

Christian Dior

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RESULTS FOR THE FIRST HALF OF 2017

In the first half of 2017, the **Christian Dior group** recorded revenue of 20.7 billion euros, up 15% at actual exchange rates and 12% on a constant consolidation scope and currency basis.

During the first half of the year, the Group benefited from a favorable comparison base, particularly in Asia but also in France, where activity was affected last year by a decline in tourism. The trend currently observed cannot reasonably be extrapolated to the full year.

Profit from recurring operations was 3.7 billion euros, up 24%.

The Group share of net profit was 0.9 billion euros.

Cash from operations before changes in working capital was 4.7 billion euros, up 24%.

Free cash flow before financial investments, transactions relating to equity and financing activities was 1.2 billion euros.

The net financial debt to equity ratio was 17% as of June 30, 2017.

The financial highlights of the period were as follows:

Consolidated financial highlights <i>(EUR millions)</i>	First half of 2017 ^(a)	Half-year from January 1, 2016 to June 30, 2016 ^(b)	Change
Revenue	20,744	18,065	+15%
Profit from recurring operations	3,738	3,014	+24%
Net profit	2,377	1,870	+27%
Net profit, Group share	900	706	+27%
Cash from operations before changes in working capital	4,684	3,782	+24%
Free cash flow ^(c)	1,184	699	+69%
Net financial debt	5,258	6,777	-22%
Equity	30,774	28,129	+9%
Net financial debt to equity ratio	17%	24%	-

^(a) Limited review procedures; Statutory Auditors' report in the process of 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

In the first half of 2017, **Christian Dior Couture** posted revenue of 1,047 million euros, up 17% at both actual and constant exchange rates. The Ready-to-Wear, Leather Goods, Accessories and Jewelry collections were a success, thanks to the creativity of the House of Dior's design teams and its exceptional expertise. Retail sales revenue from directly operated boutiques grew by 19% at actual exchange rates and 18% at constant exchange rates. All regions contributed to this growth. Christian Dior Couture posted first-half profit from recurring operations of 117 million euros, up 58%.

In the first half of 2017, **LVMH** recorded revenue of 19.7 billion euros, up 15% at actual exchange rates and 12% on a constant consolidation scope and currency basis compared to the first half of 2016. All geographic regions remained well on track.

Profit from recurring operations for the first half of 2017 was 3,640 million euros, up 23%. The current operating margin was 18.5%, an increase of 1 percentage point. The Group's share of net profit was 2,119 million euros, up 24%.

For LVMH, the highlights of the first half of 2017 included:

- double-digit increases in revenue and profit from recurring operations;
- good growth in Europe, Asia and the United States;
- a good start to the year for Wines and Spirits;
- outstanding momentum at Louis Vuitton, with profitability remaining at an exceptional level;
- integration of Rimowa, a leader in premium-class luggage;
- success of the new products at Parfums Christian Dior;
- growth at Bvlgari;
- excellent response to TAG Heuer's new products;
- continued strengthening of Sephora's omnichannel strategy.

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

REVENUE

<i>(EUR millions)</i>	First half of 2017 ^(a)	Half-year from January 1, 2016 to June 30, 2016 ^(b)	Change at actual exchange rates	Organic growth ^(c)
Christian Dior Couture	1,047	893	+17%	+17%
Wines and Spirits	2,294	2,056	+12%	+10%
Fashion and Leather Goods	6,899	5,885	+17%	+14%
Perfumes and Cosmetics	2,670	2,337	+14%	+12%
Watches and Jewelry	1,838	1,609	+14%	+13%
Selective Retailing	6,280	5,480	+15%	+12%
Other activities and eliminations	(284)	(195)	-	-
Total	20,744	18,065	+15%	+12% ^(d)

^(a) Limited review procedures; Statutory Auditors' report in the process of being issued

