

## **LVMH: Organic revenue growth of 4% in the first half of 2016**

Paris, 26 July 2016

LVMH Moët Hennessy Louis Vuitton, the world's leading luxury products group, recorded revenue of €17.2 billion in the first half of 2016, an increase of 3%. Organic revenue growth was 4% compared to the same period in 2015. The American market is dynamic, while Europe remains on track, with the exception of France, which has been affected by a decrease in tourism. Asia improved steadily during the period.

In the second quarter, revenue increased by 2% compared to the same period in 2015. Organic revenue growth was 4% marking a slight increase compared with the first quarter.

Profit from recurring operations was €2 959 million for the first half of 2016, consistent with the same period in 2015. Group share of net profit amounted to €1 711 million, an increase of 8%.

Bernard Arnault, Chairman and CEO of LVMH, commented:

“LVMH's results for the first half of 2016 reflect, more than ever, the strength of our business model, which allows us to continue to grow even during an unstable geopolitical environment and economic and monetary uncertainties. The diversity of our businesses, the entrepreneurial style of our brands and the agility of our organization all contribute to the growth of the Group. By remaining vigilant, we face the second half of the year with confidence and count on the quality of our products and the talent of our teams to further strengthen our leadership in the world of high quality products in 2016.”

Highlights of the first half of 2016 include:

- Strong momentum in the United States, and continued growth in the European market,
- Excellent performance from Wines and Spirits in all regions,
- Success of iconic lines and new products at Louis Vuitton, where profitability remains at an exceptional level,
- Impressive growth of Fendi, which celebrates its 90<sup>th</sup> year,
- Continued investment in the fashion brands,
- Strong momentum at Parfums Christian Dior, led by successful innovations,
- Market share gains at Bvlgari and the successful refocusing of TAG Heuer on its core range,
- Exceptional progress at Sephora which is strengthening its position in all operating regions and in the digital universe,
- Cash from operations before changes in working capital of €3.7 billion, an increase of 8%,
- Net debt to equity ratio of 20% as of the end of June 2016.

## Key figures

<i>Euro millions</i>	<b>First half 2015</b>	<b>First half 2016</b>	<b>% change</b>
Revenue	16 707	17 188	+ 3 %
Profit from recurring operations	2 955	2 959	0 %
Group share of net profit	1 580	1 711	+ 8 %
Cash from operations*	3 368	3 650	+ 8 %
Net Financial Debt	6 034	5 303	- 12 %
Total Equity	24 445	26 073	+ 7%

\* Before changes in working capital.

## Revenue by business group:

<i>Euro millions</i>	<b>First half 2015</b>	<b>First half 2016</b>	<b>% change</b>	
			<b>Reported</b>	<b>Organic*</b>
Wines & Spirits	1 930	2 056	+ 7 %	+ 9 %
Fashion & Leather Goods	5 933	5 885	- 1 %	0 %
Perfumes & Cosmetics	2 228	2 337	+ 5 %	+ 8%
Watches & Jewelry	1 552	1 609	+ 4 %	+ 4 %
Selective Retailing	5 275	5 480	+ 4%	+ 5 %
Other activities and eliminations	(211)	(179)	-	-
<b>Total LVMH</b>	<b>16 707</b>	<b>17 188</b>	<b>+ 3 %</b>	<b>+ 4 %</b>

\* With comparable structure and constant exchange rates. The exchange rate impact is -2% and the structural impact is 1%.

## Profit from recurring operations by business group:

<i>Euro millions</i>	<b>First half 2015</b>	<b>First half 2016</b>	<b>% change</b>
Wines & Spirits	482	565	+ 17 %
Fashion & Leather Goods	1 661	1 630	- 2 %
Perfumes & Cosmetics	249	272	+ 9 %
Watches & Jewelry	205	205	0 %
Selective Retailing	433	410	- 5 %
Other activities and eliminations	(75)	(123)	-
<b>Total LVMH</b>	<b>2 955</b>	<b>2 959</b>	<b>0 %</b>

## **Wines & Spirits: excellent start to the year with strong growth in the United States, and improved momentum in China**

The **Wines & Spirits** business group recorded organic revenue growth of 9%. On a reported basis, revenue growth was 7% and profit from recurring operations increased by 17%. The champagne business had a good start to the year, especially in Europe and the US. The prestige vintages performed particularly well. Hennessy recorded strong growth in the American market and improved momentum in China following 2015 which was marked by a period of destocking by distributors. Other spirits, Glenmorangie and Belvedere continue their development.

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

The **Fashion & Leather Goods** business group recorded stable revenue and profit from recurring operations. Louis Vuitton continued to illustrate its creative momentum across its collections. Leather goods' performance was based on both the continued development of its iconic models, as well as on the success of its more recent creations. The presentation of the Cruise Collection in the Niterói Museum of Contemporary Art in Brazil was a highlight of the first half. Loro Piana opened a flagship store on Avenue Montaigne in Paris. Fendi recorded an excellent performance in the first half. Céline and Kenzo showed strong growth. Marc Jacobs continued the repositioning of its collections. Other brands are further strengthening their positions. An agreement was announced for the sale of the Donna Karan business.

## **Perfumes & Cosmetics: innovations meet with great success.**

The **Perfumes & Cosmetics** business group recorded organic revenue growth of 8%. On a reported basis, revenue growth was 5% and profit from recurring operations increased by 9%. Christian Dior gained market share in all regions, underscoring its strong performance, driven by the international success of *Sauvage* and the vitality of its iconic perfumes, *J'adore* and *Miss Dior*. Its new fragrance, *Poison Girl*, and its latest makeup creations also contributed to the excellent performance of the brand. Strengthened by the success of its perfumes, Guerlain introduced *La Petite Robe Noire* to the makeup market. Benefit's new eyebrow collection received an excellent reception. Make Up For Ever and the portfolio of Kendo brands grew rapidly.

## **Watches & Jewelry: market share gains of our brands and successful refocusing of TAG Heuer in its core offering**

In the first half of 2016, the **Watches & Jewelry** business group recorded organic revenue growth of 4%. On a reported basis, revenue growth was 4% and profit from recurring operations was stable. Bvlgari continued its growth and outperformed the market. The brand maintained its strong creative momentum, notably with the enhancements to the iconic *B Zero 1* and *Diva* collections. With good progress in a difficult market, TAG Heuer gained market share and recorded the first positive effects of the development of its core offering. Its new *Connected* watch was an immense success.

**Selective Retailing: excellent performance at Sephora; DFS impacted by the difficult tourist environment in Asia.**

The **Selective Retailing** business group recorded organic revenue growth of 5%. On a reported basis, revenue growth was 4% and profit from recurring operations decreased by 5%. Sephora continued to gain market share in all regions, recording double digit-growth in its revenue and profits. Its performances were outstanding throughout the world. DFS continues to face challenges in Asia due to the difficult environment for tourism, particularly in Macau and Hong Kong. Its geographic expansion continues with the opening of a new *T Galleria* in Siem Reap in Cambodia and another will open in the coming months in Venice, Italy.

**Outlook 2016**

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

Our strategy of focusing on quality across all our activities, combined with the dynamism and unparalleled creativity of our teams, will enable us to reinforce, once again in 2016, LVMH's global leadership position in luxury goods.

An interim dividend of 1.40 Euro will be paid on December 1st, 2016.

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

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















