EXCELLENT FIRST HALF FOR LVMH

Bernard Arnault, Chairman and CEO of LVMH, commented: “LVMH has enjoyed an excellent first half, to which all our businesses contributed. In the current climate of geopolitical and economic instability, creativity and quality, the founding values of our Group, have more than ever become benchmarks for all. The increasing digitalization of our activities furthermore reinforces the quality of the experience we bring to our customers. In an environment that remains uncertain, we approach the second half of the year with caution. We will remain vigilant and rely on the entrepreneurial spirit and talent of our teams to further increase our leadership in the world of high quality products in 2017.”

**Highlights of the first half of 2017 include:**

- double-digit increases in revenue and profit from recurring operations;
- good growth in Europe, Asia and the United States;
- a 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 Bulgari and excellent response to TAG Heuer’s new products;
- continued strengthening of Sephora’s omnichannel strategy;
- cash from operations before changes in working capital of €4.5 billion, an increase of 23%;
- net debt to equity ratio of 14% as of the end of June 2017.

LVMH Moët Hennessy Louis Vuitton, the world’s leading luxury products group, recorded revenue of €19.7 billion in the first half of 2017, an increase of 15%. Organic revenue growth was 12% compared to the same period in 2016. All geographic areas continue to progress well. During the first half of the year, the Group benefited from a favourable comparison base, particularly in Asia but also in France, where activity was impacted last year by a decline in tourism. The current trends cannot reasonably be extrapolated for the full year.

In the second quarter, revenue increased by 15% compared to the same period in 2016, with the notable integration for the first time of Rimowa. Organic revenue growth was 12%.

Profit from recurring operations was €3,640 million for the first half of 2017, an increase of 23%. Operating margin reached 18.5%, an increase of 1 percentage point. Group share of net profit amounted to €2,119 million, an increase of 24%.

OUTLOOK 2017

Despite the context of geopolitical and currency uncertainties, LVMH will continue to pursue gains in market share through 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 2017, LVMH’s global leadership position in luxury goods.

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(1) Organic growth of 12%. The exchange rate impact is +2% and the structural impact is +1%.
(2) Before changes in working capital.
(3) Payable on December 7, 2017.

All documentation related to the 2017 half-year results can be found on the LVMH website (www.lvmh.com) under Investors/Events/Results.
WINES & SPIRITS

GOOD START TO THE YEAR WITH SOLID GROWTH IN THE UNITED STATES, AND IMPROVED MOMENTUM IN CHINA

The Wines & Spirits business group recorded organic revenue growth of 10%. On a reported basis, revenue rose 12% and profit from recurring operations increased by 21%.

The business group reaffirmed its commitment to innovation with many initiatives across the brands. All the champagne Houses have performed well. Europe and the United States were particularly dynamic. Hennessy cognac continued to show strong growth in the US market, while demand is recovering in China. The second half of the year is expected to experience a slowdown in volume growth given the existing supply constraints.

Moët & Chandon

<table>
<thead>
<tr>
<th>REVENUE</th>
<th>€2,294m</th>
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<tbody>
<tr>
<td>+10%⁽¹⁾</td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>PROFIT FROM RECURRING OPERATIONS</th>
<th>€681m</th>
</tr>
</thead>
<tbody>
<tr>
<td>+21%</td>
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</table>

<table>
<thead>
<tr>
<th>CURRENT OPERATING MARGIN</th>
<th>29.7%</th>
</tr>
</thead>
</table>

⁽¹⁾ With comparable structure and exchange rates.
FASHION & LEATHER GOODS

GOOD CREATIVE MOMENTUM AT LOUIS VUITTON AND FURTHER STRENGTHENING OF OTHER BRANDS

The Fashion & Leather Goods business group recorded organic revenue growth of 14%. On a reported basis, revenue increased 17% and profit from recurring operations was up 34%.

The momentum at Louis Vuitton, driven by its exceptional creativity, was demonstrated across all its product categories. The Cruise Collection presented at the Miho Museum in Kyoto, Japan, was a great illustration of this. The launch of new models resulting from the collaboration with the artist Jeff Koons and the cult New York skatewear brand, Supreme, were the highlights of the first half. Fendi continued its strong growth and enriched its leather goods lines, notably with the new Kan-IModel. Loro Piana strengthened its presence in Asia with several openings. Céline, Loewe and Kenzo experienced good growth. Marc Jacobs strengthened its product offering and continued its restructuring. Other brands continued to grow. Rimowa, which joined the LVMH Group, is consolidated for the first time in the first half-year accounts.

| REVENUE                  | €6,899m  
| 14%                      |
| PROFIT FROM RECURRING OPERATIONS | €2,192m  
| 34%                      |
| CURRENT OPERATING MARGIN  | 31.8%     |

(1) With comparable structure and exchange rates.
PERFUMES & COSMETICS

CONTINUOUS INNOVATION AND STRONG GROWTH IN MAKEUP

The Perfumes & Cosmetics business group posted organic revenue growth of 12%. On a reported basis, revenue grew 14% and profit from recurring operations was up 7%.

