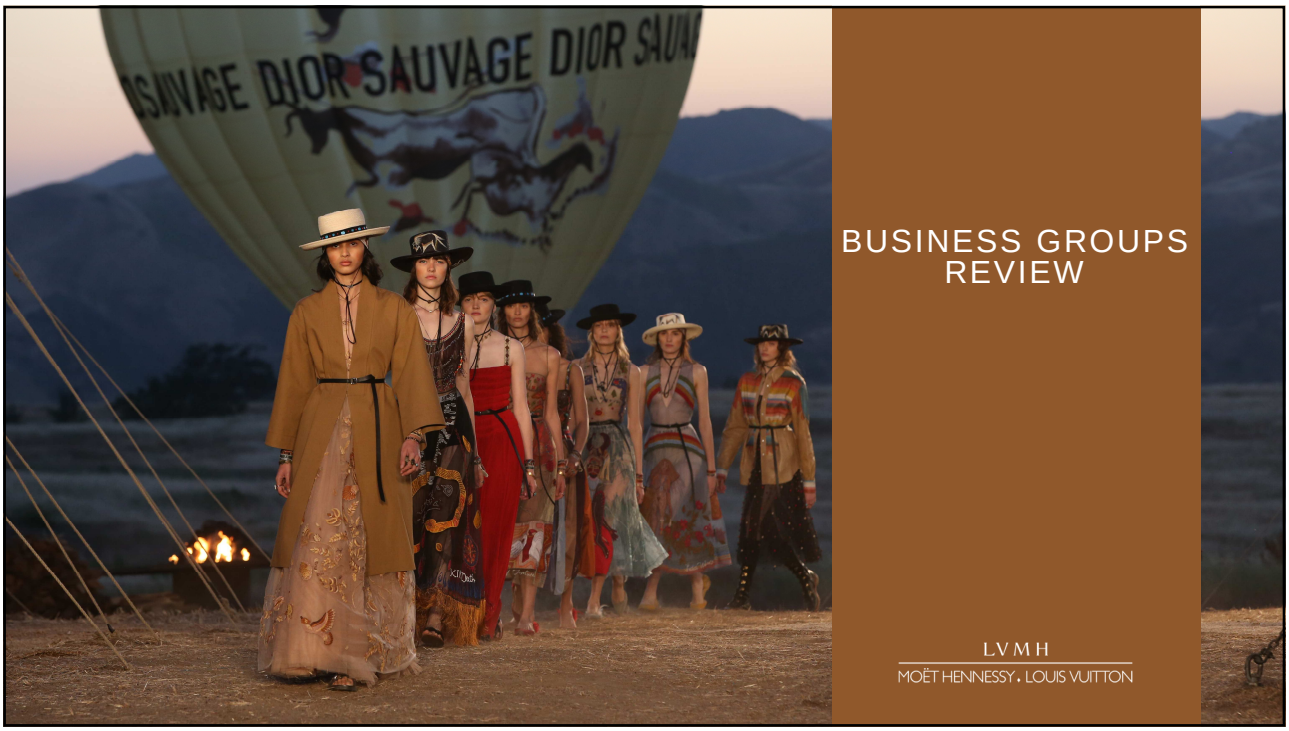
FIRST HALF 2017 RESULTS

JULY 26, 2017

LVMH
MOËT HENNESSY . LOUIS VUITTON

EXCELLENT FIRST HALF FOR LVMH

- Double-digit increases in revenue and profit from recurring operations
- Good growth in Europe, Asia and the United States
- Good start to the year for Wines and Spirits
- Outstanding momentum at Louis Vuitton; profitability remains at an exceptional level
- LVMH's planned acquisition of Christian Dior Couture, one of the world's most iconic brands, finalized on July 3
- Integration of Rimowa, a leader in premium-class luggage
- Success of the new products at Christian Dior
- Growth at Bvlgari and excellent response to TAG Heuer's new products
- Continued strengthening of Sephora's omnichannel strategy



