Christian Dior

Translation of the French
Interim Financial Report

Six-month period ended
December 31, 2013

Contents

This interim financial report presents business activity for the first half of the fiscal year in progress, for which the fiscal year-end date is June 30, 2014.

The business activity as well as the results for the six-month period have been compared to those for the two-month fiscal year ended June 30, 2013 and the 12-month fiscal year ended April 30, 2013. Due to the short duration of the fiscal year ended June 30, 2013 and the seasonality of the Group's activities, these comparisons are not necessarily representative of changes over a longer period.

Business activity and interim financial statements of the Christian Dior group as of December 31, 2013

1- Consolidated results

Revenue by business group

(EUR millions)	**December 31, 2013** (6 months)	**June 30, 2013** (2 months)	**April 30, 2013** (12 months)
Christian Dior Couture	758	237	1,289
Wines and Spirits	2,379	541	4,208
Fashion and Leather Goods	5,171	1,600	9,936
Perfumes and Cosmetics	1,913	551	3,678
Watches and Jewelry	1,474	467	2,826
Selective Retailing	4,723	1,406	8,303
Other activities and eliminations	(231)	(34)	(359)
TOTAL	**16,187**	**4,768**	**29,881**

Profit from recurring operations by business group

(EUR millions)	**December 31, 2013** (6 months)	**June 30, 2013** (2 months)	**April 30, 2013** (12 months)
Christian Dior Couture	108	35	131
Wines and Spirits	828	134	1,330
Fashion and Leather Goods	1,643	517	3,220
Perfumes and Cosmetics	214	34	414
Watches and Jewelry	219	71	335
Selective Retailing	494	121	877
Other activities and eliminations	(102)	(31)	(217)
TOTAL	**3,404**	**881**	**6,090**

Revenue by geographic region of delivery

(as percentage)	**December 31, 2013** (6 months)	**June 30, 2013** (2 months)	**April 30, 2013** (12 months)
France	11	12	11
Europe (excluding France)	20	19	19
United States	20	23	22
Japan	7	7	8
Asia (excluding Japan)	29	29	29
Other markets	13	10	11
TOTAL	**100**	**100**	**100**

As of December 31, 2013, the Christian Dior group recorded consolidated revenue of 16,187 million euros. This was impacted by the depreciation of the Group's main invoicing currencies with respect to the euro, notably that of the Japanese yen.

Since June 30, 2013, the scope of consolidated activities changed as follows: in Fashion and Leather Goods, acquisition of 80% of Loro Piana on December 5, 2013 and 52% of the British luxury footwear company Nicholas Kirkwood on October 1, 2013; in Other activities, acquisition of Hotel Saint Barth Isle de France in September 2013. These changes in the scope of consolidation did not have a significant impact on the change in revenue for the six-month period.

By geographic region of delivery and compared to the period from May 1 to June 30, 2013, the relative contribution of the United States to Group revenue fell 3 points to 20%. The contribution of France fell 1 point to 11%. Japan and Asia (excluding Japan) remained stable, at 7% and 29% respectively. The contribution of Europe (excluding France) increased 1 point to reach 20%. Contributions from other markets increased by 3 points to 13%.

By business group and with respect to the period from May 1 to June 30, 2013, the breakdown of Group revenue changed as follows: the proportions accounted for by Christian Dior Couture, Perfumes and Cosmetics, and Selective Retailing remained stable, at 5%, 12% and 29% respectively; the proportion accounted for by Wines and Spirits rose by 3 points to 14%; the proportions accounted for by Fashion and Leather Goods and Watches and Jewelry were 1 point lower at 32% and 9% respectively.

The Group's gross margin was 10,624 million euros. As a percentage of revenue, the gross margin was 66%, identical to that of the fiscal year ended June 30, 2013.

Marketing and selling expenses totaled 6,024 million euros. These are essentially attributable to higher communications investments by the main brands and the development of the retail networks. The level of these expenses as a percentage of revenue was 37%, compared with 39% for the fiscal year ended June 30, 2013.

General and administrative expenses totaled 1,196 million euros. They represented 7% of revenue, slightly lower than the fiscal year ended June 30, 2013 when they represented 8% of revenue.

The Group's profit from recurring operations was 3,404 million euros. Operating margin as a percentage of revenue came to 21%.

The amount of other operating income and expenses was a net expense of 98 million euros as of December 31, 2013. This amount mainly comprises depreciation, amortization and impairment of brands, goodwill and property, plant and equipment.

The Group's operating profit was 3,306 million euros.

The net financial expense for the fiscal year was 152 million euros. This item comprises the aggregate cost of net financial debt, which amounted to 72 million euros, together with other financial income and expenses, which amounted to a net expense of 80 million euros.

The Group's effective tax rate for the period was 31.5%, compared to 31.9% as of June 30, 2013.

After taking into consideration income from investments in associates, representing 2 million euros as of December 31, 2013, net profit for the six-month period was 2,161 million euros.

Minority interests' share of net profit was 1,367 million euros. This relates mainly to minority interests in the results of LVMH SA, Moët Hennessy and DFS.

As of December 31, 2013, the Group share of net profit was 794 million euros.

2- Information by business group

To facilitate understanding of the figures, their change with respect to the pro forma figures from July 1 to December 31, 2012 is also presented (2012 pro forma figures were not subject to limited review procedures).

Compared to the same period in 2012, revenue growth by business group was as follows:

Revenue from **Christian Dior Couture** was 758 million euros, up 14% at actual exchange rates and 20% at constant exchange rates. The excellent performance of Maison Dior was spurred by the dynamism of Leather Goods, Men's and Women's Ready-to-Wear and Accessoires. Profit from recurring operations of Christian Dior Couture amounted to 108 million euros, up 32%.

Revenue for **Wines and Spirits** was stable at actual exchange rates and increased by 6% on a constant consolidation scope and currency basis. This performance was made possible by higher sales volumes and a sustained policy of price increases in line with the ongoing value-creation strategy. China is still the second largest market for the Wines and Spirits business group. Profit from recurring operations for Wines and Spirits was 828 million euros, up 8% compared to the same period in 2012. This performance was the result of both sales volume growth and a sustained policy of price increases. The operating margin as a percentage of revenue for this business group was 35%.

Fashion and Leather Goods revenue was up 5% on a constant consolidation scope and currency basis and down 2% based on published figures. This business group's performance continued to benefit from gains made by Louis Vuitton. Céline, Givenchy and Berluti confirmed their potential, delivering double-digit growth over the period. Fashion and Leather Goods posted profit from recurring operations of 1,643 million euros, down 6% compared to the same period in 2012. Louis Vuitton maintained its very high level of profitability, while Céline and Marc Jacobs confirmed their profitable growth momentum. The business group's operating margin as a percentage of revenue was 32%.

Revenue for **Perfumes and Cosmetics** increased by 7% on a constant consolidation scope and currency basis, and by 1% based on published figures. This growth confirmed the effectiveness of the value-enhancing strategy resolutely pursued by the Group's brands in the face of competitive pressures spawned on the markets by the economic crisis. The Perfumes and Cosmetics business group saw appreciable revenue growth in the United States and Asia. Profit from recurring operations for the business group was 214 million euros, up 1% compared to the same period in 2012. This growth was driven notably by Benefit, Fresh and Make Up For Ever, all of which posted improved results thanks to the success of their flagship product lines and strong innovative momentum. The business group's operating margin as a percentage of revenue was 11%.

Revenue for **Watches and Jewelry** increased by 6% on a constant consolidation scope and currency basis, and fell 1% based on published figures. Economic uncertainty and an intensely competitive market caused a slowdown in purchases by multibrand watch retailers. For all of the business group's brands, Japan was the most dynamic region. Profit from recurring operations for the business group was 219 million euros, up 25% compared to the same period in 2012. The business group's operating margin as a percentage of revenue was 15%.

Based on published figures, revenue for **Selective Retailing** increased by 10%, and by 16% on a constant consolidation scope and currency basis. The main drivers of this performance were Sephora, which saw very appreciable growth in revenue across all world regions, and DFS, which made excellent progress, spurred by the integration as of end-2012 of three major concessions at the Hong Kong airport, and by the continuing development of Chinese tourism boosting business at its stores in Hong Kong and Macao. Profit from recurring operations for Selective Retailing was 494 million euros, up 3% compared to the same period in 2012. The operating margin as a percentage of revenue was 10%.

Comments on the concepts of constant scope and currency

The impact of exchange rate fluctuations is determined by translating the accounts for the period of subsidiaries having a functional currency other than the euro at the prior comparable period's exchange rates, to the exclusion of any other restatements.
The impact of changes in the scope of consolidation is determined by deducting:

- for the six-month period's acquisitions, revenue generated during the six-month period by the acquired entities, as of their initial consolidation;
- for the prior comparable period's acquisitions, revenue for the six-month period generated over the months of the prior comparable period during which the acquired entities were not yet consolidated.

And by adding:

- for the six-month period's disposals, prior comparable period revenue generated over the months of the current six-month period during which the entities were no longer consolidated;
- for the prior comparable period's disposals, prior comparable period revenue generated by the entities sold.

3- Comments on the consolidated balance sheet

(*EUR billions*)	December 31, 2013 (6 months)	June 30, 2013 (2 months)	Change
Tangible and intangible fixed assets	34.9	32.1	2.8
Other non-current assets	8.6	8.3	0.3
Non-current assets	**43.5**	**40.4**	**3.1**
Inventories	8.8	8.8	-
Other current assets	7.8	5.9	1.9
Current assets	**16.6**	**14.7**	**1.9**
ASSETS	**60.1**	**55.1**	**5.0**

(*EUR billions*)	December 31, 2013 (6 months)	June 30, 2013 (2 months)	Change
Equity	29.2	28.1	1.1
Non-current liabilities	18.1	16.4	1.7
Equity and non-current liabilities	**47.3**	**44.5**	**2.8**
Short-term borrowings	5.5	4.4	1.1
Other current liabilities	7.3	6.2	1.1
Current liabilities	**12.8**	**10.6**	**2.2**
LIABILITIES AND EQUITY	**60.1**	**55.1**	**5.0**

The consolidated balance sheet of the Christian Dior group totaled 60.1 billion euros as of December 31, 2013, representing a 9% increase from June 30, 2013. Non-current assets, which rose by 3.1 billion euros, represented 72% of total assets, slightly lower compared to June 30, 2013.

Tangible and intangible fixed assets grew by 2.8 billion euros, of which 1.9 billion euros were linked to the acquisition of Loro Piana, mainly corresponding to provisional goodwill. Investments for the six-month period, net of disposals as well as amortization and depreciation charges, represented an additional increase of 0.5 billion euros. The comments on the cash flow statement provide further information about investments. The revaluation of purchase commitments for minority interests, reflecting in particular the strong performance of the business activities to which those commitments correspond, led to a 0.1 billion euro increase in the amount of goodwill. Finally, the market value of vineyard land rose by 0.4 billion euros. Conversely, exchange rate fluctuations generated a 0.3 billion euro decrease in the value of tangible and intangible fixed assets.

Other non-current assets increased by 0.3 billion euros, mainly due to an increase in the value of the investment in Hermès International, following the change in share price (263.5 euros as of December 31, 2013, compared to 248 euros as of June 30, 2013); at fiscal year-end, the 23.1% stake in Hermès amounted to 6.4 billion euros.

Inventories were stable compared to June 30, 2013. The comments on the cash flow statement provide further information about inventories.

Other current assets grew by 1.9 billion euros, of which 1.3 billion euros were related to the increased cash balance, and 0.4 billion euros resulted from the increase in trade accounts receivable.

Non-current liabilities, totaling 18.1 billion euros, increased by 1.7 billion euros, due mainly to the increased liability in respect of purchase commitments for minority interests in the amount of 0.8 billion euros. This increase included 0.5 billion euros relating to the recognition of the commitment granted to the minority shareholders of Loro Piana for the acquisition of the 20% stake they hold in the company. Long-term financial debt rose by 0.8 billion euros compared to June 30, 2013.

Other current liabilities increased by 1.1 billion euros, totaling 7.3 billion euros, of which 0.4 billion euros were related to the increase in trade accounts payable and 0.3 billion euros due to increased social and tax liabilities.

