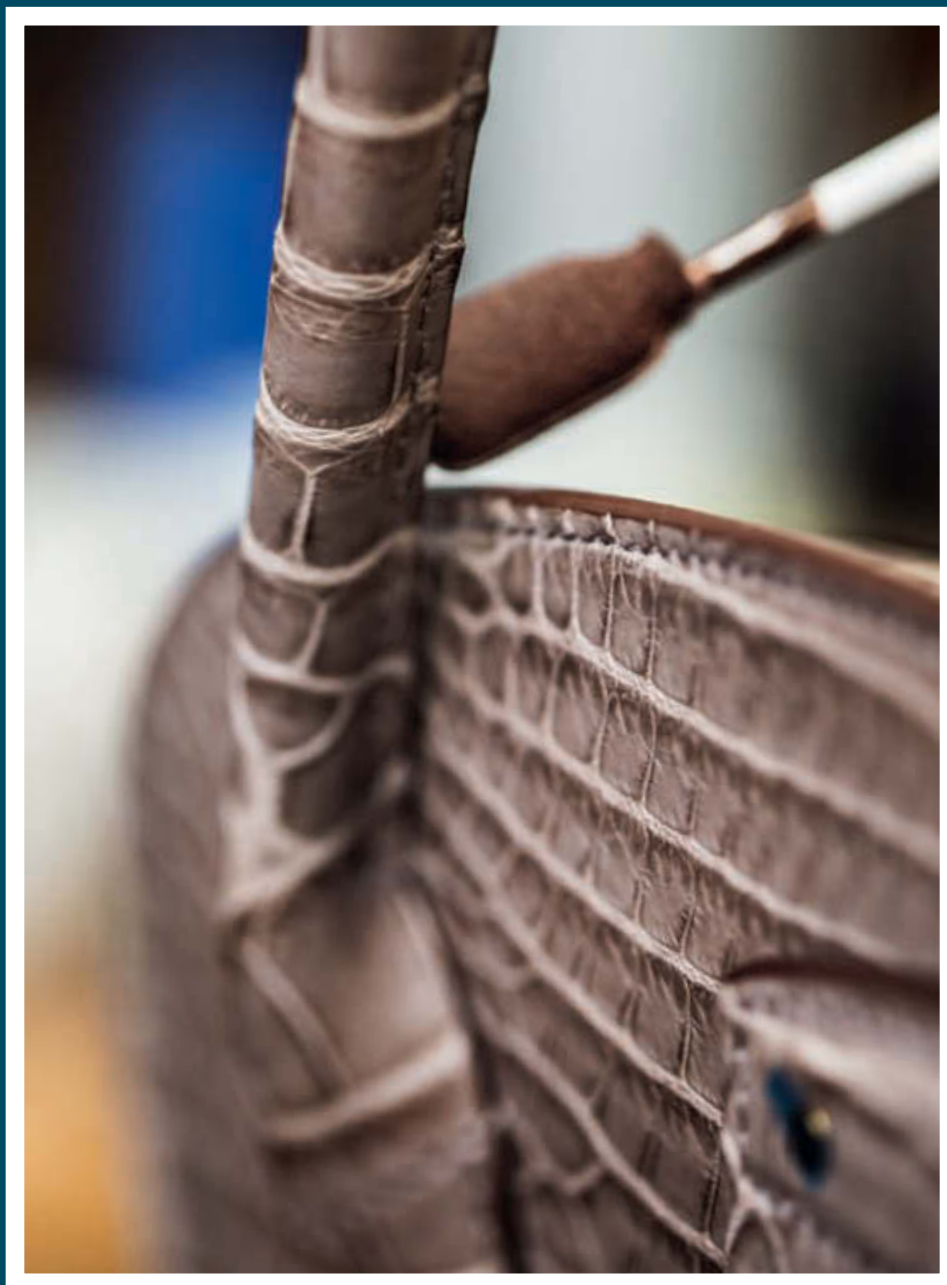


LVMH 2012
—
ANNUAL REPORT



BUSINESS REVIEW



CONTENT

03	CHAIRMAN'S MESSAGE
06	FINANCIAL HIGHLIGHTS
09	INTERVIEW WITH THE GROUP MANAGING DIRECTOR
10	GOVERNANCE
11	EXECUTIVE AND SUPERVISORY BODIES

12	WINES & SPIRITS
22	FASHION & LEATHER GOODS
36	PERFUMES & COSMETICS
46	WATCHES & JEWELRY
58	SELECTIVE RETAILING

— *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 100,000 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.



ENSURING OUR LONG-TERM SUCCESS

LVMH enjoys a unique position in today's competitive landscape. Our success is built on a portfolio of captivating, iconic brands that continue to weave their magic and perpetuate their exceptional know-how. It is fueled by a distribution network of extraordinary scope and quality. It is anchored in a coherent strategy that consistently delivers growth around the world, without ever losing sight of our core values. The Group's leadership position is firmly rooted in its peerless heritage and a management style that nurtures creativity, quality and entrepreneurship. In 2012, we continued to recruit and train craftspeople in pursuit of excellence, develop our array of skills, innovate, enhance the quality and appeal of our stores and increase our market share. Confident in its competitive edge, LVMH blends modernity with tradition, creative flair with quality, and power with agility to develop our stable of brands, build tomorrow's growth drivers and ensure our long-term success.

...

Our Group exhibited excellent performance in 2012 and continues to expand market share in a mixed international environment. Our brands are strong, our teams are committed and react fast, with an obsession for quality, creativity and excellence. This is what is driving the Group forward at every level and has sustained our business at a time of economic uncertainty in Europe and a temporary period of slower growth in Asia.

A WEALTH OF ACHIEVEMENTS IN ALL OUR BUSINESS LINES

This year has been marked by a wealth of achievements. Here are just some of the many accomplishments we can be proud of in 2012: very solid growth in wines and spirits, in terms of both volume and value; ceaseless excellence at Louis Vuitton as it achieves growth in all of its business lines and continues to build up its multiple areas of expertise; sustained improvement thanks to thoroughgoing efforts at the fashion brands (Céline is currently the

most outstanding example of this); the success of our perfume and cosmetics brands, with their genuine message of unfailing quality and authentic innovation in a market saturated with new, sometimes short-lived products; the healthy momentum of our watch and jewelry brands, fed by the vitality of their iconic product lines and expanded manufacturing capabilities; a full-year contribution from Bulgari; the fortified positions of DFS and Sephora, which continue to win over and keep new customers from a wide range of cultures thanks to the most innovative products and services in their sector... the list goes on. I would also like to mention our achievements in emerging markets, where the prospects for growth are excellent and we are building solid foundations for the future.

TALENTED TEAMS, AMBITIOUS GOALS

What lies behind these successes? Talented management teams setting ambitious goals, creative talents inspired by brands destined to become modern icons, dynamic employees delivering our success on the ground... 100,000 passionate, dedicated individuals working for our brands and subsidiaries around the world, spanning a wide spectrum of roles. These are the men and women who amplify our success, thanks to their diversity and the broad range of skills in which they excel.

MOVING FORWARD WITH CONFIDENCE

Against a backdrop of economic and monetary uncertainty, which we see continuing as 2013 gets underway, our Group is moving forward with confidence. As always, LVMH can count on the outstanding quality of its foundations, its highly effective business model and robust financial position. With very limited debt and free cash flow of 2.5 billion euros, we can invest whenever and wherever it is necessary to support and develop our brands, seize new opportunities as they arise and stay on track for consistent growth. A substantial number of projects are ongoing or will come to fruition over the course of 2013. Our brands will continue to innovate, cultivate their appeal and take centre stage. As we explore new territories and strengthen our production capabilities, our unwavering desire to maintain the quality that guarantees the reputation and success of our products and brands remains right at the heart of our objectives.

RESPONSIVENESS AND LONG-TERM VISION

Aside from our Group's intrinsic stability and financial strength, I would like to reiterate the importance of its intangible assets, and in particular the fantastic human capital that it can boast. In this period of limited visibility into the future, the responsiveness afforded by our decentralized structure is one of our key strengths. This is what enables us to remain close to the markets and stay abreast of new developments as they occur. This is what gives us the flexibility to make good decisions fast and then seize every opportunity to increase

our market share by meticulously implementing those decisions on the ground. We manage the situations facing us and the challenges that lie ahead by rallying all of our insights and energy at our brands and across the world's markets, without ever losing sight of our long-term goals and the sense of dedication they entail. Moët & Chandon was founded in 1743, Hennessy in 1765, Guerlain in 1828, Dior in 1947. A brand is built over time, and patience is an essential virtue. As is an awareness of issues that are part and parcel of our long-term strategy: the riches of nature – to which we owe so much –, the wellbeing and development of our employees, our company's social responsibility, the ethical standards that we share with our suppliers as partners in our value-creation strategy, our customers' loyalty and the trust of our shareholders. These components of our intangible capital are so precious for our future success.

EXCITING PROSPECTS

What matters most to me is keeping firm focus on the long term. Our business – excellent products – is experiencing a growing influence from new customers expressing a desire for authenticity, aspiring towards custom-made items or services and increasingly aware of what makes our products special: their creative appeal and finely crafted quality. This deeply-rooted trend will open up a panoply of exciting prospects for us.

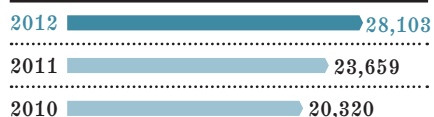
Bernard Arnault

Chairman and Chief Executive Officer

EXCELLENT PERFORMANCE FOR LVMH IN 2012

REVENUE

(EUR millions)



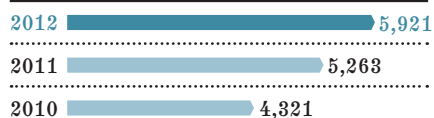
REVENUE BY BUSINESS GROUP

(EUR millions)

	2012	2011	2010
Wines and Spirits	4,137	3,524	3,261
Fashion and Leather Goods	9,926	8,712	7,581
Perfumes and Cosmetics	3,613	3,195	3,076
Watches and Jewelry	2,836	1,949	985
Selective Retailing	7,879	6,436	5,378
Other activities and eliminations	(288)	(157)	39
TOTAL	28,103	23,659	20,320

PROFIT FROM RECURRING OPERATIONS

(EUR millions)



PROFIT FROM RECURRING OPERATIONS BY BUSINESS GROUP

(EUR millions)

	2012	2011	2010
Wines and Spirits	1,260	1,101	930
Fashion and Leather Goods	3,264	3,075	2,555
Perfumes and Cosmetics	408	348	332
Watches and Jewelry	334	265	128
Selective Retailing	854	716	536
Other activities and eliminations	(199)	(242)	(160)
TOTAL	5,921	5,263	4,321

NET PROFIT

(EUR millions)



GROUP SHARE OF NET PROFIT

(EUR millions)



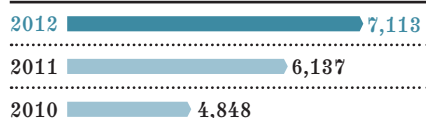
BASIC GROUP SHARE OF NET PROFIT PER SHARE

(EUR millions)



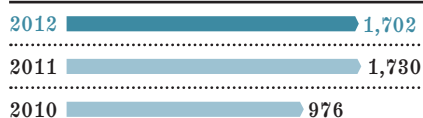
CASH FROM OPERATIONS BEFORE CHANGES IN WORKING CAPITAL ⁽¹⁾

(EUR millions)



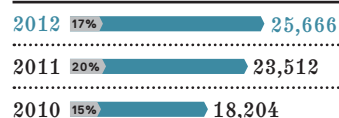
OPERATING INVESTMENTS

(EUR millions)



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

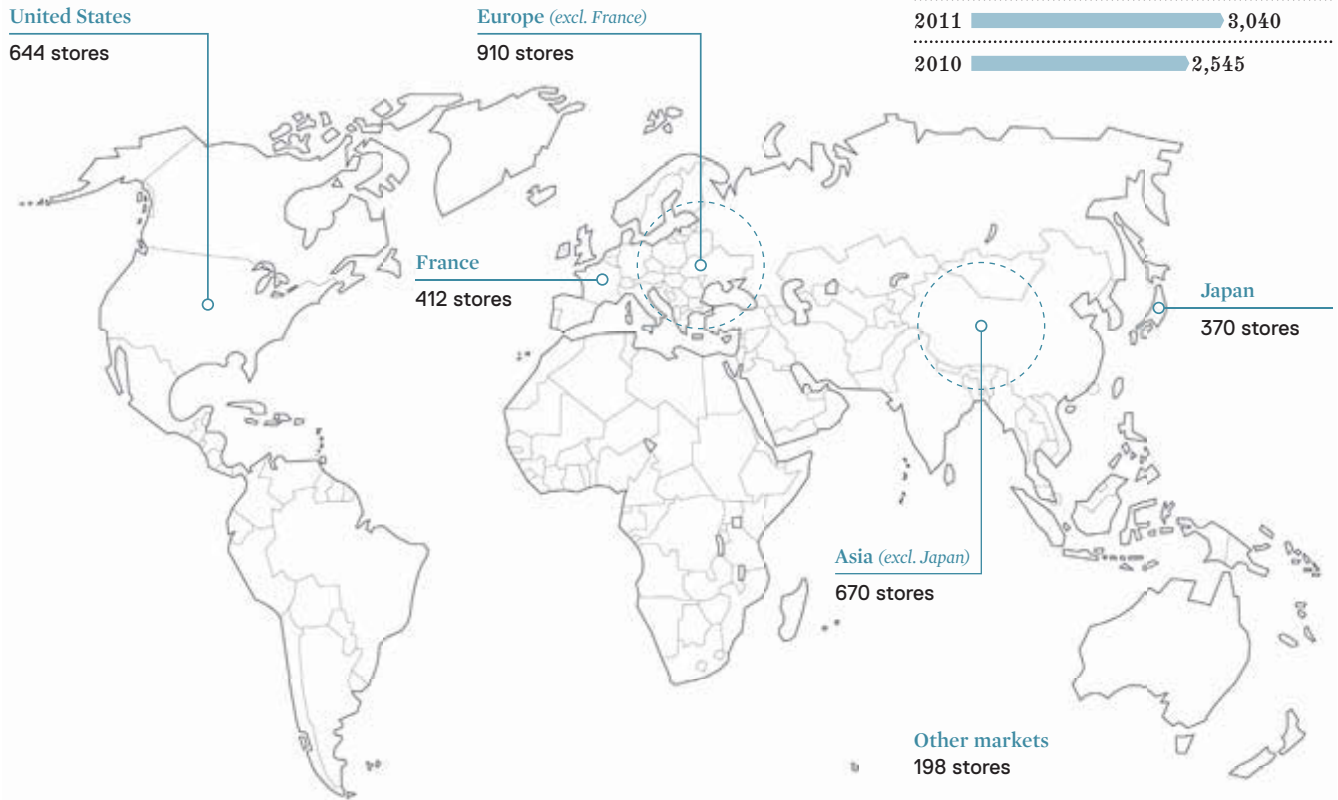
(EUR millions and in %)



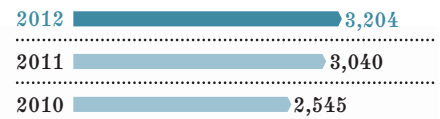
(1) Before interest and tax paid.
(2) Including minority interests.

STORE NETWORK

(at December 31, 2012)

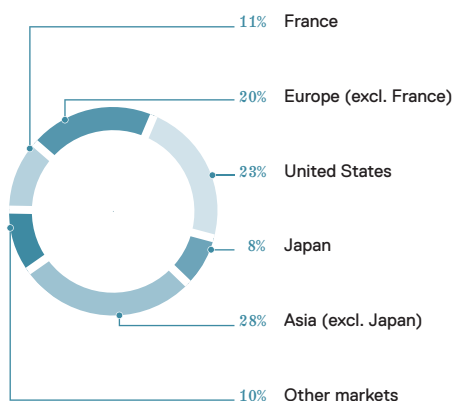


NUMBER OF STORES



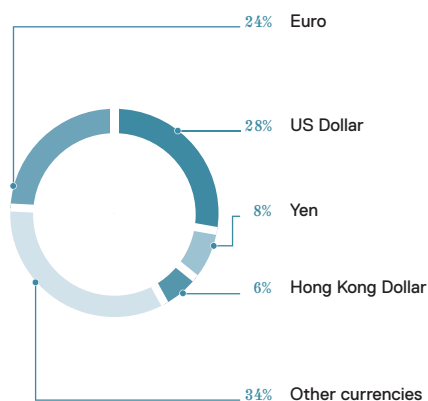
REVENUE BY GEOGRAPHIC REGION OF DELIVERY

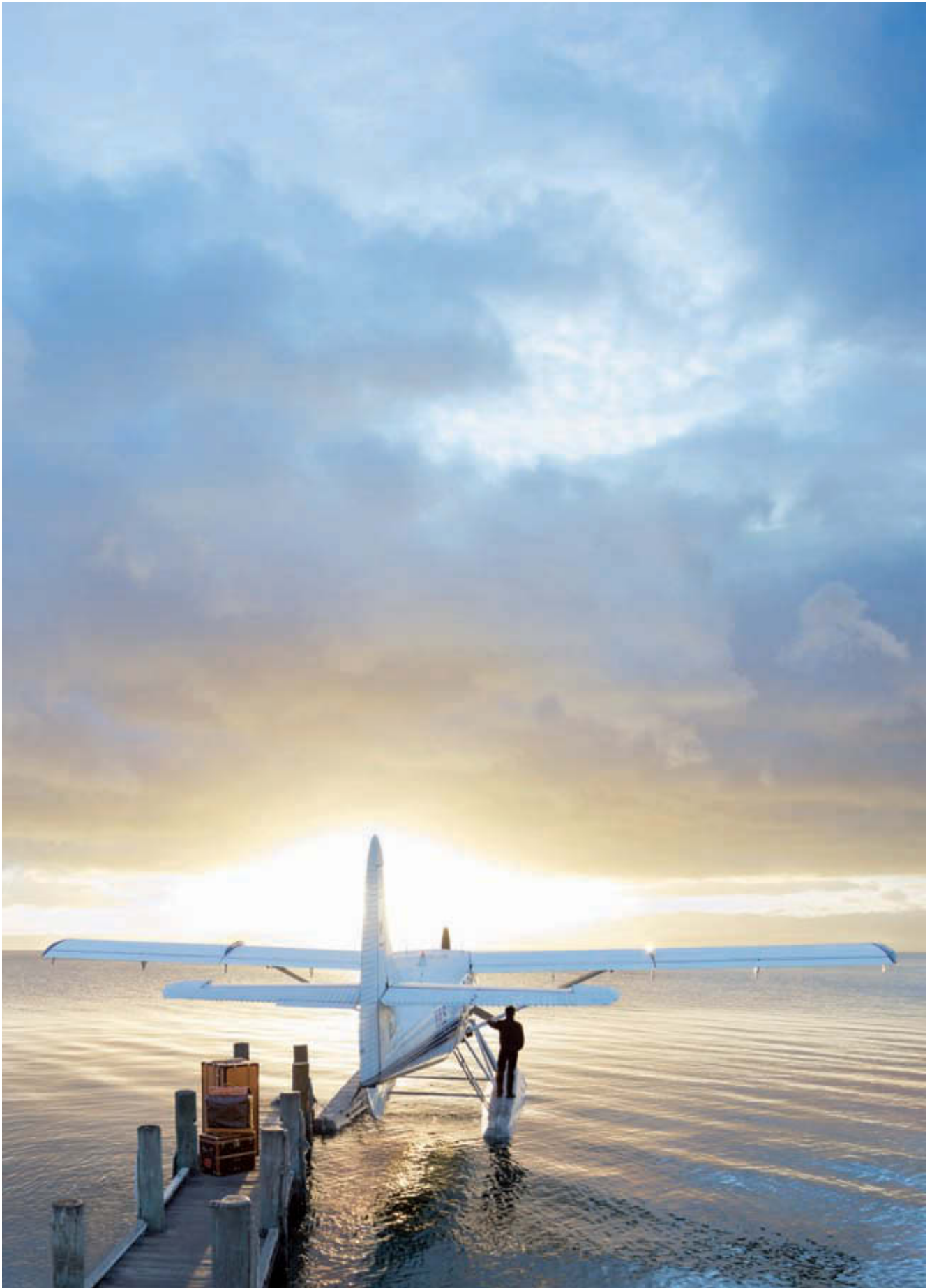
(in %)



REVENUE BY INVOICING CURRENCY

(in %)





ANTICIPATING CHANGES IN OUR MARKETS AND NEW EXPECTATIONS FROM OUR CUSTOMERS



Antonio Belloni
Group Managing Director

— *In a still very uncertain economic climate, how is LVMH addressing the coming months?*

We continue to concentrate on the quality and creativity of our products. These are our greatest assets whatever the circumstances. In times of limited visibility such as now, we need to be even more flexible and responsive. Our market is not monolithic. Our brands have different positioning, extensive product lines and operations on all continents. There is no single response or just one key to unlock every door: each business situation offers both challenges and opportunities. Whatever the economic conditions, there will be varying trends or market segments. It is very important to take into consideration this level of detail so that we can focus our resources on areas where there is the greatest potential.

— *How does the Group encourage flexibility and a quick response?*

Our management philosophy values and encourages a presence on the ground and contact with our customers around the world. The nature of our products and the fascination created by our brands arouse strong emotions in our customers.

So it is in our stores that we can really get to know our customers, find out how we can excite them and provide them with a unique experience. To pick up early signals, to anticipate change, it is absolutely paramount to have ongoing contact with our local teams. They are uniquely positioned to hear what our customers are saying and to develop the close relationship that is needed with them. Our decentralized organization, which encourages managers to take initiative, results in rapid decision-making and action.

— *Effective as it is in the short term, is this willingness to adapt compatible with building a long-term image?*

Yes, very much so. Moët & Chandon and Hennessy are both double centenarians, Louis Vuitton and Guerlain are well past the 150-year mark. Over the years, our brands have been through many different conditions and crossed many borders, constantly reinventing themselves without ever denying their fundamental values or losing their magic. Their evocative power is sufficiently rich and timeless to generate an emotional resonance with people of all generations, from a great diversity of origins and cultures, living and traveling on all continents. Our teams' mission is to continually keep the brands up to date with current trends and connect them to new sensibilities, through their openness to the world, their passion for innovation and their exploration of new territories. We want to continually drive our brands forward into the future.

— *What are the main challenges for the future?*

Beyond the short-term turbulence, the real challenge is to anticipate long-term changes in our markets and in the expectations of our customers. With the development of emerging countries, our customer base is diversifying. It has become global, with our clients traveling all over the world. New customers, who represent strong potential for growth, do not necessarily all have the same connection to luxury goods. We must be attentive to each of them so we

can meet their aspirations while adhering to the values of quality and authenticity embodied by each brand. The brands' integrity and the ability to adapt to each market interact in a process of positive tension. The inexorable development of digital technology is another factor driving change. Our customers, particularly the younger ones, are increasingly forming and expressing their views in the virtual universe. This is becoming a major phenomenon. Our brands have incorporated this trend and are strengthening their digital presence and initiatives so that they can be creative and provide an element of surprise, even in this universe.

— *Do traditional luxury customers have new expectations?*

Our customers are well informed, expert and passionate, increasingly sensitive to all aspects of the experience a brand can offer. They are raising the bar and looking for rarity, exclusivity, and very high-end products and services. It is this demand that Parfums Christian Dior aims to meet with its high-end fragrance collections, as does Louis Vuitton with its bespoke products. The stores are the ultimate expression of the brand and its universe where we can provide our customers with magical experiences. This is why we focus on the quality of our stores and the expertise of our sales staff and consultants. Our customers also want to be in harmony with the approach taken by our Maisons in terms of ethics and sustainable development, two characteristics that are becoming increasingly important in their choices. To be desirable, our brands need to embody the highest standards in these areas, from their design through to their distribution, including sourcing of materials and the partnerships we have forged with our suppliers. Responsible corporate citizenship is paramount in perpetuating the success of LVMH and its brands.

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 2012, the Board of Directors was convened by the Chairman to meet four 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 also assessed its ability to meet shareholder expectations by reviewing its membership, organization and operations, appointed new members to its Performance Audit Committee and Nominations and Compensation Committee, and amended the internal rules of its Nominations and Compensation Committee.

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 2012. 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 accounting treatment of the acquisition of Bulgari and the first consolidation of Bulgari, monitoring the stake in Hermès, the organization and tasks of the Internal Audit Department and the completion and principal conclusions of its work.

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 3 members (the majority of whom are independent) appointed by the Board of Directors. The Committee met three times in 2012. 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, bonus shares, 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. The Advisory Board is composed of three members.

Further information can be found in the 2012 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



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.

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
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 Benoit

ERNST & YOUNG et Autres
represented by Olivier Breillot and Gilles Cohen

(1) Independent Director.
(2) Members of the Performance Committee Audit.
(3) Member of the Nominations and Compensation Committee.



LVMH 2012

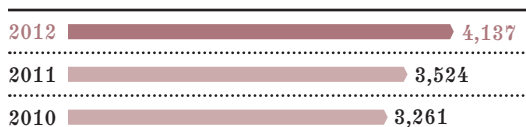
WINES &
SPIRITS



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.

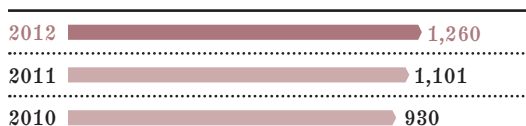
REVENUE

(EUR millions)



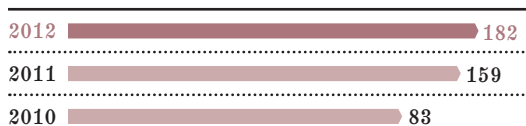
PROFIT FROM RECURRING OPERATIONS

(EUR millions)



OPERATING INVESTMENTS

(EUR millions)

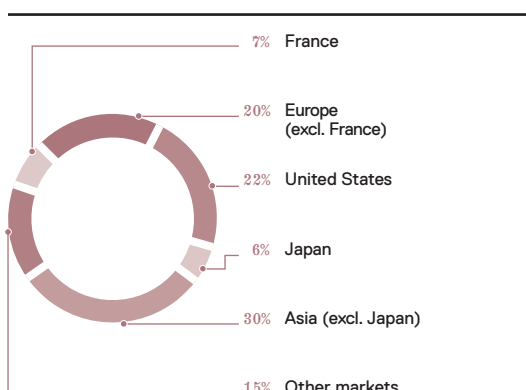


2012 SALES VOLUMES

CHAMPAGNE:
 56.8 MILLION OF BOTTLES

COGNAC:
 67.1 MILLION OF BOTTLES

REVENUE BY GEOGRAPHIC REGION OF DELIVERY (in %)



SOLID AND BALANCED GROWTH



Christophe Navarre
President of the Wines and Spirits business group

— *Wines & Spirits have enjoyed very steady growth in 2012. What have been the key factors in this performance?*

Above and beyond the actual figures, I would like to stress the excellent balance within our revenue growth between the increase in volumes, price rises, and favorable trends in the product mix based on the steady advance of superior quality products. The quality of our earnings is therefore primarily due to the pursuit of our value-creation strategy. Our dedicated efforts to conquer emerging markets without neglecting the strengthening of our positions in major historic markets is another key factor in our performance.

— *Although Hennessy is posting another record year, is the development of the portfolio's spirits brands in line with your expectations?*

The spirits segment is enjoying steady growth. We have acquired brands like Belvedere, Wenjun, Glenmorangie and

Ardbeg because we believe in their potential; we are building their success over the long term, and initial results are in line with our forecasts. Taking Glenmorangie whisky as an example – since it joined the Group, we have achieved an enormous amount with its teams. All the essential elements of the brand have been reviewed in order to capitalize on its powerful heritage. The range has been overhauled and its production capacities expanded, with a constant focus on excellence. The new “Unnecessarily well made” advertising campaign has boosted Glenmorangie’s international visibility. Today the brand is growing fast, earning acclaim within the profession, increasing its profitability and continuing to gain market share in the very buoyant single malt whisky sector.

— *What will your main initiatives be in 2013?*

Our objectives are to prioritize premium quality vintages, maintain a firm policy on pricing, and build on the dynamic of fast-growing markets. Enhancing the reputation and desirability of our brands is therefore a major focus to sustain the achievement of these ambitions. In a highly competitive world, each brand will strive to cultivate its uniqueness via its specific realm of expression. Dom Pérignon will deploy its “The Power of Creation” marketing concept with events that tie it to major creators in order to underline its exceptional character and the creativity involved in producing its vintages. Moët & Chandon will have a new global ambassador in the shape of Roger Federer, who shares our brand’s values of excellence, elegance and generosity. Veuve Clicquot will focus on innovation and strengthen its presence in the online arena. Hennessy will continue to roll out its marketing

worldwide and highlight the special links forged with artists – just a few initiatives among many.

— *Beyond 2013, how are you preparing for future expansion?*

The balanced and sustainable growth we seek requires the strengthening of our supplies of Champagne and Cognac and the development of our production capacities with the central objective of quality control. We are conducting a very determined policy in these two areas. We are investing in the construction of a new site for the champagne-making process. Hennessy has started work on a new bottling site and new cellars. Estates & Wines is extending its production capacities and renewing some of its vineyards. We also need to consolidate our organization to back our aggressive campaigns in emerging countries. This will require us to strengthen our sales and marketing teams. These are all long-term initiatives to consolidate our leadership in exceptional wines and spirits.

— Major strategic priorities

Pursue value creation strategy.

Target balanced and sustainable growth.

Develop production capacities.

Further strengthen efficiency of distribution.



