

Bernard Arnault

WITH TALENT AND DISCIPLINE, OUR TEAMS HAVE RESPONDED TO THE CHALLENGE

At the end of a year marked by an unprecedented global crisis, our Group responded to the challenge set and increased its market share. Making the most of improved conditions in the third quarter, LVMH even managed to register record revenue in the month of December. We owe this performance primarily to the talent of our teams and their perfect execution of Group strategy. The commitment of the men and women in the Group allowed us to combine the disciplined management approach called for by market conditions, with proactivity and efficiency, underpinned by targeted investments and a tradition of high quality creativity.

We took advantage of this turbulent period, during which our clients sought a return to core values, to recall our heritage of excellence, and the values of creativity and durability which are embodied by the Group's brands. The future holds excellent potential, in historic markets as well as in emerging markets, for brands which know how to continually inspire their contemporaries, regardless of where they are in the world, and are committed to quality, beauty and authenticity.

As in previous difficult periods, our Group demonstrated the soundness of its growth model in 2009 and found the necessary resources to meet new challenges and further its development. The Group's resilience was largely due to the diversity of our businesses: while our Wines & Spirits and Watches & Jewelry brands were most impacted by the crisis due to destocking at distributors and retail traders, the businesses where we are in direct contact with our customers, through our own store networks, enjoyed better conditions. Our strategy of focusing our efforts on our star brands, key markets and opportunities offering the best return on investment, bore its fruit.

UNDENIABLE SUCCESSES FOR ALL OUR BUSINESSES

Finally, the reactivity of our organisation and the extremely rigorous management of costs and stocks throughout all our businesses, enabled us to preserve an excellent level of profitability at Group level. This has resulted in an operating margin of nearly 20% and significantly improved cash flow.

It is worth highlighting that the teams across all our businesses have registered some real successes: Louis Vuitton had an exceptional year,

achieving double-digit global growth and progress in all of its product categories. Sephora continued to forge its unique approach in the world of beauty products and to expand in different regions of the world. Thanks to the success of its innovation strategy (Hennessy Black and Hennessy VS 44 in honour of Barack Obama...) and through intense ground work, Hennessy returned to growth in the United States during the year and strengthened its position in a market which had a particularly difficult 2009. Parfums Christian Dior continued to illustrate its roots in the world of couture with power and modernity, drawing on both the extraordinary vitality of its iconic lines (Miss Dior, J'adore, Eau Sauvage...) and the quality of its innovations in skin care and make-up. TAG Heuer confirmed its technological advance and succeeded in marketing, among other products, the Monaco V4, a watch whose concept is revolutionising the watch-making industry. Hublot, which recently joined the Group, won a first prize in Geneva for the third time in five years. Make Up For Ever continued its remarkable growth in the United States, France and China. Marc Jacobs and Benefit, two of our youngest brands, have continued to shine and to grow despite the difficult environment in 2009.

Chairman's Message



STRATEGY OF VALUE AND LONG TERM VISION

There is one other point which I think is essential to highlight: we have consistently adhered to a strategy of value and long-term vision which is the life blood of LVMH. We took advantage of this turbulent period, during which our customers sought a return to core values, to recall our fundamental strengths, our heritage of excellence, and the values of creativity and durability which are embodied by the Group's brands - brands whose stature and image never cease to grow. As witnessed by the rebound registered by all our businesses at the end of the year, this strategy has not been compromised within the Group and has put us in an ideal position to prepare for the future.

We will approach 2010 with confidence and determination but will not abandon the prudence demanded by the continuing uncertain environment. If worldwide economies manage to exit from the crisis, it is more than likely that their recovery will be progressive and staggered. It would be dangerous to forecast a date for a solid global recovery. For this reason, we will not relax our management efforts and will continue to focus on only truly profitable, strategic opportunities with an extremely selective allocation of our resources.

EXCELLENT POTENTIAL

The key drivers of our strategy will continue to be innovation and the expansion of our presence worldwide. Louis Vuitton, in particular, will launch some powerful products which will enrich its major lines such as Monogram and Damier. It will also develop its product offering in leather and open in some new countries. The situation at distributors has now normalised and our Wines & Spirits and Watches & Jewelry activities should benefit from a more favorable environment in 2010. Hennessy Black's early success in several American markets in 2009 suggests excellent perspectives for its full national launch this year and Chinese economic growth will provide good growth opportunities for cognac during the coming months. TAG Heuer will this year celebrate its 150th anniversary; it will be an opportunity to celebrate its avant-garde heritage with, in particular, a new edition of one of its iconic watches. Parfums Christian Dior will continue to strengthen its star brands in perfume and make-up while proceeding with the launch of a revolutionary skincare product in its Capture Totale range...