Net financial debt and equity

(EUR billions)	December 31, 2013 (6 months)	June 30, 2013 (2 months)	Change
Long-term borrowings	5.1	4.1	1.0
Short-term borrowings and derivatives	5.3	4.4	0.9
Gross borrowings after derivatives	**10.4**	**8.5**	**1.9**
Cash and cash equivalents, and current available for sale financial assets	3.5	2.2	1.3
Net financial debt	**6.9**	**6.3**	**0.6**
Equity	29.2	28.1	1.1
Net financial debt / Total equity ratio	**23.6%**	**22.3%**	**+1.3 pts**

The ratio of net financial debt to equity was 23.6% as of December 31, 2013, rising 1.3 points from June 30, 2013. The growth in equity was less rapid than that of net financial debt, notably as a result of the acquisitions for the period, particularly that of Loro Piana.

Total equity amounted to 29.2 billion euros at end-2013, representing an increase of 1.1 billion euros compared to June 30, 2013. This change reflects in the first place the strong results achieved by the Group, distributed only partially, representing a net increase of 1.4 billion euros. In addition to this, a net gain of 0.5 billion was recorded in equity, which is the combined effect of a gain of 0.4 billion euros related to the increase in the value of the investment in Hermès International, a gain of 0.2 billion reflecting the increase in the market value of vineyard land and a loss of 0.3 billion euros due to the effect of exchange rate fluctuations on the reserves of entities reporting in foreign currency. Moreover, changes in the scope of consolidation had a negative impact of 0.9 billion euros, notably due to the recognition of the purchase commitment for the 20% stake that has not been purchased in Loro Piana. As of December 31, 2013, total equity accounted for 49% of the balance sheet total, compared to 51% as of June 30, 2013.

Gross borrowings after derivatives totaled 10.4 billion euros at end-2013, representing a 1.9 billion euro increase compared to June 30, 2013.

Bond issuance amounted to 2.5 billion euros over the period. During the six-month period, LVMH SA issued a three-year bond under its EMTN program with a nominal value of 0.5 billion euros, as well as a public bond with a nominal value of 0.6 billion euros maturing in seven years. Commercial paper outstanding increased by 0.8 billion euros, with the remaining 0.6 billion euros corresponding to the issue and subscription of other debt.

Conversely, repayments of borrowings amounted to 0.6 billion euros, including a portion of the debt comprising foreign currency-denominated private placements and the bond with a nominal value of 0.3 billion Swiss francs issued in 2007, as well as miscellaneous bank borrowings.

Exchange rate fluctuations led to a 0.2 billion euro reduction in gross borrowings, offset by the consolidation of Loro Piana's borrowings, totaling 0.2 billion euros.

Cash and cash equivalents and current available for sale financial assets totaled 3.5 billion euros at the end of the period, up 1.3 billion euros from 2.2 billion euros as of June 30, 2013.

As of end-2013, undrawn confirmed credit lines amounted to 5.4 billion euros, substantially exceeding the outstanding portion of the commercial paper program, which came to 2.3 billion euros as of December 31, 2013.

4- Comments on the consolidated cash flow statement

The consolidated cash flow statement, presented in the consolidated financial statements, provides details of the main financial flows in the periods presented.

(EUR millions)	December 31, 2013 (6 months)	June 30, 2013 (2 months)
Cash from operations before changes in working capital	**4,202**	**1,092**
Cost of net financial debt: interest paid	(74)	(43)
Income taxes paid	(1,031)	(532)
Net cash from operating activities before changes in working capital	**3,097**	**517**
Total change in working capital	346	(144)
Operating investments	(1,010)	(333)
Free cash flow	**2,433**	**40**
Financial investments	(2,177)	(24)
Transactions related to equity	(898)	(130)
Change in cash before financing activity	**(642)**	**(114)**

Cash from operations before changes in working capital totaled 4,202 million euros for the period.

Net cash from operating activities before changes in working capital (i.e. after interest and income taxes paid) amounted to 3,097 million euros.

Interest paid came to 74 million euros.

Income taxes paid amounted to 1,031 million euros for the period.

Working capital requirements improved by 346 million euros. While the change in inventories, mainly in Champagne, Fashion and Leather Goods, and at Sephora, in addition to the change in trade accounts receivable, essentially in Wines and Spirits and Perfumes and Cosmetics, generated cash requirements of 87 and 464 million euros, the increase in trade accounts receivable and other receivables and payables generated resources of 433 and 464 million euros respectively. These changes reflect the seasonality of the Group's activities given the specific nature of the distribution profiles used by the various business groups.

The net cash inflow from operating activities thus amounted to 3,443 million euros.

Operating investments net of disposals resulted in a net cash outflow of 1,010 million euros. They consisted mainly of investments by Louis Vuitton, Sephora, DFS, Bulgari, Berluti and Christian Dior Couture in their retail networks, investments by the Group's champagne houses in their production facilities, and investments by Parfums Christian Dior in its counters.

The net cash inflow from operating activities and operating investments (free cash flow) thus amounted to 2,433 million euros for the first half of fiscal year 2013/2014.

Purchases of financial investments, net of disposals, and the net amount of purchases and disposals of consolidated investments accounted for a 2,177 million euro outflow for the period, of which 2,126 million euros for purchases of consolidated investments. These included the purchase of an 80% stake in Loro Piana, representing a 1,982 million euro investment, net of cash required, with the remainder related to purchases of Hotel Saint Barth Isle de France and a 52% stake in the British luxury footwear company Nicholas Kirkwood.

Transactions relating to equity generated an outflow of 898 million euros. A portion of this amount, 719 million euros, corresponds to dividends paid out. Purchases of Christian Dior shares carried out by the Group, net of disposals, generated an outflow of 53 million euros. Capital increases subscribed by minority interests in consolidated subsidiaries generated an inflow of 7 million euros, while acquisitions of minority interests led to a net outflow of 133 million euros over the period, corresponding mainly to the acquisition of an additional stake in Marc Jacobs and movements in LVMH treasury shares.

The net cash outflow after all operating, investment, and equity-related activities thus amounted to 642 million euros.

The net cash inflow from financing activities amounted to 1,919 million euros. New issues and subscriptions generated an inflow of 2,464 million euros, while borrowings and financial debt were repaid over the period in the amount of 638 million euros. Disposals of current available for sale financial assets, net of acquisitions, represented a net cash inflow of 93 million euros for the six-month period.

At the close of operations for the six-month period, net cash and cash equivalents totaled 2,948 million euros, up 1,283 million euros compared to June 30, 2013.

Condensed consolidated financial statements

for the six-month period ended December 31, 2013

Financial highlights

Key consolidated data

(EUR millions and as %)	Dec. 31, 2013 (6 months)	June 30, 2013 (2 months)	April 30, 2013 (12 months)
Revenue	16,187	4,768	29,881
Profit from recurring operations	3,404	881	6,090
Net profit	2,161	566	3,931
Net profit, Group share	794	216	1,431
Cash from operations before changes in working capital (1)	4,202	1,092	7,464
Operating investments arising from change in net cash position	1,010	333	1,937
Free cash flow (2)	2,433	40	2,473
Equity (3)	29,225	28,106	27,867
Net financial debt (4)	6,881	6,277	6,237
Net financial debt / Total equity ratio	24%	22%	22%

(1) Before tax and interest paid.
(2) Net cash from operating activities and operating investments.
(3) Including minority interests.
(4) Net financial debt does not take into consideration purchase commitments for minority interests included in "Other non-current liabilities" (see Note 20 of the notes to the condensed consolidated financial statements).

Data per share

(EUR)	Dec. 31, 2013 (6 months)	June 30, 2013 (2 months)	April 30, 2013 (12 months)
Earnings per share			
Basic Group share of net profit per share	4,45	1,21	8,00
Diluted Group share of net profit per share	4,41	1,20	7,90
Dividend per share			
Interim	1,20	-	1,10
Final	-	-	1,80
Gross amount decided for fiscal year (5)	**1,20**	-	**2,90**

(5) Excludes the impact of tax regulations applicable to the beneficiaries.

Consolidated income statement

(EUR millions, except for earnings per share)	*Notes*	**Dec. 31, 2013** (6 months)	**June 30, 2013** (2 months)	**April 30, 2013** (12 months)
Revenue	*23*	**16 187**	**4 768**	**29 881**
Cost of sales		(5 563)	(1 639)	(10 325)
Gross margin		**10 624**	**3 129**	**19 556**
Marketing and selling expenses		(6 024)	(1 854)	(11 162)
General and administrative expenses		(1 196)	(394)	(2 304)
Profit from recurring operations	*23-24*	**3 404**	**881**	**6 090**
Other operating income and expenses	*25*	(98)	(21)	(119)
Operating profit		**3 306**	**860**	**5 971**
Cost of net financial debt		(72)	(34)	(166)
Other financial income and expense		(80)	3	37
Net financial income (expense)	*26*	**(152)**	**(31)**	**(129)**
Income taxes	*27*	(995)	(264)	(1 916)
Income (loss) from investments in associates	*7*	2	1	5
Net profit before minority interests		**2 161**	**566**	**3 931**
Minority interests	*17*	1 367	350	2 500
Net profit, Group share		**794**	**216**	**1 431**
Basic Group share of net profit per share *(EUR)*	*28*	**4,45**	**1,21**	**8,00**
Number of shares on which the calculation is based		178 597 020	178 673 923	178 959 445
Diluted Group share of net profit per share *(EUR)*	*28*	**4,41**	**1,20**	**7,90**
Number of shares on which the calculation is based		179 663 779	179 724 966	179 964 904

Consolidated statement of comprehensive gains and losses

(EUR millions)	Dec. 31, 2013 (6 months)	June 30, 2013 (2 months)	April 30, 2013 (12 months)
Net profit before minority interests	**2 161**	**566**	**3 931**
Translation adjustments	(229)	(78)	(79)
Tax impact	(39)	(5)	(3)
	(268)	**(83)**	**(82)**
Change in value of available for sale financial assets	430	(224)	(222)
Amounts transferred to income statement	(7)	(7)	(10)
Tax impact	(3)	12	(4)
	420	**(219)**	**(236)**
Change in value of hedges of future foreign currency cash flows	225	11	195
Amounts transferred to income statement	(149)	(38)	(66)
Tax impact	(20)	1	(35)
	56	**(26)**	**94**
Gains and losses recognized in equity, transferable to income statement	**208**	**(328)**	**(224)**
Change in value of vineyard land	369	-	83
Tax impact	(127)	-	(27)
	242	**-**	**56**
Change in value of employee benefits	34	9	(40)
Tax impact	(9)	(2)	13
	25	**7**	**(27)**
Gains and losses recognized in equity, not transferable to income statement	**267**	**7**	**29**
Gains and losses recognized in equity	**475**	**(321)**	**(195)**
Comprehensive income	**2 636**	**245**	**3 736**
Minority interests	1 648	161	2 397
COMPREHENSIVE INCOME, GROUP SHARE	**988**	**84**	**1 339**

Consolidated balance sheet

ASSETS *(EUR millions)*	*Notes*	Dec. 31, 2013 (6 months)	June 30, 2013 (2 months)	April 30, 2013 (12 months)
Brands and other intangible assets, net	*3*	14 150	14 174	14 210
Goodwill, net	*4*	10 587	8 584	8 998
Property, plant and equipment, net	*6*	10 158	9 354	9 286
Investments in associates	*7*	155	166	167
Non-current available for sale financial assets	*8*	7 089	6 665	6 853
Other non-current assets	*9*	456	491	497
Deferred tax		952	910	950
Non-current assets		**43 547**	**40 344**	**40 961**
Inventories and work in progress	*10*	8 812	8 797	8 774
Trade accounts receivable	*11*	2 245	1 837	1 828
Income taxes		250	241	214
Other current assets	*12*	1 906	1 769	1 910
Cash and cash equivalents	*14*	3 376	2 070	1 925
Current assets		**16 589**	**14 714**	**14 651**
TOTAL ASSETS		**60 136**	**55 058**	**55 612**

