

Christian Dior

Paris, November 3, 2014

Exceptional distribution in kind of shares of Hermès International

On September 2, 2014, under the aegis of the President of the Commercial Court of Paris, LVMH Moët Hennessy – Louis Vuitton (“**LVMH**”), Christian Dior (“**Christian Dior**”), Financière Jean Goujon (“**Financière Jean Goujon**”) and Hermès International (“**Hermès**”) entered into a settlement agreement (the “**Settlement Agreement**”) aimed at restoring a climate of positive relations among them.

According to the terms of this agreement, LVMH has agreed to distribute to its shareholders all of the Hermès shares held by the LVMH group and Christian Dior, which currently holds 40.9% of LVMH’s share capital through its wholly-owned subsidiary Financière Jean Goujon, has also agreed to distribute the Hermès shares that it will receive from LVMH (indirectly through Financière Jean Goujon) to its own shareholders.

The terms and conditions of the distribution of Hermès shares by LVMH to its shareholders are set forth in the press release published by LVMH on November 3, 2014, which is available on its website: www.lvmh.fr.

Financière Jean Goujon will distribute the Hermès shares that it will receive from LVMH by way of an interim dividend.

The terms and conditions of the distribution of Hermès shares by Christian Dior are set forth in this press release.

Christian Dior’s Board of Directors will:

- submit to the approval of its shareholders at the Combined Shareholders’ Meeting to be held on December 9, 2014, the amendment of the Christian Dior’s bylaws in order to authorize the distribution of dividends in kind and interim dividends in kind, and an exceptional distribution in kind to be made in Hermès shares (the “**Distribution in Kind**”); and
- distribute, subject to the aforementioned distribution in kind being approved by the Combined Shareholders’ Meeting, an interim dividend in kind with respect to the current financial year by allocating the remaining Hermès shares not distributed under the Distribution in Kind (the “**Interim Dividend**”).

The distributions of Hermès shares approved by LVMH, Financière Jean Goujon and Christian Dior will be paid on December 17, 2014.

As disclosed earlier, Christian Dior’s Board of Directors decided at its meeting on October 16, 2014 to submit to shareholders’ approval a final cash dividend of €1.90 per share for the 2013-2014 fiscal year, which will be paid on December 15, 2014.

Following the completion of these transactions, LVMH, Financière Jean Goujon and Christian Dior will no longer hold any Hermès shares with the exception of Hermès shares representing rights to fractional interests or non-distributed shares due to the distribution ratios used. These shares will be sold no later than September 3, 2015.

Pursuant to the Settlement Agreement:

- LVMH, Financière Jean Goujon and Christian Dior and their respective subsidiaries have agreed not to acquire any Hermès shares during a five-year period as from the date on which all of the Hermès shares representing rights to fractional shares or non-distributed Hermès shares have been sold; and
- Mr. Bernard Arnault has agreed over the same aforementioned five-year period, on his own behalf and that of the companies which he controls directly or indirectly as defined under Article L. 233-3 of the French Commercial Code (*Code de commerce*), not to hold, either on his own or jointly, directly or indirectly, a number of Hermès shares exceeding that which he will receive under the distributions, which will represent approximately 8.5% of Hermès share capital.

The undertakings set forth above shall cease to apply if the following events occur: (i) H51, a shareholder with a 50.3%¹ stake in Hermès, decides to sell its entire holding in Hermès, (ii) the H51 shareholders decide to sell their controlling interest in Hermès to a third party outside of the Hermès family group or (iii) the Hermès Supervisory Board (*Conseil de surveillance*) approves a tender offer on Hermès.

For the Christian Dior shareholders, this press release sets forth the technical terms of the Distribution in Kind and the Interim Dividend in Hermès shares.

For any information regarding Hermès, the Christian Dior shareholders should refer to the Hermès 2013 registration document (*document de référence*) filed with the *Autorité des marchés financiers* (French market regulator) on April 10, 2014 under number D.14-0323 as well as the press releases published by Hermès since such date. These documents are available on the Hermès website: finance.hermes.com.

Shareholders who are natural persons with their tax residence in France should be made aware that the Distribution in Kind, for the fraction thereof qualified as distributed income from a tax perspective, and the Interim Dividend are subject, under the conditions set out in paragraph 3.1.1 below, prior to the delivery of the shares or the payment of the cash balance, to a 21% non-final withholding tax (*prélèvement non libératoire*) of the distributed gross amount (unless exempted as described below), as well as to various social withholdings of up to 15.5% of the distributed gross amount, i.e. a total withholding amounting to 36.5% of the distributed gross amount.

This press release does not constitute (i) an offer to sell or subscribe or a solicitation of an offer to buy or subscribe to the Hermès shares, or (ii) a solicitation to obtain approval or a favorable vote to approve the distributions described herein in any jurisdiction where such solicitation would be prohibited.

United States of America

Shares and other securities may not be offered or sold in, or transferred to, the United States of America, absent registration or an exemption from registration requirements pursuant to the U.S. Securities Act of 1933, as amended. The Hermès shares included in the distribution in kind have not been, nor will they be, registered in the United States of America under the U.S. Securities Act of

¹ Percentage at December 31, 2013, based on the information available in the Hermès 2013 registration document filed with the *Autorité des marchés financiers* (French market regulator) on April 10, 2014 under number D.14-0323.

1933, as amended. The distribution in kind of Hermès shares by Christian Dior has not been approved or rejected by the U.S. Securities and Exchange Commission (the “SEC”) or any other commission of a State of the United States of America and neither these commissions nor the SEC have reviewed the accuracy or adequacy of this press release. Any representation to the contrary may be considered a criminal offense in the United States of America.

Switzerland

This press release on the distribution in kind of Hermès shares listed on the regulated market Euronext Paris does not constitute an offering circular as defined by Articles 652a and 1156 of the Swiss Code of Obligations nor a listing prospectus as defined by the listing rules of the SIX Swiss Exchange.

1. TERMS OF THE DISTRIBUTION IN KIND AND THE INTERIM DIVIDEND

1.1. Preliminary transactions

The Distribution in Kind and the Interim Dividend to be decided on by Christian Dior are contingent upon LVMH's and Financière Jean Goujon's prior approval of the distribution of Hermès shares to their respective shareholders according to the following terms:

- LVMH's combined shareholders' meeting to be held on November 25, 2014 will decide on an exceptional distribution in kind of Hermès shares to its shareholders, including Financière Jean Goujon (the "**LVMH Exceptional Distribution**"); and
- Financière Jean Goujon's President will decide on November 26, 2014 to distribute to Christian Dior, its sole shareholder, all of the Hermès shares received in connection with the LVMH Exceptional Distribution as an interim dividend (the "**FJG Interim Dividend**").