Wines and spirits saw organic revenue growth of 11%, attributable not only to higher volumes and an enhanced product mix, but also to a firm pricing policy. Profit from recurring operations rose 14%.



In keeping with the positive trend observed in the wines and spirits market in 2011, demand remained robust in 2012. Sales by volume grew by 2% for all LVMH champagne brands, with prestige cuvées, rosé and vintages in high demand; sales volume rose 6% for Hennessy cognac, which had a very good year for all its qualities, and in all of its markets.

MOËT & CHANDON consolidated its position as the world leader in champagne thanks to its expansion in emerging markets coupled with a good performance in Japan and Australia as well as a reaffirmed value-creation strategy in the United States. The champagne house successfully launched its *Grand Vintage 2004*. The new Mont Aigu winery is the first step in a major project and expands on the production capacity of the historic sites while

maintaining its strong focus on quality control. As of 2013, Roger Federer becomes Moët & Chandon's new ambassador, with a new advertising campaign being launched outside France.

DOM PÉRIGNON's strong revenue growth, especially in Japan, was boosted by the successful launches of two new vintages: *Dom Pérignon 2003* and *Dom Pérignon Rosé 2000*. The brand continued to deploy its Power of Creation concept, organizing exceptional events with world-famous creators. It also showed another side to its creativity through its collaboration with David Lynch on a special year-end holiday gift box.

MERCIER, a leading brand in France, continued to develop its presence at traditional dining venues.



VEUVE CLICQUOT pursued its value-creation strategy successfully, with many new innovative products, such as *Ponsardine* and *Suit Me*. Veuve Clicquot Season events, such as polo tournaments in New York and Los Angeles, continued to underpin the Veuve Clicquot's communication. *Veuve Clicquot Rosé* confirmed its excellent results. Like the other champagne brands, the brand significantly improved its performance in Japan and Australia, and growth also continued in emerging markets such as Russia, Brazil, and South America.

RUINART continued to progress in France and to develop internationally, most notably in Asia, Africa and Latin America. The Miroir collection, designed by Hervé Van der Straeten, has made *Ruinart's* emblematic *Blanc de Blancs* an even bigger

success. Increasingly engaged in the world of contemporary art, Ruinart is now the official champagne of many international art fairs.

KRUG achieved good growth in Europe and demonstrated excellent momentum in Japan as well as elsewhere in the Asia-Pacific region. In the United States, the champagne house continued to redeploy its operations. Through such events as its "Lieux éphémères" in New York, Paris and London, and its "Voyages Ambassades", Krug affirmed its exceptional and unique character.

ESTATES & WINES still and sparkling wines once again posted significant revenue growth. Chandon continued its vigorous gains and launched its innovative *Chandon Délice* cuvée with success.



Still wines benefited from upmarket repositioning and posted very strong performances.

Demand for the broad range of **CHÂTEAU D'YQUEM** vintages is growing in emerging markets. Auction prices for mythical rare bottles have confirmed its legendary status. **CHÂTEAU CHEVAL BLANC** consolidated its rank as a 1^{er} Grand Cru Classé A.

As was the case in 2011, sales of all qualities of **HENNESSY** cognac grew strongly in all regions. The world's number one cognac, in terms of both volume and value, Hennessy achieved historical heights of performance in 2012. The main driver of its rapid growth continued to be Asia, where in an environment of managed development of prestige quality volumes, the younger

qualities have performed quite robustly, as seen by the very promising launch of *Classivm* in China. Hennessy continues to progress throughout the Asian market, and to maintain strong positions in Taiwan, Vietnam, Malaysia and China, where well over a million cases have been sold. The brand has confirmed its number-one position in the Americas while growing rapidly in many promising new markets, such as Mexico, Eastern Europe, Nigeria, South Africa and the Caribbean.

GLENMORANGIE and **ARBEG** single malt whiskies once again progressed rapidly in their key markets. Glenmorangie is increasing its visibility in the United Kingdom by becoming the new sponsor of The Open, the world's most prestigious golf tournament. To celebrate its experiment in "molecular aging"



on board the International Space Station, Ardbeg released *Galileo*, a limited edition whisky that was highly successful in most markets.

BELVEDERE vodka showed good momentum, particularly outside of American markets. In the United States, its first televised advertising campaign was launched late in the year.

10 CANE rum raised its profile with new packaging and a changed formula.

WENJUN pursued its expansion, aiming to become China's number one luxury brand of Baiju, the world's best-selling white liquor, and gained significantly in renown across the territory.

— Outlook

In 2013, Wines and Spirits houses will maintain a strategy of value-creation and targeted innovation, with the goal of continuously enhancing the desirability and reputation of their products throughout the world. Active efforts will be made to increase prices and move the product mix further upmarket, in conjunction with substantial investments in communication, particularly via online media. With the outlook for Europe's economy uncertain, Moët Hennessy maintains its firm ambitions for its mature markets and will accelerate expansion in emerging markets, especially those of Asia. A powerful global distribution network and experienced, performance-driven staff should enable the business group to continue to grow consistently and profitably, and to strengthen its leadership in the world of luxury wines and spirits.



Mont Aigu: a production site in the heart of the Champagne region

In the face of continually increasing sales, the new Mont Aigu production site in France's Marne region will supplement the production capacity of the historical sites of LVMH's Champagne Houses. The aim is to boost production resources while making quality control the focus of the project. This key priority has three strands: safety and security, working conditions, and optimization of manufacturing flows.

In mid-2012, after 18 months of work, the first stage of the project, the winery, was completed. It has a total of 137 vats in an area of 6,000 m². Work is continuing with the excavation of the cellars,

and a full production facility will arise from the site by 2016. Production capacity will then be 21 million bottles, representing 100,000 additional hectoliters of storage and wine-making. The reduction in the high number of external flows will help improve the Maisons' carbon footprint since the rotation of more than 2,000 trucks per year will be eliminated. With the concern for safeguarding the earth that is at the source of its champagne, Mont Aigu is a pilot site for France's High Environmental Quality (HQE) certification, a sustainable development label.



Hennessy Very Special by Futura

Hennessy Very Special is the world's biggest selling cognac, particularly in the United States, where it is iconic. For the last three years, eminent artists have been revisiting the packaging, creating original limited editions that have transformed the bottles into collectors' items.

Futura, a pioneer in abstract graffiti and a legendary figure in the Street Art movement, produced the 2012 limited edition. Applying his distinctive style to this new experience, the artist created a new design for Very Special, inspired by cognac's warm amber palette and the character and feel of the brand.

Heavily involved in the project, Futura attended the launch of his work in Los Angeles, followed by more than 20 other markets, such as Japan, Thailand, Russia, Poland and the Netherlands. The international launch took place in Paris on October 22, 2012 and offered an immersion into the world of Street Art and exclusive access to a collector's limited edition of 213 pieces produced for the Paris concept store, Colette.



LVMH 2012

FASHION & LEATHER GOODS

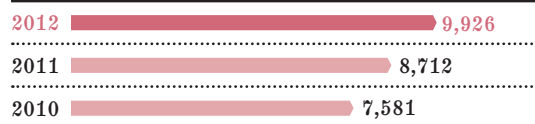


Louis Vuitton, Fendi, Donna Karan, Loewe, Marc Jacobs, Céline, Kenzo, Givenchy, Thomas Pink, Pucci, Berluti and Rossimoda are the brands that form the Fashion and Leather Goods business group.

This outstanding group of brands from both sides of the Atlantic has 1,280 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.

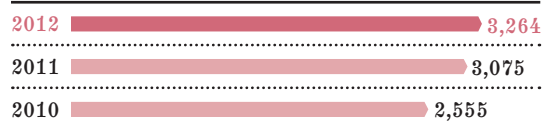
REVENUE

(EUR millions)



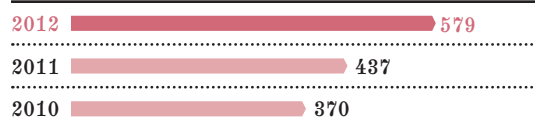
PROFIT FROM RECURRING OPERATIONS

(EUR millions)

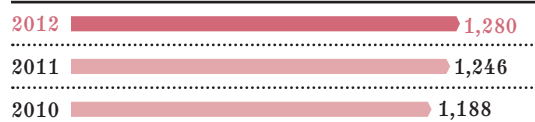


OPERATING INVESTMENTS

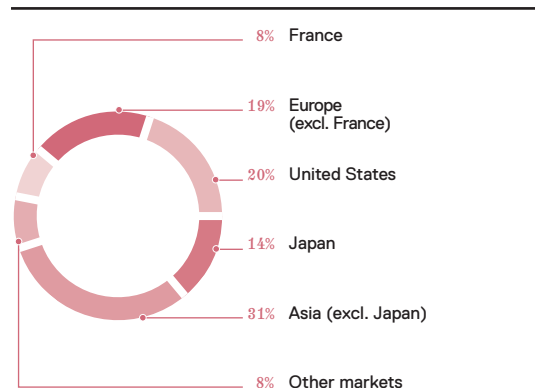
(EUR millions)



NUMBER OF STORES



REVENUE BY GEOGRAPHIC REGION OF DELIVERY (in %)



PERFECTING OUR EXPERTISE, CULTIVATING OUR CREATIVITY, ENCHANTING OUR CUSTOMERS

The development of our Fashion & Leather Goods brands is based on three inseparable principles: leading edge expertise, constantly cultivated creativity, and a search for excellence in distribution. Louis Vuitton is perpetually expanding and has a substantial lead in the global market. The long-term development of the other brands in the business group goes hand-in-hand with their ongoing focus on improving performance and strengthening their image.

Expertise binds our brands to a tradition, to a quest for uninterrupted perfection. The bond between the brands' roots in fine craftsmanship and their strategic vision is the main source of their uniqueness. At Louis Vuitton, leather goods, the original arena of a now global brand, are the source of inspiration for all the new businesses. True to the excellence of its founder's vision, Louis Vuitton masters and perfects all the skills and expertise it has acquired over the years. While still committed to designing iconic products in each of its fields, the Maison is stepping up the development of high-end leather goods that showcase the superior know-

how of its craftsmen. Other brands in this business group demonstrate the same rigor in guiding their expansion: Loewe, the undisputed master of the finest leatherwork since 1846, doubled the capacity of its leather workshops to meet high demand for its products while preserving uncompromising quality. Berluti echoes this approach for its shoes made in Ferrare.

Creativity and innovation, inherent features of the fashion businesses, anchor our brands to their time and project them into the future, without altering their fundamental values. In fashion as in all its businesses, LVMH is determined to recruit the best talents for each brand. Building on the extraordinary energy generated by the collaboration of Marc Jacobs with Louis Vuitton came Céline's creative renewal; its modern style of subtle and pure luxury encapsulates the spirit of the Maison and opens up superb prospects for growth. The current dynamic at Givenchy and the excellent reception of Kenzo's new ready-to-wear collections are other outstanding examples of the Group's capacity to enable its designers to express the best of their inspiration while embracing the DNA of its Maisons.

The outstanding in-store experience offered to our customers is the third mainstay of our strategy. Designed to enhance the products and create an atmosphere unique to their own particular brands, the

stores play their full part in conveying the dream and sense of the exceptional surrounding the brand's name. This imperative requires constant investment in the quality of our distribution networks. For Louis Vuitton, each store is a unique location that often – for the pure pleasure of its customers – pays special tribute to its host city and the local culture. In parallel with the opening of flagship stores, which are vital initiatives for each of our brands, substantial efforts are made year after year to renovate and expand existing stores, train our sales consultants, develop their expertise, and help them share their passion for our brands. The sole objective is to enchant our customers, and enable them to enjoy a uniquely delightful experience in every aspect of their relationship with our brands.

— Major strategic priorities

Continue to develop Louis Vuitton.

Strengthen image and profitable growth of other fashion brands.



LOUIS VUITTON achieved another year of double-digit revenue growth, a performance all the more remarkable as it was driven by the contributions of every one of its businesses. Revenue growth continues to be coupled with exceptional profitability. Backed by consistent strategy and the continued excellence of its savoir-faire, Louis Vuitton pursued carefully managed expansion plans in 2012, once again demonstrating its inexhaustible creativity.

In a mixed global business environment, Louis Vuitton's various customer segments reaffirmed their attachment to the brand and their endorsement of its focus on quality. Asian customers, who are venturing beyond their borders in ever larger numbers, continue to embody a strong dynamic. Purchases by US customers

have also shown particularly remarkable progress. In Europe, Louis Vuitton made steady gains, still fully reaping the rewards of the brand's extraordinary appeal among both local and international customers.

In leather goods, the Maison placed special emphasis during the year on its fine leather lines. The Maison also continued to expand its "Haute Maroquinerie" collection, a fine testament to the excellence of its artisanal savoir-faire and the high degree of sophistication offered to Vuitton's customers. At the end of 2012, Louis Vuitton opened its first "Cabinet d'Écriture" on the Place Saint-Germain-des-Prés in Paris. This space is dedicated entirely to the art of writing, a universe long treasured by the Maison and often associated with travel.

Fashion and Leather Goods posted organic revenue growth of 7% in 2012. Profit from recurring operations for this business group was up 6%.



Louis Vuitton continued the selective, quality-driven development of its network of stores. Following the grand opening of the Roma Étoile Maison and a boutique in Amman marking the brand's arrival in Jordan, the reopening in July 2012 of the Maison in Shanghai at Plaza 66, which coincided with the celebration of Louis Vuitton's 20th anniversary in China, was one of the high points of the year. Louis Vuitton also expanded into Kazakhstan and unveiled its first shoe salon at Saks Fifth Avenue department store in New York. Finally, the second half of the year saw the launch of Louis Vuitton's first boutique exclusively dedicated to fine jewelry and timepieces, complete with its own workshop, on the Place Vendôme in Paris.

A collaboration with the Japanese artist Yayoi Kusama provided an opportunity to underscore the brand's enduring ties with the art world. An exhibition titled "Louis Vuitton – Marc Jacobs" was held at the Musée des Arts Décoratifs in Paris from March to September 2012. Fendi continued the quality-driven expansion of its retail network with the aim of raising the brand's profile through more spacious stores, better able to showcase its high-end offerings.

In addition, **FENDI** put in place a more selective policy to govern its presence in multi-brand stores. In leather goods, 2012 was a year of record sales for the brand's iconic *Baguette* bag,



marking its 15th anniversary. Fendi's other star lines, *Peekaboo* and *Selleria*, also continued to see strong growth, while its newly launched *2Jours* model performed remarkably well. Fur, the brand's most iconic symbol, enjoyed increased visibility. Fendi carried out selective store openings in certain high-end department stores in Europe and Japan. The brand further expanded its retail network in Mexico, the Middle East, and in Asia, with the opening of a new Fendi flagship store on Canton Road in Hong Kong.

CÉLINE performed remarkably well in 2012, setting new records for revenue and profit. The brand saw impressive growth across all geographic regions and product categories. Céline's ready-to-wear collections continue to vigorously reaffirm the

brand's identity, associated with iconic modernity, timeless elegance and quality. Its leather goods performed exceptionally well again, buoyed by the success of the iconic lines *Luggage*, *Cabas* and *Classic*, combined with the strong results of the year's innovative additions, including *Trapèze*. Céline has launched a refurbishment and expansion plan targeting its retail network, which will move into higher gear in 2013.

MARC JACOBS recorded steady growth, with particularly strong gains in Japan and in the rest of Asia. The brand's vitality is driven by the continued success of the designer's upscale Marc Jacobs Collection. The launch of the *Antonia* bag received excellent acclaim. Benefiting from a strong position in the growing



contemporary fashion market, the heightened sophistication of the designer's second line, *Marc by Marc Jacobs*, is building on its success. The *Denim* line also had an excellent year. Another highlight of 2012 was the launch of *Dot*, Marc Jacobs' new fragrance for women.

DONNA KARAN has moved forward with its strategy, whose major thrusts are the qualitative expansion of the brand's distribution network combined with efforts to intensify the spirit of its designs, always reflecting the pulse of New York, so central to Donna Karan's values. The brand's results in 2012 were buoyed by the reacquisition of the *DKNY Jeans* line on a direct basis, whose new market positioning, marrying chic and casual, has garnered

kudos. Donna Karan is also building on the success of its *DKNY* accessories collection while expanding its presence around the world, in particular by adding new retail locations in China and inaugurating its first stores in Russia.

LOEWE performed well, in terms of both revenue and profit. In leather goods, the iconic Amazona line as well as Flamenco, a more recent addition, remain strong sellers for the brand.

Loewe continued the roll-out of its new store concept designed by architect Peter Marino. A flagship store was unveiled on Barcelona's Paseo de Gracia, with a Galeria Loewe museum next door. The Getafe production site will soon expand in size with the upcoming opening of a center dedicated to leather



cutting as well as a leather crafts school. Penélope Cruz is Loewe's new brand ambassador.

Under the guidance of the creative team of Humberto Leon and Carol Lim, **KENZO** has recovered the young and modern energy and spirit responsible for its early renown. Warmly received by the press, the successes of the team's first collections were further underpinned by a new advertising campaign produced by Jean-Paul Goude.

GIVENCHY had an excellent year, reaching record levels for both revenue and profit. Accessories and men's ready-to-wear made particularly strong gains. In leather goods, the *Antigona* bag

continues to perform well and has become a new iconic model, alongside the popular *Nightingale* and *Pandora* lines. Givenchy expanded its presence in China during the year.

THOMAS PINK has further reinforced its specialist positioning as a quintessentially British, chic and upscale shirtmaker. The brand has proceeded with its expansion plans in key markets, reflected in the signing of a joint venture with a Chinese partner and store openings in South Africa and India. Its online sales are growing rapidly.

PUCCI continues to revamp its brand image, as reflected in its latest advertising campaign. The brand unveiled its new store



concept with the opening of a flagship store in New York as well as its first retail location in mainland China.

BERLUTI has seen rapid growth, driven by its creative renewal and a strengthened international presence. The ready-to-wear collections designed by creative director Alessandro Sartori and the brand's many new shoe creations have been very positively received. Berluti acquired Arnys, a specialist in made-to-measure tailoring for men, as well as the bootmaker Anthony Delos. The brand has begun the roll-out of its new boutique concept, designed to showcase all of its product categories.

— Outlook

Louis Vuitton will maintain its strong innovative momentum in 2013, thus further heightening its appeal across all its product categories. Alongside the further development of the iconic *Monogram* canvas, special initiatives will be focused on the leather lines and its “Haute Maroquinerie” collection. Qualitative development of the brand's retail network will remain a key priority, in line with Louis Vuitton's relentless quest to offer its customers a unique experience in each and every one of its exceptional stores. Thanks to its talented teams and their culture of excellence, Louis Vuitton plans to further optimize its organization in order to accompany its revenue growth and strengthen the various centers of expertise that constitute its universe.

Fendi will continue to emphasize the development of its high-end offerings and its fur creations. More spacious stores will be opened, as part of a revamping and expansion of the brand's retail network. A new store concept, currently under development, will be rolled out initially at key Fendi locations, including New Bond Street in London, Avenue Montaigne in Paris and Via Montenapoleone in Milan.

Driven by their creative spirit, the business group's other brands will continue to bolster their strategic markets in 2013. A distinctive and compelling identity will serve as the foundation for further growth, reaffirming the relevance of the strategic choices made. By harnessing their creativity, their pursuit of excellence, and their *savoir-faire*, the brands' teams will reinforce the effectiveness of actions across all dimensions of business development.

FOCUS



*Know-how and exceptional service for Louis Vuitton's
High-End Leather Goods line*

At Louis Vuitton, personalizing luggage has been a tradition from the time the Maison was founded. From the end of the 19th century, bands of color and customers' initials were painted or branded on their luggage or city bags. In 2011, Louis Vuitton pushed the boundaries of personalization further by launching a new line of High-End Leather Goods. Today that line is booming.

Customers can choose from five models to create a unique bag that reflects their personality. They have a selection of high-end leathers, a vast palette of colors, and several types of lining and metal finishes to give free rein to their creativity while benefiting from Louis Vuitton's exceptional expertise. Customers who treat

themselves to a custom bag – touching the handpicked skins, feeling their softness and matching colors and finishes – are embarking on a unique adventure. They themselves become craftspeople in the process of creating exactly what they desire.

Received in a private area, customers are guided through each step of the design process by a specially trained sales consultant. They have the opportunity to view their creation on a digital tablet before placing the order. The bag will then be crafted by the Maison's leather workers. Most importantly, the customer has the joy of owning a unique bag, as personal and precious as a piece of jewelry.



Opening of the Louis Vuitton Maison at Shanghai Plaza 66

Each Louis Vuitton store is a world to be discovered, a place of emotion and unique experiences. And the Louis Vuitton Maison at Plaza 66 in Shanghai, which opened in July 2012, is no exception.

Louis Vuitton opened its first store in China in 1992, in Beijing's Peninsula Hotel. The unveiling of the Louis Vuitton Maison in Shanghai in 2012 therefore coincided with the 20th anniversary of the brand's presence in China.

The Shanghai Maison is a unique venue. Conceived as a travel destination in its own right, this four-storey Maison, designed by architect Peter Marino, features unparalleled design elements

and bespoke furniture for a Louis Vuitton experience replete with fascinating discoveries. A five-meter tall pagoda by Chinese artist Qiu Zhijie and works by Berlin artist Anselm Reyle are just two examples. In the different areas of the Maison, each one devoted to an element of the Louis Vuitton world, customers can explore works of art specially produced for Louis Vuitton by contemporary Chinese and international artists. In this Maison, where art offers so much to be discovered, Louis Vuitton gives center stage to the collections and exceptional service that it offers thanks to the mastery of its know-how and excellence of its craftspeople.

FOCUS



Fendi celebrates the 15th anniversary of the Baguette bag

In 1997, when minimalism was all the rage in Europe, Silvia Venturini Fendi had a stroke of genius. She came up with a tiny, rectangular handbag, featuring a Forever buckle designed by Karl Lagerfeld the same year. The *Baguette* took the world by storm. The bag is now a classic of the Rome Maison, appearing in limitless incar-

nations, including renditions by illustrious artists such as Richard Prince, Jeff Koons and Damien Hirst. To celebrate the fifteenth anniversary of its iconic handbag, Fendi re-released the designer's six favorite designs along with a coffee-table book of essays and poems by celebrity contributors and life-size photos of the *Baguette*.

FOCUS



New boutique concepts for Berluti

In 2012, Berluti began rolling out its new boutique concept, developed in conjunction with French architect Gwenaël Nicolas. After Harrod's in London, Berluti took its concept to Osaka and

Tokyo in Japan, Shenyang in China, and Dubai, enabling customers to appreciate all of the Maison's product categories.

Opening of Galeria Loewe

Opened in 2012 in Barcelona, opposite Antoni Gaudí's La Pedrera, Galeria Loewe is the start of a new adventure for the Madrid Maison. This 580 m² space spread over five floors is the result of a collaboration with design and production house Boolab. Just like an art gallery, Loewe showcases its leather goods and most iconic products to illustrate the Maison's expertise in leather craftsmanship. With displays of everything from leather and silk work to each manufacturing stage of the *Amazona* bag, Galeria Loewe is much more than a simple museum. It immerses the visitor in the Maison's avant-garde vision that has been the constant inspiration for all of its designs while remaining true to its heritage.





LVMH 2012

PERFUMES &
COSMETICS

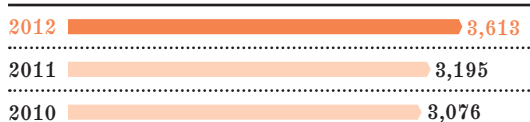




LVMH, a major player in the perfumes, make-up and skincare sector, relies primarily on a portfolio of brands representing French companies with an international presence: Christian Dior, Guerlain, Givenchy and Kenzo. The Group also supports the development of high-potential brands: Benefit and Fresh, 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.

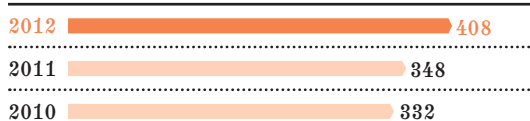
REVENUE

(EUR millions)



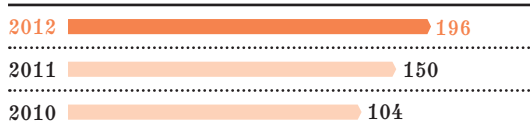
PROFIT FROM RECURRING OPERATIONS

(EUR millions)



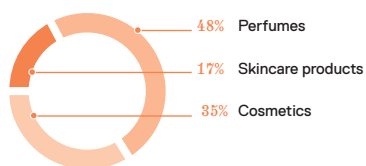
OPERATING INVESTMENTS

(EUR millions)



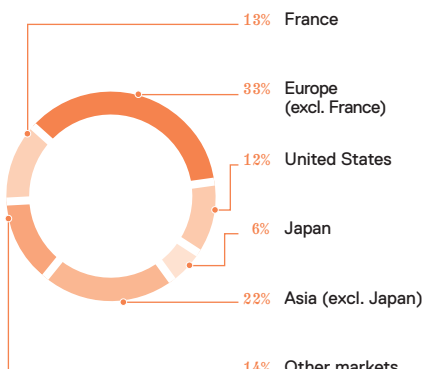
REVENUE BY PRODUCT CATEGORY

(in %)



REVENUE BY GEOGRAPHIC REGION OF DELIVERY

(in %)



DIFFERENTIATION STRATEGIES

The Perfumes and Cosmetics business group is making great strides in its dynamic, value-creating growth. Its results are primarily due to the constant expansion of its major French Maisons, such as Parfums Christian Dior and Guerlain, symbols of excellence throughout the world. Alongside these truly timeless stars are the more recently created brands, developed with the valuable support of LVMH. These brands are the ideal complement to the Group's portfolio; their contribution increases year after year and they are paving the way for new growth prospects.

In a highly competitive global market where there is often a plethora of choice, our major brands are bolstered by their differentiation strategies. Significant investment in advertising to target their key markets supports their creations and enhances their image around the world. Emphasis is placed on their values of creativity, modernity and high quality. Their growth is driven by iconic products and ranges of exceptional vigor, such as *J'adore*, a Parfums Christian Dior icon, which continues to go from strength to strength. There are also innovative fragrances destined to become classics: *La Petite Robe Noire*, the

new fragrance from Guerlain, for example, won immediate acclaim in France and then worldwide and has all the qualities to be part of the extraordinary olfactory legacy of a Maison that has existed for almost two centuries.

Whether for perfume, cosmetics or skin-care products, the LVMH research laboratories at the Parfums Christian Dior site near Orléans are contributing to a number of successes. They are responsible for developing products for all of the business group's brands, and their work is key to producing truly innovative products of high intrinsic quality. The new Helios center, designed to house the LVMH teams and to be a place where researchers from around the globe can gather and share ideas, is yet another asset substantiating the international dimension of this hub of innovation.

Faithful to their exceptional heritage, our major brands perpetuate and strengthen their valuable symbolic capital by focusing on all-round quality, know-how and longevity, driven by strong and genuine creativity. The innovative edge at Parfums Christian Dior is thus linked to the image of excellence of its Couture, encapsulated in its motto "Dior Couturier Parfumeur since 1947": exquisite raw materials, a focus on creativity, and meticulous detailing of the bottles. These are all expressions of exceptional quality at every stage of the products' life cycle, up to and including their distribution. Proof of this can be seen in the effort dedicated to the brand's counters and sales

outlets, as well as to the training of its sales consultants.

The latest brands to join the LVMH group are all positioned in growth markets: Benefit is attracting a large female audience through its unique talent for combining innovative formulas and irresistibly playful glamour in its packaging; Make Up For Ever is capitalizing on its cult status in professional make-up; Fresh combines future and tradition by adapting natural beauty recipes to today's aspirations and lifestyles. The Group's power and know-how is made available to these high-potential brands to help strengthen their individual positioning and accelerate their international development.

— 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.



Thanks to the brand's exceptional reach and appeal, **PARFUMS CHRISTIAN DIOR** again reported excellent results. Perfume sales were buoyed by the exceptional vitality of its emblematic product lines. *J'adore* further strengthened its leadership position in France and gained market share in all countries. *Miss Dior* has opened a new page in its history with the launch of *Eau Fraîche* and *Miss Dior Le Parfum*. *Dior Homme Sport* recorded strong growth and is now firmly positioned as one of the leading men's fragrances. Other notable successes of 2012 were the major relaunches of *Eau Sauvage Parfum* and two

new versions of *Dior Addict*, targeting younger consumers. Two new exclusive fragrances were added to the *Collection Privée Christian Dior*.

Make-up lines maintained their excellent international momentum, fueled by the successful launches of *Diorshow New Look* mascara and of *Diorskin Nude*. The exceptional reception for the new lipstick *Dior Addict Extrême* helped solidify *Dior Addict Lipstick's* position as number one in its main markets. In skincare, the premium *Prestige* line, emblematic of Dior's innovative and high-end savoir-faire, saw solid growth during the year.

Perfumes and Cosmetics posted organic revenue growth of 8% in 2012, an exceptional performance in a competitive business environment. Profit from recurring operations for this business group increased by 17%.



GUERLAIN maintained its strong growth momentum. Fully reflecting its singular creative spirit, and spurred by operational excellence, *La Petite Robe Noire* turned in truly exceptional results, rising to the number two position in the French market only eight months after its launch. *Orchidée Impériale* again recorded double-digit growth, confirming its position as the mainstay of Guerlain's skincare line. Guerlain is focusing its development efforts on its strategic markets, especially China and France, where it has gained market share for the sixth consecutive year. Reaffirming its status as a top-tier luxury brand, Guerlain

further expanded its selective retail network and now has nearly a hundred exclusive points of sale worldwide.

