

## Vivendi (France): Demerger of Universal Music Group

### Informative Notice

15 September 2021

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FTSE Russell notes the distribution of Universal Music Group shares to shareholders of Vivendi (France, 4834777, GEIS Large Cap, FTSEurofirst 80, FTSE Eurotop 100 Index) as a dividend in kind. Shareholders are expected to receive one share in Universal Music Group for each Vivendi share held, however the company may reduce the distribution ratio, subject to confirmation on the ex-date. The dividend in kind will be subject to withholding tax and is expected to represent over 10% of Vivendi's share price. Universal Music Group will list on Euronext Amsterdam, consequently, it will be assigned a FTSE nationality of Netherlands and placed within the appropriate indices.

Based on the current timetable, FTSE Russell anticipates the following index treatment:

#### **Monday 20 September 2021 (at market close):**

A reference price for Universal Music Group is expected to be published on Euronext Amsterdam.

The reference price\* will be used as the company valuation. To reflect the withholding tax liability, a compensatory negative dividend adjustment will be applied to the Total Return Indexes, and will be confirmed within the one day trackers, effective the following day. The negative dividend will be calculated using the maximum withholding tax rate applicable to France (26.5%) applied to the valuation of the distribution (based on the reference price).

\*If no reference price is available, an estimated valuation will be used.

#### **Tuesday 21 September 2021 (from market open):**

Vivendi will trade ex-entitlement to the dividend in kind and the negative compensatory dividend will be reflected within the total return indices. As announced previously, Universal Music Group will be added to the same indices as Vivendi (i.e. GEIS Large Cap France). The shares in issue will reflect the number of shares expected to list on Euronext Amsterdam, the number of shares in the index will reflect the one for one terms.

Vivendi is expected to announce the final amount of the distribution in kind and whether there will be any adjustment to the one for one ratio. If the terms are adjusted then the opening position of the FTSE Russell indices will be revised accordingly.

Universal Music Group is expected to commence trading on a 'conditional upon delivery' basis on Euronext Amsterdam, and will price accordingly.

#### **Thursday 23 September 2021 (from market open):**

Delivery of the dividend in kind shares.

#### **Thursday 23 September 2021 (at market close):**

Once unconditional trading has commenced, the fixed indices will be re-ranked using the close prices. Further notices will be released confirming the impact of the fixed index re-ranking and the nationality change from France to Netherlands.

**Tuesday 28 September 2021 (from market open):**

The nationality change for Universal Music Group, and the changes from the fixed index re-ranking process will become effective within FTSE Russell indices.

FTSE Russell will issue further notices confirming index treatment in due course.

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