The detachment and the payment of both the LVMH Exceptional Distribution and of the FJG Interim Dividend will both occur on December 17, 2014.

As stated above, the distribution of Hermès shares to Christian Dior shareholders will be carried out partly through the Distribution in Kind, and the remainder will be distributed through the Interim Dividend.

1.2. Features of the Distribution in Kind

Provided that the LVMH Exceptional Distribution, on the one hand, and the FJG Interim Dividend, on the other hand, have been approved, a resolution will be submitted to the Christian Dior shareholders at the Combined Shareholders' Meeting to be held on December 9, 2014, to approve, contingent upon the effective payment of the LVMH Exceptional Distribution and the FJG Interim Dividend, an exceptional distribution offering one (1) Hermès share for twenty-three (23) Christian Dior shares held.

On the basis of the number of Hermès shares held by LVMH, i.e. 24,473,545 shares, and Christian Dior's stake in LVMH's share capital through Financière Jean Goujon, and assuming that (i) the LVMH shareholders approve the LVMH Exceptional Distribution, (ii) the distribution ratio set with respect to the LVMH Exceptional Distribution is not adjusted, (iii) the President of Financière Jean Goujon decides on the FJG Interim Dividend, (iv) the shares held in treasury by Christian Dior remain at the same level as that of October 20, 2014, and (v) there are no fractional shares in connection with the various distributions:

- Christian Dior would receive 10,137,624 Hermès shares from the LVMH Exceptional Distribution and the FJG Interim Dividend;
- the Distribution in Kind would include 7,777,166 Hermès shares; and
- the remainder of non-distributed Hermès shares post-Distribution in Kind would amount to 2,360,458.

Hermès share capital is comprised of fully paid up ordinary shares of the same class, listed on compartment A of the regulated market Euronext Paris under ISIN code FR0000052292.

The Distribution in Kind will be detached and paid on December 17, 2014.

Christian Dior shareholders whose shares have been recorded in the accounts in their name at the end of the trading day preceding the date of detachment and payment, i.e., December 16, 2014 (after taking into account orders executed during the day of December 16, 2014, even if these orders are settled and delivered after the date of detachment), will be entitled to receive the Distribution in Kind

(the “**Beneficiaries of the Distribution in Kind**”). In the case of a division of ownership of the shares, the beneficiary of the Distribution in Kind will be the bare owner. Christian Dior shares held in treasury at the date of detachment of the Distribution in Kind will not be eligible for the Distribution in Kind.

The amount corresponding to the Distribution in Kind will be determined by using the Hermès opening share price on December 17, 2014, i.e. the payment date, and will not exceed the amount of retained earnings, reserves and premiums distributable in accordance with current laws and regulations. It is specified, assuming that the amount of shares held in treasury by Christian Dior compared to the amount on October 20, 2014 remains stable and that the Christian Dior’s Combined Shareholders’ Meeting approves the appropriation of earnings for the fiscal year ended on June 30, 2014, that the distributable amount after the final dividend would be €2,169 million and that the amount of the Distribution in Kind would be €1,796 million, on the assumption of (i) a distribution of 7,777,166 Hermès shares and (ii) a Hermès share price equal to €230.95, i.e. the Hermès closing share price on October 20, 2014.

In the event that (i) the LVMH’s Board of Directors adjusts the distribution ratio set by its general shareholders’ meeting in such a manner that Christian Dior receives less than 7,777,166 Hermès shares from Financière Jean Goujon or (ii) the Distribution in Kind exceeds the authorized ceiling set forth above on the basis of the Hermès opening share price on the payment date, the Christian Dior’s Board of Directors would have all powers to adjust the aforementioned distribution ratio so that this distribution does not exceed the number of available Hermès shares nor such ceiling (this would be the case if the Hermès opening share price on the payment date exceeded €278.90 based on a distributable amount of €2,169 million and assuming that all the Hermès shares would be distributed). In the event that the ratio for the Distribution in Kind is adjusted, Christian Dior will publish a press release on the morning of the payment date once the Hermès opening share price is ascertained.

Rights forming fractional shares shall neither be tradable nor assignable. As a consequence, if the allocation to which a shareholder is entitled is not a whole number of Hermès shares due to the distribution ratio used (i.e. a holding of Christian Dior shares lower than 23 or which does not correspond to a multiple of 23), the shareholder shall receive the number of Hermès shares immediately below this amount, together with a cash payment for the balance to be paid by Christian Dior, the amount of which will be calculated in proportion to the Hermès opening share price on December 17, 2014. Shareholders with less than 23 Christian Dior shares at December 16, 2014 will therefore solely receive a balance payment in cash. For illustrative purposes only and assuming a Hermès theoretical share price, at the opening of the stock market on the payment date, of €230:

- a shareholder with 20 Christian Dior shares would not receive any Hermès shares but solely a balance cash payment of a gross amount of €200, equivalent to $20 \times (1/23) \times €230$;
- a shareholder with 80 Christian Dior shares would receive three (3) Hermès shares and a balance cash payment of a gross amount of €110, equivalent to $(80 - (3 \times 23)) \times (1/23) \times €230$.

From an accounting standpoint, the total amount corresponding to the Distribution in Kind as defined above, i.e., the number of distributed Hermès shares (whether they are delivered to Christian Dior shareholders or sold, in particular, because of fractional shares) multiplied by the opening share price on December 17, 2014, shall be deducted in order of priority from the Optional Reserve account, and for the surplus, from the Share Premium account. Prior to doing so, a resolution will be submitted to the Christian Dior Combined Shareholders’ Meeting to allocate all the retained earnings (after the appropriation of earnings) as at June 30, 2014 to the Optional Reserve account.

The completion of the Distribution in Kind is contingent upon the approval by the Combined Shareholders’ Meeting of a resolution to amend Christian Dior’s bylaws in order to authorize the distribution of dividends in kind.

