

Bernard Arnault

Our leading brands have strong, timeless values, which carry a true message of quality and a real promise of excellence. We will continue to support these brands so that they can, once again, assert their authenticity through powerful and qualitative innovation as well as creative marketing.

Chairman's Message

Creativity and quality our key values, our priorities

The Group's solid performance in 2008 demonstrated, more clearly than ever before, the strength of its brands, the effectiveness of its strategy and the fantastic energy resulting from the commitment of its teams. With the economic slowdown intensifying during the last few months, the momentum behind our brands has often made the difference. Our business is sustained by creative drive, the uncompromising quality of our products, the desire to surprise and engage our clients and to offer them a unique experience in our stores. All this derives from the talent and application of our employees. The proactivity of everyone in our Houses and across our markets worldwide has enabled us to respond rapidly to the unstable environment and to limit its consequences.

There have been a number of successes this year. I will start with those that we owe to our leading brands. Louis Vuitton, which enjoyed another record year, celebrated its timeless values through the iconic personalities that featured in its corporate campaign. Parfums Christian Dior, demonstrating its exceptional image and its roots in the world of couture, once again outperformed its competitors. Hennessy secured its leading position in China and Sephora gained further market share. From our rising stars, we have continued to make excellent progress. Some examples are Ruinart's remarkable achievements, further progress at Donna Karen which has built on the performance of recent years, the strengthening position of Ardbeg whisky, and the accelerated growth of Marc Jacobs, Benefit and Make Up For Ever.

A strong culture of innovation across all our business groups

In all our business groups, 2008 has been an extremely innovative year. We have released new cuvées and designed high value-added packaging for our cognacs, champagnes and whiskies. Louis Vuitton demonstrated its close involvement with

the art world through the launch of two Marc Jacobs collections conceived in collaboration with the artists Richard Prince and Takashi Murakami. Another highlight was the launch of Damier Graphite, a new signature range for our male clientele. This line was remarkably successful in the second half of the year and we have great ambitions for it and its numerous incarnations.

Financial strength, selective investments

We launched new perfumes: Dior Homme Sport, Escale à Portofino by Christian Dior, Guerlain Homme, Play by Givenchy and KenzoPower. Our watch and jewelry brands have extended their iconic ranges. In Geneva, TAG Heuer won its fifth Grand Prix in six years for the Grand Carrera chronograph which was featured at Baselworld 2008. Chaumet launched a new collection of high-end jewelry and Sephora continued to affirm its status as the most innovative brand in the global beauty and perfume sector.

2009 has started in a climate of considerable uncertainty for all businesses. It would be unwise to predict the length of the global economic crisis at this stage. However, whatever happens, we have prepared ourselves for a difficult environment through



Chairman's Message

ghout the year. We have strengthened our rigorous management by rapidly taking strict actions where necessary. I am also aware that we must be even more selective in the decisions that concern the allocation of our resources: over the coming months, these decisions will be focused exclusively on our key profitability drivers, the most important projects, the most lucrative markets and only genuinely strategic opportunities.

Beyond short-term initiatives imposed by the current climate, LVMH – and this, in my mind, is key – will continue to implement its organic growth strategy, which is founded on innovation and geographic expansion. To achieve this, our Group can count on a number of assets. In these turbulent economic and financial markets, one of the Group's most important attributes is the strength of its balance sheet. Our debt levels are modest. Having constantly focused on cash generation, we have the ability to finance our own growth and therefore can calmly anticipate with, and I repeat, great vigilance, the moment of economic recovery.

Our continuing growth strategy

I would like to highlight one other point: in troubled times, consumers have a need, more than ever, for reference points. In this regard, I believe I can say that our leading brands have strong, timeless values, which carry a true message of quality and a real promise of excellence. We will continue to support these brands so that they can once again assert their authenticity through powerful and qualitative innovation as well as creative marketing.

