

LVMH

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MOËT HENNESSY ♦ LOUIS VUITTON

DECEMBER 31, 2015

FINANCIAL STATEMENTS  
CONSOLIDATED FINANCIAL STATEMENTS



# FINANCIAL STATEMENTS

## Consolidated financial statements

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This document is a free translation into English of the original French Consolidated Financial Statements as of December 31, 2015. It is not a binding document. In the event of a conflict in interpretation, reference should be made to the French version, which is the authentic text.

## CONSOLIDATED INCOME STATEMENT

<i>(EUR millions, except for earnings per share)</i>	Notes	2015	2014	2013
<b>Revenue</b>	23-24	35,664	30,638	29,016
Cost of sales		(12,553)	(10,801)	(9,997)
<b>Gross margin</b>		23,111	19,837	19,019
Marketing and selling expenses		(13,830)	(11,744)	(10,767)
General and administrative expenses		(2,663)	(2,373)	(2,212)
Income (loss) from joint ventures and associates	7	(13)	(5)	(23)
<b>Profit from recurring operations</b>	23-24	6,605	5,715	6,017
Other operating income and expenses	25	(221)	(284)	(119)
<b>Operating profit</b>		6,384	5,431	5,898
Cost of net financial debt		(78)	(115)	(101)
Other financial income and expenses		(336)	3,062	(97)
<b>Net financial income (expense)</b>	26	(414)	2,947	(198)
Income taxes	27	(1,969)	(2,273)	(1,753)
<b>Net profit before minority interests</b>		4,001	6,105	3,947
Minority interests	17	(428)	(457)	(511)
<b>Net profit, Group share</b>		3,573	5,648	3,436
<b>Basic Group share of net earnings per share (EUR)</b>	28	7.11	11.27	6.87
Number of shares on which the calculation is based		502,395,491	501,309,369	500,283,414
<b>Diluted Group share of net earnings per share (EUR)</b>	28	7.08	11.21	6.83
Number of shares on which the calculation is based		504,894,946	503,861,733	503,217,497

## CONSOLIDATED STATEMENT OF COMPREHENSIVE GAINS AND LOSSES

<i>(EUR millions)</i>	2015	2014	2013
<b>Net profit before minority interests</b>	<b>4,001</b>	<b>6,105</b>	<b>3,947</b>
Translation adjustments	631	534	(346)
Tax impact	135	104	(48)
	<b>766</b>	<b>638</b>	<b>(394)</b>
Change in value of available for sale financial assets	(32)	494	963
Amounts transferred to income statement	(91)	(3,326)	(16)
Tax impact	20	184	(35)
	<b>(103)</b>	<b>(2,648)</b>	<b>912</b>
Change in value of hedges of future foreign currency cash flows	(63)	(30)	304
Amounts transferred to income statement	33	(163)	(265)
Tax impact	3	57	(17)
	<b>(27)</b>	<b>(136)</b>	<b>22</b>
<b>Gains and losses recognized in equity, transferable to income statement</b>	<b>636</b>	<b>(2,146)</b>	<b>540</b>
Change in value of vineyard land	64	(17)	369
Amounts transferred to consolidated reserves	-	(10)	-
Tax impact	(21)	9	(127)
	<b>43</b>	<b>(18)</b>	<b>242</b>
Employee benefit commitments: change in value resulting from actuarial gains and losses	42	(161)	80
Tax impact	(16)	52	(22)
	<b>26</b>	<b>(109)</b>	<b>58</b>
<b>Gains and losses recognized in equity, not transferable to income statement</b>	<b>69</b>	<b>(127)</b>	<b>300</b>
<b>Comprehensive income</b>	<b>4,706</b>	<b>3,832</b>	<b>4,787</b>
Minority interests	(558)	(565)	(532)
<b>Comprehensive income, Group share</b>	<b>4,148</b>	<b>3,267</b>	<b>4,255</b>

## CONSOLIDATED BALANCE SHEET

ASSETS	Notes	2015	2014	2013
<i>(EUR millions)</i>				
Brands and other intangible assets	3	13,572	13,031	12,596
Goodwill	4	10,122	8,810	9,058
Property, plant and equipment	6	11,157	10,387	9,621
Investments in joint ventures and associates	7	729	519	480
Non-current available for sale financial assets	8	574	580	7,080
Other non-current assets	9	552	489	457
Deferred tax	27	1,945	1,436	913
<b>Non-current assets</b>		<b>38,651</b>	<b>35,252</b>	<b>40,205</b>
Inventories and work in progress	10	10,096	9,475	8,492
Trade accounts receivable	11	2,521	2,274	2,174
Income taxes		384	354	223
Other current assets	12	2,355	1,916	1,856
Cash and cash equivalents	14	3,594	4,091	3,226
<b>Current assets</b>		<b>18,950</b>	<b>18,110</b>	<b>15,971</b>
<b>Total assets</b>		<b>57,601</b>	<b>53,362</b>	<b>56,176</b>
<b>LIABILITIES AND EQUITY</b>				
<i>(EUR millions)</i>				
Share capital	15.1	152	152	152
Share premium account	15.1	2,579	2,655	3,849
Treasury shares and LVMH share-settled derivatives	15.2	(240)	(374)	(451)
Cumulative translation adjustment	15.4	1,137	492	(8)
Revaluation reserves		949	1,019	3,900
Other reserves		16,189	12,171	16,001
Net profit, Group share		3,573	5,648	3,436
Equity, Group share		24,339	21,763	26,879
Minority interests	17	1,460	1,240	1,028
<b>Total equity</b>		<b>25,799</b>	<b>23,003</b>	<b>27,907</b>
Long-term borrowings	18	4,511	5,054	4,149
Non-current provisions	19	1,950	2,291	1,797
Deferred tax	27	4,685	4,392	4,280
Other non-current liabilities	20	7,957	6,447	6,404
<b>Non-current liabilities</b>		<b>19,103</b>	<b>18,184</b>	<b>16,630</b>
Short-term borrowings	18	3,769	4,189	4,674
Trade accounts payable	21.1	3,960	3,606	3,297
Income taxes		640	549	357
Current provisions	19	421	332	324
Other current liabilities	21.2	3,909	3,499	2,987
<b>Current liabilities</b>		<b>12,699</b>	<b>12,175</b>	<b>11,639</b>
<b>Total liabilities and equity</b>		<b>57,601</b>	<b>53,362</b>	<b>56,176</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

[EUR millions]	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
Notes		15.1		15.2	15.4						17		
<b>As of December 31, 2012</b>	<b>508,163,349</b>	<b>152</b>	<b>3,848</b>	<b>(414)</b>	<b>342</b>	<b>1,943</b>	<b>118</b>	<b>758</b>	<b>(88)</b>	<b>17,765</b>	<b>24,424</b>	<b>1,084</b>	<b>25,508</b>
Gains and losses recognized in equity					(350)	912	18	188	51	-	819	21	840
Net profit										3,436	3,436	511	3,947
<b>Comprehensive income</b>					<b>(350)</b>	<b>912</b>	<b>18</b>	<b>188</b>	<b>51</b>	<b>3,436</b>	<b>4,255</b>	<b>532</b>	<b>4,787</b>
Stock option plan and similar expenses										31	31	3	34
(Acquisition)/disposal of treasury shares and LVMH share-settled derivatives				(103)						(7)	(110)	-	(110)
Exercise of LVMH share subscription options	1,025,418		67								67	-	67
Retirement of LVMH shares	(1,395,106)		(66)	66							-	-	-
Capital increase in subsidiaries											-	8	8
Interim and final dividends paid										(1,500)	(1,500)	(228)	(1,728)
Acquisition of a controlling interest in Loro Piana											-	235	235
Changes in control of consolidated entities										1	1	(1)	-
Acquisition and disposal of minority interests' shares										(73)	(73)	(76)	(149)
Purchase commitments for minority interests' shares										(216)	(216)	(529)	(745)
<b>As of December 31, 2013</b>	<b>507,793,661</b>	<b>152</b>	<b>3,849</b>	<b>(451)</b>	<b>(8)</b>	<b>2,855</b>	<b>136</b>	<b>946</b>	<b>(37)</b>	<b>19,437</b>	<b>26,879</b>	<b>1,028</b>	<b>27,907</b>
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>					<b>500</b>	<b>(2,648)</b>	<b>(122)</b>	<b>(15)</b>	<b>(96)</b>	<b>5,648</b>	<b>3,267</b>	<b>565</b>	<b>3,832</b>
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. See Note 8.			(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)
<b>As of December 31, 2014</b>	<b>507,711,713</b>	<b>152</b>	<b>2,655</b>	<b>(374)</b>	<b>492</b>	<b>207</b>	<b>14</b>	<b>931</b>	<b>(133)</b>	<b>17,819</b>	<b>21,763</b>	<b>1,240</b>	<b>23,003</b>
Gains and losses recognized in equity					645	(103)	(25)	33	25	-	575	130	705
Net profit										3,573	3,573	428	4,001
<b>Comprehensive income</b>					<b>645</b>	<b>(103)</b>	<b>(25)</b>	<b>33</b>	<b>25</b>	<b>3,573</b>	<b>4,148</b>	<b>558</b>	<b>4,706</b>
Stock option plan and similar expenses										35	35	2	37
(Acquisition)/disposal of treasury shares and LVMH share-settled derivatives				23						(13)	10	-	10
Exercise of LVMH share subscription options	552,137		35								35	-	35
Retirement of LVMH shares	(1,124,740)		(111)	111							-	-	-
Capital increase in subsidiaries											-	89	89
Interim and final dividends paid										(1,659)	(1,659)	(229)	(1,888)
Changes in control of consolidated entities										(9)	(9)	1	(8)
Acquisition and disposal of minority interests' shares										5	5	(3)	2
Purchase commitments for minority interests' shares										11	11	(198)	(187)
<b>As of December 31, 2015</b>	<b>507,139,110</b>	<b>152</b>	<b>2,579</b>	<b>(240)</b>	<b>1,137</b>	<b>104</b>	<b>(11)</b>	<b>964</b>	<b>(108)</b>	<b>19,762</b>	<b>24,339</b>	<b>1,460</b>	<b>25,799</b>

## CONSOLIDATED CASH FLOW STATEMENT

(EUR millions)	Notes	2015	2014	2013
<b>I. OPERATING ACTIVITIES AND OPERATING INVESTMENTS</b>				
Operating profit		6,384	5,431	5,898
Income/(loss) and dividends from joint ventures and associates	7	27	26	49
Net increase in depreciation, amortization and provisions		2,081	1,895	1,435
Other computed expenses		(456)	(188)	(29)
Other adjustments		(91)	(84)	(76)
<b>Cash from operations before changes in working capital</b>		<b>7,945</b>	<b>7,080</b>	<b>7,277</b>
Cost of net financial debt: interest paid		(75)	(116)	(111)
Income taxes paid		(1,807)	(1,639)	(1,832)
<b>Net cash from operating activities before changes in working capital</b>		<b>6,063</b>	<b>5,325</b>	<b>5,334</b>
Change in working capital	14.1	(429)	(718)	(620)
<b>Net cash from operating activities</b>		<b>5,634</b>	<b>4,607</b>	<b>4,714</b>
Operating investments	14.2	(1,955)	(1,775)	(1,657)
<b>Net cash from operating activities and operating investments (free cash flow)</b>		<b>3,679</b>	<b>2,832</b>	<b>3,057</b>
<b>II. FINANCIAL INVESTMENTS</b>				
Purchase of non-current available for sale financial assets	8	(78)	(57)	(197)
Proceeds from sale of non-current available for sale financial assets	8	68	160	38
Dividends received	8	4	69	71
Income taxes paid related to financial investments		(265)	(237)	(11)
Impact of purchase and sale of consolidated investments	2.4	(240)	(167)	(2,161)
<b>Net cash from (used in) financial investments</b>		<b>(511)</b>	<b>(232)</b>	<b>(2,260)</b>
<b>III. TRANSACTIONS RELATING TO EQUITY</b>				
Capital increases of LVMH SE	15.1	35	59	66
Capital increases of subsidiaries subscribed by minority interests	17	81	3	7
Acquisition and disposals of treasury shares and LVMH share-settled derivatives	15.2	1	1	(113)
Interim and final dividends paid by LVMH SE <sup>[a]</sup>	15.3	(1,671)	(1,619)	(1,501)
Income taxes paid related to interim and final dividends paid		(304)	(79)	(137)
Interim and final dividends paid to minority interests in consolidated subsidiaries	17	(228)	(336)	(220)
Purchase and proceeds from sale of minority interests	2.4	(4)	10	(150)
<b>Net cash from (used in) transactions relating to equity</b>		<b>(2,090)</b>	<b>(1,961)</b>	<b>(2,048)</b>
<b>Change in cash before financing activities</b>		<b>1,078</b>	<b>639</b>	<b>(1,251)</b>
<b>IV. FINANCING ACTIVITIES</b>				
Proceeds from borrowings		1,008	2,407	3,095
Repayment of borrowings		(2,443)	(2,100)	(1,057)
Purchase and proceeds from sale of current available for sale financial assets	13	(3)	(106)	101
<b>Net cash from (used in) financing activities</b>		<b>(1,438)</b>	<b>201</b>	<b>2,139</b>
<b>V. EFFECT OF EXCHANGE RATE CHANGES</b>		<b>(33)</b>	<b>27</b>	<b>47</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (I+II+III+IV+V)</b>		<b>(393)</b>	<b>867</b>	<b>935</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	14	<b>3,783</b>	<b>2,916</b>	<b>1,981</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	14	<b>3,390</b>	<b>3,783</b>	<b>2,916</b>
<b>TOTAL INCOME TAXES PAID</b>		<b>(2,376)</b>	<b>(1,955)</b>	<b>(1,980)</b>
Transactions included in the table above, generating no change in cash:				
- acquisition of assets by means of finance leases		4	5	7

[a] The distribution in kind of Hermès shares had no impact on cash, apart from related income tax effects. See Note 8.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 1. ACCOUNTING POLICIES

### 1.1. General framework and environment

The consolidated financial statements for the year ended December 31, 2015 were established in accordance with international accounting standards and interpretations (IAS/IFRS) adopted by the European Union and applicable on December 31, 2015. These standards and interpretations have been applied consistently to the fiscal years presented. The 2015 consolidated financial statements were approved for publication by the Board of Directors on February 2, 2016.

### 1.2. Changes in the accounting framework applicable to LVMH

#### Standards, amendments and interpretations for which application became mandatory in 2015

The standards applicable to LVMH with effect from 2015 are:

- the amendment to IAS 19 relating to the recognition of employee contributions to post-employment benefits;
- IFRIC Interpretation 21 on the accounting for levies.

The application of these standards did not have a material impact on the Group's financial statements.

#### Standards, amendments and interpretations for which application is mandatory with effect from January 1, 2016

The amendments to IAS 16 and IAS 41 for biological assets are the only new standards applicable to LVMH with effect from January 1, 2016. The application of these amendments will not have any impact on the Group's financial statements since LVMH does not revalue these assets, given that their market value differs little from their historical cost (see Note 1.13).

#### Other changes in the accounting framework and standards for which application is mandatory with effect later than January 1, 2016

The Group receives information on the progress of ongoing discussions held at IFRIC and IASB related to the recognition of purchase commitments for minority interests' shares and changes in their amount. See Note 1.12 for a description of the recognition method applied by LVMH to these commitments.

The impact of the application of IFRS 15 on revenue recognition with effect from January 1, 2018 is being assessed. It should be of little significance in light of the nature of the Group's business activities. The impact of the application of IFRS 9 on financial instruments with effect from January 1, 2018 is also being assessed.

The impact of the application of IFRS 16 Leases with effect from January 1, 2019 (subject to its adoption by the European Union) will be assessed in 2016.

### 1.3. First-time adoption of IFRS

The first accounts prepared by the Group in accordance with IFRS were the financial statements for the year ended December 31, 2005, with a transition date of January 1, 2004. IFRS 1 allowed for exceptions to the retrospective application of IFRS at the transition date. The procedures implemented by the Group with respect to these exceptions are listed below:

- business combinations: the exemption from retrospective application was not applied. The recognition of the merger of Moët Hennessy and Louis Vuitton in 1987 and all subsequent acquisitions were restated in accordance with IFRS 3; IAS 36 Impairment of Assets and IAS 38 Intangible Assets were applied retrospectively as of this date;
- foreign currency translation of the financial statements of subsidiaries outside the euro zone: translation reserves relating to the consolidation of subsidiaries that prepare their accounts in foreign currency were reset to zero as of January 1, 2004 and offset against "Other reserves".

### 1.4. Presentation of financial statements

#### Definitions of Profit from recurring operations and Other operating income and expenses

The Group's main business is the management and development of its brands and trade names. Profit from recurring operations is derived from these activities, whether they are recurring or non-recurring, core or incidental transactions.

Other operating income and expenses comprise income statement items which, due to their nature, amount or frequency, may not be considered as inherent to the Group's recurring operations. This caption reflects in particular the impact of changes in the scope of consolidation and the impairment of brands, trade names and goodwill, as well as any significant amount of gains or losses arising on the disposal of fixed assets, restructuring costs, costs in respect of disputes, or any other non-recurring income or expense which may otherwise distort the comparability of profit from recurring operations from one period to the next.

#### Cash flow statement

Net cash from operating activities is determined on the basis of operating profit, adjusted for non-cash transactions. Additionally, from December 31, 2014:

- dividends received are presented according to the nature of the underlying investments; thus, dividends from joint ventures and associates are presented in Net cash from operating activities, while dividends from other unconsolidated entities are presented in Net cash from financial investments;

- tax paid is presented according to the nature of the transaction from which it arises: in Net cash from operating activities for the portion attributable to operating transactions; in Net cash from financial investments for the portion attributable to transactions in available for sale financial assets, notably tax paid on gains from their sale; in Net cash from transactions relating to equity for the portion attributable to transactions in equity, notably distribution taxes arising on the payment of dividends.

The cash flow statement for the fiscal year ended December 31, 2013 has been restated to reflect this new presentation of dividends received and tax paid (previously presented in Net cash from operating activities).

### 1.5. Use of estimates

For the purpose of preparing the consolidated financial statements, measurement of certain balance sheet and income statement items requires the use of hypotheses, estimates or other forms of judgment. This is particularly true of the valuation of intangible assets (see Note 5), purchase commitments for minority interests (see Note 20) and of the determination of the amount of provisions for contingencies and losses (see Note 19) or for impairment of inventories (see Note 10) and, if applicable, deferred tax assets (see Note 27). Such hypotheses, estimates or other forms of judgment which are undertaken on the basis of the information available, or situations prevalent at the date of preparation of the financial statements, may prove different from the subsequent actual events.

### 1.6. Methods of consolidation

The subsidiaries in which the Group holds a direct or indirect *de facto* or *de jure* controlling interest are fully consolidated.

Jointly controlled companies and companies where the Group has significant influence but no controlling interest are accounted for using the equity method. Although jointly controlled, those entities are fully integrated within the Group's operating activities. LVMH discloses their net profit, as well as that of entities using the equity method (see Note 7), in a separate line, which forms part of profit from recurring operations.

The assets, liabilities, income, and expenses of the Wines and Spirits distribution subsidiaries held jointly with the Diageo group are consolidated only in proportion to the LVMH group's share of operations (see Note 1.25).

### 1.7. Foreign currency translation of the financial statements of entities outside the euro zone

The consolidated financial statements are stated in euros; the financial statements of entities stated in a different functional currency are translated into euros:

- at the period-end exchange rates for balance sheet items;
- at the average rates for the period for income statement items.

Translation adjustments arising from the application of these rates are recorded in equity under "Cumulative translation adjustment".

### 1.8. Foreign currency transactions and hedging of exchange rate risks

Transactions of consolidated companies denominated in a currency other than their functional currencies are translated to their functional currencies at the exchange rates prevailing at the transaction dates.

Accounts receivable, accounts payable and debts denominated in currencies other than the entities' functional currencies are translated at the applicable exchange rates at the balance sheet date. Unrealized gains and losses resulting from this translation are recognized:

- within cost of sales in the case of commercial transactions;
- within net financial income/expense in the case of financial transactions.

Foreign exchange gains and losses arising from the translation or elimination of inter-company transactions or receivables and payables denominated in currencies other than the entity's functional currency are recorded in the income statement unless they relate to long-term inter-company financing transactions which can be considered as transactions relating to equity. In the latter case, translation adjustments are recorded in equity under "Cumulative translation adjustment".

Derivatives which are designated as hedges of commercial transactions denominated in a currency other than the functional currency of the entity are recognized in the balance sheet at their market value (see Note 1.9) at the balance sheet date and any change in the market value of such derivatives is recognized:

- within cost of sales for the effective portion of hedges of receivables and payables recognized in the balance sheet at the end of the period;
- within equity (as "Revaluation reserves") for the effective portion of hedges of future cash flows (this part is transferred to cost of sales at the time of recognition of the hedged assets and liabilities);
- within net financial income/expense for the ineffective portion of hedges; changes in the value of discount and premium associated with forward contracts, as well as in the time value component of options, are systematically considered as ineffective portions.

When derivatives are designated as hedges of subsidiaries' equity denominated in a functional currency other than the euro (net investment hedge), any change in fair value of the derivatives is recognized within equity under "Cumulative translation adjustment" for the effective portion and within net financial income/expense for the ineffective portion.

Market value changes of derivatives not designated as hedges are recorded within net financial income/expense.

See also Note 1.21 regarding the definition of the concepts of effective and ineffective portions.

## 1.9. Fair value measurement

Fair value (or market value) is the price that would be obtained from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants.

The assets and liabilities measured at fair value at each balance sheet date are as follows:

	Approaches to determining fair value	Amounts recorded at balance sheet date
Vineyard land	Based on recent transactions in similar assets. See Note 1.13.	Note 6
Grape harvests	Based on purchase prices for equivalent grapes. See Note 1.16.	Note 10
Derivatives	Based on market data and according to commonly used valuation models. See Note 1.21.	Note 22.4
Borrowings hedged against changes in value due to interest rate fluctuations	Based on market data and according to commonly used valuation models. See Note 1.20.	Note 18
Liabilities in respect of purchase commitments for minority interests' shares priced according to fair value	Generally, based on the market multiples of comparable companies. See Note 1.12.	Note 20
Available for sale financial assets	Quoted investments: price quotations at the close of trading on the balance sheet date. Non-quoted investments: estimated net realizable value, either according to formulas based on market data or based on private quotations. See Note 1.15.	Note 8, Note 13
Other current and non-current assets, trade accounts receivable (Loans and receivables)	Using the effective interest rate method. See Note 1.17.	Note 9, Note 11, Note 12
Trade accounts payable, other current and non-current liabilities, excluding commitments to purchase minority interests (Financial liabilities)	Using the effective interest rate method.	Note 20, Note 21
Cash and cash equivalents	Closing price quotation. See Note 1.18.	Note 14

No other asset or liability has been remeasured at market value at the balance sheet date.

## 1.10. Brands, trade names and other intangible assets

Only acquired brands and trade names that are well known and individually identifiable are recorded as assets based on their market values at their dates of acquisition.

Brands and trade names are chiefly valued using the method of the forecast discounted cash flows, or of comparable transactions (i.e. using the revenue and net profit coefficients employed for recent transactions involving similar brands), or of stock market multiples observed for related businesses. Other complementary methods may also be employed: the relief from royalty method, involving equating a brand's value with the present value of the royalties required to be paid for its use; the margin differential method, applicable when a measurable difference can be identified in the amount of revenue generated by a branded product in comparison with a similar unbranded product; and finally the equivalent brand reconstitution method involving, in particular, estimation of the amount of advertising and promotion expenses required to generate a similar brand.

Costs incurred in creating a new brand or developing an existing brand are expensed.

Brands, trade names and other intangible assets with finite useful lives are amortized over their estimated useful lives. The classification of a brand or trade name as an asset of definite or indefinite useful life is generally based on the following criteria:

- the brand or trade name's positioning in its market expressed in terms of volume of activity, international presence and notoriety;
- its expected long-term profitability;
- its degree of exposure to changes in the economic environment;
- any major event within its business segment liable to compromise its future development;
- its age.

Amortizable lives of brands and trade names with definite useful lives range from 15 to 40 years, depending on their estimated period of utilization.

Any impairment expense of brands and trade names and, in some cases, amortization expense, are recognized within "Other operating income and expenses".

Impairment tests are carried out for brands, trade names and other intangible assets using the methodology described in Note 1.14.

Research expenditure is not capitalized. New product development expenditure is not capitalized unless the final decision to launch the product has been taken.

Intangible assets other than brands and trade names are amortized over the following periods:

- leasehold rights, key money: based on market conditions, generally over the lease period;
- rights attached to sponsorship agreements and media partnerships: over the life of the agreements, depending on how the rights are used;
- development expenditure: three years at most;
- software: one to five years.

### 1.11. Changes in the percentage interest in consolidated entities

When the Group takes *de jure* or *de facto* control of a business, its assets, liabilities and contingent liabilities are estimated at their market value as of the date when control is obtained and the difference between the cost of taking control and the Group's share of the market value of those assets, liabilities and contingent liabilities is recognized as goodwill.

The cost of taking control is the price paid by the Group in the context of an acquisition, or an estimate of this price if the transaction is carried out without any payment of cash, excluding acquisition costs which are disclosed under "Other operating income and expenses".

The difference between the carrying amount of minority interests purchased after control is obtained and the price paid for their acquisition is deducted from equity.

Goodwill is accounted for in the functional currency of the acquired entity.

Goodwill is not amortized but is subject to annual impairment testing using the methodology described in Note 1.14. Any impairment expense recognized is included within "Other operating income and expenses".

### 1.12. Purchase commitments for minority interests

The Group has granted put options to minority shareholders of certain fully consolidated subsidiaries.

Pending specific guidance from IFRSs regarding this issue, the Group recognizes these commitments as follows:

- the value of the commitment at the balance sheet date appears in "Other non-current liabilities";

- the corresponding minority interests are cancelled;
- for commitments granted prior to January 1, 2010, the difference between the amount of the commitments and cancelled minority interests is maintained as an asset on the balance sheet under goodwill, as well as subsequent changes in this difference. For commitments granted as from January 1, 2010, the difference between the amount of the commitments and minority interests is recorded in equity, under "Other reserves".

This recognition method has no effect on the presentation of minority interests within the income statement.

### 1.13. Property, plant and equipment

With the exception of vineyard land, the gross value of property, plant and equipment is stated at acquisition cost. Any borrowing costs incurred prior to the placed-in-service date or during the construction period of assets are capitalized.

Vineyard land is recognized at the market value at the balance sheet date. This valuation is based on official published data for recent transactions in the same region. Any difference compared to historical cost is recognized within equity in "Revaluation reserves". If market value falls below acquisition cost the resulting impairment is charged to the income statement.

Vines for champagnes, cognacs and other wines produced by the Group, are considered as biological assets as defined in IAS 41 Agriculture. As their valuation at market value differs little from that recognized at historical cost, no revaluation is undertaken for these assets.

Buildings mostly occupied by third parties are reported as investment property, at acquisition cost. Investment property is thus not remeasured at market value.

Assets acquired under finance leases are capitalized on the basis of the lower of their market value and the present value of future lease payments.

The depreciable amount of property, plant and equipment comprises the acquisition cost of their components less residual value, which corresponds to the estimated disposal price of the asset at the end of its useful life.

Property, plant and equipment is depreciated on a straight-line basis over its estimated useful life; the estimated useful lives are as follows:

- |   |                |
|---|----------------|
| - buildings including investment property | 20 to 50 years |
| - machinery and equipment                 | 3 to 25 years  |
| - leasehold improvements                  | 3 to 10 years  |
| - producing vineyards                     | 18 to 25 years |

Expenses for maintenance and repairs are charged to the income statement as incurred.

### 1.14. Impairment testing of fixed assets

Intangible and tangible fixed assets are subject to impairment testing whenever there is any indication that an asset may be impaired, and in any event at least annually in the case of intangible assets with indefinite useful lives (mainly brands, trade names and goodwill). When the carrying amount of assets with indefinite useful lives is greater than the higher of their value in use or market value, the resulting impairment loss is recognized within "Other operating income and expenses", allocated on a priority basis to any existing goodwill.

Value in use is based on the present value of the cash flows expected to be generated by these assets. Market value is estimated by comparison with recent similar transactions or on the basis of valuations performed by independent experts for the purposes of a disposal transaction.

Cash flows are forecast for each business segment, defined as one or several brands or trade names under the responsibility of a dedicated management team. Smaller scale cash generating units, e.g. a group of stores, may be distinguished within a particular business segment.

The forecast data required for the cash flow method is based on annual budgets and multi-year business plans prepared by management of the related business segments. Detailed forecasts cover a five-year period, a period which may be extended in the case of certain brands undergoing strategic repositioning, or which have a production cycle exceeding five years. An estimated terminal value is added to the value resulting from discounted forecast cash flows which corresponds to the capitalization in perpetuity of cash flows most often arising from the last year of the plan. When several forecast scenarios are developed, the probability of occurrence of each scenario is assessed. Forecast cash flows are discounted on the basis of the rate of return to be expected by an investor in the applicable business and an assessment of the risk premium associated with that business.

### 1.15. Available for sale financial assets

Financial assets are classified as current or non-current based on their nature.

Non-current available for sale financial assets comprise strategic and non-strategic investments whose estimated period and form of ownership justify such classification.

Current available for sale financial assets include temporary investments in shares, shares of SICAVs, FCPs and other mutual funds, excluding investments made as part of the daily cash management, which are accounted for as "Cash and cash equivalents" (see Note 1.18).

Available for sale financial assets are measured at their listed value at the balance sheet date in the case of quoted investments, and at their estimated net realizable value at that date in the case of unquoted investments.

Positive or negative changes in value are taken to equity within "Revaluation reserves". If an impairment loss is judged to be

definitive, an impairment is recognized and charged to net financial income/expense; the impairment is only reversed through the income statement at the time of sale of the underlying available for sale financial assets.

