

LVMH

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MOËT HENNESSY ♦ LOUIS VUITTON

DECEMBER 31, 2020

FINANCIAL STATEMENTS  
CONSOLIDATED FINANCIAL STATEMENTS



# CONSOLIDATED FINANCIAL STATEMENTS

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*As table totals are based on unrounded figures, there may be discrepancies  
between these totals and the sum of their rounded component figures.*

This document is a free translation into English of the original French “Comptes consolidés – 31 décembre 2020”, hereafter referred to as the “Consolidated financial statements”. 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.

## CONSOLIDATED INCOME STATEMENT

<i>(EUR millions, except for earnings per share)</i>	Notes	2020	2019	2018 <sup>(a)</sup>
<b>Revenue</b>	24-25	<b>44,651</b>	<b>53,670</b>	<b>46,826</b>
Cost of sales		(15,871)	(18,123)	(15,625)
<b>Gross margin</b>		<b>28,780</b>	<b>35,547</b>	<b>31,201</b>
Marketing and selling expenses		(16,792)	(20,207)	(17,755)
General and administrative expenses		(3,641)	(3,864)	(3,466)
Income/(loss) from joint ventures and associates	8	(42)	28	23
<b>Profit from recurring operations</b>	24-25	<b>8,305</b>	<b>11,504</b>	<b>10,003</b>
Other operating income and expenses	26	(333)	(231)	(126)
<b>Operating profit</b>		<b>7,972</b>	<b>11,273</b>	<b>9,877</b>
Cost of net financial debt		(35)	(107)	(117)
Interest on lease liabilities		(281)	(290)	-
Other financial income and expenses		(292)	(162)	(271)
<b>Net financial income/(expense)</b>	27	<b>(608)</b>	<b>(559)</b>	<b>(388)</b>
Income taxes	28	(2,409)	(2,932)	(2,499)
<b>Net profit before minority interests</b>		<b>4,955</b>	<b>7,782</b>	<b>6,990</b>
Minority interests	18	(253)	(611)	(636)
<b>Net profit, Group share</b>		<b>4,702</b>	<b>7,171</b>	<b>6,354</b>
<b>Basic Group share of net earnings per share (EUR)</b>	29	<b>9.33</b>	<b>14.25</b>	<b>12.64</b>
Number of shares on which the calculation is based		503,679,272	503,218,851	502,825,461
<b>Diluted Group share of net earnings per share (EUR)</b>	29	<b>9.32</b>	<b>14.23</b>	<b>12.61</b>
Number of shares on which the calculation is based		504,210,133	503,839,542	503,918,140

(a) The financial statements as of December 31, 2018 have not been restated to reflect the application of IFRS 16 Leases. See Note 1.2 to the 2019 consolidated financial statements regarding the impact of the application of IFRS 16.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE GAINS AND LOSSES

<i>(EUR millions)</i>	Notes	2020	2019	2018
<b>Net profit before minority interests</b>		<b>4,955</b>	<b>7,782</b>	<b>6,990</b>
Translation adjustments		(1,650)	299	274
Amounts transferred to income statement		(11)	1	(1)
Tax impact		(10)	11	15
	16.5, 18	<b>(1,671)</b>	<b>311</b>	<b>288</b>
Change in value of hedges of future foreign currency cash flows		73	(16)	3
Amounts transferred to income statement		(123)	25	(279)
Tax impact		(112)	(3)	79
		<b>(162)</b>	<b>6</b>	<b>(197)</b>
Change in value of the ineffective portion of hedging instruments		(209)	(211)	(271)
Amounts transferred to income statement		232	241	148
Tax impact		(9)	(7)	31
		<b>14</b>	<b>23</b>	<b>(92)</b>
<b>Gains and losses recognized in equity, transferable to income statement</b>		<b>(1,819)</b>	<b>340</b>	<b>(1)</b>
Change in value of vineyard land	6	(3)	42	8
Amounts transferred to consolidated reserves		-	-	-
Tax impact		3	(11)	(2)
		<b>-</b>	<b>31</b>	<b>6</b>
Employee benefit obligations: change in value resulting from actuarial gains and losses		(20)	(167)	28
Tax impact		6	39	(5)
		<b>(14)</b>	<b>(128)</b>	<b>23</b>
<b>Gains and losses recognized in equity, not transferable to income statement</b>		<b>(14)</b>	<b>(97)</b>	<b>29</b>
<b>Comprehensive income</b>		<b>3,122</b>	<b>8,025</b>	<b>7,018</b>
Minority interests		(162)	(628)	(681)
<b>Comprehensive income, Group share</b>		<b>2,960</b>	<b>7,397</b>	<b>6,337</b>

## CONSOLIDATED BALANCE SHEET

<b>Assets (EUR millions)</b>	Notes	<b>2020</b>	<b>2019</b>	<b>2018<sup>(a)</sup></b>
Brands and other intangible assets	3	17,012	17,212	17,254
Goodwill	4	16,042	16,034	13,727
Property, plant and equipment	6	18,224	18,533	15,112
Right-of-use assets	7	12,521	12,409	-
Investments in joint ventures and associates	8	990	1,074	638
Non-current available for sale financial assets	9	739	915	1,100
Other non-current assets	10	845	1,546	986
Deferred tax	28	2,325	2,274	1,932
<b>Non-current assets</b>		<b>68,698</b>	<b>69,997</b>	<b>50,749</b>
Inventories and work in progress	11	13,016	13,717	12,485
Trade accounts receivable	12	2,756	3,450	3,222
Income taxes		392	406	366
Other current assets	13	3,846	3,264	2,868
Cash and cash equivalents	15	19,963	5,673	4,610
<b>Current assets</b>		<b>39,973</b>	<b>26,510</b>	<b>23,551</b>
<b>Total assets</b>		<b>108,671</b>	<b>96,507</b>	<b>74,300</b>
<b>Liabilities and equity (EUR millions)</b>	Notes	<b>2020</b>	<b>2019</b>	<b>2018<sup>(a)</sup></b>
Equity, Group share	16.1	37,412	36,586	32,293
Minority interests	18	1,417	1,779	1,664
<b>Equity</b>		<b>38,829</b>	<b>38,365</b>	<b>33,957</b>
Long-term borrowings	19	14,065	5,101	6,005
Non-current lease liabilities	7	10,665	10,373	-
Non-current provisions and other liabilities	20	3,322	3,812	3,188
Deferred tax	28	5,481	5,498	5,036
Purchase commitments for minority interests' shares	21	10,991	10,735	9,281
<b>Non-current liabilities</b>		<b>44,524</b>	<b>35,519</b>	<b>23,510</b>
Short-term borrowings	19	10,638	7,610	5,027
Current lease liabilities	7	2,163	2,172	-
Trade accounts payable	22.1	5,098	5,814	5,314
Income taxes		721	722	538
Current provisions and other liabilities	22.2	6,698	6,305	5,954
<b>Current liabilities</b>		<b>25,318</b>	<b>22,623</b>	<b>16,833</b>
<b>Total liabilities and equity</b>		<b>108,671</b>	<b>96,507</b>	<b>74,300</b>

(a) The financial statements as of December 31, 2018 have not been restated to reflect the application of IFRS 16 Leases. See Note 1.2 to the 2019 consolidated financial statements regarding the impact of the application of IFRS 16.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(EUR millions)	Number of shares	Share capital	Share premium account	Treasury shares	Cumulative translation adjustment	Revaluation reserves				Net profit and other reserves	Total equity		
						Available for sale financial assets	Hedges of future foreign currency cash flows and cost of hedging	Vineyard land	Employee benefit commitments		Group share	Minority interests	Total
Notes		16.2	16.2	16.3	16.5								18
<b>As of Dec. 31, 2017</b>	<b>507,042,596</b>	<b>152</b>	<b>2,614</b>	<b>(530)</b>	<b>354</b>	<b>-</b>	<b>130</b>	<b>1,114</b>	<b>(133)</b>	<b>25,268</b>	<b>28,969</b>	<b>1,408</b>	<b>30,377</b>
Gains and losses recognized in equity					219	-	(259)	3	20		(17)	45	28
Net profit										6,354	6,354	636	6,990
<b>Comprehensive income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>219</b>	<b>-</b>	<b>(259)</b>	<b>3</b>	<b>20</b>	<b>6,354</b>	<b>6,337</b>	<b>681</b>	<b>7,018</b>
Bonus share plan-related expenses										78	78	4	82
(Acquisition)/disposal of treasury shares				(256)						(26)	(282)	-	(282)
Exercise of LVMH share subscription options	762,851		49								49	-	49
Retirement of LVMH shares	(2,775,952)		(365)	365							-	-	-
Capital increase in subsidiaries												50	50
Interim and final dividends paid										(2,715)	(2,715)	(345)	(3,060)
Changes in control of consolidated entities										(9)	(9)	41	32
Acquisition and disposal of minority interests' shares										(22)	(22)	(19)	(41)
Purchase commitments for minority interests' shares										(112)	(112)	(156)	(268)
<b>As of Dec. 31, 2018</b>	<b>505,029,495</b>	<b>152</b>	<b>2,298</b>	<b>(421)</b>	<b>573</b>	<b>-</b>	<b>(129)</b>	<b>1,117</b>	<b>(113)</b>	<b>28,816</b>	<b>32,293</b>	<b>1,664</b>	<b>33,957</b>
Impact of changes in accounting standards <sup>(a)</sup>										(29)	(29)	-	(29)
<b>As of Jan. 1, 2019</b>	<b>505,029,495</b>	<b>152</b>	<b>2,298</b>	<b>(421)</b>	<b>573</b>	<b>-</b>	<b>(129)</b>	<b>1,117</b>	<b>(113)</b>	<b>28,787</b>	<b>32,264</b>	<b>1,664</b>	<b>33,928</b>
Gains and losses recognized in equity					289	-	22	22	(107)		226	17	242
Net profit										7,171	7,171	611	7,783
<b>Comprehensive income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>289</b>	<b>-</b>	<b>22</b>	<b>22</b>	<b>(107)</b>	<b>7,171</b>	<b>7,397</b>	<b>628</b>	<b>8,025</b>
Bonus share plan-related expenses										69	69	3	72
(Acquisition)/disposal of treasury shares				18						(44)	(26)	-	(26)
Exercise of LVMH share subscription options	403,946		21								21	-	21
Retirement of LVMH shares	(2,156)										-	-	-
Capital increase in subsidiaries												95	95
Interim and final dividends paid										(3,119)	(3,119)	(433)	(3,552)
Changes in control of consolidated entities										2	2	25	27
Acquisition and disposal of minority interests' shares										(17)	(17)	-	(17)
Purchase commitments for minority interests' shares										(5)	(5)	(203)	(208)
<b>As of Dec. 31, 2019</b>	<b>505,431,285</b>	<b>152</b>	<b>2,319</b>	<b>(403)</b>	<b>862</b>	<b>-</b>	<b>(107)</b>	<b>1,139</b>	<b>(220)</b>	<b>32,844</b>	<b>36,586</b>	<b>1,779</b>	<b>38,365</b>
Gains and losses recognized in equity					(1,554)	-	(176)	-	(11)		(1,742)	(91)	(1,833)
Net profit										4,702	4,702	253	4,955
<b>Comprehensive income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,554)</b>	<b>-</b>	<b>(176)</b>	<b>-</b>	<b>(11)</b>	<b>4,702</b>	<b>2,960</b>	<b>162</b>	<b>3,122</b>
Bonus share plan-related expenses										60	60	3	63
(Acquisition)/disposal of treasury shares				49						(42)	7	-	7
Exercise of LVMH share subscription options											-	-	-
Retirement of LVMH shares	(673,946)		(94)	94							-	-	-
Capital increase in subsidiaries												54	54
Interim and final dividends paid										(2,317)	(2,317)	(376)	(2,693)
Changes in control of consolidated entities										(30)	(30)	7	(23)
Acquisition and disposal of minority interests' shares										(49)	(49)	8	(41)
Purchase commitments for minority interests' shares										193	193	(220)	(27)
<b>As of Dec. 31, 2020</b>	<b>504,757,339</b>	<b>152</b>	<b>2,225</b>	<b>(260)</b>	<b>(692)</b>	<b>-</b>	<b>(283)</b>	<b>1,139</b>	<b>(231)</b>	<b>35,363</b>	<b>37,412</b>	<b>1,417</b>	<b>38,829</b>

(a) The impact of changes in accounting standards arose from the application of IFRS 16 Leases as of January 1, 2019. See Note 1.2 to the 2019 consolidated financial statements.

## CONSOLIDATED CASH FLOW STATEMENT

(EUR millions)	Notes	2020	2019	2018 <sup>(a)</sup>
<b>I. OPERATING ACTIVITIES</b>				
Operating profit		7,972	11,273	9,877
(Income)/loss and dividends received from joint ventures and associates	8	64	(10)	5
Net increase in depreciation, amortization and provisions		3,478	2,700	2,302
Depreciation of right-of-use assets	7.1	2,572	2,408	-
Other adjustments and computed expenses		(89)	(266)	(219)
<b>Cash from operations before changes in working capital</b>		<b>13,997</b>	<b>16,105</b>	<b>11,965</b>
Cost of net financial debt: interest paid		(58)	(124)	(113)
Lease liabilities: interest paid		(290)	(239)	-
Tax paid		(2,385)	(2,940)	(2,275)
Change in working capital	15.2	(367)	(1,154)	(1,087)
<b>Net cash from operating activities</b>		<b>10,897</b>	<b>11,648</b>	<b>8,490</b>
<b>II. INVESTING ACTIVITIES</b>				
Operating investments	15.3	(2,478)	(3,294)	(3,038)
Purchase and proceeds from sale of consolidated investments	2.4	(536)	(2,478)	(17)
Dividends received		12	8	18
Tax paid related to non-current available for sale financial assets and consolidated investments		-	(1)	(2)
Purchase and proceeds from sale of non-current available for sale financial assets	9	63	(104)	(400)
<b>Net cash from/(used in) investing activities</b>		<b>(2,939)</b>	<b>(5,869)</b>	<b>(3,439)</b>
<b>III. FINANCING ACTIVITIES</b>				
Interim and final dividends paid	15.4	(2,799)	(3,678)	(3,090)
Purchase and proceeds from sale of minority interests	2.4	(67)	(21)	(236)
Other equity-related transactions	15.4	27	54	(205)
Proceeds from borrowings	19	17,499	2,837	1,529
Repayment of borrowings	19	(5,024)	(1,810)	(2,174)
Repayment of lease liabilities	7.2	(2,302)	(2,187)	-
Purchase and proceeds from sale of current available for sale financial assets	14	69	71	(147)
<b>Net cash from/(used in) financing activities</b>		<b>7,403</b>	<b>(4,734)</b>	<b>(4,323)</b>
<b>IV. EFFECT OF EXCHANGE RATE CHANGES</b>				
		<b>(1,052)</b>	<b>39</b>	<b>67</b>
<b>Net increase/(decrease) in cash and cash equivalents (I+II+III+IV)</b>		<b>14,309</b>	<b>1,084</b>	<b>795</b>
<b>Cash and cash equivalents at beginning of period</b>	15.1	<b>5,497</b>	<b>4,413</b>	<b>3,618</b>
<b>Cash and cash equivalents at end of period</b>	15.1	<b>19,806</b>	<b>5,497</b>	<b>4,413</b>
<b>Total tax paid</b>		<b>(2,501)</b>	<b>(3,070)</b>	<b>(2,314)</b>

(a) The financial statements as of December 31, 2018 have not been restated to reflect the application of IFRS 16 Leases. See Note 1.2 to the 2019 consolidated financial statements regarding the impact of the application of IFRS 16.

**Alternative performance measure**

The following table presents the reconciliation between “Net cash from operating activities” and “Operating free cash flow” for the fiscal years presented:

(EUR millions)	2020	2019	2018
Net cash from operating activities	10,897	11,648	8,490
Operating investments	(2,478)	(3,294)	(3,038)
Repayment of lease liabilities	(2,302)	(2,187)	-
<b>Operating free cash flow<sup>(a)</sup></b>	<b>6,117</b>	<b>6,167</b>	<b>5,452</b>

(a) Under IFRS 16, fixed lease payments are treated partly as interest payments and partly as principal repayments. For its own operational management purposes, the Group treats all lease payments as components of its “Operating free cash flow”, whether the lease payments made are fixed or variable. In addition, for its own operational management purposes, the Group treats operating investments as components of its “Operating free cash flow”.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 1. ACCOUNTING POLICIES

### 1.1 General framework and environment

The consolidated financial statements for fiscal year 2020 were established in accordance with the international accounting standards and interpretations (IAS/IFRS) adopted by the European Union and applicable on December 31, 2020. These standards and interpretations have been applied consistently to the fiscal years presented. The consolidated financial statements for fiscal year 2020 were approved by the Board of Directors on January 26, 2021.

### 1.2 Changes in the accounting framework applicable to LVMH

The amendment to IFRS 16 on the recognition of rent concessions granted by lessors in connection with the Covid-19 pandemic, issued by the IASB in May 2020 and adopted by the European Union in October 2020, has been applied by the Group as from January 1, 2020. This amendment makes it easier for lessees to account for these concessions and allows them, under certain conditions, to recognize the resulting benefit directly in the income statement as a negative variable lease payment (see Note 7).

The application of other standards, amendments and interpretations that came into effect on January 1, 2020 did not have any significant impact on the Group's financial statements.

LVMH will apply the amendments to IFRS 9 and IFRS 7 relating to the second phase of interest rate benchmark reform beginning in 2021, in line with the effective date established by the IASB. These amendments relate to the accounting impact of the replacement of interest rate benchmarks, which is expected to take place beginning in 2021.

### 1.3 Impact of the Covid-19 pandemic on the consolidated financial statements

The Covid-19 pandemic and the measures taken by various governments to fight it severely disrupted LVMH's operations during the fiscal year and significantly affected the annual financial statements. The closure of stores and production facilities in most countries for a number of months, along with the halt in international travel, were responsible for the reduction in revenue and, consequently, the deterioration in profitability across all the business groups. The impact of the crisis on the Group's results is discussed in detail in the "Business review and comments on the consolidated financial statements" section.

The assumptions and estimates used as a basis for measuring certain balance sheet and income statement items were updated in light of the crisis. This concerned the following topics:

- valuation of intangible assets: impairment tests were run (see Note 5);

- all of the Maisons took steps to renegotiate their leases in order to optimize their lease expenses. The lease reductions thus obtained during the fiscal year were recognized as a deduction to "Marketing and selling expenses" (see Note 7);
- valuation of purchase commitments for minority interests' shares: this valuation takes into account the latest market data and EBITDA forecasts. The change in these metrics led to a slight increase in the associated liability (see Note 21);
- costs arising from lower activity levels were excluded from the valuation of inventories as of December 31, 2020;
- provisions for inventory impairment were updated to reflect slower inventory turnover and more limited sales prospects for seasonal products (see Note 11);
- where applicable, provisions for impairment of trade accounts receivable included the impact of adjustments for the probability of default and the extent of losses anticipated following changes to coverage levels by credit insurance in particular, as well as the stimulus measures taken by different governments, from which the Group's clients benefited (see Note 12). In particular, the bankruptcy proceedings initiated by certain distribution groups in the United States were taken into account;
- payments received or receivable from social security systems or government agencies in respect of measures to safeguard the economy: such payments were deducted from the expenses in respect of which the payments were obtained, in compliance with IAS 20 Accounting for Government Grants and Disclosure of Government Assistance. If these measures took the form of an income tax reduction, the amounts were deducted from the tax expense, in compliance with IAS 12. These measures were mainly aimed at protecting jobs and essentially concerned certain Group subsidiaries in Europe, North America and Asia;
- the portfolio of derivatives used to hedge commercial transactions and the hedging policy were adjusted to take into account the most recent budget forecasts (see Note 23). The impact of these adjustments was not significant as of December 31, 2020;
- deferred tax assets on tax losses were reassessed taking into account earnings forecasts for the entities concerned. No significant impairment expense was recognized in respect of losses recorded in fiscal year 2020 or prior periods.

The Group's access to liquidity was preserved through its euro- and US dollar-denominated commercial paper programs; its EMTN program, through which a number of bond issues were carried out during the fiscal year; and a significant reserve of undrawn confirmed credit lines. See also Note 19.5.

## 1.4 First-time adoption of IFRS

The first accounts prepared by the Group in accordance with IFRS were the financial statements for the year ended December 31, 2005, with a transition date of January 1, 2004. IFRS 1 allowed for exceptions to the retrospective application of IFRS at the transition date. The procedures implemented by the Group with respect to these exceptions include the following:

- business combinations: the exemption from retrospective application was not applied. The recognition of the merger of Moët Hennessy and Louis Vuitton in 1987 and all subsequent acquisitions were restated in accordance with IFRS 3; IAS 36 Impairment of Assets and IAS 38 Intangible Assets were applied retrospectively as of that date;
- foreign currency translation of the financial statements of subsidiaries outside the eurozone: translation reserves relating to the consolidation of subsidiaries that prepare their accounts in foreign currency were reset to zero as of January 1, 2004 and offset against “Other reserves”.

## 1.5 Presentation of the financial statements

### Definitions of “Profit from recurring operations” and “Other operating income and expenses”

The Group’s main business is the management and development of its brands and trade names. “Profit from recurring operations” is derived from these activities, whether they are recurring or non-recurring, core or incidental transactions.

“Other operating income and expenses” comprises income statement items, which – due to their nature, amount or frequency – may not be considered inherent to the Group’s recurring operations or its profit from recurring operations. This caption reflects in particular the impact of changes in the scope of consolidation, the impairment of goodwill, and the impairment and amortization of brands and trade names, as well as any significant amount relating to the impact of certain unusual transactions, such as gains or losses arising on the disposal of fixed assets, restructuring costs, costs in respect of disputes, or any other non-recurring income or expense which may otherwise distort the comparability of profit from recurring operations from one period to the next.

### Cash flow statement

Net cash from operating activities is determined on the basis of operating profit, adjusted for non-cash transactions. In addition:

- dividends received are presented according to the nature of the underlying investments, thus in “Net cash from operating activities” for dividends from joint ventures and associates and in “Net cash from financial investments” for dividends from other unconsolidated entities;
- tax paid is presented according to the nature of the transaction from which it arises, thus in “Net cash from operating activities”

for the portion attributable to operating transactions; in “Net cash from financial investments” for the portion attributable to transactions in available for sale financial assets, notably tax paid on gains from their sale; and in “Net cash from transactions relating to equity” for the portion attributable to transactions in equity, notably distribution taxes arising on the payment of dividends.

## 1.6 Use of estimates

For the purpose of preparing the consolidated financial statements, the measurement of certain balance sheet and income statement items requires the use of hypotheses, estimates or other forms of judgment. This is particularly true of the valuation of intangible assets (see Note 5); the measurement of leases (see Note 7) and purchase commitments for minority interests’ shares (see Notes 1.13 and 21); the determination of the amount of provisions for contingencies and losses, and uncertain tax positions (see Note 20) or for impairment of inventories (see Notes 1.18 and 11); and, if applicable, deferred tax assets (see Note 28). Such hypotheses, estimates or other forms of judgment made on the basis of the information available or the situation prevailing at the date at which the financial statements are prepared may subsequently prove different from actual events.

## 1.7 Methods of consolidation

The subsidiaries in which the Group holds a direct or indirect *de facto* or *de jure* controlling interest are fully consolidated.

Jointly controlled companies and companies where the Group has significant influence but no controlling interest are accounted for using the equity method. Although jointly controlled, those entities are fully integrated within the Group’s operating activities. LVMH discloses their net profit, as well as that of entities using the equity method (see Note 8), on a separate line, which forms part of profit from recurring operations.

When an investment in a joint venture or associate accounted for using the equity method involves a payment tied to meeting specific performance targets, known as an earn-out payment, the estimated amount of this payment is included in the initial purchase price recorded in the balance sheet, with an offsetting entry under financial liabilities. Any difference between the initial estimate and the actual payment made is recorded as part of the value of investments in joint ventures and associates, without any impact on the income statement.

The assets, liabilities, income and expenses of the Wines and Spirits distribution subsidiaries held jointly with the Diageo group are consolidated only in proportion to the LVMH group’s share of operations (see Note 1.27).

The consolidation on an individual or collective basis of companies that are not consolidated (see “Companies not included in the scope of consolidation”) would not have a significant impact on the Group’s main aggregates.

## 1.8 Foreign currency translation of the financial statements of entities outside the eurozone

The consolidated financial statements are presented in euros; the financial statements of entities presented in a different functional currency are translated into euros:

- at the period-end exchange rates for balance sheet items;
- at the average rates for the period for income statement items.

Translation adjustments arising from the application of these rates are recorded in equity under “Cumulative translation adjustment”.

## 1.9 Foreign currency transactions and hedging of exchange rate risks

Transactions of consolidated companies denominated in a currency other than their functional currencies are translated to their functional currencies at the exchange rates prevailing at the transaction dates.

Accounts receivable, accounts payable and debts denominated in currencies other than the entities’ functional currencies are translated at the applicable exchange rates at the fiscal year-end. Gains and losses resulting from this translation are recognized:

- within “Cost of sales” for commercial transactions;
- within “Net financial income/(expense)” for financial transactions.

Foreign exchange gains and losses arising from the translation or elimination of intra-Group transactions or receivables and payables denominated in currencies other than the entity’s functional currency are recorded in the income statement unless they relate to long-term intra-Group financing transactions, which can be considered as transactions relating to equity. In the latter case, translation adjustments are recorded in equity under “Cumulative translation adjustment”.

Derivatives used to hedge commercial, financial or investment transactions are recognized in the balance sheet at their market value (see Note 1.10) at the balance sheet date. Changes in the value of the effective portions of these derivatives are recognized as follows:

- for hedges that are commercial in nature:
  - within “Cost of sales” for hedges of receivables and payables recognized in the balance sheet at the end of the period,
  - within equity under “Revaluation reserves” for hedges of future cash flows; this amount is transferred to cost of sales upon recognition of the hedged trade receivables and payables;
- for hedges relating to the acquisition of fixed assets: within equity under “Revaluation reserves” for hedges of future cash flows; this amount is transferred to the asset side of the balance sheet, as part of the initial cost of the hedged item when accounting for the latter, and then to the income statement in the event of the disposal or impairment of the hedged item;
- for hedges that are tied to the Group’s investment portfolio (hedging the net worth of subsidiaries whose functional currency is not the euro): within equity under “Cumulative translation adjustment” ; this amount is transferred to the income statement upon the sale or liquidation (whether partial or total) of the subsidiary whose net worth is hedged;
- for hedges that are financial in nature: within “Net financial income/(expense)”, under “Other financial income and expenses”.

Changes in the value of these derivatives related to forward points associated with forward contracts, as well as in the time value component of options, are recognized as follows:

- for hedges that are commercial in nature: within equity under “Revaluation reserves”. The cost of the forward contracts (forward points) and of the options (premiums) is transferred to “Other financial income and expenses” upon realization of the hedged transaction;
- for hedges that are tied to the Group’s investment portfolio or financial in nature: expenses and income arising from discounts or premiums are recognized in “Borrowing costs” on a pro rata basis over the term of the hedging instruments. The difference between the amounts recognized in “Net financial income/(expense)” and the change in the value of forward points is recognized in equity under “Revaluation reserves”.

Market value changes of derivatives not designated as hedges are recorded within “Net financial income/(expense)”.

See also Note 1.22 for the definition of the concepts of effective and ineffective portions.

## 1.10 Fair value measurement

Fair value (or market value) is the price that would be obtained from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants.

The assets and liabilities measured at fair value in the balance sheet are as follows:

	Approaches to determining fair value	Amounts recorded at balance sheet date
Vineyard land	Based on recent transactions in similar assets. See Note 1.14.	Note 6
Grape harvests	Based on purchase prices for equivalent grapes. See Note 1.18.	Note 11
Derivatives	Based on market data and according to commonly used valuation models. See Note 1.23.	Note 23
Borrowings hedged against changes in value due to interest rate fluctuations	Based on market data and according to commonly used valuation models. See Note 1.22.	Note 19
Liabilities in respect of purchase commitments for minority interests' shares priced according to fair value	Generally based on the market multiples of comparable companies. See Note 1.13.	Note 21
Available for sale financial assets	Quoted investments: price quotations at the close of trading on the balance sheet date. Unquoted investments: estimated net realizable value, either according to formulas based on market data or based on private quotations. See Note 1.17.	Note 9, Note 14
Cash and cash equivalents (SICAV and FCP funds)	Based on the liquidation value at the balance sheet date. See Note 1.20.	Note 15

No other assets or liabilities have been remeasured at market value at the balance sheet date.

## 1.11 Brands and other intangible assets

Only acquired brands and trade names that are well known and individually identifiable are recorded as assets based on their market values at their dates of acquisition.

Brands and trade names are chiefly valued using the forecast discounted cash flow method, or based on comparable transactions (i.e. using the revenue and net profit coefficients employed for recent transactions involving similar brands) or stock market multiples observed for related businesses. Other complementary methods may also be employed: the relief from royalty method, involving equating a brand's value with the present value of the royalties required to be paid for its use; the margin differential method, applicable when a measurable difference can be identified in the amount of revenue generated by a branded product in comparison with a similar unbranded product; and finally the equivalent brand reconstitution method involving, in particular, estimation of the amount of advertising and promotion expenses required to generate a similar brand.

Costs incurred in creating a new brand or developing an existing brand are expensed.

Brands, trade names and other intangible assets with finite useful lives are amortized over their estimated useful lives. The classification of a brand or trade name as an asset of finite or indefinite useful life is generally based on the following criteria:

- the brand or trade name's overall positioning in its market expressed in terms of volume of activity, international presence and reputation;
- its expected long-term profitability;
- its degree of exposure to changes in the economic environment;
- any major event within its business segment liable to compromise its future development;
- its age.

Amortizable lives of brands and trade names with finite useful lives range from 5 to 20 years, depending on their anticipated period of use.

Impairment tests are carried out for brands, trade names and other intangible assets using the methodology described in Note 1.16.

Research expenditure is not capitalized. New product development expenditure is not capitalized unless the final decision has been made to launch the product.

Intangible assets other than brands and trade names are amortized over the following periods:

- rights attached to sponsorship agreements and media partnerships are amortized over the life of the agreements, depending on how the rights are used;
- development expenditure is amortized over 3 years at most;
- software and websites are amortized over 1 to 5 years.

### 1.12 Changes in ownership interests in consolidated entities

When the Group takes *de jure* or *de facto* control of a business, its assets, liabilities and contingent liabilities are estimated at their market value as of the date when control is obtained; the difference between the cost of taking control and the Group's share of the market value of those assets, liabilities and contingent liabilities is recognized as goodwill.

The cost of taking control is the price paid by the Group in the context of an acquisition, or an estimate of this price if the transaction is carried out without any payment of cash, excluding acquisition costs, which are disclosed under "Other operating income and expenses".

The difference between the carrying amount of minority interests purchased after control is obtained and the price paid for their acquisition is deducted from equity.

Goodwill is accounted for in the functional currency of the acquired entity.

Goodwill is not amortized but is subject to annual impairment testing using the methodology described in Note 1.16. Any impairment expense recognized is included within "Other operating income and expenses".

### 1.13 Purchase commitments for minority interests' shares

The Group has granted put options to minority shareholders of certain fully consolidated subsidiaries.

Pending specific guidance from IFRSs regarding this issue, the Group recognizes these commitments as follows:

- the value of the commitment at the balance sheet date appears in "Purchase commitments for minority interests' shares", as a liability on its balance sheet;
- the corresponding minority interests are canceled;
- for commitments granted prior to January 1, 2010, the difference between the amount of the commitments and canceled minority interests is maintained as an asset on the balance sheet under goodwill, as are subsequent changes in this difference. For commitments granted as from January 1, 2010, the difference

between the amount of the commitments and minority interests is recorded in equity, under "Other reserves".

This recognition method has no effect on the presentation of minority interests within the income statement.

### 1.14 Property, plant and equipment

With the exception of vineyard land, the gross value of property, plant and equipment is stated at acquisition cost. Any borrowing costs incurred prior to the placed-in-service date or during the construction period of assets are capitalized.

Vineyard land is recognized at the market value at the balance sheet date. This valuation is based on official published data for recent transactions in the same region. Any difference compared to historical cost is recognized within equity in "Revaluation reserves". If the market value falls below the acquisition cost, the resulting impairment is charged to the income statement.

Buildings mostly occupied by third parties are reported as investment property, at acquisition cost. Investment property is thus not remeasured at market value.

The depreciable amount of property, plant and equipment comprises the acquisition cost of their components less residual value, which corresponds to the estimated disposal price of the asset at the end of its useful life.

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. For leased assets, the depreciation period cannot be longer than that used for the calculation of the lease liability.

The estimated useful lives are as follows:

- buildings including investment property 20 to 100 years;
- machinery and equipment 3 to 25 years;
- leasehold improvements 3 to 10 years;
- producing vineyards 18 to 25 years.

Expenses for maintenance and repairs are charged to the income statement as incurred.

### 1.15 Leases

The Group has applied IFRS 16 Leases since January 1, 2019. The initial application was carried out using the "modified retrospective" approach to transition. See Note 1.2 to the 2019 consolidated financial statements for details of this initial application procedure for IFRS 16 and the impact of its initial application on the 2019 financial statements.

When entering into a lease, a liability is recognized in the balance sheet, measured at the discounted present value of future payments of the fixed portion of lease payments and offset against a right-of-use asset depreciated over the lease term. The amount of the liability depends to a large degree on the assumptions used for the lease term and, to a lesser extent, the discount rate. The Group's extensive geographic coverage means it encounters a wide range of different legal conditions when entering into contracts.



The lease term generally used to calculate the liability is the term of the initially negotiated lease, not taking into account any early termination options, except in special circumstances. When leases contain extension options, the term used for the calculation of the liability may include these periods, mainly when the anticipated period of use of the fixed assets, whether under a new or existing lease, is greater than the initial contractual lease term.

The lease term to be used in accounting for lease liabilities when the underlying assets are capitalized even though the obligation to make lease payments covers a period of less than 12 months is consistent with the anticipated period of use of the invested assets. Most often, this involves leases for retail locations that are automatically renewable on an annual basis.

The standard requires that the discount rate be determined for each lease using the incremental borrowing rate of the subsidiary entering into the lease. In practice, given the structure of the Group's financing – virtually all of which is held or guaranteed by LVMH SE – this incremental borrowing rate is generally the total of the risk-free rate for the currency of the lease, with reference to its term, and the Group's credit risk for this same currency and over the same term.

Leasehold rights and property, plant and equipment related to restoration obligations for leased facilities are presented within "Right-of-use assets" and subject to depreciation under the same principles as those described above.

The Group has implemented a dedicated IT solution to gather lease data and run the calculations required by the standard.

Since the application of IFRS 16 had a significant impact on the cash flow statement given the importance of fixed lease payments to the Group's activities, specific indicators are used for internal performance monitoring requirements and financial communication purposes in order to present consistent performance indicators, independently of the fixed or variable nature of lease payments. One such alternative performance measure is "Operating free cash flow", which is calculated by deducting capitalized fixed lease payments in their entirety from cash flow. The reconciliation between "Net cash from operating activities" and "Operating free cash flow" is presented in the cash flow statement.

### 1.16 Impairment testing of fixed assets

Property, plant and equipment, intangible assets, and all leased fixed assets are subject to impairment testing whenever there is any indication that an asset may be impaired (particularly following major changes in the asset's operating conditions), and in any event at least annually in the case of intangible assets with indefinite useful lives (mainly brands, trade names and goodwill). When the carrying amount of assets with indefinite

useful lives is greater than the higher of their value in use or market value, the resulting impairment loss is recognized within "Other operating income and expenses", allocated on a priority basis to any existing goodwill.