BUSINESS GROUPS REVIEW

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WINES & SPIRITS

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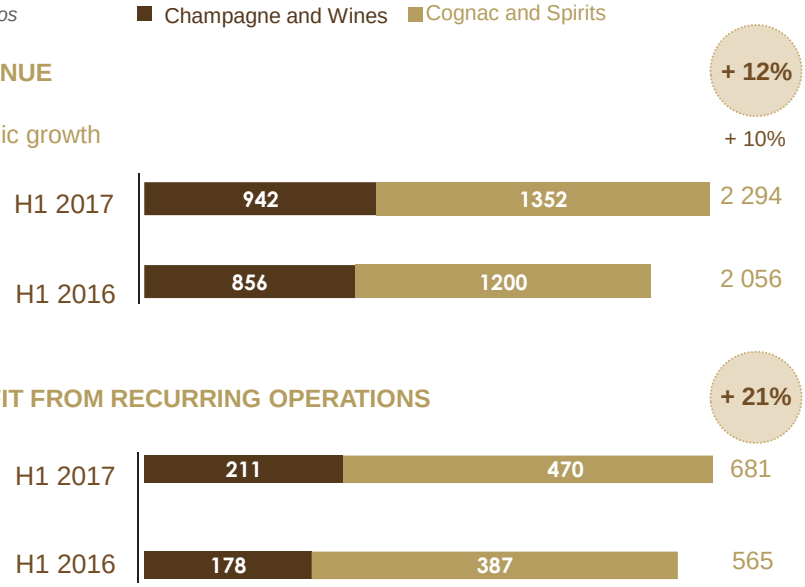
WINES & SPIRITS
KEY FIGURES

| *In millions of euros*



WINES & SPIRITS
H1 2017 HIGHLIGHTS

Excellent start to the year with solid progress in the US and confirmed recovery in China

- Launch of the e-commerce website *Clos 19*

| CHAMPAGNE AND WINES
- Champagne: volumes +8 %
- Numerous innovations and good performance of prestige vintages
- Solid growth in Europe and the US
- Progress of Estates & Wines and launch of exceptional products

| COGNAC AND SPIRITS
- Hennessy: volumes +16 %
- Excellent performance in the US
- Confirmed recovery in China for all qualities
- Destocking of Glenmorangie by distributors in Asia

WINES & SPIRITS
2017 OUTLOOK

- Maintain value creation strategy
- Product innovation and new ways to consume
- Caution on volume growth due to supply constraints accentuated by spring weather
- Increase production facilities to support future growth
- Development of small brands, Woodinville Whiskey and Tequila Volcan de Mi Tierra

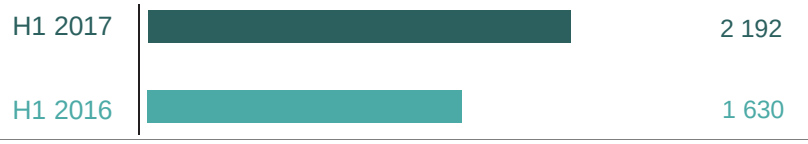
FASHION & LEATHER GOODS
KEY FIGURES

| *In millions of euros*

- **REVENUE** **+ 17%**

Organic growth + 14%

- **PROFIT FROM RECURRING OPERATIONS** **+ 34%**



FASHION & LEATHER GOODS
H1 2017 HIGHLIGHTS

| **Strong growth in Asia and Europe, trends seen at end of 2016 continued in France; solid progress in the US**

| **Louis Vuitton: excellent creative momentum**
- Success of iconic lines and new models
- Artistic collaborations with Jeff Koons and Supreme
- Excellent response to Cruise fashion show in Kyoto
- Continued qualitative strengthening of retail network

| **Fendi: sustained growth in all product categories, new store in Ginza 6 in Tokyo**

| **Loro Piana: strengthened presence in Asia**

| **Céline, Kenzo, Loewe and Berluti: sustained growth**

| **Marc Jacobs: evolution of product lines and restructuring**

| **Rimowa: consolidated in financial accounts**

FASHION & LEATHER GOODS
2017 OUTLOOK

| **Maintain creative momentum of Louis Vuitton**
- Continued innovation in all product categories; launch of connected watch
- Inauguration of flagship store in place Vendôme, Paris
- « Volez, Voguez, Voyagez » exhibition to move from Seoul to New York

