

## **Excellent performance for LVMH in the first half of 2015**

Paris, 28 July 2015

LVMH Moët Hennessy Louis Vuitton, the world's leading luxury products group, recorded revenue of €16.7 billion in the first half of 2015, an increase of 19%. Organic revenue growth was 6% compared to the same period in 2014. The Group recorded strong growth in Europe and the United States. Louis Vuitton had an excellent start to the year. Wines and Spirits continued to grow despite destocking of the distribution in China.

In the second quarter, revenue increased by 23% compared to the same period in 2014. Organic sales growth was 9% marking an increase from the first quarter.

Profit from recurring operations was €2 955 million for the first half of 2015, an increase of 15%, to which all the business groups contributed. Group share of net profit amounted to €1 580 million.

Bernard Arnault, Chairman and CEO of LVMH, commented:

“The excellent results of the first half are witness to the efficiency of our strategy, which relies upon the strength of our brands and a very entrepreneurial style of management. Building on the first half performances, we face the second half of the year with confidence and count on the quality of our products and the talent of our teams to further strengthen our leadership in the world of high quality products.”

Highlights of the first half of 2015 include:

- Solid growth in Europe and the United States,
- Strong positive exchange rate effect,
- Good performance from Wines and Spirits in all global regions with the exception of China, impacted by the continued destocking of distributors,
- Double-digit organic revenue growth in the second quarter for Fashion & Leather Goods
- Major success of new products at Louis Vuitton, where profitability remains at an exceptional level,
- Continued investment in the fashion brands,
- Excellent performance at Parfums Christian Dior,
- Strong growth in Bvlgari's results and the continued repositioning of TAG Heuer on its core offering,
- Remarkable momentum at Sephora which is strengthening its position in all operating regions and in the digital universe,
- DFS continues to be impacted by the currency and geopolitical environment in Asia,
- Cash from operations before changes in working capital of €3.4 billion,
- Net debt to equity ratio of 25% as of the end of June 2015.

## Key figures

<i>Euro millions</i>	<b>First half 2014</b>	<b>First half 2015</b>	<b>% change</b>
Revenue	14 009	16 707	+ 19 %
Profit from recurring operations	2 576	2 955	+ 15 %
Group share of net profit	1 509	1 580	+ 5 %
Cash from operations*	3 140	3 368	+ 7 %
Net Financial Debt	6 470	6 034	- 7 %
Total Equity	28 604	24 445	ns**

\* Before changes in working capital.

\*\* The amount at June 30, 2014 did not include the impact of the Hermès transaction at the end of the year

## Revenue by business group:

<i>Euro millions</i>	<b>First half 2014</b>	<b>First half 2015</b>	<b>% change</b>	
			<b>Reported</b>	<b>Organic*</b>
Wines & Spirits	1 677	1 930	+ 15 %	+ 2 %
Fashion & Leather Goods	5 030	5 933	+ 18 %	+ 5 %
Perfumes & Cosmetics	1 839	2 159	+ 17 %	+ 6 %
Watches & Jewelry	1 266	1 552	+ 23 %	+ 10 %
Selective Retailing	4 382	5 291	+ 21 %	+ 5 %
Other activities and eliminations	(185)	(158)	-	-
<b>Total LVMH</b>	<b>14 009</b>	<b>16 707</b>	<b>+ 19 %</b>	<b>+ 6 %</b>

\* With comparable structure and constant exchange rates. The exchange rate impact is +13%.

