

**Moët Hennessy Danmark A/S**  
**Central Business Registration No**  
**27960197**  
**Langebrogade 6A**  
**1411 København K**

**Annual report 2015**

The Annual General Meeting adopted the annual report on 08.06.2016

**Chairman of the General Meeting**



---

Name: Lars Belling

## **Contents**

	<b><u>Page</u></b>
Entity details	1
Statement by Management on the annual report	2
Independent auditor's reports	3
Management commentary	4
Accounting policies	6
Income statement for 2015	11
Balance sheet at 31.12.2015	12
Statement of changes in equity for 2015	14
Notes	15

## Entity details

### Entity

Moët Hennessy Danmark A/S  
Langebrogade 6A  
1411 København K

Central Business Registration No: 27960197

Registered in: København

Financial year: 01.01.2015 - 31.12.2015

### Board of Directors

Graham Boyes  
Maryse Malicet  
Lars Belling

### Executive Board

Lars Belling, CEO

### Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
Postboks 1600  
0900 København C

## Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Moët Hennessy Danmark A/S for the financial year 01.01.2015 - 31.12.2015.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.


We recommend the annual report for adoption at the Annual General Meeting.

København, 08.06.2016

### Executive Board

Lars Belling  
CEO

### Board of Directors

  
Graham Boyes

  
Maryse Malicet

  
Lars Belling

## Independent auditor's reports

### To the owners of Moët Hennessy Danmark A/S

#### Report on the financial statements

We have audited the financial statements of Moët Hennessy Danmark A/S for the financial year 01.01.2015 - 31.12.2015, which comprise the 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.

#### Management's responsibility for the 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 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 judgment, 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 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 audit opinion.

Our audit has not resulted in any qualification.

#### Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015 in accordance with the Danish Financial Statements Act.

#### Statement on the management commentary

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.

København, 08.06.2016

#### Deloitte

Statsautoriseret Revisionspartnerselskab

  
Lars Andersen  
State Authorised Public Accountant

CVR-nr. 33963556

## Management commentary

	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
	<b><u>DKK'000</u></b>	<b><u>DKK'000</u></b>	<b><u>DKK'000</u></b>	<b><u>DKK'000</u></b>	<b><u>DKK'000</u></b>
<b>Financial high-lights</b>					
<b>Key figures</b>					
Revenue	136.179	119.452	105.331	92.084	88.610
Gross profit/loss	27.796	25.177	24.599	21.413	20.798
Operating profit/loss	13.396	9.733	9.499	6.534	6.725
Net financials	13.598	25.395	24.708	(147)	4.670
Profit/loss for the year	24.093	32.720	31.548	5.040	9.720
Total assets	73.261	69.368	53.563	42.237	44.300
Investments in property, plant and equipment	61	387	188	79	445
Equity	33.747	34.679	26.986	14.133	(628)
<b>Ratios</b>					
Gross margin (%)	20,4	21,1	23,4	23,3	23,5
Net margin (%)	17,7	27,4	30,0	5,5	11,0
Return on equity (%)	70,4	106,1	153,4	74,6	(1.547,8)
Solvency ratio (%)	46,1	50,0	50,4	33,5	(1,4)

## **Management commentary**

### **Primary activities**

The object of the Company is trade in and distribution of, among other things, champagne, cognac and other alcoholic beverages and other related activities, and to act as holding company for sales and distribution companies in Norway, Sweden and Finland.

### **Development in activities and finances**

The Company's income statement for the year ended 31 December 2015 shows a net profit of DKK 24,093 thousand and the balance sheet at 31 December 2015 shows a shareholders equity of DKK 33,747 thousand.

The result is as expected.

### **Uncertainty relating to recognition and measurement**

There are no relevant uncertainty relating to recognition and measurement.

### **Unusual circumstances affecting recognition and measurement**

There are no unusual circumstances affecting recognition and measurement.

### **Outlook**

The Company expects a positive development in sales for the coming year.

### **Particular risks**

There are no particular risks.

### **Events after the balance sheet date**

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

## Accounting policies

### Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

Referring to section 112 (1) / section 112 (2) of the Danish Financial Statements Act, Moët Hennessy Danmark A/S has not prepared any consolidated financial statements.

The accounting policies applied for these financial statements are consistent with those applied last year.

### Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

### Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.



## **Accounting policies**

### **Income statement**

#### **Revenue**

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

#### **Cost of sales**

Cost of sales comprises costs of sales for the financial year measured at cost, adjusted for ordinary inventory write-downs.

#### **Costs of raw materials and consumables**

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and ordinary write-downs of the relevant inventories.