1.3. Features of the Interim Dividend

Provided that (i) the Christian Dior's bylaws have been amended in order to authorize the distribution of dividends in kind and interim dividends in kind, (ii) the LVMH Exceptional Distribution, on the one hand, and the FJG Interim Dividend, on the other hand, have been approved, (iii) the Distribution in Kind has been approved by the Christian Dior Combined Shareholders' Meeting, and (iv) an interim balance sheet certified by the Statutory Auditors shows a sufficient amount of distributable earnings and on the basis of the ratio used in the Distribution in Kind, Christian Dior's Board of Directors will decide on December 11, 2014 to distribute to Christian Dior shareholders, subject to the effective payment of the LVMH Exceptional Distribution and the FJG Interim Dividend, an interim dividend in kind, with respect to the current fiscal year, by allocating Hermès shares at a ratio of one (1) Hermès share for seventy-six (76) Christian Dior shares held. This distribution ratio keeps to a minimum the number of Hermès shares not distributed.

In consideration of the information set forth in paragraph 1.2 above, the Interim Dividend would include 2,353,616 Hermès shares.

The Interim Dividend will be detached and paid on December 17, 2014.

Christian Dior shareholders whose shares have been recorded in the accounts in their name at the end of the trading day preceding the date of detachment and payment, i.e., December 16, 2014 (after taking into account orders executed during the day of December 16, 2014, even if these orders are settled and delivered after the date of detachment), will be entitled to receive the Interim Dividend (the "**Beneficiaries of the Interim Dividend**"). In the case of a division of ownership of the shares, the beneficiary of the Interim Dividend will be the usufructuary. Christian Dior shares held in treasury at the date of detachment of the Interim Dividend will not be eligible to receive the Interim Dividend.

The amount corresponding to the Interim Dividend will be determined by using the Hermès opening share price on December 17, 2014.

Rights forming fractional shares shall neither be tradable nor assignable. As a consequence, if the allocation to which a shareholder is entitled is not a whole number of Hermès shares due to the distribution ratio used (i.e. a holding of Christian Dior shares lower than 76 or which does not correspond to a multiple of 76), the shareholder shall receive the number of Hermès shares immediately below this amount, together with a cash payment for the balance to be paid by Christian Dior, the amount of which will be calculated in proportion to the Hermès opening share price on December 17, 2014. Shareholders with less than 76 Christian Dior shares at December 16, 2014 will therefore solely receive a balance payment in cash. For illustrative purposes only and assuming a Hermès theoretical share price, at the opening of the stock market on the payment date, of €230:

- a shareholder with 20 Christian Dior shares would not receive any Hermès shares but solely a balance cash payment of a gross amount of €60.53, equivalent to $20 \times (1/76) \times €230$;
- a shareholder with 80 Christian Dior shares would receive one (1) Hermès share and a balance cash payment of a gross amount of €12.11, equivalent to $(80-76) \times (1/76) \times €230$.

In the event that, on the basis of the Hermès opening share price on December 17, 2014:

- (i) the LVMH's Board of Directors adjusts the distribution ratio set by its general shareholders' meeting so that Christian Dior receives less than 7,777,166 Hermès shares in connection with the FJG Interim Divided or (ii) the Distribution in Kind exceeds the authorized ceiling set forth above in paragraph 1.2, the Christian Dior's Board of Directors will adjust as appropriate the ratio set by the Combined Shareholders' Meeting for the Distribution in Kind so that this distribution does not exceed the number of available Hermès shares nor such ceiling;

- the Christian Dior's Board of Directors adjusts the distribution ratio set by the Combined Shareholders' Meeting of Christian Dior so that the Distribution in Kind includes less than 7,777,166 Hermès shares, the Board of Directors will also adjust as appropriate the ratio set by the Combined Shareholders' Meeting for the Interim Dividend so that a maximum of Hermès shares are allocated to Christian Dior shareholders.

In the event that the ratio for the Distribution in Kind and/or the Interim Dividend is adjusted, Christian Dior will publish a press release on the morning of the payment date once the Hermès opening share price is ascertained.

The approval of the Interim Dividend is contingent upon the approval by the Combined Shareholders' Meeting to be held on December 9, 2014 of a resolution to amend Christian Dior's bylaws in order to authorize the distribution of interim dividends in kind.

Using the theoretical assumption that there are no fractional shares (and therefore no balance payment in cash) or adjustment of the distribution ratio, Christian Dior would hold post-Interim Dividend 6,842 Hermès shares (calculated on the basis of the number of shares comprising Christian Dior's share capital less the number of shares held in treasury at October 20, 2014), it being specified that pursuant to the provisions of the Settlement Agreement, Christian Dior has agreed to sell these shares no later than September 3, 2015.

1.4. Timetable for the Distribution in Kind and the Interim Dividend

The indicative timetable for the Distribution in Kind and the Interim Dividend is as follows:

October 16, 2014	Decision by Christian Dior's Board of Directors to suspend the exercise of stock options as from November 21, 2014
November 3, 2014	Publication of the first notice (<i>avis de réunion</i>) in the BALO (French official bulletin of legal notices) convening the Combined Shareholders' Meeting of Christian Dior
November 21, 2014	Onset of the suspension of the exercise of stock options
November 17, 2014	Publication of the detailed notice (<i>avis de convocation</i>) in the BALO convening the Combined Shareholders' Meeting of Christian Dior
December 9, 2014	Combined Shareholders' Meeting of Christian Dior approving the financial statements for the year ended June 30, 2014, declaring the dividend amount for the year ended June 30, 2014 and the payment of a final dividend of €1.90 per share, amending the bylaws and approving the Distribution in Kind of Hermès shares
December 11, 2014	Decision by Christian Dior's Board of Directors to distribute the Interim Dividend in Hermès shares
December 15, 2014	Payment of the Christian Dior final dividend in cash of €1.90 per share for the fiscal year ended June 30, 2014
December 17, 2014	<p>Detachment of the allotment rights to the Distribution in Kind and the allotment rights to the Interim Dividend and payment</p> <p>Delivery of the Hermès shares allocated under the Distribution in Kind and the Interim Dividend to the centralizing bank, BNP Paribas Securities Services</p> <p>Book entry of the Hermès shares allocated under the Distribution in Kind and the Interim Dividend after presentation of the allotment rights by the relevant multiples by the financial intermediaries</p> <p>End of the suspension period of the exercise of stock options</p>
December 19, 2014	Payment by Christian Dior to the centralizing bank of the amount corresponding to the cash balance payments due under the Distribution in Kind and the Interim Dividend. Payment by the centralizing bank to the financial intermediaries of the sums due to their clients with respect to the cash balance payments after presentation of the allotment rights constituting fractional shares

2. PAYMENT OF THE DISTRIBUTION IN KIND AND THE INTERIM DIVIDEND

The payment transactions for the Distribution in Kind and the Interim Dividend will begin as from December 17, 2014 under the conditions set forth below.