Christian Dior showed strong growth momentum, sustained by the vitality of its iconic fragrances J’adore and Miss Dior, the continued success of Sauvage and the performance of its latest makeup creations.

Guerlain enjoyed a successful launch of its new perfume, Mon Guerlain, represented by Angelina Jolie. Parfums Givenchy experienced rapid growth in makeup, especially its line of lipsticks. Benefit continued to roll out its Brow Collection.

**REVENUE**

€ 2,670m

**PROFIT FROM RECURRING OPERATIONS**

€ 292m

**CURRENT OPERATING MARGIN**

10.9%

(1) With comparable structure and exchange rates.
WATCHES & JEWELRY
GOOD FIRST HALF FOR BVLGARI AND SUCCESSFUL DEVELOPMENT OF TAG HEUER IN ITS CORE RANGE

The Watches & Jewelry business group recorded organic revenue growth of 13%. On a reported basis, revenue growth was 14% and profit from recurring operations was up 14%.

Bvlgari enjoyed an excellent first half and continued to gain market share. This dynamic is notable in both jewelry and watchmaking, especially in China and Europe, thanks to the success of the iconic Serpenti and B-Zero 1 lines and the new Octo Finissimo watch. TAG Heuer experienced solid revenue growth in a tough watch market. The new products created in its flagship Carrera, Aquaracer and Formula 1 collections were very successful and a new generation of the smart watch was launched. Hublot continued its growth.

<table>
<thead>
<tr>
<th>REVENUE</th>
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<td>+13% (1)</td>
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<tr>
<td>PROFIT FROM RECURRING OPERATIONS</td>
<td>€234m</td>
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<tr>
<td></td>
<td>+14%</td>
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<tr>
<td>CURRENT OPERATING MARGIN</td>
<td>12.7%</td>
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</table>

(1) With comparable structure and exchange rates.
SELECTIVE RETAILING
GROWTH AT SEPHORA AND IMPROVED MOMENTUM OF DFS IN ASIA

The Selective Retailing business group posted organic revenue growth of 12%. On a reported basis, sales growth was 15% and profit from recurring operations was up 8%.

Sephora continued to make progress and reinforced its omnichannel strategy. While increasing its share of online sales, Sephora continued to invest in extending its network and renovating existing stores, particularly in New York and Dubai. Le Bon Marché developed a new online shopping experience by launching its digital platform 24 Sèvres. DFS experienced better momentum in Asia, while the T Galleria, which opened in 2016 in Cambodia and Italy, continued to develop.

<table>
<thead>
<tr>
<th>REVENUE</th>
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<tr>
<td>PROFIT FROM</td>
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<tr>
<td>RECURRING OPERATIONS</td>
<td>+8%</td>
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<tr>
<td>CURRENT OPERATING MARGIN</td>
<td>7%</td>
</tr>
</tbody>
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(1) With comparable structure and exchange rates.
FOCUS

STRENGTHENING OF LVMH’S FASHION & LEATHER GOODS DIVISION BY THE ACQUISITION OF CHRISTIAN DIOR COUTURE

On July 3, 2017, as part of the project aimed at simplifying the structures of the Christian Dior-LVMH group and in accordance with the terms of the memorandum of understanding concluded with Christian Dior on April 24, 2017, LVMH acquired 100% of Christian Dior Couture from Christian Dior(1) for 6 billion euros. The scope acquired includes Grandville (100%-owned by Christian Dior) and its subsidiary, Christian Dior Couture.

Founded by Monsieur Dior 70 years ago, Christian Dior Couture has been the inspiration for global fashion since its creation. It is one of the most prestigious brands worldwide. Its unique positioning encompasses most high quality product categories, such as Leather, Haute Couture, men’s and women’s Ready-to-wear, Jewelry and Shoes, and relies on exceptional savoir-faire. Dior’s creations are distributed almost exclusively within its proprietary worldwide network of 198 stores. This network represents 93% of the brand’s revenue and ensures comprehensive control over its distribution and brand image. Christian Dior Couture owns a portfolio of strategic real estate assets in prime locations, notably its historic store on Avenue Montaigne, the New Bond Street, London store and the new Ginza store in Tokyo.