Once this cyclical slowdown is behind us, I am convinced that the future holds excellent potential, in historic markets as well as in emerging markets, for brands which know how to continually inspire their contemporaries, regardless of where they are in the world, and are committed to quality, beauty and authenticity. This is our ambition, upheld by the Group's employees, and each year this enables us to build and strengthen the global leadership of LVMH.

February 4, 2010

Bernard Arnault
Chairman & Chief Executive Officer



Revenue EUR million

2009	17,053
2008	17,193
2007	16,481

Profit from recurring operations EUR million

2009	3,352
2008	3,628
2007	3,555

Net profit EUR million

2009	1,973
2008	2,318
2007	2,331

Group share of net profit EUR million

2009	1,755
2008	2,026
2007	2,025

Basic group share of net profit per share EUR

2009	3.71
2008	4.28
2007	4.27

Capital expenditures⁽¹⁾ EUR million

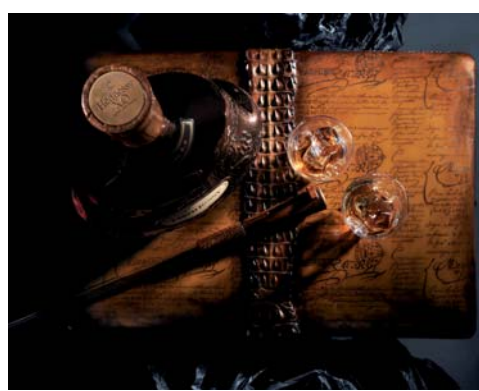
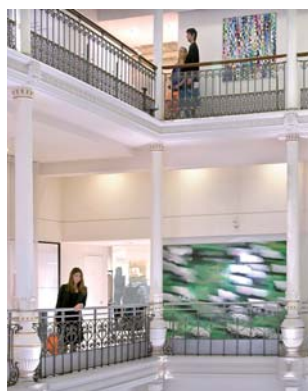
2009	748
2008	1,039
2007	990

(1) Acquisitions of tangible and intangible fixed assets

LVMH confirms the soundness of its strategy in 2009

Significant improvement in performances across all business groups in the fourth quarter

Free cash flow increased by **66%**



LVMH Moët Hennessy Louis Vuitton, the world's leading luxury products group, recorded revenue of 17.1 billion Euros in 2009. In a difficult economic environment, the Group continued its strong growth in Asia and showed good resilience in Europe. Louis Vuitton recorded double-digit revenue growth for the year.

With a significant improvement in performances across all its activities, the Group's organic revenue grew 1% in the fourth quarter. A record level of revenue was achieved in December. In Wines & Spirits, the particularly strong level of destocking seen in the first half slowed down towards the end of the year. All other business groups achieved growth in revenue on a comparable structure and at comparable exchange rates during the quarter.

Profit from recurring operations was 3 352 million Euros for the year and resulted in a current operating margin

of 20%. These results reflect the strong reactivity of LVMH's teams, the cost control measures taken to adapt to the crisis as well as the success of the Group's star brands. Group share of net profit was 1 755 million Euros.

Mr. Bernard Arnault, Chairman and CEO of LVMH, said: "LVMH demonstrated exceptional resilience in 2009. The quality of the products, the powerful appeal of our brands and the reactivity of our organization are the major advantages that made the difference and enabled the Group to win market share. Louis Vuitton in particular delivered another year of growth and has fortified its leading position. Sustained by its sound strategy, LVMH is ideally positioned to benefit from the recovery and to continue in 2010 to strengthen its leadership in the global luxury goods sector."

Highlights of 2009 include:

- market share gains for star brands in their key markets,
- continued strong growth in Asia,
- exceptional momentum at Louis Vuitton with double-digit revenue growth and excellent profitability,
- good resilience from Parfums Christian Dior and Hennessy, linked notably to the strong performance in growing markets,
- growth in revenue and profit from recurring operations at Sephora,
- strong increase in free cash flow due to rigorous inventory management and targeted investments,
- improvement in gearing* which fell to 20%.

* ratio of net debt to equity

Business groups

Wines & Spirits

Continued value strategy

The performance of the **Wines & Spirits** business group improved significantly in the fourth quarter following a period impacted by the crisis and amplified by destocking by distributors. Hennessy, which demonstrated good resilience in 2009, registered growth in the fourth quarter due to strong renewed momentum in the United States and in China. Profit from recurring operations was 760 million Euros in 2009. The Wines & Spirits group maintained its value strategy and continued its strong culture of innovation while continuing to control costs and being rigorously selective in making investments.

