

COMMERCE

## LVMH organic revenue from watches, jewelry up 7pc in Q1

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*Bloggers for Bulgari*

By STAFF REPORTS

Conglomerate Mot Hennessy Louis Vuitton's revenue was up 4 percent in the first quarter of 2016 when compared to the same period of 2015.

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The group's fashion and leather goods businesses remained steady with no growth or decline, while other categories including jewelry, spirits and beauty showed marked increases year over year. A drop in tourism to France has been felt by the group following last year's terror attacks in Paris, creating a contrast with the stronger performance in general across Europe.

Steady pace

LVMH's total revenue for the first quarter was 8.6 billion euros, or around \$9.8 billion at current exchange rates. When compared at constant exchange rates from 2015, the group's organic revenue growth was 3 percent for the quarter.

While sales are generally up, the group's performance was slower than expected when compared to projections.

Wines and spirits saw 6 percent organic growth in the first quarter. Champagne was strong, particularly in Europe, while Hennessy did well in the United States. LVMH has been trying to bounce back after distributors destocked its wines in China, and the first quarter saw improvement.

Fashion and leather goods had zero percent organic or reported growth, making a slight decrease from 2.975 billion euros, or \$3.394 billion, in 2015 to 2.965 billion euros, or \$3.383 billion, for this year. The flagship house Louis Vuitton performed well, especially in watches, jewelry and leather goods.



### *Louis Vuitton cruise 2016 campaign*

Organic revenue in fragrances and beauty was up 9 percent year over year. Some highlights included the launch of Dior's Poison Girl and Guerlain's new color cosmetic line based on its iconic scent La Petite Robe Noire.

LVMH's watch and jewelry houses saw a 7 percent bump in revenue. The launch of Tag Heuer's connected timepiece was met with strong interest, contributing to the division's success. Bulgari also had strong sales results, driven by some of its signature collections.

This quarter's growth reflects the momentum predicted by the group for this year.

At the end of 2015, LVMH reported a 16 percent revenue increase from the previous year, with recorded revenue for the group being \$38.9 billion for 2015.

Overall for 2015, the group saw organic revenue growth of 6 percent as momentum in Europe, the United States and Japan continued, despite a slowdown in other Asian markets. In terms of fourth quarter results, revenue increased by 12 percent from the year-ago period with organic growth of 5 percent ([see story](#)).

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