Revenue doubled over the past five years: this dynamic illustrates its growth potential for the upcoming years. Furthermore, its profitability has improved over the same period, with an increase in profit from recurring operations of 24% per year.

The contemplated acquisition of Christian Dior Couture will allow LVMH to incorporate one of the most emblematic brands worldwide. It will allow for the regrouping of Christian Dior Couture and Parfums Christian Dior brands, the latter being already part of LVMH Group.

On the strength of its history and favorable prospects, Christian Dior Couture will be a source of growth for LVMH. The development of Christian Dior Couture will be notably supported over the coming years by a new creative momentum and significant investments already completed, notably in America, China and Japan.

Christian Dior Couture will be consolidated within the Fashion and Leather Goods business group with effect from July 2017.

LAUNCH OF 24 SÈVRES, THE NEW ONLINE SHOPPING EXPERIENCE

Playfully referencing its iconic Paris street address, Le Bon Marché is pioneering a new online shopping experience with the launch of its 24 Sèvres digital platform. Since 1852, at 24 rue de Sèvres, Le Bon Marché Rive Gauche – the world’s first department store – has elevated shopping to an art de vivre. Now, 165 years later, this very Parisian vision of fashion and beauty is available to customers the world over at 24sevres.com and via a dedicated iOS application.

A first in fashion, Parisian stylists are available for live, one-to-one video consultations on the 24 Sèvres website, while on the 24 Sèvres iOS app, customers can chat with a

(1) Christian Dior directly and indirectly holds 41.0% of the share capital and 56.8% of the voting rights of LVMH.
stylist and browse the store at the same time. Exploring new ways to shop online, 24 Sèvres is also launching its Style Bot on Facebook Messenger.

An exceptional level of customer service, which encompasses delivery to more than 75 countries and click-and-collect at Le Bon Marché, as well as the most innovative and attractive online presentation on the market, enables customers to discover, in ideal conditions, an exclusive, curated selection of over 150 luxury womenswear brands, including Louis Vuitton and Christian Dior. The entire platform is imbued with the spirit of Paris, the fashion capital of the world.

To celebrate its launch, 24 Sèvres is presenting a debut capsule collection created in collaboration with Le Bon Marché and 68 Parisian and international brands including Fendi, Givenchy and Loewe, as well as Chloe, Marni and Repetto. For this capsule of 77 exclusive, limited-edition pieces, each Maison has revisited one of its most iconic products. Most have invited a creative friend, a figure of the arts, cinema or music scene, or an ambassador of Parisian art de vivre, to collaborate on the personalization of one or more pieces.

An exclusive, curated selection of luxury womenswear brands, state-of-the-art virtual windows, standout customer service... This all-new shopping experience sets new standards for the sale of luxury products online, while at the same time reflecting the unique spirit of Le Bon Marché...

25 YEARS OF ENVIRONMENTAL COMMITMENT

For LVMH and its Maisons, protecting the environment has always been more than a duty: it is an absolutely vital priority; an essential means of preserving our values, including excellence. The Maisons are built on the cornerstones of long-term commitment and patience. The quality of their products is rooted in a singular history that reflects our devotion to perfection, durability and passing down the craft. The Maisons fully embrace the values that form an integral part of our long-term strategy, including a deep respect for nature, to which LVMH owes so much. LVMH’s unwavering conviction and realism have made it a pioneering force in this area. 25 years ago, the Group already knew it was time to get involved and take action.

So in 1992, as the Earth Summit was being held in Rio de Janeiro, LVMH formed its Environment Department. Its mission was to implement the Group’s environmental policy, set out its main guidelines for action, and ensure that its commitments are kept. Then, in the 1990s, ethnobotany – a field aimed at sustainably preserving species while nurturing local economic development – was integrated into the Perfumes & Cosmetics Maisons’ approach, accompanied by a growing number of initiatives to secure ISO 14001 environmental certification, particularly at Hennessy, the world’s first Wines & Spirits brand to earn this certification.

In 2001, the Group published its first Environmental Report. In 2002, when ADEME (the French Environment and Energy Management Agency) was just starting to develop its Bilan Carbone footprint assessment method, most of the Maisons were already ready and began testing this tool substantially ahead of French law.

