PROJECT AIMING AT

SIMPLIFYING CHRISTIAN DIOR – LVMH GROUP STRUCTURES:

REGROUPING THE ENTIRE DIOR BRAND WITHIN LVMH

AND

OFFER BY THE ARNAULT FAMILY GROUP
ON PUBLICLY HELD CHRISTIAN DIOR SHARES
The Arnault Family Group, Christian Dior and LVMH Moët Hennessy - Louis Vuitton announce a

two-fold strategic project:

- The simplification of the structures through a simplified public offer by the Arnault Family Group for Christian Dior shares it does not currently hold. This public offer would primarily take the form of a mixed offer consisting of €172 in cash and 0.192 Hermès International1 (“Hermès”) shares for each Christian Dior share, and would be completed by two secondary offers, in cash and in Hermès shares respectively;

The main features of the project are the following:

- The public offer values each Christian Dior share at €2602;
- It represents a premium of 14.7% over the closing share price as of April 24th, 2017 and 18.6% over the 1-month average share price3;
- This public offer values Christian Dior at its Net Asset Value;
- The acquisition of Christian Dior Couture allows its integration within LVMH;
- Christian Dior is among the most iconic brands worldwide and benefits from a high growth potential;
- Christian Dior Couture’s enterprise value of €6.5bn represents a 15.6x EBITDA4 multiple;
- It ensures the regrouping of the entire Dior brand, further enhancing synergies between Christian Dior Couture and Parfums Christian Dior;
- It will be accretive to LVMH earnings per share from the first year;
- These transactions demonstrate the greater commitment of the Arnault Family Group;
- They result in a simplification of the structures.

The Arnault Family Group intends to file the proposed public offer subject to conclusion of the financing under satisfactory terms.

The Boards of Directors of Christian Dior and LVMH are unanimously favorable to the contemplated transactions and appointed independent experts to review their terms.

« This project represents an important milestone for the Group. The corresponding transactions will allow the simplification of the structures, long requested by the market, and the strengthening of LVMH’s Fashion & Leather Goods division thanks to the acquisition of Christian Dior Couture, one of the most iconic brands worldwide. They illustrate the commitment of my family group and emphasize its confidence in the long-term perspectives of LVMH and its brands. I am delighted to announce this project today and thus continue and reinforce the development of LVMH in France and worldwide. » says Bernard Arnault.

1 These shares are held by the groupe Arnault and will be offered ex-dividend given the proposed offer timeline
2 Based on Hermès International closing share price as of April 24th, 2017, adjusted for planned detachment of balance of 2016 dividend
3 Volume-weighted average share prices of Christian Dior as of April 24th, 2017, adjusted for dividend distribution for share prices up until April 18th, 2017
4 Adjusted last twelve months EBITDA as of March 31st, 2017, pro forma of Christian Dior Couture expenses ascribed to Christian Dior
1. **Public offer by the Arnault Family Group for Christian Dior shares**

*Terms of the offer*

Semyrhamis, a company of the Arnault Family Group, which holds directly and indirectly 74.1% of the share capital and 84.9% of voting rights of Christian Dior (Euronext Paris: CDI FP), informed the Board of Directors of Christian Dior of its intention to file a simplified public offer soon for all Christian Dior shares not currently held by the Arnault Family Group.

The contemplated transaction would primarily take the form of a simplified mixed public offer, completed by a secondary cash offer and a secondary exchange offer, within the overall limit of €8.0bn in cash and 8.9 million Hermès shares (Euronext Paris: RMS FP) currently held by Arnault Family Group, under the following terms:

- Primary mixed offer: €172 and 0.192 Hermès shares for each Christian Dior share;
- Secondary cash offer: €260 for each Christian Dior share; and
- Secondary exchange offer: 0.566 Hermès shares for each Christian Dior share.

Secondary offers provide Christian Dior shareholders with a higher degree of flexibility with regards to the terms of their participation to the offer.

Christian Dior shares tendered to the primary mixed offer will be fully served upon the terms of this offer. The orders tendered to the secondary offers will be subject to a reduction mechanism, as the case may be, in such a way that the overall proportion of €172 in cash and 0.192 Hermès share for each Christian Dior share tendered is respected. Christian Dior shares which could not be served in the secondary offers due to this reduction mechanism will be deemed tendered to the primary mixed offer.

The proposed offer will be filed with the French financial market authority (Autorité des marchés financiers), subject to the conclusion by the initiator of the financing under satisfactory terms. The public offer and offer documentation, once filed, will remain subject to the clearance (décision de conformité) by the French financial market authority (Autorité des marchés financiers).

Semyrhamis does not intend to implement a squeeze-out within 3 months following completion of the offer.

*The offer to Christian Dior shareholders reflects a value in line with the company’s Net Asset Value*

Based on a value per Hermès share corresponding to its closing share price as of April 24th, 2017, the offer values each Christian Dior share at €2601.

