

Christian Dior

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Paris, February 9, 2017

2016 RESULTS

In 2016, the **Christian Dior group** recorded revenue of 39.5 billion euros, up 5% at actual exchange rates and 6% at constant structure and exchange rates. Profit from recurring operations was 7.3 billion euros, up 6%.

The Group share of net profit was 1.8 billion euros.

Free cash flow before financial investments, transactions relating to equity and financing activities, was 4.0 billion euros.

The financial highlights of the period were as follows:

Consolidated financial highlights <i>(EUR millions)</i>	December 31, 2016 (12 calendar months) ^(a)	December 31, 2015 (12 calendar months) ^(a)	Change
Revenue	39,501	37,511	+5%
Profit from recurring operations	7,252	6,827	+6%
Net profit	4,594	4,074	+13%
Net profit, Group share	1,764	1,537	+15%
Free cash flow ^(b)	4,003	3,607	+11%
Net financial debt	4,753	5,841	-19%
Equity	30,084	27,638	+9%

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

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

In 2016, **Christian Dior Couture** posted revenue of 1,936 million euros, up 3% at actual exchange rates and 5% at constant exchange rates compared to 2015. Retail sales revenue growth was up 3% at actual exchange rates and 5% at constant exchange rates. Profit from recurring operations was 252 million euros, up 5%.

LVMH recorded revenue of 37.6 billion euros in 2016, up 5% at actual exchange rates and 6% at constant structure and exchange rates with respect to 2015. Profit from recurring operations reached 7.0 billion euros in 2016, an increase of 6%, to which all business groups, apart from selective distribution, contributed. This result compares to 2015 which was itself a year of growth. Operating margin reached 18.7%. Group share of net profit was 3,981 million euros, representing growth of 11%.

For LVMH, the key highlights from 2016 include:

- Record revenue and profit from recurring operations
- Growth in the United States, Europe and Asia
- Good performance of Wines & Spirits in all regions
- The success of both iconic and new products at Louis Vuitton, where profitability remains at an exceptional level
- Progress at Fendi
- The sale of Donna Karan and the acquisition of Rimowa, leader in luggage of excellence
- Good momentum at Parfums Christian Dior driven by successful product innovations
- Market share gains at Bvlgari and TAG Heuer
- Growth at Sephora which strengthened its position in all its markets and in digital

Revenue and profit from recurring operations by business group for the **Christian Dior group** for the 12-month calendar year ended December 31, 2016 were as follows:

<u>REVENUE</u>	December 31, 2016	December 31, 2015	Change at	Organic
<i>(EUR millions)</i>	(12 calendar months) ^(a)	(12 calendar months) ^(a)	actual exchange rates	growth ^(b)
Christian Dior Couture	1,936	1,872	+3%	+5%
Wines and Spirits	4,835	4,603	+5%	+7%
Fashion and Leather Goods	12,775	12,369	+3%	+4%
Perfumes and Cosmetics	4,953	4,671	+6%	+8%
Watches and Jewelry	3,468	3,308	+5%	+5%
Selective Retailing	11,973	11,193	+7%	+8%
Other activities and eliminations	(439)	(505)	-	-
Total	39,501	37,511	+5%	+6%

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

^(b) At constant structure and exchange rates

<u>PROFIT FROM RECURRING OPERATIONS</u>	December 31, 2016	December 31, 2015	Change
<i>(EUR millions)</i>	(12 calendar months) ^(a)	(12 calendar months) ^(a)	
Christian Dior Couture	252	240	+5%
Wines and Spirits	1,504	1,363	+10%
Fashion and Leather Goods	3,873	3,505	+10%
Perfumes and Cosmetics	551	524	+5%
Watches and Jewelry	458	432	+6%
Selective Retailing	919	940	-2%
Other activities and eliminations	(305)	(177)	-
Total	7,252	6,827	+6%

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

Outlook: cautiously confident for 2017

Despite a climate of geopolitical and currency uncertainties, the **Christian Dior group** is well-equipped to continue its growth momentum across all business groups in 2017. The Group will maintain a strategy focused on developing its brands by continuing to build on strong innovation and a constant quest for quality in their products and their distribution.

Driven by the agility of its teams, their entrepreneurial spirit and the balance of its different businesses and geographic diversity, the Christian Dior group enters 2017 with caution but has, once again, set an objective of increasing its global leadership position in luxury goods.

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APPROVAL FOR PUBLICATION OF THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016

(6-month fiscal year due to the change in the fiscal year-end approved at the Shareholders' Meeting of December 1, 2015)

The **Christian Dior group** achieved revenue of 21.4 billion euros for the 6-month fiscal year from July 1 to December 31, 2016, up 8% at actual exchange rates and 7% at constant structure and exchange rates with respect to the half-year from July 1 to December 31, 2015. Profit from recurring operations was 4.2 billion euros, up 12%.

The Group share of net profit was 1.1 billion euros.

Free cash flow for the fiscal year, before financial investments, transactions relating to equity and financing activities, was 3.3 billion euros.

The Board of Directors met on February 9, 2017 to approve the financial statements for the fiscal year ended December 31, 2016. Audit procedures have been carried out and the audit report is being issued.

At the Shareholders' Meeting of April 13, 2017, the payment of a gross cash dividend of 1.40 euros per share will be proposed in respect of the fiscal year ended December 31, 2016, which will be paid as of April 21, 2017.