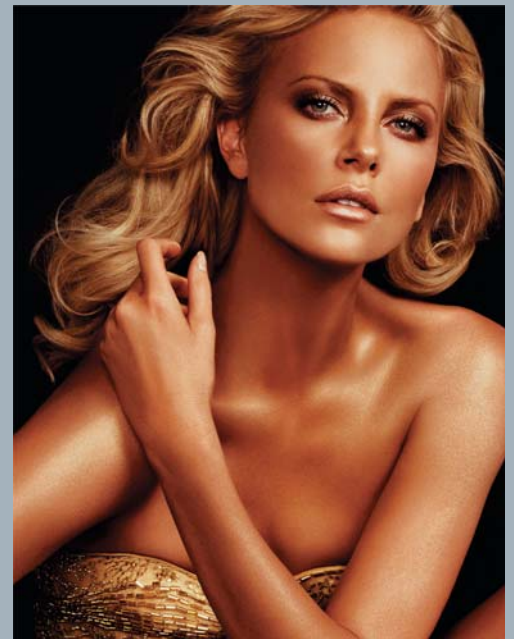
We will also support them as they expand geographically. In recent years, we have conquered new territories. Thanks to an early presence in the emerging countries, some of these markets are already important pillars of our growth. China, for example, has become the biggest market for Hennessy cognac and is the second largest customer base for Louis Vuitton worldwide. The Group's more recent moves are also very promising. Glenmorangie and Benefit have been hugely successful in Asia, Sephora in Eastern Europe, Marc Jacobs in Europe, Hennessy in Vietnam etc. In short, we will be on the front foot in all markets where we see strong growth potential.

During the various crises that LVMH has encountered throughout its history, our Group has always known how to concentrate on its priorities and to take advantage of the strength of its brands to reinforce its leadership of the worldwide luxury goods market.

Our decentralized organization fosters a spirit of enterprise and also, therefore, reactivity - an essential quality in periods of uncertainty. I know I can count on the men and women in LVMH to meet the numerous challenges ahead and to prepare our Group to continue its growth.

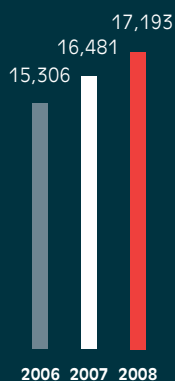
5 February 2009

Bernard Arnault
Chairman & Chief Executive Officer

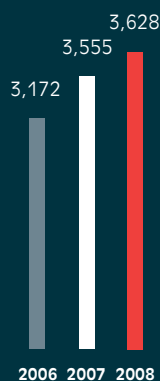


A magical perfume, an exceptional casting: Charlize Theron, one of Hollywood's most famous stars is the face of the perfume J'adore. Born in 1999, J'adore immediately won over women's hearts. It is still adored today and its spectacular success is part of the history of Dior. Charlize Theron, its ambassador, radiant and luminous, appears illuminated with gold. Her gown, created by John Galiano, reveals all the splendor of "haute couture". It is clearly stitched with DIOR thread.

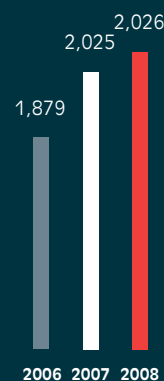
Revenue
EUR million



Profit from recurring operations
EUR million



Group share of net profit
EUR million



Basic group share of net profit per share
EUR



Another year of growth in 2008



LVMH Moët Hennessy Louis Vuitton, the world's leading luxury products group, recorded revenue of 17.2 billion Euros in 2008, an increase of 4%. Organic revenue grew 7% for the year.

In the fourth quarter, reported revenue was 5.2 billion Euros, an increase of 4%.

Profit from recurring operations rose by 2% to 3 628 million Euros. This performance, achieved in the current economic environment, is even more noteworthy when compared to the Group's strong performance in 2007. The negative exchange rate impact was again high this year, particularly in the first half. At constant exchange rates, profit from recurring operations increased by 6% in 2008.

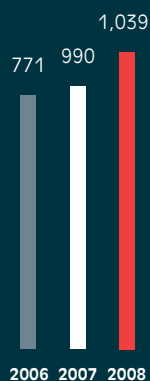
Group share of net profit was stable compared to 2007 and came to 2 026 million Euros.

Mr Bernard Arnault, Chairman and CEO of LVMH, said: "The 2008 results demonstrate the exceptional reactivity of our organization in this period of economic crisis. The Group has always emerged stronger from previous economic downturns thanks to the dynamic innovation of its brands, the quality of its products and the effectiveness of its teams. LVMH approaches the challenges and the opportunities of 2009 with confidence and determination and has set the objective of increasing its leadership position in the worldwide luxury goods sector."

Cash flow from operations
EUR million



Capital expenditures⁽¹⁾
EUR million



(1) Acquisitions of tangible and intangible fixed assets.

