

# Christian Dior

*SOCIÉTÉ ANONYME* WITH SHARE CAPITAL OF €63,454,096 - 582 110 987 R.C.S. PARIS

30 AVENUE MONTAIGNE  
75008 PARIS  
FRANCE

## **NOTICE OF MEETING**

### **COMBINED SHAREHOLDERS' MEETING**

**MAY 15, 2008**

**4:30 P.M.**

**Carrousel du Louvre**

**99, rue de Rivoli, 75001 Paris**

**Shareholders are welcome to arrive from 3:00 P.M. onwards**

Any shareholder arriving after 4:40 P.M. may attend the Shareholders' Meeting

but shall not be entitled to vote

## **AGENDA**

- Management report of the Board of Directors
- Statutory auditors' report
- Approval of the consolidated financial statements for the fiscal year ended December 31, 2007
- Approval of the parent company financial statements for the fiscal year ended December 31, 2007
- Approval of regulated agreements
- Appropriation of net profit
- Renewal of the terms of office of directors
- Determination of the annual amount of directors' fees
- Authorization and delegation of powers to the Board of Directors to trade in the Company's own shares
- Authorization and delegation of powers to the Board of Directors to reduce the Company's share capital
- Authorization and delegation of powers to the Board of Directors to award existing or newly issued bonus shares to Group employees and officers
- Capital increase in cash reserved for the employees of the Group who are members of a company savings plan

## **PRESENTATION OF RESOLUTIONS SUBMITTED FOR THE APPROVAL OF THE SHAREHOLDERS' MEETING**

### **APPROVAL OF THE FINANCIAL STATEMENTS**

(first to fourth resolutions)

The first items of business deal with:

- the approval of the financial statements: you are invited to approve the Group's consolidated financial statements (first resolution), as well as the financial statements of the parent company, Christian Dior (second resolution),
- the approval of related party agreements (third resolution): the details of these agreements are presented in the special report of the Statutory Auditors,
- the allocation of a dividend of 1.61 euros per share (fourth resolution). An interim dividend of 0.44 euros was paid on December 3, 2007, and the final dividend is 1.17 euros. It will be paid out on May 23, 2008.

### **COMPOSITION OF THE BOARD OF DIRECTORS**

(fifth to seventh resolutions)

We propose that you renew the terms of office as Directors of Messrs. Bernard Arnault, Sidney Toledano and Pierre Godé.

### **DIRECTORS' FEES**

(eighth resolution)

We propose that you set the amount of directors' fees allocated to the Board of Directors at 147,715 euros.

### **AUTHORIZATION TO TRADE IN THE COMPANY'S OWN SHARES**

(ninth resolution)

We propose that you authorize your Board of Directors, pursuant to the provisions of Article L. 225-209 of the French Commercial Code, to acquire shares in the Company, in particular in order to provide market-making market liquidity services (purchases/sales) under a liquidity contract, to cover stock option plans, employee share ownership schemes or any other form of share allocation or share-based payment, to cover securities giving access to the Company's shares, to be retired or held so as to be exchanged or presented as consideration at a later date for external growth operations.

The maximum number of securities that may be purchased shall not exceed 10% of the share capital. The purchase price per share may not exceed 130 euros.

This authorization, granted for a period of eighteen months, shall replace that granted by the Shareholders' Meeting of May 10, 2007.

## **REDUCTION OF THE SHARE CAPITAL**

(tenth resolution)

We propose that you authorize your Board of Directors to reduce the share capital subject to a maximum of a total amount of 10% of the Company's current share capital over a twenty-four month period, by retiring the shares acquired under the ninth resolution.

This authorization, granted for a period of eighteen months, replaces that granted by the Shareholders' Meeting of May 10, 2007.

## **CAPITAL INCREASE**

(eleventh and twelfth resolutions)

We propose that you authorize your Board of Directors to:

- award bonus shares, whether already in existence or to be issued, to employees and officers of the Group (eleventh resolution). This authorization, granted for a period of thirty-eight months, will permit the Board of Directors to award bonus shares, in one or several operations, subject to the overall limit of 1% of the share capital. This authorization replaces that granted by the Shareholders' Meeting of May 12, 2005;

- increase the share capital in one or several operations in favor of the employees of the Group who are members of a company savings plan (twelfth resolution). This authorization, granted for a period of twenty-six months, will permit the Board of Directors to increase the share capital subject to the limit of 3% of its amount.