| **Fendi: Haute Fourrure fashion show and opening in San Francisco**

| **Kenzo: expansion of retail network in Paris, Madrid and Rome**

| **Givenchy: first collection of Clare Waight Keller in October**

| **Continued creative strengthening and investments at other brands**

| **Integration of Christian Dior Couture**

PERFUMES
&
COSMETICS

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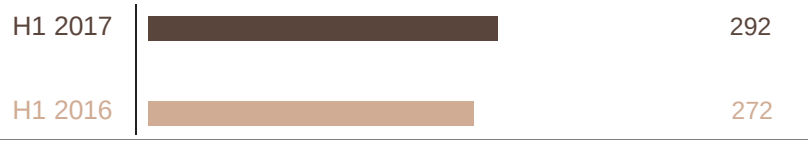
PERFUMES & COSMETICS
KEY FIGURES

| *In millions of euros*

- **REVENUE** **+ 14%**

Organic growth + 12%

- **PROFIT FROM RECURRING OPERATIONS** **+ 7%**



PERFUMES & COSMETICS
H1 2017 HIGHLIGHTS

| **Parfums Christian Dior: strong momentum in all product categories**
- Successful launch of the new fragrance *J'adore Injoy*
- Confirmed success of men's fragrance *Sauvage*
- Rapid development of *Rouge Dior* makeup and *Dior Addict* line
- Excellent results from *Dreamskin* line

| **Good start for *Mon Guerlain*, represented by Angelina Jolie**

| **Benefit: rollout of the *Brow Collection* and new concealer *Boi-ing***

| **Givenchy: success of *Le Rouge* and *Perfecto* lipsticks**

| **Strong expansion of Kat von D and Marc Jacobs Beauty**

| **Fresh: growth driven by the success of *Black Tea* line in Asia**

| **Acquisition of Maison Francis Kurkdjian**

PERFUMES & COSMETICS
2017 OUTLOOK

| **Continue strong momentum of innovation in a rapidly changing market**

| **Parfums Christian Dior: sustained media investments for iconic and new products**
- New fragrance and communication for *Miss Dior*
- New own stores to better express brand's universe
- Initiatives in lips, notably with *Dior Rouge*

| **Guerlain: international development of *Mon Guerlain***

| **Givenchy: relaunch of men's iconic fragrance *Gentleman Givenchy***

| **New makeup line *Fenty Beauty by Rihanna* in collaboration with singer**

WATCHES & JEWELRY
KEY FIGURES

| *In millions of euros*

- **REVENUE**

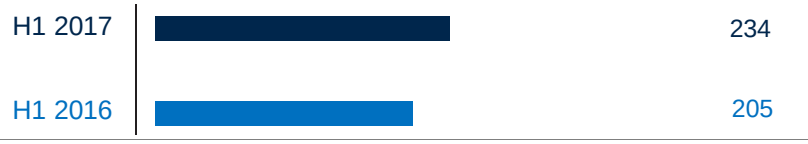
+ 14%

Organic growth

+ 13%

- **PROFIT FROM RECURRING OPERATIONS**

+ 14%



WATCHES & JEWELRY
H1 2017 HIGHLIGHTS

| **Continued growth driven by strength of iconic lines and creativity of new products**

| **Bvlgari: very good first half**
- Success of jewelry lines *Serpenti* and *B Zero 1*, and new collection of high-end jewelry *Festa*
- Watches back to growth; new *Octo Finissimo* watch