## Profit from recurring operations by business group:

<i>Euro millions</i>	<b>First half 2014</b>	<b>First half 2015</b>	<b>% change</b>
Wines & Spirits	461	482	+ 5 %
Fashion & Leather Goods	1 487	1 661	+ 12 %
Perfumes & Cosmetics	204	248	+ 22 %
Watches & Jewelry	107	205	+ 91 %
Selective Retailing	398	428	+ 7 %
Other activities and eliminations	(81)	(69)	-
<b>Total LVMH</b>	<b>2 576</b>	<b>2 955</b>	<b>+ 15 %</b>

## **Wines & Spirits: strong momentum in the United States, recovery in Europe and continued destocking by distributors in China**

The **Wines & Spirits** business group recorded organic revenue growth of 2%. On a reported basis, revenue growth was 15% and profit from recurring operations increased by 5%. The champagne business had a good start to the year, driven by the progress of the prestige vintages, particularly in Europe and Japan. Despite the continued destocking by distributors in China, the second quarter saw a return to organic revenue growth for Hennessy thanks to the sustained strong performance in the US market. Other spirits, Belvedere and Glenmorangie continue their development.

## **Fashion & Leather Goods: excellent creative momentum at Louis Vuitton and further strengthening of other brands**

The **Fashion & Leather Goods** business group recorded organic revenue growth of 5% in the first half of 2015, with accelerated growth in the second quarter. On a reported basis, revenue growth was 18% and profit from recurring operations increased by 12%. Louis Vuitton continued to illustrate its creative momentum across its collections. Leather goods experienced strong growth with the success of models in *Monogram* and new leather lines. Nicolas Ghesquière's runway shows in symbolic locations received an enthusiastic welcome. Loro Piana continued its development and benefited from new store openings. Fendi recorded an excellent performance, in particular in leather goods and accessories. Céline, Givenchy and Kenzo experienced strong growth. Marc Jacobs and Donna Karan continued the repositioning of their collections. Other brands are further strengthening their positions.

## **Perfumes & Cosmetics: continuous innovation and increasing market share**

The **Perfumes & Cosmetics** business group recorded organic revenue growth of 6%. On a reported basis, revenue growth was 17% and profit from recurring operations increased by 22%. Demonstrating remarkable momentum in their competitive environment, LVMH brands gained market share. Christian Dior's iconic lines *J'adore* and *Miss Dior* continued to show their exceptional strength. The launch of a new men's fragrance will mark the second half of the year. Guerlain furthered its progress with the confirmed success of *La Petite Robe Noire* and the rapid development of *Abeille Royale*. Benefit, Make Up For Ever and Fresh reinforced their excellent performances.

## **Watches & Jewelry: strong growth in jewelry and cautious purchasing behavior of multi-brand watch retailers**

In the first half of 2015, the **Watches & Jewelry** business group recorded organic revenue growth of 10%. On a reported basis, revenue growth was 23% and profit from recurring operations increased by 91%. Bvlgari had an excellent first half driven by the success of its iconic jewelry lines and its new watch for women, *Lvcea*. Hublot showed strong progress while TAG Heuer continued to refocus on its core offering. A partnership was concluded between TAG Heuer, Google and Intel for the launch of a smartwatch.

## **Selective Retailing: remarkable performance at Sephora and DFS still impacted by the currency and geopolitical environment in Asia**

The **Selective Retailing** business group recorded organic revenue growth of 5%. On a reported basis, revenue growth was 21% and profit from recurring operations increased by 7%. DFS relied on its unique expertise in “travel retail” to address the more difficult context that persists in Asia, linked to the currency and geopolitical environment.

Sephora achieved strong growth and continued to gain market share in its key countries, particularly France, the United States, Canada and China and continued the expansion of its distribution network. It also increased its lead in the development of a multichannel experience for its clients through its rapid increase in online sales and numerous digital initiatives.

### **Outlook 2015**

Despite the context of economic and currency uncertainties, LVMH will continue to gain market share thanks to the numerous product launches planned before the end of the year and its geographic expansion in promising markets, while continuing to manage costs.

Our strategy of focusing on quality across all our activities, combined with the dynamism and unparalleled creativity of our teams, will enable us to reinforce, once again in 2015, LVMH’s global leadership position in luxury goods.

An interim dividend of 1.35 Euro will be paid on December 3, 2015.