The maximum nominal amount of these capital increases may not exceed 40 million euros.

# RESOLUTIONS PROPOSED BY THE BOARD OF DIRECTORS

## RESOLUTIONS PRESENTED FOR THE APPROVAL OF THE ORDINARY SHAREHOLDERS' MEETING

### FIRST RESOLUTION

#### (Approval of the consolidated financial statements)

The Shareholders' Meeting, after examining the report presented by the Board of Directors and the report of the Statutory Auditors, hereby approves the consolidated financial statements for the fiscal year ended December 31, 2007, including the balance sheet, income statement and notes, as presented to the Meeting, as well as the transactions reflected in these statements and summarized in these reports.

### SECOND RESOLUTION

#### (Approval of the parent company financial statements)

The Shareholders' Meeting, after examining the report presented by the Board of Directors, the report of the Chairman of the Board and the reports of the Statutory Auditors, hereby approves the parent company financial statements for the fiscal year ended December 31, 2007, including the balance sheet, income statement and notes, as presented to the Meeting, as well as the transactions reflected in these statements and summarized in these reports.

The Meeting accordingly grants full discharge to the members of the Board of Directors for the performance of their duties in respect of the aforementioned fiscal year.

### THIRD RESOLUTION

#### (Approval of related party agreements)

The Shareholders' Meeting, after examining the special report of the Statutory Auditors on the related party agreements covered by Article L. 225-38 and L. 225-42-1 (last paragraph) of the French Commercial Code, hereby declares that it approves said agreements.

### FOURTH RESOLUTION

#### (Appropriation of net profit – Determination of dividend)

The Shareholders' Meeting, upon the recommendation of the Board of Directors, hereby decides to appropriate and to allocate in the form of dividends the distributable profit for the fiscal year ended December 31, 2007 as follows:

<b>Amount available for distribution</b>	(EUR)
• Net profit	337,626,271.75
• Retained earnings	5,785,390.55
<b>Total distributable profit</b>	<b>343,411,662.30</b>
<b>Recommended allocation</b>	
• Gross dividend distribution of 1.61 euros per share	292,580,547.28
• Allocation to ordinary reserves	28,758,380.33
• Retained earnings	22,072,734.69
<b>Total</b>	<b>343,411,662.30</b>

As an interim dividend of 0.44 euros per share was paid on December 3, 2007, the balance of the dividend due per share is equal to 1.17 euros. This balance will be paid out on May 23, 2008.

With respect to this dividend distribution, individuals who are residents of France for tax purposes will be entitled to the 40% deduction provided under Article 158 of the French Tax Code.

Should the Company hold, at the time of payment of this balance, any treasury shares under prior authorizations, the corresponding amount of unpaid dividends will be allocated to retained earnings.

The Shareholders' Meeting observes that the dividends per share paid out in respect of the past three fiscal years were as follows:

(EUR)	Net dividend	Tax credit (*)	Allowance (*)
2006	1.41	-	0.564
2005	1.16	-	0.496
2004	0.97	0.160	0.325

(\*) For individuals who are residents of France for tax purposes.

#### **FIFTH RESOLUTION**

##### **(Renewal of the term of office of Mr. Bernard Arnault as a director)**

The Shareholders' Meeting, noting that Mr. Bernard Arnault's term of office expires on this date, hereby reappoints him as a director for a three-year term that shall expire at the end of the Ordinary Shareholders' Meeting convened in 2011 to approve the financial statements for the previous fiscal year.

#### **SIXTH RESOLUTION**

##### **(Renewal of the term of office of Mr. Sidney Toledano as a director)**

The Shareholders' Meeting, noting that Mr. Sidney Toledano's term of office expires on this date, hereby reappoints him as a director for a three-year term that shall expire at the end of the Ordinary Shareholders' Meeting convened in 2011 to approve the financial statements for the previous fiscal year.