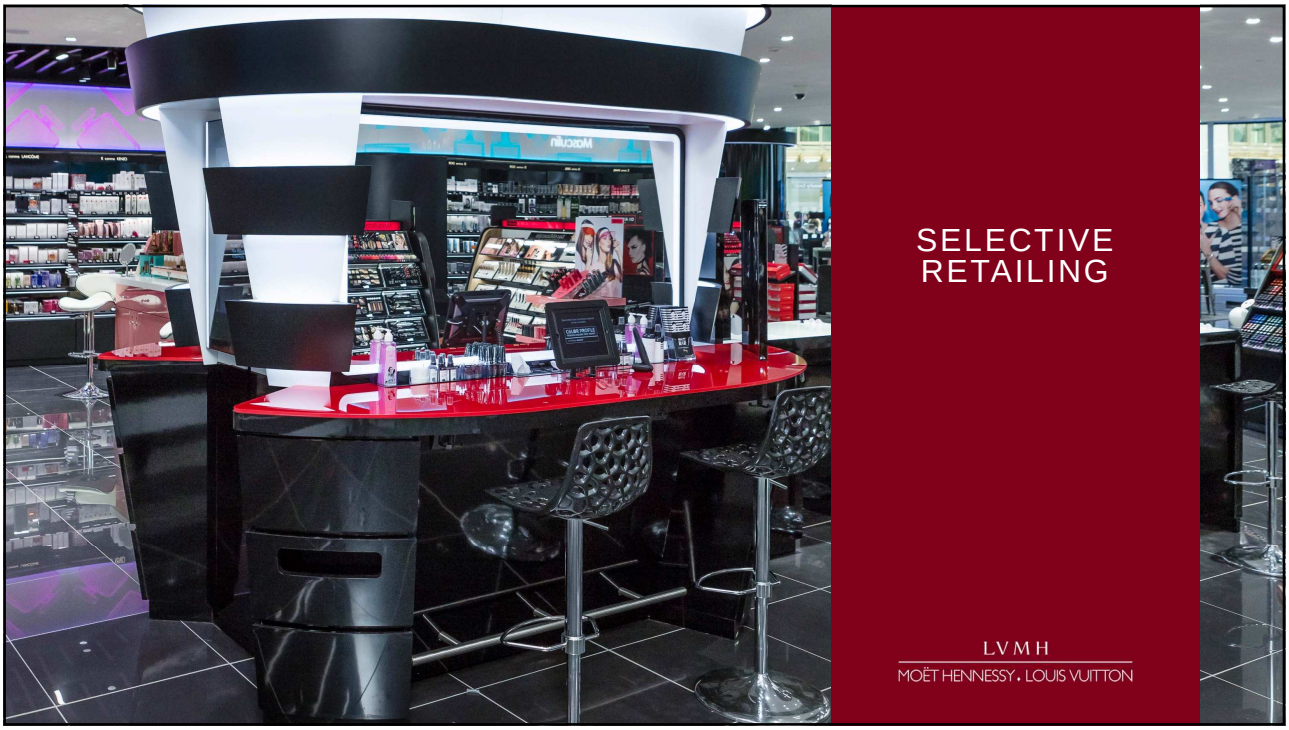
| **TAG Heuer: excellent response to new collections in iconic lines *Formula 1*, *Carrera* and *Aquaracer*; new generation of smartwatch**

| **Hublot: sustained growth, especially in China, driven by iconic lines *Classic Fusion* and *Big Bang***

| **Chaumet: continued upgrade of product range; strong media coverage of new exhibition « Splendeurs Impériales » in Beijing**

WATCHES & JEWELRY
2017 OUTLOOK

- **Further market share gains**
- **Sustained investment in marketing, digital initiatives, sponsoring sport and lifestyle events**
- **Reopening of Bvlgari's New York store and development of *Serpenti Skins* watches**
- **Opening of new TAG Heuer store in London**
- **Chaumet: product innovations for iconic line *Liens***



