

LOUIS VUITTON DANMARK A/S

Amagertorv 2
1160 København K

Annual report
1 January 2015 - 31 December 2015

**The annual report has been presented and
approved on the company's general meeting the**

24/06/2016

Lise Ladegaard
Chairman of general meeting

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Company information

Reporting company	LOUIS VUITTON DANMARK A/S Amagertorv 2 1160 København K Phone number: 33151022 Fax number: 33151110 CVR-nr: 11935893 Reporting period: 01/01/2015 - 31/12/2015
Main financial institution	Nordea Bank Danmark A/S DK Denmark
Auditor	Deloitte Statsautoriseret Revisionspartnerselskab Weidekampsgade 6 2300 København S DK Denmark CVR-nr: 33963556 P-number: 1017192430

Statement by Management

The board of directors and the executive board have today presented the annual report of Louis Vuitton Danmark A/S for the financial year 2015.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position as on 31 December 2015 and of the company's results of its activities and cash flow in the period from 1 January to 31 December 2015.

We are of the opinion that the management review includes a fair description of the facts to which they relates.

The annual report is recommended for approval by the general meeting.

Paris, the 01/06/2016

Executive board

Christopher Charles Zanardi-Landi

Board of directors

Isabelle Brunetiere Rebours

Christopher Charles Zanardi-Landi

Alessandro Valenti

Independent Auditor's Reports

To the shareholder of LOUIS VUITTON DANMARK A/S

Report on financial statements

We have audited the financial statements of LOUIS VUITTON DANMARK A/S for the financial year 1. January 2015 - 31. December 2015, which comprise summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Executive and supervisory board's responsibility for financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of the financial statements that are free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish Audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management, as well as the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.

Opinion on financial statements

In our opinion the financial statements give a true and fair view of the company's assets, liabilities and financial position as at 31. December 2015 and of its financial performance for the financial year 1. January 2015 - 31. December 2015, in accordance with the Danish Financial Statements Act.

Reports on other legal and regulatory requirements

Statement on Management's review

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the financial statements.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the financial statements.

Copenhagen, 01/06/2016

Lars Andersen
State Authorised Public Accountant
Deloitte Statsautoriseret Revisionspartnerselskab
CVR: 33963556

Management's Review

Main activities

Like previous years, the main activities has consisted of retailing Louis Vuitton branded products.

Unusual matters

There has been no unexpected circumstances this year.

Uncertainties in relation and measurement

There has not been uncertainties related to recognition and measuring during the year.

Development in activities and economic conditions

The results from ordinary activities after tax are 19.608 t.kr against 12.411 t.kr last year. The management consider the results satisfactory.

Special risks

The company does not have any special price-, currency-or interest risks.

Environmental issues

The company has prepared a comprehensive strategy for environmental work.

Know how resources

The company bases its activity on educated industry-related know-how resources, where quality and diligence of the work performance are put into focus.

Research and development activities

The company did not have expenses related to research and development.

The expected development

The company expect to maintain the revenue in 2016 and future years.

Considering the significant performance of 2015, the 2016 budget will be more difficult to achieve, but the product development will help reaching the budget and the clients' expectation.

So far, the result of first quarter of 2016 is comparable to last year.

Events subsequent to the end of the financial year

No events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the Company.

Annual profit compared with the expected development

There is an increase of the profit of 7,197 K DKK due to increase of sales which is linked to the good performance of our new store opened in 2012 on Amagertorv 2.

Key figures and Financial Ratios

	2015	2014	2013	2012	2011
	kr.	kr.	kr.	kr.	kr.
Key figures					
Profit (loss) from ordinary operating activities	26.618	16.109	13.790	9.203	14.501
Net financials	-113	-173	-80	31	43
Profit (loss)	19.608	12.411	10.610	6.957	10.897
Balance sheet sum	56.010	47.579	56.572	62.363	33.201
Investment in property, plant and equipment	325	749	2.125	36.330	997
Equity	38.349	31.152	29.351	25.741	24.785
Financial ratios					
Solvency ratio	68,5 %	65,5 %	51,9%	41,3 %	74,7%
Return on equity	56,4%	39,8 %	38,5%	27,5 %	56,4%
Average number of employees	18	17	19	21	17

Accounting Policies

The annual report has been prepared in accordance with the regulation applying to Reporting class C, medium-size enterprise.

General

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

Recognition and measurement in general

Income is recognised in the profit and loss account simultaneously with its realisation, including the recognition of the value adjustments of financial assets and liabilities.

Likewise, all costs, these including depreciation, amortisation, writedown, provisions and reversals, which are due to change in estimated amounts previously recognised in profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to loose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described for each individual item.

Translation of foreign currency

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors and other monetary items in foreign currency, which are not settled at the date of the balance sheet, are translated by using the closing rate. The difference between the closing rate and the rate at the time of establishment of the receivable or the payable is recognised in the profit and loss account under financial income and financial costs.

The profit and loss account

The gross profit contains the net turnover, cost of goods sold, other operating income and external costs. The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Cost of sales include costs for the purchase of goods less discounts and changes in inventories.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors and operational leasing costs.