Highlights of 2008 include:

- increased revenue and profits of the Group,
- continued growth of major brands,
- further market share gains,
- double-digit organic revenue growth at Louis Vuitton, which continued to record an exceptional level of profitability,
- excellent performance of Perfumes & Cosmetics, led by Christian Dior,
- excellent performance of Sephora,
- strong financial position reaffirmed with a net debt ratio of 28%.



Business groups

WINES & SPIRITS

Good resilience to market conditions

Vins et Spiritueux saw organic revenue growth of 1% in 2008. Profit from recurring operations was 1 060 million Euros.

This performance was achieved thanks to an ongoing policy of price increases consistent with the Group's value strategy and the high-end positioning of its brands. Regional performances varied: overall trends were positive in Europe but demand was less dynamic in the US and Japan due to market conditions. Emerging markets, such as China, Russia and the Middle East, recorded high growth.

The year was notable for the acquisitions of the Spanish wine group Numantia Termes and of the Montaudon champagne house, which enabled the business group to strengthen its champagne reserves.

WINES & SPIRITS			
EUR millions	2006	2007	2008
Revenue	2,994	3,226	3,126
Profit from recurring operations	962	1,058	1,060



FASHION & LEATHER GOODS

Outstanding performance and strengthened leadership of Louis Vuitton

Fashion & Leather Goods recorded 10% organic revenue growth in 2008. Profit from recurring operations was 1 927 million Euros. Louis Vuitton recorded double-digit organic revenue growth



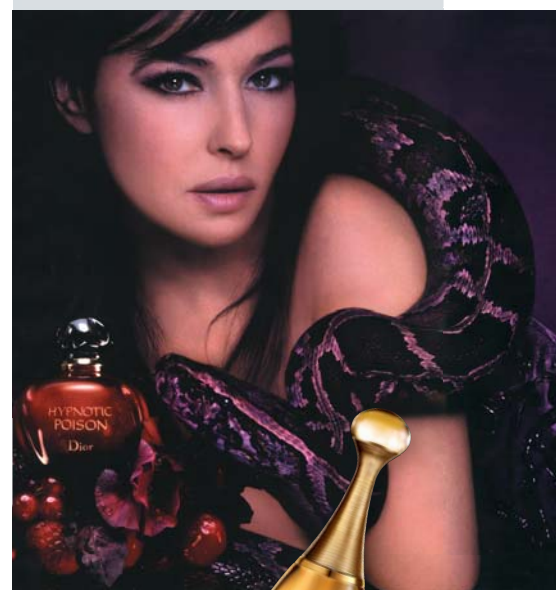
in 2008, accompanied by exceptional profitability. The brand once again showed its powerful creativity with new, highly successful additions to its traditional lines and the success of its new canvas, *Damier Graphite*. A new, very colorful, collection, inspired by a previous collaboration between Marc Jacobs and Stephen Sprouse, has been a great success at the beginning of this year. Fendi performed well, driven by the continued success of the *Baguette* handbag and its leather goods line *Selleria*. Donna Karan and Marc Jacobs also proved resilient in the difficult environment at the end of the year.

FASHION & LEATHER GOODS			
EUR millions	2006	2007	2008
Revenue	5,222	5,628	6,010
Profit from recurring operations	1,633	1,829	1,927

PERFUMES & COSMETICS

Market share gains and improved profitability

Perfumes & Cosmetics registered organic revenue growth of 8% in 2008. Profit from recurring operations reached 290 million Euros. The current operating margin reached 10%. Christian Dior continued to win market share. The vitality of its star perfume, *J'Adore*, and the success of *Dior Homme Sport*, have contributed to the brand's strong momentum. Make-up is growing fast and has benefited from the success of the *Dior Addict* and *Diorshow* lines. The excellent performance of Guerlain was supported by the successful launches of the masculine



perfume *Guerlain Homme* and *Le 2* mascara. The principal drivers of Givenchy's growth were the continued progress of *Very Irresistible*, the launch of the masculine fragrance *Play* and the new mascara *Phenomen'Eyes*. Benefit enjoyed rapid growth in China and confirmed its worldwide success.

PERFUMES & COSMETICS			
EUR millions	2006	2007	2008
Revenue	2,519	2,731	2,868
Profit from recurring operations	222	256	290

Business groups

WATCHES & JEWELRY

Strengthened iconic lines

Following the growth seen in the first nine months of the year, **Watches & Jewelry** saw a slowdown in the last quarter. Profit from recurring operations was 118 million Euros. The good performance in Europe and Asia compensated in part for the slowdown in the American and Japanese markets.

