

# EXCELLENT FIRST HALF FOR LVMH



Revenue

**+15%\***

Profit from recurring operations

**+22%**

Group share of net profit

**+25%**

LVMH Moët Hennessy Louis Vuitton, the world's leading luxury products group, recorded revenue of €10.3 billion in the first half of 2011, an increase of 13%. Organic revenue growth was 15%. All business groups contributed to this performance, which is even more remarkable coming on top of the strong growth in the first half of 2010. The Group continued its sustained growth in the U.S., Europe and Asia.

Profit from recurring operations for the first half of 2011 rose to €2 223 million, an increase of 22% compared to the same period in 2010, which had itself shown strong growth. Current operating margin reached 22%, an improvement on the first half of 2010. Group share of net profit increased to €1 310 million, an increase of 25%.

Bernard Arnault, Chairman and CEO of LVMH, commented:

"LVMH's excellent performance in the first half, once again, demonstrates the exceptional appeal of our brands, the attraction of our high quality artisanal products and the pertinence of our strategy. The first half was marked by the agreement with the Bulgari family to strengthen the long-term growth of the famous Italian Maison. This alliance will bring significant advantages both to the Bulgari Maison and to LVMH. We approach the second half of the year with confidence and are relying upon the creativity and quality of our products as well as the effectiveness of our teams to pursue further market share gains in our historical markets as well as in high potential emerging markets."

2011  
2010

Highlights of the first half of 2011 include:

- Double-digit organic revenue growth in all business groups;
- Market share gains of all our brands;
- Strong revenue growth in emerging markets;
- A record level of first half current operating margin;
- Continued remarkable momentum at Louis Vuitton which recorded double-digit organic revenue growth and an exceptional level of profitability;
- Confirmation of the continued demand for Wines & Spirits and Watches & Jewelry;
- Robust growth at Christian Dior, which gained market share;
- Rapid progress for DFS and Sephora across all markets;
- Cash from operations before changes in working capital of €2.5 billion, up 25%;
- Net debt to equity ratio of 19% as at the end of June 2011.

\*organic revenue growth (with comparable structure and exchange rates)

# FINANCIAL HIGHLIGHTS

## REVENUE

EUR million

June 30, 2011	10,292
June 30, 2010	9,099
June 30, 2009	7,811

## PROFIT FROM RECURRING OPERATIONS

EUR million

June 30, 2011	2,223
June 30, 2010	1,816
June 30, 2009	1,363

## GROUP SHARE OF NET PROFIT

EUR million

June 30, 2011	1,310
June 30, 2010	1,050
June 30, 2009	687

## BASIC GROUP SHARE OF NET PROFIT PER SHARE

EUR

June 30, 2011	2.73
June 30, 2010	2.21
June 30, 2009	1.45

## OPERATING INVESTMENTS

EUR million

June 30, 2011	599
June 30, 2010	426
June 30, 2009	352

## CASH FROM OPERATIONS BEFORE CHANGES IN WORKING CAPITAL<sup>(1)</sup>

EUR million

June 30, 2011	2,536
June 30, 2010	2,022
June 30, 2009	1,566

(1) Before interest and tax paid.

# BUSINESS GROUPS



## WINES & SPIRITS

### Confirmation of a strong return in demand

The first half saw the confirmation of strong demand at **Wines & Spirits**, accompanied by an improved product mix in line with its value creation strategy. Organic revenue increased by 13% and profit from recurring operations increased by 27%. Champagne revenue experienced rapid growth with a particularly sharp rise for the prestige cuvées, notably Dom Perignon and Krug. The sparkling and still wines activity grew rapidly. Hennessy cognac continued to record strong performances. The premium quality products achieved the strongest growth. Glenmorangie and Belvedere experienced strong momentum.



