

LVMH 2013
—
ANNUAL REPORT



BUSINESS REVIEW



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— *Group's profile*

A coherent universe of men and women passionate about their profession and driven by the desire to innovate and achieve. An unrivalled group of powerfully evocative brands and great names that are synonymous with the history of luxury. A natural alliance between art and craftsmanship, dominated by creativity, virtuosity and quality. A remarkable economic success story with more than 110,000 employees worldwide and global leadership in the manufacture and distribution of luxury goods. A global vision dedicated to serving the needs of every customer. The successful marriage of cultures grounded in tradition and elegance with the most advanced marketing, industrial organization and management techniques. A singular mix of talent, daring and thoroughness in the quest for excellence. A unique enterprise that stands out in its sector.

Our philosophy can be summarized in two words:
CREATIVE PASSION.

— *The values of LVMH*

Innovation and creativity

Because our future success will come from the renewal of our product offering while respecting the roots of our Maisons.

Excellence of products and service

Because we embody what is most noble and accomplished in the artisan world.

Brand image enhancement

Because they represent an extraordinary asset, a source of dreams and ambitions.

Entrepreneurship

Because this guarantees our ability to react and our motivation to create and seize opportunities.

Leadership – Be the best

Because it is through continually excelling that we accomplish the best and achieve the best results.



A PASSIONATE PATH AHEAD

In 2013, LVMH's revenue rose once again, with profit from recurring operations topping 6 billion euros for the first time. In a buoyant, competitive and rapidly changing market, our Group continues to succeed by combining long-term vision with agility, tradition with innovation, and an entrepreneurial spirit with our role as corporate citizen.

...

Our Group has had an excellent year, demonstrating that it can continue to move forward in a climate characterized by economic and monetary uncertainty. While sticking firmly to our long-term strategy, we are adapting our decisions and actions to the ever faster changes in our market environment. We can count on the power of our brands, their alliance of quality, tradition and innovation, the responsiveness of a highly action-oriented organization, and the ambition shared by our talented teams for perfect strategy execution. In a competitive environment for all our business lines, these key strengths will maintain our competitive edge.

A DYNAMIC YEAR FOR ALL OUR BUSINESS GROUPS

We have made many, solid achievements. Our Wines and Spirits brands continue to grow while strengthening their image and reputation for excellence. Louis Vuitton is reinventing its icons and upgrading its stores. Its unique savoir-faire and exceptional creative resources come to the fore in its collections. New icons are emerging. Nicolas Ghesquière, appointed Artistic Director for Louis Vuitton's women's collections, is one of the most talented designers. He shares Louis Vuitton's vision and values, and brings a great sense of enthusiasm to the task of working with our teams to build its future. Our Perfumes and Cosmetics brands have been strengthening their research facilities and increasing market share with an unwavering commitment to excellence. Bulgari's integration within the Watches and Jewelry business group has been a success. Our Selective Retailing businesses are exceptionally dynamic, combining an avant-garde mindset with innovative services, while consistently striving to offer a unique

customer experience. As we strengthen our position in traditional markets, we continue to expand our reach into new territories. The wineries that Moët Hennessy created recently in India and China are starting commercial operations. In South America, Southeast Asia and Africa, new countries are opening up to our products and the lifestyle they represent.

GROWTH DRIVERS, SELECTIVE INVESTMENTS

The market for luxury products has a bright future, and a passionate path lies ahead of us. We are confident in our growth model as we focus our efforts on three key long-term objectives: perpetuating the success of our flagship brands, nurturing other brands that have the potential to follow in their footsteps, and seizing growth opportunities when alliances based on common values can be conducted. A year rich in landmark projects and achievements, 2013 is but a prelude to further important developments.

Several of our high-potential brands have met with evident success. They have been developed over time and now represent a second wave of growth. This is true of Céline, Fresh, Benefit... and Marc Jacobs, which has really evolved since it joined the Group. After sixteen fantastic years as Creative Director for Louis Vuitton, co-founder Marc Jacobs is now planning to dedicate himself entirely to the future of his eponymous brand. This is a wonderful opportunity for this highly creative company with enormous potential ahead of it. The same goes for Berluti, which is booming in the men's fashion market. This legendary brand remains faithful to its inherited traditions of premium quality shoemaking, even as it seeks to grow creatively and gradually roll out a new store concept.

LORO PIANA, AN EXCEPTIONAL UNIVERSE

The arrival of Loro Piana within the Group is a major event. This rapidly growing family business has its own unique savoir-faire in selecting the most beautiful natural textile fibers, developing fabrics and creating clothing of superlative quality. I am proud that Loro Piana, which symbolizes an exceptional universe for the most demanding international clientele, has chosen to join forces with our Group. Mr. Sergio Loro Piana, one of the leaders who forged this successful enterprise, sadly passed away not long ago. We feel his absence sharply, and our pride is tinged with sorrow. Such sorrow, however, only increases our determination to do everything we can, alongside his brother Pier Luigi Loro Piana and his teams, to carry on the adventure of this beautiful brand, as it has always been: the epitome of excellence.

ENTREPRENEURIAL SPIRIT, THE DRIVE TO SURPASS OURSELVES

Despite some signs of improvement, we enter 2014 in a still uncertain economic environment that leads us to remain extremely vigilant and selective in allocating our resources. Nevertheless, thanks to the strength of LVMH and its flagship brands, we retain a clear-headed commitment to our objectives. All the efforts I mentioned above are focused on long-term value. I am confident in our teams' ability to meet challenges and seize the many opportunities for growth as they arise. Aside from an entrepreneurial spirit, one of the core values of LVMH is the drive to surpass ourselves. Excellence is never a foregone conclusion, and complacency is not part of our culture. I believe that our success derives from the fact that each of us, whatever our job, never stops striving to be better and to offer new ideas that will boost the quality of what our Group does.

A WORLD OF EMOTIONS, A SPECIAL CONNECTION WITH OUR CUSTOMERS

That quality is what determines customers' loyalty to our brands, above and beyond specific products or stores. The success of the Journées Particulières event, during which our brands opened their legendary workshops to the public, shows the huge interest in our heritage, savoir-faire and traditional craftsmanship. We live in a world of emotions, where the Group's relations with our customers and our shareholders are profound. Because of this special connection, we are also committed to stronger corporate citizenship. We strive to pass on our expertise, to promote diversity and fulfillment among our employees, to coach talent and support young designers, and to protect the sometimes very scarce natural resources used in our products. The world is more and more concerned with such issues, and so are we, for they form the foundation of our Group's future. Together with developing our business, they must serve as a permanent wellspring of creativity. I am particularly pleased to announce the opening later this year of the Louis Vuitton Foundation. We have worked with the architect to make this an exceptional venue and a testament to our patronage of art, through which we intend to help promote French and Parisian culture worldwide. Here too, a passionate path lies ahead of us.

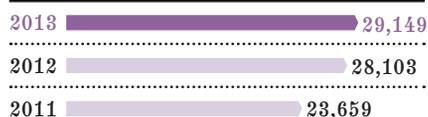
Bernard Arnault

Chairman and Chief Executive Officer

EXCELLENT PERFORMANCE FOR LVMH IN 2013

REVENUE

(EUR millions)



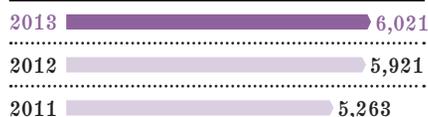
REVENUE BY BUSINESS GROUP

(EUR millions)

	2013	2012	2011
Wines and Spirits	4,187	4,137	3,524
Fashion and Leather Goods	9,882	9,926	8,712
Perfumes and Cosmetics	3,717	3,613	3,195
Watches and Jewelry	2,784	2,836	1,949
Selective Retailing	8,938	7,879	6,436
Other activities and eliminations	(859)	(288)	(157)
TOTAL	29,149	28,103	23,659

PROFIT FROM RECURRING OPERATIONS

(EUR millions)



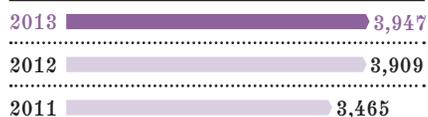
PROFIT FROM RECURRING OPERATIONS BY BUSINESS GROUP

(EUR millions)

	2013	2012	2011
Wines and Spirits	1,370	1,260	1,101
Fashion and Leather Goods	3,140	3,264	3,075
Perfumes and Cosmetics	414	408	348
Watches and Jewelry	375	334	265
Selective Retailing	901	854	716
Other activities and eliminations	(179)	(199)	(242)
TOTAL	6,021	5,921	5,263

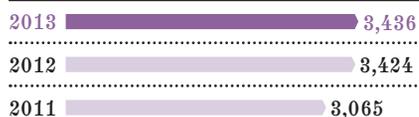
NET PROFIT

(EUR millions)



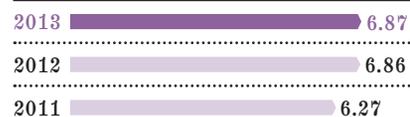
GROUP SHARE OF NET PROFIT

(EUR millions)



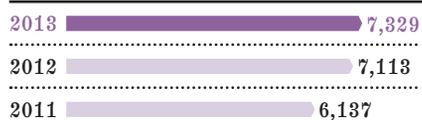
BASIC GROUP SHARE OF NET PROFIT PER SHARE

(EUR)



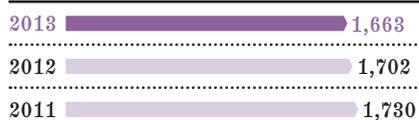
CASH FROM OPERATIONS BEFORE CHANGES IN WORKING CAPITAL ⁽¹⁾

(EUR millions)



OPERATING INVESTMENTS

(EUR millions)



TOTAL EQUITY ⁽²⁾ / NET FINANCIAL DEBT / TOTAL EQUITY RATIO

(EUR millions and in %)

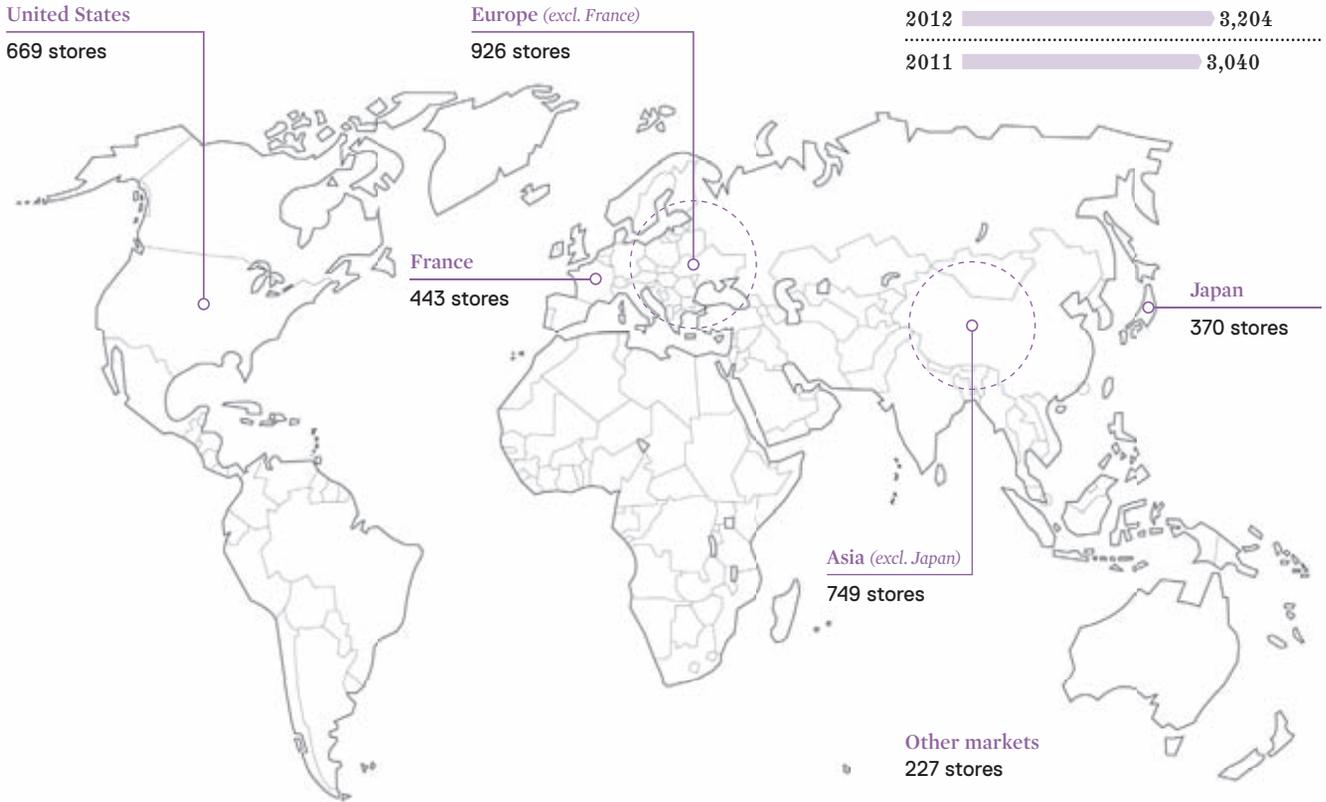


(1) Before interest and tax paid.

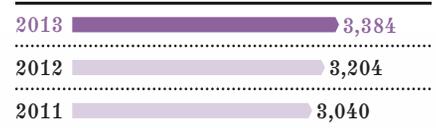
(2) Including minority interests.

STORE NETWORK

(at December 31, 2013)

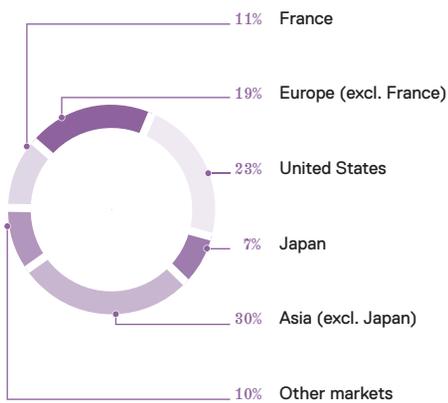


NUMBER OF STORES



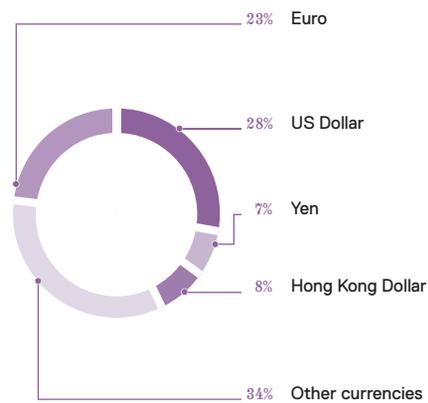
REVENUE BY GEOGRAPHIC REGION OF DELIVERY

(in %)



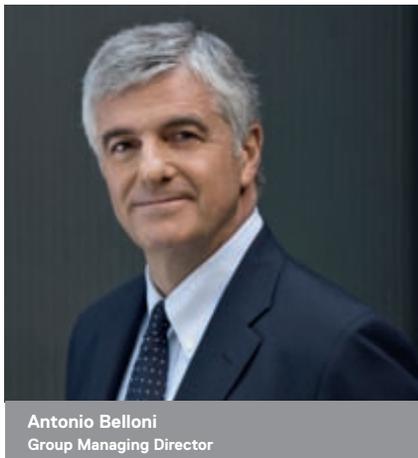
REVENUE BY INVOICING CURRENCY

(in %)





OUR MARKET: A MOSAIC OF CULTURES AND DREAMS



Antonio Belloni
Group Managing Director

— *Is the more moderate pace of global growth having an impact on the luxury industry?*

Short-term considerations aside, the real issue is the sheer speed of the changes we are experiencing. First, if we take a look at the global outlook, we can see that after several boom years, emerging countries are still growing, but are beginning to approach cruising speed. Some parts of Europe are still having trouble getting back on their feet, but at the same time we are reaping the benefits of regained momentum in the United States. New high potential markets such as Mexico, the Middle East and Southeast Asia, are on the rise. I am very confident in the long-term dynamics of the luxury market, and in the future of the Group.

— *What about the short term?*

When market conditions are more challenging, we focus on singling out promising segments and cherry-picking our investment targets. The diversification of our customer base is creating new opportunities for all our brands. Between our traditional buyers and those new to the luxury market, expectations naturally vary, and evolve with great speed. Chinese consumers, for example, are now among the top customers of luxury products. They have acquired a consummate understanding of what gives our brands and products value in record

time, and have become extremely selective, seeking out premium quality and a truly differentiated store experience.

— *Does that mean a market-by-market approach is the way forward?*

Our marketplace has become a real mosaic of cultures. We are having to adapt to the segmentation of our customer base. Our customer-facing employees are in a perfect position to hear what they have to say, understand local differences and evolving behaviors. The upscale transition at DFS as part of its drive to win over Asian customers is in line with this. Hennessy has moved past the success of its older cognacs, boldly reinventing itself for a new generation of consumers with *Classivm*, a superb younger vintage that embodies both the brand's tradition of quality and another, more modern and vibrant side to it.

— *What are the major trends in demand?*

Generally speaking, people are making more carefully considered, responsible purchases. Our customers are looking for meaning. They are paying attention to the value of things. They want real products that will last, irreproachable quality; they want to experience something out of the ordinary. In today's de-materialized industrial world, our long inherited craftsmanship fulfills a desire to rekindle a connection with authentic, human artistry. Our brands' social and environmental policies are being scrutinized more carefully than ever before. Our products embody a high level of ethics and are all the more desirable for that. After celebrating the 20th year of our environmental program, we have sketched out our next steps, with ambitious targets for all the Group's brands as part of our LIFE program. Corporate citizenship also drives long-term success.

— *Is the digital universe an issue for luxury brands?*

Many of our customers never experienced how the world was before the internet. They feel very much at home on social

networks which they use to find information and express their opinions. The digital world is having a growing influence on how our brands and products are perceived. Luxury customers are among the most web connected, so our brands have to express their values and feed the dream as much online as in the real world. Being proactive in the digital world is a way to control and reinforce brand image. If we approach it with a focus on premium quality and perfect execution, if we ensure consistency between people's in store and online experiences, the digital dimension can serve our brands strategically. Sephora is ahead of the game in this regard. Louis Vuitton's mobile site has been made available in thirteen languages and allows customers – wherever and whenever they want – to get the same quality service from a remote representative as they would in store.

— *LVMH's business model has placed great emphasis on vertical integration: is this still the case?*

From sourcing supplies to manufacturing, to distributing products through our own network of boutiques, vertical integration enables us to control every aspect of the value chain. That is obviously an ideal business model for a luxury firm that cultivates excellence in everything it does. But it has its cost, and can make our infrastructure heavier. Louis Vuitton and Loro Piana are brands that offer a wide range of products, with strong growth and profitability, and it took them decades to build and shape their business models. Not all our brands have reached this stage of maturity and development. We rigorously examine each project so as to focus our resources on acquiring and bolstering core competencies, and on investments that offer the best potential for returns. It is important not to cut any corners: the success of a luxury brand is a long-term affair.

The priority objectives of the Board of Directors, the strategic body of LVMH, are to increase the value of the Company and defend its corporate interest. Its principal missions are to adopt the major strategies of the Company and the Group, monitor the implementation of those strategies, verify the fair and accurate presentation of information about the Company and the Group, and protect its corporate assets.

The Board of Directors has adopted a Charter that spells out rules governing its membership, missions, operations and responsibilities. It has eight independent Directors who are free of any interest with regard to the Company.

BOARD OF DIRECTORS

In 2013, the Board of Directors was convened by the Chairman to meet five times.

The Board reviewed the corporate and consolidated financial statements, the Group's major policy objectives and strategic decisions, the budget, the compensation of the corporate officers and the implementation of bonus share and performance share plans. It approved the proposal to acquire a majority interest in Loro Piana as well as various regulated agreements between related parties or companies in which certain Directors have executive functions. It also assessed its ability to meet shareholder expectations by reviewing its membership, organization and operations, and amended its Charter.

EXECUTIVE MANAGEMENT

The Board of Directors decided not to separate the positions of Chairman of the Board of Directors and Chief Executive Officer. It made no limitations on the powers of the Chief Executive Officer. On the recommendation of the Chairman and Chief Executive Officer, the Board of Directors has appointed a Group Managing Director who has the same powers as the Chief Executive Officer.

PERFORMANCE AUDIT COMMITTEE

The primary tasks of the Performance Audit Committee are to ensure the supervision of the process of preparing the financial information, the effectiveness of the internal control and risk management systems, and the legal audit of the corporate and consolidated accounts by the Independent Auditors. It directs the procedure for selecting the Auditors and ensures their independence. It is composed of at least three members (at least two thirds of whom are independent) appointed by the Board of Directors. The Performance Audit Committee met four times in 2013. In addition to reviewing the corporate and consolidated annual and interim financial statements in conjunction with a detailed analysis of changes in the Group's activities and scope, the Committee focused on the following issues: internal control and the management of major risks within the Group, a review of the various Maisons' assessments of major risks and the action plans implemented to reduce those risks, and the findings of the audit on the Maisons' imports to China.

NOMINATIONS AND COMPENSATION COMMITTEE

The primary responsibilities of the Nominations and Compensation Committee are to issue:

- recommendations on the compensation, in-kind benefits, bonus shares and stock options granted to the Chairman of the Board of Directors, the Chief Executive Officer and

the Managing Director(s) of the Company, and on the distribution of the Directors' fees paid by the Company;

- opinions on candidates for the positions of Director and Advisor to the Board or membership on the Executive Committee of the Group or the Management of its principal subsidiaries. The Committee has a minimum of three members (all of whom are independent) appointed by the Board of Directors. The Committee met three times in 2013. It issued recommendations on the compensation of the Chairman and Chief Executive Officer and Group Managing Director and on their performance share award, and gave its opinion on the compensation, performance shares and benefits in kind granted to specific Directors by the Company or its subsidiaries.

ADVISORY BOARD

There can be no more than nine Advisors who are appointed for a three-year term. Advisors participate in deliberations in an advisory capacity; their absence does not affect the validity of these proceedings.

Further information can be found in the 2013 Reference Document.

EXECUTIVE COMMITTEE



Bernard Arnault
Chairman and Chief Executive Officer



Antonio Belloni
Group Managing Director



Pierre Godé
Vice-Chairman



Nicolas Bazire
Development and Acquisitions



Michael Burke
Louis Vuitton



Yves Carcelle
Louis Vuitton Foundation



Chantal Gaemperle
Human Resources



Jean-Jacques Guiony
Finance



Christopher de Lapuente
Sephora



Christophe Navarre
Wines and Spirits



Daniel Piette
Investment Funds



Pierre-Yves Roussel
Fashion



Philippe Schaus
Travel retail



Francesco Trapani*
Watches and Jewelry



Jean-Baptiste Voisin
Strategy



Mark Weber
Donna Karan, LVMH Inc.

* Until March 1st, 2014.

General Secretary

Marc-Antoine Jamet

BOARD OF DIRECTORS

Bernard Arnault
Chairman and
Chief Executive Officer

Pierre Godé
Vice-Chairman

Antonio Belloni
Group Managing Director

Antoine Arnault
Delphine Arnault
Nicolas Bazire

Bernadette Chirac⁽¹⁾
Nicholas Clive Worms⁽¹⁾⁽²⁾
Charles de Croisset⁽¹⁾⁽³⁾
Diego Della Valle⁽¹⁾
Albert Frère⁽¹⁾⁽³⁾

Gilles Hennessy⁽²⁾
Marie-Josée Kravis⁽¹⁾
Lord Powell of Bayswater
Marie-Laure Sauty de Chalon⁽¹⁾⁽⁴⁾
Yves-Thibault de Silguy⁽¹⁾⁽²⁾⁽³⁾
Francesco Trapani
Hubert Védrine⁽¹⁾

ADVISORY BOARD MEMBERS

Paolo Bulgari
Patrick Houël
Felix G. Rohatyn

STATUTORY AUDITORS

DELOITTE & ASSOCIÉS
represented by Thierry Boilet

**ERNST & YOUNG
et Autres**
represented by Jeanne Boillet
and Gilles Cohen

(1) Independent Director. (2) Members of the Performance Committee Audit. (3) Member of the Nominations and Compensation Committee.
(4) Nomination proposed at the Shareholders' Meeting of April 10, 2014.



A BUSINESS MODEL IN THE SERVICE OF EXCELLENCE

A leading ambassador of Western “art de vivre” throughout the world, LVMH is the product of successive alliances among brands that have skilfully combined traditions of excellence and creative passion with the highest respect for their customers, generation after generation. The Group’s intrinsic stability and success are grounded in our solid business model, consistent strategy and unwavering commitment to creativity and excellence in every aspect of our business.

LVMH’s leading position in our sector – premium businesses and products – is built on a unique tradition centered around a collection of iconic brands. The vitality and prestige of these Maisons are nurtured by their history, tradition of excellence, and openness to the world. Creativity, crafts-

manship and pursuit of the exceptional are the essence of their business. We develop our brands in a spirit of entrepreneurship, combined with long-term vision and deep respect for their culture, prestige and individuality.

Pursuit of the exceptional gives our brands a special aura that must consistently shine through in the way we practice our craft, in the image projected by our brands, in our product design and mastery of the production process, and finally in the extreme care we take in distributing our products and providing related services. Everything we do, day in and day out, is designed to enhance the quality of our customers’ experience throughout their relationship with companies and their products. Our selective approach to distribution is a key foundation of the quality of this experience: it helps fulfill our customers’ desire to feel something special. Because our businesses demand superior talents and expertise, and because they are committed

to making the most of nature at its purest and most beautiful, our values, convictions and actions in support of sustainable development are also an integral part of our quest for excellence.

— Major strategic priorities

Priority of internal growth, sustained by innovation, quality and controlled distribution.

Guarantee brands’ autonomy in accordance with their own identity.

Share skills and experiences of each brand and implement synergies.

Set up and develop teams of excellence.

OUR COMMITMENTS

SOCIAL POLICY

To encourage all our employees to reach their full career potential and achieve their aspirations, develop the diversity and the wealth of human resources in our companies in all the countries where we operate, and encourage initiatives in these areas. Outside our own company, to contribute to the knowledge and preservation of our businesses and our know-how as artisans and designers.

ECONOMIC PERFORMANCE

To combine economic growth and respect for sustainability criteria, which are

represented for our luxury businesses by the values of creativity and excellence. To apply our creative passion to a genuine “art de vivre” to which our customers aspire. To strengthen our position as a global leader, and to be the benchmark in the management and development of high quality brands.

ENVIRONMENT

To work together to preserve the resources of the planet, to design and develop products that respect the environment, to report on our policies and projects and the progress achieved in meeting our objectives.

To contribute to environmental protection above and beyond the factors directly related to our operations, by entering into active partnerships with cooperating business groups, local authorities and associations.

A COMMITMENT TO CITIZENSHIP

To implement a patronage program for the benefit of the largest number, the components of which reflect and transmit our fundamental values. To provide active support for major causes, fund humanitarian projects and public health challenges, and develop initiatives for young people.

LVMH 2013

Journées Particulières

FOCUS



*Les Journées
Particulières*
DANS LES COULISSES DU RÊVE



The second edition of the Journées Particulières was another success, with more than 120,000 visitors passing through the doors of our Maisons to learn more about the expertise and know-how of the people that make up the Group.



Where dreams are made

Following the success of the first edition of the Journées Particulières in 2011, the LVMH Group repeated this unique exercise in 2013, opening yet more Maisons and sites to the public for the first time.

More than 30 Maisons participated in the event, offering tours of 45 exceptional venues. For an entire weekend, a legion of watchmakers, couturières, perfume flacon sealers, shoemakers, cellar masters, jewelers, trunk makers, riddlers, head seamstresses and chefs demonstrated the secrets of their trades and shared their passion.

The latest edition also gave the LVMH Group and its Maisons the opportunity to underscore their social and economic contribution. As the leading player in the luxury goods industry and a major economic force, the LVMH Group plays a key role in culture and society, with a strong commitment it leads in Europe and around the world.





LVMH 2013

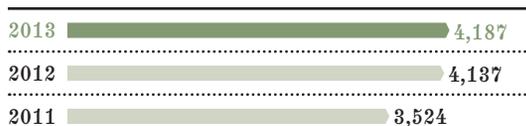
WINES & SPIRITS



The LVMH Wines & Spirits business group focuses its growth on the high-end market segments of the market. The world leader in champagne, LVMH also produces still and sparkling wines from the world's most famous wine-growing regions. The Group is also the world leader in cognac with Hennessy and is expanding its presence in the luxury spirits segment in addition to its historical business. The portfolio of brands is served by a powerful international distribution network.

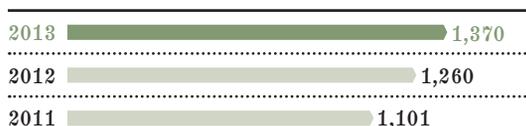
REVENUE

(EUR millions)



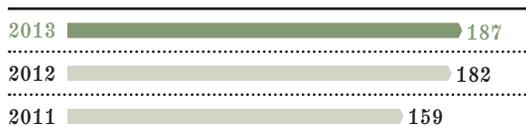
PROFIT FROM RECURRING OPERATIONS

(EUR millions)



OPERATING INVESTMENTS

(EUR millions)

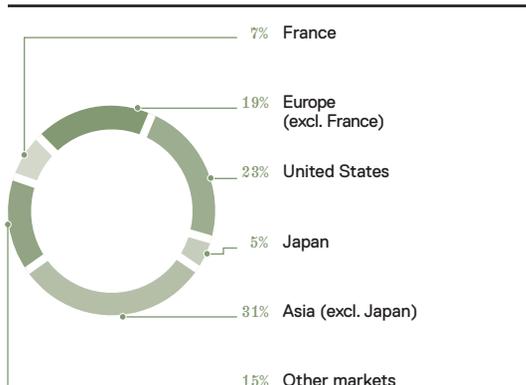


2013 SALES VOLUMES

CHAMPAGNE:
 57.4 MILLION OF BOTTLES

COGNAC:
 69.1 MILLION OF BOTTLES

REVENUE BY GEOGRAPHIC REGION OF DELIVERY (in %)



CONTINUING OUR VALUE CREATION STRATEGY



Christophe Navarre
President of the Wines and Spirits business group

— *How would you sum up 2013 in terms of targets for the Wines and Spirits business group?*

Organic revenue growth regained a good balance of higher volumes and ambitious price increases, which we carried out as planned. This result, delivered in a mixed global market, reflects the strength of our brands and the continuation of our value creation strategy. The same goes for our brand portfolio's ongoing upmarket move, illustrated notably by strong results in champagne posted by Krug, Dom Pérignon and Ruinart, with its prestige cuvées such as *Blanc de Blancs* as well as rapid progress of the exceptional Estates & Wines selection.

— *What is behind Hennessy's repeat record performance this year?*

Hennessy enjoyed a balanced geographic spread in its sales, and particularly strong momentum in the United States. The brand kept strengthening the development of this market over the past few years and is now in a great position to reap of the rewards of this strategy. In China, the brand's teams reacted quickly to limit the impact of restrictions placed on entertaining and business gifts, which hurt sales of older cognacs, by making *Classivm* a big hit in the nightlife segment. Launched in 2011, *Classivm* is a good example of how the brand can capitalize on its entire product portfolio, not just the successful older vintages, and keep innovating to win over new consumers. Innovation is a big part of all our brands' strategy for differentiation and development.

— *As is a focus on excellence?*

Excellence in our products is at the heart of everything we do: it drives our reputation and the global appeal of our brands. And it is widely recognized by international experts. They have given our products exceptional ratings. Glenmorangie and Belvedere, for example, won a number of awards at international competitions. Among the awards we are most proud of, Moët & Chandon cellar master Benoît Gouez was named Winemaker of the Year for 2013 by the American magazine "Wine Enthusiast". The "Revue du Vin de France" also elected Dom Pérignon brand of the year. Credit for this award goes to Richard Geoffroy, the man behind Dom Pérignon's incomparable taste and style since 1990. All these distinctions have helped increase brand awareness and the desirability of our

brands, while also strengthening ties with influential figures who then represent those brands worldwide.

— *Are new markets measuring up to your expectations?*

Our emerging markets are booming. The upward mobility of new consumers there, who aspire to own the world's best brands, gives these regions increased long term potential. Like cognac and other spirits, champagne presents great ambition in Asia and Latin America. Hennessy is stepping up its development in Russia, boosted by the recent establishment of a Moët Hennessy subsidiary in this country. The brand also nurtures growth drivers in emerging markets like Nigeria, South Africa and Mexico. Of course, this progress comes along with the reinforcement of our positions in traditional markets. In the United States, to quote just one example, champagne has strong potential. During 2014, Moët & Chandon and Veuve Clicquot started ambitious plans to penetrate further into this huge market.

— *Major strategic priorities*

Pursue value creation strategy.

Target balanced and sustainable growth.

Develop production capacities.

Further strengthen efficiency of distribution.



Dom Pérignon

In 2013, Wines and Spirits recorded organic revenue growth of 6%. Profit from recurring operations increased by 9%.



Krug

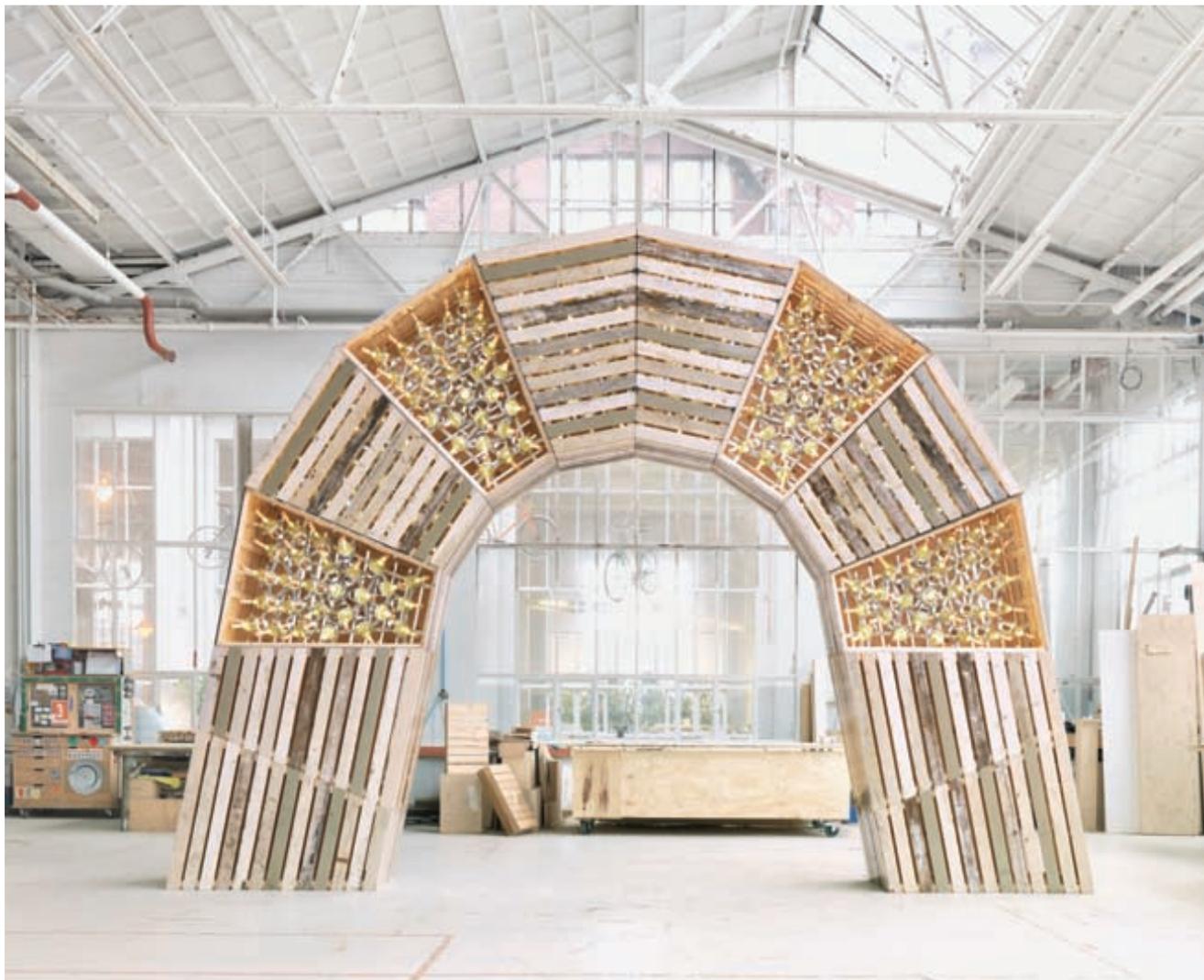
In an environment characterized by strong momentum in Asia and the United States, with a mixed market in Europe, the business group continued to illustrate the priorities of its value-enhancing strategy: firm prices and a strong dynamic of innovation aimed at continuously boosting its brands' appeal. Sales volume grew by 1% across all LVMH champagne brands, with robust demand for prestige cuvées, and rose by 3% for Hennessy cognac. The brands' momentum was boosted by Moët Hennessy's powerful and responsive retail network, and by sustained investments in communication.

MOËT & CHANDON illustrated its new communication program by orchestrating appearances of its brand ambassador Roger Federer throughout the world. He was the guest of honor at the brand's 270th anniversary celebration in New York, which was attended by many distinguished guests. In honor of the *Grand Vintage Rosé 2004*, a vertical tasting allowed guests to discover Moët & Chandon's

finest vintage rosés, culminating in the *Grand Vintage Rosé 1878*, the brand's oldest cuvée of rosé champagne. This unique event showcased Moët & Chandon's historical expertise intertwined with its contemporary vision.

DOM PÉRIGNON reaffirmed its originality, notably through the launch of new vintages and events woven around major designers. Jeff Koons sculpted "Balloon Venus for Dom Pérignon" for the launch of *Dom Pérignon Rosé 2003*. His design was then reinterpreted as a limited-edition New Year's gift box containing this vintage and *Dom Pérignon 2004*.

MERCIER gained new momentum, reviving its original values. Revitalized packaging and new communications reaffirmed the brand's identity and positioning.



Ruinart

VEUVE CLICQUOT upheld its innovation strategy. Among other initiatives, its *Shakkei* gift box met with great success in Japan, while *Naturally* became the first environmentally responsible bottle casing. The brand showcased its expertise through a fine dining partnership with Joël Robuchon. It continued its expansion in China and Central and Eastern Europe, while strengthening its position in its traditional markets in the United States, Japan and Australia. Rosé continued to perform well and proved itself to be a powerful growth lever.

RUINART consolidated its positions in France and achieved solid international growth, especially in emerging markets in Asia, Africa and Latin America. It continued to give pride of place to premium products, reflected in its new *Dom Ruinart Rosé 2002* vintage. Stepping up its commitment to contemporary art, Ruinart is now associated with major international art fairs. The artist

Piet Hein Eek created a work of art in homage to the history of the champagne house and designed two limited edition collections.

KRUG focused on boosting its notoriety and winning over new customers by revisiting the notions associated with luxury. Several “Lieux Éphémères” (ephemeral venues) were organized throughout the world, and the “Krug Ambassades” network was centered around exceptional travel events reflecting the values of the House. In addition to its strong momentum in the United States and a solid performance in Europe, Krug achieved excellent results in Japan and the Asia-Pacific region.

ESTATES & WINES still and sparkling wines performed remarkably well. The Chandon brand achieved substantial growth in both domestic and export markets. Continuing their move upmarket, still wines also turned in an excellent set of performances.