Value in use is based on the present value of the cash flows expected to be generated by these assets. Market value is estimated by comparison with recent similar transactions or on the basis of valuations performed by independent experts for the purposes of a disposal transaction.

Cash flows are forecast at Group level for each business segment, defined as one or several brands or trade names under the responsibility of a dedicated management team. Smaller-scale cash-generating units, such as a group of stores, may be distinguished within a particular business segment.

The forecast data required for the discounted cash flow method is based on annual budgets and multi-year business plans prepared by the management of the business segments concerned. Detailed forecasts cover a five-year period, which may be extended for brands undergoing strategic repositioning or whose production cycle exceeds five years. An estimated terminal value is added to the value resulting from discounted forecast cash flows, which corresponds to the capitalization in perpetuity of cash flows most often arising from the last year of the plan. Discount rates are set for each business group with reference to companies engaged in comparable businesses. Forecast cash flows are discounted on the basis of the rate of return to be expected by an investor in the applicable business and an assessment of the risk premium associated with that business. When several forecast scenarios are developed, the probability of occurrence of each scenario is assessed.

### 1.17 Available for sale financial assets

Available for sale financial assets are classified as current or non-current based on their type.

Non-current available for sale financial assets comprise strategic and non-strategic investments whose estimated period and form of ownership justify such classification.

Current available for sale financial assets (presented in "Other current assets" ; see Note 13) include temporary investments in shares, shares of SICAVs, FCPs and other mutual funds, excluding investments made as part of the daily cash management, which are accounted for as "Cash and cash equivalents" (see Note 1.20).

Available for sale financial assets are measured at their listed value at the fiscal year-end date in the case of quoted investments, and in the case of unquoted investments at their estimated net realizable value, assessed either according to formulas based on market data or based on private quotations at the fiscal year-end date.

Positive or negative changes in value are recognized under “Net financial income/(expense)” (within “Other financial income and expenses”) for all shares held in the portfolio during the reported periods.

### 1.18 Inventories and work in progress

Inventories other than wine produced by the Group are recorded at the lower of cost (excluding interest expense) and net realizable value; cost comprises manufacturing cost (finished goods) or purchase price, plus incidental costs (raw materials, merchandise).

Wine produced by the Group, including champagne, is measured on the basis of the applicable harvest market value, which is determined by reference to the average purchase price of equivalent grapes, as if the grapes harvested had been purchased from third parties. Until the date of the harvest, the value of grapes is calculated on a pro rata basis, in line with the estimated yield and market value.

Inventories are valued using either the weighted average cost or the FIFO method, depending on the type of business.

Due to the length of the aging process required for champagne and spirits (cognac, whisky), the holding period for these inventories generally exceeds one year. However, in accordance with industry practices, these inventories are classified as current assets.

Provisions for impairment of inventories are chiefly recognized for businesses other than Wines and Spirits. They are generally required because of product obsolescence (end of season or collection, expiration date approaching, etc.) or lack of sales prospects.

### 1.19 Trade accounts receivable, loans and other receivables

Trade accounts receivable, loans and other receivables are recorded at amortized cost, which corresponds to their face value. Impairment is recognized for the portion of loans and receivables not covered by credit insurance when such receivables are recorded, in the amount of the losses expected upon maturity. This reflects the probability of counterparty default and the expected loss rate, measured using historical statistical data, information provided by credit bureaus, or ratings by credit rating agencies, depending on the specific case.

The amount of long-term loans and receivables (i.e. those falling due in more than one year) is subject to discounting, the effects of which are recognized under “Net financial income/(expense)”, using the effective interest method.

### 1.20 Cash and cash equivalents

Cash and cash equivalents comprise cash and highly liquid money-market investments subject to an insignificant risk of changes in value over time.

Money-market investments are measured at their market value, based on price quotations at the close of trading and on the exchange rate prevailing at the fiscal year-end date, with any changes in value recognized as part of “Net financial income/(expense)”.

### 1.21 Provisions

A provision is recognized whenever an obligation exists towards a third party resulting in a probable disbursement for the Group, the amount of which may be reliably estimated. See also Notes 1.25 and 20.

If the date at which this obligation is to be discharged is in more than one year, the provision amount is discounted, the effects of which are recognized in “Net financial income/(expense)” using the effective interest method.

### 1.22 Borrowings

Borrowings are measured at amortized cost, i.e. nominal value net of premium and issue expenses, which are charged progressively to net financial income/(expense) using the effective interest method.

In the case of hedging against fluctuations in the value of borrowings resulting from changes in interest rates, both the hedged amount of borrowings and the related hedging instruments are measured at their market value at the balance sheet date, with any changes in those values recognized within net financial income/(expense), under “Fair value adjustment of borrowings and interest rate hedges”. See Note 1.10 regarding the measurement of hedged borrowings at market value. Interest income and expenses related to hedging instruments are recognized within net financial income/(expense), under “Borrowing costs”.

In the case of hedging against fluctuations in future interest payments, the related borrowings remain measured at their amortized cost while any changes in value of the effective hedge portions are taken to equity as part of “Revaluation reserves”.

Changes in value of non-hedging derivatives, and of the ineffective portions of hedges, are recognized within net financial income/(expense).



Net financial debt comprises short- and long-term borrowings, the market value at the balance sheet date of interest rate derivatives, less the amount at the balance sheet date of non-current available for sale financial assets used to hedge financial debt, current available for sale financial assets, cash and cash equivalents, in addition to the market value at that date of foreign exchange derivatives related to any of the aforementioned items.

### 1.23 Derivatives

The Group enters into derivative transactions as part of its strategy for hedging foreign exchange, interest rate and gold price risks.

To hedge against commercial, financial and investment foreign exchange risk, the Group uses options, forward contracts, foreign exchange swaps and cross-currency swaps. The time value of options, the forward point component of forward contracts and foreign exchange swaps, as well as the foreign currency basis spread component of cross-currency swaps are systematically excluded from the hedge relation. Consequently, only the intrinsic value of the instruments is considered a hedging instrument. Regarding hedged items (future foreign currency cash flows, commercial or financial liabilities and accounts receivable in foreign currencies, subsidiaries' equity denominated in a functional currency other than the euro), only their change in value in respect of foreign exchange risk is considered a hedged item. As such, aligning the hedging instruments' main features (nominal values, currencies, maturities) with those of the hedged items makes it possible to perfectly offset changes in value.

Derivatives are recognized in the balance sheet at their market value at the balance sheet date. Changes in their value are accounted for as described in Note 1.9 in the case of foreign exchange hedges and as described in Note 1.22 in the case of interest rate hedges.

Market value is based on market data and commonly used valuation models.

Derivatives with maturities in excess of 12 months are disclosed as non-current assets and liabilities.

### 1.24 Treasury shares

LVMH shares held by the Group are measured at their acquisition cost and recognized as a deduction from consolidated equity, irrespective of the purpose for which they are held.

In the event of disposal, the cost of the shares disposed of is determined by allocation category (see Note 16.3) using the FIFO method, with the exception of shares held under stock option plans, for which the calculation is performed for each plan using the weighted average cost method. Gains and losses on disposal, net of income taxes, are taken directly to equity.

### 1.25 Pensions, contribution to medical costs and other employee benefit commitments

When plans related to retirement bonuses, pensions, contributions to medical costs, or other employee benefit commitments entail the payment by the Group of contributions to third-party organizations that assume sole responsibility for subsequently paying such retirement bonuses, pensions or contributions to medical costs, these contributions are expensed in the fiscal year in which they fall due, with no liability recorded on the balance sheet.

When the payment of retirement bonuses, pensions, contributions to medical costs, or other employee benefit commitments is to be borne by the Group, a provision is recorded in the balance sheet in the amount of the corresponding actuarial commitment. Changes in this provision are recognized as follows:

- the portion related to the cost of services rendered by employees and net interest for the fiscal year is recognized in profit from recurring operations for the fiscal year;
- the portion related to changes in actuarial assumptions and to differences between projected and actual data (experience adjustments) is recognized in gains and losses taken to equity.

If this commitment is partially or fully funded by payments made by the Group to external financial organizations, these dedicated funds are deducted from the actuarial commitment recorded in the balance sheet.

The actuarial commitment is calculated based on assessments that are specifically designed for the country and the Group company concerned. In particular, these assessments include assumptions regarding discount rates, salary increases, inflation, life expectancy and staff turnover.

### 1.26 Current and deferred tax

The tax expense comprises current tax payable by consolidated companies and deferred tax resulting from temporary differences as well as the change in uncertain tax positions.

Deferred tax is recognized in respect of temporary differences arising between the value of assets and liabilities for purposes of consolidation and the value resulting from the application of tax regulations.

Deferred tax is measured on the basis of the income tax rates enacted at the balance sheet date; the effect of changes in rates is recognized during the periods in which changes are enacted.

Future tax savings from tax losses carried forward are recorded as deferred tax assets on the balance sheet, which are impaired if they are deemed not recoverable; only amounts for which future use is deemed probable are recognized.

Deferred tax assets and liabilities are not discounted.

Taxes payable in respect of the distribution of retained earnings of subsidiaries give rise to provisions if distribution is deemed probable.

## 1.27 Revenue recognition

### Definition of revenue

Revenue mainly comprises retail sales within the Group's store network (including e-commerce websites) and wholesale sales through agents and distributors. Sales made in stores owned by third parties are treated as retail transactions if the risks and rewards of ownership of the inventories are retained by the Group.

Direct sales to customers are mostly made through retail stores in Fashion and Leather Goods and Selective Retailing, as well as certain Watches and Jewelry and Perfumes and Cosmetics brands. These sales are recognized at the time of purchase by retail customers.

Wholesale sales mainly concern the Wines and Spirits businesses, as well as certain Perfumes and Cosmetics and Watches and Jewelry brands. The Group recognizes revenue when title transfers to third-party customers.

Revenue includes shipment and transportation costs re-billed to customers only when these costs are included in products' selling prices as a lump sum.

Sales of services, mainly involved in the Group's "Other activities" segment, are recognized as the services are provided.

Revenue is presented net of all forms of discount. In particular, payments made in order to have products referenced or, in accordance with agreements, to participate in advertising campaigns with the distributors, are deducted from related revenue.

### Provisions for product returns

Perfumes and Cosmetics companies and, to a lesser extent, Fashion and Leather Goods and Watches and Jewelry companies may accept the return of unsold or outdated products from their customers and distributors.

Where this practice is applied, revenue is reduced by the estimated amount of such returns, and a provision is recognized within "Other current liabilities" (see Note 22.2), along with a corresponding entry made to inventories. The estimated rate of returns is based on historical statistical data.

### Businesses undertaken in partnership with Diageo

A significant proportion of revenue for the Group's Wines and Spirits businesses is generated within the framework of distribution agreements with Diageo, generally taking the form of shared entities which sell and deliver both groups' products to customers; the income statement and balance sheet of these entities is apportioned between LVMH and Diageo based on distribution agreements. According to those agreements, the assets, liabilities, income, and expenses of such entities are consolidated only in proportion to the Group's share of operations.

## 1.28 Advertising and promotion expenses

Advertising and promotion expenses include the costs of producing advertising media, purchasing media space, manufacturing samples, publishing catalogs and, in general, the cost of all activities designed to promote the Group's brands and products.

Advertising and promotion expenses are recorded within marketing and selling expenses upon receipt or production of goods or upon completion of services rendered.

## 1.29 Bonus share and similar plans

Share purchase and subscription option plans give rise to the recognition of an expense based on the amortization of the expected gain for the recipients calculated according to the Black & Scholes method on the basis of the closing share price on the day before the Board of Directors' meeting at which the plan is instituted.

For bonus share plans, the expected gain is calculated on the basis of the closing share price on the day before the Board of Directors' meeting at which the plan is instituted, less the amount of dividends expected to accrue during the vesting period. A discount may be applied to the value of the bonus shares thus calculated to account for a period of non-transferability, where applicable.

For all plans, the amortization expense is apportioned on a straight-line basis in the income statement over the vesting period, with a corresponding impact on reserves in the balance sheet.

For cash-settled compensation plans index-linked to the change in the LVMH share price, the gain over the vesting period is estimated at each balance sheet date based on the LVMH share price at that date, and is charged to the income statement on a pro rata basis over the vesting period, with a corresponding balance sheet impact on provisions. Between that date and the settlement date, the change in the expected gain resulting from the change in the LVMH share price is recorded in the income statement.

## 1.30 Earnings per share

Earnings per share are calculated based on the weighted average number of shares outstanding during the fiscal year, excluding treasury shares.

Diluted earnings per share are calculated based on the weighted average number of shares before dilution and adding the weighted average number of shares that would result from the exercise of existing subscription options during the period or any other diluting instrument. It is assumed for the purposes of this calculation that the funds received from the exercise of options, plus the amount not yet expensed for stock option and similar plans (see Note 1.29), would be employed to repurchase LVMH shares at a price corresponding to their average trading price over the fiscal year.

## 2. CHANGES IN OWNERSHIP INTERESTS IN CONSOLIDATED ENTITIES

### 2.1 Fiscal year 2020

There were no significant changes in ownership interests in consolidated entities during the fiscal year.

See Note 31 “Off-balance sheet commitments” and Note 34 “Subsequent events” regarding the acquisition of Tiffany & Co., which was completed in 2021.

### 2.2 Fiscal year 2019

#### Belmond

On April 17, 2019, pursuant to the transaction agreement announced on December 14, 2018 and approved by Belmond’s shareholders on February 14, 2019, LVMH acquired, for cash, all the Class A shares of Belmond Ltd at a unit price of 25 US dollars, for a total of 2.2 billion US dollars. After taking into account the shares acquired on the market in December 2018,

the carrying amount of Belmond shares held came to 2.3 billion euros. Following this acquisition, Belmond’s Class A shares were no longer listed on the New York Stock Exchange.

Belmond, which has locations in 24 countries, owns and operates an exceptional portfolio of very high-end hotels and travel experiences in the world’s most desirable, prestigious destinations.

The following table details the allocation of the purchase price paid by LVMH on April 17, 2019, the date of acquisition of the controlling interest:

<i>(EUR millions)</i>	Provisional allocation as of December 31, 2019	Change	Final allocation as of June 30, 2020
Brand and other intangible assets	147	-	147
Property, plant and equipment	2,312	-	2,312
Other current and non-current assets	311	27	338
Net financial debt	(604)	-	(604)
Deferred tax	(434)	4	(430)
Current and non-current liabilities	(366)	(43)	(409)
Minority interests	(1)	-	(1)
<b>Net assets acquired</b>	<b>1,365</b>	<b>(12)</b>	<b>1,353</b>
Goodwill	888	12	900
<b>Carrying amount of shares held as of April 17, 2019</b>	<b>2,253</b>	<b>-</b>	<b>2,253</b>

The amounts presented in the table above are taken from Belmond’s unaudited financial statements at the date of acquisition of the controlling interest. The main revaluations concern real estate assets, for 1,193 million euros, and the Belmond brand, for 140 million euros.

The carrying amount of shares held as of the date of acquisition of the controlling interest includes shares acquired in 2018 for 274 million euros.

#### Stella McCartney

Under the agreement announced in July 2019 to speed up the Stella McCartney brand’s expansion plans, LVMH acquired a 49% stake in this fashion house in November 2019, which is accounted for using the equity method (see Note 8).

#### Château du Galoupet

In June 2019, the Group acquired the entire share capital of Château du Galoupet, a Côtes de Provence estate awarded Cru Classé status in 1955. This property, located in La Londe-les-Maures (France), extends over 68 contiguous hectares and mainly produces rosé wines.

#### Château d’Esclans

In late November 2019, the Group acquired 55% of the share capital of Château d’Esclans. This property is located in La Motte (France) and mainly produces world-renowned rosé wines, in particular the *Garrus* and *Whispering Angel* cuvées.

## 2.3 Fiscal year 2018

In 2018, LVMH acquired the 20% stake in the share capital of Fresh that it did not own; the price paid generated the recognition of a final goodwill, previously recorded under “Goodwill arising on purchase commitments for minority interests’ shares”.

## 2.4 Impact on net cash and cash equivalents of changes in ownership interests in consolidated entities

<i>(EUR millions)</i>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Purchase price of consolidated investments and of minority interests’ shares	(585)	(2,604)	(258)
Positive cash balance/(net overdraft) of companies acquired	-	107	5
Proceeds from sale of consolidated investments	-	-	-
(Positive cash balance)/net overdraft of companies sold	(18)	(2)	-
<b>Impact of changes in ownership interests in consolidated entities on net cash and cash equivalents</b>	<b>(603)</b>	<b>(2,499)</b>	<b>(253)</b>
<i>Of which: Purchase and proceeds from sale of consolidated investments</i>	<i>(536)</i>	<i>(2,478)</i>	<i>(17)</i>
<i>Purchase and proceeds from sale of minority interests</i>	<i>(67)</i>	<i>(21)</i>	<i>(236)</i>

In 2020, the impact on net cash and cash equivalents of changes in ownership interests in consolidated entities mainly arose from foreign exchange hedges implemented in anticipation of the acquisition of Tiffany & Co.

In 2019, the impact on net cash and cash equivalents of changes in ownership interests in consolidated entities mainly arose

from the acquisition of Belmond and of a 49% stake in Stella McCartney and a 55% stake in Château d’Esclans.

In 2018, the impact on net cash and cash equivalents of changes in ownership interests in consolidated entities mainly arose from the acquisition of minority interests in Fresh and in various distribution subsidiaries, particularly in the Middle East.

## 3. BRANDS, TRADE NAMES AND OTHER INTANGIBLE ASSETS

<i>(EUR millions)</i>	<b>2020</b>			<b>2019</b>	<b>2018<sup>(a)</sup></b>
	<b>Gross</b>	<b>Amortization and impairment</b>	<b>Net</b>	<b>Net</b>	<b>Net</b>
Brands	14,513	(777)	13,737	13,736	13,596
Trade names	3,614	(1,484)	2,130	2,303	2,265
License rights	139	(84)	55	45	13
Software, websites	2,388	(1,722)	665	650	544
Other	982	(556)	425	479	836
<b>Total</b>	<b>21,636</b>	<b>(4,623)</b>	<b>17,012</b>	<b>17,212</b>	<b>17,254</b>

(a) The financial statements as of December 31, 2018 have not been restated to reflect the application of IFRS 16 Leases. See Note 1.2 to the 2019 consolidated financial statements regarding the impact of the application of IFRS 16.

### 3.1 Changes during the fiscal year

The net amounts of brands, trade names and other intangible assets changed as follows during the fiscal year:

<b>Gross value</b> <i>(EUR millions)</i>	<b>Brands</b>	<b>Trade names</b>	<b>Software, websites</b>	<b>Other intangible assets</b>	<b>Total</b>
<b>As of December 31, 2019</b>	<b>14,511</b>	<b>3,920</b>	<b>2,258</b>	<b>1,177</b>	<b>21,865</b>
Acquisitions	-	-	194	286	480
Disposals and retirements	-	-	(170)	(90)	(261)
Changes in the scope of consolidation	(22)	-	1	2	(19)
Translation adjustment	(43)	(306)	(65)	(18)	(433)
Reclassifications	68	-	170	(235)	3
<b>As of December 31, 2020</b>	<b>14,513</b>	<b>3,614</b>	<b>2,388</b>	<b>1,121</b>	<b>21,636</b>

  

<b>Amortization and impairment</b> <i>(EUR millions)</i>	<b>Brands</b>	<b>Trade names</b>	<b>Software, websites</b>	<b>Other intangible assets</b>	<b>Total</b>
<b>As of December 31, 2019</b>	<b>(775)</b>	<b>(1,617)</b>	<b>(1,608)</b>	<b>(653)</b>	<b>(4,653)</b>
Amortization expense	(24)	(1)	(329)	(131)	(485)
Impairment expense	(32)	-	-	(1)	(33)
Disposals and retirements	-	-	172	87	260
Changes in the scope of consolidation	36	-	(1)	(1)	35
Translation adjustment	18	134	44	9	205
Reclassifications	-	-	(1)	49	48
<b>As of December 31, 2020</b>	<b>(777)</b>	<b>(1,484)</b>	<b>(1,722)</b>	<b>(641)</b>	<b>(4,623)</b>
<b>Carrying amount as of December 31, 2020</b>	<b>13,737</b>	<b>2,130</b>	<b>665</b>	<b>481</b>	<b>17,012</b>

### 3.2 Changes during prior fiscal years

Carrying amount (EUR millions)	Brands	Trade names	Software, websites	Leasehold rights	Other intangible assets	Total
<b>As of December 31, 2017</b>	<b>13,515</b>	<b>2,176</b>	<b>459</b>	<b>398</b>	<b>409</b>	<b>16,957</b>
Acquisitions	-	-	177	88	272	537
Disposals and retirements	-	-	(2)	-	-	(2)
Changes in the scope of consolidation	40	-	-	1	-	41
Amortization expense	(18)	(1)	(221)	(60)	(148)	(448)
Impairment expense	-	-	-	(2)	(7)	(9)
Translation adjustment	59	90	8	2	8	167
Reclassifications	-	-	123	16	(128)	11
<b>As of December 31, 2018</b>	<b>13,596</b>	<b>2,265</b>	<b>544</b>	<b>443</b>	<b>406</b>	<b>17,254</b>
Impact of changes in accounting standards <sup>(a)</sup>	-	-	-	(443)	64	(379)
<b>As of January 1, 2019, after restatement</b>	<b>13,596</b>	<b>2,265</b>	<b>544</b>	<b>-</b>	<b>470</b>	<b>16,875</b>
Acquisitions	-	-	225	-	303	528
Disposals and retirements	-	-	(2)	-	-	(2)
Changes in the scope of consolidation	140	-	-	-	44	184
Amortization expense	(17)	(1)	(267)	-	(138)	(422)
Impairment expense	(54)	-	-	-	4	(50)
Translation adjustment	70	39	5	-	6	119
Reclassifications	-	-	144	-	(165)	(21)
<b>As of December 31, 2019</b>	<b>13,736</b>	<b>2,303</b>	<b>650</b>	<b>-</b>	<b>524</b>	<b>17,212</b>

(a) The impact of changes in accounting standards arose from the application of IFRS 16 Leases as of January 1, 2019. See Note 1.2 to the 2019 consolidated financial statements.

### 3.3 Brands and trade names

The breakdown of brands and trade names by business group is as follows:

(EUR millions)			2020	2019	2018
	Gross	Amortization and impairment	Net	Net	Net
Wines and Spirits	905	(131)	774	732	717
Fashion and Leather Goods	8,807	(361)	8,445	8,474	8,480
Perfumes and Cosmetics	688	(69)	619	622	629
Watches and Jewelry	3,698	(92)	3,606	3,599	3,560
Selective Retailing	3,566	(1,437)	2,130	2,303	2,265
Other activities	462	(171)	292	308	210
<b>Total</b>	<b>18,127</b>	<b>(2,260)</b>	<b>15,866</b>	<b>16,038</b>	<b>15,861</b>

The brands and trade names recognized are those that the Group has acquired. As of December 31, 2020, the principal acquired brands and trade names were:

- Wines and Spirits: Veuve Clicquot, Krug, Château d'Yquem, Belvedere, Glenmorangie, Newton Vineyards, Bodega Numanthia and Château d'Esclans;
- Fashion and Leather Goods: Louis Vuitton, Fendi, Celine, Loewe, Givenchy, Kenzo, Berluti, Pucci, Loro Piana, Rimowa and Christian Dior Couture;
- Perfumes and Cosmetics: Parfums Christian Dior, Guerlain, Parfums Givenchy, Make Up For Ever, Benefit Cosmetics, Fresh, Acqua di Parma, KVD Vegan Beauty, Fenty, Ole Henriksen and Maison Francis Kurkdjian;
- Watches and Jewelry: Bvlgari, TAG Heuer, Zenith, Hublot, Chaumet and Fred;
- Selective Retailing: DFS Galleria, Sephora, Le Bon Marché and Ile de Beauté;

- Other activities: the publications of the media group Les Échos-Investir, the daily newspaper Le Parisien-Aujourd'hui en France, the Royal Van Lent-Feadship brand, La Samaritaine, the hotel group Belmond and the Cova pastry shop brand.

These brands and trade names are recognized in the balance sheet at their value determined as of the date of their acquisition by the Group, which may be much less than their value in use

or their market value as of the closing date for the Group's consolidated financial statements. This is notably the case for the brands Louis Vuitton, Veuve Clicquot and Parfums Christian Dior, and the trade name Sephora, with the understanding that this list must not be considered exhaustive.

See also Note 5 for the impairment testing of brands, trade names and other intangible assets with indefinite useful lives.

## 4. GOODWILL

(EUR millions)	2020			2019	2018
	Gross	Impairment	Net	Net	Net
Goodwill arising on consolidated investments	11,259	(1,814)	9,445	9,722	8,654
Goodwill arising on purchase commitments for minority interests' shares	6,597	-	6,597	6,312	5,073
<b>Total</b>	<b>17,856</b>	<b>(1,814)</b>	<b>16,042</b>	<b>16,034</b>	<b>13,727</b>

Changes in net goodwill during the fiscal years presented break down as follows:

(EUR millions)	2020			2019	2018
	Gross	Impairment	Net	Net	Net
<b>As of January 1</b>	<b>17,807</b>	<b>(1,773)</b>	<b>16,034</b>	<b>13,727</b>	<b>13,837</b>
Changes in the scope of consolidation	(72)	46	(27)	1,033	45
Changes in purchase commitments for minority interests' shares	278	-	278	1,247	(126)
Changes in impairment	-	(178)	(178)	(22)	(100)
Translation adjustment	(157)	90	(67)	50	71
<b>As of December 31</b>	<b>17,856</b>	<b>(1,814)</b>	<b>16,042</b>	<b>16,034</b>	<b>13,727</b>

See Note 21 for goodwill arising on purchase commitments for minority interests' shares.

Changes in the scope of consolidation during fiscal year 2019 mainly resulted from the acquisition of Belmond. See Note 2.

## 5. IMPAIRMENT TESTING OF INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES

The Covid-19 pandemic severely disrupted production and commercial operations, leading to a substantial decrease in the Group's revenue and profit from recurring operations in 2020. Nevertheless, although the effects of the decrease in levels of business travel and tourism will still be felt for some time, the Group believes that its activities will not be significantly affected over the long term.

For the purposes of preparing the financial statements for the fiscal year ended December 31, 2020, the business segments that are most sensitive to negative changes in the market environment

have been identified. For these segments, multi-year plans drawn up previously have been adjusted to take into account the reduced business activity observed in 2020, as well as a scenario in which business activity returns to its 2019 level between 2022 and 2024, depending on the type of activity. For the other business segments, as the results of the impairment tests performed in 2019 were not called into question by the developments noted over the course of 2020, they were therefore reapplied, taking into account in particular the significant differences between recoverable and carrying amounts for intangible assets with indefinite useful lives.

As described in Note 1.16, these assets are generally valued on the basis of the present value of forecast cash flows determined in the context of multi-year business plans drawn up each fiscal

year. The main assumptions used to determine these forecast cash flows are as follows:

(as %)	2020				2019			2018		
	Discount rate		Annual growth rate for revenue during the plan period	Growth rate for the period after the plan	Discount rate post-tax	Annual growth rate for revenue during the plan period	Growth rate for the period after the plan	Discount rate post-tax	Annual growth rate for revenue during the plan period	Growth rate for the period after the plan
	Post-tax	Pre-tax								
Wines and Spirits	6.0 to 10.8	8.1 to 14.6	5.8	2.0	6.0 to 10.8	5.8	2.0	6.5 to 11.0	5.7	2.0
Fashion and Leather Goods	7.1 to 9.6	9.6 to 13.0	10.5	2.0	7.1 to 9.6	10.4	2.0	8.0 to 10.5	9.7	2.0
Perfumes and Cosmetics	6.5 to 9.2	8.8 to 12.4	9.1	2.0	6.5 to 9.2	9.1	2.0	7.4 to 10.1	8.9	2.0
Watches and Jewelry	7.5 to 8.9	10.1 to 12.0	9.4	2.0	7.5 to 8.9	9.2	2.0	9.0 to 10.4	8.3	2.0
Selective Retailing	7.0 to 8.9	9.5 to 12.0	8.0	2.0	7.0 to 8.8	8.2	2.0	7.3 to 9.4	9.8	2.0
Other	6.0 to 9.0	8.1 to 12.1	6.6	2.0	6.0 to 7.5	2.3	2.0	6.5 to 9.3	4.5	2.0

Plans generally cover a five-year period, but may be prolonged up to ten years in the case of brands for which the production cycle exceeds five years or brands undergoing strategic repositioning.

Annual growth rates applied for the period not covered by the plans are based on market estimates for the business groups concerned.

As of December 31, 2020, the intangible assets with indefinite useful lives that are the most significant in terms of their carrying amounts and the criteria used for impairment testing are as follows:

(EUR millions)	Brands and trade names	Goodwill	Total	Post-tax discount rate (as %)	Growth rate for the period after the plan (as %)	Period covered by the forecast cash flows	
	Christian Dior	3,500	2,179	5,679	8.4	2.0	5 years
	Louis Vuitton	2,059	473	2,532	7.1	2.0	5 years
	Loro Piana <sup>(a)</sup>	1,300	1,048	2,348	N/A	N/A	N/A
	Fendi	713	405	1,117	8.4	2.0	5 years
	Bvlgari	2,100	1,547	3,647	7.5	2.0	5 years
	TAG Heuer	1,148	218	1,366	7.5	2.0	5 years
	DFS	1,865	-	1,865	8.8	2.0	5 years
	Belmond	126	900	1,026	9.0	2.0	10 years

(a) For impairment testing purposes, the fair value of Loro Piana was determined by applying the share price multiples of comparable companies to Loro Piana's consolidated operating results. The change in multiples resulting from a 10% decrease in the market capitalization of comparable companies or the operating profit of Loro Piana would not generate an impairment risk for Loro Piana's intangible assets.

N/A: Not applicable.



As of December 31, 2020, three business segments disclosed intangible assets with a carrying amount close to their recoverable amount (including two for which the net carrying amounts of intangible assets with indefinite useful lives are significant). Impairment tests relating to intangible assets with indefinite useful lives in these business segments have been carried out based on value in use. The amount of these intangible assets as

of December 31, 2020 and the impairment loss that would result from a 1.0-point change in the post-tax discount rate or in the growth rate for the period not covered by the plans, or from a 4-point decrease in the compound annual growth rate for revenue compared to rates used as of December 31, 2020, break down as follows:

(EUR millions)	Amount of intangible assets concerned as of 12/31/2020	Amount of impairment if:		
		Post-tax discount rate increases by 1.0 point	Annual growth rate for revenue decreases by 4 points	Growth rate for the period after the plan decreases by 1.0 point
Watches and Jewelry	1,366	(171)	(179)	(130)
Other activities	1,225	(41)	(143)	-
<b>Total</b>	<b>2,591</b>	<b>(212)</b>	<b>(322)</b>	<b>(130)</b>

The Group considers that changes in excess of the limits mentioned above would entail assumptions at a level not deemed relevant in view of the current economic environment and medium- to long-term growth prospects for the business segments concerned.

As of December 31, 2020, the gross and net values of brands, trade names and goodwill giving rise to amortization and/or

impairment charges in 2020 were 1,831 million euros and 1,328 million euros, respectively (325 million and 37 million euros as of December 31, 2019).

Impairment expenses recognized during fiscal year 2020 came to 235 million euros. See Note 26.

## 6. PROPERTY, PLANT AND EQUIPMENT

(EUR millions)	2020			2019	2018 <sup>(a)</sup>
	Gross	Depreciation and impairment	Net	Net	Net
Land	4,499	(19)	4,480	4,411	2,838
Vineyard land and producing vineyards <sup>(b)</sup>	2,668	(117)	2,551	2,537	2,473
Buildings	5,737	(2,234)	3,503	3,218	2,292
Investment property	350	(34)	316	319	602
Leasehold improvements, machinery and equipment	14,431	(9,972)	4,459	4,717	4,078
Assets in progress	1,181	(5)	1,176	1,650	1,237
Other property, plant and equipment	2,295	(555)	1,740	1,682	1,592
<b>Total</b>	<b>31,161</b>	<b>(12,937)</b>	<b>18,224</b>	<b>18,533</b>	<b>15,112</b>
<i>Of which: Historical cost of vineyard land</i>	<i>601</i>	<i>-</i>	<i>601</i>	<i>587</i>	<i>576</i>

(a) The financial statements as of December 31, 2018 have not been restated to reflect the application of IFRS 16 Leases. See Note 1.2 to the 2019 consolidated financial statements regarding the impact of the application of IFRS 16.

(b) Almost all of the carrying amount of "Vineyard land and producing vineyards" corresponds to vineyard land.

Changes in property, plant and equipment during the fiscal year broke down as follows:

Gross value (EUR millions)	Vineyard land and producing vineyards	Land and buildings	Investment property	Leasehold improvements, machinery and equipment			Assets in progress	Other property, plant and equipment	Total
				Stores and hotels	Production, logistics	Other			
<b>As of December 31, 2019</b>	<b>2,655</b>	<b>9,775</b>	<b>357</b>	<b>9,801</b>	<b>2,964</b>	<b>1,478</b>	<b>1,652</b>	<b>2,205</b>	<b>30,887</b>
Acquisitions	19	295	1	464	135	91	911	67	1,984
Change in the market value of vineyard land	(3)	-	-	-	-	-	-	-	(3)
Disposals and retirements	(11)	(79)	(4)	(400)	(63)	(86)	(5)	(27)	(676)
Changes in the scope of consolidation	-	-	-	-	-	-	-	-	-
Translation adjustment	(14)	(320)	(7)	(503)	(35)	(55)	(31)	(32)	(997)
Other movements, including transfers	23	566	2	404	97	138	(1,345)	82	(32)
<b>As of December 31, 2020</b>	<b>2,668</b>	<b>10,236</b>	<b>350</b>	<b>9,767</b>	<b>3,098</b>	<b>1,566</b>	<b>1,181</b>	<b>2,295</b>	<b>31,161</b>

  

Depreciation and impairment (EUR millions)	Vineyard land and producing vineyards	Land and buildings	Investment property	Leasehold improvements, machinery and equipment			Assets in progress	Other property, plant and equipment	Total
				Stores and hotels	Production, logistics	Other			
<b>As of December 31, 2019</b>	<b>(118)</b>	<b>(2,146)</b>	<b>(37)</b>	<b>(6,586)</b>	<b>(1,949)</b>	<b>(991)</b>	<b>(2)</b>	<b>(524)</b>	<b>(12,354)</b>
Depreciation expense	(6)	(238)	(2)	(1,024)	(211)	(149)	-	(75)	(1,706)
Impairment expense	(2)	(10)	-	(3)	(2)	-	(5)	(3)	(26)
Disposals and retirements	9	67	-	395	55	84	-	29	639
Changes in the scope of consolidation	-	-	-	-	-	-	-	-	-
Translation adjustment	1	75	-	347	18	42	-	18	502
Other movements, including transfers	(1)	(1)	6	62	2	(62)	1	1	8
<b>As of December 31, 2020</b>	<b>(117)</b>	<b>(2,253)</b>	<b>(34)</b>	<b>(6,810)</b>	<b>(2,087)</b>	<b>(1,076)</b>	<b>(5)</b>	<b>(555)</b>	<b>(12,937)</b>
<b>Carrying amount as of December 31, 2020</b>	<b>2,551</b>	<b>7,983</b>	<b>316</b>	<b>2,957</b>	<b>1,012</b>	<b>490</b>	<b>1,176</b>	<b>1,740</b>	<b>18,224</b>

“Other property, plant and equipment” includes in particular the works of art owned by the Group.