PARFUMS GIVENCHY performed particularly well in Russia, China, the Middle East and Latin America. The most successful lines in 2012 were *Dahlia Noir*, launched globally during the year, and *Play pour Homme*, extended with a Sport version. Strong growth was seen in the make-up segment, thanks in particular to the success of *Noir Couture* mascara, now benefiting from wider distribution.



KENZO PARFUMS was buoyed by the solid performance of its new fragrance *KenzoHomme Sport*. *Madly Kenzo* expanded its distribution, notably in Russia and Latin America, where the fragrance made strong headway.

FENDI PARFUMS strengthened its presence across a number of countries. The initial results achieved by *Fan di Fendi Extrême* and *Fan di Fendi pour Homme*, launched at the end of the year, were very promising.

Thanks to a unique positioning, appreciated for its playful and offbeat style, **BENEFIT** again recorded double-digit revenue growth in all of its markets. *They're Real!* mascara and *Hello Flawless!* powder foundation were in great demand. The brand has stepped up the pace of its expansion in Southeast Asia and has moved into new, high-potential markets such as Philippines and Vietnam.

MAKE UP FOR EVER had another year of strong growth, fueled by the contributions of its two star product lines, *HD* and



Aqua. The brand successfully expanded into two new markets, Brazil and Mexico. After Paris and Los Angeles, Make Up For Ever has opened a new directly-owned store in Dallas.

PARFUMS LOEWE delivered a fresh boost to its international expansion, especially in Russia. Following its successful opening in Hong Kong, **FRESH** inaugurated its expansion into mainland China.

ACQUA DI PARMA reinforced its retail network with the opening of two new stores in Milan and Paris.

— Outlook

In keeping with the momentum developed in 2012, all LVMH brands have a dynamic year ahead of them in 2013 and will maintain their ambitious strategies in terms of innovation and advertising investments. Each shows strong growth potential and they have set new targets for market share gains.

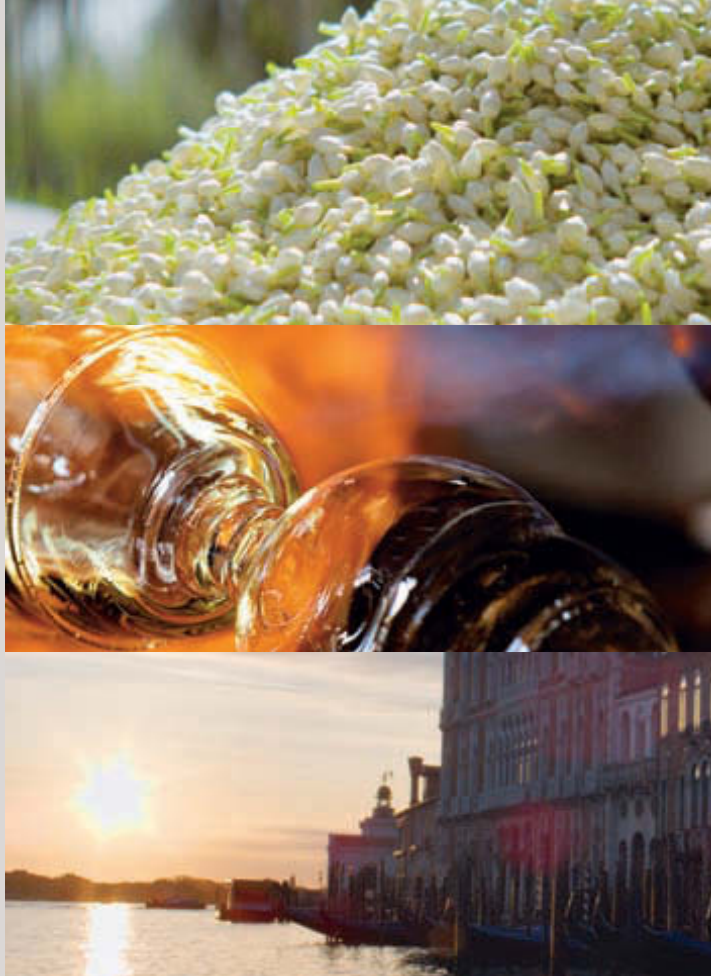
Parfums Christian Dior will continue to affirm its status as a “Maison de Haute Parfumerie”, increasing its visibility and appeal in close association with the world of “Haute Couture”. The focus will once again be on Dior’s star fragrance lines. The quality-driven reinforcement of the brand’s retail network through an ambitious refurbishment program will be a key development priority.

Guerlain will pursue its ambitious plans for the development of *La Petite Robe Noire*, in France and internationally. It will also affirm its status as an exceptional perfume house with the design of a new, revamped flagship boutique at its legendary address, 68 Avenue des Champs-Élysées, due to open in the second half of 2013.

Parfums Givenchy will celebrate the 10th anniversary of the *Very Irrésistible* line with a new advertising campaign, and will launch a new men’s fragrance, a modern take on Givenchy’s long-standing core values.

At Kenzo Parfums, the *FlowerbyKenzo* line will be expanded with a new version. Fendi Parfums will enhance its collection with the launch of a new, highly luxurious women’s fragrance in the second half of the year.

Benefit will pursue expansion in all regions, focusing on effective and ingenious innovations. In Asia, the brand will move into the Indian and Indonesian markets, poised to serve as significant drivers of further growth. Make Up For Ever will expand its retail network in both the Middle East and Asia, and will enhance its communications, particularly in the digital realm.



An olfactory journey with J'adore by Dior

Between the idea of a fragrance and its actual creation lies a series of journeys.

Starting in France and moving across the world, “Le Parfum” evokes with infinite poetry and succinct power the dazzling beauty of these journeys to find the finest flowers.

Dior released its intense, poetic film of the story of its mythical perfume *J'adore* in 2012.

The film travels from Paris to Provence to Murano and on to the landscapes of India, taking the viewer to the very heart of the process of creating a Dior perfume, as close to the flowers as possible.

Narrated by Dior Perfume Designer François Demachy, this travel film reveals the genesis of a perfume whose birth is as much due to the talent of its creator as to the quality of its raw materials.

Timeless images depict the expert gestures of those who grow and pick the flowers. Astonishing moments illustrate the know-how of those who garner the Essences and Absolutes of the rarest of flowers.

It is a beautiful escape into the splendor of a generous and much respected Mother Nature.

“Le Parfum” meets the challenge of embodying the intangible quality of a fragrance while highlighting the stages and requirements that are so critical to producing an exceptional perfume like *J'adore*.

This magical film, where time is suspended, initiates us into the secrets of a perfume that epitomizes the values of the art of Dior perfumery.

FOCUS



“Dessine-moi La Petite Robe Noire”

I was born three years ago in the fragrance laboratory of Maison Guerlain’s Exclusive Collections.

Paris is my kingdom... and my name stands for quintessential Parisian elegance.

I live in a bottle, the mythical glass casing, which, for my elder siblings, Heure Bleue and Mitsouko, has just turned 100.

Behind me is a trail of delight: a playful, audacious “Guerlinade,” created by Guerlain Perfumer Thierry Wasser. A dizzy array of exceptional notes, including black cherry, patchouli and rose.

I am La Petite Robe Noire! And in 2012, more enticing than ever, I set off to win new admirers in all four corners of the globe. And not without resounding success, I have to say.

2012 was also the year in which *La Petite Robe Noire* fragrance met the artistic duo Kuntzel + Deygas. A meeting that was far

from random in a campaign that was resolutely chic and unconventional. Numerous illustrators – including Darcy, Cassandre and Nikasinovitch – have always been part of Guerlain’s history, since 1828. In other words, there is a long tradition of artistic collaboration. Olivier Kuntzel is a pioneer in digital graphic imaging in France. Florence Deygas is a legendary figure in “elegant drawing”. In 1990, they combined their talents as designers and illustrators to form the duo Kuntzel + Deygas. Little by little, sketch by sketch, a character comes to life through their brush strokes. The slim silhouette is that of a playful, charming and refined Parisian, evolving with each unique scene. Hand-sewing and bespoke tailoring absolutely capture the personality of *La Petite Robe Noire*. This highly original serialized advertising campaign will continue to surprise and enthrall!



LVMH 2012

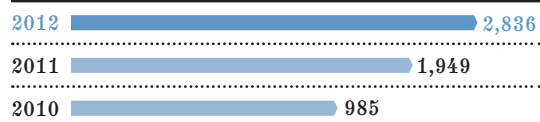
WATCHES
& JEWELRY



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.

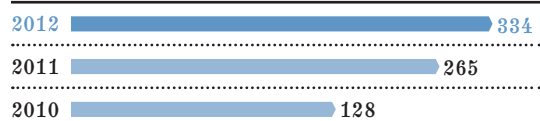
REVENUE

(EUR millions)



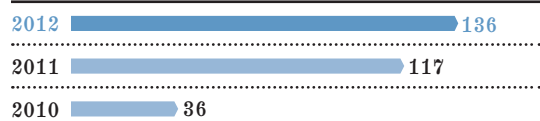
PROFIT FROM RECURRING OPERATIONS

(EUR millions)

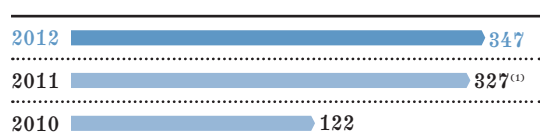


OPERATING INVESTMENTS

(EUR millions)

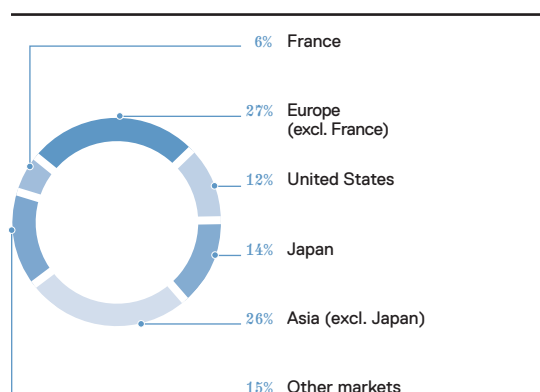


NUMBER OF STORES



(1) Of which 170 additional stores as a result of the integration of Bulgari.

REVENUE BY GEOGRAPHIC REGION OF DELIVERY (in %)



CAPITALIZING ON OUR BRANDS AND EXPERTISE



Francesco Trapani
President of the Watches and Jewelry business group

— *2012 was another vintage year for LVMH Watches & Jewelry. What are the main impacts of this success?*

Upmarket positioning is the cornerstone of our development strategy: on the global market, in watchmaking as well as jewelry, the high-end segment in which we are positioned and are planning to strengthen our hold is the most dynamic area and is raising the profile of the brand and its expertise. This dual benefit guides our strategy and priorities. On the one hand, we are optimizing the expertise of our watch- and jewelry-making houses and promoting our exceptional know-how in products and collections; and on the other hand, we are strengthening the reputation and image of our brands, through prestigious partnerships such as the collaboration between Hublot and Ferrari and high-profile events, as the celebrations for the 50th anniversary of *Carrera* by TAG Heuer in 2013 promise to be. Increasingly high quality distribution is a third key area.

— *Can you cite some current examples of promoting the brands' expertise?*

In watches, our expertise is expressed in upscale innovations and, of course, in our premium watch creations. TAG Heuer's *Carrera Mikrogirder 10,000* watch, accurate to 5/10,000ths of a second, won the Grand Prix in Geneva. The brand is keenly focusing on the development of its "concept watches", showcasing its avant-garde spirit and watchmaking excellence. Hublot is producing high added-value complications in watch movements and affirming its edge in new materials with the production of the first watches in its new scratch resistant gold, Magic Gold. Zenith is promoting its iconic *El Primero* collection, which includes the world's most accurate chronographic movement, and whose *Stratos* model broke the sound barrier from the edge of outer space on the wrist of Felix Baumgartner. In jewelry, Bulgari, with over 100 new pieces presented, and Chaumet, with its *12 Vendôme* collection, gave two stunning demonstrations of their expertise in high-end jewelry at the Biennale des Antiquaires in Paris. These houses are continuing to develop powerful design collections with distinctive identities like Bulgari's *Serpenti* line and Chaumet's *Bee my love*.

— *Have you continued to expand the watchmaking production capacity undertaken a few years ago?*

Expansion is one of the conditions for mastery of our businesses, especially in the current context of strong demand. The Zenith manufacturing facility has been totally overhauled in an ongoing process to increase its production of watch movements. TAG Heuer and Hublot are ramping up production of their *Calibre 1887* and *UNICO*

movements respectively. In 2012, TAG Heuer commenced construction of a new movement manufacturing facility.

— *What do you mean by the development of increasingly high quality distribution?*

Our policy in these areas is guided by two objectives: the first is the development of our directly-owned stores. We are constantly aiming to enhance their quality and appeal since they are the ultimate showcases for the high-end positioning of our brands. The second is greater selectivity in the realm of multi-brand distribution. We are determined to work with the best retailers and establish strong partnerships with them, especially by having them share the culture and passion of our brands so they can act as our ambassadors to the ultimate customer.

— Major strategic priorities

Upgrade through innovation and mastery of know-how.

Further strengthen image of brands.

Focus on quality of distribution.

Increase watch production capacity.



In 2012, Watches and Jewelry posted organic revenue growth of 6%. The business group saw a 26% improvement in profit from recurring operations, reflecting especially the impact of the consolidation of Bulgari from June 30, 2011.



TAG HEUER set new records in revenue and profit in 2012. The brand delivered particularly remarkable performances in Europe, Japan and the Middle East, and proved very resilient in the United States. It continued to illustrate its unique savoir-faire in speed and precision control with the *MikrotourbillonS* model, presented at Baselworld, and the *Carrera Mikrogirder* chronograph, winner of the Geneva Watchmaking Grand Prix. The brand proceeded with its manufacturing integration, increasing in-house production of its *Calibre 1887* automatic movements and building a new movement manufacturing facility. TAG Heuer asserted itself as a major Swiss market player, also producing watch cases at its Cortech unit and dials at its ArteCad subsidiary, which joined the Group in 2012. The brand launched its new

Link Lady women's line, embodied by Cameron Diaz, who joins the prestigious ranks of TAG Heuer's brand ambassadors. A sponsorship deal was also set up with Oracle Team USA for the America's Cup. The brand's retail network continued to expand, reaching nearly 155 directly-owned and franchised stores.

HUBLOT continued to record remarkable growth in sales volume and value. Its *Classic Fusion* line met with increasing success alongside the other iconic lines *King Power* and *Big Bang*. A new version of *Big Bang*, launched in partnership with Ferrari, encapsulates the two brands' shared values of performance and design. Hublot reaffirmed its great creativity and upmarket strategy by developing high-end models in women's watches and jewelry.



Cutting-edge technology was behind the first timepieces produced with the brand's new, scratch-resistant gold alloy, *Magic Gold*. The brand stepped up in-house production of its *UNICO* chronograph movement and began manufacturing numerous complications with high added value, thus reaping the rewards of its strategy to integrate technological and manufacturing expertise. Hublot accelerated its worldwide expansion with twenty new openings, bringing the number of its points of sale to 54 at year-end 2012.

ZENITH kept up its solid growth in the highly exclusive world of prestige manufacturing brands. The brand's collection, which had been totally reworked over the past three years, was refocused on its five iconic product lines. The famous *El Primero*

Striking 10th chronograph, true to its avant-garde technology, raised its profile thanks to the widespread media coverage of Felix Baumgartner's supersonic leap wearing a Zenith *Stratos* watch. While the manufacturing facility in Le Locle was undergoing major renovations, the brand's network of stores continued its selective expansion in high-potential markets.

BULGARI performed well and pursued its integration within the business group. In jewelry, it enjoyed success with the new designs that enhanced the iconic *Serpenti* and famous *B.zero1* lines. The brand's creativity and the savoir-faire of its craftspeople were in the limelight at the Paris Biennale des Antiquaires, with more than a hundred new pieces on display. In the watches



segment, the new *Bulgari Octo* was positioned as the men's top-of-the-line premium timepiece. Sales of accessories continued to grow, fueled by the wide array of *Isabella Rossellini* handbag range extensions. While maintaining distribution on a very selective basis, fragrances continued their development with the launch of *Bulgari Man* and *Mon Jasmin Noir*. The successful program to raise funds from sales of the ring created specifically for Save the Children set new standards in corporate social responsibility. The brand's retail network enhanced its upscale image through an ambitious store expansion and renovation project. Bulgari unveiled its first presence in Brazil. After Rome, Paris and Beijing, a new retrospective organized in Shanghai paid tribute to the brand's artisanal and cultural heritage.

At the Biennale des Antiquaires, **CHAUMET** presented its collection of high-end jewelry, *12 Vendôme*, which subtly blends modernity and the French tradition to which it remains historically linked. It successfully strengthened its position in jewelry watches and men's watches, and continued to expand in China.

MONTRES DIOR reinforced its upscale image with new models in the *Dior VIII* collection and with the *Grand Bal* limited edition, in keeping with the vision and tradition of "Haute Couture" excellence upheld by the brand. The brand coupled this strategy with ever increasing selectivity in its distribution network.



DE BEERS, the leading reference in the solitaire diamonds segment, showcased the full extent of its savoir-faire in a recent collection of high-end jewelry, *Imaginary Nature*. De Beers continued its expansion in China with a fourth boutique, this time in Shanghai.

With its eminently contemporary designs, **FRED** recorded rapid targeted growth in France and Japan. Its iconic *Force 10* line continued to gain ground, and a new collection, *Baie des Anges*, was released.

— Outlook

The favorable trends seen in the last few months of the year offer the perspective of a confident and determined start to 2013 despite current economic uncertainties. Significant marketing and communications investments targeted on the principal markets will further strengthen the image and visibility of all watch and jewelry brands. The retail network will continue to expand in China, with the opening of new boutiques, as well as on other strategic markets. All brands will support the development of their iconic product lines while at the same time maintaining rigorous control over their costs and promoting synergies, especially in manufacturing.



Octo by Bulgari: the geometry of perfection

Embodying timeless values that have passed through centuries and civilizations, *Octo* transcends the traditional standards governing men's watches. It is neither round nor square, but a harmonious and balanced symbiosis of these two basic shapes, giving rise to the octagon – a symbol of geometric perfection. The powerful identity of *Octo* is a benchmark in the world of men's luxury watches. To create a shape so subtle yet with a design so complex, each component of the *Octo* case has to undergo an elaborate production process. More than 40 operations are involved in the manufacture of the case middle, the bezel and the

back. Assembled entirely by hand in Switzerland at Bulgari's manufacturing plant, the *Octo* case has a total of 110 facets, not including the crown. The lacquered dial is one of the *Octo*'s distinguishing features. Using traditional techniques such as chamfering, cloisonné and superposing layers of lacquer, Bulgari dialmakers have developed exclusive know-how. The *Octo* watch, which has an iconic design and an exceptional engine, is powered by the Bulgari Caliber BVL 193. This automatically wound mechanical movement has a 50-hour power reserve and comprises finishes of outstanding quality.



TAG Heuer's Mikrogirder wins the Aiguille d'Or ("golden hand") award

The TAG Heuer *Mikrogirder* won the 2012 Aiguille d'Or, the highest watchmaking honor at the Geneva Watchmaking Grand Prix and the most coveted award in the entire watchmaking industry. With this 8th Geneva Watchmaking Grand Prix award in just 11 years, TAG Heuer confirms its unrivalled mastery of extremely complex timepieces. The watch has a completely new regulator system: instead of the spiral shape in a classical hairspring,

it has a coupling blade and excitatory blade system working with a linear oscillator. Conceived, developed and manufactured in-house by the company's R&D division in La Chaux-de-Fonds, Switzerland, it is the fastest mechanical regulator ever crafted and tested and is accurate to 5/10,000th of a second. Its design is equally innovative with a new asymmetrical chronograph case and bold, anthracite dial.

FOCUS



Hublot's "\$5 million"

It is the most valuable watch ever produced by Hublot. A world first, a unique piece, an exceptional and incredibly rare feat. And a completely different approach was used for its creation. Unlike an Haute Joaillerie piece, where the design and technical construction are created to “emphasize and serve” stones which have already been selected, here the diamond cutters started with a design and then found the diamonds that best matched the complex construction of the case, dial and bracelet. Cutters and setters employed all of their expertise to resize them to ensure a perfect fit.

The first challenge was to develop the design of the *Big Bang*, while retaining its character and feel to ensure it cohesively integrated diamonds that were each greater than three carats. Once

the technical design was finalized, the diamonds had to be found and combined. It took one year for the largest stones, which came from all four corners of the world, and the same for the 1,276 others. Every stone was individually selected to ensure that all were of a consistent quality and color. They then had to be resized, one by one, to make them a perfect fit for the watch.

It was a lengthy process to complete: 14 months of work for all the different disciplines combined, including 7 months' work for the twelve cutters, and the same for the five setters, with all the major specialists working on the piece full-time. A total of 1,282 diamonds, more than 100 carats of baguette diamonds, a dazzling expression of the work of the best craftsmen in their field.



Zenith on the edge of space

One man, one watch and three world records. The whole world was watching Austrian Felix Baumgartner on October 14, 2012. After a balloon ascent that took him to the edge of space, the 43-year-old professional skydiver leapt from a capsule in free fall. That day, he extended the limits of human endurance and set three historic records – all with a Zenith timepiece on his wrist.

At an altitude of 38,969 meters and wearing the Zenith *El Primero Stratos Flyback Striking 10th* on his wrist, Felix Baumgartner launched himself from his space capsule to skydive back to Earth. Nine minutes and 9 seconds later, he had set three world records:

the highest skydive, the highest altitude for a manned balloon flight, and, above all, breaking the sound barrier in free fall.

Like Felix Baumgartner, the *El Primero Stratos Flyback Striking 10th* embodies a peerless pioneering spirit and incomparable daring. It is hardly surprising that the Stratos, fitted with the world's most accurate automatic chronograph movement, was the first timepiece to break the sound barrier from the edge of space.

Faced with the most extreme conditions of temperature, pressure, speed, friction and shock, Zenith watches once again affirmed their reliability and authenticity.



LVMH 2012

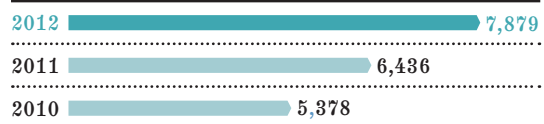
SELECTIVE
RETAILING



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.

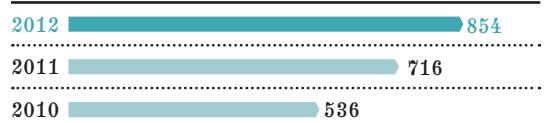
REVENUE

(EUR millions)



PROFIT FROM RECURRING OPERATIONS

(EUR millions)



OPERATING INVESTMENTS

(EUR millions)

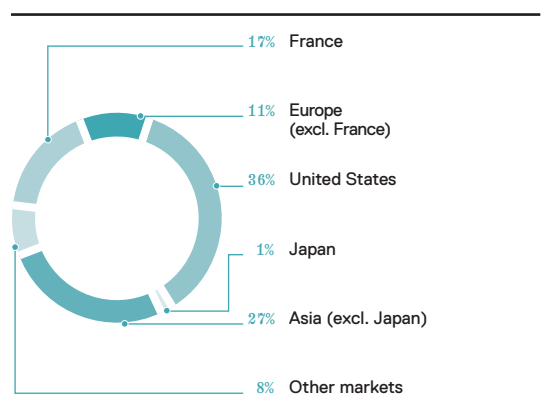


NUMBER OF STORES



(1) Of which 125 additional stores as a result of the integration of Ile de Beauté.

REVENUE BY GEOGRAPHIC REGION OF DELIVERY (in %)



ANTICIPATING MARKET DEVELOPMENTS AND OUR CUSTOMERS' ASPIRATIONS

Our Selective Retailing companies have operations worldwide. They never cease to extend their influence by staying a step ahead of the aspirations of a customer base that is broad and diverse in its origins and cultures. Demographic and economic trends all over the world offer strong growth potential. To assure their continuing success, our teams focus on innovation in their products and services, on the excellence of the experience offered to customers in stores, and on capturing new markets.

In a fast-changing sector, driven by expanding and increasingly well-informed customer bases, anticipation and responsiveness are two watchwords guiding the action of our teams. Quality of the offer, differentiation, high-end luxury, unprecedented services – in delivering all these, our brands will extend their lead in a competitive world. The dual objective is to be the best partner for the prestigious brands they distribute and the best shopping destination for their customers.

An inspirational forerunner and specialist in “travel retail”, operating in its own city-center *Galleries* or in airports, DFS is currently harvesting the fruits of a strategy that long ago anticipated the emergence and rapid development of an Asian cus-

tomers base. While working to strengthen its leadership position with these customers, DFS is also concentrating on numerous opportunities for diversification throughout its geographical range, which will represent other routes for development in the coming years.

Miami Cruiseline is bolstering its leadership position in the sale of quality products on board cruise liners. The determination to constantly improve the quality of its stores and adapt its marketing to suit different shipping lines and categories of traveler are at the root of its success. In a market historically driven by the United States, the increasing number of new customers, the geographical expansion of cruising routes, and the trend to commissioning ever-larger ships are excellent growth vectors.

Firstly in France, then worldwide, Sephora has revolutionized the process of buying perfume and beauty products. The success of our brand, the only global player in selective retailing, is based on a unique three-pronged approach: a very diverse assortment of brands continually at the cutting edge of new trends, a large range of exclusive services, and absolute freedom for the customer. Sephora is continuing to cultivate its unrivalled talent to offer a constantly reinvented moment of pleasure and discovery in its stores. Its strategy has led it to develop a high-tech online offer as a source of growth and even a beneficial addition to the in-store experience.

Le Bon Marché Rive Gauche was the world's first-ever department store. It offers the best style in the world of fashion, design, beauty and fine food within conceptual spaces that display a highly selective offer and a range of luxury services. It also stands out for its cultural dimension with the showcasing of a collection of works of art, the development of themed areas, and the organization of exhibitions and celebrity events. Le Bon Marché Rive Gauche continues to pursue the refurbishment program that began when it was acquired by LVMH, while still cultivating the exceptional character that drives its success.

— Major strategic priorities

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

Pursue upgrade of Miami Cruise Line's stores and product offer.

Reinforce Sephora leadership and accelerate expansion in high potential markets.

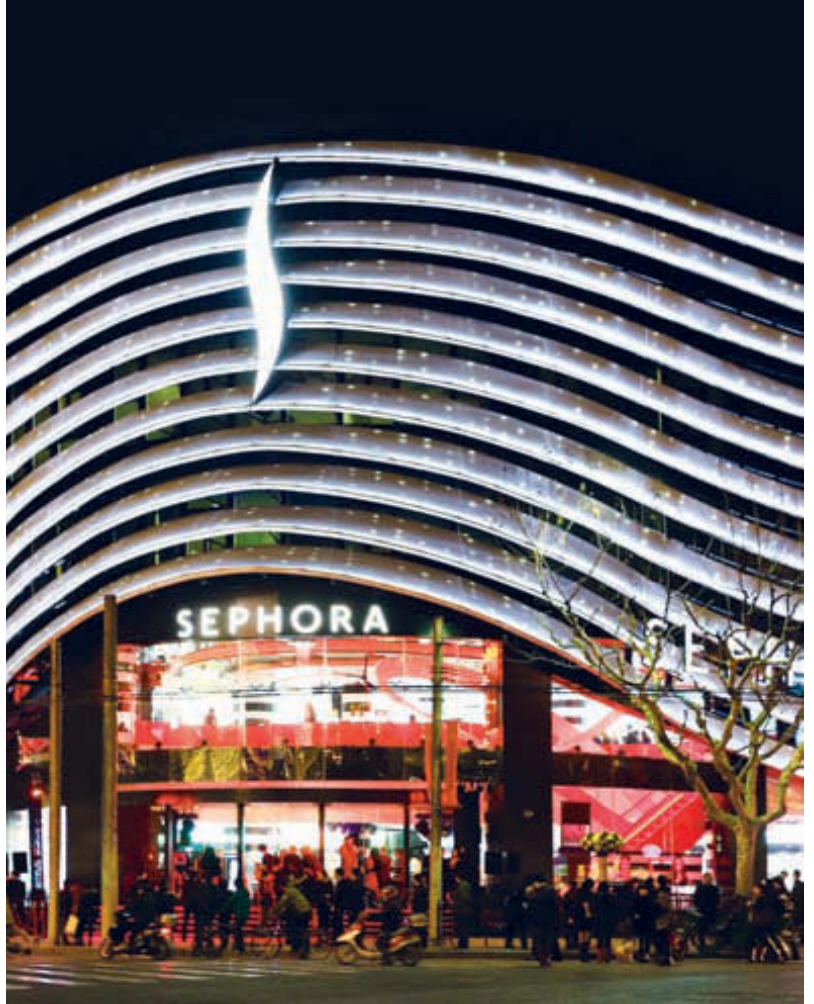
Continue renovation of Le Bon Marché Rive Gauche.



DFS once again reported strong growth in both sales and profits, buoyed by solid momentum from its Asian clientele, and particularly in Hong Kong and Macao. Three major concessions were won at Hong Kong airport in 2012, and DFS saw its concession renewed at the Los Angeles airport, where a major upgrade is underway. The opening of a third *Galleria* in Hong Kong's Causeway Bay neighborhood enabled DFS to expand its presence in this high-potential tourist destination. While continuing to benefit from an expanding Asian clientele, DFS remained focused on diversifying both its customer base and its geographical coverage. It continued with its strategy of upscaling across all destinations, renovating existing stores and bringing in new luxury brands aimed at strengthening the vitality and appeal of its product range.

MIAMI CRUISELINE, which enjoys a strong position in the cruise market, delivered a solid performance. Business related to the Asian and South American routes saw strong growth, buoyed by rising passenger spending and an increase in cruise line capacity. 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.