### 1.16. Inventories and work in progress

Inventories other than wine produced by the Group are recorded at the lower of cost (excluding interest expense) and net realizable value; cost comprises manufacturing cost (finished goods) or purchase price, plus incidental costs (raw materials, merchandise).

Wine produced by the Group, especially champagne, is measured on the basis of the applicable harvest market value, which is determined by reference to the average purchase price of equivalent grapes, as if the grapes harvested had been purchased from third parties. Until the date of the harvest, the value of grapes is calculated *pro rata temporis* on the basis of the estimated yield and market value.

Inventories are valued using the weighted average cost or FIFO method, depending on the type of business.

Due to the length of the aging process required for champagne and spirits (cognac, whisky), the holding period for these inventories generally exceeds one year. However, in accordance with industry practices, these inventories are classified as current assets.

Provisions for impairment of inventories are chiefly recognized for businesses other than Wines and Spirits. They are generally required because of product obsolescence (end of season or collection, date of expiry, etc.) or lack of sales prospects.

### 1.17. Trade accounts receivable, loans and other receivables

Trade accounts receivable, loans and other receivables are recorded at their face value. A provision for impairment is recorded if their net realizable value, based on the probability of their collection, is less than their carrying amount.

The amount of long-term loans and receivables (i.e. those falling due in more than one year) is subject to discounting, the effects of which are recognized under net financial income/expense, using the effective interest rate method.

### 1.18. Cash and cash equivalents

Cash and cash equivalents comprise cash and highly liquid money-market investments subject to an insignificant risk of changes in value over time.

Money-market investments are measured at their market value, based on price quotations at the close of trading and on the exchange rate prevailing at the balance sheet date, with any changes in value recognized as part of net financial income/expense.

### 1.19. Provisions

A provision is recognized whenever an obligation exists towards a third party resulting in a probable disbursement for the Group, the amount of which may be reliably estimated.

When execution of its obligation is expected to occur in more than one year, the provision amount is discounted, the effects of which are recognized in net financial income/expense using the effective interest rate method.

### 1.20. Borrowings

Borrowings are measured at amortized cost, i.e. nominal value net of premium and issue expenses, which are charged progressively to net financial income/expense using the effective interest method.

In the case of hedging against fluctuations in the value of borrowings resulting from changes in interest rates, both the hedged amount of borrowings and the related hedging instruments are measured at their market value at the balance sheet date, with any changes in those values recognized within net financial income/expense. Market value of hedged borrowings is determined using similar methods to those described hereafter in Note 1.21.

In the case of hedging against fluctuations in future interest payments, the related borrowings remain measured at their amortized cost while any changes in value of the effective hedge portions are taken to equity as part of revaluation reserves.

Changes in value of non-hedging derivatives, and of the ineffective portions of hedges, are recognized within net financial income/expense.

Financial debt bearing embedded derivatives is measured at market value; changes in market value are recognized within net financial income/expense.

Net financial debt comprises short and long-term borrowings, the market value at the balance sheet date of interest rate derivatives, less the amount at the balance sheet date of current available for sale financial assets, cash and cash equivalents, in addition to the market value at the balance sheet date of foreign exchange derivatives related to any of the aforementioned items.

See also Note 1.21 regarding the definition of the concepts of effective and ineffective portions.

### 1.21. Derivatives

The Group enters into derivative transactions as part of its strategy for hedging foreign exchange and interest rate risks.

IAS 39 subordinates the use of hedge accounting to demonstration and documentation of the effectiveness of hedging relationships when hedges are implemented and subsequently throughout their existence. A hedge is considered to be effective if the ratio of changes in the value of the derivative to changes in the value of the hedged underlying remains within a range of 80 to 125%.

Derivatives are recognized in the balance sheet at their market value at the balance sheet date. Changes in their value are accounted for as described in Note 1.8 in the case of foreign exchange hedges, and as described in Note 1.20 in the case of interest rate hedges.

Market value is based on market data and on commonly used valuation models and may be confirmed in the case of complex instruments by reference to values quoted by independent financial institutions.

Derivatives with maturities in excess of twelve months are disclosed as non-current assets and liabilities.

### 1.22. Treasury shares and LVMH share-settled derivatives

LVMH shares and options to purchase LVMH shares that are held by the Group are measured at their acquisition cost and recognized as a deduction from consolidated equity, irrespective of the purpose for which they are held.

In the event of disposal, the cost of the shares disposed of is determined by allocation category (see Note 15.2) using the FIFO method with the exception of shares held under stock option plans for which the calculation is performed for each plan using the weighted average cost method. Gains and losses on disposal, net of income taxes, are taken directly to equity.

### 1.23. Pensions, contribution to medical costs and other employee benefit commitments

When retirement indemnity plans, pension plans, contribution to medical costs and other commitments entail the payment by the Group of contributions to third party organizations which assume the exclusive responsibility for subsequently paying the retirement indemnities, pensions or contribution to medical costs, these contributions are expensed in the period in which they fall due with no liability recorded on the balance sheet.

When retirement indemnity plans, pension plans, contribution to medical costs and other commitments are to be borne by the Group, a provision is recorded in the balance sheet in the amount of the corresponding actuarial commitment for the Group. Changes in this provision are recognized as follows:

- the portion related to the cost of services rendered by employees and net interest for the fiscal year is recognized in profit (loss) from recurring operations for the fiscal year;
- the portion related to changes in actuarial assumptions and to differences between projected and actual data (experience adjustments) is recognized in gains and losses taken to equity.

If this commitment is either partially or wholly funded by payments made by the Group to external financial organizations, these dedicated funds are deducted from the actuarial commitment recorded in the balance sheet.

The actuarial commitment is calculated based on assessments that are specifically designed for the country and the Group company concerned. In particular, these assessments include assumptions regarding discount rates, salary increases, inflation, life expectancy and staff turnover.

#### 1.24. Current and deferred tax

The tax expense comprises current tax payable by consolidated companies and deferred tax resulting from temporary differences.

Deferred tax is recognized in respect of temporary differences arising between the value of assets and liabilities for purposes of consolidation and the value resulting from application of tax regulations.

Deferred tax is measured on the basis of the income tax rates enacted at the balance sheet date; the effect of changes in rates is recognized during the periods in which changes are enacted.

Future tax savings from tax losses carried forward are recorded as deferred tax assets on the balance sheet which are impaired if they are deemed not recoverable; only amounts for which future use is deemed probable are recognized.

Deferred tax assets and liabilities are not discounted.

Taxes payable in respect of the distribution of retained earnings of subsidiaries give rise to provisions if distribution is deemed probable.

#### 1.25. Revenue recognition

##### Definition of revenue

Revenue mainly comprises retail sale within the Group's store network and sales through agents and distributors. Sales made in stores owned by third parties are treated as retail transactions if the risks and rewards of ownership of the inventories are retained by the Group.

Direct sales to customers are made through retail stores in Fashion and Leather Goods and Selective Retailing, as well as certain Watches and Jewelry and Perfumes and Cosmetics brands. These sales are recognized at the time of purchase by retail customers.

Wholesale sales concern Wines and Spirits, as well as certain Perfumes and Cosmetics and Watches and Jewelry brands. The Group recognizes revenue when title transfers to third party customers, generally upon shipment.

Revenue includes shipment and transportation costs re-billed to customers only when these costs are included in products' selling prices as a lump sum.

Revenue is presented net of all forms of discount. In particular, payments made in order to have products referenced or, in accordance with agreements, to participate in advertising

campaigns with the distributors, are deducted from related revenue.

##### Provisions for product returns

Perfumes and Cosmetics and, to a lesser extent, Fashion and Leather Goods and Watches and Jewelry companies may accept the return of unsold or outdated products from their customers and distributors.

Where this practice is applied, revenue and the corresponding trade receivables are reduced by the estimated amount of such returns, and a corresponding entry is made to inventories. The estimated rate of returns is based on statistics of historical returns.

##### Businesses undertaken in partnership with Diageo

A significant proportion of revenue for the Group's Wines and Spirits businesses is generated within the framework of distribution agreements with Diageo generally taking the form of shared entities which sell and deliver both groups' products to customers; the income statement and balance sheet of these entities is apportioned between LVMH and Diageo based on distribution agreements. According to those agreements, the assets, liabilities, income, and expenses of such entities are consolidated only in proportion to the Group's share of operations. The application of IFRS 11 from January 1, 2014 did not have any impact on this method.

#### 1.26. Advertising and promotion expenses

Advertising and promotion expenses include the costs of producing advertising media, purchasing media space, manufacturing samples and publishing catalogs, and in general, the cost of all activities designed to promote the Group's brands and products.

Advertising and promotion expenses are recorded upon receipt or production of goods or upon completion of services rendered.

#### 1.27. Stock option and similar plans

Share purchase and subscription option plans give rise to the recognition of an expense based on the amortization of the expected gain to the beneficiaries calculated according to the Black & Scholes method on the basis of the closing share price on the day before the Board Meeting at which the plan is instituted.

For bonus share plans, the expected gain is calculated on the basis of the closing share price on the day before the Board Meeting at which the plan is instituted, less the amount of dividends expected to accrue during the vesting period. A discount may be applied to the value of the bonus shares thus calculated to account for a period of non-transferability, where applicable.



For all plans, the amortization expense is apportioned on a straight-line basis in the income statement over the vesting period, with a corresponding impact on reserves in the balance sheet.

For cash-settled compensation plans index-linked to the change in LVMH share price, the gain over the vesting period is estimated at each balance sheet date based on the LVMH share price at that date, and is charged to the income statement on a pro rata basis over the vesting period, with a corresponding balance sheet impact on provisions. Between that date and the settlement date, the change in the expected gain resulting from the change in the LVMH share price is recorded in the income statement.

## 2. CHANGES IN THE PERCENTAGE INTEREST IN CONSOLIDATED ENTITIES

### 2.1. Fiscal year 2015

#### 2.1.1. Selective Retailing

In July 2015, Sephora acquired a 95% equity interest in the e-commerce site Luxola, which is present in nine countries of South-East Asia.

#### 2.1.2. Other activities

In October 2015, LVMH acquired a 100% equity interest in the daily newspaper *Le Parisien-Aujourd'hui en France*. The acquisition comprises the publishing, printing and sales activities of this daily newspaper and the weekly *Le Parisien Magazine*.

See also Note 7 regarding the percentage interest in joint ventures and associates.

### 2.2. Fiscal year 2014

#### 2.2.1. Wines and Spirits

In April 2014, LVMH acquired the entire share capital of the *Domaine du Clos des Lambrays*. Located in Morey-Saint-Denis, in France, on 8.66 continuous hectares, *Clos des Lambrays* is a prestigious cru from Côte de Nuits.

### 1.28. Earnings per share

Earnings per share are calculated based on the weighted average number of shares in circulation during the period, excluding treasury shares.

Diluted earnings per share are calculated based on the weighted average number of shares before dilution and adding the weighted average number of shares that would result from the exercise of existing subscription options during the period or any other diluting instrument. It is assumed for the purposes of this calculation that the funds received from the exercise of options, plus the amount not yet expensed for stock option and similar plans (see Note 1.27), would be employed to repurchase LVMH shares at a price corresponding to their average trading price over the fiscal year.

#### 2.2.2. Selective Retailing

LVMH acquired an additional 30% stake in Sephora Brasil (formerly known as Sack's), bringing its percentage holding to 100%. The difference between the acquisition price and minority interests was deducted from equity.

### 2.3. Fiscal year 2013

#### 2.3.1. Wines and Spirits

During the first quarter of 2013, the Group acquired an additional 30% stake in *Château d'Yquem*, increasing its ownership interest to 95%. The difference between the acquisition price and minority interests was deducted from equity.

#### 2.3.2. Fashion and Leather Goods

In July 2013, LVMH signed a memorandum of understanding for the acquisition of an 80% stake in Italian company *Loro Piana*, which makes and sells luxury fabrics, clothing, and accessories. On December 5, 2013, pursuant to that memorandum of understanding, LVMH acquired 80% of *Loro Piana* for 1,987 million euros. *Loro Piana* was fully consolidated with effect from December 5, 2013. The 20% of the share capital that has not been acquired is covered by reciprocal undertakings to buy and sell, exercisable no later than three years from December 5, 2013. The difference in value between the purchase commitment (recorded in Other non-current liabilities; see Note 20) and the minority interest, i.e. 244 million euros, was deducted from consolidated reserves.

The following table lays out the definitive allocation of the price paid by LVMH on December 5, 2013, the date of acquisition of the controlling interest:

<i>(EUR millions)</i>	Provisional purchase price allocation	Changes	Definitive purchase price allocation
Brand	-	1,300	1,300
Other intangible and tangible fixed assets, net	159	39	198
Other non-current assets	11	26	37
Non-current provisions	(18)	(21)	(39)
Current assets	382	(39)	343
Current liabilities	(203)	19	(184)
Net financial debt	(127)	13	(114)
Deferred tax	49	(415)	(366)
<b>Net assets acquired</b>	<b>253</b>	<b>922</b>	<b>1,175</b>
Minority interests (20%)	(51)	(184)	(235)
<b>Net assets, Group share (80%)</b>	<b>202</b>	<b>738</b>	<b>940</b>
Goodwill	1,785	(738)	1,047
<b>Carrying amount of shares held as of December 5, 2013</b>	<b>1,987</b>	<b>-</b>	<b>1,987</b>

The Loro Piana brand, amounting to 1,300 million euros, has been valued based on the relief from royalty method, corroborated by the discounted cash flow method. Goodwill, in the amount of 1,047 million euros, corresponds to Loro Piana's knowledge in the sourcing of high quality natural fibers, as well as its expertise and artisanal skill developed in the creation of products made from these exceptional materials.

Loro Piana acquisition expenses were recognized in Other operating income and expenses; they represented a total amount of 9 million euros as of December 31, 2013: see Note 25.

In 2013, the Loro Piana acquisition generated an outlay of 1,982 million euros, net of cash acquired in the amount of 5 million euros.

#### Nicholas Kirkwood

In September 2013, LVMH acquired a 52% stake in British luxury footwear company Nicholas Kirkwood. This entity was consolidated with effect from October 1, 2013. The rest of the company's share capital is covered by reciprocal undertakings to buy and sell, mainly exercisable from 2020.

#### Marc Jacobs

In 2013, the Group raised its stake in Marc Jacobs to 80%. The difference between the acquisition price and minority interests was deducted from equity.

#### 2.3.3. Other activities

In June 2013, LVMH acquired an 80% stake in Cova, a patisserie business based in Milan (Italy) which is also present in Asia through its franchisee network. This entity was consolidated with effect from July 2013.

In August 2013, the Group acquired 100% of Hotel Saint-Barth Isle de France, which owns and operates a luxury hotel located on the island of St. Barts (French West Indies). This entity was consolidated with effect from September 2013. In June 2014, LVMH sold 44% of its stake in Hotel Saint-Barth Isle de France. The difference between the cash received and the carrying amount of the sold stake was recognized in consolidated reserves.

## 2.4. Impact on cash and cash equivalents of changes in the percentage interest in consolidated entities

<i>(EUR millions)</i>	2015	2014	2013
Purchase price of consolidated investments and of minority interests' shares	(308)	(205)	(2,321)
Positive cash balance/(net overdraft) of companies acquired	33	8	10
Proceeds from sale of consolidated investments	31	45	-
(Positive cash balance)/net overdraft of companies sold	-	(5)	-
<b>Impact of changes in the percentage interest in consolidated entities on cash and cash equivalents</b>	<b>(244)</b>	<b>(157)</b>	<b>(2,311)</b>
<i>Of which: purchase and sale of consolidated investments</i>	<i>(240)</i>	<i>(167)</i>	<i>(2,161)</i>
<i>purchase and proceeds from sale of minority interests</i>	<i>(4)</i>	<i>10</i>	<i>(150)</i>

In 2015, the impacts of changes in the percentage interest in consolidated entities were mainly related to the acquisition of the daily newspaper Le Parisien-Aujourd'hui en France, the 95% stake acquired by Sephora in the e-commerce site Luxola and the investments in Repossi and L Catterton, as well as various payments in respect of performance clauses provided for during past acquisitions. See also Note 7.

In 2014, the impacts of changes in the percentage interest in consolidated entities were mainly related to the acquisition of

Domaine du Clos des Lambrays and that of the 30% stake in Sephora Brasil.

In 2013, the impact of changes in the percentage interest in consolidated entities was related, for 1,982 million euros, to the acquisition of Loro Piana. The remainder was related to the acquisition of Hotel Saint-Barth Isle de France, the Cova pastry brand, Nicholas Kirkwood, and of additional shareholdings in Château d'Yquem and Marc Jacobs.

### 3. BRANDS, TRADE NAMES AND OTHER INTANGIBLE ASSETS

<i>(EUR millions)</i>			2015	2014	2013
	Gross	Amortization and impairment	Net	Net	Net
Brands	10,805	(601)	10,204	9,957	9,866
Trade names	4,033	(1,663)	2,370	2,155	1,933
License rights	94	(76)	18	19	20
Leasehold rights	652	(318)	334	344	320
Software, websites	1,239	(920)	319	278	235
Other	724	(397)	327	278	222
<b>Total</b>	<b>17,547</b>	<b>(3,975)</b>	<b>13,572</b>	<b>13,031</b>	<b>12,596</b>
<i>Of which: assets held under finance leases</i>	14	(14)	-	-	-

#### 3.1. Movements in the fiscal year

Movements during the fiscal year ended December 31, 2015 in the net amounts of brands, trade names and other intangible assets were as follows:

Gross value <i>(EUR millions)</i>	Brands	Trade names	Software, websites	Leasehold rights	Other intangible assets	Total
As of December 31, 2014	10,519	3,651	1,049	624	694	16,537
Acquisitions	-	-	119	36	161	316
Disposals and retirements	-	-	(19)	(23)	(41)	(83)
Changes in the scope of consolidation	26	-	17	4	9	56
Translation adjustment	260	382	29	9	28	708
Reclassifications	-	-	44	2	(33)	13
<b>As of December 31, 2015</b>	<b>10,805</b>	<b>4,033</b>	<b>1,239</b>	<b>652</b>	<b>818</b>	<b>17,547</b>

Accumulated amortization and impairment <i>(EUR millions)</i>	Brands	Trade names	Software, websites	Leasehold rights	Other intangible assets	Total
<b>As of December 31, 2014</b>	<b>(562)</b>	<b>(1,496)</b>	<b>(771)</b>	<b>(280)</b>	<b>(397)</b>	<b>(3,506)</b>
Amortization expense	(19)	(1)	(133)	(40)	(104)	(297)
Impairment expense	-	-	(1)	(3)	-	(4)
Disposals and retirements	-	-	19	9	42	70
Changes in the scope of consolidation	-	-	(14)	-	(4)	(18)
Translation adjustment	(20)	(166)	(19)	(3)	(15)	(223)
Reclassifications	-	-	(1)	(1)	5	3
<b>As of December 31, 2015</b>	<b>(601)</b>	<b>(1,663)</b>	<b>(920)</b>	<b>(318)</b>	<b>(473)</b>	<b>(3,975)</b>
<b>Net carrying amount as of December 31, 2015</b>	<b>10,204</b>	<b>2,370</b>	<b>319</b>	<b>334</b>	<b>345</b>	<b>13,572</b>

Translation adjustments arose mainly on intangible assets recognized in US dollars and in Swiss francs, based on fluctuations in the exchange rate between these currencies and the euro by the close of the fiscal year. This affected in

particular the DFS Galleria trade name and the Donna Karan brand, as regards fluctuations relative to the US dollar, and the TAG Heuer and Hublot brands as regards fluctuations relative to the Swiss franc.

### 3.2. Movements in prior fiscal years

Net carrying amount <i>(EUR millions)</i>	Brands	Trade names	Software, websites	Leasehold rights	Other intangible assets	Total
<b>As of December 31, 2012</b>	<b>8,637</b>	<b>2,009</b>	<b>198</b>	<b>245</b>	<b>233</b>	<b>11,322</b>
Acquisitions	-	-	96	53	105	254
Disposals and retirements	-	-	-	(3)	(2)	(5)
Changes in the scope of consolidation	1,305	-	6	53	10	1,374
Amortization expense	(25)	(1)	(96)	(30)	(63)	(215)
Impairment expense	-	-	-	(1)	(1)	(2)
Translation adjustment	(51)	(75)	(4)	(4)	(3)	(137)
Reclassifications	-	-	35	7	(37)	5
<b>As of December 31, 2013</b>	<b>9,866</b>	<b>1,933</b>	<b>235</b>	<b>320</b>	<b>242</b>	<b>12,596</b>
Acquisitions	-	-	101	54	161	316
Disposals and retirements	-	-	-	(1)	(1)	(2)
Changes in the scope of consolidation	-	-	-	-	2	2
Amortization expense	(22)	(1)	(116)	(34)	(77)	(250)
Impairment expense	(3)	-	-	(1)	(1)	(5)
Translation adjustment	116	223	10	8	6	363
Reclassifications	-	-	48	(2)	(35)	11
<b>As of December 31, 2014</b>	<b>9,957</b>	<b>2,155</b>	<b>278</b>	<b>344</b>	<b>297</b>	<b>13,031</b>

### 3.3. Brands and trade names

The breakdown of brands and trade names by business group is as follows:

<i>(EUR millions)</i>			2015	2014	2013
	Gross	Amortization and impairment	Net	Net	Net
Wines and Spirits	919	(116)	803	785	766
Fashion and Leather Goods	5,289	(390)	4,899	4,859	4,816
Perfumes and Cosmetics	632	(27)	605	600	593
Watches and Jewelry	3,693	(6)	3,687	3,533	3,505
Selective Retailing	4,019	(1,616)	2,403	2,159	1,937
Other activities	286	(109)	177	176	182
<b>Brands and trade names</b>	<b>14,838</b>	<b>(2,264)</b>	<b>12,574</b>	<b>12,112</b>	<b>11,799</b>

The brands and trade names recognized are those that the Group has acquired. The principal acquired brands and trade names as of December 31, 2015 are:

- Wines and Spirits: Veuve Clicquot, Krug, Château d'Yquem, Belvedere, Glenmorangie, Newton Vineyards and Numanthia Termes;
- Fashion and Leather Goods: Louis Vuitton, Fendi, Donna Karan New York, Céline, Loewe, Givenchy, Kenzo, Thomas Pink, Berluti, Pucci and Loro Piana;
- Perfumes and Cosmetics: Parfums Christian Dior, Guerlain, Parfums Givenchy, Make Up For Ever, Benefit Cosmetics, Fresh, Acqua di Parma, KVD Beauty LLC and Ole Henriksen;
- Watches and Jewelry: Bvlgari, TAG Heuer, Zenith, Hublot, Chaumet and Fred;
- Selective Retailing: DFS Galleria, Sephora, Le Bon Marché and Ile de Beauté;
- Other activities: the publications of the media group Les Echos-Investir, the Royal Van Lent-Feadship brand, La Samaritaine and the patisserie brand Cova.

These brands and trade names are recognized in the balance sheet at their value determined as of the date of their acquisition by the Group, which may be much less than their value in use or their market value as of the date of preparation of the Group's consolidated financial statements. This is notably the case for the brands Louis Vuitton, Veuve Clicquot, and Parfums Christian Dior, and the trade name Sephora, with the understanding that this list must not be considered exhaustive.

Brands developed by the Group are not recognized in the balance sheet, notably Hennessy, and Moët & Chandon, Dom Pérignon, Mercier and Ruinart champagnes.

Brands and trade names developed by the Group, in addition to Louis Vuitton, Veuve Clicquot, Parfums Christian Dior and Sephora, represented 20% of total brands and trade names capitalized in the balance sheet and 56% of the Group's consolidated revenue.

Please refer also to Note 5 for the impairment testing of brands, trade names and other intangible assets with indefinite useful lives.

## 4. GOODWILL

<i>(EUR millions)</i>			2015	2014	2013
	Gross	Impairment	Net	Net	Net
Goodwill arising on consolidated investments	7,944	(1,721)	6,223	6,119	6,199
Goodwill arising on purchase commitments for minority interests	3,899	-	3,899	2,691	2,859
<b>Total</b>	<b>11,843</b>	<b>(1,721)</b>	<b>10,122</b>	<b>8,810</b>	<b>9,058</b>

Changes in net goodwill during the fiscal years presented break down as follows:

<i>(EUR millions)</i>			2015	2014	2013
	Gross	Impairment	Net	Net	Net
<b>As of January 1</b>	<b>10,320</b>	<b>(1,510)</b>	<b>8,810</b>	<b>9,058</b>	<b>7,708</b>
Changes in the scope of consolidation (See Note 2)	111	-	111	81	1,142
Changes in purchase commitments for minority interests	1,195	-	1,195	(162)	294
Changes in impairment	-	(116)	(116)	(209)	(57)
Translation adjustment	217	(95)	122	42	(29)
<b>As of December 31</b>	<b>11,843</b>	<b>(1,721)</b>	<b>10,122</b>	<b>8,810</b>	<b>9,058</b>

Changes in the scope of consolidation in fiscal year 2015 were mainly related to the acquisition of the daily newspaper *Le Parisien-Aujourd'hui en France* and the 95% stake in Luxola. See Note 2.

Changes in the scope of consolidation in fiscal year 2014 were mainly related to goodwill arising on the acquisition of Clos des Lambrays. See Note 2.

Changes in the scope of consolidation in fiscal year 2013 were mainly attributable to goodwill arising on the acquisition of Loro Piana for 1,047 million euros, and to goodwill arising on

the consolidation of Hotel Saint-Barth Isle de France, Nicholas Kirkwood and Cova for the remaining amount.

Translation adjustments arose mainly on goodwill recognized in US dollars and in Swiss francs, based on the appreciation of these currencies relative to the euro by fiscal year-end. This affected Benefit, Starboard Cruise Services and Donna Karan, as regards US dollars, and TAG Heuer and Hublot as regards Swiss francs.

Please refer also to Note 20 for goodwill arising on purchase commitments for minority interests.

## 5. IMPAIRMENT TESTING OF INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES

Brands, trade names, and other intangible assets with indefinite useful lives as well as the goodwill arising on acquisition have been subject to annual impairment testing. No significant impairment expense has been recognized in respect of these items during the course of fiscal year 2015. As

described in Note 1.14, these assets are generally valued on the basis of the present value of forecast cash flows determined in the context of multi-year business plans drawn up over the course of each fiscal year. The main assumptions retained for the determination of these forecast cash flows are as follows:

<i>(as %)</i>	2015				2014			2013		
	Discount rate		Annual growth rate for revenue during the plan period	Growth rate for the period after the plan	Post-tax discount rate	Annual growth rate for revenue during the plan period	Growth rate for the period after the plan	Post-tax discount rate	Annual growth rate for revenue during the plan period	Growth rate for the period after the plan
	Post-tax	Pre-tax								
Wines and Spirits	6.2 to 9.9	9.25 to 14.8	6.3	2.0	7.5 to 11.2	8.1	2.0	7.5 to 11.2	9.2	2.0
Fashion and Leather Goods	8.0 to 12.0	12.7 to 17.9	8.9	2.0	8.0 to 13.1	9.1	2.0	8.0 to 13.1	11.1	2.0
Perfumes and Cosmetics	7.4	11.0	8.9	2.0	8.0 to 8.5	8.7	2.0	8.0 to 9.4	9.5	2.0
Watches and Jewelry	8.1 to 8.5	12.1 to 12.7	7.1	2.0	9.2 to 9.6	8.7	2.0	9.2 to 9.6	9.7	2.0
Selective Retailing	7.3 to 8.5	10.9 to 12.7	8.3	2.0	8.4 to 9.6	9.4	2.0	8.4 to 9.6	10.1	2.0
Other	5.5 to 7.1	8.2 to 10.6	5.8	2.0	6.5 to 8.2	0.9	2.0	6.5 to 8.2	2.7	2.0

Plans generally cover a five-year period, but may be prolonged up to 10 years in the case of brands for which the production cycle exceeds five years or brands undergoing strategic repositioning. The compound annual growth rate for revenue and the improvement in profit margins over plan periods are comparable to the growth achieved in the previous four fiscal years, except for brands undergoing strategic repositioning, for which the improvements projected are greater than historical performance due to the expected effects of the repositioning measures implemented.

Discount rates are down compared to 2014, following the drop in interest rates in 2015. Annual growth rates applied for the period not covered by the plans are based on market estimates for the business groups concerned.

As of December 31, 2015, the intangible assets with indefinite useful lives that are the most significant in terms of their net carrying amounts and the criteria used for their impairment testing are as follows:

<i>(EUR millions)</i>	Brands and trade names	Goodwill	Total	Post-tax discount rate <i>(as %)</i>	Growth rate for the period after the plans <i>(as %)</i>	Period covered by the forecast cash flows
	Louis Vuitton	491	2,549	8.0	2.0	5 years
	Loro Piana	1,047	2,347	8.5	2.0	5 years
	Fendi	404	1,117	8.5	2.0	5 years
	Bvlgari	1,547	3,647	8.1	2.0	10 years
	TAG Heuer	217	1,362	8.1	2.0	5 years
	DFS Galleria	20	2,122	8.5	2.0	5 years

As of December 31, 2015, for the business segments listed above, a change of 0.5 points in the post-tax discount rate or in the growth rate for the period not covered by the plans, compared to rates used as of December 31, 2015, or a reduction of 2 points in the compound annual growth rate for revenue over the period covered by the plans would not result in the recognition of any impairment losses for these intangible assets. The Group considers that changes in excess of the limits mentioned above would entail assumptions at a level not deemed relevant, in view of the current economic environment and medium to long-term growth prospects for the business segments concerned.