Hennessy

CHÂTEAU D'YQUEM reaffirmed its status as the only Sauternes ranked as Premier Cru Classé Supérieur. While markets in Europe and the United States regained momentum, Asia attracted a growing number of connoisseurs. The year was marked by the release of *Château d'Yquem 2011*, hailed by critics, and the launch of *Y 2012*.

CHÂTEAU CHEVAL BLANC consolidated its rank as a 1^{er} Grand Cru Classé A.

HENNESSY once again posted appreciable growth, backed by the power of its brand and the geographic mix of its sales. This growth was driven in large part by the United States, which represented the biggest market by volume. In China, the brand's firm historic foothold and momentum in the nightlife segment offset the impact of government measures affecting receptions and business gifts. The brand maintained a strong position in Taiwan, Malaysia and Vietnam, while

actively expanding in Cambodia, India and the Philippines. It showed strong momentum in Eastern Europe, benefiting from the Moët Hennessy retail subsidiary's establishment in Russia. Finally, it continued to build up solid growth prospects on the African and American continents, notably in Mexico and the Caribbean. In addition to the success of its older quality grades, Hennessy breathed new life into the brand with younger grades such as *Very Special* and *Classivm*, to win over new generations of consumers. The brand stepped up its presence in the nightlife segment, around the new *Very Special* creative universe designed by Pininfarina and the *Hennessy Artistry* concert-events.

GLENMORANGIE and **ARBEG** single malt whiskies once again surged ahead in their key markets. Hailed by critics, Glenmorangie's launches this year met with commercial success. The limited edition *Ealanta* was named "World Whisky of the Year" by



Glenmorangie

the *Whisky Bible*, the industry reference guide. Sold online and launched to coincide with Ardbog Day 2013, the limited edition *Ardbog* sold out on its key markets in a matter of hours.

BELVEDERE vodka continued to grow robustly. Supported in the United States by an extensive communication campaign, it gained market share in Europe, Asia, Brazil and Africa.

WENJUN recorded solid growth in China in a highly competitive market for premium baijiu.

— Outlook

In 2014, Wines and Spirits will extend their brands' ever-increasing reach and appeal throughout the world, backed by a reputation for excellence and a vigorous policy of innovation. Substantial investments in communication, devoted to the most promising markets and segments, will support the brands' initiatives. These elements are the keys to a value-creation strategy based on moving the product mix upscale and increasing prices. The power of Moët Hennessy's global distribution network, coupled with the experience and ambition of its teams, represent substantial strengths for the business group, which will focus on consolidating its leading positions in the market for prestige wines and spirits, and will continue to build a pattern of balanced, profitable growth.

FOCUS



Dom Pérignon by Jeff Koons

Frequently associated with the most creative talents of our time in every discipline, Dom Pérignon continues to reinvent its own established codes, revealing unexpected facets of its personality with every vintage. In 2013, it collaborated with a new artist, Jeff Koons, who is one of the most sought-after contemporary creators of our time.

Koons' meeting with Dom Pérignon gave rise in 2013 to *Balloon Venus for Dom Pérignon*. The artist chose to reinterpret for the Dom Pérignon Rosé Vintage 2003 his monumental work – one of the iconic pieces of his *Antiquity* series – that symbolizes the continuity of creative energy. A tribute to time revisited, the work is inspired by the *Venus of Willendorf*, a tiny Paleolithic figurine that is an icon of our shared heritage. “The *Balloon Venus* is a symbol of creative

energy and opens up a dialogue with history,” explains the artist. This act of renaissance is what drives the world of Dom Pérignon. “There has been a continuity at Dom Pérignon since the very beginning. It’s a form of energy, which has to be guided through vintage after vintage so that over time it is put into perspective,” echoes Richard Geoffroy.

Balloon Venus for Dom Pérignon is a gift-box sculpture made up of shiny balloon shapes coated in pink varnish. It is a pop art creation designed to establish an immediate fun connection with the public, which is characteristic of Jeff Koons' creative approach. The sculpture opens to expose a bottle of *Dom Pérignon Rosé Vintage 2003*, held snugly in a suede-covered interior. The shapes of the *Balloon Venus* evoke the attributes of the 2003 vintage: truly superlative.



A new horizon for Chandon

To win over the Chinese market – its largest –, Moët Hennessy has combined its French savoir-faire with local craftsmanship to create Domaine Chandon China. Officially opened in 2013, this new wine estate covers more than 66 hectares and is located in Yinchuan in Northern China, near the Helan Mountains in the Ningxia Hui Autonomous Region.

As the first Maison to produce sparkling wine in China, Chandon China is undeniably a pioneer! Using French wine-making techniques, this prestigious sparkling wine is made by the “traditional

method”. Chandon China uses two Champagne grapes, Chardonnay and Pinot Noir. The first, highly anticipated vintage will be unveiled in 2014.

Domaine Chandon China has everything it takes for future success – excellent soil quality, proximity to customers with a passion for high-quality products, and the opportunity to establish an ongoing relationship with local and economic authorities.





LVMH 2013

FASHION &
LEATHER GOODS



Louis Vuitton, Fendi, Donna Karan, Loewe, Marc Jacobs, Céline, Kenzo, Givenchy, Thomas Pink, Pucci, Berluti and Rossimoda are the brands that form the Fashion and Leather Goods business group. This outstanding group of brands from both sides of the Atlantic has 1,339 stores throughout the world. LVMH supports growth of these brands by providing them with shared resources, while at the same time respecting their identity and their creative positioning. In 2013, the business group welcomed Loro Piana, a paragon of excellence, renowned for its devotion to quality and the finest materials.

REVENUE
 (EUR millions)



PROFIT FROM RECURRING OPERATIONS
 (EUR millions)



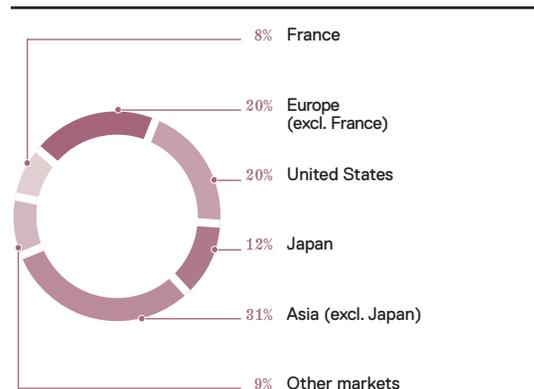
OPERATING INVESTMENTS
 (EUR millions)



NUMBER OF STORES



REVENUE BY GEOGRAPHIC REGION OF DELIVERY (in %)



EXCITING DEVELOPMENTS TO COME

The Fashion and Leather Goods business group had an eventful 2013, replete with new accomplishments and major projects. We forged fresh alliances and partnerships, enhanced Louis Vuitton's high-end leather goods offering, stepped up the development of our fashion brands, and invested in up and coming talent. The stage has been set for more exciting developments to come.

Starting in 1854, Louis Vuitton's success story is one of innovation and the artful anticipation of contemporary tastes. The House of Vuitton has come to epitomize the art of travel the world over, boldly extending its creative reach to ready-to-wear, shoes, watches and jewelry. Drawing on its remarkable entrepreneurial spirit and the visionary input of Marc Jacobs since 1997, as well as the talent and energy of all its teams, Louis Vuitton has managed to become a global brand while staying true to its soul and taking inspiration from its origins – fine leather products – in all its new trades and crafts. The growing demand for quality and authenticity, the desire for rare and exclusive goods among luxury customers, is a major opportunity for Louis Vuitton to leverage its exceptional craftsmanship and consolidate its leadership position. The new Louis Vuitton leather collections offer a combination of attractive forms, impeccable

materials and smart colors. Following the smashing success of its iconic products, Louis Vuitton upped its ambitions and boosted its commitment to steadily developing its new lines made from the finest leathers. Now that Marc Jacobs has decided to focus on building his own brand, 2014 marks the start of a new and exciting creative evolution in women's collections. Taking over as Artistic Director is Nicolas Ghesquière, one of the most talented designers of his generation, a perfect match for Louis Vuitton's innovative spirit and culture of excellence.

For several fashion brands that LVMH wants to expand, the pace is picking up. Céline, which attracts women to its timeless elegance and strong, rarefied style, has almost tripled its revenue since 2008. Its leather lines are achieving icon status as the brand expands worldwide. Berluti has used the current uptrend in men's fashion to pull off a superb feat of business and style, evolving from legendary bootmaker to global men's clothing brand. Since 2011, Berluti has sought to become a reference in men's fashion, building its unique character and repertoire one new collection at a time. Marc Jacobs, which was practically a start-up when it first joined the LVMH group, has evolved considerably over the past sixteen years, and has major growth potential, especially now that Marc Jacobs will be devoting himself exclusively to it.

As committed as ever to investing in burgeoning talents, LVMH has entered into a partnership with British master shoemaker Nicholas Kirkwood. Similarly, we

have signed an agreement to support the London based brand JW. Anderson, whose founder Jonathan Anderson has also been appointed Artistic Director of Loewe. The new LVMH Prize for young fashion designers will be awarded yearly to a fresh talent, and will come with a grant as well as personal coaching by LVMH staff.

Finally, 2013 will be remembered as the year of our alliance with Italian fashion house Loro Piana, family owned for six generations, the epitome of excellence. This brand sets the standard for the world's most beautiful wools and rarest cashmeres, with its unique savoir-faire and exclusive sourcing. Loro Piana manufactures phenomenal fabrics and develops ready-to-wear, leather and accessory collections sought after by a global customer base that values extraordinary quality.

— Major strategic priorities

Continue strategic development of Louis Vuitton.

Strengthen image and profitable growth of other fashion brands.



Louis Vuitton

LOUIS VUITTON maintained its creative momentum and quest for excellence in 2013, with regard to its products as well as its distribution. Louis Vuitton was equally active in the quality driven development of its network of stores. Be they reinterpretations of iconic models or new creations, Louis Vuitton's leather lines illustrated its engagement and the savoir-faire of its artisans in selecting and working the most noble leathers. These developments, alongside a new jewelry collection launch, benefited from new communication campaigns. Louis Vuitton continued striving to make each of its stores an exceptional venue where the essence of its different creative universes is distilled and customers the

world over are offered a unique experience. This goal was reflected in the expansion and renovation of several boutiques worldwide, notably in London, Tokyo and Beijing. The year 2013 was marked by two new Maisons Louis Vuitton openings, one in Venice and one in Munich.

Following Marc Jacobs' departure to focus on developing his eponymous brand, Nicolas Ghesquière took over as Artistic Director of women's collections.

FENDI continued its growth and the quality driven expansion of its retail network, showcasing its high-end offerings. In leather

Fashion and Leather Goods recorded organic revenue growth of 5%. Profit from recurring operations for this business group was down 4%.



Louis Vuitton



Fendi

goods, these offerings were focused on highlighting the iconic *Selleria*, *Peekaboo* and *Baguette* lines, while the *2Jours* line launched in 2012 was the greatest success in Fendi's history. Furs enjoyed increased visibility, notably thanks to exhibits in Tokyo and Beijing of Karl Lagerfeld's best pieces from 1965 to the present day, emblems of Fendi's creativity and expert craftsmanship. The Rome-based brand made great strides in all its markets, notably in Europe with openings of flagship stores embodying the new boutique concept on the avenue Montaigne in Paris and the Via Montenapoleone in Milan.

CÉLINE performed remarkably well, setting new records for revenue. Leather goods continued their rapid ascent thanks to the success of the iconic *Luggage*, *Trapèze* and *Classic* lines, while the new *Edge* and *Tie* collections met with an excellent reception. Driven by its creator, Phoebe Philo, ready-to-wear continued to vigorously reaffirm the brand's identity, associated with iconic modernity, timeless elegance and quality. Céline stepped up the pace of its worldwide boutique renovation program and continued expanding its retail network, notably in the United States and China. At the same time, its presence in multibrand stores was more selective.



Céline

MARC JACOBS recorded steady growth, driven by rapid gains in the Marc by *Marc Jacobs* accessory collections. The recent *Dr Q* and *Too hot to handle* leather designs became true mainstays of the brand. Its new cosmetics line, exclusively distributed in Sephora stores, met with great success. Its operations in China are being acquired on a direct basis. Marc Jacobs decided to focus fully on the brand's business to support its future development. During the fiscal year, the Group raised its ownership interest in Marc Jacobs to 80%.

DONNA KARAN performed well thanks to the successful relaunch of its *DKNY Jeans* line and the increasing success of its accessory collections. This dynamic was particularly beneficial for international business. To revitalize its visual identity, the New York based brand gave artists from around the world carte blanche to reinterpret its logo as part of their own creative universe, under the *DKNY Artworks* program. Donna Karan continued the quality driven expansion of its retail network with targeted openings and a renovation plan for its existing stores.



Marc Jacobs



Givenchy

LOEWE continued to make strides, recording particularly remarkable growth in Japan. The emblematic *Amazona* and *Flamenco* lines continued their development. After Paris, new renovated boutiques were inaugurated in Shanghai and Rome. Loewe reinforced production capacity at its site in Getafe and founded a leatherworking school to pass on its exceptional know-how in the field. Jonathan Anderson, one of Britain's most talented young designers, was appointed as Loewe's Artistic Director.

With the arrival of Humberto Leon and Carol Lim in 2011, **KENZO** has built on the success of its new creative positioning, boosted by a playful, offbeat advertising campaign in tune with the creative duo's aspirational spirit. The sweatshirt collections' most emblematic *Tiger* and *Eye* prints were extremely popular among a younger, very international clientele. In leather goods, the *Kalifornia* handbag joined the offering. Exclusive brand boutiques and retailers alike saw rapid growth. The website, which completed its first full year of sales activity, showed strong momentum.



Berluti

GIVENCHY saw strong revenue growth thanks to solid performance across all product categories, especially in its directly owned stores. Its Artistic Director, designer Riccardo Tisci, was awarded the 2013 International Award by the CFDA (Council of Fashion Designers of America), crowning nearly eight years dedicated to enhancing the legacy of the brand. The retail network's expansion continued with the opening of boutiques in premium locations in Paris, Hong Kong and China.

THOMAS PINK pursued its international development and opened its first stores in Indonesia and the Philippines. Online sales

recorded rapid growth. A partnership was formed with the British and Irish Lions rugby team during its 125th anniversary tour in Australia.

PUCCI continued to revamp its brand image, renovating its flagship stores, particularly in Paris and Rome. Wholesale sales continued their development.

BERLUTI deployed its new boutique concept internationally, showcasing its full range of professions. New territories were added, including Singapore, Taiwan and Macao. Ready-to-wear did



Kenzo

remarkably well. Footwear, both iconic lines and newer launches, continued to post rapid growth. The opening of its new boutique at 14 rue de Sèvres in Paris marked Berluti's entrance into the world of tailored fashion with the *Bespoke* service for shoes and *Grande-Mesure* for ready-to-wear.

— Outlook

In 2014, Louis Vuitton will begin a thrilling new creative evolution, guided by an ambitious managerial vision and backed by the talent of all its teams. In March, Nicolas Ghesquière presents his first ready-to-wear collection. Reaffirming both its historic values and its timeless modernity, Louis Vuitton will continue to revisit and reinforce its iconic products and collections which remain the main strategic thrusts of its future growth. All these creative projects go hand in hand with the continuing selective and qualitative development of a globally unique retail network.

Fendi will continue to showcase its offering oriented towards high-end and fur products. It will maintain a qualitative expansion of its store network, notably including openings in London, Munich and New York. Spurred on by their creative drive, the other brands will continue to strengthen their positions in their strategic markets. They will reaffirm their strong, distinct identity to best express their development potential. Creative collections and excellence in retail will remain their core objectives. 2014 will mark the integration of Loro Piana into LVMH, following the LVMH Group's acquisition of an 80% stake in the family company at the end of 2013. With over six generations of experience, Loro Piana creates luxury fabrics and products, particularly cashmere, of which it is the world's foremost processor. The brand is famous for its dedication to quality and the noblest raw materials, its unrivalled standards in design and its expert craftsmanship. The cornerstones of this new alliance are shared values, the same attention paid to quality and a shared vision of the future for this high-potential, iconic brand.

FOCUS



Loro Piana joins the LVMH Group

In 2013, the Loro Piana family chose to sell a majority stake in their family business to the LVMH Group.

Loro Piana is more than just a renowned label; it embodies a family's passion for the highest standards of craftsmanship and quality. With knowledge and experience gained over six generations, Loro Piana creates exceptional products and fabrics, especially in cashmere where Loro Piana is the world's leading specialist.

The Loro Piana family began trading wool and fine textiles at the beginning of the 19th century and in April 1924 Pietro Loro Piana established the business in Quarona Sesia, Italy. Under the leadership of Sergio and Pier Luigi Loro Piana, Loro Piana has become the world's leading artisan in cashmere and the rarest wools,

and has developed a worldwide network of more than 130 exclusive boutiques where products are distributed under the Loro Piana name.

Loro Piana is globally renowned for its devotion to quality, innovation in textile products, unrivalled standards in design, its search for new materials and the quality of its craftsmanship. Loro Piana uses the world's finest cashmeres, including baby cashmere, and is a specialist in vicuña – a species of animal which Loro Piana has contributed significantly to saving from extinction – and many other exceptional yarns, not least the lotus flower and the exceptionally fine merino wool. At each stage of sourcing and production, Loro Piana combines traditional craftsmanship with the most advanced technology in the pursuit of absolute quality.

FOCUS



LVMH Prize: supporting young design

In November 2013, LVMH launched the LVMH Prize, a competition to discover and support young fashion design. The LVMH Prize will be awarded annually to one young fashion designer and three fashion school graduates.

The “Young Designer” competition is open to designers from any country who have produced and marketed at least two women’s or men’s ready-to-wear collections and are under 40 years of age. To help the winner develop his or her design work, LVMH is offering a grant of 300,000 euros, plus twelve months of individual support from the Group in technical and financial aspects, starting on the date of the award. The support will also cover other areas of expertise important to a new fashion brand, such as intellectual property, sourcing, production and distribution, branding and PR, and marketing.

The “graduate” competition is open to students who complete a full study cycle at a fashion school during the year of the LVMH

Prize. The three winners will each be offered a grant of 10,000 euros as well as the opportunity to work with the design team of one of the Group’s Maisons for one year.

For this first edition in 2014, the judging panel will comprise eight artistic directors from LVMH Maisons: Nicolas Ghesquière (Louis Vuitton), Marc Jacobs (Marc Jacobs), Karl Lagerfeld (Fendi), Humberto Leon and Carol Lim (Kenzo), Phoebe Philo (Céline), Raf Simons (Dior), and Riccardo Tisci (Givenchy). They will be joined by Delphine Arnault, Jean-Paul Claverie (advisor to Bernard Arnault and LVMH director of corporate sponsorship), and Pierre-Yves Roussel (Chairman and Chief Executive Officer of the LVMH Fashion Group).

A committee of international experts from the world of fashion, composed of journalists, stylists and buyers, will help shortlist the 10 finalists to be presented to the judges. The winner will be named in May 2014.





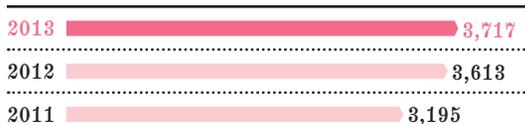
LVMH 2013

PERFUMES &
COSMETICS

LVMH, a major player in the perfumes, make-up and skincare sector, relies primarily on a portfolio of brands representing French companies with an international presence: Christian Dior, Guerlain, Givenchy and Kenzo. The Group also supports the development of high-potential brands: Benefit and Fresh, two rapidly-growing American brands; Acqua di Parma, whose perfumes symbolize Italian elegance; Parfums Loewe, one of the leaders in the Spanish market; and Make Up For Ever, a firm favorite of professional make-up artists which recorded outstanding growth by opening up to the general public. The recently created Fendi perfumes round out this business group.

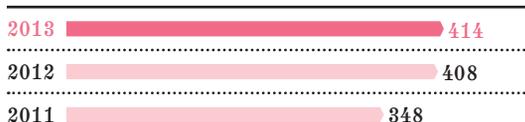
REVENUE

(EUR millions)



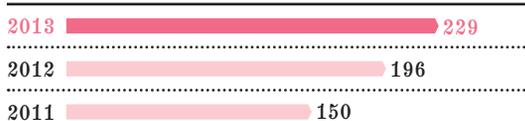
PROFIT FROM RECURRING OPERATIONS

(EUR millions)



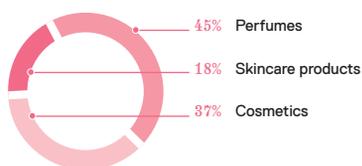
OPERATING INVESTMENTS

(EUR millions)



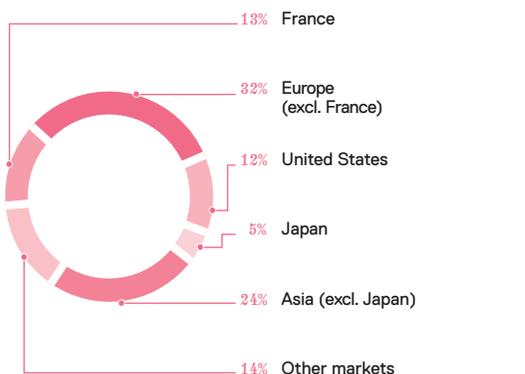
REVENUE BY PRODUCT CATEGORY

(in %)



REVENUE BY GEOGRAPHIC REGION OF DELIVERY

(in %)



EXCELLENCE IS MORE THAN SKIN-DEEP

LVMH is one of the most thriving companies in the steadily growing market of perfumes and cosmetics. Driven by the contemporary consumer's quest for beauty and wellbeing, as well as rising levels of income in emerging countries and more diverse customer bases with differing needs, this market has numerous development opportunities to offer our brands, whatever their size or specific positioning.

Our major French brands – symbols of excellence and dreams come true – are steadily increasing their market share. Their gains go hand in hand with the continued elevation of their creations and image. Year after year, Parfums Christian Dior, the business group's flagship brand, has reaffirmed ever more strongly its status as an authentic high-end parfumerie, underlining its values and vision of excellence through its fragrances and the focus on the expertise of its master perfumer. Our make-up collections reflect a special connection with Dior couture, drawing powerfully on its image and creativity. Dior skincare combines cutting edge science, ethnobotany, quality formulas and an unparalleled sensory experience to create products that are not only effective but also truly luxurious.

LVMH has also been supporting the development and geographic expansion of high potential brands positioned in promising market segments. Those brands are opening directly owned stores in their strategic countries to steadily expand their global presence. Benefit and Make Up For Ever have continued for several years to grow strongly in their home countries and abroad, while Fresh is now picking up the pace of development in Asia, where its natural products based on traditional recipes with a modern twist have been a remarkable hit.

Innovation, which drives the perfumes and cosmetics market, is a major strategic priority for all our brands. The business group would like to further secure its positions in the flourishing market of high-end skincare, for example. In 2013, we inaugurated the new, ultra modern Hélios research center in France's "Cosmetic Valley". The center is designed to foster synergy and accelerate the development of innovative products. Its 250 researchers perform studies, test formulas and analyze regulations for our business group's brands, paving the way for new star products and future growth.

Just like innovation, excellence in distribution is a priority that cuts across our business group. We pay constant close attention to the quality of our points of sale and directly owned boutiques, as well as the skills of our salespeople and associates. Dior is always investing in improving its points of sale, and has been developing a new

boutique concept for its make-up collections. Guerlain created a sensation in 2013 with the reopening of its flagship store on the Champs-Élysées in Paris. In this stunning venue where past and future meet, customers catch a glimpse of Guerlain's amazing history, combining its present day collections and extraordinary creative heritage. A magical showcase, for a brand like no other.

— Major strategic priorities

Maintain strong policy in terms of innovation and media investment.

Build upon Christian Dior's progress together with Couture.

Sustain Guerlain's perfumes.

Continue global development of other brands.



Perfumes and Cosmetics recorded organic revenue growth of 7% in 2013, outpacing market growth. Profit from recurring operations increased by 2%.



Parfums Christian Dior

In a highly competitive market, LVMH brands saw their reach broadened through continuing innovation, enhanced flagship product lines and sustained communication.

PARFUMS CHRISTIAN DIOR continued to show good momentum. With the successful launch of *Voile de Parfum*, the iconic *J'adore* perfume consolidated its number-one position on a large number of markets, notably in France. *Miss Dior*, Christian Dior's first perfume created in 1947, was celebrated by the exposition devoted to it at the Grand Palais in Paris. *Dior Homme* made rapid strides, buoyed by the success of *Dior Homme Cologne* and a new communication

campaign featuring Robert Pattinson. The *Collection Privée Christian Dior* introduced a refined, modern travel case, a custom offering reflecting the House's spirit of luxury perfumes.

Make-up maintained strong momentum thanks to strong performances from the latest innovations such as *Diorskin Nude BB Crème*. The iconic *Rouge Dior* lipstick met with extraordinary international success. *Prestige*, the premium product line that epitomizes Dior skincare, posted very strong performance, especially in Asia.

GUERLAIN performed solidly, buoyed in particular by the sustained growth of *La Petite Robe Noire*, which gained a firm hold



Guerlain

among the top three contenders on the French market and has seen rapid growth abroad. The legendary *Shalimar* perfume benefited from a sweeping new cinematic advertising campaign. In skincare, *Orchidée Impériale* again recorded strong growth, particularly in Asia. Following an ambitious remodeling project, Guerlain's flagship boutique was inaugurated in Paris at 68 Champs-Élysées, the quintessence of its vision of glamour as seen through its exclusive collections, its artistic staging orchestrated by Peter Marino and the services it provides. Today, the "68" is the largest perfume and cosmetics boutique dedicated to a single brand.

PARFUMS GIVENCHY completed the international launch of its new men's fragrance, *Gentlemen Only*, which was highly successful. The *Very Irresistible* fragrance, embodied by its new brand ambassador Amanda Seyfried, celebrated its 10th anniversary. The make-up segment, enjoying robust growth, built on the strong performance of its new lipstick, *Le Rouge*.

KENZO PARFUMS received a boost from its new fragrance, *Flower in the Air*, reaffirming the position of its *Flower* line as a classic in the perfume world. The communication material placed in stores illustrated the brand's poetic approach, unique in the market.



Kenzo Parfums

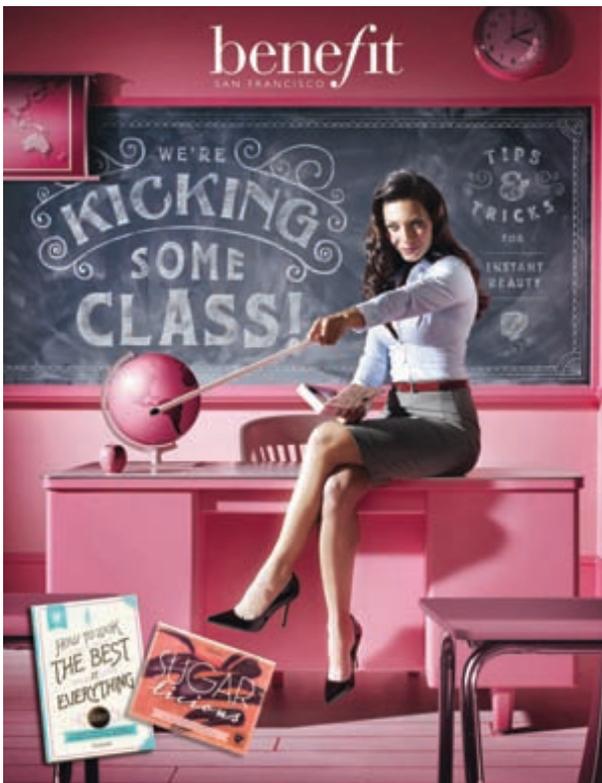
FENDI PARFUMS recorded strong growth, backed in particular by its successful launches at the end of 2012. Its new perfume, *Fan di Fendi pour Homme*, and *L'Acquarossa* fragrance, featuring Chiara Mastroianni as brand ambassador, also contributed to the brand's excellent results.

BENEFIT confirmed its strong momentum with the considerable success of its latest make-up innovation, *Fake Up*, a moisturizing concealer, and the continued growth of its flagship products *They're Real!* and *POREfessional*. Known for its playful, offbeat style, the brand also pursued innovative distribution techniques in several

American airports in the form of its *Glam Up & Away* kiosks: beauty product vending machines in the shape of vintage pink buses.

MAKE UP FOR EVER gained market share as it deployed a new visual identity and launched its new website. Its flagship product lines *HD* and *Aqua* did exceptionally well.

FRESH stepped up its international expansion, particularly in Asia, where the brand has been very well received. Its skincare products made with natural ingredients and the sober elegance of its points of sale have stirred a growing interest among a young clientele.



Benefit

PARFUMS LOEWE bolstered its international image with its new brand ambassador, Linda Evangelista, who embodied its latest launch, *Aura Loewe*.

Reaffirming its handcrafted approach to perfume, **ACQUA DI PARMA** showcased its colognes and other classic product lines.

— Outlook

The brands of LVMH, each of which boasts strong growth potential regardless of its specific positioning, have set a new target for market share gains. They will maintain an offensive position in terms of innovation and advertising investments.

Parfums Christian Dior will concentrate its efforts on its priority markets and will continue developing its flagship product lines. It will continue to reaffirm its status as a luxury perfume house. It will perform a qualitative expansion of its distribution by increasing selectivity at its points of sale.

Guerlain will accelerate its development, spurred on by sustained investments in communication. A new men's fragrance will join the product range, while *La Petite Robe Noire* will continue to be deployed in France and abroad. A new *KissKiss* lipstick will be launched. 68 Champs-Élysées will become a space for discovery and ongoing arts and culture programs.

Parfums Givenchy will continue the global deployment of its *Gentlemen Only* line. *Dahlia Noir* will be enhanced by a new version embodied by a new brand ambassador. The make-up segment will be expanded with the arrival of several new products.

Kenzo Parfums will launch a variation on *Kenzo Amour*, while the *Kenzo Flower* and *Kenzo Homme* lines will be supported by new communication campaigns.

Benefit will expand its retail reach, reaffirming its innovative positioning. The brand will continue rolling out its "Brow Bar" concept, a powerful customer loyalty lever.

Make Up For Ever will once again focus on strong growth backed by a sustained innovation strategy. Its communication campaigns will be reinforced, especially in the digital realm.

Fresh will continue expanding in Asia, opening new counters and deploying its flagship product lines. It will refine its in-store presentation and its communication campaign to fully express its unique values.

FOCUS



68 Champs-Élysées: a new showcase for Guerlain

In 2013, Guerlain reintroduced the magic into 68, Champs-Élysées, inviting visitors on an enticing journey between Luxury and Beauty.

Maison Guerlain's Champs-Élysées store is as much a dream as a goal.

The dream to be the most beautiful Beauty boutique, where architect Peter Marino has made his mark. The dream to pay tribute to Art, and to the artists and craftsmen who have imbued this address with even more soul. And the dream to be the boldest and most prestigious expression of Guerlain.

Exclusive creations are breathtaking and embody French-style "art de vivre" in spectacular fashion. The Guerlain Beauty Institute has reinvented itself, offering unprecedented customized skincare.

A unique, ongoing cultural program establishes Maison Guerlain as a space where art is expressed in all its forms. The "Le 68" restaurant, helmed by Michelin-starred chef Guy Martin, takes diners on a different journey altogether, between scents and flavors. All this is made possible by a team passionately dedicated to service and to giving guests a rare and emotional experience.

As for the goal, it is to give Guerlain a fresh dimension and a new aura. 68, Champs-Élysées is spreading its influence from Paris to all four corners of the world as the very singular expression of this unique Maison.

The Exceptional now has an address: 68, Champs-Élysées.

FOCUS



Hélios, an ultra-modern campus dedicated to research

The LVMH Group officially opened its new Perfumes and Cosmetics research center in 2013 in Saint-Jean-de-Braye. Named Hélios in reference to the sun – an integral part of cosmetology research –, the center is a testament to the extent of the Group's investment in France in the luxury Perfumes & Cosmetics sector, where it ranks as leader. Hélios is an ultra-modern campus, entirely dedicated to research, design and innovation, and is home to 250 researchers working for Parfums Christian Dior, Guerlain, Parfums Givenchy and Fresh. Hélios covers an area of 18,000 m², making it one of France's largest cosmetics R&D centers.

Hélios researchers develop new Cosmetics and Beauty Science processes and patents that focus on three key areas: Research,

Development and Expertise. More than 20 fields of research are represented at the center, including cell and molecular biology and ethnobotany.

Hélios is made up of six three-storey buildings in the form of a triangle, at the center of which is a large atrium. This original architectural design was the brainchild of Arte Charpentier, a firm that took its inspiration from the processes of product innovation and design to create an environment that stimulates creativity. In keeping with the LVMH Group's policy of safeguarding the environment, Hélios was built in compliance with France's High Environmental Quality standard (HQE).





LVMH 2013

WATCHES
& JEWELRY

The most recent of the LVMH business groups holds a portfolio of luxury brands with highly complementary market positions. This business group benefits in particular from TAG Heuer's stature as the world leader in high-precision chronographs and from the solid vitality of the Hublot brand. The business group also relies on the watchmaking expertise of Zenith, a member of the select group of true Swiss Manufactures, the development and transition to high-end products of Dior timepieces and the creativity and productivity of the jewelry collections from Chaumet, Fred and De Beers. In 2011, the business was expanded with the talent as well as the international and diversified aspect of the Italian Bulgari brand. The name recognition of these brands and the vitality of their iconic collections make LVMH one of the most dynamic groups in the market.

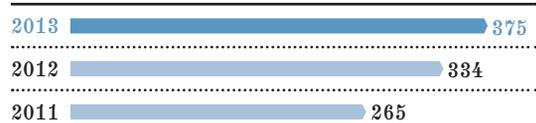
REVENUE

(EUR millions)



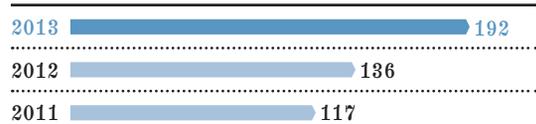
PROFIT FROM RECURRING OPERATIONS

(EUR millions)

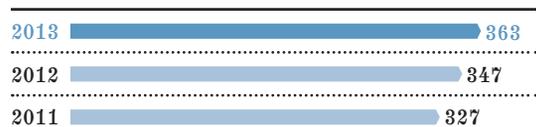


OPERATING INVESTMENTS

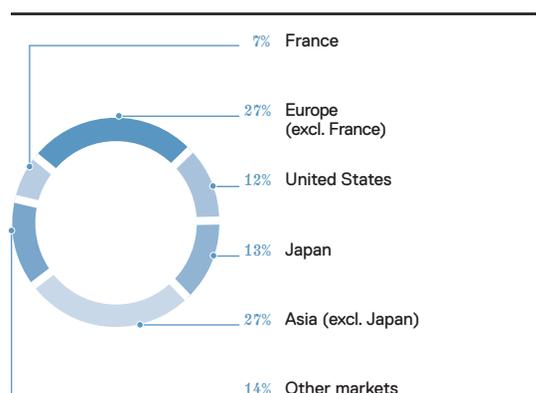
(EUR millions)



NUMBER OF STORES



REVENUE BY GEOGRAPHIC REGION OF DELIVERY (in %)



HIGHLIGHTING OUR SAVOIR-FAIRE AND MOVING DISTRIBUTION UPMARKET



Francesco Trapani*
President of the Watches and Jewelry business group

* Member of the Executive Committee until March 1st, 2014.

— How do you feel about Bulgari's integration within LVMH?

Bulgari joined the Group three years ago. I think it's already clear that this integration, which is predicated on shared values and a common focus on the long term, has been a success and is laying solid foundations for us to seize future growth opportunities. This was an important mission for me and I feel that I have accomplished it. Speaking more specifically of 2013 results, I would emphasize that there was very strong growth in Bulgari's core business of jewelry, notably high-end jewelry, which was boosted by its most powerful icons and symbols being brought to the fore, such as the *Serpenti* collection. Another key point is the significant improvement in the brand's profitability. The upscale strategy that inspires Bulgari and the Group's other brands is paying off.

— How have LVMH's brands performed in an uncertain economic environment?

2013 was marked by prudence on the part of multibrand watch retailers in their purchasing, and that impacted sales. However, in our own boutiques and points of sale, which offer a brand's full array of products and are ideally suited to showcasing that brand's watchmaking craftsmanship and creativity, we delivered solid growth. The success of the innovations presented by our watch brands – TAG Heuer, Zenith and Hublot – at Baselworld contributed to this performance, as in previous years. In jewelry, the high-end segment proved particularly buoyant. Bulgari, Chaumet, Fred and De Beers enjoyed the full effects of this in their directly owned stores, thanks to the strength of their emblematic product lines, their differentiated designs and proven creativity.

— What developments stand out most to you?

As far as watches are concerned, most definitely the opening of the new TAG Heuer manufacturing site in Chevenez, in the Jura region of Switzerland, less than two years after the first stone was laid. The commissioning of this vast, ultra-modern production unit for the Calibre 1887 and the brand new Calibre 1969 is a major step towards increasing our self-sufficiency in movements. The rising success of the Hublot manufacture's UNICO movement is another key driver of that objective. In jewelry, Bulgari is building a new workshop in Italy, combining excellent craftsmanship and cutting-edge technology. No account of the year would be complete without also mentioning

Bulgari's launch of its new *Diva* collection. That magnificent collection features a combination of some of the rarest, most colorful gems, in the pure tradition of the House of Bulgari. It is the quintessence of Bulgari, an outstanding example of the brand's extraordinary craftsmanship.

— What are your strategic priorities for the months ahead?

We want to keep winning market share. Upscaling is still the backbone of our strategy, but we also want to reinforce our brands' coverage of more affordable segments, where we can penetrate the market and widen our customer base. Investments in innovation and expanding manufacturing capacity are still the order of the day. Developing brand awareness with an emphasis on our brands' history, heritage and mystique is also a big part of our plan. This will mean investments in communication targeting key countries. Last but not least, our brands will continue to focus on quality in their distribution networks by being more selective in their choice of multibrand retailers and, especially, by constantly improving their own boutiques.

— Major strategic priorities

Upgrade through innovation and mastery of know-how.

Further strengthen image of brands.

Focus on quality of distribution.

Increase watch and jewelry production capacity.

Watches and Jewelry recorded organic revenue growth of 4%. Profit from recurring operations rose by 12%.



TAG Heuer



Hublot

Performance was excellent in the directly owned store network, which continued to expand around the world, helping to reinforce brand image and distribution quality.

TAG HEUER maintained its positions in an essentially stable market. Its upscale strategy proved successful, with a robust performance delivered by the price segment above 3,000 euros. Its bold, innovative products were extremely well received at Baselworld 2013, notably featuring two *Mikropendulum* watch and chronograph models, equipped with a revolutionary magnetic regulator. The brand proceeded with its manufacturing integration and a new movement manufacturing facility was inaugurated in Chevenez, confirming TAG Heuer's position among the leading Swiss luxury

chronograph makers. TAG Heuer celebrated the 50th anniversary of its legendary *Carrera* collection, enriched in 2013 by several new products, including the *Jack Heuer Chronograph*, while the *Aquaracer* series was honored through the victory of Oracle Team USA, a partner of TAG Heuer, in the America's Cup. The brand also bolstered its visibility in the motor racing world, renewing its contract with the McLaren racing team and becoming a founding member and official timekeeper for the upcoming Formula E electric car championship. The distribution network continued its expansion, notably with a new boutique opened on the Champs-Élysées in Paris.

