

LVMH

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LVMH Moët Hennessy Louis Vuitton SE, better known as **LVMH**, is a European multinational luxury goods conglomerate, native of France and headquartered in Paris. The company was formed by the 1987 merger of fashion house Louis Vuitton with Moët Hennessy, a company formed after the 1971 merger between the champagne producer Moët & Chandon and Hennessy, the cognac manufacturer.^{[2][3][4]} It controls around 60 subsidiaries that each manage a small number of prestigious brands. The subsidiaries are often managed independently. The oldest of the LVMH brands is wine producer Château d'Yquem, which dates its origins back to 1593.^[5]

Christian Dior, the luxury goods group, is the main holding company of LVMH, owning 40.9% of its shares, and 59.01% of its voting rights.^[6] Bernard Arnault, majority shareholder of Dior, is Chairman of both companies and CEO of LVMH.^[7] Arnault's successful integration of various famous aspirational brands into the group has inspired other luxury companies into doing the same. Thus, the French conglomerate Kering (formerly named PPR) and the Swiss-based Richemont have also created extended portfolios of luxury brands. The company is a component of the Euro Stoxx 50 stock market index.^[8]

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Financial data

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LVMH
MOËT HENNESSY · LOUIS VUITTON

Type	<i>Societas Europaea</i>
Traded as	Euronext: MC (https://euronext.com/products/equities/FR0000121014-XP/quotes)
Industry	Conglomerate (Luxury goods)
Predecessor	Moët & Chandon, Hennessy and Louis Vuitton
Founded	1987
Headquarters	Paris, France
Area served	Worldwide
Key people	Bernard Arnault (CEO)
	Antonio Belloni, Managing director
Products	Clothing, cosmetics, fashion accessories, jewelry, perfumes, spirits, watches, wines
Services	Department stores
Revenue	▲ € 35.664 billion (2015) ^[1]
Operating income	▲ €6.384 billion (2015) ^[1]
Profit	▲ €4.001 billion (2015) ^[1]
Total assets	▲ €57.6 billion (2015) ^[1]
Total equity	▲ €25.8 billion (2015) ^[1]
Number of	120,000 (2015) ^[1]

Financial data (in million euros)	2006 ^[9]	2007 ^[9]	2008 ^[9]	2009 ^[9]	2010 ^[10]	2011	2012	2013	2014	2015
Sales	15,306	16,481	17,193	17,053	20,320	23,659	28,103	29,016	30,638	35,664
Net profit	2,160	2,331	2,318	1,973	3,032	3,065	3,909	3,947	6,105	4,001
Total equity	11,594	12,528	13,887	14,785	18,204	23,512	25,666	27,907	23,003	25,799

employees

Parent Walmart
via Financière Jean Goujon

Subsidiaries List of subsidiaries

Website LVMH.com (<http://www.lvmh.com/>)

During the first half of 2015, LVMH recorded strong results in Europe and United States. The revenue of the groupe increased of 19 per cent.^[11]

Corporate structure

LVMH is based in 20 avenue Hoche in the 8th arrondissement, Paris, France.^[2] The company is listed on the Euronext Paris exchange,^[12] and is a constituent of the CAC 40 index. As of 2010, the group had revenues of €20.3 billion with a net income of just over € billion.^[10] By the 29 February 2016 the company had a share value of 78,126 million euros, distributed in 506,980,299 shares. In 2013, with revenue of \$21,7 billion, LVMH is ranked first luxury goods company in Deloitte "Global Powers of Luxury Goods" report.^[13] The group currently employs more than 83,000 people.^[10] Thirty percent of LVMH's staff work in France. LVMH operates over 2,400 stores worldwide.^[14] Its current business plan aims to tightly control the brands it manages in order to maintain and heighten the perception of luxury relating to their products. For example, Louis Vuitton products are sold only through Louis Vuitton boutiques found in upmarket locations in wealthy cities or in concessions in other luxury goods shops (such as Harrods in London).

Shareholders

At the end of 2010, the only declared major shareholder in LVMH was Groupe Arnault, the family holding company of Bernard Arnault. The group's control amounted to 47.64% of LVMH's stock (with 42.36% held through Christian Dior SE and 5.28% held directly) and 63.66% of its voting rights (59.01% by Dior and 4.65% directly).^[15] A further 2.43% of shares were declared as treasury stock, with the remainder being free float.^[15] LVMH holds 66% of the drinks division, Moët Hennessy, with the remaining 34% held by Diageo.^[16]

Subsidiaries

A partial list including some of LVMH's best-known brands and subsidiaries:^{[14][17]}