With respect to the other business segments, seven have disclosed intangible assets with a carrying amount close to their value in use. The carrying amount for each of these intangible assets as of December 31, 2015 as well as the impairment loss that would result from a change of 0.5 points in the post-tax discount rate or in the growth rate for the period not covered by the plans, or from a reduction of 2 points in the compound annual growth rate for revenue compared to rates used as of December 31, 2015 breaks down as follows:

<i>(EUR millions)</i>	Amount of intangible assets concerned as of 12/31/2015	Amount of impairment if:		
		Increase of 0.5% in post-tax discount rate	Decrease of 2% in compound annual growth rate for revenue	Decrease of 0.5% in growth rate for the period after the plan
Fashion and Leather Goods	50	(29)	(28)	(24)
Other business groups	548	(86)	(27)	(70)
<b>Total</b>	<b>598</b>	<b>(115)</b>	<b>(55)</b>	<b>(94)</b>

As of December 31, 2015, the gross and net values of brands, trade names and goodwill giving rise to amortization and/or impairment charges in 2015 were 882 million euros and 374 million euros, respectively (1,202 and 622 million euros as of December 31, 2014). See Note 25 regarding amortization and depreciation recorded during the fiscal year.

## 6. PROPERTY, PLANT AND EQUIPMENT

<i>(EUR millions)</i>			2015	2014	2013
	Gross	Depreciation and impairment	Net	Net	Net
Land	1,311	(75)	1,236	1,104	1,055
Vineyard land and producing vineyards	2,538	(97)	2,441	2,364	2,294
Buildings	3,194	(1,509)	1,685	1,430	1,311
Investment property	610	(48)	562	632	605
Leasehold improvements, machinery and equipment	9,522	(6,346)	3,176	3,014	2,593
Assets in progress	759	(4)	755	684	800
Other tangible fixed assets	1,727	(425)	1,302	1,159	963
<b>Total</b>	<b>19,661</b>	<b>(8,504)</b>	<b>11,157</b>	<b>10,387</b>	<b>9,621</b>
<i>Of which: assets held under finance leases</i>	<i>291</i>	<i>(199)</i>	<i>92</i>	<i>99</i>	<i>105</i>
<i>historical cost of vineyard land and producing vineyards</i>	<i>739</i>	<i>(97)</i>	<i>642</i>	<i>631</i>	<i>537</i>

### 6.1. Movements in the fiscal year

Movements in property, plant and equipment during the fiscal year break down as follows:

<i>(EUR millions)</i>	Vineyard land and producing vineyards	Land and buildings	Investment property	Leasehold improvements, machinery and equipment			Assets in progress	Other tangible fixed assets	Total
				Stores	Production, logistics	Other			
<b>As of December 31, 2014</b>	<b>2,455</b>	<b>3,952</b>	<b>679</b>	<b>5,167</b>	<b>1,995</b>	<b>1,238</b>	<b>688</b>	<b>1,592</b>	<b>17,766</b>
Acquisitions	5	241	5	474	102	97	602	213	1,739
Change in the market value of vineyard land	64	-	-	-	-	-	-	-	64
Disposals and retirements	(2)	(59)	-	(347)	(43)	(81)	(2)	(33)	(567)
Changes in the scope of consolidation	-	1	-	1	38	15	(29)	-	26
Translation adjustment	-	165	27	302	27	55	34	27	637
Other movements, including transfers	16	205	(101)	593	34	(145)	(534)	(72)	(4)
<b>As of December 31, 2015</b>	<b>2,538</b>	<b>4,505</b>	<b>610</b>	<b>6,190</b>	<b>2,153</b>	<b>1,179</b>	<b>759</b>	<b>1,727</b>	<b>19,661</b>

<i>(EUR millions)</i>	Vineyard land and producing vineyards	Land and buildings	Investment property	Leasehold improvements, machinery and equipment			Assets in progress	Other tangible fixed assets	Total
				Stores	Production, logistics	Other			
<b>As of December 31, 2014</b>	<b>(91)</b>	<b>(1,418)</b>	<b>(47)</b>	<b>(3,194)</b>	<b>(1,354)</b>	<b>(838)</b>	<b>(4)</b>	<b>(433)</b>	<b>(7,379)</b>
Depreciation expense	(6)	(160)	(3)	(787)	(128)	(118)	-	(64)	(1,266)
Impairment expense	-	(14)	-	(1)	-	-	(1)	-	(16)
Disposals and retirements	-	58	-	344	42	79	1	34	558
Changes in the scope of consolidation	-	(1)	-	-	(37)	(13)	-	-	(51)
Translation adjustment	-	(64)	(1)	(197)	(18)	(39)	-	(21)	(340)
Other movements, including transfers	-	15	3	(184)	8	89	-	59	(10)
<b>As of December 31, 2015</b>	<b>(97)</b>	<b>(1,584)</b>	<b>(48)</b>	<b>(4,019)</b>	<b>(1,487)</b>	<b>(840)</b>	<b>(4)</b>	<b>(425)</b>	<b>(8,504)</b>
<b>Net carrying amount as of December 31, 2015</b>	<b>2,441</b>	<b>2,921</b>	<b>562</b>	<b>2,171</b>	<b>666</b>	<b>339</b>	<b>755</b>	<b>1,302</b>	<b>11,157</b>



Other tangible fixed assets include in particular the works of art owned by the Group.

Purchases of property, plant and equipment include investments by Sephora, Louis Vuitton, DFS, and Bvlgari in their retail networks, investments by Parfums Christian Dior in new counters, and investments by the champagne houses and Hennessy in their production equipment, as well as investments in real estate for administrative use, sales operations or rental purposes.

Translation adjustments arose mainly on property, plant and equipment recognized in US dollars, based on fluctuations in

the US dollar to euro exchange rate between December 31, 2014 and December 31, 2015.

The impact of marking vineyard land to market was 1,799 million euros as of December 31, 2015 (1,733 million euros as of December 31, 2014; 1,757 million euros as of December 31, 2013). See Notes 1.9 and 1.13 on the measurement method for vineyard land.

The market value of investment property, according to appraisals by independent third parties, was 1 billion euros as of December 31, 2015. The valuation methods used are based on market data.

## 6.2. Movements in prior fiscal years

Net carrying amount (EUR millions)	Vineyard land and producing vineyards	Land and buildings	Investment property	Leasehold improvements, machinery and equipment			Assets in progress	Other tangible fixed assets	Total
				Stores	Production, logistics	Other			
<b>As of December 31, 2012</b>	<b>1,930</b>	<b>2,478</b>	<b>509</b>	<b>1,306</b>	<b>553</b>	<b>252</b>	<b>715</b>	<b>951</b>	<b>8,694</b>
Acquisitions	4	96	18	580	89	115	597	82	1,581
Disposals and retirements	-	(58)	-	(2)	(1)	(2)	(2)	(22)	(87)
Depreciation expense	(6)	(120)	(7)	(469)	(118)	(110)	-	(79)	(909)
Impairment expense	-	(1)	-	(2)	1	-	(8)	-	(10)
Change in the market value of vineyard land	369	-	-	-	-	-	-	-	369
Changes in the scope of consolidation	-	155	-	31	32	2	-	1	221
Translation adjustment	(11)	(79)	(13)	(73)	(7)	(10)	(18)	(15)	(226)
Other, including transfers	8	(105)	98	284	59	83	(484)	45	(12)
<b>As of December 31, 2013</b>	<b>2,294</b>	<b>2,366</b>	<b>605</b>	<b>1,655</b>	<b>608</b>	<b>330</b>	<b>800</b>	<b>963</b>	<b>9,621</b>
Acquisitions	3	132	16	474	100	98	543	166	1,532
Disposals and retirements	(25)	(3)	-	(3)	(2)	(1)	(1)	-	(35)
Depreciation expense	(6)	(125)	(5)	(621)	(140)	(122)	-	(62)	(1,081)
Impairment expense	-	(14)	(2)	14	-	1	(5)	(2)	(8)
Change in the market value of vineyard land	(17)	-	-	-	-	-	-	-	(17)
Changes in the scope of consolidation	96	7	-	(1)	-	-	(6)	2	98
Translation adjustment	6	96	18	105	8	16	34	9	292
Other, including transfers	13	75	-	350	67	78	(681)	83	(15)
<b>As of December 31, 2014</b>	<b>2,364</b>	<b>2,534</b>	<b>632</b>	<b>1,973</b>	<b>641</b>	<b>400</b>	<b>684</b>	<b>1,159</b>	<b>10,387</b>

Purchases of property, plant and equipment in fiscal year 2014 included 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 equipment, as well as investments in real estate for administrative use, sales operations or rental purposes.

Purchases of property, plant and equipment in 2013 included investments by Louis Vuitton, Sephora, DFS, Bvlgari and Berluti in their retail networks, as well as those of the champagne houses in their production equipment, and those of Parfums Christian Dior in new counters. Changes in the scope of consolidation were mainly attributable to the consolidation of Loro Piana.

## 7. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

(EUR millions)	2015				2014		2013	
	Gross	Impairment	Net	Of which joint arrangements	Net	Of which joint arrangements	Net	Of which joint arrangements
Share of net assets of joint ventures and associates as of January 1	519	-	519	351	480	328	483	320
Share of net profit (loss) for the period	(13)	-	(13)	(4)	(5)	(15)	(23)	(31)
Dividends paid	(14)	-	(14)	(6)	(21)	(5)	(26)	(11)
Changes in the scope of consolidation	212	-	212	-	7	-	6	-
Capital increases subscribed	3	-	3	3	16	11	38	38
Translation adjustment	5	-	5	4	8	4	(17)	(3)
Other movements, including transfers	17	-	17	5	34	28	19	15
<b>Share of net assets of joint ventures and associates as of December 31</b>	<b>729</b>	<b>-</b>	<b>729</b>	<b>353</b>	<b>519</b>	<b>351</b>	<b>480</b>	<b>328</b>

As of December 31, 2015, investments in joint ventures and associates consisted primarily of:

- For joint arrangements:

- a 50% equity stake in the Château Cheval Blanc wine estate (Gironde, France), which produces the eponymous Saint-Émilion Grand Cru Classé A;
- a 50% equity stake in De Beers Diamond Jewellers, whose network of boutiques sells the De Beers brand jewelry;
- a 50% equity stake in Montres Dior, which designs and manufactures Dior watches. See also Note 32.1.

- For other companies:

- a 40% equity stake in Mongoual SA, a real estate company which owns an office building in Paris (France), which is the head office of LVMH Moët Hennessy - Louis Vuitton;
- a 45% equity stake in PT. Sona Topas Tourism Industry Tbk (STTI), an Indonesian retail company, which notably holds duty-free sales licenses in airports;
- a 46% equity stake in JW Anderson, a London-based ready-to-wear brand, acquired in September 2013;
- a 41.7% equity stake in Repossi, an Italian jewelry brand, acquired in November 2015;
- a 35.8% equity stake in L Catterton, an investment fund management company created in December 2015 in partnership with Catterton.

## 8. NON-CURRENT AVAILABLE FOR SALE FINANCIAL ASSETS

(EUR millions)	2015			2014	2013
	Gross	Impairment	Net	Net	Net
<b>Total</b>	<b>777</b>	<b>(203)</b>	<b>574</b>	<b>580</b>	<b>7,080</b>

Non-current available for sale financial assets changed as follows during the fiscal years presented:

<i>(EUR millions)</i>	2015	2014	2013
<b>As of January 1</b>	<b>580</b>	<b>7,080</b>	<b>6,004</b>
Acquisitions	74	50	197
Disposals at net realized value	(68)	(160)	(38)
Changes in market value	(3)	455	941
Distribution in kind of Hermès shares	-	(6,797)	-
Changes in impairment	(22)	(12)	(5)
Changes in the scope of consolidation	-	-	1
Translation adjustment	31	33	(11)
Reclassifications	(18)	(69)	(9)
<b>As of December 31</b>	<b>574</b>	<b>580</b>	<b>7,080</b>

As of December 31, 2013, non-current available for sale assets mainly included an investment in Hermès International SCA (“Hermès”) with a gross and net amount of 6,437 million euros (5,409 million euros as of December 31, 2012). This shareholding was distributed to LVMH’s shareholders on December 17, 2014, in accordance with the terms of the Agreement entered into on September 2, 2014 between LVMH and Hermès. LVMH distributed the Hermès shares to its shareholders in the form of an exceptional distribution in kind approved at the Combined Shareholders’ Meeting of November 25, 2014. The share ratio used for the distribution was 2 Hermès shares for 41 LVMH shares. The amount of the distribution in kind, 6.9 billion euros, was determined on the basis of the opening Hermès share price on December 17, 2014, which was 280.10 euros. Because fractional shares were made neither

tradable nor assignable, shareholders whose allocation based on the distribution ratio was not a whole number of Hermès shares received the next lower whole number of Hermès shares, plus a cash equalization payment. See also Note 15.3.

After completion of the distribution of Hermès shares to the shareholders, LVMH’s remaining stake in Hermès was 61 million euros, corresponding to shares not distributed in respect of fractional rights. Under the terms of the Agreement LVMH undertook to dispose of those shares by no later than September 2, 2015. The Hermès share price used to value the shareholding was 294.80 euros as of December 31, 2014 (263.50 as of December 31, 2013; 226.30 as of December 31, 2012). The shares are presented in current available for sale financial assets as of December 31, 2014 (see Note 13). As of December 31, 2015, LVMH no longer holds any Hermès shares.

The impact of the Hermès share distribution on the consolidated financial statements as of December 31, 2014 was as follows:

<i>(EUR millions)</i>	Impacts on equity, of which:				Impacts on cash
	Revaluation reserves	Profit	Other reserves	Total	
Distribution in kind of Hermès shares	(2,800)	3,189 <sup>(a)</sup>	(6,855)	(6,466)	-
Related income tax <sup>(b)</sup>	185	(512)	-	(327)	(210)
<b>Net</b>	<b>(2,615)</b>	<b>2,677</b>	<b>(6,855)</b>	<b>(6,793)</b>	<b>(210)</b>

(a) See also Note 26.

(b) Including the impact of the 3% tax on dividends paid by LVMH SE. See Note 27.

The net impact on consolidated equity was a reduction of 6.8 billion euros, corresponding to the value of the Hermès stake as of December 31, 2013, plus the tax impacts resulting from this distribution. The gain (excluding tax impacts) recorded in the income statement was 3.2 billion euros, corresponding to the difference between the value of the stake as measured using the Hermès opening share price on December 17, 2014, i.e. 6.9 billion euros, and the total cost price of the shares for accounting purposes, which was 3.7 billion euros (2.7 billion euros in cash after deduction of the gain recognized in 2010 on the unwinding of equity-linked swaps covering 12.8 million shares).

See Note 16 regarding the impacts of the distribution of Hermès shares on stock option and similar plans.

The market value of non-current available for sale financial assets is determined using the methods described in Note 1.8; see also Note 22.2 for the breakdown of these assets according to the measurement methods used. Impairment of non-current available for sale financial assets is determined in accordance with the accounting policies described in Note 1.15.

Non-current available for sale financial assets held by the Group as of December 31, 2015 include the following:

<i>(EUR millions)</i>	Percentage of interest	Net value	Revaluation reserve	Dividends received
Hengdeli Holdings Ltd (China)	6.3%	40	10	1
Tod's SpA (Italy)	3.5%	77	31	2
L Real Estate SCA (Luxembourg)	32.2%	154	68	-
Other investments		303	18	-
<b>Total</b>		<b>574</b>	<b>127</b>	<b>3</b>

Other investments mainly include shares in unlisted investment funds.

The stake held in Sociedad Textil Lonia SA was sold in 2014.

## 9. OTHER NON-CURRENT ASSETS

<i>(EUR millions)</i>	2015	2014	2013
Warranty deposits	273	236	223
Derivatives	60	75	68
Loans and receivables	187	156	151
Other	32	22	15
<b>Total</b>	<b>552</b>	<b>489</b>	<b>457</b>

## 10. INVENTORIES AND WORK IN PROGRESS

<i>(EUR millions)</i>	2015			2014	2013
	Gross	Impairment	Net	Net	Net
Wines and <i>eaux-de-vie</i> in the process of aging	4,224	(11)	4,213	4,002	3,717
Other raw materials and work in progress	1,471	(336)	1,135	1,273	1,157
	5,695	(347)	5,348	5,275	4,874
Goods purchased for resale	1,760	(188)	1,572	1,323	1,163
Finished products	3,971	(795)	3,176	2,877	2,455
	5,731	(983)	4,748	4,200	3,618
<b>Total</b>	<b>11,426</b>	<b>(1,330)</b>	<b>10,096</b>	<b>9,475</b>	<b>8,492</b>

The net change in inventories for the fiscal years presented breaks down as follows:

<i>(EUR millions)</i>	2015			2014	2013
	Gross	Impairment	Net	Net	Net
<b>As of January 1</b>	<b>10,700</b>	<b>(1,225)</b>	<b>9,475</b>	<b>8,492</b>	<b>7,994</b>
Change in gross inventories	569	-	569	929	769
Effect of provision for returns <sup>(a)</sup>	(2)	-	(2)	12	(5)
Impact of marking harvests to market	(16)	-	(16)	(7)	2
Changes in impairment	-	(317)	(317)	(313)	(242)
Changes in the scope of consolidation	6	-	6	10	292
Translation adjustment	460	(79)	381	347	(297)
Other, including reclassifications	(291)	291	-	5	(21)
<b>As of December 31</b>	<b>11,426</b>	<b>(1,330)</b>	<b>10,096</b>	<b>9,475</b>	<b>8,492</b>

(a) See Note 1.25.

Changes in the scope of consolidation in 2013 were mainly related to the consolidation of Loro Piana.

Translation adjustments arose mainly on inventories recognized in US dollars, based on the appreciation of the US dollar relative to the euro over the fiscal year.

The effects of marking harvests to market on Wines and Spirits' cost of sales and value of inventory are as follows:

<i>(EUR millions)</i>	2015	2014	2013
Effect of marking the period's harvest to market	18	24	37
Effect of inventory sold during the period	(34)	(31)	(35)
<b>Net effect on cost of sales of the period</b>	<b>(16)</b>	<b>(7)</b>	<b>2</b>
<b>Net effect on the value of inventory as of period-end</b>	<b>150</b>	<b>166</b>	<b>173</b>

See Notes 1.9 and 1.16 on the method of marking harvests to market.

## 11. TRADE ACCOUNTS RECEIVABLE

<i>(EUR millions)</i>	2015	2014	2013
Trade accounts receivable, nominal amount	2,820	2,546	2,416
Provision for impairment	(64)	(66)	(67)
Provision for product returns <sup>(a)</sup>	(235)	(206)	(175)
<b>Net amount</b>	<b>2,521</b>	<b>2,274</b>	<b>2,174</b>

(a) See Note 1.25.

The change in trade accounts receivable for the fiscal years presented breaks down as follows:

<i>(EUR millions)</i>			2015	2014	2013
	Gross	Impairment	Net	Net	Net
<b>As of January 1</b>	<b>2,546</b>	<b>(272)</b>	<b>2,274</b>	<b>2,174</b>	<b>1,972</b>
Changes in gross receivables	46	-	46	30	291
Changes in provision for impairment	-	-	-	(5)	(4)
Changes in provision for product returns	-	(20)	(20)	(25)	(1)
Changes in the scope of consolidation	142	(1)	141	5	50
Translation adjustment	96	(8)	88	62	(136)
Reclassifications	(10)	2	(8)	33	2
<b>As of December 31</b>	<b>2,820</b>	<b>(299)</b>	<b>2,521</b>	<b>2,274</b>	<b>2,174</b>

The trade accounts receivable balance is comprised primarily of receivables from wholesalers or agents, who are limited in number and with whom the Group maintains ongoing relationships for the most part. As of December 31, 2015, coverage of customer credit risk had been requested from insurers for the majority of trade receivables, approximately 88% of the amount of which was granted, versus 90% at December 31, 2014.

As of December 31, 2015, the breakdown of the nominal amount of trade receivables and of impairment by age was as follows:

<i>(EUR millions)</i>		Nominal amount of receivables	Impairment	Net amount of receivables
Not due:	- less than 3 months	2,229	(16)	2,213
	- more than 3 months	295	(4)	291
		2,524	(20)	2,504
Overdue:	- less than 3 months	181	(7)	174
	- more than 3 months	115	(37)	78
		296	(44)	252
<b>Total</b>		<b>2,820</b>	<b>(64)</b>	<b>2,756</b>

For each of the fiscal years presented, no single customer represented revenue exceeding 10% of the Group's consolidated revenue.

There is no difference between the present value of trade accounts receivable and their carrying amount.

## 12. OTHER CURRENT ASSETS

<i>(EUR millions)</i>	2015	2014	2013
Current available for sale financial assets	385	253	171
Derivatives	297	304	494
Tax accounts receivable, excluding income taxes	602	449	355
Advances and payments on account to vendors	159	162	173
Prepaid expenses	357	313	283
Other receivables	555	435	380
<b>Total</b>	<b>2,355</b>	<b>1,916</b>	<b>1,856</b>

There is no difference between the present value of other current assets and their carrying amount.

Please also refer to Note 13 Current available for sale financial assets and Note 22 Financial instruments and market risk management.

## 13. CURRENT AVAILABLE FOR SALE FINANCIAL ASSETS

<i>(EUR millions)</i>	2015	2014	2013
Unlisted securities, shares in non-money market SICAVs and funds	151	-	12
Listed securities	234	253	159
<b>Total</b>	<b>385</b>	<b>253</b>	<b>171</b>
<i>Of which: historical cost of current available for sale financial assets</i>	<i>393</i>	<i>180</i>	<i>136</i>

The net value of current available for sale financial assets changed as follows during the periods presented:

<i>(EUR millions)</i>	2015	2014	2013
<b>As of January 1</b>	<b>253</b>	<b>171</b>	<b>177</b>
Acquisitions	377	-	-
Disposals at net realized value	(241)	(15)	(27)
Changes in market value	(29)	39	22
Changes in impairment	7	-	-
Changes in the scope of consolidation	-	-	-
Translation adjustment	-	-	(1)
Reclassifications	18	58	-
<b>As of December 31</b>	<b>385</b>	<b>253</b>	<b>171</b>

The market value of current available for sale financial assets is determined using the methods described in Note 1.9. See also Note 22.2 for the breakdown of these assets according to the measurement methods used and Note 1.15 for the method used to determine impairment losses on current available for sale financial assets.

## 14. CASH AND CASH EQUIVALENTS

<i>(EUR millions)</i>	2015	2014	2013
Fixed term deposits (less than 3 months)	808	1,270	809
SICAV and FCP money market funds	577	784	538
Ordinary bank accounts	2,209	2,037	1,879
<b>Cash and cash equivalents per balance sheet</b>	<b>3,594</b>	<b>4,091</b>	<b>3,226</b>

The reconciliation between cash and cash equivalents as shown in the balance sheet and net cash and cash equivalents appearing in the cash flow statement is as follows:

<i>(EUR millions)</i>	2015	2014	2013
Cash and cash equivalents	3,594	4,091	3,226
Bank overdrafts	(204)	(308)	(310)
<b>Net cash and cash equivalents per cash flow statement</b>	<b>3,390</b>	<b>3,783</b>	<b>2,916</b>

## 14.1. Change in working capital

The change in working capital breaks down as follows for the fiscal years presented:

<i>(EUR millions)</i>	Notes	2015	2014	2013
Change in inventories and work in progress	10	(569)	(928)	(769)
Change in trade accounts receivable <sup>(a)</sup>	11	(49)	(22)	(288)
Change in trade accounts payable	21	93	176	203
Change in other receivables and payables		96	56	234
<b>Change in working capital <sup>(b)</sup></b>		<b>(429)</b>	<b>(718)</b>	<b>(620)</b>

(a) Including a negative effect of 3 million euros related to amounts owed to customers (8 million euros as of December 31, 2014; 1 million euros as of December 31, 2013).

(b) Increase/(Decrease) in cash and cash equivalents.

## 14.2. Operating investments

Operating investments comprise the following elements for the fiscal years presented:

<i>(EUR millions)</i>	Notes	2015	2014	2013
Purchase of intangible fixed assets	3	(316)	(316)	(253)
Purchase of tangible fixed assets	6	(1,739)	(1,532)	(1,581)
Changes in accounts payable related to fixed asset purchases		81	78	108
<b>Net cash used in purchases of fixed assets <sup>(a)</sup></b>		<b>(1,974)</b>	<b>(1,770)</b>	<b>(1,726)</b>
Net cash from fixed asset disposals <sup>(a)</sup>		41	45	98
Guarantee deposits paid and other cash flows related to operating investments		(22)	(50)	(29)
<b>Operating investments</b>		<b>(1,955)</b>	<b>(1,775)</b>	<b>(1,657)</b>

(a) Increase/(Decrease) in cash and cash equivalents.

## 15. EQUITY

### 15.1. Share capital and share premium account

As of December 31, 2015, issued and fully paid-up shares totaled 507,139,110 (507,711,713 shares as of December 31, 2014 and 507,793,661 shares as of December 31, 2013), with a par value of 0.30 euros per share, including 229,780,453 shares with double voting rights (226,167,633 as of December 31, 2014 and

224,907,923 as of December 31, 2013). Double voting rights are attached to registered shares held for more than three years.

Changes in the share capital and share premium account, in value and in terms of number of shares, break down as follows:

<i>(EUR millions)</i>	2015			2014	2013
	Number	Amount		Amount	Amount
		Share capital	Share premium account		
As of January 1	507,711,713	152	2,655	4,001	4,000
Exercise of share subscription options	552,137	-	35	59	67
Distribution in kind of Hermès shares	-	-	-	(1,203)	-
Retirement of shares	(1,124,740)	-	(111)	(50)	(66)
<b>As of December 31</b>	<b>507,139,110</b>	<b>152</b>	<b>2,579</b>	<b>2,807</b>	<b>4,001</b>



## 15.2. LVMH treasury shares

The portfolio of LVMH treasury shares is allocated as follows:

<i>(EUR millions)</i>	2015		2014	2013
	Number	Amount	Amount	Amount
Share subscription option plans	2,979,961	140	156	203
Share purchase option plans	-	-	-	-
Bonus share plans	1,264,960	86	102	101
Other plans	-	-	8	39
<b>Shares held for stock option and similar plans<sup>(a)</sup></b>	<b>4,244,921</b>	<b>226</b>	<b>266</b>	<b>343</b>
Liquidity contract	95,000	14	13	13
Shares pending retirement	-	-	95	95
<b>LVMH shares</b>	<b>4,339,921</b>	<b>240</b>	<b>374</b>	<b>451</b>

(a) See Note 16 regarding stock option and similar plans.

“Other plans” correspond to future plans.

The market value of LVMH shares held under the liquidity contract as of December 31, 2015 amounts to 14 million euros.

The portfolio movements of LVMH treasury shares in fiscal year 2015 were as follows:

<i>(EUR millions)</i>	Number	Amount	Effect on cash
<b>As of December 31, 2014</b>	<b>5,851,370</b>	<b>374</b>	
Share purchases	1,799,806	281	(281)
Bonus shares definitively allocated	(386,709)	(24)	-
Retirement of shares	(1,124,740)	(111)	-
Proceeds from disposal at net realized value	(1,799,806)	(282)	282
Gain/(loss) on disposal	-	2	-
<b>As of December 31, 2015</b>	<b>4,339,921</b>	<b>240</b>	<b>1</b>

## 15.3. Dividends paid by the parent company LVMH SE

In accordance with French regulations, dividends are taken from the profit for the fiscal year and reserves available for distribution of the parent company, after deducting applicable withholding tax and the value attributable to treasury shares.

As of December 31, 2015, the amount available for distribution was 13,501 million euros; after taking into account the proposed dividend distribution in respect of the 2015 fiscal year, the amount available for distribution is 12,385 million euros.

<i>(EUR millions, except for data per share in EUR)</i>	2015	2014	2013
Interim dividend for the current fiscal year (2015: 1.35 euros; 2014: 1.25 euros; 2013: 1.10 euros)	685	634	609
Distribution in kind of Hermès shares	-	6,855	-
Impact of treasury shares	(6)	(7)	(9)
<b>Gross amount disbursed for the fiscal year</b>	<b>679</b>	<b>7,482</b>	<b>600</b>
Final dividend for the previous fiscal year (2014: 1.95 euros; 2013: 1.90 euros; 2012: 1.80 euros)	998	965	914
Impact of treasury shares	(18)	(13)	(14)
<b>Gross amount disbursed for the previous fiscal year</b>	<b>980</b>	<b>952</b>	<b>900</b>
<b>Total gross amount disbursed during the period<sup>(a)</sup></b>	<b>1,659</b>	<b>8,434</b>	<b>1,500</b>

(a) Excludes the impact of tax regulations applicable to the beneficiary.

The final dividend for fiscal year 2015, as proposed to the Shareholders' Meeting of April 14, 2016, is 2.20 euros per share, representing a total amount of 1,116 million euros, before deduction of the amount attributable to treasury shares as of the ex-dividend date.

## 15.4. Cumulative translation adjustment

The change in the translation adjustment recognized under equity, Group share net of hedging effects of net assets denominated in foreign currency, breaks down as follows by currency:

<i>(EUR millions)</i>	2015	Change	2014	2013
US dollar	486	339	147	(203)
Swiss franc	733	283	450	406
Japanese yen	79	27	52	52
Hong Kong dollar	454	228	226	(15)
Pound sterling	36	42	(6)	(52)
Other currencies	(133)	(54)	(79)	(67)
Foreign currency net investment hedges	(518)	(220)	(298)	(129)
<b>Total, Group share</b>	<b>1,137</b>	<b>645</b>	<b>492</b>	<b>(8)</b>

## 15.5. Strategy relating to the Group's financial structure

The Group firmly believes that the management of its financial structure contributes, together with the development of the companies it owns and the management of its brand portfolio, to its objective of driving value creation for its shareholders. Maintaining a suitable quality credit rating is a core objective for the Group, ensuring good access to markets under favorable conditions, allowing it both to seize opportunities and procure the resources that it needs to develop its business.

To this end, the Group monitors a certain number of financial ratios and aggregate measures of financial risk, including:

- net financial debt (see Note 18) to equity;
- cash from operations before changes in working capital to net financial debt;
- net cash from operations before changes in working capital;
- net cash from operating activities and operating investments (free cash flow);

- long-term resources to fixed assets;
- proportion of long-term debt in net financial debt.