HUBLLOT continued to record remarkable growth in volume and value terms. Offering an array of highly creative new products,



Zenith

its *Classic Fusion* line pursued its rapid development alongside the emblematic *Big Bang*. Hublot boosted its upscale image by presenting exceptional products such as the *Ayrton Senna* and *LaFerrari* watches, associating the brand with values of design and performance. Hublot demonstrated its manufacturing expertise with its *UNICO* manufacture chronographs and its numerous complications with high added value. Its laboratories have developed an unprecedented, high-quality red ceramic, once again illustrating the brand's capacity for innovation and its technological know-how. An ambitious marketing program has been put in place, featuring prestigious partnerships in soccer (particularly on the occasion of the upcoming World Cup in Brazil), motor racing and sailing.

ZENITH continued its development within the highly exclusive group of prestige manufacturing brands. Europe, Japan and the Middle East were the most dynamic markets. Tightly focused around five emblematic lines, its collection was enriched by several targeted new products, notably the *El Primero Lightweight* and the *Pilot Aeronef*. A new communication campaign helped reinforce the brand's image, while the quality of its distribution network was bolstered by increased selectivity at its points of sale.

BULGARI had a great year, and the brand's stores in particular recorded strong growth. Jewelry showed excellent momentum, especially the fine jewelry segment, as evidenced by the success of the *Serpenti* collection, showcased at expositions organized in



Bulgari

Shanghai, Dubai and New York. Other highlights included the launch of the new *Diva* collection. The *Bulgari Bulgari* and *B.zero1* lines and engagement rings also contributed to the brand's success. As its new brand ambassador, artist Carla Bruni reinforced Bulgari's international reach. In the watches segment, the *Bulgari Octo* maintained its position as the men's top-of-the-line premium timepiece. Timepiece sales in directly owned stores were also buoyed by the strong performances turned in by the *Serpenti* jewelry watches. The distribution quality of the accessories business and of perfumes was reinforced. The store network pursued its ambitious renovation and expansion program, in place since the brand was integrated into the LVMH Group. The flagship stores of Ginza Tower in Tokyo and Chater House in Hong Kong epitomize this expansion strategy.

CHAUMET saw solid growth within its network of directly owned stores, especially in Asia and the Middle East. It unveiled its new *Hortensia* fine jewelry collection, a delicate line inspired by floral themes, while a new watch model enhanced the *Liens* jewelry line. The store network continued to expand, with new boutiques in Shanghai, Seoul and Cannes.

MONTRES DIOR continued its development with new launches in the *Dior VIII* collection and the sustained success of the *Grand Bal* and *D de Dior* limited editions. The brand coupled this strategy with ever increasing selectivity in its retail network.



Chaumet

DE BEERS asserted itself as the leading reference in the solitaire diamonds segment. Sales of luxury jewelry forged ahead while the brand continued its expansion in the Greater China region.

FRED continued its rapid growth, with a special focus on its development in France and Japan, and sustained work on its iconic *Force 10* and *Baie des Anges* lines. The new *Pain de Sucre* collection was highly successful.

— Outlook

The business group will continue its upmarket strategy aimed at boosting the renown and image of its brands. Priority will be placed on strengthening their image within the most promising markets through sustained marketing investments. Brands will also focus on boosting the quality of their distribution network, while improving their profitability and productivity. A rigorous cost control policy will be maintained, while continuing to facilitate synergy within the business group. Investments will be targeted at moving stores upmarket and developing manufacturing capabilities, in line with the vertical integration strategy being pursued. Finally, all the brands will launch new collections, reflecting their unwavering focus on creativity, expertise and high quality.

FOCUS



For TAG Heuer, a new Avant-Garde Manufacture in Chevenez

In November 2013, TAG Heuer officially opened its latest manufacturing facility, known as the Avant-Garde Manufacture, in Chevenez, in the Jura region of Switzerland. In addition to manufacturing and assembling key components, the facility also produces TAG Heuer's two mechanical chronograph movements, the Calibres 1887 and CH 80.

Drawing on more than 154 years of innovative manufacturing know-how, TAG Heuer has strengthened its undisputed leadership in high-precision, prestige chronographs. The new facility, designed to produce large volumes of the 1887 and CH 80 calibres, allows the brand to step up its upstream vertical integration and, in particular, double its production capacity of mechanical movements.

The Avant-Garde Manufacture covers an area of 2,600 m² and complies with TAG Heuer's strict sustainable development standards:

- construction in accordance with the latest environmental standards (insulation, ventilation, triple-glazing, large north-facing windows, etc.);
- 850 m² of solar panels on the building's roof;
- a system for recovering heat from machinery.

With movements, casings, and dials all manufactured in-house, TAG Heuer is one of a very small handful of Swiss manufactures that can boast such comprehensive production capacities. This exceptional level of watchmaking excellence has earned the company membership in the most exclusive circle of the Swiss watchmaking elite, the Fondation de la Haute Horlogerie (FHH).

FOCUS



The inspired Diva high jewelry collection

In ancient times, men felt a need to attribute divine qualities to the great heroes and heroines in history. Many centuries later, the magical stories related in films transformed those protagonists of the screen into “stars” and “divas” that were adored by the public, admiring of their charm, beauty and elegance on the screen as in real life.

From early in the 20th century until today, Bulgari jewels have and continue to create “magic” when they meet the greatest stars on and off the screen, as they dazzle in countless films and crown the stars’ beauty on red carpets and premières worldwide.

Inspired by such unforgettable icons, the *Diva* collection captures the glamour, exalts the grace, and reflects the radiance of these goddesses who command attention and steal scenes simply by their presence.

The *Diva* jewels blend exquisite craftsmanship, refined details, bold design and stunning colored gemstones.

The warm hues of the Mediterranean and the luxuriant backgrounds of the Italian *Dolce Vita* such as Portofino, Capri and Positano are reflected in the vibrant chromatic combinations of magnificent gemstones: emeralds, rubies, amethysts, rubelites and spessartite garnets, commonly known as “mandarin” garnets for their vivid orange yellow.

Be it eccentric or classic, sophisticated or extravagant, Bulgari’s multi-faceted creativity is meant to enhance the essence of each woman with fabulous one-of-a-kind jeweled masterpieces.





LVMH 2013

SELECTIVE RETAILING



The LVMH Selective Retailing companies operate in Europe, North America, Asia and the Middle East. Their businesses are conducted in two segments: retailing designed for customers who are international travelers (“travel retail”), the business of DFS and Miami Cruiseline, leaders in their markets; and the selective retailing concepts represented by Sephora, the most innovative company in the beauty segment, and Le Bon Marché, a department store with a unique atmosphere located in Paris.

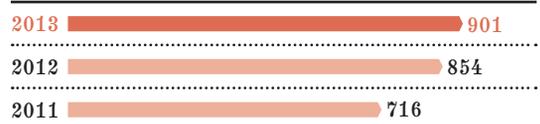
REVENUE

(EUR millions)



PROFIT FROM RECURRING OPERATIONS

(EUR millions)



OPERATING INVESTMENTS

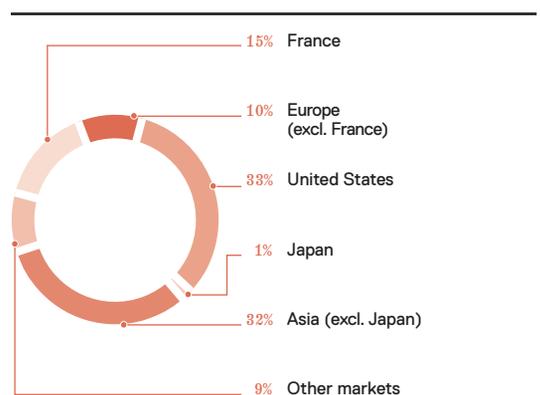
(EUR millions)



NUMBER OF STORES



REVENUE BY GEOGRAPHIC REGION OF DELIVERY (in %)



THE CUSTOMER AT THE HEART OF WHAT WE DO

Because every customer is unique and wants to feel unique, the Selective Retailing teams at LVMH aim to offer everyone who walks through the door an eye-opening, empowering, satisfying shopping experience. From the upmarket movement of our stores and services to our constant quest for innovation, digitization and personalization, the customer is central to our strategies and actions on a daily basis.

DFS. Three letters, one trailblazing business. A symbol, since the 1960s, of the art of serving the world's ever more demanding international travelers, who numbered more than one billion for the first time in 2012. Global tourism has continued to expand vigorously, driven notably by the rise of Asia's emerging countries. These customers have very specific expectations as they crisscross and discover the world. More and more of them are looking for a top flight selection of products offered in stores that provide a unique, distinctly upscale experience. Their increasingly sophisticated tastes are at the heart of DFS's distribution and development model. With its unrivalled knowledge of each customer segment, its unique coverage of airports and city centers, its exceptional offering of iconic brands and numerous high end in store services (private salons, concierge departments and art exhibits, to name a few), DFS is the world's leading travel

retailer specializing in luxury products. In 2013, DFS pressed home its upmarket move of the last fifteen years by renaming its city center department stores *T Galleria by DFS* and assuming a new visual identity that will be deployed gradually over the coming months. This is a key step towards the goal of bolstering DFS's leadership position in the Asia-Pacific region and expanding its geographic coverage where opportunities are best.

By literally revolutionizing how people buy fragrances and beauty products, Sephora has won over a global customer base keen on newness and modernity. Like the trend setter that it is, Sephora has pulled ahead of the pack in digitization. As e-commerce and in-store sales continue to converge, and more and more initiatives combine these two complementary worlds, Sephora sees digital content above all as a customer relations tool. After revamping its website for multichannel reach and launching an increasingly successful mobile app, it is now rolling out a worldwide "My Sephora" application for its sales associates. My Sephora was designed with personalization in mind, to provide custom advice to loyalty card holders. It shows each customer's purchase history, tastes and habits so that associates can make the right recommendations and help buyers find what they need and desire from among some 17,000 products on offer. This is another fun and practical way to build intimacy with customers and renew their in-store shopping experience.

Le Bon Marché, the nineteenth century pioneer of modern retail, has always made a point of setting itself apart and ahead. It

is without a doubt the most selective, creative department store in Paris today, and the only one with a real cultural dimension. Le Bon Marché sells the best there is in fashion, beauty, design and food, along with a suite of high-end services, all carefully targeted to appeal to the Parisian and international elite. The store is constantly being improved. In 2013, it saw the addition of a new luxury watch section combining top-of-the-line products, elegant decor and premium quality services in a refined, private loft type setting. Events are also held there, offering the chance for connoisseurs and the uninitiated alike to come together in appreciation of the world's exceptional timepieces.

— Major strategic priorities

Strengthen DFS leadership in Asia and diversify clientele and geographical footprint.

Pursue upgrade of Miami Cruiseline's stores and product offer.

Reinforce Sephora's leadership and accelerate expansion in high potential markets.

Continue renovation of Le Bon Marché Rive Gauche.



In 2013, Selective Retailing recorded organic revenue growth of 17%. Profit from recurring operations increased by 6%.



DFS

DFS saw a new surge in revenue, reflecting in particular the first full year integrating three new concessions won in late 2012 at the Hong Kong airport. These concessions, which made a significant contribution to revenue growth, were invested in for extensive remodeling, as required for any business launch. Based on a comparable scope of consolidation, the main driver of revenue growth remained the brand's dynamic Asian clientele, boosting business particularly in Hong Kong and Macao. DFS continued with its strategy of upscaling across all destinations, as illustrated by the new visual identity of its stores, rebranded *T Galleria*, and the renovation

of numerous points of sale. The arrival of new luxury brands also strengthened the vitality and appeal of its product range.

MIAMI CRUISELINE reinforced its positions in the cruise market, buoyed by the growing success of cruise routes in the Mediterranean and Asia. Miami Cruiseline continued to move its boutiques further upmarket and adapt its sales approach and product range to suit the specific characteristics of each region and each cruise line's customers.



Sephora

Backed by its global leadership position in Selective Retailing, **SEPHORA** turned in another strong performance and gained market share across all regions.

In Europe, Sephora showed resilience in a tough economic environment and strengthened its positions, notably in France, Italy and Russia. In North America, Sephora continued to show excellent momentum, both in its stores and online. Since 2012, the redesigned website has proved successful in positioning the brand as a leader in the e-commerce sector. Sephora made particularly rapid strides in China, opening a flagship store in Shanghai in early

2013. With emblematic stores such as at the Dubai Mall, the Middle East has been a remarkable success and recorded exceptional revenue growth. The new territories of Southeast Asia and Latin America also confirmed their strong growth potential. Thailand was added at the end of the year, with the first store opening in Bangkok. Innovating, personalizing the relationship with each customer and enhancing both in-store and online services are at the heart of Sephora's strategy. Sephora continued to develop global initiatives such as mobile payment, the Color IQ/Profile service enabling every customer to choose the foundation that is best

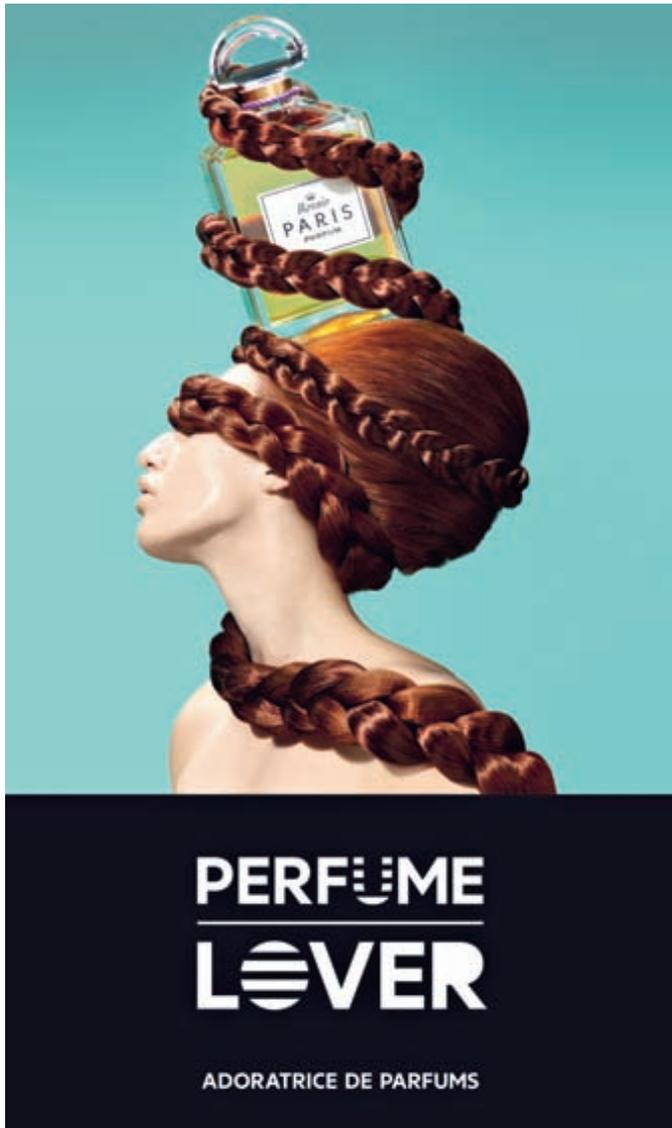


La Grande Épicerie de Paris

adapted to their skin complexion, or the My Sephora personalization tool for sales assistants. On the product side, Sephora has aimed to make its offering more and more innovative and unique. The success of the Sephora brand has continued to grow, while its exclusive offering has been bolstered by the launch of two new brands in the United States and the Middle East: Marc Jacobs and Formula X.

LE BON MARCHÉ RIVE GAUCHE saw its performance buoyed by the accessories and men's fashion segments. The successful Brazil exposition was one of the highlights of 2013. Major

commercial projects were carried out on the department store's ground floor, including the opening of new luxury boutiques, the inauguration of a space devoted to timepieces and the creation of a new Accessories department. The Grande Épicerie de Paris food store underwent a complete transformation, with its expertise showcased and a new restaurant created on the first floor, accessible via a new set of escalators and designed in the image of the restaurant located at the heart of Le Bon Marché's main building.



Sephora

— Outlook

In 2014, DFS will benefit from the recent development of its concessions at airports in Hong Kong, Los Angeles and New York, as well as its continuing expansion and renovation of both airport and downtown points of sale. The renewed liquor and tobacco concession at Changi Airport in Singapore will be refurbished. DFS will bolster its appeal by deploying its new visual identity across all its *T Galleria* stores, and by continuing to ramp up its marketing and services programs. The launch of new web and mobile sites, as well as specific loyalty programs for each customer segment, are among the initiatives being pursued. DFS will continue to selectively diversify its customer base and its geographical coverage.

Sephora will continue steadily expanding its retail network around the world, opening in a new country, Indonesia. An ambitious renovation program will be carried out on its flagship stores, reflecting Sephora's aim to consistently provide its customers with the ultimate shopping experience in beauty products. In-store and online innovation will remain a core priority, both in terms of products and services.

Le Bon Marché Rive Gauche will continue to cultivate its unique character while pursuing its commercial projects and the renovation of its retail spaces. A new space devoted to jewelry will be created, while an Art of Living store will be inaugurated above the Grande Épicerie de Paris food store. A new customer relations program will be implemented, representing a future lever for growth.



DFS: new name, new visual identity

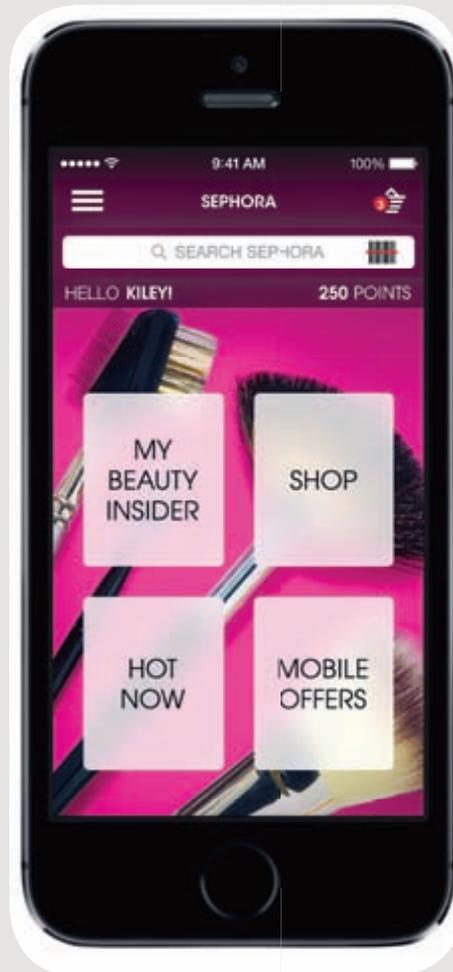
DFS Group has rebranded its downtown stores *T Galleria by DFS*. The new name reflects the next elevation of the stores as the ultimate luxury shopping destination for travelers.

DFS Galleria unveiled the new brand identity in Honolulu, Hawaii. The brand chose its Waikiki store for the launch, one of the first downtown stores opened by the travel retail specialist over forty years ago.

The downtown stores have seen major upgrades over the past five years to meet the expectations of today's demanding travelers, including an enhanced array of services, fresh design and alignment

with the luxury brands they merchandise. The new name, *T Galleria by DFS*, pays homage to the company's core business, serving travelers, since "T is for traveler". Simple, elegant and accessible to all, the new logo – designed internally – is also an invitation to travel, resembling the sleek wings of a modern aircraft.

Following the Honolulu store, the brand's other Galleries will progressively roll out the new brand identity. Over the next months, 14 stores in 7 countries will welcome travelers under the same *T Galleria by DFS* brand.



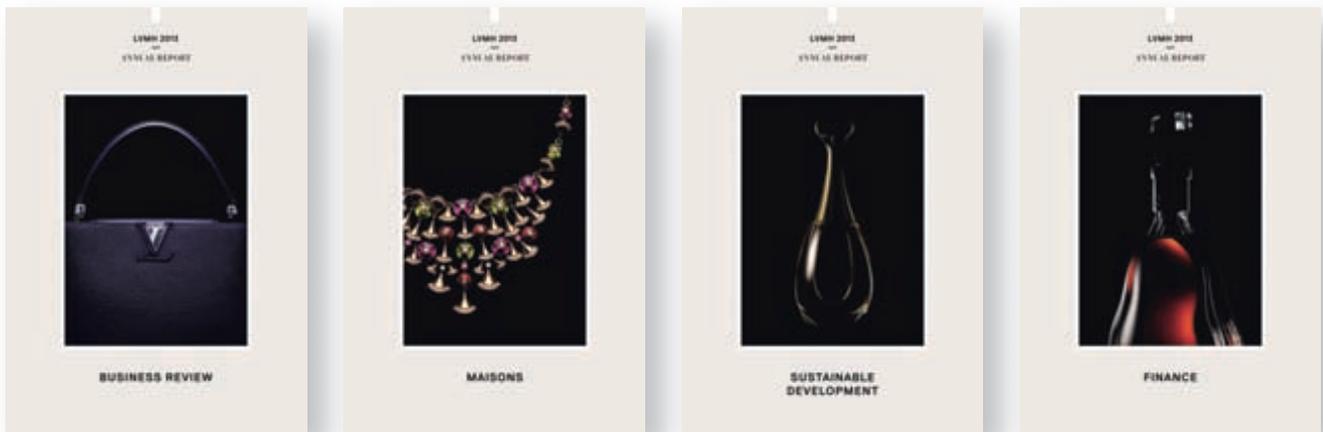
Sephora: the digital universe at the service of our customers

In 1999, one year after the first US store opened, Sephora launched Sephora.com and quickly became the leader in Beauty e-commerce. Today, Sephora has large and growing e-commerce businesses in France, Canada, Brazil, Italy, Poland, Russia and China. After being, in 2010, one of the first retailers to launch a mobile website and iPhone App, Sephora will launch an Android App in 2014.

In 2009, Sephora also became a prominent brand on Facebook. Today, Sephora has a massive social reach, with over 10 million Facebook fans, 1.2 million Twitter followers and an active audience on Pinterest and Instagram. Sephora continues to innovate as a leader in the digital universe in social shopping. Sephora.com launched the Digital Beauty Bag in 2013, a personalized destination

for purchases and favorite products that can be shared with friends. In 2014, Sephora is introducing a new social shopping concept called “The Beauty Board” featuring shoppable user generated photos.

Sephora aims to bring technology in the stores through mobile registers, e-receipts, online reservations for in-store Beauty Studio appointments and, most recently, the launch of two innovative experiences to help clients find the perfect product – Skin IQ, a “GPS” device for skincare, and Color IQ/Profile, a revolutionary technology where a client gets “scanned” for a perfect read on her skintone and the exact match shades of foundations appear on an iPad. In France, sales associates use mobile devices to offer loyal clients personalized service.



PHOTOGRAPHS

Cover and p. 1: Louis Vuitton, Olivier Arnaud/Rose Paris – P. 2: Karl Lagerfeld – P. 8: Louis Vuitton, Lachlan Bailey – P. 11: Peter Marlow/Magnum Photos – P. 12: Guerlain, Pol Baril – P. 14: LVMH
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L V M H

MOËT HENNESSY ♦ LOUIS VUITTON

LVMH 2013
—
ANNUAL REPORT



MAISONS



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— *History of the Group*

Although the history of the LVMH Group began in 1987 with the merger of Moët Hennessy and Louis Vuitton, the roots of the Group actually stretch back much further, to eighteenth century Champagne, when a man named Claude Moët decided to build on the work of Dom Pérignon, a contemporary of Louis XIV; and to nineteenth-century Paris, famous for its imperial celebrations, where Louis Vuitton, a craftsman trunk-maker, invented modern luggage. Today, as the world's leading luxury goods Group, LVMH is the result of successive alliances among companies that, from generation to generation, have successfully combined traditions of excellence and creative passion with a cosmopolitan flair and a spirit of conquest. Together, they now form a powerful, global group sharing their expertise with the newer brands, and continuing to cultivate the art of growing while transcending time, without losing their soul or their image of distinction.

WINES & SPIRITS

CHÂTEAU D'YQUEM

— Since 1593 —

The infinite care and attention lavished on Château d'Yquem's outstanding terroir over the centuries by the Lur Saluces family earned the estate the unique rank of Premier Cru Supérieur in the 1855 classification.



The birth of the first of the great Sauternes is still the result of extraordinary requirements.

Selection takes place at every step at Yquem, from the vineyard to the cellar, through an insistence on specific grapes achieved with successive sorting processes. The grape pickers must take from each bunch only the grapes attacked by *Botrytis cinerea*. This microscopic fungus works a marvellous alchemy, adding special aromas and flavors that utterly transform the grape must.

Without *Botrytis* there can be no Château d'Yquem!

This extremely careful selection continues in the cellar, where the wine is aged for thirty months in new oak barrels. In the end, the yield is just one glass of wine per vine.

This infinitely complex and extraordinarily aromatic nectar can only be made in years when nature cooperates with Man.

The vineyard joined the LVMH Group in 1999. The château has been listed on the supplemental inventory of Historical Monuments since 2003.

RUINART

— Since 1729 —

The House of Ruinart was officially created on September 1, 1729 by Nicolas Ruinart, a bold entrepreneur. In penning the founding document, he was realizing the dream of his uncle, the Benedictine monk Dom Thierry Ruinart, to make Ruinart the premier Champagne House.

For centuries the House and Ruinart's successors have focused on a culture of excellence, embodied by the fundamental values of authenticity, openness, refinement and quality.



This quest for perfection is particularly illustrated by the predominance of the Chardonnay grape, included in the composition of the entire Ruinart product line and the prestigious *Dom Ruinart* champagnes, enhancing them like a golden thread.

The Chardonnay illuminates all these wines, exalting their brilliance and creating the particular fluidity that makes them so distinctive. Ruinart has had a privileged relationship with the world of art for many years. In 1835, André Ruinart asked the leading illustrator of the day, Czech artist Mucha, to design a poster whose modern take would prove a sensation.

Today, the Ruinart Maison is heavily involved in the world of contemporary art, participating in a number of international events, including ARCO, Carré Rive Gauche, the Pavillons des Arts et du Design in Paris and London, Masterpiece, Art Paris, FIAC and Paris Photo, Art Brussels, Art Cologne, Miart, Zona Maco, Dallas Art Fair and Expo Chicago, Art Basel, Art Basel Miami Beach, and Art Basel Hong Kong. The House also enjoys collaboration with leading designers, such as India Mahdavi, Emmanuel Dietrich, Christian Biecher, Maarten Baas, Patricia Urquiola, Gideon Rubin, Nacho Carbonell, Hervé Van der Straeten and Piet Hein Eek.

These qualities have perpetuated the culture and style of Ruinart over the years, so that today it is recognized around the world as a master of the art of champagne.

MOËT & CHANDON

— Since 1743 —

Since its founding by Claude Moët in 1743, the Moët & Chandon Maison has shared its champagne with the world.

The emblematic *Moët Impérial* and Grand Vintages are the signature of its cellar master. The quality of our wines gives full expression to the richness and diversity of our vineyards, the largest estate in the Champagne wine-growing region, composed almost exclusively of Premiers Crus and Grands Crus. The Moët & Chandon style is revealed in its brilliant fruity undertones, the delight it brings to the palate and its elegant maturity.

WINES & SPIRITS

The history of the House is marked by the pioneer spirit of its founders. Jean-Remy Moët, the grandson of Claude, transformed the family trading business into one of the world's leading international luxury brands.



The leaders of the House very quickly understood that an association with the celebrities of their era, including King Louis XV, Madame de Pompadour, Joséphine and Napoléon Bonaparte and even Richard Wagner, would be an asset to spread recognition of their champagne throughout the world.

In the nineteenth and twentieth centuries, the House acquired most of its cellars. Today, the Moët & Chandon cellars, the symbol of the greatness of this House which continues to pass on ancestral winemaking secrets, extends over 28 kilometers.

Moët & Chandon, where the founding values of success and elegance have endured the test of time and remain eternal, today partners with the most exceptional moments of triumph in the worlds of film and tennis.

HENNESSY

— Since 1765 —

In 1765, Irish aristocrat Richard Hennessy, who had been serving in the French forces, founded a brandy trading business in Cognac. His son James rapidly expanded the company and the history of cognac has been written with Hennessy ever since.

Today, Hennessy is the uncontested leader in cognac, selling more than 60 million bottles a year around the world. Its V.S, Black, Classism, V.S.O.P, Fine de Cognac, X.O, Paradis, Paradis Impérial and Richard Hennessy are the pillars in a line of products that have become benchmarks for cognac and icons of refinement and luxury.

Historically the brand's leading markets have been Ireland and Great Britain, but Hennessy is expanding its presence in Asia, which already represented nearly 30% of shipments in 1925.

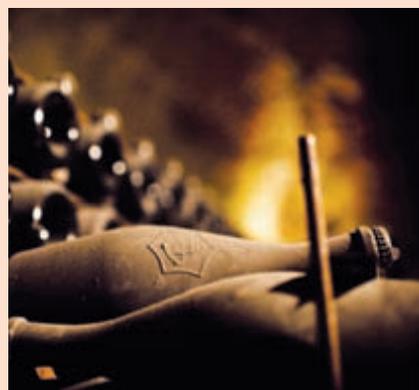


This success is not the result of chance, but of a constant search for excellence. The talents of seven generations of cellar masters from the Fillioux family have made it possible for Hennessy to develop the most remarkable reserves of rare brandies in the world. The excellence of the product inspires an astonishing variety of ways to enjoy it, in a traditional snifter, on ice, in long drinks or in cocktails. Made from grapes, cognac blends perfectly with fruit, spices and other

liquors, providing an ideal base for innovative and delicious cocktail creations. In addition to the fabulous commercial success of a brand renowned on every continent, Hennessy cognac plays a unique role as ambassador of the French art of living around the world.

VEUVE CLICQUOT
PONSARDIN

— Since 1772 —



In 1772, Philippe Clicquot founded a wine-making business under the name Clicquot. In 1798, his son François, who had taken over the family business, married Barbe Nicole Ponsardin. At the time of François' death in 1805, the young 27-year-old widow courageously took over the family business, and made a name for herself throughout Europe, with solid success in Russia. A woman of vision, she became the driving force behind the prestige and success of the brand, which was renamed Veuve Clicquot Ponsardin in 1810.

Continually seeking excellence and innovation, in 1816 Madame Clicquot invented a turning method using a riddling rack in order to obtain clearer champagnes of unrivalled quality. She became known by her contemporaries as the "Grand Dame of Champagne", a tribute to her audacity and

WINES & SPIRITS

determination. Parcel after parcel, Madame Clicquot developed an exceptional wine estate for the Maison, now consisting of almost 400 hectares in the heart of the Champagne region's finest vineyards.

Since the second half of the twentieth century, the renown of the Veuve Clicquot Ponsardin champagne has continued to expand around the world. When Madame Clicquot died in 1866, she left a healthy business to her successor Edouard Werlé.

In 1987, the Maison joined the LVMH Group. Maison Veuve Clicquot still incarnates today, in France and worldwide, the values treasured by Madame Clicquot — modernity and daring coupled with a demand for quality and unequalled expertise.

CHÂTEAU CHEVAL BLANC

— Since 1832 —



There was a time when Cheval Blanc was simply Barrail des Cailloux, a modest farm where the grape was already queen. The nineteenth century arrived with a romantic dream of greatness. Between 1834, the date of conception, and 1871, when it reached its definitive configuration, the pages of a legend were written at Cheval Blanc.

And since every birth requires a founding event, Cheval Blanc was born from the idea of blending the Cabernet franc grape with Merlot, the traditional varietal of Saint-Émilion and Pomerol.

The château achieved its first success at the end of the nineteenth century (the vineyard having been spared from phylloxera). London, Paris, Antwerp... every port and trading counter fell in love with this wine with hints of foreign places.

The twentieth century was the century of recognition. In 1954, Cheval Blanc earned the Premier Grand Cru Class "A" classification, a distinction confirmed every decade since then.

In 2009, LVMH acquired 50% of Château Cheval Blanc.

KRUG

— Since 1843 —

Krug has always lived up to its reputation as an outstanding Champagne House, the first to create only what are called today ultra-premium Champagnes.

Joseph Krug founded the House in 1843, based on the belief that the essence of Champagne is about pleasure. Transcending the notion of vintage, he succeeded in offering a Champagne of undisputed quality every year, regardless of climate variations. Krug Grande Cuvée was born.

Krug is the "Haute Couture" of Champagne. Going beyond the traditional Champagne making, Krug follows each small plot individually to preserve the character of each wine. Every year, out of 250 wines from the harvest and 150 wines from our library of reserve wines spanning over more than 10 different vintages, Éric Lebel, our cellar master, will select more than 120 wines to compose *Krug Grande Cuvée*.



Blending so many different characters from different years gives *Krug Grande Cuvée* its unique fullness of flavors and aromas, its incredible generosity and absolute elegance — something impossible to express with the wines of a single year.

Six generations of the Krug family have perpetuated and enriched the founder's vision and philosophy over the years.

"You will never forget your first sip of Krug and the person who introduced it to you. This is the wonderful value of Krug", says Olivier Krug, director of the House.

WINES & SPIRITS

GLENMORANGIE

— Since 1843 —

Glenmorangie was founded in 1843. The company is one of the most famous and well respected distillers of premium Scotch Malt Whisky brands worldwide.

The company is an intriguing mixture of the past and the future, producing an exciting range of handcrafted single malt Scotch whiskies.

Headquartered in Edinburgh, it has two main brands: Glenmorangie Highland Single Malt and Ardbeg Islay Single Malt. Both whiskies have their own distinctive regional characteristics; Glenmorangie is produced at Tain in the Northern Highlands of Scotland and Ardbeg on the island of Islay.



Glenmorangie is one of the great names in the world of single malt whisky and known as the industry pioneer. In the 1980s, the company embarked on an international marketing campaign, stressing the premium quality and handcrafted character of Glenmorangie and helping to develop the world's taste for single malt. Its whisky creators pioneered the craft of extra-maturation and introduced a much admired cask manage-

ment programme, forming the basis for the proud claim that Glenmorangie is “Unnecessarily Well Made”. Today, it is distributed to over 130 markets worldwide.

The Ardbeg Distillery, founded in 1815, was acquired in 1997. It is revered by connoisseurs as “The Ultimate Islay Malt” – the peatiest, smokiest and most complex whisky distilled on the island.

MERCIER

— Since 1858 —

In 1858, Eugène Mercier set himself an extraordinary challenge: to transform the elixir of the era's elite into a champagne that would be accessible to all – without compromising on quality.

The Mercier Maison reinvented itself in 2013, by once more offering an experience of uncomplicated pleasure.

Today, these concepts of simplicity and accessibility are intrinsic to the very style of Mercier champagne; one that is fresh, fruity, intense and lively. This champagne brand captures the spirit of its time, inspired by savoring a moment of informal, spontaneous pleasure – a spirit that is mirrored perfectly in the way we enjoy champagne today.

The *chef de cave* maintains this style while bringing his own distinctive sparkle to Mercier champagnes.

Drawing on decades of oenological expertise as well as cutting-edge technologies, he ensures that Mercier's 249-hectare vineyard consistently produces, year after year, its personal best.

DOM PÉRIGNON

— Since 1936 —



When Dom Pierre Pérignon took over as procurator at the Hautvillers Benedictine abbey in 1668, his mission was “to make the best wine in the world”. This lofty ambition revealed a visionary spirit in this young monk just 30 years old.

An exact contemporary of Louis XIV, Dom Pierre Pérignon transformed the history of wine, just as the Sun King revolutionized the “art of living”.

The excellence of “Father Pérignon's wine” earned it a place at the court of Versailles through the suppliers for the Sun King.

Today, the Maison of Dom Pérignon continues the work of the man considered to be the spiritual father of champagne.

Each new vintage is a unique creation, an exceptional moment which only the Chef de Cave may declare.

“The grapes are never the same from one year to the next. If a harvest does not meet Dom Pérignon's standards, there will be no vintage champagne that year. This isn't a value judgment, but an aesthetic vision,” says Dom Pérignon Chef de Cave Richard Geoffroy.

This determination to create only vintage champagne, the absolute standard of Dom Pérignon is born of this creative commitment.

WINES & SPIRITS

Dom Pérignon is the point of balance where precise style and the distinctive qualities of a year intersect to offer an unparalleled sensation of lightness and fluidity, from the first impression to the final aroma. Dom Pérignon continues to inspire creators with a vision and a creative imagination just as Dom Pérignon reinvents itself with each new vintage.

WENJUN

— Since 1951 —

Chinese white spirit or “BaiJiu” is the largest distilled spirit category in the world and has a tradition dating back over 5,000 years to the beginning of Chinese history. Quality “BaiJiu” is indispensable on special occasions, when celebrating festivals, receiving guests, or for artistic inspiration. Wenjun’s history dates back over 2,000 years to the Han dynasty and Zhuo Wenjun. Her colourful life is well known to Chinese to this day, as much for her courage and passion as for her role as China’s first historically recorded crafter of well regarded, fragrant “BaiJiu”.



In 2007, Moët Hennessy acquired Wenjun, re-launching it as China’s first luxury “Baijiu”.

Today, the distillery is still located in Zhuo Wenjun’s home town, in Sichuan’s spirit county of Qionglai, where the Kous established their distillery more than 400 years ago.

Wenjun focus solely on the art of crafting the highest quality “BaiJiu”, exclusively made at its own distillery. Its passion to craft China’s first modern luxury “BaiJiu” is evidenced in the insistence on staying true to traditional techniques inherited from the Ming dynasty distilleries and combining them with exacting modern standards, to produce small batches of the highest quality spirit, aged in traditional ceramic vats and blended by one of China’s foremost Master Blenders.

BODEGAS CHANDON

— Since 1960 —



In the 1950s, Count Robert-Jean de Vogüé, the visionary president of Moët & Chandon, recognized that other winegrowing regions outside France’s Champagne region had extraordinary potential for producing high quality sparkling wines. He asked oenologist Renaud Poirier to find undeveloped regions where superior New World sparkling wines could be produced. Renaud Poirier very quickly selected Latin America.

Between 1957 and 1959, Poirier conducted several oenological trials, which convinced him that Argentina, specifically the Mendoza district of Agrelo, was the ideal location to establish Moët & Chandon’s first winery outside of France.

Clay-based soil, a semi-desert climate, cool nights with significant temperature variances combined to create the ideal conditions for obtaining extraordinary grapes for concentration, body and balance.

Bodegas Chandon is part of the Estates & Wines collection.

DOMAINE CHANDON CALIFORNIA

— Since 1973 —

Founded in 1973 by Moët & Chandon in Yountville, in the heart of the Napa Valley, a region that has become one of the world’s leading winegrowing regions, Domaine Chandon California is the first vineyard established in the United States by a French Champagne company.

Originating from the vines of Yountville and Carneros, the sparkling wines of Domaine Chandon California are prepared using the “traditional method” from the three varietals used in Champagne: Chardonnay, Pinot Noir and Pinot Meunier. The Chandon brand is the leader in the “super-premium” sparkling wine segment in the United States. Domaine Chandon is at the forefront of sustainable farming practices and also produces a line of still wines from the three classic Champagne grapes. The Domaine Chandon California winery is one of the most popular destinations in Napa Valley.

The “Étoile” Restaurant at Domaine Chandon opened in 1977 and provides a superb showcase for Domaine Chandon wines.

Domaine Chandon California is part of the Estates & Wines collection.

