieces. At over 100 years old, the Maison's timeless emblem has once again proven its eternal youth, its power to inspire and its unwavering contemporary appeal.

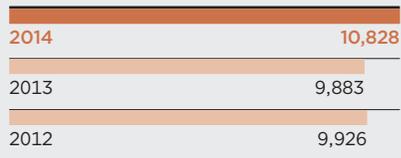
Year after year, the major in-depth efforts aimed at giving a decisive boost to the business group's fashion brands and setting them on the

path toward sustainable growth have paid off. Fendi, Céline, Kenzo, Berluti and Givenchy have achieved accelerated growth. Donna Karan and Marc Jacobs are focused on strengthening their original positioning. All the Maisons are determined to move their image further upmarket, enhance the creativity of their collections, and embody excellence in distribution.

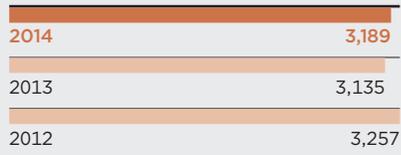
Loro Piana has completed its first year as part of the LVMH Group. The company's history spans six generations, crystallizing an Italian tradition of excellence. Loro Piana's arrival reinforces the sense of family that has been integral to the LVMH Group's success, as this newcomer shares its unmatched savoir-faire in exceptional fabrics with the other Maisons. With the Group's support and expertise, particularly in distribution, Loro Piana is ensuring its longevity and its ability to pursue controlled growth at its own pace. In parallel with this strategic alliance, LVMH has reaffirmed its ambition to support young designers and build the fashion world of tomorrow. In 2014, a stake was acquired in Marco de Vincenzo, following the previous year's initiatives: the acquisition of the luxury footwear business founded by the exceptionally talented designer Nicholas Kirkwood, and an investment in the J.W. Anderson label, whose young founder was also named Artistic Director of Loewe.



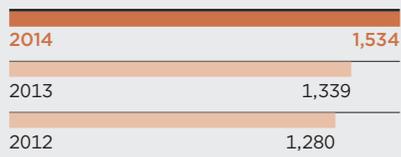
**REVENUE**  
(EUR millions)



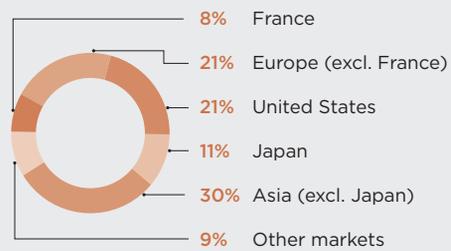
**PROFIT FROM RECURRING OPERATIONS**  
(EUR millions)



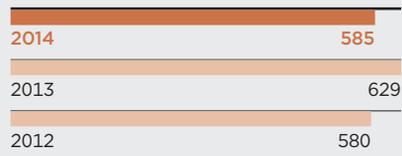
**NUMBER OF STORES**



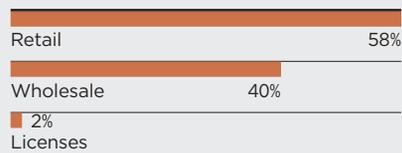
**2014 REVENUE BY GEOGRAPHIC REGION OF DELIVERY (in %)**



**OPERATING INVESTMENTS**  
(EUR millions)



**TYPE OF REVENUE**  
(in % - excluding Louis Vuitton\*)



\*100% of Louis Vuitton's revenue is from retail sales.

**MAJOR STRATEGIC PRIORITIES**

Continue strategic development of Louis Vuitton.

Strengthen image and profitable growth of other fashion brands.



Louis Vuitton



Fendi

For **LOUIS VUITTON**, 2014 was a year of strong creative momentum, with the first half marked by enthusiastic responses to Nicolas Ghesquière's ready-to-wear debut and the presentation in Monaco of the *Croisière* collection, unprecedented in the Maison's history. The second half of the year featured two particular highlights: fashion show at the recently opened Fondation Louis Vuitton and celebration of the *Monogram* line by enlisting six major designers to reimagine it in a limited series ("Celebrating *Monogram*"). Alongside the ever popular *Capucines*, other models such as the new *Lockit* and *Montaigne* are also in great demand. Leather pieces designed for runway shows also met with an excellent reception. Louis Vuitton

continued the quality-driven development of its network of stores, particularly visible in the reopening of its Avenue Montaigne store in Paris.

At the close of its first year as part of LVMH, **LORO PIANA** turned in a strong performance. Alongside its rare, precious natural materials and its offering of clothing, footwear and accessories designed for an exacting, loyal clientele, it also benefited from new store openings in Japan, the United States and Paris. The *Gift of Kings* collection, made from the finest wool in the world and once again illustrating an unequalled level of expertise, garnered rave reviews at launch.



Céline



**FENDI** continued to improve its retail network to showcase its offering of very high-quality products and achieved gains in all its markets. Growth in leather goods was boosted by the iconic lines. Furs enjoyed increased visibility in stores. An exhibition of the most beautiful pieces from 1965 to the present day was held in Hong Kong.

**CÉLINE** maintained its steady growth. Leather goods, footwear and ready-to-wear made particularly remarkable headway. A show of the autumn-winter 2014 ready-to-wear collection held in Beijing significantly raised the brand's profile. The retail network was selectively expanded, with flagship stores opening in several locations such as London, Tokyo and Avenue Montaigne in Paris.

**GIVENCHY, KENZO** and **BERLUTI** achieved accelerated growth, confirming the success of their strategies. Givenchy made particularly rapid strides in Europe, the United States and Asia. Kenzo reinforced its image around a unique positioning that melds creativity and functionality. Berluti completed the roll-out of its new boutique concept. The other Maisons continued to consolidate their organization.

For **LOEWE**, the year was marked by the positive response to the first collections released by its new Artistic Director, Jonathan Anderson, who joined the jury of the LVMH Prize for Young Fashion Designers.



Kenzo

As part of their creative reinforcement phase, **DONNA KARAN** and **MARC JACOBS** made selective investments: Marc Jacobs focused on its key product categories and Donna Karan on expanding the collections that embody its strong New York roots.

**THOMAS PINK**, at the leading edge in the field of online sales, continued to perfect its website.

**PUCCI** opened its new store in Milan.

## OUTLOOK

In 2015, **Louis Vuitton** will maintain its strong innovative momentum and pursue the creative development driven by Nicolas Ghesquière. Through bold initiatives, it will continue to reinforce and revisit its icons and timeless product lines, the main contributors to its current and future growth. The creative developments to come and the brand's reach will be sustained. Louis Vuitton will continue to enhance the quality of its store network and will pursue initiatives aimed at offering its customers a unique experience and service they will find nowhere else in the world. **Loro Piana** is committed to pursuing high-quality growth, while respecting the philosophy and the model on which it has built its success. It will continue to focus its investments on securing supplies of the most precious natural materials, pursuing textile innovation and selectively opening new boutiques. **Fendi** will keep its strategy focused on an offering of highly sophisticated leather goods and on showcasing its historic specialty: furs. All the other brands in this business group will work to reinforce their growth models and the factors that set them apart in their respective positioning, optimize their organizations and bolster their product offerings. Creative collections and excellence in retail will remain their shared objectives.



LVMH 2014

PERFUMES & COSMETICS



## GROWING, INNOVATING AND REMAINING UNIQUE

The perfumes and cosmetics market is being buoyed by rising standards of living around the world and by the contemporary consumer's quest for beauty and well-being. It has numerous development opportunities to offer our brands. The LVMH Maisons are not all the same age or the same size, nor do they have exactly the same target customer base. But what they do all have in common is a culture of excellence and innovation, and a focus on originality. In this extremely competitive sector, standing out is the key to success.

Parfums Christian Dior is drawing on the extraordinary vitality of its iconic product lines to fuel growth and reinforce its leading market position. It has continued to weave its unique magic thanks to the talent and expertise of its exclusive Perfumer and Creative Director, François Demachy, who travels the globe in search of the most precious flowers and raw materials to concoct his fragrances. At every step of the perfume-making process, its artisans take up this quest for excellence. The same exacting standards apply to the make-up collections designed together with Couture, a perfect reflection of the Dior spirit through the seasons, and to our skincare product lines. Guerlain, too, has capitalized on its uniqueness, setting its sights on some ambitious development targets. With the renovation of its historic boutique on the Champs-Élysées, it showcased its origins – even featuring one of

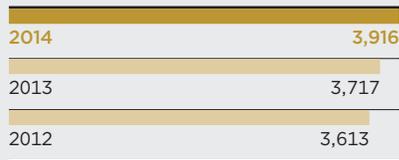
its classic emblems, the Sun – while resolutely embracing modernity. Another of Guerlain's symbols, the bee, was the inspiration for the name of its new ultra-modern manufacturing facility, recently opened to accommodate the growth of its cosmetics lines.

Growing while remaining unique – that is also the philosophy of our younger brands that have come up alongside these classic names. Although US-based Benefit has evolved in scale since joining the LVMH Group, its distinctive spirit has not changed. With its formulas that work, playful product names, quirky packaging and digital innovation to match, Benefit continues to live up to its motto: laughter is the best cosmetic. Make Up For Ever has again posted strong growth while staying true to its original goal of designing products fit for make-up professionals. Kenzo Parfums is still successfully differentiating itself through its poetic outlook on life, while Acqua di Parma cultivates those Italian-infused codes of elegance.

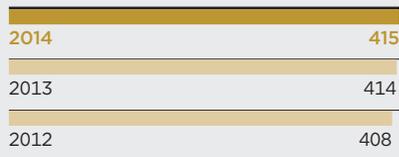
All our brands have placed innovation at the core of their strategy. The new Hélios research center, located in France's Cosmetic Valley, is the key driver of that strategy. Through its policy of open engagement with the outside community, Hélios helps our researchers, whose work benefits all the LVMH brands, collaborate with universities and research partners as well as local small businesses and start-ups.



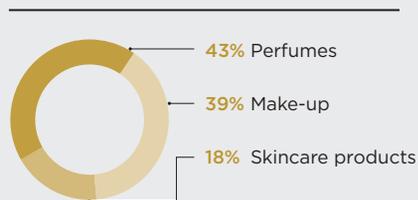
**REVENUE**  
(EUR millions)



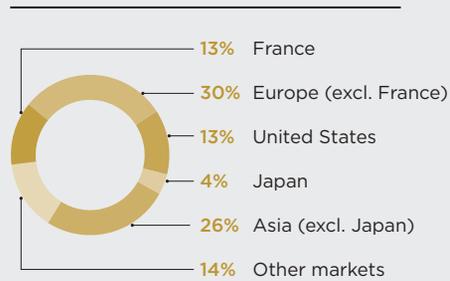
**PROFIT FROM RECURRING OPERATIONS**  
(EUR millions)



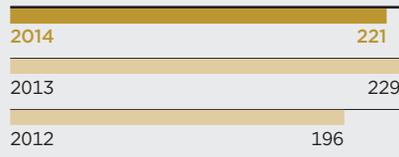
**REVENUE BY PRODUCT CATEGORY**  
(in %)



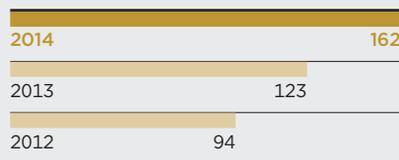
**2014 REVENUE BY GEOGRAPHIC REGION OF DELIVERY** (in %)



**OPERATING INVESTMENTS**  
(EUR millions)



**NUMBER OF STORES**



**MAJOR STRATEGIC PRIORITIES**

Maintain aggressive policy on innovation and media investments.

Build on advance of Parfums Christian Dior in connection with Couture.

Support international development of Guerlain.

Continue global expansion of other brands.



Parfums Christian Dior



Guerlain

LVMH's Maisons continued to gain market share in a very competitive sector. Their three focus areas – perfumes, make-up and skincare – experienced growth. This performance was driven by brand image, the excellence and creativity of the products, the attention paid to their distribution and sustained investments in advertising.

**PARFUMS CHRISTIAN DIOR** made progress and increased its market share in all key countries. Perfumes continued to thrive thanks to its three anchors: *J'adore* pushed forward as a global leader, capitalizing on the successful chapter of its history that began with the new communication campaign featuring Charlize Theron; *Miss Dior* benefited from the launch of its *Blooming Bouquet* version; *Dior Homme* continued making steady headway and surged into new markets such as China

and the United States. The arrival of Peter Philips as Creative Director of make-up design gave major impetus to the brand's collections, enhancing their creativity and their ties to Christian Dior Couture. Especially worth noting were highly innovative product launches in foundation and lipstick, and the restyling of the iconic *Dior Vernis* and *5 Couleurs*. Dior consolidated its leading position in make-up, and achieved very strong growth in Asia. Skincare continued to grow, notably in Asia, its priority market. *Capture Totale* strengthened its positions thanks to the worldwide success of its new product, *Dreamskin*.

**GUERLAIN** completed another year of profitable growth and gained market share in France and China, two strategic countries. *La Petite Robe Noire* is now a firmly established perfume, while the high-profile launch of *L'Homme Idéal* enabled it to rise



Kenzo Parfums

to a prominent position in top markets. The *KissKiss* make-up line and the *Orchidée Impériale* and *Abeille Royale* skincare lines made significant strides. Since its reopening at the end of 2013, the Champs-Élysées boutique has met with great commercial success. The new manufacturing facility dedicated to make-up and skincare, named La Ruche (“The Beehive”) in homage to the Maison’s emblematic bee, was opened in Chartres, reflecting Guerlain’s long-term commitment to excellence, innovation and the longevity of its expertise at the heart of Cosmetic Valley.

**PARFUMS GIVENCHY** got a revenue boost from the launches of the *Gentlemen Only* fragrance and *Dahlia Divin*, embodied by its brand ambassador Alicia Keys. The cosmetics line forged ahead.

**KENZO PARFUMS** reaped the rewards of its new creation, *Jeu d’Amour*, while consolidating the positions of its historic mainstay, *Flower*.

**BENEFIT** kept up its positive momentum, ranking number one in make-up in the United Kingdom. Another highlight of 2014 was the considerable success of its *They’re Real!* eyeliner and the launch of its new Brow Bar concept. The brand also continued to illustrate its expertise and its innovative approach in the digital realm.

Celebrating its 30<sup>th</sup> anniversary, **MAKE UP FOR EVER** continued to gain market share in all regions, boosted by the development of its *Aqua*, *Artist* and *High Definition* flagship lines.



Benefit

## OUTLOOK

Over the coming months, LVMH's Maisons will continue to focus on excellence and on strengthening their specific positions, with the new objective of gaining market share. They will lean on the development of their emblematic product lines, and maintain a strong dynamic of innovation and investments in advertising. **Parfums Christian Dior** will push its flagship lines *J'adore*, *Miss Dior* and *Dior Homme*, while continuing to cultivate its aura and exceptional standing through its *Collection Privée*, which showcases the excellence of its savoir-faire and its deep roots in the traditions of luxury perfume-making. **Guerlain** will pursue its ambitious development plans by focusing on strategically important countries France and China. The fragrance lines *La Petite Robe Noire* and *L'Homme Idéal* will be reinforced, as will skincare and make-up lines. Guerlain will also set itself apart in 2015 through strong digital innovation. A robust pipeline of new product launches is planned for **Parfums Givenchy**, **Kenzo Parfums** and **Benefit**. **Make Up For Ever** will make innovation its watchword in 2015 and will expand its network of own-brand boutiques.

**FRESH** built on the global success of its *Black Tea* line and on the launch of its new product ranges made with lotus and peony.

The launch of the *Rosa Nobile* and *Ginepro di Sardegna* fragrances and the opening of a flagship store in Rome, on the legendary Piazza di Spagna, were the highlights of 2014 for **ACQUA DI PARMA**.





LVMH 2014

WATCHES & JEWELRY

## CAPITALIZING ON OUR ICONS, MAKING PINPOINT-ACCURATE INVESTMENTS

Watches and Jewelry, LVMH's most recently integrated business group, is made up of Maisons with a rich artisanal, technological, and creative heritage. Its ambition is to continue conquering market share, enhancing the image of its brands by showcasing their creativity and drawing on their masterful savoir-faire as well as the vibrancy of their emblematic product lines.

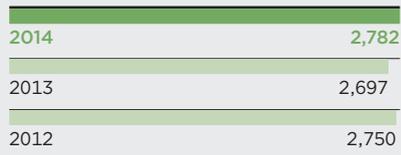
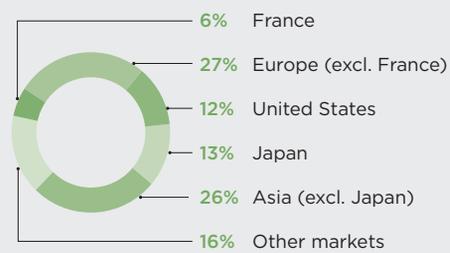
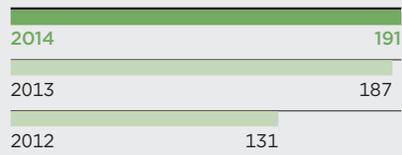
Its two business segments had a mixed year: very strong in jewelry, particularly for Bvlgari, but with a drop in sales in watchmaking due to cautious retailer purchasing and the situation in China. TAG Heuer adapted to this environment by undertaking a strategic refocusing and shifting its manufacturing to the core product ranges and price segments with the most upside for improved performance and market share growth. In the same spirit, Zenith, one of the few authentic Swiss watch houses, concentrated its efforts on collections featuring its emblematic movements, particularly the legendary *El Primero* chronograph, the ultimate symbol of its distinctive savoir-faire.

