

# Christian Dior

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## CHRISTIAN DIOR: 12% ORGANIC REVENUE GROWTH IN THE FIRST NINE MONTHS OF 2017

The **Christian Dior group** recorded a 12% increase in revenue, reaching 31.1 billion euros, for the first nine months of 2017. Organic revenue grew also 12% compared to the same period in 2016.

With organic revenue growth of 12%, the third quarter continues the trend recorded in the first part of the year. Revenue for the quarter was up 8%, after taking into account a negative exchange rate impact of 5% and a positive consolidation scope impact of less than 1%. All business groups recorded double-digit organic growth, with the exception of Wines and Spirits, whose progress was limited by supply constraints.

Revenue of the Christian Dior group, by business group, was as follows:

<i>(EUR Millions)</i>	9 months 2017	9 months 2016	Change at actual exchange rates	Organic growth <sup>(a)</sup>
Wines and Spirits	3,514	3,281	+7%	+8%
Fashion and Leather Goods <sup>(b)</sup>	11,885	10,386	+14%	+14%
Perfumes and Cosmetics	4,065	3,578	+14%	+14%
Watches and Jewelry	2,789	2,486	+12%	+13%
Selective Retailing	9,335	8,283	+13%	+12%
Other activities and eliminations	(463)	(317)	-	-
<b>Total</b>	<b>31,125</b>	<b>27,697</b>	<b>+12%</b>	<b>+12%</b> <sup>(c)</sup>

<sup>(a)</sup> At constant structure and exchange rates

<sup>(b)</sup> 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

<sup>(c)</sup> The negative exchange rate impact of 0.5% was offset by a positive consolidation scope impact of 0.5%

The **Wines & Spirits** business group recorded organic revenue growth of 8% in the first nine months of 2017. Champagne volumes were up 4%, with particularly strong demand in Europe and Japan. Hennessy cognac has been performing well since the beginning of the year. The volume increase was 9% for the first nine months of 2017, despite a third quarter decline related to supply constraints. Higher qualities progressed well.

The **Fashion & Leather Goods** business group recorded organic revenue growth of 14% for the first nine months of 2017. Louis Vuitton is still driven by its exceptional strength in the field of innovation, illustrated by its first smart watch and the many creations across all of its activities. The qualitative development of its distribution network continues, as illustrated by the opening of the Maison Louis Vuitton Vendôme in Paris, which brings together under one roof all the savoir-faire of the Maison. Christian Dior Couture achieved an excellent performance. A retrospective at the Museum of Decorative Arts in Paris, which has had tremendous success, celebrates the 70th anniversary of the Maison. Fendi is stepping up its development in the United States with the opening of several new stores. Loro Piana, Céline and Loewe are making good progress. Rimowa has been consolidated since January 2017 while Donna Karan was sold at the end of 2016.

The **Perfumes & Cosmetics** business group recorded organic revenue growth of 14% for the first nine months of 2017. Parfums Christian Dior continued its strong performance. Perfumes benefited from the continued success of *J'adore*, *Sauvage*, and from the launch of the eau de parfum *Miss Dior*. In make-up, the range of *Rouge Dior* lipstick grew rapidly. Guerlain rolled out its new *Mon Guerlain* fragrance internationally. Parfums Givenchy continued its strong expansion, driven by makeup. Fenty Beauty by Rihanna, distributed exclusively at Sephora, experienced an exceptional start.

The **Watches & Jewelry** business group recorded organic revenue growth of 13% for the first nine months of 2017. Bvlgari achieved a remarkable performance thanks in particular to the rapid growth of its signature jewelry collections *Serpenti*, *Diva* and *B.Zero1*. The launch of the new *Festa* high-end jewelry line was one of the highlights of the last quarter. Chaumet and Fred also contributed to the overall positive performance. In watches, TAG Heuer and Hublot continue to grow. The new products launched at the Basel trade show have had excellent results.

The **Selective Retailing** business group recorded organic revenue growth of 12% for the first nine months of 2017. Sephora continues to renovate its stores and expand its store network. After France, Sephora launched its new store concept in Spain with two new innovatively designed flagship stores, placing digital at the heart of the customer experience. Online sales are growing at a steady pace. DFS is experiencing sustained growth, particularly in Hong Kong and Macao. The T Galleria stores in Cambodia and Venice have developed well.

## OUTLOOK

In an uncertain geopolitical and currency environment, the Christian Dior group will continue to be vigilant. The Group will pursue its strategy focused on innovation and targeted geographic expansion in the most promising markets. The Christian Dior group will rely on the power of its brands and the talent of its teams to further extend its global leadership in the luxury market in 2017.

*Except for the sale of the Christian Dior Couture branch by Christian Dior SE to LVMH SE in July 2017, details of which are set out on page 47 of the 2017 Interim Financial Report, no material event or change took place during the quarter, up until today's date, that would significantly affect the Group's financial structure.*

*This document is a free translation into English of the original French "Communiqué" dated October 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.*

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## 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.*

## APPENDIX

### Christian Dior group- Revenue by business group and by quarter

2017

Revenue (EUR millions)	Wines and Spirits	Fashion and Leather Goods <sup>(1)</sup>	Perfumes and Cosmetics	Watches and Jewelry	Selective Retailing	Other activities and eliminations <sup>(3)</sup>	Total
First Quarter	1,196	3,911	1,395	879	3,154	(155)	10,380
Second Quarter	1,098	<sup>(2)</sup> 4,035	1,275	959	3,126	(129)	<sup>(2)</sup> 10,364
Third Quarter	1,220	3,939	1,395	951	3,055	(179)	10,381
<b>Total</b>	<b>3,514</b>	<b>11,885</b>	<b>4,065</b>	<b>2,789</b>	<b>9,335</b>	<b>(463)</b>	<b>31,125</b>

Organic revenue growth (as %)	Wines and Spirits	Fashion and Leather Goods <sup>(1)</sup>	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%
<b>Total</b>	<b>+8%</b>	<b>+14%</b>	<b>+14%</b>	<b>+13%</b>	<b>+12%</b>	<b>-</b>	<b>+12%</b>

2016

Revenue (EUR millions)	Wines and Spirits	Fashion and Leather Goods <sup>(1)</sup>	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
<b>Total</b>	<b>3,281</b>	<b>10,386</b>	<b>3,578</b>	<b>2,486</b>	<b>8,283</b>	<b>(317)</b>	<b>27,697</b>

<sup>(1)</sup> 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

<sup>(2)</sup> Includes all Rimowa revenue for the first half of 2017

<sup>(3)</sup> Including, until June 30, 2017, revenue from businesses operated as joint ventures between Christian Dior Couture and LVMH