WINES & SPIRITS

CAPE MENTELLE

— Since 1977 —

Founded in 1977, Cape Mentelle Vineyards is one of the first estates established in Margaret River, a small but prestigious winemaking region in the remote south-west corner of Australia, bordered by the Indian Ocean.

Located midway between the small town of Margaret River and the Cape for which it is named, Cape Mentelle enjoys the combined benefits of excellent soil, a mild and humid ocean climate, plus a long dry growing season that promotes grape maturation.

These ideal conditions allow Cape Mentelle to consistently produce wines of exceptional quality, contributing to the growing reputation of the Margaret River region. In 1983 and 1984, *Cape Mentelle Cabernet Sauvignon* received Australia's most prestigious award, the Jimmy Watson Memorial Trophy.

In addition to Cabernet Sauvignon, Cape Mentelle's portfolio includes Chardonnay, Sauvignon Blanc-Semillon, Cabernet Merlot, Shiraz and Zinfandel.

Cape Mentelle's wines are exported worldwide. Cape Mentelle is part of the Estates & Wines collection.

NEWTON

— Since 1977 —

Founded in 1977, Newton Vineyard is one of the most prestigious estates in California's Napa Valley winegrowing region. Ideally located on the steep slopes of Spring Mountain, the estate's Cabernet Sauvignon and Merlot grapes produce rich and incredibly delicate wines.

At its Carneros vineyard, Newton produces one of Napa Valley's most renowned Chardonnay wines. *Newton Unfiltered Chardonnay*, introduced in 1990, is said to be the first unfiltered wine produced and sold in California, and has become an industry benchmark.



All Newton wines are fermented naturally and have won enthusiastic praise from connoisseurs of American wines, including the well-known U.S. wine critic Robert Parker, who included an article on Newton in his work "The World's Greatest Wine Estates".

Newton is part of the Estates & Wines collection.

CLOUDY BAY

— Since 1985 —

Established in 1985 by Kevin Judd and David Hohnen, Cloudy Bay was one of the first vineyards in the Marlborough grape growing region on New Zealand's South Island.

Its reputation and quality helped put New Zealand wines on the global wine map, earning them international prestige.

The Cloudy Bay estate benefits from a relatively cool and moderate maritime climate year round, producing one of the world's most refined Sauvignon Blanc wines.

The wine made from Sauvignon Blanc grapes expresses the essence of this unique land, infused with notes of melon, fresh fruits, passion fruit, pineapple and lemon.

Cloudy Bay strives to preserve the vibrant natural purity and fruitiness of the Sauvignon Blanc grapes, which are harvested at night, so that the cool night air preserves the flavour of the fruit. The wine is then fermented in stainless steel tanks.

The Cloudy Bay line includes *Sauvignon Blanc*, *Chardonnay*, *Pinot Noir*, the brand's iconic *Te Koko Sauvignon Blanc*, and *Pelorus*, an exceptionally elegant sparkling wine.

Cloudy Bay is part of the Estates & Wines collection.

DOMAINE
CHANDON
AUSTRALIA

— Since 1986 —

Domaine Chandon Australia was established in 1986 by Moët & Chandon in Green Point, at the heart of the Yarra Valley in the State of Victoria. Green Point owes its name to the fact that it is one of the last places in the Yarra Valley to remain green during the summer months. The cool climate in the southeast corner of Australia is ideal for the production of great still and sparkling wines.

The delicate and elegant Chandon sparkling wines are produced from the same three grapes used in Champagne — Pinot Noir, Pinot Meunier and Chardonnay — blended with the traditional method. Thanks to the temperate climate of Yarra Valley, the estate's still wines, including the celebrated *Green Point Shiraz*, stand out from those of other Australian wineproducing regions for their balance and subtlety.

WINES & SPIRITS

Chandon is a leader in the Australian super-premium sparkling wine segment, which are exported to Asia-Pacific where they have been enthusiastically received, particularly in Japan.

Domaine Chandon Australia is part of the Estates & Wines collection.

BELVEDERE

— Since 1993 —

It is only fitting that the world's first super-premium vodka should hail from Poland, the birthplace of vodka. Nestled in the Mazovian Plains, in an area renowned for producing excellent rye, lies the small town of Żyrardów. Polmos Żyrardów has produced exceptional vodka since 1910, and Belvedere was first created here in 1993.



Named after the historic and royal Belweder Palace in Warsaw, Belvedere translates as “beautiful to see”, an appropriate description of its iconic, acid-etched bottle decorated by silver birch trees.

Belvedere respects centuries of vodka making tradition by utilizing indigenous rye grain and adding only water, never additives, to the final spirit. Crafted from Dankowskie Gold Rye, a rich and full flavored grain cherished for its soft, sweet taste, Belvedere is distilled four times to attain the optimum balance of purity and character.

In 2003, Belvedere redefined flavoured vodka by pioneering the maceration process, using only 100% fresh and natural ingredients. Fresh fruit, peels, herbs and spices are infused into Belvedere and then redistilled to create bright and expressive distillates which are blended for maximum depth and complexity. In 2009, *Belvedere Unfiltered* joined the portfolio. Crafted from Dankowskie Diamond Rye, *Belvedere Unfiltered* reveals the soft and delicate quality of the grain, and is left unfiltered to preserve the silky smooth mouth feel and elegant rye flavour characteristics.

NUMANTHIA

— Since 1998 —

Solidly anchored in its Spanish heritage with the benefits of its exceptional natural qualities, the Numantia vineyard is the cradle for intense and vibrant wines, icons of the Toro appellation.

The name says it all: Numancia was an ancient city, whose people heroically resisted the Romans, preferring to die rather than surrender.

From this epic heritage, Numantia has inherited its tenacity and resistance, two characteristics of the Toro vineyard that survive both extreme climatic conditions and phylloxera. The ungrafted vines, some over 120 years old, yield the iconic wine of Numantia: *Termanthia*.

The combination of a unique terroir, an exceptional vineyard and the superb quality of its grapes make Numantia one of the undisputed wineries of the Toro region of northwest Spain, in the province of Castille and Leon.

The “Tinta de Toro”, from the Trempanillo family, is the only varietal planted in the region. Harvested at full maturity from vines with low yields, these grapes are intensely concentrated and rich in undertones.



The foundation of the Numantia product line is the development and selection of the best grapes from the Toro terroir. The very art of the winemaker consists of extracting the intense fruity flavors, so specific to the Tinta de Toro grape. While this wine-making approach is common to the three wines developed by the Domaine, each wine has its own individual style. The product line is available in *Numantia*, *Termes* and *Termanthia*.

Numantia is part of the Estates & Wines collection.

WINES & SPIRITS

TERRAZAS
DE LOS ANDES

— Since 1999 —

Founded in 1999 by Bodegas Chandon, a subsidiary of Moët Hennessy in Argentina, Terrazas de los Andes derives its name from the “terrazas”, a series of terraces at the foothills of the Andes, at an altitude ranging from 600 to 1,500 meters.

Each grape variety — the prestigious Malbec, Cabernet Sauvignon and Chardonnay — is planted at the ideal altitude to ensure optimum conditions for maturity and produce wines with remarkable structure and concentration.



Recognized as one of the world's best wineries by the international press, Terrazas de los Andes has in just a few years become a leading brand in the super-premium Argentine wine segment. Its wines are exported to 40 countries.

It was quite natural that Terrazas de los Andes was selected by Cheval Blanc, the renowned Premier Grand Cru Class “A” Saint-Émilion château in Bordeaux, for a prestigious joint venture that saw the creation of a truly exceptional Argentine Grand Cru, Cheval des Andes.

Terrazas de los Andes is part of the Estates & Wines collection.

CHEVAL
DES ANDES

— Since 1999 —

Cheval des Andes was created in 1999 from the partnership of Terrazas de los Andes, a Moët Hennessy subsidiary in Argentina, and Cheval Blanc, the renowned Saint-Émilion Premier Grand Cru Class “A”.



Cheval des Andes wines are a blend of Malbec and Cabernet Sauvignon grapes from the “Las Compuertas” vineyard near Mendoza, in the Cordilleras — or foothills — of the Andes. The Malbec vines, some of them 80 years old, have never been grafted. The wines are assembled by Pierre Lurton, oenologist and manager of Cheval Blanc, in collaboration with oenologists from Terrazas de los Andes. The unique combination of the Argentine terroir and grapes and the art of blending from Bordeaux winemakers has resulted in one of the most remarkable and prestigious wines in the world.

Both the 2005 and 2006 vintages from Cheval des Andes received outstanding praise from wine critics and the international press, and have already become favorites of connoisseurs of Grands Crus wines.

Cheval des Andes wines are now available in the world's primary markets.

Cheval des Andes is part of the Estates & Wines collection.

10 CANE RUM

— Since 2005 —

10 Cane Rum is a tribute to the traditional method of harvesting in which the sugar cane is cut by hand and grouped into bundles of ten. This super-premium rum embodies the lifestyle of the Caribbean as well as the luxury and century-old expertise of Moët Hennessy.

Drawing from over 350 years of rum tradition, 10 Cane combines the unique natural elements that the Caribbean has to offer: the finest sugar cane, rich soils, abundant sunlight and tropical rainfall. This boutique rum embodies the passionate belief that craftsmanship and an uncompromising quest for excellence should guide every step of its creation. Bottled at the source, 10 Cane is a unique blend of first-press juice and aged molasses rum using Cognac pot stills and column distillation methods. Ageing occurs in barrels previously used for Cognac and Sherry, giving our rum a smooth, elegant and complex personality. From generation to generation, our family-owned rum estate has been dedicated to protecting the environment through energy conservation, as well as supporting local community-driven activities.

10 Cane's exquisite flavors are best enjoyed when served neat, on the rocks or in any refined cocktail such as the Mojito, Daiquiri and Cuba Libre.

FASHION & LEATHER GOODS

LOEWE

— Since 1846 —

The story began in Madrid in 1846 when Enrique Loewe Roessberg founded the company that bears his name, marking Loewe as one of the oldest purveyors of luxury goods in the world.

In 1905, the King and Queen, Alfonso XIII and Victoria Eugenia granted Loewe the honor of the official title of “Supplier to the Royal Court”. For ladies, a handbag in crocodile or snake from the firm, now helmed by the founder’s son, Enrique Loewe Hinton, had become the ultimate symbol of elegance and refinement. In 2013, celebrating 25 years of the foundation, Loewe has been delighted to welcome Enrique’s daughter, Sheila Loewe, who took up the reins as fifth generation of the founding family.



Spain has been internationally renowned for the quality of its lambskin and the best of the best comes to Loewe. “Cordero entrefino español” refers to lambs bred in the cool heights of the Spanish Pyrenees. Loewe’s experts accept only the very small percentage of leather that could be judged absolutely perfect. As a result, Loewe’s Napa has an unrivalled softness, suppleness and sheen. Loewe’s artisans have been transmitting their craftsmanship from generation to generation.

Jonathan Anderson was appointed Creative Director in October 2013. His understanding of all creative facets of the brand and his capacity to transform tradition into an exciting vision for the present will definitely move Loewe forward to the next chapter of its history. Today, Loewe is a global brand, part of LVMH since 1996, with directly operated retail stores in over 30 countries.

LOUIS VUITTON

— Since 1854 —



Since 1854, Louis Vuitton has brought extraordinary designs into the world, combining technical innovation with quintessential style, and always aiming for absolute perfection. In that respect, the Maison is faithful to the genius of Louis, its founder, who first translated a genuine “spirit of travel” through the creation of luggage, bags and accessories as innovative as they were elegant and practical.

The essence of Louis Vuitton’s unique style is, and always has been, a judiciously combined craftsmanship and creativity, history and modernity.

The expertise has not only been handed down from generation to generation, it is constantly enriched and fuelled by a yearning for perfection.

More than a century and a half later, the legend lives on, enhanced by an international reputation. Audacity shapes the story of Louis Vuitton. Without departing from its history, Louis Vuitton has constantly opened its doors to creators, architects, artists and designers to give rein to the passions which continue to inspire the Maison — the spirit of travel, a sense of adventure and a taste for innovation. Ever at the forefront of creation, Louis Vuitton has been quick to invest in other creative spheres: ready-to-wear, shoes, accessories, watches, jewelry and stationery. Under the artistic direction of Marc Jacobs, success and recognition have been immediate. These intricately manufactured creations are now available in an exclusive network of stores around the world. Today, Nicolas Ghesquière will ensure the succession of this adventure. A new chapter is about to begin...

BERLUTI

— Since 1895 —



Since 1895, each Berluti generation has cultivated exceptional know-how in leather work, forming and patina, and an in-depth knowledge of the foot. The result is footwear of incomparable elegance and comfort.

FASHION & LEATHER GOODS

The most illustrious customers have walked through the doors of the Maison, including the Duke of Windsor, Jean Cocteau, Frank Sinatra and Andy Warhol... All were fascinated and won over by the timeless elegance and visionary creativity of this exceptional footwear, considered as works of art. But much more than a prestigious shoemaker, Berluti has always symbolized a lifestyle.

Thus, new forms of expression are naturally being explored: leather goods in 2005, and, since 2012, ready-to-wear with the arrival of the new Artistic Director, Alessandro Sartori.

Berluti thus intends to continue its development to become the benchmark of luxury for men, in keeping with the distinctive character and "impertinence" brought to the Maison by Olga Berluti.



Combining traditional craftsmanship with the most advanced technology, it is always innovating, blending a variety of natural fibers to produce fabrics of the highest quality. Loro Piana has just introduced an extraordinarily light fiber extracted from the stems of the lotus flower, according to an artisanal method that was on the brink of extinction.

Over the last fifteen years, under the leadership of its co-directors Sergio and Pier Luigi Loro Piana, the firm has made rapid inroads into the world of luxury products by introducing its own custom collections. The *prêt-à-porter* apparel sold under the Loro Piana name features only the finest in cashmeres and the rarest in woolens. Leather goods, accessories and very high-end gifts round out the brand's product line.

From supply to distribution, incorporating the design and production phases carried out entirely under their discerning eye in different Italian ateliers, the Maison's vertical integration and unconditional commitment to quality at every step are valuable assets to a clientele seeking the rare, the elegant and the refined.

The Loro Piana family first entered the wool and fabric business in the nineteenth century. The firm itself was first established in 1924 in the small Italian town of Quarona Sesia, and today it sets an uncompromising standard for the finest and rarest in woolens. Loro Piana is the world's premier processor of cashmere, specializing in the softest baby cashmere from the fleece of the Mongolian goat kid, sheared only once before its first birthday. The firm is also the largest single buyer of the ultra-fine merino wools of Australia and New Zealand.

Drawing on knowledge and experience acquired over six generations, together with a unique mastery of manufacturing secrets and exclusive sources of supply, the Maison creates extraordinary materials and fabrics, supplying the greatest luxury brands.

LORO PIANA

— Since 1924 —

FENDI

— Since 1925 —

The house of Fendi was established by Adele and Edoardo Fendi in Rome in 1925 with the opening in Via del Plebiscito of the first Fendi boutique— a handbag shop and fur workshop. Soon winning international acclaim, Fendi emerged as a brand renowned for its elegance, craftsmanship, innovation and style.



In the 1940s, the five daughters of Edoardo and Adele, Paola, Anna, Franca, Carla and Alda began working for the family business, each bringing new energy and ideas.

In 1965, they started collaboration with Karl Lagerfeld, as creative director of the women's and fur collections, which continues today. Traditionally a symbol of a certain social status, furs had been revolutionized and became a fashion item.

FASHION & LEATHER GOODS

In the 1980s, Fendi becomes a global luxury house. Silvia Venturini Fendi is appointed creative director of the accessories and menswear lines in the early 1990s. One of her greatest success is the *Baguette* bag, created in 1997, which will distinguish itself as a cult bag, a collector's item and produced in the following years in over 1,000 versions.

Fendi has been part of the LVMH Group since 2000. Its products are now distributed in over 35 countries around the world through a network of Fendi owned stores and in carefully selected multi-brand stores. Today Fendi is synonymous with tradition, experimentation and creativity.

ROSSIMODA

— Since 1942 —

Rossimoda, an Italian company founded in 1942 which joined the LVMH Group in 2003, specializes in the development and the manufacturing of luxury women's footwear.

The story of Rossimoda is rooted in the Middle Ages and in the ancient art of the shoemakers of Venice. This skilled craftsmanship then went on to achieve its peak in the region of Brenta.

It was here that Narciso Rossi founded Rossimoda in 1942, commencing a quest for elegance that was then taken further by his son, Luigino.

Luigino Rossi, who took over the reins of the company in 1956, brought a cosmopolitan spirit to the precious tradition of his family, which led him to broaden the company's horizons.

Today, the quality of Rossimoda represents the cutting-edge of style the world over.

Since 2013, the company has benefited from a new state of the art tool.

CÉLINE

— Since 1945 —

Céline, founded in 1945 and owned by LVMH since 1996, is a modern luxury brand offering a collection of ready-to-wear clothing, leather goods, shoes and accessories.



Céline's Artistic Director since 2008 is Phoebe Philo, who has created a unique and timeless line, renowned for its signature elegance.

In 2010, she was named "British Designer of the Year" and, in 2011, received the prestigious "CFDA Award for International Designer of the Year" for her work at Céline. The Maison offers creative, high-quality and functional products for all women searching for a distinctive style and strong vision. Céline holds two annual runway shows in Paris, which are opportunities for the Maison to showcase its creativity. Céline also creates resort and pre-fall collections every year when its hallmark style is very much in evidence in coats for men, jackets, trousers, pleated skirts, shirts... As a complement to its

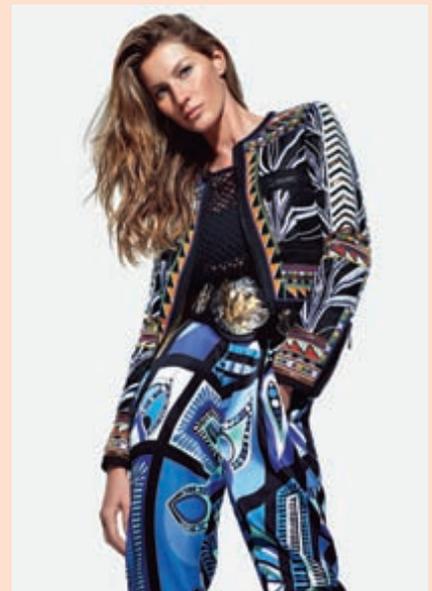
ready-to-wear collections, Céline produces a line of leather goods renowned the world over, such as the iconic *Luggage*, *Trapèze* and *Cabas* bags that are an essential part of the Céline wardrobe. Together, these collections create a strong and timeless identity.

EMILIO PUCCI

— Since 1947 —

The story of Marchese Emilio Pucci di Barsento, fashion designer, began in 1947 when Toni Frissell, a photographer for *Harper's Bazaar* magazine, published a photograph of one of his friends skiing in a revolutionary ski outfit, fitted very close to her body, designed by Emilio Pucci himself.

Emilio Pucci has worked ever since in his large Palazzo, which is still the current headquarters of the brand. In 1951, he introduced its collections to the international press and buyers in Florence.



He became an instant hit with American retailers, who were excited by the bright colors and the wearability of his simple designs.

FASHION & LEATHER GOODS

In the 1960s and 1970s, the brand established a reputation and became an enormous success. Pucci was crowned “The Prince of Prints” by the international fashion press who were enthusiastic about his bold, new designs and radical approach to fashion. His designs were extremely feminine, glamorous and joyful, brilliantly combining the most eclectic patterns.

Like an artist, he signed all of his designs “Emilio”. His designs were prized by international female personalities, including Marilyn Monroe, Sophia Loren, and Jacqueline Kennedy Onassis. At Emilio’s death in 1992, his daughter, Laudomia Pucci, took over to continue her father’s heritage.

In May 2000, LVMH acquired a controlling stake in the company. Since then, the Florentine brand has expanded its store network around the world.

In October 2008, the Norwegian designer Peter Dundas was appointed Creative Director and showed his first collection in March 2009 in Milan. His amazing talent and creative personality are perfectly aligned with Emilio Pucci’s contemporary Italian spirit.

GIVENCHY

— Since 1952 —

In 1952, Hubert de Givenchy opened his couture Maison after working as a stylist with the greatest couturiers of his time, from Jacques Fath to Elsa Schiaparelli.

The year 1953 was the year of a fateful encounter with Audrey Hepburn, a real incarnation of his feminine ideal. Forty years of partnership and friendship followed as the actress unofficially became the couturier’s ambassador, in life and on the screen. Together, the designer and his muse would define a new canon for beauty — relaxed elegance.

Over the years, the company has diversified into luxury ready-to-wear for women, menswear and fashion accessories. Givenchy became a member of the LVMH Group in

1988. In 1995, Hubert de Givenchy retired after 43 years of fashion design.

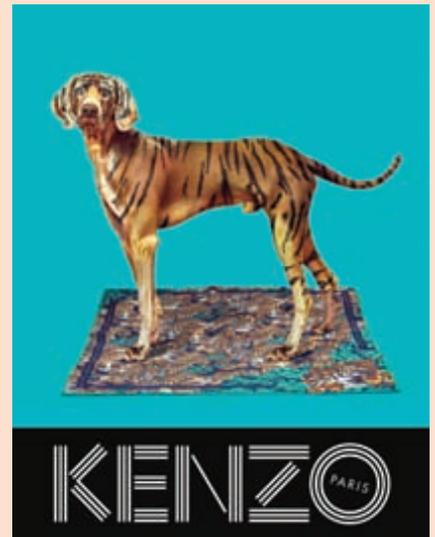
Givenchy is an international luxury brand, known worldwide for its Haute Couture collections, ready-to-wear fashions for men and women and accessories. Born of the tradition of haute couture, the Maison is the incarnation of French daring and elegance.



Since 2005, Riccardo Tisci has served as Artistic Director for Givenchy. Reinventing the Givenchy codes of relaxed chic, simplicity, femininity and aristocratic elegance, Riccardo Tisci added a dark romanticism and sensuality. Extending the creative heritage of the Maison, Tisci anchors the Givenchy name in the modern world, even as he resolutely moves it into the future.

KENZO

— Since 1970 —



Kenzo was born in Paris in 1970 under the name “Jungle Jap” in a boutique in the Galerie Vivienne. Ten years later, the Maison was renamed Kenzo — the first name of designer and founder Kenzo Takada. This young Japanese designer inspired a style and name that continue to mark the fashion landscape to this day.

A pioneer in a new generation of designers who make fun of the conventions of Haute Couture, Kenzo makes a statement — that one can be creative and still have popular appeal. Spontaneity took over and fashion entered a new stage in its history, just like a new generation of young women, spontaneous and real, hungry for freedom and impertinence. For them, Kenzo became the incarnation of this era of revival and joyous fantasy.

When Kenzo Takada left the company in 1999, Kenzo, which joined the LVMH Group in 1993, launched a new era in its history, and still remains an eclectic antidote to uniformity.

FASHION & LEATHER GOODS

Since July 2011, Californians Humberto Leon and Carol Lim, founders of the concept store “Opening Ceremony,” have led the Design department at Kenzo. This creative and extraordinary duo is the conductor of the “New Kenzo World”, capturing trends and embodying the aspirations of the new generation. They make it easy for fashion-subtlety, music, art, radical sophistication and functionality to live side by side. They have an instinct for “what’s coming next”, mixing the most disparate influences without concern for propriety. Their goal is to create a stir in the fashion “jungle”, reflected in their determination to introduce the unexpected and a sense of cheekiness. Under their leadership, Kenzo once again reflects the pioneering spirit, joie de vivre and sense of humor that launched the label’s success.

DONNA KARAN

— Since 1984 —

“Everything I do is a matter of heart, body and soul”, says Donna Karan, Chief Designer of the international company that bears her name. In fact, Karan credits her feminine instincts for the success of the company she founded in 1984 and which has become one of the largest luxury brands in the world, with a presence across the Americas, Europe and Asia, including the emerging markets.

The Donna Karan Collection centers on seven easy pieces that create an entire wardrobe from season to season. This modern system of dressing combines comfort and creative expression, with the finest quality fabrics, workmanship and innovation.

In 1989, the company launched DKNY, which reflects the attitude and energy of New York City, and is known for soft materials, and the lightness of its accessories.



Completing the lifestyle approach to design, in 1992 Donna Karan International took on the world of beauty, launching best-selling fragrances for women and men. The company also entered into other successful licensing agreements, such as watches, home, intimate apparel, and eyewear.

Donna Karan International’s brands are brought alive to customers through capturing the pace and essence of New York City that is reflected in innovative advertising and marketing, fashion shows and its retail presence. The first Collection and DKNY flagship stores opened in London and subsequently New York in the late 1990s with great success.

Over the next decade, the company’s store base expanded substantially. Together, these stores are an exceptional showcase for the spirit of Karan’s brands — an unparalleled vision for authentic New York style and a modern system of dressing that balances the practical with the desirable.

MARC JACOBS

— Since 1984 —

Founded in New York in 1984 and majority-owned by LVMH since 1997, the brand named for Marc Jacobs has grown rapidly in both the United States and internationally. Today, Marc Jacobs is present in more than 50 countries with a network of 270 boutiques.

In 1984, Marc Jacobs and Robert Duffy founded Marc Jacobs International based on three very simple concepts: enormous creativity, a constant commitment to quality and values in line with the trends of the time.



FASHION & LEATHER GOODS

After years of producing the Marc Jacobs women's collections exclusively, the company now offers two lines of ready-to-wear, bags, shoes and accessories for men and women (glasses, watches...), Marc Jacobs and Marc by Marc Jacobs, as well as a children's line, Little Marc, and Marc Jacobs perfumes and cosmetics. The New York fashion shows for both lines are events each season.

While the brand now enjoys very steady growth, the two founding principles remain the cornerstones of its development today.

THOMAS PINK

— Since 1984 —

Thomas Pink is the leading international luxury shirt brand. Known for its exceptional choice of fabrics, in a wide range of colours and designs, and signature product detailing, it is responsible for taking Jermyn Street expertise and heritage to a global market.

Thomas Pink started as one store in Fulham, London. Today the brand has over 100 points of sales worldwide with flagship stores on Jermyn Street and Madison Avenue, concessions in Harrods, Selfridges and Bloomingdales, and over 60 stores outside the UK in 14 different countries: Australia, Canada, China, France, Hong Kong, India, Indonesia, Ireland, Mexico, Panama, Philippines, South Africa, UAE and USA — its largest market outside the UK. The flagship store on New York's Madison Avenue is the world's largest shirt store. At the cutting edge of retail, the brand champions an omni-channel approach using online chat rooms, click and collect, virtual online fitting rooms, mobile money payment applications, and multi-channel CRM programmes.

From formal to informal, Thomas Pink has a shirt for every occasion as well as a wealth of British tailoring, knitwear, silk ties, cufflinks, and womenswear.

EDUN

— Since 2005 —



Edun is based on a belief that real style has substance.

Founded by Ali Hewson & Bono in 2005, Edun is a global fashion brand bringing about positive change through its trading relationship with Africa and its positioning as a creative force in contemporary fashion.

Together with the Wildlife Conservation Society and Invisible Children, Edun set up the Conservation Cotton Initiative Uganda (CCIU) in 2008. Based in Gulu in the north-west of Uganda, an area which until recently was devastated by civil war, the CCIU programme currently supports 5,000 farmers and their families. The CCIU program is managed by TechnoServe and enables Edun to affect change at the start of the supply chain. Edun is proud to use CCIU cotton in the production of its fashion collection. Also, the Edun T-shirt line, *Edun Live*, primarily uses CCIU cotton.

Through its operations, Edun looks to build long term, sustainable growth opportunities by supporting manufacturers, infrastructure and community building initiatives. Edun strives to provide an example of the viability of trade with sub-Saharan Africa, where 85% of the Spring 2014 collection will be produced.

Danielle Sherman, who became Edun's Creative Director in 2013, was acclaimed for her stellar debut show last September. In 2009, LVMH bought a 49% stake in Edun.

PERFUMES & COSMETICS

GUERLAIN

— Since 1828 —

Few Maisons can boast such exceptional longevity. The remarkable adventure of Guerlain could be summed up in a few words: to transform the art of beauty into a veritable art of living, and to embrace modernity with creativity.

Guerlain is one of the few Maisons that has always ensured the creation and fabrication of its perfumes. The five Guerlain designers have demonstrated an incomparable talent for innovation perpetuated by Thierry Wasser, the Maison Perfumer. Like works of art, the creations from Guerlain withstand the test of time. Of the more than 800 fragrances created by the Maison, many have transcended the passage of time: *Eau de Cologne Impériale*, *Jicky*, *L'Heure Bleue*, *Mitsouko*, *Vol de Nuit*, *Samsara*, *Vetiver*, *Shalimar* and *Habit Rouge* and, more recently, *L'Instant de Guerlain* and *La Petite Robe Noire*. These exclusive collections attest to Guerlain's unique know-how in *Haute Parfumerie*.

While Guerlain is the leading symbol of perfume in the eyes of the world, the Maison has always been just as well known for its skincare and make-up products.

From the beginnings of the Maison, the catalogue included *Blanc de Perles*, *La Crème à la Fraise* and other major innovations that marked their era, just as *SuperAqua*, *Abeille Royale* and the premium skincare line *Orchidée Impériale* continue to do so today.

While Guerlain has never directly entered the world of fashion, its cutting-edge research has brought a mastery of the art of color. The inventor of lipstick in a tube in 1870 was Guerlain with *Ne m'oubliez pas*. In 1878, elegant European women could not get enough of *Pyrommée*, a reinterpretation of the traditional kohl eyeliner. Later, *Terracotta* invented bronzing makeup while *Météorites* played on light for a unique glow. Among the latest creations from the Maison, *Rouge G*

and *Noir G* are the first lipstick and mascara in “jewel” cases.

This global beauty brand dazzles around the world thanks to its 3,000 employees. Aware of both its corporate social and environmental responsibilities, Guerlain is committed to a powerful sustainable development strategy and carries on the “made in France” tradition through its two production sites. A new site, currently under construction in Chartres, will be inaugurated in 2014. This facility will replace the existing plant and produce the firm's skincare and make-up products, contributing to Guerlain's ambitious goals for growth.

But of all its locations, there is one that is truly unique: 68, Champs-Élysées in Paris, a legendary address for an extraordinary Maison. This address reopened after several months of work to transform it into the most beautiful of boutiques, entirely dedicated to the pursuit of beauty in its inimitable creations, architecture and services. It is a bold statement of Guerlain's pedigree and its vision. At 68, Champs-Élysées, Guerlain invites you to embark upon a voyage embracing luxury and loveliness.



ACQUA DI PARMA

— Since 1916 —

Acqua di Parma has been a leading player on the luxury market for close to 100 years, producing a series of true masterpieces of traditional Italian craftsmanship. The brand was established in 1916 with the classic *Colonia*, an authentic and iconic fragrance that has inspired the Acqua di Parma world and its values based on the best of the Italian lifestyle, a passion for beauty, an eye for detail, and the contemporary interpretation of luxury.

Over the years the brand has expanded its product range, introducing three new “Eaux de Cologne” (*Colonia Assoluta*, *Colonia Intensa* and *Colonia Essenza*), the *Collezione Barbieri* (shaving products and accessories), the *Nobili* (feminine fragrances inspired by the “noblest” flowers of Italian gardens), the *Blu Mediterraneo* and *Blu Mediterraneo Italian Resort* ranges (fragrances and cosmetics inspired by the most natural and exclusive locations on the Italian Mediterranean); the *Home Fragrance* (scented candles and room sprays for the home), the *Home Collection* (terrycloth products) and the *Tournée Collection*, *Business* and *Weekend* (leather accessories). Acqua di Parma supplies the suites of the most beautiful and exclusive hotels in the world with its *Luxury Hotel Line*, which embodies the inimitable Italian style of *Colonia*.

Since May 2008, Acqua di Parma has entered the world of luxury spas with *Blu Mediterraneo SPA*, opened in the exclusive setting of the Yacht Club Costa Smeralda in Porto Cervo.

Acqua di Parma has its head offices in Milan. All of its ranges are produced exclusively in Italy and distributed in 37 countries in Europe, Asia and US. Since 2001, Acqua di Parma has been part of the LVMH Group.

PERFUMES & COSMETICS

PARFUMS CHRISTIAN DIOR

— Since 1947 —



Making women not only more beautiful, but happier too. That was always Christian Dior's goal, from his very first runway show in February 1947 when he designed a new silhouette for women — the New Look — that accentuated their natural curves. He also wished to put the finishing touches to this new look for women with perfumes and makeup. Christian Dior was a pioneer in making women feel more feminine, confident and happy. Today, boldness and innovation are still at the heart of the Dior Maison, which is always guided by emotion and beauty. The spirit of Dior abounds in perfumes, makeup, and beauty products, worn by women next to their skin.

Christian Dior remarked that fragrance was the “finishing touch” to his look. Indeed, that finishing touch has an unforgettable allure, making a woman not only more lovely, but also more joyful. Today, the fragrances of the Maison continue to honor the couturier's legacy through the creations of François Demachy, Dior's perfume creator, who perpetuates this heritage dating back to the earliest years of the company. Each perfume is a unique expression of the personality, spirit, the very heart and soul of the person who wears it.

Since Dior's very first lipstick, created in 1953 “to dress your smile”, the Maison has continued to create makeup every season in colors that are cheerful, vibrant, fresh and feminine. These Dior shades are now developed by Tyen, the artistic director of the makeup line. And because beauty is also found within, the Maison has its own research laboratory, DiorScience, to develop innovative skincare products whose ingredients and effects push the boundaries of science. Every day, almost two hundred experts are engaged in designing and developing enhancements for each new Dior product.

PARFUMS GIVENCHY

— Since 1957 —

Givenchy perfumes have been part of a legendary story: the meeting between Hubert de Givenchy and Audrey Hepburn, for whom he created the fragrance *L'Interdit*.

Cultivating aristocratic elegance together with light-hearted insouciance, Givenchy fragrances evoke the style of an era, revealing the magnetism of feminine beauty. In the tradition of its famed *Ysatis*, *Organza*, *Very Irrésistible* and *Ange ou Démon*, the Maison introduced *Dahlia Noir* in 2011, a bewitching evocation of feminine mystery from the rich imagination of Riccardo Tisci. Givenchy has also developed a vision of seductively culti-

vated masculinity with fragrances including *Pi*, *Play* and, most recently, *Gentlemen Only*.

Under the inspired creative direction of Nicolas Degennes, Givenchy cosmetics meld novel colors and contemporary finishes to be in the vanguard of fashion. Following the introduction of the acclaimed *Prismes*, the *Phenomen' Eyes*' spherical mascara brush was a sensation. The very latest additions to Givenchy's distinctively chic and modern line of makeup are *Noir Couture* mascara, *Le Rouge* lipstick in a leather case, and *Teint Couture* foundation.



Combining pleasure with performance, Givenchy skin care offers innovative formulas that gratify the senses, with a line including *Le Soin Noir*, *Vax'In for Youth*, *Hydra Sparkling* and *Smile 'n Repair*.

Since 1991, Givenchy's spas have demonstrated a shared philosophy: they are matchless retreats conceived with a single goal. These spaces, dedicated to customized care, reflect Givenchy's refined and elegant style and are thoughtfully adapted to the architecture of each hotel. Staff members are meticulously selected, and the individualized services they provide are designed to be rituals of delight.

PERFUMES & COSMETICS

PARFUMS LOEWE

— Since 1972 —

In 1972, the Spanish Loewe Maison, famous for its leatherwear and ready-to-wear clothing, launched its first perfume for women *L de Loewe*.

Initially intended for exclusive sale in the brand's own stores, the perfume was so successful that sales were expanded to all perfume retail circuits.

This success encouraged Loewe to develop its perfume segment, and also to create products converted nowadays in solid franchises. Thus, after an existence of more than forty years, Perfumes Loewe offers a very balanced portfolio: *Loewe Pour Homme* (1974), *Aire* (1985), *Esencia* (1987), *Agua* (2000), *Esencia Femme* (2002), *Solo Loewe* (2004), *I Loewe You* (2005), *Quizás* (2007), *7 Loewe* (2010), *Un paseo por Madrid* (2013).

In 2013, in order to enlarge its international presence, the Spanish Maison relies on Linda Evangelista to represent the image of the new feminine perfume, *Aura Loewe*.

In 2004, Loewe successfully entered the skincare market with the launch of a line specifically designed for men: *Loewe Advanced Technology*.

At a time when trends are confused, Perfumes Loewe maintains its own style, a style deliberately anchored in the Spanish soul, characterized by elegance without ostentation, the quality and nobility of the raw materials, the refinement and simplicity of its lines.

This true luxury gives Loewe a privileged position in the world of perfumes. A leader in the selective Spanish market, Perfumes Loewe also has an international presence in over 40 countries.

BENEFIT COSMETICS

— Since 1976 —

Benefit Cosmetics, a dynamic cosmetics brand, offers practical and instant solutions for every woman today.

Famous for iconic products of excellent quality with clever names, irresistible glamour packaging and innovative formulas, Benefit appeals to women of all ages and all walks of life. Benefit's "must have" line of makeup, skincare, and perfume products delights its loyal customers with its unique and delicious "feel-good" experience.



Founded by Jean & Jane Ford, identical twins and former models, Benefit opened its first shop in San Francisco in 1976. The Ford sisters easily combined their cosmetics expertise and their playful vision of makeup to offer beauty tips to their customers with original products, bringing a touch of humor to the world of cosmetics.

More than thirty years later, Benefit has grown into a global brand that continues to captivate women of all ages with unique shopping experiences like the *Benefit Brow Bar* which offers a "girls club" environment where customers indulge in legendary Benefit brow and beauty services.

MAKE UP FOR EVER

— Since 1984 —

MAKE UP FOR EVER was founded in 1984 in Paris by Dany Sanz to meet the needs of the most demanding artists and makeup professionals.

As a trained painter and sculptor from the Parisian École des Beaux-arts, Dany Sanz has always created a link between the artistic world and the world of makeup, particularly with her expertise in Body Painting. Her interest in theatre, opera and film lead her naturally to special effects and the art of transforming characters.

From the beginning, the goal of MAKE UP FOR EVER was to rigorously and authentically meet all demands from every professional environment by creating products adapted to all makeup styles, from the most academic to the most outlandish.

The marching order from Dany Sanz in designing her products is Professional Performance to satisfy the customers.

PERFUMES & COSMETICS

At the time of its inauguration, the Boutique at 5, rue la Boétie was a unique and eclectic place that rapidly became cult to makeup artists as it was the only place where they could find such an incredible variety of products, some of which were not available anywhere else: Star Powders, Pure Pigments, Glitters, Lipstick Palettes and the iconic collection of 100 Eye Shadows. All of which were hand-filled in the cellar of the boutique.



Since 2002, the MAKE UP FOR EVER ACADEMY, created by Dany, is the place that trains the makeup artists of tomorrow. Today, the company's mission is to share the art and passion of makeup with artists and customers in the different Academies around the world but also in various points of sales thanks to the Make Up Schools corners.

The product line is very broad and generous with a profusion of colors and textures, a total of 1,400 products: lipsticks, gloss, pencils, loose powder, makeup removers, brushes, false eyelashes, glitters, and products for special and artistic effects.

Some of the product lines have become best sellers, like the *HD* foundation or the longlasting *AQUA* eye product line, inspired as always by professional needs.

The last innovation is the incredible Brush collection of 76 different brushes made with a new synthetic fiber technology, another additional revolution to the make-up world.