The performance of the Watches and Jewelry brands was fueled by a robust innovation policy aimed at showcasing their know-how and developing their mainstay product lines. These priorities proved compatible with both the pur-

suit of technological progress and the creation of new best-selling pieces. TAG Heuer continued to illustrate its avant-garde mindset. Hublot, whose flagship designs performed remarkably well, also demonstrated its prowess in the field of fine timepieces and watch complications. Bvlgari had an exceptional year, expanding its collections and elaborating on its iconic designs. The just-out *Diva* jewelry line, which Bvlgari intends to position as a new icon, especially encapsulates the brand's essence, bold style, and singular talent for artful colored gemstone arrangements.

The business group's brands maintained their focus on quality distribution channels, looking to become more selective in their choice of multi-brand retailers and pursuing continuous improvements to their own boutiques and their productivity. Against a still-uncertain economic backdrop requiring close management, they continued to invest strategically and with pinpoint accuracy. On the marketing front, they concentrated their brand image initiatives, media plans, sponsorships, events, and digital communications on key audiences and geographic regions. They also continued to develop and optimize their manufacturing facilities, with special attention to potential synergies.



**REVENUE**  
(EUR millions)**PROFIT FROM RECURRING OPERATIONS**  
(EUR millions)**NUMBER OF STORES****2014 REVENUE BY GEOGRAPHIC REGION OF DELIVERY** (in %)**OPERATING INVESTMENTS**  
(EUR millions)**MAJOR STRATEGIC PRIORITIES**

Gain market share through creativity and innovation.

Reinforce Maisons' image with expert craftsmanship and quality distribution.

Continue positive momentum of Bvlgari and refocusing of TAG Heuer on core product ranges.

Optimally develop manufacturing facilities.



TAG Heuer



Bvlgari

In 2014, while jewelry sales showed remarkable momentum, the watches business was slowed by the cautious purchasing behavior of multi-brand watch retailers in a still uncertain economic environment. The creativity of the LVMH brands' products, their masterful savoir-faire and the increased efficiency of their distribution networks boosted business and helped meet market share growth targets: own-brand boutiques turned in strong performances in both jewelry and watches. While maintaining a prudent management policy, the Maisons continued to bolster their image and make selective investments in their distribution networks and manufacturing capacities.

**BVLGARI** continued to register growth, with particularly remarkable performance in jewelry and at its own stores. Jewelry was

buoyed by the success of the iconic *Bvlgari-Bvlgari*, *B. Zero1* and *Serpenti* lines and the extension of the recent *Diva* collection. The watches segment, where Bvlgari gained market share, saw the launch of new versions of the *Octo* men's model and of the very promising *Lucea* and *Diva* women's lines, with *Diva* winning the jewelry watch prize at the Grand Prix d'Horlogerie de Genève awards. Bvlgari's savoir-faire in fine jewelry and its unparalleled mastery of colored gemstone combinations were showcased at a number of exhibitions held around the world. Bvlgari's 130<sup>th</sup> anniversary was celebrated concurrently with the reopening of its magnificently renovated historic store in Rome. Its network of boutiques again amplified their positive dynamic thanks to the roll-out of an ambitious store improvement program and some selective openings.



Chaumet

**TAG HEUER** refocused on its core offerings and adapted its organization to this strategy. An array of new products enriched its iconic *Formula 1 Automatic*, *Aquaracer Lady* and *Carrera* lines. These designs, accompanied by strong communications aimed at its target audiences, reaffirmed the brand's positioning in order to increase its potential market share gains. Manufacturing was reviewed in an effort to optimize and improve performance at its sites. TAG Heuer also focused on the efficiency of its distribution subsidiaries. Its own stores registered a steady flow of business, and the network was enriched by the first TAG Heuer boutique in New York.

**HUBLOT** continued its robust growth, fueled in particular by the *Classic Fusion* line, which made rapid strides alongside the emblematic *Big Bang*. The brand once again reaffirmed its creativity and upmarket strategy, designing new pieces in women's jewelry and fine watches. One of the year's high points was the success of the *LaFerrari* watch. Hublot demonstrated its manufacturing expertise with its *UNICO* manufacture chronographs and high value-added complications. As construction began on a second manufacturing facility in Nyon, Hublot expanded its network with a new store in Zurich, and took over distribution in Hong Kong, Taiwan and Australia.



Zenith

## OUTLOOK

With the wider economic environment still uncertain, the Watches and Jewelry business group will continue to focus on the essential thrusts of its strategy to gain market share, along with rigorous management practices and precisely targeted investments. The brands will work to reinforce their image in the most promising geographic segments, and will continue to increase the selectivity of their multi-brand retail network, as well as the quality and productivity of their own stores. Further efforts will be made to expand production capacities and optimize manufacturing processes, while continuing to facilitate synergies within the business group. Lastly, as an illustration of their expertise infused with the talent of their artisans and designers, all the Maisons will launch new collections, ever guided by a spirit of creativity and exceptional quality.

**ZENITH** continued to develop its collections, particularly the emblematic *El Primero*, whose communication was enhanced by the partnership entered into with the Rolling Stones. Two new boutiques opened, in Hong Kong and Singapore.

**CHAUMET** continued to expand its own store network, with particularly strong performance in fine jewelry. The *Hortensia* collection was expanded to include new designs.

**MONTRES DIOR** and jewelers **DE BEERS** and **FRED** presented new creations and enhanced their iconic lines.





LVMH 2014

SELECTIVE RETAILING

## GIVING OUR CUSTOMERS A TRULY UNIQUE EXPERIENCE

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To give each of our customers a truly differentiated experience, to surprise them at every visit, to offer them something they won't find anywhere else, to personalize the relationship and build loyalty: these are the challenges taken up by our selective retailing businesses. We have set ambitious goals for upscaling the quality of our offerings, providing exclusive services, innovating in the digital domain, enhancing our customer representatives' expertise and developing our loyalty programs. Our teams place customers and customer expectations at the core of their strategies and day-to-day actions.

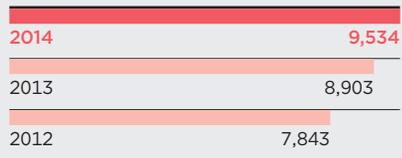
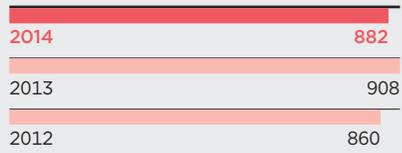
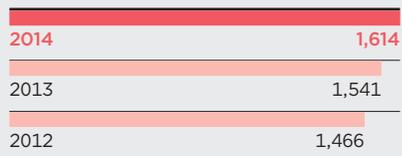
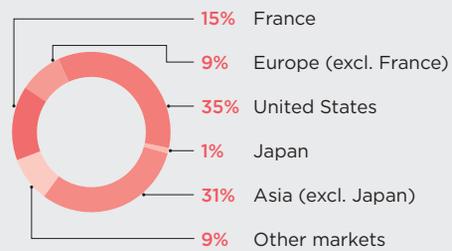
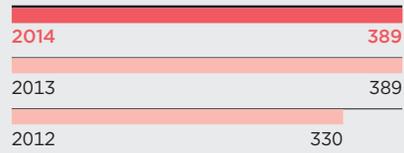
International travel retail, which is the business of DFS, offers strong growth prospects thanks to the steadily growing number of globetrotting travelers. It is also a constantly evolving market that can fluctuate rapidly due to current events, thus requiring a distinct ability to adapt to changes and pick up on promising trends, as well as the special kind of agility – which DFS has demonstrated time and again over the years – to quickly position ourselves in line with these developments. DFS has responded to the increasing diversity and volatility of its clientele by drawing on its unequalled expertise, its unique coverage of airports and city centers, and an offering customized to each traveler and destination. While optimizing its existing stores and sales approach, DFS is focusing on oppor-

tunities to diversify its operations. In particular, a major project has been launched in Venice at one of the city's iconic buildings.

By revolutionizing the way customers discover and purchase perfume and beauty products, the Sephora concept has gained wide international recognition, and is developing spectacularly. It continues to lead the way in beauty, in keeping with its trendsetter profile. It differentiates its offering with an extensive product line-up featuring major select brands, exclusive finds from around the world, and own-label products. Its innovative services, provided by beauty experts, also set it apart. In addition, Sephora is putting innovation to work for the environment by recycling empty fragrance bottles returned to stores by its customers, and continues to blaze new trails in the digital world through enhancements to its multichannel strategy.

Le Bon Marché, which pioneered modern commerce in the 19th century, continues to cultivate exception, innovation and a unique atmosphere. In addition to being a trendsetter and a forerunner in style, design and cuisine, Le Bon Marché is also the only department store in Paris with a genuine cultural dimension, particularly illustrated by its art collection and the regular events and exhibitions it holds, which are eagerly awaited by its demanding Parisian and international clientele.



**REVENUE**  
(EUR millions)**PROFIT FROM RECURRING OPERATIONS**  
(EUR millions)**NUMBER OF STORES****2014 REVENUE BY GEOGRAPHIC REGION OF DELIVERY** (in %)**OPERATING INVESTMENTS**  
(EUR millions)**MAJOR STRATEGIC PRIORITIES**

Adapt development of DFS to geopolitical context and diversify clientele and geographic coverage.

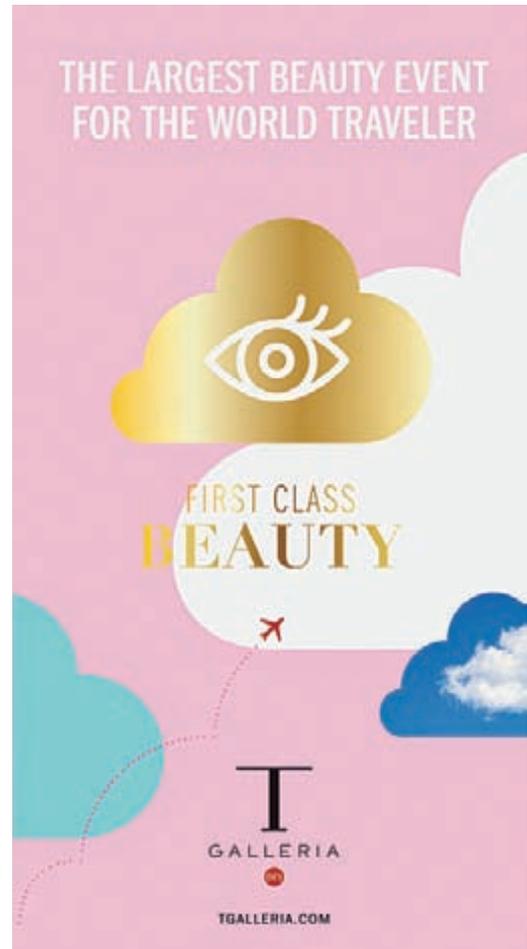
Differentiate offering of Starboard Cruise Services by cruise line.

Continue Sephora's dynamic innovation in stores and digital content.

Carry on renovation of Le Bon Marché Rive Gauche store.



DFS



DFS

In 2014, faced with a particularly complex situation in Asia, notably related to currency fluctuations and political events in the region, **DFS** focused on doing what it does best: providing excellence and innovation in its offering and services to international travelers. The rebranding of downtown stores under the new *T Galleria* name continued, while the recently renovated airport concessions in Hong Kong and North America delivered strong performances. The new Loyal T rewards program was launched worldwide successfully. Work began on the renewed wines and spirits concession at Changi Airport in Singapore, as well as upgrades in Hong Kong, San Francisco and Okinawa. One of the year's highlights was the announcement of DFS's plans to open its first European store at the Fondaco dei Tedeschi,

in the heart of Venice. This much-venenerated building, which DFS wants to restore to its former glory, will be a venue for commerce and culture for travelers and locals alike. It is the perfect setting for DFS to showcase its teams' expertise: a new milestone in its expansion to the most coveted destinations around the world.

The growth of **STARBOARD CRUISE SERVICES** was based on the expansion and strong momentum of cruise routes in Asia. Maintaining its strategy of innovating and differentiating its offerings by cruise line, the brand signed a flurry of new contracts with different cruise companies, expanding the fleet of ships on which it operates to around one hundred by the end of 2014.



Sephora

**SEPHORA** gained market share worldwide and continued to achieve double-digit revenue growth, with particularly remarkable performances in North America, the Middle East and Asia. In 2014, the brand opened more than a hundred stores and marked its debut in Indonesia and Australia. Several flagship stores, including those on the Champs-Élysées and in the Dubai Mall, were renovated to offer their clientele an ever more quality-driven experience. Online sales grew strongly, with an innovative mobile offering designed as part of a genuinely multi-channel strategy. As part of this initiative, Sephora launched *The Beauty Board* in the United States, a new social shopping platform that lets users share photos and beauty advice, and

features direct links to the brand's site. Sephora has aimed to make its offering more and more innovative and unique. The success of the Sephora brand continued to grow with the launch of the *Rouge Infusion* lip stain range, and an enriched exclusive offering following the release of the *Marc Jacobs* and *Formula X* brands. Sephora is dedicated to maintaining a unique relationship with its clientele, developing highly attractive loyalty programs and services found nowhere else. Staff commitment is underpinned by continuously updated training initiatives to ensure that customers always receive the highest standard of care and service.

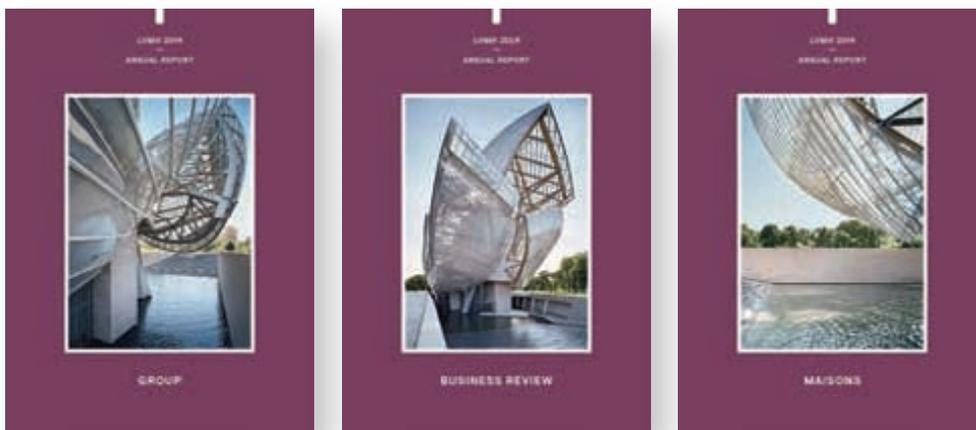


Sephora

**LE BON MARCHÉ** benefited from the opening of its new Homeware department, dedicated to the art of living and entertaining, and from new sales momentum at the Grande Épicerie de Paris food store following its renovation. Business was also buoyed by Women's Fashion, Beauty and Luxury Accessories, particularly watches and jewelry. Le Bon Marché continued to illustrate its cultural dimension with a Japan-themed exhibition entitled "Le Japon Rive Gauche" held in the fall. The new customer loyalty program got off to a promising start. Non-French customers, who increasingly identify with the spirit of Le Bon Marché, also made a significant contribution to the growth of its business.

## OUTLOOK

Drawing on its unique expertise in travel retail, **DFS** will continue to optimize its stores' offerings according to each destination, while adapting to its customers' expectations. In 2015, renovation work will start on the Chinachem and Hysan stores in Hong Kong, and the brand will launch its first foray into the digital domain at Changi Airport in Singapore. **DFS** will continue to selectively review opportunities to diversify its product offering and its geographic coverage in order to build on its success and future growth prospects. **Starboard Cruise Services** will keep Asia among its core priorities and will continue to invest in transforming its boutiques to increase their productivity and enhance customer experience. To sustain its remarkable momentum, **Sephora** will continue renovating and expanding its store network and will maintain its focus on innovation in products and services. New initiatives in merchandising, digital and mobile will further increase its lead by offering its clientele a constantly renewed experience in the world of beauty. **Le Bon Marché** will continue cultivating its unique character and modernizing its retail spaces. 2015 will witness the creation of a new Footwear space and the first stage of a revolutionary concept in Women's Fashion. The department store will remain true to its ambition of offering its clientele a unique experience and a unique quality of customer care, and will develop new exclusive services.



## PHOTOGRAPHS

- Cover: Fondation Louis Vuitton, Polka Galerie, Yves Marchand and Romain Meffre, 2014  
 - Dom Pérignon, Arnaud Lajeunie - Moët & Chandon, Leif Carlsson - Krug, Zoe Ghertner - Ruinart  
 - Hennessy - Glenmorangie - Louis Vuitton Malletier, Peter Lindbergh - Berluti, Matthew Brookes  
 - Louis Vuitton Malletier - Fendi, Karl Lagerfeld - Céline - Kenzo - Parfums Christian Dior  
 - Guerlain, Pol Baril - Kenzo, Patrick Guedj - Benefit Cosmetics - Bvlgari, Guido Mocafrico - Hublot  
 - TAG Heuer/Agence Happy Finish - Bvlgari, Mario Sorrenti - Chaumet - Zenith  
 - Sephora - Le Bon Marché, Véronique Mati - DFS - Picture libraries of LVMH and Group's Maisons.