*Regulated information related to this press release, the half year results presentation and the half year financial statement are available on our internet site [www.lvmh.com](http://www.lvmh.com)*

*Limited review procedures have been carried out, the related report will be issued following the Board meeting.*

## ANNEXE

### LVMH – Revenue by business group and by quarter

#### First Half 2015

<i>(euro millions)</i>	Wines & Spirits	Fashion & Leather Goods	Perfumes & Cosmetics	Watches & Jewelry	Selective Distribution	Other Activities & Eliminations	<b>Total</b>
First quarter	992	2 975	1 094	723	2 656	(117)	<b>8 323</b>
Second quarter	938	2 958	1 065	829	2 635	(41)	<b>8 384</b>
<b>Total revenue</b>	<b>1 930</b>	<b>5 933</b>	<b>2 159</b>	<b>1 552</b>	<b>5 291</b>	<b>(158)</b>	<b>16 707</b>

#### First Half 2014

<i>(euro millions)</i>	Wines & Spirits	Fashion & Leather Goods	Perfumes & Cosmetics	Watches & Jewelry	Selective Distribution	Other Activities & Eliminations	<b>Total</b>
First quarter	888	2 639	941	607	2 222	(91)	<b>7 206</b>
Second quarter	789	2 391	898	659	2 160	(94)	<b>6 803</b>
<b>Total revenue</b>	<b>1 677</b>	<b>5 030</b>	<b>1 839</b>	<b>1 266</b>	<b>4 382</b>	<b>(185)</b>	<b>14 009</b>

The notes to consolidated accounts are included in 2015 interim financial report, available on our Internet site [www.lvmh.com](http://www.lvmh.com)

## CONSOLIDATED INCOME STATEMENT

<i>(EUR millions, except for earnings per share)</i>	Notes	June 30, 2015	Dec. 31, 2014	June 30, 2014
<b>Revenue</b>	23	<b>16,707</b>	<b>30,638</b>	<b>14,009</b>
Cost of sales		(5,881)	(10,801)	(4,828)
<b>Gross margin</b>		<b>10,826</b>	<b>19,837</b>	<b>9,181</b>
Marketing and selling expenses		(6,601)	(11,744)	(5,483)
General and administrative expenses		(1,267)	(2,373)	(1,119)
Income (loss) from joint ventures and associates	7	(3)	(5)	(3)
<b>Profit from recurring operations</b>	23-24	<b>2,955</b>	<b>5,715</b>	<b>2,576</b>
Other operating income and expenses	25	(64)	(284)	(49)
<b>Operating profit</b>		<b>2,891</b>	<b>5,431</b>	<b>2,527</b>
Cost of net financial debt		(52)	(115)	(50)
Other financial income and expenses		(207)	3,062	-
<b>Net financial income (expense)</b>	26	<b>(259)</b>	<b>2,947</b>	<b>(50)</b>
Income taxes	27	(880)	(2,273)	(756)
<b>Net profit before minority interests</b>		<b>1,752</b>	<b>6,105</b>	<b>1,721</b>
Minority interests	17	(172)	(457)	(212)
<b>Net profit, Group share</b>		<b>1,580</b>	<b>5,648</b>	<b>1,509</b>
<b>Basic Group share of net earnings per share (EUR)</b>	28	<b>3.15</b>	<b>11.27</b>	<b>3.01</b>
Number of shares on which the calculation is based		502,206,295	501,309,369	501,046,054
<b>Diluted Group share of net earnings per share (EUR)</b>	28	<b>3.13</b>	<b>11.21</b>	<b>3.00</b>
Number of shares on which the calculation is based		504,727,629	503,861,733	503,171,031

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## CONSOLIDATED BALANCE SHEET

