

Christian Dior

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FINANCIAL RELEASE

The **Christian Dior group** achieved revenue of 38.0 billion euros for the fiscal year from July 1, 2015 to June 30, 2016, up 8% at actual exchange rates and 5% at constant structure and exchange rates. Profit from recurring operations was 6.8 billion euros, up 8%.

The Group share of net profit was 1.6 billion euros. Excluding the impact of the exceptional distributions of Hermès shares in December 2014, the Group share of net profit was up 18% compared to the fiscal year from July 1, 2014 to June 30, 2015.

Free cash flow (before financial investments, transactions relating to equity and financing activities) was 3.7 billion euros for the fiscal year.

The financial highlights of the fiscal year 2015/2016 (audit procedures in progress) are as follows:

Consolidated financial highlights (EUR billions)	Fiscal year from July 1, 2015 to June 30, 2016 ^(a)	Fiscal year from July 1, 2014 to June 30, 2015	Change
Revenue	38.0	35.1	+8%
Profit from recurring operations	6.8	6.3	+8%
Net profit	4.2	6.2 ^(b) 3.5 ^(c)	-32% ^(b) +18% ^(c)
Net profit, Group share	1.6	2.4 ^(b) 1.3 ^(c)	-34% ^(b) +18% ^(c)
Free cash flow ^(d)	3.7	3.5	+5%
Net financial debt	6.8	7.5	-9%
Total equity	28.1	26.3	+7%

^(a) Audit procedures in progress

^(b) Including the impact of the exceptional distributions in kind of Hermès shares in December 2014

^(c) Excluding the impact of the exceptional distributions in kind of Hermès shares in December 2014

^(d) 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>1st half-year</u> (July 1 - Dec. 31, 2015) ^(b)	<u>2nd half-year</u> (January 1 - June 30, 2016) ^(c)	<u>12-month</u> <u>fiscal year</u> (July 1, 2015 - June 30, 2016) ^(a)	<u>12-month</u> <u>fiscal year</u> (July 1, 2014 - June 30, 2015)	Change at actual exchange rates	Organic growth ^(d)
Christian Dior Couture	961	893	1,854	1,765	+5%	+2%
Wines and Spirits	2,673	2,056	4,729	4,226	+12%	+9%
Fashion and Leather Goods	6,436	5,885	12,321	11,731	+5%	+2%
Perfumes and Cosmetics	2,443	2,337	4,780	4,347	+10%	+8%
Watches and Jewelry	1,756	1,609	3,365	3,068	+10%	+6%
Selective Retailing	5,918	5,480	11,398	10,423	+9%	+5%
Other activities and eliminations	(284)	(195)	(479)	(479)	-	-
Total	19,903	18,065	37,968	35,081	+8%	+5% ^(e)

^(a) Audit procedures in progress

^(b) Figures for the first half of the fiscal year (July 1 - December 31, 2015) underwent limited review procedures with a report issued by the Statutory Auditors on the half-year consolidated financial information

^(c) Figures for the second half of the fiscal year (January 1 - June 30, 2016) underwent limited review procedures with no report issued

^(d) At constant structure and exchange rates

^(e) The exchange rate impact was +3%

Profit from recurring operations (EUR millions)	<u>1st half-year</u> (July 1 - Dec. 31, 2015) ^(b)	<u>2nd half-year</u> (January 1 - June 30, 2016) ^(c)	<u>12-month</u> <u>fiscal year</u> (July 1, 2015 - June 30, 2016) ^(a)	<u>12-month</u> <u>fiscal year</u> (July 1, 2014 - June 30, 2015)	Change
Christian Dior Couture	135	74	209	226	-8%
Wines and Spirits	881	565	1,446	1,168	+24%
Fashion and Leather Goods	1,844	1,630	3,474	3,363	+3%
Perfumes and Cosmetics	275	272	547	456	+20%
Watches and Jewelry	227	205	432	381	+13%
Selective Retailing	507	410	917	922	-1%
Other activities and eliminations	(91)	(142)	(233)	(220)	-
Total	3,778	3,014	6,792	6,296	+8%

^(a) Audit procedures in progress

^(b) Figures for the first half of the fiscal year (July 1 - December 31, 2015) underwent limited review procedures with a report issued by the Statutory Auditors on the half-year consolidated financial information

^(c) Figures for the second half of the fiscal year (January 1 - June 30, 2016) underwent limited review procedures with no report issued

Highlights for the second half of the fiscal year of the Christian Dior group (January 1 - June 30, 2016) include:

- Strong momentum in the United States, and continued growth in the European market;
- Christian Dior Couture's resilience, illustrated by its stable half-year revenue at constant exchange rates (down 2% at actual exchange rates), with local customer growth limiting the impact of lower tourist traffic. The power of the Dior brand will be boosted by the arrival of a new leadership (women), which will combine its artistic vision with the excellence of the Maison's savoir-faire;
- Excellent performance from Wines and Spirits in all regions;
- Success of iconic lines and new products at Louis Vuitton, where profitability remains at an exceptional level;
- Impressive growth of Fendi, which celebrates its 90th year;
- Continued investment in the fashion brands;
- Strong momentum at Parfums Christian Dior, led by successful innovations;
- Market share gains at Bvlgari and the successful refocusing of TAG Heuer on its core range;
- Exceptional progress at Sephora which is strengthening its position in all operating regions and in the digital universe;
- Cash from operations before changes in working capital of 3.8 billion euros, an increase of 8%;
- Net debt to equity ratio of 24% as of the end of June 2016.

After the fiscal year-end, an agreement was announced for the sale of the Donna Karan business on July 25, 2016. The transaction is expected to close in late 2016 or early 2017.

OUTLOOK

Despite the context of geopolitical and currency uncertainties, the **Christian Dior group** will continue to gain market share thanks to the numerous upcoming product launches 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 further reinforce, once again, the Group's global leadership position in luxury goods.

During the fiscal year and to date, no events or changes have occurred which could significantly modify the Group's financial structure.

The annual financial statements as of June 30, 2016 will be approved by the Board of Directors at its meeting in October 2016, which will be followed by the publication of a financial release.

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This financial release constitutes regulated information and is made 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.

- **APPENDIX 1** - Revenue by business group and by quarter
- **APPENDIX 2** - Profit from recurring operations by business group and by half-year period

APPENDIX 1

Christian Dior group - Revenue by business group and by quarter

Fiscal year ended 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 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
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	1,854	4,729	12,321	4,780	3,365	11,398	(479)	37,968

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, 2015	+5%	+16%	+3%	+9%	+11%	+5%	-	+7%
Quarter from October 1 to December 31, 2015	+4%	+4%	+3%	+8%	+3%	+5%	-	+5%
Quarter from January 1 to March 31, 2016	0%	+6%	0%	+9%	+7%	+4%	-	+3%
Quarter from April 1 to June 30, 2016	0%	+13%	+1%	+6%	+2%	+7%	-	+4%
Total	+2%	+9%	+2%	+8%	+6%	+5%	-	+5%

Fiscal year ended June 30, 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
Quarter from July 1 to September 30, 2014	417	948	2,647	981	706	2,232	(132)	7,799
Quarter from October 1 to December 31, 2014	437	1,348	3,151	1,138	810	2,916	(126)	9,674
Quarter from January 1 to March 31, 2015	433	992	2,975	1,129	723	2,648	(149)	8,751
Quarter from April 1 to June 30, 2015	478	938	2,958	1,099	829	2,627	(72)	8,857
Total	1,765	4,226	11,731	4,347	3,068	10,423	(479)	35,081

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

APPENDIX 2

Christian Dior group - Profit from recurring operations by business group and by half-year period

Fiscal year ended June 30, 2016

<i>(EUR millions)</i>	Christian Dior Couture	Wines and Spirits	Fashion and Leather Goods	Perfumes and Cosmetics ^(*)	Watches and Jewelry	Selective Retailing ^(*)	Other activities and eliminations ^(*)	Total
Half-year from July 1 to December 31, 2015	135	881	1,844	275	227	507	(91)	3,778
Half-year from January 1 to June 30, 2016	74	565	1,630	272	205	410	(142)	3,014
Total	209	1,446	3,474	547	432	917	(233)	6,792

Fiscal year ended June 30, 2015

<i>(EUR millions)</i>	Christian Dior Couture	Wines and Spirits	Fashion and Leather Goods	Perfumes and Cosmetics ^(*)	Watches and Jewelry	Selective Retailing ^(*)	Other activities and eliminations ^(*)	Total
Half-year from July 1 to December 31, 2014	120	686	1,702	207	176	489	(133)	3,247
Half-year from January 1 to June 30, 2015	106	482	1,661	249	205	433	(87)	3,049
Total	226	1,168	3,363	456	381	922	(220)	6,296

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

This document is a free translation into English of the original French “Communiqué financier” dated July 28, 2016. 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.