Selective Retailing achieved organic revenue growth of 14% in 2012. Profit from recurring operations rose by 19%.



SEPHORA continued to deliver an excellent set of performances, winning market share in all its regions. As the only global selective retailer of perfumes and cosmetics, Sephora proposes an innovative offering combined with a unique range of major selective brands. It has further added to its exclusive services by developing beauty bars and nail bars.

Launched in the United States in 2011, the mobile payment system, which allows customers to pay for their purchases directly with a sales personalizing in-store customer relations, *MySephora*, was also rolled out.

Sephora runs a continuous skills development program for its staff in order to ensure that its customers benefit from the best possible expertise.

As of December 31, 2012, its global network comprised 1,398 stores in 30 countries. Three new online retail sites were launched in Italy, Canada and Russia. The US site, which after being completely overhauled offers an unrivaled online sales experience, stepped up the pace of its growth. A mobile application was also launched in the United States and France.

Sephora strengthened its positions in Europe, particularly in France and Italy, where the brand enjoyed sustained growth. Two new countries – Denmark and Sweden – were added in 2012. In Russia, the *Ile de Beauté* chain, in which Sephora holds a 65% stake, posted an excellent performance.

Exceptional growth momentum was maintained in the United States, while Sephora also consolidated its success in Canada.



Brand awareness in this market was boosted by the renovation of several flagship stores in New York.

Sephora stepped up its expansion in China at the same time as launching a program to renovate its existing network. It made particularly rapid progress in Mexico, Malaysia, Singapore and the Middle East. The retailer also opened its first stores in the high-growth markets of Brazil and India.

LE BON MARCHÉ RIVE GAUCHE delivered a strong performance, buoyed by the luxury and women's fashion segments. The world's first ever department store celebrated its 160th birthday in 2012. Major commercial projects were carried out, including the opening of new luxury boutiques and the inauguration of a

new menswear department combining high-quality products with unique services. Work began on the transformation of La Grande Épicerie de Paris food store with the inauguration of a spectacular wine department setting a new standard in quality. New websites for Le Bon Marché Rive Gauche and La Grande Épicerie were launched at the end of the year.



— Outlook

DFS is set to benefit in 2013 from a full year of activity at its new Hong Kong airport concessions as well as continued work to extend and renovate its stores. DFS's appeal will be heightened by the installation of new facades for its *Galleries* and the development of innovative marketing and service programs. The completion of renovation work at the *Galleries* in Macao, Hawaii and Singapore Scottswalk will enable the business to enhance its product range. DFS will continue to look out for opportunities to diversify both its customer base and its geographical coverage.

Miami Cruiseline, which is well placed to leverage the globalization of the cruise market, will continue with its store renovation program and maintain its efforts to hone its sales approach and target its offering to various distinct customer groups.

Sephora will continue with its ambitious international expansion plans, particularly in Southeast Asia and Latin America. In China, one of the high points for the beginning of the new year will be the opening of a flagship store in Shanghai. Sephora will more than ever place the emphasis on a customer-focused strategy, extending its loyalty program to new regions and offering new personalized services. Product and service innovation will remain at the heart of its priorities both in stores and in the digital universe.

Le Bon Marché Rive Gauche will remain focused on the exceptional values that define its unique character as a "concept store", as well as continuing to develop its commercial plans with the opening of a new watches and accessories department and the completion of renovation work at La Grande Épicerie de Paris. A new customer relations program will also be implemented.



Sephora: innovation targeting customers' needs

Always at the cutting edge of innovation, Sephora has the answer to the foundation problem for customers: how to choose the correct shade to match skin tone perfectly from the extensive range of foundation products in-store.

Sephora has just teamed up with global color authority Pantone to develop a breakthrough offer in customer service. Customers can now select their foundation with scientific precision.

Already available in the United States under the name *Color IQ*, this solution will soon be offered in Europe and Asia.

The SEPHORA + PANTONE system is based on Pantone's CAPSURE™, a compact, hand-held spectro-colorimeter that is used

in the design world to identify color with unsurpassed accuracy. As the first of its kind in cosmetics retailing, the device works by taking an image of the skin, analyzing it and assigning an official Pantone SkinTone™ number. With that number, Sephora beauty experts reference Sephora's Universal Skin Tone Library, which holds more than 1,000 foundation SKUs, to determine what products are a precise match for each skin tone.

After *MySephora* personalized advice and the mobile register for faster payment, technology continues to be a constant source of inspiration at Sephora.



Le Bon Marché, 160 years of creative passion

In 1852, Aristide Boucicaut revolutionized the world of retail when he created the world's first department store. Le Bon Marché, located on the corner of the rue du Bac and rue de Sèvres in Paris, introduced methods that had never been seen before: free admission so people could browse and touch items that were new and desirable, fixed prices, and the possibility of returns and exchanges.

The modern approach of Aristide Boucicaut knew no bounds as he continued to come up with innovation after innovation. He invented several “special offer” concepts, including the annual sales period and established home delivery “as far as a horse can go in Paris and its suburbs”.

To this day, this avant-garde department store is an integral part of Left Bank history – timeless, anti-conformist and very Parisian. It offers the best in style, design, beauty and fine food, and houses temporary and permanent exhibitions.

In 2012, Le Bon Marché Rive Gauche celebrated its 160th anniversary with a spectacular series of events, including a number of special exhibits retracing its history. Iconic products were revisited by some one hundred major-brand designers and new items were created especially for the occasion, inspired by motifs from the store's archives.



PHOTOGRAPHS

Cover and P.1: Louis Vuitton, Pol Baril - P. 2: Karl Lagerfeld - P. 8: Louis Vuitton, Eric Valli - P.11: Peter Marlow/
 Magnum Photos - P.12: Hennessy - P.16: Moët & Chandon, Stéphane Cardinale - Dom Pérignon, Gilles Bretin
 P.17: Ruinart - P.18: Hennessy - P.19: Glenmorangie - P.20: MHCS - P.21: Hennessy - P.22: Louis Vuitton,
 Inez Van Lamsweerde - P.26: Louis Vuitton, Steven Meisel - P.27: Louis Vuitton, Inez Van Lamsweerde - Fendi,
 Karl Lagerfeld - P.28: Marc Jacobs, Juergen Teller - P.29: Loewe - Céline - P.30: Kenzo, Jean-Paul Goude
 P.31: Berluti, Bertrand Bozon - P.32: Louis Vuitton, Laziz Hamani - P.33: Louis Vuitton, Stéphane Muratet
 P.34: Fendi - P.35: Berluti - Loewe - P.36: Christian Dior Parfums, Tim Walker - P.40: Christian Dior Parfums
 P.41: Guerlain, Kuntzel+Deygas - P.42: Parfums Givenchy - P.43: Benefit - P.44: Christian Dior Parfums
 P.45: Guerlain, Kuntzel+Deygas - P.46: Bulgari, Annie Leibovitz - P.50: TAG Heuer, Tom Munro - Hublot
 P.51: Zenith - P.52: Bulgari, Antonio Barrella - P.53: Chaumet, Patrick Demarchelier - P.54: Bulgari - P.55: TAG Heuer
 P.56: Hublot - P.57: Zenith - P.58: Sephora, Thomas Paquet - P.62: DFS - P.63: Sephora, David François
 P.64: Le Bon Marché Rive Gauche, Marjane Satrapi - P.65: Le Bon Marché Rive Gauche, Virgile Guinard
 P.66: Sephora - P.67: Le Bon Marché Rive Gauche - Picture libraries of LVMH and Group's Maisons.

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

LVMH – 22, avenue Montaigne – 75008 Paris – France
 Tel.: 33 (0)1 44 13 22 22 – Fax: 33 (0)1 44 13 22 23 – www.lvmh.com

LVMH

MOËT HENNESSY ♦ LOUIS VUITTON

LVMH 2012
—
ANNUAL REPORT



MAISONS



CONTENTS

02	WINES & SPIRITS
10	FASHION & LEATHER GOODS
16	PERFUMES & COSMETICS
21	WATCHES & JEWELRY
26	SELECTIVE RETAILING
28	OTHER ACTIVITIES

— *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 leading 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, which is 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.



The Ruinart Maison 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 spin would prove a sensation.

Today, the House of Ruinart is heavily involved in the world of contemporary art, participating in a number of international events, such as ARCO, Art Basel, Carré Rive Gauche, London Design and Art Basel Miami Beach. The House also enjoys collaboration with leading designers, such as India Mahdavi, Emmanuel Dietrich, Christian Biecher, Maarten Baas, Patricia Urquiola, Gideon Rubin, Nacho Carbonell and Hervé Van der Straeten.

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 House of Moët & Chandon 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.

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

WINES & SPIRITS



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 19th and 20th 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, Classicm, 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 the turning method 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 determination. Parcel after parcel, Madame Clicquot developed an exceptional wine estate, consisting of 515 hectares in the heart of the Champagne region's finest vineyards.

Since the second half of the twentieth century, the fame of the Veuve Clicquot Ponsardin champagne has continued to expand around the world. When Madame

WINES & SPIRITS

Clicquot died in 1866, she left a healthy business to her successor Edouard Werlé.

In 1987, the House 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-Emilion 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 never failed to live up to its reputation as a great Champagne House, the first one to exclusively create what are today called prestige cuvées.

A passionate man, Joseph Krug, transcended the art of traditional Champagne blending beyond the conventions of the nineteenth century. In founding Krug in 1843, he wanted to propose a Champagne of undisputed quality, rare richness and finesse. He thus created *Krug Grande Cuvée*, the first prestige cuvée to be recreated each year beyond the very notion of vintage. *Krug Grande Cuvée* was born from the inspiration to use a large number of reserve wines of very many years (today more than 120 wines of more than 10 different years)

in a proportion unusual for the period. Blending so many vintages gives *Krug Grande Cuvée* its unique fullness of flavours and aromas, its incredible generosity and its absolute elegance – something impossible to express with the wines of just a single year. *Krug Grande Cuvée* is a timeless character that has become the unrivalled signature of the House of Krug.

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

"Our unconventional approach, the way we make choices that are not the easiest ones and go beyond the rules when needed, illustrates our vision – a constant since the very foundation of the House of Krug", explained Olivier Krug (sixth generation of the Krug family).

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.

WINES & SPIRITS

Its whisky creators pioneered the craft of extra maturation and introduced a much-admired cask management 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 —

Maison Mercier, founded in 1858 by Eugène Mercier, is one of the great names in champagne. Throughout its history, inspired by its visionary founder, this House has created a great wine estate and established lasting relations with grape growers in Champagne to ensure a supply of quality grapes.

It has participated in the collective process to define the “*Appellation d’Origine Contrôlée Champagne*”. Enriched by its history, Maison Mercier is a guardian of the “champagne” spirit that shines around the world.

Eugène Mercier took a bold gamble—to offer champagne of great quality to the greatest number. By participating in the great World Exhibitions of the last centuries and conducting brilliant advertising

campaigns, Eugène Mercier worked to catch the public imagination.

The fresh, fruity, intense and spontaneous Mercier vintages fashioned by Christophe Bonnefond, cellar master for the House, reflect this authentic and generous spirit.

DOM PÉRIGNON

— Since 1936 —

When 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, 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.

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. With an increase in focus on quality of life, there has been a commensurate increase in demand for high-end ‘BaiJiu’.

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, introducing it as a modern and luxurious spirit for all lovers of fine liquor.

Today, our distillery is still located in Zhuo Wenjun’s home town, in Sichuan’s spirit county of Qionglai, famous for its

WINES & SPIRITS



unpolluted ecological environment, pure spring waters and temperate climate, all ideally suited to the making of super-premium 'BaiJiu'.

Being a dedicated super-premium distiller, Wenjun is focusing solely on the art of crafting the highest quality 'BaiJiu', exclusively made at our own distillery and under exacting standards. Our sole philosophy is to do but one thing excellently – to craft authentic luxury 'BaiJiu' of genuine quality.

Our passion to craft China's first modern luxury 'BaiJiu' is evidenced in our 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 "Etoile" 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 southwest 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.



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.

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.



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.

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.

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.

WINES & SPIRITS

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 wine-producing regions for their balance and subtlety.

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 home of vodka. In the small town Zyrardow, in an area renowned for producing excellent rye, the distillery Polmos Zyrardow 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”, which describes its iconic, acid-etched bottle decorated by silver birch trees. Belvedere respects centuries of vodka making heritage by utilizing local ingredients and artesian water (never any additives) to the final spirit. Made from locally grown 100% Dankowskie Gold Rye, a rich and full flavored grain that is cherished for its soft, sweet taste, Belvedere is distilled four times to attain the optimum level of flavours. Belvedere Vodka displays the perfect balance of natural smoothness and character.



Belvedere redefined flavored vodka by pioneering the Maceration process using only 100% fresh and natural ingredients in flavoring. Fresh fruit, peels, herbs and spices are infused into the spirit and then redistilled to create clear and expressive distillates.

NUMANTHIA

— Since 1998 —

Solidly anchored in its Spanish heritage with the benefits of its exceptional natural qualities, the Numanthia 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, Numanthia 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 Numanthia: *Termanthia*.

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

and Leon, bordered on one side by the Portuguese border and crossed by the El Duero river.

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 Numanthia 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, and blending them to create the elegance and structure appropriate to this appellation. While this winemaking approach is common to the three wines developed by the Domaine, each wine has its own individual style. The product line is available in *Numanthia*, *Termes* and *Termanthia*.

Numanthia 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-Emilion 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-Emilion 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 of Spain, Alfonso XIII and Victoria Eugenia granted Loewe the honor of the official title of “Supplier to the Royal Court”. For ladies, a handbag in iguana, crocodile or snake from Loewe, now helmed by the founder’s son, Enrique Loewe Hilton, had become the ultimate symbol of elegance and refinement.

Spain is internationally renowned for the quality of its lambskin and the best of the best comes to Loewe. Loewe’s experts accept only the very small percentage of

leather that can be judged absolutely perfect. Then there are the artisans, their craftsmanship transmitted through the generations.

Today, Loewe is a global brand, part of LVMH since 1996. Enrique Loewe Lynch is at the helm of the Loewe Foundation, which confirms the brand’s commitment to support arts and culture. In 2013, celebrating 25 years of the foundation, Loewe is delighted to welcome Enrique’s daughter, Sheila Loewe, who takes up the reins as fifth generation of the founding family.

Stuart Vevers was appointed Creative Director in 2008, and since then he has brought his plugged-in fashion vibe to designs that are absolutely of their time and yet inspired by heritage and craftsmanship.

Retail design, starting with the pilot project in the Valencia store in 2009, is now the responsibility of international architect Peter Marino. 2012 saw the renovation of Loewe’s flagship in Barcelona, which, with some 700 square meters of selling space, houses the largest selection in the World of Loewe’s exquisite leather collections.

LOUIS VUITTON

— Since 1854 —

Louis Vuitton, a trunk-maker in Paris since 1854, built a legend on the art of travel by creating 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 tradition of innovation, craftsmanship and creativity, history and modernity. Its expertise has not only been handed down from generation to generation, it is constantly enriched and fuelled by a yearning for perfection. For over 160 years, Louis Vuitton’s leather craftsmen have been reinventing the model, in a constant interplay between tradition and modernity.

A century and a half later, the legend lives on, enhanced by an international reputation and embodied in the Monogram canvas, which has enjoyed unrivalled success since 1896 and played a starring role in the development of modern luxury. Innovation shapes the story of Louis Vuitton. Without departing from its history,



FASHION & LEATHER GOODS

Louis Vuitton has constantly opened up 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, pens 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.



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.

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.

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.

In the Eighties, Fendi becomes a global luxury house. Silvia Venturini Fendi is appointed creative director of the accessories and menswear lines in the early Nineties. 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.

FASHION & LEATHER GOODS

ROSSIMODA

— Since 1942 —

Rossimoda, an Italian company founded in 1942, which joined the LVMH Group in 2003, specializes in the manufacturing and distribution of licensed 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.

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*, *Trapeze* 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.

His relaxed yet elegant clothing perfectly captures the new taste of the times — a style that combined casual and glamorous, prized by the members of the jet set.

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.



FASHION & LEATHER GOODS

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.

Today, 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, responsible for the design of Haute Couture collections, and women’s ready-to wear and accessories (a men’s department was added in 2008). 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.

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 ingenuity, 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.

FASHION & LEATHER GOODS

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, interchangeable items 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.

As the *Collection* business grew, Donna Karan International identified new ways to interpret the brand for other parts of its customers’ lives. In 1989, the company launched DKNY, which reflects the attitude and energy of New York City, and is known for soft materials, exceptional comfort, 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 *Collection* and *DKNY* brands are sold at the finest retailers worldwide as well as through Donna Karan International’s own, growing store network and its award-winning website, donnakaran.com.

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, Artistic Director of Louis Vuitton, has grown rapidly in both the United States and internationally. Today, Marc Jacobs is present in more than 50 countries with a network of 250 boutiques.

In 1984, Marc Jacobs and Robert Duffy founded Marc Jacobs International based on two very simple concepts: enormous creativity and a constant commitment to quality.

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: *Marc Jacobs* and *Marc by Marc Jacobs*, as well as a children’s line and Marc Jacobs perfumes. 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.



FASHION & LEATHER GOODS

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 11 different countries: Australia, Canada, China, France, Hong Kong, India, Ireland, Mexico, 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 northwest 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. This year Edun is proud to introduce CCIU cotton into the production of its *Kenya Kids* T-shirts and Edun Basics for 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 Africa.

In 2009, LVMH bought a 49% stake in Edun.

PERFUMES & COSMETICS

GUERLAIN

— Since 1828 —



“Perfumers since 1828”. Few Maisons can boast such exceptional longevity. The remarkable adventure of Guerlain could be summed up in a few words: transform the art of beauty into a veritable art of living, embrace modernity with creativity.

Guerlain is one of the few Maisons that have 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 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* or *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*, *Crème à la Fraise* and other major innovations that marked their era just as *SuperAqua*, *Abeille Royale* or the premium skincare line *Orchidée Impériale* continue to do so today.

While Guerlain has never directly entered the world of fashion, its audacious 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 reinvented form of the traditional kohl eyeliner. Later, *Terracotta* invented bronzing makeup while *Météorites* played on light for a unique glow. The latest creation from the Maison, *Noir G*, is the first rechargeable mascara in a jewel case.

This global beauty brand dazzles around the world, thanks to its 3,000 employees. Aware of its corporate social and environmental responsibility, Guerlain is involved in an ambitious sustainable development project and carries on the “made in France” tradition through its two production sites.

But of all its locations, there is one that is truly unique: Maison Guerlain at 68, avenue des Champs-Élysées in Paris, a legendary address for an extraordinary Maison.

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 Barbiere* (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 U.S. Since 2001, Acqua di Parma has been part of the LVMH Group.

PERFUMES & COSMETICS

PARFUMS CHRISTIAN DIOR

— Since 1947 —

Making women elegant, radiant and happy 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, skincare products and makeup, and women wear it on their skin.

Since Dior's very first lipstick, created in 1947 "to dress your smile", the Maison has been creating makeup every season in colors that are cheerful, vibrant, unique and feminine — Dior colors.

And because beauty is also found within, the House 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 work to design and develop products that perform better.

Dior speaks to women. All women. They find in each Dior perfume an expression of their personality, spirit and soul. Because Dior knows how to create a perfume to suit every woman.

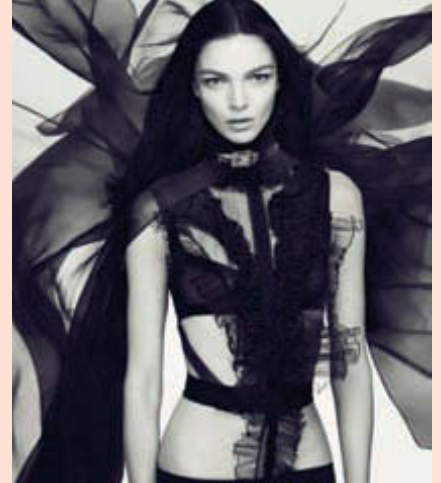
Christian Dior used to say that perfumes were a silhouette's finishing touch: the finishing touch to an unforgettable allure that makes women not only more beautiful but also happier. Today, the couturier's wish lives on through Christian Dior perfumes and cosmetics, thanks to François Demachy, Dior Perfumer Creator, and Tyen, creative director of Dior makeup, who together perpetuate a legacy that began in 1947 with the creation of Parfums Christian Dior.

PARFUMS GIVENCHY

— Since 1957 —

From the day they were created, Givenchy perfumes have been part of a legendary story: the meeting between Hubert de Givenchy and Audrey Hepburn, with the creation of the fragrance, *L'Interdit*.

From the beginning, Givenchy perfumes have cultivated this unique mix of effervescence and sophistication, French style that is the epitome of sparkling ele-



gance exemplified by *Amarige*, *Organza* and *Very Irrésistible Givenchy*, as well as *Gentleman* and *Pi* for men.

In 2006, *Ange ou Démon*, with its oriental floral fragrance, joined this brilliant line of perfumes, which was again enhanced with the men's fragrance *Play*.

Givenchy *Le Makeup* line, launched in 2004, marked a return to the company's roots, with chic, resolutely modern makeup, incarnated both by the celebrated *Prismes*, in their attractive compacts, and by the innovative mascaras like *Phenomen'Eyes* and *Noir Couture*.

With its deliciously sensorial high-tech formulas, developed particularly for *No Surgetics*, *No Complex* lines, and *Le Soin Noir*, Givenchy skincare has become an expert ally in female beauty, its area of expertise thanks to its dream spas all over the world.

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. Over the next 30 years, ten new perfumes were created (five for women, two for men, one unisex and two summer fragrances).

In 2004, Loewe successfully entered the skincare market with the launch of *Loewe Advanced Technology*. This new line specifically designed for men appeals to the brand's most loyal customers and wins new fans with its innovative formula Ace Complex X300.

In the same year, the brand increased its portfolio of fragrances for men with *Solo Loewe*, which reinterprets Spanish culture with a daring modernity 17 years after *Esencia Loewe*.

Those two last launches start a new period full of a large number of successes: *A mi Aire* (2005), *I Loewe You* (2006), *Quizás, Quizás, Quizás* (2007), *I Loewe You edp* (2008), *Solo Loewe Eau de Cologne Intense* (2008), *Quizás Quizás Quizás edt* (2008), *I Loewe You Tonight* (2009), *Agua de Loewe Ella* (2009), *Agua de Loewe El* (2009), *Aire Loco* (2009), *Loco* (2009), *7 Loewe* (2010), *Solo Loewe Absolut* (2010), *Agua de Loewe Mediterraneo* (2011), *Quizás Quizás Quizás Pasión* (2011), *Aire Sensual* (2012), *7 Loewe Natural* (2012), *Solo Loewe Platinum* (2012).

At a time when trends are confused, Parfums Loewe today offer a very balanced line of fragrances, each maintaining 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 for 20 years, Parfums 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 make-up to offer beauty tips to their customers with original products, bringing a touch of humor to the world of cosmetics.

More than 30 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 make-up 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 make-up, 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 make-up 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 make-up 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 make-up artists of tomorrow. Today, the company's mission is to share the art and passion of make-up 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, make-up 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 long-lasting *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 —

Perfume is another way of expressing the values of the Kenzo brand: nature redrawn, the union of East and West, the juxtaposition of contrasts.

In 1988, Kenzo entered the world of perfumes and reinterpreted the traditional codes. Following on the immediate success of the first Kenzo creation “ça sent beau”, came *Kenzo Homme*, *Kenzo Parfum d'Été*, *L'Eau par Kenzo*, which stand out with innovative oils and poetic and colorful promotional campaigns.

Named Creative Director for Kenzo Parfums in 2000, writer, photographer and producer Patrick Guedj created *Flower By Kenzo*, a powdery floral fragrance that quickly became a classic among perfumes with a global success it still enjoys today.

The attention to detail inherent in the brand that originated in the Orient can be found in the design of the bottles, conceived by designers like Ron Arad (*Madly Kenzo*), Karim Rashid (*Kenzo Amour*), Serge Mansau (*Flower By Kenzo*) or Fabien Baron (*L'Eau par Kenzo*). With Kenzo, perfume bottles are created as true design objects, the expression of pure refinement.



In 2001, Kenzo Parfums launched the *Kenzoki* skincare line, a line of innovative products that combine effectiveness and pleasure with luxurious textures, original ways to use them, and a rich and imaginative language.

Since 2011, a breath of fresh air has infused the brand, celebrating Kenzo's fundamental values of color, awesome creativity, optimism, generosity and surprise – all very evident in its newest launches: *FlowerTAG* with arty modernity, *Madly Kenzo* with vibrant joie de vivre, and *Kenzo Homme Sport* with a touch of the unconventional.

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.

An absolute hit, the perfume resonates with all the esthetic codes, elegance and values of the Fendi brand: the *Forever* buckle of the *Baguette* bag, the nobility of the shapes and materials, unbridled creativity, sun-drenched yellow, voluptuously soft and rich hand-crafted Cuoio Romano leather.

Opulent and structured, the bottle is a block of gold and sensuality. Addictive, this object of desire designed by Fabien Baron casts a spell with its sparkle.

Crafted by François Demachy, LVMH Director of perfume fragrance development, and by perfumer Delphine Lebeau-Krowiak, the precious liquid hints at Roman sun and electric nights, leather and roses, luxury and seduction.

PARFUMS FENDI

— Since 2010 —

Fendi, the famous Italian luxury leather goods and ready-to-wear brand, was founded in Rome in 1925, and built its reputation using the most luxurious leathers and furs.

Following the success of its ready-to-wear clothing men and women, shoes, watches, eyewear, ties, scarves and home furnishings, Fendi launched its *Fan di Fendi* perfume in 2010.

WATCHES & JEWELRY

CHAUMET

— Since 1780 —



The birth of Chaumet in 1780 accompanied the glory of Emperor Napoléon I. Marie-Etienne Nitot, founder of the Maison, suggested to Napoléon that jewels were symbols of the power and splendor of the Empire, which contributed to the creation of his myth.

As the Emperor's official jeweler, Nitot created the imperial glaive. He imagined the most audacious sentimental jewels for Empress Josephine, and the most sumptuous tiaras and jewelry sets for Empress Marie-Louise.

The legacy of the Nitots (father and son) was ensured by talented master craftsmen in their workshops. Fossin & Fils developed the romantic jewelry inspired by the Italian Renaissance and eighteenth Century France and seduced the royal courts of Europe as well as new customers, painters, sculptors, writers and actors.

In 1885, Joseph Chaumet gave his name to the Maison, and became the undisputed master of the Belle Époque and of the tiara, social emblem and fashion accessory. In 1907, he established his boutique at 12, Place Vendôme in Paris.

Chaumet has been part of the LVMH Group since 1999. The Maison has an international network of boutiques, designed by French architect Jean-Michel Wilmotte.

Chaumet's headquarters, in the Private Mansion at 12 Place Vendôme, was renovated in 2004 to give direct access from the store to the eighteenth Century Grand Salon, classified as a historic monument, and to 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 preserved.

The Maison perpetuates its tradition of exceptional expertise with collections of fine jewelry, jewels and precious stone watches which are a restatement of the stylistic codes projected into the modern world: *Joséphine*, from the tiaras to the rings, *Attrape-moi... si tu m'aimes*, a collection around the bee, *Liens*, symbol of sentimental Jewel or the new High Jewellery collection *12 Vendôme* revealed in September 2012 at the Biennale des Antiquaires.

Crowned heads have been followed by modern day princesses. The Chaumet myth is carried by Sophie Marceau, the heroin of Chaumet's advertising campaign.

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 field of chronographs and ultimate precision.

A legend in Swiss watchmaking, one of the most innovative brands in prestige watches, 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.



TAG Heuer is the world leader in high precision luxury chronographs with an unequalled mechanical accuracy of 1/10th, 1/100th, 1/1000th and even 5/10,000th of a second. Thanks to this achievement, TAG Heuer won in 2012 the most coveted watchmaking award, the Geneva Watchmaking Grand Prix "Aiguille d'Or".

WATCHES & JEWELRY

ZENITH

— Since 1865 —



In 2013, TAG Heuer celebrates the 50th anniversary of the iconic *Carrera* collection, inspired by the mythical race, the “Carrera Panamericana”.

From the Olympic Games in 1920 to its role as official watch and chronograph for the legendary Indy 500 race today, for which it has developed instruments with a precision of 1/10,000th of a second, TAG Heuer is unrelenting in its quest for innovation, excellence, performance and prestige.

This ambition is reflected in its partnerships with F1 Vodafone McLaren Mercedes team and its World Champion Jenson Button, with Audi Sport in the Le Mans 24 Hours and endurance races, and with the Automobile Club of Monaco for the prestigious Monaco Grand Prix.

More recently, TAG Heuer has also become a partner of Oracle Racing, the 34th America's Cup defender and winner of the America's Cup World Series 2012-2013.

More than ever, the brand epitomizes prestige and performance through active and socially responsible partnerships with actress Cameron Diaz, actors Leonardo DiCaprio, Shah Rukh Khan and Chen DaoMing, and WTA tennis champion Maria Sharapova.

Today TAG Heuer develops and manufactures its own movement: the *Calibre 1887*, a chronograph with an oscillating pinion invented by Heuer in 1887, along with the *Monaco V4*, a movement driven by belts, as well as the *Carrera Mikrograph*, accurate to 1/100th of a second and the *Carrera MikrotourbillonS*, a stunning double tourbillons on a 50 Hz movement developed on the *Mikrograph* platform. This watchmaking excellence has earned the company membership in the very exclusive circle of the elite of Swiss watchmaking, the Fondation de la Haute Horlogerie (FHH).