Liabilities and equity *(EUR millions)*	*Notes*	Dec. 31, 2013 (6 months)	June 30, 2013 (2 months)	April 30, 2013 (12 months)
Share capital		363	363	363
Share premium account		2 205	2 205	2 205
Christian Dior treasury shares		(305)	(252)	(263)
Cumulative translation adjustment		(7)	82	114
Revaluation reserves		1 630	1 347	1 446
Other reserves		6 751	7 052	5 618
Basic Group share of net profit per share		794	216	1 431
Equity, Group share	*15*	**11 431**	**11 013**	**10 914**
Minority interests	*17*	17 794	17 093	16 953
Total equity		**29 225**	**28 106**	**27 867**
Long-term borrowings	*18*	5 076	4 230	4 700
Non-current provisions	*19*	1 770	1 763	1 731
Deferred tax		4 849	4 784	4 870
Other non-current liabilities	*20*	6 400	5 657	6 024
Non-current liabilities		**18 095**	**16 434**	**17 325**
Short-term borrowings	*18*	5 470	4 392	3 834
Trade accounts payable		3 388	2 983	3 089
Income taxes		412	323	432
Current provisions	*19*	352	341	368
Other current liabilities	*21*	3 194	2 479	2 697
Current liabilities		**12 816**	**10 518**	**10 420**
TOTAL LIABILITIES AND EQUITY		**60 136**	**55 058**	**55 612**

Consolidated statement of changes in equity

(EUR millions)	Share capital: Number of shares	Share capital	Share premium account	Treasury shares and related derivatives	Cumulative translation adjustment	Revaluation reserve: Available for sale financial assets	Revaluation reserve: Hedges of future foreign currency cash flows	Revaluation reserve: Vineyard land	Revaluation reserve: Employee benefit commitments	Net profit and other reserves	Total equity: Group share	Total equity: Minority interests	Total equity: Total
Notes		*15.1*		*15.2*	*15.4*							*17*	
As of April 30, 2012	**181 727 048**	**363**	**2 205**	**(152)**	**153**	**1 203**	**7**	**298**	**(6)**	**5 996**	**10 067**	**15 837**	**25 904**
Gains and losses recognized in equity					(39)	(99)	37	18	(9)	-	(92)	(103)	(195)
Net profit										1 431	1 431	2 500	3 931
Comprehensive income					(39)	(99)	37	18	(9)	1 431	1 339	2 397	3 736
Stock option plan and similar expenses										25	25	26	51
(Acquisition) / disposal of treasury shares and related derivatives				(111)	-	-	-	-		(1)	(112)	-	(112)
Capital increase in subsidiaries										-	-	8	8
Interim and final dividends paid										(394)	(394)	(1 135)	(1 529)
Changes in control of consolidated entities										(5)	(5)	(6)	(11)
Acquisition and disposal of minority interests' shares						(2)		(1)	-	(21)	(24)	(52)	(76)
Purchase commitments for minority interests' shares										18	18	(122)	(104)
As of April 30, 2013	**181 727 048**	**363**	**2 205**	**(263)**	**114**	**1 102**	**44**	**315**	**(15)**	**7 049**	**10 914**	**16 953**	**27 867**
Gains and losses recognized in equity					(33)	(91)	(11)	-	3	-	(132)	(189)	(321)
Net profit										216	216	350	566
Comprehensive income					(33)	(91)	(11)	-	3	216	84	161	245
Stock option plan and similar expenses										3	3	2	5
(Acquisition) / disposal of treasury shares and related derivatives				11	-	-	-	-		1	12	-	12
Capital increase in subsidiaries										-	-	2	2
Interim and final dividends paid										-	-	(10)	(10)
Changes in control of consolidated entities										-	-	-	-
Acquisition and disposal of minority interests' shares					1	(1)	1	-	-	(3)	(2)	18	16
Purchase commitments for minority interests' shares										2	2	(33)	(31)
As of June 30, 2013	**181 727 048**	**363**	**2 205**	**(252)**	**82**	**1 010**	**34**	**315**	**(12)**	**7 268**	**11 013**	**17 093**	**28 106**
Gains and losses recognized in equity					(89)	176	21	78	8	-	194	281	475
Net profit										794	794	1 367	2 161
Comprehensive income					(89)	176	21	78	8	794	988	1 648	2 636
Stock option plan and similar expenses										13	13	14	27
(Acquisition) / disposal of treasury shares and related derivatives				(53)	-	-	-	-	-	-	(53)	-	(53)
Capital increase in subsidiaries										-	-	8	8
Interim and final dividends paid										(321)	(321)	(407)	(728)
Changes in control of consolidated entities				-	-	-	-	-		-	-	51	51
Acquisition and disposal of minority interests' shares										(40)	(40)	(87)	(127)
Purchase commitments for minority interests' shares										(169)	(169)	(526)	(695)
As of December 31, 2013	**181 727 048**	**363**	**2 205**	**(305)**	**(7)**	**1 186**	**55**	**393**	**(4)**	**7 545**	**11 431**	**17 794**	**29 225**

Consolidated cash flow statement

(EUR millions)	*Notes*	Dec. 31, 2013 (6 months)	June 30, 2013 (2 months)	April 30, 2013 (12 months)
I OPERATING ACTIVITIES AND OPERATING INVESTMENTS				
Operating profit		3 306	860	5 971
Net increase in depreciation, amortization and provisions		866	239	1 406
Other computed expenses		49	(29)	(50)
Dividends received		15	31	189
Other adjustments		(34)	(9)	(52)
Cash from operations before changes in working capital		**4 202**	**1 092**	**7 464**
Cost of net financial debt: interest paid		(74)	(43)	(186)
Income taxes paid		(1 031)	(532)	(1 952)
Net cash from operating activities before changes in working capital		**3 097**	**517**	**5 326**
Total change in working capital	*14.1*	346	(144)	(916)
Net cash from operating activities		3 443	**373**	**4 410**
Operating investments	*14.2*	(1 010)	(333)	(1 937)
Net cash from operating activities and operating investments (free cash flow)		**2 433**	**40**	**2 473**
II FINANCIAL INVESTMENTS				
Purchase of non-current available for sale financial assets	*8*	(68)	(42)	(245)
Proceeds from sale of non-current available for sale financial assets	*8*	17	17	25
Impact of purchase and sale of consolidated investments	*2*	(2 126)	1	(44)
Net cash from (used in) financial investments		**(2 177)**	**(24)**	**(264)**
III TRANSACTIONS RELATING TO EQUITY				
Capital increases of subsidiaries subscribed by minority interests	*17*	7	2	8
Acquisition and disposals of treasury shares and related derivatives by the Group	*15.2*	(53)	(65)	(40)
Interim and final dividends paid by Christian Dior SA	*15.3*	(321)	-	(395)
Interim and final dividends paid to minority interests in consolidated subsidiaries	*17*	(398)	(83)	(1 066)
Purchase and proceeds from sale of minority interests	*2*	(133)	16	(215)
Net cash from (used in) transactions relating to equity		**(898)**	**(130)**	**(1 708)**
IV FINANCING ACTIVITIES				
Proceeds from borrowings		2 464	855	1 260
Repayment of borrowings		(638)	(621)	(1 435)
Purchase and proceeds from sale of current available for sale financial assets	*13*	93	(3)	(16)
Net cash from (used in) financing activities		**1 919**	**231**	**(191)**
V EFFECT OF EXCHANGE RATE CHANGES		**6**	**22**	**29**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (I+II+III+IV+V)		**1 283**	**139**	**339**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	*14*	**1 665**	**1 526**	**1 187**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	*14*	**2 948**	**1 665**	**1 526**
Transactions included in the table above, generating no change in cash:				
- acquisition of assets by means of finance leases		**7**	**5**	**9**

Notes to the condensed consolidated financial statements

1. ACCOUNTING POLICIES

1.1. General framework and environment

The condensed consolidated financial statements for the first half-year of fiscal year 2013/2014 covering the period from July 1, 2013 to December 31, 2013 were approved for publication by the Board of Directors on February 13, 2014.

The comparability of this half-year period ended December 31, 2013 with the two fiscal years presented (June 30, 2013 and April 30, 2013) is impacted by the fact that these fiscal years correspond to distinct periods with respective durations of 2 months and 12 months. Business activity is seasonal, with the Group generating a higher volume of business in the second half of the calendar year than that of the first six months.

These financial statements were established in accordance with IAS 34 relating to the preparation of interim financial statements in addition to international accounting standards and interpretations (IAS/IFRS) adopted by the European Union and applicable on December 31, 2013; these standards and interpretations have been applied consistently to the periods presented. The interim financial statements were prepared based on the same policies and methods used for the preparation of the annual financial statements.

1.2. Changes in the accounting framework applicable to the Group

Standards, amendments and interpretations for which application will be mandatory for fiscal years commencing as from January 1, 2014

The main standards, amendments and interpretations applicable to the Group as from July 1, 2014 are IFRS 10, IFRS 11 and IFRS 12 as they relate to consolidation. These standards redefine the concept of the control of entities, eliminating the possibility to use proportional consolidation to consolidate jointly controlled entities which will be accounted for uniquely using the equity method, and introducing additional disclosure requirements in the notes to the consolidated financial statements.

The application of these standards will not have any material impact on the Group's consolidated financial statements, as proportionately consolidated entities represent only a small portion of the Group's financial statements. As these entities are fully integrated within the Group's operating activities, the Christian Dior group will disclose their net profit, as well as that of entities currently accounted for using the equity method (see Note 7), on a specific line within profit from recurring operations.

The consolidation method of distribution subsidiaries jointly owned with the Diageo group will not be impacted.

Other changes in standards and interpretations

The Group receives information on the progress of ongoing discussions held at IFRIC and IASB related to the recognition of purchase commitments for minority interests' shares and changes in their amount.

The Group also monitors developments with regard to the exposure draft on accounting for lease commitments.

2. CHANGES IN THE PERCENTAGE INTEREST IN CONSOLIDATED ENTITIES

2.1. Fashion and Leather Goods

Loro Piana

In July 2013 LVMH signed a memorandum of understanding for the acquisition of an 80% stake in the Italian company Loro Piana, which makes and sells luxury fabrics, clothing, and accessories. On December 5, 2013, pursuant to that memorandum of understanding, LVMH acquired 80% of Loro Piana for 1,987 million euros. Loro Piana was fully consolidated with effect from December 5, 2013. The 20% of the share capital that has not been acquired is covered by reciprocal undertakings to buy and sell, exercisable no later than three years from December 5, 2013. The difference in value between the purchase commitment (recorded in Other non-current liabilities, see Note 20) and the minority interest in Loro Piana, i.e. 428 million euros, was deducted from the Group's equity.

The following table lays out the provisional allocation of the price paid by the Group on December 5, 2013, the date of acquisition of the controlling interest. Due to the short period of time between the transaction date and the date on which the Group's financial statements were approved for publication, Loro Piana was consolidated based on the financial statements prepared by Loro Piana as of the date of acquisition of the controlling interest, using its historical accounting policies and methods, without any adjustments or remeasurements required under IFRS 3 Business Combinations. The amounts retained are presented below:

(EUR millions)	**Provisional allocation of acquisition price**
Tangible and intangible fixed assets, net	159
Other non-current assets	11
Non-current provisions	(18)
Current assets	382
Current liabilities	(203)
Net financial debt	(127)
Deferred tax	49
Net assets acquired, excluding fair value adjustment in accordance with IFRS 3 rules	**253**
Minority interests (20%) [(a)]	(51)
Group share of net assets (80%), excluding fair value adjustment in accordance with IFRS 3 rules	**202**
Provisional goodwill	1 785
Carrying amount of the stake held as of December 5, 2013	**1 987**

(a) Minority interests have been recognized on the basis of net assets acquired.

Loro Piana acquisition expenses were recognized in Other operating income and expenses; they represent a total amount of 9 million euros, see Note 25. The acquisition of Loro Piana generated an outlay of 1,982 million euros, net of cash acquired in the amount of 5 million euros. For full-year 2013, based on estimated data, Loro Piana had consolidated revenue of 686 million euros, profit from recurring operations of 103 million euros and net profit of 60 million euros.

Nicholas Kirkwood

In September 2013, LVMH acquired a 52% stake in British luxury footwear company Nicholas Kirkwood. This entity was consolidated with effect from October 1, 2013. The rest of the company's share capital is covered by reciprocal undertakings to buy and sell, mainly exercisable from 2020.