The bank responsible for centralizing the transactions in connection with the Distribution in Kind and the Interim Dividend (the “**Centralizing Bank**”) is BNP Paribas Securities Services, 3 rue d’Antin, 75002 Paris.

For the Beneficiaries of the Distribution in Kind and the Beneficiaries of the Interim Dividend holding Christian Dior shares in bearer form (*au porteur*) or registered through financial institutions (*au nominatif administré*):

- the Distribution in Kind and the Interim Dividend will be made via the technical detachment, on December 17, 2014, of a non-tradable and non-transferable allotment right for Hermès shares, which Euroclear France will automatically allocate to the account custodians, on the basis of equity positions in Christian Dior shares duly registered with Euroclear France at day-end closing on December 16, 2014, at a ratio of one right per Christian Dior ordinary share;
- as from December 17, 2014, the account custodians will provide to the Centralizing Bank both the allotment rights in multiples of 23 (the Distribution in Kind) and multiples of 76 (the Interim Dividend), and the allotment rights constituting fractional shares of the Distribution in Kind and those of the Interim Dividend;
- the Centralizing Bank will credit each financial institution (i) as from December 17, 2014, the whole number of Hermès shares corresponding to the rights submitted per multiples of 23 or 76, as relevant, and (ii) as from December 19, 2014, the cash balance payments, the amount of which will be determined on December 17, 2014, in proportion to the Hermès opening share price as of the same date;
- the account custodians will then credit the Hermès shares and, if applicable, the cash balance payments to the accounts of the Beneficiaries of the Distribution in Kind and the Beneficiaries of the Interim Dividend with Christian Dior shares held in bearer form or in a registered account;
- the Beneficiaries of the Distribution in Kind and the Beneficiaries of the Interim Dividend must pay to their accredited intermediary the social withholdings and/or the non-final withholding tax or the withholding tax due under the Distribution in Kind and the Interim Dividend.

For Beneficiaries of the Distribution in Kind and the Beneficiaries of the Interim Dividend registered directly with Christian Dior (*au nominatif pur*):

- immediately after the General Shareholders’ Meeting on December 9, 2014, each relevant Beneficiary of the Distribution in Kind and each relevant Beneficiary of the Interim Dividend will receive a letter from Christian Dior informing them of the terms and conditions of the allocation of Hermès shares and, if applicable, the cash balance payment;
- prior to December 17, 2014, each relevant Beneficiary of the Distribution in Kind and each relevant Beneficiary of the Interim Dividend shall communicate to Christian Dior the details of the account in which the Hermès shares, to which he/she is entitled to under the Distribution in Kind and/or the Interim Dividend, should be credited and confirm with Christian Dior the account details to which the cash balance payment, if any, should be made;

- the Distribution in Kind and the Interim Dividend will be made via the technical detachment, on December 17, 2014, of non-tradable and non-transferable allotment rights for Hermès shares for each of the Distribution in Kind and the Interim Dividend, which Euroclear France will automatically credit to an account opened under Christian Dior's name, on the basis of the equity positions in Christian Dior shares of the Beneficiaries of the Distribution in Kind and the Beneficiaries of the Interim Dividend duly registered with Christian Dior at day-end closing on December 16, 2014, at a ratio of one right per Christian Dior ordinary share for each of the distributions;
- as from December 17, 2014, Christian Dior will provide to the Centralizing Bank both the allotment rights in multiples of 23 or 76 rights, as applicable, and the allotment rights to fractional shares;
- the Centralizing Bank will credit Christian Dior, as from December 17, 2014, the whole number of Hermès shares corresponding to the rights submitted per multiples of 23 or 76, as applicable;
- Christian Dior will then credit the Hermès shares and, if any, the net amount of the cash balance payment to the accounts of the Beneficiaries of the Distribution in Kind and the Beneficiaries of the Interim Dividend (details of which having been previously provided to Christian Dior);
- the Beneficiaries of the Distribution in Kind and the Beneficiaries of the Interim Dividend must pay to Christian Dior the social withholdings and/or the non-final withholding tax or the withholding tax due under the Distribution in Kind and the Interim Dividend. Immediately following the Combined Shareholders' Meeting on December 9, 2014, Christian Dior will send each relevant Beneficiary of the Distribution in Kind and each relevant Beneficiary of the Interim Dividend a letter informing them of the methods to settle these withholdings and taxes.

Shareholders that would like to sell the Hermès shares that they will receive under the Distribution in Kind or the Interim Dividend should contact their account custodian.

3. TAX TREATMENT OF THE DISTRIBUTION IN KIND AND THE INTERIM DIVIDEND

The following description summarizes certain French tax consequences, under applicable laws and regulations currently in effect, that may apply to Christian Dior shareholders under the Distribution in Kind and the Interim Dividend.

This information constitutes only a short summary of the applicable tax provisions under currently applicable legislation, and is provided for information purposes only. The rules described below are subject to change and new laws or regulations could be retroactive or apply to the current calendar or fiscal year.

The tax information below does not constitute a comprehensive description of all tax impacts that may apply to Christian Dior shareholders under the Distribution in Kind and the Interim Dividend.

Christian Dior shareholders should seek advice from their usual tax advisor on the tax consequences of their particular circumstances.

Moreover, persons who are not French tax residents must refer to (i) the provisions of the applicable tax treaty concluded between their own State of residence and France; (ii) the provisions of French tax legislation; and (iii) the legislation of their State of residence and/or nationality that may apply to them so that they may determine their applicable tax regime. These persons should seek advice from their usual tax advisor regarding the applicable tax treatment for the Distribution in Kind and the Interim Dividend.

As a fraction of the Distribution in Kind corresponds to a repayment of paid-in capital (*remboursement d'apport*) from a tax perspective, the remainder being qualified as distributed income from a tax perspective, Christian Dior will publish on the payment date a press release providing a breakdown from a tax perspective between a distribution of income and a repayment of paid-in capital made in connection with the Distribution in Kind. Such repayment will not be viewed as a distribution of income and therefore will not be subject in this respect to a French social and tax levy made by the paying agent of the Distribution in Kind or to a French withholding tax.