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 that dates back 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. But Zenith also represents

the advent of the craft industry. 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. Zenith's history is the cornerstone of modern watchmaking, and the brand's craftsmen are its keepers.

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, with the help of his sons Costantino and Giorgio, he inaugurated the shop in Via Condotti. Today, that shop remains Bulgari's flagship store.



In the early twentieth century, the two brothers developed a deep interest in precious stones, jewelry and watches. They improved their expertise and gradually took over their father's role in the management of the business. The period immediately after the Second World War marked an important turning point in the history of Bulgari. Giorgio and Costantino decided to move away from the dominant disciplines of the French goldsmith school to create a unique style inspired by Greco-Roman classicism, the Italian Renaissance, and the nineteenth century Roman school of goldsmiths. In the 1950s-1960s, the bold and innovative style of Bulgari had gained success within the movie world.

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

In 1977, Bulgari launched the *BVLGARI BVLGARI* watch, a worldwide success story, considered an all-time classic.

Following a period of strong growth during the 1980s, Bulgari began to diversify its product portfolio in the early 1990s. In 1992, Bulgari created its first fragrance, *Eau Parfumée au Thé Vert*, which was soon followed by ten other successful fragrances. In 1995, to support its international expansion and continue its diversification, Bulgari decided to launch a public offering on the Milan Stock Exchange. In 1996, Bulgari created its first textile collection, introducing silk scarves and a range of fashion accessories made of the most exclusive fabrics. A year later, a wide range of leather accessories and eyewear collections were launched, representing an additional step in the development of a complete line of Bulgari contemporary accessories.

In 2001, Bulgari announced the creation of Bulgari Hotels & Resorts, a joint venture with Marriott International. The first Bulgari Hotel opened in 2004 in Milan, and was followed in 2006 by a resort in Bali. In 2009, to celebrate its 125 years of design, Bulgari opened the first world retrospective on the history of the brand in Rome, then replicated in Paris, Beijing and Shanghai.

While it remains faithful to its heritage, Bulgari continues to seek new ways to express its creativity and offer its fans a unique way of thinking and living luxury.

FRED

— Since 1936 —

In 1936, Fred Samuel, the “modern jewelry designer,” opened his shop at 6, rue Royale in Paris. An innovative designer, he created jewelry lines inspired not only by traditional French jewelry but also the mood of the time.



The name and history of Fred are intimately bound to the pearl. His designs were remarkable and his bold and creative genius attracted international celebrities, including Marlene Dietrich.

In the 1950s, Fred received his first orders from Royal Houses and also developed a passion for colored gemstones, which reminded him of his childhood in Latin America and inspired his most beautiful creations. Among the most famous was the yellow diamond — the “golden sun” — considered one of the thirty most extraordinary diamonds in the world. It was more than 105 carats and Fred Samuel showed it off at a dinner of illustrious guests. There was also the famous Rainbow necklace, composed of 42 exceptional colored diamonds.

WATCHES & JEWELRY

In the 1960s, Fred also began working with major artists such as Jean Cocteau and Bernard Buffet. Maison Fred continued to work with more contemporary artists such as Arman and Jean-Paul Goude.

At the same time, Fred was creating jewelry ahead of its time, and, in 1966, the Maison launched the *Force 10* collection, a daring mix of gold and steel, reminiscent of Fred's attachment to the maritime world.

In 2011, to celebrate its 75th anniversary, Fred returned to its roots and to colored gemstones, reinterpreting the *Pain de Sucre* ring in a collection that featured oversized stones in pure colors and infinite nuances.

In 2012, Fred once again went back to its origins, a love for pearls and the spirit of the Riviera in a return to chic, casual glamor.



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 "day-time", "cocktail" and "Grand Bal" versions.

HUBLOT

— Since 1980 —

"Hublot is a different way of moving forward," say connoisseurs of this unique Swiss watchmaker, where every moment is propelled toward the next at lightning speed.

The design of the case on the first watch, created in 1980, was inspired by a ship porthole ("hublot" in French). At the time, it was the first time in watchmaking history that natural rubber had been partnered with gold.

The restraint, comfort and characteristic shape of Hublot watches quickly make them highly desired pieces. Member of royal families were the first to show their enthusiasm. For the watch brand, rubber is not a fashion phenomenon, but represents its philosophy, its brand image since the first day.

Since 2004, when Jean-Claude Biver assumed the role of Hublot Chief Executive Officer, the "Art of Fusion" has become a way of thought and design at Hublot: combining unexpected materials (ceramics, carbon, tantalum, tungsten, titanium, magnesium and others) with traditional precious materials, using the most advanced technologies while remaining faithful to the watchmaking expertise of our ancestors.



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.

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, 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 watchmaking world. Then, while the design was maintained, it was offered in different sizes with multiple color combinations and complications like the Tourbillon, Répétition Minutes, Grande Date, Indicateur de Réserve de Marche, Rattrapante...

In November 2009, Hublot opened a manufacturing plant at 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, a famous chronograph that has a column wheel and double clutch visible on the dial side, as well as the CLASSICO skeleton movement.

From major timepiece complications and carbon-fiber expertise to research and manufacturing of new materials such as King Gold (gold with 5% platinum content to make it even more red), Hublonium, the master of carbon-fiber and Magic Gold, a revolutionary scratch-proof 18 K gold unveiled in the Hublot foundry at the end of 2011, Hublot represents more than ever the "Art of Fusion" between watchmaking culture and cutting-edge technology, and between past and future.

Hublot, founded in 1980, joined the LVMH group in 2008.

DE BEERS DIAMOND JEWELLERS

— Since 2001 —



De Beers — the definitive destination for diamond jewelry — has a quest for inner brilliance, bringing lightness, femininity and delicacy to diamond jewelry. De Beers stands out with its exceptional expertise anchored in a rich heritage of old traditions combined with a contemporary creative vision.

Through its wondrous creations, De Beers — The Jeweller of Light — 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 go 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 Jewellers was established in 2001. An independent company, it is managed and controlled by De Beers SA, the world leader in the production and sale of diamonds, and by 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 23,100 m² of rental buildings.

Le Bon Marché was founded in 1852 by Aristide Boucicaut, and the first stone of the current building was laid in 1869. Its expansion, designed in 1874 by architect Louis-Auguste 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. The model created by Aristide and Marguerite Boucicaut remains an inspiration around the world.

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. The sole department store located on the left bank in Paris, it was acquired by LVMH in 1998.



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" and airport duty free stores.

DFS prides itself to be "The World Traveler's preferred Destination for Luxury Shoppers". 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 13 "DFS Galleria" are located in the urban centers of major travel destinations in the Asia-Pacific region.

In addition to focusing on the development of its Galleries, which have been its main source of growth, DFS has embarked recently in a renewed development effort for airport concessions. The company is currently present in over twenty international airports in the Asia and the United States, and recently won the coveted licenses to operate 3 major concessions of the Hong Kong International Airport as well as the Los Angeles Airport.

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 retailer.

SELECTIVE RETAILING

MIAMI CRUISELINE

— Since 1963 —

Founded in 1963, Miami Cruiseline Services 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 Services 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 Services 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 1,300 stores in 30 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, from corners in JCPenney department stores in the United States to flagship stores on the Champs-Élysées in Paris, Fifth Avenue in New York, 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, Beauty Bars and trend-setting 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 and Russia, 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, which is not surprising considering Holland's dramatic and ultimately successful battle against the seas. 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, one of Holland's prime centers for aquatic sports, the Royal Van Lent yard has a yacht building heritage dating back to 1849.

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, and was known for its craftsmanship and sheer diversity of vessels it could produce.

An even more pivotal moment in yachting history came in 1949, when 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 motoryacht 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. Between 1958 and the early 1970s, the Maison received orders for increasingly large yachts from some of the world's biggest celebrities, many of whom became more than customers; they became friends.

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.

The Royal Van Lent Feadship fleet is truly exceptional. A pioneer in the United States in the 1950s, in the Middle East in the 1970s, and today in Asia, Feadship has just enjoyed one of its most memorable years (2012) with the introduction of successful and award-winning models. Feadship continues to sail 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."

OTHER ACTIVITIES

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.

With this in mind, the decision was easily made in 2006, jointly with the City of Paris, to build the future Louis Vuitton Foundation for Creation, dedicated to contemporary art and designed by architect Frank Gehry.

The identity of the Jardin d'Acclimatation is based on feelings, images, and places familiar to all generations of Parisians, and which form part of the collective imagination: 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, one of France's most iconic, 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, including many rare domestic or semi-wild breeds, 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.

OTHER ACTIVITIES

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.

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.

Over the next few years, Parisians will witness the renaissance of a district at the heart of the first *arrondissement*. 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 that began on April 2, 1908 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 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 monthlies Enjeux-Les Echos and Série Limitée appeared a few years apart, along with other special supplements.

The group also acquired Eurostaf and Capital Finance.

In 1991, the advertising agency Echofi was established, which became Les Echosmédias in November 2008.

Finally, 1996 marks 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.

OTHER ACTIVITIES

In December 2007, LVMH became shareholder of Groupe Les Echos, confirming its desire to adapt to a constantly changing print-media market.

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

Today Groupe Les Echos is France's leading economic and financial press group, with some twenty print and online publications. It also covers the arts, culture and business services, primarily through the following brands and titles: Les Echos, Série limitée, LesEchos.fr, Enjeux-Les Echos, Investir, Investir Magazine, Investir.fr, Capital Finance, Radio Classique, Connaissance des Arts, Le Salon des Entrepreneurs, Les Echos Conférences, Les Echos Formations, Les Echos Editions, Les Echos Institut, Eurostaf and SID Presse.

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 business venture enables the LVMH Group to maximize the value 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 travellers to experience some of the finest pleasures in life. Cheval Blanc Courchevel, a 36-room ski-in ski-out resort located in the French Alps, marks the beginning of its future collection of intimate, exclusive and private contemporary Maisons.

Subtly combining modern sensibility with each location's unique heritage, the Cheval Blanc Maisons are designed to create welcoming havens in harmony with their environment. They are a privileged setting to showcase the savoir-faire of sought-after artists and talents, resonating perfectly with the creativity, innovation and excellence that define the LVMH Group.

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. No two rooms are the same – each has its own distinct character using noble materials twisted with a palette of contemporary colors, alongside one-off design pieces.

A collection of extraordinary dining experiences, by invitation-only events, dedicated services and a genuine and caring attitude complete Cheval Blanc's promise of a new *Art de Recevoir*.

LVMH Hotel Management also develops properties under the White 1921 brand. Positioned on the boutique-hotel segment with an innovative champagne bar offer, its first property opened in the heart of Saint-Tropez in 2012.





PHOTOGRAPHS

Guerlain, Pol Baril - Patrick Durand - Andreas Achmann/Fotostudio - Veuve Clicquot
 - Gérard Uféras - Francis Hammond - Richard Newton - Wenjun - Gilles de Beauchêne - Louis Vuitton,
 Collection Louis Vuitton/Laurent Bremaud/LB Production - Berluti - Fendi - Céline - Mert Alas & Marcus Piggott
 - Jean-Paul Goude - Juergen Teller - Ryan McGinley - Guerlain - Christian Dior Parfums - Christopher Baker
 - Bulgari - Sephora, Yvan Matrat - Feadship, M.Y. Tango - Thomas Dupaigne - Julien Alma Sté Doug & Wolf
 - Cheval Blanc, T. Maly - Picture libraries of LVMH and Group's Maisons.

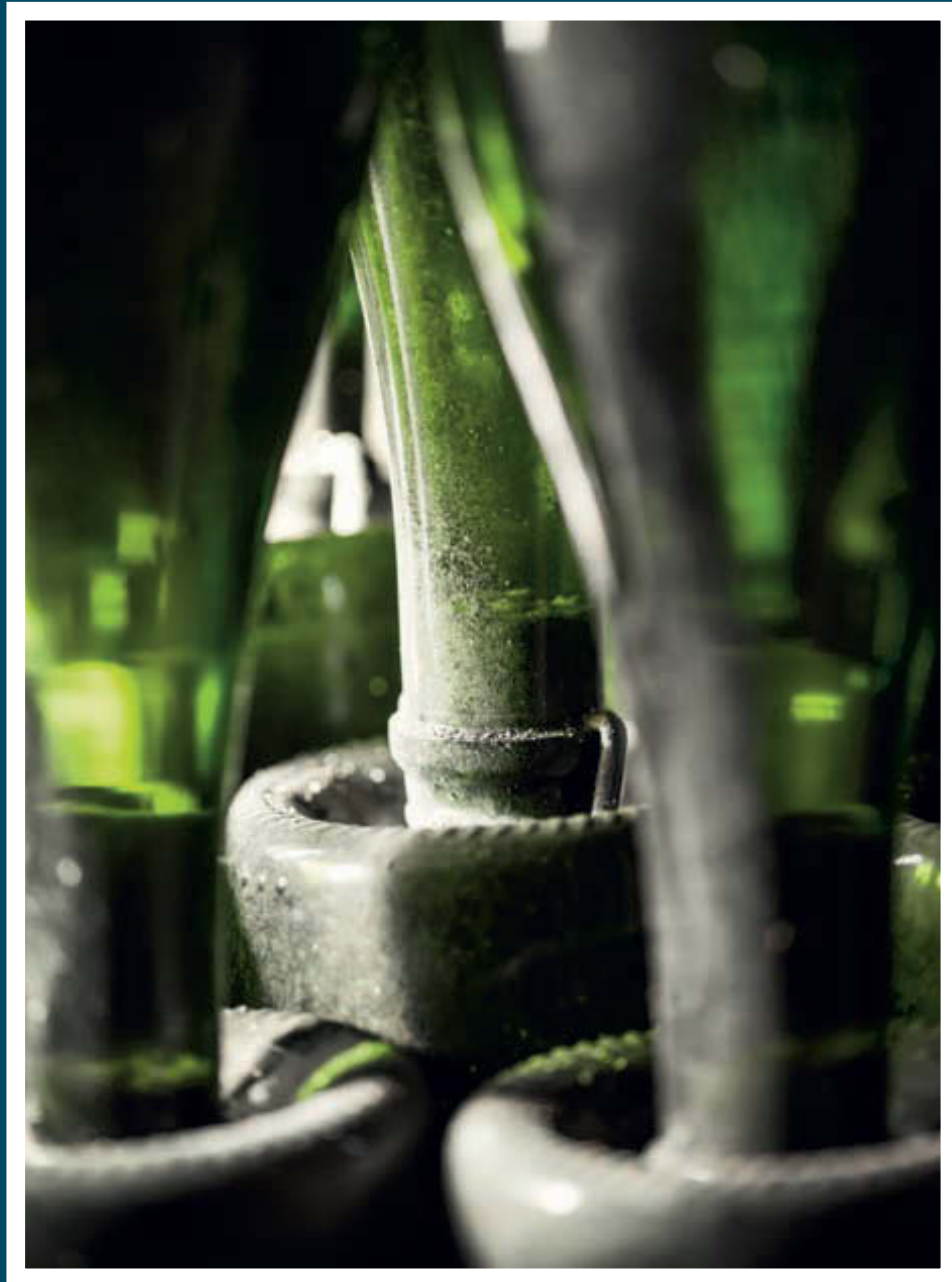
This book was printed on paper from sustainably managed forests,
 certified FSC (Forest Stewardship Council).

LVMH – 22, avenue Montaigne – 75008 Paris – France
 Tel.: 33 (0)1 44 13 22 22 – Fax: 33 (0)1 44 13 22 23 – www.lvmh.com

LVMH

MOËT HENNESSY ♦ LOUIS VUITTON

LVMH 2012
—
ANNUAL REPORT



**SUSTAINABLE
DEVELOPMENT**



CONTENTS

02	HUMAN RESOURCES TO SERVE THE GROUP'S EXPANSION
12	PROTECTING THE ENVIRONMENT
22	CORPORATE SPONSORSHIP TO SUPPORT CULTURE, YOUTH AND HUMANITARIAN ACTION

— Our Commitments

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.

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.

"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

HUMAN RESOURCES TO SERVE THE GROUP'S EXPANSION



The Group's development and rapid expansion enable it to offer its employees many career and personal development opportunities that are reflected and supported in its Human Resources policy. This policy must simultaneously develop internal skills, ensure recruitment of new talents and affirm the strong values that form the very basis of the LVMH culture. The Group's position as leader together with the international challenges it faces are also key considerations for its Human Resources teams. The mobilization of the Human Resources teams to serve the LVMH "ecosystem" enable the Group to surround itself with the highest level of expertise and allow all its employees to envision a promising future.

LVMH, EXCEPTIONAL HUMAN CAPITAL

RECOGNIZING AND APPRECIATING THE TALENTS... TO HELP THEM GROW

Managed by the Human Resources in close collaboration with the line managers, the annual review of organizations and talents is a central priority for the Group.

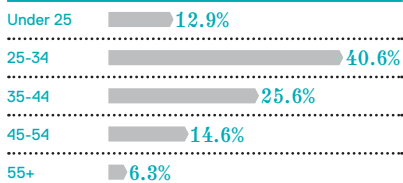
It draws on the business issues identified in the Strategic Plans of each of the Group Brands and highlights their requirements in terms of Human Resources. This review is forward-looking in its approach to the most critical positions and the skills necessary for the brands' success. Its aim is to strengthen the succession plans for key

positions and pave the way for the development of the Group's talents.

Discussions are organized between Maisons at the regional and global levels to enhance the succession and development plans. These fruitful exchanges are an excellent illustration of the collaboration in Human Resources within the LVMH ecosystem.

This collaborative approach and a tried and tested process produce a comprehensive overview of all the Group's strengths and challenges in the human resources arena. This is confirmed by the fact that the talent pool of senior executives is stable, loyal and increasingly international, the majority of key positions being held by non-French managers. In addition, the organization has a proven capacity of enabling talents

WORKFORCE BY AGE



106,348
 employees worldwide
 at December 31, 2012

Median age of
33

WORKFORCE BY PROFESSIONAL CATEGORY

(at December 31, 2012)

	2012	2011	2010	
Managers	17,851	16,009	13,915	17%
Technicians and supervisors	9,960	9,078	8,141	9%
Administrative and sales employees	65,415	60,070	50,055	62%
Production workers	13,122	12,402	11,431	12%
TOTAL	106,348	97,559	83,542	100%

to emerge within the Group – more than two out of every three key positions are filled through internal promotions – drawing on succession plans that anticipate future developments. A summary of this organizational and skills review is shared with all the Group’s management bodies. Implementation meetings are held in all the Group’s main markets – Paris, Tokyo, New York, Dubai, Hong Kong and Singapore, as well as Milan, London, Madrid and Neuchâtel – involving HR executives and operating managers to discuss the Group’s “mapping”.

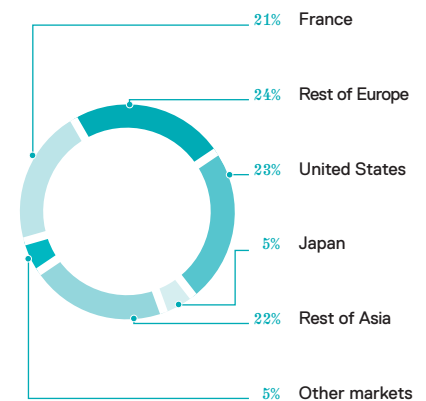
Generating even greater synergies between the Maisons, the LVMH ecosystem was set up in 2012 to provide a new, highly collaborative approach, with the creation of a global HR community on the

Group intranet, “Voices”. Over 1,100 HR employees are now signed up to this site and can communicate freely, sharing experience and best practices, and accessing a shared database which is essential to their work.

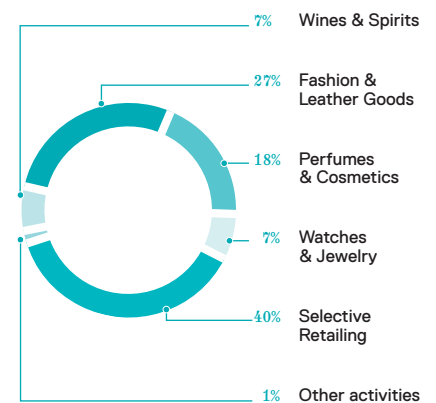
GALVANIZING CAREERS THROUGH TRAINING PROGRAMS

The LVMH ecosystem offers a management framework that is particularly favorable to career development: the diversity of business groups and lines, the number of brands and the geographical presence of the Group enable our employees to follow individualized career paths and allows the Maisons to benefit from new skills, experience and know-how.

EMPLOYEES* BY GEOGRAPHIC REGION



EMPLOYEES* BY BUSINESS GROUP

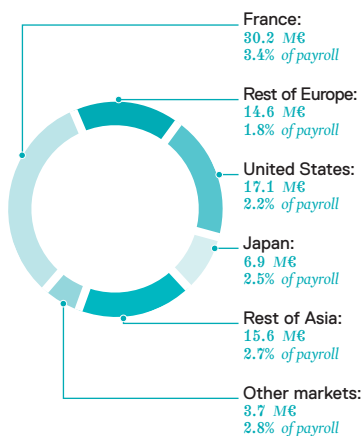


* Includes both regular and temporary personnel as at December 31, 2012.



After Shanghai and Paris, the final module of the “LVMH Inspiring Entrepreneurs” 2011/2012 program in New York rounded off a cycle that had been offered to a selection of highly experienced managers. This innovative program was developed to supplement the portfolio of forums offered by LVMH House and reflects the focus on excellence which characterizes the Group’s ambitions for its managers. Inspiring and highly regarded external speakers alternated with in-house leaders and the members of the LVMH Group Executive Committee, who all attended to share their experience and discuss key issues with the participants.

TRAINING INVESTMENT



To this end, the Group publishes vacant positions on the Voices intranet as part of a mobility drive for candidates who register for career development. These tools are designed to provide employees with maximum information about opportunities within the Group at any given time, by Maison, function or region, and to give them the opportunity of applying directly. They demonstrate the Group’s determination to develop employees within LVMH, enhancing their skills and enriching their careers through structured mobility. Since the launch of this job announcement process, over 1,500 opportunities with priority given to internal candidates have been posted on Voices. Over 34,000 hits have been recorded, providing a very encouraging illustration of this tool’s contribution to the motivation and retention of our talents.

These new initiatives help reinforce the existing networking of the mobility committees, which link job openings with the interests of employees who are looking to develop their careers, at all hierarchical levels, in all types of functions and in all regions. Thanks to a more transparent and more professional mobility process, nearly 2,000 employees benefited from a career move within LVMH in 2012.

INVESTING IN TRAINING TO ADDRESS NEW CHALLENGES

In 2012, the Group continued and extended its investment in training to underpin its growth and offer a wealth of personal and professional development opportunities. The aim is both to constantly perfect skills and to offer opportunities for discussions and meetings among the various Group’s Maisons.

The subjects covered are central to the Group’s success, and include leadership, brand management, customer knowledge and management, and the entrepreneurial spirit.

Training programs and forums reflect the Group’s strongly international approach both by developing the use of e-learning methods and by the increasingly varied local adaptations of these initiatives. In Singapore, the opening of an ambitious Asia Pacific Talent Development Center is a further illustration of the global reach of the LVMH Group.



DEVELOPING INTERNATIONAL MANAGERS

Special forums devised, developed and implemented by the LVMH Maison London team have brought key executive managers together for modules offered by region in cities such as New York, Hong Kong, Moscow, and for the first time in our new center in Singapore.

A total of 11 Forums have enabled over 300 executive managers from more than 30 brands and 30 countries to share and discuss their know-how with external experts, leading universities and top managers from LVMH. In the same vein, customized forums have been developed for various management teams of Group Maisons including Loewe, Fred, Fresh,

Edun, Benefit, Feadship and Hennessy. A special forum on “Change management and organizational design” was held in Shanghai to respond to the requirements of the Group’s fast-developing brands in Asia.

DEVELOPING HIGH POTENTIAL TALENTS

The importance of developing and retaining all our high potential talents is evident in the range of specialized programs designed to meet their specific needs. These programs address three key objectives:

- Draw on the experience of LVMH’s diversity by discussions with a range of Group employees using practical case studies;
- Interact and establish communications with the Group’s most experienced managers;
- Enhance personal and professional development.

Implemented on an international basis for the first time, the number of sessions doubled in 2012, with meetings conducted in Asia-Pacific, the United States and Europe.

TRAINING MANAGERS IN AN INTERNATIONAL CULTURE

Worldwide, the Group’s HR teams in the main regions have significantly expanded the training offered to the various local organizations, with the participation of over 800 managers in Asia and over 400 in the United States, and this for a global total of over 3,000. New programs have been introduced in the field of leadership and in retailing, and the core programs have been thoroughly overhauled. All these innovations were announced in an integrated global catalogue, customized for each region, with, for example, a specific module in Mandarin offered in Shanghai.

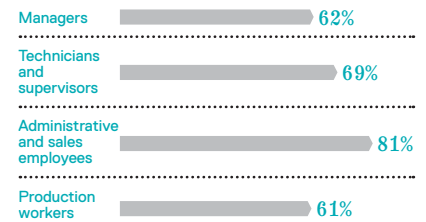
For the first time, a leadership program for “middle management” was offered jointly in English and French in the United States, France, Hong Kong, Singapore, Spain, Italy and Shanghai.

Particular attention has been paid to the induction of new managers in the LVMH Group in all regions of the world through consistent in-depth programs aimed at motivating them to achieve full success within the Group. In addition to face-to-face training, online training modules have enabled over 3,000 managers and executives to enhance their managerial skills and familiarize themselves with the tools developed by the Group for performance assessment and talent development.

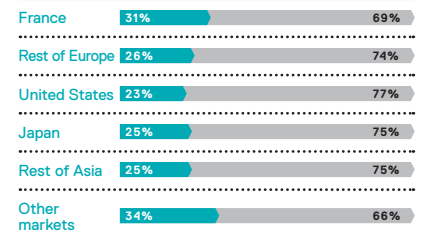


Regional “Branding Forum” organized by LVMH Maison in Hong Kong in November 2012

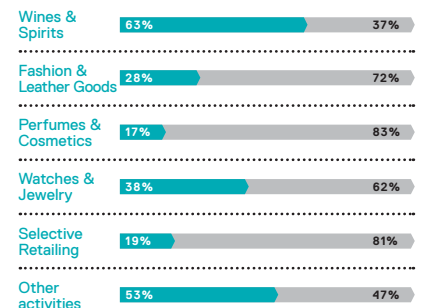
74% WOMEN



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



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





"EllesVMH" event, November 2012 - Hong Kong

A CULTURE OF DIVERSITY

Respect for a social and cultural diversity is a major principle of LVMH's culture.

Women represent 74% of the total workforce, more than half of managers, and 36% of members of the Maisons' management committees. The Group is pursuing its ambition to develop diversified teams that reflect its economic and human realities, by putting in place a policy aimed at women accounting for 40% of its management bodies in 2015. Since the commitment made in 2009, the Group has increased the number of women in its management committees year on year, from 28% in 2010 to 36% in 2012.

The Group has affirmed its policy of gender equality in recruitment and throughout its employees' entire careers.

Numerous events were organized worldwide to celebrate International Women's Day in March 2012. In addition to a pilot mentoring project, the Group has also created women's networks in the five largest countries where it has a presence; the events organized by these networks involved over 350 women in 2012. In terms of online communication, the intranet community "EllesVMH" is now one of the biggest internal communities, with 500 members worldwide.

In 2012, in France, all the Group's Maisons signed corporate agreements or drew up action plans on gender equality within the company, specifically covering working conditions, career development and improvement in the work/life balance.

A POLICY TO ATTRACT TALENTS

PROMOTING THE GROUP'S IMAGE AS AN EMPLOYER

In 2012, LVMH strengthened its appeal within schools, colleges and universities by organizing over a hundred events to promote the Group's image among talents of the future and asserting its intention of operating as a genuine partner.

These events were organized in France under the auspices of the LVMH Essec Chair in luxury goods marketing, via organizations including the HEC business school in Paris with an Induction Seminar for international students. LVMH also worked with the distinguished institute Sciences Po with the award of grants for students from the West Indies, and with the French Fashion Institute, the Ecole Duperré design school, and other bodies.



LVMH booth - Forum Grandes Ecoles

In other countries, such events also took the form of partnerships with the CEMS network, which links international groups with leading European business schools. Outside Europe, in Hong Kong and Shanghai, there were MBA events where the Group's Maisons could meet students from four prestigious schools; in Japan, at Waseda University with the "LVMH Chair on Luxury Branding"; in Italy with the "Luxury Business Management Track Bulgari - SDA Bocconi"; and in London with the Central St Martins

College of Art and Design, all promoting the development of multi-disciplinary design projects within the Maisons.

LVMH, "PREFERRED EMPLOYER"

The actions of all the Group Maisons have earned the nomination of LVMH as a top tier preferred company among business school students in France: for the 7th year running in the Universum Institute rankings, and for the 4th year running by the firm Trendence. HR consulting firm Randstad reinforced this by awarding the Group first prize in the "Consumer Goods" category.

Internationally, Universum consolidated the results of surveys conducted in 12 countries - Brazil, Canada, China, France, Germany, India, Italy, Japan, Russia, Spain, the UK and the United States. It ranked the Group in the 2012 Top 50 Edition of the "World's Most Attractive Employers" for business school students, in 25th position, up two places, and placed the Group for the first time in the Top 50 among student engineers.

ATTRACTING AND HIRING THE BEST

The Group's attractiveness naturally stems from the prestige of its Brands, robust growth and strong international development. Its entrepreneurial spirit is also a decisive factor. The Group's deliberately decentralized structure means it can allow talents to express themselves and take initiatives in an environment that is inherently constantly changing. The Group's recruitment policy forms part of a global HR strategy aimed at capitalizing on all these resources and identifying the most skilled people.