Employee expense

Employee expense include salaries and wages including holiday allowances, pensions and other costs for social security etc. for employee members. Employee expense are less public reimbursements.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses comprise depreciation, amortisation and impairment losses for the year and gains and losses on disposal of intangible and tangible fixed assets.

Net financials

Net financials include income, interest expenses, and realised and unrealised capital gains and losses on financial assets and liabilities. Net financials are recognised in the profit and loss account with the amounts concerning the financial year.

Tax on the results for the year

The tax for the year contains the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises. The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses)

Balance sheet**Intangible fixed assets****Acquired intangible assets**

Acquired intangible assets is measured at cost with deduction of accumulated amortisation.

Acquired intangible assets is amortized on a straight-line basis over the estimated financial life, which is 5 years.

Goodwill

Goodwill is measured at cost with deduction of accumulated amortisation.

Goodwill is amortized on a straight-line basis over the estimated financial life, which is 8 years.

Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accumulated depreciation and writedown.

The basis of depreciation at cost with deduction of expected residual value after the end of the useful life of the asset.

The cost price contains the acquisition cost and cost directly linked to the acquisition until the time when the asset is ready for use.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

Fixtures, fittings, tools and equipment: 3-6 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss accounting the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale.

Profit or loss recognised in the profit and loss account under depreciation.

Leasehold improvements

Leasehold improvements of rented premises are measured at cost with deduction of accumulated depreciation. Depreciation takes place on a straight-line basis over the estimated useful life of the asset, which is set at 6 years.

Property, plant and equipment in progress and prepayments for property, plant and equipment

Property, plant and equipment in progress and prepayments for property, plant and equipment are measured at cost. There is no depreciation for this kind of fixed asset.

Deposits

Deposits consists of deposits made for rent. The deposit is adjusted yearly with the indexation.

Inventories

Inventories are measured at cost on basis of measured average prices. In the case, the net realisable value is lower than the cost, writedown takes place at this lower value.

The cost for trade goods, raw material, and consumables comprises the acquisition cost with the addition of the delivery costs.

Trade receivables

Trade receivables are measured at amortised cost which usually corresponds to face value.

In order to meet expected losses, writedown takes place at the net realisable income.

Other receivable and deferred income assets

Other receivables consists of accrued income and deferred income assets consists of deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Cash and cash equivalents.

Cash and cash equivalents comprise cash.

Equity - dividend

Dividend expected to be distributed for the year is recognised as a separate item under the equity.

Proposed dividend is recognised as a liability at the time of approval by the general meeting.

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

According to the rules of joint taxation, Louis Vuitton Danmark A/S is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Liabilities

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

Explanation for the lack of cash flow statement

Cash flow statement

According to Danish Financial Statements Act § 86, 4, there is no cash flow statement included. Cash flow statement for Louis Vuitton Denmark is included in the consolidated financial statements for LVMH, France.

The key figures

The key figures have been laid out in accordance with the publication "Anbefalinger & Nøgetal 2010" ('Recommendations & Key figures 2010') published by the Danish Association of Finance Analysts.

The key figures in the table are as follow:

Solvency ratio: $\text{Equity less minority interests, closing balance} \times 100 / \text{Total liabilities, closing balance}$

Return on equity: $\text{Results} \times 100 / \text{Average equity exclusive of minority interests}$

Income statement 1 Jan 2015 - 31 Dec 2015

	Disclosure	2015 kr.	2014 kr.
Gross profit (loss)		40,248,636	30,581,626
Employee expense	1	-6,625,646	-7,689,166
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets		-6,973,551	-6,783,119
Profit (loss) from ordinary operating activities		26,649,439	16,109,341
Other finance expenses	2	-144,480	-172,841
Profit (loss) from ordinary activities before tax		26,504,959	15,936,500
Tax expense	3	-6,897,107	-3,525,814
Profit (loss)		19,607,853	12,410,686
Proposed distribution of results			
Proposed dividend recognised in equity		29,607,853	12,410,686
Retained earnings		-10,000,000	0
Proposed distribution of profit (loss)		19,607,853	12,410,686

Balance sheet 31 December 2015

Assets

	Disclosure	2015 kr.	2014 kr.
Acquired intangible assets		546,408	702,708
Goodwill		1,505,187	1,817,698
Intangible assets	4	2,051,595	2,520,406
Fixtures, fittings, tools and equipment		3,959,011	5,181,066
Leasehold improvements		14,495,736	19,616,486
Property, plant and equipment in progress and prepayments for property, plant and equipment		423,378	0
Property, plant and equipment	5	18,878,125	24,797,552
Deposits		2,952,096	2,929,974
Investments	6	2,952,096	2,929,974
Total non-current assets		23,881,816	30,247,932
Manufactured goods and goods for resale		7,993,448	9,871,902
Inventories		7,993,448	9,871,902
Trade receivables		1,308,359	1,246,269
Receivables from group enterprises		15,076,965	149,763
Current deferred tax assets		1,521,930	0
Other receivables		439,404	332,000
Deferred income assets		1,659,364	1,605,904
Receivables		20,006,022	3,333,936
Cash and cash equivalents		4,128,363	4,124,829
Current assets		32,127,833	17,330,667
Total assets		56,009,649	47,578,599