3.1. Shareholders whose tax residence is located in France

Shareholders who are natural persons with their tax residence in France should be made aware that the Distribution in Kind, for the fraction thereof qualified as distributed income from a tax perspective, and the Interim Dividend are subject, under the conditions set out in paragraph 3.1.1 below, prior to the delivery of the shares or the payment of the cash balance, to a 21% non-final withholding tax (*prélèvement non libératoire*) of the distributed gross amount (unless exempted as described below) as well as to various social withholdings of up to 15.5% of the distributed gross amount, i.e. a total withholding amounting to 36.5% of the distributed gross amount.

3.1.1. Natural persons with personal holdings of Christian Dior shares who do not professionally engage in securities transactions

3.1.1.1. 21% Withholding

As from January 1, 2013, pursuant to Article 117-quater of the French General Tax Code (“CGI”), subject to the exceptions referred to below, natural persons residing in France are subject to a 21% non-final withholding on the gross amount of distributed income (*revenu distribué*). This withholding is made by the paying agent of the income, if it is located in France. When the paying agent of the income is established outside of France, the income is declared and the corresponding payment made within the first 15 days of the month following the month of the income payment, either by the taxpayer him/herself or by the paying agent, when that entity (i) is established in a Member State of the European Union or in another Member State of the European Economic Area Agreement that has concluded with France a convention on administrative assistance to combat tax evasion and avoidance, and (ii) has received instructions to that effect from the taxpayer.

However, natural persons belonging to a tax household whose reference fiscal income (*revenu fiscal de référence*) for the second-to-last tax year, as defined in 1° of IV of Article 1417 of the CGI, is less than €50,000 for taxpayers who are single, divorced or widowed, or €75,000 for couples filing jointly, may request an exemption from this withholding under the terms and conditions of Article 242-quater of the CGI. They may do so by providing to the paying agent no later than November 30 of the year preceding the year of the payment of the distributed income a sworn statement that the reference fiscal income shown on the tax notice issued in respect of the second-to-last year preceding the year of payment was below the above-mentioned taxable income thresholds.

When the paying agent is established outside France, only natural persons belonging to a tax household whose reference fiscal income of the year before last, as defined in 1° of IV of Article 1417 of the CGI, is equal or superior to the amounts mentioned in the previous paragraph are subject to this tax.

The withholding tax does not apply to income related to securities held in French share savings plans (*Plan d'Epargne en Actions*, “PEA”).

3.1.1.2. Income tax

As from January 1, 2013, under Article 158 of the CGI, dividends must be included in the shareholder's global taxable income as portfolio income (*revenu de capitaux mobiliers*) in respect of the year during which they are received. They are subject to income tax under the progressive scale and benefit from an unlimited tax deduction of 40% on the amount of distributed income ("40% Reduction").

Pursuant to Article 193 of the CGI, the 21% non-final withholding may be credited against the income tax due in respect of the year in which it was paid. Where it exceeds the income tax due, the surplus is refunded.

If the Christian Dior shares are held in a French share savings plan (PEA), the dividends and similar distributed income are exempt from the income tax, subject to complying with the terms and conditions specific to the PEA.

3.1.1.3. Social withholdings

In addition, whether the non-final 21% withholding tax is applicable or not, the gross amount of income distributed by Christian Dior (before application of the 40% Reduction) will also be subject to social withholdings at a global rate of 15.5%, broken down as follows:

- general social contribution (*contribution sociale généralisée*, "CSG") at the rate of 8.2%;
- social debt repayment contribution (*contribution pour remboursement de la dette sociale*, "CRDS") at the rate of 0.5%;
- social levy at the rate of 4.5%;
- additional contribution on the social levy at the rate of 0.3%; and
- solidarity levy at a rate of 2%.

Except for the CSG, which is deductible up to 5.1% from the taxable income of the year of its payment, these social contributions are not deductible for income tax purposes.

Shareholders should consult their usual tax advisor to determine reporting obligations and payment rules that may apply to them in respect of the non-final 21% withholding tax and the social withholdings.

3.1.1.4. Exceptional contribution on high income earners

Pursuant to Article 223-sexies of the CGI, taxpayers subject to personal income tax are liable for a contribution based on the amount of the tax household's reference fiscal income as defined in 1° of IV of Article 1417 of the CGI, without any application of the quotient rules defined in Article 163-0 A of the CGI. The defined reference income includes the distributed income and dividends received by the relevant taxpayers before the 40% Reduction. This contribution is calculated by applying the following rates:

- 3% of the portion of reference fiscal income between €250,000 and €500,000 for single, widowed, separated or divorced taxpayers, and the portion of taxable income between €500,000 and €1,000,000 for couples filing jointly;
- 4% of the portion of reference fiscal income above €500,000 for single, widowed, separated or divorced taxpayers, and the portion of taxable income above €1,000,000 for couples filing jointly.

3.1.1.5. Fraction of the Distribution in Kind considered as a repayment of paid-in capital from a tax perspective

According to the administrative guidelines published by the tax authorities (BOI-RPPM-PVBM-20-10-20-40-20141014, n°240), the distributions made by a company to its partners or shareholders who are natural persons and considered from a tax perspective for the latter as a repayment of paid-in capital as defined in paragraph 1 of Article 112 of the CGI are not treated as distributed income and as such are not subject to income tax nor to the withholdings and taxes set forth in sections 3.1.1.1 to 3.1.1.4. However, in the event that these partners or shareholders later sell the securities, the amount of the distributions will be subtracted from the purchase or subscription price of the securities as specified in Article 150-0 D of the CGI. Shareholders whose tax basis for the Christian Dior share is less than the amount of the repayment of in-paid capital, as well as shareholders who received a tax deferment when they acquired Christian Dior shares, should seek advice from their usual tax advisor as to which tax regime applies to their particular circumstances.

3.1.2. Legal entities subject to corporate income tax (under standard rules)

3.1.2.1. Legal entities without the status of a parent company (société mère) in France

Legal entities, other than those having parent company (*société mère*) status within the meaning of Article 145 of the CGI, should include the dividends and distributed income received in their taxable income subject to a corporate tax rate of $33^{1/3}\%$. The following additional contributions may also apply: (i) a 3.3% social contribution based on the corporate income tax charge, after a deduction of up to €763,000 for each twelve-month period (Article 235-ter ZC of the CGI), and (ii) for companies with revenue of more than €250,000,000, an exceptional 10.7% contribution (Article 235-ter ZAA of the CGI), based on the corporate income tax charge as determined before any reductions or tax credits.

