

Christian Dior

30 AVENUE MONTAIGNE
PARIS
75008

Paris, February 2, 2018

CHRISTIAN DIOR 2017 RECORD RESULTS

The **Christian Dior group** recorded revenue of 43.7 billion euros in 2017, an increase of 11% over the previous year. Organic revenue growth was 12%. All business groups recorded double-digit organic growth with the exception of Wines and Spirits, whose growth in the second half was limited by supply constraints.

With organic revenue growth of 11%, the trend seen since the beginning of the year continued into the fourth quarter.

Profit from recurring operations reached 8,373 million euros in 2017, an increase of 15%. Operating margin reached 19.2%. Group share of net profit was 2,240 million euros, representing growth of 27%.

Key highlights from 2017 include:

- record revenue and profit from recurring operations,
- growth in Europe, the United States and Asia,
- good performance for Wines and Spirits in all regions,
- the success of both iconic and new products at Louis Vuitton, whose profitability remains at an exceptional level,
- the integration, within the Fashion and Leather Goods business group, of Christian Dior Couture, which achieves excellent performance,
- growth at Fendi and Loro Piana,
- the first year of integration of Rimowa, leader in luggage excellence,
- strong momentum at Parfums Christian Dior, driven by successful product innovations,
- excellent year for Bvlgari and good progress at Hublot and TAG Heuer,
- growth at Sephora, which strengthened its positions in all its markets and in digital,
- free cash flow of 4,589 million euros, up 15%.

The consolidated financial highlights were as follows:

Financial highlights <i>(EUR millions)</i>	2017 Fiscal Year (12 months) ^(a)	2016 (12 calendar months) ^(b)	Change
Revenue	43,666	39,501	+11%
Profit from recurring operations	8,373	7,252	+15%
Net profit, Group share	2,240	1,764	+27%
Free cash flow ^(c)	4,589	4,003	+15%
Net financial debt	2,001	4,753	-58%
Total equity	32,733	30,084	+9%

^(a) Audit procedures carried out, audit report being issued

^(b) Limited review procedures without a report issued by the Statutory Auditors

^(c) Before financial investments, transactions relating to equity and financing activities

Revenue and profit from recurring operations by business group for **the Christian Dior group** were as follows:

REVENUE

<i>(EUR millions)</i>	2017 Fiscal Year (12 months) ^(a)	2016 (12 calendar months) ^(b)	Change at actual exchange rates	Organic growth ^(c)
Wines and Spirits	5,084	4,835	+5%	+7%
Fashion and Leather Goods ^(d)	16,519	14,711	+12%	+13%
Perfumes and Cosmetics	5,560	4,953	+12%	+14%
Watches and Jewelry	3,805	3,468	+10%	+12%
Selective Retailing	13,311	11,973	+11%	+13%
Other activities and eliminations	(613)	(439)	-	-
Total	43,666	39,501	+11%	+12% ^(e)

^(a) Audit procedures carried out, audit report being issued

^(b) Limited review procedures without a report issued by the Statutory Auditors

^(c) On a constant consolidation scope and currency basis

^(d) Including Christian Dior Couture for 2017 and 2016

^(e) Exchange rate impact: -2%; impact of changes in scope: +1%

PROFIT FROM RECURRING OPERATIONS

<i>(EUR millions)</i>	2017 Fiscal Year (12 months) ^(a)	2016 (12 calendar months) ^(b)	Change
Wines and Spirits	1,558	1,504	+4%
Fashion and Leather Goods ^(c)	5,022	4,125	+22%
Perfumes and Cosmetics	600	551	+9%
Watches and Jewelry	512	458	+12%
Selective Retailing	1,075	919	+17%
Other activities and eliminations	(394)	(305)	-
Total	8,373	7,252	+15%

^(a) Audit procedures carried out, audit report being issued

^(b) Limited review procedures without a report issued by the Statutory Auditors

^(c) Including Christian Dior Couture for 2017 and 2016

Wines and Spirits: strong momentum in the United States and confirmed recovery in China