#### **Other external expenses**

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognised in current assets.

#### **Staff costs**

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

#### **Amortisation, depreciation and impairment losses**

Amortisation, depreciation and impairment losses relating to property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of property, plant and equipment.

#### **Income from investments in group enterprises**

Income from investments in group enterprises comprises dividend etc received from the individual group enterprises in the financial year.

#### **Other financial income**

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

## Accounting policies

### Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

### Income taxes

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish affiliated companies. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

## Balance sheet

### Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3 years
--	---------

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

### Investments in group enterprises

Investments in group enterprises are measured at cost and are written down to the lower of recoverable amount and carrying amount.

### Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

## Accounting policies

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

### Receivables

Receivables are measured at amortised cost, usually equalling nominal value less write-downs for bad and doubtful debts.

### Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

### Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

### Cash

Cash comprises cash in hand and bank deposits.

### Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

### Other financial liabilities

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

### Income tax receivable or payable

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

### Cash flow statement

According to section 86 (4) of the Danish Financial Statements Act, no cash flow statement has been prepared. Cash flow statement of Moët Hennessy Danmark A/S and its subsidiaries are included in the consolidated financial statements of LVMH, France.

## Accounting policies

### Financial highlights

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2015" issued by the Danish Society of Financial Analysts.

<b>Ratios</b>	<b>Calculation formula</b>	<b>Ratios reflect</b>
Gross margin (%)	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$	The Entity's operating gearing.
Net margin (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Revenue}}$	The Entity's operating profitability.
Return on equity (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$	The Entity's return on capital invested in the Entity by the owners.
Soliditetsgrad (%)	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	The financial strength of the Entity.

**Income statement for 2015**

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK'000</u>
Revenue		136.178.846	119.452
Cost of sales		(91.555.787)	(81.403)
Costs of raw materials and consumables		(7.145.137)	(6.681)
Other external expenses		<u>(9.681.901)</u>	<u>(6.191)</u>
<b>Gross profit/loss</b>		<b>27.796.021</b>	<b>25.177</b>
Staff costs	1	(14.374.564)	(14.941)
Depreciation, amortisation and impairment losses		<u>(25.592)</u>	<u>(503)</u>
<b>Operating profit/loss</b>		<b>13.395.865</b>	<b>9.733</b>
Income from investments in group enterprises		14.445.086	25.477
Other financial income	2	210.569	107
Other financial expenses	3	<u>(1.057.989)</u>	<u>(189)</u>
<b>Profit/loss from ordinary activities before tax</b>		<b>26.993.531</b>	<b>35.128</b>
Tax on profit/loss from ordinary activities	4	<u>(2.900.357)</u>	<u>(2.408)</u>
<b>Profit/loss for the year</b>		<b><u>24.093.174</u></b>	<b><u>32.720</u></b>
<b>Proposed distribution of profit/loss</b>			
Retained earnings		<u>24.093.174</u>	<u>32.720</u>
		<b><u>24.093.174</u></b>	<b><u>32.720</u></b>

**Balance sheet at 31.12.2015**

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK'000</u>
Other fixtures and fittings, tools and equipment		131.614	96
<b>Property, plant and equipment</b>	5	<u>131.614</u>	<u>96</u>
Investments in group enterprises		239.911	240
<b>Fixed asset investments</b>	6	<u>239.911</u>	<u>240</u>
<b>Fixed assets</b>		<u>371.525</u>	<u>336</u>
Manufactured goods and goods for resale		13.182.133	14.064
<b>Inventories</b>		<u>13.182.133</u>	<u>14.064</u>
Trade receivables		37.968.026	29.234
Receivables from group enterprises		13.208.738	468
Deferred tax assets		105.318	147
Other short-term receivables		81.108	61
Prepayments	7	330.076	933
<b>Receivables</b>		<u>51.693.266</u>	<u>30.843</u>
<b>Cash</b>		<u>8.014.454</u>	<u>24.125</u>
<b>Current assets</b>		<u>72.889.853</u>	<u>69.032</u>
<b>Assets</b>		<u>73.261.378</u>	<u>69.368</u>

**Balance sheet at 31.12.2015**

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK'000</u>
Contributed capital		500.000	500
Retained earnings		33.247.187	34.179
<b>Equity</b>		<b><u>33.747.187</u></b>	<b><u>34.679</u></b>
Trade payables		12.009.553	10.557
Debt to group enterprises		15.657.462	13.645
Income tax payable		1.033.205	489
Other payables	8	<u>10.813.971</u>	<u>9.998</u>
<b>Current liabilities other than provisions</b>		<b><u>39.514.191</u></b>	<b><u>34.689</u></b>
<b>Liabilities other than provisions</b>		<b><u>39.514.191</u></b>	<b><u>34.689</u></b>
<b>Equity and liabilities</b>		<b><u>73.261.378</u></b>	<b><u>69.368</u></b>
Unrecognised rental and lease commitments	9		
Contingent liabilities	10		
Ownership	11		
Consolidation	12		