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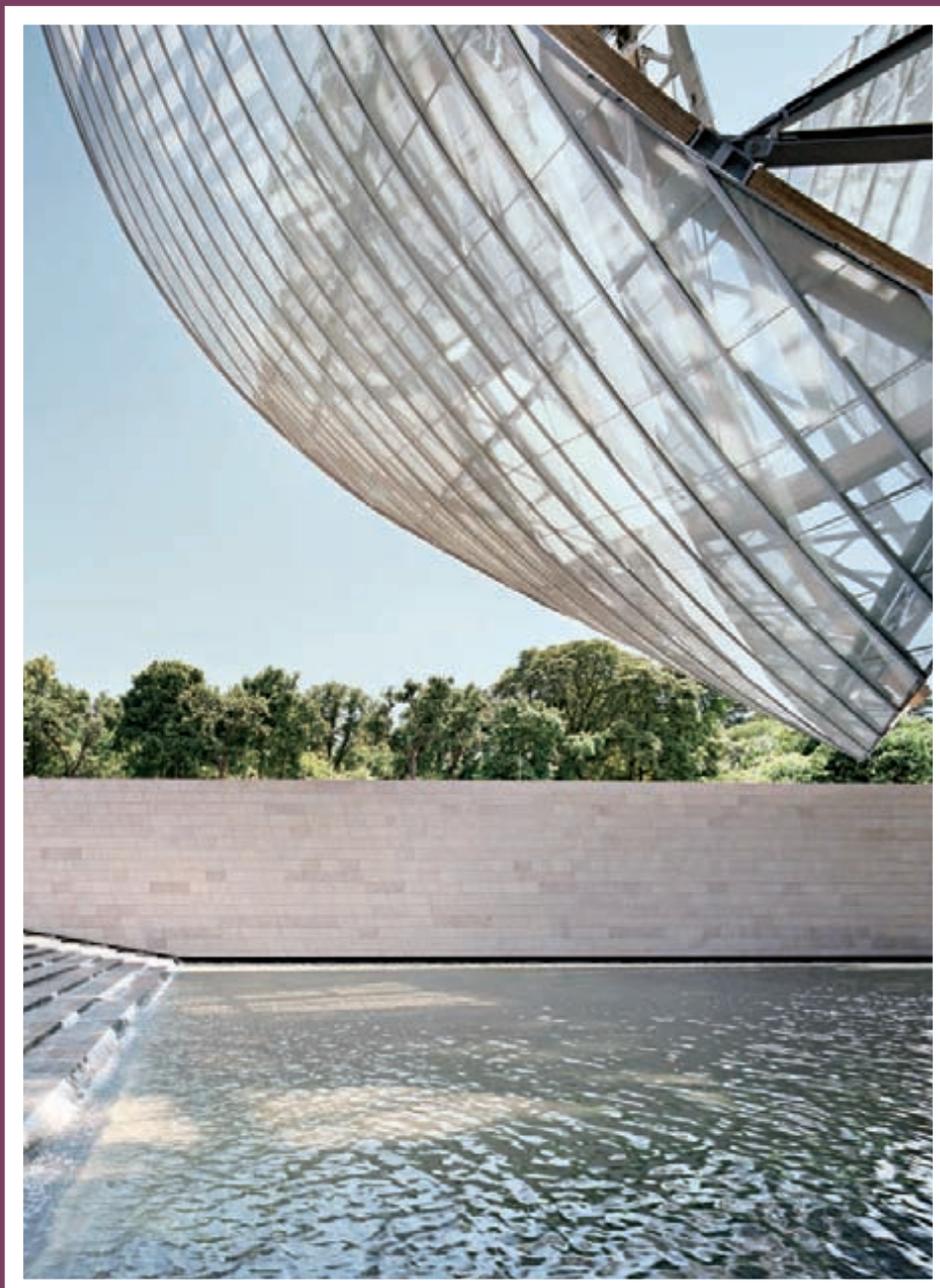


LVMH  

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MOËT HENNESSY ♦ LOUIS VUITTON

LVMH 2014  
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ANNUAL REPORT



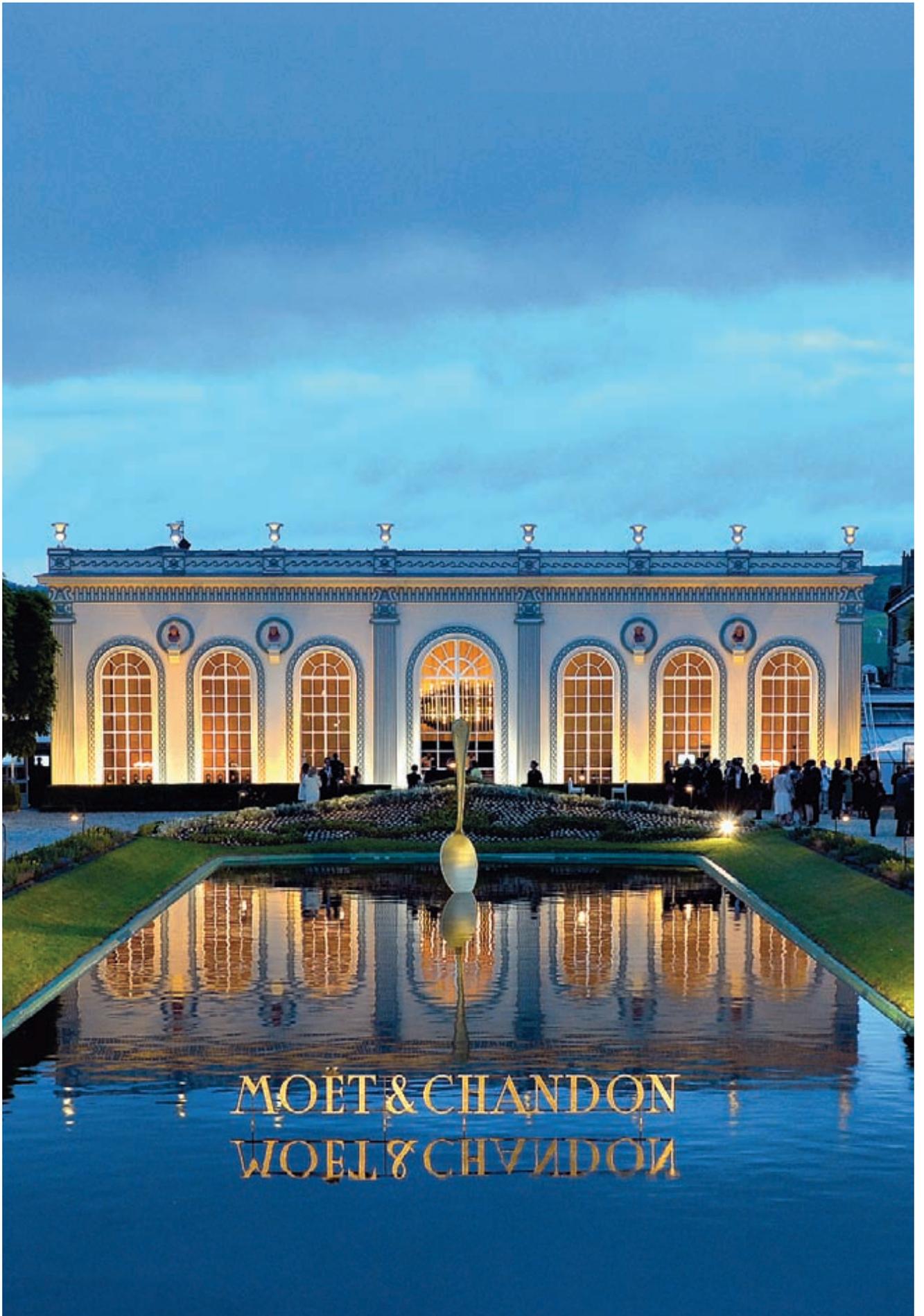
MAISONS



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## HISTORY OF THE GROUP

Although the history of the LVMH Group began in 1987 with the merger of Moët Hennessy and Louis Vuitton, the roots of the Group actually stretch back much further, to eighteenth century Champagne, when a man named Claude Moët decided to build on the work of Dom Pérignon, a contemporary of Louis XIV; and to nineteenth-century Paris, famous for its imperial celebrations, where Louis Vuitton, a craftsman trunk-maker, invented modern luggage. Today, as the world's leading luxury goods group, LVMH is the result of successive alliances among companies that, from generation to generation, have successfully combined traditions of excellence and creative passion with a cosmopolitan flair and a spirit of conquest. Together, they now form a powerful, global group sharing their expertise with the newer brands, and continuing to cultivate the art of growing while transcending time, without losing their soul or their image of distinction.



## LE & BY MOËT & CHANDON, A CULINARY EXPERIENCE PAR EXCELLENCE

*LE & by Moët & Chandon* was born in the coming together of Moët & Chandon, the world-leading champagne house, and Yannick Alléno, the three times Michelin-starred chef, celebrated for his fresh and innovative approach. Over the summer, *LE & by Moët & Chandon* opened its doors to guests, in the heart of the Orangerie, at Moët & Chandon's historic Épernay estate. A fitting setting for the Maison to launch its 71<sup>st</sup> vintage, the Moët & Chandon Grand Vintage 2006.

True to the spirit of hospitality and celebration cherished by the Maison for more than two hundred and seventy years, the restaurant was conceived to offer an unforgettable gastronomic and vinicultural experience to its guests: guests who were favored with the opportunity to savor the sublime blend of the Maison's vintage champagnes and the inspired gastronomic creations of a Michelin-starred chef, who has said of his art: "My passion is to push the boundaries of my cuisine, continually re-fashioning myself, in producing truly original creations." Succulent and surprising, *LE & by Moët & Chandon* is defined through four distinct experiences, each one a perfect miniature of culinary harmony.

The experience begins at the *7 Salt Bar*. Benoît Gouez, Chef de Cave at Moët & Chandon, and Yannick Alléno have pored over the best ways to marry savory fare and the Maison's iconic Moët

Impérial champagne, leading them to create seven types of light dish, as fine texturally as they are esthetically. Next, *LE & by Moët & Chandon* invites guests to experience the *Cook'ooning Cellar*, a warm and welcoming space, arrayed as a Molteni kitchen (the legendary maker of ovens for the world's finest chefs), where a meal is being prepared in such a way that each dish is transformed into a sublime offering, through choice, selected vintages: Moët & Chandon Grand Vintage 2006 and Moët & Chandon Grand Vintage Collection 1985, which are carefully chosen to bring out every nuance of flavor. Next the guests dive into the *Blind Shot Room*, finding themselves in complete darkness; the better to be immersed totally in an exploratory world of taste. Three halos of light illuminating three "shots", each containing a root-vegetable reduction, and accompanied by the Moët & Chandon Grand Vintage Collection 1999: a fine mature vintage. And finally, the *Délice Club* rounds things off on a sweet and musical note; with a culinary experience rich in the things revealed and evoked by the Moët & Chandon Grand Vintage Collection 1999, and the iconic Moët Impérial.

A marriage of fine foods and vintages, and of magical spaces and ambiances: *LE & by Moët & Chandon* has proved so much more than a culinary excursion; it's a unique and unforgettable experience to delight the senses.

## THE MOËT HENNESSY BOUTIQUE: A TREASURE TROVE OF THE FINEST WINES AND SPIRITS

Whether it's their first contact with the French art of living, or their last wistful moment before leaving the City of Light, travelers in Paris Charles de Gaulle international airport are now invited to discover the excellence of Moët Hennessy's wines and spirits at an exclusive boutique dedicated to its prestigious champagne Maisons and Hennessy cognac.

This one-of-a-kind venue was designed as the perfect showcase for an exclusive selection of French liquid treasures, supplemented by service with a personal touch. It is Moët Hennessy's way of reaching out to connoisseurs during their journey through the airport; opening the doors to its Maisons, the better for them to partake of its extraordinary heritage.

Architect and interior designer Jean-Michel Wilmotte put all his innovative imagination into this masterpiece of traditional French wine culture. The space he crafted illuminates the exquisite vintages on display through a commingling of light and shadow, contrast and transparency. Bottles of rare wine, seemingly weightless, beckon

in equal measure to curious neophytes and discerning lovers of the grape: Moët & Chandon Grand Vintage 1959 and 1995, Dom Pérignon Cœnothèque 1993, Veuve Cliquot Vintage 2002, Moët & Chandon Grand Vintage Rosé 2003, Ruinart 2006 and 2007...

But the exceptional experience does not end there; the special challenge was to delight all five of the visitor's senses. The subtle scent of grapevines, by Guerlain's master perfumer Thierry Wasser, offers an original olfactory experience. The touch of noble materials - wood, leather - evokes the feel of an old-fashioned winery. And of course, each Maison draws the visitor into a different universe of sound: a 1920s ballad to go with a bottle of Hennessy Private Reserve, giving way to peaceful silence before the finest grand crus. In the words of Donatienne de Fontaines-Guillaume, Managing Director Global Travel Retail Moët Hennessy, "every traveler can take home a touch of French excellence from our Champagne Maisons and from Hennessy Cognac."



## *Le Clos des Lambrays*

Since 1365

The name of a parcel of vines located in “Cloux des Lambrey” near the Burgundy village of Morey-Saint-Denis first appeared in the deeds of Cîteaux abbey in 1365. While the 8.66-hectare Clos des Lambrays Grand Cru is the estate’s main production, it also owns one hectare of Morey-Saint-Denis AOC, half a hectare of AOC Morey-Saint-Denis Premier Cru, and two-thirds of a hectare of the two most illustrious Puligny-Montrachet Premier Crus – Clos du Cailleret and Folatières.

LVMH acquired Clos des Lambrays in April 2014.

## *Château d’Yquem*

Since 1593

Long before being enjoyed by the first US President George Washington, the wines of Yquem had already begun writing their chapters in the history books. It all began in 1453 when Aquitaine, previously English, was brought under French rule. A century later, a local nobleman by the name of Jacques Sauvage was granted feudal tenure over Yquem



Château d’Yquem

and thus became the first in a long line of dedicated winemakers.

This outstanding terroir in the Sauternes appellation has exceptional climate conditions and geological features. Château d’Yquem was attributed the esteemed title Premier Cru Supérieur in 1855. From that point, the genius of this sweet wine was acknowledged, and the Sauvage and Lur Saluces families went on preserving their treasure for over four hundred years. The LVMH Group acquired the estate in 1999, with the continued desire to go on writing the legendary Yquem story, both in keeping with tradition and remaining open to modern advances. From the vineyard to the cellar, the great art which crafts each vintage is also maintained through respect for the label, and determines the destiny of each year’s production.

## *Ruinart*

Since 1729

The Ruinart Maison was founded on September 1, 1729 by Nicolas Ruinart. His uncle, a learned Benedictine monk called Dom Thierry Ruinart had incredible insight. He foretold that this new “wine with bubbles”, developed in his native region of Champagne and which the royal courts of Europe adored, was destined for a bright future.

The creation of the Ruinart Maison coincided with the dawn of the Enlight-



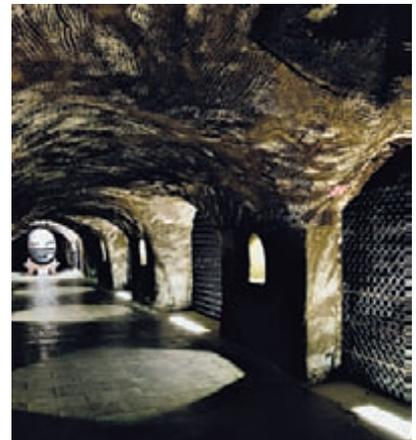
Ruinart

enment in France and of the French *art de vivre*. There arose in France a true culture of everything good and beautiful, favoring fine and elegant, light and sophisticated, delicate and rare taste. The *cuvées* naturally found their place. Driven by a constant quest for excellence and the absolute, the Maison selected Chardonnay, a rare and fragile grape variety, as the common thread for all its *cuvées*.

## *Moët & Chandon*

Since 1743

Since 1743 when it was founded, Moët & Chandon has been passing down unequaled winemaking savoir-faire and an innovative and pioneering spirit from generation to generation. Claude Moët, its founder, was the first person to embody these values when he made his champagne the most sought-after. Later, his grandson, Jean-Remy, decided to set his sights overseas and exported his champagne beyond French borders. This wine-making saga quickly transformed the family House into a worldwide symbol of success. The 1,150 hectares of rich limestone soil, 50% of which is classed as Grand Cru and 25% Premier Cru, make up the largest vineyard area in Champagne. Underground, the Moët & Chandon cellars are the most extensive in the region. Extending more than 28 kilometers, they form a legend-



Moët & Chandon

ary subterranean labyrinth where the fruit metamorphoses into wine under optimum conditions of humidity and temperature.