EUR million	June 30, 2009	June 30, 2010	June 30, 2011
Revenue	1,079	1,302	1,435
Profit from recurring operations	241	326	413

# BUSINESS GROUPS

## FASHION & LEATHER GOODS

### Exceptional success of Louis Vuitton and other brands

The **Fashion & Leather Goods** business group registered 14% organic revenue growth in the first half of 2011. Profit from recurring operations increased by 17%. Louis Vuitton continued to register exceptional performance, confirming the brand's strong appeal to both its most loyal and its new clientele. All its business lines contributed to this momentum. A number of products have waiting lists. Louis Vuitton's participation in the Basel watch fair for the first time and the opening of the new leather goods workshop in Marsaz in France marked the first half. Louis Vuitton is always driven by its incomparable creative capacity, and by the fact that it is the only luxury brand in the world to sell its products exclusively through its own store network. Fendi and Donna Karan continued sustained growth in their revenue and profit. The other fashion brands had an excellent beginning of the year. Céline, in particular, generated extraordinary demand from its clientele.



EUR million	June 30, 2009	June 30, 2010	June 30, 2011
Revenue	<b>2,988</b>	<b>3,516</b>	<b>3,971</b>
Profit from recurring operations	<b>919</b>	<b>1,179</b>	<b>1,381</b>

## PERFUMES & COSMETICS

### Vitality of iconic lines

The **Perfumes & Cosmetics** business group registered 11% organic revenue growth. Profit from recurring operations was stable compared to an atypical first half of 2010 when revenue growth had preceded marketing expense growth. In a highly competitive global market marked by marketing investments, Christian Dior continued its strong momentum thanks to the excellent vitality of its iconic perfumes, notably *Miss Dior* and *J'adore*. The success of the new lipstick line *Dior Addict* contributed to further increase Dior's position in the make-up market, and skincare benefited from the progress of *Capture*. Guerlain achieved good performance thanks to the successful launch of *Shalimar Parfum Initial* and the rapid growth of its impressive skin care product, *Orchidée Impériale*. Givenchy benefited from the growth of the perfume *Play* in both the men and women's versions. Benefit continued its rapid and profitable growth.



EUR million	June 30, 2009	June 30, 2010	June 30, 2011
Revenue	<b>1,285</b>	<b>1,441</b>	<b>1,518</b>
Profit from recurring operations	<b>121</b>	<b>181</b>	<b>181</b>

## THE FRENCH SHAREHOLDERS' CLUB -

### AN INITIATIVE TO GET CLOSER

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, and the ties they maintain with art and cultural life.

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 Le Journal des Finances, and Connaissance des Arts 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 supported by LVMH.

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## WATCHES & JEWELRY

### Strong improvement in current operating margin

In the first half of 2011, the **Watches & Jewelry** business group benefited from sustained demand across all its regions. Organic revenue grew by 27% and profit from recurring operations increased by 73%. TAG Heuer revenue grew significantly thanks to the automatic chronograph made with the 1887 Calibre movement, to the new women's ranges in the *Formula 1* line, as well as the selective opening of TAG Heuer stores. At Hublot, the latest models from the *King Power* line were delivered, complete with new Unico movements made by its Manufacture. Zenith confirmed the strong demand of its new collections. Dior launched with extraordinary success the *Dior VIII* watch, which has already become a world reference. Chaumet, Fred and De Beers achieved good performances in their own store networks. At the most recent Basel watch fair, the Group's watch brands presented numerous innovations which will be delivered in the second half of the year.

The first half was marked by the agreement made with the Bulgari Family, shareholder of the celebrated Italian Maison, for the contribution of its majority

EUR million	June 30, 2009	June 30, 2010	June 30, 2011
Revenue	<b>346</b>	<b>443</b>	<b>576</b>
Profit from recurring operations	<b>20</b>	<b>49</b>	<b>85</b>

shareholding to LVMH. Having obtained the agreement of the relevant authorities, the LVMH Board approved this contribution on June 30, 2011, bringing LVMH's holding in Bulgari to 76.1%. A tender offer for the shares owned by minority shareholders will be launched shortly.