TAG Heuer continued its worldwide roll-out of the *Grand Carrera* collections and launched a new range of high-end luxury mobile phones. At Montres Dior, automatic models have enhanced the *Christal* line, while Zenith strengthened its Manufacture Horlogère position. The acquisition of Hublot in 2008 is in keeping with a true logic of complementarity. Supported by its *Big Bang* collection, the brand saw double-digit revenue growth in all of its markets. Chaumet strengthened its jewelry lines *Liens* and *Attrape-Moi*. Fred confirmed the success of *Force 10* and De Beers expanded its network of stores.

WATCHES & JEWELRY

EUR millions	2006	2007	2008
Revenue	737	833	879
Profit from recurring operations	80	141	118

SELECTIVE RETAILING

Strong growth at Sephora

In 2008, **Selective Retailing** registered organic revenue growth of 9%. Profit from recurring operations was 388 million Euros.

DFS revenue grew slightly. The slowdown in Japanese tourism was offset by the momentum of other Asian clients. DFS benefited from this trend through the opening of the Macao Galleria and the airport concessions at Mumbai and Abu Dhabi. Opening new stores in these destinations requires short-term investment but constitutes an important source of future growth.

Sephora continued its strong momentum in 2008 which resulted in market share gains and a continued good level of profitability. Revenue growth on a same-store basis was steady. The brand is expanding its presence in key markets and continues



the evolution of its existing store network. On-line sales have shown strong growth in France, the US and China. Sephora continued its differentiation strategy with a more innovative and exclusive product offering, complemented by a large range of in-store services and treatments.

SELECTIVE RETAILING

EUR millions	2006	2007	2008
Revenue	3,877	4,164	4,376
Profit from recurring operations	387	426	388

AGENDA

Thursday, February 5, 2009

Publication of 2008 revenue and annual results

April 2009

Publication of 2009 first quarter revenue

Thursday, May 14, 2009

Annual Shareholders' Meeting

Monday, May 25, 2009

Payment of the balance of the dividend for 2008 (last trading day with dividend rights: May 19, 2009)

July 2009

Publication of 2009 half year revenue and results

October 2009

Publication of 2009 third quarter revenue

Further market share gains in 2009

Taking into account the limited visibility on the depth and duration of the global economic and financial crisis, LVMH continues to apply a strong financial discipline in managing all of its businesses. The Group will concentrate its resources on the most profitable businesses and markets and will continue to pursue its strategy of internal growth by capitalizing on the leading positions of its brands. Bolstered by the flexibility of its organization and the good balance between its different businesses and geographical presence, LVMH's objective in 2009 is to continue to increase its leadership of the worldwide luxury goods market.

Dividend of 1.60 Euros per share for 2008

At the Annual General Meeting of Shareholders on May 14, 2009, LVMH will propose a dividend of 1.60 Euros per share. An interim dividend of 0.35 Euros per share was distributed on December 2 last year. The balance of 1.25 Euros will be paid on May 25, 2009.

The French Shareholders' Club – An Initiative to Strengthen Ties

Dedicated to individual French shareholders who show a special interest in the life of the Group, the LVMH Shareholders' Club gives its members a better understanding of the Group, its businesses and its brands.

The magazine "Apartés," published in French for Club members, lets them order products to be delivered to addresses in France, subscribe to *Les Echos*, *Investir*, *Connaissance des Arts* and *Le Monde de la Musique* at special rates and be special guests on certain sites adapted for tours (cellars and storehouses)

as well as benefit from special priority tickets for exhibits funded by LVMH (Picasso and the Masters in 2008).