2.2. Other activities

In August 2013, the Group acquired 100% of Hotel Saint-Barth Isle de France, which owns and operates a luxury hotel located on the island of Saint-Barthélemy (French West Indies). This entity was consolidated with effect from September 2013.

In June 2013, LVMH acquired a 80% stake in Cova, a patisserie business based in Milan (Italy) which is also present in Asia through its franchisee network. This entity was consolidated with effect from July 1, 2013.

3. BRANDS, TRADE NAMES AND OTHER INTANGIBLE ASSETS

	December 31, 2013 (6 months)			June 30, 2013 (2 months)	April 30, 2013 (12 months)
(EUR millions)	Gross	Amortization and impairment	Net	Net	Net
Brands	11,929	(519)	11,410	11,420	11,444
Trade names	3,257	(1,324)	1,933	2,024	2,025
License rights	22	(22)	-	-	-
Leasehold rights	654	(313)	341	306	310
Software, web sites	926	(685)	241	199	203
Other	513	(288)	225	225	228
TOTAL	**17,301**	**(3,151)**	**14,150**	**14,174**	**14,210**
Of which:					
Assets held under finance leases	14	(14)	-	-	-

Movements during the six-month period in the net amounts of brands, trade names and other intangible assets were as follows:

Gross value *(EUR millions)*	Brands	Trade names	Software, web sites	Leasehold rights	Other intangible assets	TOTAL
As of June 30, 2013	**11,940**	**3,416**	**810**	**591**	**532**	**17,289**
Acquisitions	-	-	74	24	50	148
Disposals and retirements	-	-	(12)	(6)	(36)	(54)
Changes in the scope of consolidation	7	-	47	46	10	110
Translation adjustment	(18)	(159)	(11)	(2)	(4)	(194)
Other movements, including transfers	-	-	18	1	(17)	2
AS OF DECEMBER 31, 2013	**11,929**	**3,257**	**926**	**654**	**535**	**17,301**

Amortization and impairment *(EUR millions)*	Brands	Trade names	Software, web sites	Leasehold rights	Other intangible assets	TOTAL
As of June 30, 2013	**(520)**	**(1,392)**	**(611)**	**(285)**	**(307)**	**(3,115)**
Amortization expense	(13)	-	(53)	(19)	(38)	(123)
Impairment expense	-	-	-	(1)	(1)	(2)
Disposals and retirements	-	-	12	7	34	53
Changes in the scope of consolidation	-	-	(41)	(14)	(5)	(60)
Translation adjustment	6	68	7	-	5	86
Other movements, including transfers	8	-	1	(1)	2	10
AS OF DECEMBER 31, 2013	**(519)**	**(1,324)**	**(685)**	**(313)**	**(310)**	**(3,151)**
NET CARRYING AMOUNT AS OF DECEMBER 31, 2013	**11,410**	**1,933**	**241**	**341**	**225**	**14,150**

The translation adjustment relates mainly to values of intangible assets recognized in US dollars, given changes in exchange rates between the US dollar and the euro during the six-month period. This affected in particular the DFS Galleria trade name and the Donna Karan brand.

4. GOODWILL

(EUR millions)	December 31, 2013 (6 months) Gross	Impairment	Net	June 30, 2013 (2 months) Net	April 30, 2013 (12 months) Net
Goodwill arising on consolidated investments	8 947	(1 219)	7 728	5 875	5 896
Goodwill arising on purchase commitments for minority interests	2 862	(3)	2 859	2 709	3 102
TOTAL	**11 809**	**(1 222)**	**10 587**	**8 584**	**8 998**

Changes in net goodwill during the periods presented break down as follows:

(EUR millions)	December 31, 2013 (6 months) Gross	Impairment	Net	June 30, 2013 (2 months) Net	April 30, 2013 (12 months) Net
At beginning of period	**9 796**	**(1 212)**	**8 584**	**8 998**	**7 860**
Changes in the scope of consolidation	1 934	-	1 934	1	48
Changes in purchase commitments for minority interests	139	-	139	(407)	1 114
Changes in impairment	-	(37)	(37)	(6)	(27)
Translation adjustment	(60)	34	(26)	(2)	3
Reclassifications	-	(7)	(7)	-	-
AT END OF PERIOD	**11 809**	**(1 222)**	**10 587**	**8 584**	**8 998**

Changes in the scope of consolidation in the first half of fiscal year 2013/2014 were mainly attributable to provisional goodwill arising on the acquisition of Loro Piana for 1,785 million euros, and to the provisional goodwill arising on the consolidation of Hotel Saint-Barth Isle de France, Nicholas Kirkwood and Cova for the remaining amount (see Note 2).

Please refer also to Note 20 for goodwill arising on purchase commitments for minority interests.

5. IMPAIRMENT TESTING OF INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES

Brands, trade names, and other intangible assets with indefinite useful lives as well as the goodwill arising on acquisition were subject to impairment testing as of December 31, 2013. No significant impairment expense was recognized for the first half of fiscal year 2013/2014, since no indication of impairment had been identified.

6. PROPERTY, PLANT AND EQUIPMENT

(EUR millions)	December 31, 2013 (6 months) Gross	Depreciation and impairment	Net	June 30, 2013 (2 months) Net	April 30, 2013 (12 months) Net
Land	1 221	(55)	1 166	1 209	1 211
Vineyard land and producing vineyards	2 419	(84)	2 335	1 966	1 970
Buildings	2 710	(1 299)	1 411	1 392	1 393
Investment property	650	(42)	608	604	606
Leaseholds improvements, machinery and equipment	7 513	(4 730)	2 783	2 352	2 325
Assets in progress	814	-	814	791	744
Other tangible fixed assets	1 622	(581)	1 041	1 040	1 037
TOTAL	**16 949**	**(6 791)**	**10 158**	**9 354**	**9 286**
Of which:					
Assets held under finance leases	281	(172)	109	105	106
Historical cost of vineyard land and producing vineyards	661	(84)	577	572	574

Movements in property, plant and equipment during the six-month period break down as follows:

Gross value (EUR millions)	Vineyard land and producing vineyards	Land and buildings	Investment property	Leaseholds improvements, machinery and equipment: Stores	Production, logistics	Other	Assets in progress	Other tangible fixed assets	TOTAL
As of June 30, 2013	**2,048**	**4,084**	**677**	**3,812**	**1,673**	**983**	**791**	**1,690**	**15,758**
Acquisitions	5	87	10	399	43	76	321	39	**980**
Change in the market value of vineyard land	369	-	-	-	-	-	-	-	**369**
Disposals and retirements	-	(47)	(2)	(127)	(25)	(36)	(1)	(39)	**(277)**
Changes in the scope of consolidation	-	72	-	111	180	48	-	2	**413**
Translation adjustment	(9)	(71)	(11)	(151)	(11)	(26)	(18)	(36)	**(333)**
Other movements, including transfers	6	(194)	(24)	497	29	38	(279)	(34)	**39**
AS OF DECEMBER 31, 2013	**2,419**	**3,931**	**650**	**4,541**	**1,889**	**1,083**	**814**	**1,622**	**16,949**

Depreciation and impairment (EUR millions)	Vineyard land and producing vineyards	Land and buildings	Investment property	Leaseholds improvements, machinery and equipment: Stores	Production, logistics	Other	Assets in progress	Other tangible fixed assets	TOTAL
As of June 30, 2013	**(82)**	**(1,483)**	**(73)**	**(2,334)**	**(1,095)**	**(687)**	**-**	**(650)**	**(6,404)**
Depreciation expense	(3)	(66)	(4)	(282)	(63)	(61)	-	(41)	**(520)**
Impairment expense	-	(1)	-	(2)	(1)	-	(8)	-	**(12)**
Disposals and retirements	-	44	2	126	25	35	1	41	**274**
Changes in the scope of consolidation	-	(34)	-	(64)	(159)	(26)	-	(2)	**(285)**
Translation adjustment	1	37	1	90	6	18	-	20	**173**
Other movements, including transfers	-	149	32	(245)	-	(11)	7	51	**(17)**
AS OF DECEMBER 31, 2013	**(84)**	**(1,354)**	**(42)**	**(2,711)**	**(1,287)**	**(732)**	**-**	**(581)**	**(6,791)**
Net carrying amount as of December 31, 2013	**2,335**	**2,577**	**608**	**1,830**	**602**	**351**	**814**	**1,041**	**10,158**

The impact of marking vineyard land to market was 1,758 million euros as of December 31, 2013 (1,394 million euros as of June 30, 2013; 1,396 million euros as of April 30, 2013).

The market value of investment property, according to appraisals by independent third parties, was 1.0 billion euros as of December 31, 2013. The valuation methods used are based on market data (Level 2 of the fair value hierarchy established by IFRS 13).

The effects of changes in the scope of consolidation are mainly related to the consolidation of Loro Piana.

Purchases of property, plant and equipment include investments by Louis Vuitton, Sephora, DFS, Bulgari, Berluti and Christian Dior Couture in their retail networks, as well as those of the champagne houses in their production equipment, and those of Parfums Christian Dior in new counters.

7. INVESTMENTS IN ASSOCIATES

	December 31, 2013 (6 months)			**June 30, 2013** (2 months)	**April 30, 2013** (12 months)
(EUR millions)	**Gross**	**Impairment**	**Net**	**Net**	**Net**
Share of net assets of associates at beginning of period	**166**	**-**	**166**	**167**	**171**
Share of net profit (loss) for the period	2	-	2	1	5
Dividends paid	(9)	-	(9)	(2)	(12)
Changes in the scope of consolidation	6	-	6	-	1
Translation adjustment	(10)	-	(10)	-	(4)
Other movements, including transfers	-	-	-	-	6
SHARE OF NET ASSETS OF ASSOCIATES AS OF PERIOD-END	**155**	**-**	**155**	**166**	**167**

The effects of changes in the scope of consolidation during the six-month period presented related to the acquisition of a 46% equity stake in JW Anderson, a London-based ready-to-wear brand, acquired in September 2013.

8. NON-CURRENT AVAILABLE FOR SALE FINANCIAL ASSETS

	December 31, 2013 (6 months)			June 30, 2013 (2 months)	April 30, 2013 (12 months)
(EUR millions)	Gross	Impairment	Net	Net	Net
TOTAL	**7,239**	**(150)**	**7,089**	**6,665**	**6,853**

Non-current available for sale financial assets changed as follows during the periods presented:

	December 31, 2013 (6 months)		June 30, 2013 (2 months)	April 30, 2013 (12 months)
(EUR millions)	Total	of which Hermès		
At beginning of period	**6,665**	**6,039**	**6,853**	**6,915**
Acquisitions	68	21	42	241
Disposals at net realized value	(17)	-	(17)	(25)
Changes in market value	419	377	(210)	(249)
Changes in impairment	(3)	-	-	(5)
Changes in the scope of consolidation	3	-	-	-
Translation adjustment	(14)	-	-	3
Reclassifications	(32)	-	(3)	(27)
AT END OF PERIOD	**7,089**	**6,437**	**6,665**	**6,853**

As of December 31, 2013, non-current available for sale assets mainly include an investment in Hermès International SCA ("Hermès") with a gross and net amount of 6,437 million euros (6,039 million euros as of June 30, 2013, 6,236 million euros as of April 30, 2013), corresponding to a 23.1% stake in the share capital. Given the legal form of Hermès, a "Société en Commandite par Actions", the investment stake held by the Group is not accounted for under the equity method.

As of December 31, 2013, the stake in Hermès, corresponding to 24.4 million shares, represented, on the basis of the Hermès share price at that date on Paris stock exchange, an amount of 6.4 billion euros, for a total amount of 3.6 billion euros on initial recognition (2.6 billion euros in cash after deducting the gain recognized in 2010, upon the settlement of equity linked swaps covering 12.8 million shares).

As of December 31, 2013, the Hermès share price, applied for the purpose of valuing this investment, was 263.50 euros (248.00 euros as of June 30, 2013; 256.10 as of April 30, 2013).