Purchases of property, plant and equipment mainly include investments by the Group’s brands – notably Louis Vuitton, Sephora and Christian Dior – in their retail networks. They also included investments related to the La Samaritaine project as well as investments by the champagne houses, Hennessy, Parfums Christian Dior and Louis Vuitton in their production equipment.

The impact of marking vineyard land to market was 1,824 million euros as of December 31, 2020 (1,836 million euros as of December 31, 2019; 1,793 million euros as of December 31, 2018). See Notes 1.10 and 1.14 on the measurement method for vineyard land.

The market value of investment property, according to appraisals by independent third parties, was at least 0.5 billion euros as of December 31, 2020. The valuation methods used are based on market data.

Changes in property, plant and equipment during prior fiscal years broke down as follows:

Carrying amount (EUR millions)	Vineyard land and producing vineyards	Land and buildings	Investment property	Leasehold improvements, machinery and equipment			Assets in progress	Other property, plant and equipment	Total
				Stores	Production, logistics	Other			
<b>As of December 31, 2017</b>	<b>2,432</b>	<b>4,427</b>	<b>763</b>	<b>2,682</b>	<b>883</b>	<b>406</b>	<b>784</b>	<b>1,485</b>	<b>13,862</b>
Acquisitions	25	473	70	604	162	82	1,074	114	2,604
Disposals and retirements	-	-	-	(3)	(3)	(1)	(1)	3	(5)
Depreciation expense	(6)	(192)	(2)	(946)	(172)	(127)	-	(67)	(1,512)
Impairment expense	-	(2)	-	2	(1)	-	-	(2)	(3)
Changes in market value	8	-	-	-	-	-	-	-	8
Changes in the scope of consolidation	-	-	-	2	1	3	-	-	6
Translation adjustment	(1)	67	14	45	1	5	5	2	137
Other	15	357	(243)	339	75	39	(624)	57	15
<b>As of December 31, 2018</b>	<b>2,473</b>	<b>5,130</b>	<b>602</b>	<b>2,725</b>	<b>946</b>	<b>407</b>	<b>1,237</b>	<b>1,592</b>	<b>15,112</b>
Impact of changes in accounting standards <sup>(a)</sup>	-	(260)	-	(61)	(22)	(9)	(4)	1	(355)
<b>As of January 1, 2019, after restatement</b>	<b>2,473</b>	<b>4,870</b>	<b>602</b>	<b>2,664</b>	<b>924</b>	<b>398</b>	<b>1,233</b>	<b>1,593</b>	<b>14,757</b>
Acquisitions	11	225	12	806	165	143	1,375	124	2,860
Disposals and retirements	-	(8)	(23)	(1)	(1)	(2)	(8)	8	(35)
Depreciation expense	(6)	(213)	(4)	(1,030)	(189)	(144)	-	(68)	(1,655)
Impairment expense	-	62	(1)	(5)	(2)	-	(16)	-	38
Changes in market value	42	-	-	-	-	-	-	-	42
Changes in the scope of consolidation	15	2,117	-	218	8	-	22	8	2,388
Translation adjustment	2	69	8	53	5	4	8	4	151
Other	1	506	(274)	512	106	87	(964)	13	(13)
<b>As of December 31, 2019</b>	<b>2,537</b>	<b>7,628</b>	<b>319</b>	<b>3,216</b>	<b>1,015</b>	<b>486</b>	<b>1,650</b>	<b>1,682</b>	<b>18,533</b>

(a) The impact of changes in accounting standards arose from the application of IFRS 16 Leases as of January 1, 2019. See Note 1.2 to the 2019 consolidated financial statements.

Purchases of property, plant and equipment in fiscal years 2019 and 2018 mainly included investments by the Group's brands in their retail networks and investments by the champagne houses, Hennessy, Louis Vuitton and Parfums Christian Dior in their

production equipment. They also included investments related to the La Samaritaine project as well as, in 2018, investments related to the Jardin d'Acclimatation, along with various real estate investments.

## 7. LEASES

### 7.1 Right-of-use assets

Right-of-use assets break down as follows, by type of underlying asset:

(EUR millions)	2020			2019	January 1, 2019
	Gross	Depreciation and impairment	Net	Net	Net
Stores	13,577	(3,523)	10,054	9,861	9,472
Offices	1,931	(498)	1,433	1,436	1,332
Other	922	(200)	722	749	718
<b>Capitalized fixed lease payments</b>	<b>16,429</b>	<b>(4,222)</b>	<b>12,207</b>	<b>12,047</b>	<b>11,522</b>
Leasehold rights	783	(470)	313	362	345
<b>Total</b>	<b>17,213</b>	<b>(4,691)</b>	<b>12,522</b>	<b>12,409</b>	<b>11,867</b>

The net amounts of right-of-use assets changed as follows during the fiscal year:

Gross value (EUR millions)	Capitalized fixed lease payments				Leasehold rights	Total
	Stores	Offices	Other	Total		
<b>As of December 31, 2019</b>	<b>11,817</b>	<b>1,724</b>	<b>860</b>	<b>14,402</b>	<b>738</b>	<b>15,140</b>
New leases entered into	2,112	417	115	2,643	7	2,650
Changes in assumptions	931	(84)	11	858	-	858
Leases ended or canceled	(475)	(76)	(39)	(590)	(8)	(598)
Changes in the scope of consolidation	-	-	-	-	-	-
Translation adjustment	(795)	(58)	(44)	(897)	(11)	(908)
Other movements, including transfers	(13)	8	19	14	57	71
<b>As of December 31, 2020</b>	<b>13,577</b>	<b>1,931</b>	<b>922</b>	<b>16,429</b>	<b>783</b>	<b>17,213</b>

Depreciation and impairment (EUR millions)	Capitalized fixed lease payments				Leasehold rights	Total
	Stores	Offices	Other	Total		
<b>As of December 31, 2019</b>	<b>(1,956)</b>	<b>(288)</b>	<b>(111)</b>	<b>(2,355)</b>	<b>(376)</b>	<b>(2,731)</b>
Depreciation expense	(2,111)	(286)	(117)	(2,514)	(54)	(2,568)
Impairment expense	1	(2)	-	(1)	(3)	(4)
Leases ended or canceled	344	64	22	430	7	437
Changes in the scope of consolidation	-	-	-	-	-	-
Translation adjustment	195	17	7	219	5	224
Other movements, including transfers	2	(3)	-	(1)	(49)	(50)
<b>As of December 31, 2020</b>	<b>(3,523)</b>	<b>(498)</b>	<b>(200)</b>	<b>(4,222)</b>	<b>(470)</b>	<b>(4,691)</b>
<b>Carrying amount as of December 31, 2020</b>	<b>10,054</b>	<b>1,433</b>	<b>722</b>	<b>12,207</b>	<b>313</b>	<b>12,522</b>

“New leases entered into” mainly involved store leases, in particular for Louis Vuitton, Sephora, Christian Dior Couture, Fendi and Loro Piana. They also included leases of office space, mainly for Wines and Spirits and Benefit Cosmetics. Changes

in assumptions mainly related to the exercise of options to extend existing leases, in particular for DFS and Christian Dior. These two types of changes led to corresponding increases in right-of-use assets and lease liabilities.

## 7.2 Lease liabilities

Lease liabilities break down as follows:

(EUR millions)	2020	2019	January 1, 2019
Non-current lease liabilities	10,665	10,373	9,679
Current lease liabilities	2,163	2,172	2,149
<b>Total</b>	<b>12,829</b>	<b>12,545</b>	<b>11,828</b>

The change in lease liabilities during the fiscal year breaks down as follows:

<i>(EUR millions)</i>	Stores	Offices	Other	Total
<b>As of December 31, 2019</b>	<b>10,264</b>	<b>1,532</b>	<b>749</b>	<b>12,545</b>
New leases entered into	2,082	405	112	2,600
Principal repayments	(1,911)	(250)	(113)	(2,275)
Change in accrued interest	(12)	2	2	(8)
Leases ended or canceled	(138)	(10)	(9)	(158)
Changes in assumptions	911	(84)	11	837
Changes in the scope of consolidation	-	-	-	-
Translation adjustment	(629)	(46)	(33)	(708)
Other movements, including transfers	(13)	7	1	(5)
<b>As of December 31, 2020</b>	<b>10,556</b>	<b>1,555</b>	<b>718</b>	<b>12,829</b>

The following table presents the contractual schedule of disbursements for lease liabilities as of December 31, 2020:

<i>(EUR millions)</i>	<b>As of December 31, 2020</b> <b>Total minimum future payments</b>
Maturity: 2021	2,388
2022	2,065
2023	1,791
2024	1,552
2025	1,318
Between 2026 and 2030	3,560
Between 2031 and 2035	778
Thereafter	1,009
<b>Total minimum future payments</b>	<b>14,461</b>
Impact of discounting	(1,632)
<b>Total lease liability</b>	<b>12,829</b>

### 7.3 Breakdown of lease expense

The lease expense for the fiscal year breaks down as follows:

<i>(EUR millions)</i>	2020	2019
Depreciation and impairment of right-of-use assets	2,572	2,407
Interest on lease liabilities	281	290
<b>Capitalized fixed lease expense</b>	<b>2,853</b>	<b>2,697</b>
Variable lease payments	755	1,595
Short-term leases and/or low-value leases	320	376
<b>Other lease expenses</b>	<b>1,075</b>	<b>1,971</b>
<b>Total</b>	<b>3,928</b>	<b>4,668</b>

In certain countries, leases for stores entail the payment of both minimum amounts and variable amounts, especially for stores with lease payments indexed to revenue. As required by IFRS 16, only the minimum fixed lease payments are capitalized. "Other lease expenses" mainly relate to variable lease payments.

In 2020, apart from the consequences of the decline in activity levels in connection with the Covid-19 pandemic, the expense for variable lease payments reflects the 548 million euro impact of rent concessions from lessors, in accordance with the provisions set out in the amendment to IFRS 16 adopted in 2020 (see Note 1.2).

For leases not required to be capitalized, there is little difference between the expense recognized and the payments made.

## 7.4 Changes during prior fiscal year

The change in right-of-use assets during the previous fiscal year breaks down as follows, by type of underlying asset:

Carrying amount (EUR millions)	Capitalized fixed lease payments				Leasehold rights	Total
	Stores	Offices	Other	Total		
<b>As of January 1, 2019</b>	<b>9,471</b>	<b>1,331</b>	<b>718</b>	<b>11,520</b>	<b>344</b>	<b>11,864</b>
New leases entered into	1,862	386	94	2,342	64	2,406
Changes in assumptions	411	13	2	426	-	426
Leases ended or canceled	(138)	(6)	(9)	(153)	(12)	(165)
Depreciation expense	(1,970)	(274)	(108)	(2,352)	(53)	(2,405)
Impairment expense	-	(7)	-	(7)	5	(2)
Changes in the scope of consolidation	22	5	36	64	(4)	61
Translation adjustment	194	16	12	222	4	226
Other movements, including transfers	9	(27)	3	(15)	13	(2)
<b>As of December 31, 2019</b>	<b>9,861</b>	<b>1,436</b>	<b>749</b>	<b>12,047</b>	<b>362</b>	<b>12,409</b>

The change in lease liabilities during the previous fiscal year breaks down as follows:

(EUR millions)	Stores	Offices	Other	Total
<b>As of January 1, 2019</b>	<b>9,692</b>	<b>1,420</b>	<b>716</b>	<b>11,828</b>
New leases entered into	1,834	373	94	2,302
Principal repayments	(1,828)	(238)	(101)	(2,166)
Change in accrued interest	40	5	5	50
Leases ended or canceled	(138)	(6)	(8)	(152)
Changes in assumptions	403	11	2	415
Changes in the scope of consolidation	26	-	30	56
Translation adjustment	198	17	12	228
Other movements, including transfers	36	(50)	-	(13)
<b>As of December 31, 2019</b>	<b>10,264</b>	<b>1,532</b>	<b>749</b>	<b>12,545</b>

## 7.5 Off-balance sheet commitments

Off-balance sheet commitments relating to leases with fixed lease payments break down as follows:

(EUR millions)	2020	2019
Contracts commencing after the balance sheet date	1,324	1,592
Low-value leases and short-term leases	180	195
<b>Total undiscounted future payments</b>	<b>1,504</b>	<b>1,787</b>

As part of the active management of its retail network, the Group negotiates and enters into leases with commencement dates after the balance sheet date. Obligations to make payments under these leases are reported as off-balance sheet commitments rather than being recognized as lease liabilities.

In addition, the Group may enter into leases or concession contracts that have variable guaranteed amounts, which are not reflected in the commitments above.

## 7.6 Discount rates

The average discount rate for lease liabilities breaks down as follows for leases in effect as of December 31, 2020:

(as %)	Average rate for leases in effect as of December 31, 2020	Average rate for leases entered into in 2020
Euro	0.6	0.3
US dollar	3.1	2.0
Japanese yen	0.6	0.2
Hong Kong dollar	2.6	1.9
Other currencies	2.4	2.2
<b>Average rate for the Group</b>	<b>2.0</b>	<b>1.1</b>

## 7.7 Termination and renewal options

The term used to calculate the lease liability is generally the contractual term of the lease. Special cases may exist where an early termination option or a renewal option is reasonably certain to be exercised, and as such the lease term used to calculate the lease liability is reduced or extended, respectively.

The table below presents the impact of these assumptions on lease liabilities recognized as of December 31, 2020:

(EUR millions)	As of December 31, 2020				
	Lease liabilities	Of which:		Impact of options not taken into account <sup>(a)</sup>	
		Impact of early termination options	Impact of renewal options	Renewal options	Early termination options
Lease liabilities related to contracts:					
– with options	5,858	(51)	1,767	1,581	(938)
– without options	6,971				
<b>Total</b>	<b>12,829</b>	<b>(51)</b>	<b>1,767</b>	<b>1,581</b>	<b>(938)</b>

(a) The impact of options not taken into account presented in the table above was calculated by discounting future lease payments on the basis of the last known contractual term.

## 8. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

(EUR millions)	2020				2019		2018	
	Gross	Impairment	Net	Of which: Joint arrangements	Net	Of which: Joint arrangements	Net	Of which: Joint arrangements
<b>Share of net assets of joint ventures and associates as of January 1</b>	<b>1,074</b>	-	<b>1,074</b>	<b>448</b>	<b>638</b>	<b>278</b>	<b>639</b>	<b>273</b>
Share of net profit/(loss) for the period	(42)	-	(42)	(13)	28	11	23	12
Dividends paid	(24)	-	(24)	(12)	(20)	(9)	(28)	(9)
Changes in the scope of consolidation	-	-	-	-	415	163	(10)	2
Capital increases subscribed	10	-	10	7	5	2	3	1
Translation adjustment	(34)	-	(34)	(14)	5	-	7	-
Other, including transfers	5	-	5	9	3	3	4	(1)
<b>Share of net assets of joint ventures and associates as of December 31</b>	<b>990</b>	-	<b>990</b>	<b>426</b>	<b>1,074</b>	<b>448</b>	<b>638</b>	<b>278</b>

As of December 31, 2020, investments in joint ventures and associates consisted primarily of the following:

- For joint arrangements:
  - a 50% stake in the Château Cheval Blanc wine estate (Gironde, France), which produces the eponymous Saint-Émilion Grand Cru Classé A;
  - a 50% stake in hotel and rail transport activities operated by Belmond in Peru.
- For other companies:
  - a 40% stake in Mongoual SA, the real estate company that owns the office building in Paris (France) that serves as the headquarters of LVMH Moët Hennessy Louis Vuitton;
  - a 45% stake in PT. Sona Topas Tourism Industry Tbk (STTI), an Indonesian retail company, which notably holds duty-free sales licenses in airports;

- a 46% stake in JW Anderson, a London-based ready-to-wear brand;
- a 40% stake in L Catterton Management, an investment fund management company created in December 2015 in partnership with Catterton;
- a 49% stake in Stella McCartney, a London-based ready-to-wear brand.

Changes in the scope of consolidation in fiscal year 2019 mainly resulted from the acquisition of a stake in Stella McCartney and the acquisition of Belmond. See Note 2.

Repossi – an Italian jewelry brand in which the Group had taken a 41.7% stake, which was acquired in November 2015 and accounted for using the equity method until December 31, 2017 – has been fully consolidated since 2018, following the acquisition of an additional stake in the company, raising the Group's ownership interest from 41.7% to 68.9%.

## 9. NON-CURRENT AVAILABLE FOR SALE FINANCIAL ASSETS

<i>(EUR millions)</i>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>As of January 1</b>	<b>915</b>	<b>1,100</b>	<b>789</b>
Acquisitions	159	146	450
Disposals at net realized value	(213)	(45)	(45)
Changes in market value <sup>(a)</sup>	24	(16)	(101)
Changes in the scope of consolidation	-	-	-
Translation adjustment	(13)	7	16
Reclassifications <sup>(b)</sup>	(133)	(276)	(9)
<b>As of December 31</b>	<b>739</b>	<b>915</b>	<b>1,100</b>

(a) Recognized within "Net financial income/(expense)".

(b) See Note 14.

The market value of non-current available for sale financial assets is determined using the methods described in Note 1.10; see also Note 23.2 for the breakdown of these assets according to the measurement methods used.

Reclassifications mainly related to non-current available for sale financial assets used to hedge financial debt maturing in less than one year.

Acquisitions in fiscal years 2020 and 2019 included, for 90 and 110 million euros, respectively, the impact of subscription of securities in investment funds.

Acquisitions in fiscal year 2018 included in particular, for 274 million euros, the impact of the acquisition of Belmond shares, as well as, for 87 million euros, the impact of subscription of securities in investment funds and acquisitions of minority interests.



## 10. OTHER NON-CURRENT ASSETS

<i>(EUR millions)</i>	2020	2019	2018 <sup>(a)</sup>
Warranty deposits	409	429	379
Derivatives <sup>(b)</sup>	110	782	257
Loans and receivables	280	291	303
Other	46	45	47
<b>Total</b>	<b>845</b>	<b>1,546</b>	<b>986</b>

(a) The financial statements as of December 31, 2018 have not been restated to reflect the application of IFRS 16 Leases. See Note 1.2 to the 2019 consolidated financial statements regarding the impact of the application of IFRS 16.

(b) See Note 23.

## 11. INVENTORIES AND WORK IN PROGRESS

<i>(EUR millions)</i>	2020			2019	2018
	Gross	Impairment	Net	Net	Net
Wines and <i>eaux-de-vie</i> in the process of aging	5,337	(24)	5,313	5,017	4,784
Other raw materials and work in progress	2,284	(551)	1,732	1,900	1,700
	<b>7,621</b>	<b>(575)</b>	<b>7,046</b>	<b>6,917</b>	<b>6,484</b>
Goods purchased for resale	1,940	(234)	1,706	2,189	2,091
Finished products	5,597	(1,333)	4,264	4,611	3,910
	<b>7,537</b>	<b>(1,567)</b>	<b>5,970</b>	<b>6,800</b>	<b>6,001</b>
<b>Total</b>	<b>15,158</b>	<b>(2,142)</b>	<b>13,016</b>	<b>13,717</b>	<b>12,485</b>

See Note 1.18.

The change in net inventories for the fiscal years presented breaks down as follows:

<i>(EUR millions)</i>	2020			2019	2018
	Gross	Impairment	Net	Net	Net
<b>As of January 1</b>	<b>15,537</b>	<b>(1,820)</b>	<b>13,717</b>	<b>12,485</b>	<b>10,888</b>
Change in gross inventories	562	-	562	1,604	1,722
Impact of provision for returns <sup>(a)</sup>	12	-	12	2	7
Impact of marking harvests to market	(27)	-	(27)	(6)	16
Changes in provision for impairment	-	(797)	(797)	(559)	(285)
Changes in the scope of consolidation	(2)	2	-	36	25
Translation adjustment	(537)	80	(457)	153	109
Other, including reclassifications	(386)	393	7	-	3
<b>As of December 31</b>	<b>15,158</b>	<b>(2,142)</b>	<b>13,016</b>	<b>13,717</b>	<b>12,485</b>

(a) See Note 1.27.

In fiscal year 2020, due to the Covid-19 pandemic, more limited sales prospects for inventories led to the recognition of a non-recurring impairment charge of around 190 million euros.

The impact of marking harvests to market on Wines and Spirits' cost of sales and value of inventory is as follows:

<i>(EUR millions)</i>	2020	2019	2018
Impact of marking the period's harvest to market	(7)	14	41
Impact of inventory sold during the period	(20)	(20)	(25)
<b>Net impact on cost of sales for the period</b>	<b>(27)</b>	<b>(6)</b>	<b>16</b>
<b>Net impact on the value of inventory as of December 31</b>	<b>93</b>	<b>120</b>	<b>126</b>

See Notes 1.10 and 1.18 on the method of marking harvests to market.

## 12. TRADE ACCOUNTS RECEIVABLE

<i>(EUR millions)</i>	2020	2019	2018
Trade accounts receivable, nominal amount	2,880	3,539	3,302
Provision for impairment	(124)	(89)	(78)
Provision for product returns <sup>(a)</sup>	-	-	(2)
<b>Net amount</b>	<b>2,756</b>	<b>3,450</b>	<b>3 222</b>

(a) See Note 1.27.

The change in trade accounts receivable for the fiscal years presented breaks down as follows:

<i>(EUR millions)</i>	2020			2019		2018
	Gross	Impairment	Net	Net	Net	
<b>As of January 1</b>	<b>3,539</b>	<b>(89)</b>	<b>3,450</b>	<b>3,222</b>	<b>2,736</b>	
Changes in gross receivables	(528)	-	(528)	121	179	
Changes in provision for impairment	-	(41)	(41)	(10)	(1)	
Changes in provision for product returns <sup>(a)</sup>	-	-	-	-	7	
Changes in the scope of consolidation	1	-	1	50	5	
Translation adjustment	(151)	3	(148)	72	24	
Reclassifications	19	3	22	(5)	272	
<b>As of December 31</b>	<b>2,880</b>	<b>(124)</b>	<b>2,756</b>	<b>3,450</b>	<b>3 222</b>	

(a) See Note 1.27.

The trade accounts receivable balance is comprised essentially of receivables from wholesalers or agents, who are limited in number and with whom the Group maintains long-term relationships.

As of December 31, 2020, the breakdown of the nominal amount of trade accounts receivable and of provisions for impairment by age was as follows:

<i>(EUR millions)</i>		Nominal amount of receivables	Impairment	Net amount of receivables
Not due:	– less than 3 months	2,462	(24)	2,439
	– more than 3 months	81	(11)	70
		<b>2,544</b>	<b>(35)</b>	<b>2,509</b>
Overdue:	– less than 3 months	214	(10)	204
	– more than 3 months	123	(79)	43
		<b>336</b>	<b>(89)</b>	<b>247</b>
<b>Total</b>		<b>2,880</b>	<b>(124)</b>	<b>2,756</b>

For each of the fiscal years presented, no single customer accounted for more than 5% of the Group's consolidated revenue.

The present value of trade accounts receivable is identical to their carrying amount.

### 13. OTHER CURRENT ASSETS

<i>(EUR millions)</i>	2020	2019	2018 <sup>(a)</sup>
Current available for sale financial assets <sup>(b)</sup>	752	733	666
Derivatives <sup>(c)</sup>	968	180	123
Tax accounts receivable, excluding income taxes	956	1,055	895
Advances and payments on account to vendors	209	254	216
Prepaid expenses	387	454	430
Other receivables	574	589	538
<b>Total</b>	<b>3,846</b>	<b>3,264</b>	<b>2,868</b>

(a) The financial statements as of December 31, 2018 have not been restated to reflect the application of IFRS 16 Leases. See Note 1.2 to the 2019 consolidated financial statements regarding the impact of the application of IFRS 16.

(b) See Note 14.

(c) See Note 23.

### 14. CURRENT AVAILABLE FOR SALE FINANCIAL ASSETS

The net value of current available for sale financial assets changed as follows during the fiscal years presented:

<i>(EUR millions)</i>	2020	2019	2018
<b>As of January 1</b>	<b>733</b>	<b>666</b>	<b>515</b>
Acquisitions	576	50	311
Disposals at net realized value	(653)	(121)	(164)
Changes in market value <sup>(a)</sup>	(34)	138	3
Changes in the scope of consolidation	-	-	-
Translation adjustment	-	-	1
Reclassifications	130	-	-
<b>As of December 31</b>	<b>752</b>	<b>733</b>	<b>666</b>
<i>Of which: Historical cost of current available for sale financial assets</i>	<i>719</i>	<i>538</i>	<i>576</i>

(a) Recognized within "Net financial income/(expense)".

Reclassifications mainly related to non-current available for sale financial assets used to hedge financial debt maturing in less than one year (see Note 9). These financial instruments, entered into in 2016 to hedge cash-settled convertible bonds, were partially repaid as of December 31, 2020, following the conversion of the hedged bonds. See also Note 19.

The market value of current available for sale financial assets is determined using the methods described in Note 1.10. See Note 23.2 for the breakdown of current available for sale financial assets according to the measurement methods used.

## 15. CASH AND CHANGE IN CASH

### 15.1 Cash and cash equivalents

<i>(EUR millions)</i>	2020	2019	2018
Term deposits (less than 3 months)	13,546	879	654
SICAV and FCP funds	1,943	147	192
Ordinary bank accounts	4,474	4,647	3,764
<b>Cash and cash equivalents per balance sheet</b>	<b>19,963</b>	<b>5,673</b>	<b>4,610</b>

The reconciliation between cash and cash equivalents as shown in the balance sheet and net cash and cash equivalents appearing in the cash flow statement is as follows:

<i>(EUR millions)</i>	2020	2019	2018
Cash and cash equivalents	19,963	5,673	4,610
Bank overdrafts	(156)	(176)	(197)
<b>Net cash and cash equivalents per cash flow statement</b>	<b>19,806</b>	<b>5,497</b>	<b>4,413</b>

### 15.2 Change in working capital

The change in working capital breaks down as follows for the fiscal years presented:

<i>(EUR millions)</i>	Notes	2020	2019	2018
Change in inventories and work in progress	11	(562)	(1,604)	(1,722)
Change in trade accounts receivable	12	528	(121)	(179)
Change in balance of amounts owed to customers	22	(10)	9	8
Change in trade accounts payable	22	(559)	463	715
Change in other receivables and payables		237	98	91
<b>Change in working capital<sup>(a)</sup></b>		<b>(367)</b>	<b>(1,154)</b>	<b>(1,087)</b>

(a) Increase/(Decrease) in cash and cash equivalents.

### 15.3 Operating investments

Operating investments comprise the following elements for the fiscal years presented:

<i>(EUR millions)</i>	Notes	2020	2019	2018 <sup>(a)</sup>
Purchase of intangible assets	3	(481)	(528)	(537)
Purchase of property, plant and equipment	6	(1,984)	(2,860)	(2,590)
Change in accounts payable related to fixed asset purchases		(55)	163	137
Initial direct costs	7	(7)	(62)	-
<b>Net cash used in purchases of fixed assets</b>		<b>(2,526)</b>	<b>(3,287)</b>	<b>(2,990)</b>
Net cash from fixed asset disposals		51	29	10
Guarantee deposits paid and other cash flows related to operating investments		(3)	(36)	(58)
<b>Operating investments<sup>(b)</sup></b>		<b>(2,478)</b>	<b>(3,294)</b>	<b>(3,038)</b>

(a) The financial statements as of December 31, 2018 have not been restated to reflect the application of IFRS 16 Leases. See Note 1.2 to the 2019 consolidated financial statements regarding the impact of the application of IFRS 16.

(b) Increase/(Decrease) in cash and cash equivalents.

### 15.4 Interim and final dividends paid and other equity-related transactions

Interim and final dividends paid comprise the following elements for the fiscal years presented:

<i>(EUR millions)</i>		2020	2019	2018
Interim and final dividends paid by LVMH SE		(2,317)	(3,119)	(2,715)
Interim and final dividends paid to minority interests in consolidated subsidiaries		(365)	(429)	(339)
Tax paid related to interim and final dividends paid		(117)	(130)	(36)
<b>Interim and final dividends paid</b>		<b>(2,799)</b>	<b>(3,678)</b>	<b>(3,090)</b>

Other equity-related transactions comprise the following elements for the fiscal years presented:

<i>(EUR millions)</i>	Notes	2020	2019	2018
Capital increases of LVMH SE	16	-	21	49
Capital increases of subsidiaries subscribed by minority interests		39	82	41
Acquisition and disposal of LVMH treasury shares	16	(12)	(49)	(295)
<b>Other equity-related transactions</b>		<b>27</b>	<b>54</b>	<b>(205)</b>

## 16. EQUITY

### 16.1 Equity

<i>(EUR millions)</i>	Notes	2020	2019	2018 <sup>(a)</sup>
Share capital	16.2	152	152	152
Share premium account	16.2	2,225	2,319	2,298
LVMH shares	16.3	(260)	(403)	(421)
Cumulative translation adjustment	16.5	(692)	862	573
Revaluation reserves		625	813	875
Other reserves		30,661	25,672	22,462
Net profit, Group share		4,702	7,171	6,354
<b>Equity, Group share</b>		<b>37,412</b>	<b>36,586</b>	<b>32,293</b>

(a) The financial statements as of December 31, 2018 have not been restated to reflect the application of IFRS 16 Leases. See Note 1.2 to the 2019 consolidated financial statements regarding the impact of the application of IFRS 16.

## 16.2 Share capital and share premium account

As of December 31, 2020, the share capital consisted of 504,757,339 fully paid-up shares (505,431,285 as of December 31, 2019 and 505,029,495 as of December 31, 2018), with a par value of 0.30 euros per share, including 232,538,911 shares with double

voting rights (232,293,143 as of December 31, 2019 and 231,834,011 as of December 31, 2018). Double voting rights are attached to registered shares held for more than three years.

Changes in the share capital and share premium account, in value and in terms of number of shares, break down as follows:

(EUR millions)	2020			2019	2018
	Number	Amount		Amount	Amount
		Share capital	Share premium account		
<b>As of January 1</b>	<b>505,431,285</b>	<b>152</b>	<b>2,319</b>	<b>2,470</b>	<b>2,766</b>
Exercise of share subscription options	-	-	-	21	49
Retirement of LVMH shares	(673,946)	-	(94)	-	(365)
<b>As of period-end</b>	<b>504,757,339</b>	<b>152</b>	<b>2,225</b>	<b>2,470</b>	<b>2,450</b>

## 16.3 LVMH shares

The portfolio of LVMH shares is allocated as follows:

(EUR millions)	2020		2019	2018
	Number	Amount	Amount	Amount
Share subscription option plans	-	-	20	20
Bonus share plans	826,456	242	294	302
<b>Shares held for stock option and similar plans<sup>(a)</sup></b>	<b>826,456</b>	<b>242</b>	<b>314</b>	<b>322</b>
Liquidity contract	35,000	17	15	25
Shares pending retirement	-	-	74	74
<b>LVMH treasury shares</b>	<b>861,456</b>	<b>260</b>	<b>403</b>	<b>421</b>

(a) See Note 17 regarding stock option and similar plans.

The market value of LVMH shares held under the liquidity contract as of December 31, 2020 amounted to 18 million euros.

The portfolio movements of LVMH shares during the fiscal year were as follows:

(number of shares or EUR millions)	Number	Amount	Impact on cash
<b>As of December 31, 2019</b>	<b>1,778,911</b>	<b>403</b>	
Share purchases <sup>(a)</sup>	582,906	217	(217)
Vested bonus shares	(288,482)	(67)	-
Retirement of LVMH shares	(673,946)	(94)	-
Disposals at net realized value <sup>(a)</sup>	(537,933)	(205)	205
Gain/(loss) on disposal	-	6	-
<b>As of December 31, 2020</b>	<b>861,456</b>	<b>260</b>	<b>(12)</b>

(a) Purchases and sales of LVMH shares mainly related to the management of the liquidity contract.

## 16.4 Dividends paid by the parent company LVMH SE

In accordance with French regulations, dividends are taken from the profit for the fiscal year and the distributable reserves of the parent company, after deducting applicable withholding tax and the value attributable to treasury shares.

As of December 31, 2020, the distributable amount was 16,872 million euros; after taking into account the proposed dividend distribution in respect of the 2020 fiscal year, it was 14,853 million euros.

<i>(EUR millions)</i>	2020	2019	2018
Interim dividend for the current fiscal year (2020: 2.00 euros; 2019: 2.20 euros; 2018: 2.00 euros)	1,010	1,112	1,010
Impact of treasury shares	(2)	(4)	(4)
<b>Gross amount disbursed for the fiscal year</b>	<b>1,008</b>	<b>1,108</b>	<b>1,006</b>
Final dividend for the previous fiscal year (2019: 2.60 euros; 2018: 4.00 euros; 2017: 3.40 euros)	1,314	2,020	1,717
Impact of treasury shares	(5)	(8)	(8)
<b>Gross amount disbursed for the previous fiscal year</b>	<b>1,309</b>	<b>2,012</b>	<b>1,709</b>
<b>Total gross amount disbursed during the period<sup>(a)</sup></b>	<b>2,317</b>	<b>3,119</b>	<b>2,715</b>

(a) Excluding the impact of tax regulations applicable to the recipient.

The final dividend for fiscal year 2020, as proposed at the Shareholders' Meeting of April 15, 2021, is 4.00 euros per share, representing a total of 2,019 million euros before deduction of

the amount attributable to treasury shares held at the ex-dividend date.

## 16.5 Cumulative translation adjustment

The change in "Cumulative translation adjustment" recognized within "Equity, Group share", net of hedging effects of net assets denominated in foreign currency, breaks down as follows by currency:

<i>(EUR millions)</i>	2020	Change	2019	2018
US dollar	(832)	(1,196)	364	293
Swiss franc	778	17	761	632
Japanese yen	97	(28)	125	109
Hong Kong dollar	285	(103)	388	354
Pound sterling	(113)	(38)	(75)	(115)
Other currencies	(458)	(228)	(230)	(250)
Foreign currency net investment hedges <sup>(a)</sup>	(449)	22	(471)	(450)
<b>Total, Group share</b>	<b>(692)</b>	<b>(1,554)</b>	<b>862</b>	<b>573</b>

(a) Including: -125 million euros with respect to the US dollar (-146 million euros as of December 31, 2019 and -141 million euros as of December 31, 2018), -117 million euros with respect to the Hong Kong dollar (-117 million euros as of December 31, 2019 and 2018) and -210 million euros with respect to the Swiss franc (-208 million euros as of December 31, 2019 and -193 million euros as of December 31, 2018). These amounts include the tax impact.

## 16.6 Strategy relating to the Group's financial structure

The Group believes that the management of its financial structure, together with the development of the companies it owns and the management of its brand portfolio, helps create value for its shareholders. Maintaining a suitable-quality credit rating is a core objective for the Group, ensuring good access to markets under favorable conditions, allowing it to seize opportunities and procure the resources it needs to develop its business.

To this end, the Group monitors a certain number of financial ratios and aggregate measures of financial risk, including:

- net financial debt (see Note 19) to equity;
- cash from operations before changes in working capital to net financial debt;
- net cash from operating activities;
- operating free cash flow (see the consolidated cash flow statement);

- long-term resources to fixed assets;
- proportion of long-term debt in net financial debt.

Long-term resources are understood to correspond to the sum of equity and non-current liabilities.

Where applicable, these indicators are adjusted to reflect the Group's off-balance sheet financial commitments.

The Group also promotes financial flexibility by maintaining numerous and varied banking relationships, through frequent recourse to several negotiable debt markets (both short- and long-term), by holding a large amount of cash and cash equivalents, and through the existence of sizable amounts of undrawn confirmed credit lines, intended to largely exceed the outstanding portion of its commercial paper program, while continuing to represent a reasonable cost for the Group.