Long-term resources are understood to correspond to the sum of equity and non-current liabilities.

Where applicable, these indicators are adjusted to reflect the Group's off-balance sheet financial commitments.

The Group also promotes financial flexibility by maintaining numerous and varied banking relationships, through frequent recourse to several negotiable debt markets (both short and long-term), by holding a large amount of cash and cash equivalents, and through the existence of sizable amounts of undrawn confirmed credit lines, intended to largely exceed the outstanding portion of its commercial paper program, while continuing to represent a reasonable cost for the Group.

## 16. STOCK OPTION AND SIMILAR PLANS

### 16.1. General characteristics of plans

#### Share purchase and subscription option plans

The Shareholders' Meeting of April 16, 2015 renewed the authorization given to the Board of Directors, for a period of twenty-six months expiring in June 2017, to grant share subscription or purchase options to Group company employees or directors, on one or more occasions, in an amount not to exceed 1% of the Company's share capital.

Each plan is valid for 10 years, the options may be exercised after a four-year period.

For all plans, one option gives the right to one share.

### Bonus share plans

The Shareholders' Meeting of April 16, 2015 renewed the authorization given to the Board of Directors, for a period of twenty-six months expiring in June 2017, to grant bonus shares to Group company employees or directors, on one or more occasions, in an amount not to exceed 1% of the Company's share capital on the date of this authorization.

The allocation of bonus shares to beneficiaries who are French residents for tax purposes becomes definitive after a three-year vesting period, which is followed by a two-year holding period during which the beneficiaries may not sell their shares.

Bonus shares allocated to beneficiaries who are not French residents for tax purposes become definitive after a vesting period of four years and are freely transferable at that time.

### Performance conditions

Certain share subscription option plans and bonus share plans are subject to performance conditions that determine vesting. For all the plans concerned, with the exception of the October 23, 2014 plan, the April 16, 2015 plan and the October 22, 2015 plan, the shares/options subject to performance conditions vest only if LVMH's consolidated financial statements for the fiscal year in which the plan is set up (fiscal year "Y") and for fiscal year Y+1 show a positive change compared to fiscal year Y-1 with respect to one or more of the following

indicators: profit from recurring operations, net cash from operating activities and operating investments, and current operating margin of the Group. For the October 23, 2014 plan and the April 16, 2015 plan, performance shares vested only if LVMH's consolidated financial statements for the 2015 fiscal year showed a positive change compared to fiscal year 2014 with respect to one or more of the indicators mentioned above. For the October 22, 2015 plan, performance shares vest only if LVMH's consolidated financial statements for the 2016 and 2017 fiscal years show a positive change compared to fiscal year 2015 with respect to one or more of the indicators.

### Effects of the distribution of Hermès shares (see Note 8) on stock option and similar plans.

In order to protect the holders of share subscription options and bonus shares, the shareholders authorized the Board of Directors during the Shareholders' Meeting of November 25, 2014, to adjust the number and price of shares under option, as well as the number of bonus shares whose vesting period had not expired before December 17, 2014. Thus, the quantities of share subscription options and bonus shares concerned were increased by 11.1%, while the exercise price of these options was reduced by 9.98%. Since these adjustments only had the objective of maintaining the gain obtained by the beneficiaries at the level attained prior to the distribution, they had no effect on the consolidated financial statements.

## 16.2. Share subscription option plans

The main characteristics of share subscription option plans and changes having occurred during the fiscal year are as follows:

Plan commencement date	Number of options granted <sup>(a)</sup>	Exercise price <sup>(a)</sup> (EUR)	Vesting period of rights	Number of options exercised in 2015	Number of options expired in 2015	Number of options to be exercised as of Dec. 31, 2015
May 12, 2005	1,865,299	47.55	4 years	(125,672)	(5,284)	-
"	72,329	50.26	"	(556)	(223)	-
May 11, 2006	1,797,646	70.97	"	(250,083)	(1,251)	585,112
"	77,108	74.19	"	(5,555)	-	1,528
May 10, 2007	1,764,203	77.53	"	(55,141)	(793)	784,727
May 15, 2008	1,708,542	65.26	"	(35,185)	(1,529)	828,907
"	78,469	65.44	"	(1,056)	-	19,263
May 14, 2009 <sup>(b)</sup>	1,333,097	50.86	"	(78,472)	(1,946)	583,587
"	37,106	50.88	"	(417)	-	18,026
<b>Total</b>	<b>8,733,799</b>			<b>(552,137)</b>	<b>(11,026)</b>	<b>2,821,150</b>

(a) After adjustments for the distribution in kind of Hermès shares. See Notes 8 and 16.1.

(b) Plan subject to performance conditions; see Note 16.1 General characteristics of plans.

The number of unexercised purchase options and the weighted average exercise price changed as follows during the fiscal years presented:

	2015		2014		2013	
	Number	Weighted average exercise price (EUR)	Number	Weighted average exercise price (EUR)	Number	Weighted average exercise price (EUR)
Share subscription options outstanding as of January 1	3,384,313	66.15	4,177,489	69.97	5,229,396	68.86
Options expired	(11,026)	55.46	(152,815)	58.42	(26,489)	63.56
Adjustments made following the distribution in kind of Hermès shares	-	-	339,962	(7.33)	-	-
Options exercised	(552,137)	63.06	(980,323)	60.71	(1,025,418)	64.52
<b>Share subscription options outstanding as of December 31</b>	<b>2,821,150</b>	<b>55.68</b>	<b>3,384,313</b>	<b>66.15</b>	<b>4,177,489</b>	<b>69.97</b>

### 16.3. Bonus share plans

The main characteristics of bonus share plans and changes having occurred during the fiscal year are as follows:

Plan commencement date	Number of shares allocated initially <sup>(a)</sup>	Of which: performance shares <sup>(a)(b)</sup>	Fiscal years to which performance conditions apply	Are conditions satisfied?	Vesting periods of rights	Expired allocations in 2015	Shares vested in 2015	Non-vested shares as of Dec. 31, 2015
March 31, 2011	459,973	267,289	2011 and 2012	yes	3 <sup>(c)</sup> or 4 <sup>(d)</sup> years	(172,231)	(5,077)	-
October 20, 2011	120,266	-	-	-	3 years	-	-	-
April 5, 2012	459,904	459,904	2012 and 2013	yes	3 <sup>(c)</sup> or 4 <sup>(d)</sup> years	(213,555)	(9,220)	200,058
July 26, 2012	50,912	923	2012 and 2013	yes	3 <sup>(c)</sup> or 4 <sup>(d)</sup> years	(923)	-	49,989
January 31, 2013	36,437	-	-	-	2 years	-	-	-
July 25, 2013	440,036	440,036	2013 and 2014	yes	3 <sup>(c)</sup> or 4 <sup>(d)</sup> years	-	(12,833)	412,379
October 24, 2013	6,920	6,920	2013 and 2014	yes	3 <sup>(c)</sup> or 4 <sup>(d)</sup> years	-	-	6,920
July 24, 2014	67,764	-	-	-	3 <sup>(c)</sup> or 4 <sup>(d)</sup> years	-	-	67,764
October 23, 2014	341,678	341,678	2015	yes	3 <sup>(c)</sup> or 4 <sup>(d)</sup> years	-	(11,514)	330,164
April 16, 2015	73,262	73,262	2015	<sup>(e)</sup>	3 <sup>(c)</sup> or 4 <sup>(d)</sup> years	-	-	73,262
October 22, 2015	315,532	315,532	2016 and 2017	<sup>(e)</sup>	3 <sup>(c)</sup> or 4 <sup>(d)</sup> years	-	-	315,532
<b>Total</b>	<b>2,372,684</b>	<b>1,905,544</b>				<b>(386,709)</b>	<b>(38,644)</b>	<b>1,456,068</b>

(a) After adjustments for the distribution in kind of Hermès shares. See Notes 8 and 16.1.

(b) See Note 16.1 General characteristics of plans.

(c) Beneficiaries with tax residence in France.

(d) Beneficiaries with tax residence outside France.

(e) The performance conditions were considered to have been met for the purpose of determining the expense for fiscal year 2015, on the basis of budget data.

The number of subscription options not exercised changed as follows over the course of the fiscal years presented:

(number of shares)	2015	2014	2013
<b>Non-vested shares as of January 1</b>	<b>1,492,627</b>	<b>1,484,118</b>	<b>1,273,136</b>
Non-vested allocations during the period	388,794	368,548	436,434
Adjustment made following the distribution in kind of Hermès shares	-	159,417	-
Allocations vested during the period	(386,709)	(478,278)	(193,440)
Allocations expired during the period	(38,644)	(41,178)	(32,012)
<b>Non-vested shares as of December 31</b>	<b>1,456,068</b>	<b>1,492,627</b>	<b>1,484,118</b>

Vested share allocations were settled in existing shares held.

## 16.4. Expense for the period

<i>(EUR millions)</i>	2015	2014	2013
Expense for the period for share subscription option plans and bonus share plans	37	39	34

See Note 1.27 regarding the method used to determine the accounting expense.

The LVMH closing share price the day before the grant date of the plan amounted to 171.20 euros for the plan instituted on April 16, 2015 and 158.05 euros for the plan instituted on October 22, 2015.

At the time of these allocations, the average unit value of non-vested bonus shares granted in 2015 was 146.96 euros for beneficiaries who are French residents for tax purposes and 144.94 euros for beneficiaries with their tax residence outside France.

## 17. MINORITY INTERESTS

<i>(EUR millions)</i>	2015	2014	2013
<b>As of January 1</b>	<b>1,240</b>	<b>1,028</b>	<b>1,084</b>
Minority interests' share of net profit	428	457	511
Dividends paid to minority interests	(229)	(328)	(228)
Effects of changes in control of consolidated entities:			
- consolidation of Loro Piana	-	-	235
- other movements	1	11	(1)
Effects of acquisition and disposal of minority interests' shares:			
- acquisition of minority interests in Château d'Yquem	-	-	(51)
- other movements	(3)	32	(25)
Total effects of changes in the percentage interest in consolidated entities	(2)	43	158
Capital increases subscribed by minority interests	89	3	8
Minority interests' share in gains and losses recognized in equity	130	108	21
Minority interests' share in stock option plan expenses	2	2	3
Effects of changes in minority interests subject to purchase commitments	(198)	(73)	(529)
<b>As of December 31</b>	<b>1,460</b>	<b>1,240</b>	<b>1,028</b>

The change in minority interests' share in gains and losses recognized in equity breaks down as follows:

<i>(EUR millions)</i>	Cumulative translation adjustment	Hedges of future foreign currency cash flows	Vineyard land	Revaluation adjustments of employee benefits	Total share of minority interests
<b>As of December 31, 2012</b>	<b>(35)</b>	<b>11</b>	<b>162</b>	<b>(16)</b>	<b>122</b>
Changes for the fiscal year	(44)	4	54	7	21
<b>As of December 31, 2013</b>	<b>(79)</b>	<b>15</b>	<b>216</b>	<b>(9)</b>	<b>143</b>
Changes for the fiscal year	138	(14)	(3)	(13)	108
<b>As of December 31, 2014</b>	<b>59</b>	<b>1</b>	<b>213</b>	<b>(22)</b>	<b>251</b>
Changes for the period	121	(2)	10	1	130
<b>As of December 31, 2015</b>	<b>180</b>	<b>(1)</b>	<b>223</b>	<b>(21)</b>	<b>381</b>

Minority interests are composed primarily of Diageo's 34% stake in Moët Hennessy. Diageo's stake in Moët Hennessy may be assessed using the revenue, operating profit, and core assets of the Wines and Spirits business group, which are presented in Note 23. Since the 34% stake held by Diageo in Moët Hennessy is subject to a purchase commitment, it is reclassified

at year-end under Other non-current liabilities and is therefore excluded from the total amount of minority interests at the fiscal year-end date. See Notes 1.12 and 20.

There is also a minority interest of 39% held by Mr. Miller in DFS, which is part of the Selective Retailing business group.

## 18. BORROWINGS

### 18.1. Net financial debt

<i>(EUR millions)</i>	2015	2014	2013
Long-term borrowings	4,511	5,054	4,149
Short-term borrowings	3,769	4,189	4,674
<b>Gross amount of borrowings</b>	<b>8,280</b>	<b>9,243</b>	<b>8,823</b>
Interest rate risk derivatives	(66)	(94)	(117)
<b>Gross borrowings after derivatives</b>	<b>8,214</b>	<b>9,149</b>	<b>8,706</b>
Current available for sale financial assets	(385)	(253)	(171)
Cash and cash equivalents	(3,594)	(4,091)	(3,226)
<b>Net financial debt</b>	<b>4,235</b>	<b>4,805</b>	<b>5,309</b>

In 2015, the 250 and 500 million euro bonds issued in 2009 and 2011 respectively, and the 200 million Swiss franc bond issued in 2008, were repaid.

Net financial debt does not take into consideration purchase commitments for minority interests included in "Other non-current liabilities" (see Note 20).

### 18.2. Analysis of gross borrowings

<i>(EUR millions)</i>	2015	2014	2013
Bonds and Euro Medium Term Notes (EMTNs)	4,202	4,794	3,866
Finance and other long-term leases	131	116	109
Bank borrowings	178	144	174
<b>Long-term borrowings</b>	<b>4,511</b>	<b>5,054</b>	<b>4,149</b>
Bonds and Euro Medium Term Notes (EMTNs)	710	925	1,013
Finance and other long-term leases	6	12	14
Bank borrowings	263	511	567
Commercial paper	2,281	2,004	2,348
Other borrowings and credit facilities	277	377	343
Bank overdrafts	205	308	310
Accrued interest	27	52	79
<b>Short-term borrowings</b>	<b>3,769</b>	<b>4,189</b>	<b>4,674</b>
<b>Total borrowings</b>	<b>8,280</b>	<b>9,243</b>	<b>8,823</b>

The market value of gross borrowings was 8,396 million euros as of December 31, 2015 (9,398 million euros as of December 31, 2014 and 8,946 million euros as of December 31, 2013), including 3,905 in short-term borrowings (5,206 million euros as of December 31, 2014 and 4,690 million euros as of December 31, 2013) and 4,491 in long-term borrowings

(4,192 million euros as of December 31, 2014 and 4,256 million euros as of December 31, 2013).

As of December 31, 2015, 2014 and 2013, no amount of financial debt was recognized in accordance with the fair value option. See Note 1.20.

### 18.3. Bonds and EMTNs

Nominal amount <i>(in local currency)</i>	Date of issuance	Maturity	Initial effective interest rate <sup>(a)</sup> [%]	2015 <i>(EUR millions)</i>	2014	2013
AUD 150,000,000	2014	2019	3.68	102	101	-
EUR 300,000,000	2014	2019	floating	300	300	-
EUR 650,000,000	2014	2021	1.12	659	657	-
GBP 350,000,000	2014	2017	1.83	481	454	-
EUR 600,000,000	2013	2020	1.89	603	596	594
EUR 600,000,000 <sup>(b)</sup>	2013	2019	1.25	608	608	490
EUR 650,000,000 <sup>(c)</sup>	2013	2016	floating	650	650	500
USD 850,000,000	2012	2017	1.75	784	701	616
EUR 500,000,000	2011	2018	4.08	508	512	518
EUR 500,000,000	2011	2015	3.47	-	504	515
EUR 1,000,000,000	2009	2014	4.52	-	-	1,013
EUR 250,000,000	2009	2015	4.59	-	255	260
EUR 150,000,000	2009	2017	4.81	157	161	162
CHF 200,000,000	2008	2015	4.04	-	166	163
Private placements in foreign currencies				60	54	48
<b>Total bonds and EMTNs</b>				<b>4,912</b>	<b>5,719</b>	<b>4,879</b>

(a) Before the impact of interest-rate hedges implemented when or after the bonds were issued.

(b) Cumulative amounts and weighted average initial effective interest rate based on a 500 million euro bond issued in 2013 at an initial effective interest rate of 1.38% plus an additional amount of 100 million euros when the issue was reopened in 2014 at an effective interest rate of 0.62%.

(c) Cumulative amounts based on a 500 million euro floating-rate bond issued in 2013 plus an additional floating-rate amount of 150 million euros issued in 2014.

### 18.4. Finance and other long-term leases

The amount of the Group's debt resulting from finance and other long-term lease agreements, which corresponds to the present value of future payments, breaks down as follows, by maturity:

<i>(EUR millions)</i>	2015		2014		2013	
	Minimum future payments	Present value of payments	Minimum future payments	Present value of payments	Minimum future payments	Present value of payments
Less than one year	18	13	19	18	21	19
One to five years	60	41	56	39	57	43
More than five years	343	83	320	71	294	61
<b>Total minimum future payments</b>	<b>421</b>		<b>395</b>		<b>372</b>	
Impact of discounting	(284)		(267)		(249)	
<b>Total debt under finance and other long-term lease agreements</b>	<b>137</b>	<b>137</b>	<b>128</b>	<b>128</b>	<b>123</b>	<b>123</b>

Assets financed or refinanced under finance or other long-term leases relate mainly to property assets or manufacturing equipment.

## 18.5. Analysis of gross borrowings by payment date and by type of interest rate

[EUR millions]	Gross borrowings			Effects of derivatives			Gross borrowings after derivatives		
	Fixed rate	Floating rate	Total	Fixed rate	Floating rate	Total	Fixed rate	Floating rate	Total
Maturity: 2016	2,767	1,002	3,769	1	(6)	(5)	2,768	996	3,764
2017	1,443	65	1,508	(1,408)	1,384	(24)	35	1,449	1,484
2018	596	-	596	-	(5)	(5)	596	(5)	591
2019	714	300	1,014	(351)	339	(12)	363	639	1,002
2020	607	-	607	(401)	394	(7)	206	394	600
2021	664	-	664	(650)	637	(13)	14	637	651
Thereafter	122	-	122	-	-	-	122	-	122
<b>Total</b>	<b>6,913</b>	<b>1,367</b>	<b>8,280</b>	<b>(2,809)</b>	<b>2,743</b>	<b>(66)</b>	<b>4,104</b>	<b>4,110</b>	<b>8,214</b>

See Note 22.4 regarding the market value of interest rate risk derivatives.

The breakdown by quarter of gross borrowings falling due in 2016 is as follows:

[EUR millions]	Falling due in 2016
First quarter	2,569
Second quarter	385
Third quarter	718
Fourth quarter	97
<b>Total</b>	<b>3,769</b>

## 18.6. Analysis of gross borrowings by currency after derivatives

[EUR millions]	2015	2014	2013
Euro	6,302	7,033	6,899
US dollar	366	226	106
Swiss franc	909	995	970
Japanese yen	228	229	222
Other currencies	409	666	509
<b>Total</b>	<b>8,214</b>	<b>9,149</b>	<b>8,706</b>

In general, the purpose of foreign currency borrowings is to hedge the net foreign currency-denominated assets of consolidated companies located outside of the euro zone.

## 18.7. Sensitivity

On the basis of debt as of December 31, 2015:

- an instantaneous increase of 1% in the yield curves of the Group's debt currencies would raise the cost of net financial debt by 41 million euros after hedging, and would lower the market value of gross fixed-rate borrowings by 45 million euros after hedging;

- an instantaneous decline of 1% in these same yield curves would lower the cost of net financial debt by 41 million euros after hedging, and would raise the market value of gross fixed-rate borrowings by 45 million euros after hedging.

These changes would have no impact on the amount of equity as of December 31, 2015, due to the absence of hedging of future interest payments.

## 18.8. Covenants

In connection with certain loan agreements, the Group has undertaken to comply with certain financial covenants. As of December 31, 2015, no significant loan agreements are concerned by those covenants.



## 18.9. Undrawn confirmed credit lines

As of December 31, 2015, undrawn confirmed credit lines totaled 3.4 billion euros.

## 18.10. Guarantees and collateral

As of December 31, 2015, borrowings secured by collateral were less than 200 million euros.

# 19. PROVISIONS

<i>(EUR millions)</i>	2015	2014	2013
Provisions for pensions, medical costs and similar commitments	632	640	452
Provisions for contingencies and losses	1,297	1,618	1,332
Provisions for reorganization	21	33	13
<b>Non-current provisions</b>	<b>1,950</b>	<b>2,291</b>	<b>1,797</b>
Provisions for pensions, medical costs and similar commitments	4	3	5
Provisions for contingencies and losses	353	314	291
Provisions for reorganization	64	15	28
<b>Current provisions</b>	<b>421</b>	<b>332</b>	<b>324</b>
<b>Total</b>	<b>2,371</b>	<b>2,623</b>	<b>2,121</b>

In fiscal year 2015, the changes in provisions were as follows:

<i>(EUR millions)</i>	Dec. 31, 2014	Increases	Amounts used	Amounts released	Changes in the scope of consolidation	Other items (including translation adjustment)	Dec. 31, 2015
Provisions for pensions, medical costs and similar commitments	643	104	(91)	(9)	10	(21)	636
Provisions for contingencies and losses	1,932	411	(636)	(105)	9	39	1,650
Provisions for reorganization	48	74	(47)	(4)	12	2	85
<b>Total</b>	<b>2,623</b>	<b>589</b>	<b>(774)</b>	<b>(118)</b>	<b>31</b>	<b>20</b>	<b>2,371</b>
<i>Of which: profit from recurring operations</i>		354	(179)	(85)			
<i>net financial income (expense)</i>		6	-	-			
<i>other</i>		229	(595)	(33)			

Provisions for contingencies and losses correspond to the estimate of the impact on assets and liabilities of risks, disputes, or actual or probable litigation arising from the Group's activities; such activities are carried out worldwide, within what is often an imprecise regulatory framework that is different for each country, changes over time, and applies to areas ranging from product composition to the tax computation.

In particular, the Group's entities in France and abroad may be subject to tax inspections and, in certain cases, to rectification claims from local administrations. These rectification claims,

together with any uncertain tax positions that have been identified but not yet officially reassessed, give rise to appropriate provisions, the amount of which is regularly reviewed in accordance with the criteria of IAS 37 Provisions and IAS 12 Income Taxes. Changes in provisions notably reflect the resolution of certain discussions with the tax authorities, customs or other administrations, both in France and abroad.

Provisions for retirement benefit obligations, contribution to medical costs and other employee benefit commitments are analyzed in Note 29.

## 20. OTHER NON-CURRENT LIABILITIES

(EUR millions)	2015	2014	2013
Purchase commitments for minority interests	7,421	6,008	6,035
Derivatives (see Note 22)	2	16	51
Employee profit sharing	93	88	85
Other liabilities	441	335	233
<b>Total</b>	<b>7,957</b>	<b>6,447</b>	<b>6,404</b>

As of December 31, 2015, 2014 and 2013, purchase commitments for minority interests mainly include the put option granted to Diageo plc for its 34% share in Moët Hennessy, with six months' advance notice and for 80% of the fair value of Moët Hennessy at the exercise date of the commitment. With regard to this commitment's valuation, the fair value was determined by applying the share price multiples of comparable firms to Moët Hennessy's consolidated operating results.

Moët Hennessy SNC and Moët Hennessy International SAS ("Moët Hennessy") hold the LVMH group's investments in the

Wines and Spirits businesses, with the exception of the equity investments in Château d'Yquem, Château Cheval Blanc and Clos des Lambrays, and excluding certain Champagne vineyards.

Purchase commitments for minority interests also include commitments relating to minority shareholders in Loro Piana (20%; see Note 2), Ile de Beauté (35%), Heng Long (35%) and distribution subsidiaries in various countries, mainly in the Middle East.

## 21. TRADE ACCOUNTS PAYABLE AND OTHER CURRENT LIABILITIES

### 21.1. Trade accounts payable

The change in trade accounts payable breaks down as follows:

(EUR millions)	2015	2014	2013
<b>As of January 1</b>	<b>3,606</b>	<b>3,297</b>	<b>3,118</b>
Changes in trade accounts payable	93	176	203
Changes in amounts owed to customers	(3)	8	1
Changes in the scope of consolidation	129	5	112
Translation adjustment	133	109	(99)
Reclassifications	2	11	(38)
<b>As of December 31</b>	<b>3,960</b>	<b>3,606</b>	<b>3,297</b>

### 21.2. Other current liabilities

(EUR millions)	2015	2014	2013
Derivatives (see Note 22)	185	274	76
Employees and social institutions	1,260	1,110	1,007
Employee profit sharing	98	74	84
Taxes other than income taxes	553	458	405
Advances and payments on account from customers	205	184	158
Deferred payment for tangible and financial non-current assets	504	433	404
Deferred income	208	190	156
Other liabilities	896	776	697
<b>Total</b>	<b>3,909</b>	<b>3,499</b>	<b>2,987</b>

The present value of the other current liabilities is identical to their carrying amount.

## 22. FINANCIAL INSTRUMENTS AND MARKET RISK MANAGEMENT

### 22.1. Organization of foreign exchange, interest rate and equity market risk management

Financial instruments are mainly used by the Group to hedge risks arising from Group activity and protect its assets.

The management of foreign exchange and interest rate risk, in addition to transactions involving shares and financial instruments, is centralized.

The Group has implemented a stringent policy, as well as rigorous management guidelines to manage, measure, and monitor these market risks.

These activities are organized based on a segregation of duties between risk measurement, hedging (front office), administration (back office) and financial control.

The backbone of this organization is an integrated information system which allows hedging transactions to be monitored quickly.

The Group's hedging strategy is presented to the Audit Committee. Hedging decisions are made according to an established process that includes regular presentations to the Group's Executive Committee and detailed documentation.

Counterparties are selected based on their rating and in accordance with the Group's risk diversification strategy.

### 22.2. Financial assets and liabilities at fair value by measurement method

(EUR millions)	2015			2014			2013		
	Available for sale financial assets	Derivatives	Cash and cash equivalents	Available for sale financial assets	Derivatives	Cash and cash equivalents	Available for sale financial assets	Derivatives	Cash and cash equivalents
Valuation based on <sup>(a)</sup> :									
Published price quotations	514	-	3,594	391	-	4,091	6,789	-	3,221
Formula based on market data	194	357	-	187	379	-	135	562	-
Private quotations	251	-	-	255	-	-	327	-	-
<b>Assets</b>	<b>959</b>	<b>357</b>	<b>3,594</b>	<b>833</b>	<b>379</b>	<b>4,091</b>	<b>7,251</b>	<b>562</b>	<b>3,221</b>
Valuation based on <sup>(a)</sup> :									
Published price quotations	-	-	-	-	-	-	-	-	-
Formula based on market data	-	187	-	-	290	-	-	127	-
Private quotations	-	-	-	-	-	-	-	-	-
<b>Liabilities</b>	<b>-</b>	<b>187</b>	<b>-</b>	<b>-</b>	<b>290</b>	<b>-</b>	<b>-</b>	<b>127</b>	<b>-</b>

(a) See Note 1.9 for information on the valuation approaches used.

Derivatives used by the Group are measured at fair value according to generally accepted models and on the basis of observable market data. The counterparty risk associated with these derivatives (i.e. the credit valuation adjustment) is assessed on

the basis of credit spreads from observable market data, as well as on the basis of the derivatives' market value adjusted by flat-rate add-ons depending on the type of underlying and the maturity of the derivative.

The amount of financial assets valued on the basis of private quotations changed as follows in 2015:

(EUR millions)	2015
<b>As of January 1</b>	<b>255</b>
Acquisitions	14
Disposals (at net realized value)	(31)
Gains and losses recognized in income statement	(22)
Gains and losses recognized in equity	36
Reclassifications	(1)
<b>As of December 31</b>	<b>251</b>

## 22.3. Summary of derivatives

Derivatives are recorded in the balance sheet for the amounts and in the captions detailed as follows:

<i>(EUR millions)</i>			Notes	2015	2014	2013
<b>Interest rate risk</b>	Assets:	non-current		57	61	67
		current		14	42	68
	Liabilities:	non-current		-	(3)	(9)
		current		(5)	(6)	(9)
			22.4	<b>66</b>	<b>94</b>	<b>117</b>
<b>Foreign exchange risk</b>	Assets:	non-current		3	14	1
		current		283	217	389
	Liabilities:	non-current		(2)	(13)	(42)
		current		(178)	(268)	(60)
			22.5	<b>106</b>	<b>(50)</b>	<b>288</b>
<b>Other risks</b>	Assets:	non-current		-	-	-
		current		-	45	37
	Liabilities:	non-current		-	-	-
		current		(2)	-	(7)
				<b>(2)</b>	<b>45</b>	<b>30</b>
<b>Total</b>	Assets:	non-current	9	60	75	68
		current	12	297	304	494
	Liabilities:	non-current	20	(2)	(16)	(51)
		current	21	(185)	(274)	(76)
				<b>170</b>	<b>89</b>	<b>435</b>

## 22.4. Derivatives used to manage interest rate risk

The aim of the Group's debt management policy is to adapt the debt maturity profile to the characteristics of the assets held, to contain borrowing costs, and to protect net profit from the effects of significant changes in interest rates.

For these purposes, the Group uses interest rate swaps and options.

Derivatives used to manage interest rate risk outstanding as of December 31, 2015 break down as follows:

<i>(EUR millions)</i>	Nominal amounts by maturity				Market value <sup>(a)(b)</sup>		
	Less than one year	One to five years	More than five years	Total	Fair value hedges	Not allocated	Total
Interest rate swaps in euros, floating rate payer	-	2,808	-	2,808	62	-	62
Foreign currency swaps	332	1,242	-	1,574	2	1	3
Other interest rate risk derivatives	500	184	-	684	-	1	1
<b>Total</b>					<b>64</b>	<b>2</b>	<b>66</b>

(a) Gain/(Loss).

(b) See Note 1.9 regarding the methodology used for market value measurement.