ASSETS	Notes	June 30, 2015	Dec. 31, 2014	June 30, 2014
<i>(EUR millions)</i>				
Brands and other intangible assets	3	13,502	13,031	12,654
Goodwill	4	9,723	8,810	8,988
Property, plant and equipment	6	10,697	10,387	9,919
Investments in joint ventures and associates	7	526	519	496
Non-current available for sale financial assets	8	622	580	7,193
Other non-current assets	9	521	489	481
Deferred tax		1,955	1,436	1,023
<b>Non-current assets</b>		<b>37,546</b>	<b>35,252</b>	<b>40,754</b>
Inventories and work in progress	10	10,381	9,475	9,326
Trade accounts receivable	11	2,086	2,274	1,943
Income taxes		422	354	327
Other current assets	12	2,090	1,916	1,651
Cash and cash equivalents	14	2,556	4,091	2,159
<b>Current assets</b>		<b>17,535</b>	<b>18,110</b>	<b>15,406</b>
<b>Total assets</b>		<b>55,081</b>	<b>53,362</b>	<b>56,160</b>
<b>LIABILITIES AND EQUITY</b>				
<i>(EUR millions)</i>				
Share capital		152	152	152
Share premium account		2,669	2,655	3,886
Treasury shares and LVMH-share settled derivatives		(349)	(374)	(421)
Cumulative translation adjustment		1,240	492	91
Revaluation reserves		978	1,019	3,844
Other reserves		16,862	12,171	18,483
Net profit, Group share		1,580	5,648	1,509
Equity, Group share	15	23,132	21,763	27,544
Minority interests	17	1,313	1,240	1,060
<b>Total equity</b>		<b>24,445</b>	<b>23,003</b>	<b>28,604</b>
Long-term borrowings	18	5,201	5,054	3,248
Non-current provisions	19	2,354	2,291	1,830
Deferred tax		4,822	4,392	4,308
Other non-current liabilities	20	7,260	6,447	6,277
<b>Non-current liabilities</b>		<b>19,637</b>	<b>18,184</b>	<b>15,663</b>
Short-term borrowings	18	3,695	4,189	5,629
Trade accounts payable		3,374	3,606	3,001
Income taxes		383	549	336
Current provisions	19	320	332	312
Other current liabilities	21	3,227	3,499	2,615
<b>Current liabilities</b>		<b>10,999</b>	<b>12,175</b>	<b>11,893</b>
<b>Total liabilities and equity</b>		<b>55,081</b>	<b>53,362</b>	<b>56,160</b>

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## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Notes	Number of shares	Share capital	Share premium account	Treasury shares and LVMH-share settled derivatives	Cumulative translation adjustment	Revaluation reserves			Net profit and other reserves	Total equity			
						Available for sale financial assets	Hedges of future foreign currency cash flows	Vineyard land		Employee benefit commitments	Group share	Minority interests	Total
(EUR millions)													
Notes		15.1		15.2	15.4						17		
As of December 31, 2013	507,793,661	152	3,849	(451)	(8)	2,855	136	946	(37)	19,437	26,879	1,028	27,907
Gains and losses recognized in equity					500	(2,648)	(122)	(15)	(96)	-	(2,381)	108	(2,273)
Net profit										5,648	5,648	457	6,105
<b>Comprehensive income</b>		-	-	-	500	(2,648)	(122)	(15)	(96)	5,648	3,267	565	3,832
Stock option plan and similar expenses										37	37	2	39
(Acquisition)/disposal of treasury shares and LVMH-share settled derivatives				27						(17)	10	-	10
Exercise of LVMH share subscription options	980,323		59								59	-	59
Retirement of LVMH shares	(1,062,271)		(50)	50							-	-	-
Capital increase in subsidiaries											-	3	3
Interim and final dividends paid										(1,579)	(1,579)	(328)	(1,907)
Distribution in kind of Hermès shares			(1,203)							(5,652)	(6,855)	-	(6,855)
Changes in control of consolidated entities										(5)	(5)	11	6
Acquisition and disposal of minority interests' shares										(2)	(2)	32	30
Purchase commitments for minority interests' shares										(48)	(48)	(73)	(121)
As of December 31, 2014	507,711,713	152	2,655	(374)	492	207	14	931	(133)	17,819	21,763	1,240	23,003
Gains and losses recognized in equity					748	(48)	7				707	85	792
Net profit										1,580	1,580	172	1,752
<b>Comprehensive income</b>		-	-	-	748	(48)	7	-	-	1,580	2,287	257	2,544
Stock option plan and similar expenses										18	18	1	19
(Acquisition)/disposal of treasury shares and LVMH-share settled derivatives				24						(13)	11	-	11
Exercise of LVMH share subscription options	271,426		15								15	-	15
Retirement of LVMH shares	(41,848)		(1)	1							-	-	-
Capital increase in subsidiaries											-	3	3
Interim and final dividends paid										(980)	(980)	(198)	(1,178)
Changes in control of consolidated entities										(9)	(9)	-	(9)
Acquisition and disposal of minority interests' shares												(1)	(1)
Purchase commitments for minority interests' shares										27	27	11	38
As of June 30, 2015	507,941,291	152	2,669	(349)	1,240	159	21	931	(133)	18,442	23,132	1,313	24,445
As of December 31, 2013	507,793,661	152	3,849	(451)	(8)	2,855	136	946	(37)	19,437	26,879	1,028	27,907
Gains and losses recognized in equity					99	106	(147)	(7)	(8)	5	48	(1)	47
Net profit										1,509	1,509	212	1,721
<b>Comprehensive income</b>		-	-	-	99	106	(147)	(7)	(8)	1,514	1,557	211	1,768
Stock option plan and similar expenses										18	18	1	19
(Acquisition)/disposal of treasury shares and LVMH-share settled derivatives				24						(12)	12	-	12
Exercise of LVMH share subscription options	725,591		43								43	-	43
Retirement of LVMH shares	(123,796)		(6)	6							-	-	-
Capital increase in subsidiaries											-	1	1
Interim and final dividends paid										(952)	(952)	(265)	(1,217)
Changes in control of consolidated entities										(6)	(6)	2	(4)
Acquisition and disposal of minority interests' shares										1	1	42	43
Purchase commitments for minority interests' shares										(8)	(8)	40	32
As of June 30, 2014	508,395,456	152	3,886	(421)	91	2,961	(11)	939	(45)	19,992	27,544	1,060	28,604