#### **SEVENTH RESOLUTION**

##### **(Renewal of the term of office of Mr. Pierre Godé as a director)**

The Shareholders' Meeting, noting that Mr. Pierre Godé's term of office expires on this date, hereby reappoints him as a director for a three-year term that shall expire at the end of the Ordinary Shareholders' Meeting convened in 2011 to approve the financial statements for the previous fiscal year.

#### **EIGHTH RESOLUTION**

##### **(Determination of the annual amount of directors' fees)**

The Shareholders' Meeting hereby decides to set the total annual amount of directors' fees allocated to the Board of Directors, until otherwise decided by the Meeting, at 147,715 euros.

#### **NINTH RESOLUTION**

##### **(Share repurchase program)**

The Shareholders' Meeting, having examined the report prepared by the Board of Directors, authorizes the latter to acquire Company shares, pursuant to the provisions of Articles L. 225-209 et seq. of the French Commercial Code. To this end, it authorizes the implementation of a share repurchase program.

In particular, the shares may be acquired in order (i) to obtain market-making services (purchases/sales) under a liquidity contract set up by the Company; (ii) to cover stock option plans, the awarding of bonus shares or any other form of share allocation or share-based payment, in favor of employees or officers either of the Company or of an affiliated undertaking as defined under Article L. 225-180 of the French Commercial Code; (iii) to cover securities giving access to the Company's shares, notably by way of conversion, tendering of a coupon, reimbursement or

exchange; or (iv) to be retired or (v) held so as to be exchanged or presented as consideration at a later date for external growth operations.

The purchase price per share may not exceed 130 euros. In the event of a capital increase through the capitalization of reserves and the awarding of bonus shares as well as in cases of either a stock split or a reverse stock split, the purchase price indicated above will be adjusted by a multiplying coefficient equal to the ratio of the number of shares making up the Company's share capital before and after the operation.

The maximum number of securities that may be issued shall not exceed 10% of the share capital, with the understanding that this limit shall apply to the amount of the share capital that shall be adjusted, where applicable, in order to take into account any transactions having an impact on the share capital subsequent to the date of this Meeting. As of December 31, 2007, this limit corresponds to 18,172,704 shares. The maximum total amount dedicated to these purchases may not exceed 2.4 billion euros. The shares may be acquired by any appropriate method on the market or over the counter, including the use of derivatives, as well as through block purchases or as part of an exchange. Pursuant to the provisions of Articles L. 225-209 et seq. of the French Commercial Code, the shares thus acquired may be resold by the Company by any means, including block sales.

All powers are granted to the Board of Directors to implement this authorization. The Board may delegate such powers in order to place any and all buy and sell orders, enter into any and all agreements, sign any document, file all declarations, carry out all formalities and generally take any and all other actions required in the implementation of this authorization.

This authorization shall replace that granted by the Combined Shareholders' Meeting of May 10, 2007 and is granted for a period of eighteen months as of the date of this Meeting.

## **RESOLUTIONS PRESENTED FOR THE APPROVAL OF THE EXTRAORDINARY SHAREHOLDERS' MEETING**

### **TENTH RESOLUTION**

#### **(Authorization to reduce the Company's share capital)**

The Shareholders' Meeting, having examined the report prepared by the Board of Directors and the special report prepared by the Statutory Auditors,

1. authorizes the Board of Directors to reduce the share capital of the Company, on one or more occasions, by retiring the shares acquired pursuant to the provisions of Article L. 225-209 of the French Commercial Code;
2. sets the maximum amount of the capital reduction that may be performed under this authorization over a twenty-four month period to 10% of the Company's current share capital;
3. grants all powers to the Board of Directors to perform and record the capital reduction transactions, carry out all required acts and formalities, amend the Bylaws accordingly, and generally take any and all other actions required in the implementation of this authorization;
4. grants this authorization for a period of eighteen months as of the date of this Meeting;
5. decides that this authorization shall replace that granted by the Combined Shareholders' Meeting of May 10, 2007.