EUR million	2007	2008	2009
Revenue	3,226	3,126	2,740
Profit from recurring operations	1,058	1,060	760



Fashion & Leather Goods

Continued exceptional performance from Louis Vuitton

Fashion & Leather Goods recorded revenue growth of 5% in 2009. Profit from recurring operations was 1 986 million Euros. Louis Vuitton, with double-digit revenue growth in 2009, continued its exceptional momentum and once again strengthened its leading position at the heart of the luxury goods market. The year was also notable for its creative innovations, both in terms of new models for historic lines, as well as the launch of a new high-end jewelry collection. In the fast growing men's market, the rapid progress of the *Damier Graphite* line contributed to the brand's excellent performance. Among the highlights of the fourth quarter were the opening of Louis Vuitton Maisons in Las Vegas and Macao. Fendi, Donna Karan and Marc Jacobs demonstrated their resilience in a difficult environment.

EUR million	2007	2008	2009
Revenue	5,628	6,010	6,302
Profit from recurring operations	1,829	1,927	1,986

Perfumes & Cosmetics

Improvement in recurring operating margin

For **Perfumes & Cosmetics**, the fourth quarter saw a return to growth with organic revenue increasing by 2%, following the impact of destocking by several retailers in the first half. Profit from recurring operations stood at 291 million Euros, and current operating margin improved to reach 11% in 2009. Parfums Christian Dior continued to benefit in 2009 from the exceptional popularity of *J'Adore*. The performances of *Miss Dior Chérie* and of *Eau Sauvage*, as well as the ongoing momentum of *Diorskin Nude*, also strongly contributed to Dior's market share gains. Guerlain confirmed its growth in its priority markets, due notably to the popularity of the *Rouge G* lipstick and the promising start for its new perfume, *Idylle*. Parfums Givenchy benefited from the success of its *Play* and *Ange ou Démon Le Secret* perfumes. Benefit made considerable progress due to its international expansion.

EUR million	2007	2008	2009
Revenue	2,731	2,868	2,741
Profit from recurring operations	256	290	291



Business groups



Watches & Jewelry

Targeted expansion and rigorous cost control

In **Watches & Jewelry**, an improvement in trends in the fourth quarter limited the fall in revenue for the year to 13%. Profit from recurring operations stood at 63 million Euros. Despite considerable destocking by retailers and the decline of the American and Japanese markets, the Watches & Jewelry brands consolidated their market share and maintained rigorous cost and inventory control. TAG Heuer, sustained by the success of its collections, notably *Carrera* and *Monaco*, strengthened its position in all of its key markets. Hublot showed good resilience and production started at its new factory. Zenith celebrated the 40th anniversary of its *El Primero* movement. Montres Dior's *Christal* line continued its transition to the high-end of the market. The jewelry brands' own store networks demonstrated good resilience, benefiting from the success of iconic collections, such as Chaumet's *Attrape-Moi* and *Liens*, Fred's *Force 10*, and De Beers' solitaire diamonds.

EUR million	2007	2008	2009
Revenue	833	879	764
Profit from recurring operations	141	118	63

Selective Distribution

Sustained growth at Sephora

The **Selective Distribution** business group recorded 4% revenue growth in 2009. Profit from recurring operations was 388 million Euros.

DFS registered a solid performance despite the slowdown in global tourism. The increasing importance of Asian customers was evident in the excellent momentum at the Macao Galleries, opened in 2008, and at the recently renovated store in Hong Kong. New openings, such as Abu Dhabi and Mumbai, represent significant growth opportunities.

Sustained by the continued growth in its store network, **Sephora** had a good year with further growth in revenue and profit from recurring operations and maintained its current operating margin. This performance resulted in market share gains in all countries. Online sales continued their fast growth in France, the United States and China. Sephora strengthened its unique offering, which is built on a range of innovative and exclusive products alongside high quality services.

EUR million	2007	2008	2009
Revenue	4,164	4,376	4,533
Profit from recurring operations	426	388	388



LVMH IS IN AN EXCELLENT POSITION TO ONCE AGAIN STRENGTHEN ITS LEADERSHIP IN 2010

Taking into account the uncertainty of the strength of the economic recovery, LVMH will continue in 2010 to rigorously manage all of its businesses. Focused on further increasing its competitive advantages, the Group will continue its strong dynamic innovation and expansion in the most attractive markets.

Strengthened by the flexibility of its organization and the good balance of its business lines and geographic exposure, LVMH enters 2010 with confidence and has set itself the objective of increasing, once again, its leadership of the global luxury goods industry.