## CONSOLIDATED CASH FLOW STATEMENT

<i>(EUR millions)</i>	Notes	June 30, 2015	Dec. 31, 2014	June 30, 2014
<b>I. OPERATING ACTIVITIES AND OPERATING INVESTMENTS</b>				
Operating profit		2,891	5,431	2,527
Income/(loss) and dividends from joint-ventures and associates <sup>(a)</sup>	7	8	26	13
Net increase in depreciation, amortization and provisions		850	1,895	705
Other computed expenses		(351)	(188)	(61)
Other adjustments		(30)	(84)	(44)
<b>Cash from operations before changes in working capital</b>		<b>3,368</b>	<b>7,080</b>	<b>3,140</b>
Cost of net financial debt: interest paid		(51)	(116)	(57)
Income taxes paid <sup>(a)</sup>		(801)	(1,639)	(901)
<b>Net cash from operating activities before changes in working capital</b>		<b>2,516</b>	<b>5,325</b>	<b>2,182</b>
Change in working capital	14.1	(1,022)	(718)	(1,274)
<b>Net cash from operating activities</b>		<b>1,494</b>	<b>4,607</b>	<b>908</b>
Operating investments	14.2	(816)	(1,775)	(848)
<b>Net cash from operating activities and operating investments (free cash flow)</b>		<b>678</b>	<b>2,832</b>	<b>60</b>
<b>II. FINANCIAL INVESTMENTS</b>				
Purchase of non-current available for sale financial assets	8	(18)	(57)	(36)
Proceeds from sale of non-current available for sale financial assets	8	39	160	21
Dividends received <sup>(a)</sup>	8	4	69	74
Income tax related to financial investments <sup>(a)</sup>		(15)	(237)	-
Impact of purchase and sale of consolidated investments	2	(23)	(167)	(136)
<b>Net cash from (used in) financial investments</b>		<b>(13)</b>	<b>(232)</b>	<b>(77)</b>
<b>III. TRANSACTIONS RELATING TO EQUITY</b>				
Capital increases of LVMH SE	15.1	15	59	43
Capital increases of subsidiaries subscribed by minority interests	17	3	3	-
Acquisition and disposals of treasury shares and LVMH-share settled derivatives	15.2	3	1	4
Interim and final dividends paid by LVMH SE	15.3	(992)	(1,619) <sup>(b)</sup>	(952)
Income taxes paid related to interim and final dividends paid by LVMH group entities <sup>(a)</sup>		(258)	(79)	(46)
Interim and final dividends paid to minority interests in consolidated subsidiaries	17	(195)	(336)	(265)
Purchase and proceeds from sale of minority interests	2	-	10	40
<b>Net cash from (used in) transactions relating to equity</b>		<b>(1,424)</b>	<b>(1,961)</b>	<b>(1,176)</b>
<b>Change in cash before financing activities</b>		<b>(759)</b>	<b>639</b>	<b>(1,193)</b>
<b>IV. FINANCING ACTIVITIES</b>				
Proceeds from borrowings		807	2,407	1,322
Repayment of borrowings		(1,451)	(2,100)	(1,378)
Purchase and proceeds from sale of current available for sale financial assets		(241)	(106)	21
<b>Net cash from (used in) financing activities</b>		<b>(885)</b>	<b>201</b>	<b>(35)</b>
<b>V. EFFECT OF EXCHANGE RATE CHANGES</b>				
		94	27	29
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (I+II+III+IV+V)</b>		<b>(1,550)</b>	<b>867</b>	<b>(1,199)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	14	<b>3,783</b>	<b>2,916</b>	<b>2,916</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	14	<b>2,233</b>	<b>3,783</b>	<b>1,717</b>
<b>TOTAL INCOME TAXES PAID</b>		<b>(1,074)</b>	<b>(1,955)</b>	<b>(947)</b>
Transactions included in the table above, generating no change in cash:				
- acquisition of assets by means of finance leases		2	5	1