However, pursuant to Article 219 I-b of the CGI, for legal entities with annual revenue of less than €7,630,000 (excluding taxes), and whose share capital is entirely paid up and at least 75% continuously held throughout the relevant fiscal year by natural persons or by a company satisfying all these conditions, the corporate income tax rate is set at 15% for the first €38,120 of taxable income for each twelve-month period. In addition, these legal entities are exempted from the aforementioned 3.3% social contribution and the additional 10.7% contribution.

3.1.2.2. Legal entities qualifying as a parent company (société mère) in France

Legal entities holding at least 5% of Christian Dior's share capital and voting rights, and which meet the conditions provided under Articles 145 and 216 of the CGI, may benefit, upon election, from a dividend and distributed income exemption under the parent subsidiary regime. Subsection I of Article 216 of the CGI provides, however, for the inclusion, in the taxable income subject to corporate income tax at the standard rate of the beneficiary, of a quota for fees and expenses set at 5% of total proceeds from the shares, tax credits included.

3.1.2.3. Fraction of the Distribution in Kind considered as a repayment of paid-in capital from a tax perspective

Legal entities should seek the advice of their usual tax advisor to determine the applicable tax treatment based on their specific circumstances with respect to receiving a fraction of the Distribution in Kind considered as a repayment of paid-in capital.

3.1.3. Other shareholders

Christian Dior shareholders that are subject to a tax regime different from those described hereinabove, in particular those taxpayers whose securities trading goes beyond mere portfolio asset management or who have recorded their shares as assets in their commercial balance sheet, should consult their own tax advisor to determine the provisions that apply to their particular circumstances.

3.2. Shareholders whose tax residence is located outside of France

Under French legislation currently in effect and subject to the application of any international tax treaties, the following provisions summarize some French tax consequences that may apply to investors (i) who are not tax residents of France within the meaning of Article 4 B of the CGI or whose registered office is located outside France and (ii) whose ownership of shares is not related to a fixed base or a permanent establishment subject to taxation in France.

These investors must, however, verify, with their usual tax advisor, the tax treatment that applies to their specific circumstances and, moreover, comply with the tax laws in force in their State of residence and/or nationality.

Subject to the provisions of any applicable international tax treaties and the exceptions listed below, the gross amount of distributed income will, in principle, be subject to a withholding tax, deducted by the paying agent, where the tax residence or the registered office of the beneficial owner is located outside France.

Subject to what is set forth below and to completing the appropriate formalities, the rate of this withholding tax is set at (i) 21% by Article 187 (1) of the CGI where the beneficiary is a natural person residing in a Member State of the European Union or in another Member State of the European Economic Area Agreement that has concluded with France a convention on administrative assistance to combat tax evasion and avoidance and when the distributed income is eligible for the reduction provided in Article 158 (3)(2) of the CGI; (ii) 15% where the beneficiary is a non-profit organization that has its registered office in a Member State of the European Union or in another Member State of the European Economic Area Agreement that has concluded with France a convention on administrative assistance to combat tax evasion and avoidance, that would be taxed according to the treatment referred to in Article 206-5 of the CGI if it had its registered office in France and that meets the criteria provided for by paragraphs 580 *et seq.* of the administrative guidelines BOI-IS-CHAMP-10-50-10-40-20130325; and (iii) 30% in all other cases.

Moreover, regardless of the location of the beneficiary's tax residence or registered office, the income distributed by Christian Dior outside France to a "non-cooperative" State or territory, as defined by Article 238-0 A of the CGI, will be subject to a withholding tax at a rate of 75%. The list of non-cooperative States and territories is published by ministerial order and updated annually. The list as at January 1, 2014 was updated by the ministerial order dated January 17, 2014 (Official Journal dated January 19, 2014) and includes the following States and territories: Botswana, British Virgin Islands, Brunei, Montserrat, Guatemala, Nauru, Marshall Islands and Niue. Investors that may be impacted by such measure and those who are domiciled or established in a non-cooperative State or territory should seek the advice of their usual tax advisor to determine the tax treatment applicable to them.

Shareholders that are legal entities having their place of effective management in a Member State of the European Union may benefit from a withholding tax exemption, if they hold at least 10% of Christian Dior's share capital, and otherwise meet all the conditions of Article 119-ter of the CGI. Moreover, subject to meeting the conditions specified in administrative guidelines BOI-RPPM-RCM-30-30-20-40-20140725, legal entities that hold at least 5% of Christian Dior's share capital and voting rights may benefit from a withholding tax exemption, under certain conditions, if their place of effective management is located either in a Member State of the European Union, or in another Member State of the European Economic Area Agreement that has concluded with France a tax treaty which includes a clause on administrative assistance to combat tax evasion and avoidance.

Furthermore, and subject to the payment in a non-cooperative State or territory as defined in Article 238-0 A of the CGI, the tax withholding is not applicable pursuant to Article 119 (2) *bis* of the CGI to dividends distributed to collective investment undertakings governed by foreign law, located in a Member State of the European Union or another State that has concluded with France a convention on administrative assistance to combat tax evasion and avoidance and which satisfy the following two conditions:

- raising capital from a certain number of investors with the purpose of investing it in a fiduciary capacity on behalf of such investors, pursuant to a defined investment policy;
- having features similar to those required of collective undertakings governed by French law under section 1, paragraphs 1, 2, 3, 5 et 6 of sub-section 2, sub-section 3, or sub-section 4 of section 2 of Chapter IV of the 1st Title of Book II of the French Monetary and Financial Code (*Code monétaire et financier*).

The conditions of this exemption are set forth in detail in the official bulletin of public finances (*bulletin officiel des finances publiques*) dated August 12, 2013 (BOI-RPPM-RCM-30-30-20-70).

The withholding tax may be reduced or even eliminated pursuant to tax treaties signed by France. It is, moreover, the responsibility of Christian Dior shareholders to consult their usual tax advisor to determine whether they are likely to qualify for a reduction to or exemption from the withholding tax by virtue of the preceding principles or provisions of international tax treaties, and to determine the practical formalities to be complied with to benefit from these treaties, including those provided for by BOI-INT-DG-20-20-20-20-20120912 relating to the “standard” or “simplified” procedure for the reduction of or exemption from the withholding tax.

4. PROTECTION OF THE HOLDERS OF STOCK OPTIONS AND BONUS SHARES

Pursuant to the terms of the stock option plans in effect, the Board of Directors decided on October 16, 2014 to suspend the exercise of exercisable stock options under the plans granted by Christian Dior’s Board of Directors at its meetings on May 12, 2005, February 15, 2006, September 6, 2006, January 31, 2007, May 15, 2008 and May 14, 2009 (the “**Stock Options**”) beginning on November 21, 2014 and up until December 17, 2014.