## **ELEVENTH RESOLUTION**

### **(Authorization to award bonus shares to Group employees and officers)**

The Shareholders' Meeting, having examined the report prepared by the Board of Directors and the special report prepared by the Statutory Auditors and acting in accordance with the provisions of Article L. 225-197-1 et seq. of the French Commercial Code,

1. authorizes the Board of Directors, at its sole discretion, to award bonus shares, whether already in existence or to be issued, in one or several operations, to employees and officers of the Company or of any of its affiliates as defined under Article L. 225-197-2 of the French Commercial Code;
2. grants this authorization for a period of thirty-eight months as of the date of this Meeting;
3. decides that the total number of bonus shares shall not exceed 1% of the share capital as of the date of this Meeting, it being indicated that such amount shall be applied against the nominal amount of any capital increase resulting or likely to result over time from issuances decided under the 12th resolution presented for the approval of this Shareholders' Meeting or under the 8th, 9th and 10th resolutions approved by the Combined Shareholders' Meeting of May 10, 2007;
4. decides that the allocation of shares to their beneficiaries shall become definitive either (i) after a minimum vesting period of two years, the beneficiaries being required in this case to hold the shares for a minimum of two more years once fully vested, or (ii) after a minimum vesting period of four years, without any requirement to hold the shares once fully vested. It is to be understood that the Board of Directors shall be entitled to choose between these two options, at its own discretion, making use of them either alternately or concurrently, and, within the legal framework defined by Article L. 225-197-1 of French Commercial Code, to decide on the length of the vesting and required holding periods;
5. authorizes the Board of Directors to make, where applicable during the vesting period, any adjustments to the number of shares in connection with any transactions involving the Company's share capital, in order to protect the rights of beneficiaries;
6. takes note that if the allocation involves an issue of new shares, this authorization entails the waiver by shareholders, in favor of the beneficiaries of bonus shares, of their preemptive right to subscribe to the new shares to be issued;
7. grants all powers to the Board of Directors with the right to delegate the same, within the limits set forth by law, in order to implement this authorization, including:
  - the approval of the list of award beneficiaries;
  - the determination of the award terms and conditions and, where applicable, the award criteria;
  - the determination of the dates from which the shares shall carry dividend rights;
  - where applicable, the acknowledgment of the completion of capital increases, the resulting amendment of the Bylaws, and generally the performance of any and all actions required in the implementation of this authorization;
8. decides that this authorization shall replace that granted by the Combined Shareholders' Meeting of May 12, 2005.

## **TWELFTH RESOLUTION**

### **(Capital increase reserved for Group employees – Delegation of powers)**

The Shareholders' Meeting, having examined the report prepared by the Board of Directors and the special report prepared by the Statutory Auditors and acting in accordance with the provisions of Articles L. 225-129-2 and L. 225-129-6 of the French Commercial Code,

1. delegates its powers to the Board of Directors to allow this body to proceed, in one or several operations, under the conditions set forth in Article L. 443-5 of the French Labor Code, with any capital

increase in cash reserved for the employees of the Company, and of any other affiliated enterprises, who are members of a company savings plan;

2. grants this delegation of powers for a period of twenty-six months as of the date of this Meeting;
3. decides that the total number of shares to which employees may subscribe under this delegation shall not exceed 3% of the share capital as of the date of the issue, it being indicated that such amount shall be applied against the nominal amount of any capital increase resulting or likely to result over time from issuances decided under the 11th resolution presented for the approval of this Shareholders' Meeting or under the 8th, 9th and 10th resolutions approved by the Combined Shareholders' Meeting of May 10, 2007;
4. decides that the share exercise price shall be determined in accordance with the provisions of Article L. 443-5, paragraph 3 of the French Labor Code;
5. grants all powers to the Board of Directors to implement this delegation and in particular to:
  - determine the length of service requirements that must be met in order to participate in the operation, within any limits set forth by law, and, where applicable, the maximum number of shares to which each employee may subscribe,
  - determine the number of new shares to be issued and the date from which such shares shall carry dividend rights,
  - determine, within any limits set forth by law, the issue price of the new shares and the time periods within which employees may exercise their rights,
  - determine the time periods and terms and conditions within and under which payments are to be made on the new shares,
  - record the completion of each capital increase and amend the Bylaws accordingly,
  - proceed with any and all operations and formalities deemed necessary to carry out the capital increase or increases;
6. decides to exclude the preferential right of shareholders to subscribe to shares in favor of the abovementioned category of employees.