(a) Taking into account the amended presentation of dividends received and income tax paid, starting in 2014. See Note 1.4 to the 2014 consolidated financial statements.

(b) The distribution in kind of Hermès shares had no impact on cash, excluding tax impacts. See Note 8 to the 2014 consolidated financial statements.

## **LVMH**

*LVMH Moët Hennessy Louis Vuitton is represented in Wines and Spirits by a portfolio of brands that includes Moët & Chandon, Dom Pérignon, Veuve Clicquot Ponsardin, Krug, Ruinart, Mercier, Château d'Yquem, Domaine du Clos des Lambrays, Château Cheval Blanc, Hennessy, Glenmorangie, Ardbeg, Wen Jun, Belvedere, Chandon, Cloudy Bay, Terrazas de los Andes, Cheval des Andes, Cape Mentelle, Newton et Numanthia. Its Fashion and Leather Goods division includes Louis Vuitton, Céline, Loewe, Kenzo, Givenchy, Thomas Pink, Fendi, Emilio Pucci, Donna Karan, Marc Jacobs, Berluti, Nicholas Kirkwood and Loro Piana. LVMH is present in the Perfumes and Cosmetics sector with Parfums Christian Dior, Guerlain, Parfums Givenchy, Parfums Kenzo, Perfumes Loewe as well as other promising cosmetic companies (BeneFit Cosmetics, Make Up For Ever, Acqua di Parma and Fresh). LVMH is also active in selective retailing as well as in other activities through DFS, Sephora, Le Bon Marché, la Samaritaine and Royal Van Lent. LVMH's Watches and Jewelry division comprises Bulgari, TAG Heuer, Chaumet, Dior Watches, Zenith, Fred, Hublot and De Beers Diamond Jewellers Ltd, a joint venture created with the world's leading diamond group.*

*"Certain information included in this release is forward looking and is subject to important risks and uncertainties and factors beyond our control or ability to predict, that could cause actual results to differ materially from those anticipated, projected or implied. It only reflects our views as of the date of this presentation. No undue reliance should therefore be based on any such information, it being also agreed that we undertake no commitment to amend or update it after the date hereof."*

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