## 17. BONUS SHARE AND SIMILAR PLANS

### 17.1 General characteristics of plans

#### 17.1.1 Share purchase and subscription option plans

At the Shareholders' Meeting of April 18, 2019, the shareholders renewed the authorization given to the Board of Directors, for a period of twenty-six months expiring in June 2021, to grant share subscription or purchase options to Group company employees or senior executives, on one or more occasions, in an amount not to exceed 1% of the Company's share capital.

As of December 31, 2020, this authorization had not been used by the Board of Directors.

No share subscription option or purchase plans have been set up since 2010.

No share subscription option plans were in effect as of December 31, 2020.

#### 17.1.2 Bonus share plans

At the Shareholders' Meeting of June 30, 2020, the shareholders renewed the authorization given to the Board of Directors, for a period of twenty-six months expiring in August 2022, to grant

existing or newly issued shares as bonus shares to Group company employees or senior executives, on one or more occasions, in an amount not to exceed 1% of the Company's share capital on the date of this authorization.

For the plans set up in 2015, bonus shares and (if performance conditions are met) bonus performance shares (i) vest to recipients who are French residents for tax purposes after a three-year period, which is followed by a two-year holding period during which recipients may not sell their shares and (ii) vest to recipients who are not French residents for tax purposes and become freely transferable after a period of four years.

For the plans set up since 2016, bonus shares and (if performance conditions are met) bonus performance shares vest to all recipients after a three-year period and are freely transferable once they have vested. However, as an exception, the vesting period applicable to shares granted on April 13, 2017 is one year (which is followed by a two-year holding period during which recipients may not sell their shares) and those applicable to certain performance shares granted on July 26, 2017; October 25, 2017; January 25, 2018; and April 12, 2018 are between three and seven years.



### 17.1.3 Performance conditions

In addition to the condition under which recipients must still be with the Group, the vesting of bonus shares under certain plans is subject to conditions related to LVMH's financial performance, which must be met in order for recipients to be entitled to them. Shares only vest if LVMH's consolidated financial statements for one or more fiscal years (specified for each plan) show a positive change compared to a reference fiscal year (set for each plan) with

respect to one or more of the following indicators: the Group's profit from recurring operations, operating free cash flow (ex-net cash from operating activities and operating investments), and current operating margin. The performance condition is assessed on a like-for-like basis to exclude the impact of acquisitions made during the two calendar years following the reference fiscal year and to neutralize the impact of disposals that took place during this same period. Only significant transactions (for more than 150 million euros) are restated in the accounts.

This concerns the following plans and fiscal years:

Plan commencement date	Type of plan	Shares awarded if there is a positive change in one of the indicators between fiscal years:
October 25, 2017	Bonus shares	2017 and 2018; 2017 and 2019
April 12, 2018	"	2018 and 2019; 2018 and 2020
October 25, 2018	"	2018 and 2019; 2018 and 2020
October 24, 2019 <sup>(a)</sup>	"	2019 and 2020; 2019 and 2021
October 22, 2020	"	2020 and 2021; 2020 and 2022

(a) See Note 17.4.

The bonus shares granted on July 26, 2017, as well as certain bonus shares granted on October 25, 2017; January 25, 2018; and April 12, 2018 are subject to conditions specifically related to the performance of a subsidiary, which are based partly on

the subsidiary's consolidated revenue and consolidated profit from recurring operations, and partly (for some subsidiaries) on qualitative criteria.

## 17.2 Share subscription option plans

No share subscription option plans were in effect as of December 31, 2020.

The number of unexercised share subscription options and the weighted average exercise price changed as follows during the fiscal years presented:

	2020		2019		2018	
	Number	Weighted average exercise price (EUR)	Number	Weighted average exercise price (EUR)	Number	Weighted average exercise price (EUR)
Share subscription options outstanding as of January 1	-	-	411,088	50.86	1,180,692	59.56
Options expired	-	-	(7,142)	50.86	(6,753)	63.98
Options exercised	-	-	(403,946)	50.86	(762,851)	64.21
Share subscription options outstanding as of period-end	-	-	-	-	411,088	50.86

### 17.3 Bonus share plans

The following table presents the main characteristics of the bonus share plans and any changes that occurred during the fiscal year:

Plan commencement date	Number of shares awarded initially <sup>(e)</sup>	Of which: Performance shares <sup>(a)</sup>	Conditions satisfied?	Vesting period of rights	Shares expired in 2020	Shares vested in 2020	Provisional allocations as of 12/31/2020
July 26, 2017	21,700	21,700	yes	3 years	-	(21,700)	-
July 26, 2017	21,700	21,700	yes	4 years	-	-	21,700
October 25, 2017	288,827	270,325	yes	3 years	(8,204)	(266,782)	-
October 25, 2017	76,165	76,165	yes	7 years <sup>(c)</sup>	-	-	76,165
January 25, 2018	72,804	72,804	-	3 years	-	-	72,804
January 25, 2018	47,884	47,884	yes	6 years <sup>(c)</sup>	-	-	47,884
April 12, 2018	238,695	238,695	yes	3 years	(6,456)	-	228,173
April 12, 2018	93,421	93,421	yes	5 years <sup>(d)</sup>	-	-	93,421
October 25, 2018	9,477	9,477	yes	3 years	(189)	-	9,163
October 24, 2019	200,077	200,077	<sup>(e)</sup>	3 years	(101,688)	-	98,389
October 22, 2020	177,034	177,034	<sup>(b)</sup>	3 years	-	-	177,034
<b>Total</b>	<b>1,247,784</b>	<b>1,229,282</b>			<b>(116,537)</b>	<b>(288,482)</b>	<b>824,733</b>

(a) See Note 17.1 "General characteristics of plans".

(b) The performance conditions were considered to have been met for the purpose of determining the expense for fiscal year 2020, on the basis of budget data.

(c) Shares vest on June 30, 2024; early vesting on June 30, 2023 under certain conditions.

(d) Shares vest on June 30, 2023; vesting postponed to June 30, 2024 under certain conditions for a reduced number of shares.

(e) See Note 17.4.

The number of provisional allocations of shares awarded changed as follows during the fiscal years presented:

(number of shares)	2020	2019	2018
<b>Provisional allocations as of January 1</b>	<b>1,052,718</b>	<b>1,351,978</b>	<b>1,395,351</b>
Provisional allocations for the period	177,034	200,077	462,281
Shares vested during the period	(288,482)	(477,837)	(459,741)
Shares expired during the period	(116,537)	(21,500)	(45,913)
<b>Provisional allocations as of period-end</b>	<b>824,733</b>	<b>1,052,718</b>	<b>1,351,978</b>

### 17.4 Expense for the fiscal year

(EUR millions)	2020	2019	2018
Expense for the period for share subscription option and bonus share plans	63	72	82

The LVMH closing share price the day before the grant date of the plan was 427.80 euros for the plan dated October 22, 2020. The average unit value of provisionally allocated bonus shares during the 2020 fiscal year was 408.37 euros.

The performance condition for 2020 under the October 24, 2019 bonus share plan was not met. However, given the exceptional circumstances related to the Covid-19 pandemic, the Board of

Directors, at its meeting on October 22, 2020, voted to modify this plan's vesting rules: vesting may only concern 50% of the number of shares initially granted, and will be subject to consolidated profit from recurring operations for fiscal year 2021 being at least equal to the level recorded in the budget approved by the Board of Directors.

## 18. MINORITY INTERESTS

<i>(EUR millions)</i>	2020	2019	2018
<b>As of January 1</b>	<b>1,779</b>	<b>1,664</b>	<b>1,408</b>
Minority interests' share of net profit	253	611	636
Dividends paid to minority interests	(376)	(433)	(345)
Impact of changes in control of consolidated entities	7	25	41
Impact of acquisition and disposal of minority interests' shares	8	-	(19)
Capital increases subscribed by minority interests	54	95	50
Minority interests' share in gains and losses recognized in equity	(91)	17	45
Minority interests' share in stock option plan expenses	3	3	4
Impact of changes in minority interests with purchase commitments	(220)	(203)	(156)
<b>As of December 31</b>	<b>1,417</b>	<b>1,779</b>	<b>1,664</b>

The change in minority interests' share in gains and losses recognized in equity breaks down as follows:

<i>(EUR millions)</i>	Cumulative translation adjustment	Hedges of future foreign currency cash flows and cost of hedging	Vineyard land	Employee benefit commitments	Minority interests' share in cumulative translation adjustment and revaluation reserves
<b>As of December 31, 2017</b>	<b>46</b>	<b>16</b>	<b>257</b>	<b>(36)</b>	<b>283</b>
Changes during the fiscal year	69	(30)	3	3	45
<b>As of December 31, 2018</b>	<b>115</b>	<b>(14)</b>	<b>260</b>	<b>(33)</b>	<b>328</b>
Changes during the fiscal year	23	4	6	(17)	17
<b>As of December 31, 2019</b>	<b>138</b>	<b>(10)</b>	<b>266</b>	<b>(50)</b>	<b>345</b>
Changes during the fiscal year	(116)	28	1	(3)	(91)
<b>As of December 31, 2020</b>	<b>22</b>	<b>18</b>	<b>267</b>	<b>(53)</b>	<b>254</b>

Minority interests are composed primarily of Diageo's 34% stake in Moët Hennessy SAS and Moët Hennessy International SAS ("Moët Hennessy") and the 39% stake held by Mari-Cha Group Ltd in DFS. Since the 34% stake held by Diageo in Moët Hennessy is subject to a purchase commitment, it is reclassified

at the period-end within "Purchase commitments for minority interests' shares" under "Other non-current liabilities" and is therefore excluded from the total amount of minority interests at the period-end. See Notes 1.13 and 21.

Dividends paid to Diageo during fiscal year 2020 amounted to 90 million euros, supplemented by an exceptional payment of 90 million euros in January 2021. Net profit attributable to Diageo for fiscal year 2020 was 289 million euros, and its share in accumulated minority interests (before recognition of the purchase commitment granted to Diageo) came to 3,588 million euros as of December 31, 2020. As of that date, the condensed consolidated balance sheet of Moët Hennessy is as follows:

<i>(EUR billions)</i>	2020
Property, plant and equipment and intangible assets	4.8
Other non-current assets	0.4
<b>Non-current assets</b>	<b>5.1</b>
Inventories and work in progress	6.0
Other current assets	1.2
Cash and cash equivalents	2.6
<b>Current assets</b>	<b>9.8</b>
<b>Total assets</b>	<b>14.9</b>

<i>(EUR billions)</i>	2020
Equity	10.5
Non-current liabilities	1.5
<b>Equity and non-current liabilities</b>	<b>12.0</b>
Short-term borrowings	1.3
Other current liabilities	1.6
<b>Current liabilities</b>	<b>2.9</b>
<b>Total liabilities and equity</b>	<b>14.9</b>

No dividends were paid to DFS's shareholders during fiscal year 2020. Net profit attributable to Mari-Cha Group Ltd for fiscal year 2020 was a loss of 89 million euros, and its share in accumulated minority interests as of December 31, 2020 came to 1,273 million euros.

## 19. BORROWINGS

### 19.1 Net financial debt

(EUR millions)	2020	2019	2018 <sup>(a)</sup>
Bonds and Euro Medium-Term Notes (EMTNs)	13,866	4,791	5,593
Finance leases	-	-	315
Bank borrowings	199	310	97
<b>Long-term borrowings</b>	<b>14,065</b>	<b>5,101</b>	<b>6,005</b>
Bonds and Euro Medium-Term Notes (EMTNs)	1,094	1,854	996
Current bank borrowings	346	262	220
Commercial paper	8,575	4,868	3,174
Other borrowings and credit facilities	418	430	421
Bank overdrafts	156	176	197
Accrued interest	49	21	19
<b>Short-term borrowings</b>	<b>10,638</b>	<b>7,610</b>	<b>5,027</b>
<b>Gross borrowings</b>	<b>24,703</b>	<b>12,711</b>	<b>11,032</b>
Interest rate risk derivatives	(68)	(16)	(16)
Foreign exchange risk derivatives	321	47	146
<b>Gross borrowings after derivatives</b>	<b>24,956</b>	<b>12,742</b>	<b>11,162</b>
Current available for sale financial assets <sup>(b)</sup>	(752)	(733)	(666)
Non-current available for sale financial assets used to hedge financial debt <sup>(c)</sup>	-	(130)	(125)
Cash and cash equivalents <sup>(d)</sup>	(19,963)	(5,673)	(4,610)
<b>Net financial debt</b>	<b>4,241</b>	<b>6,206</b>	<b>5,761</b>
Belmond shares (presented within "Non-current available for sale financial assets")	-	-	(274)
<b>Adjusted net financial debt, excluding the acquisition of Belmond shares</b>	<b>4,241</b>	<b>6,206</b>	<b>5,487</b>

(a) The financial statements as of December 31, 2018 have not been restated to reflect the application of IFRS 16 Leases. See Note 1.2 to the 2019 consolidated financial statements regarding the impact of the application of IFRS 16.

(b) See Note 14.

(c) See Note 9.

(d) See Note 15.1.

Net financial debt does not include purchase commitments for minority interests' shares (see Note 21) or lease liabilities (see Note 7).

The change in gross borrowings after derivatives during the fiscal year breaks down as follows:

(EUR millions)	As of December 31, 2019	Impact on cash <sup>(a)</sup>	Translation adjustment	Impact of market value changes	Changes in the scope of consolidation	Reclassifications and Other	As of December 31, 2020
Long-term borrowings	5,101	10,729	(139)	12	-	(1,638)	14,065
Short-term borrowings	7,610	1,778	(450)	43	-	1,657	10,638
<b>Gross borrowings</b>	<b>12,711</b>	<b>12,507</b>	<b>(589)</b>	<b>55</b>	<b>-</b>	<b>19</b>	<b>24,703</b>
Derivatives	31	(26)	(1)	249	-	-	253
<b>Gross borrowings after derivatives</b>	<b>12,742</b>	<b>12,481</b>	<b>(590)</b>	<b>305</b>	<b>-</b>	<b>19</b>	<b>24,956</b>

(a) Including a positive impact of 17,499 million euros in respect of proceeds from borrowings and a negative impact of 5,024 million euros in respect of repayment of borrowings.

In February and April 2020, LVMH completed eight bond issues totaling 10.7 billion euros to finance in particular the acquisition

of Tiffany & Co., which was completed on January 7, 2021. The details of those bond issues are presented in the table below:

Nominal amount	Maturity	Initial effective interest rate (%)	Floating-rate swap	December 31, 2020 (EUR millions)
GBP 850,000,000	2027	1.125	Total	970
EUR 1,250,000,000	2024	-	-	1,251
EUR 1,250,000,000	2026	-	-	1,244
EUR 1,750,000,000	2028	0.125	-	1,734
EUR 1,500,000,000	2031	0.375	-	1,487
GBP 700,000,000	2023	1.000	Total	788
EUR 1,500,000,000	2025	0.375	-	1,494
EUR 1,750,000,000	2022	Floating	-	1,754
<b>Total bonds and EMTNs issued during the fiscal year</b>				<b>10,722</b>

At the time the sterling-denominated bonds were issued, swaps were entered into that converted them into euro-denominated borrowings.

During the fiscal year, LVMH repaid the 1,250 million euro bond issued in 2017 and the 600 million euro bond issued in 2013.

During the same period, conversion requests were filed for virtually all of the cash-settled convertible bonds issued in 2016, with a face value of 750 million US dollars. As of December 31, payments made in line with these requests related to convertible bonds with a total face value of 594 million US dollars. The remaining payments are expected to be made in 2021, after noting the average prices of the LVMH share serving as the reference for the calculation of the amounts due to the holders. In 2016, in addition to these issues of cash-settled convertible bonds, LVMH had entered into similar financial instruments enabling it to fully hedge its exposure to any positive or negative changes in the LVMH share price. These financial instruments were also converted.

The option component of convertible bonds and financial instruments entered into for hedging purposes is recorded under "Derivatives" (see Note 23). The non-option component of these bonds and financial instruments is recorded under "Short-term borrowings" and "Current available for sale financial assets", respectively. The remaining amounts recognized in the balance sheet as of December 31, 2020 correspond to the portion of bonds that had not been converted at the balance sheet date.

In February 2019, LVMH completed two fixed-rate bond issues totaling 1.0 billion euros, comprised of 300 million euros in bonds maturing in 2021 and 700 million euros in bonds maturing in 2023.

During the 2019 fiscal year, LVMH repaid the 300 million euro bond issued in 2014, the 600 million euro bond issued in 2013 and the 150 million Australian dollar bond issued in 2014.

During the 2018 fiscal year, LVMH repaid the 500 million euro bond issued in 2011 and the 1,250 million euro bond issued in 2017.

The market value of gross borrowings, based on market data and commonly used valuation models, was 25,132 million euros as of December 31, 2020 (12,770 million euros as of December 31, 2019 and 11,076 million euros as of December 31, 2018), including 10,603 million euros in short-term borrowings (7,618 million euros as of December 31, 2019 and 5,032 million euros as of

December 31, 2018) and 14,529 million euros in long-term borrowings (5,151 million euros as of December 31, 2019 and 6,044 million euros as of December 31, 2018).

As of December 31, 2020, 2019 and 2018, no financial debt was recognized using the fair value option. See Note 1.22.

## 19.2 Bonds and EMTNs

Nominal amount (in currency)	Year issued	Maturity	Initial effective interest rate <sup>(a)</sup> (%)	2020 (EUR millions)	2019 (EUR millions)	2018 (EUR millions)
GBP 850,000,000	2020	2027	1.125	970	-	-
EUR 1,250,000,000	2020	2024	-	1,251	-	-
EUR 1,250,000,000	2020	2026	-	1,244	-	-
EUR 1,750,000,000	2020	2028	0.125	1,734	-	-
EUR 1,500,000,000	2020	2031	0.375	1,487	-	-
GBP 700,000,000	2020	2023	1.000	788	-	-
EUR 1,500,000,000	2020	2025	0.375	1,494	-	-
EUR 1,750,000,000	2020	2022	Floating	1,754	-	-
EUR 700,000,000	2019	2023	0.260	698	697	-
EUR 300,000,000	2019	2021	0.030	300	300	-
EUR 1,200,000,000	2017	2024	0.82	1,206	1,203	1,197
EUR 800,000,000	2017	2022	0.46	801	800	799
GBP 400,000,000	2017	2022	1.09	449	469	439
EUR 1,250,000,000	2017	2020	0.13	-	1,249	1,248
USD 750,000,000 <sup>(b)</sup>	2016	2021	1.92	127	659	639
EUR 650,000,000	2014	2021	1.12	656	662	664
EUR 600,000,000	2013	2020	1.89	-	605	606
AUD 150,000,000	2014	2019	3.68	-	-	94
EUR 600,000,000 <sup>(c)</sup>	2013	2019	1.25	-	-	603
EUR 300,000,000	2014	2019	Floating	-	-	300
<b>Total bonds and EMTNs</b>				<b>14,959</b>	<b>6,645</b>	<b>6,589</b>

(a) Before the impact of interest-rate hedges implemented when or after the bonds were issued.

(b) Cumulative amounts and weighted average initial effective interest rate based on a 600 million US dollar bond issued in February 2016 at an initial effective interest rate of 1.96% and a 150 million US dollar tap issue carried out in April 2016 at an effective interest rate of 1.74%. These yields were determined excluding the option component.

(c) Cumulative amounts and weighted average initial effective interest rate based on a 500 million euro bond issued in 2013 at an initial effective interest rate of 1.38% and a 100 million euro tap issue carried out in 2014 at an effective interest rate of 0.62%.

## 19.3 Breakdown of gross borrowings by payment date and type of interest rate

(EUR millions)		Gross borrowings			Impact of derivatives			Gross borrowings after derivatives		
		Fixed rate	Floating rate	Total	Fixed rate	Floating rate	Total	Fixed rate	Floating rate	Total
Maturity:	December 31, 2021	1,669	8,969	10,638	(638)	822	183	1,031	9,791	10,822
	December 31, 2022	1,292	1,757	3,049	(630)	650	20	662	2,407	3,069
	December 31, 2023	1,533	-	1,533	(759)	801	42	774	801	1,576
	December 31, 2024	2,472	2	2,474	(301)	292	(9)	2,170	294	2,465
	December 31, 2025	1,508	-	1,508	-	-	-	1,508	-	1,508
	December 31, 2026	1,257	-	1,257	-	-	-	1,257	-	1,257
	Thereafter	4,244	-	4,244	(925)	942	17	3,319	942	4,261
<b>Total</b>		<b>13,975</b>	<b>10,728</b>	<b>24,703</b>	<b>(3,254)</b>	<b>3,507</b>	<b>253</b>	<b>10,721</b>	<b>14,235</b>	<b>24,957</b>

See Note 23.4 regarding the market value of interest rate risk derivatives.

The breakdown by quarter of gross borrowings falling due in 2021 is as follows:

<i>(EUR millions)</i>	<b>Falling due in 2021</b>
First quarter	6,876
Second quarter	1,827
Third quarter	1,602
Fourth quarter	334
<b>Total</b>	<b>10,638</b>

## 19.4 Breakdown of gross borrowings by currency after derivatives

The purpose of foreign currency borrowings is to finance the development of the Group's activities outside the eurozone, as well as the Group's assets denominated in foreign currency.

<i>(EUR millions)</i>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Euro	21,281	7,849	6,445
US dollar	3,120	3,457	3,277
Swiss franc	80	-	-
Japanese yen	762	622	662
Other currencies	(287)	814	778
<b>Total</b>	<b>24,957</b>	<b>12,742</b>	<b>11,162</b>

## 19.5 Undrawn confirmed credit lines and covenants

As of December 31, 2020, undrawn confirmed credit lines totaled 15.8 billion euros. This amount exceeded the outstanding portion of the euro- and US dollar-denominated commercial paper (ECP and USCP) programs, which totaled 8.6 billion euros

as of December 31, 2020. In connection with certain credit lines, the Group may undertake to maintain certain financial ratios. As of December 31, 2020, no significant credit lines were concerned by these provisions.

## 19.6 Sensitivity

On the basis of debt as of December 31, 2020:

- An instantaneous 1-point increase in the yield curves of the Group's debt currencies would raise the cost of net financial debt by 140 million euros after hedging, and would lower the market value of gross fixed-rate borrowings by 440 million euros after hedging.
- An instantaneous 1-point decrease in these same yield curves would lower the cost of net financial debt by 140 million euros after hedging, and would raise the market value of gross fixed-rate borrowings by 440 million euros after hedging.
- An instantaneous 1-point increase in these same yield curves would raise equity by around 10 million euros, as a result of the change in the market value of instruments used to hedge future interest payments.
- An instantaneous 1-point decrease in these same yield curves would reduce equity by around 10 million euros, as a result of the change in the market value of instruments used to hedge future interest payments.

## 19.7 Guarantees and collateral

As of December 31, 2020, borrowings secured by collateral were less than 350 million euros.

## 20. PROVISIONS AND OTHER NON-CURRENT LIABILITIES

Non-current provisions and other liabilities comprise the following:

<i>(EUR millions)</i>	2020	2019	2018 <sup>(a)</sup>
Non-current provisions	1,472	1,457	1,245
Uncertain tax positions	1,180	1,172	1,185
Derivatives <sup>(b)</sup>	146	712	283
Employee profit sharing	86	96	89
Other liabilities	438	375	386
<b>Non-current provisions and other liabilities</b>	<b>3,322</b>	<b>3,812</b>	<b>3,188</b>

(a) The financial statements as of December 31, 2018 have not been restated to reflect the application of IFRS 16 Leases. See Note 1.2 to the 2019 consolidated financial statements regarding the impact of the application of IFRS 16.

(b) See Note 23.

Provisions concern the following types of contingencies and losses:

<i>(EUR millions)</i>	2020	2019	2018
Provisions for pensions, medical costs and similar commitments	784	812	605
Provisions for contingencies and losses	688	646	640
<b>Non-current provisions</b>	<b>1,472</b>	<b>1,457</b>	<b>1,245</b>
Provisions for pensions, medical costs and similar commitments	9	8	7
Provisions for contingencies and losses	503	406	362
<b>Current provisions</b>	<b>512</b>	<b>414</b>	<b>369</b>
<b>Total</b>	<b>1,984</b>	<b>1,872</b>	<b>1,614</b>

Provisions changed as follows during the fiscal year:

<i>(EUR millions)</i>	As of December 31, 2019	Increases	Amounts used	Amounts released	Changes in the scope of consolidation	Other <sup>(a)</sup>	As of December 31, 2020
Provisions for pensions, medical costs and similar commitments	820	101	(89)	(48)	-	9	793
Provisions for contingencies and losses	1,052	449	(208)	(87)	(2)	(12)	1,191
<b>Total</b>	<b>1,872</b>	<b>550</b>	<b>(297)</b>	<b>(136)</b>	<b>(2)</b>	<b>(4)</b>	<b>1,984</b>

(a) Including the impact of translation adjustment and change in revaluation reserves.

Provisions for contingencies and losses correspond to the estimate of the impact on assets and liabilities of risks, disputes (see Note 32), or actual or probable litigation arising from the Group's activities; such activities are carried out worldwide, within what is often an imprecise regulatory framework that is different for each country, changes over time and applies to areas ranging from product composition and packaging to relations with the Group's partners (distributors, suppliers, shareholders in subsidiaries, etc.). Non-current liabilities related to uncertain tax positions included an estimate of the risks, disputes and actual

or probable litigation related to the income tax computation. The Group's entities in France and abroad may be subject to tax inspections and, in certain cases, to rectification claims from local administrations. A liability is recognized for these rectification claims, together with any uncertain tax positions that have been identified but not yet officially notified, the amount of which is regularly reviewed in accordance with the criteria of the application of IFRIC 23 Uncertainty over Income Tax Treatment.



## 21. PURCHASE COMMITMENTS FOR MINORITY INTERESTS' SHARES

As of December 31, 2020, purchase commitments for minority interests' shares mainly included the put option granted by LVMH to Diageo plc for its 34% share in Moët Hennessy for 80% of the fair value of Moët Hennessy at the exercise date of the option. This option may be exercised at any time subject to a six-month notice period. The fair value of this commitment was calculated by applying the share price multiples of comparable firms to Moët Hennessy's consolidated operating results.

Moët Hennessy SAS and Moët Hennessy International SAS ("Moët Hennessy") hold the LVMH group's investments in the Wines and Spirits businesses, with the exception of the equity investments in Château d'Yquem, Château Cheval Blanc, Clos des Lambrays and Colgin Cellars, and excluding certain champagne vineyards.

Purchase commitments for minority interests' shares also include commitments relating to minority shareholders in Loro Piana (15%), Rimowa (20%), and distribution subsidiaries in various countries, mainly in the Middle East.

## 22. TRADE ACCOUNTS PAYABLE AND OTHER CURRENT LIABILITIES

### 22.1 Trade accounts payable

The change in trade accounts payable for the fiscal years presented breaks down as follows:

(EUR millions)	2020	2019	2018 <sup>(a)</sup>
<b>As of January 1</b>	<b>5,814</b>	<b>5,206</b>	<b>4,539</b>
Change in trade accounts payable	(560)	335	715
Changes in amounts owed to customers	(10)	9	8
Changes in the scope of consolidation	-	216	7
Translation adjustment	(159)	56	49
Reclassifications	14	(8)	(4)
<b>As of December 31</b>	<b>5,098</b>	<b>5,814</b>	<b>5,314</b>

(a) The financial statements as of December 31, 2018 have not been restated to reflect the application of IFRS 16 Leases. See Note 1.2 to the 2019 consolidated financial statements regarding the impact of the application of IFRS 16.

### 22.2 Current provisions and other liabilities

(EUR millions)	2020	2019	2018 <sup>(a)</sup>
Current provisions <sup>(b)</sup>	512	414	369
Derivatives <sup>(c)</sup>	604	138	166
Employees and social security	1,530	1,786	1,668
Employee profit sharing	116	123	105
Taxes other than income taxes	823	752	685
Advances and payments on account from customers	723	559	398
Provision for product returns <sup>(d)</sup>	463	399	356
Deferred payment for non-current assets	538	769	646
Deferred income	353	273	273
Other liabilities	1,035	1,093	1,288
<b>Total</b>	<b>6,698</b>	<b>6,305</b>	<b>5,954</b>

(a) The financial statements as of December 31, 2018 have not been restated to reflect the application of IFRS 16 Leases. See Note 1.2 to the 2019 consolidated financial statements regarding the impact of the application of IFRS 16.

(b) See Note 20.

(c) See Note 23.

(d) See Note 1.27.

## 23. FINANCIAL INSTRUMENTS AND MARKET RISK MANAGEMENT

### 23.1 Organization of foreign exchange, interest rate and equity market risk management

Financial instruments are mainly used by the Group to hedge risks arising from Group activity and protect its assets.

The management of foreign exchange and interest rate risk, in addition to transactions involving shares and financial instruments, is centralized.

The Group has implemented a stringent policy and rigorous management guidelines to manage, measure and monitor these market risks.

These activities are organized based on a segregation of duties between risk measurement (middle office), hedging (front office), administration (back office) and financial control.

The backbone of this organization is an integrated information system which allows hedging transactions to be monitored quickly.

The Group's hedging strategy is presented to the Audit Committee. Hedging decisions are made according to an established process that includes regular presentations to the Group's Executive Committee and detailed documentation.

Counterparties are selected based on their rating and in accordance with the Group's risk diversification strategy.

### 23.2 Financial assets and liabilities recognized at fair value by measurement method

(EUR millions)	2020			2019			2018		
	Available for sale financial assets	Derivatives	Cash and cash equivalents (SICAV and FCP money market funds)	Available for sale financial assets	Derivatives	Cash and cash equivalents (SICAV and FCP money market funds)	Available for sale financial assets	Derivatives	Cash and cash equivalents (SICAV and FCP money market funds)
Valuation based on: <sup>(a)</sup>									
Published price quotations	804	-	19,963	945	-	5,673	1,171	-	4,610
Valuation model based on market data	100	1,078	-	381	962	-	307	380	-
Private quotations	587	-	-	322	-	-	288	-	-
<b>Assets</b>	<b>1,491</b>	<b>1,078</b>	<b>19,963</b>	<b>1,648</b>	<b>962</b>	<b>5,673</b>	<b>1,766</b>	<b>380</b>	<b>4,610</b>
Valuation based on: <sup>(a)</sup>									
Published price quotations	-	-	-	-	-	-	-	-	-
Valuation model based on market data	-	751	-	-	850	-	-	449	-
Private quotations	-	-	-	-	-	-	-	-	-
<b>Liabilities</b>	<b>-</b>	<b>751</b>	<b>-</b>	<b>-</b>	<b>850</b>	<b>-</b>	<b>-</b>	<b>449</b>	<b>-</b>

(a) See Note 1.10 for information on the valuation approaches used.

Derivatives used by the Group are measured at fair value according to commonly used valuation models and based on market data. The counterparty risk associated with these derivatives (i.e. the credit valuation adjustment) is assessed on the basis of credit spreads from observable market data, as well as on the basis of the

derivatives' market value adjusted by flat-rate add-ons depending on the type of underlying and the maturity of the derivative. It was not significant as of December 31, 2020, December 31, 2019 and December 31, 2018.

The amount of financial assets valued on the basis of private quotations changed as follows in 2020:

<i>(EUR millions)</i>	<b>2020</b>
<b>As of January 1</b>	<b>322</b>
Acquisitions	304
Disposals (at net realized value)	(16)
Gains and losses recognized in the income statement	(12)
Gains and losses recognized in equity	(9)
Reclassifications	(2)
<b>As of December 31</b>	<b>587</b>

### 23.3 Summary of derivatives

Derivatives are recorded in the balance sheet for the amounts and in the captions detailed as follows:

<i>(EUR millions)</i>			Notes	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Interest rate risk</b>	Assets:	Non-current		57	20	23
		Current		33	12	12
	Liabilities:	Non-current		(10)	(3)	(7)
		Current		(12)	(14)	(12)
			23.4	<b>68</b>	<b>16</b>	<b>16</b>
<b>Foreign exchange risk</b>	Assets:	Non-current		52	68	18
		Current		670	165	108
	Liabilities:	Non-current		(136)	(15)	(60)
		Current		(330)	(124)	(154)
			23.5	<b>257</b>	<b>93</b>	<b>(88)</b>
<b>Other risks</b>	Assets:	Non-current		-	694	216
		Current		266	3	3
	Liabilities:	Non-current		-	(694)	(216)
		Current		(263)	-	-
			23.6	<b>3</b>	<b>2</b>	<b>3</b>
<b>Total</b>	Assets:	Non-current	10	110	782	257
		Current	13	968	180	123
	Liabilities:	Non-current	20	(146)	(712)	(283)
		Current	22	(604)	(138)	(166)
				<b>328</b>	<b>112</b>	<b>(69)</b>

The impact of financial instruments on the consolidated statement of comprehensive gains and losses for the fiscal year breaks down as follows:

(EUR millions)	Foreign exchange risk <sup>(a)</sup>						Interest rate risk <sup>(b)</sup>			Total <sup>(c)</sup>
	Revaluation of effective portions, of which:				Revaluation of cost of hedging	Total	Revaluation of effective portions	Ineffective portion	Total	
	Hedges of future foreign currency cash flows	Fair value hedges	Foreign currency net investment hedges	Total						
Changes in the income statement	-	(237)	-	(237)	-	(237)	39	4	43	(194)
Changes in consolidated gains and losses	439	-	33	472	20	492	(9)	3	(6)	486

(a) See Notes 1.9 and 1.23 on the principles of fair value adjustments to foreign exchange risk hedging instruments.

(b) See Notes 1.22 and 1.23 on the principles of fair value adjustments to interest rate risk derivatives.

(c) Gain/(Loss).

Since fair value adjustments to hedged items recognized in the balance sheet offset the effective portions of fair value hedging instruments (see Note 1.22), no ineffective portions of exchange rate hedges were recognized during the fiscal year.

### 23.4 Derivatives used to manage interest rate risk

The aim of the Group's debt management policy is to adapt the debt maturity profile to the characteristics of the assets held, to contain borrowing costs, and to protect net profit from the impact of significant changes in interest rates.

For these purposes, the Group uses interest rate swaps and options.

Derivatives used to manage interest rate risk outstanding as of December 31, 2020 break down as follows:

(EUR millions)	Nominal amounts by maturity				Market value <sup>(a)(b)</sup>			
	Less than 1 year	From 1 to 5 years	More than 5 years	Total	Future cash flow hedges	Fair value hedges	Not allocated	Total
Interest rate swaps, floating-rate payer	650	1,724	945	3,319	-	83	-	83
Interest rate swaps, fixed-rate payer	-	750	-	750	(13)	-	(4)	(17)
Foreign currency swaps, euro-rate payer	-	1,224	945	2,169	-	-	5	5
Foreign currency swaps, euro-rate receiver	78	133	-	211	-	-	(2)	(2)
<b>Total</b>					<b>(13)</b>	<b>83</b>	<b>(1)</b>	<b>68</b>

(a) Gain/(Loss).

(b) See Note 1.10 regarding the methodology used for market value measurement.

### 23.5 Derivatives used to manage foreign exchange risk

A significant portion of Group companies' sales to customers and to their own distribution subsidiaries as well as certain purchases are denominated in currencies other than their functional currency; the majority of these foreign currency-denominated cash flows are intra-Group cash flows. Hedging instruments are used to reduce the risks arising from the fluctuations of currencies

against the exporting and importing companies' functional currencies, and are allocated to either accounts receivable or accounts payable (fair value hedges) for the fiscal year, or to transactions anticipated for future periods (cash flow hedges).