## ***Hennessy***

Since 1765

The story of the Hennessy Maison began with one man's vision. An Irish officer in the service of the King of France, Richard Hennessy foresaw the extraordinary international commercial potential of Cognac's eaux-de-vie. In 1765, he set up his own business and founded a Maison that has met with unequalled success, the result of a constant quest for excellence in the creation of exceptional cognacs, coupled with an ambitious business development strategy. At the end of the 18th century, Hennessy began to grow in all four corners of the globe, starting with the United States. At the beginning of the 19th century, the Maison set its sights on Australia and Southeast Asia. The South American, Japanese and Chinese markets were conquered in turn. In 1860, a quarter of cognac exports bore one name: Hennessy.

In the 20th century, the work begun by the Maison's founder was continued. A million cases were shipped in 1967, and

twenty years later that figure was 2 million. With nearly 6 million cases in 2014, Hennessy is now the top French wine and spirits brand by value in the world. Present on every continent and in over 130 countries, the Maison is celebrating its 250<sup>th</sup> anniversary this year. In addition to its fabulous commercial success, Hennessy cognac is an ambassador for French *art de vivre* the world over.

## ***Veuve Clicquot***

Since 1772

When he founded his "négoce de vins à l'enseigne Clicquot" wine-making business in 1772, Philippe Clicquot nurtured one ambition: to break new ground. He first conquered Europe, then Russia in 1780 and the United States two years later. In 1805 his son died suddenly and his son's young widow, just 27 years old at the time, courageously took up the management of the family business and carefully noted down her blends in "cellar books", which are permanent records of her *savoir-faire* and taste for perfection. Veuve Clicquot has continued innovating for two hundred years. In 1810, Madame Clicquot started making the first vintage ever seen in Champagne, then created the first riddling table six years later. She also created the first

rosé champagne. In 1877, and in keeping with Madame Clicquot's pioneering spirit, the Maison designed the revolutionary, iconic label. Today, Veuve Clicquot is driven by the same quest for modernity and excellence, and is constantly reinventing itself through new cuvées and daring innovations in terms of how its wines should be served.

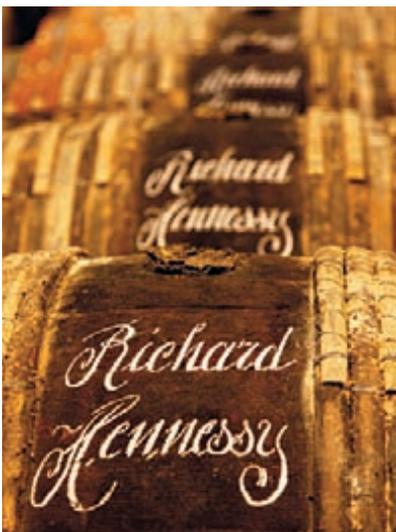
## ***Château Cheval Blanc***

Since 1832

Château Cheval Blanc is first and foremost an exceptionally rich terroir featuring a patchwork of different soils. From its position between Saint-Émilion and Pomerol, in the heart of the Bordeaux vineyards, the estate has established its identity through the gravel and clay soils which are closely interwoven over the 45 parcels that make up the estate. Cabernet Franc and Merlot, two grape varieties that complement each other perfectly, grow in harmony throughout the 39 hectares of vineyard.

The Maison's *savoir-faire*, its ability to garner the terroir's full potential, and its bold choices of grape varieties give Cheval Blanc wine all its freshness, elegance, power and finesse. They provide a unique character and a rare potential for aging: Cheval Blanc wines are excellent at any stage, but improve year after year.

This cellaring potential and timeless style, which is recreated every year according to the assets of each vintage, have ensured the supreme distinction of the Premier Grand Cru Classé A classification since 1954.



Hennessy



Veuve Clicquot



Château Cheval Blanc

## *Krug*

Since 1843

The story of the Krug Maison illustrates the amazing life history of its founder, Joseph Krug, a visionary non-conformist with an uncompromising philosophy, who understood the true essence of champagne and was ready to upset established rules. "Our non-conformist vision, making choices that are not necessarily the easiest ones and breaking the rules when necessary have been part of our vision ever since the Maison was founded", explains Olivier Krug, sixth generation of the Krug family. Paying close attention to the vineyard's character, respecting the individuality of each plot and its wine as well as building an extensive library of reserve wines from many different years allowed Joseph Krug to fulfill his objective. He founded a champagne house that creates a new prestige vintage every year. All Krug Champagnes are different expressions of nature and have the same undisputed quality and distinction, standing out for their composition and rarity.

## *Glenmorangie*

Since 1843

Glenmorangie single malt whisky has been produced at the Glenmorangie Distillery in the Scottish Highlands since 1843. Considered a pioneer in its field, the Scottish House has become famous for combining tradition and innovation



Krug

to create the finest "unnecessarily well made" whiskies.

To achieve this quality, Glenmorangie Scotch whisky is produced with a distillation process that uses the tallest stills in Scotland. Expertly matured in only the finest oak casks, the resulting single malt is testament to the savoir-faire that has been passed down from generation to generation by a team of expert craftsmen known as the "Men of Tain".

As well as being Scotland's favourite malt whisky, since 2007 Glenmorangie has won more gold outstanding medals at the IWSC, the international competition that rewards the best wines and spirits, than any other single malt Scotch whisky, therefore making Glenmorangie the "best awarded" single malt.

## *Mercier*

Since 1858

The young founder, Eugène Mercier, was just 20 years old when he established his own champagne house in Épernay. With a succession of technical accomplishments and bold publicity campaigns, he followed a non-conformist vision: for his wine to be known and enjoyed by all. To advertise his labors to a wider audience, Eugène Mercier employed every method available at the time, including world fairs, the railways and cinema. To



Glenmorangie

get people talking about his champagne, in 1870 he decided to build what was at the time the largest cask in the world! With a monumental gage of over 20 tons, measuring 5 meters in height and able to hold the equivalent of 200,000 bottles, the cask was one of the major attractions of the 1889 World Fair and the most admired after the Eiffel Tower. The reputation of Mercier champagne soon spread beyond France. Non-conformist, in the spirit of the times, informal and spontaneous, the Maison offers a wine in its own image, enjoyed by gourmets for whom quality is synonymous with lightness and originality.

## *Dom Pérignon*

Since 1936

In the 17th century, the monk dom Pierre Pérignon nurtured an ambition to create "the best wine in the world". This daring visionary earned a place for himself at the table of the Sun King, who was captivated by the reputation of dom Pérignon's wine.

Three centuries later, the Maison perpetuates this man's vision and work, and he is now considered to be the spiritual father of champagne. Dom Pérignon vintages are produced using the best grapes. Each one is a unique creation with a specificity and an identity which are unique to its vintage. It is down to Chef de Cave Richard Geoffroy to decide if the vintage will be declared: "If the fruit we have harvested doesn't satisfy the Dom Pérignon criteria, there will not be a vintage that year."



Mercier

This vision is tangible through the subtle balance that characterizes the Maison champagnes: an alliance of complexity and intensity. Slow maturation means that each vintage has wonderful aging potential and can be presented in three Plénitudes.

## Wenjun

Since 1951

Wenjun white spirits are the fruit of an exquisite combination of age-old savoir-faire and unique climatic and topographic conditions, with an authenticity that is derived from the fertile Sichuan soil. Over two thousand years ago, this vast plain irrigated by the waters of the Yangtze River formed the backdrop to the forbidden loves of Zhuo Wenjun. This young woman chose to go against the wishes of her family and run away with the love of her life. The couple found refuge in the town of Qionglai and bought a store, entering into the spirits business.

So began the story of “baijiu”. This exceptional white spirit is made by fermenting five types of cereal – wheat, rice, glutinous rice, maize and sorghum – and is still distilled in the region today. The Wenjun distillery, which has been oper-

ating near Qionglai since 1573, perpetuates the commitment to excellence that became Zhuo Wenjun’s life philosophy.

## Estates & Wines

Since 1959

The Moët Hennessy foreign vineyard portfolio is the result of a major acquisition campaign initiated some fifty years ago. It began in 1959 when Moët & Chandon wanted to invest in and develop vineyards in Argentina that could produce premium sparkling wines using the traditional *méthode champenoise*. In the 1980s and 1990s, Veuve Clicquot acquired flagship New World brands and vineyards in Napa, California (Newton), Australia (Domaine Chandon and Cape Mentelle), and New Zealand (Cloudy Bay). More recently, new vineyards have been planted or acquired in Spain (Numanthia), Argentina (Terrazas de Los Andes and Cheval des Andes) and New Zealand’s South Island.

Today, Estates & Wines comprises and manages all of the aforementioned estates, allowing each to have its own identity and distinctive style.

An ambitious project is also under way in the Tibetan foothills in China’s Shangri-La region.

The latest Domaine Chandon, meanwhile, was created in India in 2014, joining those in California, Brazil, Argentina, Australia and China.

The global diversity and complementary nature of this collection of vineyards makes it the most unique in the world.

## Belvedere

Since 1993

When Belvedere created the world’s original luxury vodka in 1993, nothing was left to chance. The choice of the variety of the rye, the quality of the water, the methods and techniques used for fermentation, distillation and filtering, the bottle: all these areas set Belvedere apart from all the other vodkas in the world. This is vodka with character from the birthplace of vodka, Poland. The Polmos Żyrdarów distillery has been established in the heart of Poland since 1910, allowing the Maison to perpetuate a century-old tradition of vodka distillation. The secret behind its production is the combination of impeccable quality, locally-sourced ingredients: Dankowskie Rye, a rye with distinctive characteristics, and the purest water drawn from wells situated in the grounds of the distillery. Distilled four times, the vodka is then enhanced by an exceptional presentation. The bottle is the first of its kind to combine frosted and transparent glass to depict the “Belweder”, the Polish presidential palace, which really does justice to the meaning of Belvedere’s name: “beautiful to see”.



Dom Pérignon



Numanthia



Terrazas de los Andes



## LOUIS VUITTON: THE ETERNALLY CONTEMPORARY MONOGRAM

In 2014, Louis Vuitton, renowned for the perfection of its products made with the most noble, consummate craftsmanship, decided to celebrate its Monogram – recognized the world over as the Maison's signature. The famous Monogram, which Georges Vuitton imagined from his father Louis' initials in 1896, was initially reserved for the canvas of the company's steamer trunks. The flower-and-letter motif, perhaps inspired by the neo-Gothic or Japonist styles in vogue in France at the time, was later adapted for use on soft luggage, handbags and numerous accessories, all crafted to the highest quality standards.

Global success arrived very quickly and the Monogram, registered in 1905 as a trademark with the French national industrial property bureau, became a must. It has effortlessly withstood the test of time and changing fashions. Its eternal youth and enduring allure have regularly been a source of inspiration for the world's most prestigious artists, such as America's Stephen Sprouse and Japan's Takashi Murakami. Recently, six of the world's most talented designers were asked to provide their personal inter-

pretations of the mythical motif, with the only limit being their imaginations. Louis Vuitton's Executive Vice-President, Delphine Arnault, explains what gave her the idea for this project: "When Nicolas Ghesquière and I spoke about the exceptional talents we wanted to approach, we spontaneously turned to the best in every field. We wanted figures who were daring in what they did, with both their minds and their hands. I found it fascinating – and fun – to bring them together and see their different interpretations of the Monogram." Christian Louboutin, Cindy Sherman, Frank Gehry, Karl Lagerfeld, Marc Newson and Rei Kawakubo stepped up to this unprecedented creative challenge. The designs that resulted from this veritable kaleidoscope of talent revealed a minute attention to detail: a backpack as elegantly simple as it is practical, made from a combination of monogrammed canvas and wool; a punching bag suspended inside a trunk like a secret jewel hidden away in its case, an asymmetrically crafted clutch purse. Precious, modern, bold: these creations are resolutely innovative because they hold nothing back. Inscribed with the Monogram, they are now a piece of eternity.

## LORO PIANA AND THE VICUÑA, PRINCESS OF THE ANDES

Loro Piana and the Princess of the Andes. It could be the title of a fairy tale. It is in fact the story of a dream: Franco Loro Piana's dream, which his children Sergio and Pier Luigi brought to life. The princess is the vicuña, a rare and graceful animal whose exceptionally soft, warm fleece exceeds in quality even such acclaimed fabrics as cashmere, merino and alpaca. A smaller cousin of the Alpaca, the vicuña roams completely free, at very high altitudes in the Andes; she cannot be domesticated. Her wild nature and valuable fiber, once reserved for Inca royalty, historically made her a target of poaching almost to the point of extinction. During the Inca period, there were as many as three million vicuñas, but by the 1960s their numbers had dwindled to a mere 5,000, justifying a ten-year total ban on the vicuña trade. What saved the vicuña was fierce action by the Peruvian government – and the unwavering commitment of Loro Piana. Pier Luigi and Sergio Loro Piana wanted to guarantee their customers the finest fabrics, so they helped the Andean authorities protect the vicuña, ultimately discovering that the secret to getting the precious fleece back on the market was close collaboration with local communities, organizing responsible shearing in accordance with millennia-old tradition, and a business model that discouraged poaching.

In so doing, Loro Piana, founded in Italy in 1924, lived up to its reputation for continually seeking out the rarest and most beautiful raw materials, driven by a desire for absolute quality. Combining traditional craftsmanship with state-of-the-art techniques, it continues to innovate and to weave different natural fibers together into fabrics that are increasingly fine-tuned to the demands of modern life.

Loro Piana is as dedicated to protecting animal species – so they can continue to live sustainably – as it is to preserving ancestral craftsmanship. In 2008, in Peru, it demonstrated its commitment by founding a 2,000 hectare natural reserve where the number of vicuñas doubled within five years.

The practice of raising and shearing vicuñas in-country – Loro Piana is both Peru's and Argentina's leading purchaser by quality and quantity – ensures full sustainable development with support to local communities. Loro Piana has furthered its initiative by acquiring the majority of an Argentinian enterprise, thus owning the right to shear vicuñas living freely on a territory of 85,000 hectares in the Catamarca province. The saying goes that every animal sheared is an animal saved from poaching. In that land with altitudes ranging from 3,500 to 5,500 meters, 6,000 vicuñas are at liberty to roam in safety.



## Loewe

Since 1846

PAST. LOEWE began as a cooperative of leather artisans in the center of Madrid in 1846. German entrepreneur Enrique Loewe Roessberg consolidated the workshop under his name in 1872, creating one of the world's original luxury houses. As LOEWE evolved and expanded over the next century, a commitment to modernity emerged as a defining characteristic: In the 1950s and 1960s, LOEWE's offices and stores in Spain became a beacon of progressive international design thanks to the radical architecture and interiors of Javier Carvajal. In the 1970s and 1980s, LOEWE's capabilities with leather ensured rapid internationalization, resulting in store openings in Tokyo, Hong Kong and London.

LOEWE's first ready-to-wear collection was introduced in 1965 -bringing fashion into the core of the brand- followed by the debut of the iconic, unlined *Amazona* bag in 1975.

PRESENT. In October 2013, Jonathan Anderson was appointed Creative Director. Under his helm, LOEWE reconfigures a 168-year-old legacy of craft and innovation to take it into the FUTURE.

## Louis Vuitton

Since 1854

Founded in Paris in 1854, the Louis Vuitton Maison has inherited the ambition and vision of its founders. This legendary history built around travel continues to place the Maison at the forefront of



Loewe

creation. Still today, Louis Vuitton's spirit of adventure is expressed through its unique heritage, values and rigorous spirit of innovation and ingenuity, the boldness of its creations and the demand for perfection in its designs.

Leather goods, ready-to-wear, accessories, shoes, watches and jewelry. The Maison's creations leave their mark with objects that have become legendary. All over the world, the Maison welcomes its clients into a world that reflects its founding values and that is sold exclusively in Louis Vuitton stores.

Since November 2013, Nicolas Ghesquière has been the Artistic Director of Women's Collections.

Kim Jones has been the Artistic Director of Men's Collections since March 2011.

## Berluti

Since 1895

Berluti has been making shoes for the elegant man since it was founded. The Duke of Windsor, Jean Cocteau, Andy Warhol... The greatest clients walked through the Maison's doors, each one

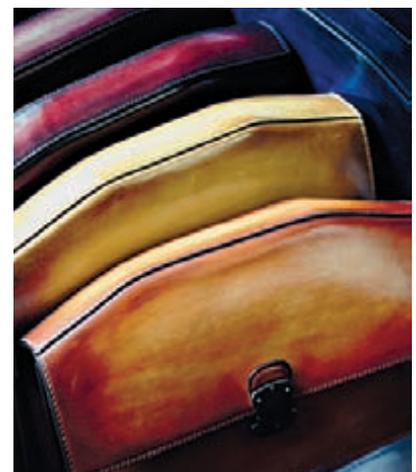


Louis Vuitton

passionate about and captivated by the timeless elegance of these exceptional shoes, elevated to the rank of works of art.

Offbeat classicism and technical virtuosity are keynotes of the Maison, while its character remains the same. Its story began at the end of the 19th century, when a young 30-year-old Italian brought his creative energy to Paris in order to practice his craft as a master shoemaker. He named his first model, a lace-up shoe, after himself, Alessandro, and the Maison took his surname, Berluti. Since then, every generation of the Maison has cultivated exceptional savoir-faire in the mastery of form and working with leather and patinas. The result is models that are incomparably elegant and comfortable.