Since 2012, this commitment has gone global with the launch of the LIFE (LVMH Initiatives For the Environment) program, based on nine key aspects of environmental performance. Every year, the Maisons update their strategic plans, which must include the LIFE program’s key topics along with indicators to help track their performance in each area. In 2016, LVMH decided to push ahead with its progress toward environmental excellence by giving its Maisons – regardless of their sphere of activity – the following shared targets to be met by 2020: making all products more environmentally friendly and ensuring they integrate sustainable design principles; buying and producing all core raw materials in accordance with optimum environmental standards; cutting energy-related greenhouse gas emissions by 25%; and reducing key indicators by at least 10% at all production sites and stores.
THE LVMH SHARE

EVOLUTION OF THE LVMH SHARE PRICE

After a particularly favorable month of December, stock markets stabilized over the first few weeks of 2017 before picking up once again. The markets initially remained cautious, waiting for the first effective measures to be taken by the new US government, and uncertainty prevailed surrounding the upcoming elections in Europe. However, starting in February these concerns were allayed by developments including the publication of favorable economic indicators and a more optimistic line taken by central banks. Markets were especially sensitive to the French presidential election, welcoming in particular the outcome of the first round, which helped dissipate the prospect of France leaving the eurozone.

In this context, the CAC 40 and Euro Stoxx 50 indices ended the half-year period up 4.9% and 4.0%, respectively. The LVMH share price was up 20%, at €218, after reaching a record high of €238 on May 5th, 2017. The half-year period saw LVMH become the top-ranked company on the Paris stock exchange, with a market capitalization of €111 billion as of end-June.

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

TOTAL SHAREHOLDER RETURN

An LVMH shareholder who had invested €1,000 on July 1st, 2012 would have a capital of €2,233 on June 30th, 2017, based on reinvested dividends. This represents a 123% gain, translating to a compound annual growth rate of around 17% over five years.

INTERIM DIVIDEND

The Board of Directors approved the payment, on December 7, 2017, of an interim dividend of €1.60.

Comparison between the LVMH share price and the CAC 40 since July 1st, 2014

LVMH shareholder structure (1)

December 2016

Voting rights: Arnault family group 63.07%, Other 36.93%.
SHAREHOLDER RELATIONS

THE WEBSITE

The LVMH website (www.lvmh.com) gives access to a wide range of regularly updated information on the Group and its brands. A section specially aimed at the financial community and LVMH shareholders features the share price in real time, its chart relative to the CAC 40, the events schedule, press releases and presentations, in particular the Shareholders’ AGM, which can be watched live or on replay.

Communications media can be viewed in the Publications section along with the Annual Report and Reference Document. A form is available online to request copies by mail. LVMH also sends out Group news by e-mail to web users who sign up for Press Release alerts. A Shareholders alert lets users know when the latest letter to shareholders has been released. Lastly, a Calendar alert is available for those wishing to be advised of updates to this section and receive an e-mail reminder the day before an event.

2016 Annual Report

Discover on www.lvmh.com in the Shareholders section, the digital edition which takes the form of a collection of virtual illustrated books featuring enriched, interactive content.

THE SHAREHOLDERS’ CLUB

Tailored to individual shareholders who show a special interest in what is happening at the Group, the LVMH Shareholders’ Club gives its members a better understanding of LVMH, its businesses and its Maisons.

Through the Club’s membership magazine Aportés, members can order a selection of the Group’s Wines and Spirits, subscribe to Les Échos, Investir, and Connaissance des Arts at preferential rates, and enjoy special visitor access to certain sites such as wineries and wine cellars. Priority-access tickets can also be ordered for Fondation Louis Vuitton.

To become a member of the LVMH Shareholders’ Club, just fill out the online membership form on the Shareholders page of the website, or request a form from the Club by postal mail.

An exclusive Shareholders’ Club online store

The Group’s exclusive Wines and Spirits offering is also available through the Club’s online store, www.clublvmh-eboutique.fr. Shareholders’ Club members can access this private shopping space once they’ve activated their account. Deliveries can only be made in France.

CONTACTS

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Shareholders’ Club
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E-mail: lvmh@clubactionnaires.com
AGENDA

July 26, 2017
Publication of 2017 half-year revenue and results

October 2017
Publication of 2017 third-quarter revenue

December 7, 2017
Payment of interim dividend

January 2018
Publication of 2017 revenue and annual results

April 2018
Shareholders’ Meeting

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