PARFUMS KENZO

— Since 1988 —

“It’s a beautiful world...” A familiar refrain. A motto that Kenzo Parfums celebrates through its fragrant creations.

Beginning with its very first perfume in 1988, *Kenzo Ça Sent Beau*, the brand has been noted for inventing its own poetic, playful, colorful and innovative world. *Kenzo Homme* appeared soon thereafter with its distinctive marine undertones, followed by *L'Eau par Kenzo* with two lively, spirited versions for him & her, and *Kenzo Jungle* with its unconventional marketing campaign.

A sense of the beautiful, the intermingling of nature and design – these are vital elements of the brand's DNA. Consider the fragrance bottles, each a genuine expression of its designer's sensibility, created in turn by Serge Mandau, Karim Rashid, Ron Arad and Fabien Baron.

The year is now 2000. Patrick Guedj, named Creative Director for Kenzo Parfums, casts a discerning eye over the brand and creates the legendary *Flower by Kenzo*, a powdery floral fragrance that leaves an inimitable impression. Its emblem, the poppy, flourishes and takes center stage from Paris to Buenos Aires, not missing star appearances in London, Vienna and Moscow along the way.

Just a year after the resounding success of *Flower by Kenzo*, the brand launched *KenzoKi*, another innovation. It's a beneficial, sensuous, upbeat skincare line that combines pleasure with efficacy.



Kenzo Parfums extended its vision in 2006 with *Kenzo Amour*, a sensuous journey through Asia for a passionate pair of lovers.

Next came *Flower Tag* with its arty sense of modernity and *Madly Kenzo*, radiating *joie de vivre*. *Kenzo Homme Sport* followed with its distinctive contemporary style; this fragrance is very much of the moment in the Kenzo Parfums product line, while celebrating the brand's founding values: Nature & Design, The Exotic East, Luxury & Delight, Poetry & Energy.

2013: *Flower in the Air* is the very latest Kenzo creation, embodying the brand's freshest new vision. The poppy's fragrance – that iconic flower – floats through the atmosphere and perfumes the skies.

“For a more beautiful world...”

PERFUMES & COSMETICS

FRESH

— Since 1991 —

In 1991, Lev Glazman and Alina Roytberg created a small set of opulent soaps that the two hand-wrapped themselves. With their amazing fragrance, luxurious formula, and ornate paper wrapping, these soaps were the start of something spectacular.



The now iconic *Oval Soap* collection sparked Lev and Alina's passion for developing products that are as indulgent as they are effective and has led to their mission of transforming everyday routines into sensorial journeys. Since then Fresh has evolved into a full line of lifestyle products spanning skincare, bodycare, fragrance, and home.

Fresh is credited with a number of industry firsts and pioneered the use of many natural ingredients like soy and sugar, as well as developed a cult-following for its *Rose* and *Black Tea* collections. Inspired by the purity of the past, Fresh continues to bring time-honored traditions into modern relevance. Lev and Alina travel the world seeking out natural ingredients, like Fresh's proprietary Umbrian Clay of Nocera Umbra, Italy, used in therapeutic treatments since the sixth century B.C., the exclusive anti-aging formula of *Crème Ancienne*, inspired by the world's first emulsion-based create of the second century A.D. and Sake, a legendary beauty secret of Japanese Geisha who were known to bathe in it to detoxify and restore their skin. By combining these ancient rituals with cutting-edge technology, Fresh brings its alchemistic spirit into modern relevance.

Today Fresh has fifteen freestanding retail stores and is sold in a number of high-end retail outlets across the world with a strong focus in North America and Asia, including China, Hong Kong, Korea, and Singapore. In 2000, Fresh partnered with luxury leader LVMH.

PARFUMS FENDI

— Since 2010 —

Fendi, the famous Italian luxury leather goods and ready-to-wear brand, was founded in Rome by Adèle and Edoardo Fendi in 1925, and forged its reputation upon its expertise in leathers and furs.

In 2010, Fendi launched its first perfume for women, *Fan di FENDI*. An absolute hit, the perfume struck a chord with all the esthetic codes, elegance and values of the Fendi brand: the *Forever* buckle of the *Baguette* bag, the splendor of the styles and materials, and unbridled creativity. Crafted by François Demachy, LVMH Director of perfume fragrance development, and by perfumer Delphine Lebeau, the precious liquid hints at Roman sun and electric nights, leather and roses, luxury and seduction.

In 2011, Silvia Fendi once again elevated the masculine ideal on the international stage, reinterpreting the vocabulary of male style with Fendi's distinctive technique and savoir-faire. A new vision of the Fendi man emerged, boasting his own signature fragrance: *Fan di FENDI Pour Homme*. Powerful, sophisticated and strong, this new fragrance is the embodiment of charm and elegance with very masculine woody undertones.

The legend continued in 2012 with the introduction of *LACQUAROSSA*, homage to Fendi's Italian heritage and to the Fendi woman – liberated, expressive, and driven by a passion for life.

WATCHES & JEWELRY

CHAUMET

— Since 1780 —



Since its birth in 1780, Chaumet's history has reflected that of France. After having worked with the Queen's jeweler, the Maison's founder, Marie-Étienne Nitot, built up his own prestigious clientele among aristocrats and became the official jeweler to the Emperor Napoleon the 1st. Graced with a creative and innovative spirit, he made fabulous special orders for the Empress Joséphine and for the Empress Marie-Louise. From then on, the Maison's High Jewelry savoir-faire has been passed down in the workshops from one expert craftsman to the next, magnificently expressing the style of each era. In 1885, Joseph Chaumet gave his name to the Maison and became the undisputed master of the Belle Époque and of the tiara, a social emblem and fashion accessory. In 1907, he established his boutique at 12, place Vendôme in Paris.

Chaumet became part of the LVMH Group in 1999. The Maison has an international network of boutiques in Tokyo, Hong-Kong, Shanghai, Beijing and Moscou, designed by French architect Jean-Michel Wilmotte.

Chaumet's headquarters are located in the private mansion at 12 place Vendôme and harbor the creative studio, the High Jewelry workshop, the boutique that gives onto to the 18th Century Grand Salon, a registered historic monument, and the Salon des Diadèmes. The Chaumet heritage is a unique repository in the history of jewelry: historic collections, gouaches and drawings by the winners of the Grand Prix de Rome, photographs, glass negatives and correspondence are all precious preserved.

The new High Jewelry, jewelry and precious watch collections celebrate Parisian elegance and the excellence of the Maison's craftsmen. Inspired by timeless stylistic codes, they are reinterpreted with modernity: *Joséphine*, from the tiaras to the rings, *Attrape-moi... si tu m'aimes*, a collection around the bee, *Liens*, symbol of sentimental jewelry.

After having presented the High Jewelry collection *12 Vendôme* in Paris at the 2012 Biennale des Antiquaires, Chaumet reveals its first floral-themed *Hortensia* collection, illustrating the Maison's exceptional creativity and expertise in the art of fine jewelry.

TAG HEUER

— Since 1860 —

Founded in Saint-Imier in 1860 by Edouard Heuer, TAG Heuer has marked the history of luxury watchmaking, especially in the fields of chronographs and ultimate precision. A legend in prestige Swiss watchmaking and one of its most innovative brands, TAG Heuer has built on its active commitment in the sports world to create the most accurate timing instruments and wrist timepieces in the world.

In 2012, thanks to the lessons learned through these achievements, TAG Heuer won the world's most coveted watchmaking award, the Geneva Watchmaking Grand Prix "Aiguille d'Or".



TAG Heuer is unrelenting in its quest for innovation, excellence, performance and prestige. This ambition is reflected in its sponsorships with F1 Vodafone McLaren Mercedes team and its World Champion Jenson Button, the Automobile Club of Monaco for the prestigious Monaco Grand Prix, and the new FIA Formula E Championship, the world's top competition for electrically powered racing cars.

WATCHES & JEWELRY

TAG Heuer is also a partner of Oracle Team USA, 2013 champion of sailing's most prestigious trophy, the 34th America's Cup. The brand also partners with actress Cameron Diaz, actors Leonardo DiCaprio, Shah Rukh Khan and Chen Dao Ming, and WTA tennis champion Maria Sharapova, sharing with them the same values : human achievement and true innovation.

TAG Heuer is the number one industrial manufacturer of 100% in-house Swiss chronograph movements: after the *Calibre 1887*, an automatic chronograph movement with an oscillating pinion based on a Heuer invention in 1887, TAG Heuer continues to develop upstream and launches the *Calibre 1969*, produced in a new facility, its fourth one in Switzerland. In addition, its Haute Horlogerie Workshop produces the *Monaco V4*, a movement driven by belts, the *Carrera Mikrograph*, able to measure and display with a central hand the 1/100th of a second, the *Carrera Mikrotimer*, accurate to the 1/1,000th of a second, and the *Carrera Mikrogirder*, precise to the 5/10,000th of a second. Engineers and watchmakers also challenged movement regulation, replacing the usual escapement by micro-blades or magnets. This exceptional level of watchmaking excellence has earned the company membership in the most exclusive circle of the Swiss watchmaking elite, the Fondation de la Haute Horlogerie (FHH).

ZENITH

— Since 1865 —



Zenith was founded on a revolutionary idea. In 1865, Georges Favre-Jacot was 22, had a remarkable knowledge of watchmaking and had been training apprentices before he even turned 18. In the town of Le Locle in the Swiss Jura, he brought together under one roof the various artisans involved in the creation of timepieces, from design to manufacture, thus inventing the concept of the "Manufacture" — and naturally this very first Manufacture bore his name. Today, Le Locle is classified as a UNESCO World Heritage Site for its industrial history and for being the cradle of Swiss watchmaking. The rich heritage of expertise left by generations of artisans is still to be found here — indeed, it never left — and the Manufacture is still guided by the visionary intuition of its founder imbued with daring, authenticity and pleasure that has been marking its mark on successive generations for almost 150 years.

The word Zenith first appeared in 1897 on the movement of certain pocket watches, before becoming a permanent feature in 1911. The word refers to the highest point in the celestial sphere and it is this level of excellence that artisan watchmakers have always pursued.

Influenced by American methods, Georges Favre-Jacot continuously expanded his site's infrastructure, buying or perfecting new machines and manufacturing techniques and constantly improving the quality and precision of his timepieces. He developed designs for interchangeable parts and an automated manufacturing process to support the careful craftsmanship that went into creating and finishing each watch. Still today, the Manufacture is in a constant state of renewal as the site is currently under renovation. The pioneering spirit infused by Zenith's founder has placed the brand among the world's top three watch manufacturers, a ranking held since the beginning of the twentieth century.

Since 1865, Zenith has filed more than 300 patents, and each discovery has led to major advances in time-keeping, from pocket watches to bracelet watches and navigation instruments. Its archives abound with more than 600 types of movement, a testament to the brand's expertise. But it is in chronometry that Zenith is most illustrious, with 2,333 chronometry awards to its name. *El Primero* is the most legendary chronograph of all time, the result of this unwavering desire to be the leader in precision combined with the Manufacture's tradition of innovation. Today, *El Primero* takes its place in a comprehensive collection that bears its name.

This fine achievement comes after almost a century and a half of watchmaking expertise under the aegis of the Zenith Star.

WATCHES & JEWELRY

BVLGARI

— Since 1884 —

Born in a family of Greek silversmiths, Sotirio Bulgari, the company's founder, manufactured precious silver objects. During the late nineteenth century, Sotirio moved to Italy, and in 1884 opened his first shop in Via Sistina, Rome.



In 1905, he inaugurated the flagship store in Via Condotti, today the point of reference of all Bulgari shops worldwide.

In the early twentieth century, two sons of Sotirio, Giorgio and Costantino, gradually took over their father's role and in the period immediately after the Second World War decided to move away from the dominant disciplines of the French goldsmith school to forge a unique style inspired by Greco-Roman classicism, the Italian Renaissance, and the nineteenth century Roman school of goldsmiths. In the 1950s-1960s, during the flourishing *Dolce Vita* epoch, Rome became the "Hollywood on the Tiber" and the colorful, bold and innovative Bulgari style gained success within the movie world.

With the growth of its reputation abroad, in the 1970s Bulgari began its first phase of global expansion by opening stores in New York, Geneva, Monte Carlo and Paris.

In 1977, Bulgari launched the celebrated *BVLGARI BVLGARI* watch, now considered an all-time classic.

Following a period of strong growth, in the early 1990s Bulgari began to further diversify its product portfolio, nowadays ranging from jewels and watches to accessories and perfumes. In 2001, the Bulgari Group started to expand its vision to hotels and resorts and announced the creation of Bulgari Hotels & Resorts, a joint venture with the Luxury Group, division of Marriott International: the first Bulgari Hotel opened in 2004 in Milan, followed in the subsequent years by a resort in Bali (2006) and another Bulgari Hotel in London (2012). In 2009, to celebrate its 125 years of design and art of jewelry making, Bulgari inaugurated in Rome the first world retrospective on the history of the brand, then replicated in Paris (2010), Beijing (2011) and Shanghai (2012).

In 2011, Bulgari joined the LVMH Group to reinforce its long-term development. Today, Bulgari is one of the most prestigious global luxury players, relying on a distribution network of about 300 stores in the most exclusive shopping areas worldwide.

While it remains faithful to its impressive heritage – made of watches and jewelry icons like *BVLGARI BVLGARI*, *Serpenti* or *Monete* –, Bulgari continues to seek new ways to express its creativity offering its fans a unique way of thinking and living luxury.

FRED

— Since 1936 —

An adventurer with a passion for precious stones and pearls, Fred Samuel spent his life roaming the world, on a mission to make women everywhere even more beautiful.

He grew up in Argentina, and the bright light, ever-present ocean and mellow energy of South America stayed with him always, becoming central themes in his work.

Swept up in the turbulence of 1930s Paris, Fred drew inspiration from the artists around him and shared his passion for jewelry with some of the great names of the 20th century. In the 1950s, he discovered the attraction of gemstones and colored diamonds and became the favorite jeweler of Middle Eastern princes. An avid sportsman, his love of sport also influenced his creations, including the trailblazing *Force 10* collection.



In 1995, the jewelry House began a new chapter in its story, joining the LVMH group. Today, the Fred brand continues to epitomize an unconditional love of gemstones, pearls and golden light, creating collections that burst with radiant elegance.

WATCHES & JEWELRY

MONTRES DIOR

— Since 1975 —

Like every other collection in the House, the Dior timepiece collections first see the light of day in Paris, in the Dior design studios on the avenue Montaigne.

In total osmosis with the Dior Maison and backed by the expertise of Les Ateliers Horlogers Dior, the designers of the timepiece lines conceive new models without any restriction other than remaining faithful to the spirit of Monsieur Dior.



Les Ateliers Horlogers Dior, established in 2001 and located at La Chaux-de-Fonds, the cradle of Swiss watchmaking, take over from the studios and give life to the creations conceived in Paris. They have gathered around them the finest specialists in their domain: movement designers, dial makers, setters... in order to transform the ideas of the design studios into reality.

Les Ateliers Horlogers Dior combine their technical skill and expertise with exceptional jewelry-making know-how.

Selecting the finest stones, cutting them and adjusting them or elaborating snow-settings and baguette-settings are just some of many fastidious and accomplished tasks that contribute to the excellence of Dior's watchmaking. There are five lines:

– *La D de Dior*, the story of a woman who takes a man's watch so that she is always thinking of him, created by Victoire de Castellane in the autumn of 2003;

– *Chiffre Rouge*, a reworking of a watchmaking classic, designed in 2004. A unique and iconic watch, and the alliance of technical performance and the formal style of Dior Homme;

– *Dior Christal*, a discreet tribute to Christian Dior since 2005, which diverts the use of sapphire crystal, traditionally used for the watch glass, into a decorative element;

– *Dior Grand Soir*, homage, since 2010, to the Dior Maison's heritage and its infinite palette of colours;

– *Dior VIII*, designed in 2011, metaphor for a high fashion wardrobe with its "daytime", "cocktail" and "Grand Bal" versions.

HUBLOT

— Since 1980 —



"Hublot is a different way of moving forward," say connoisseurs of this unique Swiss watchmaker. The design of the case for the first watch, created in 1980, was inspired by a ship porthole ("hublot" in French). At the time, it was a first in watchmaking history: partnering natural rubber with gold. The restraint, comfort and characteristic shape of Hublot watches quickly made them highly desired pieces. For the watch brand, rubber is not a fashion phenomenon, but represents its philosophy and its brand image since day one.

From 2004, when Jean-Claude Biver took over the management of Hublot, in close collaboration with Ricardo Guadalupe, the "Art of Fusion" has become a way of thought and design at Hublot: combining unexpected materials (ceramics, carbon, tantalum, tungsten, titanium, among others) with traditional precious materials, using the most advanced technologies while remaining faithful to the watchmaking expertise of our forerunners.

WATCHES & JEWELRY

The new collection, launched in 2005, was named *Big Bang*, a perfect illustration of the concept of Fusion! The glass and the case have sharper angles, six screws that come through the case, an echo again of a port-hole... and retain the DNA of the first Hublot watches with a rubber bracelet.

In less than one year, the *Big Bang* chronograph won a number of prizes in the watch-making world. Then, while the design was maintained, it was offered in different sizes with multiple color combinations and horological complications like the Tourbillon, Répétition Minutes, Grande Date, Indicateur de Réserve de Marche, Rattrapante... In November 2009, Hublot opened a manufacturing plant in Nyon, on the shores of Lake Geneva. Some 6,000 m² are devoted to the art of watchmaking and to developing and producing movements such as the UNICO, the famous Hublot chronograph movement that has a column wheel and double clutch visible on the dial side, as well as its Grandes Complications.

Today, the firm boasts a department specialized in carbon fiber that is integrated with a foundry to facilitate research and manufacturing of new materials such as King Gold (gold with 5% platinum content to further enhance its red hue), Magic Gold, the first and only 18 carat gold that is scratch-proof (a Hublot world exclusive), and brightly colored ceramics (an industry first). Now more than ever, Hublot represents the "Art of Fusion" between watchmaking culture and cutting-edge technology. "We're not breaking with the past; quite the contrary – we honor history by linking it to the future," explains Jean-Claude Biver, Chairman of Hublot, and Ricardo Guadalupe, the firm's CEO. Hublot joined the LVMH Group in 2008.

DE BEERS
DIAMOND
JEWELLERS— *Since 2001* —

De Beers, the Jeweler of Light, creates timeless treasures that reveal and celebrate natural beauty. As the definitive destination for diamond jewellery, De Beers has a quest for inner brilliance, bringing lightness, femininity and delicacy to sublime diamond jewelry.



De Beers combines its exceptional expertise anchored in a rich heritage with a contemporary design aesthetic. Through its wondrous creations, De Beers expresses the natural beauty and timelessness of the diamond, as only an expert can, and thereby reveals the beauty and brilliance of the women who wear them.

Drawing on diamond mastery since 1888, De Beers goes well beyond the "4Cs" of cut, clarity, colour and carat weight to capture unmatched Fire, Life, and Brilliance, providing the most beautiful diamonds in the world set in magnificent designs. The creation of timelessly elegant diamond jewelry – from selecting the world's finest diamonds to impeccable craftsmanship and sophisticated designs – is the De Beers difference. De Beers is proud to be the only brand to demonstrate the beauty of its diamonds, using the De Beers Iris. This proprietary technology, found in each De Beers store, provides clients with an objective way to see the beauty of their diamond through the eyes of an expert. De Beers Diamond Jewelers was established in 2001. An independently managed company, it is a 50/50 joint venture between De Beers SA, the world leader in the production and sale of rough diamonds, and LVMH.

SELECTIVE RETAILING

LE BON MARCHÉ

— Since 1852 —



Le Bon Marché Group encompasses three main activities: department stores with Le Bon Marché Rive Gauche and Franck et Fils on rue de Passy in Paris, acquired in 1994; fine foods with La Grande Épicerie de Paris; and real estate, with 20,800 m² of rental buildings leased to unrelated companies.

Le Bon Marché was founded in 1852 by Aristide Boucicaut, and the first stone of the current building was laid in 1869. Additions, designed in 1874 by architect Louis-Charles Boileau, with Gustave Eiffel as technical consultant, resulted in the building we know today. In the nineteenth century, Le Bon Marché was a pioneer in modern retailing.

Le Bon Marché Rive Gauche is today the only Parisian department store with a genuine cultural dimension. It enjoys a reputation as the French capital's most exclusive store thanks to the quality of the products and a unique range of customer services.

DFS

— Since 1960 —

On November 7th, 1960, the two founders of DFS opened their first office in Hong Kong. In the following months, they applied to operate the commercial concessions in the international airports of Honolulu and Hong Kong. They ended up winning both those concessions, thus marking the beginning of a long and fascinating adventure. As air travel began its spectacular expansion in the 1960s, little could the two pioneers have known just how large their business would ultimately become.

Today, DFS Group, whose majority shares were acquired by LVMH in 1997, is the world leader in the sale of luxury products to international travelers. It has two distinct distribution models: the downtown luxury department stores called "DFS Galleria", currently being rebranded to "T Galleria by DFS", and airport duty free stores.

DFS prides itself to be "The World Traveler's Preferred Destination for Luxury Shoppers" and sees more than 200 million visitors in its stores annually. This position was attained by listening to its demanding clientele, adapting to the evolution of their aspirations, and continually responding with innovative concepts at the forefront of the world of luxury shopping and traveling. With an area of mostly around 6,000-12,000 m², the 14 "T Galleria" are located in major travel destinations in the Asia-Pacific region, and complement the over 400 airport locations DFS trades, ranging from New York to Abu Dhabi.



The strength of DFS lies in its strategic brand partnerships, its superior assortments, its targeted marketing programs towards travelers and its focus on the world of luxury products in the 4 categories of Fashion, Beauty, Watches & Jewelry, Wines & Spirits.

As DFS continues to perfect its business model, improve its offerings and expand into emerging and developed markets, it is well positioned to remain the world's leading luxury and travel retailer.

SELECTIVE RETAILING

MIAMI CRUISELINE

— Since 1963 —

Founded in 1963, Miami Cruiseline is the premier onboard retailer offering cruise ship passengers high quality products at tax and duty free savings.

Miami Cruiseline Services provides retail services to over 80 ships representing some ten cruise lines worldwide, including industry leaders such as Carnival and Royal Caribbean International. The product assortment varies from liquor and tobacco, fragrance and cosmetics, apparel, cruise specific souvenirs, food, candy, giftware, fine jewelry, watches and accessories.

One of our most valuable assets is our people. Miami Cruiseline is focused on the recruitment, training and program execution by our exceptional team members, both at the corporate offices and onboard ships. This allows Miami Cruiseline to offer our customers a unique shopping environment with theatre and excitement combined with exceptional service.

Miami Cruiseline has been part of LVMH since January 2000.

SEPHORA

— Since 1969 —

Founded in 1969, Sephora cuts through the clutter with a visionary beauty retail concept that creates an entertaining shopping experience and brings high-end beauty care and fragrances within every consumer's reach.

Sephora currently operates more than 1,480 stores in 31 countries worldwide where customers enjoy the freedom to choose from a broad range of products at their leisure.



Since its acquisition by LVMH in July 1997, Sephora has undergone rapid international expansion. The company's distinctive store layout is recreated at all points of sale including flagship stores on the Champs-Élysées in Paris, Times Square in New York, Nanjing in Shanghai, Dubai Mall in UAE or Ion Mall in Singapore.

Around the globe, Sephora's unique open-sell retail philosophy is geared to invite and tempt shoppers to have fun experimenting with products. Visitors to Sephora stores can look forward to an exciting experience, with entertaining animation events and trendsetting services.

Sephora excels in seeking out young, innovative brands to offer a stunning array of exclusive products. Its own brand, Sephora, is also a force in Beauty innovation. Customers can browse stores from the comfort of their couch. Sephora online stores are available in France, USA, Canada, China, Brazil, Italy, Russia and Poland, all offering a vast choice of the latest tantalizing beauty products.

Sephora is an ongoing success story that grows with each new customer and the company prides itself on being at the forefront of beauty trends.

OTHER ACTIVITIES

ROYAL VAN LENT

— Since 1849 —

The Dutch are recognized the world over as leaders in the luxury yacht industry. In fact, constructing vessels specifically for pleasure sailing began in this country at the end of the sixteenth century and even the word “yacht” has its origins in Dutch: *jacht*.



Benefiting from a superb location on Kaag Island, the Royal Van Lent yard has a yacht building heritage.

After Van Lent yachts won the Dutch speed championships in the early 1920s, the yard’s rise to international renown was assured. Since then, Van Lent has been innovative, being among the pioneers of electrified facilities, steel yachts and, in the 1930s, part-aluminum construction techniques.

In 1949, the Van Lent yard became one of the inaugural members of Feadship (First Export Association of Dutch Shipbuilders). Initially set up to capture a share of the American market, Feadship became the undisputed number one brand in the premium motor yacht market with truly custom built yachts, and today includes Koninklijke De Vries Scheepsbouw and De Voogt Naval Architects.

Royal Van Lent (the ultra-rare “royal” award came from the Dutch Queen in 2001) has been responsible for scores of the world’s most luxurious Feadship yachts.

Royal Van Lent’s success can be attributed to its passion for innovation, unparalleled production equipment, expert craftsmanship that strives for perfection, unrivalled experience in boat-building architecture, and close partnerships with the world’s top designers. These are the strengths that can transform a customer’s dream, no matter how big, into reality. Today, Royal Van Lent is building yachts up to 100 meters in length.

A pioneer in the United States in the 1950s, in the Middle East in the 1970s, and today in Asia. Feadship spearheads the way towards new horizons, constantly determined to excel and make a difference, as expressed so perfectly in the brand’s baseline: “There are yachts, and there are Feadships.”

JARDIN
D’ACCLIMATATION

— Since 1860 —

The Jardin d’Acclimatation, the oldest pleasure park in France, opened its gates in October 1860. Based on the model of Hyde Park that they so loved in London, Napoléon III and his wife Empress Eugénie brought in the greatest urban planners of their day to create a botanical garden and zoological society. Baron Haussmann, the Prefect of the Seine *département*, engineer Jean-Charles Alphand, landscape architect Jean-Pierre Barillet-Deschamps and architect Gabriel Davioud put their talents to work on this project, designing a 20 hectares park to be the life and breath of “modern Paris”.

Managing the park under a concession by a public service delegation for the benefit of the City of Paris, the LVMH Group decided to give fresh impetus to the activities of this eminently Parisian park, restoring its illustrious past and opening it to everyone.

OTHER ACTIVITIES



The identity of the Jardin d'Acclimatation is based on feelings, and places familiar to all generations of Parisians: the Petit Train, which has been running since 1878; the Rivière Enchantée, an attraction from the Universal Exhibition with boats that have been sailing since 1926; the famous distorting mirrors; the small Norman farm, where many of the capital's children had their introduction to nature; and the Guignol marionette theatre, in the restored stables of Napoléon III.

Keen to safeguard its traditions but not turn its back on modernity, the Jardin d'Acclimatation has recently introduced a policy of free activities and attractions with a view to welcoming all audiences.

Priority is also given to sustainable development and biodiversity throughout the park, reflected in an increase in the number of mammals, which can be seen at the small farm, and the introduction of birds in the aviary or flying free.

The Jardin's principal objectives lie in preserving the heritage of the nineteenth century, both buildings and landscapes. At the same time, LVMH is modernizing, and serving the missions set by the City of Paris for sports and nature, games and culture, to satisfy all its visitors — children, parents, families, those simply out for a stroll and tourists — from everywhere in France and abroad. The Jardin d'Acclimatation is open 365 days a year and welcomes an annual total of 1.5 million visitors.

LA SAMARITAINE

— Since 1870 —

Founded in 1870 by Ernest Cognacq and his wife Louise Jaÿ, a former leading fashion sales consultant at Le Bon Marché, La Samaritaine evokes the Paris of the Second Empire modernized by Baron Haussmann, when the first department stores were born. With fixed prices displayed and the opportunity for shoppers to stroll around among the counters and try on the garments, La Samaritaine introduced concepts that were to revolutionize traditional retailing.

Situated between the Louvre and Notre-Dame de Paris, La Samaritaine soon became an architectural monument where Art Nouveau and Art Déco coexisted in a harmonious whole.

The complex consisted of a department store, rental offices and shops until 2005, when the building was closed for safety reasons.

The renovation of La Samaritaine will revitalize this magnificent building, embracing modernity with an ambitious project including businesses, housing and services.

The architectural concept will restore La Samaritaine's identity by combining urban regeneration and contemporary design. The main building, most of it included on the register of Historic Monuments, will be the subject of an exemplary renovation project involving many traditional crafts and skills. All the façades will be renovated to their original state and the magnificence of the glass covered great hall will be restored.

OTHER ACTIVITIES

The Rue de Rivoli façade, melding aesthetic modernity, urban assimilation and technical performance, will link La Samaritaine once again to the tradition of innovation that it originally exemplified, contributing to the prestige of Paris.



In December 2012, the City of Paris issued the building permit for La Samaritaine. This decisive step has enabled work to begin on the entire site to carry out one of the finest architectural projects in Paris, in its unrivalled position on the banks of the Seine. The architectural firm Sanaa, winner of the 2010 Pritzker Prize, has been selected to manage this ambitious project.

GROUPE LES ECHOS

— *Since 1908* —

The newspaper Les Echos, which celebrated its 100th anniversary in 2008, is really a family venture with the creation of a weekly magazine called “Les Echos de l’Exportation” (“Export News”). It was a communications vehicle for Schreiber-Aronson, which specialized in the export of hardware and haberdashery. Over the decades, the name and frequency of the newspaper has changed, ultimately giving birth to today’s daily newspaper, Les Echos.

The publication was sold to Pierre and Jacqueline Beytout in 1963, and twenty years later was acquired by Britain’s Pearson group, which also publishes The Financial Times. At that time, the group acquired a number of publications in addition to new products: the monthly publications Enjeux Les Echos and Série Limitée appeared a few years apart, along with other special and regular supplements. The group also acquired Eurostaf and Capital Finance. In 1991, the advertising agency Echofi was established, which became Les Echosmédiat in November 2008.

Finally, 1996 marked the year when the website LesEchos.fr was created, making Les Echos the first French online daily newspaper, accompanied by the launch of the world exclusive “e-paper”, the first mobile digital newspaper.

In December 2007, LVMH became shareholder of Groupe Les Echos.

In the fall of 2012, Les Echos launched a new repackaged daily newspaper with stronger editorial content, plus a new digital offer on LesEchos.fr.

Today, Groupe Les Echos is France’s leading economic and financial press group, boasts an extensive portfolio of brands:

- Media:

Les Echos, the portal for LesEchos.fr, Enjeux-Les Echos, Investir, and Capital Finance in the economic and financial sectors, Connaissance des Arts, Série Limitée, Classica, Radio Classique and La Fugue, covering lifestyle, arts and culture

- Technological innovations: Grid, Les Echos 360 and legal notices

- And finally business services: Les Echos Publishing, Les Echos Salons, Les Echos Events, Les Echos Etudes and Les Echos Formation.

OTHER ACTIVITIES

LVMH HOTEL
MANAGEMENT— *Since 2009* —

LVMH Hotel Management is the LVMH Group's entity in charge of its hospitality developments and operations. LVMH Hotel Management has complete ownership of this activity and leads its expansion, design, marketing and operations.

Considered as a natural extension of the Group's activities in the world of services, LVMH Hotel Management aims at answering to a strong demand for an innovative offer in the luxury hospitality sector.

This activity enables the LVMH Group to enhance the expertise of its brands through numerous synergies – in particular with the wines and spirits division for the food and beverage offer, and the perfumes and cosmetics brands for the spa concepts – and to capitalize on the long-term growth of the luxury hotel industry.



Conceived with creative passion, Cheval Blanc invites a new generation of luxury leisure travelers to experience some of the finest pleasures in life. Its collection of exceptional Maisons started with the opening of the 36-room Cheval Blanc Courchevel in 2006, followed by Cheval Blanc Randheli in the Maldives, opened in autumn 2013. The brand pursues its global expansion with future developments including among others Oman and La Samaritaine in Paris.

Designed in a warm and inviting style by renowned architects, each Maison offers unique residential features and a very limited inventory for a crafted service.

LVMH Hotel Management also operates the Hotel Saint-Barth Isle de France since its acquisition in July 2013 and the White 1921 in Saint-Tropez. Proposing an innovative champagne bar offer, the property opened in 2012.



PHOTOGRAPHS

Bulgari, Olivier Arnaud/Rose Paris – Château d'Yquem, Gérard Uferas – Moët & Chandon, Andreas Achmann – Hennessy, Tod Selby – Veuve Clicquot – Château Cheval Blanc, Gérard Uferas – Krug, Denis Chapoullié – Dom Pérignon, Richard Newton – Wenjun – Bodegas Chandon – Newton, Andy Katz – Cloudy Bay – Belvedere – Numanthia, Gilles de Beauchêne – Terrazas de los Andes – Cheval des Andes, Gilles de Beauchêne – Louis Vuitton, Gérard Uferas – Berluti – Loro Piana, Bruna Rotunno – Fendi – Céline, Juergen Teller – Emilio Pucci, Mario Sorrenti – Givenchy, Jean-Christophe Vincent – Kenzo – Donna Karan International – Marc Jacobs – Edun, Dan Lecca – Christian Dior Parfums – Parfums Givenchy, Glen Luchford – MAKE UP FOR EVER, Robin François – Parfums Kenzo, Patrick Guedj, Maeva Delacroix – Chaumet – Bulgari – Hublot – Le Bon Marché – DFS – Sephora, Yvan Matrat – Jardin d'Acclimatation – Julien Alma, Sté Doug & Wolf – SEHST, T. Maly – Picture libraries of LVMH and Group's Maisons.

This book was printed on paper from sustainably managed forests,
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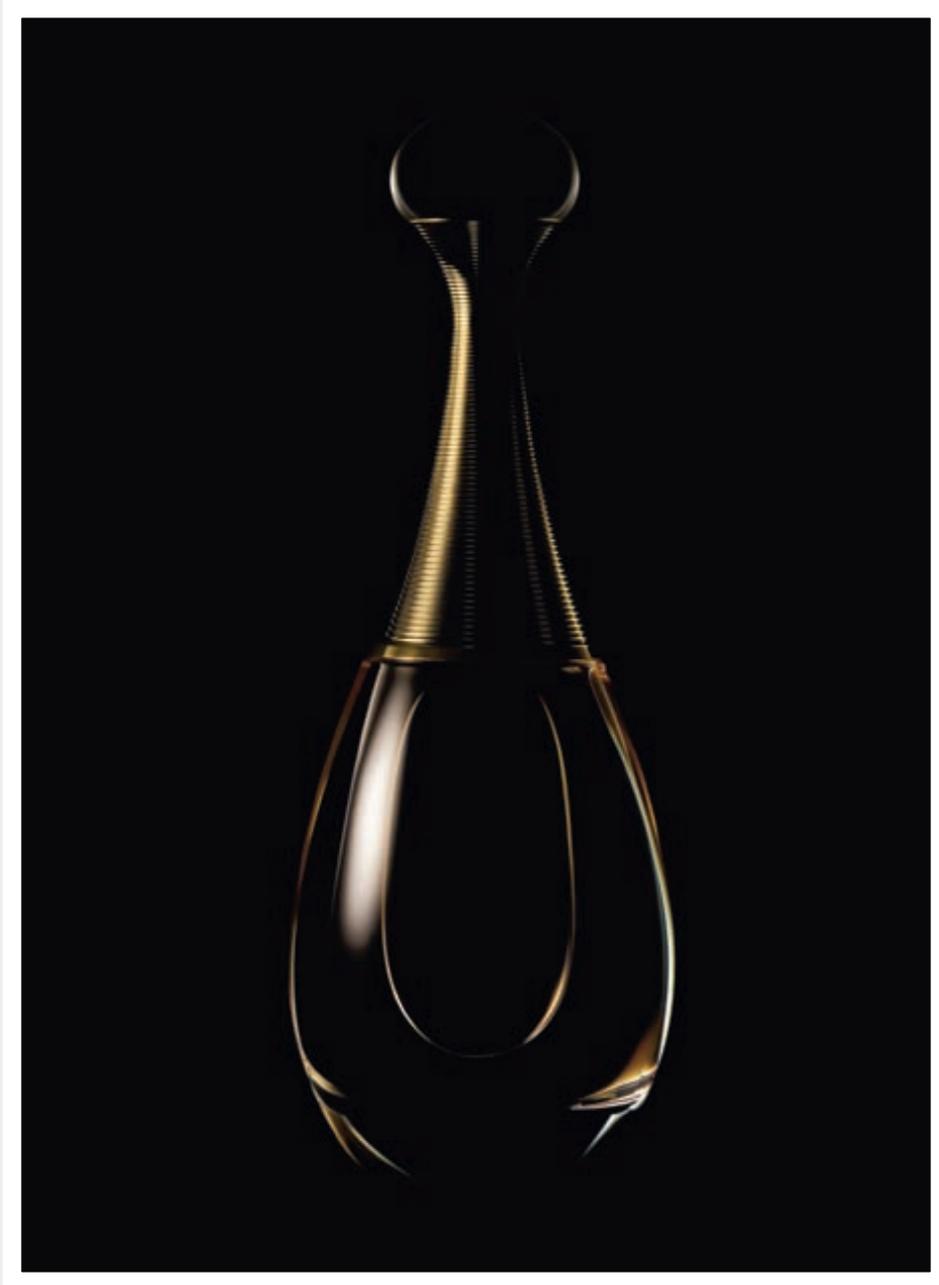


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L V M H

MOËT HENNESSY ♦ LOUIS VUITTON

LVMH 2013
—
ANNUAL REPORT



**SUSTAINABLE
DEVELOPMENT**



CONTENTS

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Luxury is born from invention and the hand of man.
It works to exalt nature in its purest and most beautiful form.
Sustainable development is inseparable from LVMH's strategy.

*“As actors in economic and social life,
we are called to the highest standards
of integrity, respect and engagement
in our behaviors, everyday, everywhere.”*

Bernard Arnault

PROMOTING THE “FUTURE OF TRADITION”: THE GOAL OF HUMAN RESOURCES

The role of the Group's Human Resources teams around the world is to combine a rich assortment of brands, multiple geographical locations and cultural diversity with the need for a coherent set of policies geared toward excellence. It is a crucial, ongoing challenge designed to attract top talent, foster energy and enthusiasm, boost skills and provide Group employees with a motivating and entrepreneurial work environment with multiple opportunities for personal development.

The human capital that makes up the LVMH Ecosystem is an exceptional asset comprising unique experience, specific know-how and rich cultural heritage. It is driven by a commitment to excellence and a passion for the Group's brands.

The work done by HR promotes and showcases the Group's diversity, be it cultural, geographical or work-oriented. There is no surer way to maintain the high degree of creativity that helps sustain the success of our Group's brands.

ATTRACTING TALENT

PROMOTING THE GROUP'S IMAGE AS AN EMPLOYER THROUGHOUT THE WORLD

In 2013, the LVMH Group offered its main partner schools and universities a unique experience by inviting them for a behind-the-scenes look at some of its most iconic brands, thereby reinforcing the Group's image as an employer and the singularity of its Maisons. More than 150 guests (school directors, professors, students and key partners) had the chance to learn more about the Louis Vuitton workshops, Maison Kenzo, the Dior Couture workshops and Maison Chaumet during a sneak preview of the Journées Particulières open days in June 2013. It was a unique opportunity that complemented traditional school relationships and events organized on campus each year, and gave participants more insight into the remarkable character of each of our brands.