4.1. Preservation of the rights of the stock option holders

As a result solely of the Distribution in Kind (no adjustment arises with respect to the Interim Dividend), the Christian Dior shareholders will be asked at their Combined Shareholders’ Meeting on December 9, 2014, to approve that the rights of the holders of Stock Options be preserved and confer all powers to the Board of Directors to adjust the number and the price of the shares under option in accordance with the principles set forth in Article R. 228-91 of the French Commercial Code (*Code de commerce*).

Christian Dior’s Board of Directors will adjust the rights of the holders of Stock Options who have not exercised their options prior to the suspension of the exercise of options as set forth below.

4.1.1. Adjustment of the exercise price

The purchase price of a share under option post-adjustment will be equal to:

$$\text{purchase price of a share under option prior to adjustment} \times \left(1 - \frac{\text{Amount of the Distribution in Kind per Christian Dior share}}{\text{Value of the Christian Dior share prior to the Distribution in Kind}}\right)$$

For the purposes of the adjustment, the Board of Directors will use:

- for the “*Amount of the Distribution in Kind per Christian Dior share*”, one twenty-third (on the basis of the envisioned ratio) of the opening price of the Hermès share recorded on Euronext Paris on the payment date of the Distribution in Kind, i.e., December 17, 2014; and
- for the “*Value of the Christian Dior share prior to the Distribution in Kind*” the arithmetical average of the volume weighted averages of the Christian Dior share price recorded on Euronext Paris during the three (3) trading days preceding the first day on which the Christian Dior shares are listed ex-Distribution in Kind, i.e., December 17, 2014.

4.1.2. Adjustment of the number of shares under option

The number of Christian Dior shares under option post-adjustment will be equal to:

$$\frac{\text{number of shares prior to adjustment}}{\text{x}} \times \frac{\text{purchase price of a share under option prior to adjustment}}{\text{purchase price of a share under option post adjustment}}$$

For the purposes of the adjustment, the number of shares under option will be rounded up to the next whole number where necessary.

4.2. Preservation of the rights of the beneficiaries of bonus shares

As a result of solely the Distribution in Kind (no adjustment arises with respect to the Interim Dividend), the Christian Dior shareholders will be asked at their Combined Shareholders' Meeting on December 9, 2014 to preserve the rights of the beneficiaries of the bonus share plans whose vesting period has not expired prior to December 17, 2014 (the “**Bonus Shares**”) and confer all powers to the Board of Directors to adjust the number of awarded Bonus Shares that are still being vested in accordance with the principles set forth in Article R. 228-91 of the French Commercial Code (*Code de commerce*).

Christian Dior's Board of Directors will adjust the rights of the beneficiaries of the awarded Bonus Shares that are still being vested on December 16, 2014 by multiplying the number of awarded Bonus Shares that are still being vested for each of the beneficiaries by the following ratio:

$$\frac{\text{Value of the Christian Dior share prior to the Distribution in Kind}}{\text{Value of the Christian Dior share prior to the Distribution in Kind} - \text{Amount of the Distribution in Kind per Christian Dior share}}$$

For the purposes of this adjustment, the Board of Directors will use:

- for the “*Value of the Christian Dior share prior to the Distribution in Kind*” the arithmetical average of the volume weighted averages of the Christian Dior share price recorded on Euronext Paris during the three (3) trading days preceding the first day on which the Christian Dior shares are listed ex-Distribution in Kind, i.e., December 17, 2014; and
- for the “*Amount of the Distribution in Kind per Christian Dior share*”, one twenty-third (on the basis of the envisioned ratio) of the opening price of the Hermès share recorded on Euronext Paris on the payment date of the Distribution in Kind, i.e., December 17, 2014.

For the purposes of the adjustment, the number of Bonus Shares will be rounded up to the next whole number where necessary.

5. IMPACT OF THE DISTRIBUTIONS OF HERMÈS SHARES BY LVMH, FINANCIÈRE JEAN GOUJON AND CHRISTIAN DIOR ON CHRISTIAN DIOR'S CONSOLIDATED EQUITY, NET PROFIT AND DEBT

5.1. Impact of the distributions of Hermès shares by LVMH, Financière Jean Goujon and Christian Dior on Christian Dior consolidated shareholders' equity (Group share)

On the payment date, the distribution of Hermès shares made successively by LVMH, Financière Jean Goujon and Christian Dior will lead to a reduction in Christian Dior consolidated shareholders' equity (Group share) equal to the sum of:

- (i) the product of the number of Hermès shares distributed by Christian Dior (under the Distribution in Kind and the Interim Dividend) multiplied by the Hermès opening share price on the payment date;
- (ii) the taxes payable by the tax consolidation group consisting of Christian Dior and certain of its subsidiaries (including Financière Jean Goujon) under the LVMH Exceptional Distribution, the FJG Interim Dividend, the Distribution in Kind and the Interim Dividend;
- (iii) the percentage of Christian Dior's interest in LVMH applied to the amount of the difference between:
 - 1. the taxes payable by LVMH under the LVMH Exceptional Distribution, and
 - 2. the deferred taxes related to the Hermès securities recognized by LVMH.

Furthermore, given that the Hermès shares were recorded in Christian Dior's consolidated financial statements at their market value, Christian Dior consolidated shareholders' equity (Group share) will also vary since the most recent financial statements published as of June 30, 2014, in relation to the difference between the share price recorded at such date (i.e., €269.50) and the Hermès opening share price on the payment date of the Distribution in Kind and the Interim Dividend.

The impact of this transaction and of the fluctuation in the Hermès share price on Christian Dior consolidated shareholders' equity (Group share) compared to the figure recorded for the Christian Dior consolidated shareholders' equity (Group share) in the consolidated balance sheet as of June 30, 2014, can therefore be summarized as follows (assuming an opening Hermès share price of €230.95 on the payment date of the Distribution in Kind and the Interim Dividend):

	Number of outstanding shares	Shareholders' equity, Group share (in € millions)	Shareholders' equity per share, Group share (in € per share)
Situation as of 06/30/2014		11,970	66.97
Impact (net of deferred taxes) of the change in the Hermès share price until the payment date⁽¹⁾		(368)	(2.06)
Impact of the Distribution in Kind and Interim Dividend (including the taxes due and net of the reversal of deferred taxes)⁽¹⁾⁽²⁾	178,748,617*	(2,463)	(13.78)
Situation post-Distribution in Kind and Interim Dividend		9,139	51.13

(1) By way of example, the Hermès opening share price on the payment date used in the table above is the Hermès closing share price on October 20, 2014, i.e. €230.95 per Hermès share.