DIVIDEND INCREASED BY 3%

At the Annual Shareholders Meeting on April 15, 2010, LVMH will propose a dividend of 1.65 Euros per share, an increase of 3%. An interim dividend of 0.35 Euros per share was paid on December 2, 2009. The balance of 1.30 Euros per share will be paid on May 25, 2010.

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, 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*, 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.

Contacts

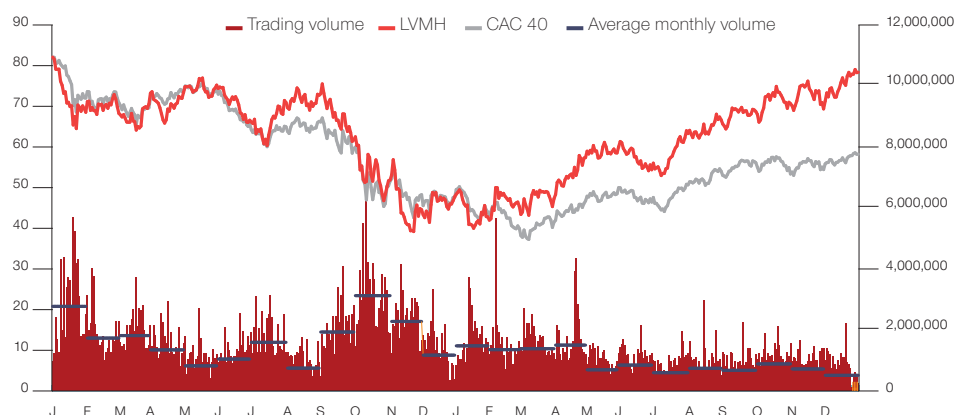
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The LVMH share

COMPARISON OF THE LVMH SHARE PRICE AND THE CAC 40 SINCE JANUARY 1, 2008



CHANGES IN LVMH SHARE PRICE

In a particularly uncertain economic context, the stock markets recorded extreme variations in 2009. Affected initially by the very significant deterioration in economic conditions around the world, the markets continued the decline that began in mid-2007 and reached new lows. Optimism gradually returned, however, in March with the appearance of the first signs of slowdown in the rate of the recession and hopes for a recovery in economic activity, which was slowly confirmed in later months. Thus, the leading market indices closed the year with increases of about 60% over the lows recorded in the spring.

Thanks to greater resistance during the downward phase of the stock markets and a stronger rebound over the second half of the year, the LVMH share price performed significantly better than the major indices and ended 2009 up 64%. In comparison, the European CAC 40 and Eurostoxx 50 indices recorded increases of 22% and 21% respectively over the period, while the American Dow Jones Industrials index rose 19%.

The LVMH share price closed at 78.38 euros on December 31. LVMH's market capitalization was 38 billion euros, making it ninth 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, and in the FTSE4Good, the leading European index measuring the performance of companies that meet social responsibility and environmental criteria.

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

EUR million

December 31, 2007	40,508
December 31, 2008	23,404
December 31, 2009	38,419

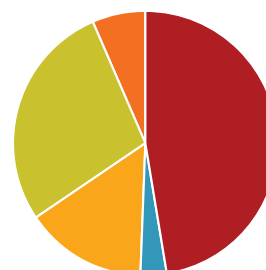
CHANGE IN THE DIVIDEND

	2009	2008	2007
Net dividend (€)	1.65	1.60	1.60
Growth for the year	3.1%	-	14.3%
Payout ratio*	46%	39%	39%

* As a percentage of Group share of net profit.

CAPITAL STRUCTURE

(Euroclear France survey on bearer shares at mid-December 2009)



■ Arnault Group	47.4%
■ Treasury stock	3.3%
■ French institutional investors	17.4%
■ Foreign institutional investors	26.8%
including: United States	9.6%
United Kingdom	5.4%
Germany	2.4%
Switzerland	1.6%
■ Individuals	5.1%

AGENDA

Thursday, February 4, 2010
Publication of 2009 revenue and annual results

April 2010
Publication of 2010 first quarter revenue

Thursday, April 15, 2010
Annual Shareholders' Meeting

Tuesday, May 25, 2010
Payment of the balance of the dividend for 2009
(last trading day with dividend rights:
Wednesday, May 19, 2010)

July 2010
Publication of 2010 half year revenue and results

October 2010
Publication of 2010 third quarter revenue

BREAKDOWN OF CAPITAL AND VOTING RIGHTS

as of December 31, 2009

	Number of shares	Number of voting rights ⁽¹⁾	% of capital	% of voting rights
Arnault Group	232,345,936	445,956,346	47.38%	63.64%
Other	258,059,718	254,780,503	52.62%	36.36%
Total	490,405,654	700,736,849	100.00%	100.00%

(1) Total number of voting rights exercisable at Shareholder Meetings.

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