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

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

^(d) Exchange rate impact: 2%; impact of changes in scope: 1%

PROFIT FROM RECURRING OPERATIONS

<i>(EUR millions)</i>	First half of 2017 ^(a)	Half-year from January 1, 2016 to June 30, 2016 ^(b)	Change
Christian Dior Couture	117	74	+58%
Wines and Spirits	681	565	+21%
Fashion and Leather Goods	2,192	1,630	+34%
Perfumes and Cosmetics	292	272	+7%
Watches and Jewelry	234	205	+14%
Selective Retailing	441	410	+8%
Other activities and eliminations	(219)	(142)	-
Total	3,738	3,014	+24%

^(a) Limited review procedures; Statutory Auditors' report in the process of being issued

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

Events subsequent to June 30, 2017

On July 3, 2017, as part of the recent transactions to simplify the Group's structure and pursuant to the terms of the memorandum of understanding signed on April 24, 2017, Christian Dior SE sold 100% of its Christian Dior Couture branch (including Grandville and its subsidiary Christian Dior Couture) to LVMH for a net amount of 6 billion euros, based on an enterprise value of 6.5 billion euros. The sale price was paid by LVMH on July 26, 2017.

Interim dividend

The Board of Directors of Christian Dior met on July 26, 2017 and decided on the payment, on December 7, 2017, of an interim cash dividend of a gross amount of 1.60 euros per share.

Outlook for 2017

Despite the context of geopolitical and currency uncertainties, the **Christian Dior group** will continue to pursue gains in market share thanks to the numerous product launches planned before the end of the year and its geographic expansion in promising markets, while continuing to manage costs.

Our strategy of focusing on quality across all our activities, combined with the dynamism and unparalleled creativity of our teams, will enable us to reinforce, once again in 2017, the Christian Dior group's global leadership position in luxury goods.

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This document is a free translation into English of the original French "Communiqué" dated July 26, 2017. 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.

APPENDIX: Revenue by business group and by quarter

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

Some of the statements contained in this financial release may include or be based on forward-looking information. Major risk factors, uncertainties or elements either beyond our control or unable to be anticipated as of this writing may thus cause actual results to differ significantly from those expressed or implied by the forward-looking information in this financial release. The statements made herein reflect our vision of the Group's business activities as of the date of this financial release. Accordingly, readers are cautioned not to place undue reliance on the information thus provided. Furthermore, it should be noted that we undertake no obligation to update publicly or otherwise revise any forward-looking statements.

Christian Dior group – Revenue by business group and by quarter

First half of 2017

Revenue (EUR millions)	Christian Dior Couture	Wines and Spirits	Fashion and Leather Goods	Perfumes and Cosmetics	Watches and Jewelry	Selective Retailing	Other activities and eliminations	Total
Quarter from January 1 to March 31, 2017	506	1,196	3,405	1,395	879	3,154	(155)	10,380
Quarter from April 1 to June 30, 2017	541	1,098	(*) 3,494	1,275	959	3,126	(129)	10,364
Total	1,047	2,294	6,899	2,670	1,838	6,280	(284)	20,744

(*) Including all revenue from Rimowa for the first half of 2017

Organic revenue growth (as %)	Christian Dior Couture	Wines and Spirits	Fashion and Leather Goods	Perfumes and Cosmetics	Watches and Jewelry	Selective Retailing	Other activities and eliminations	Total
Quarter from January 1 to March 31, 2017	+17%	+13%	+15%	+12%	+11%	+11%	-	+13%
Quarter from April 1 to June 30, 2017	+16%	+6%	+13%	+13%	+14%	+12%	-	+12%
Total	+17%	+10%	+14%	+12%	+13%	+12%	-	+12%

Half-year from January 1 to June 30, 2016

Revenue (EUR millions)	Christian Dior Couture	Wines and Spirits	Fashion and Leather Goods	Perfumes and Cosmetics	Watches and Jewelry	Selective Retailing	Other activities and eliminations	Total
Quarter from January 1 to March 31, 2016	429	1,033	2,965	1,213	774	2,747	(120)	9,041
Quarter from April 1 to June 30, 2016	464	1,023	2,920	1,124	835	2,733	(75)	9,024
Total	893	2,056	5,885	2,337	1,609	5,480	(195)	18,065