In parallel with this Group initiative, a number of Maisons, including Sephora and Guerlain, launched their own employer communications campaigns in 2013 to attract top applicants.

As a result of such initiatives, which were carried out at select schools and universities around the world, LVMH retained its ranking in Universum's 2013 survey of French business school students as a preferred employer and rose in the ranks of top employers in Europe.

ATTRACTING TOP TALENT

By virtue of the reputation of its brands, its growth, and its global expansion, the Group naturally attracts talent not just from the world of luxury goods but also from all spheres of innovation and creativity. Exclusive, strategic partnerships with elite schools around the world give applicants the chance to be trained by Group managers and shadow them in real-life situations, with the most talented applicants going on to be hired.

For example, the academic chair in luxury goods marketing at ESSEC offers students the opportunity to review case studies, and in 2013 some of these pertained to issues at Sephora, Chaumet, Veuve Clicquot and Louis Vuitton. In the same vein, Bulgari is involved in the Luxury Business Track offered by SDA Bocconi in Italy, aimed at MBA students seeking careers in the luxury goods sector. In the United States and Asia, local HR teams give talks on the retail profession to students from prestigious business schools and universities (Harvard Business School, New York University and Columbia in the United States, and Fudan, Shanghai Jiao Tong and Shanghai International Studies University in Asia) to give the students more information about potential careers with the Group.

Lastly, as part of the strategic partnership between LVMH and Central Saint Martins College of Art and Design, LVMH offers scholarships to students studying for a

bachelor's degree in Arts & Fashion. Beneficiaries include Mao Usami, the young Japanese designer who received the Grand Jury Award at the BA Fashion Show in June 2013, which was attended by Phoebe Philo,



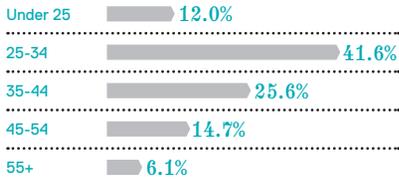
Misty Solano's illustration for Fresh.

Artistic Director of Céline and herself a CSM alumna. For its part, Fresh worked with 80 students from Parsons The New School for Design on an illustration project, and two very noteworthy winners emerged: Vincey Cheung and Misty Solano.

PROVIDING INFORMATION ABOUT THE GROUP'S KEY BUSINESSES

In 2013, LVMH launched the “Talent Days”, a series of bespoke events centered on key themes such as retailing, engineering, and design. Groups of students got to experience an exceptional day in the world of our brands. Students visited stores, workshops and unique venues such as the work site of the Louis Vuitton Foundation for Contemporary Art, heard the personal accounts of Maison chairmen and former students now working for the Group, talked to managers and worked collectively on real business cases. Students were able to learn more about the broad range of our businesses and had the opportunity to be in direct contact with LVMH recruiters.

WORKFORCE BY AGE



114,635
employees worldwide
at December 31, 2013

Median age of
33

WORKFORCE BY PROFESSIONAL CATEGORY

(at December 31, 2013)

	2013	2012	2011	
Managers	19,634	17,851	16,009	17%
Technicians and supervisors	11,197	9,960	9,078	10%
Administrative and sales employees	69,688	65,415	60,070	61%
Production workers	14,116	13,122	12,402	12%
TOTAL	114,635	106,348	97,559	100%

TRAINING

PASSING ON THE “KNOW-HOW” OF OUR MAISONS: A DAILY STRATEGIC CHALLENGE

To develop the passion and excellence of a luxury brand, the LVMH Group and its Maisons offer numerous training and apprenticeship opportunities to all categories of staff in all our areas of business, attesting to the true nature of the LVMH Ecosystem.

Beneficiaries get to develop their qualifications and employability on an ongoing basis, improve the luxury experience they offer customers and strengthen the know-how and excellence of the Maisons.

Some years ago, Louis Vuitton Malletier established a unique “Leather Artisans School” to boost the expertise of its leather artisans throughout their careers. In 2013, 3,000 leather artisans were trained by 120 in-house experts in 32 Louis Vuitton manufacturing workshops. In addition to technical skills (in exotic leathers, digitalized leather cutting, etc.), participants

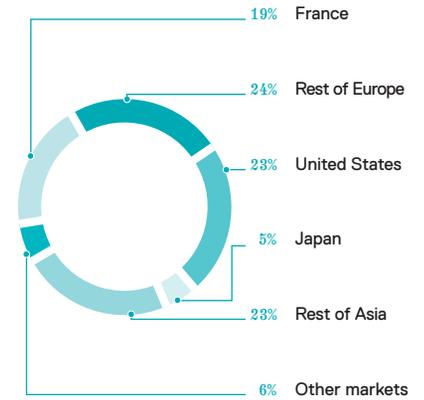
gained more awareness of environmental and social issues related to their businesses (ISO 14001, workplace safety, etc.).

In Madrid, after doubling its in-house production capacity, Loewe opened an ambitious “leather crafts school”.



Louis Vuitton Leather Artisans School.

EMPLOYEES* BY GEOGRAPHIC REGION

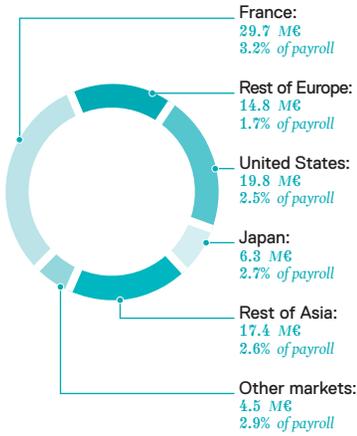


EMPLOYEES* BY BUSINESS GROUP



* Includes both regular and temporary personnel as at December 31, 2013.

TRAINING INVESTMENT



2013 graduating class at Loewe's Leather Crafts School.

Setting up the school at Loewe's production center involved substantial investment (30 machines, 10 computer stations, and 16,000 feet of leather). The goal is to give production agents more experience and award them an official diploma recognized by other Spanish institutions.

In 2013, 240 employees and 40 recent external recruits benefited from training provided by this school.

At its new in-house school in Ferrare, Italy, Berluti is also helping to promote artisan culture, this time in the Emilia-Romagna region, where unemployment is especially high. In 2013, the school selected and provided leather craftsmanship and shoe-making training to people with no prior experience, with each person receiving 400 hours of training. Out of 1,045 candidates, a total of 110 were selected and each received 400 hours of training and a certificate validating their skills, recognized at European level.

ranging from sales techniques to beauty expertise per product category (i.e. perfume, cosmetics and makeup). In 2013, more than 250,000 hours were devoted to training beauty advisors in these regions.

Parfums Christian Dior embarked on a major training campaign dedicated to skincare in a variety of stores around the world. A total of 740 beauty specialists were trained in the innovative, inter-cultural tool Secret Dior Beauty to increase their skincare expertise and their ability to offer an exclusive customer experience.

TAG Heuer introduced a Retail Academy which was attended by all store managers. The goal was to improve their understanding of the brand's values, their mastery of the key elements of visual merchandising and their staff management skills.

The quality of the training offered to employees by the Group's Maisons is highly respected and has resulted in a number of awards. For example, this year DFS received

SEPHORA EMPLOYER PROMOTIONAL CAMPAIGN

In 2013, Sephora promoted its employer brand by unveiling a bold and markedly avant-garde campaign. In a break from traditional HR methods of communication, Sephora chose street art to broadcast its message.



DEVELOPING RETAIL EXPERTISE

Most LVMH brands have introduced ambitious training programs for their Retail teams that provide unique expertise in luxury goods and make a marked contribution to the staff member's personal development and career prospects.

Sephora recently introduced a five-year professional development program in Europe and the Middle East for its beauty advisors,



TAG Heuer Retail Academy.

the Silver Award from the renowned “Hong Kong Management Association” for Excellence in Training and Development in the Development Category for its “Apprentice to Master” program and the “Most Innovative Program Award” for its School of Beauty and Fragrances.

Such Retail initiatives by the Maisons were supplemented by training programs at Group level. For example, in China, a local “LVMH Retail Academy” provided training in the development of recruitment skills and best-practice sharing in the retail segment. A total of 70 retail managers from 15 different brands took part in these sessions, which taught them how to position their very high standards of quality in this strategic market.

SHARING BEST MANAGEMENT PRACTICES

Every year, LVMH expands its training offer. In 2013, more than 3,300 senior managers had the opportunity to participate in one of the Group’s training programs. These



Fresh-Central St Martins Custom Forum organized at LVMH House.

are in addition to the training offered by individual Maisons and enable managers to develop their skills and share ideas and experience with colleagues whose economic environments have different challenges and perspectives.

The Group offers three levels of training: “Regional Group Training” seminars for local managers, “Executive Development” programs for high potential managers, and

the LVMH House “Presidents Forums” to increase the management and leadership skills of senior managers.

In 2013, the Regional Group Training program provided training to more than 2,800 local managers and executives in creativity and innovation skills development, and in how to deal with specific local issues (developing a culture of luxury, responding to local cultural specificities, etc.).

More than 300 senior managers have also taken part in LVMH House forums, which offer members of the Maisons’ senior management the opportunity to share the best practices of the luxury goods industry.

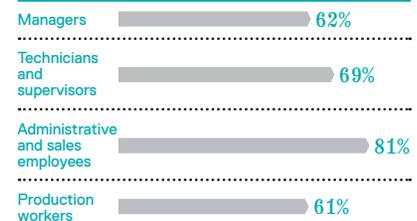
After more than twelve successful years, LVMH House is recognized by leaders of the luxury goods industry as a benchmark in areas such as building brand desirability and developing leadership to drive performance. Chairmen and chief executive officers of LVMH Maisons also use LVMH House experts for customized seminars that address the specific challenges facing their particular Maison. In 2013, 10 custom seminars were developed.

BOOSTING A FUNCTION’S EFFECTIVENESS THROUGH FUNCTION-BASED ACADEMIES

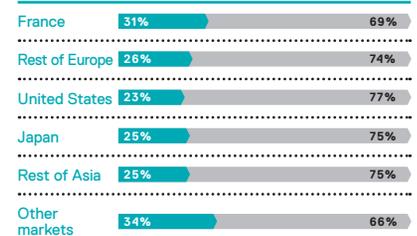
With the support of the Group’s functional departments, two functions (Information Systems and Human Resources) launched their own “Academies” this year. These Academies offer managers of a specific function a learning track with multiple specialist modules to help them meet the strategic challenges arising from exceptionally high performance standards.

The Academies are an excellent opportunity for leaders of specific functions and from different environments to work together. And most importantly, the Academies support these leaders as they take on more responsibility.

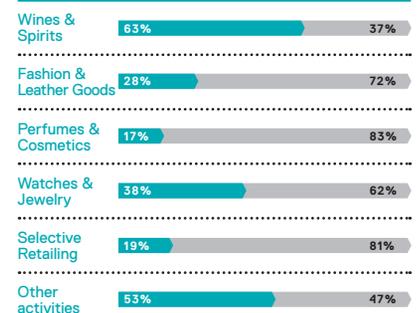
74% WOMEN



BREAKDOWN OF MEN/WOMEN BY GEOGRAPHIC REGION (regular employees)



BREAKDOWN OF MEN/WOMEN BY BUSINESS GROUP (regular employees)





EllesVMH Coaching at Kenzo.

VALUE-BASED LEADERSHIP

Two new Executive Development programs were launched this year to develop in our future leaders leadership skills in keeping with their personal values. The main purpose of *LVMH RISE (Results In Social Entrepreneurship)* is to support an external social entrepreneur over the course of six to nine months. By offering their expertise in finance, retail, marketing and general management, LVMH participants provide social entrepreneurs with access to a professional network as well as to specific, high-level skills. The experience establishes social awareness among future LVMH leaders and strengthens their ability to work in different cultural or organizational contexts.

EllesVMH Coaching is an innovative approach to coaching for high potential women managers to help them manage their career. Talented women from Asia, Europe and the United States were individually coached by four independent experts on the main obstacles they might face during their career. This initiative was also a superb opportunity to build a multicultural women's network.

DEVELOPMENT

SHOWCASING TALENT, ANTICIPATING CHANGE

The global nature of the annual Organization and Management Review (OMR) increases year after year. This multi-disciplinary exercise, which involves all of the Group's Maisons and subsidiaries, is aimed at identifying internal talent and ensuring succession to key positions. In 2013, the Group launched an e-learning module to promote how the OMR is conducted in our organizations.

The review's global nature is also reflected in the importance given to the regions throughout the process. In the core markets in which the Group is involved, networking sessions are organized between the various brands to enhance succession and development plans. The conclusions resulting from the OMR are deployed extensively to operational managers all around the world.

In addition to this global review, reviews are conducted on cross-company functions, the most important of which are finance, human resources, the supply chain, retail, and digital technology.

The OMR, for example, provides a precise, detailed, annual account of our talent pool, which is constantly becoming more diverse. Women hold one out of every two of the Group's 2,000 key positions, and the percentage of women serving on executive boards achieved 37%.

Cultural diversity among the teams continues to increase. The Group Executive Committee members alone represent seven different nationalities.

This variety of experience constitutes yet another facet of the LVMH talent pool. Two thirds of key positions are filled internally, 40% of them by managers from another Group Maison.

The Human Resources department helps staff advance in their careers by distributing a Mobility Guide and e-learning module on mobility management. It also coordinates the HR function in all of the Group's host countries.

For example, in 2013 more than 2,700 managers moved around within the Group, an increase of 30% over 2012. This momentum has been further boosted by the recent "MOVE" promotional campaign, designed to promote the job offer platform to all employees.



November 13, 2013: Chantal Gaemperle at the EllesVMH Coaching "D Day".

ACTING RESPONSIBLY

At LVMH, corporate social responsibility can be divided into four major categories: constant attention to working conditions, prevention of any form of discrimination, workforce entry for people with disabilities and involvement in helping local communities.

This policy is driven by the Group and shared by all Maisons. The Maisons implement it according to their local contexts and apply it to their own human and social issues, in keeping with their history and heritage.

A full international report of all action carried out during the previous twelve months is produced annually and covers the Maisons with the largest workforces (88% of the population) and all corporate social responsibility challenges relevant to LVMH.

The process is widely communicated through the CSR newsletter and, for the first time in 2013, in the “Corporate Social Responsibility Initiatives” report that presents the Group’s policy and the action taken by the Maisons. Every new manager is systematically informed of the CSR policy and how it is implemented during their induction seminars.

PROVIDING WORK CONDITIONS THAT RESPECT PEOPLE AND THEIR SKILLS

The motivation and skills of Maison employees are key to the exceptional quality of the Group’s products and services. Employees’ work conditions must allow them to express such excellence to best effect and flourish as they fulfill their tasks.

For example, health, safety and ergonomic diagnostics are carried out on a regular basis at production sites, workshops and vineyards, and increasingly frequently in stores and corporate headquarters, giving rise to structured action plans. In conjunction with staff representatives, Parfums Christian Dior is rolling out a process aimed at improving the ergonomics of work stations for workers at its headquarters, workers on the move and store sales personnel. At Glenmorangie,

the “zero accident” initiative still forms the basis of the Maison’s entire workplace health and safety culture. At Guerlain, a broad range of ergonomic-related initiatives have been implemented at production sites and in stores. Louis Vuitton has embarked on a comprehensive healthcare initiative that combines a healthcare policy, work organization, the physical work environment and a training plan for its manufacturing workshops and logistics warehouses. The initiative will run through 2015.

At Group level, periodic analyses of insurance programs and healthcare costs are presented and discussed with staff representatives on the Group Committee to define a common basis for worker protection. The Maisons have their own ambitious programs, such as the one rolled out by Loewe in the Asia-Pacific region (Hong Kong, Taiwan and Singapore) that provides free health and dental insurance to each employee, and that of Sephora in China, which offers all employees an annual medical check-up.

Work-life balance is another component that is crucial to quality of life in the workplace and on which the Maisons rely. Concierge and childcare services are expanding throughout the Group. Parfums Christian Dior introduced the first ever “quality of life in the workplace day”. Louis Vuitton in the Middle East has voluntarily increased maternity leave from 45 days to 12 weeks.

PREVENTING THE RISK OF DISCRIMINATION AT ALL STAGES OF PROFESSIONAL LIFE

The major “Diversity and Inclusion” survey conducted in the United States in 2012 led to a diversity policy being adopted for the Maisons operating in North America. In 2013, Loewe undertook a similar study of its own diversity and equal opportunity practices.

Numerous initiatives are aimed at supporting job seekers. In France, Sephora and Make Up For Ever conduct regular Jobstyle coaching and job-seeker assistance sessions for disadvantaged workers. With the support of LVMH, Parfums Christian Dior



MOVE is an internal job offer platform hosted on the Group’s intranet site, Voices. Launched in 2012 to promote internal mobility, the tool gives all employees a better view of the Group’s job vacancies, including those at all Maisons and in all geographic locations.

The Group and the Maisons have joined forces to explain how MOVE works, providing guidelines for interested parties on the mobility process, and sharing success stories as well as the personal stories of employees and Human Resources managers.

The use of multiple vehicles – from oral presentations and mailshots to digital tools such as newsletters, the Group’s intranet and the Maisons’ own intranets – has raised the awareness of more than 30,000 people.



Signing of the cooperation agreement between Hôpital Robert-Debré and LVMH.

On November 7, 2013, LVMH organized its first *Dîner des Maisons engagées* in the Jardin d'Acclimatation in Paris, which brought together some 30 *Maisons* and was attended by almost 200 people.

Created to celebrate the human commitment of the Group's employees and the strong societal involvement of its *Maisons*, the dinner was also an opportunity to raise funds to combat sickle-cell disease, a rare and poorly understood disease that affects almost 50 million people worldwide. The event is an excellent example of the deployment of the Group's Corporate Social Responsibility policy.

co-organized a job drive called "2000 jobs, 2000 smiles" near its production site to publicize jobs available to the region's job-seekers. LVMH also supports the non-profit association "Nos quartiers ont des talents" (our neighborhoods have talent), with more than one hundred of its managers taking part in the initiative. In the United States, a partnership has been established with the Chinese-American Planning Council (CPC) and Parsons The New School for Design to develop a sales training program for disadvantaged young Mandarin speakers.

Since 2008, LVMH has been constantly monitoring its applicant diversity practices and has engaged a leading independent firm to conduct discrimination reviews of the job offers published on its website.

Since 2011, the "Recruiting Without Discrimination" training program has been mandatory for all human resources managers involved in recruitment. A module for the Italian *Maisons* is currently being developed. LVMH also gives its *Maisons* access to a "Managing Without Discrimination" training program, which is more management-oriented. In the United States, the induction seminar for new managers of LVMH *Maisons* included in 2013 a module entitled "Appreciating Differences".

The *Maisons* adapt these tools to their specific needs before deploying them. For example, Parfums Christian Dior has rolled out a training program entitled "Respect Yourself and Respect Others", Céline trains its managers in its own "Managing Without Discrimination" module and Loewe trains workshop employees in gender equality.

PROMOTING THE EMPLOYMENT OF PEOPLE WITH DISABILITIES

Supporting access to employment for people with disabilities is at the heart of LVMH's corporate social responsibility policy.

The LVMH Disability Project manages the Group's policy via a network of 30 disability representatives in the *Maisons*. In France, the policy has resulted in a 4.1% employment

rate of people with disabilities at the end of 2012 (per the standards set by Agefiph, France's Fund Management Organization for the Professional Integration of People with Disabilities).

Providing disabled workers with access to employment and training goes well beyond the borders of France. The *Maisons* in Japan have a special sensitivity to this issue. For example, Louis Vuitton employs 28 people with disabilities, and Bulgari and Loewe are making strong efforts to recruit disabled workers.



Disabled students are welcomed at Sephora Champs-Élysées.

LVMH chairs the ARPEJEH, a French non-profit association that assists disabled young students. The association has brought together some sixty businesses to provide training to young people with disabilities. In London, Donna Karan has had ties with the Down's Syndrome Association since 2012 and has now developed a partnership with the association. In Italy, Bulgari is working closely with the Italian Down's Syndrome Association (AIPD).

LVMH is an active supporter of the use of the "protected and adapted" sector. This sector makes it possible for people with severe disabilities to perform an activity in an environment specially adapted to their work. Following the "Disabilities and Responsible Purchasing" trade show in 2012, the *Maisons* have significantly stepped up their orders and relationships with companies operating in this sector.

SUPPORTING LOCAL COMMUNITIES

LVMH and its Maisons demonstrate their commitment to the communities into which the Group is expanding by contributing to local development through their operations and helping to save jobs. In 2013, Louis Vuitton showcased its leatherwork expertise during a series of demonstrations in a number of countries outside France, including Finland, Germany and Russia, by its top craftsmen from its French workshops.

The Group regularly demonstrates its solidarity and compassion when a natural disaster occurs. This was again the case recently in 2013 in the Philippines, with financial support provided by Louis Vuitton, Moët-Hennessy and DFS.

The Group firmly believes that education plays a major role in insertion and that excellence is a vector for self-improvement, and it therefore organizes and supports numerous initiatives aimed at educating young people.

In France, LVMH supports the Sciences Po Priority Education Agreements that allow students from disadvantaged neighborhoods to pursue studies at the institution.



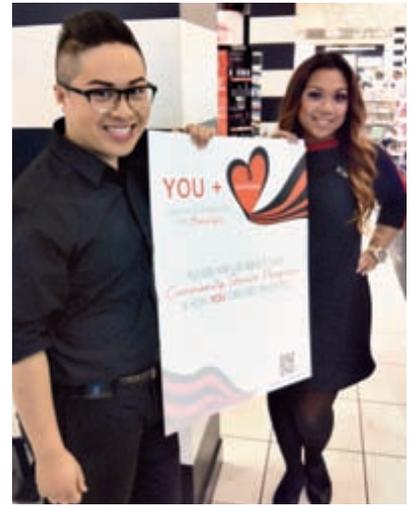
Anaïs Guille, 2013 winner of the LVMH Young Talent award.

LVMH also sponsors the “Cultures et Création” fashion show which takes place every year in Seine-Saint-Denis. Designers and models, all amateurs, demonstrate

enormous creativity plus a sense of excellence as they showcase the know-how that results from a broad range of cultures. The Group awards the “Young Talent” trophy to a semi-professional designer in recognition of the originality and design quality of their work. The Group’s solid support of this event has enabled the 2013 recipient to move on to the very demanding world of design as part of an equal opportunities initiative devised by LVMH. The initiative is underpinned by action conducted in conjunction with educational establishments in this deprived area.

The Maisons are all involved in this goal. For example, Bulgari supports children’s education through its partnership with “Save The Children” in Italy, and DFS is involved in the development of a major school group in Haiti. Louis Vuitton has established a very close partnership with SOS Children’s Villages, putting all its energy and that of its teams toward helping the organization in countries that host the brand. The best illustration of this is the building by Louis Vuitton of a training center in Bhubaneswar in India, for 150 children. In Cambodia, Sephora supports a project called “School for Everyone” that funds the education of young girls by selling teddy bears across its network, with profits going to the association.

All of these initiatives are recognized and have led to LVMH’s ranking in the Dow Jones Sustainability Index, Ethibel Sustainability Indices and Euronext Vigeo Eurozone 120.



In 2013, Sephora US launched the “Values Inside Out” (VIO) program, a partnership initiative that puts Sephora’s stores in the United States in contact with local non-profit organizations. The team of “cast members” from each store chooses a local organization that it wishes to help. So far, the program has generated 335 million media comments, raised \$1.4 million and clocked up more than 3,000 volunteer hours.



On March 28, 2013, Louis Vuitton Japan hosted six young women from Kamaishi at its offices and store in Omotesando. The city of Kamaishi, located in the Iwate Prefecture, was partially destroyed by the tsunami triggered by the massive earthquake that struck the east coast of Japan in 2011.

RESPONSIBLE PARTNERSHIPS

LVMH strives to maintain and promote responsible cooperation among its partners, including suppliers, distributors, and sub-contractors. Since 2008, all the Group's brands have adopted and implemented the Supplier Code of Conduct which lays down the Group's guidelines for social responsibility (freedom of contract, discrimination, harassment, child labor, compensation, hours of work, freedom of association and collective bargaining, health and safety, etc.), the environment (impact reduction, use of green technologies, waste reduction, compliance with regulations and standards), and the fight against corruption. Any collaboration with a partner requires their commitment

to all the ethical principles contained in this Code. The Code of Conduct also stipulates the principle and procedures for monitoring and auditing compliance with these rules.

As they do each year, working groups composed of experts from the Group's various Maisons presented their progress and achievements at an annual meeting to exchange best practices, set up common tools and standards, and define new vectors for improvement.

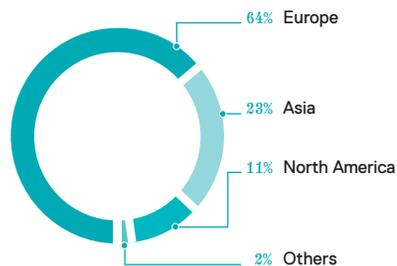
The Group's Maisons have tools and resources to help them better identify suppliers and protect against any kind of risk. The use of pre-audits (57 in 2013) has also made it easier to determine supplier practices in advance and to decide whether or not to work with a particular supplier. To this end, Louis Vuitton systematically audits any

new supplier located in a region considered "at risk". Re-audits also demonstrate that the Maisons monitor their suppliers on a regular basis and assist them in their efforts to make improvements. On occasion, however, some of the Group's Maisons have had to end their collaboration with suppliers whose audit results revealed cases of serious non-compliance with our Code of Conduct.

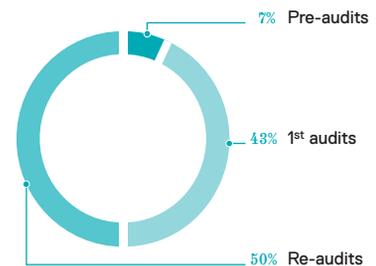
In their quest for continued improvement, the Group's Maisons will continue to conduct supplier audits in 2014 and follow up on action plans.

In 2013, 750 social and/or environmental audits were conducted, nearly 80% of them by third-party experts, at 624 of our suppliers. A total of 540 audits focused exclusively on social criteria. More than a third of these audits yielded results in line with our requirements, and 40% showed minor non-compliances. The audits that showed a need for significant improvement by the supplier or a major non-compliance represented 19% and 3% respectively of the audits performed. Reasons for non-compliance mainly related to two indicators: Health & Safety and Working Hours. A total of 208 corrective action plans were set up at our suppliers where the audits identified areas for improvement.

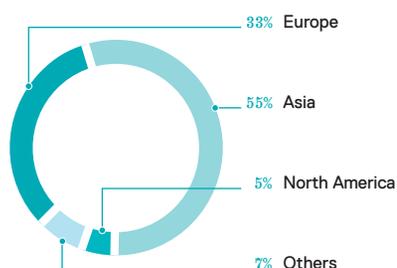
BREAKDOWN OF SUPPLIERS BY REGION



BREAKDOWN OF AUDITS BY TYPE OF AUDITS



BREAKDOWN OF AUDITS BY REGION



Perimeter: Wines & Spirits, Louis Vuitton, Berluti, Donna Karan, Fendi, Givenchy, Kenzo, Loewe, Marc Jacobs, Céline, Thomas Pink, Bulgari, Chaumet, Montres Dior, Fred, Hublot, TAG Heuer, Zenith, De Beers, Acqua di Parma, Fresh, Perfumes & Cosmetics, DFS, Sephora.



Signature of the United Nations “Women’s Empowerment Principles”

In 2013, LVMH and 32 Group’s Maisons signed the United Nations Women’s Empowerment Principles, underscoring how seriously it takes its commitment to offer women as well as men the real possibility to fulfil their potential.

The seven Women’s Empowerment Principles primarily relate to education, training and the professional development of women as well as the commitment to gender equality at the highest corporate level.

This public commitment confirms the Group’s goal to continue to increase the percentage of women serving on executive boards and achieve a rate of 40% by 2015 (versus 37% in 2013 and 26% in 2010).

The commitment has been signed by Krug, Moët & Chandon, Hennessy, Veuve Clicquot, Glenmorangie, Estates & Wines, Louis Vuitton Malletier, Fendi, Emilio Pucci, Marc Jacobs, Berluti, Christian Dior Couture, Loewe, LVMH Fragrance Brands, Givenchy, Acqua di Parma, Kenzo, Thomas Pink, Parfums Christian Dior, Guerlain, Parfums Loewe, Make Up For Ever, TAG Heuer, Fred, Chaumet, Dior Montres, Bulgari, De Beers Diamond Jewellers, Sephora, Le Bon Marché, DFS, Les Echos, Moët Hennessy Diageo and Le Jardin d’Acclimatation.

PROTECTING THE ENVIRONMENT



The Group's Maisons use exceptional and often rare natural raw materials for their products, and this is one of the reasons why they have long been taking environmental concerns into account. The design of luxury products needs to incorporate not only innovation, creativity, and excellence of execution, but also environmental performance. These values stem from the unique heritage of our Maisons and are embodied in the expertise and commitment of the teams tasked with protecting the environment.

In 2012, environmental protection reached a new milestone when the LIFE – “LVMH Indicators for the Environment” – program became an integral part of the Group's development strategy. On the 20th anniversary of environmental commitment at LVMH, Group Managing Director Antonio Belloni announced the decision to roll out LIFE to all Maisons by 2015.

THE GROUP'S VALUES

CLEARLY IDENTIFIED CHALLENGES

The enormous diversity of LVMH businesses is one of the Group's characteristics. This is both an asset and a challenge. Despite their marked individuality, the five LVMH business groups – Wines & Spirits, Fashion & Leather Goods, Perfumes & Cosmetics, Watches & Jewelry and Selective Retailing – are linked by a shared vision of

THE MAIN CHALLENGES OF EACH BUSINESS GROUP

	<i>Wines & Spirits</i>	<i>Fashion & Leather Goods</i>	<i>Perfumes & Cosmetics</i>	<i>Watches & Jewelry</i>	<i>Selective Retailing</i>
<i>Saving energy resources and combatting climate change</i>	<ul style="list-style-type: none"> • Production of packaging. • Distillation. • Transport of product shipments. 	<ul style="list-style-type: none"> • Lighting and air conditioning in stores. • Transport of product shipments. 	<ul style="list-style-type: none"> • Production of packaging. • Transport of product shipments. 	---	<ul style="list-style-type: none"> • Lighting and air conditioning in stores. • Transport of product shipments.
<i>Protecting and saving water resources</i>	<ul style="list-style-type: none"> • Consumption of water (irrigation of vines in Australia, New Zealand, Argentina and California). • Production of effluents containing organic matter in wine-making and distillation processes. 	---	<ul style="list-style-type: none"> • Protecting and saving water resources. 	---	---
<i>Protection of ecosystems and natural resources</i>	<ul style="list-style-type: none"> • Particularly plant resources (vines) required for production. 	<ul style="list-style-type: none"> • Particularly plant resources (textile fibers) required for production. • Exotic leather. 	<ul style="list-style-type: none"> • Particularly plant resources required for production. 	<ul style="list-style-type: none"> • Packaging. • Stones and precious metals. • Exotic leather. 	---
<i>Waste recovery</i>	<ul style="list-style-type: none"> • Wine-making and distillation processes. 	---	---	<ul style="list-style-type: none"> • WEEE (waste from electrical and electronic equipment, such as batteries) 	---
<i>Reduction of the impact of production and transformation of raw materials, particularly through eco-design</i>	<ul style="list-style-type: none"> • Packaging. 	<ul style="list-style-type: none"> • Packaging. • Cotton and other textiles, leathers. • Tanning. 	<ul style="list-style-type: none"> • Packaging. • Components for perfumes and cosmetics. 	---	---

environmental challenges, some of which apply across all sectors. The Maisons impact the environment in different ways and to different extents, depending on the sector and business group. The operating challenges of each business group are therefore clearly identified and managed, and this is the goal of the LIFE program, presented in the second section.

**COMMITMENTS
MADE AND
IMPLEMENTED**

International charters and agreements signed by LVMH provide a framework for the initiatives led by the Group and its Maisons.

In 2003, Bernard Arnault joined the United Nations' Global Compact program and in August 2007 endorsed Gordon Brown's Millennium Development Goals. LVMH also supports the Universal Declaration of Human Rights, the OECD Guiding Principles, the International Labor Organ-

ization's Fundamental Conventions, Caring for Climate (a program of voluntary actions that complement the United Nations Global Compact), the Kimberley Process, and CITES (Convention on International Trade of Endangered Species).

The LVMH Environmental Charter, signed by Bernard Arnault in 2001, defines the Group's environmental goals and processes. The Supplier Code of Conduct (2008) and LVMH Code of Conduct (2009) supplement and formalize the commitments contained in the Environmental Charter; specifically, they emphasize that compliance with laws, regulations and national and international decisions is a prerequisite for the credibility of the Group's approach. For example, our Supplier Code of Conduct sets out the requirements, particularly environmental, with which suppliers must comply. Of the six principles of the LVMH Code of Conduct, the third is entirely devoted to environmental protection.

In 2013, the LVMH Group was included in the following key indices based on

responsible investment criteria: Dow Jones Sustainability Indices (World and Europe), FTSE4Good Global 100, Euronext Vigeo Eurozone 120, and ESI (Ethibel Sustainability Indices) Europe. LVMH has also participated in the Climate Change, Water and Forest CDPs since their inception.

**AN APPROPRIATE
STRUCTURE
AND RESOURCES**

Consistent with its history, its scale as a major international group, and the individual nature of its businesses, the structure of the LVMH Group is both decentralized and unified. And the driving force behind our shared vision since 1992 has been the Group's Environmental Department. Its tasks consist in supporting the Maisons in their respective initiatives, ensuring that the Environmental Charter is observed, rolling out the "LIFE" program, and running the Environment Committee, which arranges meetings several times a year



THE GROUP'S 20-YEAR ENVIRONMENTAL COMMITMENT

On October 17, 2013, the LVMH Group celebrated twenty years of environmental initiatives in the presence of 250 sustainable development experts from within and outside the Group. During this event, the Group reported on the progress made over the last two decades and set challenges for the coming years. Antonio Belloni, Group Managing Director, reminded everyone that *“luxury is inherently sensitive to the environment and LVMH has adopted this environmental concern”*. There were three round-table discussions involving several Maisons. Laurent Boillot (Chairman of Guerlain) and Jacques Mantz (Chief Financial Officer of Moët Hennessy) exchanged views on sustainable processes, before Claude Martinez (Chairman of Parfums Christian Dior) and Chris de Lapuente (Chairman of Sephora) discussed innovation and environmental creativity.

At the final round-table discussion, Lisa Montague (Chairman of Loewe) and Éric Pradon (Chief Financial Officer of Louis Vuitton) shared their vision of how sustainable development can drive management and corporate culture.

Outside guests included Eva Herzigova, Parfums Christian Dior ambassador, who talked about her commitment to sustainable development and collective awareness of the issue, and, bringing the discussions to a close, Gilles Boeuf, chairman of France's Museum of Natural History and holder of the sustainable development chair at the Collège de France.

for a network of some 50 environmental representatives from the Maisons. The Environmental Department also steers a variety of specialist in-house working groups that deal, for example, with the European REACH regulation, eco-design and stores' energy consumption. But while the Maisons are all members of the Group's Environment Committee network of representatives, they are still organized individually.

The seriousness with which the LVMH Group takes account of its environmental challenges is reflected in the investments

made by the Maisons. In 2013, expenditure directly related to environmental protection totaled €17.3 million: €10.6 million for operating expenses (versus €9.7 million in 2012) and €6.7 million for investment (versus €6.4 million in 2012). This total amount of environmental expenditure does not include any of the other expenses underpinning the Group's commitment to the environment, such as additional costs related to high environmental quality standards for buildings, in-house technical training and support, environmental sponsorship initiatives, and external partnerships.

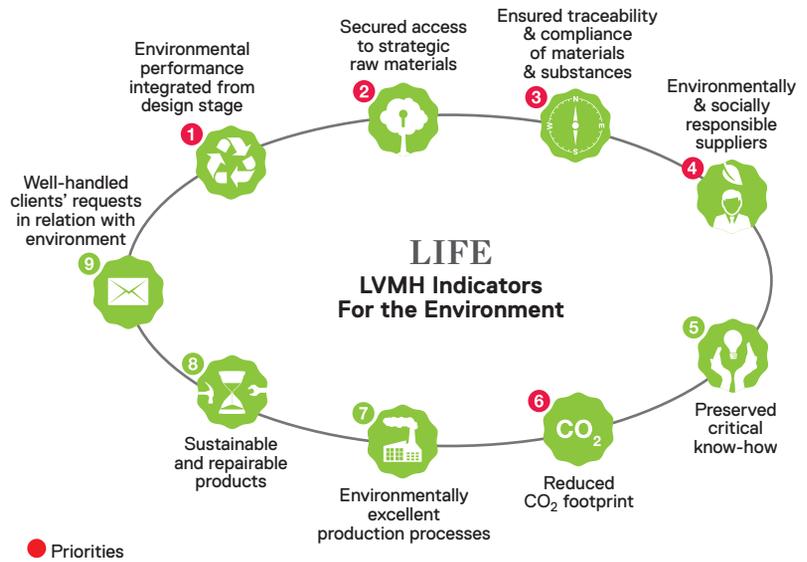


THE DYNAMICS OF THE LIFE PROGRAM

The “LIFE” program has been designed to include the environment in managerial processes to a greater extent, facilitate the development of new management tools, and capitalize on the developments and enhancements arising from the Maisons innovative practices.

Implemented by the management committees of each Maison, the “LIFE” program is based on nine key aspects of environmental performance.

Participating Maisons have defined a program of actions, prioritizing their strategic areas of focus and establishing indicators to monitor their performance.



LIFE 1 ENVIRONMENTAL PERFORMANCE INTEGRATED FROM DESIGN STAGE

Eco-design, which aims to reduce the environmental footprint of a product throughout its lifecycle, is a constant source of innovation. It leads our teams to think differently and more responsibly about tomorrow’s luxury. The Maisons have a number of customized tools and training programs, including the Edibox web tool to assess the environmental performance of packaging, the Eco-Material Handbook, and the lifecycle analysis software, Simapro.

In 2013, Edibox was rolled out at Parfums Christian Dior, Guerlain, LVMH Fragrance Brands, Make Up For Ever, Louis Vuitton, and Bulgari to incorporate environmental criteria into packaging design from the very earliest stages. The tool calculates the Environmental Performance Index (EPI) and greenhouse gas emissions of packaging materials, and its launch was an opportunity to raise awareness among the marketing and development teams.

The Champagne Maisons, which have also introduced the EPI, have made significant progress with their packaging. Lighter weights, materials derived from renewable

resources and end-of-life recycling are the founding principles of all new boxes and cases. The Champagne Maisons have reduced bottle weight, and packaging development teams now select only materials from forests with FSC (Forest Stewardship Council) or PEFC (Pan European Forest Certification) labels certifying that the forests are sustainably managed. New boxes are now completely recyclable (the materials can be easily separated) or made of plant-based materials (wood, potato starch, 100% biodegradable, etc.). Two particularly innovative examples produced in 2013 were the new Naturally Clicquot case, which is the first fully biodegradable isothermal champagne case made entirely of potato starch and paper, and the Ruinart case, designed by Dutch designer Piet Hein Eek using recycled wood.