(2) For the purposes of the calculation, it was assumed that all of the Hermès shares held by LVMH will be successively distributed by LVMH, Financière Jean Goujon and Christian Dior to their respective shareholders.

* Number of shares comprising Christian Dior's share capital less treasury shares as of June 30, 2014.

5.2. Impact of the distributions of Hermès shares by LVMH, Financière Jean Goujon and Christian Dior on Christian Dior consolidated net profit (Group share)

The distribution of Hermès shares made successively by LVMH, Financière Jean Goujon and Christian Dior will have the following impacts on Christian Dior consolidated net profit (Group share):

(i) a revenue equal to (a) the value of the Hermès shares distributed by Christian Dior (determined on the basis of the Hermès opening share price on the payment date), less (b) the total consolidated cost of the Hermès shares distributed;

(ii) charges related to taxes payable:

1. by the tax consolidation group consisting of Christian Dior and certain of its subsidiaries (including Financière Jean Goujon) under the LVMH Exceptional Distribution, the FJG Interim Dividend, the Distribution in Kind and the Interim Dividend; and
2. by LVMH under the LVMH Exceptional Distribution (in proportion to the percentage of Christian Dior's interest in LVMH).

On the basis of a Hermès share price of €230.95 and assuming that all of the Hermès shares held by LVMH are distributed by LVMH, Financière Jean Goujon and Christian Dior to their respective shareholders, the consolidated profit (Group share) of Christian Dior generated by these distributions would amount to €830 million pre-tax and €655 million post-tax.

Moreover, the distribution of Hermès shares made successively by LVMH, Financière Jean Goujon and Christian Dior will result in the loss, in the consolidated financial statements of Christian Dior, of the amount of the dividend received from Hermès up until now. In respect of the 2013-2014 fiscal year, the profit net of tax (Group share) with respect to this dividend amounted to €25 million. This loss would trigger the dilution of the Group share of net earnings per share as follows:

	Average number of outstanding shares during the fiscal year ended June 30, 2014*	Net profit, Group share (in € millions)	Net earnings per share, Group share (in € per share)
Fiscal year ended June 30, 2014	178,762,208	1,425	7.97
Impact of the Distribution in Kind and Interim Dividend⁽¹⁾		(25)	(0.14)
Situation post-Distribution in Kind and Interim Dividend	178,762,208	1,400	7.83
Diluted earnings per share			(1.77)%

(1) For the purposes of the calculation, it was assumed that all of the Hermès shares held by LVMH will be distributed successively by LVMH, Financière Jean Goujon and Christian Dior to their respective shareholders.

* Number of shares comprising Christian Dior's share capital less treasury shares.

5.3. Impact of the distributions of Hermès shares by LVMH, Financière Jean Goujon and Christian Dior on Christian Dior's consolidated debt

The distributions of Hermès shares made successively by LVMH, Financière Jean Goujon and Christian Dior will have no impact on Christian Dior's consolidated net debt apart from the taxes arising therefrom. The cash balance payment to shareholders not holding a number of Christian Dior shares entitling them to a whole number of Hermès shares (given that the Hermès shares representing fractional rights will be resold) and the sale of the Hermès shares undistributed as a result of the distribution ratios used, will have an immaterial impact on Christian Dior's consolidated net debt.

6. RISK FACTORS

The following risk factors should be carefully considered.

6.1. Specific risk factors related to the Distribution in Kind and the Interim Dividend

The main risk factors related to the Distribution in Kind and the Interim Dividend are set forth below. Christian Dior shareholders should be aware that the list of risks presented below is not exhaustive and that other additional risks that are not known or that Christian Dior does not consider, as of the date hereof, as having an adverse impact on the Distribution in Kind or the Interim Dividend may exist:

- the Distribution in Kind and the Interim Dividend are contingent upon shareholder approval to amend Christian Dior's bylaws to provide that (i) Christian Dior has the option to distribute assets recorded in the balance sheet of the company and, in particular, securities by taking sums from the profits, retained earnings, reserves or premiums and (ii) Christian Dior's Board of Directors has the option to distribute an interim dividend in kind;
- in the event that (i) the LVMH's Board of Directors adjusts the distribution ratio set by its general shareholders' meeting or (ii) on the basis of the Hermès opening share price on the payment date, the Distribution in Kind exceeds the authorized ceiling as defined in paragraph 1.2 above, the Board of Directors would have to adjust as necessary the ratio used in the Distribution in Kind so that this distribution does not exceed the number of available Hermès securities nor this ceiling. This would be the case if the Hermès opening share price on the payment date exceeded €278.90 based on a distributable amount of €2,169 million and on the assumption that all of the Hermès shares would be distributed;
- in the event that the Christian Dior's Board of Directors adjusts the distribution ratio set by its General Shareholders' Meeting so that the Distribution in Kind includes less than 7,777,166 Hermès shares, the Christian Dior's Board of Directors would have to adjust as appropriate the ratio under the Interim Dividend so that a maximum number of Hermès shares would be allocated to its shareholders;
- the non-distributed Hermès shares or fractional shares will be sold by September 3, 2015. Shareholders of Christian Dior may, moreover, sell all or part of the Hermès shares that they receive in the Distribution in Kind and/or the Interim Dividend, in particular those who are subject to the 21% non-final withholding tax and the various social withholdings of up to 15.5% of the distributed gross amount received in connection with the Distribution in Kind (for the fraction qualified as distributed income from a tax perspective) and the Interim Dividend. This could put downward pressure on the Hermès share price;
- the Hermès share price may drop post-Distribution in Kind and post-Interim Dividend;
- tax laws and regulations may change and could have an adverse impact compared to the current tax system.

6.2. Risk factors related to Hermès and its business

For a discussion of the main risk factors related to Hermès and its business, Christian Dior shareholders should consult the Hermès 2013 registration document filed on April 10, 2014 with the *Autorité des marchés financiers* under number D.14-0323.

This document is a free translation into English of the original French communiqué “Distribution exceptionnelle en nature d’actions Hermès International” dated as of November 3, 2014. 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.