To this end, the Group develops its own recruitment and induction tools to bring out the personalities of its entrepreneurs and the skills needed for future developments, all within a candidate-friendly approach.



Philanthropy conference during the "Inspiring Entrepreneur" seminar at the Museum of Modern Art in New York, in the presence of Chantal Gaemperle and Marie-Josée Kravis, Chairman of MoMA and director of LVMH

LVMH has extended the practice of "Recruitment Days" to all the regions of the world where it operates (Europe, United States, the Middle East, Asia and Japan) with a view to recruiting high potential men and woman with an international profile. Customized initiatives are implemented to respond to the specific requirements of different countries. One example is the "Finance Talents for Asia" recruitment day organized with the HR managers of the Group Maisons with the aim of integrating young talents who speak Mandarin into Finance courses.

In addition, the Recruitment Code of Conduct, circulated to all Group recruiting staff, sets out the ethics and fair rules for recruitment at LVMH; these are applied worldwide, through fourteen commitments aimed at preventing any form of discrimination and promoting diversity.

A RESPONSIBLE GROUP

In the last five years, the LVMH Group has affirmed its corporate social responsibility goals and increased the number of initiatives in its operating regions. This commitment is based on the clear definition

of its responsibilities to its stakeholders, a determination to enhance the positive social impact of its activities, and a rich vision of excellence.

This commitment to social responsibility is common to all the Maisons: they implement it according to their own challenges and local contexts, respecting their history and heritage. It is coordinated at Group level through regular meetings attended by the CSR officers of each Maison. At the end of the year, a full international report, covering the Maisons with the largest workforces, facilitates a review of all the actions they have carried out over the last twelve months.

A SHARED AMBITION

LVMH believes strongly in the power of education for development, particularly for young people. Throughout the year, the Maisons are encouraged to take on students from educational establishments, paying particular attention to the most deserving from disadvantaged backgrounds and regions. By way of illustration, in July 2012 in China, the Wines & Spirits division organized a holiday camp for the best pupils of a school in Sichuan that had

been destroyed in the 2008 earthquake. In France, over 660 young people were hosted at Group establishments under an apprenticeship or work-study program in 2012, enabling them to learn about the businesses and the expertise needed for the opportunities that could be offered to them in the future.

The Group has put in place a number of systems to help job-seekers. Again this year, over 150 people were able to benefit from "Jobstyle" self-image training sessions run by beauty consultants, stylists and HR managers from Sephora and Make Up For Ever. These initiatives are tailored within each Maison: in Spain for example, Loewe financed the training of 300 people with a disability to improve their potential to find a job.

The Group encourages its employees to become involved and integrate corporate social responsibility issues in their practices, especially in France through sponsorship via the French equality of opportunity association, *Nos Quartiers ont des Talents*, and in conjunction with Sciences Po, via the national or regional educational programs of the *Convention d'Education Prioritaire*. Employees at Parfums Christian Dior's production site created a tutorial in partnership with the local "PARE" (*Plan d'Aide au Retour*

In 2012, the Group organized its first disability and responsible procurement fair as part of its responsible purchasing policy.

Introduced by Antonio Belloni, the Group Managing Director, and Chantal Gaemperle, Executive Vice President, Human Resources and Synergies, the event presented the range of numerous establishments in the protected sector and partnerships with them conducted by the Hennessy, Moët&Chandon, Guerlain, Louis Vuitton, Make Up For Ever and Parfums Christian Dior Maisons. The event, which was supported by the French Minister responsible for people with disabilities, brought around 170 managers together from all Group Maisons.



à l'Emploi) aid for return to employment program. This led to 20 socially disadvantaged people gaining employment at Christian Dior and recruitment of a further 28 adults who have been retrained under qualifying schemes since 2008.

A dedicated intranet website, LVMH Mind, accessible to all employees, is used to provide information and raise awareness on the Group's corporate social responsibility. It presents the main thrusts of the policy, codes of conduct and actions undertaken. A newsletter describing recent initiatives is circulated quarterly in all the Maisons. New managers are all informed of the CSR policy and the sponsorship program in a presentation during their induction seminars.

THE GROUP'S CSR PROGRAM HAS FOUR GUIDING PRINCIPLES

PROVIDING WORK CONDITIONS THAT RESPECT PEOPLE AND THEIR SKILLS

As well as demonstrating consistency with its values and commitments, the Group believes that respect for the individual and the physical wellbeing of each person are vital prerequisites to safeguarding and developing skills. Plans to

avoid workplace discomfort are established. Workstations at vineyards, workshops and production sites are regularly assessed in terms of ergonomics and working conditions. For example, the Louis Vuitton workshops utilize the "PACT", a work conditions improvement plan, to identify uncomfortable workstations at company premises and institute appropriate responses. The Maisons are developing appropriate production lines, where applicable, for employees with medical restrictions (e.g. Hennessy, Parfums Christian Dior, Guerlain). More than 80% of the staff employed at MHEA, a subsidiary of MHCS, have a disability and work in appropriately adapted conditions.

Administrative positions are also covered: quality of life at work is promoted by the implementation of systems such as concierge services, child care facilities and physiologically adapted equipment.

PREVENTING THE RISK OF DISCRIMINATION AT ALL STAGES OF PROFESSIONAL LIFE

The prevention of discrimination is a key principle of the Group's corporate social responsibility policy, confirmed by its signing of the French Diversity Charter in 2007. Since 2008, the Group has had discrimination reviews conducted on the job

offers published on its website by a leading independent firm. A training module on "Recruiting without discrimination" describing the ethics of recruitment is obligatory for the Group's HR recruitment managers. The Group and its Maisons thus pay scrupulous and constant attention to the excellence of their practices, and those of their service providers, in terms of recruitment.

Some of the Maisons convey this training to the managers who include career management in the scope of their responsibilities. In the United States, Sephora informs its managers about diversity and the prevention of harassment situations and Donna Karan also involves its sales staff. Bulgari runs a program to train all its employees worldwide in the prevention of discrimination and the promotion of diversity.

In 2012, an extensive survey on "Diversity & Inclusion" was launched in the United States. It took the form of a questionnaire in English and Spanish. Nearly 8,000 employees representing every Maison were questioned on their perceptions of diversity in their own Maison and in the LVMH Group. The survey included an analysis of HR policies and interviews with HR departments and the Chairmen of the local Maisons.

PROMOTING THE EMPLOYMENT OF PEOPLE WITH DISABILITIES

Since 2007, the Group has strengthened its commitment to the employment of people with disabilities. This is embodied in the “Handicap Mission” which involves a network of 30 disability representatives in the Maisons. LVMH also provides its Maisons with various training mechanisms, including specific sessions for managers: “The Manager and Disabilities”.

In addition, the Group encourages the use of the sheltered and adapted sector which enables people with a disability who do not have sufficient independence to work in the company to carry out an activity in a sheltered environment.

The very broad range of this commitment is illustrated in the following different actions and results: in London, LVMH Maison and the Down’s Syndrome Association (DSA) organized an event to promote social and professional integration of people with Down’s Syndrome. The group Echos motivated over 60 employees in 2012. Guerlain entrusted the manufacture of its new fragrance “La Petite Robe noire” to a sheltered workshop, directed by a medical-social and educational institute, specializing in upholstery and luggage.

As a result of these efforts, the employment rate of people with disabilities has increased year on year since 2007 and

reached 3.72% in France in 2011 (vs. 1.6% in 2007). The employment rate of people with a disability at Louis Vuitton in Japan is above the legal minimum.

SUPPORTING LOCAL COMMUNITIES

At many of its operating sites, the Group has made a commitment to local development and community action.

Community action with the local population was illustrated at the time of hurricane Sandy which hit the US coast, especially New York and the surrounding area. Many employees and clients were affected by this violent storm, in some cases tragically. The Group and its Maisons provided support to employees who were victims of the hurricane, and offered financial assistance in the worst cases. Together, they contributed to the support of emergency aid organizations for those affected, providing a total of a million dollars, donated specifically to the American Red Cross and the “Mayor’s Fund to Advance New York City”.

The Maisons are very supportive of very disadvantaged children. In January 2010, Louis Vuitton and SOS Children’s Villages sealed a 5-year global partnership to develop a program called “Partnership for Children’s Futures”, with operations in countries including India, Lebanon and China. Sephora has supported “*Toutes à l’école*”, “School for everyone”), for the education

of young girls in Cambodia, by the sale of a teddy bear in its network, with profits going to the association.

LVMH has also forged a partnership with the town of Montfermeil, which is located in a difficult economic and geographical environment, to support initiatives promoting social cohesion and help young people get jobs. A whole range of actions is being deployed for the benefit of the town’s inhabitants, especially young people, including the proceeds of a fashion show, a special LVMH jury award, internships offered to students, visits to Group Maisons, the preparation of vocational school students and support for jobseekers.



On December 18, 2012, in the presence of Jean-Pierre Bel, President of the French Senate, the Minister for Urban Affairs, François Lamy, awarded the “Corporate Citizen” trophy to LVMH for its actions in favor of deprived urban areas.

RESPONSIBLE PARTNERSHIPS

LVMH strives to maintain and promote responsible cooperation among its partners, suppliers, distributors, sub-contractors, etc. 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 issues (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 in this code.

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

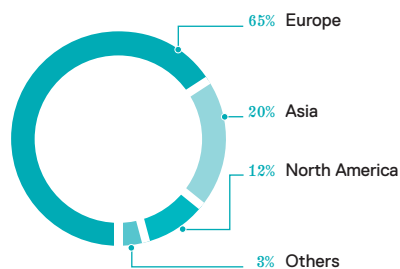
The increasing use of pre-audits (81 in 2012) helped to better identify supplier's practices in advance and to decide whether or not to work with a particular supplier.

For example, Louis Vuitton decided not to work with a potential supplier following unsatisfactory pre-audit results. Similarly, some Group Maisons have ended their collaboration with suppliers whose social audit results revealed cases of serious non-compliance with our Code of Conduct.

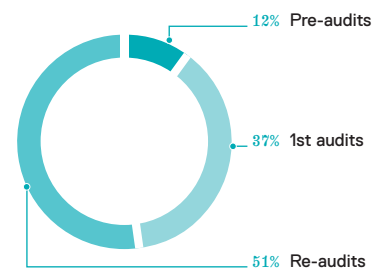
In their quest for continued improvement, Group's Maisons will continue to implement supplier audits in 2013 and follow up on action plans.

In 2012, more than 650 social and/or environmental audits were conducted, nearly 80% by specialized third-party experts, at 546 of our suppliers. 526 audits have 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 which showed a need for significant improvement by the supplier, or a major non-compliance represented 20% and 2% respectively of the audits performed. A total of 141 corrective action plans were set up at our suppliers where the audits identified areas of improvement.

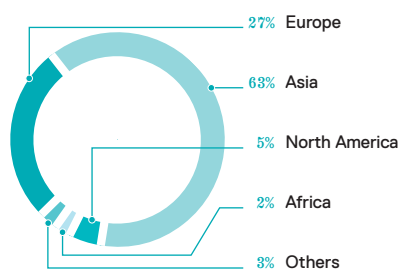
BREAKDOWN OF SUPPLIERS BY REGION



BREAKDOWN OF AUDITS BY TYPE OF AUDITS



BREAKDOWN OF AUDITS BY REGION



Perimeter: Wines & Spirits, Louis Vuitton, Berluti, Donna Karan, Fendi, Givenchy Couture, Kenzo, Loewe, Marc Jacobs, Bulgari, Chaumet, Dior Horlogerie, Fred, Hublot, TAG Heuer, Zenith, Acqua di Parma, Perfumes & Cosmetics, DFS, Sephora.



Montfermeil's Défilé Cultures et Création

As part of its support for social integration and employment, LVMH contributes to the “Défilé Cultures et Création” culture and design show in Montfermeil. A key aspect of this partnership is the special LVMH award enabling the winner to benefit from artistic advice, entrepreneurial training and a booth at the Ethical Fashion Show at the Carrousel du Louvre. This year, the *Kaleedjah Bijoux* jewelry collection was presented at the fashion show at the opening of the event.



Voices: a boost to success

Launched in March 2012, the new Voices intranet links all the employees of the Group, its subsidiaries and Maisons worldwide. Voices offers employees an efficient working environment by providing a range of practical resources: news about LVMH and the Maisons, useful information about the Group including its HR policy, streamlined work tools and collaborative sites.

Because the Group firmly believes that the professional development of our employees is strategic for success, mobility is a key pillar of the HR policy. The wealth of the ecosystem offers everyone unrivalled career opportunities. Voices publicizes and facilitates them. Through the “job posting” platform, all employees can consult and apply at any time for positions available in any of the Maisons.

For example, Linda Aiello (photo), previously HR Manager at Louis Vuitton in the United States, heard about and applied for the position of HR Training and Development Manager at Moët Hennessy Europe. The process yielded success for Linda, and she has now arrived in London and taken up her new post!

PROTECTING THE ENVIRONMENT



2012 marked the 20th anniversary of the founding of the LVMH Environmental Department, at the instigation of Bernard Arnault – a reminder that environmental issues have long been a concern of the Group's Maisons. The principle, according to which the design of luxury products must incorporate not only innovation, creativity, and excellence of execution but also environmental performance, has evolved in the minds of our clients and partners. The values generated by the unique heritage of our Maisons are perpetuated through the expertise and commitment of the teams responsible for environmental matters.

These 20 years also correspond to the length of time between the two Rio Earth Summits of 1992 and 2012. This period turned out to be too brief to address the full scope of the environmental challenges, but companies and all participants in the arena must continue to make a concerted effort. LVMH will pursue its policy resolutely with all its partners. In 2013, the preservation of the environment will gain traction with the project LIFE – LVMH Indicators For Environment – an integral part of the Group's ongoing development strategy.

A PIONEERING VISION

Our responses to sustainable development issues are long-term approaches that will have a profound influence on the Group's activities, shape the future demands of our markets, and determine the growth opportunities of our brands. Further development of LVMH's environmental strategy has led to a better understanding internally of this reality and a better sharing externally of the demands and constraints of our courses of action.

HOW THE GROUP MANAGES RISK AND OPPORTUNITIES



MULTIPLE INTERACTIONS

In the last 20 years, we have observed that, even when the capacity for commitment and the convictions of our stakeholders have evolved in the same direction, they have not progressed at the same pace and have revealed individualized characteristics. We have learned more about the scope of these values and commitments and taken them into account more comprehensively (see diagram above).

GREAT DIVERSITY IN THE BUSINESSES

The great diversity of the LVMH businesses is a feature of our Group. It is both a strength and a challenge. Unlike our competitors, LVMH is the only group which unites such a wealth of businesses. Despite their strong individuality, the five LVMH business groups – Wines & Spirits, Fashion & Leather Goods, Perfumes & Cosmetics, Watches & Jewelry, and

Selective Retailing – are linked by a shared perspective on environmental issues. Some subjects are genuinely Group-wide and are closely scrutinized: consumer health and safety, strategic supplies and biodiversity, eco-design and product quality, reduction of the environmental impact at manufacturing sites, reduction of energy consumption, the quality and responsibility of suppliers, etc.

THE MAIN CHALLENGES FOR 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. • Product transportation. 	<ul style="list-style-type: none"> • Store lighting and air conditioning. • Product transportation. 	<ul style="list-style-type: none"> • Production of packaging. • Product transportation. 	---	<ul style="list-style-type: none"> • Store lighting and air conditioning. • Product transportation.
<i>Water protection and savings</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"> • Water protection and saving. 	---	---
<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, including batteries for example) 	---
<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. 	<ul style="list-style-type: none"> • Packaging. • Components for perfumes and cosmetics. • Tanning. 	---	---

LVMH SYMPOSIUM ON THE FUTURE OF RAW MATERIALS

Preservation of natural resources and raw materials for cosmetics: what strategies should we adopt for the future? This was the fundamental question posed at the conferences of LVMH's 12th scientific symposium held in Paris on September 12, 2012. The scarcity of resources is now recognized and appreciated; it is also a cornerstone in the thinking of cosmetics manufacturers. According to Claude Martinez, CEO of Parfums Christian Dior: "The progressive closure of refining sites is forcing us to make changes." By confronting these various obstacles, a collaborative understanding has emerged, with new approaches to consumption that reflect a demand for authenticity from consumers, underpinned by regulatory constraints. It has all motivated a massive surge towards the concept of "natural". "We must promote transparency in all processes", stressed Patrice André, head of the assets innovation department for LVMH Research.



Beyond these shared issues, the Maisons have varying impacts on the environment, to differing degrees, depending on their sector and their businesses, whose operational challenges are clearly identified.

APPROPRIATE STRUCTURE

In keeping with its history, its scale as a major international group, and the individual nature of its businesses, the LVMH Group structure is both decentralized and unified. Decentralized because the risks and opportunities arising from taking environmental concerns into account have to be managed at the level of each of the business groups, each Maison and each region. At the same time they are unified because the Group is consolidating its development around the principles of responsibility and shared methodologies and action plans.

We have therefore learnt to constantly adapt our environmental plans and objectives according to local conditions and challenges. At the same time, we emphasize a cross-company approach and synergies based on problems and enlightened solutions that are often identical among the Maisons and the businesses.

GROUP VALUES

The sustainable development dimension is inseparable from LVMH's strategy, there being a natural link between luxury and sustainable development.

– The expertise of our employees and the quality of our products are fundamental to the intangible capital of the brands. The environmental component of the products is now, even more than in the past, a key factor, including in emerging countries. Customers can better direct their consumption decisions when they have a sense of investing in products that have stood the test of time. The brand is all the more desirable if its products embody high standards in the choice of materials, safety, quality and delivery.

– Lastly, the environmental component of products and the management of sites contribute to strengthening the social utility of the Maisons. Their workshops and production sites are firmly rooted in their countries and regions. Their heritage, expertise and innovations embrace environmental issues. Their teams participate regularly in public debates and discussions among experts.

– Nevertheless, the Maisons are conscious of their ability to do more. The best practices presented in the "2012 Environmental Report" demonstrate the teams' capacity for initiative and the quality of increasingly stringent processes.

MILESTONES

COMMITMENTS ADOPTED AND CONFIRMED

International charters and agreements signed by LVMH provide the framework for the initiatives led by the Group and its Maisons. In 2003, Bernard Arnault joined the United Nations' Global Compact

Strategic action plan
Research & Development
Environmental investment
Legal and technical intelligence
Collaborative innovation

Creativity, innovation
and environmental quality
Entrepreneurial spirit
Respect of partners and suppliers

Product excellence, authenticity,
sustainability and ease-of-delivery

program. In August 2007, he also endorsed Gordon Brown's Millennium Development Goals. LVMH also supports the Universal Declaration of Human Rights, the OECD Guiding Principles, the International Labor Organization's Fundamental Conventions, Caring for Climate (a program of voluntary actions, complementary to the United Nations Global Compact), and CITES (Convention on International Trade of Endangered Species). Although LVMH's Watches & Jewelry business group has been a member of the Responsible Jewellery Council (RJC) since 2005, each Maison in the Watches & Jewelry business group became an individual member of the RJC in 2011.

The "Environmental Charter" signed by Bernard Arnault in 2001 defines the goals and dynamics of the LVMH Group. The Supplier Code of Conduct (adopted and implemented in 2008) and the LVMH Code of Conduct (adopted and circulated to all Group employees since May 2009) supplement the commitments of the Environmental Charter; they emphasize the fact that compliance with laws, regulations and national and international decisions, especially in terms of the environment, constitute an indispensable prerequisite to the credibility of the Group's approach. LVMH believes that there can be no success without recognition of the major challenges of the human environment, translated through practical and constructive commitment. Accordingly,

the Supplier Code of Conduct details the requirements, especially environmental ones, which suppliers must observe. Among the six principles of the LVMH Code of Conduct is a third key principle devoted to the preservation of the environment.

The seriousness with which the LVMH Group takes account of its environmental challenges is reflected in the investments made by the Maisons. In 2012, expenditure directly related to environmental protection totaled €16.1 million: €9.7 million for operating expenses (versus €7.7 million in 2011) and €6.4 million for investment (versus €7.9 million in 2011).

This consolidated amount for environmental expenditure does not include all the other investments that contribute to reinforcing the Group's commitment towards the environment such as additional costs related to high environmental quality certification for buildings, training and technical support for staff internally, environmental sponsorships, external partnerships, etc.



COMMITMENT OF THE LVMH GROUP RECOGNIZED IN THE FRENCH NATIONAL STRATEGY FOR BIODIVERSITY

The LVMH group has endorsed the "2011-2020 National Strategy for Biodiversity" which was presented by the French government in May 2011. This strategy is the French rollout of the "Strategic Plan for Biodiversity 2011-2020 for the planet", adopted by the Convention on Biological Diversity (CBD) in Nagoya in October 2010. In October 2012, the French Ministry for Ecology, Sustainable Development and Energy selected LVMH for the "National Biodiversity Strategy Recognition" award in recognition of its project on "Improving, upstream to downstream, the LVMH businesses' biodiversity footprint, aimed at generating positive outcomes for biodiversity".

AGREEMENTS SIGNED	INTERNAL CHARTER AND CONVENTIONS		
<ul style="list-style-type: none"> - United Nations Global Compact (2003) - Gordon Brown's Millennium Development Goals (2007) - Watches and Jewelry Maisons members of the RJC (Responsible Jewellery Council) since 2011 	<p>Environmental Charter (2001)</p> <ul style="list-style-type: none"> - Aim for a high level of environmental performance - Encourage collective commitment - Control environmental hazards - Design products by integrating environmental innovation and creativity - Make commitments outside the company 	<p>Supplier Code of Conduct (March 2008)</p> <ul style="list-style-type: none"> - Environmental requirements and responsibilities 	<p>LVMH Code of Conduct (May 2009)</p> <ul style="list-style-type: none"> - Commit to safeguarding the environment (3rd principle) - Promote collective commitment - Safeguard natural resources and incorporate environmental considerations into products - Control environmental hazards

ENVIRONMENTAL DATA

WATER CONSUMPTION BY BUSINESS GROUP

<i>(process requirements, in m³)</i>	2012	2011	Change
<i>Wines and Spirits</i>	1,238,748	993,306	+25% ⁽¹⁾
<i>Fashion and Leather Goods</i>	175,813	249,271	-29% ⁽²⁾
<i>Perfumes and Cosmetics</i>	170,652	202,274	-16% ⁽²⁾
<i>Watches and Jewelry</i>	21,686	12,573	+72% ⁽³⁾
<i>Selective Retailing</i>	306,797	332,014	-8%
<i>Other activities</i>	13,369	27,278	-51%
TOTAL	1,927,065	1,816,716	+6%

(1) Change mainly due to the consolidation of WenJun.

(2) Change due to improved performance.

(3) Change due to the consolidation of Bulgari manufacturing sites.

ENERGY CONSUMPTION BY BUSINESS GROUP

<i>(in MWh)</i>	2012	2011	Change
<i>Wines and Spirits</i>	188,541	167,737	+12%
<i>Fashion and Leather Goods</i>	163,044	104,904	+55% ⁽¹⁾
<i>Perfumes and Cosmetics</i>	64,313	60,939	+6%
<i>Watches and Jewelry</i>	16,129	10,083	+60% ⁽²⁾
<i>Selective Retailing</i>	219,437	196,623	+12%
<i>Other activities</i>	11,768	14,068	-16%
TOTAL	663,232	554,354	+20%

(1) Change primarily due to the consolidation of Louis Vuitton, Kenzo Mode, Givenchy Couture, Fendi, Berluti and Marc Jacobs stores.

(2) Change due to the consolidation of Bulgari manufacturing sites.

BREAKDOWN OF EMISSIONS BY BUSINESS GROUP IN 2012

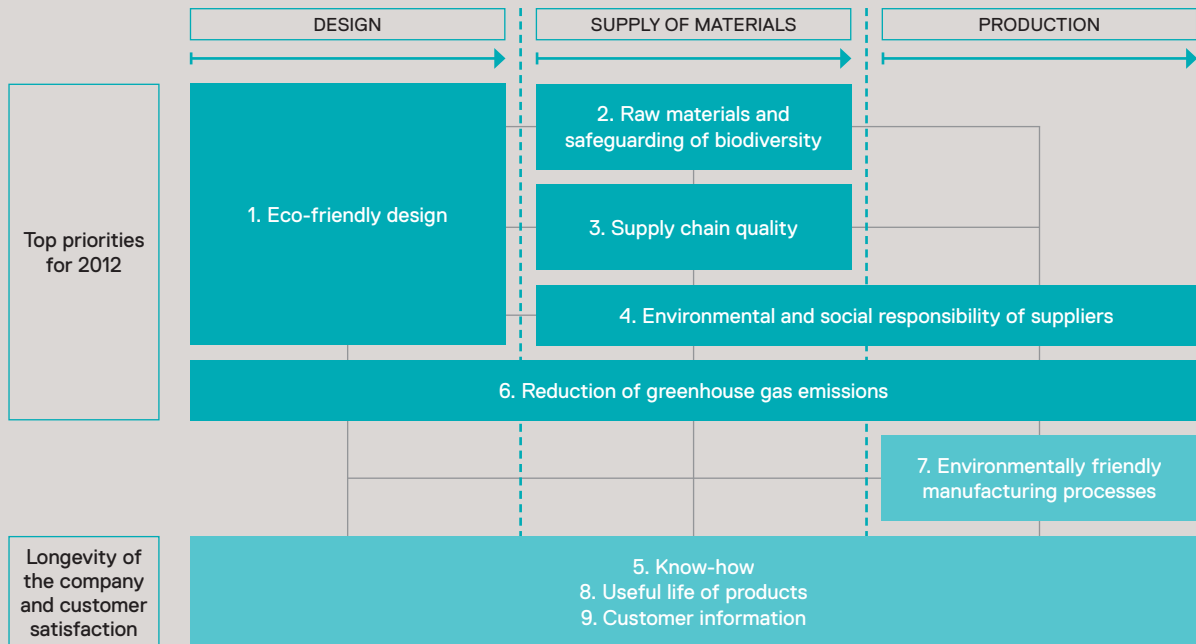
<i>(in metric tons of CO₂ equivalent)</i>	<i>CO₂ emissions in 2012</i>	<i>Of which: direct CO₂ emissions</i>	<i>Of which: indirect CO₂ emissions</i>	<i>CO₂ emissions in 2011</i>	<i>Change</i>
<i>Wines and Spirits</i>	43,573	29,053	14,520	39,416	+11%
<i>Fashion and Leather Goods</i>	55,978	6,206	49,772	32,714	+71% ⁽¹⁾
<i>Perfumes and Cosmetics</i>	10,391	5,073	5,318	10,036	+4%
<i>Watches and Jewelry</i>	2,310	1,264	1,046	1,001	+130% ⁽²⁾
<i>Selective Retailing</i>	78,856	6,068	72,788	69,593	+13%
<i>Other activities</i>	2,263	701	1,562	2,602	-13%
TOTAL	193,371	48,365	145,006	155,362	+25%

(1) Change primarily due to the consolidation of Louis Vuitton, Kenzo Mode, Givenchy Couture, Fendi, Berluti and Marc Jacobs stores.

(2) Change due to the consolidation of Bulgari manufacturing sites.

Further information, best practices and quantitative data appear in the "2012 LVMH Environmental Report" available on the Group's website and in the "2012 Registration Document". Since 2002, environmental indicators have been verified by the Group's statutory auditors and since 2008 have been based on a reasonable level of assurance. Questions for the Group may be addressed to: environnement@lvmh.fr.

FOCUS



The LIFE program: a new impetus for discussion and strategic thinking

In 2011, LVMH engaged in a strategic reflection to identify the key themes for strengthening the management of environmental challenges and those facing its Maisons. Established by the steering committee of seven pilot Maisons and reporting to the LVMH Executive Committee, the working party defined the “LIFE-LVMH Indicators for Environment” program in 2012, structured around nine key aspects of environmental performance.

- Eco-design
- Raw materials and supply chains
- Traceability and conformity of materials
- Relations with suppliers
- Expertise
- Reduction of greenhouse gas emissions
- Environmentally friendly manufacturing processes
- Useful life of products
- Customer information

Seven pilot Maisons, belonging to the five LVMH business groups – and thus representative of the diversity of the challenges faced – participated in launching the project. Each Maison defined a program of initiatives illustrating and prioritizing the

strategic themes it confronts, together with indicators to monitor performance. This methodical reflection enabled specific indicators to be better distinguished from common indicators, which accelerated the establishment of common actions. For example, approaches like avoiding air transportation and the role of selected sources based on an Environmental Performance Index (EPI) could be taken up in similar ways by all the Maisons; meanwhile, the challenges and practices relating to suppliers or the traceability and compliance of raw materials gave rise to in-depth reflection that takes into account the operating practices specific to each business.

From this viewpoint, the LIFE program represents a new impetus for discussion and strategic thinking on a Group-wide scale, the outcomes of which will be shared across all the teams and progressively deployed and integrated into other Group Maisons. The program has been designed to reinforce the integration of environmental concerns into managerial processes, facilitate the development of new management tools, and take into account the developments and improvements that arise from the Maisons’ innovative practices.

HIGHLIGHTS

1992

CREATION OF THE ENVIRONMENTAL DEPARTMENT

1992 was a key date in the Group's commitment as it marked the creation of the Environmental Department. This department is the driving force for the Group's strategic vision and it supports the Maisons in implementing their own actions. This formalized structure was integral to the ongoing initiatives of the Research & Development departments and the business groups (Wines & Spirits, Perfumes & Cosmetics) that had always been committed to sustainable development.

FIRST ENVIRONMENT COMMITTEE

An "Environment, Health and Safety Committee" was also created in 1992, composed of about ten correspondents from the Maisons. Today, over fifty environment correspondents meet regularly every year to share the Best Practices of their Maisons in the Group's "Environment Committee".