SELECTIVE RETAILING
KEY FIGURES

| *In millions of euros*

- **REVENUE**

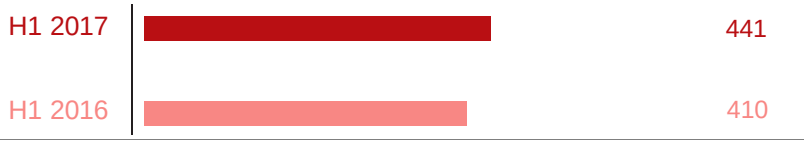
Organic growth

+ 15%

+ 12%

- **PROFIT FROM RECURRING OPERATIONS**

+ 8%



SELECTIVE RETAILING
H1 2017 HIGHLIGHTS

| SEPHORA

- Strong comparable store growth, especially in Asia
- Strengthened omnichannel strategy and rapid growth of online sales
- Further extension of the retail network: important renovations in New York and Dubai and new opening in Germany

| DFS

- Significant sales recovery in Hong Kong, Macau and Japan
- Good progress of newly opened Gallerias in Cambodia and Venice
- Strengthened marketing and loyalty program; including new online booking service

| LE BON MARCHÉ

- Launch of digital platform 24 Sèvres
- New workshops in Woman's Fashion area with personalized services

SELECTIVE RETAILING
2017 OUTLOOK

| SEPHORA
- Continued innovation in products and development of exclusive services
- Strengthen mobile initiatives in all regions
- Further worldwide expansion of retail store network

| DFS
- Opening of two new Beauty points of sale in Macau
- Continued modernization of store network in Hong Kong, Auckland and Sydney
- Expiration at end of year of unprofitable Hong Kong Airport concession

| LE BON MARCHÉ
- Exhibition dedicated to Italy
- Opening of La Grande Epicerie Rive Droite in Paris at end of year

CONSOLIDATED KEY FIGURES H1 2017

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H1 2017 REVENUE BY BUSINESS GROUP

In millions of euros	H1 2016	H1 2017	Reported growth	Organic growth*
WINES & SPIRITS	2 056	2 294	+ 12%	+ 10%
FASHION & LEATHER GOODS	5 885	6 899	+ 17%	+ 14%
PERFUMES & COSMETICS	2 337	2 670	+ 14%	+ 12%
WATCHES & JEWELRY	1 609	1 838	+ 14%	+ 13%
SELECTIVE RETAILING	5 480	6 280	+ 15%	+ 12%
OTHERS & ELIMINATIONS	(179)	(267)	-	-
TOTAL LVMH	**17 188**	**19 714**	**+ 15%**	**+ 12%**

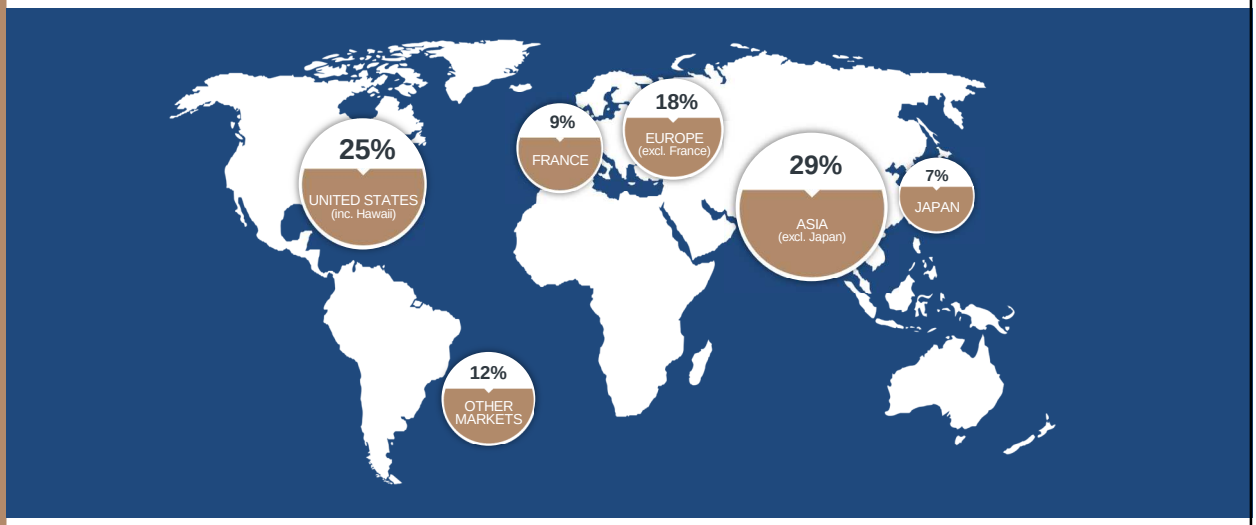
** With comparable structure and exchange rates. The exchange rate impact is +2 % and the perimeter effect is +1 %.*