## SELECTIVE RETAILING

### Rapid growth and strong profitability

**Selective Distribution** achieved organic revenue growth of 18% and profit from recurring operations increased by 63% in the first half of 2011. Sustained by the continued growth in Asian tourism, DFS reaped the rewards of its upscaling strategy and its development in new markets. The Galleries in Hong Kong, Macao and Singapore recorded remarkable performances as did North America which enjoyed good momentum. Renovation programs continued in markets with strong potential.

Sephora recorded an excellent performance and strengthened its position across all its markets. Comparable store growth accelerated in the second quarter and online sales continued their rapid growth. Sephora continued to develop and modernize its network of stores. In Russia, Sephora increased its holding in the *Ile de Beauté* brand, one of the key players in the market, to 65%.



EUR million	June 30, 2009	June 30, 2010	June 30, 2011
Revenue	<b>2 127</b>	<b>2 419</b>	<b>2 831</b>
Profit from recurring operations	<b>129</b>	<b>176</b>	<b>287</b>

## 2011 OUTLOOK

In a global market experiencing strong growth but an uncertain monetary environment, LVMH will continue to gain market share thanks to the numerous product launches planned before the end of the year, to its geographic expansion in promising markets, while continuing to manage costs.

Our strategy of focusing on quality across our entire product range, combined with the dynamism and unparalleled creativity of our teams, will enable us to reinforce, once again in 2011, LVMH's global leadership position in luxury products.

# LVMH SHARE

## CHANGES IN THE LVMH SHARE PRICE

There was no clear trend in equity markets in the first half of 2011, despite the relatively favorable economic outlook early in the year and the abundant liquidity resulting from expansionary monetary policies. Although political turmoil in the Arab countries and the nuclear catastrophe in Fukushima, Japan, gave rise to a bout of volatility, this was ultimately swiftly absorbed by the markets. The spotlight rapidly turned from these events to a problem of another nature: fears of economic downturn and, above all, concerns about the restructuring of Greek debt and its consequences on the banking system. Overall, equity markets turned in a moderate performance for the six-month period, albeit with large discrepancies between one European market and another.

In this environment, and after substantially outperforming the market in 2009 and 2010, LVMH's share price edged 1% higher over the first half of the year. In

comparison, the CAC 40 and Eurostoxx 50 indices gained 4.66% and 1.99% respectively over the same period.

The LVMH share closed at €124.10 on June 30. On that date LVMH's market capitalization amounted to €63 billion, making LVMH the 4th largest company on the Paris Stock Exchange.

LVMH is included in the major French and European indices used by fund managers: CAC 40, DJ-EuroStoxx 50, MSCI Europe, FTSE-Eurotop 100. LVMH is also included in the Global Dow, a new index composed of the most innovative, dynamic and influential companies, and in FTSE4Good and DJSI STOXX, the main indices designed to measure the performance of companies that meet criteria for social and environmental responsibility.

LVMH shares are listed for trading on the NYSE Euronext Paris Eurolist (Reuters Code: LVMH.PA, Bloomberg Code: MC FP, ISIN Code: FR0000121014). In addition, options based on LVMH shares are traded on NYSE.Liffe.

## TOTAL SHAREHOLDER RETURN

An LVMH shareholder who invested €1,000 on July 1, 2006 would have a capital of €1,599 on June 30, 2011 assuming that dividends received were reinvested in shares. Over a period of five years, their investment would thus have provided an average annual return of approximately 9.84%.

## MARKET CAPITALIZATION

Millions of euros

June 30, 2009	<b>26,653</b>
June 30, 2010	<b>43,989</b>
June 30, 2011	<b>63,002</b>

## INTERIM DIVIDEND

The Board of Directors has approved the payment, on December 2, 2011, of an interim dividend of €0.80.