Future foreign currency-denominated cash flows are broken down as part of the budget preparation process and are hedged progressively over a period not exceeding one year unless a longer period is justified by probable commitments. As such, and according to market trends, identified foreign exchange risks are hedged using forward contracts or options.

In addition, the Group is exposed to foreign exchange risk with respect to the Group's net assets, as it owns assets denominated in currencies other than the euro. This foreign exchange risk may be hedged either partially or in full through foreign currency borrowings or by hedging the net worth of subsidiaries outside the eurozone, using appropriate financial instruments with the aim of limiting the impact of foreign currency fluctuations against the euro on consolidated equity.

Derivatives used to manage foreign exchange risk outstanding as of December 31, 2020 break down as follows:

(EUR millions)	Nominal amounts by fiscal year of allocation <sup>(a)</sup>				Market value <sup>(b)(c)</sup>				
	2020	2021	Thereafter	Total	Future cash flow hedges	Fair value hedges	Foreign currency net investment hedges	Not allocated	Total
<b>Options purchased</b>									
Call USD	-	46	-	46	2	-	-	-	2
Put JPY	-	113	-	113	5	-	-	-	5
Put GBP	-	10	-	10	-	-	-	-	-
Other	25	184	-	209	4	-	-	-	4
	<b>25</b>	<b>353</b>	<b>-</b>	<b>378</b>	<b>12</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12</b>
<b>Collars</b>									
Written USD	102	3,887	624	4,613	389	10	-	-	399
Written JPY	12	1,100	126	1,238	66	1	-	-	67
Written GBP	6	458	25	489	18	-	-	-	18
Written HKD	-	243	-	243	26	-	-	-	26
Written CNY	-	2,256	150	2,406	64	-	-	-	64
	<b>120</b>	<b>7,944</b>	<b>925</b>	<b>8,989</b>	<b>564</b>	<b>11</b>	<b>-</b>	<b>-</b>	<b>575</b>
<b>Forward exchange contracts</b>									
USD	-	75	-	75	(27)	-	-	-	(26)
ZAR	-	21	-	21	(1)	-	-	-	(1)
MYR	-	19	-	19	-	-	-	-	-
BRL	-	11	-	11	-	(1)	-	-	(1)
Other	24	2	-	26	-	(1)	-	-	(1)
	<b>24</b>	<b>128</b>	<b>-</b>	<b>152</b>	<b>(27)</b>	<b>(2)</b>	<b>-</b>	<b>-</b>	<b>(29)</b>
<b>Foreign exchange swaps</b>									
USD	146	(5,271)	-	(5,126)	-	(170)	12	-	(158)
GBP	6	588	(2,169)	(1,574)	-	(127)	-	-	(127)
JPY	13	369	142	524	-	(6)	-	-	(5)
CNY	-	(1,212)	14	(1,198)	-	(11)	-	-	(11)
Other	10	(49)	-	(39)	-	(2)	2	-	-
	<b>174</b>	<b>(5,575)</b>	<b>(2,013)</b>	<b>(7,413)</b>	<b>-</b>	<b>(315)</b>	<b>14</b>	<b>-</b>	<b>(301)</b>
<b>Total</b>	<b>343</b>	<b>2,851</b>	<b>(1,088)</b>	<b>2,107</b>	<b>548</b>	<b>(306)</b>	<b>14</b>	<b>-</b>	<b>257</b>

(a) Sale/(Purchase).

(b) See Note 1.10 regarding the methodology used for market value measurement.

(c) Gain/(Loss).

The impact on the income statement of gains and losses on hedges of future cash flows, as well as the future cash flows hedged using these instruments, will mainly be recognized in 2021; the amount will depend on exchange rates at that date. The impact on net profit for fiscal year 2020 of a 10% change in the

value of the US dollar, the Japanese yen, the Swiss franc and the Hong Kong dollar against the euro, including impact of foreign exchange derivatives outstanding during the period, compared with the rates applying to transactions in 2020, would have been as follows:

(EUR millions)	US dollar		Japanese yen		Swiss franc		Hong Kong dollar	
	+10%	-10%	+10%	-10%	+10%	-10%	+10%	-10%
Impact of:								
– change in exchange rates of cash receipts in respect of foreign currency-denominated sales	194	(87)	73	(20)	-	-	13	(5)
– conversion of net profit of entities outside the eurozone	40	(40)	22	(22)	9	(9)	5	(5)
<b>Impact on net profit</b>	<b>234</b>	<b>(127)</b>	<b>95</b>	<b>(42)</b>	<b>9</b>	<b>(9)</b>	<b>18</b>	<b>(10)</b>

The data presented in the table above should be assessed on the basis of the characteristics of the hedging instruments outstanding in fiscal year 2020, mainly comprising options and collars.

As of December 31, 2020, forecast cash collections for 2021 in US dollars and Japanese yen were 91% and 85% hedged, respectively. For the hedged portion, the exchange rate upon sale will be at least 1.13 USD/EUR for the US dollar and at least 121 JPY/EUR for the Japanese yen.

The Group's net equity (excluding net profit) exposure to foreign currency fluctuations as of December 31, 2020 can be assessed by measuring the impact of a 10% change in the value of the US dollar, the Japanese yen, the Swiss franc and the Hong Kong dollar against the euro compared to the rates applying as of the same date:

(EUR millions)	US dollar		Japanese yen		Swiss franc		Hong Kong dollar	
	+10%	-10%	+10%	-10%	+10%	-10%	+10%	-10%
Conversion of foreign currency-denominated net assets	1,671	(1,671)	66	(66)	324	(324)	112	(112)
Change in market value of net investment hedges, after tax	(261)	304	(39)	80	(47)	38	(17)	16
<b>Net impact on equity, excluding net profit</b>	<b>1,410</b>	<b>(1,367)</b>	<b>27</b>	<b>14</b>	<b>277</b>	<b>(286)</b>	<b>95</b>	<b>(96)</b>

## 23.6 Financial instruments used to manage other risks

The Group's investment policy is designed to take advantage of a long-term investment horizon. Occasionally, the Group may invest in equity-based financial instruments with the aim of enhancing the dynamic management of its investment portfolio.

The Group is exposed to risks of share price changes either directly (as a result of its holding of subsidiaries, equity investments and current available for sale financial assets) or indirectly (as a result of its holding of funds, which are themselves partially invested in shares).

The Group may also use equity-based derivatives to synthetically create an economic exposure to certain assets, to hedge cash-settled compensation plans index-linked to the LVMH share price, or to hedge certain risks related to changes in the LVMH share price. In connection with the convertible bonds issued in 2016 (see Note 19 above as well as Note 18 to the 2016 consolidated financial statements), LVMH had entered into financial instruments enabling it to fully hedge the exposure to any positive or negative changes in the LVMH share price. As of December 31, 2020, the majority of these instruments had been settled due to the exercise of the bond conversion clause at the end of the year.

As provided by applicable accounting policies, the option components of convertible bonds and financial instruments entered into for hedging purposes are recorded under "Derivatives", within current assets and liabilities. The change in market value of these options is index-linked to the change in the LVMH share price.

The Group – mainly through its Watches and Jewelry business group – may be exposed to changes in the prices of certain precious metals, such as gold. In certain cases, in order to ensure visibility with regard to production costs, hedges may be implemented. This is achieved either by negotiating the forecast price of future deliveries of alloys with precious metal refiners, or the price of semi-finished products with producers; or directly by purchasing hedges from top-ranking banks. In the latter case, gold may be purchased from banks, or future and/or options contracts may be taken out with a physical delivery of the gold. As of December 31, 2020, derivatives outstanding relating to the hedging of precious metal prices had a negative market value of 0.5 million euros.

## 23.7 Liquidity risk

In addition to local liquidity risks, which are generally immaterial, the Group's exposure to liquidity risk can be assessed in relation to the amount of its short-term borrowings excluding derivatives, i.e. 10.6 billion euros, significantly lower than the 20.0 billion euros balance of cash and cash equivalents, or in relation to the outstanding amount of its commercial paper program, i.e. 8.6 billion euros. Should any of these borrowing facilities not be

renewed, the Group has access to undrawn confirmed credit lines totaling 15.8 billion euros.

The Group's liquidity is based on the amount of its investments, its capacity to raise long-term borrowings, the diversity of its investor base (short-term paper and bonds), and the quality of its banking relationships, whether evidenced or not by confirmed lines of credit.

The following table presents the contractual schedule of disbursements for financial liabilities (excluding derivatives) recognized as of December 31, 2020, at nominal value and with interest, excluding discounting effects:

(EUR millions)	2021	2022	2023	2024	2024	More than 5 years	Total
Bonds and EMTNs	1,144	3,059	1,534	2,495	1,524	5,497	15,253
Bank borrowings	355	47	47	18	14	65	546
Other borrowings and credit facilities	418	-	-	-	-	-	418
Commercial paper (ECP and USCP)	8,575	-	-	-	-	-	8,575
Bank overdrafts	155	-	-	-	-	-	155
<b>Gross borrowings</b>	<b>10,647</b>	<b>3,106</b>	<b>1,581</b>	<b>2,513</b>	<b>1,538</b>	<b>5,562</b>	<b>24,947</b>
Other current and non-current liabilities <sup>(a)</sup>	5,232	88	42	33	31	41	5,467
Trade accounts payable	5,098	-	-	-	-	-	5,098
<b>Other financial liabilities</b>	<b>10,330</b>	<b>88</b>	<b>42</b>	<b>33</b>	<b>31</b>	<b>41</b>	<b>10,565</b>
<b>Total financial liabilities</b>	<b>20,977</b>	<b>3,194</b>	<b>1,623</b>	<b>2,546</b>	<b>1,569</b>	<b>5,603</b>	<b>35,512</b>

(a) Corresponds to "Other current liabilities" (excluding derivatives and deferred income) for 5,229 million euros and to "Other non-current liabilities" for 237 million euros (excluding derivatives and deferred income of 353 million euros as of December 31, 2020).

See also Note 7 for the schedule of lease payments.

See Note 31.2 regarding contractual maturity dates of collateral and other guarantee commitments, Notes 19.4 and 23.5 regarding foreign exchange derivatives, and Note 23.4 regarding interest rate risk derivatives.

## 24. SEGMENT INFORMATION

The Group's brands and trade names are organized into six business groups. Four business groups – Wines and Spirits, Fashion and Leather Goods, Perfumes and Cosmetics, and Watches and Jewelry – comprise brands dealing with the same category of products that use similar production and distribution processes. Information on Louis Vuitton and Bvlgari is presented according to the brand's main business, namely the Fashion and Leather Goods business group for Louis Vuitton and the Watches

and Jewelry business group for Bvlgari. The Selective Retailing business group comprises the Group's own-label retailing activities. The "Other and holding companies" business group comprises brands and businesses that are not associated with any of the above-mentioned business groups, particularly the media division, the Dutch luxury yacht maker Royal Van Lent, hotel operations and holding or real estate companies.

## 24.1 Information by business group

### Fiscal year 2020

(EUR millions)	Wines and Spirits	Fashion and Leather Goods	Perfumes and Cosmetics	Watches and Jewelry	Selective Retailing	Other and holding companies	Eliminations and not allocated <sup>(a)</sup>	Total
Sales outside the Group	4,744	21,172	4,456	3,315	10,115	849	-	44,651
Intra-Group sales	11	35	792	41	40	19	(938)	-
<b>Total revenue</b>	<b>4,755</b>	<b>21,207</b>	<b>5,248</b>	<b>3,356</b>	<b>10,155</b>	<b>868</b>	<b>(938)</b>	<b>44,651</b>
Profit from recurring operations	1,388	7,188	80	302	(203)	(521)	71	8,305
Other operating income and expenses	(43)	(68)	(20)	(3)	(87)	(112)	-	(333)
Depreciation, amortization and impairment expenses	(254)	(2,069)	(460)	(475)	(1,549)	(313)	117	(5,003)
<i>Of which: Right-of-use assets</i>	<i>(34)</i>	<i>(1,226)</i>	<i>(145)</i>	<i>(254)</i>	<i>(941)</i>	<i>(93)</i>	<i>117</i>	<i>(2,575)</i>
<i>Other</i>	<i>(220)</i>	<i>(843)</i>	<i>(315)</i>	<i>(221)</i>	<i>(608)</i>	<i>(220)</i>	<i>-</i>	<i>(2,428)</i>
Intangible assets and goodwill <sup>(b)</sup>	7,860	13,059	1,340	5,752	3,153	1,890	-	33,054
Right-of-use assets	162	5,736	503	1,151	4,699	888	(618)	12,521
Property, plant and equipment	3,232	4,157	709	577	1,723	7,833	(8)	18,224
Inventories and work in progress	6,040	2,726	742	1,641	2,111	37	(281)	13,016
Other operating assets <sup>(c)</sup>	1,306	1,919	1,151	672	696	1,615	24,497	31,856
<b>Total assets</b>	<b>18,600</b>	<b>27,597</b>	<b>4,445</b>	<b>9,793</b>	<b>12,383</b>	<b>12,263</b>	<b>23,590</b>	<b>108,671</b>
Equity	-	-	-	-	-	-	38,829	38,829
Lease liabilities	170	5,766	516	1,117	4,912	959	(611)	12,828
Other liabilities <sup>(d)</sup>	1,608	4,885	2,164	1,252	2,338	1,673	43,094	57,014
<b>Total liabilities and equity</b>	<b>1,778</b>	<b>10,651</b>	<b>2,680</b>	<b>2,369</b>	<b>7,250</b>	<b>2,632</b>	<b>81,312</b>	<b>108,671</b>
Operating investments <sup>(e)</sup>	(320)	(827)	(280)	(210)	(410)	(431)	-	(2,478)



## Fiscal year 2019

<i>(EUR millions)</i>	<b>Wines and Spirits</b>	<b>Fashion and Leather Goods</b>	<b>Perfumes and Cosmetics</b>	<b>Watches and Jewelry</b>	<b>Selective Retailing</b>	<b>Other and holding companies</b>	<b>Eliminations and not allocated<sup>(a)</sup></b>	<b>Total</b>
Sales outside the Group	5,547	22,164	5,738	4,286	14,737	1,199	-	53,670
Intra-Group sales	28	73	1,097	120	54	16	(1,388)	-
<b>Total revenue</b>	<b>5,576</b>	<b>22,237</b>	<b>6,835</b>	<b>4,405</b>	<b>14,791</b>	<b>1,214</b>	<b>(1,388)</b>	<b>53,670</b>
Profit from recurring operations	1,729	7,344	683	736	1,395	(351)	(32)	11,504
Other operating income and expenses	(7)	(20)	(27)	(28)	(15)	(135)	-	(231)
Depreciation, amortization and impairment expenses	(191)	(1,856)	(431)	(477)	(1,409)	(253)	98	(4,519)
<i>Of which: Right-of-use assets</i>	<i>(31)</i>	<i>(1,146)</i>	<i>(141)</i>	<i>(230)</i>	<i>(872)</i>	<i>(85)</i>	<i>98</i>	<i>(2,408)</i>
<i>Other</i>	<i>(160)</i>	<i>(710)</i>	<i>(290)</i>	<i>(247)</i>	<i>(536)</i>	<i>(168)</i>	<i>-</i>	<i>(2,111)</i>
Intangible assets and goodwill <sup>(b)</sup>	7,582	13,120	1,401	5,723	3,470	1,950	-	33,246
Right-of-use assets	116	5,239	487	1,196	5,012	824	(465)	12,409
Property, plant and equipment	3,142	4,308	773	610	1,919	7,788	(7)	18,533
Inventories and work in progress	5,818	2,884	830	1,823	2,691	44	(375)	13,717
Other operating assets <sup>(c)</sup>	1,547	2,028	1,518	740	895	1,317	10,558	18,603
<b>Total assets</b>	<b>18,205</b>	<b>27,581</b>	<b>5,009</b>	<b>10,092</b>	<b>13,987</b>	<b>11,923</b>	<b>9,711</b>	<b>96,507</b>
Equity	-	-	-	-	-	-	38,365	38,365
Lease liabilities	118	5,191	481	1,141	5,160	888	(434)	12,545
Other liabilities <sup>(d)</sup>	1,727	4,719	2,321	1,046	2,938	1,674	31,172	45,597
<b>Total liabilities and equity</b>	<b>1,845</b>	<b>9,910</b>	<b>2,802</b>	<b>2,187</b>	<b>8,098</b>	<b>2,562</b>	<b>69,104</b>	<b>96,507</b>
Operating investments <sup>(e)</sup>	(325)	(1,199)	(378)	(296)	(659)	(436)	-	(3,294)

**Fiscal year 2018<sup>(f)</sup>**

<i>(EUR millions)</i>	Wines and Spirits	Fashion and Leather Goods	Perfumes and Cosmetics	Watches and Jewelry	Selective Retailing	Other and holding companies	Eliminations and not allocated <sup>(a)</sup>	Total
Sales outside the Group	5,115	18,389	5,015	4,012	13,599	696	-	46,826
Intra-Group sales	28	66	1,077	111	47	18	(1,347)	-
<b>Total revenue</b>	<b>5,143</b>	<b>18,455</b>	<b>6,092</b>	<b>4,123</b>	<b>13,646</b>	<b>714</b>	<b>(1,347)</b>	<b>46,826</b>
Profit from recurring operations	1,629	5,943	676	703	1,382	(270)	(60)	10,003
Other operating income and expenses	(3)	(10)	(16)	(4)	(5)	(88)	-	(126)
Depreciation, amortization and impairment expenses	(162)	(764)	(275)	(239)	(463)	(169)	-	(2,072)
<i>Of which: Right-of-use assets</i>	-	-	-	-	-	-	-	-
<i>Other</i>	(162)	(764)	(275)	(239)	(463)	(169)	-	(2,072)
Intangible assets and goodwill <sup>(b)</sup>	6,157	13,246	1,406	5,791	3,430	951	-	30,981
Right-of-use assets	-	-	-	-	-	-	-	-
Property, plant and equipment	2,871	3,869	677	576	1,817	5,309	(7)	15,112
Inventories and work in progress	5,471	2,364	842	1,609	2,532	23	(356)	12,485
Other operating assets <sup>(c)</sup>	1,449	1,596	1,401	721	870	976	8,709	15,722
<b>Total assets</b>	<b>15,948</b>	<b>21,075</b>	<b>4,326</b>	<b>8,697</b>	<b>8,649</b>	<b>7,259</b>	<b>8,346</b>	<b>74,300</b>
Equity	-	-	-	-	-	-	33,957	33,957
Lease liabilities	-	-	-	-	-	-	-	-
Other liabilities <sup>(d)</sup>	1,580	4,262	2,115	1,075	3,005	1,249	27,057	40,343
<b>Total liabilities and equity</b>	<b>1,580</b>	<b>4,262</b>	<b>2,115</b>	<b>1,075</b>	<b>3,005</b>	<b>1,249</b>	<b>61,014</b>	<b>74,300</b>
Operating investments <sup>(e)</sup>	(298)	(827)	(330)	(303)	(537)	(743)	-	(3,038)

(a) Eliminations correspond to sales between business groups; these generally consist of sales to Selective Retailing from other business groups. Selling prices between the different business groups correspond to the prices applied in the normal course of business for sales transactions to wholesalers or distributors outside the Group.

(b) Intangible assets and goodwill correspond to the carrying amounts shown in Notes 3 and 4.

(c) Assets not allocated include available for sale financial assets, other financial assets, and current and deferred tax assets.

(d) Liabilities not allocated include financial debt, current and deferred tax liabilities, and liabilities related to purchase commitments for minority interests' shares.

(e) Increase/(Decrease) in cash and cash equivalents.

(f) The financial statements as of December 31, 2018 have not been restated to reflect the application of IFRS 16 Leases. See Note 1.2 to the 2019 consolidated financial statements regarding the impact of the application of IFRS 16.

## 24.2 Information by geographic region

Revenue by geographic region of delivery breaks down as follows:

<i>(EUR millions)</i>	2020	2019	2018
France	3,333	4,725	4,491
Europe (excluding France)	7,337	10,203	8,731
United States	10,647	12,613	11,207
Japan	3,164	3,878	3,351
Asia (excluding Japan)	15,366	16,189	13,723
Other countries	4,804	6,062	5,323
<b>Revenue</b>	<b>44,651</b>	<b>53,670</b>	<b>46,826</b>

Operating investments by geographic region are as follows:

<i>(EUR millions)</i>	2020	2019	2018
France	1,002	1,239	1,054
Europe (excluding France)	444	687	539
United States	336	453	765
Japan	134	133	80
Asia (excluding Japan)	342	534	411
Other countries	220	248	189
<b>Operating investments</b>	<b>2,478</b>	<b>3,294</b>	<b>3,038</b>

No geographic breakdown of segment assets is provided since a significant portion of these assets consists of brands and goodwill, which must be analyzed on the basis of the revenue

generated by these assets in each region and not in relation to the region of their legal ownership.

### 24.3 Quarterly information

Quarterly revenue by business group breaks down as follows:

<i>(EUR millions)</i>	Wines and Spirits	Fashion and Leather Goods	Perfumes and Cosmetics	Watches and Jewelry	Selective Retailing	Other and holding companies	Eliminations	Total
First quarter	1,175	4,643	1,382	792	2,626	251	(273)	10,596
Second quarter	810	3,346	922	527	2,218	153	(179)	7,797
Third quarter	1,364	5,945	1,370	947	2,332	232	(235)	11,955
Fourth quarter	1,406	7,273	1,574	1,090	2,979	232	(251)	14,303
<b>Total for 2020</b>	<b>4,755</b>	<b>21,207</b>	<b>5,248</b>	<b>3,356</b>	<b>10,155</b>	<b>868</b>	<b>(938)</b>	<b>44,651</b>
First quarter	1,349	5,111	1,687	1,046	3,510	187	(352)	12,538
Second quarter	1,137	5,314	1,549	1,089	3,588	193	(326)	12,544
Third quarter	1,433	5,448	1,676	1,126	3,457	511 <sup>(a)</sup>	(335)	13,316
Fourth quarter	1,657	6,364	1,923	1,144	4,236	323	(375)	15,272
<b>Total for 2019</b>	<b>5,576</b>	<b>22,237</b>	<b>6,835</b>	<b>4,405</b>	<b>14,791</b>	<b>1,214</b>	<b>(1,388)</b>	<b>53,670</b>
First quarter	1,195	4,270	1,500	959	3,104	161	(335)	10,854
Second quarter	1,076	4,324	1,377	1,019	3,221	186	(307)	10,896
Third quarter	1,294	4,458	1,533	1,043	3,219	173	(341)	11,379
Fourth quarter	1,578	5,403	1,682	1,102	4,102	194	(364)	13,697
<b>Total for 2018</b>	<b>5,143</b>	<b>18,455</b>	<b>6,092</b>	<b>4,123</b>	<b>13,646</b>	<b>714</b>	<b>(1,347)</b>	<b>46,826</b>

(a) Including the entire revenue of Belmond for the period from April to September 2019.

## 25. REVENUE AND EXPENSES BY NATURE

### 25.1 Breakdown of revenue

Revenue consists of the following:

<i>(EUR millions)</i>	2020	2019	2018
Revenue generated by brands and trade names	44,421	53,302	46,427
Royalties and license revenue	96	110	114
Income from investment property	14	20	23
Other revenue	119	238	262
<b>Total</b>	<b>44,651</b>	<b>53,670</b>	<b>46,826</b>

The portion of total revenue generated by the Group at its own stores, including sales through e-commerce websites, was approximately 70% in 2020 (70% in 2019 and 69% in 2018), i.e. 31,461 million euros in 2020 (37,356 million euros in 2019 and 32,081 million euros in 2018).

### 25.2 Expenses by nature

Profit from recurring operations includes the following expenses:

<i>(EUR millions)</i>	2020	2019	2018
Advertising and promotion expenses	4,869	6,265	5,518
Personnel costs	8,537	9,419	8,290
Research and development expenses	139	140	130

See also Note 7 regarding the breakdown of lease expenses.

Advertising and promotion expenses mainly consist of the cost of media campaigns and point-of-sale advertising; they also

include the personnel costs dedicated to this function. As of December 31, 2020, a total of 5,003 stores were operated by the Group worldwide (4,915 in 2019, 4,592 in 2018), particularly by Fashion and Leather Goods and Selective Retailing.

Personnel costs consist of the following elements:

<i>(EUR millions)</i>	2020	2019	2018
Salaries and social security contributions	8,408	9,180	8,081
Pensions, contribution to medical costs and expenses in respect of defined-benefit plans <sup>(a)</sup>	66	167	127
Expenses related to stock option and similar plans <sup>(b)</sup>	63	72	82
<b>Personnel costs</b>	<b>8,537</b>	<b>9,419</b>	<b>8,290</b>

(a) See Note 30.

(b) See Note 17.4.

In 2020, the average full-time equivalent workforce broke down as follows by professional category:

<i>(in number and as %)</i>	2020	%	2,019	%	2018	%
Executives and managers	33,297	22%	30,883	21%	27,924	21%
Technicians and supervisors	14,760	10%	14,774	10%	14,057	10%
Administrative and sales staff	76,197	51%	81,376	55%	76,772	56%
Production workers	24,089	16%	20,682	14%	17,880	13%
<b>Total</b>	<b>148,343</b>	<b>100%</b>	<b>147,715</b>	<b>100%</b>	<b>136,633</b>	<b>100%</b>

## 25.3 Statutory Auditors' fees

The amount of fees paid to the Statutory Auditors of LVMH SE and members of their networks recorded in the consolidated income statement for the 2020 fiscal year breaks down as follows:

<i>(EUR millions, excluding VAT)</i>	2020		
	ERNST & YOUNG Audit	MAZARS	Total
<b>Audit-related fees</b>	<b>9</b>	<b>8</b>	<b>17</b>
Tax services	3	NS	3
Other	3	NS	3
<b>Non-audit-related fees</b>	<b>6</b>	<b>NS</b>	<b>6</b>
<b>Total</b>	<b>15</b>	<b>8</b>	<b>23</b>

NS: Not significant.

Audit-related fees include other services related to the certification of the consolidated and parent company financial statements, for non-material amounts.

In addition to tax services – which are mainly performed outside France to ensure that the Group's subsidiaries and expatriates

meet their local tax filing obligations – non-audit-related services include various types of certifications, mainly those required by landlords concerning the revenue of certain stores, and specific checks run at the Group's request, mainly in countries where statutory audit is not required.

## 26. OTHER OPERATING INCOME AND EXPENSES

<i>(EUR millions)</i>	2020	2019	2018
Net gains/(losses) on disposals	(22)	-	(5)
Restructuring costs	(6)	(57)	1
Remeasurement of shares acquired prior to their initial consolidation	-	-	-
Transaction costs relating to the acquisition of consolidated companies	(35)	(45)	(10)
Impairment or amortization of brands, trade names, goodwill and other fixed assets	(235)	(26)	(117)
Other items, net	(35)	(104)	5
<b>Other operating income and expenses</b>	<b>(333)</b>	<b>(231)</b>	<b>(126)</b>

Impairment and amortization expenses recorded are mostly for brands and goodwill. "Other items, net" mainly comprised a 20 million euro donation to Fondation Hôpitaux de Paris

- Hôpitaux de France. In 2020 as in 2019, "Transaction costs relating to the acquisition of consolidated companies" mainly related to the acquisition of Tiffany & Co.

## 27. NET FINANCIAL INCOME/(EXPENSE)

<i>(EUR millions)</i>	2020	2019	2018 <sup>(a)</sup>
Borrowing costs	(85)	(156)	(158)
Income from cash, cash equivalents and current available for sale financial assets	46	50	44
Fair value adjustment of borrowings and interest rate hedges	4	(1)	(3)
<b>Cost of net financial debt</b>	<b>(35)</b>	<b>(107)</b>	<b>(117)</b>
<b>Interest on lease liabilities</b>	<b>(281)</b>	<b>(290)</b>	<b>-</b>
Dividends received from non-current available for sale financial assets	12	8	18
Cost of foreign exchange derivatives	(262)	(230)	(160)
Fair value adjustment of available for sale financial assets	(4)	82	(108)
Other items, net	(38)	(22)	(21)
<b>Other financial income and expenses</b>	<b>(291)</b>	<b>(162)</b>	<b>(271)</b>
<b>Net financial income/(expense)</b>	<b>(608)</b>	<b>(559)</b>	<b>(388)</b>

(a) The financial statements as of December 31, 2018 have not been restated to reflect the application of IFRS 16 Leases. See Note 1.2 to the 2019 consolidated financial statements regarding the impact of the application of IFRS 16.

Income from cash, cash equivalents and current available for sale financial assets comprises the following items:

<i>(EUR millions)</i>	2020	2019	2018
Income from cash and cash equivalents	38	36	31
Income from current available for sale financial assets	8	14	13
<b>Income from cash, cash equivalents and current available for sale financial assets</b>	<b>46</b>	<b>50</b>	<b>44</b>

The fair value adjustment of borrowings and interest rate hedges is attributable to the following items:

<i>(EUR millions)</i>	2020	2019	2018
Hedged financial debt	(39)	(3)	1
Hedging instruments	40	4	(1)
Unallocated derivatives	3	(1)	(3)
<b>Fair value adjustment of borrowings and interest rate hedges</b>	<b>4</b>	<b>(1)</b>	<b>(3)</b>

The cost of foreign exchange derivatives breaks down as follows:

<i>(EUR millions)</i>	2020	2019	2018
Cost of commercial foreign exchange derivatives	(234)	(230)	(156)
Cost of foreign exchange derivatives related to net investments denominated in foreign currency	(20)	5	3
Cost and other items related to other foreign exchange derivatives	(8)	(5)	(7)
<b>Cost of foreign exchange derivatives</b>	<b>(262)</b>	<b>(230)</b>	<b>(160)</b>

## 28. INCOME TAXES

### 28.1 Breakdown of the income tax expense

<i>(EUR millions)</i>	2020	2019	2018
Current income taxes for the fiscal year	(2,608)	(3,234)	(2,631)
Current income taxes relating to previous fiscal years	(13)	12	76
<b>Current income taxes</b>	<b>(2,620)</b>	<b>(3,222)</b>	<b>(2,555)</b>
Change in deferred income taxes	297	300	57
Impact of changes in tax rates on deferred income taxes	(85)	(10)	(1)
<b>Deferred income taxes</b>	<b>212</b>	<b>290</b>	<b>56</b>
<b>Total tax expense per income statement</b>	<b>(2,409)</b>	<b>(2,932)</b>	<b>(2,499)</b>
<b>Tax on items recognized in equity</b>	<b>(111)</b>	<b>28</b>	<b>118</b>

### 28.2 Breakdown of the net deferred tax asset/(liability)

The net deferred tax asset/(liability) broke down as follows:

<i>(EUR millions)</i>	2020	2019	2018
Deferred tax assets	2,325	2,274	1,932
Deferred tax liabilities	(5,481)	(5,498)	(5,036)
<b>Net deferred tax asset/(liability)</b>	<b>(3,156)</b>	<b>(3,224)</b>	<b>(3,104)</b>

### 28.3 Breakdown of the difference between statutory and effective tax rates

The effective tax rate is as follows:

<i>(EUR millions)</i>	2020	2019	2018
Profit before tax	7,364	10,714	9,489
<b>Total income tax expense</b>	<b>(2,409)</b>	<b>(2,932)</b>	<b>(2,499)</b>
<b>Effective tax rate</b>	<b>32.7%</b>	<b>27.4%</b>	<b>26.3%</b>

The statutory tax rate – which is the rate applicable by law to the Group's French companies, including the 3.3% social security contribution – may be reconciled as follows to the effective tax rate disclosed in the consolidated financial statements:

<i>(as % of income before tax)</i>	2020	2019	2018
<b>French statutory tax rate</b>	<b>32.0</b>	<b>34.4</b>	<b>34.4</b>
Changes in tax rates	1.1	(0.1)	-
Differences in tax rates for foreign companies	(6.0)	(8.7)	(8.8)
Tax losses, tax loss carryforwards and other changes in deferred tax	0.9	(0.2)	0.7
Differences between consolidated and taxable income, and income taxable at reduced rates	2.9	0.8	(1.2)
Tax on distribution <sup>(a)</sup>	1.8	1.2	1.2
<b>Effective tax rate of the Group</b>	<b>32.7</b>	<b>27.4</b>	<b>26.3</b>

(a) Tax on distribution is mainly related to intra-Group dividends.

The Group's effective tax rate was 32.7%. It diverged from the Group's normal rate given its geographic footprint as a result of recurring and non-recurring items. Recurring items that raised the tax rate mainly included the impact of tax on dividends and the impact of non-deductible expenses. The main impacts

of non-recurring items related to the impact on inventories of deferred tax of the change in certain corporate income tax rates and the impact on losses of certain Maisons which could not be offset against taxable profits, or which did not give rise to the recognition of deferred tax assets.

## 28.4 Sources of deferred tax

### In the income statement<sup>(a)</sup>

<i>(EUR millions)</i>	2020	2019	2018
Valuation of brands	(6)	32	(1)
Other revaluation adjustments	17	11	2
Gains and losses on available for sale financial assets	47	(15)	6
Gains and losses on hedges of future foreign currency cash flows	3	-	(3)
Provisions for contingencies and losses	43	99	(63)
Intra-Group margin included in inventories	(101)	118	85
Other consolidation adjustments	144	9	14
Losses carried forward	65	36	16
<b>Total</b>	<b>212</b>	<b>290</b>	<b>56</b>

(a) Income/(Expenses).

### In equity<sup>(a)</sup>

<i>(EUR millions)</i>	2020	2019	2018
Fair value adjustment of vineyard land	4	(11)	(2)
Gains and losses on available for sale financial assets	-	-	-
Gains and losses on hedges of future foreign currency cash flows	(121)	(11)	110
Gains and losses on employee benefit commitments	6	39	(5)
<b>Total</b>	<b>(111)</b>	<b>17</b>	<b>103</b>

(a) Gains/(Losses).

### In the balance sheet<sup>(a)</sup>

<i>(EUR millions)</i>	2020	2019	2018
Valuation of brands	(3,871)	(3,913)	(3,902)
Fair value adjustment of vineyard land	(580)	(585)	(574)
Other revaluation adjustments	(893)	(898)	(458)
Gains and losses on available for sale financial assets	(18)	(65)	(50)
Gains and losses on hedges of future foreign currency cash flows	(78)	40	49
Provisions for contingencies and losses	719	693	551
Intra-Group margin included in inventories	802	921	795
Other consolidation adjustments	614	506	447
Losses carried forward	148	77	38
<b>Total</b>	<b>(3,156)</b>	<b>(3,224)</b>	<b>(3,104)</b>

(a) Asset/(Liability).

## 28.5 Losses carried forward

As of December 31, 2020, unused tax loss carryforwards and tax credits for which no assets were recognized (deferred tax assets or receivables) represented potential tax savings of 440 million euros (456 million euros in 2019 and 497 million euros in 2018).



## 28.6 Tax consolidation

France's tax consolidation system allows virtually all of the Group's French companies to combine their taxable profits to calculate the overall tax expense, for which only the parent company is liable. This tax consolidation system generated a decrease in the current tax expense of 251 million euros in 2020

(decrease of 138 million euros in 2019 and 225 million euros in 2018).

The other tax consolidation systems in place, notably in the United States, generated current tax savings of 93 million euros in 2020 (61 million euros in 2019 and 2018).

