

Frequently asked questions

Exceptional distribution in kind of shares of Hermès International

- When will be held the Combined General Meeting?

The Combined General Meeting will be held on Tuesday, November 25, 2014 at 10.00 am at the Carrousel du Louvre, 99 rue de Rivoli - 75001 Paris. There will be no cocktail nor gift organised for this meeting.

- What are the features of the operation?

The terms of the exceptional Distribution in Kind of Hermès shares are the following : 2 Hermès shares for 41 LVMH shares held. 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 LVMH shares lower than 41 or which does not correspond to a multiple of 41), 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 LVMH, the amount of which will be calculated in proportion to the Hermès opening share price on December 17, 2014.

- What is the timetable of the Distribution in Kind?

The Combined General Meeting will be held on Tuesday, November 25, 2014. The Detachment of the right to the Distribution in Kind and payment thereof will occur on December 17, 2014. The account custodians will provide to the Centralizing Bank as from December 17, 2014 both the allotment rights in multiples of 41 and the allotment rights constituting fractional shares. The Centralizing Bank will credit each financial institution as from December 17, 2014, the whole number of Hermès shares corresponding to the rights submitted per multiple of 41 and, as from December 19, 2014, the cash balance payment.

- On which share price will be calculated the amount paid in cash?

The amount of cash payment will be calculated in proportion to the Hermès opening share price on the payment date, i.e., December 17, 2014.

- I hold 50 LVMH shares or a number of shares which does not correspond to a multiple of 41 – what do I need to do? How many Hermès shares will I receive?

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 LVMH shares lower than 41 or which does not correspond to a multiple of 41), 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 LVMH.

Example for 50 LVMH shares held assuming a Hermès theoretical share price at the opening of the stock market on the payment date, of €230.95 : a LVMH shareholder would receive 2 Hermès shares and a balance cash payment of a gross amount of €101.39, equivalent to $(50-41) \times (2/41) \times €230.95$.

- I hold less than 41 shares - what do I need to do?

Shareholders with less than 41 LVMH shares shall solely receive a balance payment in cash.

Example for 30 LVMH shares held assuming a Hermès theoretical share price at the opening of the

stock market on the payment date, of €230.95: a LVMH shareholder would not receive any Hermès shares but solely a balance cash payment of a gross amount of €337.97, equivalent to $30 \times (2/41) \times €230.95$

- What is the situation for rights forming fractional shares?

Rights forming fractional shares shall neither be tradable nor assignable. The LVMH shareholder shall receive a balance cash payment to be paid by LVMH, the amount of which will be calculated in proportion to the Hermès opening share price on the payment date.

- If I buy LVMH shares today, will I get the right to receive Hermès shares?

LVMH 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.

- I hold LVMH shares in bearer form (*au porteur*) or in registered accounts (*au nominatif administré*). What do I need to do with my bank?

Nothing needs to be done with your bank. The account custodians will provide to the Centralizing Bank (BNP Paribas Securities) as from December 17, 2014 both the allotment rights for Hermès shares together with the allotment rights constituting fractional shares. The Centralizing Bank will then credit as from December 17, 2014, the whole number of Hermès shares corresponding to the rights submitted per multiple of 41 and, as from December 19, 2014, the cash balance payment. The Beneficiaries of the Distribution in Kind 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.

- I hold LVMH directly registered shares (*au nominatif pur*). What do I need to do with my bank?

Each Beneficiary of the Distribution in Kind holding LVMH directly registered shares shall communicate to LVMH the details of the account in which the Hermès shares should be credited as well as the cash account to which the cash balance payment, if any, should be made. The Beneficiaries of the Distribution in Kind holding LVMH directly registered shares must pay to LVMH the social withholdings and/or the non-final withholding tax or the withholding tax due under the Distribution in Kind.

Immediately following the General Shareholders' Meeting on November 25, 2014, LVMH will send each relevant Beneficiary of the Distribution in Kind holding LVMH directly registered shares a letter informing them of the practical modalities of the allocation of the Hermès shares and the cash balance payment, where applicable, as well as the methods to settle these withholdings and taxes.

- My LVMH shares are directly registered shares, where will my Hermès shares be registered?

The Hermès shares will be credited in the account, the details of which each relevant Beneficiary of the Distribution in Kind will have communicated to LVMH prior to December 17, 2014.

- What is the tax treatment of the Distribution in Kind of LVMH shareholders who are French tax residents?

The applicable tax treatment under the Distribution in Kind will depend on currently applicable legislation that may apply to each shareholder. LVMH shareholders should seek advice from their usual tax advisor on the tax consequences of their particular circumstances.

Without prejudice to the foregoing, Shareholders who are natural persons with their tax residence in France should be made aware that the Distribution in Kind is subject, prior to the delivery of the shares or the payment of the cash balance, to a payment to 21% non-final withholding tax (prélèvement non libératoire) of the distributed gross amount (unless exempted as described in the press release), as well as to various social withholdings of up to 15.5% of the distributed gross amount. Detailed fiscal information is given in the press release downloadable on LVMH website, in Part 3 concerning "Tax treatment of the Distribution in Kind".