The **Wines and Spirits** business group recorded an increase in organic revenue of 7%. On a reported basis, revenue growth was 5% and profit from recurring operations increased by 4%. Champagnes grew steadily, with volumes up 4%. With 7.5 million cases of cognac shipped in 2017, Hennessy's volumes increased by 8%, with significant growth in China and the United States despite supply constraints in the second half. All qualities contributed to this performance. The inauguration of the new Pont Neuf bottling site, designed to strengthen the production capacity of the Maison, was a highlight of the last quarter. Colgin Cellars, a Californian estate producing exceptional wines, and Woodinville whiskey were added to the business group.

Fashion and Leather Goods: excellent growth across all Louis Vuitton's businesses, other brands strengthened their performance

The **Fashion and Leather Goods** business group achieved organic revenue growth of 13% in 2017. On a reported basis, revenue growth was up 12% and profit from recurring operations increased by 22%. Louis Vuitton continued to demonstrate outstanding creativity across all of its businesses, maintaining a good balance between innovations and the strengthening of its iconic product lines. New products arising from the collaborations with the artist Jeff Koons as well as the Supreme brand, the launch of the brand's first smart watch and the inauguration of the Maison Louis Vuitton Vendôme in Paris were among the key events of the year. Christian Dior Couture achieved an excellent performance. The exhibition at the Musée des Arts Décoratifs in Paris, celebrating the 70th anniversary of the Maison, was a huge success. Fendi continued to grow strongly. Loro Piana, Céline, Loewe, Kenzo and Berluti made good progress. Marc Jacobs strengthened its product offering and continued its restructuring. Rimowa completed its first year within the Group.

Perfumes and Cosmetics: successful innovations and rapid growth in Asia

The **Perfumes & Cosmetics** business group recorded organic revenue growth of 14%. On a reported basis, revenue growth was 12% and profit from recurring operations increased by 9%. Parfums Christian Dior grew market share in all regions, driven by the worldwide success of its fragrance Sauvage and the vitality of its iconic perfumes J'adore and Miss Dior. The makeup segment grew strongly, driven by the Rouge Dior and Dior Addict lines. Guerlain benefited from the successful launch of Mon Guerlain and the international roll-out of Guerlain Parfumeur boutiques. Parfums Givenchy had a very good year, thanks in particular to its makeup, just as Benefit which reinforced its Brow Collection. Fenty Beauty by Rihanna, launched worldwide exclusively at Sephora, is enjoying exceptional success.

Watches and Jewellery: excellent year at Bvlgari and further progress at TAG Heuer

The **Watches & Jewelry** business group recorded organic revenue growth of 12%. On a reported basis, revenue growth was 10% and profit from recurring operations increased by 12%. Bvlgari achieved an excellent performance and continued to gain market share thanks to the strength of its iconic lines Serpenti, B.Zero1, Diva and Octo. Growth was particularly strong in Asia, the United States and Europe. The inaugurations of the new manufacturing facility in Valenza and the flagship store on Fifth Avenue in New York are among the major events of the year. The success of the Liens and Joséphine collections, and its continued upgrading, drove Chaumet's growth. In the watch sector, TAG Heuer and Hublot continued to grow. At TAG Heuer, a new generation of smartwatch with multiple customization possibilities was launched in 2017.

Selective Retailing: good performance at Sephora and DFS

The Selective Retailing business group recorded organic revenue growth of 13%. On a reported basis, revenue growth was 11% and profit from recurring operations was up 17%. Sephora continued to gain market share. Its growth was particularly strong in North America and Asia. A new territory, Germany, was inaugurated, while Sephora expanded its online presence in Scandinavia, Mexico and the Middle East. Le Bon Marché has created a new online shopping experience by launching its digital platform, 24 Sèvres. The year 2017 was a positive turning point for DFS, with better positioned markets, especially in the second half. The new stores in Cambodia and Italy continued to grow.