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1 Based on Hermès International closing share price as of April 24th, 2017, adjusted for planned detachment of balance of 2016 dividend
The terms of the contemplated offer represent a premium of:

- over the close share price as of April 24th, 2017: 14.7%
- over the 1-month volume-weighted average price: 18.6%
- over the 3-month volume-weighted average price: 25.9%

Based on the assumptions below, the Net Asset Value of Christian Dior is estimated at €251 - 263 per share, in line with the terms of the offer:

<table>
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<th>1-month VWAP 1</th>
<th>3-month VWAP 1</th>
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<tbody>
<tr>
<td>Value of 41% equity stake in LVMH held by Christian Dior</td>
<td>€42.7bn</td>
<td>€40.4bn</td>
</tr>
<tr>
<td>+ Enterprise value of Christian Dior Couture 2</td>
<td>€6.5bn</td>
<td>€6.5bn</td>
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<tr>
<td>- Net financial debt at level of Christian Dior</td>
<td>€(1.5)bn</td>
<td>€(1.5)bn</td>
</tr>
<tr>
<td>- Other 3</td>
<td>€(0.2)bn</td>
<td>€(0.2)bn</td>
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<tr>
<td><strong>Net Asset Value</strong></td>
<td><strong>€47.5bn</strong></td>
<td><strong>€45.2bn</strong></td>
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<tr>
<td><strong>Net Asset Value per share</strong></td>
<td><strong>€263</strong></td>
<td><strong>€251</strong></td>
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The offer will represent a liquidity opportunity for Christian Dior shareholders, in a context of Christian Dior shares currently trading at all-time highs.

**Support of Christian Dior’s Board of Directors**

After an initial review of the key terms of the contemplated offer, the Board of Directors of Christian Dior which took place on April 24th, 2017:

- unanimously welcomed the principle and the terms of the contemplated transaction;
- decided to set up an ad hoc committee, composed of three independent directors, which will be in charge of monitoring the conduct of the independent expert’s mission (see below); and
- appointed, based on the proposal by the ad hoc committee, Finexsi, represented by Olivier Peronnet, as independent expert, in accordance with article 261-1 of the General Regulation of the French financial market authority (Autorité des Marchés Financiers). Based on the report of the independent expert and on the opinion of the ad hoc committee, the Board of Directors of Christian Dior will provide its reasoned opinion once the proposed offer is filed.

**Indicative timetable**

The filing of the proposed offer is expected end of May 2017.

The French financial market authority’s (Autorité des marchés financiers) clearance (décision de conformité) and launch of the offer are expected in June 2017.

The acceptance period of the offer would last three weeks.

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1 Volume-weighted average share price, adjusted for dividend distribution for share prices up until April 18th, 2017
2 Including the value of other real estate assets operated by Christian Dior Couture and held by Grandville, the shares of which will be disposed
3 Other assets, liabilities and adjustments at level of Christian Dior
2. **Strengthening of LVMH’s Fashion & Leather Goods division by the acquisition of one of the most iconic brands worldwide**

LVMH (Euronext Paris: MC FP) and Christian Dior, which holds directly and indirectly 41.0% of the share capital and 56.8% of voting rights of LVMH, have signed a Memorandum of Understanding on April 24th, 2017 regarding the contemplated disposal of Christian Dior Couture\(^1\) by Christian Dior to LVMH for an enterprise value of €6.5bn, representing 15.6x adjusted last twelve months EBITDA as of end of March 2017. The transaction will be financed by a vendor loan granted to LVMH with a maximum maturity of 24 months, allowing LVMH to refinance at the appropriate time, based on market conditions.

**Christian Dior Couture**

Founded by Monsieur Dior 70 years ago, Christian Dior Couture has been the inspiration for global fashion since its creation. It is one of the most prestigious brands worldwide. Its unique positioning encompasses most high quality product categories, such as Leather, *Haute Couture*, men’s and women’s Ready-to-wear, Jewelry and Shoes, and relies on exceptional *savoir-faire*. Dior’s creations are distributed almost exclusively within its proprietary worldwide network of 198 stores. This network represents 93% of the brand’s revenue and ensures comprehensive control over its distribution and brand image. Christian Dior Couture owns a portfolio of strategic real estate assets in prime locations, notably its historic store on *Avenue Montaigne*, the New Bond Street, London\(^2\) store and the new Ginza store in Tokyo\(^2\).

Revenue doubled over the past five years: this dynamic illustrates its growth potential for the upcoming years. Furthermore, its profitability has improved over the same period, with an increase in profit from recurring operations of 24% per year.

Christian Dior Couture continued its growth momentum with last twelve months revenue (as of March 31\(^{st}\), 2017) in excess of €2bn, an EBITDA of €418m\(^3\) and profit from recurring operations of €270m\(^4\).

**A strategic transaction for LVMH**

The contemplated acquisition of Christian Dior Couture will allow LVMH to incorporate one of the most emblematic brands worldwide. It will allow for the regrouping of Christian Dior Couture and Parfums Christian Dior brands, the latter being already part of LVMH Group.