**LVMH'S GREEN WEEK**

LVMH participated in the European Commission's 12th Green Week Conference, held in Brussels on May 22-25, 2012 on the theme of water. During the week of May 21, 2012, LVMH focused on techniques to reduce its footprint in high water consumption sectors such

as vineyards, cosmetics and perfumes. Since 2011, echoing the "European Green Week", LVMH has also created its own "Green Week" to raise the awareness of its 100,000 employees.

1998

**ISO 14001 CERTIFICATION FOR HENNESSY**

In 1998, Hennessy was the first spirits company in the world to obtain ISO 14001 certification, which has been renewed every three years since then. Many other LVMH Maisons have followed this example of environmental management certification at their own sites, including Veuve Clicquot, Louis Vuitton, Krug, Moët & Chandon, Cape Mentelle, Belvedere, Domaine Chandon Australia, Guerlain, Parfums Christian Dior, Glenmorangie, and TAG Heuer.

THE CHALLENGE OF SUSTAINABLE VITICULTURE

One of the three Château Cheval Blanc domains, Château Quinault L'Enclos, Saint-Émilion Grand Cru, was awarded the organic label "Agriculture Biologique" (AB) as of the 2012 harvest. This label is the culmination of a determined focus on sustainable development since its acquisition in 2008: reducing the use of pesticides, planting shrubby hedgerows, and earning "integrated viticulture" qualification according to the specifications of the Terra Vitis association.

HIGHLIGHTS

2001

**SIGNATURE
OF THE ENVIRONMENTAL CHARTER**

Signed by Bernard Arnault in 2001, the “LVMH Environmental Charter” is a solemn commitment that requires the Chief Executive of each Maison to participate and institute an environmental management system. It is the starting point for an ambitious 5-pronged strategy:

- Aim for a high level of environmental performance;
- Encourage collective commitment;
- Control environmental risks;
- Design products by integrating environmental innovation and creativity;
- Make commitments outside the company.

**FIRST ENVIRONMENTAL REPORT**

Action is essential, publicizing it is also important. In 2001, well ahead of France’s “NRE” new environmental regulations of February 20, 2002 on environmental and social information in the annual report of listed companies, the Group’s environment-friendly actions appeared in a special section of the annual report and were supplemented by a specific environmental report, the 12th edition of which was published in 2012.

**AN EXAMPLE OF STRATEGIC
DEVELOPMENT AT LOEWE**

In 2012, Loewe established a sustainable development program including over 25 target work areas structured around six aspects of the value chain: sustainability of products (design), the supply and production of sustainable leather, responsible and economical logistics, responsible retailing, the commitment of employees, and dialogue with stakeholders. Each aspect is steered by one of the company’s managers who participates on a sustainable development executive committee held every six months to monitor and promote the program’s development. In addition, for each aspect, an Operating Committee consisting of the promoter and all those involved in the target work areas meets quarterly.

2002

**FIRST CARBON FOOTPRINT ASSESSMENT
AT VEUVE CLICQUOT**

Ahead of the French decree of July 11, 2011 on the obligation to perform a greenhouse gas emissions assessment for companies with over 500 employees, Veuve Clicquot, Parfums Christian Dior and Hennessy carried out an analysis of their greenhouse gas emissions in 2001 and defined a reduction strategy. This process will be refined and will lead to the use of the Bilan Carbone® tool that is produced by the French environment and energy management agency ADEME; it will subsequently be rolled out at Louis Vuitton, Moët et Chandon, Guerlain, Parfums Kenzo, Parfums Givenchy, Givenchy Couture, Make Up For Ever, DFS, Sephora and Le Bon Marché.



HIGHLIGHTS

**PROMOTING
RENEWABLE ENERGY**

Louis Vuitton is continuing its photovoltaic power generation program at the Fiesso d'Artico site in Italy, the San Dimas workshop in California and the Cergy 1 warehouse in France. Comprising 2,000m² of photovoltaic membranes and 64 photovoltaic panels commissioned at the beginning of October 2010, the Cergy 1 facility produced 100 MWh in 2012. In Switzerland, TAG Heuer's La Chaux-de-Fonds factory has the largest solar roof ever built in western Switzerland.

In 2012, Sephora Europe installed a photovoltaic roof on the warehouse of Santa Cristina e Bissone near Milan, Italy.

2004

**FIRST ENVIRONMENTAL TRENDBOOK**

Produced by the Environmental Department and published annually since 2004, "Materials to Consider" is aimed at the designers and marketing teams of the various Maisons, to increase awareness of quality eco-materials whose environmental performance is a determining factor for Group products.

**COLLABORATIVE INNOVATION
TO EVALUATE MATERIALS**

Since 2011, LVMH has been a member of Business for Social Responsibility (BSR) where it is particularly involved in working groups aimed at establishing best practices in the sourcing of exotic leathers. LVMH also has an ongoing involvement with the UN Conference on Trade and Development (UNCTAD) and the UN Environment Program (UNEP), through participation in a working sub-group dealing with the traceability of reptiles. In 2012, the work conducted under the auspices of the BSR led to the application of "Sourcing Principles" for cattle and ostrich skins, with the aim of evaluating the sourcing risks for each type of skin. In conjunction with the Maisons of Louis Vuitton, Chloé and Céline, and with the support of a German scientist, Dr Mark Auliya, LVMH has launched a 3-year research study to strengthen the traceability of python skins through their DNA. Since early 2012, LVMH has also been a member of the "Leather Working Group".

2006

FIRST HQE® BUILDING

Louis Vuitton's new modern, eco-design logistics platform at Cergy, "Eole-Cergy 3", inaugurated in 2006, was the first LVMH building to achieve "HQE®" high quality environmental standard. Numerous other Maisons around the world will follow this approach in the construction and renovation of their buildings, utilizing the various standards and certifications now available such as HQE®, BBC, BREEAM and LEED.



HIGHLIGHTS

AN ICONIC CULTURAL PROJECT IN THE HEART OF THE BOIS DE BOULOGNE

The project to build the Louis Vuitton Foundation for Creation Museum was launched in 2011 with architect Frank Gehry and is currently under construction in the heart of the Bois de Boulogne. It applies exemplary standards and technologies taken from a pilot HQE® for the category "Museum". It is a consummate project by virtue of its many architectural features (geothermal energy and NF Environnement and European Ecolabel materials).

2011



FIRST RJC CERTIFICATIONS

While LVMH's Watches & Jewelry business group became a member of the Responsible Jewellery Council (RJC) in 2005, each Maison in the Watches & Jewelry business group has been an individual member of the RJC since 2011. The RJC has developed a certification system for members involved in gold and diamond work which requires audits by accredited independent auditors. Between 2011 and September 2012, all the Watches & Jewelry Maisons gained RJC certification. This certification now includes Bulgari, Chaumet, Christian Dior Couture, Fred, Hublot, TAG Heuer (and the distribution subsidiaries in the United Kingdom, Japan and the United States), and the jewelry business of Louis Vuitton and Zenith.

PRESERVING BIODIVERSITY UPSTREAM

The "Guerlain Sustainability Event" organized by Guerlain on June 14-15, 2012 helped raise the awareness of all the Guerlain France employees about biodiversity issues specific to the Chartres and Orphin industrial sites. In addition, Guerlain has been involved in the creation of an orchidarium for several years. This research platform is structured around three centers: a basic research laboratory in Strasbourg, an experimental garden near Geneva, and a reserve in the heart of the Asian jungle that straddles the borders of Laos, Thailand and China. At this site, Guerlain is involved in a reforestation program in Laos and the reintroduction of a species of wild orchid that grows in tree canopies. While participating in the protection of rare species, Guerlain also gains the opportunity of gathering orchids in their natural environment.

CORPORATE SPONSORSHIP TO SUPPORT CULTURE, YOUTH AND HUMANITARIAN ACTION



LVMH has been engaged in a global corporate communication effort for 20 years through its innovative and original approach to sponsorship. This is a sound approach because it expresses the values that bind the Group Maisons together and form the basis for their success, while at the same time respecting their individual identities in communications and images. It is also a useful approach as it enables LVMH to address – through cultural, artistic design, educational, and youth initiatives as well as important humanitarian causes – the challenge of corporate social responsibility.

CULTURE, HERITAGE AND CONTEMPORARY DESIGN

The first aspect of LVMH's sponsorship focuses on the promotion of artistic heritage in France and worldwide: restoring historic monuments, enriching the collections of major museums, contributing to major national exhibitions, and supporting the work of the iconic artists of our time. Support for almost 40 major exhibitions in France and abroad has enabled millions of visitors to discover not only the Grand Masters but also major contemporary artists.

2012 saw the Group's very active commitment to the production of several major events in the cultural and artistic season, in Paris and internationally.

The first event was in Paris in the spring: LVMH supported the Pompidou Center's retrospective of the German artist Gerhard Richter. His work, which is prominent on the contemporary international scene, attracted 425,000 visitors. Then in the fall, the Group sponsored the "Impressionism, Fashion and Modernity" exhibition, which brought fashion creations for the first time to one of the great French museums, the Musée d'Orsay. Nearly 500,000 visitors

viewed the fascinating dialogue between 19th century fashion and the masterpieces of impressionism that inspired it. Christian Dior's unique sponsorship contribution, alongside LVMH, deserves a special mention; it enabled the presentation of an exceptional selection of 19th century dresses and accessories, all part of a restoration project that absorbed the skills of the best workshops across France for many months. LVMH also continued its support for Monumenta, an exhibition organized by the French Ministry of Culture and Communication which the Group has supported since its inauguration in 2007. This year it sponsored the creation of the "Excentrique(s)" installation, specially designed by Daniel Buren for the nave of the Grand Palais. Abroad, LVMH supported the "Picasso" exhibitions presented in the spring at the Heritage Museum in Hong Kong, and "Thomas Schütte", which opened in the fall at the Serpentine Gallery in London.

In 2013, LVMH will continue its commitment to design and artists from all over the world. In China, beginning in January, the new generation of young Chinese artists will be unveiled in the "ON/OFF" exhibition at the Ullens Center for Contemporary Art, which LVMH has partnered since 2008. Then in the fall, in collaboration with the Museum of Decorative Arts and the Dubuffet Foundation, the Group will be supporting the presentation of the monumental work "Coucou Bazar" for the first time in 40 years. The pieces and costumes will be specially restored for the occasion through LVMH's support.

Finally, at the worksite of the Louis Vuitton Foundation for Creation in the Jardin d'Acclimatation, an essential step will be taken in 2013: the installation of the huge glass sails that will form a canopy over the entire structure and the fixtures and fittings for all the interior spaces.

INITIATIVES TO SUPPORT YOUTH

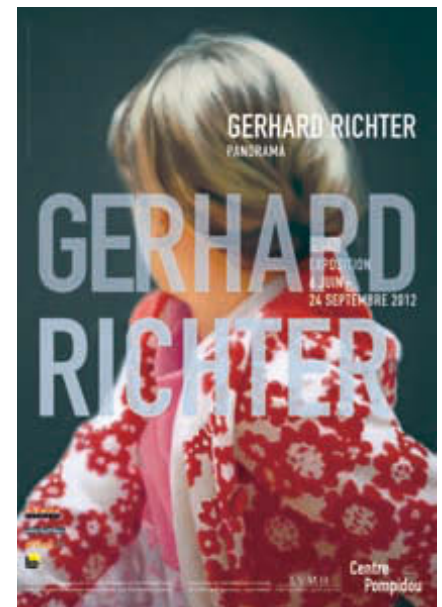
Children in elementary and high schools as well as art students benefit from educational programs designed and initiated by the Group to give them greater access to the best of culture, particularly in the areas of music and the plastic arts. The LVMH study program continued in 2012 via LVMH sponsorship for the "Impressionism, Fashion, and Modernity" exhibition at the Musée d'Orsay. LVMH also continued its support for the International Music Academy founded in Switzerland by orchestral conductor Seiji Ozawa. In addition, there was further success for the "1,000 seats for young people" program. For 15 years, this project has enabled young musicians from the Conservatoires in Paris to go to major concerts during the season in Paris. And finally, among other initiatives, the Stradivarius instruments loaned from the LVMH collection year after year have given Maxim Vengerov, Laurent Korcia, Kirill Troussov, Tatjana Vassiljeva and Raphael Pidoux and others, 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

For the last 20 years, in France and around the world, our Group has supported numerous institutions recognized for their work for 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 elderly and disabled people. In addition, LVMH has chosen to support 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 disenfranchised populations in one of the poorest regions of the world, the high plains of Haiti.





PHOTOGRAPHS

Moët & Chandon, Pol Baril - Louis Vuitton, Bruno Aveillan - Pascal Le Segretain - Ming Man - Michael Meyer
 Yvan Matrat - Lionel Barbe - Nicolas Péhé - LVMH, Christophe Beauregard - Philippe Eranian
 Christian Dior Parfums - Hennessy, Christophe Beauregard - Veuve Clicquot - Louis Vuitton, Paul Wetherell
 Louis Vuitton, Jean-Philippe Caulliez - The Metropolitan Museum of Art, Dist. RMN/image of the MMA
 Affiche Centre Pompidou 2012 - Picture libraries of LVMH and Group's Maisons.

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

LVMH – 22, avenue Montaigne – 75008 Paris – France
 Tel.: 33 (0)1 44 13 22 22 – Fax: 33 (0)1 44 13 22 23 – www.lvmh.com

LVMH

MOËT HENNESSY ♦ LOUIS VUITTON

LVMH 2012
—
ANNUAL REPORT



FINANCE



CONTENTS

02	STOCK EXCHANGE PERFORMANCE AND SHAREHOLDER STRUCTURE
04	LVMH FINANCIAL HIGHLIGHTS
06	FINANCIAL HIGHLIGHTS BY BUSINESS GROUP

08	CONSOLIDATED BALANCE SHEET
10	COMMENTS ON THE CONSOLIDATED BALANCE SHEET
12	CONSOLIDATED INCOME STATEMENT
13	CONSOLIDATED STATEMENT OF COMPREHENSIVE GAINS AND LOSSES
14	COMMENTS ON THE CONSOLIDATED INCOME STATEMENT
16	CONSOLIDATED CASH FLOW STATEMENT
17	COMMENTS ON THE CONSOLIDATED CASH FLOW STATEMENT
18	CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

THE WORLD'S LEADING LUXURY PRODUCTS GROUP

A unique portfolio of over
60 PRESTIGIOUS BRANDS

An international distribution network of
3,204 STORES

More than **100,000 EMPLOYEES**
in over **70 COUNTRIES**

REVENUE of
28.1 BILLION EUROS
in 2012

STOCK EXCHANGE PERFORMANCE AND SHAREHOLDER STRUCTURE

EVOLUTION IN LVMH SHARES

In 2012, the equity markets were particularly affected by the political and fiscal developments in the eurozone and in the United States.

After a positive start to the year, especially after the significant injections of liquidity by the central banks, fears of a global economic slowdown and worries over the debt of certain eurozone member states started to weigh on the indices again. The speech by the President of the European Central Bank at the end of July, which was intended to reassure investors on the solidity of the euro, marked the start of a rebound on equity markets. This rebound was boosted by a few European Union advances towards greater financial and banking integration and by the publication in the United States and Asia of encouraging economic figures. At the end of 2012, the most significant risks for the global economy (collapse of the eurozone, renewed major slowdown in global growth, etc.) seemed to be growing more remote in the minds of investors.

The LVMH share performed well during the rebound in the second half of the year, reaching an all-time high of €140.40 during trading in the period, and ended the year up 27%. For the fifth consecutive year, it posted performance above the CAC 40 and Eurostoxx 50 indices, ending the year respectively 15% and 14%.

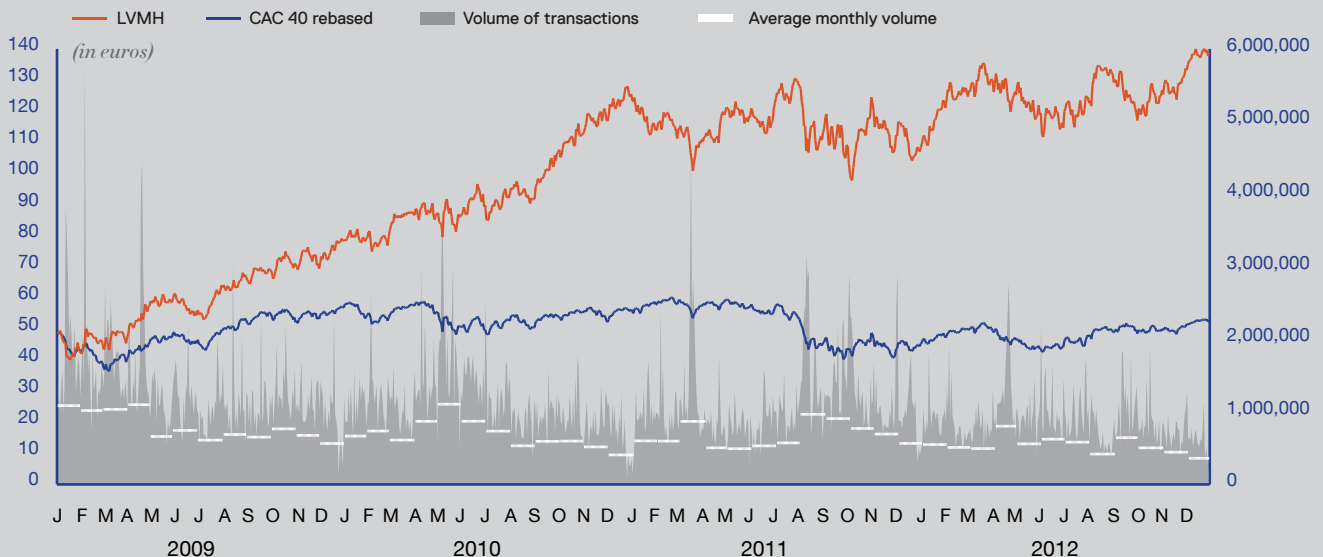
The LVMH share closed at €138.80 on December 31, 2012. LVMH's market capitalization was €70.5 billion, making it the third largest company on the Paris market.

LVMH is included in the major French and European indices used by fund managers: the CAC 40, DJ-EuroStoxx 50, MSCI Europe and FTSE-Eurotop 100. LVMH is also included in the Global Dow that lists the most innovative, dynamic and influential companies, and in the FTSE4Good and DJSI world index, the leading indices for socially responsible investment. The LVMH share is listed for trading on the Euronext Paris Eurolist (Reuters Code: LVMH.PA, Bloomberg Code: MC FP, ISIN Code: FR0000121014). In addition, negotiable options on LVMH shares are traded on NYSE Euronext Liffe.

TOTAL SHAREHOLDER RETURN

An LVMH shareholder who invested €1,000 on January 1, 2008 would have capital of €1,881 on December 31, 2012, if dividends received were reinvested in shares. In five years, the investment would have yielded an average annual return of around 13%.

COMPARISON OF THE LVMH SHARE PRICE AND THE CAC 40 SINCE JANUARY 2, 2009



SHAREHOLDERS' CLUB: AN INITIATIVE TO STRENGTHEN TIES

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

The magazine "Apartés", published in French for Club members, lets them order products to be delivered to addresses in France, subscribe to Les Echos, Investir, and Connaissance des Arts at special rates and be special guests on certain sites adapted for tours (cellars and storehouses) as well as benefit from special priority tickets for exhibits sponsored by LVMH.

Members of the Shareholders' Club receive an individual membership card with a personal authentication number valid for two years.

AGENDA

Thursday, January 31, 2013:

Publication of 2012 revenue and annual results

Thursday, April 18, 2013:

Shareholders' Meeting

April 2013:

Publication of 2013 first quarter revenue

April 25, 2013:

Payment of final dividend for fiscal 2012

(last trading day with dividend rights: April 19, 2013)

July 2013:

Publication of 2013 half year revenue and results

October 2013:

Publication of 2013 third quarter revenue

CONTACTS

- Investor and shareholder relations

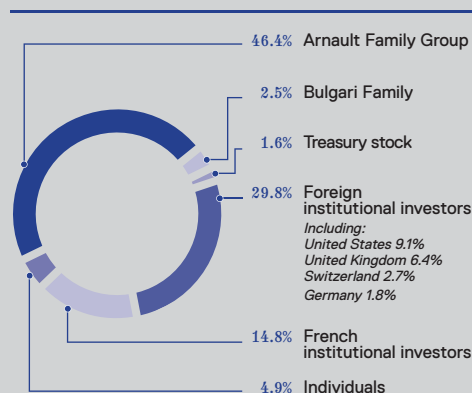
Tel.: +33 1 44 13 27 27

- Shareholders' club

Tel.: +33 1 44 13 21 50 – www.lvmh.fr – www.lvmh.com

CAPITAL STRUCTURE

(Euroclear France survey on bearer shares
at December 2012)



DISTRIBUTION OF CAPITAL AND VOTING RIGHTS

(at December 31, 2012)

	Number of shares	Number of voting rights ⁽¹⁾	% of capital	% of voting rights
Arnault Family Group	235,886,503	453,988,436	46.42%	62.65%
Other	272,276,846	270,706,743	53.58%	37.35%
TOTAL	508,163,349	724,695,179	100.00%	100.00%

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

CHANGE IN THE DIVIDEND

	2012	2011	2010
Gross dividend (in euros)	2.90 ⁽¹⁾	2.60	2.10
Growth for the year	12%	24%	27%
Payout ratio ⁽²⁾	43%	43%	34%
Group share of net profit per share (in euros)	6.86	6.27	6.36

(1) Amount proposed at the Shareholders' Meeting of April 18, 2013.

(2) As a percentage of Group share of net profit.

STOCK MARKET DATA

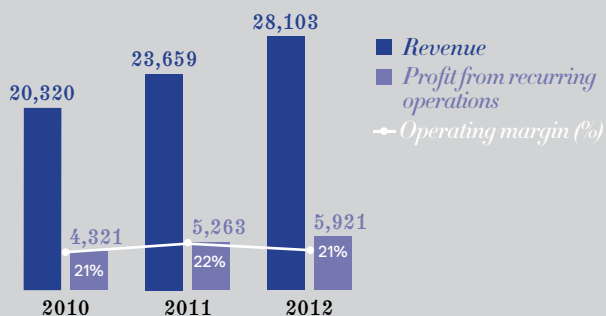
(in euros)

	2012	2011	2010
Year high (during trading)	140.40	132.65	129.05
Year low (during trading)	108.00	94.16	74.19
Year-end price	138.80	109.40	123.10
Change for the year (%)	+27%	-11%	+57%
Performance of the CAC 40 (%)	+15%	-17%	-3%
Market capitalization at Dec. 31 (€ billion)	70,5	55.6	60.3

LVMH FINANCIAL HIGHLIGHTS

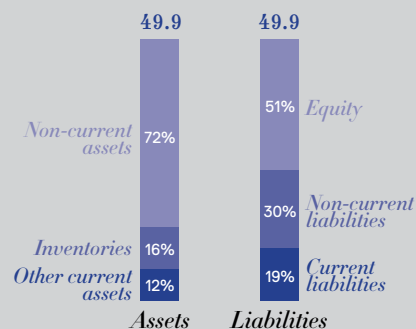
REVENUE AND PROFIT FROM RECURRING OPERATIONS

(EUR millions)



SIMPLIFIED BALANCE SHEET AT DECEMBER 31, 2012

(EUR billions)



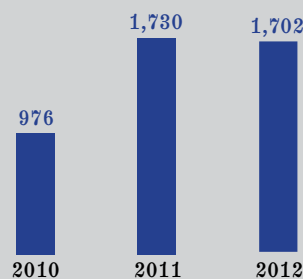
PROFIT FROM RECURRING OPERATIONS

(EUR millions)

	2012	% of revenue
Wines & Spirits	1,260	30%
Fashion & Leather Goods	3,264	33%
Perfumes & Cosmetics	408	11%
Watches & Jewelry	334	12%
Selective Retailing	854	11%
Other activities and eliminations	(199)	-
TOTAL	5,921	21%

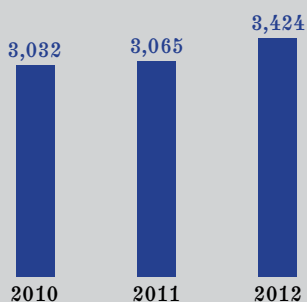
OPERATING INVESTMENTS

(EUR millions)



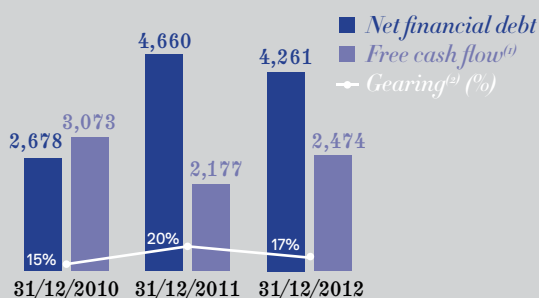
NET PROFIT, GROUP SHARE

(EUR millions)



NET FINANCIAL DEBT AND FREE CASH FLOW

(EUR millions)



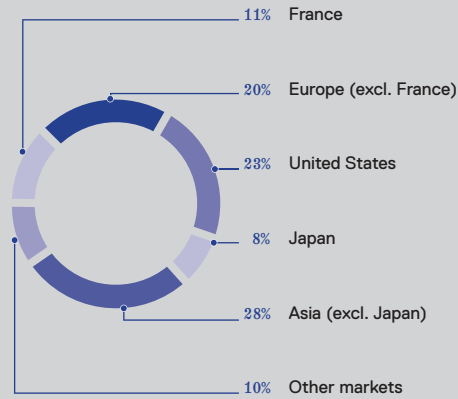
(1) Net cash from (used in) operating activities and operating investments.

(2) Ratio of net financial debt to equity.

