

# LAGARDERE SCA

A French limited partnership with shares with capital of €799,913,044.60

Head office: 4, rue de Presbourg - Paris 75016, France

Commercial Register: 320 366 446 R.C.S. Paris

## COMBINED ORDINARY AND EXTRAORDINARY ANNUAL GENERAL MEETING OF 10 MAY 2011

*This is a free translation into English of the Presentation of the resolutions issued in French language and is provide solely for the convenience of the English speaking readers*

### PRESENTATION OF THE RESOLUTIONS

#### **Resolution 1: Approval of the Parent Company financial statements for 2010**

The first resolution concerns the approval of the Parent Company's financial statements for the financial year 2010, which closed with a profit of €373.5 million compared with €298.5 million in 2009.

#### **Resolution 2: Approval of the consolidated financial statements**

The second resolution concerns the approval of the consolidated financial statements for the financial year 2010, which closed with Group net profits of €163.2 million, compared with €137 million in 2009.

#### **Resolution 3: Allocation of profit: distribution of dividends**

The parent company financial statements for the financial year 2010 closed with a profit of .....	€373,526,611.13
taking into account retained earnings carried forward of .....	€1,202,164,994.11
	<hr/>
with net profit available for distribution of .....	€1,575,691,605.24

From this amount, pursuant to the provisions of the by-laws, €1,632,250 (1% of Group net profit) is payable to the general partners by preferential right, such dividend being eligible for the 40% reduction under article 158.3.2 of the General Tax Code available to individual shareholders who are subject to income tax in France.

In agreement with the Supervisory Board, we propose an annual dividend of €1.30 per share, unchanged on the dividend of €1.30 in 2010, and to allocate the balance to retained earnings, i.e. a total amount of around €165 million taking into account treasury stock held by the company at 28 February 2011.

Coupons will be detached on 18 May and the dividend will be paid from 23 May 2011 to holders of registered shares or to their duly appointed representatives, by cheque or by bank transfer.

It shall be eligible for the 40% tax reduction available to individual shareholders who are subject to income tax in France pursuant to the provisions of article 158.3.2 of the General Tax Code.

Treasury shares at the coupon detachment date shall not have the right to such dividends.

Dividends were distributed over the past three financial years as follows:

(in euros) / year	2007	2008	2009
▪ Dividends paid to shareholders:			
Per-share dividend	1.30	1.30	1.30
Total dividend	169,167,116.30	164,856,039.40	165,141,355.60
▪ Dividends paid to general partners:	5,341,290.00	5,933,060.00	1,368,020.00
<b>Total</b>	<b>174,508,406.30</b>	<b>170,789,099.40</b>	<b>166,509,375.60</b>

**Resolution 4: Setting €700,000 as the maximum total amount of attendance fees**

Your Supervisory Board proposes to raise the maximum total amount of attendance fees to be paid to its members from €600,000, the amount set in 2004, to €700,000, in view of the increase in the number of Board meetings and the number of committees it has created.

**Resolution 5: Renewal of the mandate of the Principal Statutory Auditor and appointment of a new Deputy.**

On the advice of your Supervisory Board, which has implemented a selection procedure for the purpose, you are asked to approve the renewal of the mandate of Ernst & Young et Autres as Principal Statutory Auditor and the appointment of Auditex as Deputy Statutory Auditor.

**Resolution 6: Appointment of Ms Susan M. Tolson as a new member of the Supervisory Board, to replace resigning member Mr Bernard Mirat**

As Mr Bernard Mirat has announced his intention of resigning as a member of the Supervisory Board with effect from 30 June 2011, you are asked to approve the appointment of Ms Susan M. Tolson., as his replacement.

You are asked to approve her appointment for a term of four years from 1<sup>st</sup> July 2011; her term of office will therefore end following the General Meeting in 2015 approving the financial statements for the previous year.

Her appointment would reinforce the efforts made to improve the workings of the Supervisory Board, particularly in respect of proven experience at a high level in the world of business, knowledge of the media world and international experience via a career in the English-speaking financial sector (from 1990 to 2010 Ms Susan M. Tolson, an American graduate of the Harvard Business School, successively held the posts of analyst, accounts manager, ... then Senior-Vice President of The Capital Group Companies, a major American equity investment group).