To date, no events or changes have occurred which could significantly modify the Group's financial structure.

The main aggregates for the fiscal year ended December 31, 2016 were as follows:

Consolidated financial highlights <i>(EUR millions)</i>	<u>Fiscal year from</u> July 1, 2016 to December 31, 2016 (6 months) ^(a)	<u>Half-year from</u> July 1, 2015 to December 31, 2015 (6 months) ^(b)	Change
Revenue	21,436	19,903	+8%
Profit from recurring operations	4,238	3,778	+12%
Net profit	2,724	2,294	+19%
Net profit, Group share	1,058	863	+23%
Free cash flow ^(c)	3,305	2,961	+12%
Net financial debt	4,753	5,841	-19%
Equity	30,084	27,638	+9%

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

^(b) Limited review with a report issued by the Statutory Auditors on the financial information for the first half of the 2015/2016 fiscal year

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

Revenue and profit from recurring operations by business group were as follows:

Revenue (EUR millions)	<u>Fiscal year from</u> July 1, 2016 to December 31, 2016 (6 months) ^(a)	<u>Half-year from</u> July 1, 2015 to December 31, 2015 (6 months) ^(b)	Change at actual exchange rates	Organic growth
Christian Dior Couture	1,043	961	+9%	+10%
Wines and Spirits	2,779	2,673	+4%	+5%
Fashion and Leather Goods	6,890	6,436	+7%	+7%
Perfumes and Cosmetics	2,616	2,443	+7%	+8%
Watches and Jewelry	1,859	1,756	+6%	+5%
Selective Retailing	6,493	5,918	+10%	+9%
Other activities and eliminations	(244)	(284)	-	-
Total	21,436	19,903	+8%	+7%

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

^(b) Limited review with a report issued by the Statutory Auditors on the financial information for the first half of the 2015/2016 fiscal year

Profit from recurring operations (EUR millions)	<u>Fiscal year from</u> July 1, 2016 to December 31, 2016 (6 months) ^(a)	<u>Half-year from</u> July 1, 2015 to December 31, 2015 (6 months) ^(b)	Change
Christian Dior Couture	178	135	+33%
Wines and Spirits	939	881	+7%
Fashion and Leather Goods	2,243	1,844	+22%
Perfumes and Cosmetics	279	275	+1%
Watches and Jewelry	253	227	+11%
Selective Retailing	509	507	0%
Other activities and eliminations	(163)	(91)	-
Total	4,238	3,778	+12%

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

^(b) Limited review with a report issued by the Statutory Auditors on the financial information for the first half of the 2015/2016 fiscal year

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APPENDIX 1: Revenue by business group and by period (12 calendar months)

APPENDIX 2: Revenue by business group and by quarter (6-month fiscal year ended December 31, 2016)

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.

This document is a free translation into English of the original French "Communiqué financier" dated February 9, 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 1

Christian Dior group - Revenue by business group and by period (12 calendar months)

Periods from January 1 to December 31, 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
Period from January 1 to March 31, 2016	429	1,033	2,965	1,213	774	2,747	(120)	9,041
Period from April 1 to June 30, 2016	464	1,023	2,920	1,124	835	2,733	(75)	9,024
Period from July 1 to September 30, 2016	502	1,225	3,106	1,241	877	2,803	(122)	9,632
Period from October 1 to December 31, 2016	541	1,554	3,784	1,375	982	3,690	(122)	11,804
Total	1,936	4,835	12,775	4,953	3,468	11,973	(439)	39,501

Periods from January 1 to December 31, 2015

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
Period from January 1 to March 31, 2015	433	992	2,975	1,129	723	2,648	(149)	8,751
Period from April 1 to June 30, 2015	478	938	2,958	1,099	829	2,627	(72)	8,857
Period from July 1 to September 30, 2015	471	1,199	2,939	1,143	852	2,603	(161)	9,046
Period from October 1 to December 31, 2015	490	1,474	3,497	1,300	904	3,315	(123)	10,857
Total	1,872	4,603	12,369	4,671	3,308	11,193	(505)	37,511

^(*) Taking into account the reclassification of the Kendo cosmetics company from Selective Retailing to Perfumes and Cosmetics

APPENDIX 2

Christian Dior group - Revenue by business group and by quarter (6-month fiscal year ended December 31, 2016)

Fiscal year ended December 31, 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 July 1 to September 30, 2016	502	1,225	3,106	1,241	877	2,803	(122)	9,632
Quarter from October 1 to December 31, 2016	541	1,554	3,784	1,375	982	3,690	(122)	11,804
Total	1,043	2,779	6,890	2,616	1,859	6,493	(244)	21,436

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 July 1 to September 30, 2016	+8%	+4%	+5%	+10%	+2%	+8%	-	+6%
Quarter from October 1 to December 31, 2016	+12%	+7%	+9%	+7%	+8%	+11%	-	+8%
Total	+10%	+5%	+7%	+8%	+5%	+9%	-	+7%

First half of the 2015/2016 fiscal year

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 July 1 to September 30, 2015	471	1,199	2,939	1,143	852	2,603	(161)	9,046
Quarter from October 1 to December 31, 2015	490	1,474	3,497	1,300	904	3,315	(123)	10,857
Total	961	2,673	6,436	2,443	1,756	5,918	(284)	19,903

^(*) Taking into account the reclassification of the Kendo cosmetics company from Selective Retailing to Perfumes and Cosmetics