Cautiously confident for 2018

In an environment that remains supportive at the beginning of the year and despite unfavorable currencies and geopolitical uncertainties, the Christian Dior group is well-equipped to continue its growth momentum across all business groups in 2018. The Group will maintain a strategy focused on developing its brands by continuing to build on strong innovation and investments as well as a constant quest for quality in their products and their distribution.

Driven by the agility of its teams, their entrepreneurial spirit, the balance of its different businesses and geographic diversity, the Christian Dior group enters 2018 with cautious confidence, and once again, sets an objective of increasing its global leadership position in luxury goods.

Dividend

At the Shareholders' Meeting of April 12, 2018, the payment of a gross cash dividend of 5 euros per share will be proposed in respect of the 2017 fiscal year. As an interim cash dividend of 1.60 euros per share was distributed on December 7, 2017, the final cash dividend will amount to 3.40 euros and will be paid as of April 19, 2018.

The Board of Directors met on February 2, 2018 to approve the financial statements for 2017. Audit procedures have been carried out and the audit report is being issued.

* *
*

APPENDIX 1: Revenue by business group and by quarter

This financial release constitutes regulated information, and is made available on the Company's website (www.dior-finance.com).

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

This document is a free translation into English of the original French financial release dated February 2, 2018. It is not a binding document.

In the event of a conflict in interpretation, reference should be made to the French version, which is the authentic text.

Christian Dior group - Revenue by business group and by quarter

2017 Fiscal Year

Revenue (EUR millions)	Wines and Spirits	Fashion and Leather Goods ⁽¹⁾	Perfumes and Cosmetics	Watches and Jewelry	Selective Retailing	Other activities and eliminations ⁽²⁾	Total
First Quarter	1,196	3,911	1,395	879	3,154	(155)	10,380
Second Quarter	1,098	4,035	1,275	959	3,126	(129)	10,364
Third Quarter	1,220	3,939	1,395	951	3,055	(179)	10,381
Fourth Quarter	1,570	4,634	1,495	1,016	3,976	(150)	12,541
Total	5,084	16,519	5,560	3,805	13,311	(613)	43,666

Organic revenue growth (as %)	Wines and Spirits	Fashion and Leather Goods ⁽¹⁾	Perfumes and Cosmetics	Watches and Jewelry	Selective Retailing	Other activities and eliminations	Total
First Quarter	+13%	+15%	+12%	+11%	+11%	-	+13%
Second Quarter	+6%	+14%	+13%	+14%	+12%	-	+12%
Third Quarter	+4%	+13%	+17%	+14%	+14%	-	+12%
Fourth Quarter	+6%	+11%	+14%	+9%	+14%	-	+11%
Total	+7%	+13%	+14%	+12%	+13%	-	+12%

2016 (12 calendar months)

Revenue (EUR millions)	Wines and Spirits	Fashion and Leather Goods ⁽¹⁾	Perfumes and Cosmetics	Watches and Jewelry	Selective Retailing	Other activities and eliminations	Total
First Quarter	1,033	3,394	1,213	774	2,747	(120)	9,041
Second Quarter	1,023	3,384	1,124	835	2,733	(75)	9,024
Third Quarter	1,225	3,608	1,241	877	2,803	(122)	9,632
Fourth Quarter	1,554	4,325	1,375	982	3,690	(122)	11,804
Total	4,835	14,711	4,953	3,468	11,973	(439)	39,501

⁽¹⁾ Following the disposal, on July 3, 2017, of the Christian Dior Couture branch within the consolidated group by Christian Dior SE to LVMH SE, information relating to Christian Dior Couture is included in the figures for the Fashion and Leather Goods business group from the third quarter of 2017. For comparison purposes, figures for previous periods are presented using an identical approach

⁽²⁾ Including, until June 30, 2017, revenue from businesses operated as joint ventures between Christian Dior Couture and LVMH