This appointment would moreover be in line with the drive to increase the number of women on the Supervisory Board, bringing it to a level of 20%, a step ahead of current French legislation.

It would also reinforce the mainly independent nature of the Supervisory Board, since Ms Susan M. Tolson has no prior or present interests in relation to the Lagardère Group.

**Resolution 7: Voting of powers to the Managing Partners for a period of 18 months to handle shares in the company**

During financial year 2010, the Company took the following actions within the scope of the authorisations granted by the general meeting:

- purchased 1,051,621 shares on the market representing 0.8% of the capital stock, purchased under a market maker contract intended to ensure proper market liquidity;
- disposed of 1,191,621 of the shares purchased on the market under this market maker contract.

Accordingly, as of 31 December 2010 the Company held 4,098,948 treasury shares, representing 3.13% of the share capital of which 1,599,250 were allocated for future award to employees, 2,476,698 were allocated for retention in view of future transfers or exchanges in consideration for acquisitions, and 23,000 were allocated for market making activities.

A breakdown of all transactions carried out during the financial year 2010, under the current authorisation granted by the general meeting of 27 April 2010, appears in the Reference Document appended hereto at paragraph 8.1.2.2, to which we request you refer.

Under Resolution 7 submitted for your approval, you are asked to renew the powers for the management company to engage in purchases of Company shares in accordance with law.

The terms and conditions to implement this authorisation are set forth under EU regulations reflected by the Autorité des Marchés Financiers in its general regulations. Thus:

- the number of shares purchased shall not exceed 10% of the current share capital which, based on capital stock as of 28 February 2011 and taking into consideration shares and call options directly held on that date, would authorize the purchase of 3,223,239 shares, equalling approximately 2.46% of the current share capital in the event that the Company does not cancel, transfer or sell a portion of shares and/or call options currently held;

- the total purchase price shall not exceed €650 million, it being specified under this new programme that the maximum purchase price shall not exceed €50 per share;
- the purchase, sale or transfer of shares shall comply with objectives set forth in EU Regulations and under market practices accepted by the Autorité des Marchés Financiers, namely: reduction in share capital, allocation of shares to employees, use in exchanges or as payment in future expansion through acquisition, promotion of market liquidity through market making contracts; purchase of shares within the framework of liquidity contracts will continue to be assigned to independent service providers acting within the scope of authority enabling them to independently purchase a certain number of shares over a certain period, pursuant to the rules set by the AMF.

**Resolutions 8 through 15: Renewal of authorisations to engage in financial operations**

Pursuant to article L.225-100 of the Commercial Code, in the appendix to this managing partner's report, is a table which summarizes the delegations of authority granted to the Managing Partners which are currently in force.

This year we propose that they be renewed.

The Managing Partners shall have full powers to implement them, to set terms and conditions pursuant to legal provisions and those set by the general meeting, to record the resulting increases in capital stock and amend the by-laws accordingly.

It shall, along with the Statutory Auditors and in all cases provided for by law, prepare a supplemental report at the time it uses any of these authorisations, such reports to be made pursuant to legal provisions.

The issue of securities giving access to capital stock shall require that shareholders waive their pre-emptive subscription rights to the shares of capital stock to which the issued securities give right.

1° - Issue of bonds and securities which do not give access to the Company's capital stock:

Under Resolution 6 adopted by the combined general meeting on 28 April 2009, you renewed the powers of the Managing Partners to issue composite securities which do not give access to LAGARDERE SCA capital stock but which give or may give access, immediately or in the future, to debt instruments held with regard to the company, but also to securities representing a fraction of the capital stock to be issued in companies other than the issuing company, up to a limit of 1.5 billion euros for the resulting borrowings.

We propose that this authorisation be renewed.

This is the purpose of Resolution 8 submitted for your approval.

2° - Issue of common stock and all securities with pre-emptive subscription rights giving access to the Company's capital stock:

Resolution 9 submitted for your approval is similar to the seventh resolution approved by the general meeting of 28 April 2009. It involves authorising the issue of common stock and any securities giving immediate or future access to the Company's capital stock, especially through

debt securities (convertible bonds, exchangeable bonds, etc.) within the limit of 33% of the present capital (which amounts to €799,913,044.60), i.e. some 265 million euros for increases in capital stock and 1.5 billion euros for the resulting borrowings.