On the strength of its history and favorable prospects, Christian Dior Couture will be a source of growth for LVMH. The development of Christian Dior Couture will be notably supported over the coming years by a new creative momentum and significant investments already completed, notably in America, China and Japan.

\(^1\) Includes Grandville (100%-owned by Christian Dior) and its subsidiary, Christian Dior Couture
\(^2\) Jointly held by Grandville
\(^3\) Adjusted EBITDA, pro forma of Christian Dior expenses ascribable to Christian Dior Couture, and before income / (loss) from joint ventures and associates
\(^4\) Adjusted for expenses of Christian Dior ascribable to Christian Dior Couture and after income / (loss) from joint ventures and associates
The acquisition will be accretive (+2.7% on a pro forma basis) to LVMH earnings per share from the first year.

Following the acquisition, LVMH’s gearing will increase from 12% as of December 31, 2016 to 35% on a pro forma basis.

**Prior steps before the signing of a final disposal agreement**

LVMH’s acquisition of Grandville, which owns Christian Dior Couture as well as other real estate assets operated by Christian Dior Couture, is subject to compliance with processes of information / consultation of employees’ representative bodies of Christian Dior Couture, the completion of a confirmatory due diligence and finalization of the legal documentation, to be submitted for approval to the boards of Christian Dior and LVMH as related-party transaction. In addition, a review of the financial terms of the transaction for both LVMH and Christian Dior will be led by two independent experts appointed by the Board of Directors of each party.

**Support of the Boards of Directors of Christian Dior and LVMH**

The Boards of Directors of Christian Dior and LVMH held on April 24th, 2017, were unanimously favorable to the signature of a Memorandum of Understanding, based notably on work of their respective financial advisors.

**Indicative timeline**

The closing of the transaction is expected for the second half of 2017 subject to compliance of the offer for Christian Dior shares.
Other information regarding the conference call with analysts and investors

Tuesday April 25th, 2017

Conference call with analysts and investors at 12:00 PM CET

- Conference call number
  FR: +33 1 70 77 09 40
  UK: +44 2030432441
  US Free: +1 8669075925

- Replay call number
  FR: +33 1 72 00 15 00
  UK: +44 2033679460
  US: +1 8776423018
  REF: 308548#
Christian Dior

Christian Dior, listed on Euronext Paris, controls two primary assets: a 41% stake in the capital of LVMH (representing 57% of the voting rights) and 100% of Christian Dior Couture.


LVMH

LVMH Moët Hennessy Louis Vuitton is represented in Wines and Spirits by a portfolio of brands that includes Moët & Chandon, Dom Pérignon, Veuve Clicquot Ponsardin, Krug, Ruinart, Mercier, Château d’Yquem, Domaine du Clos des Lambrays, Château Cheval Blanc, Hennessy, Glenmorangie, Ardbeg, Belvedere, Chandon, Cloudy Bay, Terrazas de los Andes, Cheval des Andes, Cape Mentelle, Newton, Bodega Numanthia and Ao Yun. Its Fashion and Leather Goods division includes Louis Vuitton, Céline, Loewe, Kenzo, Givenchy, Thomas Pink, Fendi, Emilio Pucci, Marc Jacobs, Berluti, Nicholas Kirkwood, Loro Piana and Rimowa. LVMH is present in the Perfumes and Cosmetics sector with Parfums Christian Dior, Guerlain, Parfums Givenchy, Kenzo Parfums, Perfumes Loewe, BeneFit Cosmetics, Make Up For Ever, Acqua di Parma, Fresh, Kat Von D and Maison Francis Kurkdjian. LVMH’s Watches and Jewelry division comprises Bvlgari, TAG Heuer, Chaumet, Dior Watches, Zenith, Fred and Hublot. LVMH is also active in selective retailing as well as in other activities through DFS, Sephora, Le Bon Marché, La Samaritaine, Royal Van Lent and Cheval Blanc hotels.

Some of the statements contained in this financial release may include or be based on forward-looking information. Major risk factors, uncertainties or elements either beyond our control or unable to be anticipated as of this writing may thus cause actual results to differ significantly from those expressed or implied by the forward-looking information in this financial release. The statements made herein reflect our vision of the Group’s business activities as of the date of this financial release. Accordingly, readers are cautioned not to place undue reliance on the information thus provided. Furthermore, it should be noted that we undertake no obligation to update publicly or otherwise revise any forward-looking statements.
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Pursuant to the commission implementing regulation (EU) 2016/1055 of June 29th, 2016 laying down implementing technical standards with regard to the technical means for appropriate public disclosure of inside information and for delaying the public disclosure of inside information in accordance with Regulation (EU) No 596/2014 of the European Parliament and of the Council, this press release may contain inside information and has been sent to the authorized broadcaster of Christian Dior and LVMH on April 25th, 2017 at 7:30 AM CET.

This document is a free translation into English of the original French “Communiqué financier” dated April 25th, 2017. It is not a binding document. In the event of a conflict in interpretation, reference should be made to the French version, which is the authentic text.