## 29. EARNINGS PER SHARE

	2020	2019	2018
<b>Net profit, Group share (EUR millions)</b>	<b>4,702</b>	<b>7,171</b>	<b>6,354</b>
Average number of shares outstanding during the fiscal year	505,000,128	505,281,934	505,986,323
Average number of treasury shares owned during the fiscal year	(1,320,856)	(2,063,083)	(3,160,862)
<b>Average number of shares on which the calculation before dilution is based</b>	<b>503,679,272</b>	<b>503,218,851</b>	<b>502,825,461</b>
<b>Basic earnings per share (EUR)</b>	<b>9.33</b>	<b>14.25</b>	<b>12.64</b>
Average number of shares outstanding on which the above calculation is based	503,679,272	503,218,851	502,825,461
Dilutive effect of stock option and bonus share plans	530,861	620,691	1,092,679
Other dilutive effects	-	-	-
<b>Average number of shares on which the calculation after dilution is based</b>	<b>504,210,133</b>	<b>503,839,542</b>	<b>503,918,140</b>
<b>Diluted earnings per share (EUR)</b>	<b>9.32</b>	<b>14.23</b>	<b>12.61</b>

As of December 31, 2020, the dilutive effect concerned bonus share plans, with the exception of plans whose performance conditions are not considered to have been met (see Note 17).

No events occurred between December 31, 2020 and the date at which the financial statements were approved for publication that would have significantly affected the number of shares outstanding or the potential number of shares.

## 30. PROVISIONS FOR PENSIONS, CONTRIBUTION TO MEDICAL COSTS AND OTHER EMPLOYEE BENEFIT COMMITMENTS

### 30.1 Expense for the fiscal year

The expense recognized in the fiscal years presented for provisions for pensions, contribution to medical costs and other employee benefit commitments is as follows:

(EUR millions)	2020	2019	2018
Service cost	106	112	113
Net interest cost	8	12	12
Actuarial gains and losses	-	(2)	(1)
Changes in plans	(48)	46	3
<b>Total expense for the fiscal year for defined-benefit plans</b>	<b>66</b>	<b>167</b>	<b>127</b>

In 2020 and 2019, changes in plans concerned the impact of the lock-in of benefits in respect of supplementary pension plans covering the Group's Executive Committee members and senior

executives, following the entry into force of the French PACTE law and the Order of July 3, 2019.

## 30.2 Net recognized commitment

(EUR millions)	Notes	2020	2019	2018
Benefits covered by plan assets		1,894	1,867	1,515
Benefits not covered by plan assets		250	250	189
<b>Defined-benefit obligation</b>		<b>2,144</b>	<b>2,117</b>	<b>1,704</b>
<b>Market value of plan assets</b>		<b>(1,397)</b>	<b>(1,340)</b>	<b>(1,137)</b>
<b>Net recognized commitment</b>		<b>747</b>	<b>777</b>	<b>567</b>
<i>Of which: Non-current provisions</i>	20	784	812	605
<i>Current provisions</i>	20	9	8	7
<i>Other assets</i>		(45)	(43)	(45)
<b>Total</b>		<b>747</b>	<b>777</b>	<b>567</b>

## 30.3 Breakdown of the change in the net recognized commitment

(EUR millions)	Defined-benefit obligation	Market value of plan assets	Net recognized commitment
<b>As of December 31, 2019</b>	<b>2,117</b>	<b>(1,340)</b>	<b>777</b>
Service cost	106	-	106
Net interest cost	25	(17)	8
Payments to recipients	(89)	68	(21)
Contributions to plan assets	-	(78)	(78)
Employee contributions	9	(9)	-
Changes in scope and reclassifications	3	(3)	-
Changes in plans	(48)	-	(48)
Actuarial gains and losses	88	(67)	21
<i>Of which: Experience adjustments<sup>(a)</sup></i>	<i>(12)</i>	<i>(67)</i>	<i>(79)</i>
<i>Changes in demographic assumptions</i>	<i>1</i>	<i>-</i>	<i>1</i>
<i>Changes in financial assumptions</i>	<i>99</i>	<i>-</i>	<i>99</i>
Translation adjustment	(67)	49	(18)
<b>As of December 31, 2020</b>	<b>2,144</b>	<b>(1,397)</b>	<b>747</b>

(a) (Gain)/Loss.

Actuarial gains and losses resulting from experience adjustments related to fiscal years 2016 to 2019 were as follows:

(EUR millions)	2016	2017	2018	2019
Experience adjustments on the defined-benefit obligation	(1)	4	4	31
Experience adjustments on the market value of plan assets	(25)	(49)	(41)	(82)
<b>Actuarial gains and losses resulting from experience adjustments<sup>(a)</sup></b>	<b>(26)</b>	<b>(45)</b>	<b>(37)</b>	<b>(51)</b>

(a) (Gain)/Loss.

The actuarial assumptions applied to estimate commitments in the main countries concerned were as follows:

(as %)	2020					2019					2018				
	France	United States	United Kingdom	Japan	Switzerland	France	United States	United Kingdom	Japan	Switzerland	France	United States	United Kingdom	Japan	Switzerland
Discount rate <sup>(a)</sup>	0.44	2.49	1.43	1.00	0.05	0.46	2.99	2.05	0.50	0.10	1.50	4.43	2.90	0.50	0.83
Future salary increase rate	2.75	4.10	N/A	2.00	1.69	2.75	4.39	N/A	1.87	1.79	2.75	4.59	N/A	1.99	1.74

(a) Discount rates were determined with reference to market yields of AA-rated corporate bonds at the year-end in the countries concerned. Bonds with maturities comparable to those of the commitments were used.

N/A: Not applicable.

The assumed rate of increase of medical expenses in the United States is 5.80% for 2021, after which it is assumed to decline progressively to reach 4.50% in 2037.

A 0.5-point increase in the discount rate would result in a 148 million euro reduction in the amount of the defined-benefit obligation as of December 31, 2020; a 0.5-point decrease in the discount rate would result in a 164 million euro increase.

### 30.4 Breakdown of benefit obligations

The breakdown of the defined-benefit obligation by type of benefit plan is as follows:

(EUR millions)	2020	2019	2018
Supplementary pensions	1,627	1,597	1,300
Retirement bonuses and similar benefits	432	427	326
Medical costs of retirees	45	54	42
Long-service awards	33	32	27
Other	7	6	9
<b>Defined-benefit obligation</b>	<b>2,144</b>	<b>2,116</b>	<b>1,704</b>

The geographic breakdown of the defined-benefit obligation is as follows:

(EUR millions)	2020	2019	2018
France	833	886	615
Europe (excluding France)	614	581	556
United States	506	454	347
Japan	137	144	136
Asia (excluding Japan)	47	44	41
Other countries	7	7	9
<b>Defined-benefit obligation</b>	<b>2,144</b>	<b>2,116</b>	<b>1,704</b>

The main components of the Group's net commitment for retirement and other defined-benefit obligations as of December 31, 2020 are as follows:

- in France:
  - these commitments include the commitment to the Group's senior executives and members of the Executive Committee, who were covered by a supplementary pension plan after a certain number of years of service, the amount of which was determined on the basis of the average of their three highest amounts of annual compensation. Pursuant to the Order of July 3, 2019, this supplementary pension plan has been closed, and the rights frozen as of December 31, 2019;
  - they also include end-of-career bonuses and long-service awards, the payment of which is determined by French law and collective bargaining agreements, respectively upon retirement or after a certain number of years of service.
- in Europe (excluding France), commitments concern defined-benefit pension plans set up in the United Kingdom by certain Group companies; participation by Group companies in Switzerland in the mandatory Swiss occupational pension plan, the LPP (*Loi pour la Prévoyance Professionnelle*); and in Italy the TFR (*Trattamento di Fine Rapporto*), a legally required end-of-service allowance, paid regardless of the reason for the employee's departure from the company.
- in the United States, the commitment relates to defined-benefit pension plans or retiree healthcare coverage set up by certain Group companies.

## 30.5 Breakdown of related plan assets

The breakdown of the market value of plan assets by type of investment is as follows:

<i>(as % of market value of related plan assets)</i>	2020	2019	2018
Shares	22	19	23
Bonds			
– Private issues	32	35	36
– Public issues	9	8	5
Cash, investment funds, real estate and other assets	37	38	36
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>

These assets do not include debt securities issued by Group companies, or any LVMH shares for significant amounts. The Group plans to increase the related plan assets in 2021 by paying in approximately 120 million euros.

## 31. OFF-BALANCE SHEET COMMITMENTS

### 31.1 Purchase commitments

<i>(EUR millions)</i>	2020	2019	2018
Grapes, wines and <i>eaux-de-vie</i>	2,725	2,840	2,040
Other purchase commitments for raw materials	250	211	215
Industrial and commercial fixed assets	428	674	721
Investments in joint venture shares and non-current available for sale financial assets	13,237	14,761	2,151

Some Wines and Spirits companies have contractual purchase arrangements with various local producers for the future supply of grapes, still wines and *eaux-de-vie*. These commitments are valued, depending on the nature of the purchases, on the basis of the contractual terms or known fiscal year-end prices and estimated production yields.

As of December 31, 2020, share purchase commitments included the impact of LVMH's commitment to acquire, for cash, all the shares of Tiffany & Co. at a unit price of 131.5 US dollars. The acquisition was completed on January 7, 2021. See also Notes 2.1 and 34.

As of December 31, 2019, share purchase commitments included the impact of LVMH's commitment to acquire, for cash, all the shares of Tiffany at a unit price of 135 US dollars, for a total of 16.2 billion US dollars.

As of December 31, 2020, the maturity schedule of these commitments was as follows:

<i>(EUR millions)</i>	Less than 1 year	From 1 to 5 years	More than 5 years	Total
Grapes, wines and <i>eaux-de-vie</i>	788	1,903	35	2,725
Other purchase commitments for raw materials	190	60	-	250
Industrial and commercial fixed assets	299	129	-	428
Investments in joint venture shares and non-current available for sale financial assets	13,237	-	-	13,237

## 31.2 Collateral and other guarantees

As of December 31, 2020, these commitments broke down as follows:

(EUR millions)	2020	2019	2018
Securities and deposits	444	371	342
Other guarantees	169	163	160
<b>Guarantees given</b>	<b>613</b>	<b>534</b>	<b>502</b>
<b>Guarantees received</b>	<b>(47)</b>	<b>(53)</b>	<b>(70)</b>

The maturity dates of these commitments are as follows:

(EUR millions)	Less than 1 year	From 1 to 5 years	More than 5 years	Total
Securities and deposits	313	121	9	444
Other guarantees	76	89	4	169
<b>Guarantees given</b>	<b>389</b>	<b>210</b>	<b>14</b>	<b>613</b>
<b>Guarantees received</b>	<b>(21)</b>	<b>(24)</b>	<b>(2)</b>	<b>(47)</b>

## 31.3 Other commitments

The Group is not aware of any significant off-balance sheet commitments other than those described above.

# 32. EXCEPTIONAL EVENTS AND LITIGATION

As part of its day-to-day management, the Group may be party to various legal proceedings concerning trademark rights, the protection of intellectual property rights, the protection of selective retailing networks, licensing agreements, employee relations, tax audits, and any other matters inherent to its business. The Group believes that the provisions recorded in the balance sheet in respect of these risks, litigation proceedings and disputes that are in progress and any others of which it is aware at the year-end, are sufficient to avoid its consolidated financial position being materially impacted in the event of an unfavorable outcome.

There were no significant developments in fiscal year 2020 with regard to exceptional events or litigation.

To the best of the Company's knowledge, there are no pending or impending administrative, judicial or arbitration procedures that are likely to have, or have had over the twelve-month period under review, any significant impact on the Group's financial position or profitability.

# 33. RELATED-PARTY TRANSACTIONS

## 33.1 Relations of LVMH with Christian Dior and Agache

The LVMH group is consolidated in the accounts of Christian Dior SE, a public company listed on the Eurolist by Euronext Paris and controlled by Agache SE (formerly known as Groupe Arnault SE) via its subsidiary Financière Agache SA.

Agache SE, which has specialist teams, provides assistance to the LVMH group, primarily in the areas of financial engineering,

strategy, development, and corporate and real estate law. Agache SE also leases office premises to the LVMH group.

Conversely, the LVMH group provides various administrative and operational services and leases real estate and movable property assets to Agache SE and some of its subsidiaries.

Transactions between LVMH and Agache and its subsidiaries may be summarized as follows:

<i>(EUR millions)</i>	2020	2019	2018
Amounts billed by Agache, Financière Agache and Christian Dior to LVMH	(2)	(2)	(3)
Amount payable outstanding as of December 31	-	-	-
Amounts billed by LVMH to Agache, Financière Agache and Christian Dior	9	6	5
Amount receivable outstanding as of December 31	2	-	-

In 2020, LVMH sold listed securities to Financière Agache, in an arm's-length transaction, for a total of 97 million euros.

### 33.2 Relations with Diageo

Moët Hennessy SAS and Moët Hennessy International SAS (hereinafter referred to as "Moët Hennessy") hold the LVMH group's investments in the Wines and Spirits business group, with the exception of Château d'Yquem, Château Cheval Blanc, Domaine du Clos des Lambrays, Colgin Cellars and certain champagne vineyards. Diageo holds a 34% stake in Moët Hennessy. When that holding was acquired in 1994, an agreement was entered into between Diageo and LVMH for the

apportionment of shared holding company costs between Moët Hennessy and the other holding companies of the LVMH group.

Under this agreement, Moët Hennessy assumed 14% of shared costs in 2020 (14% in 2019 and 15% in 2018), and accordingly re-invoiced the excess costs incurred to LVMH SE. After re-invoicing, the amount of shared costs assumed by Moët Hennessy came to 22 million euros for 2020 (25 million euros in 2019 and 17 million euros in 2018).

### 33.3 Relations with the Fondation Louis Vuitton

In October 2014, the Fondation Louis Vuitton opened a modern and contemporary art museum in Paris. The LVMH group finances the Fondation as part of its cultural sponsorship initiatives. Its net contributions to this project are included in "Property, plant and equipment" and are depreciated from the time the museum opened (October 2014) over the remaining

duration of the public property use agreement awarded by the City of Paris.

The Fondation Louis Vuitton also obtains external financing guaranteed by LVMH. These guarantees are part of LVMH's off-balance sheet commitments (see Note 31.2).

### 33.4 Executive bodies

The total compensation paid to the members of the Executive Committee and the Board of Directors in respect of their functions within the Group breaks down as follows:

<i>(EUR millions)</i>	2020	2019	2018
Gross compensation, employer social security contributions and benefits in kind	72	79	61
Post-employment benefits	(20)	59	19
Other long-term benefits	22	24	19
End-of-contract bonuses	-	-	13
Cost of stock option and similar plans	25	29	29
<b>Total</b>	<b>99</b>	<b>191</b>	<b>141</b>

The commitment recognized as of December 31, 2020 for post-employment benefits net of related financial assets was 96 million euros (115 million euros as of December 31, 2019 and 66 million euros as of December 31, 2018). See Note 30 on the

impact of the French PACTE law on the commitment recognized for post-employment benefits for members of the Group's management and supervisory bodies.

## 34. SUBSEQUENT EVENTS

On January 7, 2021, LVMH acquired 100% of the shares of Tiffany & Co. (NYSE: TIF), in accordance with the agreement signed in November 2019 and amended in October 2020. The acquisition was completed at the price of 131.50 US dollars per share, for a total of 16.1 billion US dollars, paid in cash. Tiffany & Co. will be consolidated as of January 2021, and the purchase price allocation will be carried out in 2021. The annual report of Tiffany & Co. as

of January 31, 2020 and the quarterly publications as of April 30, July 31 and October 31, 2020 are available on the SEC website ([www.sec.report](http://www.sec.report)).

No other significant subsequent events occurred between December 31, 2020 and January 26, 2021, the date at which the financial statements were approved for publication by the Board of Directors.

Consolidated companies

## CONSOLIDATED COMPANIES

Companies	Registered office	Method of consolidation	Ownership interest
<b>WINES AND SPIRITS</b>			
MHCS	Épernay, France	FC	66%
Champagne Des Moutiers	Épernay, France	FC	66%
Société Viticole de Reims	Épernay, France	FC	66%
Compagnie Française du Champagne et du Luxe	Épernay, France	FC	66%
Chamfipar	Épernay, France	FC	66%
GIE Moët Hennessy Information Services	Épernay, France	FC	66%
Moët Hennessy Entreprise Adaptée	Épernay, France	FC	66%
Champagne Bernard Breuzon	Colombé-le-Sec, France	FC	66%
Champagne De Mansin	Gyé-sur-Seine, France	FC	66%
Société Civile des Crus de Champagne	Reims, France	FC	66%
Moët Hennessy Italia SpA	Milan, Italy	FC	66%
Moët Hennessy UK	London, United Kingdom	FC	66%
Moët Hennessy España	Barcelona, Spain	FC	66%
Moët Hennessy Portugal	Lisbon, Portugal	FC	66%
Moët Hennessy (Suisse)	Geneva, Switzerland	FC	66%
Moët Hennessy Deutschland GmbH	Munich, Germany	FC	66%
Moët Hennessy de Mexico	Mexico City, Mexico	FC	66%
Moët Hennessy Belux	Brussels, Belgium	FC	66%
Moët Hennessy Österreich	Vienna, Austria	FC	66%
Moët Hennessy Suomi	Helsinki, Finland	FC	66%
Moët Hennessy Polska	Warsaw, Poland	FC	66%
Moët Hennessy Czech Republic	Prague, Czech Republic	FC	66%
Moët Hennessy Sverige	Stockholm, Sweden	FC	66%
Moët Hennessy Norge	Sandvika, Norway	FC	66%
Moët Hennessy Danmark	Copenhagen, Denmark	FC	66%
Moët Hennessy Nederland	Baarn, Netherlands	FC	66%
Moët Hennessy USA	New York, USA	FC	66%
Moët Hennessy Turkey	Istanbul, Turkey	FC	66%
Moët Hennessy South Africa Pty Ltd	Johannesburg, South Africa	FC	66%
SCEV 4F	Épernay, France	FC	63%
Moët Hennessy Nigeria	Lagos, Nigeria	FC	66%
SAS Champagne Manuel Janisson	Verzenay, France	FC	66%
SCI J.VIGNOBLES	Verzenay, France	FC	66%
MH Champagnes and Wines Korea Ltd	Icheon, South Korea	FC	66%
MHD Moët Hennessy Diageo	Courbevoie, France	JV	66%
Cheval des Andes	Buenos Aires, Argentina	EM	33%
Domaine Chandon	California, USA	FC	66%
Cape Mentelle Vineyards	Margaret River, Australia	FC	66%
Veuve Clicquot Properties	Margaret River, Australia	FC	66%
Moët Hennessy Do Brasil - Vinhos E Destilados	São Paulo, Brazil	FC	66%
Cloudy Bay Vineyards	Blenheim, New Zealand	FC	66%
Bodegas Chandon Argentina	Buenos Aires, Argentina	FC	66%
Domaine Chandon Australia	Coldstream, Victoria, Australia	FC	66%
Newton Vineyards	California, USA	FC	66%
Domaine Chandon (Ningxia)	Yinchuan, China	FC	66%
Moët Hennessy Co.			
Moët Hennessy Chandon (Ningxia) Vineyards Co.	Yinchuan, China	FC	40%
SA Du Château d'Yquem	Sauternes, France	FC	96%
SC Du Château d'Yquem	Sauternes, France	FC	96%
Société Civile Cheval Blanc (SCCB)	Saint-Émilion, France	EM	50%
Colgin Cellars	California, USA	FC	60%
Moët Hennessy Shangri-La (Deqin) Winery Company	Deqin, China	FC	53%
Château du Galoupet	La Londe-les-Maures, France	FC	66%
Jas Hennessy & Co.	Cognac, France	FC	65%
Distillerie de la Groie	Cognac, France	FC	65%
SICA de Bagnolet	Cognac, France	FC	4%
Sodepa	Cognac, France	FC	65%
Diageo Moët Hennessy BV	Amsterdam, Netherlands	JV	66%
Hennessy Dublin	Dublin, Ireland	FC	66%
Edward Dillon & Co. Ltd	Dublin, Ireland	EM	26%
Hennessy Far East	Hong Kong, China	FC	65%
Moët Hennessy Diageo Hong Kong	Hong Kong, China	JV	66%
Moët Hennessy Diageo Macau	Macao, China	JV	66%
Riche Monde (China)	Hong Kong, China	JV	66%
Moët Hennessy Diageo Singapore Pte	Singapore	JV	66%
Moët Hennessy Cambodia Co.	Phnom Penh, Cambodia	FC	34%
Moët Hennessy Philippines	Makati, Philippines	FC	50%
Société du Domaine des Lambrays	Morey-Saint-Denis, France	FC	100%
Moët Hennessy Services UK	London, United Kingdom	FC	66%
Moët Hennessy Diageo Malaysia Sdn.	Kuala Lumpur, Malaysia	JV	66%
Diageo Moët Hennessy Thailand	Bangkok, Thailand	JV	66%
Moët Hennessy Shanghai	Shanghai, China	FC	66%
Moët Hennessy India	Mumbai, India	FC	66%
Jas Hennessy Taiwan	Taipei, Taiwan	FC	65%

Companies	Registered office	Method of consolidation	Ownership interest
Moët Hennessy Diageo China Company	Shanghai, China	JV	66%
Moët Hennessy Distribution Russia	Moscow, Russia	FC	66%
Moët Hennessy Vietnam Importation Co.	Ho Chi Minh City, Vietnam	FC	65%
Moët Hennessy Vietnam Distribution Shareholding Co.	Ho Chi Minh City, Vietnam	FC	33%
Moët Hennessy Rus	Moscow, Russia	FC	66%
MHD Moët Hennessy Diageo	Tokyo, Japan	JV	66%
Moët Hennessy Asia Pacific Pte Ltd	Singapore	FC	65%
Moët Hennessy Australia	Mascot, Australia	FC	65%
Polmos Zyrardow Sp. Z O.O.	Zyrardow, Poland	FC	66%
The Glenmorangie Company	Edinburgh, United Kingdom	FC	66%
Macdonald & Muir Ltd	Edinburgh, United Kingdom	FC	66%
Ardbeg Distillery Limited	Edinburgh, United Kingdom	FC	66%
Glenmorangie Distillery Co. Ltd	Edinburgh, United Kingdom	FC	66%
James Martin & Company Ltd	Edinburgh, United Kingdom	FC	66%
Nicol Anderson & Co. Ltd	Edinburgh, United Kingdom	FC	66%
Woodinville Whiskey Company LLC	Washington, USA	FC	66%
RUM Entreprise	Paris, France	FC	66%
Volcan Azul	Mexico City, Mexico	EM	33%
Agrotequilera de Jalisco	Mexico City, Mexico	EM	33%
SAS Château d'Esclans	La Motte, France	FC	36%
Cave d'Esclans	La Motte, France	FC	36%
G2I	La Motte, France	FC	36%
<b>FASHION AND LEATHER GOODS</b>			
Louis Vuitton Malletier	Paris, France	FC	100%
Manufacture de Souliers Louis Vuitton	Fiesso d'Artico, Italy	FC	100%
Louis Vuitton Saint-Barthélemy	Saint-Barthélemy, French Antilles	FC	100%
Louis Vuitton Cantacilik Ticaret	Istanbul, Turkey	FC	100%
Louis Vuitton Editeur	Paris, France	FC	100%
Louis Vuitton International	Paris, France	FC	100%
Louis Vuitton India Holding & Services Pvt. Ltd.	Bangalore, India	FC	100%
Société des Ateliers Louis Vuitton	Paris, France	FC	100%
Manufacture des Accessoires Louis Vuitton	Fiesso d'Artico, Italy	FC	100%
Louis Vuitton Bahrain WLL	Manama, Bahrain	FC	65%
Société Louis Vuitton Services	Paris, France	FC	100%
Louis Vuitton Qatar LLC	Doha, Qatar	FC	63%
Société des Magasins Louis Vuitton France	Paris, France	FC	100%
Belle Jardinière	Paris, France	FC	100%
La Fabrique du Temps Louis Vuitton	Meyrin, Switzerland	FC	100%
Les Ateliers Joailliers Louis Vuitton	Paris, France	FC	100%
Louis Vuitton Monaco	Monte Carlo, Monaco	FC	100%
ELV	Paris, France	FC	100%
Louis Vuitton Services Europe	Brussels, Belgium	FC	100%
Louis Vuitton UK	London, United Kingdom	FC	100%
Louis Vuitton Ireland	Dublin, Ireland	FC	100%
Louis Vuitton Deutschland	Munich, Germany	FC	100%
Louis Vuitton Ukraine	Kiev, Ukraine	FC	100%
Manufacture de Maroquinerie et Accessoires Louis Vuitton	Barcelona, Spain	FC	100%
Louis Vuitton Netherlands	Amsterdam, Netherlands	FC	100%
Louis Vuitton Belgium	Brussels, Belgium	FC	100%
Louis Vuitton Luxembourg	Luxembourg	FC	100%
Louis Vuitton Hellas	Athens, Greece	FC	100%
Louis Vuitton Portugal Maleiro	Lisbon, Portugal	FC	100%
Louis Vuitton Israel	Tel Aviv, Israel	FC	100%
Louis Vuitton Danmark	Copenhagen, Denmark	FC	100%
Louis Vuitton Aktiebolag	Stockholm, Sweden	FC	100%
Louis Vuitton Suisse	Meyrin, Switzerland	FC	100%
Louis Vuitton Polska Sp. Z O.O.	Warsaw, Poland	FC	100%
Louis Vuitton Ceska	Prague, Czech Republic	FC	100%
Louis Vuitton Österreich	Vienna, Austria	FC	100%
Louis Vuitton Kazakhstan	Almaty, Kazakhstan	FC	100%
Louis Vuitton US Manufacturing, Inc.	California, USA	FC	100%
Louis Vuitton Hawaii, Inc.	Hawaii, USA	FC	100%
Louis Vuitton Guam, Inc.	Tamuning, Guam	FC	100%
Louis Vuitton Saipan Inc.	Saipan, Northern Mariana Islands	FC	100%
Louis Vuitton Norge	Oslo, Norway	FC	100%
San Dimas Luggage Company	California, USA	FC	100%
Louis Vuitton North America, Inc.	New York, USA	FC	100%
Louis Vuitton USA, Inc.	New York, USA	FC	100%
Louis Vuitton Liban Retail SAL	Beirut, Lebanon	FC	95%
Louis Vuitton Vietnam Company Limited	Hanoi, Vietnam	FC	100%
Louis Vuitton Suomi	Helsinki, Finland	FC	100%
Louis Vuitton Romania Srl	Bucharest, Romania	FC	100%



Companies	Registered office	Method of consolidation	Ownership interest	Companies	Registered office	Method of consolidation	Ownership interest
LVMH Fashion Group Brasil Ltda	São Paulo, Brazil	FC	100%	Loewe Commercial and Trading (Shanghai) Co.	Shanghai, China	FC	100%
Louis Vuitton Panama, Inc.	Panama City, Panama	FC	100%	Loewe Fashion	Singapore	FC	100%
Louis Vuitton Mexico	Mexico City, Mexico	FC	100%	Loewe Taiwan	Taipei, Taiwan	FC	100%
Operadora Louis Vuitton Mexico	Mexico City, Mexico	FC	100%	Loewe Macau Company	Macao, China	FC	100%
Louis Vuitton Chile Spa	Santiago de Chile, Chile	FC	100%	Loewe Alemania	Frankfurt, Germany	FC	100%
Louis Vuitton (Aruba)	Oranjestad, Aruba	FC	100%	Loewe Italy	Milan, Italy	FC	100%
Louis Vuitton Argentina	Buenos Aires, Argentina	FC	100%	Loewe LLC	New York, USA	FC	100%
Louis Vuitton Republica Dominicana	Santo Domingo, Dominican Republic	FC	100%	Loewe Australia	Sydney, Australia	FC	100%
Louis Vuitton Pacific	Hong Kong, China	FC	100%	LVMH Fashion Group Support	Paris, France	FC	100%
Louis Vuitton Kuwait WLL	Kuwait City, Kuwait	FC	32%	Berluti SA	Paris, France	FC	100%
Louis Vuitton Hong Kong Limited	Hong Kong, China	FC	100%	Berluti Monaco	Monaco	FC	100%
Louis Vuitton (Philippines) Inc.	Makati, Philippines	FC	100%	Manifattura Berluti Srl	Ferrara, Italy	FC	100%
Louis Vuitton Singapore Pte Ltd	Singapore	FC	100%	Berluti LLC	New York, USA	FC	100%
LV Information & Operation Services Pte Ltd	Singapore	FC	100%	Berluti UK Limited (Company)	London, United Kingdom	FC	100%
PT Louis Vuitton Indonesia	Jakarta, Indonesia	FC	98%	Berluti Macau Company Limited	Macao, China	FC	100%
Louis Vuitton (Malaysia) Sdn. Bhd.	Kuala Lumpur, Malaysia	FC	100%	Berluti (Shanghai) Company Limited	Shanghai, China	FC	100%
Louis Vuitton (Thailand) Société Anonyme	Bangkok, Thailand	FC	100%	Berluti Hong Kong Company Limited	Hong Kong, China	FC	100%
Louis Vuitton Taiwan Ltd.	Taipei, Taiwan	FC	100%	Berluti Deutschland GmbH	Munich, Germany	FC	100%
Louis Vuitton Australia Pty Ltd.	Sydney, Australia	FC	100%	Berluti Singapore Private Ltd	Singapore	FC	100%
Louis Vuitton (China) Co. Ltd.	Shanghai, China	FC	100%	Berluti Japan KK	Tokyo, Japan	FC	99%
Louis Vuitton New Zealand	Auckland, New Zealand	FC	100%	Berluti Orient FZLLC	Ras Al Khaimah, United Arab Emirates	FC	65%
Louis Vuitton India Retail Private Limited	Gurugram, India	FC	100%	Berluti EAU LLC	Dubai, United Arab Emirates	FC	65%
Louis Vuitton EAU LLC	Dubai, United Arab Emirates	FC	65%	Berluti Taiwan Ltd.	Taipei, Taiwan	FC	100%
Louis Vuitton Saudi Arabia Ltd.	Jeddah, Saudi Arabia	FC	55%	Berluti Korea Company Ltd.	Seoul, South Korea	FC	65%
Louis Vuitton Middle East	Dubai, United Arab Emirates	FC	65%	Berluti Australia	Sydney, Australia	FC	100%
Louis Vuitton - Jordan PSC	Amman, Jordan	FC	95%	Berluti Switzerland	Geneva, Switzerland	FC	100%
Louis Vuitton Orient LLC	Ras Al Khaimah, United Arab Emirates	FC	65%	Rossimoda	Vigonza, Italy	FC	100%
Louis Vuitton Korea Ltd.	Seoul, South Korea	FC	100%	Rossimoda Romania	Cluj-Napoca, Romania	FC	100%
LVMH Fashion Group Trading Korea Ltd.	Seoul, South Korea	FC	100%	LVMH Fashion Group Services	Paris, France	FC	100%
Louis Vuitton Hungaria Kft.	Budapest, Hungary	FC	100%	Interlux Company	Hong Kong, China	FC	100%
Louis Vuitton Vostok	Moscow, Russia	FC	100%	Jean Patou SAS	Paris, France	FC	70%
LV Colombia SAS	Santa Fé de Bogota, Colombia	FC	100%	Rimowa GmbH	Cologne, Germany	FC	80%
Louis Vuitton Maroc	Casablanca, Morocco	FC	100%	Rimowa GmbH & Co Distribution KG	Cologne, Germany	FC	80%
Louis Vuitton South Africa	Johannesburg, South Africa	FC	100%	Rimowa Electronic Tag GmbH	Hamburg, Germany	FC	80%
Louis Vuitton Macau Company Limited	Macao, China	FC	100%	Rimowa CZ spol s.r.o.	Pelhrimov, Czech Republic	FC	80%
Louis Vuitton Japan KK	Tokyo, Japan	FC	99%	Rimowa America Do Sul Malas De Viagem Ltda	São Paulo, Brazil	FC	80%
Louis Vuitton Services KK	Tokyo, Japan	FC	99%	Rimowa North America Inc.	Cambridge, Canada	FC	80%
Louis Vuitton Canada, Inc.	Toronto, Canada	FC	100%	Rimowa Inc.	Delaware, USA	FC	80%
Atepli - Ateliers des Pontes de Lima	Calvelo, Portugal	FC	100%	Rimowa Distribution Inc.	Delaware, USA	FC	80%
Somarest	Sibiu, Romania	FC	100%	Rimowa Far East Limited	Hong Kong, China	FC	80%
LVMH Métiers D'Art	Paris, France	FC	100%	Rimowa Macau Limited	Macao, China	FC	80%
Tanneries Roux	Romans-sur-Isère, France	FC	100%	Rimowa Japan Co. Ltd	Tokyo, Japan	FC	80%
HLI Holding Pte. Ltd	Singapore	FC	100%	Rimowa France SARL	Paris, France	FC	80%
Heng Long International Ltd	Singapore	FC	100%	Rimowa Italy Srl	Milan, Italy	FC	80%
Heng Long Leather Co. (Pte) Ltd	Singapore	FC	100%	Rimowa Netherlands BV	Amsterdam, Netherlands	FC	80%
Heng Long Leather (Guangzhou) Co. Ltd	Guangzhou, China	FC	100%	Rimowa Spain SLU	Madrid, Spain	FC	80%
HL Australia Proprietary Ltd	Sydney, Australia	FC	100%	Rimowa Great Britain Limited	London, United Kingdom	FC	80%
Starke Holding	Florida, USA	FC	100%	Rimowa Austria GmbH	Innsbruck, Austria	FC	80%
Cypress Creek Farms	Florida, USA	FC	100%	Rimowa Schweiz AG	Dübendorf, Switzerland	FC	80%
The Florida Alligator Company	Florida, USA	FC	100%	Rimowa China	Shanghai, China	FC	80%
Pellefina	Florida, USA	FC	100%	Rimowa International	Paris, France	FC	80%
Sofpar 126	Paris, France	FC	100%	Rimowa Group Services	Paris, France	FC	80%
Sofpar 128	Bourg-de-Péage, France	FC	72%	Rimowa Middle East FZ-LLC	Dubai, United Arab Emirates	FC	80%
Thélios	Longarone, Italy	FC	51%	Rimowa Korea Ltd	Seoul, South Korea	FC	80%
Thélios France	Paris, France	FC	51%	Rimowa Orient Trading-LLC	Dubai, United Arab Emirates	FC	80%
Thélios USA Inc.	New Jersey, USA	FC	51%	Rimowa Singapore	Singapore	FC	80%
Thélios Asia Pacific Limited	Harbour City, China	FC	51%	Rimowa Australia	Sydney, Australia	FC	80%
Thélios Deutschland GmbH	Cologne, Germany	FC	51%	110 Vondrau Holdings Inc.	Cambridge, Canada	FC	80%
Thélios Switzerland GmbH	Zurich, Switzerland	FC	51%	Rimowa Group GmbH	Cologne, Germany	FC	100%
Thélios Iberian Peninsula SL	Barcelona, Spain	FC	51%	Anin Star Holding Limited	London, United Kingdom	EM	49%
Thélios Portugal, Unipersoal Lda.	Lisbon, Portugal	FC	51%	Christian Dior Couture Korea Ltd	Seoul, South Korea	FC	100%
Thélios UK	London, United Kingdom	FC	51%	Christian Dior KK	Tokyo, Japan	FC	100%
Thélios Nordics AB	Stockholm, Sweden	FC	51%	Christian Dior Inc.	New York, USA	FC	100%
Marc Jacobs International	New York, USA	FC	80%	Christian Dior Far East Ltd	Hong Kong, China	FC	100%
Marc Jacobs International (UK)	London, United Kingdom	FC	80%	Christian Dior Hong Kong Ltd	Hong Kong, China	FC	100%
Marc Jacobs Trademarks	New York, USA	FC	80%	Christian Dior Fashion (Malaysia) Sdn. Bhd.	Kuala Lumpur, Malaysia	FC	100%
Marc Jacobs Japan	Tokyo, Japan	FC	80%	Christian Dior Singapore Pte Ltd	Singapore	FC	100%
Marc Jacobs International Italia	Milan, Italy	FC	80%	Christian Dior Australia Pty Ltd	Sydney, Australia	FC	100%
Marc Jacobs International France	Paris, France	FC	80%	Christian Dior New Zealand Ltd	Auckland, New Zealand	FC	100%
Marc Jacobs Commercial and Trading (Shanghai) Co.	Shanghai, China	FC	80%	Christian Dior Taiwan Limited	Taipei, Taiwan	FC	100%
Marc Jacobs Hong Kong	Hong Kong, China	FC	80%	Christian Dior (Thailand) Co. Ltd	Bangkok, Thailand	FC	100%
Marc Jacobs Holdings	New York, USA	FC	80%	Christian Dior Saipan Ltd	Saipan, Northern Mariana Islands	FC	100%
Marc Jacobs Hong Kong Distribution Company	Hong Kong, China	FC	80%	Christian Dior Guam Ltd	Tumon Bay, Guam	FC	100%
Marc Jacobs Macau Distribution Company	Macao, China	FC	80%	Christian Dior Espanola	Madrid, Spain	FC	100%
Loewe	Madrid, Spain	FC	100%	Christian Dior Puerto Banus	Madrid, Spain	FC	100%
Loewe Hermanos	Madrid, Spain	FC	100%	Christian Dior UK Limited	London, United Kingdom	FC	100%
Manufacturas Loewe	Madrid, Spain	FC	100%	Christian Dior Italia Srl	Milan, Italy	FC	100%
LVMH Fashion Group France	Paris, France	FC	100%	Christian Dior Suisse SA	Geneva, Switzerland	FC	100%
Loewe Hermanos UK	London, United Kingdom	FC	100%	Christian Dior GmbH	Pforzheim, Germany	FC	100%
Loewe Hong Kong	Hong Kong, China	FC	100%	Christian Dior Fournure M.C.	Monte Carlo, Monaco	FC	100%
				Christian Dior do Brasil Ltda	São Paulo, Brazil	FC	100%