H1 2017 REVENUE BY QUARTER BY BUSINESS GROUP

Organic growth versus same period of 2016	Q1 2017	Q2 2017	H1 2017
WINES & SPIRITS	+ 13%	+ 6%	+ 10%
FASHION & LEATHER GOODS	+ 15%	+ 13%	+ 14%
PERFUMES & COSMETICS	+ 12%	+ 13%	+ 12%
WATCHES & JEWELRY	+ 11%	+ 14%	+ 13%
SELECTIVE RETAILING	+ 11%	+ 12%	+ 12%
TOTAL LVMH	**+ 13%**	**+ 12%**	**+ 12%**

H1 2017 REVENUE BREAKDOWN BY REGION

In % of total revenue



REVENUE EVOLUTION BY REGION

Organic growth versus same period of 2016	Q1 2017	Q2 2017	H1 2017
UNITED STATES*	+ 9%	+ 8%	+ 9%
JAPAN	+ 2%	+ 11%	+ 6%
ASIA (EXCL. JAPAN)	+ 20%	+ 17%	+ 18%
EUROPE	+ 14%	+ 11%	+ 13%

** Excl. Hawaii.*

SUMMARIZED INCOME STATEMENT

In millions of euros	H1 2016	H1 2017	Change %
REVENUE	17 188	19 714	+ 15%
GROSS MARGIN	11 271	12 833	+ 14%
Marketing & selling expenses	*(6 935)*	*(7 704)*	*+ 11%*
General & administrative expenses	*(1 381)*	*(1 488)*	*+ 8%*
Equity investment income	*4*	*(1)*	
PROFIT FROM RECURRING OPERATIONS	2 959	3 640	+ 23%
Other operating income and expenses	*(40)*	*(95)*	
OPERATING PROFIT	2 919	3 545	+ 21%
Net financial income (expense)	*(166)*	*(15)*	
Income taxes	*(890)*	*(1 186)*	
NET PROFIT BEFORE MINORITY INTERESTS	1 863	2 344	+ 26%
Minority interests	*(152)*	*(225)*	
GROUP SHARE OF NET PROFIT	**1 711**	**2 119**	**+ 24%**

PROFIT FROM RECURRING OPERATIONS BY BUSINESS GROUP

In millions of euros	H1 2016	H1 2017	Change %
WINES & SPIRITS	565	681	+ 21%
FASHION & LEATHER GOODS	1 630	2 192	+ 34%
PERFUMES & COSMETICS	272	292	+ 7%
WATCHES & JEWELRY	205	234	+ 14%
SELECTIVE RETAILING	410	441	+ 8%
OTHERS & ELIMINATIONS	(123)	(200)	ns
TOTAL LVMH	**2 959**	**3 640**	**+ 23%**

CHANGE IN NET FINANCIAL INCOME (EXPENSE)

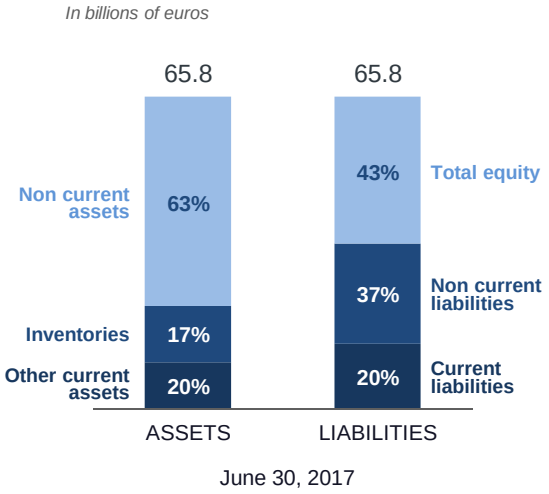
In millions of euros	H1 2016	H1 2017	Change (M€)
COST OF NET FINANCIAL DEBT	(33)	(19)	+14
INEFFECTIVE PORTION OF FOREIGN CURRENCY HEDGES	(132)	9	+ 141
NET GAIN (LOSS) RELATING TO AFS* ASSETS AND OTHER FINANCIAL INSTRUMENTS, DIVIDENDS RECEIVED	15	10	-5
OTHER ITEMS - NET	(16)	(15)	+1
NET FINANCIAL INCOME (EXPENSE)	**(166)**	**(15)**	**+ 151**

