

THE DEPOSITORY TRUST COMPANY

IMPORTANT

REMINDER

B#: 2314

DATE: December 5, 1997

TO: All Participants

FROM: William Salva, Director, Product Management

ATTENTION: Managing Partner/Officer, Cashier, Operations and Dividend Managers

SUBJECT: PREPARATION FOR FRENCH ADR DIVIDEND SEASON
This important notice replaces B# 0859 dated May 13, 1997.
Please note the revisions on the third page of this notice with bold and italics.

This notice provides basic information applicable to all French American Depositary Receipts (ADRs) that pay dividends with relief at source through DTC. **Standing information common to all French ADR dividends is available on DTC's TAXI function via the Participant Terminal System (PTS).** To avoid duplication, information contained in this notice and our "variable notices", which give pertinent details for each dividend, will be scaled down.

The variable notices will explain how Participants can use DTC's Elective Dividend System (EDS) function over *PTS* to obtain the favorable French withholding tax rate at source, and the French tax refund (*avoir fiscal*) through DTC. These notices will only give details pertaining to a particular French issue, as described below:

- C Deadlines and dates associated with the issue paying a dividend, such as the record date, the ADR payment date and the EDS cutoff date
- C DTC EDS options available to beneficial owners
- C The ratio of the ADRs to the ordinary shares

- C The dividend amount per ordinary share in French francs
- C The dividend amount per ordinary share after 15% withholding
- C Amount in French francs of the 15% withholding tax per ordinary share
- C Amount in French francs per ordinary share of *avoir fiscal* at 42.5%
- C Amount in French francs per ordinary share of *avoir fiscal* at 15%
- C The dividend amount in French francs per ADR

The following information will continue to be available in the variable notices in appendix form:

- C EDS options available to beneficial owners
- C Beneficiary owner list format
- C Declaration to be signed by partner or officer of the Participant, and sealed by corporate Participants

Participants are encouraged to familiarize themselves with the TAXI function if they have not already done so. Please refer to Important Notice # 0492-97 introducing TAXI, as well as the *PTS* procedures that were attached to the notice. The following information will be available only on TAXI:

- C Withholding rates
- C Expanded beneficial owner descriptions
- C Legal conditions
- C Required documents
- C List of procedural steps to follow
- C Final procedural checklist

Since this information will not be available on the dividend-specific notices, it is important for Participants to refer to TAXI to ensure that they are aware of all pertinent details regarding French ADR dividends.

The procedures for obtaining the favorable rate at source are complex and require hard-copy supporting documentation. Failure to comply completely with the prescribed procedures will result in unfavorable withholding rates and possible penalties.

Participants should not use this procedure unless the necessary requirements -- including identifying and documenting each customer by category -- are followed.

Participants' U.S.-resident customers will fall into seven different categories of eligibility. For specific information on each beneficial owner type, please refer to the expanded beneficial owner types section of the TAXI function on *PTS*.

Treaty		Withholding	Avoir
<u>Benefit</u>	<u>Investor Type</u>	<u>Tax at Source</u>	
<u>Fiscal</u>			

<u>Treaty Benefit</u>	<u>Investor Type</u>	<u>Withholding Tax at Source</u>	<u>Avoir</u>
Full	U.S. resident individuals	15%	42.5%
Full	Corporations incorporated under federal, state or Washington D.C. law, subject to U.S. tax	15%	42.5%
	<u>Fiscal</u>		
Full	Regulated Investment Companies (RICs)	15%	42.5%
Partial 15%	Pension Funds qualified under U.S. Internal Revenue Code ("Code") section 401(a), 403(b), or 457 and Collective Trusts		15%
None through EDS*	Other pension funds and IRAs	25%	0%
None 0% through EDS*	U.S. entities exempt from U.S. taxes		25%
None 0% though EDS*	Partnerships and trusts, subchapter S corporations, limited liability corporations/companies (LLCs), and certain other corporations*, certain RICs, and pension funds and collective trusts that do not have proper documentation		25%

*** Entities not able to claim benefits at source through EDS may be eligible for post-payment relief by filing a reclaim with the French tax authorities.**

Any Participant not wishing to indemnify DTC and hold it harmless may elect the unfavorable rate at source, and apply for treaty benefits on French Form RF 1A EU 5052 (or other required French reclaim form). Please consult your tax advisor.

Failure to document certifications as described in the "Legal Conditions" section of TAXI will result in the following:

- a. **A charge representing the amount of the under-withheld tax, plus any associated foreign exchange costs, interest costs, and similar actual costs, will be**

levied on the DTC Participant's settlement account.

- b. Under DTC 's Rule 20, any administrative costs incurred by DTC as a result of a Participant's incorrect filing may be charged to the responsible Participant.**

Questions may be directed to Matthew McLean, (212) 855-5306, of DTC's Product Management Department; Joseph Ranieri, (212) 855-4520, or Dick Wine, (212) 855-4531, of DTC's Dividend Department; or your Participant Services representative.