9. OTHER NON-CURRENT ASSETS

(EUR millions)	Dec. 31, 2013 (6 months)	June 30, 2013 (2 months)	April 30, 2013 (12 months)
Warranty deposits	250	272	238
Derivatives (see Note 22)	68	92	138
Loans and receivables	122	113	114
Other	16	14	7
TOTAL	**456**	**491**	**497**

10. INVENTORIES AND WORK IN PROGRESS

(EUR millions)	December 31, 2013 (6 months) Gross	Impairment	Net	June 30, 2013 (2 months) Net	April 30, 2013 (12 months) Net
Wines and eaux-de-vie in the process of aging	3,749	(18)	3,731	3,621	3,677
Other raw materials and work in progress	1,529	(327)	1,202	1,172	1,194
	5,278	**(345)**	**4,933**	**4,793**	**4,871**
Goods purchased for resale	1,306	(123)	1,183	1,266	1,258
Finished products	3,327	(631)	2,696	2,738	2,645
	4,633	**(754)**	**3,879**	**4,004**	**3,903**
TOTAL	**9,911**	**(1,099)**	**8,812**	**8,797**	**8,774**

The net change in inventories for the periods presented breaks down as follows:

(EUR millions)	December 31, 2013 (6 months) Gross	Impairment	Net	June 30, 2013 (2 months) Net	April 30, 2013 (12 months) Net
At beginning of period	**9,849**	**(1,052)**	**8,797**	**8,774**	**8,129**
Change in gross inventories [(a)]	88	-	88	107	979
Fair value adjustment for the harvest of the period	1	-	1	4	(27)
Changes in impairment	-	(148)	(148)	(29)	(239)
Changes in the scope of consolidation	303	(20)	283	-	7
Translation adjustment	(229)	19	(210)	(60)	(80)
Other, including reclassifications	(101)	102	1	1	5
AT END OF PERIOD	**9,911**	**(1,099)**	**8,812**	**8,797**	**8,774**

(a) Including the impact of provisions for product returns.

Changes in the scope of consolidation in the first half of fiscal year 2013/2014 mainly related to the consolidation of Loro Piana.

The effects of marking harvests to market on Wines and Spirits' cost of sales and value of inventory are as follows:

(EUR millions)	Dec. 31, 2013 (6 months)	June 30, 2013 (2 months)	April 30, 2013 (12 months)
Fair value adjustment for the harvest of the period	23	9	10
Adjustment for inventory consumed	(22)	(5)	(37)
NET EFFECT ON COST OF SALES OF THE PERIOD	**1**	**4**	**(27)**
NET EFFECT ON VALUE OF INVENTORIES AT END OF PERIOD	**173**	**172**	**168**

11. TRADE ACCOUNTS RECEIVABLE

(EUR millions)	Dec. 31, 2013 (6 months)	June 30, 2013 (2 months)	April 30, 2013 (12 months)
Trade accounts receivable, nominal amount	2,492	2,066	2,064
Provision for impairment	(72)	(67)	(69)
Provision for product returns	(175)	(162)	(167)
NET AMOUNT	**2,245**	**1,837**	**1,828**

The change in trade accounts receivable for the periods presented breaks down as follows:

	December 31, 2013 (6 months)			June 30, 2013 (2 months)	April 30, 2013 (12 months)
(EUR millions)	Gross	Impairment	Net	Net	Net
At beginning of period	**2,066**	**(229)**	**1,837**	**1,828**	**1,677**
Change in gross receivables	464	-	464	36	174
Changes in provision for impairment	-	(5)	(5)	2	(1)
Changes in provision for product returns	-	(16)	(16)	3	(5)
Changes in the scope of consolidation	61	(1)	60	(1)	(4)
Translation adjustment	(113)	5	(108)	(24)	(45)
Reclassifications	14	(1)	13	(7)	32
AT END OF PERIOD	**2,492**	**(247)**	**2,245**	**1,837**	**1,828**

The receivable auxiliary balance is comprised primarily of receivables from wholesalers or agents, who are limited in number and with whom the Group maintains ongoing relationships for the most part.

As of December 31, 2013, the breakdown of the nominal amount of trade accounts receivable and of provisions for impairment by age was as follows:

(EUR millions)		Nominal amount of receivables	Impairment	Net amount of receivables
Not due:	- less than 3 months	2 003	(12)	1 991
	- more than 3 months	97	(4)	93
		2 100	(16)	2 084
Overdue:	- less than 3 months	263	(7)	256
	- more than 3 months	129	(49)	80
		392	(56)	336
TOTAL		**2 492**	**(72)**	**2 420**

As of December 31, 2013, the majority of trade accounts receivable were covered by trade credit insurance provided by insurers.

There is no difference between the present value of trade accounts receivable and their carrying amount.

12. OTHER CURRENT ASSETS

(EUR millions)	Dec. 31, 2013 (6 months)	June 30, 2013 (2 months)	April 30, 2013 (12 months)
Current available for sale financial assets	171	187	201
Derivatives (see Note 22)	495	370	426
Tax accounts receivable, excluding income taxes	392	400	370
Advances and payments on account to vendors	184	158	173
Prepaid expenses	302	341	389
Other receivables	362	313	351
TOTAL	**1,906**	**1,769**	**1,910**

Please also refer to Note 13 Current available for sale financial assets and Note 22 Financial instruments and market risk management.

There is no difference between the present value of other current assets and their carrying amount.

13. CURRENT AVAILABLE FOR SALE FINANCIAL ASSETS

(EUR millions)	Dec. 31, 2013 (6 months)	June 30, 2013 (2 months)	April 30, 2013 (12 months)
Unlisted securities, shares in non-money market SICAVs and funds	12	12	13
Listed securities	159	175	188
TOTAL	**171**	**187**	**201**
Of which: historical cost of current available for sale financial assets	136	176	176

The net value of current available for sale financial assets changed as follows during the periods presented:

(EUR millions)	Dec. 31, 2013 (6 months)	June 30, 2013 (2 months)	April 30, 2013 (12 months)
At beginning of period	**187**	**201**	**154**
Disposals at net realized value	(27)	-	(4)
Changes in market value	12	(14)	26
Changes in impairment	-	-	1
Translation adjustment	(1)	-	(1)
Reclassifications (as)/from Non-current available for sale financial assets	-	-	25
AT END OF PERIOD	**171**	**187**	**201**

14. CASH FLOW STATEMENT

14.1. Cash and cash equivalents

(EUR millions)	Dec. 31, 2013 (6 months)	June 30, 2013 (2 months)	April 30, 2013 (12 months)
Fixed term deposits (less than 3 months)	812	421	338
SICAV and FCP money market funds	532	92	96
Ordinary bank accounts	2,032	1,557	1,491
CASH AND CASH EQUIVALENTS PER BALANCE SHEET	**3,376**	**2,070**	**1,925**

The reconciliation between cash and cash equivalents as shown in the balance sheet and net cash and cash equivalents appearing in the cash flow statement is as follows:

(EUR millions)	Dec. 31, 2013 (6 months)	June 30, 2013 (2 months)	April 30, 2013 (12 months)
Cash and cash equivalents	3,376	2,070	1,925
Bank overdrafts	(428)	(405)	(399)
NET CASH AND CASH EQUIVALENTS PER CASH FLOW STATEMENT	**2,948**	**1,665**	**1,526**

14.2. Total change in working capital

The change in working capital breaks down as follows for the periods presented:

(EUR millions)	Dec. 31, 2013 (6 months)	June 30, 2013 (2 months)	April 30, 2013 (12 months)
Change in inventories and work in progress	(87)	(108)	(982)
Change in trade accounts receivable	(464)	(36)	(189)
Change in trade accounts payable	433	(88)	305
Change in other receivables and payables	464	88	(50)
CHANGE IN WORKING CAPITAL [(a)]	**346**	**(144)**	**(916)**

(a) Increase/(Decrease) in cash and cash equivalents.

14.3. Operating investments

Operating investments comprise the following elements for the periods presented:

(EUR millions)	Notes	Dec. 31, 2013 (6 months)	June 30, 2013 (2 months)	April 30, 2013 (12 months)
Purchase of intangible fixed assets	*5*	(148)	(24)	(301)
Purchase of tangible fixed assets	*6*	(980)	(273)	(1 794)
Changes in accounts payable related to fixed asset purchases		129	(2)	150
Net cash used in purchases of fixed assets		**(999)**	**(299)**	**(1 945)**
Net cash from fixed assets disposals		3	1	40
Guarantee deposits paid and other cash flows related to operating investments		(14)	(35)	(32)
OPERATING INVESTMENTS [(a)]		**(1 010)**	**(333)**	**(1 937)**

(a) Increase/(Decrease) in cash and cash equivalents.

15. EQUITY

15.1. Share capital

As of December 31, 2013, issued and fully paid-up shares totaled 181,727,048 (181,727,048 as of June 30, 2013 and April 30, 2013), with a par value of 2 euros; 123,298,097 shares with double voting rights, granted to registered shares held for more than three years (123,286,894 as of June 30, 2013, 123,285,600 as of April 30, 2013).

15.2. Christian Dior treasury shares

The impact on the net assets of the Group of Christian Dior shares held breaks down as follows:

(EUR millions)	Dec. 31, 2013 (6 months)	June 30, 2013 (2 months)	April 30, 2013 (12 months)
Christian Dior treasury shares	305	252	263
Treasury shares	**305**	**252**	**263**

The portfolio of Christian Dior shares, and their allocation, is as follows:

	December 31, 2013 (6 months)		June 30, 2013 (2 months)	April 30, 2013 (12 months)
(EUR millions)	Number	Value	Value	Value
Share purchase option plans	1,737,100	111	114	125
Bonus share plans	267,304	20	12	12
Future plans	84,870	9	3	3
Other	19,532	1	1	1
Shares pending retirement	1,200,000	164	122	122
TOTAL	**3,308,806**	**305**	**252**	**263**

The portfolio movements of Christian Dior shares during the first half of fiscal year 2013/2014 were as follows:

(EUR millions)	Number of shares	Value
As of July 1, 2013	**2 951 250**	**252**
Purchase of shares	400 000	56
Exercise of share purchase options	(42 444)	(3)
Vested bonus shares and performance shares	-	-
AS OF DECEMBER 31, 2013	**3 308 806**	**305**

15.3. Dividends paid by the parent company Christian Dior

(EUR millions, except for data per share in EUR)	Dec. 31, 2013	June 30, 2013	April 30, 2013
Interim dividend for the current fiscal year (April 30, 2013: 1.10 euros)	-	-	200
Impact of treasury shares	-	-	(3)
	-	-	**197**
Final dividend for the previous fiscal years (April 30, 2013: 1.80 euros; April 30, 2012: 1.10 euros)	327	-	200
Impact of treasury shares	(6)	-	(2)
	321	**-**	**198**
TOTAL GROSS AMOUNT DISBURSED DURING THE PERIOD [(a)]	**321**	**-**	**395**

(a) Excludes the impact of tax regulations applicable to the beneficiary.

The final dividend for the fiscal year ended April 30, 2013 was paid on December 3, 2013, in accordance with the resolutions of the Shareholders' Meeting of October 18, 2013.

No amount was distributed for the two-month fiscal year ended June 30, 2013 in accordance with the resolutions of the Shareholders' Meeting of December 19, 2013.

The Board of Directors approved the payment as of April 17, 2014 of an interim dividend for fiscal year 2013/2014 of 1.20 euros.

15.4. Cumulative translation adjustment

The change in the translation adjustment recognized under equity, Group share and the closing balance, net of hedging effects of net assets denominated in foreign currency, breaks down as follows by currency:

(EUR millions)	Dec. 31, 2013 (6 months)	Change	June 30, 2013 (2 months)	April 30, 2013 (12 months)
US dollar	(86)	(49)	(37)	(36)
Swiss franc	174	7	167	175
Japanese yen	15	(8)	23	26
Hong Kong dollar	(9)	(40)	31	31
Pound sterling	(23)	9	(32)	(28)
Other currencies	(23)	(35)	12	33
Foreign currency net investment hedges	(55)	27	(82)	(87)
TOTAL, GROUP SHARE	**(7)**	**(89)**	**82**	**114**

16. STOCK OPTION AND SIMILAR PLANS

For all plans, one option gives the right to one share.