## 22.5. Derivatives used to manage foreign exchange risk

A significant part of Group companies' sales to customers and to their own retail subsidiaries as well as certain purchases are denominated in currencies other than their functional currency; the majority of these foreign currency-denominated cash flows are inter-company cash flows. Hedging instruments are used to reduce the risks arising from the fluctuations of currencies against the exporting and importing companies' functional currencies and are allocated to either accounts receivable or accounts payable (fair value hedges) for the fiscal year, or to transactions anticipated for future periods (cash flow hedges).

Future foreign currency-denominated cash flows are broken down as part of the budget preparation process and are hedged progressively over a period not exceeding one year unless a longer period is justified by probable commitments. As such, and according to market trends, identified foreign exchange risks are hedged using forward contracts or options.

In addition, the Group may also use appropriate financial instruments to hedge the net worth of subsidiaries outside the euro zone, in order to limit the impact of foreign currency fluctuations against the euro on consolidated equity.

Derivatives used to manage foreign exchange risk outstanding as of December 31, 2015 break down as follows:

(EUR millions)	Nominal amounts by fiscal year of allocation				Market value <sup>(a)(b)</sup>				
	2015	2016	Beyond	Total	Fair value hedges	Future cash flow hedges	Foreign currency net investment hedges	Not allocated	Total
<b>Options purchased</b>									
Put USD	86	136	-	222	-	1	-	-	1
Put JPY	19	-	-	19	-	-	-	-	-
Put GBP	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<b>105</b>	<b>136</b>	<b>-</b>	<b>241</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>
<b>Collars</b>									
Written USD	7	4,069	-	4,076	-	19	-	-	19
Written JPY	9	747	-	756	-	8	-	-	8
Written Other	30	179	-	209	(1)	7	-	-	6
	<b>46</b>	<b>4,995</b>	<b>-</b>	<b>5,041</b>	<b>(1)</b>	<b>34</b>	<b>-</b>	<b>-</b>	<b>33</b>
<b>Forward exchange contracts<sup>(c)</sup></b>									
USD	(7)	(10)	(2)	(19)	2	2	-	-	4
CHF	(37)	(18)	-	(55)	3	2	-	1	6
GBP	4	10	-	14	1	-	-	-	1
Other	56	(11)	-	45	2	-	-	-	2
	<b>16</b>	<b>(29)</b>	<b>(2)</b>	<b>(15)</b>	<b>8</b>	<b>4</b>	<b>-</b>	<b>1</b>	<b>13</b>
<b>Foreign exchange swaps<sup>(c)</sup></b>									
USD	3,402	-	-	3,402	(47)	-	103	-	56
CHF	425	-	-	425	(2)	-	(27)	-	(29)
GBP	287	-	-	287	10	-	37	-	47
JPY	302	-	-	302	(5)	1	(1)	-	(5)
HKD	180	-	-	180	-	-	(9)	-	(9)
Other	847	50	12	909	2	-	(3)	-	(1)
	<b>5,443</b>	<b>50</b>	<b>12</b>	<b>5,505</b>	<b>(42)</b>	<b>1</b>	<b>100</b>	<b>-</b>	<b>59</b>
<b>Total</b>					<b>(35)</b>	<b>40</b>	<b>100</b>	<b>1</b>	<b>106</b>

(a) Gain/(Loss).

(b) See Note 1.9 regarding the methodology used for market value measurement.

(c) Sale/(Purchase).

The impact on the income statement of gains and losses on hedges of future cash flows as well as the future cash flows hedged, using these instruments, will be recognized in 2016; the amount will depend on exchange rates at this date. The impacts on the net profit for fiscal year 2015 of a 10% change

in the value of the US dollar, the Japanese yen, the Swiss franc and the Hong Kong dollar against the euro, including impact of foreign currency hedges outstanding during the period, compared with the rates applying to transactions in 2015, would have been as follows:

<i>(EUR millions)</i>	US dollar		Japanese yen		Swiss franc		Hong Kong dollar	
	+10%	-10%	+10%	-10%	+10%	-10%	+10%	-10%
Impact of:								
- change in exchange rates of cash receipts								
in respect of foreign currency-denominated sales	278	(231)	48	(21)	(1)	(1)	1	(2)
- conversion to euro of net profit of entities outside the euro zone	69	(69)	15	(15)	15	(15)	(55)	55
<b>Impact on net profit</b>	<b>347</b>	<b>(300)</b>	<b>63</b>	<b>(36)</b>	<b>14</b>	<b>(16)</b>	<b>(54)</b>	<b>53</b>

The data presented in the table above should be assessed on the basis of the characteristics of the hedging instruments outstanding in fiscal year 2015, mainly comprising options and collars.

As of December 31, 2015, forecast cash collections for 2016 in US dollars and Japanese yen are both hedged in the proportion of 81% and 76%, respectively.

The Group's net equity (excluding net profit) exposure to foreign currency fluctuations as of December 31, 2015 is assessed by measuring the effect of a 10% change in the value of the US dollar, the Japanese yen, the Swiss franc and the Hong Kong dollar against the euro compared to the rates applying as of the same date:

<i>(EUR millions)</i>	US dollar		Japanese yen		Swiss franc		Hong Kong dollar	
	+10%	-10%	+10%	-10%	+10%	-10%	+10%	-10%
Conversion of foreign currency-denominated net assets	370	(370)	29	(29)	271	(271)	146	(146)
Change in market value of net investment hedges, after tax	(226)	260	(5)	32	(67)	55	(16)	14
<b>Net impact on equity, excluding net profit</b>	<b>144</b>	<b>(110)</b>	<b>24</b>	<b>3</b>	<b>204</b>	<b>(216)</b>	<b>130</b>	<b>(132)</b>

## 22.6. Financial instruments used to manage other risks

The Group's investment policy is designed to take advantage of a long-term investment horizon. Occasionally, the Group may invest in equity-based financial instruments with the aim of enhancing the dynamic management of its investment portfolio.

The Group is exposed to risks of share price changes either directly, as a result of its holding of equity investments and current available for sale financial assets, or indirectly, as a result of its holding of funds which are themselves partially invested in shares.

The Group may also use equity-based derivatives to create synthetically an economic exposure to certain assets, or to hedge cash-settled compensation plans index-linked to the LVMH share price. If applicable, the carrying amount of these unlisted financial instruments corresponds to the estimate of the amount, provided by the counterparty, of the valuation at the balance sheet date. The valuation of financial instruments thus takes into consideration market parameters such as interest rates and share prices.

The Group, mainly through its Watches and Jewelry business group, may be exposed to changes in the prices of certain precious metals, such as gold. In certain cases, in order to ensure visibility with regard to production costs, hedges may be implemented. This is achieved either by negotiating the forecast price of future deliveries of alloys with precious metal refiners, or the price of semi-finished products with producers; or directly by purchasing hedges from top-ranking banks. In the latter case, gold may be purchased from banks, or future and/or options contracts may be taken out with a physical delivery of the gold. Derivatives outstanding relating to the hedging of precious metal prices as of December 31, 2015 have a negative market value of 2.0 million euros. Considering nominal values of 145 million euros for those derivatives, a uniform 1% change in their underlying assets' prices as of December 31, 2015 would have a net impact on the Group's consolidated reserves in an amount of less than 1.5 million euros. These instruments mature in 2016.

## 22.7. Liquidity risk

In addition to local liquidity risks, which are generally immaterial, the Group's exposure to liquidity risk can be assessed in relation to the amount of its short-term borrowings excluding derivatives, net of cash and cash equivalents, i.e. 0.2 billion euros as of December 31, 2015, or through the outstanding amount of its commercial paper program, i.e. 2.3 billion euros. Should any of these instruments not be renewed, the Group has access to undrawn confirmed credit lines totaling 3.4 billion euros.

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

The following table presents the contractual schedule of disbursements for financial liabilities (excluding derivatives) recognized as of December 31, 2015, at nominal value and with interest, excluding discounting effects:

<i>(EUR millions)</i>	2016	2017	2018	2019	2020	Over 5 years	Total
Bonds and EMTNs	787	1,477	548	1,029	617	657	5,115
Bank borrowings	270	83	86	1	-	13	453
Other borrowings and credit facilities	282	-	-	-	-	-	282
Finance and other long-term leases	18	16	15	14	15	343	421
Commercial paper	2,281	-	-	-	-	-	2,281
Bank overdrafts	205	-	-	-	-	-	205
<b>Gross financial debt</b>	<b>3,843</b>	<b>1,576</b>	<b>649</b>	<b>1,044</b>	<b>632</b>	<b>1,013</b>	<b>8,757</b>
Other liabilities, current and non-current <sup>(a)</sup>	3,609	53	39	17	24	121	3,863
Trade accounts payable	3,960	-	-	-	-	-	3,960
<b>Other financial liabilities</b>	<b>7,569</b>	<b>53</b>	<b>39</b>	<b>17</b>	<b>24</b>	<b>121</b>	<b>7,823</b>
<b>Total financial liabilities</b>	<b>11,412</b>	<b>1,629</b>	<b>688</b>	<b>1,061</b>	<b>656</b>	<b>1,134</b>	<b>16,580</b>

(a) Corresponds to "Other current liabilities" (excluding derivatives, purchase commitments for minority interest and deferred income) for 3,516 million euros and to "Other non-current liabilities" (excluding derivatives, purchase commitments for minority interests and deferred income of 186 million euros as of December 31, 2015) for 347 million euros. See Note 22.2.

See Note 30.3 regarding contractual maturity dates of collateral and other guarantee commitments. See Notes 18.6 and 22.5 regarding foreign exchange derivatives and Note 22.4 regarding interest rate risk derivatives.

## 23. SEGMENT INFORMATION

The Group's brands and trade names are organized into six business groups. Four business groups – Wines and Spirits, Fashion and Leather Goods, Perfumes and Cosmetics and Watches and Jewelry – comprise brands dealing with the same category of products that use similar production and distribution processes. The Selective Retailing business comprises the

Group's own-label retailing activities. Other activities and holding companies comprise brands and businesses that are not associated with any of the above mentioned business groups, most often relating to the Group's new businesses and holding or real estate companies.

## 23.1. Information by business group

## Fiscal year 2015

<i>(EUR millions)</i>	Wines and Spirits	Fashion and Leather Goods	Perfumes and Cosmetics	Watches and Jewelry	Selective Retailing	Other and holding companies	Eliminations and not allocated <sup>(a)</sup>	Total
Sales outside the Group	4,575	12,333	3,867	3,250	11,206	433	-	35,664
Intra-Group sales	28	36	650	58	27	15	(814)	-
<b>Total revenue</b>	<b>4,603</b>	<b>12,369</b>	<b>4,517</b>	<b>3,308</b>	<b>11,233</b>	<b>448</b>	<b>(814)</b>	<b>35,664</b>
Profit from recurring operations	1,363	3,505	525	432	934	(154)	-	6,605
Other operating income and expenses	(15)	(154)	(3)	(31)	(8)	(10)	-	(221)
Depreciation and amortization expense	(132)	(641)	(183)	(199)	(366)	(42)	-	(1,563)
Impairment expense	(15)	(96)	(1)	-	(5)	(19)	-	(136)
Intangible assets and goodwill <sup>(b)</sup>	4,900	7,207	1,231	5,850	3,560	946	-	23,694
Property, plant and equipment	2,484	2,125	525	501	1,550	3,972	-	11,157
Inventories	4,795	1,566	447	1,361	1,909	230	(212)	10,096
Other operating assets	1,392	874	782	731	761	920	7,194 <sup>(c)</sup>	12,654
<b>Total assets</b>	<b>13,571</b>	<b>11,772</b>	<b>2,985</b>	<b>8,443</b>	<b>7,780</b>	<b>6,068</b>	<b>6,982</b>	<b>57,601</b>
Equity	-	-	-	-	-	-	25,799	25,799
Liabilities	1,426	2,451	1,400	922	2,425	1,131	22,047 <sup>(d)</sup>	31,802
<b>Total liabilities and equity</b>	<b>1,426</b>	<b>2,451</b>	<b>1,400</b>	<b>922</b>	<b>2,425</b>	<b>1,131</b>	<b>47,846</b>	<b>57,601</b>
Operating investments <sup>(e)</sup>	(233)	(553)	(229)	(204)	(399)	(337)	-	(1,955)

## Fiscal year 2014

<i>(EUR millions)</i>	Wines and Spirits	Fashion and Leather Goods	Perfumes and Cosmetics	Watches and Jewelry	Selective Retailing	Other and holding companies	Eliminations and not allocated <sup>(a)</sup>	Total
Sales outside the Group	3,945	10,796	3,368	2,720	9,511	298	-	30,638
Intra-Group sales	28	32	548	62	23	14	(707)	-
<b>Total revenue</b>	<b>3,973</b>	<b>10,828</b>	<b>3,916</b>	<b>2,782</b>	<b>9,534</b>	<b>312</b>	<b>(707)</b>	<b>30,638</b>
Profit from recurring operations	1,147	3,189	415	283	882	(162)	(39)	5,715
Other operating income and expenses	(34)	(110)	(14)	1	(74)	(53)	-	(284)
Depreciation and amortization expense	(119)	(555)	(149)	(171)	(296)	(41)	-	(1,331)
Impairment expense	(22)	(71)	(9)	(1)	(85)	(34)	-	(222)
Intangible assets and goodwill <sup>(b)</sup>	3,758	7,242	1,183	5,635	3,161	862	-	21,841
Property, plant and equipment	2,339	2,165	477	425	1,415	3,566	-	10,387
Inventories	4,567	1,561	398	1,244	1,668	239	(202)	9,475
Other operating assets	1,340	781	664	635	668	608	6,963 <sup>(c)</sup>	11,659
<b>Total assets</b>	<b>12,004</b>	<b>11,749</b>	<b>2,722</b>	<b>7,939</b>	<b>6,912</b>	<b>5,275</b>	<b>6,761</b>	<b>53,362</b>
Equity	-	-	-	-	-	-	23,003	23,003
Liabilities	1,461	2,265	1,325	743	2,053	932	21,580 <sup>(d)</sup>	30,359
<b>Total liabilities and equity</b>	<b>1,461</b>	<b>2,265</b>	<b>1,325</b>	<b>743</b>	<b>2,053</b>	<b>932</b>	<b>44,583</b>	<b>53,362</b>
Operating investments <sup>(e)</sup>	(152)	(585)	(221)	(191)	(389)	(237)	-	(1,775)



## Fiscal year 2013

<i>(EUR millions)</i>	Wines and Spirits	Fashion and Leather Goods	Perfumes and Cosmetics	Watches and Jewelry	Selective Retailing	Other and holding companies	Eliminations and not allocated <sup>(a)</sup>	Total
Sales outside the Group	4,146	9,834	3,230	2,646	8,880	280	-	29,016
Intra-Group sales	27	49	487	51	23	15	(652)	-
<b>Total revenue</b>	<b>4,173</b>	<b>9,883</b>	<b>3,717</b>	<b>2,697</b>	<b>8,903</b>	<b>295</b>	<b>(652)</b>	<b>29,016</b>
Profit from recurring operations	1,367	3,135	414	367	908	(172)	(2)	6,017
Other operating income and expenses	(4)	(63)	(6)	2	(5)	(43)	-	(119)
Depreciation and amortization expense	(109)	(448)	(128)	(139)	(261)	(39)	-	(1,124)
Impairment expense	1	(50)	(1)	-	(7)	(12)	-	(69)
Intangible assets and goodwill <sup>(b)</sup>	3,948	7,213	1,068	5,572	2,989	864	-	21,654
Property, plant and equipment	2,182	2,031	404	390	1,313	3,301	-	9,621
Inventories	4,242	1,371	356	1,079	1,438	160	(154)	8,492
Other operating assets	1,384	738	590	650	552	674	11,822 <sup>(c)</sup>	16,409
<b>Total assets</b>	<b>11,756</b>	<b>11,353</b>	<b>2,418</b>	<b>7,691</b>	<b>6,292</b>	<b>4,999</b>	<b>11,668</b>	<b>56,176</b>
Equity	-	-	-	-	-	-	27,907	27,907
Liabilities	1,296	2,128	1,130	713	1,814	712	20,477 <sup>(d)</sup>	28,269
<b>Total liabilities and equity</b>	<b>1,296</b>	<b>2,128</b>	<b>1,130</b>	<b>713</b>	<b>1,814</b>	<b>712</b>	<b>48,384</b>	<b>56,176</b>
Operating investments	(186)	(629)	(229)	(187)	(389)	(37)	-	(1,657)

(a) Eliminations correspond to sales between business groups; these generally consist of sales from business groups other than Selective Retailing to Selective Retailing. Selling prices between the different business groups correspond to the prices applied in the normal course of business for sales transactions to wholesalers or distributors outside the Group.

(b) Intangible assets and goodwill correspond to the net carrying amounts shown under Notes 3 and 4.

(c) Assets not allocated include available for sale financial assets, other financial assets, and both current and deferred tax assets. As of December 31, 2013, they included the 23.2% shareholding in Hermès International, representing an amount of 6,437 million euros. The Hermès shares were distributed as an exceptional distribution in kind on December 17, 2014; see Note 8.

(d) Liabilities not allocated include financial debt and both current and deferred tax liabilities.

(e) Increase/(Decrease) in cash and cash equivalents.

## 23.2. Information by geographic region

Revenue by geographic region of delivery breaks down as follows:

<i>(EUR millions)</i>	2015	2014	2013
France	3,552	3,212	3,118
Europe (excluding France)	6,408	5,830	5,453
United States	9,345	7,262	6,640
Japan	2,487	2,107	2,057
Asia (excluding Japan)	9,636	8,740	8,647
Other	4,236	3,487	3,101
<b>Revenue</b>	<b>35,664</b>	<b>30,638</b>	<b>29,016</b>

Operating investments by geographic region are as follows:

<i>(EUR millions)</i>	2015	2014	2013
France	633	651	585
Europe (excluding France)	385	326	313
United States	336	255	238
Japan	66	50	70
Asia (excluding Japan)	411	387	339
Other	124	106	112
<b>Operating investments</b>	<b>1,955</b>	<b>1,775</b>	<b>1,657</b>

No geographic breakdown of segment assets is provided since a significant portion of these assets consists of brands and goodwill, which must be analyzed on the basis of the revenue generated by these assets in each region, and not in relation to the region of their legal ownership.

### 23.3. Quarterly information

Quarterly sales by business group break down as follows:

<i>(EUR millions)</i>	Wines and Spirits	Fashion and Leather Goods	Perfumes and Cosmetics	Watches and Jewelry	Selective Retailing	Other and holding companies	Eliminations	Total
First quarter	992	2,975	1,094	723	2,656	90	(207)	8,323
Second quarter	938	2,958	1,065	829	2,635	153	(194)	8,384
Third quarter	1,199	2,939	1,102	852	2,614	83	(208)	8,581
Fourth quarter	1,474	3,497	1,256	904	3,328	122	(205)	10,376
<b>Total 2015</b>	<b>4,603</b>	<b>12,369</b>	<b>4,517</b>	<b>3,308</b>	<b>11,233</b>	<b>448</b>	<b>(814)</b>	<b>35,664</b>
First quarter	888	2,639	941	607	2,222	78	(169)	7,206
Second quarter	789	2,391	898	659	2,160	74	(168)	6,803
Third quarter	948	2,647	961	706	2,234	65	(173)	7,388
Fourth quarter	1,348	3,151	1,116	810	2,918	95	(197)	9,241
<b>Total 2014</b>	<b>3,973</b>	<b>10,828</b>	<b>3,916</b>	<b>2,782</b>	<b>9,534</b>	<b>312</b>	<b>(707)</b>	<b>30,638</b>
First quarter	967	2,383	932	608	2,113	72	(162)	6,913
Second quarter	828	2,328	872	667	2,085	96	(157)	6,719
Third quarter	1,032	2,428	879	655	2,093	56	(153)	6,990
Fourth quarter	1,346	2,744	1,034	767	2,612	71	(180)	8,394
<b>Total 2013</b>	<b>4,173</b>	<b>9,883</b>	<b>3,717</b>	<b>2,697</b>	<b>8,903</b>	<b>295</b>	<b>(652)</b>	<b>29,016</b>

## 24. REVENUE AND EXPENSES BY NATURE

### 24.1. Analysis of revenue

Revenue consists of the following:

<i>(EUR millions)</i>	2015	2014	2013
Revenue generated by brands and trade names	35,134	30,159	28,562
Royalties and license revenue	146	131	159
Income from investment property	33	39	28
Other revenue	351	309	265
<b>Total</b>	<b>35,664</b>	<b>30,638</b>	<b>29,014</b>

The portion of total revenue generated by the Group at its own stores, including online sales, was approximately 65% in 2015 (64% in 2014 and 63% in 2013), i.e. 23,051 million euros in

2015 (19,564 million euros in 2014 and 18,230 million euros in 2013).

## 24.2. Expenses by nature

Profit from recurring operations includes the following expenses:

<i>(EUR millions)</i>	2015	2014	2013
Advertising and promotion expenses	4,017	3,484	3,310
Commercial lease expenses	3,388	2,742	2,471
Personnel costs	6,249	5,455	4,980
Research and development expenses	97	79	71

Advertising and promotion expenses mainly consist of the cost of media campaigns and point-of-sale advertising, and also include personnel costs dedicated to this function.

As of December 31, 2015, a total of 3,860 stores were operated by the Group worldwide (3,708 in 2014; 3,384 in 2013), particularly by Fashion and Leather Goods and Selective Retailing.

In certain countries, leases for stores entail the payment of both minimum amounts and variable amounts, especially for stores with lease payments indexed to revenue. The total lease expense for the Group's stores breaks down as follows:

<i>(EUR millions)</i>	2015	2014	2013
Fixed or minimum lease payments	1,619	1,288	1,078
Variable portion of indexed leases	604	412	413
Airport concession fees – fixed portion or minimum amount	594	557	537
Airport concession fees – variable portion	571	485	443
<b>Commercial lease expenses</b>	<b>3,388</b>	<b>2,742</b>	<b>2,471</b>

Personnel costs consist of the following elements:

<i>(EUR millions)</i>	2015	2014	2013
Salaries and social charges	6,122	5,323	4,858
Pensions, contribution to medical costs and expenses in respect of defined benefit plans	90	93	88
Stock option plan and related expenses	37	39	34
<b>Personnel costs</b>	<b>6,249</b>	<b>5,455</b>	<b>4,980</b>

## 25. OTHER OPERATING INCOME AND EXPENSES

<i>(EUR millions)</i>	2015	2014	2013
Net gains (losses) on disposals of fixed assets	1	1	7
Restructuring costs	(98)	(36)	(14)
Transaction costs relating to the acquisition of consolidated companies	(2)	(8)	(21)
Impairment or amortization of brands, trade names, goodwill and other property	(136)	(246)	(88)
Other items, net	14	5	(3)
<b>Other operating income and expenses</b>	<b>(221)</b>	<b>(284)</b>	<b>(119)</b>

Impairment and amortization expenses recorded are mostly for brands and goodwill.

Restructuring costs mainly concern certain activities in Fashion and Leather Goods and Watches and Jewelry.

## 26. NET FINANCIAL INCOME/(EXPENSE)

<i>(EUR millions)</i>	2015	2014	2013
Borrowing costs	(111)	(144)	(138)
Income from cash, cash equivalents and current available for sale financial assets	33	30	30
Fair value adjustment of borrowings and interest rate hedges	-	(1)	7
<b>Cost of net financial debt</b>	<b>(78)</b>	<b>(115)</b>	<b>(101)</b>
Dividends received from non-current available for sale financial assets	4	74	71
Ineffective portion of foreign currency hedges	(437)	(238)	(159)
Net gain/(loss) related to available for sale financial assets and other financial instruments	129	3,263	23
Other items, net	(32)	(37)	(32)
<b>Other financial income/(expenses)</b>	<b>(336)</b>	<b>3,062</b>	<b>(97)</b>
<b>Net financial income/(expense)</b>	<b>(414)</b>	<b>2,947</b>	<b>(198)</b>

Income from cash, cash equivalents and current available for sale financial assets comprises the following items:

<i>(EUR millions)</i>	2015	2014	2013
Income from cash and cash equivalents	18	18	20
Interest from current available for sale financial assets	15	12	10
<b>Income from cash, cash equivalents and current available for sale financial assets</b>	<b>33</b>	<b>30</b>	<b>30</b>

The revaluation effects of financial debt and interest rate derivatives are attributable to the following items:

<i>(EUR millions)</i>	2015	2014	2013
Hedged financial debt	6	(7)	65
Hedging instruments	(4)	7	(61)
Unallocated derivatives	(2)	(1)	3
<b>Effects of revaluation of financial debt and interest rate instruments</b>	<b>-</b>	<b>(1)</b>	<b>7</b>

The ineffective portion of exchange rate derivatives breaks down as follows:

<i>(EUR millions)</i>	2015	2014	2013
Ineffective portion of commercial foreign exchange derivatives	(378)	(222)	(146)
Ineffective portion of foreign exchange derivatives related to net investments denominated in foreign currency	(2)	6	(6)
Ineffective portion of other foreign exchange derivatives	(57)	(22)	(7)
<b>Ineffective portion of foreign exchange derivatives</b>	<b>(437)</b>	<b>(238)</b>	<b>(159)</b>

In 2015, the net gain/(loss) related to available for sale financial assets and other financial instruments was mainly due to capital gains arising on the sale of available for sale financial assets.

In 2014, the net gain/(loss) related to available for sale financial assets and other financial instruments consisted mainly of the 3,189 million euro capital gain recognized following the exceptional distribution in kind of Hermès shares. See Note 8.

In 2013, the net gain/(loss) related to available for sale financial assets and other financial instruments was due to changes in market performance and the recognition of impairment losses on current and non-current available for sale financial assets.

## 27. INCOME TAXES

### 27.1. Analysis of the income tax expense

<i>(EUR millions)</i>	2015	2014	2013
Current income taxes for the fiscal year	(2,245)	(2,458)	(1,958)
Current income taxes relating to previous fiscal years	32	30	13
<b>Current income taxes</b>	<b>(2,213)</b>	<b>(2,428)</b>	<b>(1,945)</b>
Change in deferred income taxes	137	153	185
Impact of changes in tax rates on deferred taxes	107	2	7
<b>Deferred income taxes</b>	<b>244</b>	<b>155</b>	<b>192</b>
<b>Total tax expense per income statement</b>	<b>(1,969)</b>	<b>(2,273)</b>	<b>(1,753)</b>
<b>Tax on items recognized in equity</b>	<b>121</b>	<b>406</b>	<b>(249)</b>

In 2014, the current income tax expense included 512 million euros in taxes relating to the exceptional distribution in kind of Hermès shares. See Note 8.

Total income tax expense for the fiscal year includes 69 million euros (54 million euros in 2014; 41 million euros in 2013) in respect of the exceptional contribution applicable in France from 2011 to 2015 (10.7% of the corporate income tax due for fiscal years 2015, 2014 and 2013).

### 27.2. Analysis of net deferred tax on the balance sheet

Net deferred taxes on the balance sheet include the following assets and liabilities:

<i>(EUR millions)</i>	2015	2014	2013
Deferred tax assets	1,945	1,436	913
Deferred tax liabilities	(4,685)	(4,392)	(4,280)
<b>Net deferred tax asset (liability)</b>	<b>(2,740)</b>	<b>(2,956)</b>	<b>(3,367)</b>

### 27.3. Analysis of the difference between the theoretical and effective income tax rates

The effective tax rate is as follows:

<i>(EUR millions)</i>	2015	2014	2013
Profit before tax	5,970	8,378	5,700
Total income tax expense	(1,969)	(2,273)	(1,753)
<b>Effective tax rate</b>	<b>33.0%</b>	<b>27.1%</b>	<b>30.8%</b>

The theoretical income tax rate, defined as the rate applicable in law to the Group's French companies, including social contribution of 3.3%, may be reconciled as follows to the effective income tax rate disclosed in the consolidated financial statements:

<i>(as % of income before tax)</i>	2015	2014	2013
<b>French statutory tax rate</b>	<b>34.4</b>	<b>34.4</b>	<b>34.4</b>
Changes in tax rates	(1.8)	-	(0.1)
Differences in tax rates for foreign companies	(4.2)	(5.4)	(5.7)
Tax losses and tax loss carry forwards, and other changes in deferred tax	1.2	(0.3)	(1.2)
Differences between consolidated and taxable income, and income taxable at reduced rates, excluding the effect of the distribution of Hermès shares	1.6	3.0	1.8
Effect of the distribution of Hermès shares	-	(6.8)	-
Tax on distribution <sup>(a)</sup>	1.8	2.2	1.6
<b>Effective tax rate of the Group</b>	<b>33.0</b>	<b>27.1</b>	<b>30.8</b>

(a) Tax on distribution is mainly related to intra-Group dividends and to the 3% tax on dividends paid by LVMH SE.

## 27.4. Sources of deferred taxes

### In the income statement<sup>(a)</sup>

<i>(EUR millions)</i>	2015	2014	2013
Valuation of brands	148	(5)	24
Other revaluation adjustments	15	(3)	2
Gains and losses on available for sale financial assets	-	(1)	4
Gains and losses on hedges of future foreign currency cash flows	(6)	45	6
Provisions for contingencies and losses <sup>(b)</sup>	100	104	74
Intercompany margin included in inventories	(15)	48	33
Other consolidation adjustments <sup>(b)</sup>	-	(11)	41
Losses carried forward	2	(22)	8
<b>Total</b>	<b>244</b>	<b>155</b>	<b>192</b>

(a) Income/(Expenses).

(b) Mainly regulated provisions, accelerated tax depreciation and finance leases.

### In equity<sup>(a)</sup>

<i>(EUR millions)</i>	2015	2014	2013
Fair value adjustment of vineyard land	(21)	5	(127)
Gains and losses on available for sale financial assets	22	188	(65)
Gains and losses on hedges of future foreign currency cash flows	3	55	(17)
Gains and losses on employee benefit commitments	(16)	52	(22)
<b>Total</b>	<b>(12)</b>	<b>300</b>	<b>(231)</b>

(a) Gains/(Losses).