But more than simply a prestigious shoemaker, Berluti has always represented a certain *art de vivre*. Naturally, new areas of expression have been explored: leather goods in 2005, and in 2011 a ready-to-wear line was launched, with the appointment of Alessandro Sartori as the Maison's Artistic Director. Today, Berluti's evolution continues, making it a key player in men's luxury while honoring the unique character and impertinence that its founders instilled into the Maison.



Berluti

## Loro Piana

Since 1924

Originally from Trivero in northern Italy, the Loro Piana family began trading wool in the early 1800s. In 1924, Pietro Loro Piana founded Ing. Loro Piana & C., which became the current company Loro Piana s.p.a. Pietro's nephew Franco took over in 1941, and after the war the firm began to establish its reputation as a supplier of premium wool and cashmere textiles for a growing haute couture industry, both at home and abroad. In the 1970s, Sergio and Pier Luigi Loro Piana took up the reins, and in the 1980s they diversified into luxury goods and developed an international retail arm. Now the world's foremost cashmere processor, Loro Piana prides itself on sourcing the very finest, rarest raw materials the world has to offer, including cashmere and baby cashmere (from baby goats) in northern China and Mongolia, vicuña from the Andes, the world's finest wools from Australia and New Zealand and lotus flower fiber from Myanmar. The company draws on both time-honored traditions and state-



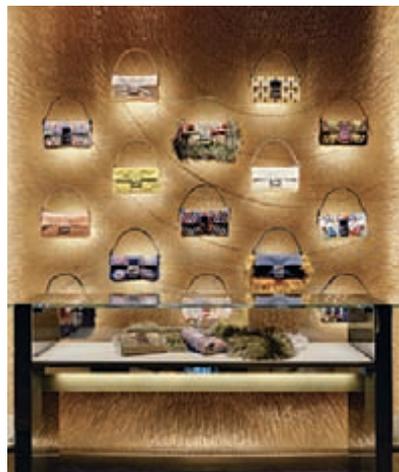
Loro Piana

of-the-art technology to offer its discerning customers products that are renowned for their peerless quality. Its clothing lines and accessories are made in Italy to the highest standards of craftsmanship and sartorial excellence.

## Fendi

Since 1925

The FENDI adventure began on Via del Plebiscito in the heart of Rome. Adele and Edoardo FENDI opened a small and medium leather goods shop and set up what was then a secret fur workshop. Success came quickly and was confirmed when their five daughters, Paola, Anna, Franca, Carla and Alda, decided to get involved in the family business bringing new energy and ideas. Nicknamed the five fingers of the hand, it was they who, in 1965, invited a young German designer to join the Maison. His name: Karl Lagerfeld! After revolutionizing how to wear fur by fully reinterpreting it, transforming it into a fashionable, soft, light item of clothing, he launched the Maison's ready-to-wear collection in 1977. He still provides artistic direction alongside Silvia Venturini FENDI, who represents the third generation of



Fendi

the family and is in charge of accessories, menswear and kidswear. Forever associated with the FENDI image, the legendary *Baguette* bag and the timeless *Peekaboo* have helped to shape the Maison's influence.

## Céline

Since 1945

Since the arrival of Phoebe Philo in 2008, Céline has built a solid reputation in ready-to-wear, leather goods and footwear. At Céline, innovation is prized alongside continuity. Technologically advanced fabric development and a timeless silhouette are of prime importance. Experimentation is combined with the sourcing of precious traditional materials, increasingly rare artisanal techniques and handcraftsmanship. The clear and sophisticated Céline style is instantly recognizable. It makes a confident and coherent statement across everything from the collections themselves to Céline's visual identity including advertising campaigns and the retail environment. An ongoing desire to move fashion forward is central to



Céline

Céline's vision. That is equal only to the aim to provide women with a consistent and discreetly luxurious wardrobe that may be extended each season. Céline is a major French fashion house with a strong international reputation.

### **Emilio Pucci**

Since 1947

The Pucci story begins in the lavish surroundings of a sumptuous Renaissance *palazzo* in the heart of Florence's historic center. It was pure chance that led Marquess Emilio Pucci di Barsento to become one of the most influential fashion designers of the twentieth century. During a stay in Zermatt, he designed a streamlined ski suit for a female friend. Toni Frissell, a photographer for *Harper's Bazaar*, published a shot of this revolutionary design, and it took America by storm. Adventurous and audacious, the man nicknamed the "Prince of Prints" saw his prints as colored paintings that exuded playfulness and movement. Pucci's collections, which strike a balance between Italian exuberance and strict minimalism, celebrate color and lifestyle that breaks with convention. It has been celebrating the *dolce vita* since 1947.



Emilio Pucci

### **Givenchy**

Since 1952

Casual chic, aristocratic elegance and femininity all combine in the timeless world of Givenchy. Its style is the signature of Hubert de Givenchy, who established his own haute couture Maison at the beginning of the 1950s. Combining finesse, discretion and elegance, he ensured his designs and ateliers rose to the top and played a key role in international fashion. In 1958, the Maison expanded its scope with the launch of its first fragrance, *L'Interdit* – a product of the legendary friendship between Hubert de Givenchy and Audrey Hepburn. Ever since, Givenchy fragrances have continued to cultivate elegance and boldness in order to enhance feminine beauty. This style is shared by Artistic Director Riccardo Tisci, who has been reinventing the Maison's creative heritage since 2005. Mastering the Givenchy color palette of white, black, beige and nude, enhanced with occasional touches of bright color and prints, he focuses on graphic and structured silhouettes. He enhances the Givenchy heritage with sensual and romantic designs, firmly anchoring the Maison in both the present and the future.



Givenchy

### **Kenzo**

Since 1970

In 1970, Kenzo Takada installed a patch of jungle in the Galerie Vivienne, in the heart of Paris. With its colorful prints and declaration of freedom, KENZO shook up the couture codes of the time by irreverently breaking the rules. Keeping this joyous and colorful heritage alive, Humberto Leon and Carol Lim took over the artistic direction of the Maison in 2011. This extraordinary creative duo rediscovered the pioneering and offbeat spirit that lies behind KENZO's success.

### **Donna Karan**

Since 1984

As a veritable icon of the New York fashion scene, Donna Karan fully embraces her global – some would say "holistic" – vision of design: "Everything I do is a matter of heart, body and soul." When she founded her Maison in 1984, she created the *Seven Easy Pieces*, a system of interchangeable essentials designed to be used in infinite combinations. This wish to simplify life for modern women without sacrificing elegance or sensuality would never go out of fashion. Donna



Kenzo

Karan set out her basic principles very early on: the universal language of fashion, the fluidity of soft fabrics that sculpt the body, and a New York palette of black, beige and red. Perfume, shoes, home accessories, etc.: Donna Karan has grown into a whole universe of products that symbolize a busy, urban lifestyle and fully embrace their femininity. "Design is a constant challenge for me, a quest for the perfect balance of comfort and luxury, reality and desire", explains the designer, who still runs the creative side of the Maison that bears her name.

### **Marc Jacobs** Since 1984

Marc Jacobs created Marc Jacobs International with Robert Duffy in 1984, basing the brand on two very simple concepts: a love of fashion and a commitment to quality. Finding the perfect balance between tradition and innovation, artisanal skills and Jacobs' exuberant creativity, the brand has become a driving force in the industry.



Donna Karan

With the addition of *Marc by Marc Jacobs* in 2001, Marc Jacobs International now offers two complete lines of ready-to-wear and accessories.

Part of a generation that's conscious of the world around it, sensitive to humanitarianism and social entrepreneurship, Marc Jacobs has made its mark as rebellious, unpredictable, original, unique, and authentic all at the same time. Committed to the communities around them, Marc Jacobs International leads by example, supporting over 75 charities and organizations around the world.

### **Thomas Pink** Since 1984

A London tailor, Mr Pink made history by creating the famous scarlet-red hunting coat. Designed in the 18th century, this coat immediately became known as a "Pink" in tribute to its creator. Two centuries later, Thomas Pink took a cheeky fox in a red "Pink" coat as its emblem, thus expressing the same values of excellence, elegance and audacity. Each piece is an exercise in perfection, in keeping with the most impeccable tailoring of Jermyn Street, the London birthplace of the English shirt. Crafted from the finest quality, perfectly cut



Marc Jacobs

two fold cotton, Pink shirts are sharp, comfortable and immaculately finished. Plain, printed, striped or check, they come in a wide range of colors to suit any occasion.

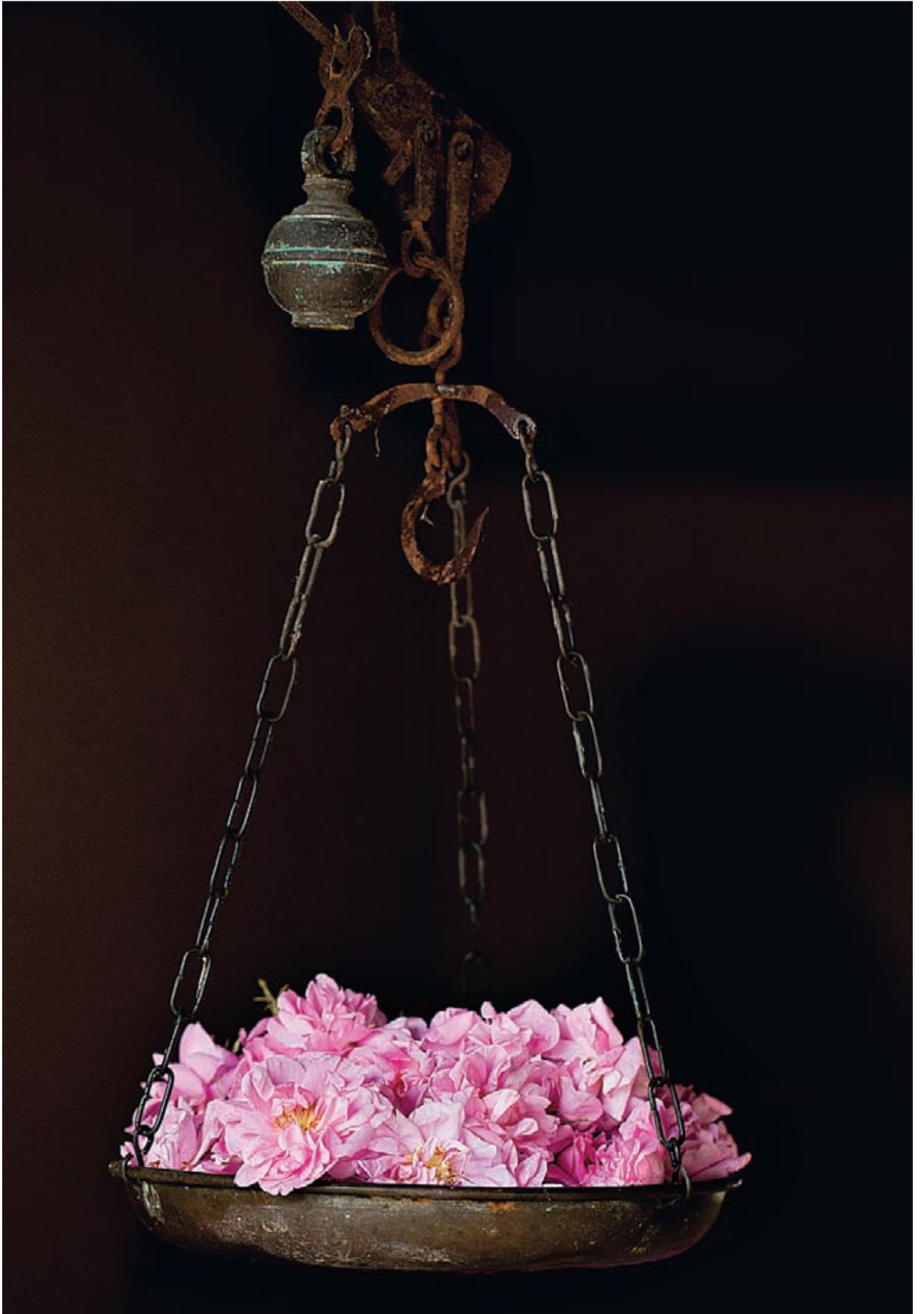
### **Edun** Since 2005

Founded in 2005 by Ali Hewson and her husband, Bono, Edun draws its inspiration and manufactures its products on the African continent. Its collections of clothing, accessories and jewelry are not only a reflection of local craftsmanship but also the expression of a new Africa, steeped in dynamism, creativity and a spirit of enterprise.

Since its creation, Edun has forged partnerships with designers, producers and local manufacturers to create its unique collections. Edun supports initiatives, in the artistic and agricultural spheres, all of which contribute to development in Africa.



Edun



## PARFUMS CHRISTIAN DIOR FROM THE NATURAL TO THE SUBLIME

The delicate mimosa notes of May Rose, the feminine sweetness of Sambac Jasmine, the fruity touches of Neroli, fresh Calabria Bergamot and powdery, vegetal hints of Tuscan Iris... Every perfume begins with a patient selection of the most beautiful, noble flowers and plants. "It all starts with the ingredients," explains François Demachy, Dior's exclusive Perfumer and Creative Director. "My role is to turn these beautiful ingredients into something truly sublime. At Dior, they are always of great quality. That is our hallmark." And that is why Dior has developed close relationships with very high-quality suppliers – starting in the Grasse region, in southern France, where two rose growers exclusively supply Christian Dior with the May Rose, so symbolic of its fragrances. Their rose gardens are just a bee's flight away from the Château de la Colle Noire, Mr Christian Dior's country home in the heart of this land of flowers... To preserve this ancestral heritage of the luxury perfume industry, Christian Dior works with sustainable producers whose flowers are grown with care and hand-picked in some of the most amazing places in the world.

The plant kingdom has provided the hundreds of ingredients that François Demachy joins in infinite artful combinations to transcribe feelings and emotions into the language of new fra-

grances. But before this can be done, a long and painstaking process of extraction and distillation is necessary to transform the freshly picked ingredients into essential oils and absolutes, the purest expression of the original plants' aromatic qualities. The quantities alone prove how extremely rare and precious those ingredients are: it takes no fewer than three tons of roses to produce a single kilogram of essence, and six hundred kilograms of jasmine – or six million flowers – are barely enough to make one kilogram of absolute.

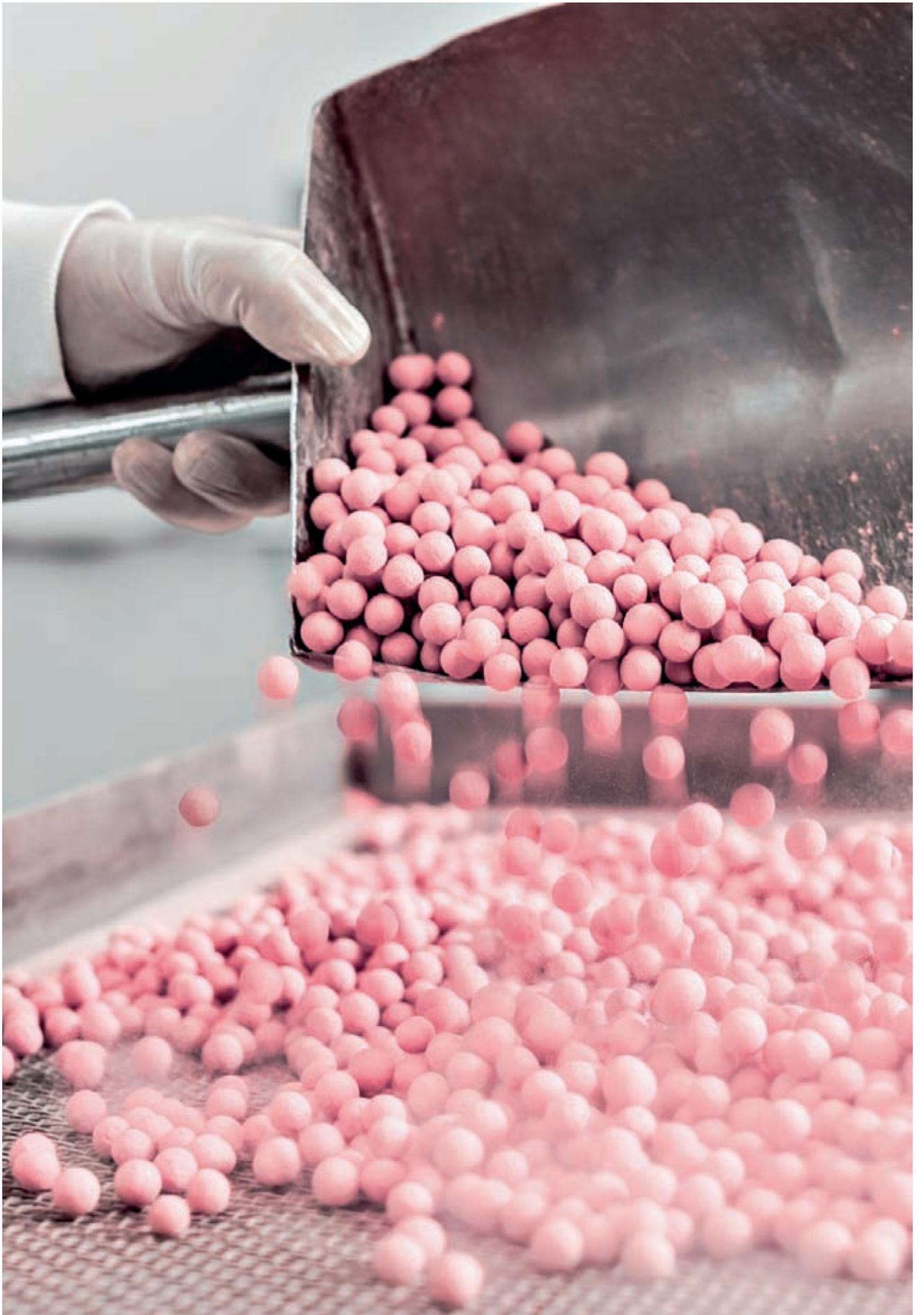
This art of selecting raw ingredients and making them into something sublime is deeply rooted in Dior's heritage, as illustrated by *La Collection Privée Christian Dior. Gris Montaigne, Ambre Nuit, Cuir Cannage...* François Demachy used his creative freedom to imagine this ensemble of authentic, refined fragrances featuring such ingredients as Florentine Iris, Indonesian Oud wood and Grasse Rose, all hand-made by artisans using only traditional methods. A bold undertaking that François Demachy has chosen to sum up as follows: "Rare ingredients, daring scent choices, unlimited creativity. This collection of fragrances reflects the freedom that only genuine luxury makes possible. A perfume maker's perfect recreation!"