Balance sheet 31 December 2015

Liabilities and equity

	Disclosure	2015 kr.	2014 kr.
Contributed capital		500,000	500,000
Retained earnings		8,241,208	18,241,208
Proposed dividend		29,607,853	12,410,686
Total equity		38,349,061	31,151,894
Provisions for deferred tax		0	1,611,589
Provisions, gross		0	1,611,589
Trade payables		641,790	1,094,316
Payables to group enterprises		6,677,852	7,543,396
Other payables, including tax payables, liabilities other than provisions		10,340,946	6,177,404
Short-term liabilities other than provisions, gross		17,660,588	14,815,116
Liabilities other than provisions, gross		17,660,588	14,815,116
Liabilities and equity, gross		56,009,649	47,578,599

Statement of changes in equity 1 Jan 2015 - 31 Dec 2015

	Contributed capital	Retained earnings	Proposed dividend recognised in equity	Total
	kr.	kr.	kr.	kr.
Equity, beginning balance	500,000	18,241,208	12,410,686	31,151,894
Dividend paid			-12,410,686	-12,410,686
Profit (loss)		-10,000,000	29,607,853	19,607,853
Equity, ending balance	500,000	8,241,208	29,607,853	38,349,061

Disclosures

1. Employee expense

	2015	2014
	kr.	kr.
Salary and wages	5,849,349	7,066,564
Other costs for social security	496,957	264,837
Other staff costs	279,340	357,765
	6,625,646	7,689,166

	2015	2014
Average number of employees	18	17

2. Other finance expenses

	2015	2014
	kr.	kr.
Interest, group enterprises	2,992	77,603
Other interest expense	141,488	95,238
	144,480	172,841

3. Tax expense

	2015	2014
	kr.	kr.
Current tax	6,968,658	3,451,077
Changes in deferred tax	-653,292	74,737
Prior year adjustments	3,061,968	0
Adjustment of deferred tax prior years	-2,480,227	0
	6,897,107	3,525,814

4. Intangible assets

Software	kr. 2015	kr. 2014
Cost, beginning of year	781,500	0
Additions	0	781,500
Disposals	0	0
Cost, end of year	781,500	781,500
Impairment and depreciation, beginning of year	-78,792	0
Depreciation for the year	-156,300	-78,792
Impairment and depreciation, end of year	-235,092	-78,792
Carrying value, end of year	546,408	702,708

Goodwill	kr. 2015	kr. 2014
Cost, beginning of year	2,500,000	2,500,000
Additions	0	0
Disposals	0	0
Cost, end of year	2,500,000	2,500,00
Impairment and depreciation, beginning of year	-682,302	-369,792
Depreciation for the year	-312,510	-312,510
Impairment and depreciation, end of year	-994,813	-682,302
Carrying value, end of year	1,505,187	1,817,698

5. Property, plant and equipment

	Fixtures, fittings, tool and equipment	Leasehold improvements	Property, plant and equipment in progress
	kr.	kr.	kr.
Cost, beginning of year	8,143,969	30,245,422	0
Additions	266,586	58,196	423,378
Disposals	0	-162,845	0
Cost, end of year	8,410,555	30,140,773	423,378
Impairment losses and depreciation, beginning of year	-2,962,904	-10,628,936	0
Depreciation for this year	-1,488,640	-5,016,101	0
Reversal on disposal	0	0	0
Impairment losses and depreciation, end of year	-4,451,544	15,645,037	0
Carrying value, end of year	3,959,011	14,495,736	423,378

6. Investments

	2015 kr.	2014 kr.
Deposit		
Cost price, beginning	2,929,974	2,914,489
Additions	22,122	15,485
Disposals	0	0
Cost, end of year	2,952,096	2,929,974

7. Disclosure of contingent liabilities

The company has entered lease liability on a lease, which is irrevocable until 1/10/2019. The liability of that period is DKK 22.133.

Parfumes Christian Dior A/S being the administration company, the company is subject to the Danish scheme of joint taxation and, as from the financial year 2012, unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax. As from 1 July 2012, the company is unlimited jointly and severally liable with the other jointly taxed companies for any obligation to withhold tax on interest, royalties and dividends. Any subsequent adjustments of corporate taxes or withheld taxes etc. may cause change in the company's liabilities.

8. Disclosure of mortgages and collaterals

There is no mortgages and securities.

9. Disclosure of ownership

Ownership

The company has registered the following shareholders holding more than 5% of the voting rights or nominal value:

Louis Vuitton Malletier S.A. France

Related parties

Controlling interest:

Louis Vuitton Malletier SA
2, Rue du Pont Neuf
75001 Paris
France

Group relations

Included in the consolidated financial statements of: Louis Vuitton Malletier S.A. France

10. Information on remuneration of management categories and special incentive programmes

No fees were paid to management.