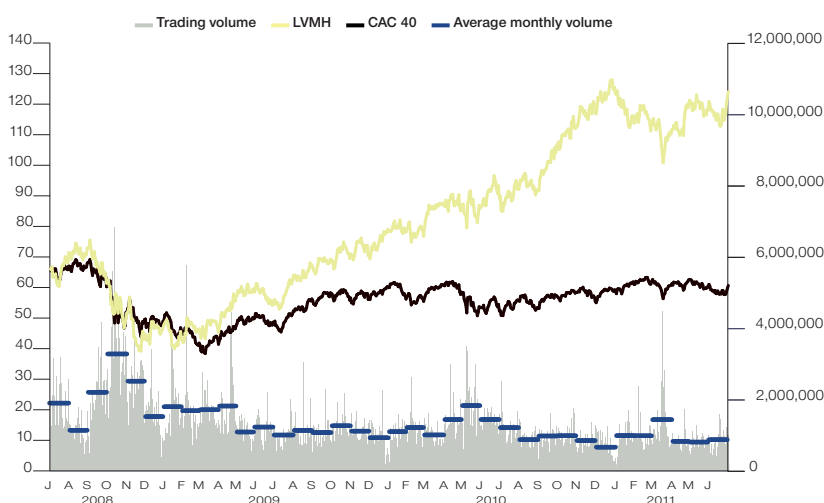
## BREAKDOWN OF CAPITAL AND VOTING RIGHTS

at June 30, 2011

	Number of shares	Number of voting rights <sup>(1)</sup>	% of capital	% of voting rights
Arnault Group	<b>233,759,436</b>	<b>448,392,626</b>	<b>46.05%</b>	<b>62.02%</b>
Other	<b>273,910,429</b>	<b>274,575,147</b>	<b>53.95%</b>	<b>37.98%</b>
<b>TOTAL</b>	<b>507,669,865</b>	<b>722,967,773</b>	<b>100.00%</b>	<b>100.00%</b>

(1) Total number of voting rights that may be exercised at Shareholders' Meetings.

## COMPARISON BETWEEN THE LVMH SHARE PRICE AND THE CAC 40 SINCE JULY 1, 2008



## AGENDA

TUESDAY, JULY 26, 2011

Publication of 2011 half-year revenue and results

OCTOBER 2011

Publication of 2011 third quarter revenue

FEBRUARY 2012

Publication of 2011 annual revenue and results

THURSDAY APRIL 5, 2012

Annual Shareholders' Meeting

LVMH  
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OCTOBER 15 - 16, 2011: LES JOURNÉES PARTICULIÈRES

# LVMH OPENS ITS HERITAGE SITES TO THE PUBLIC

The Maisons of the LVMH group are delighted to welcome the public on October 15 - 16 into their most emblematic heritage sites: workshops, wine and spirit cellars, private mansions, family homes and historic boutiques... More than 25 sites will be opened to the public over the course of these two days. All of the major Maisons within the Group will take part in the event.

These two days will above all celebrate the diversity of skills, artisanal knowledge and the tradition of excellence which flows through the Group. It is this culture of impeccable craftsmanship, handed down from generation to generation and diligently upheld at each of the Maisons, that has enabled the global success of these brands. "Les Journées Particulières" will open the door to the homes of these great artisanal traditions and will honor the unparalleled human heritage that drives LVMH in our vocation to service our customers throughout the world.

