

# Christian Dior

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## **Strong growth in profit from recurring operations : + 15%**

The **Christian Dior Group** has had an excellent year in 2006, with record revenues in all of its business groups resulting in organic growth of 12%. Revenue rose to 16,016 million Euros. Despite the negative impact of exchange rates, profit from recurring operations rose to 3,209 million Euros, an increase of 15% over 2005's already strong performance. The operating margin for 2006 reached 20%.

Euro millions	2006	2005
Revenue	16,016	14,556
Profit from recurring operations	3,209	2,791
Net profit	2,133	1,654
<i>of which Group share</i>	797	618

**LVMH** revenue rose to 15,306 million Euros, showing organic growth of 12%. LVMH Group recorded a 16% growth in its profit from recurring operations, amounting to 3,172 million Euros. At constant exchange rates, growth in profit from recurring operations is 19%. The Group share of net profit increased by 30% in 2006, following growth of 21% in 2005. This increase is mainly attributable to the improvement in the LVMH Group's operating profitability and financial results.

Highlights of 2006 include an outstanding growth in Wines & Spirits, an exceptional operating margin at Louis Vuitton and another year of double-digit organic revenue growth, a tripling of the operating profitability of Watches & Jewelry, an excellent performance from Perfumes & Cosmetics led by Parfums Christian Dior, and a strong growth in revenue and profitability at Sephora.

**Christian Dior Couture's** revenue increased to 731 million Euros, up 10% at current exchange rates and 11% at constant exchange rates. The increase in revenue accelerated in the second half of the year (up 12% at constant exchange rates). This increased growth was particularly noticeable in the fourth quarter, where it was up 18% at constant exchange rates.

Profit from recurring operations rose to 56 million Euros. The increase in this profit, obtained in spite of continued sizeable investments and the less favorable exchange rates than those of 2005, confirms the strength of the development of the brand and the success of its products. The ready-to-wear for men, footwear and jewelry lines continue to develop strongly. The leather goods line has had significant success with the Gaucho and Cannage bags, the latter being launched at the end of the year. The boutiques network has now increased to 215 stores.

Following an excellent 2006, the **Christian Dior Group** is well positioned for 2007. The Group will continue its strategy of concentrating on internal growth and the development of its leading brands. The Group has set itself an objective of a significant growth in its results for 2007.

At the Annual General Meeting of Shareholders on May 10, 2007, Christian Dior will propose a dividend of 1.41 Euro per share, an increase of 22%. An interim dividend of 0.38 Euro per share was paid out on December 1st 2006. The balance of 1.03 Euro per share will be paid on May 15, 2007.

*"Certain information included in this release is forward looking and is subject to important risks and uncertainties and factors beyond our control or ability to predict, that could cause actual results to differ materially from those anticipated, projected or implied. It only reflects our views as of the date of this presentation. No undue reliance should therefore be based on any such information, it being also agreed that we undertake no commitment to amend or update it after the date hereof."*

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