## GUERLAIN: LA RUCHE, FRENCH INDUSTRIAL EXCELLENCE

La Ruche (“the beehive” in French) represents the first page of a fresh chapter in Guerlain’s illustrious history. That is the name of the brand’s new skincare and make-up manufacturing facility in Chartres, whose official opening on February 6, 2015 was attended by French Prime Minister Manuel Valls and Bernard Arnault, Chairman and Chief Executive Officer of LVMH Moët-Hennessy Louis Vuitton. Few companies in the world can boast such a successful synthesis of technological innovation and well-preserved artisanal savoir-faire. Covering an area of 21,000 square meters, La Ruche is a model of manufacturing performance and quality. From the raw materials it receives to the finished products it ships out, every process is finely tuned and closely monitored, with quality-control labs located directly on-site. In a reflection of the commitments Guerlain has made to help preserve the world’s natural beauty, La Ruche also takes environmental concerns very seriously. Its nine-hectare site, which is home to hundreds of trees and eight beehives, was ecologically designed and is ecologically managed according to circular economic principles – with rainwater harvesting, solar power and optimized recycling, and more...

“La Ruche is a team adventure,” says Guerlain’s President, Laurent Boillot: “350 people who, through their expertise and their talent for crafting our exceptional products day by day, have forged in us the conviction to make a long-term investment in the heart of the Chartres region, to keep jobs and skills here, and to project outward to the world our brand and vision of French luxury.”

Building a new manufacturing facility was vital to supporting Guerlain’s steady growth. Alongside the Orphin site, which produces fragrances on the edge of the Rambouillet forest, Chartres forms the backbone of Guerlain’s industrial apparatus. Guerlain was the first in its sector to open a site there in the 1970s, and was soon followed by other major brands, leading to the creation of Cosmetic Valley – the highest concentration of perfume and beauty product companies in the world, fashioned after California’s Silicon Valley. A mere 2 kilometers from the old facility that it is replacing, La Ruche gives Guerlain the capacity it needs to continue developing for decades to come. “This sends a very strong message,” emphasizes Laurent Boillot. “We are investing in the future, with major plans for growth. The Guerlain of tomorrow will be bigger, better, and more sustainable.”



## Guerlain

Since 1828

It all began with Pierre-François-Pascal Guerlain. A perfumer, chemist, inventor and researcher, the Maison's founder harnessed all his talents by setting up his first boutique in the heart of Paris, at 42, rue de Rivoli. The address quickly became an essential destination for dandies and elegant women. The Maison's reputation at the courts of Europe peaked when in 1853, for the marriage of Napoleon III and Empress Eugénie, Pierre-François-Pascal created his still-iconic *Eau de Cologne Impériale*, which he gave to the young bride as a wedding present.

Since then, five successive generations of Guerlain perfumers have held the Maison's creative reins. Today, Thierry Wasser is the heir to an olfactory legacy of some 800 fragrances and the intrepid leader of the Maison's future projects,

exploring the world in search of the most exclusive raw materials for his creations. It is this same audacity that drives Olivier Échaudemaison, Make-Up Creative Director, and is behind the Maison's unique know-how that constantly aims to reveal and accentuate feminine beauty. And it is always present when Guerlain's research teams look to nature for inspiration and formulate premium skincare products using the finest raw materials. Guerlain strives to create perfumes, make-up and skincare products that fulfil their primary functions, but also inspire emotion, surprise and wonder.

## Acqua di Parma

Since 1916

In 1916, a group of skillful master perfumers created a new fresh and sophisticated fragrance in a small perfumer's laboratory in the old town of Parma. *Colonia*, the first Italian Eau de Cologne, expressed a new sensibility. What was most striking about it was its formula, produced exclusively with natural ingre-

dients, and its bottle showcasing an Art Deco design. Its popularity reached its pinnacle in the 1950s during the golden age of Italian cinema, when the biggest names in the industry discovered the fragrance while filming in Rome at the famous Cinecittà studios. *Colonia* became the exclusive perfume of high society, an unmistakable symbol of Italian elegance and *savoir-vivre*, always adhering to the same values: constant high quality, attention to detail and inimitable craftsmanship. The brand, which has boutiques in Milan, Paris and Rome, has developed a wide range of products, including new fragrances, a Shaving Line, a line of Home Fragrances, a Home collection and Leather accessories. Today, Acqua di Parma represents a worldwide archetype for Italian sophistication, a way of being that reflects a developed and cosmopolitan customer that always pursues only the best.



Guerlain



Guerlain



Acqua di Parma

## Parfums Christian Dior

Since 1947

Christian Dior described himself as a fashion and perfume designer. The Dior Maison, founded in 1947, changed the face of ladies' style forever when its New Look was unveiled in the halls of 30, Avenue Montaigne on February 12, 1947. The revolutionary look was accompanied by a fragrance, *Miss Dior*, the finishing touch designed to "leave a trail of desire in a woman's wake". This timeless perfume was the first fragrance created by a visionary brand which invented the concept of global beauty with its *Rouge Dior* and subsequent cosmetic lines. The current-day trustees of this legendary expertise - François Demachy, Dior perfumer-creator, and Peter Philips, creative and image director of Christian Dior make-up - are the heirs to Christian Dior's perfectionism.

The worldwide renown of the Maison's creations is partly down to its seductive muses, including Charlize Theron, Natalie Portman and Robert Pattinson.



Parfums Christian Dior

## Parfums Givenchy

Since 1957

With its Couture collections enjoying success all around the world, the Givenchy Maison launched its fragrance department in 1957 with the creation of *L'Interdit*. This fragrance symbolizes the friendship between the founder of the Maison, Hubert de Givenchy, and the actress Audrey Hepburn.

Since then, the Givenchy perfumes have fostered this unique alliance of emotion and aristocratic elegance, this distinctive style which is both chic and impertinent, through a series of memorable creations: from the feminine fragrances *Ysatis*, *Organza*, *Very Irrésistible*, *Ange ou Démon*, and more recently *Dahlia Divin*, to the masculine *Monsieur de Givenchy*, *Pi* and *Gentlemen Only*, the incarnation of *gentleman attitude* through the eyes of Givenchy.

At the cutting edge of audacity, Givenchy has also become a major player in both make-up, led since 1999 by the vision of its Artistic Director for Makeup and Colour Nicolas Degennes, and skincare, with formulas which combine expertise, innovation and ultra-sensorial textures.



Parfums Christian Dior

## Parfums Loewe

Since 1972

In 1972, the Madrid-based leather goods and ready-to-wear Maison Loewe launched its first women's fragrance: *L de Loewe*. Initially designed to be sold exclusively in the Maison's boutiques, the fragrance was so successful that eventually the Maison began investing in international perfumery retail.

Thirty years and 10 olfactory creations later, the Maison moved into skincare, presenting *Solo Loewe*, a new men's fragrance which reflects Spanish culture with audacity, modernity and sensuality. Loewe fragrances incarnate the Spanish spirit: elegant, refined, luminous, strong and unpredictable, with floral, woody and lemon-scented essences. To create this perfect harmony, the Maison finds its resources in nature.



Parfums Givenchy

## Benefit

Since 1976

In 1976, co-founders and former models Jean and Jane Ford opened a quirky San Francisco makeup boutique. The twins' motto: makeup doesn't have to be serious to look good. They made customers smile with their "girls' locker room" banter and introduced the world to "fake-its"... instant beauty solutions that solve gals' top dilemmas. The makeup brand continues to express its unique feel-good DNA through irreverent, laugh-out-loud names and creative packaging. In addition to cult faves like *benetint*, the bestselling They're Real! mascara and the POREfessional primer combine Benefit's bold & girly DNA with game-changing innovation. And with instant brow solutions like Gimme Brow and "drop-in" Brow Bar services, this Maison has also established itself as the global brow authority.



Benefit

## Make Up For Ever

Since 1984

Mastery unleashes creativity. Nothing sums up better the philosophy of Make Up For Ever, a Maison that has become a cult name through its uniqueness and the quality of its professional products. Its founder, Dany Sanz, believes that technique must first be conquered before leaving free rein to creativity. And that academic knowledge must be honed before pushing the limits of one's art. Dany Sanz has remained true to this approach throughout her artistic career and has incorporated it into the development of her makeup brand. At Make Up For Ever, teaching plays an essential role: in addition to offering exceptional products to professionals and women from around the world, the Maison has the ambition to share its knowledge and passion with the general public through training courses and to bring progress to the world of makeup.



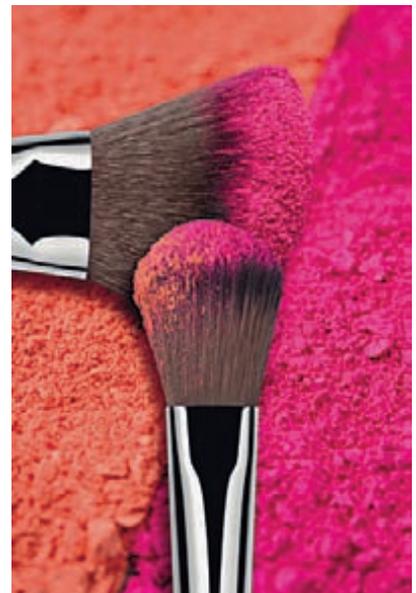
Benefit

## Kenzo Parfums

Since 1988

Kenzo began in Paris under the pencil strokes of a young, rather eccentric Japanese man: Kenzo Takada. He invented colorful fashion, full of energy, that celebrates and draws inspiration from nature. Kenzo imposes a new, spontaneous and poetic elegance, an alchemy of nuances found at the heart of its perfumes.

The brand's first feminine fragrance, which simply bears the name Kenzo, was conceived in 1988. What followed were creations whose unique, quirky identity have made a strong impression on the world of perfumery: *Flower By Kenzo*, *Flower in the air*, *L'Eau par Kenzo*, *Kenzo Homme*, *Kenzo Jungle*. They all tell an optimistic story and toy with a melting pot of codes to savor and savor again. These fragrances assert themselves as



Make Up For Ever

a new incarnation of the Kenzo values: an invitation to travel to the heart of an olfactory “jungle”, which stamps its energy on the urban world and expresses its spontaneity, poetry and nuances by drawing inspiration from nature and blending contrasts.

Kenzo Parfums’ eye for detail is also expressed through its bottles, veritable design objects and symbols of uncluttered refinement and of the brand’s values. “Kenzo, Creations for a more beautiful world.”

## *Fresh*

Since 1991

When Lev Glazman and Alina Roytberg opened their apothecary shop in 1991 in Boston, the cosmetics industry was on the verge of a profound change. Seeing a need for products that are both effective and indulgent, in 1993 they created a small set of artisanal, nourishing soaps that the two hand-wrapped themselves.

The now iconic *Oval Soap* sparked Lev and Alina’s passion for transforming everyday routines into unforgettable beauty rituals. Fresh has since evolved into a full line of beauty products spanning skincare, bodycare, fragrance, hair-care, and candles and is credited with a number of industry firsts, most notably pioneering the use of sugar as a natural humectant.

Fresh’s combination of innovative natural ingredients, time-honored rituals, and modern science offers a sensorial experience with undeniable results that is completely unique to the brand.

## *Nude*

Since 2007

It started with one simple question: why can’t healthy, natural skincare be high-performance skincare? Convinced that a balanced and natural diet is as important for the skin as it is for the body, the co-founders of Nude Skincare have launched an innovative approach to skincare. Ali Hewson, co-founder of the

conscious fashion brand Edun, and Bryan Meehan, co-founder of organic grocery chain Fresh & Wild, both have an instinctive trust in the power of nature. Their skincare range uses natural ingredients that nourish the skin with a diet of omegas, minerals, probiotics and antioxidants delivering everything your skin needs and nothing it doesn’t, like parabens, sulphates and petrochemicals. Aimed at enhancing natural beauty with an innovative and ethical approach to skincare, the Nude Skincare range is skin nutrition with an obsession for natural, healthy ingredients.



Make Up For Ever



Fresh



Kenzo



## BVLGARI, SIGNATURE COLORS UNDER A DIAMOND SPOTLIGHT

A piece of fine Bvlgari jewelry is recognizable at a glance. You know it not only by its shape (think of the emblematic Monete sautoir that adorned Elizabeth Taylor's neckline or the famous Serpenti rolled around her wrist...), but also by its vivid hues: often unique, bold compositions of colored gemstones, each one rare, expressing the variegated shades of the rainbow and frequently set in yellow or rose gold.

Obviously, like all fine jewelry houses, Bvlgari is a master of the classics, offering its customers pieces from what might be called the French school of jewelry design, where pride of place is given to diamonds at rest in a bed of platinum. But starting in the 1950s, from its birthplace in Rome, the Maison began to break from that tradition, to invent its own authentically Italian style – one might even say school – of jewelry. Bvlgari was the first to incorporate rubies, emeralds and sapphires together into its creations, and the first to dare combining those three primary gemstones with the infinite array of other subtle tones mother nature has to offer: rubellite, tanzanite, aquamarine, garnet, agate, peridot, citrine, amethyst, topaz, onyx, turquoise, spinel and more... This revolution enabled Bvlgari's jewelers to harness a sweeping palette of creative possibilities, with the diamond retaining its rightful place but acting more as a spotlight, its purity illuminating the gemstones around it. "The gemstones," writes Bvlgari's Chief Executive Officer Jean-Christophe Babin, "are a reflection

of the Mediterranean. Everything in luxury has meaning. Our attachment to colored gemstones comes from the iridescent landscapes of Italy, and most of all Rome – our city – its sky, its palaces, its ancient mosaics. I believe that the distinctive feature of a great brand is its ability to accomplish acts of creativity that complement what is being done elsewhere but also set the brand apart."

Universally celebrated as an authority on colored gemstones, Bvlgari has its own gemology research center where it analyzes, selects and certifies some of the most extraordinary specimens from around the world. A dedication to quality also reflected in its membership in the Responsible Jewellery Council, which in January 2015 tested and renewed Bvlgari's certification in the ethical sourcing of diamonds and precious metals.

To this day, Bvlgari's bold creative energy continues unabated. In 2015 it will become the first of the great jewelry houses to begin working with jade, even incorporating it into a brand new edition of its iconic BVLGARI-BVLGARI necklace.

In Jean-Christophe Babin's eyes, "the beauty, hardness and rarity of jade make it the world's fifth most precious gemstone. It carries fundamental importance in Asian cultures the way the emerald does in the West. But to understand jade and have the courage to use it – that required Bvlgari's unique insight into colored gemstones."

## HUBLLOT, A FUSION OF SPORTING CULTURES

In under two centuries, the British codified and globally exported a number of sports that are nearly universal today, including soccer, tennis, rugby and golf. However, for many years the popularity of the most British sport of all was limited to the Commonwealth nations. Was this because continental Europeans found the rules of cricket to be as complicated as the inner workings of a Swiss watch? Regardless, today this noble outdoor sport has finally achieved worldwide renown: cricket is now the second most watched sport on the planet, after soccer. It is the most popular sport in India, Sri Lanka, Pakistan, the United Arab Emirates and the English-speaking Caribbean, and is a close runner-up to soccer in the United Kingdom, Australia, New Zealand and South Africa. It is also enjoying increasing popularity in Canada, the Netherlands and many African countries.

It is therefore no coincidence that Hublot, a watchmaker renowned for its innovation and its "Art of Fusion", has become the first luxury brand to associate its name with this sport. Hublot is the Official Timekeeper of the International Cricket Council's ICC Cricket World Cup 2015, as formally announced last November at a press conference in New Delhi. At the press confer-

ence was Indian cricket champion Harbhajan Singh, who graciously took part in the Bowl for a Million Rupee Charity Challenge organized by Hublot. On the same day, in Sydney, Michael Clarke, batsman and captain of the Australian national cricket team, announced that he was thrilled to join the family of Hublot ambassadors. Hublot is new to the world of cricket, the perfect addition to its partnerships in soccer and North American basketball. As CEO Ricardo Guadalupe declared, "Hublot has once again proven itself as the first, unique and different luxury brand to enter cricket. This incredible sport will round off our worldwide marketing presence, and help drive our development in countries with high commercial potential. I am delighted with this great collaboration that awaits us, and am very proud that the ICC has chosen Hublot as its partner."