Another operational tool is the internally distributed “Eco-Material Handbook”, which identifies some forty materials whose environmental performance is a determining factor for Group products. It explains how these materials can be used by each

CIRAIG

As part of a five-year partnership between LVMH and CIRAIG (Interuniversity Research Center for the Life Cycle of Products, Processes and Services, based at the École Polytechnique de Montréal), Loewe is working on a project to assess the environmental performance of leather. The goal is to systematically include environmental criteria in the choice of supplier, classify leathers according to performance, and educate designers to encourage the use of the most environmentally friendly leathers.



Naturally Clicquot

business. The materials are categorized by application: wrapping, packaging, textiles and leathers, communication and store fit-out.

Louis Vuitton has made eco-design a key area of focus, for example by introducing training modules for staff involved in design, marketing, purchasing, development and after-sales service; reducing packaging weight and volume; distributing eco-designed overalls made from organic cotton and recycled polyester to workshops.



SECURED ACCESS TO STRATEGIC RAW MATERIALS AND PROTECTING BIODIVERSITY AT THE OUTSET

The LVMH Group has its own strategy for sourcing and safeguarding raw materials. The choice of components and raw materials used in product manufacture is key to safeguarding the environment, particularly rare resources that are crucial to product manufacture.

In 2013, as one of the companies recognized under the French government's National Biodiversity Strategy, LVMH launched a program entitled "Improving the footprint of LVMH activities on biodiversity, throughout the product cycle". A number of projects are being conducted by the Perfumes & Cosmetics, Fashion & Leather Goods, and Watches & Jewelry business groups, such as process audits to assess to what extent our practices comply with the Nagoya Protocol on access and benefit-sharing, and the development of new fair trade supply chains for gold and cashmere.

In the Fashion & Leather Goods business group, leather sourcing is a strategic issue. The Maisons participate in working groups such as the Responsible Ecosystems Sourcing Platform (RESP) and the Business for Social Responsibility (BSR). They work with their suppliers to improve traceability, animal welfare and species protection. Other initiatives are also being deployed, such as at Louis Vuitton, which in 2013 introduced the widespread use of FSC- or PEFC-certified species of wood for its promotional media and the boxes used for logistical operations. These species are also prioritized for store construction, window displays, and a number of exclusive products.

The Perfumes & Cosmetics Maisons are conducting a substantial number of ethnobotanical projects aimed at identifying plant substances that could be used in their products and at obtaining supplies through the deployment of responsible environmental and social practices. In spring 2013, Guerlain received the "Coup de Cœur" Sustainable Development Sponsorship Award from the French Ministry of Ecology, Sustainable Development and Energy for its commitment to protecting the Ouessant Black Bee, whose honey is used in the Guerlain Abeille Royal range.



Ouessant Black Bee

All of the Watches & Jewelry Maisons are certified members of the Responsible Jewellery Council (RJC). RJC certification provides evidence of responsible social and environmental practices across the entire gold and diamond jewelry supply chain. LVMH is also engaged with the Responsible Ecosystems Sourcing Platform (RESP), whose goal is to implement responsible social and environmental practices in the sourcing of rare materials.

With regard to sustainable viticulture, the Champagne Maisons have obtained Certiphyto licensing for their wine processing facilities, while Hennessy has adopted a system aimed at reducing the use of phytosanitary inputs. In January 2011, Hennessy's vineyards were chosen to join a network of gold standard farms established by the French government under the 2018 Ecophyto Plan. An action plan was implemented at the vineyard, leading to a 60% reduction in the use of treatment products in 2013. The vineyard has also been trialing the mating disruption method to protect vines against vine moths and avoid the use of insecticides.



**ENSURED TRACEABILITY
AND COMPLIANCE
OF MATERIALS
AND SUBSTANCES**

To ensure human health and the environment are protected to the highest degree against the risks posed by certain substances, LVMH implements and plans ahead for a variety of local regulations that apply to site operation and product manufacture.

All Maisons have incorporated the European REACH regulatory requirements in their contractual documents to involve suppliers in this effort. The Maisons also conduct laboratory tests to certify that products placed on the market contain no potentially harmful substances. Maison experts meet regularly as part of a REACH working group to plan for future phase-outs and to share best practices. A person is



Bulgari's high-end jewelry workshop

appointed at group level to run this network and help the Maisons with any planned substitutions and innovations.

In addition, Regulation (EC) 1223/2009 of the European Parliament and Council of the European Union relating to cosmetic products has resulted in a change to the European Union regulatory framework for cosmetics. The legislation took full effect in July 2013 and replaced Directive 76/768/EEC. The Commission's main goal with this new regulation is to raise the already high level of safety for consumers of cosmetic products.

In readiness for the entry into force of the new regulation on July 11, 2013, the LVMH Group implemented a number of procedures and measures. This type of action is all the more crucial given the increase in legislation around the world as a result of cosmetics regulations. Other European regulations that have entered into force, including the most recent, have also been incorporated into LVMH processes. Notably, the Perfumes & Cosmetics companies ceased testing their products on animals in 1989, well before the official EU ban in 2004.



**ENVIRONMENTALLY
AND SOCIALLY
RESPONSIBLE SUPPLIERS**

For the LVMH Group, purchasing and supplier relationships are a crucial aspect of its responsibility, risk management, and competitiveness. Challenges regarding the supplier chain include not only the safeguarding of supplies, compliance with regulations, and long-lasting or traceable products, but also the establishment of new types of collaboration along the entire chain with respect to eco-design, product lifecycle analysis and waste management.

In the case of supplier relationships, since 2008 LVMH has required partners to subscribe to its Supplier Code of Conduct, by virtue of which the Group reserves the right to conduct compliance audits at any time and without notice. In 2013, more than 750 social and/or environmental audits were performed at 624 of the Maisons' suppliers, some 80% of them by specialist third parties. To this end, Maisons have

been provided with a kit to help them set up social and environmental supplier audits.

Each Maison also carries out numerous initiatives that sometimes involve suppliers. For example, Guerlain was the originator of the “Responsible Purchasing” initiative, developed in conjunction with the Perfumes & Cosmetics business group. The business group drew up a “Responsible Purchasing Charter” to formalize the ethical standards of relationships between LVMH Maisons and partners, specifically:

- the quality and longevity of supplier relationships;
- improving mutual economic performance;
- selecting sustainable materials and responsible suppliers;
- innovation and the safeguarding of materials and know-how.

An evaluation chart pertaining to the above is currently being developed to rate suppliers and help them improve their practices.

In addition to the strictest criteria already being applied to leather selection, LVMH and its Maisons are active in a variety of working groups, such as the BSR and Leather Working Group (LWG), with the goal of promoting responsible practices. For example, Louis Vuitton’s leather goods and accessories supply chain has been awarded ISO 14001 certification. This is an international first and the result of collaboration between the Logistics department and their Transport and Logistics partners.

In the Wines & Spirits business group, Hennessy continued to dialogue with, and conduct environmental audits of all its dry solids suppliers in 2013. It also sent outside companies new versions of its instruction booklet and best practices guide.

LIFE

PRESERVED CRITICAL KNOW-HOW

Know-how is a key strength and characteristic of the luxury goods business. Some of this know-how has a direct link to the environment, such as sustainable viticulture and ethnobotany. It also applies to methods of farming and harvesting plants used in perfumes and cosmetics, specific tanning methods, and so on. It is absolutely essential that the Group’s Maisons preserve and pass on this know-how.

LIFE

ENERGY MANAGEMENT AND REDUCED FOOTPRINT CO₂

Taking account of climate change consequences and reducing CO₂ emissions are priorities for LVMH, which has produced Carbon accounting for most of its Maisons since 2002. The main focus is streamlining transportation and reducing energy consumption in stores. In 2013, the Group held a forum on the various challenges of adapting

to climate change. The two key components of the Group’s adaptation strategy in the medium term are improving viticulture practices and site location.

The Maisons use tools to measure and reduce emissions generated by their logistics chains. For example, Loewe has introduced an in-house tool to map and manage the carbon footprint of goods shipped from its production plant in Madrid to international destinations. Similarly, in January 2013 Louis Vuitton developed a tool to calculate CO₂ emissions and produce for each journey made a real-time report of emissions related to the shipping of leather goods and accessories that transit through the Cergy Eole central warehouse. In 2013, Louis Vuitton established a rail/road link between its workshop in Fiesso d’Artico near Venice and a warehouse in France, drawing on information from the existing link between the Barbera workshop in Spain and the central warehouse in Cergy Eole. In 2013, emissions related to transport from Spain and Italy were reduced by 82 metric tons of CO₂ eq. A further example is in the Wines & Spirits business group, where in June 2013 Hennessy once again began piggybacking its products from the railway station in Cognac, achieving an 84% reduction of CO₂ eq. emissions on a single



The Dior Rose



HÉLIOS

In 2013, the LVMH Group officially opened its new research center, Hélios, at Saint-Jean-de-Braye. Designed by architectural firm Arte Charpentier, this triangular-shaped center is composed of six buildings with a large central atrium. The state-of-the-art building is the Group's beacon in the Perfumes and Cosmetics sector and is HQE®-certified.

journey. Lastly, since 2008 Guerlain has been using a tool to get a monthly breakdown of its total sea transportation ratio per geographic region and campaign. Results are reviewed by the Maison's Executive Committee and a report comparing costs and CO₂ emissions with the target set for the year is sent to all entities. The target ratio of 60% sea transportation has been achieved since 2012.

With regard to energy management of sites and stores, the Maisons are pursuing a variety of initiatives. In 2013, Moët & Chandon's Mont Aigu fermenting room in Oiry, in the Champagne-Ardenne region, was officially certified in a pilot program under France's "industrial buildings High Environmental Quality" (HQE®) initiative. Of the 14 target criteria, 9 were classified as "Very High Performance" and 5 as "High Performance". The Belvedere distillery at Zyrardow in Poland, meanwhile, has always been exemplary in terms of environmental management standards. ISO 14001-certified since 2007, the facility has been the subject of numerous initiatives to improve its environmental performance, particularly its energy consumption. The switch from fuel to natural gas enabled the distillery to reduce greenhouse gas emissions by more than 25% in 2013. Another area being tackled is the increased

use of renewable energies. For example, when TAG Heuer built a new manufacturing plant in Chevenez, Switzerland to supplement its existing facilities, it installed more than 600 m² of solar panels on the roof to provide 86,400 kWh of power annually.

In 2012, LVMH set up a "Store Lighting Working Group" tasked in particular with the regulatory, technical and measurement challenges related to store energy consumption. Its job is to boost efforts to reduce energy consumption, particularly with regard to lighting.

LED technology is an effective way of reducing energy consumption and CO₂ emissions. This type of lighting is also better for showcasing the Maisons' products. In September 2013, LVMH launched the "LVMH Lighting" program, designed to safeguard and optimize the sourcing of high-performance lighting equipment for stores, production plants, storage facilities and offices. In addition to promoting LED technology, the program aims to ensure that lighting meets the Maisons' exceptionally high standards.

A dozen pilot stores of varying sizes and located in different regions have been selected for the program and fitted with measurement points to determine the most effective ways to reduce energy consumption.

LIFE ENVIRONMENTALLY EXCELLENT PRODUCTION PROCESSES

LVMH has long been committed to implementing environmental management systems at Group sites. The Maisons are active in reducing water and energy consumption and in reducing atmospheric emissions and pollutants discharged into the water and soil, and have also implemented waste recovery initiatives. At the end of 2013, 43% of industrial, logistics and administrative sites were ISO 14001-certified. In 2013, LVMH also conducted a study to assess the impact of its sites' water consumption on local resources. For example, the production sites of the Estates & Wines Maison, located in Argentina and California, need water to irrigate the vines that are located in regions of high water stress. They therefore employ best practices, including drip irrigation, to minimize the amount of water used.

With regard to material and waste reduction and recovery, the Wines & Spirits Maisons are implementing new processes. Hennessy, for example, has introduced a system for recycling the cellulose filters used in Cognac production. Forty metric

tons of used filters are recovered as paper and pulp every year. In keeping with other Moët Hennessy Maisons, Glenmorangie became involved with LIFE in 2013. The primary focus of its action plan is the treatment of effluent and waste from its distillery through an anaerobic process of sludge separation and treatment.

Since 2010, Perfumes & Cosmetics, Sephora, and currently Louis Vuitton have been using the CEDRE (Center for Documentation, Research and Experimentation on Accidental Water Pollution) platform to sort, recycle and recover their waste. This recycling platform accepts several types of waste: obsolete packaging, obsolete alcoholic products, promotional materials, testers used in stores, and empty packaging returned to stores by customers. The CEDRE platform is now used by the Fashion & Leather Goods Maisons, primarily to recycle textile products. Within the framework of its ISO 14001 certification, Guerlain has introduced 30 selective waste sorting processes to recover its waste (paper, glass, cardboard, plastic, etc.), including testers and obsolete bottles. At the end of 2013, 88% of waste from all Group industrial sites had been recovered through recycling, repurposing or composting.

Lastly, Loewe is trialing the recuperation of gold from obsolete metal parts. In Europe, it has recycled more than 60% of the materials used in its store windows.



SUSTAINABLE AND REPAIRABLE PRODUCTS

The strictest quality standards are a crucial requirement of our Maisons. And this requirement is directly linked to a product's environmental performance. When a product has a long life, the use of rare and precious natural resources is reduced. The Group also gives consideration to downstream action, such as offering customers maintenance and repair services.

Loewe's after-sales service offer includes a maintenance and cleaning service for ready-to-wear and leather products. In the case of Louis Vuitton, the after-sales service department and the product quality and development department are working together even more closely to plan for a product's reparability from the design stage. Of the after-sales service provided annually, 55% is performed in a repair shop, 26% in a store and 19% by local partners.



WELL-HANDLED CLIENTS' REQUESTS IN RELATION WITH ENVIRONMENT

The ability to answer questions from customers and other stakeholders about the environment is a key aspect of environmental performance included in the LVMH "LIFE" program. The Maisons and their sales associates must be able to provide customers with full technical environmental data on a product or process.

At Bulgari, a multi-disciplinary team was set up in 2013 to centralize in-house information and manage all customer queries. The official procedure is communicated in compliance with Group-defined procedure when addressing any queries regarding the REACH regulation. Bulgari also has an intranet page and tools dedicated to environmental data. In May 2013, Louis Vuitton posted new editorial content on its website along with additional information about the challenges of "Information on environmental initiatives" aimed at customers.



Chandon California vineyards irrigation

ENVIRONMENTAL PERFORMANCE INDICATORS

WATER CONSUMPTION BY BUSINESS GROUP

(Process requirements in m ³)	2013	2012	Change
Wines & Spirits	1,484,636	1,238,748	+20% ⁽¹⁾
Fashion & Leather Goods	611,851	175,813	+248% ⁽²⁾
Perfumes & Cosmetics	156,408	170,652	-8%
Watches & Jewelry	28,899	21,686	+33% ⁽³⁾
Selective Retailing	293,934	306,797	-4%
Other activities	44,309	13,369	+231% ⁽⁴⁾
TOTAL	2,620,037	1,927,065	+36%

(1) Change mainly due to increased activity of Glenmorangie and other Wines & Spirits Maisons.

(2) Change mainly due to the consolidation of tanneries at Louis Vuitton and new data for les Ateliers de l'Ardèche.

(3) Change due to optimized data for Bulgari.

(4) Change due to the consolidation of Jardin d'Acclimatation and Radio Classique.

ENERGY CONSUMPTION BY BUSINESS GROUP

(in MWh)	2013	2012	Change
Wines & Spirits	213,907	188,541	+13%
Fashion & Leather Goods	183,212	163,044	+12%
Perfumes & Cosmetics	76,556	64,313	+19% ⁽¹⁾
Watches & Jewelry	21,692	16,129	+34% ⁽²⁾
Selective Retailing	244,315	219,437	+11%
Other activities	20,572	11,768	+75% ⁽³⁾
TOTAL	760,254	663,232	+15%

(1) Change mainly due to the consolidation of new research Perfumes & Cosmetics center at Saint-Jean-de-Braye, and Paris offices of Make Up For Ever and Parfums Christian Dior.

(2) Change mainly due to the consolidation of Bulgari stores in Italy and De Beers.

(3) Change due to the consolidation of Jardin d'Acclimatation, Radio Classique and LVMH holding offices, 3 rue Bayard.

BREAKDOWN IN GREENHOUSE GAS EMISSIONS BY BUSINESS GROUP IN 2013

(in metric tons of CO ₂ equivalent)	CO ₂ emissions in 2013	o/w percentage of direct CO ₂ emissions	o/w percentage of indirect CO ₂ emissions	CO ₂ e missions in 2012	Change
Wines & Spirits	48,641	68%	32%	43,573	+12%
Fashion & Leather Goods	64,566	11%	89%	55,978	+15%
Perfumes & Cosmetics	11,390	53%	47%	10,391	+10%
Watches & Jewelry	3,389	34%	66%	2,310	+47%
Selective Retailing	92,250	2%	98%	78,856	+17%
Other activities	3,078	31%	69%	2,263	+36%
TOTAL	223,314	23%	77%	193,371	+15%

Further information, best practices and quantitative data can be found in the LVMH "2013 Environmental Report" and "2013 Reference Document". Both documents are available on the Group's website and provide information on the environmental issues and indicators stipulated in the decree of April 24, 2012, based on Article 225 of Act No. 2010-788 of July 12, 2010 (also known as Grenelle II).

The environmental information is the result of two specific audits:

– Environmental indicators have been verified by the Group's statutory auditors since 2002 and have been based on a reasonable level of assurance since 2008;

– The environmental information audit is the subject of a report issued by an independent third party in accordance with the decree of May 13, 2013.

Questions for the Group may be addressed to: environnement@lvmh.fr.

CORPORATE SPONSORSHIP TO SUPPORT CULTURE, YOUTH AND HUMANITARIAN ACTION



LVMH has been engaged in a global corporate communication effort for twenty years through its innovative and original corporate sponsorship. This is a sound approach because it expresses the values that bind the Maisons together and form the basis for their success, while at the same time respecting their individual identities in communications and branding. It is also a useful approach as it enables LVMH to address the challenge of corporate social responsibility through cultural, artistic, educational and youth initiatives, as well as through major humanitarian causes.

CULTURE, HERITAGE AND CONTEMPORARY DESIGN

The first component of the LVMH corporate sponsorship program focuses on preserving artistic heritage in France and worldwide through the restoration of historic monuments, the expansion of the collections of leading museums, our contribution to major national exhibits and our support of the work of contemporary artists. Thanks to LVMH sponsorship of almost 40 major exhibitions in France and abroad, millions of visitors have been able to discover the work not only of some of the greatest artists in the history of art, but also those at the forefront of cutting-edge art.

LVMH continued its commitment to corporate sponsorship in 2013. In China, a new generation of young Chinese artists was

unveiled at the “ON/OFF” exhibition that opened in January at the Ullens Center for Contemporary Art, an organization LVMH has been in partnership with since 2008. LVMH has also supported two noteworthy initiatives to protect France’s artistic heritage. Firstly, in the spring of 2013, LVMH helped the Palace of Versailles to acquire a set of three exceptional Sèvres vases painted by Charles-Nicolas Dodin and which once belonged to Madame Victoire, the daughter of Louis XV. Consequently, when one of the jewels of Versailles was reopened to the public, LVMH had contributed towards the reconstruction of the decor of the apartments of Princesses Adelaide and Victoire. Then, before the summer, LVMH worked with the Dubuffet Foundation to restore the decor and costumes of Jean Dubuffet’s “Coucous Bazar”, a monumental work that was pres-

ented, in the fall, at a special exhibition mounted by the Museum of Decorative Arts in Paris. Also in the fall, LVMH sponsored the “Nuit Blanche” all-night arts festival in Paris. And last but not least, the first “LVMH Prize – Young Fashion Designer”, open to fashion designers from around the world, was launched at the end of the year.

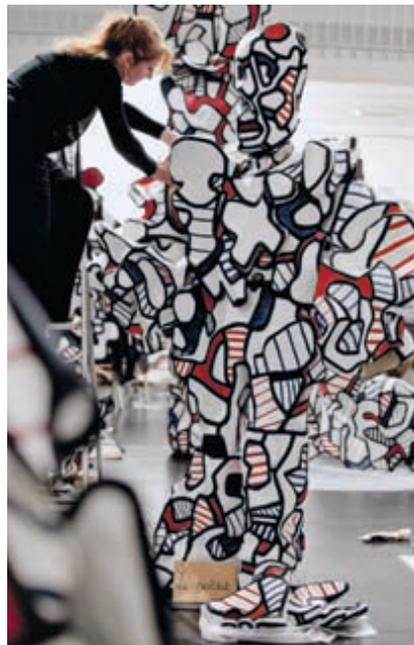


The 2014 winner of this international award will receive €300,000 and the support of a dedicated team at LVMH to help them develop their own Maison. The Prize will also give three fashion school graduates every year the chance to spend a year with the creative team of one of the Group’s Maisons. The judging panel will comprise eight artistic directors from the Group’s Maisons – Nicolas Ghesquière, Marc Jacobs, Karl Lagerfeld, Humberto Leon, Carol Lim, Phoebe Philo, Raf Simons and Riccardo Tisci – plus three group directors, Delphine Arnault, Pierre-Yves Roussel and Jean-Paul Claverie.

At the beginning of 2014, LVMH will be supporting the Théâtre de l’Odéon in its production of Marivaux’ “Fausses Confidences” (“False Confidences”) by celebrated director Luc Bondy. The play features a prestigious cast, including Isabelle Huppert, whose costumes have been designed by Christian Dior Couture, Louis Garrel and Bulle Ogier. It is worthwhile remembering

that as far back as 2000/2001 LVMH sponsored the Théâtre de l’Odéon in its productions of “POEtry” and “Woyzeck” by Robert Wilson, Lou Reed and Tom Waits.

The year 2014 will mark the official opening of the Louis Vuitton Foundation, which will substantially underscore LVMH’s commitment to corporate sponsorship and contribute to the cultural and artistic influence of Paris and France. Construction of the Foundation’s headquarters in the Jardin d’Acclimatation entered its final, critical phase in 2013. In the fall of 2014, a broad range of guests from France and around the world will be invited to discover the remarkable architecture of Frank Gehry for the Louis Vuitton Foundation. The building brought to life by the American architect will house the Foundation’s permanent collections as well as its cultural and artistic program. These will not only showcase international design but also the most iconic designers and artists of our time.



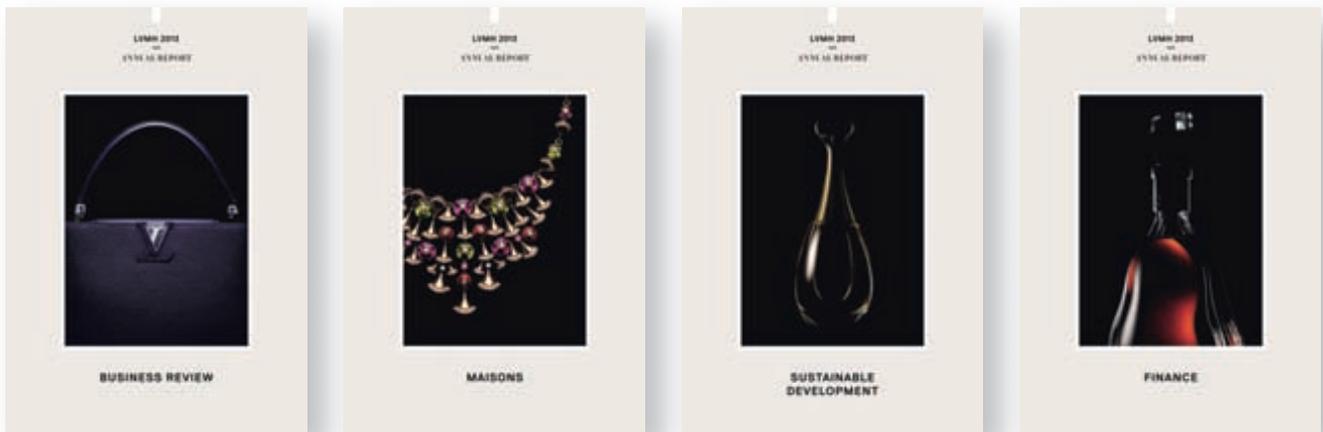
INITIATIVES TO SUPPORT YOUTH

Children in elementary and high schools as well as art students benefit from educational programs designed and initiated by the Group to give them greater access to

the best of culture, particularly in the areas of music and the visual arts. In 2013, LVMH continued its sponsorship of the International Music Academy, founded in Switzerland by orchestral conductor Seiji Ozawa. It also continued its sponsorship of the “1,000 Seats for Young People” program. For over fifteen years, this project has enabled young musicians from the Conservatoires in Paris to attend the city’s major concerts during the season. And finally, among other initiatives, the Stradivarius instruments loaned from the LVMH collection year after year have given musicians such as Maxim Vengerov, Laurent Korcia, Kirill Troussov, Tatjana Vassiljeva and Raphael Pidoux the opportunity to display the full measure of their talents on the international music scene.

A COMMITMENT TO COMMUNITY THROUGH MEDICAL RESEARCH AND SOCIAL PROGRAMS

Over the last twenty years, in France and around the world, our Group has supported numerous institutions recognized for their work for the benefit of children, particularly the Paris Hospitals Foundation (Fondation des Hôpitaux de Paris – Hôpitaux de France), the “Le Pont-Neuf” association, “Save the Children” in Japan, the “Robin Hood Foundation” in New York and the Claude Pompidou Foundation, which helps the elderly and disabled. LVMH also supports several foundations and scientific teams engaged in public health research, including the Pasteur Institute, the American Hospital in Paris, the American Foundation for AIDS Research, cancer research at the Paul Brousse and Henri Mondor hospitals and the Curie Institute, the Parkinson’s Disease Foundation in New York, and the Fondation pour la Recherche en Psychiatrie et en Santé Mentale (Psychiatry and Mental Health Research Foundation). Lastly, LVMH has continued to contribute to the “Fraternité Universelle” Foundation which, through medical, educational and subsistence programs, helps children and displaced populations in one of the world’s poorest regions, Haiti’s Central Plateau.



PHOTOGRAPHS

Parfums Christian Dior, Olivier Arnaud/Rose Paris – Mitsi Solano – WIP Design
 Gwenn Dubourthoumieu – Paolo Verzone/Agence VU – Maia Flore/Agence VU – Fondation Dubuffet,
 LVMH, Sophie Carre – Fondation Louis Vuitton – LVMH, Florent Buonomano/Havas
 Picture libraries of LVMH and Group's Maisons.

This book was printed on paper from sustainably managed forests,
 certified FSC (Forest Stewardship Council).

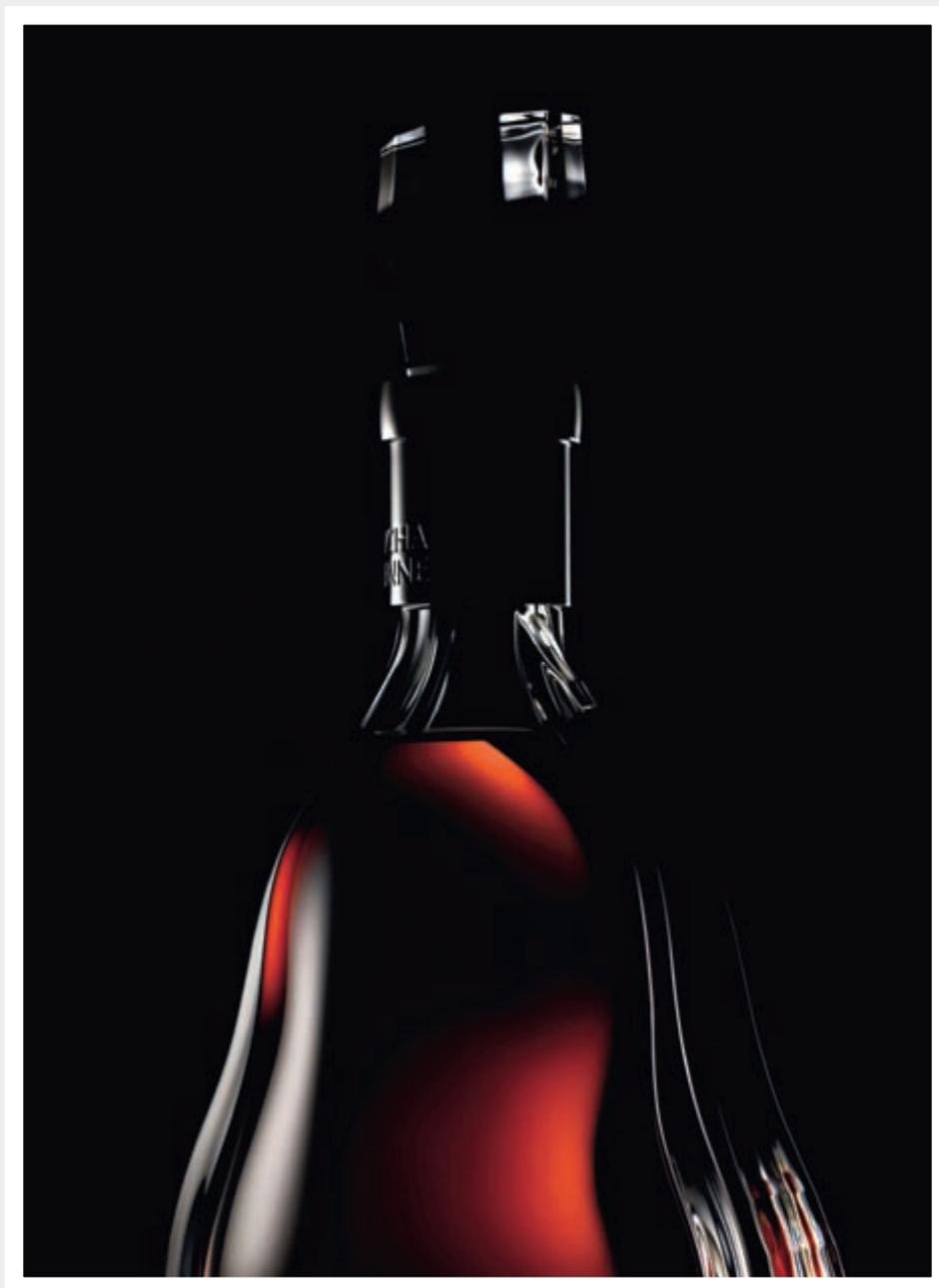


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L V M H

MOËT HENNESSY ♦ LOUIS VUITTON

LVMH 2013
—
ANNUAL REPORT



FINANCE



THE ORIGINAL X.O.

X.O.

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THE WORLD'S LEADING LUXURY PRODUCTS GROUP

A unique portfolio of over
60 PRESTIGIOUS BRANDS

An international distribution network
of **3,384 STORES**

More than **110,000 EMPLOYEES**
in over **70 COUNTRIES**

REVENUE
of **29.1 BILLION EUROS**
in 2013

STOCK EXCHANGE PERFORMANCE AND SHAREHOLDER STRUCTURE

CHANGES IN THE LVMH SHARE PRICE

Stock markets continued to rise in 2013 in response to more positive signs on the economic front, especially in Europe, as well as ongoing highly accommodative monetary policies. In Japan, in particular, the central bank supported the ambitious stimulus package initiated by the government in January to counter the country's deflation. Investors welcomed the initiative, with the Nikkei index climbing 57% in 2013. Looking back over the year, uncertainties that could have weighed on investor confidence (the banking crisis in Cyprus, the Italian elections, the budget debate in the United States) only had a limited impact. The trend was only temporarily affected by the Fed's pre-summer announcement of a possible tapering of economic support measures, which were then pushed back and ultimately accepted by investors as a sign that the US economy was in better health.

After reaching a historic high of €150.05 in trading on September 19, the LVMH share price slid during the last quarter, as did the share price of many players in the luxury goods sector, due to a slowdown in growth in China, and it ended the period down 4.5%. By comparison, the CAC 40 and Eurostoxx 50 indices ended the year up 18.0% and 17.9% respectively.

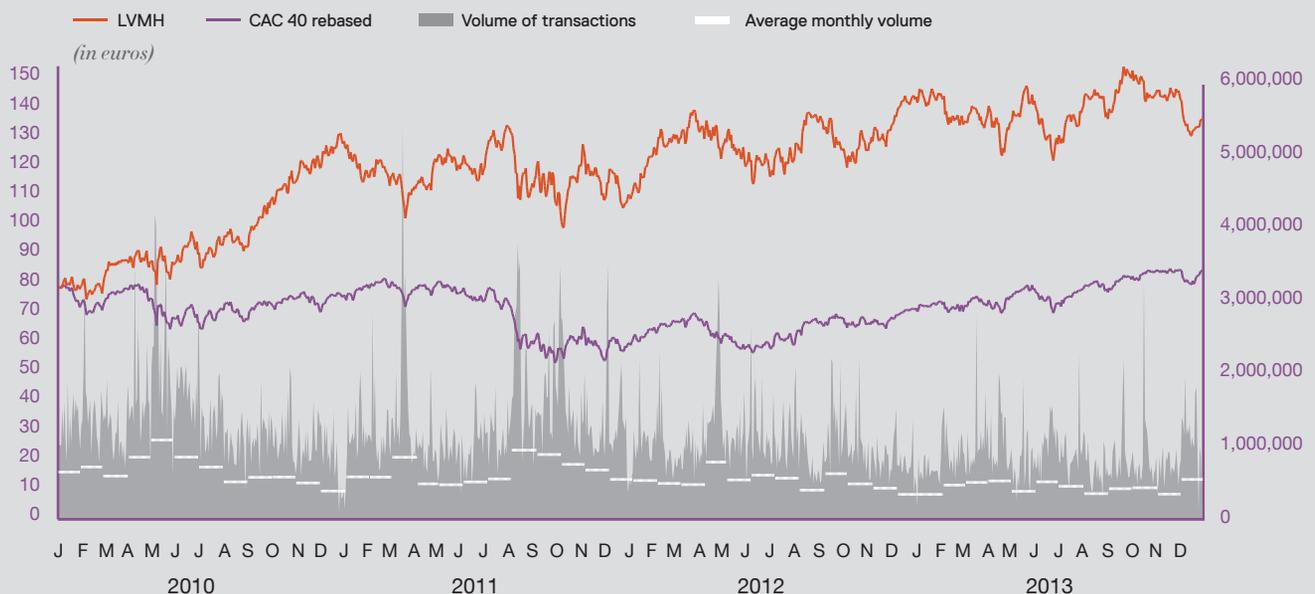
The LVMH share price closed at €132.60 on December 31. LVMH's market capitalization was €67.3 billion, ranking it fifth in the Paris market. LVMH is included in the major French and European indices used by fund managers: the CAC 40, DJ-Euro Stoxx 50, MSCI Europe and the FTSE Eurotop 100.

LVMH is also included in the Global Dow, an index that lists the most innovative, dynamic and influential companies, and in the FTSE4Good and DJSI world index, the key indices of socially responsible investment. LVMH shares are listed for trading on the NYSE Euronext Paris (Reuters code: LVMH.PA, Bloomberg code: MC FP, ISIN code: FR0000121014). In addition, negotiable options on LVMH shares are traded on NYSE Liffe.

TOTAL SHAREHOLDER RETURN

An LVMH shareholder who invested €1,000 on January 1, 2009 would have capital of €3,103 on December 31, 2013, based on reinvested dividends. In five years, his or her investment would have given them an average annual return of around 25%.

COMPARISON BETWEEN THE LVMH SHARE PRICE AND THE CAC 40 SINCE JANUARY 4, 2010



THE SHAREHOLDERS' CLUB: AN INITIATIVE TO STRENGTHEN TIES

Dedicated to individual shareholders who show a special interest in what is happening in 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 the arts and culture.

Through the Club membership magazine "Apartés," members may order products for delivery to addresses in France. It also offers subscriptions to "Les Échos", "Investir", and "Connaissance des Arts" at preferential rates. Members are also provided special access to certain places suitable for visits (such as wineries and wine cellars). They also benefit from VIP passes to art exhibits supported by LVMH. Shareholders' Club members receive an individual membership card with a personal authentication number which is valid for two years.

CALENDAR

Thursday, January 30, 2014:

Publication of 2013 revenue and annual results

Thursday, April 10, 2014:

Annual Shareholder's Meeting

April 2014:

Publication of 2014 first-quarter revenue

April 17, 2014:

Payment of the balance of the dividend for 2013

(last trading day with dividend rights: April 11, 2014)

July 2014:

Publication of 2014 half-year revenue and results

October 2014:

Publication of 2014 first-quarter revenue

CONTACTS

- Investor and Shareholder Relations

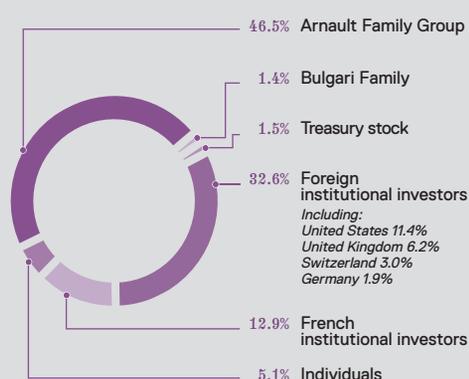
Tel.: +33 (0)1 44 13 27 27

- Shareholders' Club

Tel.: +33 (0)1 44 13 21 50 – www.lvmh.fr – www.lvmh.com

CAPITAL STRUCTURE

(Euroclear France survey on bearer shares
at December 2013)



DISTRIBUTION OF CAPITAL AND VOTING RIGHTS

(at December 31, 2013)	Number of shares	Number of voting rights ⁽¹⁾	% of capital	% of voting rights
Arnault Family Group	235,891,303	453,993,736	46.45%	62.59%
Other	271,902,358	271,315,929	53.55%	37.41%
TOTAL	507,793,661	725,309,665	100.00%	100.00%

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

CHANGE IN THE DIVIDEND

	2013	2012	2011
Gross dividend (in euros)	3.10 ⁽¹⁾	2.90	2.60
Growth for the year	7%	12%	24%
Payout ratio ⁽²⁾	46%	43%	43%
Basic Group share of net earnings per share (in euros)	6.87	6.86	6.27

(1) Amount proposed to the Shareholders' Meeting of April 10, 2014.

(2) As a percentage of Group share of net profit.