CONTACTS

Investor and Shareholder Relations

+ 33 1 44 13 27 27

Fax: + 33 1 44 13 21 19

Shareholders' club

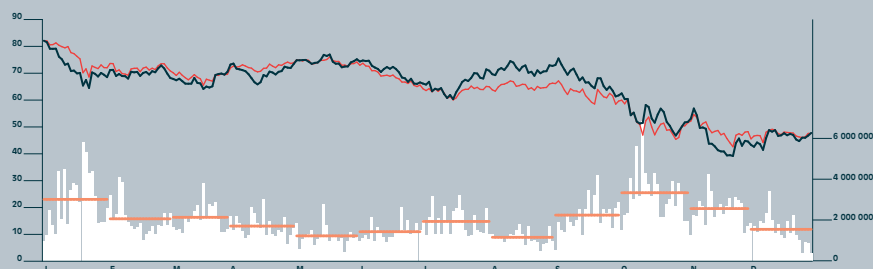
+33 1 44 13 21 50

www.lvmh.com

The LVMH share

Comparison of the LVMH share price and the CAC 40 since January 1, 2008

■ Trading volume ■ LVMH ■ CAC 40 ■ Average monthly volume



Changes in LVMH share price

The financial crisis that began at the end of the first half of 2007 continued and intensified in 2008. Primarily affecting the credit markets and banks first, the problems grew in dimension and type following the bankruptcy of Lehman Brothers bank in September. This bankruptcy, in an already difficult environment, led to a general loss of confidence and paralysis on the financial markets, with certain classes of investors then having to make forced asset sales. Share prices, along with consumer and business behavior, were heavily impacted. Economic activity deteriorated tangibly in the United States, Europe and Japan, and even in the emerging countries. In this context, the equity markets, after several consecutive years of growth (five in Europe), recorded one of their most significant declines last year.

Against this difficult backdrop, the LVMH share price, after more than doubling in five years, closed 2008 down 42%. In comparison, the European CAC 40 and Eurostoxx 50 indices recorded declines of 43% and 44% respectively over the period, while the American Dow Jones Industrials index lost 34%.

The LVMH share price closed at 47.77 euros on December 31. LVMH's market capitali-

zation was 23 billion euros, making it eleventh in the Paris market.

LVMH is included in the major French and European indices used by fund managers: CAC 40, DJ-EuroStoxx 50, MSCI Euro and FTSE-Eurotop 100. LVMH is also included in the Global Dow, a new index that lists the most innovative, dynamic and influential companies.

The LVMH share is listed for trading on the Euronext Paris Eurolist (Reuters Code: LVMH.PA, Bloomberg Code: MC FP, ISIN Code: FR0000121014). In addition, negotiable options on LVMH shares are traded on Euronext.liffe.

MARKET CAPITALIZATION

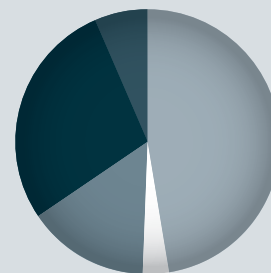
Million of euros	
December 31, 2006	39,170
December 31, 2007	40,508
December 31, 2008	23,404

CHANGE IN THE DIVIDEND

	2006	2007	2008
Net dividend (€)	1.40	1.60	1.60
Growth for the year	21.7%	14.3%	-
Payout ratio*	36%	39%	39%

* as a percentage of Group share of net profit.

CAPITAL STRUCTURE (Euroclear France survey on bearer shares at mid-December 2008)



■ Arnault Group	47.4%
■ Treasury stock	3.4%
■ French institutional investors	16.2%
■ Foreign institutional investors	27.4%
including: United States	9.5%
United Kingdom	5.1%
Germany	2.8%
Switzerland	2.2%
■ Individuals	5.6%

LVMH

MOËT HENNESSY • LOUIS VUITTON

LVMH

22, avenue Montaigne
75008 Paris - France
+ 33 1 44 13 22 22

Investor and Shareholder
Relations: + 33 1 44 13 27 27
Fax: + 33 1 44 13 21 19

www.lvmh.com

Breakdown of capital and voting rights

	Number of shares	Number of voting rights ⁽¹⁾	% of capital	% of voting rights
Arnault Group	232,333,190	454,143,600	47.42%	63.40%
Other	257,604,220	262,207,652	52.58%	36.60%
Total	489,937,410	716,351,252	100.00%	100.00%

(1) Total number of theoretical voting rights. As of December 31, 2008, the total number of voting rights net of shares deprived of voting rights amounted to 699 475 061. As of December 31, 2008, there were 16 876 191 treasury shares without voting rights.

Photographs:

Karl Lagerfeld, Madonna by Steven Meisel for Louis Vuitton, Jacques Vekemans / Gamma, Cake Design / Adolfo Fiori, Vincent Capaillard, Annie Leiboviz, Jean-Marc Cédile, Tyen, Jannis Tsioulanis and René Habermacher, DR, photo archives LVMH and Group companies.

Design and production:

Phénix Communication/Yin Partners