To mark the occasion, Hublot followed in the lineage of the fine watches on which it built its reputation with high-level athletes, announcing the special release of the Classic Fusion Chrono Cricket, available in two limited editions - one titanium series of 200 pieces, and one series of 100 pieces made from King Gold, Hublot's exclusive red gold.



## Chaumet

Since 1780

Chaumet's founder Marie-Étienne Nitot was Emperor Napoléon I's official jeweler and created tiaras and formal jewelry for Empress Joséphine and, later, Empress Marie-Louise, as well as fashion jewelry and personal pieces.

The workshop masters' savoir-faire, which has been passed down from generation to generation, is a testimony to the creativity and excellence that define the Maison. It is Joseph Chaumet, head of the workshop and indisputable master of the Belle Époque, who gave his name to the Maison and whose townhouse at number 12, Place Vendôme houses its high jewelry workshop and design studio. At this prestigious address, Chaumet creates precious jewelry and watch collections that reflect Parisian elegance and excellence.

Chaumet is a responsible jeweler committed to ethical practices: it has been a member of the Responsible Jewellery Council since 2005 and has been certified since 2011.

## TAG Heuer

Since 1860

1860, Saint-Imier, at the very heart of the birthplace of watchmaking. A bold young man decides to found his own watchmaking brand. His name: Édouard Heuer. At the age of just 20, he was to revolutionize the watchmaking industry by breaking away from the established rules. Ever since that time, TAG Heuer's vocation has been to push back the bound-

aries and defy convention in order to invent incredible watches and chronographs of extreme precision.

This technical savoir-faire was very quickly placed at the service of sporting performance. The TAG Heuer ambassadors perfectly reflect the state of mind, taste for challenge and risk, and non-conformism encouraged by its founder. They are among those who construct the legend, and they have in common the fact that they do not crack under pressure, constantly resisting and pushing back their limits: Cristiano Ronaldo "The Perfectionist", Maria Sharapova "The Competitor", Steve McQueen "The Rebel", Dempsey Racing "The Race", and McLaren "The Masters of Speed". Motor racing has always been part of the essence of TAG Heuer, and it was therefore natural for the brand to be a founding partner of the FIA Formula E, a completely revolutionary motor racing championship as it is 100% electric.

## Zenith

Since 1865

By bringing together all the watchmaking métiers under one roof, Georges Favre-Jacot revolutionized the watch manufacturing model for good. His visionary intuition gave the Zenith Manufacture a permanent place in history and paved the way for breakthroughs in production techniques. Since 1865, the Manufacture has crafted wristwatches and pocket watches, but also flight instruments that boast extraordinary timekeeping performance and combine technical prowess, innovation and emotion.

*El Primero*, a remarkable and now-legendary movement which the Maison's

craftsmen spent seven years developing, captures the magic of these beautiful mechanisms, a high-frequency magic that makes 10 vibrations per second. With over 300 patents filed, the Maison has built up an impressive bank of savoir-faire honored with over 2,300 awards for timekeeping precision. Year after year, these awards reward the level of excellence shared by the 80 métiers that come together to manufacture a Zenith watch and its components.

## Bulgari

Since 1884

Surprise, innovate and reinvent have been part of Bvlgari's vocabulary since it was founded in Rome in 1884. Fine jewelry, sophisticated watchmaking, high-end accessories... Combining classicism and modernity, its creations are infused with an emotion that is unique to the excellence of Italian design and the influence of Rome. The sensuality of its shapes, the sharpness of its lines, the sparkle of colored stones... In order to blend dolce vita and creativity, Bvlgari broke free from conventions very early in its history. A sensitivity to color which enables the Maison to combine precious and semi-precious stones in a way that brings its outstanding pieces to life.

Bvlgari's extraordinary success stems from this unquenchable desire to preserve its heritage while also looking energetically to the future. By nurturing its hallmarks, it invents new ways to express its creativity. The Maison's figurehead is its historic store on Via dei Condotti in the Eternal City, which has borne witness to this dazzling journey.



Chaumet



TAG Heuer



Zenith

## Fred

Since 1936

An adventurer with a passion for precious stones and pearls, Fred Samuel spent his life roaming the world, on a mission to make women everywhere even more beautiful. He grew up in Argentina, and the bright light, ever-present ocean and mellow energy of South America stayed with him always, becoming central themes in his work. Swept up in the turbulence of 1930s Paris, Fred drew inspiration from the artists around him and shared his passion for jewelry with some of the great names of the 20<sup>th</sup> century. In the 1950s, he discovered the attraction of gemstones and colored diamonds and became the favorite jeweler of Middle Eastern princes. An avid sportsman, his love of sport also influenced his creations, including the trailblazing Force 10 collection. In 1995, the jewelry House began a new chapter in its story, joining the LVMH group. Today, the FRED brand continues to epitomize an unconditional love of gemstones, pearls and golden light, creating collections that burst with radiant elegance.

## Montres Dior

Since 1975

Dior timepiece collections first see the light of day in Paris, in the Dior design studios on the avenue Montaigne. In total osmosis with the Dior Maison and backed by the expertise of Les Ateliers Horlogers Dior, the designers of the timepiece lines conceive new models without any restriction other than remaining faithful



Fred

to the spirit of Monsieur Dior. Les Ateliers Horlogers Dior, established in 2001 and located at La Chaux-de-Fonds, the cradle of Swiss watchmaking, take over from the studios and give life to the creations conceived in Paris. They have gathered around them the finest specialists in their domain: movement designers, dial makers, setters... in order to transform the ideas of the design studios into reality. Les Ateliers Horlogers Dior combine their technical skill and expertise with exceptional jewelry-making know-how. Selecting the finest stones, cutting them and adjusting them or elaborating snowsettings and baguette-settings are just some of many fastidious and accomplished tasks that contribute to the excellence of Dior's watchmaking.

## Hublot

Since 1980

"Be the first, be unique, be different." This was the philosophy upon which Hublot built up an excellent reputation in just a few decades on the very competitive high-quality timepiece market. The focus is perfectly ingrained in the idea of the art of fusion, which Hublot has applied since 1980 when it designed its first case combining natural rubber and gold with a shape inspired by a ship's porthole. When Jean-Claude Biver and Ricardo Guadalupe took the helm of the brand in 2004, they made this art of fusion into a founding spirit that they deployed



Bvlgari

as they wished, combining traditional watchmaking savoir-faire with the most cutting-edge technologies and unexpected materials. In 2005, the *Big Bang* collection, a chronograph with an elegant and contemporary design, enjoyed international success. In its 6,000 m<sup>2</sup> Manufacture on Lake Geneva in Switzerland, Hublot is constantly pushing back the boundaries of horological innovation.

## De Beers Diamond Jewellers

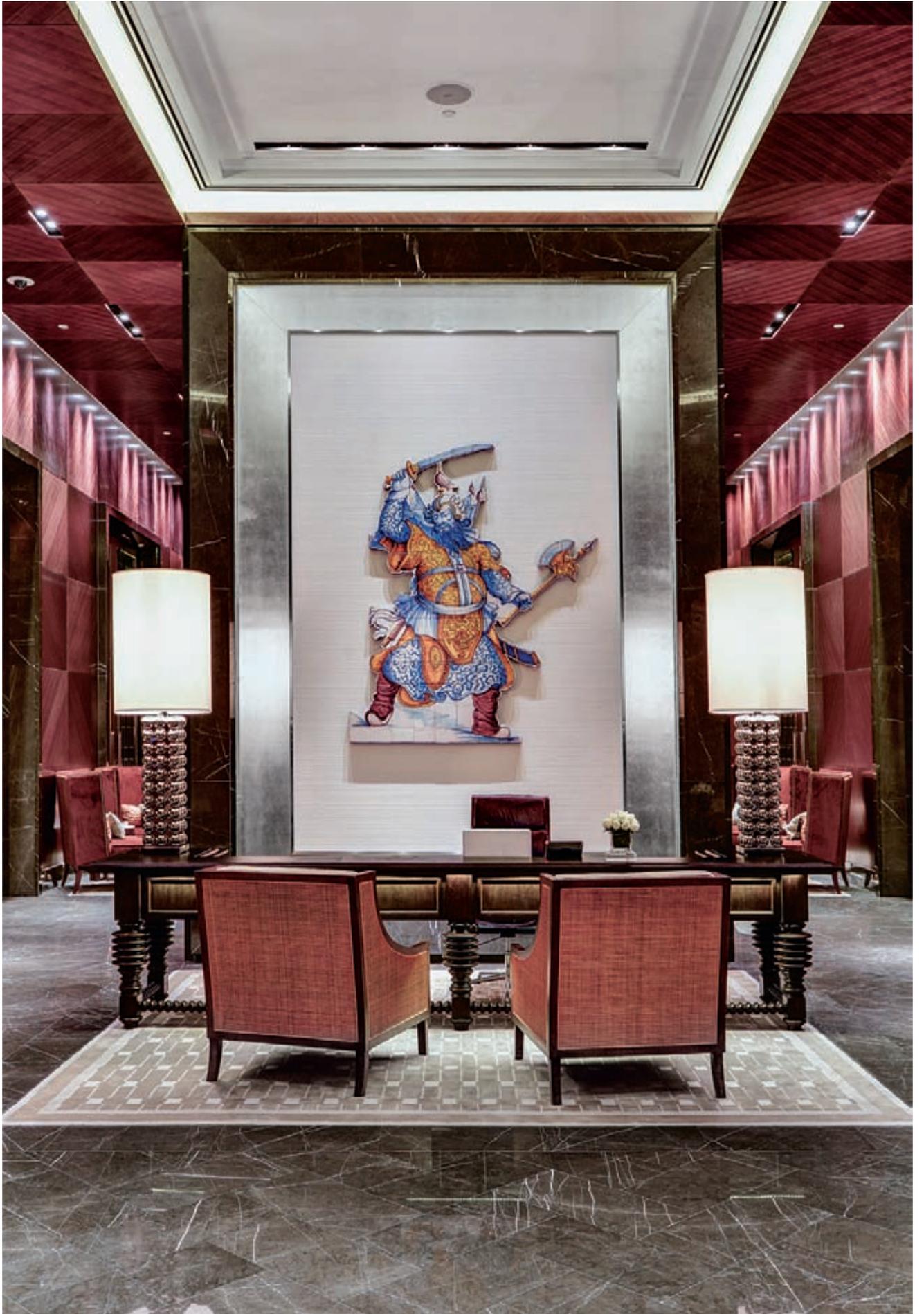
Since 2001

De Beers Diamond Jewellers was born from a joint venture between LVMH and De Beers, the world's premier diamond company. The Maison celebrates the encounter between the masterpiece of nature that is the diamond, and the art of fine jewellery. De Beers, the Jeweller of Light, creates timeless treasures that reveal and celebrate the wondrous brilliance of women and diamonds. The Maison uses its creativity, savoir-faire and expertise to showcase the natural beauty of diamonds, drawing on diamond mastery since 1888. De Beers hand-select each diamond for its unique beauty to capture unmatched Fire, Life, and Brilliance.

As timeless emblems of purity and perfection, the collections and pieces created by De Beers Diamond Jewellers are powerful symbols that can be handed down through generations. Each unique De Beers creation is the culmination of wondrous artistry and the true beauty of the finest diamonds.



Hublot



## DFS, OFFERING WORLD TRAVELERS AN UNFORGETTABLE EXPERIENCE

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With its T Galleria stores centrally located in the world's most dynamic big cities, and its shops a short walk from passenger lounges at every major airport, DFS serves a clientele of international world travelers. Since it was founded in Hong Kong in 1960, DFS's history has been closely tied to the staggering expansion of global air travel. By the turn of the twenty-first century, DFS was an essential stop for new travelers on their way from big emerging economies like China, enabling them to discover and enjoy a luxury universe. Centered on a unique selection of the planet's most sought-after luxury brands, DFS's offering focuses on the fundamentals of luxury: fashion, beauty, jewelry and watches, and wines and spirits. It offers the chance to discover the world and have an unforgettable experience at each stopover, an experience that goes beyond the simple act of making a purchase. That is DFS's promise to all world travelers.

Today this promise is delivered in the form of an exclusive and innovative rewards program called Loyal T, offered at all DFS locations. Customers can join the program after making just one purchase, regardless of how much they spend. Membership comes with access to concierge services designed to help customers

enjoy the best each city has to offer, as well as advice from personal shoppers - brand and trend experts who are masters at the art of selecting items for every customer's individual personality and style.

The more regularly customers visit DFS shops, the more enhanced their rewards experience becomes. They receive a small welcome gift when they make it to the "Jade" level, where all purchases are delivered to the customer's hotel upon simple request. At the "Prestige Ruby" level, DFS can provide a car and driver to make its customers' shopping trips easier, and offers them access to its relaxing and comfortable Prestige Lounge areas.

Besides unlimited priority access to all of the aforementioned services, the highest level in the program - "Prestige Diamond" - comes with invitations to exclusive events organized by DFS: gatherings such as the *Masters Series*, where exclusive or new collections from the hottest brands are unveiled; but also much more personal, unique and customized attention including private tours of prestigious museums, backstage passes for the most popular concerts, and premium seating at certain shows and sporting events.

## SEPHORA, HIGH-PRECISION LOGISTICS

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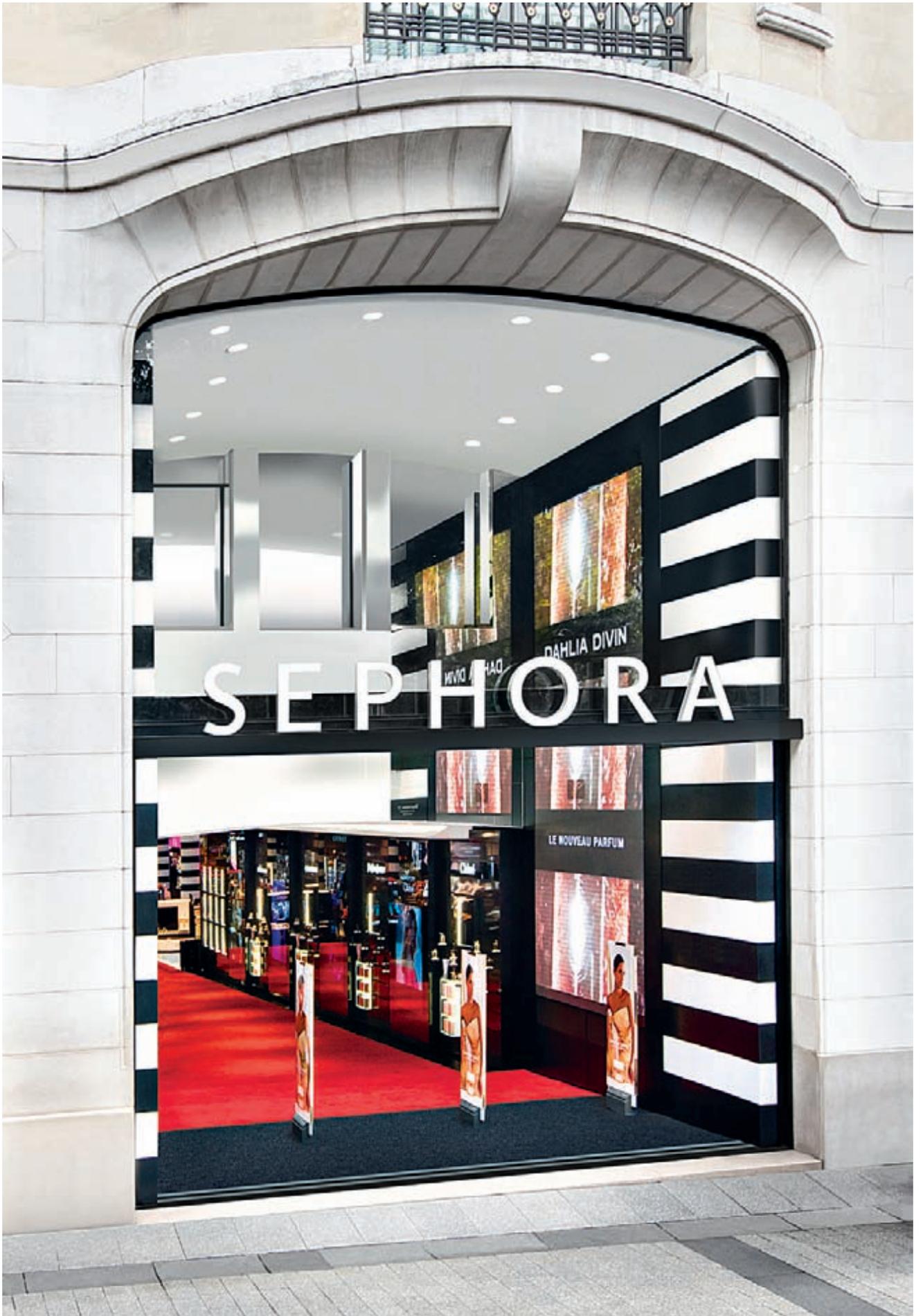
The most varied product lines imaginable – ranging from the classic to the most pioneering brands – offered in a cozy setting, with free skincare advice, make-up lessons and more. This is how Sephora revolutionized the sale of fragrances and beauty products when it first opened its doors in France in 1969. Today, Sephora continues to set the tempo, serving millions of customers at thousands of standalone and in-store shops in over 30 countries. Yet behind the scenes, it is a real logistical challenge to constantly maintain the same high-quality customer service at each sales outlet: the company's supply chain is essential to maintaining its agility, performance, and respect for the environment.