LVMH STOCK MARKET DATA

(in euros)	2013	2012	2011
High (mid-session)	150.05	140.40	132.65
Low (mid-session)	117.80	108.00	94.16
Year-end share price	132.60	138.80	109.40
Change during the year	-4%	+27%	-11%
Change in the CAC 40	+18%	+15%	-17%
Market capitalization at Dec. 31 (EUR billions)	67.3	70.5	55.6

LVMH FINANCIAL HIGHLIGHTS

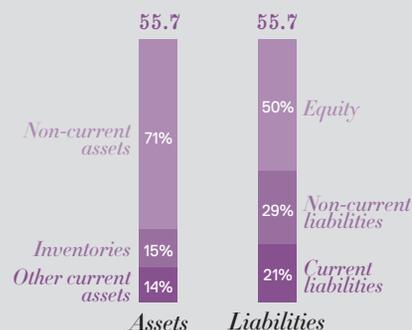
REVENUE AND PROFIT FROM RECURRING OPERATIONS

(EUR millions)



SIMPLIFIED BALANCE SHEET AT DECEMBER 31, 2013

(EUR billions)



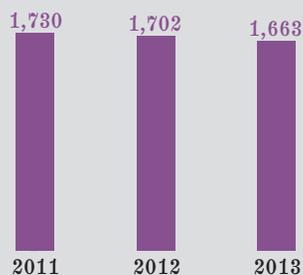
PROFIT FROM RECURRING OPERATIONS

(EUR millions)

	2013	% of revenue
Wines & Spirits	1,370	33%
Fashion & Leather Goods	3,140	32%
Perfumes & Cosmetics	414	11%
Watches & Jewelry	375	13%
Selective Retailing	901	10%
Other activities and eliminations	(179)	-
TOTAL	6,021	21%

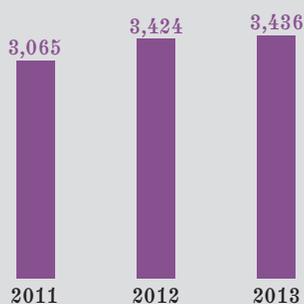
OPERATING INVESTMENTS

(EUR millions)



NET PROFIT, GROUP SHARE

(EUR millions)



NET FINANCIAL DEBT AND FREE CASH FLOW

(EUR millions)



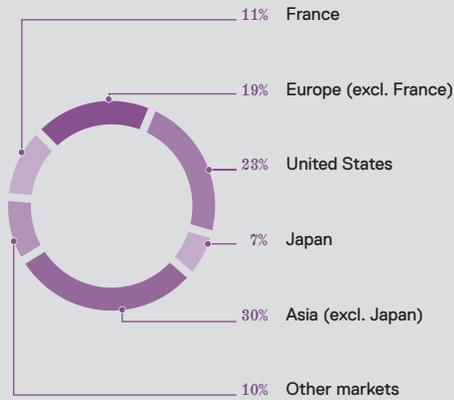
(1) Net cash from (used in) operating activities and operating investments.

(2) Ratio of net financial debt to equity.

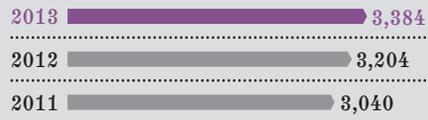
2013 REVENUE BY BUSINESS GROUP (in %)



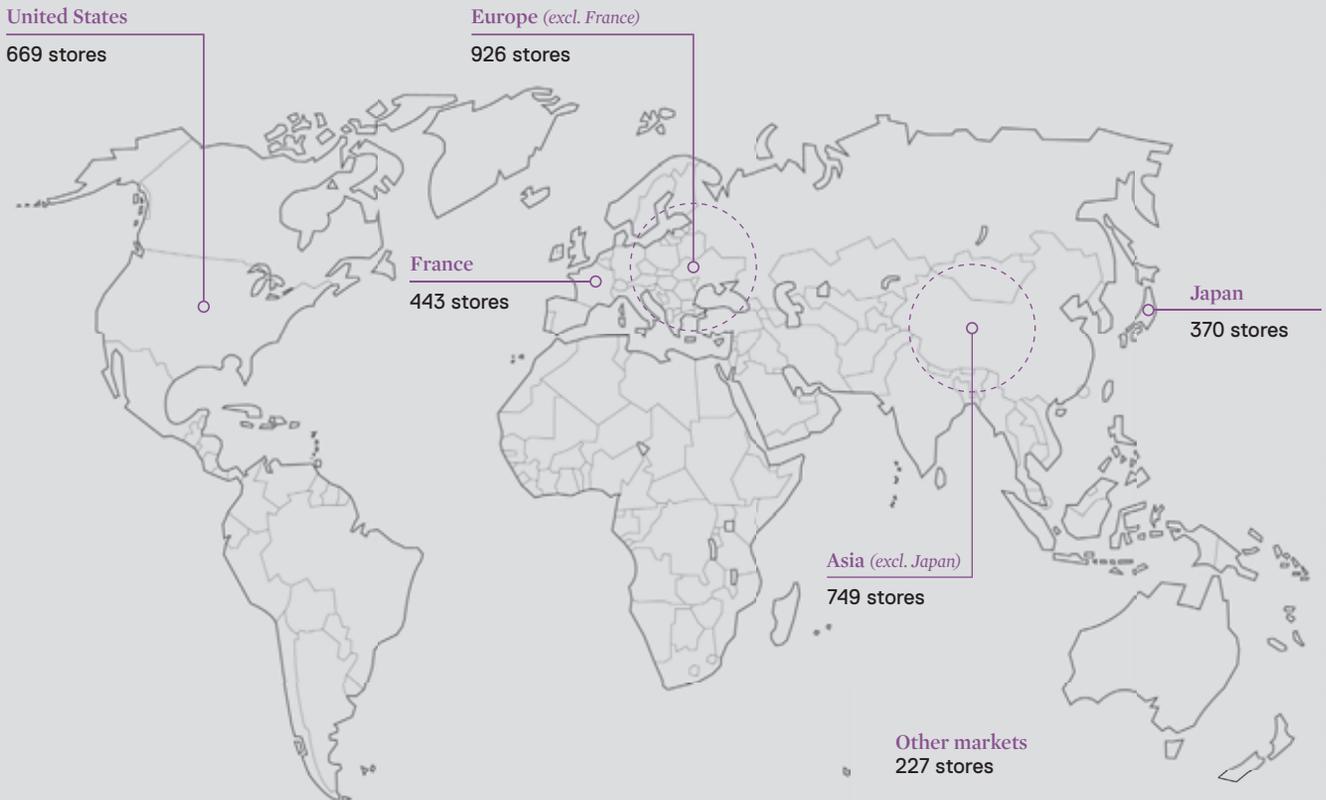
2013 REVENUE BY GEOGRAPHIC REGION OF DELIVERY (in %)



NUMBER OF STORES



STORE NETWORK (at December 31, 2013)



FINANCIAL HIGHLIGHTS BY BUSINESS GROUP

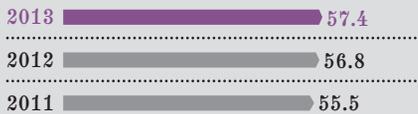
WINES & SPIRITS

(EUR millions)	2013	2012	2011
Revenue	4,187	4,137	3,524
Profit from recurring operations	1,370	1,260	1,101
Operating investments	187	182	159

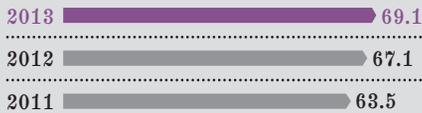
SALES VOLUMES

(in millions of bottles)

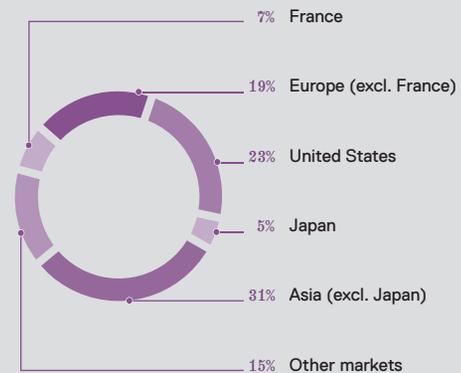
CHAMPAGNE



COGNAC



2013 REVENUE BY GEOGRAPHIC REGION OF DELIVERY (in %)



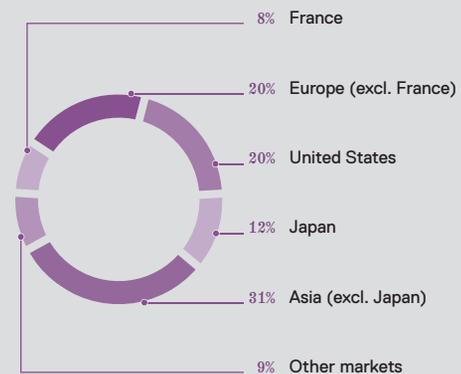
FASHION & LEATHER GOODS

(EUR millions)	2013	2012	2011
Revenue	9,882	9,926	8,712
Profit from recurring operations	3,140	3,264	3,075
Operating investments	629	579	437

NUMBER OF STORES



2013 REVENUE BY GEOGRAPHIC REGION OF DELIVERY (in %)



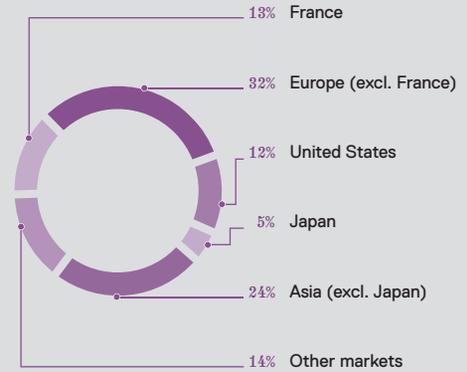
PERFUMES & COSMETICS

(EUR millions)	2013	2012	2011
Revenue	3,717	3,613	3,195
Profit from recurring operations	414	408	348
Operating investments	229	196	150

REVENUE BY PRODUCT CATEGORY (in %)



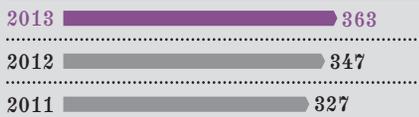
2013 REVENUE BY GEOGRAPHIC REGION OF DELIVERY (in %)



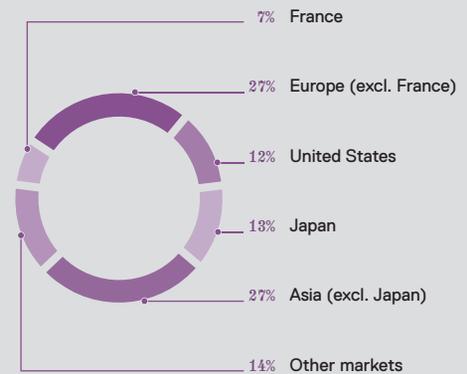
WATCHES & JEWELRY

(EUR millions)	2013	2012	2011
Revenue	2,784	2,836	1,949
Profit from recurring operations	375	334	265
Operating investments	192	136	117

NUMBER OF STORES



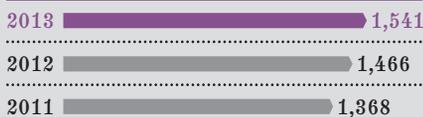
2013 REVENUE BY GEOGRAPHIC REGION OF DELIVERY (in %)



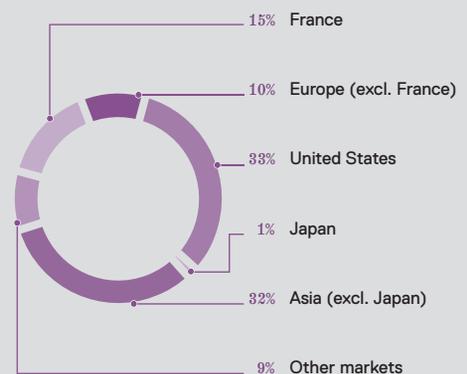
SELECTIVE RETAILING

(EUR millions)	2013	2012	2011
Revenue	8,938	7,879	6,436
Profit from recurring operations	901	854	716
Operating investments	390	332	215

NUMBER OF STORES



2013 REVENUE BY GEOGRAPHIC REGION OF DELIVERY (in %)



The consolidated financial statements presented in the following pages are abbreviated.

CONSOLIDATED BALANCE SHEET

ASSETS <i>(EUR millions)</i>	2013	2012 ⁽¹⁾	2011 ⁽¹⁾
<i>Brands and other intangible assets</i>	11,458	11,510	11,482
<i>Goodwill</i>	9,959	7,806	6,957
<i>Property, plant and equipment</i>	9,602	8,769	8,017
<i>Investments in associates</i>	152	163	170
<i>Non-current available for sale financial assets</i>	7,080	6,004	5,982
<i>Other non-current assets</i>	432	519	478
<i>Deferred tax</i>	909	954	760
NON-CURRENT ASSETS	39,592	35,725	33,846
<i>Inventories and work in progress</i>	8,586	8,080	7,510
<i>Trade accounts receivable</i>	2,189	1,985	1,878
<i>Income taxes</i>	235	201	121
<i>Other current assets</i>	1,851	1,811	1,455
<i>Cash and cash equivalents</i>	3,221	2,196	2,303
CURRENT ASSETS	16,082	14,273	13,267
TOTAL ASSETS	55,674	49,998	47,113

(1) The balance sheets as of December 31, 2012 and 2011 have been restated to reflect the retrospective application as of January 1, 2011 of IAS 19 Employee Benefits as amended.

LIABILITIES AND EQUITY

<i>(EUR millions)</i>	2013	2012 ⁽¹⁾	2011 ⁽¹⁾
<i>Share capital</i>	152	152	152
<i>Share premium account</i>	3,849	3,848	3,801
<i>Treasury shares and LVMH-share settled derivatives</i>	(451)	(414)	(485)
<i>Cumulative translation adjustment</i>	(8)	342	431
<i>Revaluation reserves</i>	3,900	2,731	2,637
<i>Other reserves</i>	15,817	14,341	12,770
<i>Net profit, Group share</i>	3,436	3,424	3,065
<i>Equity, Group share</i>	26,695	24,424	22,371
<i>Minority interests</i>	1,028	1,084	1,055
TOTAL EQUITY	27,723	25,508	23,426
<i>Long term borrowings</i>	4,159	3,836	4,132
<i>Provisions</i>	1,755	1,756	1,530
<i>Deferred tax</i>	3,934	3,960	3,925
<i>Other non-current liabilities</i>	6,403	5,456	4,506
NON-CURRENT LIABILITIES	16,251	15,008	14,093
<i>Short term borrowings</i>	4,688	2,976	3,134
<i>Trade accounts payable</i>	3,308	3,134	2,952
<i>Income taxes</i>	382	442	443
<i>Provisions</i>	322	335	349
<i>Other current liabilities</i>	3,000	2,595	2,716
CURRENT LIABILITIES	11,700	9,482	9,594
TOTAL LIABILITIES AND EQUITY	55,674	49,998	47,113

COMMENTS ON THE CONSOLIDATED BALANCE SHEET

LVMH's consolidated balance sheet totaled 55.7 billion euros at year-end 2013, representing an 11% increase from year-end 2012. Non-current assets rose by 3.9 billion euros and represented 71% of total assets, as at year-end 2012.

Tangible and intangible fixed assets grew by 2.9 billion euros, of which 1.9 billion euros were linked to the acquisition of Loro Piana, mainly corresponding to provisional goodwill. Investments for the year, net of disposals as well as amortization and depreciation charges, represented an additional increase of 0.6 billion euros. The comments on the cash flow statement provide further information about investments. The revaluation of purchase commitments for minority interests, reflecting in particular the strong performance of the business activities to which those commitments correspond, led to a 0.3 billion euro increase in the amount of goodwill. Finally, the market value of vineyard land rose by 0.4 billion euros. Conversely, exchange rate fluctuations generated a 0.4 billion euro decrease in the value of tangible and intangible fixed assets.

Other non-current assets increased by 1.0 billion euros, mainly due to an increase in the value of the investment in Hermès International, following the change in share price (263.50 euros as of December 31, 2013, compared to 226.30 euros at year-end 2012). At year-end 2013, the 23.1% stake in Hermès amounted to 6.4 billion euros.

Inventories increased by 0.5 billion euros, reflecting the growth of the Group's business activities. The comments on the cash flow statement provide further information on this change.

Other current assets grew by 1.3 billion euros, of which 1 billion euros were related to the increased cash balance, and 0.2 billion euros resulted from the increase in trade accounts receivable.

Other non-current liabilities, totaling 12.1 billion euros, increased by 0.9 billion euros, due mainly to the increased liability in respect of purchase commitments for minority interests. This increase includes 0.5 billion euros relating to the recognition of the commitment granted to the minority shareholders of Loro Piana for the acquisition of the 20% stake they hold in the company.

Other current liabilities increased by 0.5 billion euros, totaling 7.0 billion euros, of which 0.2 billion euros were related to the increase in trade accounts payable and 0.1 billion euros due to increased social and tax liabilities.

The ratio of net financial debt to equity, which was 17% as of December 31, 2012, rose 2 points to 19%; the growth in equity was less rapid than that of net financial debt, notably as a result of the acquisitions for the year, particularly that of Loro Piana.

Total equity amounted to 27.7 billion euros at year-end 2013, representing an increase of 2.2 billion euros compared to year-end 2012. This change reflects in the first place the strong earnings achieved by companies across the Group, distributed only partially, representing a net increase of 2.0 billion euros.

In addition to this, a net gain of 0.8 billion was recorded in equity, which is the combined effect of a gain of 0.9 billion euros related to the increase in the value of the investment in Hermès International, a gain of 0.2 billion euros reflecting the increase in the value of vineyard land, and a loss of 0.4 billion euros due to the effect of exchange rate fluctuations on the reserves of entities reporting in foreign currency. Lastly, changes in the scope of consolidation had a negative impact of 0.5 billion euros, mainly due to the booking of the purchase commitment for the 20% not purchased in Loro Piana. As of December 31, 2013, total equity accounted for 49% of the balance sheet total, compared to 51% recorded at year-end 2012.

Gross borrowings after derivatives totaled 8.7 billion euros at year-end 2013, representing a 2.1 billion euro increase compared to year-end 2012. During the year, LVMH issued a three-year and a six-year bond, each with a nominal value of 0.5 billion euros, under its EMTN program, as well as a public bond with a nominal value of 0.6 billion euros maturing in seven years, with the remaining 0.2 billion euros corresponding to the issue

and subscription of other debt. Conversely, repayments of borrowings amounted to 1.0 billion euros, including a portion of the debt comprising foreign currency-denominated private placements and the bond with a nominal value of 300 million Swiss francs issued in 2007, as well as miscellaneous bank borrowings of 0.4 billion euros. Finally, commercial paper outstanding increased by 1.1 billion euros. Exchange rate fluctuations led to a 0.3 billion euro reduction in gross borrowings, partially compensated by the consolidation of Loro Piana's borrowings, totaling 0.2 billion euros. Cash and cash equivalents and current available for sale financial assets totaled 3.4 billion euros at the end of the fiscal year, up 1.1 billion euros from the 2.3 billion euros at year-end 2012.

As of year-end 2013, the Group's undrawn confirmed credit lines amounted to 4.4 billion euros, substantially exceeding the outstanding portion of its commercial paper program, which came to 2.3 billion euros as of December 31, 2013.

CONSOLIDATED INCOME STATEMENT

<i>(EUR millions, except for earnings per share)</i>	2013	2012	2011
REVENUE	29,149	28,103	23,659
<i>Cost of sales</i>	(10,055)	(9,917)	(8,092)
GROSS MARGIN	19,094	18,186	15,567
<i>Marketing and selling expenses</i>	(10,849)	(10,101)	(8,360)
<i>General and administrative expenses</i>	(2,224)	(2,164)	(1,944)
PROFIT FROM RECURRING OPERATIONS	6,021	5,921	5,263
<i>Other operating income and expenses</i>	(127)	(182)	(109)
OPERATING PROFIT	5,894	5,739	5,154
<i>Cost of net financial debt</i>	(103)	(140)	(151)
<i>Other financial income and expenses</i>	(96)	126	(91)
NET FINANCIAL INCOME (EXPENSE)	(199)	(14)	(242)
<i>Income taxes</i>	(1,755)	(1,820)	(1,453)
<i>Income (loss) from investments in associates</i>	7	4	6
NET PROFIT BEFORE MINORITY INTERESTS	3,947	3,909	3,465
<i>Minority interests</i>	(511)	(485)	(400)
NET PROFIT, GROUP SHARE	3,436	3,424	3,065
BASIC GROUP SHARE OF NET EARNINGS PER SHARE (EUR)	6.87	6.86	6.27
<i>Number of shares on which the calculation is based</i>	500,283,414	499,133,643	488,769,286
DILUTED GROUP SHARE OF NET EARNINGS PER SHARE (EUR)	6.83	6.82	6.23
<i>Number of shares on which the calculation is based</i>	503,217,497	502,229,952	492,207,492

CONSOLIDATED STATEMENT OF COMPREHENSIVE GAINS AND LOSSES

<i>(EUR millions)</i>	2013	2012 ⁽¹⁾	2011 ⁽¹⁾
NET PROFIT BEFORE MINORITY INTERESTS	3,947	3,909	3,465
<i>Translation adjustments</i>	(346)	(99)	190
<i>Tax impact</i>	(48)	(18)	47
	(394)	(117)	237
<i>Change in value of available for sale financial assets</i>	963	(27)	1,634
<i>Amounts transferred to income statement</i>	(16)	(14)	(38)
<i>Tax impact</i>	(35)	(6)	(116)
	912	(47)	1,480
<i>Change in value of hedges of future foreign currency cash flows</i>	304	182	95
<i>Amounts transferred to income statement</i>	(265)	13	(168)
<i>Tax impact</i>	(17)	(50)	21
	22	145	(52)
GAINS AND LOSSES RECOGNIZED IN EQUITY, TRANSFERABLE TO INCOME STATEMENT	540	(19)	1,665
<i>Change in value of vineyard land</i>	369	85	25
<i>Tax impact</i>	(127)	(28)	(11)
	242	57	14
<i>Employee benefit commitments: change in value resulting from actuarial gains and losses</i>	80	(101)	(45)
<i>Tax impact</i>	(22)	29	13
	58	(72)	(32)
GAINS AND LOSSES RECOGNIZED IN EQUITY, NOT TRANSFERABLE TO INCOME STATEMENT	300	(15)	(18)
COMPREHENSIVE INCOME	4,787	3,875	5,112
<i>Minority interests</i>	(532)	(470)	(429)
COMPREHENSIVE INCOME, GROUP SHARE	4,255	3,405	4,683

(1) The consolidated statements of comprehensive gains and losses as of December 31, 2012 and 2011 have been restated to reflect the retrospective application as of January 1, 2011 of IAS 19 Employee Benefits as amended.

COMMENTS ON THE CONSOLIDATED INCOME STATEMENT

Consolidated **REVENUE** for the fiscal year 2013 was 29,149 million euros, up 4% over the preceding fiscal year. Revenue was impacted by the depreciation of the Group's main invoicing currencies against the euro, in particular the Japanese yen, which depreciated by 27%.

The following changes have been made in the Group's scope of consolidation since January 1, 2012: in Fashion and Leather Goods, the acquisition of 80% of Loro Piana on December 5, 2013 and 52% of British luxury footwear company Nicholas Kirkwood on October 1, 2013; in Other activities, the acquisition of 80% of the Milan based patisserie business Cova in June 2013 and Hotel Saint Barth Isle de France in September 2013. These changes in the scope of consolidation did not have any significant effect on revenue growth for the year.

On a constant consolidation scope and currency basis, revenue increased by 8%. The breakdown of revenue by invoicing currency changed as follows: the contributions of the euro and Japanese yen both fell by 1 point to 23% and 7%, respectively; the proportion of revenue denominated in US dollars and Other currencies remained stable at 28% and 34%, respectively, while the relative weight of the Hong Kong dollar rose by 2 points to 8%.

By geographic region of delivery, there was a 1 point decline in the relative contributions to Group revenue by Europe (excluding France) and Japan, at 19% and 7% respectively, while Asia (excluding Japan) increased its contribution by 2 points to 30%. France, the United States and Other markets remained stable at 11%, 23% and 10% respectively.

The breakdown of the Group's revenue by business group changed appreciably as a result of the addition of three major concession contracts won in late 2012 at the Hong Kong airport in Selective Retailing, whose contribution increased by 3 points to 31%. The contributions of Fashion and Leather Goods, Wines and Spirits, and Watches and Jewelry all fell by 1 point to 34%, 14% and 9% respectively. That of Perfumes and Cosmetics remained stable at 13%.

Wines and Spirits saw an increase in revenue of 1% based on published figures. Revenue for this business group increased by 6% on a constant consolidation scope and currency basis, with the net impact of exchange rate fluctuations lowering Wines and Spirits revenue by 5 points. This performance was made possible by higher sales volumes and a sustained policy of price increases in line with the ongoing value-creation strategy. Demand remained strong in Asia and the United States. China is still the second largest market for the Wines and Spirits business group.

Fashion and Leather Goods revenue was up 5% on a constant consolidation scope and currency basis, while remaining stable in published figures. This business group's performance continued to benefit from gains made by Louis Vuitton. Céline, Kenzo, Givenchy and Berluti confirmed their potential, delivering double-digit growth.

Revenue for Perfumes and Cosmetics increased by 7% on a constant consolidation scope and currency basis, and by 3% based on published figures. This growth confirmed the effectiveness of the value-enhancing strategy resolutely pursued by the Group's brands in the face of competitive pressures spawned by the economic crisis. The Perfumes and Cosmetics business group saw appreciable revenue growth in the United States and Asia, notably China.

Revenue for Watches and Jewelry increased by 4% on a constant consolidation scope and currency basis, and fell 2% based on published figures. Economic uncertainty and an intensely competitive market caused a slowdown in purchases by multibrand watch retailers. For all of the business group's brands, Japan was the most dynamic region.

Based on published figures, revenue for Selective Retailing increased by 13%, and by 17% on a constant consolidation scope and currency basis. The main drivers of this performance were Sephora, which saw very appreciable growth in revenue across all world regions, and DFS, which made excellent progress, spurred by the integration as of end 2012 of three major concessions at the Hong Kong airport, and by the continuing development of Chinese tourism boosting business at its stores in Hong Kong and Macao.

The Group posted a **GROSS MARGIN** of 19,094 million euros, up 5% compared to the previous fiscal year. As a percentage of revenue the gross margin was 66%, an increase of 1 point thanks notably to effective control over the cost of goods sold.

Marketing and selling expenses totaled 10,849 million euros, up 7% based on published figures, amounting to a 12% increase on a constant consolidation scope and currency basis. This increase was mainly due to the ongoing development of the Group's retail networks, but also to higher communications investments by the Group's main brands. The level of these marketing and selling expenses nonetheless rose by only 1 point as a percentage of revenue, amounting to 37%. Among these marketing and selling expenses, advertising and promotion represented 11% of revenue, an increase of 5% on a constant consolidation scope and currency basis.

General and administrative expenses totaled 2,224 million euros, up 3% based on published figures, and up 6% on a constant consolidation scope and currency basis. They represented 8% of revenue, the same proportion as in 2012.

The Group's **PROFIT FROM RECURRING OPERATIONS** was 6,021 million euros, representing an increase of 2%. The operating margin as a percentage of revenue was 21%, remaining stable compared with 2012.

Exchange rate fluctuations had a negative net impact of 139 million euros on the Group's profit from recurring operations compared to the previous fiscal year. This total comprises the following three items: the impact of changes in exchange rate parities on export and import sales and purchases by Group companies, the change in the net impact of the Group's policy of hedging its commercial exposure to various currencies, and the impact of exchange rate fluctuations on the consolidation of profit from recurring operations of subsidiaries outside the euro zone.

Excluding currency, foreign exchange hedging effects and changes in scope, the Group's profit from recurring operations increased by 4%.

Profit from recurring operations for Wines and Spirits was 1,370 million euros, up 9% compared to 2012. This performance was the result of both sales volume growth and a sustained policy of price increases. The operating margin as a percentage of revenue rose 3 points for this business group to 33%.

Fashion and Leather Goods posted profit from recurring operations of 3,140 million euros, down 4%. Louis Vuitton maintained its very high level of profitability, while Céline and Marc Jacobs confirmed their profitable growth momentum. The business group's operating margin as a percentage of revenue fell by 1 point to 32%.

Profit from recurring operations for Perfumes and Cosmetics was 414 million euros, up 2% compared to 2012. This growth was driven notably by Guerlain, Benefit and Fresh, all of which posted improved results thanks to the success of their flagship product lines and strong innovative momentum. The business group's operating margin as a percentage of revenue remained stable at 11%.

Profit from recurring operations for Watches and Jewelry was 375 million euros, up 12% with respect to 2012. The business group's operating margin as a percentage of revenue increased by 1 point to 13%.

Profit from recurring operations for Selective Retailing was 901 million euros, up 6% compared to 2012. The business group's operating margin as a percentage of revenue fell by 1 point to 10%.

The net result from recurring operations of Other activities and eliminations was a loss of 179 million euros, representing an improvement compared to 2012. In addition to headquarters expenses, this heading includes the results of the Media division and those of the yacht builder Royal Van Lent.

Other operating income and expenses amounted to a net expense of 127 million euros, compared to a net expense of 182 million euros in 2012. In 2013, Other operating income and expenses included 88 million euros in depreciation, amortization and impairment charges for brands and goodwill. The remainder mainly consisted of expenses connected with acquisitions completed in 2013 and with costs for the reorganization of sales structures or industrial processes. In 2012, they also included impairment of fixed assets for 74 million euros.

The Group's operating profit was 5,894 million euros, representing a 3% increase over 2012.

The **NET FINANCIAL EXPENSE** for the fiscal year was 199 million euros, compared with a net financial expense of 14 million euros in 2012. This item comprises:

- the aggregate cost of net financial debt, which amounted to 103 million euros, showing a decrease compared to 2012. The increase in the average net financial debt outstanding during the fiscal year was offset by a lower average borrowing cost, and;

- other financial income and expenses, amounting to a net expense of 96 million euros, compared to net income of 126 million euros in 2012. This positive result in 2012 included an exceptional dividend received in connection with the Group's shareholding in Hermès.

The Group's effective tax rate was 31%, compared to 32% in 2012. This change was due notably to the recognition of deferred tax income in certain subsidiaries. Income from investments in associates was 7 million euros in 2013, compared to 4 million euros in 2012.

Profit attributable to minority interests was 511 million euros, compared to 485 million euros in 2012.

The **GROUP'S SHARE OF NET PROFIT** was 3,436 million euros, remaining stable compared to 2012. This represented 12% of revenue in 2013, the same proportion as in 2012.

CONSOLIDATED CASH FLOW STATEMENT

<i>(EUR millions)</i>	2013	2012	2011
I. OPERATING ACTIVITIES AND OPERATING INVESTMENTS			
<i>Operating profit</i>	5,894	5,739	5,154
<i>Net increase in depreciation, amortization and provisions</i>	1,454	1,299	999
<i>Other computed expenses</i>	(29)	(62)	(45)
<i>Dividends received</i>	86	188	61
<i>Other adjustments</i>	(76)	(51)	(32)
CASH FROM OPERATIONS BEFORE CHANGES IN WORKING CAPITAL	7,329	7,113	6,137
<i>Cost of net financial debt: interest paid</i>	(112)	(154)	(152)
<i>Income taxes paid</i>	(1,979)	(1,970)	(1,544)
NET CASH FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL	5,238	4,989	4,441
<i>Change in working capital</i>	(617)	(813)	(534)
NET CASH FROM OPERATING ACTIVITIES	4,621	4,176	3,907
<i>Operating investments</i>	(1,663)	(1,702)	(1,730)
NET CASH FROM OPERATING ACTIVITIES AND OPERATING INVESTMENTS (free cash flow)	2,958	2,474	2,177
II. FINANCIAL INVESTMENTS			
<i>Purchase of non-current available for sale financial assets</i>	(197)	(131)	(518)
<i>Proceeds from sale of non-current available for sale financial assets</i>	38	36	17
<i>Impact of purchase and sale of consolidated investments</i>	(2,158)	(45)	(785) ⁽¹⁾
NET CASH FROM (used in) FINANCIAL INVESTMENTS	(2,317)	(140)	(1,286)
III. TRANSACTIONS RELATING TO EQUITY			
<i>Capital increases of LVMH</i>	66	94	94 ⁽¹⁾
<i>Capital increases of subsidiaries subscribed by minority interests</i>	7	8	3
<i>Acquisition and disposals of treasury shares and LVMH-share settled derivatives</i>	(113)	5	2
<i>Interim and final dividends paid by LVMH</i>	(1,501)	(1,447)	(1,069)
<i>Interim and final dividends paid to minority interests in consolidated subsidiaries</i>	(220)	(314)	(189)
<i>Purchase and proceeds from sale of minority interests</i>	(150)	(206)	(1,413)
NET CASH FROM (used in) TRANSACTIONS RELATING TO EQUITY	(1,911)	(1,860)	(2,572)
CHANGE IN CASH BEFORE FINANCING ACTIVITIES	(1,270)	474	(1,681)
IV. FINANCING ACTIVITIES			
<i>Proceeds from borrowings</i>	3,145	1,068	2,659
<i>Repayment of borrowings</i>	(1,099)	(1,526)	(1,005)
<i>Purchase and proceeds from sale of current available for sale financial assets</i>	101	(67)	6
NET CASH FROM (used in) FINANCING ACTIVITIES	2,147	(525)	1,660
V. EFFECT OF EXCHANGE RATE CHANGES	46	(42)	60
NET INCREASE (decrease) IN CASH AND CASH EQUIVALENTS (I+II+III+IV+V)	923	(93)	39
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,988	2,081	2,042
CASH AND CASH EQUIVALENTS AT END OF PERIOD	2,911	1,988	2,081
<i>Transactions included in the table above, generating no change in cash:</i>			
<i>– acquisition of assets by means of finance leases</i>	7	5	3

(1) Not including the impact of the amount attributable to the acquisition of Bulgari remunerated by the capital increase of LVMH SA as of June 30, 2011, which did not generate any cash flows.

COMMENTS ON THE CONSOLIDATED CASH FLOW STATEMENT

Cash from operations before changes in working capital totaled 7,329 million euros, compared to 7,113 million euros a year earlier, representing an increase of 3%. Net cash from operating activities before changes in working capital (i.e. after interest and income taxes paid) amounted to 5,238 million euros, up 5% compared to fiscal year 2012.

Interest paid, which totaled 112 million euros, was down compared to its 2012 amount. Lower interest rates on borrowings, better returns on available cash and a measured increase in the average amount of debt outstanding compared with 2012 explained this favorable impact.

Income taxes paid came to 1,979 million euros, remaining stable compared to the amount of 1,970 million paid in the prior year, with little change in taxable profit.

Working capital requirements increased by 617 million euros, primarily as a result of a rise in inventories, which generated a cash requirement of 765 million euros. This increase in inventories, driven by growth in volume of the Group's business activities and number of stores, was mainly related to Wines and Spirits (the champagne houses in particular), Fashion and Leather Goods, and to a lesser extent Selective Retailing. The remaining change in working capital requirements was a reduction of 148 million euros, since the 288 million euros in cash requirements related to the increase in trade accounts receivable was less than the financing provided by the increase in trade accounts payable and the change in other receivables and payables.

Operating investments net of disposals resulted in a net cash outflow of 1,663 million euros in 2013, compared to 1,702 million euros a year earlier. They consisted mainly of investments by Louis Vuitton, Sephora, DFS, Bulgari and Berluti in their retail

networks, investments by the Group's champagne houses in their production facilities, and investments by Parfums Christian Dior in its counters.

Financial investments and purchases of consolidated investments accounted for a 2,317 million euro outflow in 2013, of which 2,158 million euros for purchases of consolidated investments. These include the purchase of an 80% stake in Loro Piana, representing a 1,982 million euro investment, net of cash required, with the remainder related to purchases of Hotel Saint Barth Isle de France, Cova and a 52% stake in the British footwear designer Nicholas Kirkwood.

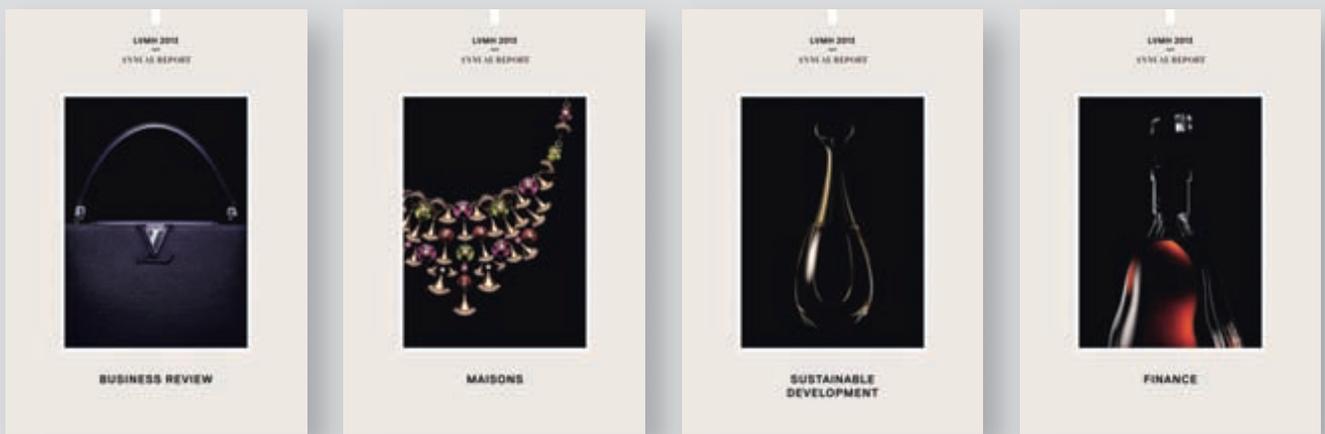
Transactions relating to equity generated an outflow of 1,911 million euros. A portion of this amount, 1,501 million euros, corresponds to dividends paid out during the fiscal year by LVMH SA (excluding the amount attributable to treasury shares), including 900 million euros for the final dividend payment in respect of fiscal year 2012 and 600 million euros for the interim dividend payment in respect of fiscal year 2013. In addition, dividends paid out to minority shareholders of consolidated subsidiaries amounted to 220 million euros, and the impact of acquisitions of minority interests totaled 150 million euros, corresponding mainly to the acquisition of additional stakes in Château d'Yquem and Marc Jacobs. Conversely, share subscription options exercised during the fiscal year generated an inflow of 66 million euros.

The net cash outflow after all operating, investment, and equity-related activities thus amounted to 1,270 million euros. With the net cash inflow from financing activities amounting to 2,147 million euros, the cash balance at the end of the fiscal year was up 923 million euros compared to year-end 2012.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>(EUR millions)</i>	<i>Number of shares</i>	<i>Share capital</i>	<i>Share premium account</i>	<i>Treasury shares and LVMH- share settled derivatives</i>	<i>Cumulative translation adjustment</i>
AS OF DECEMBER 31, 2012 AFTER RESTATEMENT	508,163,349	152	3,848	(414)	342
<i>Gains and losses recognized in equity</i>					(350)
<i>Net profit</i>					
COMPREHENSIVE INCOME		-	-	-	(350)
<i>Stock option plan and similar expenses</i>					
<i>(Acquisition)/disposal of treasury shares and LVMH-share settled derivatives</i>				(103)	
<i>Exercise of LVMH share subscription options</i>	1,025,418		67		
<i>Retirement of LVMH shares</i>	(1,395,106)		(66)	66	
<i>Capital increase in subsidiaries</i>					
<i>Interim and final dividends paid</i>					
<i>Changes in control of consolidated entities</i>					
<i>Acquisition and disposal of minority interests' shares</i>					
<i>Purchase commitments for minority interests' shares</i>					
AS OF DECEMBER 31, 2013	507,793,661	152	3,849	(451)	(8)

<i>Revaluation reserves</i>				<i>Net profit and other reserves</i>	<i>Total equity</i>		
<i>Available for sale financial assets</i>	<i>Hedges of future foreign currency cash flows</i>	<i>Vineyard land</i>	<i>Employee benefit commitments</i>		<i>Group share</i>	<i>Minority interests</i>	<i>Total</i>
1,943	118	758	(88)	17,765	24,424	1,084	25,508
912	18	188	51		819	21	840
				3,436	3,436	511	3,947
912	18	188	51	3,436	4,255	532	4,787
				31	31	3	34
				(7)	(110)	-	(110)
					67	-	67
					-	-	-
					-	8	8
				(1,500)	(1,500)	(228)	(1,728)
				1	1	50	51
				(73)	(73)	(76)	(149)
				(400)	(400)	(345)	(745)
2,855	136	946	(37)	19,253	26,695	1,028	27,723



PHOTOGRAPHS

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