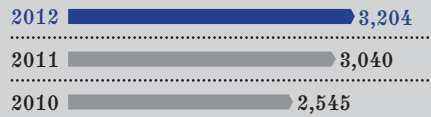
2012 REVENUE BY BUSINESS GROUP (in %)



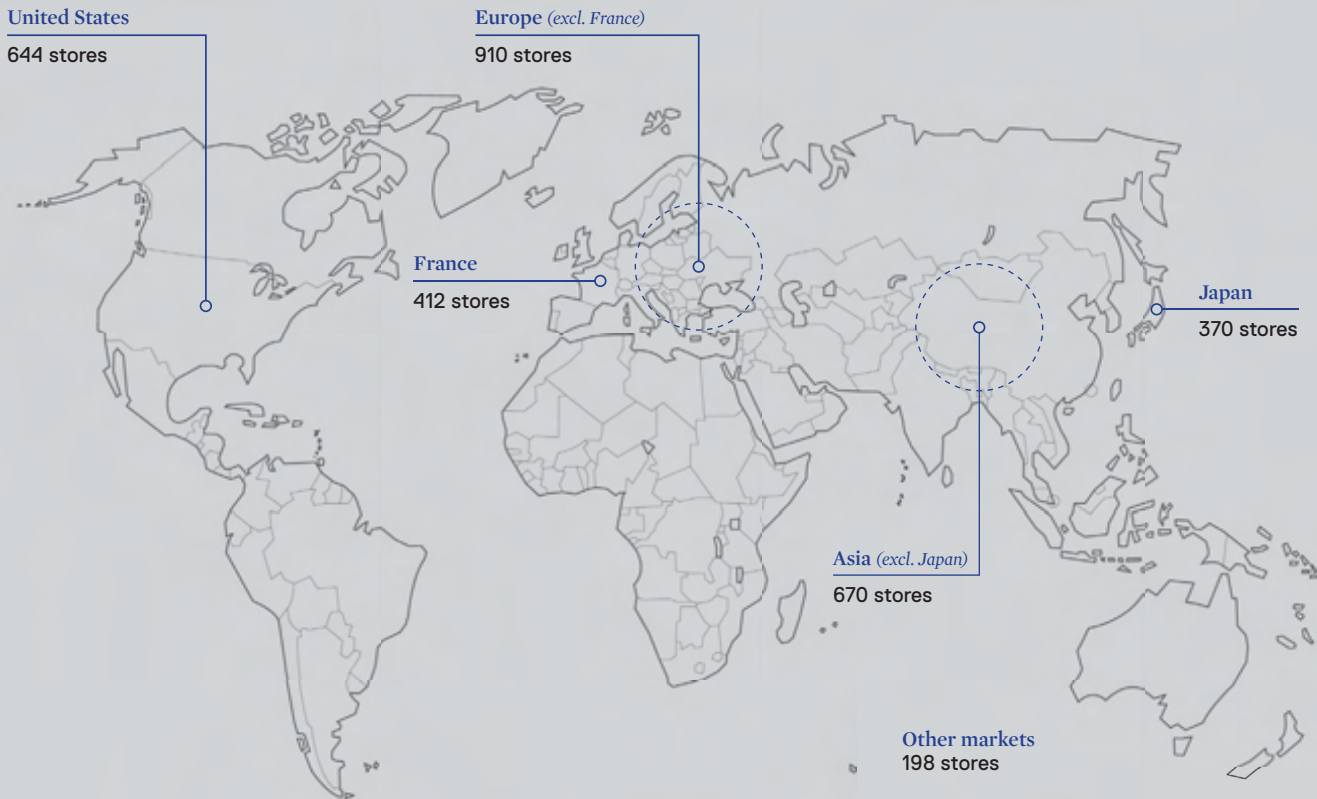
2012 REVENUE BY GEOGRAPHIC REGION OF DELIVERY (in %)



NUMBER OF STORES



STORE NETWORK (at December 31, 2012)



FINANCIAL HIGHLIGHTS BY BUSINESS GROUP

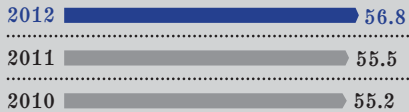
WINES & SPIRITS

(EUR millions)	2012	2011	2010
Revenue	4,137	3,524	3,261
Profit from recurring operations	1,260	1,101	930
Operating investments	182	159	83

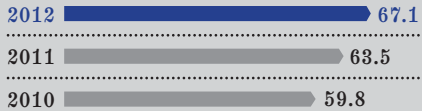
SALES VOLUMES

(in millions of bottles)

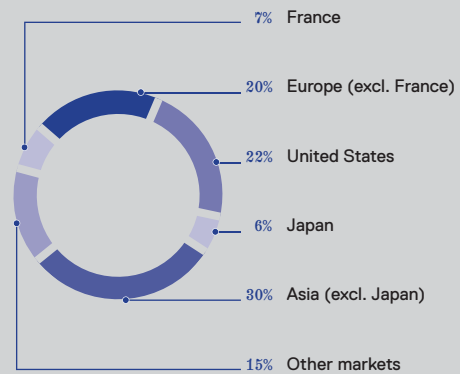
CHAMPAGNE



COGNAC



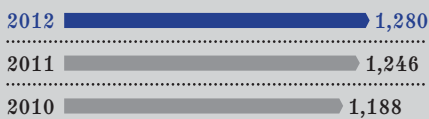
2012 REVENUE BY GEOGRAPHIC REGION OF DELIVERY (in %)



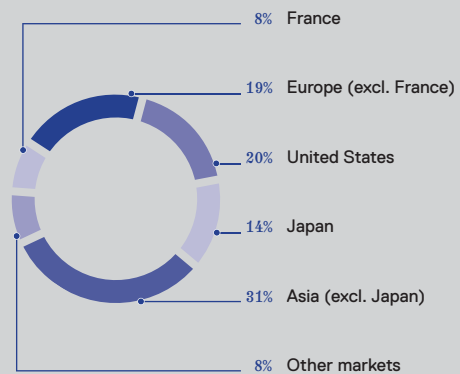
FASHION & LEATHER GOODS

(EUR millions)	2012	2011	2010
Revenue	9,926	8,712	7,581
Profit from recurring operations	3,264	3,075	2,555
Operating investments	579	437	370

NUMBER OF STORES



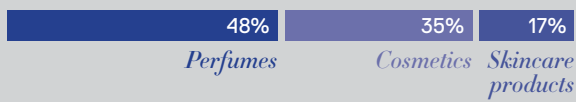
2012 REVENUE BY GEOGRAPHIC REGION OF DELIVERY (in %)



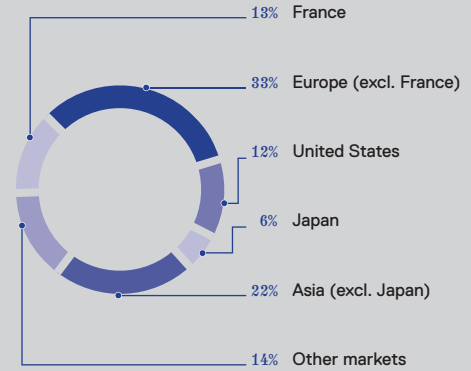
PERFUMES & COSMETICS

(EUR millions)	2012	2011	2010
Revenue	3,613	3,195	3,076
Profit from recurring operations	408	348	332
Operating investments	196	150	104

REVENUE BY PRODUCT CATEGORY (in %)



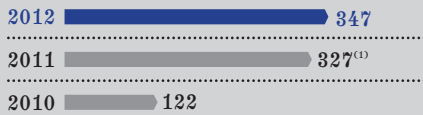
2012 REVENUE BY GEOGRAPHIC REGION OF DELIVERY (in %)



WATCHES & JEWELRY

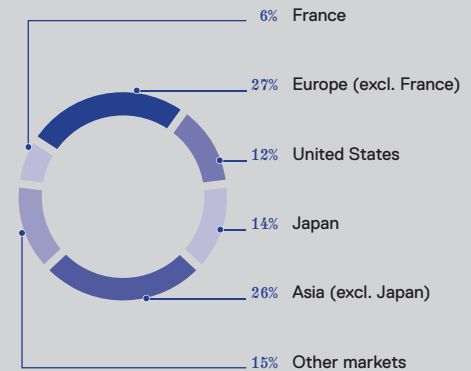
(EUR millions)	2012	2011	2010
Revenue	2,836	1,949	985
Profit from recurring operations	334	265	128
Operating investments	136	117	36

NUMBER OF STORES



(1) of which 170 additional stores as a result of the integration of Bulgari.

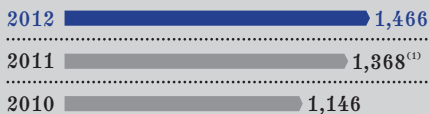
2012 REVENUE BY GEOGRAPHIC REGION OF DELIVERY (in %)



SELECTIVE RETAILING

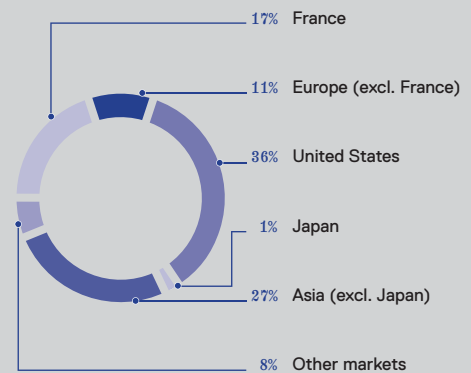
(EUR millions)	2012	2011	2010
Revenue	7,879	6,436	5,378
Profit from recurring operations	854	716	536
Operating investments	332	215	196

NUMBER OF STORES



(1) of which 125 additional stores as a result of the integration of Ile de Beauté.

2012 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>	2012	2011	2010
<i>Brands and other intangible assets</i>	11,510	11,482	9,104
<i>Goodwill</i>	7,806	6,957	5,027
<i>Property, plant and equipment</i>	8,769	8,017	6,733
<i>Investments in associates</i>	163	170	223
<i>Non-current available for sale financial assets</i>	6,004	5,982	3,891
<i>Other non-current assets</i>	524	478	319
<i>Deferred tax</i>	881	716	668
NON-CURRENT ASSETS	35,657	33,802	25,965
<i>Inventories and work in progress</i>	8,080	7,510	5,991
<i>Trade accounts receivable</i>	1,985	1,878	1,565
<i>Income taxes</i>	201	121	96
<i>Other current assets</i>	1,811	1,455	1,255
<i>Cash and cash equivalents</i>	2,196	2,303	2,292
CURRENT ASSETS	14,273	13,267	11,199
TOTAL ASSETS	49,930	47,069	37,164

LIABILITIES AND EQUITY

<i>(EUR millions)</i>	2012	2011	2010
<i>Share capital</i>	152	152	147
<i>Share premium account</i>	3,848	3,801	1,782
<i>Treasury shares and LVMH-share settled derivatives</i>	(414)	(485)	(607)
<i>Cumulative translation adjustment</i>	342	431	230
<i>Revaluation reserves</i>	2,819	2,689	1,244
<i>Other reserves</i>	14,393	12,798	11,370
<i>Net profit, Group share</i>	3,424	3,065	3,032
<i>Equity, Group share</i>	24,564	22,451	17,198
<i>Minority interests</i>	1,102	1,061	1,006
TOTAL EQUITY	25,666	23,512	18,204
<i>Long term borrowings</i>	3,836	4,132	3,432
<i>Provisions</i>	1,530	1,400	1,167
<i>Deferred tax</i>	3,960	3,925	3,354
<i>Other non-current liabilities</i>	5,456	4,506	3,947
NON-CURRENT LIABILITIES	14,782	13,963	11,900
<i>Short term borrowings</i>	2,976	3,134	1,834
<i>Trade accounts payable</i>	3,134	2,952	2,298
<i>Income taxes</i>	442	443	446
<i>Provisions</i>	335	349	339
<i>Other current liabilities</i>	2,595	2,716	2,143
CURRENT LIABILITIES	9,482	9,594	7,060
TOTAL LIABILITIES AND EQUITY	49,930	47,069	37,164

COMMENTS ON THE CONSOLIDATED BALANCE SHEET

LVMH's consolidated balance sheet totaled 49.9 billion euros at year-end 2012, representing a 6% increase from year-end 2011. Non-current assets rose by 1.9 billion euros and represented 72% of total assets, the same percentage as at year-end 2011.

Tangible and intangible fixed assets grew by 1.6 billion euros. This amount includes 0.7 billion euros in respect of investments for the year, net of disposals as well as amortization and depreciation charges. 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, also led to a 0.8 billion euro increase in the amount of goodwill.

Other non-current assets increased by 0.3 billion euros, mainly due to an increase in deferred tax assets. The value of the investment in Hermès International changed little; the impact of acquisitions of shares on the market during the first six months of the year was offset by a reduction in the market value of the investment, resulting from the slight dip in the share price of Hermès International in 2012. At year-end 2012, the 22.6% stake in Hermès amounted to 5.4 billion euros, the same as at year-end 2011.

Inventories increased by 0.6 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 0.3 billion euros, mainly due to the increased market value of foreign exchange risk hedging instruments; other current assets thus came to 6.1 billion euros.

Purchase commitments for minority interests, which increased by 0.8 billion euros, accounted for most of the change in non-current liabilities, which grew from 14.0 billion euros at year-end 2011 to 14.8 billion euros at year-end 2012. In addition to this, provisions and other non-current liabilities increased by 0.3 billion euros in total. Conversely, long term borrowings decreased by 0.3 billion euros.

Other current liabilities held steady at 6.5 billion euros. The 0.2 billion euro increase in trade accounts payable was offset by changes in the market value of foreign exchange risk hedging instruments.

The ratio of net financial debt to equity, which was 20% as of December 31, 2011, fell 3 points to 17%. This favorable change was due mainly to a 2.1 billion euro increase in equity, but also to a 0.4 billion euro reduction in net financial debt.

Total equity amounted to 25.6 billion euros at year-end 2012, representing an increase of 9% compared to year-end 2011. This growth reflects the Group's strong results, which were only partially distributed. As of December 31, 2012, total equity accounted for 51% of the balance sheet total, up slightly from the 50% recorded at year-end 2011.

Gross borrowings after derivatives totaled 6.6 billion euros at year-end 2012, representing a 0.5 billion euro decrease compared to year-end 2011. In June, LVMH issued five-year bonds in a total nominal amount of 850 million US dollars (equivalent to 681 million euros as of the issue date), and issued or subscribed to 0.3 billion euros in other borrowings. Conversely, repayments of borrowings amounted to 1.5 billion

euros, including the 2005 bond (supplemented in 2008) in the amount of 0.8 billion euros, as well as miscellaneous bank borrowings of 0.2 billion euros. In addition to this, commercial paper outstanding decreased by 0.4 billion euros. Cash and cash equivalents and current available for sale financial assets totaled 2.3 billion euros at the end of the fiscal year, down slightly from 2.4 billion euros at year-end 2011.

As of year-end 2012, the Group's undrawn confirmed credit lines amounted to 3.3 billion euros, substantially exceeding the outstanding portion of its commercial paper program, which came to 1.2 billion euros as of December 31, 2012.

CONSOLIDATED INCOME STATEMENT

<i>(EUR millions, except for earnings per share)</i>	2012	2011	2010
REVENUE	28,103	23,659	20,320
<i>Cost of sales</i>	(9,917)	(8,092)	(7,184)
GROSS MARGIN	18,186	15,567	13,136
<i>Marketing and selling expenses</i>	(10,101)	(8,360)	(7,098)
<i>General and administrative expenses</i>	(2,164)	(1,944)	(1,717)
PROFIT FROM RECURRING OPERATIONS	5,921	5,263	4,321
<i>Other operating income and expenses</i>	(182)	(109)	(152)
OPERATING PROFIT	5,739	5,154	4,169
<i>Cost of net financial debt</i>	(140)	(151)	(151)
<i>Other financial income and expenses</i>	126	(91)	763
NET FINANCIAL INCOME (EXPENSE)	(14)	(242)	612
<i>Income taxes</i>	(1,820)	(1,453)	(1,469)
<i>Income (loss) from investments in associates</i>	4	6	7
NET PROFIT BEFORE MINORITY INTERESTS	3,909	3,465	3,319
<i>Minority interests</i>	(485)	(400)	(287)
NET PROFIT, GROUP SHARE	3,424	3,065	3,032
BASIC GROUP SHARE OF NET EARNINGS PER SHARE (EUR)	6.86	6.27	6.36
<i>Number of shares on which the calculation is based</i>	499,133,643	488,769,286	476,870,920
DILUTED GROUP SHARE OF NET EARNINGS PER SHARE (EUR)	6.82	6.23	6.32
<i>Number of shares on which the calculation is based</i>	502,229,952	492,207,492	479,739,697

CONSOLIDATED STATEMENT OF COMPREHENSIVE GAINS AND LOSSES

<i>(EUR millions)</i>	2012	2011	2010
NET PROFIT BEFORE MINORITY INTERESTS	3,909	3,465	3,319
<i>Translation adjustments</i>	(99)	190	701
<i>Tax impact</i>	(18)	47	89
	(117)	237	790
<i>Change in value of available for sale financial assets</i>	(27)	1,634	294
<i>Amounts transferred to income statement</i>	(14)	(38)	38
<i>Tax impact</i>	(6)	(116)	(35)
	(47)	1,480	297
<i>Change in value of hedges of future foreign currency cash flows</i>	182	95	(20)
<i>Amounts transferred to income statement</i>	13	(168)	(30)
<i>Tax impact</i>	(50)	21	14
	145	(52)	(36)
<i>Change in value of vineyard land</i>	85	25	206
<i>Tax impact</i>	(28)	(11)	(71)
	57	14	135
GAINS AND LOSSES RECOGNIZED IN EQUITY	38	1,679	1,186
COMPREHENSIVE INCOME	3,947	5,144	4,505
<i>Minority interests</i>	(482)	(433)	(375)
COMPREHENSIVE INCOME, GROUP SHARE	3,465	4,711	4,130

COMMENTS ON THE CONSOLIDATED INCOME STATEMENT

Consolidated **REVENUE** for the fiscal year 2012 was 28,103 million euros, up 19% over the preceding year. It was favorably impacted by the appreciation of the Group's main invoicing currencies against the euro, in particular the US dollar, which appreciated by 8%. The following changes have been made in the Group's scope of consolidation since January 1, 2011: in Watches and Jewelry, Bulgari was consolidated with effect from June 30, 2011 and in Selective Retailing, Ile de Beauté, one of the leading perfume and cosmetics retail chains in Russia, was consolidated with effect from June 1, 2011. These changes in the scope of consolidation made a positive contribution of 3 points to revenue growth for the year. On a constant consolidation scope and currency basis, revenue increased by 9%.

The breakdown of revenue by business group changed appreciably as a result of the consolidation of Bulgari in Watches and Jewelry with effect from June 30, 2011, with the contribution of this business group to consolidated revenue increasing by 2 points to 10%. The contribution of Selective Retailing rose by 1 point to 28% and that of Wines and Spirits remained stable at 15%, while the contributions of Fashion and Leather Goods and Perfumes and Cosmetics declined by 2 points and 1 point to 35% and 13%, respectively. Wines and Spirits saw an increase in revenue of 17% based on published figures. Revenue for this business group increased by 11% on a constant consolidation scope and currency basis, with the net impact of exchange rate fluctuations raising Wines and Spirits revenue by 6 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. Surging demand in Asia made a particularly significant contribution to this strong upturn in revenue. China is still the second largest market for the Wines and Spirits business group.

Fashion and Leather Goods posted organic revenue growth of 7%, and 14% based on published figures. This business group's performance benefited from the solid results achieved by Louis Vuitton, which recorded double-digit revenue growth. Céline, Loewe, Givenchy, Berluti, Donna Karan, and Marc Jacobs confirmed their potential, also delivering double-digit revenue growth in 2012.

Revenue for Perfumes and Cosmetics increased by 8% on a constant consolidation scope and currency basis, and by 13% based on published figures. All of this business group's brands performed well. This rebound 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 considerable revenue growth in the United States.

Revenue for Watches and Jewelry increased by 6% on a constant consolidation scope and currency basis, and by 46% based on published figures. The consolidation of Bulgari with effect from June 30, 2011 boosted this business group's revenue by 34%. The rebuilding of inventories by retailers and the recovery in consumer demand helped to drive stronger revenue. For all of the business group's brands, Europe and Japan were the most dynamic regions.

Based on published figures, revenue for Selective Retailing increased by 22%, and by 14% on a constant consolidation scope and currency basis. The 2% positive effect of changes in the scope of consolidation relates to the consolidation of Ile de Beauté, the Russian perfume and cosmetics retail chain, with effect from June 2011. The main drivers of this performance were Sephora, which saw considerable growth in revenue across all world regions, and DFS, which made excellent progress, spurred in particular by the continuing development of Chinese tourism boosting business at its stores in Hong Kong, Macao and Hawaii.

The Group posted a **GROSS MARGIN** of 18,186 million euros, up 17% compared to the previous year. As a percentage of revenue, the gross margin was 65%, a decrease of 1 point: this decrease reflects a change in the structure of revenue by brand and the lower margins of the companies acquired in 2011, Bulgari and Ile de Beauté.

Marketing and selling expenses totaled 10,101 million euros, up 21% based on published figures, amounting to an 11% increase on a constant consolidation scope and currency basis. This increase was mainly due to higher communications expenditures by the Group's main brands, but also to the ongoing development of the Group's retail networks. The level of these marketing and selling expenses nonetheless rose by only 1 point as a percentage of revenue, amounting to 36%. Among these marketing and selling expenses, advertising and promotion represented 12% of revenue, an increase of 13% on a constant consolidation scope and currency basis.

It should be noted that the number of stores increased significantly in 2011, partly as a result of the integration of Bulgari and Ile de Beauté. Nearly 160 new stores were added in 2012, essentially as part of the Group's Selective Retailing activity.

General and administrative expenses totaled 2,164 million euros, up 11% based on published figures, and up 4% on a constant consolidation scope and currency basis. They represented 8% of revenue, the same proportion as in 2011.

The Group's **PROFIT FROM RECURRING OPERATIONS** was 5,921 million euros, representing an increase of 13%. The operating margin as a percentage of revenue decreased by 1 point compared to 2011, to 21%.

Exchange rate fluctuations had a positive net impact on the Group's profit from recurring operations of 398 million euros compared to the previous 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 Eurozone.

Profit from recurring operations for Wines and Spirits was 1,260 million euros, up 14% compared to 2011. This performance was the result of both sales volume growth and a sustained policy of price increases. Control of costs, together with the positive impact of exchange rate fluctuations, partially offset the rise in advertising and promotional expenditures focused on strategic markets. The operating margin as a percentage of revenue fell 1 point for this business group to 30%.

Fashion and Leather Goods posted profit from recurring operations of 3,264 million euros, up 6% compared to 2011. Profit from recurring operations for Louis Vuitton increased, and Céline, Loewe, Givenchy, and Marc Jacobs confirmed their profitable growth momentum. The operating margin as a percentage of revenue fell 2 points to 33%.

Profit from recurring operations for Perfumes and Cosmetics was 408 million euros, up 17% compared to 2011. This growth was driven by Parfums Christian Dior, Benefit, Guerlain, and Parfums Givenchy, all of which posted improved results thanks to the success of their market-leading product lines and strong innovative momentum. The operating margin as a percentage of revenue remained stable at 11%.

Profit from recurring operations for Watches and Jewelry was 334 million euros, up 26% with respect to 2011. This sharp rise was due mainly to the consolidation of the results of Bulgari's operations. Since the operating margin achieved by Bulgari was lower than the average margin for the business group as a whole, Watches and Jewelry nevertheless saw a 2 point decline in its operating margin as a percentage of revenue, to 12%.

Profit from recurring operations for Selective Retailing was 854 million euros, up 19% compared to 2011. The operating margin as a percentage of revenue for Selective Retailing taken as a whole remained stable at 11%.

The net result from recurring operations of Other activities and eliminations was a loss of 199 million euros, representing an improvement compared to 2011. 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 182 million euros, compared to a net expense of 109 million euros in 2011. In 2012, this item included an impairment loss of 74 million euros recognized for property assets, with the remainder mainly comprised of amortization and impairment charges for brands and goodwill.

The group's operating profit was 5,739 million euros, representing a 11% increase over 2011.

The **NET FINANCIAL EXPENSE** for the fiscal year was 14 million euros, compared with a net financial expense of 242 million euros in 2011. This item comprises:

- the aggregate cost of net financial debt, which amounted to 140 million euros, showing a slight decrease compared to 2011. 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 income of 126 million euros, compared to a net expense of 91 million euros in 2011. This positive result consists essentially of dividends received in connection with the Group's shareholding in Hermès, which increased significantly as a result of the payment of an exceptional dividend.

The Group's effective tax rate was 32%, compared to 30% in 2011. Income from investments in associates was 4 million euros in 2012, down from 6 million euros in 2011.

Profit attributable to minority interests was 485 million euros, compared to 400 million euros in 2011. This total mainly includes profit attributable to minority interests in Moët Hennessy and DFS, and reflects higher earnings by these entities.

The **GROUP'S SHARE OF NET PROFIT** was 3,424 million euros, up 12% compared to 2011. This represented 12% of revenue in 2012, down 1 point compared to 2011.

CONSOLIDATED CASH FLOW STATEMENT

<i>(EUR millions)</i>	2012	2011	2010
I. OPERATING ACTIVITIES AND OPERATING INVESTMENTS			
<i>Operating profit</i>	5,739	5,154	4,169
<i>Net increase in depreciation, amortization and provisions</i>	1,299	999	788
<i>Other computed expenses</i>	(62)	(45)	(126)
<i>Dividends received</i>	188	61	20
<i>Other adjustments</i>	(51)	(32)	(3)
CASH FROM OPERATIONS BEFORE CHANGES IN WORKING CAPITAL	7,113	6,137	4,848
<i>Cost of net financial debt: interest paid</i>	(154)	(152)	(149)
<i>Income taxes paid</i>	(1,970)	(1,544)	(897)
NET CASH FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL	4,989	4,441	3,802
<i>Change in working capital</i>	(813)	(534)	247
NET CASH FROM OPERATING ACTIVITIES	4,176	3,907	4,049
<i>Operating investments</i>	(1,702)	(1,730)	(976)
NET CASH FROM OPERATING ACTIVITIES AND OPERATING INVESTMENTS (free cash flow)	2,474	2,177	3,073
II. FINANCIAL INVESTMENTS			
<i>Purchase of non-current available for sale financial assets</i>	(131)	(518)	(1,724)
<i>Proceeds from sale of non-current available for sale financial assets</i>	36	17	70
<i>Impact of purchase and sale of consolidated investments</i>	(45)	(785) ⁽¹⁾	(61)
NET CASH FROM (used in) FINANCIAL INVESTMENTS	(140)	(1,286)	(1,715)
III. TRANSACTIONS RELATING TO EQUITY			
<i>Capital increases of LVMH</i>	94	94 ⁽¹⁾	120
<i>Capital increases of subsidiaries subscribed by minority interests</i>	8	3	1
<i>Acquisition and disposals of treasury shares and LVMH-share settled derivatives</i>	5	2	155
<i>Interim and final dividends paid by LVMH</i>	(1,447)	(1,069)	(953)
<i>Interim and final dividends paid to minority interests in consolidated subsidiaries</i>	(314)	(189)	(158)
<i>Purchase and proceeds from sale of minority interests</i>	(206)	(1,413)	(185)
NET CASH FROM (used in) TRANSACTIONS RELATING TO EQUITY	(1,860)	(2,572)	(1,020)
IV. FINANCING ACTIVITIES			
<i>Proceeds from borrowings</i>	1,068	2,659	564
<i>Repayment of borrowings</i>	(1,526)	(1,005)	(1,290)
<i>Purchase and proceeds from sale of current available for sale financial assets</i>	(67)	6	(32)
NET CASH FROM (used in) FINANCING ACTIVITIES	(525)	1,660	(758)
V. EFFECT OF EXCHANGE RATE CHANGES	(42)	60	188
NET INCREASE (decrease) IN CASH AND CASH EQUIVALENTS (I+II+III+IV+V)	(93)	39	(232)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	2,081	2,042	2,274
CASH AND CASH EQUIVALENTS AT END OF PERIOD	1,988	2,081	2,042
<i>Transactions included in the table above, generating no change in cash:</i>			
<i>- acquisition of assets by means of finance leases</i>	5	3	6

(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 7,113 million euros, compared to 6,137 million euros a year earlier, representing an increase of 16%. Net cash from operating activities before changes in working capital (i.e. after interest and income tax paid) amounted to 4,989 million euros, up 12% compared to fiscal year 2011.

Interest paid, which totaled 154 million euros, was stable compared to its 2011 amount. Lower interest rates on borrowings and better returns on available cash offset the increase in interest expenses related to the higher average amount of debt outstanding compared with 2011.

Income tax paid came to 1,970 million euros, a significant increase from 1,544 million paid in the prior year, due to an increase in taxable profit, and a rise in the effective rate of income tax.

Working capital requirements increased by 813 million euros, primarily as a result of a rise in inventories, which generated a cash requirement of 829 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 Selective Retailing (DFS in particular, which won new airport concessions), Fashion and Leather Goods, and Wines and Spirits, especially as a result of purchases of eaux-de-vie. The remaining change in working capital requirements was close to zero, since cash requirements related to higher commercial and operational receivables were financed by an increase in trade accounts payable.

Operating investments net of disposals resulted in a net cash outflow of 1,702 million euros in 2012, compared to 1,730 million euros a year earlier. They consisted mainly of

investments by Louis Vuitton, Sephora, and DFS in their retail networks, investments by the Group's champagne houses in their production facilities, and investments by Parfums Christian Dior in new display counters, together with real estate investments for commercial or rental purposes.

Financial investments accounted for a 140 million euro outflow in 2012, of which 45 million euros related to purchase of consolidated investments.

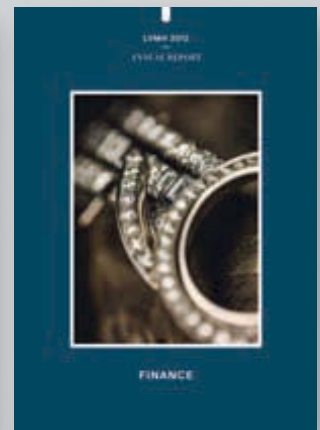
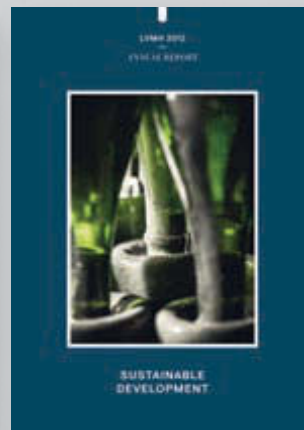
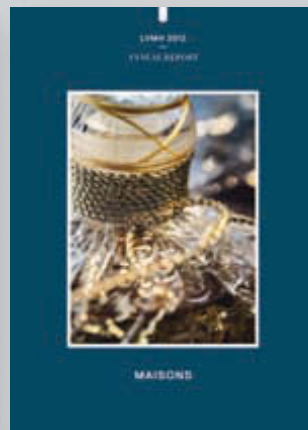
Transactions relating to equity generated an outflow of 1,860 million euros. A portion of this amount, 1,447 million euros, corresponds to dividends paid out during the fiscal year by LVMH SA (excluding the amount attributable to treasury shares), including 898 million euros for the final dividend payment in respect of fiscal year 2011 and 549 million euros for the interim dividend payment in respect of fiscal year 2012. In addition, dividends paid out to minority shareholders of consolidated subsidiaries amounted to 314 million euros, and the impact of acquisitions of minority interests totaled 206 million euros, corresponding mainly to the acquisition of the 20% stake not yet owned in the share capital of Benefit. Conversely, share subscription options exercised during the fiscal year generated an inflow of 94 million euros.

The net cash inflow after all operating, investment, and equity-related activities thus amounted to 474 million euros, and was used to reduce the level of debt. The cash balance at the end of the fiscal year was slightly lower than at year-end 2011.

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, 2011	507,815,624	152	3,801	(485)	431
<i>Gains and losses recognized in equity</i>					(89)
<i>Net profit</i>					
COMPREHENSIVE INCOME		-	-	-	(89)
<i>Stock option plan and similar expenses</i>					
<i>(Acquisition)/disposal of treasury shares and LVMH-share settled derivatives</i>				24	
<i>Exercise of LVMH share subscription options</i>	1,344,975		94		
<i>Retirement of LVMH shares</i>	(997,250)		(47)	47	
<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, 2012	508,163,349	152	3,848	(414)	342

<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>Group share</i>	<i>Minority interests</i>	<i>Total</i>
1,990	(15)	714	15,863	22,451	1,061	23,512
(47)	133	44		41	(3)	38
			3,424	3,424	485	3,909
(47)	133	44	3,424	3,465	482	3,947
			50	50	3	53
			(12)	12	-	12
				94	-	94
				-	-	-
				-	8	8
			(1,448)	(1,448)	(317)	(1,765)
			(11)	(11)	(11)	(22)
			(39)	(39)	(26)	(65)
			(10)	(10)	(98)	(108)
1,943	118	758	17,817	24,564	1,102	25,666



PHOTOGRAPHS

Chaumet, Pol Baril.

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

LVMH – 22, avenue Montaigne – 75008 Paris – France
Tel.: 33 (0)1 44 13 22 22 – Fax: 33 (0)1 44 13 22 23 – www.lvmh.com

LVMH

MOËT HENNESSY ♦ LOUIS VUITTON