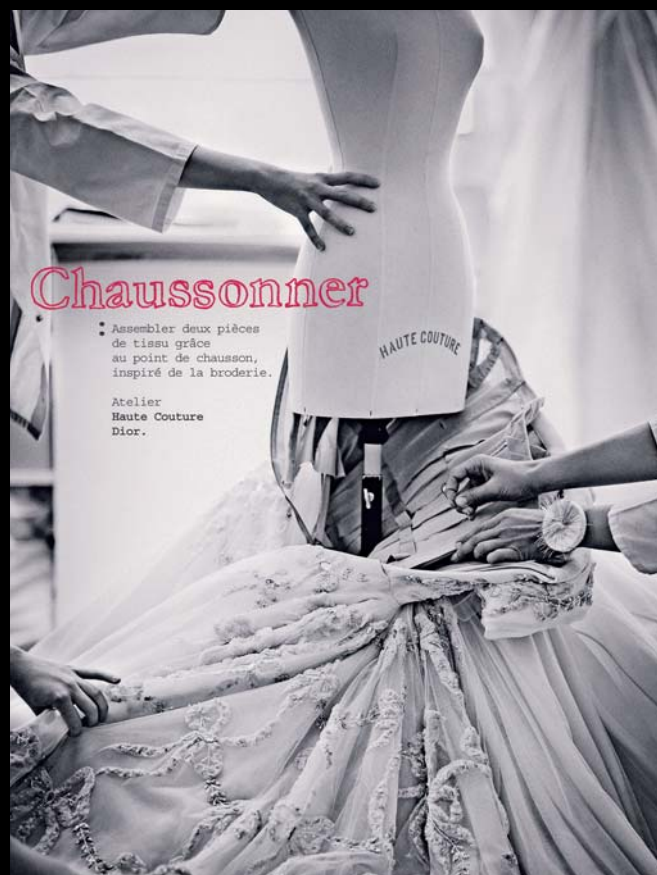
## A UNIQUELY EVOCATIVE POWER

These skills cannot be dissociated from the places they have come from, where they have been nourished by time. The fine wine and spirits tradition is of course inseparable from the unique land owned by the Group, which includes areas in the Champagne, Bordelais and Charente regions and in Scotland. The leather goods, fabric, perfume, jewelry and watchmaking traditions also trace their roots to richly-endowed, venerated ground: Paris and many French provinces, Italy, Switzerland, Spain... Hautvillers Abbey, the workshops on Avenue Montaigne, Place Vendôme and in Asnières... all have a uniquely evocative power, preserving the memories of the great creations that were born inside their walls, and firing the imagination of the creators and artisans who work there every day. These are the places where the most reverential respect for handicraft is passed on, and where the most audacious creations are made: at each Maison, traditional craftsmanship is placed at the service of a powerful spirit of creativity, which is being constantly replenished.

## Find out more:

[www.lesjourneesparticulieres.fr](http://www.lesjourneesparticulieres.fr)

The website dedicated to this two-day event provides a detailed schedule, as well as videos, so that you can stay up to date with new content and don't miss the subscription opening date to receive an invitation.



## SITES OPENED TO THE PUBLIC DURING THE JOURNÉES PARTICULIÈRES

### Paris and the Paris region:

Christian Dior haute couture salon • Parfums Christian Dior head office • Louis Vuitton workshop in Asnières • Berluti workshops • Givenchy Couture creation studio • Chaumet salons • Maison Guerlain • Le Bon Marché Rive Gauche • Jardin d'Acclimatation • La Grande Épicerie de Paris.

### Champagne region:

Résidence de Trianon and Moët & Chandon wine cellars, Epernay • Hautvillers Abbey (Dom Pérignon), Hautvillers • Hôtel du Marc, Pavillon de Muire and Veuve Clicquot Ponsardin wine cellars, Reims • Krug, Reims • Ruinart wine cellars, Reims.

### Charente:

Faïencerie storehouse, Château de Bagnolet and Espace Wilmotte (Hennessy), Cognac

### Bordelais:

Le Château Cheval Blanc à Saint-Emilion • Le Château d'Yquem à Sauternes.

### Elsewhere in Europe:

Villa di Granaiolo and Palazzo Pucci, Tuscany (Italy) • Loewe showroom, Madrid (Spain) • Glenmorangie distillery, Scotland • Belvedere distillery, Poland.

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