The number of unexercised options relating to plans remaining in effect on December 31, 2013 is attributable to the changes detailed below:

16.1. Share purchase option plans

	December 31, 2013 (6 months)	
	Number	Weighted average exercise price *(EUR)*
Share purchase options outstanding as of July 1, 2013	**1,794,544**	**66.17**
Allocated	-	-
Options expired	(15,000)	52.10
Options exercised	(42,444)	62.43
SHARE PURCHASE OPTIONS OUTSTANDING AS OF DECEMBER 31, 2013	**1,737,100**	**66.38**

16.2. Bonus share plans

(number of shares)	December 31, 2013 (6 months)
Non-vested shares as of July 1, 2013	189 083
Non-vested allocations during the period	88 521
Allocations vested during the period	-
Allocations expired during the period	(10 300)
NON-VESTED SHARES AS OF DECEMBER 31, 2013	**267 304**

A bonus share and performance share allocation plan was set up during the six-month period, on July 25, 2013, covering 88,521 shares.

16.3. Expense for the period

(EUR millions)	Dec. 31, 2013 (6 months)	June 30, 2013 (2 months)	April 30, 2013 (12 months)
Share purchase option and bonus share plans - Christian Dior	5	1	8
Share subscription option, purchase option and bonus share plans - LVMH	22	4	43
EXPENSE FOR THE PERIOD	**27**	**5**	**51**

The following data were applied for the purposes of determining the expense recognized for the six-month period:

For LVMH

The LVMH share price on the date preceding the attribution date of the plans was 130.40 euros for the plan dated July 25, 2013 and 139.70 euros for the plan dated October 24, 2013.

The average unit value of non-vested bonus shares granted in the first-half of 2013/2014 was 117.70 euros for beneficiaries who are French residents for tax purposes and 115.90 euros for beneficiaries with tax residence outside France.

For Christian Dior

The Christian Dior share price on the date preceding the attribution date of the plan dated July 25, 2013 was 134.60 euros.

The average unit value of non-vested bonus shares granted in the period was 124.76 euros for beneficiaries who are French residents for tax purposes and 120.91 euros for beneficiaries with tax residence outside France.

17. MINORITY INTERESTS

(EUR millions)	Dec. 31, 2013 (6 months)	June 30, 2013 (2 months)	April 30, 2013 (12 months)
At beginning of period	**17,093**	**16,953**	**15,837**
Minority interests' share of net profit	1,367	350	2,500
Dividends paid to minority interests	(407)	(10)	(1,135)
Impact of changes in control of consolidated entities:			
consolidation of Loro Piana	51	-	-
other movements	-	-	(6)
Impact of acquisition and disposal of minority interests' shares:			
acquisition of minority interests in Château d'Yquem		-	(51)
movements in LVMH SA share capital and treasury shares	(41)	19	69
other movements	(46)	(1)	(70)
Total impact of changes in the percentage interest in consolidated entities	**(36)**	**18**	**(58)**
Capital increases subscribed by minority interests	8	2	8
Minority interests' share in gains and losses recognized in equity	281	(189)	(103)
Minority interests' share in stock option plan expenses	14	2	26
Impact of changes in minority interests with purchase commitments	(526)	(33)	(122)
AT END OF PERIOD	**17,794**	**17,093**	**16,953**

The change in minority interests' share in gains and losses recognized in equity breaks down as follows:

(EUR millions)	Cumulative translation adjustment	Available for sale financial assets	Hedges of future foreign currency cash flows	Vineyard land	Employee benefits	Total share of minority interests
As of June 30, 2013	**95**	**1 423**	**58**	**606**	**(26)**	**2 156**
Gains and losses recognized in equity	(179)	245	35	164	16	**281**
Changes due to treasury shares and related derivatives	-	-	-	-	-	**-**
AS OF DECEMBER 31, 2013	**(84)**	**1 668**	**93**	**770**	**(10)**	**2 437**

18. BORROWINGS

18.1. Net financial debt

(EUR millions)	Dec. 31, 2013 (6 months)	June 30, 2013 (2 months)	April 30, 2013 (12 months)
Bonds and Euro Medium Term Notes (EMTNs)	4,165	3,415	3,970
Bank loans, finance and other long-term leases	911	815	730
Long-term borrowings	**5,076**	**4,230**	**4,700**
Bonds and Euro Medium Term Notes (EMTNs)	1,363	1,388	676
Commercial paper	2,348	1,513	1,611
Bank overdrafts	428	405	399
Other short-term borrowings	1,331	1,086	1,148
Short-term borrowings	**5,470**	**4,392**	**3,834**
Gross borrowings	**10,546**	**8,622**	**8,534**
Interest rate risk derivatives	(118)	(88)	(171)
Gross borrowings after derivatives	**10,428**	**8,534**	**8,363**
Current available for sale financial assets	(171)	(187)	(201)
Cash and cash equivalents	(3,376)	(2,070)	(1,925)
Net financial debt	**6,881**	**6,277**	**6,237**

Net financial debt does not take into consideration purchase commitments for minority interests included in Other non-current liabilities (see Note 20).

LVMH issued two bonds in the second half of 2013 under its EMTN program, with a nominal value of 500 million euros and 600 million euros. These bonds are redeemable on maturity at par in September 2016 and November 2020 respectively. The bond redeemable in 2016 is a floating rate note. The second one, maturing in 2020, was issued at 99.399% of par value, bearing interest at 1.75%, and has not been subject to any swaps for hedging purposes.

Furthermore, the 300 million Swiss franc bond issued in 2007 was reimbursed, as well as a portion of debt relating to foreign currency denominated private placements (5 billion Japanese yen and 100 million US dollars).

18.2. Analysis of gross borrowings by payment date and by type of interest rate

		Gross borrowings			Effects of derivatives			Gross borrowings after derivatives		
(EUR millions)		Fixed rate	Floating rate	Total	Fixed rate	Floating rate	Total	Fixed rate	Floating rate	Total
Maturity	December 31, 2014	4,500	970	5,470	(1,000)	960	(40)	3,500	1,930	5,430
	December 31, 2015	1,000	171	1,171	(703)	655	(48)	297	826	1,123
	December 31, 2016	334	651	985	-	(6)	(6)	334	645	979
	December 31, 2017	787	41	828	(766)	743	(23)	21	784	805
	December 31, 2018	523	397	920	-	(5)	(5)	523	392	915
	December 31, 2019	494	-	494	(250)	254	4	244	254	498
	Thereafter	677	1	678	-	-	-	677	1	678
TOTAL		**8,315**	**2,231**	**10,546**	**(2,719)**	**2,601**	**(118)**	**5,596**	**4,832**	**10,428**

See Note 22.3 regarding the market value of interest rate risk derivatives.

18.3. Analysis of gross borrowings by currency after derivatives

(EUR millions)	Dec. 31, 2013 (6 months)	June 30, 2013 (2 months)	April 30, 2013 (12 months)
Euro	8,226	6,340	6,309
US dollar	174	234	213
Swiss franc	991	993	1,011
Japanese yen	305	334	237
Other currencies	732	633	593
TOTAL	**10,428**	**8,534**	**8,363**

In general, the purpose of foreign currency borrowings is to hedge net foreign currency-denominated assets of consolidated companies located outside of the euro zone.

19. PROVISIONS

(EUR millions)	Dec. 31, 2013 (6 months)	June 30, 2013 (2 months)	April 30, 2013 (12 months)
Provisions for pensions, medical costs and similar commitments	464	500	483
Provisions for contingencies and losses	1,285	1,247	1,231
Provisions for reorganization	21	16	17
Non-current provisions	**1,770**	**1,763**	**1,731**
Provisions for pensions, medical costs and similar commitments	3	2	12
Provisions for contingencies and losses	318	309	318
Provisions for reorganization	31	30	38
Current provisions	**352**	**341**	**368**
TOTAL	**2,122**	**2,104**	**2,099**

The changes in provisions during the period were as follows:

(EUR millions)	June 30, 2013	Increases	Amounts used	Amounts released	Changes in the scope of consolidation	Other (including cumulative translation adjustment)	Dec. 31, 2013
Provisions for pensions, medical costs and similar commitments	502	45	(48)	(4)	15	(43)	467
Provisions for contingencies and losses	1 556	226	(44)	(116)	(6)	(13)	1 603
Provisions for reorganization	46	18	(13)	(1)	2	-	52
TOTAL	2 104	289	(105)	(121)	11	(56)	2 122
Of which:							
Profit from recurring operations		137	(83)	(35)			
Net financial income (expense)		-	-	-			
Other		152	(22)	(86)			

20. OTHER NON-CURRENT LIABILITIES

(EUR millions)	Dec. 31, 2013 (6 months)	June 30, 2013 (2 months)	April 30, 2013 (12 months)
Purchase commitments for minority interests' shares	6,035	5,220	5,601
Derivatives (see Note 22)	51	53	42
Employee profit sharing [(a)]	85	80	79
Other liabilities	229	304	302
TOTAL	**6,400**	**5,657**	**6,024**

(a) French companies only, pursuant to legal provisions.

Moët Hennessy SNC and Moët Hennessy International SAS ("Moët Hennessy") hold the LVMH group's investments in the Wines and Spirits businesses, with the exception of the equity investments in Château d'Yquem and Château Cheval Blanc, and excluding certain Champagne vineyards.

For the periods presented, purchase commitments for minority interests mainly include the put option granted by LVMH to Diageo plc for its 34% share in Moët Hennessy, with six-months' advance notice and for 80% of the fair value of Moët Hennessy at the exercise date of the commitment. With regard to this commitment's valuation, the fair value was determined by applying the share price multiples of comparable firms to Moët Hennessy's consolidated operating results.

Purchase commitments for minority interests also include commitments relating to minority shareholders in Loro Piana (20%, see Note 2), Ile de Beauté (35%), Heng Long (35%) and distribution subsidiaries in various countries, mainly in the Middle East.

21. OTHER CURRENT LIABILITIES

(EUR millions)	**Dec. 31, 2013** (6 months)	**June 30, 2013** (2 months)	**April 30, 2013** (12 months)
Derivatives (see Note 22)	76	61	100
Employees and social institutions	1,070	892	855
Employee profit sharing [(a)]	84	57	45
Taxes other than income taxes	416	283	320
Advances and payments on account from customers	176	134	121
Deferred payment for tangible and financial non-current assets	426	330	339
Deferred income	151	147	176
Other liabilities	795	575	741
TOTAL	**3,194**	**2,479**	**2,697**

(a) French companies only, pursuant to legal provisions.

22. FINANCIAL INSTRUMENTS AND MARKET RISK MANAGEMENT

22.1. Organization of foreign exchange, interest rate and equity market risk management

Financial instruments are mainly used by the Group to hedge risks arising from Group activity and protect its assets.

The management of foreign exchange and interest rate risk, in addition to transactions involving shares and financial instruments, are centralized at each level.

The Group has implemented a stringent policy, as well as rigorous management guidelines to manage, measure, and monitor these market risks.

These activities are organized based on a segregation of duties between hedging (front office), administration (back office) and financial control.

The backbone of this organization is information systems that allow hedging transactions to be monitored quickly.

Hedging decisions are made according to a clearly established process that includes regular presentations to the management bodies concerned and detailed supporting documentation.

Counterparties are selected based on their rating and in accordance with the Group's risk diversification strategy.

22.2. Summary of derivatives

Derivatives are recorded in the balance sheet for the amounts and in the captions detailed as follows:

(EUR millions)		*Notes*	Dec. 31, 2013 (6 months)	June 30, 2013 (2 months)	April 30, 2013 (12 months)
Interest rate risk					
Assets:	non-current		67	74	117
	current		69	34	65
Liabilities:	non-current		(9)	(12)	(1)
	current		(9)	(8)	(10)
		22.3	**118**	**88**	**171**
Foreign exchange risk					
Assets:	non-current		1	18	21
	current		389	303	326
Liabilities:	non-current		(42)	(41)	(41)
	current		(60)	(40)	(6)
		22.4	**288**	**240**	**300**
Other risks					
Assets:	non-current		-	-	-
	current		37	33	35
Liabilities:	non-current		-	-	-
	current		(7)	(13)	(84)
Total			**30**	**20**	**(49)**
Assets:	non-current	*9*	68	92	138
	current	*12*	495	370	426
Liabilities:	non-current	*20*	(51)	(53)	(42)
	current	*21*	(76)	(61)	(100)
			436	**348**	**422**

22.3. Derivatives used to manage interest rate risk

The aim of the Group's debt management policy is to adapt the debt maturity profile to the characteristics of the assets held, to contain borrowing costs, and to protect net profit from the effects of significant changes in interest rates.

