



Quarterly Compliance Report based on AAOIFI Shariah Mandate (Annual-2010)

Christian Dior SA (CDI FR)

Description

Christian Dior SA is a France-based holding company engaged in the production and distribution of consumer goods. The Company has six principal product lines: haute couture, wines and spirits, fashion and leather goods, perfumes and cosmetics, watches and jewelry, and selective retailing.

Company Status

IdealRatings analysts have issued a new report regarding the company:

Name:	Christian Dior SA
Ticker:	CDI FR
Country:	France
Core Business Activity:	Apparel / Accessories
Exchange:	Euronext Paris
Compliance Status:	Not Shariah-compliant

Overview

IdealRatings reviewed the most recent financial statements (Annual-2010) for Christian Dior SA. The report has been prepared to determine the Shariah-compliance status of the company based on the AAOIFI Shariah mandate.

Business Screening

Based on the business of the company the core business is compliant and misleading since the main business is in the apparel and accessories area. But of the main business activities of the company is in the alcohol business through their wines and spirits segment, including the Moet&Chandon, Veuve Clicquot and Hennessy brands. Since the alcohol segment is one of the core businesses of the company it is to be considered non-compliant from a business perspective.

According to the company, the business segmentation is as follows:

millions of euros	2010	2009	2008
Christian Dior Couture	826	717	765
Wines and Spirits	3,261	2,740	3,126
Fashion and Leather Goods	7,581	6,302	6,010
Perfumes and Cosmetics	3,076	2,741	2,868
Watches and Jewelry	985	764	879
Selective Retailing	5,378	4,533	4,376
Other activities and eliminations	16	(52)	(91)
Total	21,123	17,745	17,933

(Source: Christian Dior SA Annual Report for 2010)

Based on these numbers the non-permissible income from alcohol represents 15.4% of their total revenue and thus is exceeding the 5% threshold level as defined by AAOIFI irrespective of the interest income of the company.

Therefore the status of the company from a business activity is as follows:

	Threshold	Company	Compliance
Non-permissible Income	5%	Exceeds 5%	FAIL

Financial Screening

According to the most recent available financial statement with adequate information (2010-Annual) the financial ratios with respect to the AAOIFI Shariah mandate for the company are as follows:

	Threshold	Industries	Compliance
Interest-bearing Investments	30%	14.68%	PASS
Interest-bearing Debts	30%	37.80%	FAIL
Liquidity	67%	11.25%	PASS
Share Type (Preference or Common)	Common	Common	PASS

Compliance Status

Based on the available information and the above figures according to the AAOIFI Shariah mandate **Christian Dior SA** is to be considered **Non-Shariah-compliant**.





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