## CONSOLIDATED FINANCIAL STATEMENTS

### Consolidated companies

Companies	Registered office	Method of consolidation	Ownership interest	Companies	Registered office	Method of consolidation	Ownership interest
Christian Dior Belgique	Brussels, Belgium	FC	100%	Kenzo SA	Paris, France	FC	100%
Bopel	Lugagnano Val d'Arda, Italy	FC	100%	Kenzo Belgique SA	Brussels, Belgium	FC	100%
Christian Dior Couture CZ	Prague, Czech Republic	FC	100%	Kenzo UK Limited	London, United Kingdom	FC	100%
Ateliers AS	Pierre-Bénite, France	EM	25%	Kenzo Italia Srl	Milan, Italy	FC	100%
Christian Dior Couture	Paris, France	FC	100%	Kenzo Paris USA LLC	New York, USA	FC	100%
Christian Dior Couture FZE	Dubai, United Arab Emirates	FC	100%	Kenzo Paris Netherlands	Amsterdam, Netherlands	FC	100%
Christian Dior Couture Maroc	Casablanca, Morocco	FC	100%	Kenzo Paris Japan KK	Tokyo, Japan	FC	100%
Christian Dior Macau Single Shareholder Company Limited	Macao, China	FC	100%	Kenzo Paris Singapore	Singapore	FC	100%
Christian Dior S. de R.L. de C.V.	Mexico City, Mexico	FC	100%	Kenzo Paris Hong Kong Company	Hong Kong, China	FC	100%
Les Ateliers Bijoux GmbH	Pforzheim, Germany	FC	100%	Kenzo Paris Macau Company Ltd.	Macao, China	FC	100%
Christian Dior Commercial (Shanghai) Co.Ltd	Shanghai, China	FC	100%	Holding Kenzo Asia	Hong Kong, China	FC	51%
Christian Dior Trading India Private Limited	Mumbai, India	FC	100%	Kenzo Paris Shanghai	Shanghai, China	FC	51%
Christian Dior Couture Stoleshnikov	Moscow, Russia	FC	100%	LVMH Fashion Group Malaysia	Kuala Lumpur, Malaysia	FC	100%
CDCHSA	Luxembourg	FC	85%	Givenchy SA	Paris, France	FC	100%
CDC Abu-Dhabi LLC Couture	Abu Dhabi, United Arab Emirates	FC	85%	Givenchy Corporation	New York, USA	FC	100%
Dior Grèce Société Anonyme	Athens, Greece	FC	100%	Givenchy China Co.	Hong Kong, China	FC	100%
Garments Trading				Givenchy (Shanghai) Commercial and Trading Co.	Shanghai, China	FC	100%
CDC General Trading LLC	Dubai, United Arab Emirates	FC	80%	GCCL Macao Co.	Macao, China	FC	100%
Christian Dior Istanbul Magazacilik Anonim Sirketi	Istanbul, Turkey	FC	100%	Givenchy Italia Srl	Florence, Italy	FC	100%
John Galliano SA	Paris, France	FC	100%	Givenchy Germany	Cologne, Germany	FC	100%
Christian Dior Couture Qatar LLC	Doha, Qatar	FC	82%	LVMH Fashion Group Japan KK	Tokyo, Japan	FC	99%
Christian Dior Couture Bahrain W.L.L.	Manama, Bahrain	FC	84%	Givenchy Couture Ltd	London, United Kingdom	FC	100%
PT Fashion Indonesia Trading Company	Jakarta, Indonesia	FC	100%	Givenchy Taiwan	Taipei, Taiwan	FC	100%
Christian Dior Couture Ukraine	Kiev, Ukraine	FC	100%	Givenchy Trading WLL	Doha, Qatar	FC	56%
CDCG FZCO	Dubai, United Arab Emirates	FC	85%	Givenchy Middle-East FZ LLC	Dubai, United Arab Emirates	FC	70%
COU.BO Srl	Arzano, Italy	FC	100%	George V EAU LLC	Dubai, United Arab Emirates	FC	56%
Christian Dior Netherlands BV	Amsterdam, Netherlands	FC	100%	Givenchy KSA	Jeddah, Saudi Arabia	FC	52%
Christian Dior Vietnam Limited Liability Company	Hanoi, Vietnam	FC	100%	Givenchy Singapore	Singapore	FC	100%
Vermont	Paris, France	FC	100%	Givenchy Korea Ltd	Seoul, South Korea	FC	100%
Christian Dior Couture Kazakhstan	Almaty, Kazakhstan	FC	100%	Fendi Prague s.r.o.	Prague, Czech Republic	FC	100%
Christian Dior Austria GmbH	Vienna, Austria	FC	100%	Luxury Kuwait for Ready Wear Company WLL	Kuwait City, Kuwait	FC	62%
Manufactures Dior Srl	Milan, Italy	FC	100%	Fendi Canada Inc.	Toronto, Canada	FC	100%
Christian Dior Couture Azerbaijan	Baku, Azerbaijan	FC	100%	Fendi Private Suites Srl	Rome, Italy	FC	100%
Drapnir SA	Luxembourg	FC	100%	Fun Fashion Qatar LLC	Doha, Qatar	FC	80%
Myolnir SA	Luxembourg	FC	100%	Fendi International SAS	Paris, France	FC	100%
CD Philippines	Makati, Philippines	FC	100%	Fun Fashion Emirates LLC	Dubai, United Arab Emirates	FC	62%
Christian Dior Couture Luxembourg SA	Luxembourg	FC	100%	Fun Fashion Bahrain Co.WLL	Manama, Bahrain	FC	62%
Les Ateliers Horlogers Dior	La Chaux-de-Fonds, Switzerland	FC	100%	Fendi Srl	Rome, Italy	FC	100%
Dior Montres	Paris, France	FC	100%	Fendi Dis Ticaret Ltd Sti	Istanbul, Turkey	FC	100%
Christian Dior Couture Canada Inc.	Toronto, Canada	FC	100%	Fendi Philippines Corp.	Makati, Philippines	FC	100%
Christian Dior Couture Panama Inc.	Panama City, Panama	FC	100%	Fendi Italia Srl	Rome, Italy	FC	100%
IDMC Manufacture	Limoges, France	FC	90%	Fendi UK Ltd	London, United Kingdom	FC	100%
GINZA SA	Luxembourg	FC	100%	Fendi France SAS	Paris, France	FC	100%
GFEC. Srl	Casoria, Italy	FC	100%	Fendi North America Inc.	New York, USA	FC	100%
CDC Kuwait Fashion Accessories with limited liability	Kuwait City, Kuwait	FC	85%	Fendi (Thailand) Company Limited	Bangkok, Thailand	FC	100%
Aurelia Solutions Srl	Milan, Italy	FC	100%	Fendi Asia Pacific Limited	Hong Kong, China	FC	100%
Lemanus	Luxembourg	FC	100%	Fendi Korea Ltd	Seoul, South Korea	FC	100%
LikeABee	Lisbon, Portugal	FC	100%	Fendi Taiwan Ltd	Taipei, Taiwan	FC	100%
CD Norway AS	Oslo, Norway	FC	100%	Fendi Hong Kong Limited	Hong Kong, China	FC	100%
Fenty SAS	Paris, France	FC	50%	Fendi China Boutiques Limited	Hong Kong, China	FC	100%
Celine SA	Paris, France	FC	100%	Fendi (Singapore) Pte Ltd	Singapore	FC	100%
Avenue M International SCA	Paris, France	FC	100%	Fendi Fashion (Malaysia) Sdn. Bhd.	Kuala Lumpur, Malaysia	FC	100%
Enilec Gestion SARL	Paris, France	FC	100%	Fendi Switzerland SA	Mendrisio, Switzerland	FC	100%
Celine Montaigne SAS	Paris, France	FC	100%	Fun Fashion FZCO	Dubai, United Arab Emirates	FC	77%
Celine Monte-Carlo SA	Monte Carlo, Monaco	FC	100%	Fendi Macau Company Limited	Macao, China	FC	100%
Celine Germany GmbH	Berlin, Germany	FC	100%	Fendi Germany GmbH	Munich, Germany	FC	100%
Celine Production Srl	Florence, Italy	FC	100%	Fendi Austria GmbH	Vienna, Austria	FC	100%
Celine Suisse SA	Geneva, Switzerland	FC	100%	Fendi (Shanghai) Co. Ltd	Shanghai, China	FC	100%
Celine UK Ltd	London, United Kingdom	FC	100%	Fendi Saudi For Trading LLC	Jeddah, Saudi Arabia	FC	73%
Celine Inc.	New York, USA	FC	100%	Fun Fashion India Private Ltd	Mumbai, India	FC	77%
Celine (Hong Kong) Limited	Hong Kong, China	FC	100%	Interservices & Trading SA	Mendrisio, Switzerland	FC	100%
Celine Commercial and Trading (Shanghai) Co. Ltd	Shanghai, China	FC	100%	Outshine Mexico S. de R.L. de C.V.	Mexico City, Mexico	FC	100%
Celine Boutique Taiwan Co. Ltd	Taipei, Taiwan	FC	100%	Fendi Timepieces SA	Neuchâtel, Switzerland	FC	100%
CPC Macau Company Limited	Macao, China	FC	100%	Support Retail Mexico S de R.L. de C.V.	Mexico City, Mexico	FC	100%
LVMH FG Services UK	London, United Kingdom	FC	100%	Fendi Netherlands BV	Baarn, Netherlands	FC	100%
Celine Distribution Spain S.L.U.	Madrid, Spain	FC	100%	Fendi Brasil-Comercio de Artigos de Luxo	São Paulo, Brazil	FC	100%
Celine Distribution Singapore	Singapore	FC	100%	Fendi RU LLC	Moscow, Russia	FC	100%
RC Diffusion Rive Droite SARL	Paris, France	FC	100%	Fendi Australia Pty Ltd	Sydney, Australia	FC	100%
Celine EAU LLC	Dubai, United Arab Emirates	FC	52%	Fendi Doha LLC	Doha, Qatar	FC	49%
Celine Netherlands BV	Baarn, Netherlands	FC	100%	Fendi Denmark ApS	Copenhagen, Denmark	FC	100%
Celine Australia Ltd Co.	Sydney, Australia	FC	100%	Fendi Spain S. L.	Madrid, Spain	FC	100%
Celine Sweden AB	Stockholm, Sweden	FC	100%	Fendi Monaco S.A.M.	Monte Carlo, Monaco	FC	100%
Celine Czech Republic	Prague, Czech Republic	FC	100%	Fendi Japan KK	Tokyo, Japan	FC	99%
Celine Middle East	Dubai, United Arab Emirates	FC	65%	Emilio Pucci Srl	Florence, Italy	FC	100%
Celine Canada	Toronto, Canada	FC	100%	Emilio Pucci International	Baarn, Netherlands	FC	67%
Celine Thailand	Bangkok, Thailand	FC	100%	Emilio Pucci Ltd	New York, USA	FC	100%
Celine Denmark	Copenhagen, Denmark	FC	100%	Emilio Pucci Hong Kong Company Limited	Hong Kong, China	FC	100%
LMP LLC	New York, USA	FC	100%	Emilio Pucci UK Limited	London, United Kingdom	FC	100%
				Emilio Pucci France SAS	Paris, France	FC	100%
				Loro Piana	Quarona, Italy	FC	85%
				Loro Piana Switzerland	Lugano, Switzerland	FC	85%
				Loro Piana France	Paris, France	FC	85%

Companies	Registered office	Method of consolidation	Ownership interest	Companies	Registered office	Method of consolidation	Ownership interest
Loro Piana	Munich, Germany	FC	85%	L Beauty Pte	Singapore	FC	51%
Loro Piana GB	London, United Kingdom	FC	85%	L Beauty Vietnam	Ho Chi Minh City, Vietnam	FC	51%
LG Distribution LLC	Delaware, USA	FC	85%	SCI Rose Blue	Paris, France	FC	100%
Warren Corporation	Connecticut, USA	FC	85%	PCD St Honoré	Paris, France	FC	100%
Loro Piana & C.	New York, USA	FC	85%	LVMH Perfumes and Cosmetics Macau	Macao, China	FC	100%
Loro Piana USA	New York, USA	FC	85%	DP Seldico	Kiev, Ukraine	FC	100%
Loro Piana (HK)	Hong Kong, China	FC	85%	OOO Seldico	Moscow, Russia	FC	100%
Loro Piana (Shanghai) Commercial Co.	Shanghai, China	FC	85%	EPCD Hungaria	Budapest, Hungary	FC	100%
Loro Piana (Shanghai) Textile Trading Co.	Shanghai, China	FC	85%	LVMH P&C Kazakhstan	Almaty, Kazakhstan	FC	100%
Loro Piana Mongolia	Ulaanbaatar, Mongolia	FC	85%	PCD Dubai General Trading	Dubai, United Arab Emirates	FC	48%
Loro Piana Korea Co.	Seoul, South Korea	FC	85%	PCD Doha Perfumes and Cosmetics	Doha, Qatar	FC	47%
Loro Piana (Macao)	Macao, China	FC	85%	Cosmetics of France	Florida, USA	FC	100%
Loro Piana Monaco	Monte Carlo, Monaco	FC	85%	LVMH Recherche	Saint-Jean-de-Braye, France	FC	100%
Loro Piana España	Madrid, Spain	FC	85%	PCIS	Levallois-Perret, France	FC	100%
Loro Piana Japan Co.	Tokyo, Japan	FC	85%	Cristale	Paris, France	FC	100%
Loro Piana Far East	Singapore	FC	85%	Perfumes Loewe SA	Madrid, Spain	FC	100%
Loro Piana Peru	Lucanas, Peru	FC	85%	Acqua di Parma	Milan, Italy	FC	100%
Manifattura Loro Piana	Sillavengo, Italy	FC	85%	Acqua di Parma	New York, USA	FC	100%
Loro Piana Oesterreich	Vienna, Austria	FC	85%	Acqua di Parma	London, United Kingdom	FC	100%
Loro Piana Nederland	Amsterdam, Netherlands	FC	85%	Acqua di Parma Canada Inc.	Toronto, Canada	FC	100%
Loro Piana Czech Republic	Prague, Czech Republic	FC	85%	Cha Ling	Paris, France	FC	100%
Loro Piana Belgique	Brussels, Belgium	FC	85%	Cha Ling Hong Kong	Hong Kong, China	FC	100%
Loro Piana Canada	Toronto, Canada	FC	85%	Guerlain SA	Paris, France	FC	100%
Cashmere Lifestyle Luxury Trading LLC	Dubai, United Arab Emirates	FC	51%	LVMH Parfums & Kosmetik	Düsseldorf, Germany	FC	100%
Loro Piana Mexico SA de CV	Naucalpan, Mexico	FC	85%	Deutschland GmbH			
JW Anderson Limited	London, United Kingdom	EM	46%	Guerlain GmbH	Vienna, Austria	FC	100%
JW Anderson China	Shanghai, China	EM	46%	Guerlain Benelux SA	Brussels, Belgium	FC	100%
Ultrapharum Srl	Milan, Italy	EM	45%	Guerlain Ltd	London, United Kingdom	FC	100%
<b>PERFUMES AND COSMETICS</b>				LVMH Perfumes e Cosmética	Lisbon, Portugal	FC	100%
Parfums Christian Dior	Paris, France	FC	100%	PC Parfums Cosmétiques SA	Zurich, Switzerland	FC	100%
LVMH Perfumes and Cosmetics (Thailand) Ltd.	Bangkok, Thailand	FC	49%	Guerlain Inc.	New York, USA	FC	100%
LVMH P&C Do Brasil	São Paulo, Brazil	FC	100%	Guerlain (Canada) Ltd	Saint-Jean, Canada	FC	100%
France Argentine Cosmetic	Buenos Aires, Argentina	FC	100%	Guerlain de Mexico	Mexico City, Mexico	FC	100%
LVMH P&C Commercial & Trade (Shanghai)	Shanghai, China	FC	100%	Guerlain (Asia Pacific) Limited	Hong Kong, China	FC	100%
LVMH P&C (Shanghai) Co.	Shanghai, China	FC	100%	Guerlain KK	Tokyo, Japan	FC	100%
Shang Pu Ecommerce (Shanghai)	Shanghai, China	FC	100%	Guerlain KSA SAS	Levallois-Perret, France	FC	80%
Parfums Christian Dior Finland	Helsinki, Finland	FC	100%	Guerlain Orient DMCC	Dubai, United Arab Emirates	FC	100%
SNC du 33 Avenue Hoche	Paris, France	FC	100%	Guerlain Saudi Limited	Jeddah, Saudi Arabia	FC	60%
LVMH Fragrances and Cosmetics (Singapore)	Singapore	FC	100%	Guerlain Oceania Australia Pty Ltd	Botany, Australia	FC	100%
Parfums Christian Dior Orient Co.	Dubai, United Arab Emirates	FC	60%	PT Guerlain Cosmetics Indonesia	Jakarta, Indonesia	FC	51%
Parfums Christian Dior Emirates	Dubai, United Arab Emirates	FC	48%	Make Up For Ever	Paris, France	FC	100%
LVMH Cosmetics	Tokyo, Japan	FC	100%	SCI Edison	Paris, France	FC	100%
Parfums Christian Dior Arabia	Jeddah, Saudi Arabia	FC	45%	Make Up For Ever	New York, USA	FC	100%
EPCD	Warsaw, Poland	FC	100%	Make Up For Ever Canada	Montreal, Canada	FC	100%
EPCD CZ & SK	Prague, Czech Republic	FC	100%	Make Up For Ever Academy China	Shanghai, China	FC	100%
EPCD RO Distribution	Bucharest, Romania	FC	100%	Make Up For Ever UK Limited	London, United Kingdom	FC	100%
Parfums Christian Dior UK	London, United Kingdom	FC	100%	LVMH Fragrance Brands	Levallois-Perret, France	FC	100%
Parfums Christian Dior	Rotterdam, Netherlands	FC	100%	LVMH Fragrance Brands	London, United Kingdom	FC	100%
SAS Iparkos	Paris, France	FC	100%	LVMH Fragrance Brands	Düsseldorf, Germany	FC	100%
Parfums Christian Dior S.A.B.	Brussels, Belgium	FC	100%	LVMH Fragrance Brands	New York, USA	FC	100%
LVMH P&C Luxembourg	Luxembourg	FC	100%	LVMH Fragrance Brands Canada	Toronto, Canada	FC	100%
Parfums Christian Dior (Ireland)	Dublin, Ireland	FC	100%	LVMH Fragrance Brands	Tokyo, Japan	FC	100%
Parfums Christian Dior Hellas	Athens, Greece	FC	100%	LVMH Fragrance Brands WHD	Florida, USA	FC	100%
Parfums Christian Dior	Zurich, Switzerland	FC	100%	LVMH Fragrance Brands Hong Kong	Hong Kong, China	FC	100%
Christian Dior Perfumes	New York, USA	FC	100%	LVMH Fragrance Brands Singapore	Singapore	FC	100%
Parfums Christian Dior Canada	Montreal, Canada	FC	100%	Benefit Cosmetics LLC	California, USA	FC	100%
LVMH P&C de Mexico	Mexico City, Mexico	FC	100%	Benefit Cosmetics Ireland Ltd	Dublin, Ireland	FC	100%
Parfums Christian Dior Japon	Tokyo, Japan	FC	100%	Benefit Cosmetics UK Ltd	Chelmsford, United Kingdom	FC	100%
Parfums Christian Dior (Singapore)	Singapore	FC	100%	Benefit Cosmetics Services Canada Inc.	Toronto, Canada	FC	100%
Inalux	Paris, France	FC	100%	Benefit Cosmetics Korea	Seoul, South Korea	FC	100%
LVMH P&C Asia Pacific	Hong Kong, China	FC	100%	Benefit Cosmetics SAS	Paris, France	FC	100%
Fa Hua Fragrance & Cosmetic Co.	Hong Kong, China	FC	100%	Benefit Cosmetics Hong Kong Ltd	Hong Kong, China	FC	100%
Fa Hua Frag. & Cosm. Taiwan P&C (Shanghai)	Taipei, Taiwan	FC	100%	L Beauty Sdn. Bhd.	Kuala Lumpur, Malaysia	FC	51%
LVMH P&C Korea	Seoul, South Korea	FC	100%	L Beauty (Thailand) Co. Ltd	Bangkok, Thailand	FC	48%
Parfums Christian Dior Hong Kong	Hong Kong, China	FC	100%	Fresh	New York, USA	FC	100%
LVMH P&C Malaysia Sdn. Berhad	Petaling Jaya, Malaysia	FC	100%	Fresh	Paris, France	FC	100%
Pardior	Mexico City, Mexico	FC	100%	Fresh Cosmetics	London, United Kingdom	FC	100%
Parfums Christian Dior Denmark	Copenhagen, Denmark	FC	100%	Fresh Hong Kong	Hong Kong, China	FC	100%
LVMH Perfumes and Cosmetics Group	Sydney, Australia	FC	100%	Fresh Korea	Seoul, South Korea	FC	100%
Parfums Christian Dior	Sandvika, Norway	FC	100%	Fresh Canada	Montreal, Canada	FC	100%
Parfums Christian Dior	Stockholm, Sweden	FC	100%	Kendo Holdings Inc.	California, USA	FC	100%
LVMH Perfumes and Cosmetics (New Zealand)	Auckland, New Zealand	FC	100%	Fenty Skin LLC	California, USA	FC	50%
Parfums Christian Dior Austria	Vienna, Austria	FC	100%	Ole Henriksen of Denmark Inc.	California, USA	FC	100%
L Beauty Luxury Asia	Taguig City, Philippines	FC	51%	SLF USA Inc.	California, USA	FC	100%
SCI Annabell	Paris, France	FC	100%	Susanne Lang Fragrance	Toronto, Canada	FC	100%
PT L Beauty Brands	Jakarta, Indonesia	FC	51%	BHUS Inc.	Delaware, USA	FC	100%
				KVD Beauty LLC	California, USA	FC	100%
				Fenty Beauty LLC	California, USA	FC	50%
				Kendo Brands Ltd	Bicester, United Kingdom	FC	100%
				Kendo Brands SAS	Boulogne-Billancourt, France	FC	100%
				Kendo Hong Kong Limited	Hong Kong, China	FC	100%
				Parfums Francis Kurkdjian SAS	Paris, France	FC	71%
				Parfums Francis Kurkdjian LLC	New York, USA	FC	71%

## CONSOLIDATED FINANCIAL STATEMENTS

### Consolidated companies

Companies	Registered office	Method of consolidation	Ownership interest	Companies	Registered office	Method of consolidation	Ownership interest
<b>WATCHES AND JEWELRY</b>							
TAG Heuer International	La Chaux-de-Fonds, Switzerland	FC	100%	Bvlgari Commercial (Shanghai) Co.	Shanghai, China	FC	100%
LVMH Relojería y Joyería España SA	Madrid, Spain	FC	100%	Bvlgari Japan	Tokyo, Japan	FC	100%
LVMH Montres & Joaillerie France	Paris, France	FC	100%	Bvlgari Panama	Panama City, Panama	FC	100%
TAG Heuer Limited	Manchester, United Kingdom	FC	100%	Bvlgari Ireland	Dublin, Ireland	FC	100%
Duval Ltd	Manchester, United Kingdom	FC	100%	Bvlgari Qatar	Doha, Qatar	FC	49%
LVMH Watch & Jewelry Central Europe	Oberursel, Germany	FC	100%	Gulf Luxury Trading	Dubai, United Arab Emirates	FC	51%
Tag Heuer Boutique Outlet Store Roermond	Oberursel, Germany	FC	100%	Bvlgari do Brazil	São Paulo, Brazil	FC	100%
LVMH Watch & Jewelry UK	Manchester, United Kingdom	FC	100%	Bvlgari Hotels and Resorts Milano	Rome, Italy	EM	50%
Duvatec Limited	Manchester, United Kingdom	FC	100%	Lux Jewels Kuwait for Trading	Kuwait City, Kuwait	FC	80%
Heuer Ltd	Manchester, United Kingdom	FC	100%	In Gold Jewelry and Precious Stones			
LVMH Watch & Jewelry USA	Illinois, USA	FC	100%	Lux Jewels Bahrain	Manama, Bahrain	FC	80%
LVMH Watch & Jewelry Canada	Richmond, Canada	FC	100%	India Luxco Retail	New Delhi, India	FC	100%
LVMH Watch & Jewelry Far East	Hong Kong, China	FC	100%	BK for Jewelry and Precious Metals and Stones Co.	Kuwait City, Kuwait	FC	80%
LVMH Watch & Jewelry Singapore	Singapore	FC	100%	Bvlgari Turkey Lüks Ürün Ticareti	Istanbul, Turkey	FC	100%
LVMH Watch & Jewelry Malaysia	Kuala Lumpur, Malaysia	FC	100%	Bvlgari Russia	Moscow, Russia	FC	100%
LVMH Watch & Jewelry Japan	Tokyo, Japan	FC	100%	Bvlgari Prague	Prague, Czech Republic	FC	100%
LVMH Watch & Jewelry Australia Pty Ltd	Melbourne, Australia	FC	100%	Bvlgari Commercial Mexico	Mexico City, Mexico	FC	100%
LVMH Watch & Jewelry Hong Kong	Hong Kong, China	FC	100%	Bvlgari Canada	Montreal, Canada	FC	100%
LVMH Watch & Jewelry Taiwan	Taipei, Taiwan	FC	100%	Bvlgari Portugal	Lisbon, Portugal	FC	100%
LVMH Watch & Jewelry India	New Delhi, India	FC	100%	Bvlgari Philippines	Makati, Philippines	FC	100%
LVMH Watch & Jewelry (Shanghai) Commercial Co.	Shanghai, China	FC	100%	Bvlgari Vietnam	Hanoi, Vietnam	FC	100%
LVMH Watch & Jewelry Russia LLC	Moscow, Russia	FC	100%	Bvlgari New Zealand	Auckland, New Zealand	FC	100%
TAG Heuer Connected	Paris, France	FC	100%	Bvlgari Denmark	Copenhagen, Denmark	FC	100%
Timecrown	Manchester, United Kingdom	FC	100%	Bvlgari Roma	Rome, Italy	FC	100%
Artcad	Tramelan, Switzerland	FC	100%	Repossi	Paris, France	FC	81%
Golfcoders	Paris, France	FC	100%	<b>SELECTIVE RETAILING</b>			
Alpha Time Corp.	Hong Kong, China	FC	100%	LVMH Iberia SL	Madrid, Spain	FC	100%
LVMH W&J Trading LLC	Dubai, United Arab Emirates	FC	100%	LVMH Italia SpA	Milan, Italy	FC	100%
LVMH W&J FZ LLC	Dubai, United Arab Emirates	FC	100%	Sephora SAS	Neuilly-sur-Seine, France	FC	100%
Chaumet International	Paris, France	FC	100%	Sephora Luxembourg SARL	Luxembourg	FC	100%
Chaumet London	London, United Kingdom	FC	100%	Sephora Portugal Perfumaria Lda	Lisbon, Portugal	FC	100%
Chaumet Horlogerie	Nyon, Switzerland	FC	100%	Sephora Polska Sp Z.O.O	Warsaw, Poland	FC	100%
Chaumet Korea Yuhan Hoesa	Seoul, South Korea	FC	100%	Sephora Greece SA	Athens, Greece	FC	100%
Chaumet Monaco	Monte Carlo, Monaco	FC	100%	Sephora Cosmetics Romania SA	Bucharest, Romania	FC	100%
Chaumet Middle East	Dubai, United Arab Emirates	FC	60%	Sephora Switzerland SA	Geneva, Switzerland	FC	100%
Chaumet UAE	Dubai, United Arab Emirates	FC	60%	Sephora Sro (Republique Tchèque)	Prague, Czech Republic	FC	100%
Chaumet Australia	Sydney, Australia	FC	100%	Sephora Monaco SAM	Monte Carlo, Monaco	FC	99%
Farouk Trading	Jeddah, Saudi Arabia	FC	60%	Sephora Cosmetics España S.L.	Madrid, Spain	EM	50%
Chaumet Iberia SL	Madrid, Spain	FC	100%	S+ SAS	Neuilly-sur-Seine, France	FC	100%
BMC SpA	Valenza, Italy	FC	60%	Sephora Bulgaria EOOD	Sofia, Bulgaria	FC	100%
LVMH Watch & Jewelry Macau Company	Macao, China	FC	100%	Sephora Cyprus Limited	Nicosia, Cyprus	FC	100%
LVMH Swiss Manufactures	La Chaux-de-Fonds, Switzerland	FC	100%	Sephora Kozmetik AS (Turquie)	Istanbul, Turkey	FC	100%
Zenith Time Company (GB) Ltd.	Manchester, United Kingdom	FC	100%	Sephora Cosmetics Ltd (Serbia)	Belgrade, Serbia	FC	100%
LVMH Watch & Jewelry Italy SpA	Milan, Italy	FC	100%	Sephora Danmark ApS	Copenhagen, Denmark	FC	100%
Delano	La Chaux-de-Fonds, Switzerland	FC	100%	Sephora Sweden AB	Stockholm, Sweden	FC	100%
Fred Paris	Neuilly-sur-Seine, France	FC	100%	Sephora Germany GmbH	Düsseldorf, Germany	FC	100%
Joaillerie de Monaco	Monte Carlo, Monaco	FC	100%	Sephora Moyen-Orient SA	Fribourg, Switzerland	FC	70%
Fred	New York, USA	FC	100%	Sephora Middle East FZE	Dubai, United Arab Emirates	FC	70%
Fred Londres	Manchester, United Kingdom	FC	100%	Sephora Qatar WLL	Doha, Qatar	FC	63%
Hublot	Nyon, Switzerland	FC	100%	Sephora Arabia Limited	Jeddah, Saudi Arabia	FC	52%
Bentim International SA	Nyon, Switzerland	FC	100%	Sephora Kuwait Co. WLL	Kuwait City, Kuwait	FC	59%
Hublot Boutique Monaco	Monte Carlo, Monaco	FC	100%	Sephora Holding South Asia	Singapore	FC	100%
Hublot Canada	Toronto, Canada	FC	100%	Sephora (Shanghai) Cosmetics Co. Ltd	Shanghai, China	FC	81%
Hublot SA Genève	Geneva, Switzerland	FC	100%	Sephora (Beijing) Cosmetics Co. Ltd	Beijing, China	FC	81%
Hublot of America	Florida, USA	FC	100%	Sephora Xiangyang (Shanghai) Cosmetics Co. Ltd	Shanghai, China	FC	81%
Benoit de Gorski SA	Geneva, Switzerland	FC	100%	Sephora Hong Kong Limited	Hong Kong, China	FC	100%
Bulgari SpA	Rome, Italy	FC	100%	Sephora Singapore Pte Ltd	Singapore	FC	100%
Bvlgari Italia	Rome, Italy	FC	100%	Sephora (Thailand) Company (Limited)	Bangkok, Thailand	FC	100%
Bvlgari International Corporation (BIC)	Amsterdam, Netherlands	FC	100%	Sephora Australia Pty Ltd	Sydney, Australia	FC	100%
Bvlgari Corporation of America	New York, USA	FC	100%	Sephora New Zealand Limited	Wellington, New Zealand	FC	100%
Bvlgari SA	Geneva, Switzerland	FC	100%	Sephora Korea Ltd	Seoul, South Korea	FC	100%
Bvlgari Horlogerie	Neuchâtel, Switzerland	FC	100%	Sephora Digital Pte Ltd	Singapore	FC	100%
Bvlgari France	Paris, France	FC	100%	Sephora Digital (Thailand) Ltd	Bangkok, Thailand	FC	100%
Bvlgari Montecarlo	Monte Carlo, Monaco	FC	100%	LX Services Pte Ltd	Singapore	FC	100%
Bvlgari (Deutschland)	Munich, Germany	FC	100%	PT MU and SC Trading (Indonesia)	Jakarta, Indonesia	FC	100%
Bvlgari España	Madrid, Spain	FC	100%	Luxola Sdn. Bhd. (Malaysia)	Kuala Lumpur, Malaysia	FC	100%
Bvlgari South Asian Operations	Singapore	FC	100%	Sephora Services Philippines (Branch)	Manila, Philippines	FC	100%
Bvlgari (UK) Ltd	London, United Kingdom	FC	100%	Sephora USA Inc.	California, USA	FC	100%
Bvlgari Belgium	Brussels, Belgium	FC	100%	Sephora Cosmetics Private Limited (India)	New Delhi, India	FC	100%
Bvlgari Australia	Sydney, Australia	FC	100%	Sephora Beauty Canada Inc.	Toronto, Canada	FC	100%
Bvlgari (Malaysia)	Kuala Lumpur, Malaysia	FC	100%	Sephora Puerto Rico LLC	California, USA	FC	100%
Bvlgari Global Operations	Neuchâtel, Switzerland	FC	100%	Sephora Mexico S. de R.L de C.V	Mexico City, Mexico	FC	100%
Bvlgari Asia Pacific	Hong Kong, China	FC	100%	Servicios Ziporah S. de R.L de C.V	Mexico City, Mexico	FC	100%
Bvlgari (Taiwan)	Taipei, Taiwan	FC	100%	Sephora Emirates LLC	Dubai, United Arab Emirates	FC	70%
Bvlgari Korea	Seoul, South Korea	FC	100%	Sephora Bahrain WLL	Manama, Bahrain	FC	52%
Bvlgari Saint Barth	Saint-Barthélemy, French Antilles	FC	100%	PT Sephora Indonesia	Jakarta, Indonesia	FC	100%
Bvlgari Gioielli	Valenza, Italy	FC	100%	Dotcom Group Comércio de Presentes SA	Rio de Janeiro, Brazil	FC	100%
Bvlgari Accessori	Florence, Italy	FC	100%	LGCS Inc.	New York, USA	FC	100%
Bvlgari Holding (Thailand)	Bangkok, Thailand	FC	100%	Avenue Hoche Varejista Limitada	São Paulo, Brazil	FC	100%
Bvlgari (Thailand)	Bangkok, Thailand	FC	100%				