**Statement of changes in equity for 2015**

	<b>Contributed capital DKK</b>	<b>Retained earnings DKK</b>	<b>Proposed dividend DKK</b>	<b>Total DKK</b>
Equity beginning of year	500.000	9.154.013	25.026.158	34.680.171
Ordinary dividend paid	0	0	(25.026.158)	(25.026.158)
Profit/loss for the year	0	24.093.174	0	24.093.174
<b>Equity end of year</b>	<b>500.000</b>	<b>33.247.187</b>	<b>0</b>	<b>33.747.187</b>



## Notes

	<b>2015</b>	<b>2014</b>
	<b>DKK</b>	<b>DKK'000</b>
<b>1. Staff costs</b>		
Wages and salaries	13.292.393	13.520
Pension costs	975.552	1.247
Other social security costs	106.619	174
	<b>14.374.564</b>	<b>14.941</b>
Average number of employees	<b>18</b>	<b>21</b>
	<b>2015</b>	<b>2014</b>
	<b>DKK</b>	<b>DKK'000</b>
<b>2. Other financial income</b>		
Exchange rate adjustments	210.569	107
	<b>210.569</b>	<b>107</b>
	<b>2015</b>	<b>2014</b>
	<b>DKK</b>	<b>DKK'000</b>
<b>3. Other financial expenses</b>		
Financial expenses from group enterprises	25	88
Exchange rate adjustments	1.004.189	71
Other financial expenses	53.775	30
	<b>1.057.989</b>	<b>189</b>
	<b>2015</b>	<b>2014</b>
	<b>DKK</b>	<b>DKK'000</b>
<b>4. Tax on ordinary profit/loss for the year</b>		
Current tax	2.858.943	2.489
Change in deferred tax for the year	41.414	(73)
Adjustment relating to previous years	0	(8)
	<b>2.900.357</b>	<b>2.408</b>

## Notes

	<b>Other fixtures and fittings, tools and equipment DKK</b>
<b>5. Property, plant and equipment</b>	
Cost beginning of year	2.092.627
Additions	61.218
Disposals	<u>(1.996.639)</u>
<b>Cost end of year</b>	<b><u>157.206</u></b>
Depreciation and impairment losses beginning of the year	(1.996.639)
Depreciation for the year	(25.592)
Reversal regarding disposals	<u>1.996.639</u>
<b>Depreciation and impairment losses end of the year</b>	<b><u>(25.592)</u></b>
<b>Carrying amount end of year</b>	<b><u>131.614</u></b>

## 6. Fixed asset investments

	<b>Registered in</b>	<b>Equity interest %</b>	<b>Equity DKK</b>	<b>Profit/loss DKK</b>
Subsidiaries:				
Moët Hennessy Finland OY	Finland	100,00	12.983.750	1.079.585
Moët Hennessy Sverige AB	Sverige	100,00	10.243.855	5.247.901
Moët Hennessy Norge AS	Norge	100,00	4.860.075	5.117.867

## 7. Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

	<b>2015 DKK</b>	<b>2014 DKK'000</b>
<b>8. Other short-term payables</b>		
VAT and duties	6.756.101	6.057
Wages and salaries, personal income taxes, social security costs, etc. payable	<u>4.057.870</u>	<u>3.941</u>
	<b><u>10.813.971</u></b>	<b><u>9.998</u></b>

## Notes

	<u>2015</u> <u>DKK</u>	<u>2014</u> <u>DKK'000</u>
<b>9. Unrecognised rental and lease commitments</b>		
Commitments under rental agreements or leases until expiry	<u>4.489.534</u>	<u>5.689.641</u>
	<u>2015</u> <u>DKK</u>	<u>2014</u> <u>DKK'000</u>
<b>10. Contingent liabilities</b>		
Recourse and non-recourse guarantee commitments	<u>510.000</u>	<u>510.000</u>
<b>Contingent liabilities</b>	<u>510.000</u>	<u>510.000</u>

## 11. Ownership

The Company has registered the following shareholder to hold more than 5% of the voting share capital or of the nominal value of the share capital:

Moët Hennessy International SAS, Paris, France

## 12. Consolidation

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

LVMH Group S.A., Paris, France