Shops must be replenished from the warehouses once or twice a week, and sometimes daily in the case of flagship stores, such as the famous Champs-Élysées location in Paris. To prepare parcels in some regions, up to 16,000 different items from the 250 different brands on offer must be handled. The right products then have to be delivered at the right time. This is the case even when consumers place orders online, and one single bottle may have to be picked manually among several thousand, or a product packaged individually and delivered to the customer's home within twenty-four hours after that mouse click.

When it comes to the environment, Sephora is at the forefront of the retail industry. Its ideas are simple but clever, like using 50,000 reusable containers instead of cardboard boxes to deliver products to stores. Some initiatives are more ambitious, such as using non-polluting, silent electric vehicles to make deliveries to city-center outlets. In France alone, this avoids the emission of some 200 tons of CO<sub>2</sub> a year. The roof of a recently-commissioned Italian warehouse generates electricity and eliminates 600 tons of CO<sub>2</sub> annually.

In the same vein, an unprecedented logistics cycle has just been tested that would enable customers to return their empty bottles. It was so successful – in just a few weeks some 345,000 bottles were collected and taken to specialized recycling facilities – that long-term implementation is now being considered.

And what about the future? In addition to an innovative project that aims to enhance the granularity of sales forecasts and thus increase inventory turnover by 10% in four years, Sephora is getting ready to open new warehouses, in China, the United States and elsewhere. In so doing Sephora aims to fuel double-digit growth, improve responsiveness and reduce the environmental impact of product delivery and storage.



## *Le Bon Marché*

Since 1852

Le Bon Marché Rive Gauche was the first department store in the world. It opened in 1852 in Paris at the instigation of Aristide Boucicaut and his wife Marguerite. They were both in favor of “a new kind of store”, combining unconventionality and elegance. This unique space designed by the architect Louis-Charles Boileau and the engineer Gustave Eiffel displayed a remarkable style influenced by the creative vitality of Paris’s Rive Gauche. Limited editions stood alongside a selection of the most beautiful objects from all over the world. Women’s, men’s and children’s fashion, accessories, tableware, cultural exhibitions, furniture collections and contemporary works of art marked out the space. Le Bon Marché Rive Gauche is Paris’s leading department store. As both a pioneer and trend-setter, it offers a selection

of exclusive, cutting-edge brands in an exceptional architectural showcase. International customers seeking a genuine Parisian experience rub shoulders with French customers loyal to the store’s unique spirit and premium service.

## *DFS*

Since 1960

In 1960, Robert Miller and Charles “Chuck” Feeney opened an office and showroom to service their fledgling duty free business in Hong Kong. A year later, they launched the first *Duty Free Shoppers* store at Hong Kong airport. At a time when travel retail was in its infancy, the pioneering vision of two American entrepreneurs meant travelers now had access to high-quality duty-free products on their journeys. In 1968, DFS built on its success by opening its first downtown *Galleries* in Honolulu and Hong Kong. These stores, renamed *T Galleria by DFS* in 2013 in honor of the traveler, allow for

more personalized services in a relaxed, attentive and beautifully executed environment. The Maison endeavors to convey the founders’ passion for traveling and service, and since day one has developed innovative merchandising concepts that have enabled it to forge partnerships with the world’s most coveted and high-quality brands. With 420 points of sale across 18 major airports and 14 downtown *T Galleries*, DFS is now the largest network of luxury travel retail stores in the world.



Le Bon Marché



Le Bon Marché



DFS

## Starboard Cruise Services

Since 1958

Starboard Cruise Services has revolutionized shopping on board cruise ships, creating a unique retail environment where discovery and entertainment are part of the shopping experience.

The allure of traveling the world's oceans and discovering new destinations has long attracted guests to cruise vacations. However, cruise ships today have become more than a means of travel; they have become the destination. The diverse and exciting offerings now available on board cruise ships include the exceptional shopping opportunities introduced by Starboard Cruise Services, the leading on board retailer.

Starboard treats guests to an unforgettable shopping experience designed to delight and entertain, with retail shops offering high-quality products, including many exclusives. Cruise line guests are inspired to indulge in a memory — which

ranges from luxury purchases such as fine jewelry, Swiss timepieces and leather accessories to affordable luxury in the form of beauty products, spirits, accessories or branded cruise apparel.

Attentive Starboard Cruise Services employees cater to cruise guests who, free from time constraints, enjoy spending time discovering both new and classic brands. The quality of the products, the relationships with the sales advisors and the guest experience combine to create a uniquely entertaining and memorable shopping experience at sea.

## Sephora

Since 1969

Founded in 1969, Sephora has always focused on making shopping a unique experience. By offering beauty fans around the world the chance to touch and test the products, it has transformed the customer experience into an exclusive opportunity to indulge, fostering strong relationships with the brand and its products. The Maison's ethos remains

unchanged: to present a leading beauty selection and always be on the lookout for what's new.

Sephora also relies on the quality of its customer advisers. These are professionals in perfumery and cosmetics who, through their energy and enthusiasm, ensure exceptional service, where customer satisfaction is priority number one. With its designer stores, innovative "Made In Sephora" products and unique tone, the enterprising Maison is never short of surprising new ideas. Its unexpected concepts and non-conformist attitude are also evident both in its boutiques around the world and on its website, which together make Sephora an unparalleled international beauty leader.



DFS



Sephora



Sephora



## CHEVAL BLANC, THE ART OF HOSPITALITY, REINVENTED

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Our story begins in the French Alps. Winter, 2006: Cheval Blanc opens its first Maison in Courchevel on the slopes of the world's most extensive, prestigious ski resort. Set against this backdrop of natural beauty, the chalet is typically Savoyard yet decidedly contemporary in spirit. Its thirty-seven exclusive and spacious suites accommodate a clientele of connoisseurs drawn by the setting's charm, comfort, and exclusive range of activities and services – from alpine sports and leisure to pure relaxation. It was a success from day one. Cheval Blanc Courchevel\* distinguished itself by reinventing the approach to ultra-luxury hospitality, offering a different experience to meet the evolving expectations of its high-end, international clientele – younger, more family-oriented – as interested in personal wellness as they are in broadening their horizons; as motivated by quality as they are by authenticity. The result is a collection of one-of-a-kind Maisons: cozy in size, uncompromising in privacy, lavish, designed to deliver the luxury of time and leisure amongst family or friends. Its sizeable staff are trained in the art of French hospitality: they understand their guests and look after them with efficiency and respect; their attention to detail is faultless, giving the Maisons the feel of a home away from home and making guests want to

return or perhaps experience one of Cheval Blanc's other destinations...

For Courchevel was followed by the 2013 opening of Cheval Blanc Randheli on the unspoiled atoll of Noonu in the Maldives, and more recently Cheval Blanc Saint-Barth Isle de France, located on one of the most stunning beaches in the Caribbean, in Flamands Bay.

Cheval Blanc continues its considered development around the world, with projects under study on a proprietary or management basis in destinations such as Bodrum, Oman, Paris, and Bali. Bringing together renowned architects, designers, artists and other talents alongside Cheval Blanc's own master hoteliers, every new Maison shows a poignant attention to detail. Tailored projects, culinary experiences, artistic collaborations, exclusive events, signature fragrances and bespoke Cheval Blanc Spa treatments make them a subtle showcase of the LVMH Group's savoir-faire. This is our way of creating a special alchemy that happens when you combine a magical destination, a location with character, and the experience of hospitality at its finest.

\* LVMH Hotel Management, owned by LVMH, is the hotel operator of Cheval Blanc Maisons.

## RADIO CLASSIQUE, MASTERPIECES FOR THE MANY

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Radio Classique is one of the most dynamic radio stations to grace the airwaves in France, with an ever-growing, increasingly loyal audience. It has thrived thanks to the original mission statement from when it first began broadcasting in the 1980s: to celebrate the “classical” repertoire, but above all share it with as many listeners as possible and introduce them to the genre’s infinite diversity – from baroque to contemporary, romantic to film scores; from grand orchestral arrangements to the most intimate of ensembles... A counterpoint to overly erudite approaches to music!

To accomplish this, Radio Classique harnesses the talents of a team of presenters whose passion is communicative. It also favors more listener-friendly programming than a conventional classical station – playing extracts, holding contests, engaging with listeners and taking requests... The young artists and performers featured daily are played alongside some of history’s greatest compositions. Ease of listening is also a key value of the two major morning and evening time slots dedicated to news: meaningful, informative analyses of current events help listeners tune out the cacophony of today’s mass media.

But music, of course, remains the heartbeat of Radio Classique. And like LVMH’s other Maisons, whose values it shares, Radio Classique is on a constant quest for excellence – a quest to live up to the great music it plays and the expectations of its listeners. Radio Classique is vibrant, with several dozen live concerts broadcast each year, thanks to its close ties with some of the most prestigious venues and orchestras in France: Orchestre de Paris, Orchestre National du Capitole de Toulouse, Philharmonie de Paris, Orchestre National de Lille, Opéra Comique... And that’s before counting the station’s outstanding presence in Aix during the city’s Easter Festival. The reason performers trust Radio Classique to faithfully capture their on-stage events is its expert sound engineers, all of whom are musicians and technicians of the highest caliber.

Radio Classique is looking to the future, expanding its digital presence not only to attract more international listeners online, but also to offer greater interactivity through social media and fun, educational applications for younger audiences. These innovations are bringing Radio Classique even closer to its listeners than it already is – with the singular emotional appeal of radio and great music.



## Royal Van Lent

Since 1849

It was at the end of the 16th century that the Dutch invented pleasure boating, christening their little racing boats “jachts”. The Van Lent family’s shipyard, which dates back to 1849, is the heir to this tradition of mastering the seas. Its yachts were already winning speed contests in the 1920s and were the first to use steel and then aluminium. Specialized in the design and construction of high-quality vessels, Royal Van Lent combines ancestral savoir-faire with a deeply held spirit of innovation to meet the highest requirements in terms of performance, comfort and sailing pleasure. Sold under the brand name Feadship, its boats measuring 30 to 120 meters (100 to 390 feet) in length combine state-of-the-art technology and high-quality fittings. From generation to generation, the Van Lent family has teamed up with the best naval architects and designers to create exceptional yachts. They are unique vessels and their owners are heavily involved their design.



Royal Van Lent

## Jardin d'Acclimatation

Since 1860

The Jardin d'Acclimatation was the vision of Emperor Napoleon III and his wife Empress Eugénie, and first opened to the public in 1860 as a zoo and amusement park. Inspired by London’s Hyde Park, the imperial couple wanted to create a space that would be the life and breath of “modern Paris”, and so employed a team made up of the most famous urban planners of the time: Seine-department prefect Baron Haussmann, engineer Jean-Charles Alphand, landscape architect Jean-Pierre Barillet-Deschamps, and architect Gabriel Davioud. Their dream for Paris came to life in a garden that featured flora and fauna from around the world, and introduced the public to far-off civilizations and cultures.

Entrusted to LVMH since 1984 under a public service contract awarded by the City of Paris, the Jardin d'Acclimatation is committed to preserving its 19th-century heritage by showcasing its landscapes and architecture. In 2014 the park received 1.8 million visitors. Its meadows and pathways, attractions, and events make the Jardin d'Acclimatation one of the French capital’s key attractions, a



Royal Van Lent

gentle oasis of European living. Today its 19 hectares form a bucolic backdrop for the Fondation Louis Vuitton.

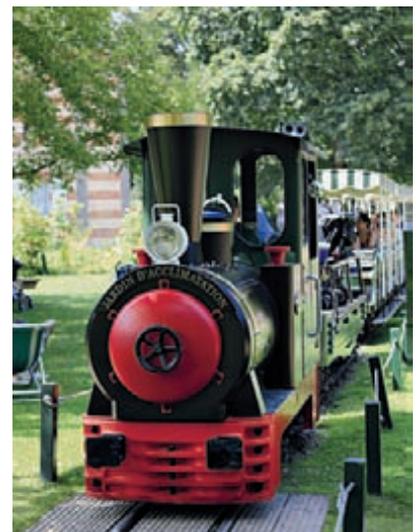
The current public service concession to run the Garden expires at the end of 2015. It will be re-awarded by the City of Paris after an extensive call for tenders.

## La Samaritaine

Since 1870

Founded in 1870 by Ernest Cognacq and Louise Jaÿ, La Samaritaine evokes the modernized Paris of Baron Haussmann and the Second Empire, an era which saw the emergence of the city’s first department stores. Single, clearly displayed prices, the opportunity to wander the aisles and try on clothes... the principles that La Samaritaine applied to shopping would revolutionize traditional retailing. Ideally situated between the Louvre and Notre-Dame, the department store has risen to the rank of architectural monument with its harmonious mix of Art Nouveau and Art Deco.

Since it closed for safety reasons in 2005, La Samaritaine has revealed its new ambitions with a large-scale renova-



Jardin d'Acclimatation

tion project which adheres to an innovative environmental approach. The new Samaritaine places diversity of every kind, a concept dear to the store's founders, at the heart of its *raison d'être*: diversity of function, of architectural forms, of construction methods, as well as social and intergenerational diversity.

As such, several activities will be grouped together within the buildings that are spread over two blocks between the Quai du Louvre and the Rue de Rivoli: a department store, a 5-star Cheval Blanc hotel with 72 rooms, 96 social housing units, offices and a crèche will open their doors.

## Groupe Les Echos

Since 1908

The newspaper *Les Echos*, which celebrated its 100<sup>th</sup> anniversary in 2008, started out above all as a family venture with the creation of the weekly magazine *Les Echos de l'Exportation* ("Export News"). Over the decades, the name and frequency of the newspaper have changed, ultimately giving birth to today's daily newspaper, *Les Echos*.

Groupe Les Echos, the leading media group for today's decision-makers in France, has four divisions:

- Les Echos Media division: with a team of 180 journalists, its vocation is to cover all current affairs, economic and business news. It has expertise across all digital formats (website, social networks, mobile applications);

- Finance and Markets Media division: *Investir* advises individual shareholders on their financial strategy; *Capital Finance* gets to the heart of M&A news;

- Business Services division: events, trade fairs, publications, legal notices, public tenders, studies, training programs, etc;

- Art and Classical Media division: Radio Classique, the leader in classical music with 1.2 million listeners; *Connaissance des Arts*, the benchmark brand for arts news.

## Cheval Blanc

Since 2006

Since the 2006 opening of its first Maison in Courchevel 1850, Cheval Blanc has been offering contemporary and refined hospitality that presents a resolutely new concept of an ultra-luxury experience. Beyond exceptional surroundings,

spacious living areas and exclusive facilities, Cheval Blanc redefines a customized approach to services, tailored to suit the individual needs and expectations of each guest. Its collection of highly residential Maisons in Courchevel, the Maldives, Saint-Barthélemy and soon in Oman and in Paris, echoes Cheval Blanc's commitment to its four core values: craftsmanship, exclusive privacy, creativity and *art de recevoir*. The Maisons, true havens of refinement, designed as "limited editions", nurture talent and imagination, to make each stay unique and unforgettable. Here, French *art de vivre*, the ultimate expression of both sophistication and conviviality, is taken to new heights, always anticipating guests' expectations.



La Samaritaine



Groupe Les Echos



Cheval Blanc



## PHOTOGRAPHS

- Cover: Fondation Louis Vuitton, Polka Galerie, Yves Marchand and Romain Meffre, 2014
- Moët & Chandon - Moët Hennessy, Héloïse Peyre - Château d'Yquem, Gérard Uféras - Ruinart
  - Moët & Chandon, Andreas Achmann - Hennessy - Château Cheval Blanc, Gérard Uféras
  - Krug, Denis Chapoullié - Glenmorangie - Mercier, Stéphane Compoint - Dom Pérignon, Richard Newton
  - Belvedere, Christian Banfield - Terrazas de los Andes - Numanthia, Gilles de Beauchêne
  - Loro Piana - Loewe - Louis Vuitton Malletier, Gérard Uféras - Berluti - Fendi - Céline - Emilio Pucci
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  - Parfums Givenchy, Alicia Keys by Tim Walker, Dahlia Divin - Benefit Cosmetics - Make Up For Ever
  - Fresh - Kenzo, Patrick Guedj - Bvlgari, Antonio Barrella - Hublot - Chaumet - TAG Heuer, Joël Von Allmen
  - Zenith - Fred - Bvlgari - DFS - Sephora - Le Bon Marché, Véronique Mati - DFS - Cheval Blanc Randheli, Stefano Candito - Radio Classique, Emmanuel Donny - Feadship - Jardin d'Acclimatation, Gilles Codina
  - La Samaritaine, Julien Alma, Sté Doug & Wolf - Picture libraries of LVMH and Group's Maisons.

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LVMH  

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