

Further to the FTSE notice released on 09 December 2014 and the receipt of updated information from Christian Dior (France) in relation to the distribution of Hermes shares, please note that the amount of the distribution subject to withholding tax applicable to Christian Dior will be EUR 5.19 per share and not EUR 1.34 per share as mentioned before.

All other details remain the same. The full amended version is shown below.

## **LVMH Louis Vuitton and Christian Dior (France): Informative Notice Treatment In FTSE Indices - Further Update**

12 December 2014

LVMH Louis Vuitton (France, 4061412) is expected to distribute all its Hermes shares to its own shareholders in a deal to be completed on 17th December 2014.

At the same time, LVMH's main shareholder Christian Dior (France, 4061393) will also redistribute the Hermes shares it receives to its own shareholders.

As a result of these distributions, FTSE will apply a capital repayment equivalent to the value of the Hermes share distribution to both LVMH and Christian Dior while at the same time the Free Float of Hermes will increase. These changes will be based on close values of 16 December 2014 (i.e. effective 17 December 2014).

Since both distributions will be subject to French withholding tax (30%), in order to accommodate this event in the net-of-tax indices, FTSE will apply an xd adjustment in the calculation of the total return indices in the form of a negative ordinary dividend at the close of business on 16 December 2014 (i.e., effective 17 December 2014).

Clients should note that this treatment will be applied to all total return indices, and not just the net-of-tax indices.

### **Calculation example of the total return adjustment below:**

**Note:** The amount corresponding to the distribution will be determined by using the Hermes closing share price on 16th December 2014.

All values are for illustration purposes only.

**LVMH distribution:** Assuming a distribution value of 6.9 EUR bn, equivalent to EUR 13.88 per share.

**LVMH tax liability:** The amount of the distribution subject to withholding tax will be up to EUR 247.62 per Hermes share. Anything above that amount will be considered as tax free.

Therefore as the distribution is 6.9 EUR bn, equivalent to EUR 13.88 per share, the amount subject to withholding tax will be approximately 6 EUR bn, equivalent to EUR 12.07 per share.

EUR 12.07 \* 30% = EUR 3.624 (tax liability).

A negative dividend of EUR 5.176 will be applied to the FTSE standard Total Return Indices (i.e. EUR 3.624 / 70%) in order to reflect this Tax adjustment.

**Christian Dior distribution:** Assuming a distribution value of **2.8 EUR bn**, equivalent to EUR 16.121 per share

Christian Dior tax liability: The amount of the distribution subject to withholding tax will be EUR 5.19 per Christian Dior share

Therefore as the distribution is 2.8 EUR bn, equivalent to EUR 16.121 per share, the amount subject to withholding tax will be approximately 929 EUR mln, equivalent to EUR 5.19 per share.

EUR 5.19 \* 30% = EUR 1.560 (tax liability)

A negative dividend of EUR 2.2285 will be applied to the FTSE standard Total Return Indices (i.e. EUR 1.560 / 70%) in order to reflect this Tax adjustment.

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