**In the balance sheet <sup>(a)</sup>**

<i>(EUR millions)</i>	2015	2014	2013
Valuation of brands	(3,523)	(3,567)	(3,479)
Fair value adjustment of vineyard land	(758)	(735)	(720)
Other revaluation adjustments	(358)	(371)	(379)
Gains and losses on available for sale financial assets	(2)	(23)	(207)
Gains and losses on hedges of future foreign currency cash flows	32	35	(33)
Provisions for contingencies and losses <sup>(b)</sup>	603	447	309
Intercompany margin included in inventories	710	712	654
Other consolidation adjustments <sup>(b)</sup>	525	517	432
Losses carried forward	31	29	56
<b>Total</b>	<b>(2,740)</b>	<b>(2,956)</b>	<b>(3,367)</b>

(a) Asset/(Liability).

(b) Mainly regulated provisions, accelerated tax depreciation and finance leases.

**27.5. Losses carried forward**

As of December 31, 2015, unused tax loss carryforwards and tax credits, for which no deferred tax assets were recognized, had a potential positive impact on the future tax expense of

331 million euros (282 million euros in 2014; 249 million euros in 2013).

**27.6. Tax consolidation**

- Tax consolidation agreements in France allow virtually all French companies of the Group to combine their taxable profits to calculate the overall tax expense for which only the parent company is liable. This tax consolidation agreement generated a decrease in the current tax expense of 125 million euros in 2015 (189 million euros in 2014; 59 million euros in 2013).
- The application of other tax consolidation agreements, notably in the United States, generated current tax savings of 77 million euros in 2015 (33 million euros in 2014; 16 million euros in 2013).

**28. EARNINGS PER SHARE**

	2015	2014	2013
<b>Net profit, Group share <i>(EUR millions)</i></b>	<b>3,573</b>	<b>5,648</b>	<b>3,436</b>
Average number of shares in circulation during the fiscal year	507,543,064	507,978,312	507,997,567
Average number of treasury shares owned during the fiscal year	(5,147,573)	(6,668,943)	(7,714,153)
<b>Average number of shares on which the calculation before dilution is based</b>	<b>502,395,491</b>	<b>501,309,369</b>	<b>500,283,414</b>
<b>Basic Group share of profit per share <i>(EUR)</i></b>	<b>7.11</b>	<b>11.27</b>	<b>6.87</b>
Average number of shares on which the above calculation is based	502,395,491	501,309,369	500,283,414
Dilution effect of stock option plans	2,499,455	2,552,364	2,934,083
Other dilution effects	-	-	-
<b>Average number of shares on which the calculation after dilution is based</b>	<b>504,894,946</b>	<b>503,861,733</b>	<b>503,217,497</b>
<b>Diluted Group share of profit per share <i>(EUR)</i></b>	<b>7.08</b>	<b>11.21</b>	<b>6.83</b>

In 2014, the impact of the distribution in kind of Hermès shares on the Group's net profit (see Note 8) was 2,677 million euros, i.e. 5.34 euros per share (5.31 euros after dilution).

As of December 31, 2015, all of the instruments in circulation that may dilute earnings per share have been taken into consideration when determining the impact of dilution, given that all of the outstanding subscription options are considered

to be available to be exercised at that date, since the LVMH share price is higher than the exercise price of these options.

No events occurred between December 31, 2015 and the date on which the financial statements were approved for publication that would have significantly affected the number of shares outstanding or the potential number of shares.

## 29. PROVISIONS FOR PENSIONS, CONTRIBUTION TO MEDICAL COSTS AND OTHER EMPLOYEE BENEFIT COMMITMENTS

### 29.1. Expense for the fiscal year

The expense recognized in the fiscal years presented for retirement benefit obligations, contribution to medical costs, and other employee benefit commitments is as follows:

<i>(EUR millions)</i>	2015	2014	2013
Service cost	98	76	79
Net interest cost	15	13	15
Actuarial gains and losses	3	4	2
Changes in plans	(20)	-	(8)
<b>Total expense for the period for defined benefit plans</b>	<b>96</b>	<b>93</b>	<b>88</b>

### 29.2. Net recognized commitment

<i>(EUR millions)</i>	2015	2014	2013
Benefits covered by plan assets	1,362	1,265	975
Benefits not covered by plan assets	183	161	144
<b>Defined benefit obligation</b>	<b>1,545</b>	<b>1,426</b>	<b>1,119</b>
<b>Market value of plan assets</b>	<b>(940)</b>	<b>(805)</b>	<b>(680)</b>
<b>Net recognized commitment</b>	<b>605</b>	<b>621</b>	<b>439</b>
Of which:			
Non-current provisions	632	640	452
Current provisions	4	3	5
Other assets	(31)	(22)	(18)
<b>Total</b>	<b>605</b>	<b>621</b>	<b>439</b>



### 29.3. Breakdown of the change in net recognized commitment

<i>(EUR millions)</i>	Defined benefit obligation	Market value of plan assets	Net recognized commitment
<b>As of December 31, 2014</b>	<b>1,426</b>	<b>(805)</b>	<b>621</b>
Service cost	98	-	98
Net interest cost	38	(23)	15
Payments to beneficiaries	(76)	55	(21)
Contributions to plan assets	-	(79)	(79)
Contributions of employees	9	(9)	-
Changes in scope and reclassifications	10	-	10
Changes in plans	(13)	(7)	(20)
Actuarial gains and losses: experience adjustments <sup>(a)</sup>	(11)	(12)	(23)
Actuarial gains and losses: changes in demographic assumptions <sup>(a)</sup>	1	-	1
Actuarial gains and losses: changes in financial assumptions <sup>(a)</sup>	(17)	-	(17)
Translation adjustment	80	(60)	20
<b>As of December 31, 2015</b>	<b>1,545</b>	<b>(940)</b>	<b>605</b>

(a) Gain/(Loss).

Actuarial gains and losses resulting from changes in financial assumptions related mainly to the decrease in discount rates.

Actuarial gains and losses resulting from experience adjustments related to the fiscal years 2011 to 2014 amounted to:

<i>(EUR millions)</i>	2011	2012	2013	2014
Experience adjustments on the defined benefit obligation	(9)	13	1	3
Experience adjustments on the market value of plan assets	(34)	(31)	(35)	(28)
<b>Actuarial gains and losses resulting from experience adjustments<sup>(a)</sup></b>	<b>(43)</b>	<b>(18)</b>	<b>(34)</b>	<b>(25)</b>

(a) (Gains)/Losses.

The actuarial assumptions applied to estimate commitments as of December 31, 2015 in the main countries where such commitments have been undertaken, were as follows:

<i>(as %)</i>	2015					2014					2013				
	France	United States	United Kingdom	Japan	Switzerland	France	United States	United Kingdom	Japan	Switzerland	France	United States	United Kingdom	Japan	Switzerland
Discount rate <sup>(a)</sup>	2.00	4.01	3.74	1.00	0.75	2.00	3.96	3.68	1.00	1.70	3.50	5.00	4.40	1.25	2.30
Future rate of increase of salaries	2.75	4.90	3.92	2.00	1.90	3.00	5.00	4.00	2.00	2.25	3.00	4.50	4.10	2.00	2.25

(a) Discount rates were determined with reference to market yields of AA-rated corporate bonds at the year-end in the countries concerned. Bonds with maturities comparable to those of the commitments were used.

The assumed rate of increase of medical expenses in the United States is 7.0% for 2017, after which it is assumed to decline progressively to reach a rate of 4.50% in 2037.

A rise of 0.5% in the discount rate would result in a reduction of 94 million euros in the amount of the defined benefit obligation as of December 31, 2015; a decrease of 0.5% in the discount rate would result in a rise of 97 million euros.

## 29.4. Analysis of benefits

The breakdown of the defined benefit obligation by type of benefit plan is as follows:

<i>(EUR millions)</i>	2015	2014	2013
Supplementary pensions	1,203	1,102	847
Retirement and other indemnities	265	251	205
Medical costs of retirees	50	49	44
Jubilee awards	23	21	20
Other	4	3	3
<b>Defined benefit obligation</b>	<b>1,545</b>	<b>1,426</b>	<b>1,119</b>

The geographic breakdown of the defined benefit obligation is as follows:

<i>(EUR millions)</i>	2015	2014	2013
France	484	501	369
Europe (excluding France)	583	506	440
United States	315	274	184
Japan	108	91	84
Asia (excluding Japan)	49	49	39
Other countries	6	5	3
<b>Defined benefit obligation</b>	<b>1,545</b>	<b>1,426</b>	<b>1,119</b>

The main components of the Group's net commitment for retirement and other defined benefit obligations as of December 31, 2015 are as follows:

- in France, these commitments include the commitment to members of the Group's Executive Committee and senior executives, who are covered by a supplementary pension plan after a certain number of years of service, the amount of which is determined on the basis of the average of their three highest amounts of annual remuneration received during the course of their career with the Group; they also include retirement indemnities and jubilee awards, the payment of which is determined by French law and collective bargaining agreements, respectively upon retirement or after a certain number of years of service;
- in Europe (excluding France), the main commitments concern pension plans, set up in the United Kingdom by certain Group companies, in Switzerland, participation by Group companies in the mandatory Swiss occupational pension plan, the LPP (*Loi pour la Prévoyance Professionnelle*), as well as the TFR (*Trattamento di Fine Rapporto*) in Italy, a legally required end-of-service allowance, paid regardless of the reason for the employee's departure from the company;
- in the United States, the commitment relates to defined benefit pension plans or systems for the reimbursement of medical expenses of retirees set up by certain Group companies.

## 29.5. Analysis of related plan assets

The breakdown of market value of plan assets by type of investment is as follows:

<i>(as % of market value of related plan assets)</i>	2015	2014	2013
Shares	26	30	35
Bonds			
- private issues	38	35	29
- public issues	10	13	15
Cash, investment funds, real estate and other assets	26	22	21
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>

These assets do not include any real estate assets belonging to the Group or any LVMH shares for significant amounts. The Group plans to increase the related plan assets in 2016 by paying in approximately 80 million euros.

## 30. OFF-BALANCE SHEET COMMITMENTS

### 30.1. Purchase commitments

(EUR millions)	2015	2014	2013
Grapes, wines and <i>eaux-de-vie</i>	2,043	1,706	994
Other purchase commitments for raw materials	94	69	110
Industrial and commercial fixed assets	808	458	379
Investments in joint venture shares and non-current available for sale financial assets	132	99	98

Some Wines and Spirits companies have contractual purchase arrangements with various local producers for the future supply of grapes, still wines and *eaux-de-vie*. These commitments are

valued, depending on the nature of the purchases, on the basis of the contractual terms or known year-end prices and estimated production yields.

As of December 31, 2015, the maturity schedule of these commitments is as follows:

(EUR millions)	Less than one year	One to five years	More than five years	Total
Grapes, wines and <i>eaux-de-vie</i>	746	1,219	78	2,043
Other purchase commitments for raw materials	69	21	4	94
Industrial and commercial fixed assets	706	98	4	808
Investments in joint venture shares and non-current available for sale financial assets	66	52	14	132

### 30.2. Lease and similar commitments

In connection with its business activities, the Group enters into agreements for the rental of premises or airport concession contracts. The Group also finances a portion of its equipment through long-term operating leases.

The fixed minimum portion of commitments in respect of the irrevocable period of operating lease or concession contracts were as follows as of December 31, 2015:

(EUR millions)	2015	2014	2013
Less than one year	1,860	1,658	1,394
One to five years	4,599	3,788	3,572
More than five years	3,021	1,952	1,854
<b>Commitments given for operating leases and concessions</b>	<b>9,480</b>	<b>7,398</b>	<b>6,820</b>
Less than one year	18	13	10
One to five years	14	16	14
More than five years	2	-	-
<b>Commitments received for sub-leases</b>	<b>34</b>	<b>29</b>	<b>24</b>

In addition, the Group may enter into operating leases or concession contracts that have variable guaranteed amounts. For example, in June 2012, DFS was awarded three additional five-year concessions at Hong Kong International Airport.

The concession agreement provides for the payment of a variable concession fee which is dependent notably on the number of passengers using the airport. In 2015, the amount of this fee was about 440 million euros.

### 30.3. Collateral and other guarantees

As of December 31, 2015, these commitments break down as follows:

(EUR millions)	2015	2014	2013
Securities and deposits	455	366	412
Other guarantees	136	88	90
<b>Guarantees given</b>	<b>591</b>	<b>454</b>	<b>502</b>
<b>Guarantees received</b>	<b>28</b>	<b>27</b>	<b>28</b>

Maturity dates of these commitments are as follows:

(EUR millions)	Less than one year	One to five years	More than five years	Total
Securities and deposits	218	228	9	455
Other guarantees	55	66	15	136
<b>Guarantees given</b>	<b>273</b>	<b>294</b>	<b>24</b>	<b>591</b>
<b>Guarantees received</b>	<b>11</b>	<b>6</b>	<b>11</b>	<b>28</b>

### 30.4. Other commitments

The Group is not aware of any significant off-balance sheet commitments other than those described above.

## 31. EXCEPTIONAL EVENTS AND LITIGATION

As part of its day-to-day management, the Group may be party to various legal proceedings concerning trademark rights, the protection of intellectual property rights, the protection of Selective Retailing networks, licensing agreements, employee relations, tax audits, and any other matters inherent to its business. The Group believes that the provisions recorded in the balance sheet in respect of these risks, litigation proceedings and disputes that are in progress and any others of which it is aware at the year-end, are sufficient to avoid its consolidated financial position being materially impacted in the event of an unfavorable outcome.

In 2006, Louis Vuitton Malletier and the French companies of the Perfumes and Cosmetics business group filed lawsuits against eBay in the Paris Commercial Court. Louis Vuitton Malletier demanded compensation for losses caused by eBay's participation in the commercialization of counterfeit products and its refusal to implement appropriate procedures to prevent the sale of such goods on its site. The Perfumes and Cosmetics brands sued eBay for undermining their selective retailing networks. In a decision delivered on June 30, 2008, the Paris Commercial Court ruled in favor of LVMH, ordering eBay to pay 19.3 million euros to Louis Vuitton Malletier and 3.2 million euros to the Group's Perfumes and Cosmetics brands. The court also barred eBay from running listings for perfumes and cosmetics under the Dior, Guerlain, Givenchy and Kenzo brands. eBay filed a petition with the Paris Court of Appeal. On July 11, 2008, the President of the Paris Court of Appeal denied eBay's petition to stay the provisional execution order

delivered by the Paris Commercial Court. In September 2010, the Paris Court of Appeal confirmed the ruling against eBay handed down in 2008, classifying this company's business as that of a broker and not merely an Internet host. Asserting that it did not have jurisdiction to evaluate the extent of losses caused by some of eBay's sites outside France, the Court reduced the amount of punitive damages to 2.2 million euros for Louis Vuitton Malletier and 0.7 million euros for the Group's Perfumes and Cosmetics brands, as the initial amount had been determined on the basis of eBay's worldwide operations. In response to the appeal filed by eBay, on May 3, 2012 the *Cour de cassation* confirmed the analysis carried out by the Paris Court of Appeal, which had held that eBay's activity was not merely that of a hosting service provider, but that it also acted as a broker. However, the *Cour de cassation* reversed the Paris Court of Appeal's decision with regard to its jurisdiction for activity conducted on the eBay Inc. website and referred the case back for retrial by the Paris Court of Appeal. On July 17, 2014, eBay and LVMH announced a cooperative effort to protect intellectual property rights and combat counterfeits in online commerce. Thanks to the cooperation measures put in place, the companies have settled the ongoing litigation.

On September 2, 2014, under the aegis of the President of the Paris Commercial Court, LVMH and Hermès entered into a settlement agreement aimed at definitively ending the litigation to which LVMH's acquisition of an equity stake in Hermès had given rise, and at restoring a climate of positive relations between them. According to the terms of this

agreement, (i) in December 2014, LVMH distributed to its shareholders all of the Hermès shares held by the LVMH group, and Christian Dior, which at that date held 40.9% of LVMH's share capital via Financière Jean Goujon, distributed the Hermès shares received from LVMH to its own shareholders, and (ii) LVMH and Hermès ceased all proceedings and actions undertaken against one another. See Note 8 for the impacts of this transaction on the consolidated financial statements as of December 31, 2014.

On December 17, 2012, the Mayor of Paris granted two distinct building permits authorizing the architectural project for the restructuring and reconstruction of the former La Samaritaine department stores 2 (Seine block) and 4 (Rivoli block). Both of these permits were the subject of an action for cancellation before the Paris Administrative Court (*Tribunal administratif de Paris*). On April 11, 2014, the Paris Administrative Court rejected the action for cancellation filed against the building permit authorizing the restructuring of former department store 2, which is registered as a Historic

Monument (Seine block). That first permit thereby became definitive. On May 13, 2014, the Paris Administrative Court cancelled the second building permit order authorizing the partial demolition of former department store 4 and the reconstruction of a contemporary building designed by the architectural firm SANAA (Rivoli block). The company Grands Magasins de La Samaritaine and the City of Paris appealed against this judgment. On January 5, 2015, the Paris Administrative Court of Appeal (*Cour administrative d'appel de Paris*) dismissed their appeals. La Samaritaine and the City of Paris filed a cassation appeal before the Council of State (*Conseil d'État*), which, in a judgment dated June 19, 2015, overturned the judgment of the Administrative Court of Appeal, thereby definitively validating the second building permit.

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

## 32. RELATED PARTY TRANSACTIONS

### 32.1. Relations of LVMH with Christian Dior and Groupe Arnault

The LVMH group is consolidated within Christian Dior SE, a public company listed on the Eurolist by Euronext Paris, which is controlled by Groupe Arnault SE via its subsidiary Financière Agache SA.

#### Relations of LVMH with Christian Dior

The LVMH group, via its subsidiaries Parfums Christian Dior and Montres Dior, coordinates its communications efforts with Christian Dior SE and its subsidiaries, in particular Christian Dior Couture SA. Christian Dior also provides creative assistance to LVMH for the design of Dior perfume bottles and watches, as well as in the course of its advertising and promotional campaigns. Montres Dior watches are manufactured by a company equally owned by Christian Dior and LVMH, "Les Ateliers Horlogers Dior SA" ("LAH").

LVMH distributes Christian Dior products through its Selective Retailing businesses, and distributes Montres Dior watches

through its Watches and Jewelry business group's distribution network. Christian Dior purchases the products manufactured by Parfums Christian Dior and Montres Dior from LVMH, which it sells in its network of retail stores.

LAH has been managed since 2008 as a joint venture between the Watches and Jewelry business Group and Christian Dior Couture. Following the implementation of IFRS 11, this jointly controlled entity is accounted for using the equity method.

Finally, LVMH provides administrative assistance to the subsidiaries of Christian Dior located outside France.

Transactions between LVMH and Christian Dior, which are completed at market prices, may be summarized as follows:

<i>(EUR millions)</i>	2015	2014	2013
LVMH purchases from Christian Dior	(27)	(23)	(20)
Amount payable outstanding as of December 31	(28)	(20)	(20)
LVMH sales to Christian Dior	33	31	31
Amount receivable outstanding as of December 31	16	15	16

The transactions between LVMH and LAH, which is now accounted for using the equity method, are not included in the table above. During fiscal year 2015, sales of goods and services, net of purchases, from LAH to the Group amounted to 3 million euros.

### Relations of LVMH with Groupe Arnault and its subsidiaries

The company Groupe Arnault SE, which has specialist teams, provides assistance to the LVMH group, primarily in the areas of financial engineering, strategy, development, and corporate and real estate law. In addition, the company Groupe Arnault leases office premises to the LVMH group.

Conversely, the LVMH group provides various administrative and operational services and leases real estate and movable

In July 2015, LVMH sold its shares of a company holding rights to a property located in Tokyo to Christian Dior Couture for 29 million euros. In addition, in 2015, LVMH acquired some leasehold rights to stores in Paris which were immediately transferred to Christian Dior Couture at cost.

property assets to the company Groupe Arnault SE and some of its subsidiaries.

In December 2015, LVMH and Groupe Arnault took a joint 35.8% equity stake in L Catterton via LC Investissements. Furthermore, LVMH and Groupe Arnault agreed to contribute their jointly held equity stakes in their fund management companies to L Catterton in 2016.

Transactions between LVMH and Groupe Arnault and its subsidiaries may be summarized as follows:

<i>(EUR millions)</i>	2015	2014	2013
Amounts billed by Groupe Arnault SE and Financière Agache to LVMH	(6)	(6)	(6)
Amount payable outstanding as of December 31	(2)	(2)	(2)
Amounts billed by LVMH to Groupe Arnault SE and Financière Agache	3	3	3
Amount receivable outstanding as of December 31	-	1	-

## 32.2. Relations with Diageo

Moët Hennessy SNC and Moët Hennessy International SAS (hereafter referred to as “Moët Hennessy”) are the holding companies for LVMH’s Wines and Spirits businesses, with the exception of Château d’Yquem, Château Cheval Blanc, Domaine du Clos des Lambrays and certain champagne vineyards. Diageo holds a 34% stake in Moët Hennessy. In 1994, at the time when Diageo acquired this 34% stake, an agreement was concluded between Diageo and LVMH for the apportionment

of holding company expenses between Moët Hennessy and the other holding companies of the LVMH group.

Under this agreement, Moët Hennessy assumed 17% of shared expenses in 2015 (17% in 2014 and 19% in 2013) and billed the related excess costs to LVMH SE, after which the amount of the costs assumed by Moët Hennessy was 16 million euros in 2015 (14 million euros in 2014; 15 million euros in 2013).

## 32.3. Relations with Fondation Louis Vuitton

In October 2014, the Fondation Louis Vuitton opened a modern and contemporary art museum in Paris. The LVMH group provides financing to the Fondation Louis Vuitton as part of its corporate sponsorship activities. Its net contributions to this project are included in “Property, plant and equipment” and are depreciated from the time the museum opened (October 2014)

over the remaining duration of the public property use agreement awarded by the City of Paris.

The Fondation Louis Vuitton also obtains external financing guaranteed by LVMH. These guarantees are part of LVMH’s off-balance sheet commitments (See Note 30.3).

### 32.4. Executive bodies

The total compensation paid to the members of the Executive Committee and the Board of Directors, in respect of their functions within the Group, breaks down as follows:

<i>(EUR millions)</i>	2015	2014	2013
Gross compensation, employers' charges and benefits in kind	58	70	73
Post-employment benefits	15	11	10
Other long-term benefits	5	13	14
End of contract indemnities	-	-	-
Stock option and similar plans	8	14	16
<b>Total</b>	<b>86</b>	<b>108</b>	<b>113</b>

The commitment recognized as of December 31, 2015 for post-employment benefits, net of related financial assets was 63 million euros (106 million euros as of December 31, 2014 and 53 million euros as of December 31, 2013).

## 33. SUBSEQUENT EVENTS

No significant subsequent events occurred between December 31, 2015 and February 2, 2016, the date on which the financial statements were approved for publication by the Board of Directors.

## MAIN CONSOLIDATED COMPANIES

Companies	Registered office	Percentage	
		Control	Interest
<b>WINES AND SPIRITS</b>			
MHCS SCS	Épernay, France	100%	66%
Champagne Des Moutiers SA	Épernay, France	100%	66%
Société Viticole de Reims SA	Épernay, France	100%	66%
Cie Française du Champagne et du Luxe SA	Épernay, France	100%	66%
Chamfipar SA	Épernay, France	100%	66%
GIE MHIS	Épernay, France	100%	66%
Moët Hennessy Entreprise Adaptée	Épernay, France	100%	66%
Champagne Bernard Breuzon SAS	Colombe le Sec, France	100%	66%
Champagne de Mansin SAS	Gye sur Seine, France	100%	66%
Société Civile des Crus de Champagne SA	Reims, France	100%	66%
Moët Hennessy Italia Spa	Milan, Italy	100%	66%
Moët Hennessy UK Ltd	London, United Kingdom	100%	66%
Moët Hennessy España SA	Barcelona, Spain	100%	66%
Moët Hennessy (Suisse) SA	Geneva, Switzerland	100%	66%
Moët Hennessy Deutschland GmbH	Munich, Germany	100%	66%
Moët Hennessy de Mexico, SA de C.V.	Mexico City, Mexico	100%	66%
Moët Hennessy Belux SA	Brussels, Belgium	100%	66%
Moët Hennessy Österreich GmbH	Vienna, Austria	100%	66%
Moët Hennessy Suomi OY	Helsinki, Finland	100%	66%
Moët Hennessy Polska SP Z.O.O.	Warsaw, Poland	100%	66%
Moët Hennessy Czech Republic Sro	Prague, Czech Republic	100%	66%
Moët Hennessy Sverige AB	Stockholm, Sweden	100%	66%
Moët Hennessy România Srl	Bucharest, Romania	100%	66%
Moët Hennessy Norge AS	Hoevik, Norway	100%	66%
Moët Hennessy Danmark A/S	Copenhagen, Denmark	100%	66%
Moët Hennessy Nederland BV	Baarn, Netherlands	100%	66%
Moët Hennessy USA Inc	New York, USA	100%	66%
Moët Hennessy Turkey Ltd	Istanbul, Turkey	100%	66%
Moët Hennessy South Africa	Johannesburg, South Africa	100%	66%
Moët Hennessy Korea Ltd	Seoul, South Korea	100%	66%
MHD Moët Hennessy Diageo SAS	Courbevoie, France <sup>(b)</sup>	100%	66%
Cheval des Andes SA	Buenos Aires, Argentina <sup>(a)</sup>	50%	33%
Domaine Chandon Inc	California, USA	100%	66%
Cape Mentelle Vineyards Ltd	Margaret River, Australia	100%	66%
Veuve Clicquot Properties, Pty Ltd	Margaret River, Australia	100%	66%
Moët Hennessy do Brasil – Vinhos E Destilados Ltda	São Paulo, Brazil	100%	66%
Cloudy Bay Vineyards Ltd	Blenheim, New Zealand	100%	66%
Bodegas Chandon Argentina SA	Buenos Aires, Argentina	100%	66%
Domaine Chandon Australia Pty Ltd	Coldstream, Victoria, Australia	100%	66%
Newton Vineyards LLC	California, USA	90%	59%
Domaine Chandon (Ningxia)			
Moët Hennessy Co, Ltd	Yinchuan, China	100%	66%
Moët Hennessy Chandon (Ningxia)			
Vineyards Co, Ltd	Yinchuan, China	60%	40%
Château d'Yquem SA	Sauternes, France	96%	96%
Château d'Yquem SC	Sauternes, France	96%	96%
Société Civile Cheval Blanc (SCCB)	Saint-Émilion, France <sup>(a)</sup>	50%	50%
MH Shangri-La (Deqin) Winery Company Ltd	Deqin, China	80%	53%
Jas Hennessy & Co SCS	Cognac, France	99%	65%
Distillerie de la Groie SARL	Cognac, France	100%	65%
SICA de Bagnole	Cognac, France	100%	3%
Sodepa SARL	Cognac, France	100%	65%
Diageo Moët Hennessy BV	Amsterdam, Netherlands <sup>(b)</sup>	100%	66%
Hennessy Dublin Ltd	Dublin, Ireland	100%	66%
Edward Dillon & Co Ltd	Dublin, Ireland <sup>(a)</sup>	40%	26%
Hennessy Far East Ltd	Hong Kong, China	100%	65%
Moët Hennessy Diageo Hong Kong Ltd	Hong Kong, China <sup>(b)</sup>	100%	66%
Moët Hennessy Diageo Macau Ltd	Macao, China <sup>(b)</sup>	100%	66%
Riche Monde (China) Ltd	Hong Kong, China <sup>(b)</sup>	100%	66%
Moët Hennessy Diageo Singapore Pte Ltd	Singapore <sup>(b)</sup>	100%	66%
Moët Hennessy Ukraine	Kiev, Ukraine	100%	66%
Moët Hennessy Cambodia Co Ltd	Phnom Penh, Cambodia	51%	34%
Moët Hennessy Philippines Inc	Makati City, Philippines	75%	49%
Société du domaine des Lambrays	Gevrey Chambertin, France	100%	100%
MH Services UK Ltd	London, United Kingdom	100%	66%
MH Services Singapore Limited Pte	Singapore	100%	66%
Moët Hennessy Diageo Malaysia SDN BHD	Kuala Lumpur, Malaysia <sup>(b)</sup>	100%	66%
Diageo Moët Hennessy Thailand Ltd	Bangkok, Thailand <sup>(b)</sup>	100%	66%
Moët Hennessy Shanghai Ltd	Shanghai, China	100%	66%
Moët Hennessy India Pvt. Ltd	New Delhi, India	100%	66%
Moët Hennessy Taiwan Ltd	Taipei, Taiwan	100%	65%
MHD Chine Co Ltd	Shanghai, China <sup>(b)</sup>	100%	66%
Moët Hennessy Whitehall Russia SA	Moscow, Russia	100%	66%
Moët Hennessy Vietnam Importation Co Ltd	Ho Chi Minh City, Vietnam	100%	65%
Moët Hennessy Vietnam Distribution Co Pte Ltd	Ho Chi Minh City, Vietnam	51%	33%
Moët Hennessy Rus LLC	Moscow, Russia	100%	66%