Companies	Registered office	Method of consolidation	Ownership interest	Companies	Registered office	Method of consolidation	Ownership interest
Joint Stock Company "Ile De Beauté"	Moscow, Russia	FC	100%	KCO Events	Paris, France	FC	98%
Beauty In Motion Sdn. Bhd.	Kuala Lumpur, Malaysia	FC	100%	Pelham Media Production	Paris, France	FC	98%
Le Bon Marché	Paris, France	FC	100%	Alto International SARL	Paris, France	FC	59%
SEGEF	Paris, France	FC	100%	Happeningco SAS	Paris, France	FC	79%
Franck & Fils	Paris, France	FC	100%	Magasins de la Samaritaine	Paris, France	FC	99%
DFS Holdings Limited <sup>(a)</sup>	Hamilton, Bermuda	FC	61%	Mongoual SA	Paris, France	EM	40%
DFS Australia Pty Limited	Sydney, Australia	FC	61%	Le Jardin d'Acclimatation	Paris, France	FC	80%
DFS Group Limited - USA	North Carolina, USA	FC	61%	RVL Holding BV	Kaag, Netherlands	FC	100%
DFS Group Limited - HK	Hong Kong, China	FC	61%	Royal Van Lent Shipyard BV	Kaag, Netherlands	FC	100%
TRS Hong Kong Limited	Hong Kong, China	EM	28%	Tower Holding BV	Kaag, Netherlands	FC	100%
DFS France SAS	Paris, France	FC	61%	Green Bell BV	Kaag, Netherlands	FC	100%
DFS Okinawa KK	Okinawa, Japan	FC	61%	Gebr. Olie Beheer BV	Waddinxveen, Netherlands	FC	100%
TRS Okinawa KK	Tokyo, Japan	EM	28%	Van der Loo Yachinteriors BV	Waddinxveen, Netherlands	FC	100%
JAL/DFS Co. Ltd	Chiba, Japan	EM	25%	Red Bell BV	Kaag, Netherlands	FC	100%
DFS Korea Limited	Seoul, South Korea	FC	61%	De Voogt Naval Architects BV	Haarlem, Netherlands	EM	49%
DFS Cotai Limitada	Macao, China	FC	61%	Feadship Holland BV	Amsterdam, Netherlands	EM	49%
DFS Middle East LLC	Abu Dhabi, United Arab Emirates	FC	61%	Feadship America Inc.	Florida, USA	EM	49%
DFS Merchandising Limited	North Carolina, USA	FC	61%	OGMNL BV	Nieuw-Lekkerland, Netherlands	EM	49%
DFS New Zealand Limited	Auckland, New Zealand	FC	61%	Firstship BV	Amsterdam, Netherlands	EM	49%
Commonwealth Investment Company Inc.	Saipan, Northern Mariana Islands	FC	58%	Mezzo	Paris, France	FC	50%
DFS Saipan Limited	Saipan, Northern Mariana Islands	FC	61%	Probinvest	Paris, France	FC	100%
Kinkai Saipan LP	Saipan, Northern Mariana Islands	FC	61%	Ufipar	Paris, France	FC	100%
DFS Business Consulting (Shanghai) Co. Ltd	Shanghai, China	FC	61%	Sofidiv	Paris, France	FC	100%
DFS Retail (Hainan) Company Limited	Haikou, China	FC	61%	LVMH Services	Paris, France	FC	85%
DFS Singapore (Pte) Limited	Singapore	FC	61%	Moët Hennessy	Paris, France	FC	66%
DFS Venture Singapore (Pte) Limited	Singapore	FC	61%	LVMH Services Limited	London, United Kingdom	FC	100%
TRS Singapore Pte Ltd	Singapore	EM	28%	Moët Hennessy Investissements	Paris, France	FC	66%
DFS Vietnam (S) Pte Ltd	Singapore	FC	43%	LV Group	Paris, France	FC	100%
New Asia Wave International (S) Pte Ltd	Singapore	FC	43%	Moët Hennessy International	Paris, France	FC	66%
Ipp Group (S) Pte Ltd	Singapore	FC	43%	Creare	Luxembourg	FC	100%
DFS Van Don LLC	Halong Bay, Vietnam	FC	61%	Creare Pte Ltd	Singapore	FC	100%
DFS Group LP	North Carolina, USA	FC	61%	Bayard (Shanghai) Investment and Consultancy Co. Ltd	Shanghai, China	FC	100%
LAX Duty Free Joint Venture 2000	California, USA	FC	46%	Villa Foscarini Srl	Milan, Italy	FC	100%
JFK Terminal 4 Joint Venture 2001	New York, USA	FC	49%	Liszt Invest	Luxembourg	FC	100%
SFO Duty Free & Luxury Store Joint Venture	California, USA	FC	46%	Gorgias	Luxembourg	FC	100%
SFOIT Specialty Retail Joint Venture	California, USA	FC	46%	LC Investissements	Paris, France	FC	51%
Royal Hawaiian Insurance Company Co.	Hawaii, USA	FC	61%	LVMH Investissements	Paris, France	FC	100%
DFS Guam L.P.	Tamuning, Guam	FC	61%	LVMH Canada	Toronto, Canada	FC	100%
DFS Liquor Retailing Limited	North Carolina, USA	FC	61%	Société Montaigne Jean Goujon	Paris, France	FC	100%
Twenty-Seven Twenty Eight Corp.	North Carolina, USA	FC	61%	Delphine	Paris, France	FC	100%
DFS Italia Srl.	Venice, Italy	FC	61%	GIE CAPI13	Paris, France	FC	100%
DFS (Cambodia) Limited	Phnom Penh, Cambodia	FC	43%	LVMH Finance	Paris, France	FC	100%
TRS Hawaii LLC	Hawaii, USA	EM	28%	Sofidiv UK Limited	London, United Kingdom	FC	100%
TRS Saipan	Saipan, Northern Mariana Islands	EM	28%	Primaie	Paris, France	FC	100%
TRS Guam	Tamuning, Guam	EM	28%	Eutrope	Paris, France	FC	100%
Central DFS Co., Ltd	Bangkok, Thailand	EM	30%	Flavius Investissements	Paris, France	FC	100%
Shenzhen DFG E-Commerce Co Ltd	Shenzhen, China	EM	13%	LVMH BH Holdings LLC	New York, USA	FC	100%
DFS Management Consulting (Shenzhen) Company Limited	Shenzhen, China	FC	61%	Rodeo Partners LLC	New York, USA	FC	100%
Tumon Entertainment LLC	Tamuning, Guam	FC	100%	LBD Holding	Paris, France	FC	100%
Comete Guam Inc.	Tamuning, Guam	FC	100%	LVMH Hotel Management	Paris, France	FC	100%
Tumon Aquarium LLC	Tamuning, Guam	FC	97%	Ufinvest	Paris, France	FC	100%
Tumon Games LLC	Tamuning, Guam	FC	100%	Delta	Paris, France	FC	100%
Comete Saipan Inc.	Saipan, Northern Mariana Islands	FC	100%	White 1921 Courchevel	Courchevel, France	FC	100%
DFS Vietnam Limited Liability Company	Ho Chi Minh City, Vietnam	FC	61%	Société d'Exploitation Hôtelière			
DFS Venture Vietnam Company Limited	Ho Chi Minh City, Vietnam	FC	61%	Société Immobilière Paris Savoie	Courchevel, France	FC	100%
PT Sonatopas Tourism industry Tbk	Jakarta, Indonesia	EM	28%	Les Tovets			
Cruise Line Holdings Co.	Florida, USA	FC	100%	EUPALINOS 1850	Paris, France	FC	100%
Starboard Holdings	Florida, USA	FC	100%	Société d'Exploitation Hôtelière de la Samaritaine	Paris, France	FC	100%
International Cruise Shop Ltd	Cayman Islands	FC	100%	Société d'Exploitation Hôtelière Isle de France	Saint-Barthélemy, French Antilles	FC	56%
STB Servizi Tecnici Per Bordo	Florence, Italy	FC	100%	Société d'Investissement Cheval Blanc Saint Barth Isle de France	Saint-Barthélemy, French Antilles	FC	56%
On-Board Media Inc.	Florida, USA	FC	100%	Société Cheval Blanc Saint-Tropez	Saint-Tropez, France	FC	100%
24 Sèvres	Paris, France	FC	100%	Villa Jacquemone	Saint-Tropez, France	FC	100%
				33 Hoche	Paris, France	FC	100%
				Moët Hennessy Inc.	New York, USA	FC	66%
				One East 57th Street LLC	New York, USA	FC	100%
				LVMH Moët Hennessy Louis Vuitton Inc.	New York, USA	FC	100%
				Lafayette Art I LLC	New York, USA	FC	100%
				LVMH Holdings Inc.	New York, USA	FC	100%
				Island Cay Inc	New York, USA	FC	100%
				Halls Pond Exuma Ltd	Nassau, Bahamas	FC	100%
				Sofidiv Art Trading Company	New York, USA	FC	100%
				Sofidiv Inc.	New York, USA	FC	100%
				598 Madison Leasing Corp.	New York, USA	FC	100%
				1896 Corp.	New York, USA	FC	100%
				313-317 N. Rodeo LLC	New York, USA	FC	100%
				319-323 N. Rodeo LLC	New York, USA	FC	100%
				420 N. Rodeo LLC	New York, USA	FC	100%
				456 North Rodeo Drive	New York, USA	FC	100%
				468 North Rodeo Drive	New York, USA	FC	100%
				461 North Beverly Drive	New York, USA	FC	100%
<b>OTHER ACTIVITIES</b>							
Groupe Les Echos	Paris, France	FC	100%				
Dematis	Paris, France	FC	100%				
Les Echos Management	Paris, France	FC	100%				
Les Echos Légal	Paris, France	FC	100%				
Radio Classique	Paris, France	FC	100%				
Les Echos Medias	Paris, France	FC	100%				
SFPA	Paris, France	FC	100%				
Les Echos	Paris, France	FC	100%				
Museec	Paris, France	FC	50%				
CHANGE NOW	Paris, France	FC	55%				
Investir Publications	Paris, France	FC	100%				
Les Echos Solutions	Paris, France	FC	100%				
Les Echos Publishing	Paris, France	FC	100%				
Pelham Media	London, United Kingdom	FC	98%				
WordAppeal	Paris, France	FC	98%				
Pelham Media	Paris, France	FC	98%				
L'Eclairer	Paris, France	FC	98%				



## CONSOLIDATED FINANCIAL STATEMENTS

### Consolidated companies

Companies	Registered office	Method of consolidation	Ownership interest	Companies	Registered office	Method of consolidation	Ownership interest
LVMH MJ Holdings Inc.	New York, USA	FC	100%	Mountbay Holdings Inc	Delaware, USA	FC	100%
LVMH Perfumes and Cosmetics Inc.	New York, USA	FC	100%	Venice Simplon Orient Express Inc	Delaware, USA	FC	100%
Arbelos Insurance Inc.	New York, USA	FC	100%	Windsor Court Hotel Inc	Delaware, USA	FC	100%
Meadowland Florida LLC	New York, USA	FC	100%	Windsor Court Hotel LP	Delaware, USA	FC	100%
2181 Kalakaua Holdings LLC	Texas, USA	EM	50%	Windsor Great Park Inc	Delaware, USA	FC	100%
2181 Kalakaua LLC	Texas, USA	EM	50%	Belmond Cap Juluca Limited	Anguilla	FC	100%
P&C International	Paris, France	FC	100%	Belmond Holdings 1 Ltd	Hamilton, Bermuda	FC	100%
LVMH Participations BV	Baarn, Netherlands	FC	100%	Belmond Peru Ltd	Hamilton, Bermuda	FC	100%
LVMH Moët Hennessy Louis Vuitton BV	Baarn, Netherlands	FC	100%	Belmond Spain Ltd	Hamilton, Bermuda	FC	100%
LVMH Services BV	Baarn, Netherlands	FC	100%	Eastern & Oriental Express Ltd	Hamilton, Bermuda	EM	25%
LVMH Finance Belgique	Brussels, Belgium	FC	100%	Leisure Holdings Asia Ltd	Hamilton, Bermuda	FC	100%
Marithé	Luxembourg	FC	100%	Vessel Holdings 2 Ltd	Hamilton, Bermuda	FC	100%
LVMH EU	Luxembourg	FC	100%	Belmond Anguilla Holdings LLC	Hamilton, Bermuda	FC	100%
Ufilug	Luxembourg	FC	100%	Belmond Anguilla Member LLC	Hamilton, Bermuda	FC	100%
Glacea	Luxembourg	FC	100%	Belmond Anguilla Owner LLC	Hamilton, Bermuda	FC	100%
Naxara	Luxembourg	FC	100%	Belmond Interfin Ltd <sup>(b)</sup>	Hamilton, Bermuda	FC	100%
Pronos	Luxembourg	FC	100%	Belmond Ltd <sup>(b)</sup>	Hamilton, Bermuda	FC	100%
Sofidil	Luxembourg	FC	100%	OE Interactive Ltd <sup>(b)</sup>	Hamilton, Bermuda	EM	50%
LVMH Publica	Brussels, Belgium	FC	100%	Gametrackers (Botswana)(Pty) Ltd	Maun, Botswana	FC	100%
LVMH Moët Hennessy Louis Vuitton	Tokyo, Japan	FC	100%	Game Viewers (Pty) Ltd	Maun, Botswana	FC	100%
Osaka Fudosan Company	Tokyo, Japan	FC	100%	Xaxaba Camp (Pty) Ltd	Gaborone, Botswana	FC	100%
LVMH Asia Pacific	Hong Kong, China	FC	100%	Elysee Spa	Marigot, Saint Martin	FC	100%
LVMH (Shanghai) Management & Consultancy Co. Ltd	Shanghai, China	FC	100%	La Samanna SAS	Marigot, Saint Martin	FC	100%
LVMH South & South East Asia Pte Ltd	Singapore	FC	100%	Phoenix Argente SAS	Marigot, Saint Martin	FC	100%
LVMH Korea Ltd	Seoul, South Korea	FC	100%	Societe D'Exploitation Residence La Samanna SAS	Marigot, Saint Martin	FC	100%
Vicuna Holding	Milan, Italy	FC	100%	CSN Immobiliaria SA de CV	San Miguel de Allende, Mexico	FC	100%
Pasticceria Confeetteria Cova	Milan, Italy	FC	80%	OEH Operadora San Miguel SA de CV	San Miguel de Allende, Mexico	FC	100%
Cova Montenapoleone	Milan, Italy	FC	80%	CSN Real Estate 1 SA de CV	San Miguel de Allende, Mexico	FC	100%
Cova France SAS	Paris, France	FC	80%	OEH Servicios San Miguel SA de CV	San Miguel de Allende, Mexico	FC	100%
Investissement Hôtelier Saint Barth Plage des Flamands	Saint-Barthélemy, French Antilles	FC	56%	Operadora de Hoteles Rivera Maya SA de CV	Riviera Maya, Mexico	FC	100%
Dajbog S.A.	Luxembourg	FC	100%	Miraflores Ventures Ltd SA de CV	Riviera Maya, Mexico	FC	100%
Alderande	Paris, France	FC	56%	Plan Costa Maya SA de CV	Riviera Maya, Mexico	FC	100%
Palladios Overseas Holding	London, United Kingdom	FC	100%	Spa Residencial SA de CV	Riviera Maya, Mexico	FC	100%
75 Sloane Street Services Limited	London, United Kingdom	FC	100%	Belmond Brasil Hoteis SA	Foz do Iguacu, Brazil	FC	100%
Belmond (UK) Limited	London, United Kingdom	FC	100%	Companhia Hoteis Palace SA	Rio de Janeiro, Brazil	FC	98%
Belmond Dollar Treasury Limited	London, United Kingdom	FC	100%	Iguassu Experiences Agencia de Turismo Ltda	Foz do Iguacu, Brazil	FC	100%
Belmond Finance Services Limited	London, United Kingdom	FC	100%	Belmond Brasil Servicos Hoteleiros SA	Rio de Janeiro, Brazil	FC	100%
Belmond Management Limited	London, United Kingdom	FC	100%	Robisi Empreendimentos e Participacoes SA	Rio de Janeiro, Brazil	EM	50%
Belmond Sterling Treasury Limited	London, United Kingdom	FC	100%	Signature Boutique Ltda	Rio de Janeiro, Brazil	FC	100%
Blanc Restaurants Limited	London, United Kingdom	FC	100%	CSN (San Miguel) Holdings Ltd	Tortola, British Virgin Islands	FC	100%
European Cruises Limited	London, United Kingdom	FC	100%	Equimax Overseas Co Ltd	Road Town, British Virgin Islands	FC	100%
Great Scottish and Western Railway Holdings Limited	London, United Kingdom	FC	100%	Grupo Conceptos SA	Road Town, British Virgin Islands	FC	100%
The Great Scottish and Western Railway Company Limited	London, United Kingdom	FC	100%	Miraflores Ventures Ltd	Road Town, British Virgin Islands	FC	100%
Horatio Properties Limited	London, United Kingdom	FC	100%	Novato Universal Ltd	Road Town, British Virgin Islands	FC	100%
Island Hotel (Madeira) Limited	London, United Kingdom	FC	100%	Belmond Peru Management SA	Lima, Peru	FC	100%
Mount Nelson Hotel Limited	London, United Kingdom	FC	100%	Belmond Peru SA	Lima, Peru	FC	100%
La Residencia Limited	London, United Kingdom	FC	100%	Ferrocarril Transandino SA	Lima, Peru	EM	50%
LuxuryTravel.Com UK Limited	London, United Kingdom	FC	100%	Perurail SA	Lima, Peru	EM	50%
Reid's Hotel Madeira Limited	London, United Kingdom	FC	100%	Peru Belmond Hotels SA	Lima, Peru	EM	50%
VSOE Holdings Limited	London, United Kingdom	FC	100%	Peru Experiences Belmond SA	Lima, Peru	EM	50%
Venice Simplon-Orient-Express Limited - UK branch	London, United Kingdom	FC	100%	Belmond Japan Ltd	Tokyo, Japan	FC	100%
Belmond CJ Dollar Limited	London, United Kingdom	FC	100%	Belmond Pacific Ltd	Hong Kong, China	FC	100%
Croisieres Orex SAS	Saint-Usage, France	FC	100%	Belmond China Ltd	Hong Kong, China	FC	100%
VSOE Voyages SA	Paris, France	FC	100%	Belmond Hong Kong Ltd	Hong Kong, China	FC	100%
VSOE Deutschland GmbH	Cologne, Germany	FC	100%	Hosia Company Ltd	Hong Kong, China	FC	100%
Ireland Luxury Rail Tours Ltd	Dublin, Ireland	FC	100%	Belmond Hotels Singapore Pte Ltd	Singapore	FC	100%
Villa Margherita SpA	Florence, Italy	FC	100%	E&O Services (Singapore) Pte Ltd	Singapore	EM	25%
Belmond Sicily SpA	Florence, Italy	FC	100%	Belmond (Thailand) Company Ltd	Bangkok, Thailand	FC	100%
Belmond Italia SpA	Genoa, Italy	FC	100%	E&O Services (Thailand) Pte Ltd	Bangkok, Thailand	EM	25%
Hotel Caruso SpA	Florence, Italy	FC	100%	Fine Resorts Co Ltd	Bangkok, Thailand	FC	100%
Hotel Cipriani SpA	Venice, Italy	FC	100%	Samui Island Resort Co Ltd	Koh Samui, Thailand	FC	100%
Hotel Splendido SpA	Portofino, Italy	FC	100%	Khmer Angkor Hotel Co Ltd	Siem Reap, Cambodia	FC	99%
Villa San Michele SpA	Florence, Italy	FC	100%	Société Hôtelière de Pho Vao	Luang Prabang, Laos	FC	69%
Luxury Trains Servizi Srl	Venice, Italy	FC	100%	Myanmar Cruises Ltd	Yangon, Myanmar	FC	100%
Castello di Casole SpA	Querceto, Italy	FC	100%	Myanmar Hotels & Cruises Ltd	Yangon, Myanmar	FC	100%
Castello di Casole Agricoltura SpA	Querceto, Italy	FC	100%	Myanmar Shwe Kyet Yet Tours Ltd	Yangon, Myanmar	FC	100%
Belmond Spanish Holdings SL	Madrid, Spain	FC	100%	PRA-FMI Pansea Hotel Development Co Ltd	Yangon, Myanmar	FC	100%
Nomis Mallorcan Investments SA	Madrid, Spain	FC	100%	PT Bali Resort & Leisure Co Ltd	Bali, Indonesia	FC	100%
Son Moragues SA	Deià, Spain	FC	100%	Belmond Australia Pty Ltd	Melbourne, Australia	FC	100%
Reid's Hoteis Lda	Funchal, Portugal	FC	100%	Exclusive Destinations (Pty) Ltd	Cape Town, South Africa	FC	100%
Europe Hotel LLC	Saint Petersburg, Russia	FC	100%	Fraser's Helmsley Properties (Pty) Ltd	Cape Town, South Africa	FC	100%
Belmond USA Inc	Delaware, USA	FC	100%	Mount Nelson Commercial Properties (Pty) Ltd	Cape Town, South Africa	FC	100%
21 Club Inc	New York, USA	FC	100%	Mount Nelson Residential Properties (Pty) Ltd	Cape Town, South Africa	FC	100%
Belmond Pacific Inc	Delaware, USA	FC	100%	Luxury Trains Switzerland AG	Zurich, Switzerland	FC	100%
Belmond Reservation Services Inc	Delaware, USA	FC	100%				
Charleston Centre LLC	Delaware, USA	FC	100%				
Charleston Place Holdings Inc	Delaware, USA	FC	100%				
El Encanto Inc	Delaware, USA	FC	100%				
Inn at Perry Cabin Corporation	Maryland, USA	FC	100%				

Companies	Registered office	Method of consolidation	Ownership interest	Companies	Registered office	Method of consolidation	Ownership interest
Charleston Partners Inc.	South Carolina, USA	FC	100%	Media Presse	Saint-Ouen, France	FC	75%
LVMH Happening SAS	Paris, France	FC	100%	LP Management	Paris, France	FC	100%
LVMH Client Services	Paris, France	FC	100%	Wagner Capital SA SICAR	Luxembourg	FC	51%
Le Parisien Libéré	Saint-Ouen, France	FC	100%	Breakfast Holdings Acquisition	New York, USA	FC	100%
Team Diffusion	Saint-Ouen, France	FC	100%	449 North Beverly Drive	New York, USA	FC	100%
Team Media	Paris, France	FC	100%	L Catterton Management	London, United Kingdom	EM	20%
Société Nouvelle SICAVIC	Paris, France	FC	100%	LVMH Representações Ltda	São Paulo, Brazil	FC	100%
L.P.M.	Paris, France	FC	100%	LVMH Moët Hennessy Louis Vuitton	Paris, France		Parent company
Proximity	Saint-Ouen, France	FC	75%				

FC: Fully consolidated.

EM: Accounted for using the equity method.

JV: Joint venture company with Diageo: only the Moët Hennessy activity is consolidated. See also Notes 1.7 and 1.27 for the revenue recognition policy for these companies.

(a) Profit from this company is taxable in France.

(b) Profit from this company is taxable in the United Kingdom.

Companies not included in the scope of consolidation

## COMPANIES NOT INCLUDED IN THE SCOPE OF CONSOLIDATION

Companies	Registered office	Ownership interest	Companies	Registered office	Ownership interest
Société d'Exploitation Hôtelière de Saint-Tropez	Paris, France	100%	Sofpar 139	Paris, France	100%
Société Nouvelle de Libraire et de l'Édition	Paris, France	100%	Sofpar 140	Paris, France	100%
Samos 1850	Paris, France	100%	Sofpar 141	Paris, France	100%
BRN Invest NV	Baarn, Netherlands	100%	Sofpar 142	Paris, France	100%
Toiltech	Paris, France	90%	Sofpar 143	Paris, France	100%
Bvlgari Austria Ltd	Vienna, Austria	100%	Sofpar 144	Paris, France	100%
Sephora Macao Limited	Macao, China	100%	Sofpar 145	Paris, France	100%
Les Beaux Monts	Paris, France	90%	Prolepis	Paris, France	100%
Sofpar 116	Paris, France	100%	Prolepis Investment Ltd	Paris, France	100%
Sofpar 125	Paris, France	100%	Innovación en Marcas de Prestigio SA	Paris, France	65%
Sofpar 127	Paris, France	100%	MS 33 Expansion	Paris, France	100%
Sofpar 131	Paris, France	100%	Shinsegae International Co. Ltd LLC	Paris, France	51%
Sofpar 132	Paris, France	100%	Crystal Pumpkin	Florence, Italy	99%
Sofpar 133	Paris, France	100%	Loewe Nederland BV	Madrid, Spain	100%
L. Courtage Réassurance SAS	Paris, France	100%	Groupement Forestier des Bois de la Celle	Cognac, France	65%
Sofpar 136	Paris, France	100%	Augesco	Paris, France	50%
Sofpar 137	Paris, France	100%	Hugo	Paris, France	100%
Sofpar 138	Paris, France	100%	Folio St. Barths	New York, USA	100%

The companies which are not included in the scope of consolidation are either entities that are inactive and/or being liquidated, or entities whose individual or collective consolidation would not have a significant impact on the Group's main aggregates.



# STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders' Meeting of LVMH Moët Hennessy Louis Vuitton,

## 1. Opinion

In compliance with the engagement entrusted to us by your Shareholders' Meeting, we have audited the accompanying consolidated financial statements of LVMH Moët Hennessy Louis Vuitton for the fiscal year ended December 31, 2020.

In our opinion, the consolidated financial statements give a true and fair view of the Group's assets, liabilities and financial position as of December 31, 2020 and of the results of its operations for the fiscal year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Performance Audit Committee.

## 2. Basis for our opinion

### Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the section of our report entitled "Statutory Auditors' responsibilities for the audit of the consolidated financial statements".

### Independence

We conducted our audit engagement in compliance with the independence rules provided by the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors, for the period from January 1, 2020 to the date of our report. We did not provide any prohibited non-audit services referred to in Article 5 (1) of Regulation (EU) 537/2014.

## 3. Emphasis of matter

Without calling into question the opinion expressed above, we draw attention to the matter described in Note 1.2 to the consolidated financial statements relating to the consequences of the initial application of the amendment to IFRS 16 on the recognition of rent concessions granted by lessors in connection with the Covid-19 pandemic.

## 4. Justification of assessments - Key audit matters

The global crisis arising from the Covid-19 pandemic imposed particular conditions on the preparation and audit of the financial statements for this fiscal year. The crisis and the exceptional measures taken in response to the public health emergency had wide-ranging consequences on companies, especially on their business activity and financing, and heightened uncertainty regarding their outlook for the future. Some of these measures, such as travel restrictions and remote working, also had an impact on the internal organization of companies and on the conditions under which audits were run.

Within this complex, changing context, in accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement which, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the fiscal year, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon. We do not provide a separate opinion on specific items of the consolidated financial statements.

## Valuation of fixed assets, in particular intangible assets

### Risk identified

As of December 31, 2020, the value of the Group's fixed assets totaled 63.8 billion euros. These fixed assets mainly comprise brands, trade names and goodwill recognized on external growth transactions; property, plant and equipment (land, vineyard land, buildings, and fixtures and fittings at stores and hotels in particular); and right-of-use assets.

We considered the valuation of these fixed assets to be a key audit matter, due to their significance in the Group's financial statements and because the determination of their recoverable amount, which is usually based on discounted forecast cash flows, requires the use of assumptions, estimates and other forms of judgment, as specified in Notes 1.3 and 1.6 to the consolidated financial statements, while the context of the Covid-19 pandemic increases the degree of uncertainty and makes it more difficult to assess the outlook.

### Our response

The Group tests these assets for impairment, as described in Notes 1.16 and 5 to the consolidated financial statements.

In this context, we assessed the methods used to perform these impairment tests and focused our work primarily on the Maisons most affected by the negative changes in the current business environment, or where the carrying amount of intangible assets represents a high multiple of profit from recurring operations.

We assessed the data and assumptions that served as the basis for the main estimates used, in particular forecast cash flows, assumptions regarding a return to 2019 business levels, long-term growth rates and the discount rates applied. We also analyzed the consistency of forecasts with past performance and market outlook, and conducted impairment test sensitivity analyses. In addition, where the recoverable amount is estimated by comparison with recent similar transactions, we corroborated the analyses provided with available market data. All of these analyses were carried out with our valuation experts.

Lastly, we assessed the appropriateness of the information disclosed in the notes to the consolidated financial statements.

## Valuation of inventories and work in progress

### Risk identified

The success of the Group's products, particularly in the Fashion and Leather Goods and the Watches and Jewelry business groups, depends among other factors on its ability to identify new trends and changes in behaviors and tastes, enabling it to offer products that meet consumers' expectations.

The Group determines the amount of impairment of inventories and work in progress on the basis of sales prospects in its various markets or due to product obsolescence, as specified in Note 1.18 to the consolidated financial statements. Amidst the Covid-19 pandemic, provisions for inventory impairment were updated to reflect slower inventory turnover and more limited sales prospects for seasonal products, as indicated in Note 1.3 to the consolidated financial statements.

We considered this to constitute a key audit matter since the aforementioned projections and any resulting impairment are intrinsically dependent on assumptions, estimates and other forms of judgment made by the Group. Due to the Covid-19 pandemic, the closure of points of sale increases the level of uncertainty regarding the sale of inventories and generates a heightened risk of product returns. Furthermore, inventories are present at a large number of subsidiaries, and determining this impairment also depends on the monitoring of internal margins, which are eliminated in the consolidated financial statements unless and until inventories are sold to non-Group clients.

### Our response

As part of our procedures, we analyzed sales prospects as estimated by the Group in light of past performance and the most recent budgets, including the impact of the Covid-19 pandemic, in order to corroborate the resulting impairment amounts. Where applicable, we assessed the assumptions made by the Group for the recognition of non-recurring impairment. The consequences of slower inventory turnover, more limited sales prospects for seasonal products and return risks were also analyzed.

We also assessed the consistency of internal margins eliminated in the consolidated financial statements, by assessing in particular the margins generated with the various distribution subsidiaries and comparing them to the elimination percentage applied.

## Provisions for contingencies, losses and uncertain tax positions

### Risk identified

The Group's activities are carried out worldwide, within what is often an imprecise regulatory framework that is different for each country, changes over time and applies to areas ranging from product composition and packaging to the income tax computation and relations with the Group's partners (distributors, suppliers, shareholders in subsidiaries, etc.). Within this context, the Group's activities may give rise to risks, disputes or litigation, and the Group's entities in France and abroad may be subject to tax inspections and, in certain cases, to rectification claims from local administrations.

As indicated in Notes 1.21 and 20 to the consolidated financial statements:

- provisions for contingencies and losses correspond to the estimate of the impact on assets and liabilities of risks, disputes, or actual or probable litigation arising from the Group's activities;
- non-current liabilities related to uncertain tax positions include an estimate of the risks, disputes and actual or probable litigation related to the income tax computation, in accordance with IFRIC 23.

We considered this to constitute a key audit matter due to the significance of the amounts concerned and the level of judgment required to monitor ongoing regulatory changes and evaluate these provisions in the context of a constantly evolving international regulatory environment.

### Our response

In the context of our audit of the consolidated financial statements, our work consisted in particular in:

- assessing the procedures implemented by the Group to identify and catalogue all risks, disputes, litigation and uncertain tax positions;
- obtaining an understanding of the risk analysis performed by the Group and the corresponding documentation and, where applicable, reviewing written confirmations from external advisors;
- assessing – with our experts, tax specialists in particular – the main risks identified and assessing the reasonableness of the assumptions made by Group management to estimate the amount of the provisions and of liabilities related to uncertain tax positions;
- carrying out a critical review of analyses relating to the use of provisions for contingencies and losses, and of liabilities related to uncertain tax positions, prepared by the Group;
- assessing – with our tax specialists – the evaluations drawn up by the Group's Tax Department relating to the consequences of changes in tax laws;
- assessing the appropriateness of information relating to these risks, disputes, litigation and uncertain tax positions disclosed in the notes to the financial statements.

## 5. Specific verifications

In accordance with professional standards applicable in France, we also performed the specific verifications required by laws and regulations of the information concerning the Group provided in the *Management Report of the Board of Directors*.

We have no matters to report as to this information's fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated statement of non-financial performance provided for by Article L. 225-102-1 of the French Commercial Code (*Code de commerce*) is included in the Group's Management Report, with the proviso that, in accordance with the provisions of Article L. 823-10 of said code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained in this statement, which must be subject to a report by an independent third party.

## 6. Other verifications or information required by laws and regulations

### Presentation format for the consolidated financial statements to be included in the Annual Financial Report

In accordance with Article 222-3 III of the AMF's General Regulation, your Company's management has informed us of its decision to postpone the application of the European Single Electronic Format as defined by Commission Delegated Regulation (EU) 2019/815 of December 17, 2018 to fiscal years beginning on or after January 1, 2021.

Consequently, this report does not include a conclusion on compliance with this format in the presentation of the consolidated financial statements to be included in the Annual Financial Report mentioned in Article L. 451-1-2 I of the French Monetary and Financial Code (*Code monétaire et financier*).

### Appointment of the Statutory Auditors

Our audit firms were appointed as Statutory Auditors of LVMH Moët Hennessy Louis Vuitton by your Shareholders' Meeting held on April 14, 2016.

As of December 31, 2020, our audit firms were in the fifth consecutive year of their engagement, it being specified that ERNST & YOUNG et Autres and ERNST & YOUNG Audit, members of the international EY network, were respectively Statutory Auditors from 2010 to 2015 and from 1988 to 2009.

## 7. Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, for disclosing any matters related to going concern, and for using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Performance Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements have been approved by the Board of Directors.

## 8. Statutory Auditors' responsibilities for the audit of the consolidated financial statements

### Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance as to whether the consolidated financial statements taken as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; designs and performs audit procedures responsive to those risks; and obtains audit evidence considered to be sufficient and appropriate to provide a basis for its opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or overriding internal control;

- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control;
- assesses the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of its audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to issue a qualified or adverse audit opinion;
- assesses the overall presentation of the consolidated financial statements and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtains sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the scope of consolidation to express an opinion on the consolidated financial statements. The Statutory Auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these financial statements.

### Report to the Performance Audit Committee

We submit a report to the Performance Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report any significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Performance Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements for the fiscal year and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Performance Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set out in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics (*Code de déontologie*) for Statutory Auditors. We discuss any risks that may reasonably be thought to bear on our independence, and the related safeguards, with the Performance Audit Committee.

Courbevoie and Paris-La Défense, February 8, 2021

The Statutory Auditors

MAZARS

Loïc Wallaert      Isabelle Sapet

ERNST & YOUNG Audit

Gilles Cohen      Patrick Vincent-Genod

This is a free translation into English of the Statutory Auditors' report on the consolidated financial statements of the Company issued in French. It is provided solely for the convenience of English speaking users. This Statutory Auditors' report includes information required under European regulations and French law, such as information about the appointment of the Statutory Auditors and the verification of information concerning the Group presented in the Management Report. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.





LVMH

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MOËT HENNESSY ♦ LOUIS VUITTON

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