As part of its management of interest rate risk related to overall net financial debt, the Group uses interest rate risk derivatives in the form of swaps and options.

Derivatives used to manage interest rate risk outstanding as of December 31, 2013 break down as follows:

	Nominal amounts by maturity				Market value [a]		
(EUR millions)	One year	One to five years	Thereafter	Total	Fair value hedges	Not allocated	Total
Interest rate swaps in euros:							
• fixed rate payer	-	-	-	-	-	-	-
• floating rate payer	1,000	900	250	2,150	114	-	114
• floating rate/floating rate	152	-	-	152	-	-	-
Foreign currency swaps	-	1,644	-	1,644	2	2	4
Other interest rate derivatives	-	500	-	500	-	-	-
TOTAL					**116**	**2**	**118**

(a) Gain / (Loss).

22.4. Derivatives used to manage foreign exchange risk

A significant part of Group companies' sales to customers and to their own retail subsidiaries as well as certain purchases are denominated in currencies other than their functional currency; the majority of these foreign currency-denominated cash flows are inter-company cash flows. Hedging instruments are used to reduce the risks arising from the fluctuations of currencies against the exporting and importing companies' functional currencies and are allocated to either accounts receivable or accounts payable (fair value hedges) for the fiscal year, or to transactions anticipated for future periods (cash flow hedges).

Future foreign currency-denominated cash flows are broken down as part of the budget preparation process and are hedged progressively over a period not exceeding one year unless a longer period is justified by probable commitments. As such, and according to market trends, identified foreign exchange risks are hedged using forward contracts or options.

In addition, the Group may also use appropriate financial instruments to hedge the net worth of subsidiaries outside the euro zone, in order to limit the impact of foreign currency fluctuations against the euro on consolidated equity.

Derivatives used to manage foreign exchange risk outstanding as of December 31, 2013 break down as follows:

				Market value [(a)]				
(EUR millions)	2013	2014	Total	Fair value hedges	Future cash flow hedges	Foreign currency net investment hedges	Not allocated	TOTAL
Options purchased								
Put USD	62	207	269	1	10	-	(1)	10
Put JPY	2	10	12	-	1	-	-	1
Put GBP	-	8	8	-	-	-	-	-
	64	**225**	**289**	**1**	**11**	**-**	**(1)**	**11**
Collars								
Written USD	273	3 010	3 283	17	162	-	5	184
Written JPY	5	402	407	-	47	-	-	47
Written Other	7	106	113	-	1	-	-	1
	285	**3 518**	**3 803**	**17**	**210**	**-**	**5**	**232**
Forward exchange contracts [(b)]								
USD	188	(64)	124	1	(1)	-	-	-
JPY	75	116	191	-	38	-	-	38
GBP	39	16	55	-	-	-	-	-
Other	115	(218)	(103)	1	1	-	1	3
	417	**(150)**	**267**	**2**	**38**	**-**	**1**	**41**
Foreign exchange swaps [(b)]								
USD	2 884	32	**2 916**	2	-	10	(37)	(25)
CHF	254	(18)	**236**	-	-	(1)	(2)	(3)
GBP	171	2	**173**	-	-	-	1	1
JPY	352	-	**352**	4	-	1	10	15
Other	417	(43)	**374**	-	-	17	(1)	16
	4 078	**(27)**	**4 051**	**6**	**-**	**27**	**(29)**	**4**
TOTAL				**26**	**259**	**27**	**(24)**	**288**

(a) Gain / (Loss).
(b) Sale / (Purchase).

22.5. Financial instruments used to manage other risks

The Group's investment policy is designed to take advantage of a long-term investment horizon. Occasionally, the Group may invest in equity-based financial instruments with the aim of enhancing the dynamic management of its investment portfolio.

The Group is exposed to risks of share price changes either directly, as a result of its holding of subsidiaries, equity investments and current available for sale financial assets, or indirectly, as a result of its holding of funds which are themselves partially invested in shares.

The Group may also use equity-based derivatives to create synthetically an economic exposure to certain assets, or to hedge cash-settled compensation plans index-linked to the LVMH share price. The carrying amount of these unlisted financial instruments corresponds to the estimate of the amount, provided by the counterparty, of the valuation at the fiscal year-end. The valuation of financial instruments thus takes into consideration market parameters such as interest rates and share prices. As of December 31, 2013, derivatives used to manage equity risk with an impact on the Group's net profit have a positive market value of 37 million euros. Considering nominal values of 20 million euros for those derivatives, a uniform 1% change in their underlying assets' share prices as of December 31, 2013 would induce a net impact on the Group's profit for an amount of less than 0.4 million euros. Most of these instruments mature in 2014.

The Group, mainly through its Watches and Jewelry business group, may be exposed to changes in the prices of certain precious metals, such as gold. In certain cases, in order to ensure visibility with regard to production costs, hedges may be implemented. This is achieved either by negotiating the forecast price of future deliveries of alloys with precious metal refiners, or the price of semi-finished products with producers, or directly by purchasing hedges from top-ranking banks. In the latter case, gold may be purchased from banks, or future and/or options contracts may be taken out with a physical delivery of the gold. Derivatives outstanding relating to the hedging of precious metal prices as of December 31, 2013 have a negative market value of 7 million euros. Considering nominal values of 37 million euros for those derivatives, a uniform 1% change in their underlying assets' prices as of December 31, 2013 would have a net impact on the Group's consolidated reserves in an amount of less than 0.5 million euros. Most of these instruments mature in 2014.

23. SEGMENT INFORMATION

23.1. Information by business group

The Group's brands and trade names are organized into seven business groups. Five business groups – Christian Dior Couture, Wines and Spirits, Fashion and Leather Goods, Perfumes and Cosmetics, Watches and Jewelry – comprise brands dealing with the same category of products that use similar production and distribution processes, in addition to a specific management team. The Selective Retailing business group comprises the Group's own-label retailing activities. Other activities and holding companies comprise brands and businesses that are not associated with any of the abovementioned business groups, most often relating to the Group's new businesses and holding or real estate companies.

***December 31, 2013** (6 months)*

(EUR millions)	Christian Dior Couture	Wines and Spirits	Fashion and Leather Goods	Perfumes and Cosmetics	Watches and Jewelry	Selective Retailing	Other and holding companies	Eliminations and not allocated [a]	TOTAL
Sales outside the Group	755	2 364	5 150	1 658	1 438	4 707	115	-	**16 187**
Intra-group sales	3	15	21	255	36	16	11	(357)	-
TOTAL REVENUE	**758**	**2 379**	**5 171**	**1 913**	**1 474**	**4 723**	**126**	**(357)**	**16 187**
Profit from recurring operations	108	828	1 643	214	219	494	(116)	14	3 404
Other operating income and expenses	-	(6)	(46)	(6)	(9)	(1)	(30)	-	(98)
Depreciation and amortization expense	43	57	237	70	74	141	21	-	643
Impairment expense	-	(1)	44	-	-	6	2	-	51
Intangible assets and goodwill [b]	123	6 248	6 696	1 787	5 584	2 992	1 307	-	24 737
Property, plant and equipment	541	2 238	2 018	404	399	1 321	3 237	-	10 158
Inventories	235	4 253	1 388	356	1 136	1 449	159	(164)	8 812
Other operating assets	183	1 133	741	590	594	495	581	12 112 [c]	16 429
TOTAL ASSETS	**1 082**	**13 872**	**10 843**	**3 137**	**7 713**	**6 257**	**5 284**	**11 948**	**60 136**
Equity	-	-	-	-	-	-	-	29 225	29 225
Liabilities	312	1 310	2 121	1 130	716	1 821	720	22 781 [d]	30 911
TOTAL LIABILITIES AND EQUITY	**312**	**1 310**	**2 121**	**1 130**	**716**	**1 821**	**720**	**52 006**	**60 136**
Operating investments [e]	(162)	(108)	(326)	(140)	(94)	(212)	32	-	(1 010)

June 30, 2013 (2 months)

(EUR millions)	Christian Dior Couture	Wines and Spirits	Fashion and Leather Goods	Perfumes and Cosmetics	Watches and Jewelry	Selective Retailing	Other and holding companies	Eliminations and not allocated [(a)]	TOTAL
Sales outside the Group	235	538	1 591	478	457	1 401	68	-	**4 768**
Intra-group sales	2	3	9	73	10	5	4	(106)	-
TOTAL REVENUE	**237**	**541**	**1 600**	**551**	**467**	**1 406**	**72**	**(106)**	**4 768**
Profit from recurring operations	35	134	517	34	71	121	(31)	-	881
Other operating income and expenses	-	(2)	(3)	-	-	1	(17)	-	(21)
Depreciation and amortization expense	14	18	76	20	25	41	6	-	200
Impairment expense	-	1	2	(1)	-	1	2	-	5
Intangible assets and goodwill [(b)]	118	6 192	4 888	1 763	5 573	3 034	1 190	-	22 758
Property, plant and equipment	442	1 955	1 836	334	386	1 273	3 128	-	9 354
Inventories	215	4 268	1 231	378	1 246	1 524	117	(182)	8 797
Other operating assets	148	770	630	544	605	478	465	10 509 [(c)]	14 149
TOTAL ASSETS	**923**	**13 185**	**8 585**	**3 019**	**7 810**	**6 309**	**4 900**	**10 327**	**55 058**
Equity	-	-	-	-	-	-	-	28 106	28 106
Liabilities	327	1 049	1 783	1 015	712	1 572	660	19 834 [(d)]	26 952
TOTAL LIABILITIES AND EQUITY	**327**	**1 049**	**1 783**	**1 015**	**712**	**1 572**	**660**	**47 940**	**55 058**
Operating investments [(e)]	(25)	(33)	(92)	(31)	(30)	(71)	(51)	-	(333)

April 30, 2013 (12 months)

(EUR millions)	Christian Dior Couture	Wines and Spirits	Fashion and Leather Goods	Perfumes and Cosmetics	Watches and Jewelry	Selective Retailing	Other and holding companies	Eliminations and not allocated [(a)]	TOTAL
Sales outside the Group	1,280	4,183	9,880	3,215	2,750	8,272	301	-	29,881
Intra-group sales	9	25	56	463	76	31	22	(682)	-
TOTAL REVENUE	**1,289**	**4,208**	**9,936**	**3,678**	**2,826**	**8,303**	**323**	**(682)**	**29,881**
Profit from recurring operations	131	1,330	3,220	414	335	877	(194)	(23)	6,090
Other operating income and expenses	1	(5)	(55)	(7)	(5)	(22)	(26)	-	(119)
Depreciation and amortization expense	78	105	433	116	127	240	32	-	1,131
Impairment expense	-	-	20	1	-	3	17	-	41
Intangible assets and goodwill [(b)]	115	6,822	4,900	1,765	5,595	3,057	954	-	23,208
Property, plant and equipment	437	1,949	1,816	326	380	1,257	3,121	-	9,286
Inventories	198	4,293	1,204	366	1,253	1,521	115	(176)	8,774
Other operating assets	144	812	590	670	591	497	397	10,643 [(c)]	14,344
TOTAL ASSETS	**894**	**13,876**	**8,510**	**3,127**	**7,819**	**6,332**	**4,587**	**10,467**	**55,612**
Equity	-	-	-	-	-	-	-	27,867	27,867
Liabilities	306	1,279	1,781	1,076	758	1,541	881	20,123 [(d)]	27,745
TOTAL LIABILITIES AND EQUITY	**306**	**1,279**	**1,781**	**1,076**	**758**	**1,541**	**881**	**47,990**	**55,612**
Operating investments [(e)]	(160)	(172)	(644)	(200)	(176)	(340)	(245)	-	(1,937)

(a) Eliminations correspond to sales between business groups; these generally consist of sales from business groups other than Selective Retailing to Selective Retailing. Selling prices between the different business groups correspond to the prices applied in the normal course of business for sales transactions to wholesalers or distributors outside the Group.
(b) Acquisitions of intangible assets and goodwill correspond to the net carrying amounts shown under Notes 3 and 4.
(c) Assets not allocated include investments in associates, available for sale financial assets, other financial assets, and income tax receivables. As of December 31, 2013, they include the 23.1% shareholding in Hermès International, representing an amount of 6,437 million euros (6,039 million euros as of June 30, 2013 and 6,236 million euros as of April 30, 2013), see Note 8.
(d) Liabilities not allocated include financial debt and both current and deferred tax liabilities.
(e) Increase/(Decrease) in cash and cash equivalents.