Wines and Spirits

Fashion and Leather Goods

Perfumes and Cosmetics

- 10 Cane
- Ardbeg
- Belvedere
- Château Cheval Blanc
- Château d'Yquem
- Cloudy Bay Vineyards
- Dom Pérignon
- Domaine Chandon California
- Hennessy
- Glenmorangie
- Krug
- Mercier
- Moët & Chandon
- Ruinart
- Veuve Clicquot
- Wenjun^[18]

- Berluti
- Céline
- Dior
- EDUN
- Emilio Pucci
- Fendi
- Givenchy
- Kenzo
- Marc Jacobs
- Moynat
- Loewe
- Loro Piana
- Louis Vuitton
- Nicholas Kirkwood
- Thomas Pink
- R. M. Williams

- Acqua di Parma
- Benefit Cosmetics LLC
- Fendi Perfumes
- Fresh Inc.
- Guerlain
- Kenzo Parfums
- Perfumes Loewe S.A.
- Make Up For Ever
- Marc Jacobs Beauty
- NUDE
- Parfums Christian Dior
- Parfums Givenchy

Specialist retailing

- DFS
- Le Bon Marché
- Sephora
- Starboard Cruise Services

Watches and Jewelry

- Bulgari
- Chaumet
- De Beers Diamond Jewellers
- FRED
- Hublot
- TAG Heuer
- Zenith

Make Up For Ever was established in 1984.^[19] and was acquired by LVMH in 1999.^[20]

On 7 March 2011, LVMH announced the acquisition of the 50.4% family-owned shares of the Italian jeweller Bulgari and the intention to make a tender offer for the rest, which was publicly owned.^[21] The transaction was about \$5.2 billion.^[22] In 2011, LVMH invested \$640 million in establishing LCapitalAsia.^[23]

On 7 March 2013, *National Business Daily* reported that mid-priced clothing brand QDA would open stores with the assistance of LVMH's private equity LCapitalAsia and the Chinese apparel company Xin Hee Co., Ltd. in Beijing.^[23] In 2011, LVMH invested \$640 million in establishing LCapitalAsia.^[23] LVMH sales "decreased by about 10 percent from in 2011" in China, and LVMH stopped "opening stores in second and third-tier cities in mainland China".^[23] Xue Shengwen, a senior researcher at ChinaVenture, said the developing trend of the market is to take advantage of more acceptable prices.^[23]

In February 2014, LVMH entered into a joint venture with the Italian fashion brand Marco De Vincenzo, taking a minority 45% stake in the firm.^{[24][25]}

Patronage

LVMH is a major patron of art in France. The group supported about ten exhibitions as "Le grand monde d' Andy Warhol"^[26] and "Picasso et les maîtres"^[27] at le Grand Palais in Paris. LVMH also endorsed the patronage of "l'atelier d' Alberto Giacometti" and "Yves Klein" at Centre Georges Pompidou.

Since 2005, when the LVMH flagship store opened in Paris at 3, avenue George V, 75008, the company presented close collaboration with contemporary artists.^[28] Features included a light sculpture by American James Turrell, a 20-metre (65 feet) long "travelling staircase" showcasing the work of American video artist Tim White-Sobieski and an elevator linking the store to the top floor by Iceland's Olafur Eliasson.^[29]

In 2006, gallery space was inaugurated on the second floor of the same building and named "Espace Culturel".^[30] "Icônes" was one of the first exhibitions.^[31] Shigeru Ban, Sylvie Fleury, Zaha Hadid, Bruno Peinado, Andrée Putman, Ugo Rondinone, James Turrell, Tim White-Sobieski and Robert Wilson were the nine artists invited by Louis Vuitton to participate in it.

In addition, LVMH foundation created the "young creators LVMH award", an international competition opened to French and international beaux-arts students.^[32] Each year, six grants are allocated to the winners.

In November 2013, LVMH created the *LVMH Young Fashion Designer Prize*, which comes with a €300,000 grant with a year of mentoring and is the brainchild of Delphine Arnault.^[33] The first winner will be chosen in 2014.^[33] In February 2014 20 finalist for the prize were shown in London, such as Simone Rocha, Thomas Tait, Meadham Kirchhoff, Marques'Almeida, J JS Lee, and others.^[34] In May 2015 Marques'Almeida was announced as the second winner.^[35]

LVMH underwrites other fashion competitions, including the Andam prize in France, the International Festival of Fashion and Photography in Hyères, France, an investment fund for young designers created by the French Ministry of Culture and Communication, and a scholarship program and sponsored lecture theater at Central Saint Martins in London.^[33]

The group also lends Stradivarius violins to young talented musicians. Maxim Vengerov and Laurent Korcia have used the instruments.

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External links

- Official website (<http://www.lvmh.com/>)

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