Companies	Registered office	Percentage	
		Control	Interest
MHD Moët Hennessy Diageo	Tokyo, Japan <sup>(b)</sup>	100%	66%
Moët Hennessy Asia Pacific Pte Ltd	Singapore	100%	65%
Moët Hennessy Australia Ltd	Rosebury, Australia	100%	65%
Polmos Zyrardow LLC	Zyrardow, Poland	100%	66%
The Glenmorangie Company Ltd	Edinburgh, United Kingdom	100%	66%
Macdonald & Muir Ltd	Edinburgh, United Kingdom	100%	66%
The Scotch Malt Whisky Society Ltd	Edinburgh, United Kingdom	100%	66%
Wenjun Spirits Company Ltd	Chengdu, China	55%	36%
Wenjun Spirits Sales Company Ltd	Chengdu, China	55%	36%
<b>FASHION AND LEATHER GOODS</b>			
Louis Vuitton Malletier SA	Paris, France	100%	100%
Manufacture des Souliers Louis Vuitton Srl	Fiesso d'Artico, Italy	100%	100%
Louis Vuitton Saint-Barthélemy SNC	Saint-Barthélemy, French Antilles	100%	100%
Louis Vuitton Cantacilik Ticaret AS	Istanbul, Turkey	100%	100%
Louis Vuitton Editeur SAS	Paris, France	100%	100%
Louis Vuitton International SNC	Paris, France	100%	100%
Société des Ateliers Louis Vuitton SNC	Paris, France	100%	100%
Les Tanneries de la Comète SA	Estaimpuis, Belgium	100%	100%
Manufacture des accessoires Louis Vuitton Srl	Milan, Italy	100%	100%
Louis Vuitton Bahrain WLL	Manama, Bahrain <sup>(c)</sup>	<sup>(c)</sup>	<sup>(c)</sup>
Société Louis Vuitton Services SNC	Paris, France	100%	100%
Louis Vuitton Qatar LLC	Doha, Qatar <sup>(c)</sup>	<sup>(c)</sup>	<sup>(c)</sup>
Société des Magasins Louis Vuitton France SNC	Paris, France	100%	100%
Belle Jardinière SA	Paris, France	100%	100%
La Fabrique Du Temps Louis Vuitton SA	La Chaux-de-Fonds, Switzerland	100%	100%
Les Ateliers Joaillers Louis Vuitton SAS	Paris, France	100%	100%
Louis Vuitton Monaco SA	Monaco	100%	100%
ELV SNC	Paris, France	100%	100%
Louis Vuitton Services Europe Sprl	Brussels, Belgium	100%	100%
Louis Vuitton UK Ltd	London, United Kingdom	100%	100%
Louis Vuitton Ireland Ltd	Dublin, Ireland	100%	100%
Louis Vuitton Deutschland GmbH	Düsseldorf, Germany	100%	100%
Louis Vuitton Ukraine LLC	Kiev, Ukraine	100%	100%
Sociedad de Catalana Talleres Artesanos Louis Vuitton SA	Barcelona, Spain	100%	100%
Sociedad de Talleres de Accesorios en Cuero LV SL	Barcelona, Spain	100%	100%
La Fabrique de Maroquinerie Louis Vuitton	Paris, France	100%	100%
Louis Vuitton BV	Amsterdam, Netherlands	100%	100%
Louis Vuitton Belgium SA	Brussels, Belgium	100%	100%
Louis Vuitton Luxembourg SARL	Luxembourg	100%	100%
Louis Vuitton Hellas SA	Athens, Greece	100%	100%
Louis Vuitton Portugal Maleiro, Ltda.	Lisbon, Portugal	100%	100%
Louis Vuitton Ltd	Tel Aviv, Israel	100%	100%
Louis Vuitton Danmark A/S	Copenhagen, Denmark	100%	100%
Louis Vuitton Aktiebolag SA	Stockholm, Sweden	100%	100%
Louis Vuitton Suisse SA	Geneva, Switzerland	100%	100%
Louis Vuitton Polska sp. zoo.	Warsaw, Poland	100%	100%
Louis Vuitton Ceska s.r.o.	Prague, Czech Republic	100%	100%
Louis Vuitton Österreich GmbH	Vienna, Austria	100%	100%
Louis Vuitton Kazakhstan LLP	Almaty, Kazakhstan	100%	100%
LV US Manufacturing, Inc	New York, USA	100%	100%
Louis Vuitton Hawaii Inc	Hawaii, USA	100%	100%
Louis Vuitton Guam Inc	Guam	100%	100%
Louis Vuitton Saipan Inc	Saipan, Northern Mariana Islands	100%	100%
Louis Vuitton Norge AS	Oslo, Norway	100%	100%
San Dimas Luggage Company	New York, USA	100%	100%
Louis Vuitton North America Inc	New York, USA	100%	100%
Louis Vuitton USA Inc	New York, USA	100%	100%
Louis Vuitton Liban retail SAL	Beirut, Lebanon	100%	100%
Louis Vuitton Vietnam Company Ltd	Hanoi, Vietnam	100%	100%
Louis Vuitton Suomu Oy	Helsinki, Finland	100%	100%
Louis Vuitton România Srl	Bucharest, Romania	100%	100%
LVMH FG Brasil Ltda	São Paulo, Brazil	100%	100%
Louis Vuitton Panama Inc	Panama City, Panama	100%	100%
Louis Vuitton Mexico S de RL de CV	Mexico City, Mexico	100%	100%
Louis Vuitton Chile Ltda	Santiago de Chile, Chile	100%	100%
Louis Vuitton [Aruba] N.V	Oranjestad, Aruba	100%	100%
Louis Vuitton Republica Dominica Pte	Santo Domingo, Dominican Republic	100%	100%
Louis Vuitton Pacific Ltd	Hong Kong, China	100%	100%
Louis Vuitton Kuwait	Kuwait City, Kuwait <sup>(c)</sup>	<sup>(c)</sup>	<sup>(c)</sup>
Louis Vuitton Hong Kong Ltd	Hong Kong, China	100%	100%
Louis Vuitton (Philippines) Inc	Makati, Philippines	100%	100%
Louis Vuitton Singapore Pte Ltd	Singapore	100%	100%



Companies	Registered office	Percentage		Companies	Registered office	Percentage	
		Control	Interest			Control	Interest
LV IOS Private Ltd	Singapore	100%	100%	Berluti (Shanghai) Company Ltd	Shanghai, China	100%	100%
PT Louis Vuitton Indonesia LLC	Jakarta, Indonesia	98%	98%	Berluti Hong Kong Company Ltd	Hong Kong, China	100%	100%
Louis Vuitton (Malaysia) SDN BHD	Kuala Lumpur, Malaysia	100%	100%	Berluti Deutschland GmbH	Munich, Germany	100%	100%
Louis Vuitton (Thailand) SA	Bangkok, Thailand	100%	100%	Berluti Singapore Private Ltd	Singapore	100%	100%
Louis Vuitton Taiwan Ltd	Taipei, Taiwan	98%	98%	LV Japan KK	Tokyo, Japan	100%	99%
Louis Vuitton Australia PTY Ltd	Sydney, Australia	100%	100%	Berluti Orient FZ LLC	Ras al-Khaimah, United Arab Emirates	65%	65%
Louis Vuitton (China) Co Ltd	Shanghai, China	100%	100%		Dubai, United Arab Emirates <sup>(c)</sup>	<sup>(c)</sup>	<sup>(c)</sup>
Louis Vuitton Mongolia LLC	Ulaanbaatar, Mongolia	100%	100%	Berluti UAE LLC	Dubai, United Arab Emirates <sup>(c)</sup>	<sup>(c)</sup>	<sup>(c)</sup>
Louis Vuitton New Zealand Limited	Auckland, New Zealand	100%	100%	Berluti Taiwan Ltd	Taipei, Taiwan	100%	100%
Louis Vuitton India Retail Private Limited	New Delhi, India	51%	51%	Rossimoda Spa	Vigonza, Italy	100%	100%
Louis Vuitton EAU LLC	Dubai, United Arab Emirates <sup>(c)</sup>	<sup>(c)</sup>	<sup>(c)</sup>	Rossimoda USA Ltd	New York, USA	100%	100%
LV Saudi Arabia	Saudi Arabia	75%	49%	Brenta Suole Srl	Vigonza, Italy	65%	65%
Louis Vuitton Middle East	Dubai, United Arab Emirates	65%	65%	LVMH Fashion Group Services SAS	Paris, France	100%	100%
Louis Vuitton - Jordan PCLS	Amman, Jordan	100%	100%	Montaigne KK	Tokyo, Japan	100%	99%
Louis Vuitton Orient LLC	Ras al-Khaimah, United Arab Emirates	65%	65%	Interlux Company Ltd	Hong Kong, China	100%	100%
				Celine SA	Paris, France	99%	99%
Louis Vuitton Korea Ltd	Seoul, South Korea	100%	100%	Avenue M International SCA	Paris, France	100%	99%
LVMH Fashion Group Trading Korea Ltd	Seoul, South Korea	100%	100%	Enilec Gestion SARL	Paris, France	100%	99%
Louis Vuitton Hungaria Sart	Budapest, Hungary	100%	100%	Celine Montaigne SA	Paris, France	100%	99%
Louis Vuitton Vostock LLC	Moscow, Russia	100%	100%	Celine Monte-Carlo SA	Monaco	100%	99%
LV Colombia SA	Santafe de Bogota, Colombia	100%	100%	Celine Germany GmbH	Berlin, Germany	100%	99%
Louis Vuitton Maroc Sart	Casablanca, Morocco	100%	100%	Celine Production Srl	Florence, Italy	100%	99%
Louis Vuitton South Africa Ltd	Johannesburg, South Africa	100%	100%	Celine Suisse SA	Geneva, Switzerland	100%	99%
Louis Vuitton Macau Company Ltd	Macao, China	100%	100%	Celine UK Ltd	London, United Kingdom	100%	99%
LVMH Fashion (Shanghai) Trading Co., Ltd	Shanghai, China	100%	100%	Celine Inc	New York, USA <sup>(1)</sup>	100%	100%
Louis Vuitton Japan KK	Tokyo, Japan	99%	99%	Celine Hong Kong Ltd	Hong Kong, China	100%	99%
Louis Vuitton Services KK	Tokyo, Japan	100%	99%	Celine Commercial & Trading (Shanghai) Co Ltd	Shanghai, China	100%	99%
Louis Vuitton Canada Inc	Toronto, Canada	100%	100%	Celine Taiwan Ltd	Taipei, Taiwan	100%	99%
Louis Vuitton (Barbados) Ltd	Saint Michael, Barbados	100%	100%	CPC International Ltd	Hong Kong, China	100%	99%
Atepedi - Ateliers de Ponte de Lima SA	Ponte de Lima, Portugal	100%	100%	CPC Macau Ltd	Macao, China	100%	99%
Somarest SARL	Sibiu, Romania	100%	100%	LVMH FG Services UK Ltd	London, United Kingdom	100%	100%
LVMH - Métiers d'Art	Paris, France	100%	100%	Celine Distribution Spain	Madrid, Spain	100%	99%
Les tanneries Roux SA	Romans-sur-Isère, France	100%	100%	Celine Distribution Singapore PTE Ltd	Singapore	100%	99%
Heng Long International Holding Pte Ltd	Singapore	65%	65%	RC Diffusion Rive Droite	Paris, France	100%	99%
Heng Long International Ltd	Singapore	100%	65%	Kenzo SA	Paris, France	100%	100%
Heng Long Leather Co (Pte) Ltd	Singapore	100%	65%	Kenzo Belgium SA	Brussels, Belgium	100%	100%
Heng Long Leather (Guangzhou) Co Ltd	Guangzhou, China	100%	65%	Kenzo UK Ltd	London, United Kingdom	100%	100%
HL Australia Proprietary Ltd	Sydney, Australia	97%	63%	Kenzo Japan KK	Tokyo, Japan	100%	100%
Starke Holding LLC	Starke, USA <sup>(1)</sup>	80%	80%	Kenzo Accessories Srl	Lentate Sul Seveso, Italy	100%	100%
Cypress Creek Farms LLC	Starke, USA <sup>(1)</sup>	100%	80%	Kenzo Setta Srl	Grandate, Italy	51%	51%
Florida Alligator Company LLC	Starke, USA <sup>(1)</sup>	100%	80%	Kenzo Paris KK	Tokyo, Japan	50%	50%
Pellefina LLC	Starke, USA <sup>(1)</sup>	100%	80%	Kenzo Paris Singapore Pte Ltd	Singapore	100%	100%
Marc Jacobs International LLC	New York, USA <sup>(1)</sup>	100%	80%	Kenzo Paris Hong Kong Company Ltd	Hong Kong, China	100%	100%
Marc Jacobs International (UK) Ltd	London, United Kingdom	100%	80%	Givenchy SA	Paris, France	100%	100%
Marc Jacobs Trademark LLC	New York, USA <sup>(1)</sup>	100%	80%	Givenchy Corporation	New York, USA	100%	100%
Marc Jacobs Japon KK	Tokyo, Japan	66%	53%	Givenchy China Co Ltd	Hong Kong, China	100%	100%
Marc Jacobs international Italia Srl	Milan, Italy	100%	80%	Givenchy Shanghai Commercial and Trading Co Ltd	Shanghai, China	100%	100%
Marc Jacobs International France SAS	Paris, France	100%	80%	GCCL Macao Co Ltd	Macao, China	100%	100%
Marc Jacobs Commercial & Trading (Shanghai)	Shanghai, China	100%	80%	Givenchy Italia Srl	Florence, Italy	100%	100%
Marc Jacobs Hong Kong Ltd	Hong Kong, China	100%	80%	LVMH Fashion Group Japan	Tokyo, Japan	100%	99%
Marc Jacobs Holdings LLC	New York, USA <sup>(1)</sup>	80%	80%	K.K. Givenchy Japan	Tokyo, Japan	100%	99%
Marc Jacobs Hong Kong Distribution Company Ltd	Hong Kong, China	100%	80%	Givenchy Couture Limited	London, United Kingdom	100%	100%
Marc Jacobs Macau Distribution Company Ltd	Macao, China	100%	80%	Givenchy Taiwan Ltd	Taipei, Taiwan	100%	100%
Marc Jacobs HK and Macau Holding Company Ltd	Hong Kong, China	100%	80%	Gabrielle Studio Inc	New York, USA	100%	100%
Loewe SA	Madrid, Spain	100%	100%	Donna Karan International Inc	New York, USA <sup>(1)</sup>	100%	100%
Loewe Hermanos SA	Madrid, Spain	100%	100%	The Donna Karan Company LLC	New York, USA	100%	100%
Manufacturas Loewe SL	Madrid, Spain	100%	100%	Donna Karan Service Company BV	Oldenzaal, Netherlands	100%	100%
LVMH Fashion Group France SNC	Paris, France	100%	100%	Donna Karan Company Store Ireland Ltd	Dublin, Ireland	100%	100%
Loewe Hermanos UK Ltd	London, United Kingdom	100%	100%	Donna Karan Studio LLC	New York, USA	100%	100%
Loewe Hong Kong Ltd	Hong Kong, China	100%	100%	The Donna Karan Company Store LLC	New York, USA	100%	100%
Loewe Commercial & Trading (Shanghai) Co Ltd	Shanghai, China	100%	100%	Donna Karan International (Canada) Inc	Vancouver, Canada	100%	100%
Loewe Fashion Pte Ltd	Singapore	100%	100%	Donna Karan Company Store UK Holdings Ltd	London, United Kingdom	100%	100%
Loewe Fashion (M) SDN BHD	Johor, Malaysia	100%	100%	Donna Karan Management Company UK Ltd	London, United Kingdom	100%	100%
Loewe Taiwan Ltd	Taipei, Taiwan	100%	98%	Donna Karan Company Stores	London, United Kingdom	100%	100%
Loewe Korea Ltd	Seoul, South Korea	100%	100%	UK Retail Ltd	London, United Kingdom	100%	100%
Loewe Macao Ltd	Macao, China	100%	100%	Donna Karan Company Store (UK) Ltd	London, United Kingdom	100%	100%
Loewe Italy Spa	Milan, Italy	100%	100%	Donna Karan H. K. Ltd	Hong Kong, China	100%	100%
Loewe Alemania GmbH	Frankfurt, Germany	100%	100%	Donna Karan (Italy) Srl	Milan, Italy	100%	100%
Loewe Hawaii Inc	Honolulu, USA	100%	100%	Donna Karan (Italy) Production Services Srl	Milan, Italy	100%	100%
LVMH Fashion Group Support	Paris, France	100%	100%	Fendi Prague S.r.o.	Prague, Czech Republic	100%	100%
Berluti SA	Paris, France	100%	100%	Luxury Kuwait for Ready Wear Company WLL	Kuwait City, Kuwait <sup>(c)</sup>	<sup>(c)</sup>	<sup>(c)</sup>
Manifattura Ferrarese Srl	Ferrara, Italy	100%	100%	Fendi Canada Inc	Toronto, Canada	100%	100%
Berluti LLC	New York, USA	100%	100%	Fendi Private Suites Srl	Rome, Italy	100%	100%
Berluti UK Ltd	London, United Kingdom	100%	100%	Fun Fashion Qatar LLC	Doha, Qatar <sup>(c)</sup>	<sup>(c)</sup>	<sup>(c)</sup>
Berluti Macau Company Ltd	Macao, China	100%	100%	Fendi International SA	Paris, France	100%	100%
				Fun Fashion Emirates LLC	Dubai, United Arab Emirates <sup>(c)</sup>	<sup>(c)</sup>	<sup>(c)</sup>

Companies	Registered office	Percentage	
		Control	Interest
Fendi SA	Luxembourg	100%	100%
Fun Fashion Bahrain WLL	Manama, Bahrain <sup>(c)</sup>	<sup>(c)</sup>	<sup>(c)</sup>
Fendi Srl	Rome, Italy	100%	100%
Fendi Dis Ticaret LSI	Istanbul, Turkey	100%	100%
Fendi Adele Srl	Rome, Italy	100%	100%
Fendi Italia Srl	Rome, Italy	100%	100%
Fendi UK Ltd	London, United Kingdom	100%	100%
Fendi France SAS	Paris, France	100%	100%
Fendi North America Inc	New York, USA <sup>(1)</sup>	100%	100%
Fendi (Thailand) Company Ltd	Bangkok, Thailand	100%	100%
Fendi Asia Pacific Ltd	Hong Kong, China	100%	100%
Fendi Korea Ltd	Seoul, South Korea	100%	100%
Fendi Taiwan Ltd	Taipei, Taiwan	100%	100%
Fendi Hong Kong Ltd	Hong Kong, China	100%	100%
Fendi China Boutiques Ltd	Hong Kong, China	100%	100%
Fendi (Singapore) Pte Ltd	Singapore	100%	100%
Fendi Fashion (Malaysia) Snd. Bhd.	Kuala Lumpur, Malaysia	100%	100%
Fendi Switzerland SA	Geneva, Switzerland	100%	100%
Fendi Kids SA	Mendrisio, Switzerland	51%	51%
Fun Fashion FZCO LLC	Dubai, United Arab Emirates	73%	73%
Fendi Macau Company Ltd	Macao, China	100%	100%
Fendi Germany GmbH	Stuttgart, Germany	100%	100%
Fendi Austria GmbH	Vienna, Austria	100%	100%
Fendi (Shanghai) Co Ltd	Shanghai, China	100%	100%
Fun Fashion India Pte Ltd	Mumbai, India	100%	73%
Interservices & Trading SA	Lugano, Switzerland	100%	100%
Fendi Silk SA	Lugano, Switzerland	51%	51%
Outshine Mexico, S. de RL de C.V.	Mexico City, Mexico	100%	100%
Fendi Timepieces USA Inc.	New Jersey, USA	100%	100%
Fendi Timepieces Service Inc.	New Jersey, USA	100%	100%
Fendi Timepieces SA	Neuchâtel, Switzerland	100%	100%
Taramax Japan KK	Tokyo, Japan	100%	100%
Support Retail Mexico, S. de RL de C.V.	Mexico City, Mexico	100%	100%
Fendi Brasil – Grupo de Moda Ltda	São Paulo, Brazil	100%	100%
Fendi RU LLC	Moscow, Russia	100%	100%
Emilio Pucci Srl	Florence, Italy	100%	100%
Emilio Pucci International BV	Baarn, Netherlands	67%	67%
Emilio Pucci, Ltd	New York, USA	100%	100%
Emilio Pucci Hong Kong Co Ltd	Hong Kong, China	100%	100%
Emilio Pucci (Shanghai) Commercial Ltd	Shanghai, China	100%	100%
Emilio Pucci UK Ltd	London, United Kingdom	100%	100%
Emilio Pucci (Singapore) Pte. Ltd	Singapore	100%	100%
Thomas Pink Holdings Ltd	London, United Kingdom	100%	100%
Thomas Pink Ltd	London, United Kingdom	100%	100%
Thomas Pink BV	Rotterdam, Netherlands	100%	100%
Thomas Pink Inc	New York, USA <sup>(1)</sup>	100%	100%
Thomas Pink Ireland Ltd	Dublin, Ireland	100%	100%
Thomas Pink France SAS	Paris, France	100%	100%
Thomas Pink Canada Inc	Toronto, Canada	100%	100%
Edu Apparel Ltd	Dublin, Ireland <sup>(a)</sup>	49%	49%
Edu Americas Inc.	North Carolina, USA <sup>(a)</sup>	49%	49%
Nowness LLC	New York, USA <sup>(1)</sup>	100%	100%
Nowness SAS	Paris, France	100%	100%
Loro Piana S.p.A.	Quarona, Italy	80%	80%
Loro Piana Switzerland SA	Lugano, Switzerland	100%	80%
Loro Piana France SARL	Paris, France	100%	80%
Loro Piana GmbH	Munich, Germany	100%	80%
Loro Piana GB Ltd	London, United Kingdom	100%	80%
Warren Corporation	Stafford Springs, Connecticut, USA	100%	80%
Loro Piana & C. Inc.	New York, USA	100%	80%
Loro Piana USA LLC	New York, USA	100%	80%
Loro Piana Ltd	Hong Kong, China	100%	80%
Loro Piana Com. Ltd	Shanghai, China	100%	80%
Loro Piana Textile Trading Ltd	Shanghai, China	100%	80%
Loro Piana Mongolia Ltd	Ulaanbaatar, Mongolia	100%	80%
Loro Piana Korea Ltd	Seoul, South Korea	100%	80%
Loro Piana Ltda	Macao, China	100%	80%
Loro Piana Monaco SARL	Monaco	100%	80%
Loro Piana España S.L.U.	Madrid, Spain	100%	80%
Loro Piana Japan Ltd	Tokyo, Japan	100%	80%
Loro Piana Far East Pte Ltd	Singapore	100%	80%
Loro Piana Peru S.A.C.	Lucanas, Ayacucho, Peru	100%	80%
SDM Maglierie S.r.l.	Sillavengo, Italy	100%	80%
Fibre Nobili S.r.l.	Verona, Italy	100%	80%
Filatura Vertex S.r.l.	Quarona, Italy	100%	80%
Loro Piana Osterreich GesmbH	Vienna, Austria	100%	80%
Loro Piana Nederland BV	Amsterdam, Netherlands	100%	80%
Loro Piana Czech Republic s.r.o.	Prague, Czech Republic	100%	80%
Loro Piana Belgique	Brussels, Belgium	100%	80%
SANIN	Rawson, Argentina	60%	48%
Linen NEWCO	Borgosesia, Italy	100%	80%
Mede Knitwear S.r.l.	Borgosesia, Italy	100%	80%
Nicholas Kirkwood Limited	London, United Kingdom	52%	52%

Companies	Registered office	Percentage	
		Control	Interest
Nicholas Kirkwood Corp.	New York, USA	100%	52%
NK Washington LLC	Delaware, USA	100%	52%
Nicholas Kirkwood LLC	New York, USA	100%	52%
NK WLW LLC	Nevada, USA	100%	52%
JW Anderson Limited	London, United Kingdom <sup>(a)</sup>	46%	45%
Marco De Vincenzo S.R.L	Rome, Italy <sup>(a)</sup>	45%	45%

## PERFUMES AND COSMETICS

Companies	Registered office	Percentage	
		Control	Interest
Parfums Christian Dior SA	Paris, France	100%	100%
LVMH P&C Thailand Co Ltd	Bangkok, Thailand	49%	49%
LVMH Parfums & Cosmétiques do Brasil Ltda	São Paulo, Brazil	100%	100%
France Argentine Cosmetics SA	Buenos Aires, Argentina	100%	100%
LVMH P&C Shanghai Co Ltd	Shanghai, China	100%	100%
Parfums Christian Dior Finland Oy	Helsinki, Finland	100%	100%
LVMH P&C Inc	New York, USA	100%	100%
SNC du 33 avenue Hoche	Paris, France	100%	100%
LVMH Fragrances & Cosmetics (Singapore) Pte Ltd	Singapore	100%	100%
Parfums Christian Dior Orient Co	Dubai, United Arab Emirates	60%	60%
Parfums Christian Dior Emirates	Dubai, United Arab Emirates	51%	31%
LVMH Cosmetics KK	Tokyo, Japan	100%	100%
Parfums Christian Dior Arabia	Jeddah, Saudi Arabia	75%	45%
EPDC SP.Z.O.O.	Warsaw, Poland	100%	100%
EPDC CZ & SK SRO	Prague, Czech Republic	100%	100%
EPDC RO Distribution Srl	Bucharest, Romania	100%	100%
Parfums Christian Dior (UK) Ltd	London, United Kingdom	100%	100%
Parfums Christian Dior BV	Rotterdam, Netherlands	100%	100%
Iparkos BV	Rotterdam, Netherlands	100%	100%
Parfums Christian Dior S.A.B.	Brussels, Belgium	100%	100%
Parfums Christian Dior (Ireland) Ltd	Dublin, Ireland	100%	100%
Parfums Christian Dior Hellas SA	Athens, Greece	100%	100%
Parfums Christian Dior AG	Zurich, Switzerland	100%	100%
Christian Dior Perfumes LLC	New York, USA	100%	100%
Parfums Christian Dior Canada Inc	Montreal, Canada	100%	100%
LVMH P&C de Mexico SA de CV	Mexico City, Mexico	100%	100%
Parfums Christian Dior Japon KK	Tokyo, Japan	100%	100%
Parfums Christian Dior (Singapore) Pte Ltd	Singapore	100%	100%
Inalux SA	Luxembourg	100%	100%
LVMH P&C Asia Pacific Ltd	Hong Kong, China	100%	100%
Fa Hua Fragrance & Cosmetic Co Ltd	Hong Kong, China	100%	100%
Fa Hua Frag & Cosm Taiwan	Taipei, Taiwan	100%	100%
Parfums Christian Dior China	Shanghai, China	100%	100%
LVMH P&C Korea Ltd	Seoul, South Korea	100%	100%
Parfums Christian Dior Hong Kong Ltd	Hong Kong, China	100%	100%
LVMH P&C Malaysia Sdn Berhad Inc	Kuala Lumpur, Malaysia	100%	100%
Pardior SA de CV	Mexico City, Mexico	100%	100%
Parfums Christian Dior A/S Ltd	Copenhagen, Denmark	100%	100%
LVMH Perfumes & Cosmetics Group Pty Ltd	Sydney, Australia	100%	100%
Parfums Christian Dior AS Ltd	Hoevik, Norway	100%	100%
Parfums Christian Dior AB	Stockholm, Sweden	100%	100%
Parfums Christian Dior (New Zealand) Ltd	Auckland, New Zealand	100%	100%
Parfums Christian Dior GmbH Austria	Vienna, Austria	100%	100%
L Beauty Luxury Asia Inc	Taguig City, Philippines	100%	51%
SCI Annabell	Paris, France	100%	100%
PT. L Beauty Brands	Jakarta, Indonesia	100%	51%
L Beauty Pte Ltd	Singapore	51%	51%
L Beauty Vietnam Limited Liability	Ho Chi Minh City, Vietnam	100%	51%
SCI Rose Blue	Paris, France	100%	100%
PCD Saint Honoré	Paris, France	100%	100%
LVMH Perfumes & Cosmetics Macau Ltd	Macao, China	100%	100%
DP SELDICO	Kiev, Ukraine	100%	100%
OOO SELDICO	Moscow, Russia	100%	100%
LVMH P&C Kazakhstan LLP	Almaty, Kazakhstan	100%	100%
Cosmetic of France Inc	Florida, USA	100%	100%
LVMH Recherche GIE	Saint-Jean de Braye, France	100%	100%
Parfums et Cosmétiques Information Services – PCIS GIE	Levallois-Perret, France	100%	100%
Perfumes Loewe SA	Madrid, Spain	100%	100%
Acqua Di Parma Srl	Milan, Italy	100%	100%
Acqua Di Parma LLC	New York, USA	100%	100%
Acqua Di Parma Ltd	London, United Kingdom	100%	100%
Cha Ling SCA	Paris, France	100%	100%
Cha Ling Hong Kong Ltd	Hong Kong, China	100%	100%
Guertain SA	Paris, France	100%	100%
LVMH Parfums & Kosmetik Deutschland GmbH	Düsseldorf, Germany	100%	100%
Guertain GmbH	Vienna, Austria	100%	100%
Guertain SA (Belgique)	Fleurus, Belgium	100%	100%
Guertain Ltd	London, United Kingdom	100%	100%
LVMH Perfumes e Cosmética Lda	Lisbon, Portugal	100%	100%