23.2. Information by geographic region

Revenue by geographic region of delivery breaks down as follows:

(EUR millions)	**Dec. 31, 2013** (6 months)	**June 30, 2013** (2 months)	**April 30, 2013** (12 months)
France	1,807	553	3,318
Europe (excluding France)	3,237	889	5,782
United States	3,254	1,101	6,601
Japan	1,083	343	2,392
Asia (excluding Japan)	4,685	1,379	8,683
Other countries	2,121	503	3,105
REVENUE	**16,187**	**4,768**	**29,881**

Operating investments by geographic region are as follows:

(EUR millions)	**Dec. 31, 2013** (6 months)	**June 30, 2013** (2 months)	**April 30, 2013** (12 months)
France	336	95	681
Europe (excluding France)	243	64	364
United States	139	43	313
Japan	5	41	69
Asia (excluding Japan)	223	73	379
Other countries	64	17	131
OPERATING INVESTMENTS	**1,010**	**333**	**1,937**

No geographic breakdown of segment assets is provided since a significant portion of these assets consists of brands and goodwill, which must be analyzed on the basis of the revenue generated by these assets in each region, and not in relation to the region of their legal ownership.

23.3. Quarterly information

Periodic sales by business group break down as follows:

(EUR millions)	Christian Dior Couture	Wines and Spirits	Fashion and Leather Goods	Perfumes and Cosmetics	Watches and Jewelry	Selective Retailing	Other and holding companies	Eliminations	TOTAL
Period from July 1 to September 30, 2013	369	1 032	2 428	879	677	2 101	55	(164)	7 377
Period from October 1 to December 31, 2013	389	1 347	2 743	1 034	797	2 622	71	(193)	8 810
TOTAL AS OF DECEMBER 31, 2013	**758**	**2 379**	**5 171**	**1 913**	**1 474**	**4 723**	**126**	**(357)**	**16 187**
Period from May 1 to June 30, 2013	237	541	1 600	551	467	1 406	72	(106)	4 768
TOTAL AS OF JUNE 30, 2013	**237**	**541**	**1 600**	**551**	**467**	**1 406**	**72**	**(106)**	**4 768**
Period from May 1 to July 31, 2012	323	843	2 413	805	733	1 834	97	(146)	6 902
Period from August 1 to October 31, 2012	309	1 177	2 463	1 000	714	1 880	71	(173)	7 441
Period from November 1, 2012 to January 31, 2013	339	1 324	2 760	951	724	2 477	78	(189)	8 464
Period from February 1 to April 30, 2013	318	864	2 300	922	655	2 112	77	(174)	7 074
TOTAL AS OF APRIL 30, 2013	**1 289**	**4 208**	**9 936**	**3 678**	**2 826**	**8 303**	**323**	**(682)**	**29 881**

24. EXPENSES BY NATURE

Profit from recurring operations includes the following expenses:

(EUR millions)	Dec. 31, 2013 (6 months)	June 30, 2013 (2 months)	April 30, 2013 (12 months)
Advertising and promotion expenses	1,855	545	3,537
Commercial lease expenses	1,368	438	2,308
Personnel costs	2,680	889	5,170
Research and development expenses	36	13	70

25. OTHER OPERATING INCOME AND EXPENSES

(EUR millions)	Dec. 31, 2013 (6 months)	June 30, 2013 (2 months)	April 30, 2013 (12 months)
Net gains (losses) on disposals of fixed assets	2	(5)	(2)
Restructuring costs	(21)	4	(31)
Transaction costs relating to the acquisition of consolidated companies	(21)	-	(2)
Impairment or amortization of brands, trade names, goodwill and other property	(56)	(11)	(84)
Other items, net	(2)	(9)	-
OTHER OPERATING INCOME AND EXPENSES	**(98)**	**(21)**	**(119)**

Amounts recognized as impairment, depreciation or amortization as of December 31, 2013 and June 30, 2013 essentially related to brands and goodwill.

Amounts recognized as impairment, depreciation or amortization for the fiscal year ended April 30, 2013 included an impairment loss of 11 million euros related to tangible fixed assets, with the balance comprised of amortization or impairment charges for brands and goodwill.

26. NET FINANCIAL INCOME (EXPENSE)

(EUR millions)	Dec. 31, 2013 (6 months)	June 30, 2013 (2 months)	April 30, 2013 (12 months)
Borrowing costs	(101)	(29)	(193)
Income from cash, cash equivalents and current available for sale financial assets	18	4	24
Fair value adjustment of borrowings and interest rate hedges	11	(9)	3
Cost of net financial debt	**(72)**	**(34)**	**(166)**
Dividends received from non-current available for sale financial assets	5	27	177
Ineffective portion of foreign exchange derivatives	(77)	(25)	(121)
Net gain/(loss) related to available for sale financial assets and other financial instruments	9	6	13
Other items, net	(17)	(5)	(32)
Other financial income and expense	**(80)**	**3**	**37**
NET FINANCIAL INCOME (EXPENSE)	**(152)**	**(31)**	**(129)**

27. INCOME TAXES

(EUR millions)	Dec. 31, 2013 (6 months)	June 30, 2013 (2 months)	April 30, 2013 (12 months)
Current income taxes for the period	(1 148)	(297)	(2 064)
Current income taxes relating to previous periods	18	(2)	14
Current income taxes	**(1 130)**	**(299)**	**(2 050)**
Change in deferred tax	128	35	134
Impact of changes in tax rates on deferred tax	7	-	-
Deferred tax	**135**	**35**	**134**
TOTAL TAX EXPENSE PER INCOME STATEMENT	**(995)**	**(264)**	**(1 916)**
TAX ON ITEMS RECOGNIZED IN EQUITY	**(198)**	**6**	**(56)**

(EUR millions)	Dec. 31, 2013 (6 months)	June 30, 2013 (2 months)	April 30, 2013 (12 months)
Profit before tax	3 154	829	5 842
Total income tax expense	(995)	(264)	(1 916)
EFFECTIVE TAX RATE	**31,5%**	**31,9%**	**32,8%**

The effective tax rate is as follows:

(EUR millions)	Dec. 31, 2013 (6 months)	June 30, 2013 (2 months)	April 30, 2013 (12 months)
Profit before tax	3,154	829	5,842
Total income tax expense	(995)	(264)	(1,916)
EFFECTIVE TAX RATE	**31.5%**	**31.9%**	**32.8%**

The tax rate retained as of December 31 (half-year) results from a projection of the estimated effective rate for the fiscal year.

This rate takes into account differences between French and non-French tax rates, which reduce the effective tax rate compared with the tax rate applicable in France as of December 31, 2013.

28. EARNINGS PER SHARE

	Dec. 31, 2013 (6 months)	June 30, 2013 (2 months)	April 30, 2013 (12 months)
Net profit, Group share *(EUR millions)*	**794**	**216**	**1,431**
Impact of diluting instruments on the subsidiaries	(2)	(1)	(10)
NET PROFIT, DILUTED GROUP SHARE	**792**	**215**	**1,421**
Average number of shares in circulation during the period	181,727,048	181,727,048	181,727,048
Average number of Christian Dior treasury shares owned during the period	(3,130,028)	(3,053,125)	(2,767,603)
Average number of shares in circulation on which the calculation before dilution is based	**178,597,020**	**178,673,923**	**178,959,445**
BASIC GROUP SHARE OF NET PROFIT PER SHARE *(EUR)*	**4.45**	**1.21**	**8.00**
Average number of shares in circulation on which the above calculation is based	178,597,020	178,673,923	178,959,445
Dilution effect of stock option plans	1,066,759	1,051,043	1,005,459
AVERAGE NUMBER OF SHARES IN CIRCULATION AFTER DILUTION	**179,663,779**	**179,724,966**	**179,964,904**
DILUTED GROUP SHARE OF NET PROFIT PER SHARE *(EUR)*	**4.41**	**1.20**	**7.90**

29. OFF-BALANCE SHEET COMMITMENTS

During the six-month period, the Group's off-balance sheet commitments increased essentially as a result of commitments given for operating leases and concessions, which increased by approximately 600 million euros.

30. CONTINGENT LIABILITIES AND OUTSTANDING LITIGATION

As part of its day-to-day management, the Group is party to various legal proceedings concerning brand rights, the protection of intellectual property rights, the set-up of selective retailing networks, licensing agreements, employee relations, tax audits and other areas relating to its business. The Group believes that the provisions recorded in the balance sheet in respect of these risks, litigation or disputes, known or outstanding at fiscal year-end, are sufficient to avoid its consolidated financial net worth being materially impacted in the event of an unfavorable outcome.

No significant changes occurred in the first half of fiscal year 2013/2014 with regard to litigation to which the Group is party.

31. SUBSEQUENT EVENTS

No significant events occurred between December 31, 2013 and the date on which the financial statements were approved for publication by the Board of Directors, February 13, 2014.

Statutory Auditors' report on the half-year financial information from July 1 to December 31, 2013

MAZARS	ERNST & YOUNG et Autres
Tour Exaltis 61, rue Henri-Regnault F-92400 Courbevoie – Paris-La Défense 1 S.A. with share capital of 8,320,000 euros	1/2, place des Saisons F-92400 Courbevoie – Paris-La Défense 1 S.A.S. with variable share capital
Statutory Auditors Member of the compagnie régionale de Versailles	Statutory Auditors Member of the compagnie régionale de Versailles

To the Shareholders,

In compliance with the assignment entrusted to us by your Shareholders' Meeting and in accordance with the Article L. 451-1-2 III of the French Monetary and Financial Code (Code monétaire et financier), we hereby report to you on:

- the limited review of the accompanying condensed consolidated half-year financial statements of Christian Dior, for the period from July 1 to December 31, 2013;
- the verification of the information contained in the interim management report.

These condensed consolidated half-year financial statements were prepared under the responsibility of the Board of Directors. Our role is to express our conclusion on these financial statements based on our limited review.

1. Conclusion on the financial statements

We conducted our review in accordance with the professional standards applicable in France. A limited review essentially consists of making inquiries, primarily of members of management responsible for financial and accounting matters, and applying analytical procedures. This work is less extensive than that required for an audit conducted in accordance with the professional standards applicable in France. Therefore, the level of assurance obtained from a limited review that the financial statements, taken as a whole, are free from significant anomalies, is lower than that obtained from an audit.

Based on our limited review, we did not note any significant anomalies that may have called into question the compliance of the condensed consolidated half-year financial statements with IAS 34 – IFRS as adopted by the European Union applicable to half-year financial information.

2. Specific verification

We have also verified the information provided in the interim management report in respect of the condensed consolidated half-year financial statements that were covered by our limited review.

We have no matters to report on the fairness and consistency of this information with the condensed consolidated half-year financial statements.

Paris-La Défense, February 27, 2014

The Statutory Auditors

MAZARS	ERNST & YOUNG et Autres
Denis Grison	Jeanne Boillet Benoit Schumacher

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English-speaking users.
This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Statement of the Company Officer responsible for the Interim Financial Report

We declare that, to the best of our knowledge, the condensed consolidated half-year financial statements have been prepared in accordance with applicable accounting standards and provide a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and of all consolidated companies, and that the interim management report presented on page 3 gives a true and fair picture of the significant events during the first six months of the fiscal year and their impact on the financial statements, of the main related party transactions as well as a description of the main risks and uncertainties for the remaining six months of the fiscal year.

Paris, February 27, 2014

Under delegation from the Chief Executive Officer

Florian Ollivier
Chief Financial Officer