** AFS: Available for sale.*

SOLID FINANCIAL STRUCTURE

Changes versus December 2016

- Increased total equity linked principally to increase in results partly offset by currency changes
- Increased net debt notably following Rimowa acquisition
- Rise in non current assets principally due to impact on goodwill of revaluation of purchase commitments for minority interests and impact of perimeter changes
- Increase in inventories resulting from growth in the Group's activities

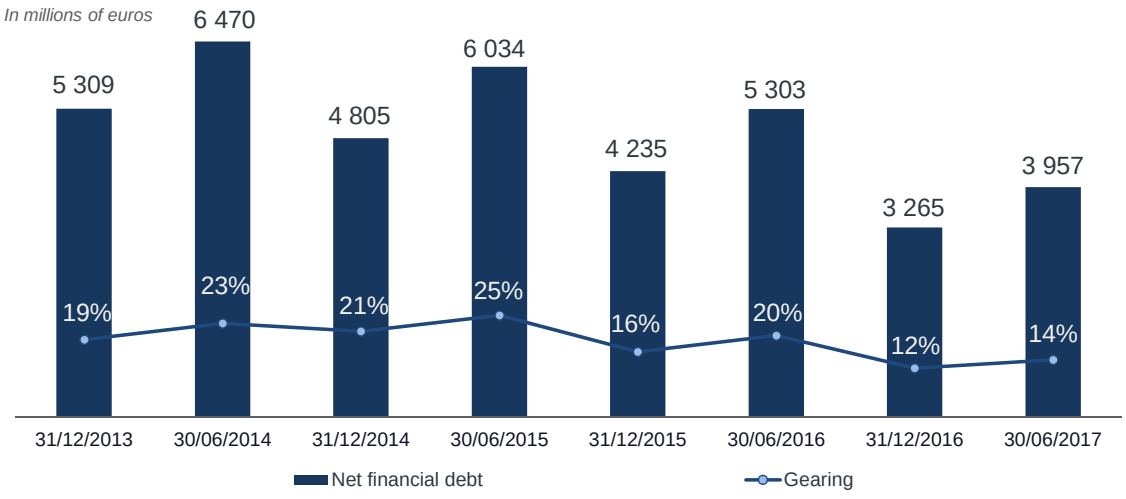


ANALYSIS OF CASH FLOW FROM OPERATIONS

In millions of euros	H1 2016	H1 2017	Change (M€)
CASH FROM OPERATIONS BEFORE CHANGES IN WORKING CAPITAL	3 650	4 501	+ 851
Net interest paid	*(23)*	*(37)*	*- 14*
Income taxes paid	*(884)*	*(1 068)*	*- 184*
NET CASH FROM OPERATIONS BEFORE CHANGES IN WORKING CAPITAL	2 743	3 396	+ 653
Working capital requirements	*(1 111)*	*(1 130)*	*- 19*
Operating investments	*(871)*	*(988)*	*- 117*
FREE CASH FLOW *	**761**	**1 278**	**+ 517**

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

NET FINANCIAL DEBT



CONCLUSION

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CAUTION FOR 2017 SECOND HALF

- Continue creative momentum of brands
- Capitalize on digitalization of our activities
  - Enriching online and offline customer experience
- Focus on entrepreneurial spirit of our teams
- Confidence but also vigilance in a climate of economic, monetary and geopolitical uncertainties, and facing a more demanding comparison basis

Objective

REINFORCE OUR LEADERSHIP POSITION
IN GLOBAL LUXURY GOODS MARKET