Companies	Registered office	Percentage	
		Control	Interest
PC Parfums Cosmétiques SA	Zurich, Switzerland	100%	100%
Guertain Inc	New York, USA	100%	100%
Guertain Canada Ltd	Montreal, Canada	100%	100%
Guertain De Mexico SA	Mexico City, Mexico	100%	100%
Guertain Asia Pacific Ltd	Hong Kong, China	100%	100%
Guertain KK	Tokyo, Japan	100%	100%
Guertain KSA	Paris, France	80%	80%
Guertain Orient – JLT	Dubai, United Arab Emirates	100%	100%
Guertain Saudi Arabia	Jeddah, Saudi Arabia	75%	60%
Guertain Oceania Australia Pty Ltd	Melbourne, Australia	100%	100%
Make Up For Ever SA	Paris, France	100%	100%
SCI Edison	Paris, France	100%	100%
Make Up For Ever LLC	New York, USA <sup>(1)</sup>	100%	100%
Make Up For Ever Canada Ltd	Montreal, Canada	100%	100%
LVMH Fragrance Brands SA	Levallois-Perret, France	100%	100%
LVMH Fragrance Brands Ltd	London, United Kingdom	100%	100%
LVMH Fragrance Brands GmbH	Düsseldorf, Germany	100%	100%
LVMH Fragrance Brands LLC	New York, USA <sup>(1)</sup>	100%	100%
LVMH Fragrance Brands Canada Ltd	Toronto, Canada	100%	100%
LVMH Fragrance Brands KK	Tokyo, Japan	100%	100%
LVMH Fragrance Brands WHD Inc	New York, USA <sup>(1)</sup>	100%	100%
LVMH Fragrance Brands Hong Kong Ltd	Hong Kong, China	100%	100%
LVMH Fragrance Brands Singapore Pte Ltd	Singapore	100%	100%
Benefit Cosmetics LLC	California, USA	100%	100%
Benefit Cosmetics Ireland Ltd	Dublin, Ireland	100%	100%
Benefit Cosmetics UK Ltd	Chelmsford, United Kingdom	100%	100%
Benefit Cosmetics Canada Inc	Toronto, Canada	100%	100%
Benefit Cosmetics Korea	Seoul, South Korea	100%	100%
Benefit Cosmetics SAS	Boulogne Billancourt, France	100%	100%
Benefit Cosmetics Hong Kong Limited	Hong Kong, China	100%	100%
L Beauty Sdn Bhn	Kuala Lumpur, Malaysia	100%	51%
L Beauty Thailand	Bangkok, Thailand	95%	48%
Nude Brands Ltd	London, United Kingdom	70%	70%
Nude Skincare Inc	California, USA	100%	70%
Fresh Inc	Massachusetts, USA	80%	80%
Fresh SAS	Boulogne Billancourt, France	100%	100%
Fresh Cosmetics Ltd	London, United Kingdom	100%	80%
Fresh Hong Kong Ltd	Hong Kong, China	100%	80%
Fresh Korea Ltd	Seoul, South Korea	100%	80%

## WATCHES AND JEWELRY

TAG Heuer International SA	Luxembourg	100%	100%
LVMH Relojeria & Joyeria España SA	Madrid, Spain	100%	100%
LVMH Montres & Joaillerie France SA	Paris, France	100%	100%
LVMH Watch & Jewelry			
Central Europe GmbH	Bad Homburg, Germany	100%	100%
LVMH Watch & Jewelry UK Ltd	Manchester, United Kingdom	100%	100%
LVMH Watch & Jewelry USA Inc	New Jersey, USA	100%	100%
LVMH Watch & Jewelry Canada Ltd	Toronto, Canada	100%	100%
LVMH Watch & Jewelry Far East Ltd	Hong Kong, China	100%	100%
LVMH Watch & Jewelry Singapore Pte Ltd	Singapore	100%	100%
LVMH Watch & Jewelry Malaysia Sdn Bhd	Kuala Lumpur, Malaysia	100%	100%
LVMH Watch & Jewelry Capital Pte Ltd	Singapore	100%	100%
LVMH Watch & Jewelry Japan KK	Tokyo, Japan	100%	100%
LVMH Watch & Jewelry Australia Pty Ltd	Melbourne, Australia	100%	100%
LVMH Watch & Jewelry Hong Kong Ltd	Hong Kong, China	100%	100%
LVMH Watch & Jewelry Taiwan Ltd	Hong Kong, China	100%	100%
LVMH Watch & Jewelry India Pvt Ltd	New Delhi, India	100%	100%
LVMH Watch & Jewelry (Shanghai)			
Commercial Co Ltd	Shanghai, China	100%	100%
LVMH Watch & Jewelry Russia SARL	Moscow, Russia	100%	100%
Cortech SA	Cornol, Switzerland	100%	100%
Timecrown Ltd	Worsley, United Kingdom	100%	100%
ArteCad SA	Tramelan, Switzerland	100%	100%
Alpha Time Corp. Ltd	Hong Kong, China	100%	100%
Dream Tech (Shanghai) Co. Ltd	Shanghai, China	100%	100%
Dream Tech Intl Trading Co. Ltd	Shanghai, China	100%	100%
Chaumet International SA	Paris, France	100%	100%
Chaumet London Ltd	London, United Kingdom	100%	100%
Chaumet Horlogerie SA	Bienne, Switzerland	100%	100%
Chaumet Korea Chusik Hoesa	Seoul, South Korea	100%	100%
Chaumet Middle East FZCO	Dubai, United Arab Emirates	60%	60%
Chaumet UAE	Dubai, United Arab Emirates <sup>(c)</sup>	<sup>(c)</sup>	<sup>(c)</sup>
LVMH Watch and Jewellery			
Macau Company Limited	Macao, China	100%	100%
Zenith International SA	Le Locle, Switzerland	100%	100%
Farouk Trading	Riyadh, Saudi Arabia <sup>(c)</sup>	<sup>(c)</sup>	<sup>(c)</sup>
LVMH Watch & Jewelry Italy Spa	Milan, Italy	100%	100%
Delano SA	La Chaux-de-Fonds, Switzerland	100%	100%
Fred Paris SA	Paris, France	100%	100%
Joaillerie de Monaco SA	Monaco	100%	100%
Fred Inc	California, USA <sup>(1)</sup>	100%	100%

Companies	Registered office	Percentage	
		Control	Interest
Fred Londres Ltd	London, United Kingdom	100%	100%
Dior Montres SARL	Paris, France <sup>(a)</sup>	50%	50%
Les Ateliers Horlogers Dior SA	La Chaux-de-Fonds, Switzerland <sup>(a)</sup>	50%	50%
Hublot SA	Nyon, Switzerland	100%	100%
Bentim International SA	Luxembourg	100%	100%
Hublot SA Genève	Geneva, Switzerland	100%	100%
Hublot of America, Inc	Florida, USA	100%	100%
Nyon LLC	Miami, USA	51%	51%
Nyon Services LLC	Miami, USA <sup>(1)</sup>	100%	51%
Atlanta Boutique LLC	Atlanta, USA	100%	51%
Echidna Distribution Company LLC	Dallas, USA	100%	51%
Furioso LLC	Orlando, USA	100%	51%
Fusion World Dallas LLC	Dallas, USA	100%	51%
Fusion World Houston LLC	Houston, USA	100%	51%
New World of Fusion LLC	Miami, USA <sup>(1)</sup>	100%	51%
De Beers Diamond Jewellers Ltd	London, United Kingdom <sup>(a)</sup>	50%	50%
De Beers Diamond Jewellers			
Trademark Ltd	London, United Kingdom <sup>(a)</sup>	50%	50%
De Beers Diamond Jewellers UK Ltd	London, United Kingdom <sup>(a)</sup>	50%	50%
De Beers Diamond Jewellers Japan KK Co	Tokyo, Japan <sup>(a)</sup>	50%	50%
De Beers Diamond Jewellers (Hong Kong) Ltd	Hong Kong, China <sup>(a)</sup>	50%	50%
De Beers Diamond Jewellers			
Limited Taiwan	Taipei, Taiwan <sup>(a)</sup>	50%	50%
De Beers Diamond Jewellers US. Inc	Delaware, USA <sup>(a)</sup>	50%	50%
De Beers Jewellers Commercial (Shanghai) Co, Ltd	Shanghai, China <sup>(a)</sup>	50%	50%
De Beers Diamond Jewellers (Macao) Company Limited	Macao, China <sup>(a)</sup>	50%	50%
Bulgari SpA	Rome, Italy	100%	100%
Bulgari Italia SpA	Rome, Italy	100%	100%
Bulgari International Corporation (BIC) NV	Amsterdam, Netherlands	100%	100%
Bulgari Corporation of America Inc.	New York, USA	100%	100%
Bulgari SA	Geneva, Switzerland	100%	100%
Bulgari Horlogerie SA	Neuchâtel, Switzerland	100%	100%
Bulgari France SAS	Paris, France	100%	100%
Bulgari Montecarlo SAM	Monaco	100%	100%
Bulgari (Deutschland) GmbH	Munich, Germany	100%	100%
Bulgari Espana SA Unipersonal	Madrid, Spain	100%	100%
Bulgari South Asian Operations Pte Ltd	Singapore	100%	100%
Bulgari (UK) Ltd	London, United Kingdom	100%	100%
Bulgari Belgium SA	Brussels, Belgium	100%	100%
Bulgari Australia Pty Ltd	Sydney, Australia	100%	100%
Bulgari (Malaysia) Sdn Bhd	Kuala Lumpur, Malaysia	100%	100%
Bulgari Global Operations SA	Neuchâtel, Switzerland	100%	100%
Bulgari Asia Pacific Ltd	Hong Kong, China	100%	100%
Bulgari (Taiwan) Ltd	Taipei, Taiwan	100%	100%
Bulgari Korea Ltd	Seoul, South Korea	100%	100%
Bulgari Saint Barth SAS	Saint-Barthélemy, French Antilles	100%	100%
Bulgari Gioielli SpA	Valenza, Italy	100%	100%
Bulgari Accessori Srl	Florence, Italy	100%	100%
Bulgari Holdings (Thailand) Ltd	Bangkok, Thailand	100%	100%
Bulgari (Thailand) Ltd	Bangkok, Thailand	100%	100%
Bulgari Commercial (Shanghai) Co. Ltd	Shanghai, China	100%	100%
Bulgari Japan Ltd	Tokyo, Japan	100%	100%
Bulgari Panama Inc	Panama City, Panama	100%	100%
Bulgari Ireland Ltd	Dublin, Ireland	100%	100%
Bulgari Qatar Lcc	Doha, Qatar <sup>(c)</sup>	<sup>(c)</sup>	<sup>(c)</sup>
Bulgari Kuwait Wll	Kuwait City, Kuwait <sup>(c)</sup>	<sup>(c)</sup>	<sup>(c)</sup>
Gulf Luxury Trading LLC	Dubai, United Arab Emirates	51%	51%
Bulgari do Brazil Ltda	São Paulo, Brazil	100%	100%
Bulgari Hotels and Resorts Milano Srl	Rome, Italy <sup>(a)</sup>	50%	50%
Lux Jewels Kuwait For Trading In gold			
Jewelry and Precious Stones WLL	Kuwait City, Kuwait <sup>(c)</sup>	<sup>(c)</sup>	<sup>(c)</sup>
Lux Jewels Bahrain Wll	Manama, Bahrain <sup>(c)</sup>	<sup>(c)</sup>	<sup>(c)</sup>
India Luxco Retail Private Limited	New Delhi, India <sup>(c)</sup>	<sup>(c)</sup>	<sup>(c)</sup>
BK for Jewelry and Precious Metals and Stones Co W.L.L.			
Famaf Accessori S.r.l.	Kuwait City, Kuwait <sup>(c)</sup>	<sup>(c)</sup>	<sup>(c)</sup>
Bulgari Turkey Lüks Ürün Ticareti Limited Sirketi	Florence, Italy	100%	100%
Bulgari Russia Llc	Istanbul, Turkey	100%	100%
Bulgari Prague s.r.o.	Moscow, Russia	100%	100%
Bulgari Mexico SA DE CV	Prague, Czech Republic	100%	100%
Bulgari Canada Inc	Cancún, Mexico	100%	100%
Actar International SA	Quebec, Canada	100%	100%
	Luxembourg <sup>(a)</sup>	42%	42%

## SELECTIVE RETAILING

LVMH Iberia SL	Madrid, Spain	100%	100%
LVMH Italia SpA	Milan, Italy	100%	100%
Sephora SA	Boulogne-Billancourt, France	100%	100%

Companies	Registered office	Percentage	
		Control	Interest
Sephora Luxembourg SARL	Luxembourg	100%	100%
Sephora Portugal Perfumaria Lda	Lisbon, Portugal	100%	100%
Sephora Pologne Spzoo	Warsaw, Poland	100%	100%
Sephora Marinopoulos SA	Alimos, Greece	100%	100%
Sephora Marinopoulos Romania SA	Bucharest, Romania	100%	100%
Sephora S.R.O.	Prague, Czech Republic	100%	100%
Sephora Monaco SAM	Monaco	99%	99%
Sephora Cosmetics España	Madrid, Spain <sup>(a)</sup>	50%	50%
S+ <sup>+</sup>	Boulogne-Billancourt, France	100%	100%
Sephora Marinopoulos Bulgaria EOOD	Sofia, Bulgaria	100%	100%
Sephora Marinopoulos Cyprus Ltd	Nicosia, Cyprus	100%	100%
Sephora Unimik Kozmetik AS	Istanbul, Turkey	100%	100%
Perfumes & Cosmetics Gran Via SL	Madrid, Spain <sup>(a)</sup>	45%	45%
Sephora Marinopoulos D.O.O.	Zagreb, Croatia	100%	100%
Sephora Marinopoulos Cosmetics D.O.O.	Belgrade, Serbia	100%	100%
Sephora Danmark ApS	Copenhagen, Denmark	100%	100%
Sephora Sweden AB	Malmö, Sweden	100%	100%
Sephora Moyen Orient SA	Fribourg, Switzerland	60%	60%
Sephora Middle East FZE	Dubai, United Arab Emirates	100%	60%
Sephora Qatar	Doha, Qatar	90%	54%
Sephora Asia Pte Ltd	Shanghai, China	100%	100%
Sephora (Shanghai) Cosmetics Co. Ltd	Shanghai, China	81%	81%
Sephora (Beijing) Cosmetics Co. Ltd	Beijing, China	81%	81%
Sephora Xiangyang			
(Shanghai) Cosmetics Co., Ltd	Shanghai, China	100%	81%
Sephora Singapore Pte Ltd	Singapore	100%	100%
Sephora Thailand Company Ltd	Bangkok, Thailand	100%	100%
Sephora Australia	Sydney, Australia	100%	100%
Luxola	Singapore	95%	95%
Luxola Trading Pte Ltd	Singapore	100%	95%
LX Holding Pte Ltd	Singapore	100%	95%
LXEDIT (Thailand) Ltd	Bangkok, Thailand	100%	95%
Luxola (Thailand) Ltd	Bangkok, Thailand	100%	95%
Luxola India Services Pvt Ltd	Bangalore, India	100%	95%
PT Luxola Services Indonesia	Jakarta, Indonesia	100%	95%
LX Services Pte Ltd	Singapore	100%	95%
PT MU and SC Trading	Jakarta, Indonesia	99%	94%
Sephora USA Inc	California, USA <sup>(1)</sup>	100%	100%
Sephora Cosmetics Private Ltd	New Delhi, India	100%	100%
Sephora Beauty Canada, Inc	California, USA	100%	100%
Sephora Puerto Rico LLC	California, USA	100%	100%
Sephora Mexico, SRLCV	Lomas de Chapultepec, Mexico	100%	100%
Servicios Ziporah, SRLCV	Mexico City, Mexico	100%	100%
Sephora Emirates LLC	Dubai, United Arab Emirates <sup>(c)</sup>	(c)	(c)
Sephora Bahrain WLL	Manama, Bahrain <sup>(c)</sup>	(c)	(c)
Sephora Do Brasil Participacoes SA	Rio de Janeiro, Brazil	100%	100%
PT Sephora Indonesia	Jakarta, Indonesia	100%	100%
Dotcom group Comercio de Presentes SA	Rio de Janeiro, Brazil	100%	100%
Kendo Holdings Inc	California, USA	100%	100%
Kat Von D Beauty LLC	Delaware, USA	70%	70%
LGCS Inc	New York, USA	100%	100%
Ole Henriksen of Denmark Inc.	California, USA	100%	100%
Sephora Do Brazil - avenue Hoche	São Paulo, Brazil	100%	100%
Galanta Holdings Limited	Nicosia, Cyprus	65%	65%
United Europe - Securities OJSC	Moscow, Russia	100%	65%
Beauty in Motion Sdn. Bhd.	Kuala Lumpur, Malaysia	100%	100%
Le Bon Marché SA	Paris, France	100%	100%
SEGEF SNC	Paris, France	99%	99%
Franck & Fils SA	Paris, France	100%	100%
DFS Holdings Ltd	Hamilton, Bermuda	61%	61%
DFS Australia Pty Ltd	Sydney, Australia	100%	61%
DFS Group Ltd	Delaware, USA	100%	61%
DFS Hong Kong Ltd	Hong Kong, China	100%	61%
TRS Hong Kong Ltd	Hong Kong, China <sup>(a)</sup>	45%	28%
DFS France SAS	Paris, France	100%	61%
DFS Okinawa KK	Okinawa, Japan	100%	61%
TRS Okinawa	Okinawa, Japan <sup>(a)</sup>	45%	28%
JAL/DFS Co., Ltd	Chiba, Japan <sup>(a)</sup>	40%	24%
DFS Korea Ltd	Seoul, South Korea	100%	61%
DFS Seoul Ltd	Seoul, South Korea	100%	61%
DFS Cotai Limitada	Macao, China	100%	61%
DFS Sdn. Bhd.	Kuala Lumpur, Malaysia	100%	61%
Gateshire Marketing Sdn Bhd	Kuala Lumpur, Malaysia	100%	61%
DFS Middle East LLC	Abu Dhabi, United Arab Emirates	100%	61%
DFS Merchandising Ltd	Delaware, USA	100%	61%
DFS New Zealand Ltd	Auckland, New Zealand	100%	61%
TRS New Zealand Ltd	Auckland, New Zealand <sup>(a)</sup>	45%	28%
Commonwealth Investment Company Inc	Saipan, Northern Mariana Islands	95%	58%
DFS Saipan Ltd	Saipan, Northern Mariana Islands	100%	61%
Kinkai Saipan LP	Saipan, Northern Mariana Islands	100%	61%
DFS Business consulting (Shanghai) Co. Ltd	Shanghai, China	100%	61%
Hainan DFS Retail Company Limited	Hainan, China	100%	61%

Companies	Registered office	Percentage	
		Control	Interest
DFS Taiwan Ltd	Taipei, Taiwan	100%	61%
DFS Singapore (Pte) Ltd	Singapore	100%	61%
DFS Venture Singapore (Pte) Ltd	Singapore	100%	61%
TRS Singapore Pte Ltd	Singapore <sup>(a)</sup>	45%	28%
DFS India Private Ltd	Mumbai, India <sup>(a)</sup>	51%	31%
DFS Vietnam (S) Pte Ltd	Singapore	70%	43%
New Asia Wave International Pte Ltd	Singapore	70%	43%
IPP Group Pte Ltd	Singapore	70%	43%
DFS Group LP	Delaware, USA	64%	61%
LAX Duty Free Joint Venture 2000	California, USA	75%	46%
Royal Hawaiian Insurance Company Ltd	Hawaii, USA	100%	61%
JFK Terminal 4 Joint Venture 2001	New York, USA	80%	49%
DFS Guam LP	Guam	62%	61%
DFS Liquor Retailing Ltd	Delaware, USA	61%	61%
Twenty Seven - Twenty Eight Corp.	Delaware, USA	61%	61%
DFS Credit Systems Ltd	Hamilton, Bermuda	100%	61%
DFS European Logistics Ltd	Hamilton, Bermuda	100%	61%
DFS Italy S.r.l.	Milan, Italy	100%	61%
Preferred Products Ltd	Hong Kong, China	100%	61%
DFS (Cambodia) Limited	Phnom Penh, Cambodia	70%	43%
TRS Hawaii LLC	Hawaii, USA <sup>(a)</sup>	45%	28%
TRS Saipan Ltd	Saipan,		
	Northern Mariana Islands <sup>(a)</sup>	45%	28%
TRS Guam LLC	Guam <sup>(a)</sup>	45%	28%
Tumon Entertainment LLC	Guam	100%	100%
Comete Guam Inc	Guam	100%	100%
Tumon Aquarium LLC	Guam	97%	97%
Comete Saipan Inc	Saipan, Northern Mariana Islands	100%	100%
Tumon Games LLC	Guam	100%	100%
DFS Vietnam LLC	Ho Chi Minh City, Vietnam	100%	61%
PT Sona Topas Tourism industry Tbk	Jakarta, Indonesia <sup>(a)</sup>	45%	28%
Cruise Line Holdings Co	Delaware, USA	100%	100%
Starboard Cruise Services Inc	Delaware, USA	100%	100%
Starboard Holdings Ltd	Delaware, USA	100%	100%
International Cruise Shops Ltd	Cayman Islands	100%	100%
Vacation Media Ltd	Kingston, Jamaica	100%	100%
STB Srl	Florence, Italy	100%	100%
On Board Media Inc	Delaware, USA	100%	100%
Parazul LLC	Delaware, USA	100%	100%
Onboard.com LLC	Delaware, USA	100%	100%
BHUSA Inc	Delaware, USA	100%	100%
SLF USA Inc	Delaware, USA	100%	100%
Suzanne Lang Fragrance Inc	Toronto, Canada	100%	100%

**OTHER ACTIVITIES**

Groupe Les Echos SA	Paris, France	100%	100%
Dematis SAS	Paris, France	80%	80%
Les Echos Management SAS	Paris, France	100%	100%
Régiepress SAS	Paris, France	100%	100%
Les Echos Légal SAS	Paris, France	100%	100%
Radio Classique SAS	Paris, France	100%	100%
Les Echos Medias SAS	Paris, France	100%	100%
SFPA SARL	Paris, France	100%	100%
Les Echos SAS	Paris, France	100%	100%
Investir Publications SAS	Paris, France	100%	100%
Les Echos Business SAS	Paris, France	100%	100%
SID Presse SAS	Paris, France	100%	100%
Magasins de La Samaritaine SA	Paris, France	99%	99%
Mongoual SA	Paris, France <sup>(a)</sup>	40%	40%
Le Jardin d'Acclimatation	Paris, France	100%	100%
RVL Holding BV	Kaag, Netherlands	91%	91%
Royal Van Lent Shipyard BV	Kaag, Netherlands	100%	91%
Tower Holding BV	Kaag, Netherlands	100%	91%
Green Bell BV	Kaag, Netherlands	100%	91%
Gebroeders Olie Beheer BV	Waddinxveen, Netherlands	100%	91%
Van der Loo Yachtinteriors BV	Waddinxveen, Netherlands	100%	91%
Red Bell BV	Kaag, Netherlands	100%	91%
De Voogt Naval Architects BV	Haarlem, Netherlands <sup>(a)</sup>	50%	46%
Feadship Holland BV	Amsterdam, Netherlands <sup>(a)</sup>	50%	46%
Feadship America Inc	Florida, USA <sup>(a)</sup>	50%	46%
OGMNL BV	Nieuw-Lekkerland, Netherlands <sup>(a)</sup>	50%	46%
Sonata Yachting Limited	Valletta, Malta	100%	91%
Proinvest SAS	Paris, France	100%	100%
Ufipar SAS	Paris, France	100%	100%
L Capital Management SAS	Paris, France	100%	100%
Sofidiv SAS	Paris, France	100%	100%
GIE LVMH Services	Paris, France	100%	85%
Moët Hennessy SNC	Paris, France	66%	66%
LVMH Services Ltd	London, United Kingdom	100%	100%
UFIP (Ireland) PRU	Dublin, Ireland	100%	100%
Moët Hennessy Investissements SA	Paris, France	100%	66%
LV Group	Paris, France	100%	100%

Companies	Registered office	Percentage		Companies	Registered office	Percentage	
		Control	Interest			Control	Interest
Moët Hennessy International SAS	Paris, France	66%	66%	Delphilug SA	Luxembourg	100%	100%
Creare SA	Luxembourg	100%	100%	Glacea SA	Luxembourg	100%	100%
Creare Pte Ltd	Singapore	100%	100%	Naxara SA	Luxembourg	100%	100%
Bayard (Shanghai) Investment and Consultancy Co. Ltd.	Shanghai, China	100%	100%	Pronos SA	Luxembourg	100%	100%
Villa Foscarini S.r.l.	Milan, Italy	100%	100%	Sofidil SA	Luxembourg	100%	100%
Liszt Invest S.A.	Luxembourg	100%	100%	Hanninvest SA	Brussels, Belgium	100%	100%
Gorgias SA	Luxembourg	100%	100%	LVMH Publica SA	Brussels, Belgium	100%	100%
LC Investissements	Paris, France	51%	51%	Sofidiv UK Ltd	London, United Kingdom	100%	100%
LVMH Canada Inc	Toronto, Canada	100%	100%	LVMH Moët Hennessy - Louis Vuitton KK	Tokyo, Japan	100%	100%
Société Montaigne Jean Goujon SAS	Paris, France	100%	100%	Osaka Fudosan Company Ltd	Tokyo, Japan	100%	100%
Delphine SAS	Paris, France	100%	100%	LVMH Asia Pacific Ltd	Hong Kong, China	100%	100%
LVMH Finance SA	Paris, France	100%	100%	LVMH Shanghai Management and Consultancy Co, Ltd	Shanghai, China	100%	100%
Primaes SAS	Paris, France	100%	100%	L Capital Asia Advisors PLC	Port Louis, Mauritius	100%	100%
Eutrope SAS	Paris, France	100%	100%	LVMH South & South East Asia Pte Ltd	Singapore	100%	100%
Flavius Investissements SA	Paris, France	100%	100%	Vicuna Holding Spa	Milan, Italy	100%	100%
LBD HOLDING SA	Paris, France	100%	100%	Pasticceria Confetteria Cova S.r.l	Milan, Italy	80%	80%
LVMH Hotel Management SAS	Paris, France	100%	100%	Cova Montenaepoleone S.r.l	Milan, Italy	100%	80%
Ufinvest SAS	Paris, France	100%	100%	Investissement Hotelier Saint Barth Plage des Flamands SAS	Saint-Barthélemy, French Antilles	100%	56%
Delta	Paris, France	100%	100%	Isle de France SARL	Saint-Barthélemy, French Antilles	100%	56%
Hôtel Les Tovets	Courchevel, France	100%	100%	Isle de France Group Limited	London, United Kingdom	100%	56%
Société Immobilière Paris Savoie Les Tovets	Courchevel, France	100%	100%	Drift Saint Barth Holding Limited	London, United Kingdom	100%	56%
Moët Hennessy Inc	New York, USA <sup>(*)</sup>	100%	66%	CT Saint Barth Limited	London, United Kingdom	100%	56%
One East 57th Street LLC	New York, USA <sup>(*)</sup>	100%	100%	Drift Saint Barth Limited	London, United Kingdom	100%	56%
LVMH Moët Hennessy - Louis Vuitton Inc	New York, USA <sup>(*)</sup>	100%	100%	Alderande SAS	Paris, France	56%	56%
Sofidiv Art Trading LLC	New York, USA <sup>(*)</sup>	100%	100%	Le Parisien Libéré	Saint-Ouen, France	100%	100%
Sofidiv Inc	New York, USA <sup>(*)</sup>	100%	100%	AM Diffusion	Saint-Ouen, France	100%	100%
598 Madison Leasing Corp	New York, USA <sup>(*)</sup>	100%	100%	Amaury Medias	Boulogne Billancourt, France	100%	100%
1896 Corp	New York, USA <sup>(*)</sup>	100%	100%	Société Nouvelle SICAVIC	Saint-Ouen, France	100%	100%
319-323 N. Rodeo LLC	New York, USA <sup>(*)</sup>	100%	100%	SICAP	Saint-Ouen, France	100%	100%
LVMH MJ Holding Inc.	New York, USA <sup>(*)</sup>	100%	100%	L.P.M.	Paris, France	100%	100%
Arbelos Insurance Inc.	New York, USA	100%	100%	Société de Distribution et de Ventes du Parisien (S.D.V.P.)	Saint-Ouen, France	100%	100%
Meadowland Florida LLC	New York, USA	100%	100%	Proximy	Saint-Ouen, France	75%	75%
LVMH Participations BV	Naarden, Netherlands	100%	100%	Media Presse	Saint-Ouen, France	100%	75%
LVMH Moët Hennessy - Louis Vuitton BV	Naarden, Netherlands	100%	100%	Wagner Capital SA	Luxembourg	51%	51%
LVP Holding BV	Naarden, Netherlands	100%	100%	L Catterton Management Ltd	London, United Kingdom <sup>(a)</sup>	36%	18%
LVMH Services BV	Baarn, Netherlands	100%	100%	Rhapsody	Paris, France	100%	100%
LVMH Finance Belgique SA	Brussels, Belgium	100%	100%	LVMH Moët Hennessy - Louis Vuitton SE	Paris, France		Parent company
LVMH International SA	Brussels, Belgium	100%	100%				
Marithé SA	Luxembourg	100%	100%				
LVMH EU	Luxembourg	100%	100%				
L Real Estate SA	Luxembourg <sup>(a)</sup>	49%	49%				
Ufilug SA	Luxembourg	100%	100%				

[\*] The address given corresponds to the company's administrative headquarters; the corporate registered office is located in the state of Delaware.

(a) Accounted for using the equity method.

(b) Joint venture company with Diageo: only the Moët Hennessy activity is consolidated.

(c) The Group's percentages of control and interest are not disclosed, the result of these companies being consolidated on the basis of the Group's contractual share in their business

# STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders,

In compliance with the assignment entrusted to us by your Shareholder's Meeting, we hereby report to you, for the year ended December 31, 2015, on:

- the audit of the accompanying consolidated financial statements of the company LVMH Moët Hennessy - Louis Vuitton;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by your Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

## I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2015, and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

## II. Justification of our assessments

In accordance with the requirements of Article L. 823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

- The valuation of brands and goodwill has been tested under the method described in Note 1.14 to the consolidated financial statements. Based on the aforementioned, we have assessed the appropriateness of the methodology applied based on certain estimates and have reviewed the data and assumptions used by the Group to perform these valuations.
- We have verified that Note 1.12 to the consolidated financial statements provides an appropriate disclosure on the accounting treatment of commitments to purchase minority interests, as such treatment is not specifically provided for by the IFRS framework as adopted by the European Union.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

## III. Specific verification

As required by law we have also verified in accordance with professional standards applicable in France the information presented in the Group's Management Report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Neuilly-sur-Seine and Paris-La Défense, February 12, 2016

The Statutory Auditors

DELOITTE & ASSOCIÉS

Thierry Benoit Guillaume Troussicot

ERNST & YOUNG et Autres

Jeanne Boillet Gilles Cohen

This is a free translation into English of the Statutory Auditors' report on the consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users.

The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.

This report also includes information relating to the specific verification of information given in the Group's Management Report.

This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.



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MOËT HENNESSY • LOUIS VUITTON

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