Issues corresponding to this delegation shall be made with pre-emptive subscription rights.

3° - Issue of common stock and all securities without pre-emptive subscription rights giving access to the Company's capital stock:

Resolution 10 is intended to issue the same securities as the prior resolution, by means of a public offering, limited however to 20% of current capital stock, or 160 million euros nominal value for the resulting increases in capital stock with a priority right of at least five days, but without pre-emptive subscription rights for shareholders.

Whatever the circumstances, the issue price for the shares shall not be less than the weighted average of the listed prices during the three trading sessions prior to setting the price, possibly reduced by a maximum 5% discount; since 2005 this rule has replaced using the average of ten listed prices from among the twenty prior sessions and proves to be better adapted to current financial market conditions.

The shareholders will not have pre-emptive subscription rights but may, by decision of the managing partners, have a priority right.

Issues made without a priority right, in the event of strong market volatility, would then be limited to 15% of current capital stock, or a nominal value of nearly 120 million euros.

Resolution 11 is intended to issue the same securities, limited however to 15% of current capital stock, but this time by means of private placement, meaning that their issue would be reserved, in accordance with the Monetary and Financial Code, to a restricted circle of investors or qualified investors in the sense of the above-mentioned provisions. This procedure allows placement of capital stock without the need to establish a prospectus, in the light of the professional skills of subscribers.

4°- Ability to increase the amount of issues decided upon in case of surplus demand:

Resolution 12, proposed pursuant to current regulations which recognise the over-allocation mechanism used for many years, provides that if, once an issue is decided upon, the subscribers' requests exceed the number of offered shares, within 30 days of the close of the subscription period and in order to meet these requests the Managing Partners will be able to issue additional shares up to 15% of the initial issue at the same price as the original issue. It is specified that in any case the overall amount of the issue shall not exceed the overall limits set in Resolution 14 below.

5° - Issue of new shares or securities of any kind in consideration of shares tendered within the scope of a public exchange offer or a contribution in kind:

Resolution 13 is similar to Resolution 10 adopted by the general meeting on 28 April 2009. It incorporates the right set forth in article L.225-147 of the Commercial Code to grant the Managing Partners the powers required to increase the capital stock in consideration of contributions in kind granted to the Company and composed of capital stock or securities giving

access to the capital stock of another company when the provisions of article L.225-148 on public exchange offers do not apply, up to a limit of 10% of its capital stock.

In the scope of a public exchange offer, the maximum nominal amount of the resulting increase in capital stock is 15% of current capital stock, or some 120 million euros.

6° - Overall limits on increases in capital stock and the issue of debt securities:

In accordance with article L.225-129-2 of the Commercial Code, in Resolution 14 we propose:

- to set at 160 million euros the maximum nominal amount of increases in capital stock likely to be raised without shareholders' pre-emptive subscription rights under the authorisations conferred by resolutions 10, 11, 12 and 13;
- to set at 37.5% of current capital stock, or around 300 million euros, the maximum nominal amount of increases in capital stock that could result from the authorisations described above;
- to set at 1,500 million euros (or the equivalent in the case of issuance in foreign currency) , the maximum nominal amount of debt securities likely to be used under the authorisations requested in Resolutions 8, 9, 10, 11, 12 and 13.

7° - Increase of share capital through capitalisation of reserves, profits or premiums and allocation of free shares to shareholders:

Resolution 15 concerns the capitalisation of reserves, profits and premiums into the capital stock in view of the free allocation of Company shares to the shareholders (or the increase of the nominal amount of existing shares), specifically limited to an amount equal to 37.5% of current capital, or nearly 300 million euros.

**Resolution 16: Modification of article 25 of the by-laws in order to allow payment in kind to shareholders in the case of exceptional distribution**

The aim of resolution 16 is mainly to enable the Company, on the occasion of an exceptional distribution, to provide as payment, directly or indirectly, by any means (and in particular by allocation of warrants giving entitlement to these securities, etc.) of marketable securities included in its balance sheet assets.

**Resolution 17: Authorisation to carry out formalities**

□ □  
□

## **Susan M. Tolson**

**Date of birth:** 7<sup>th</sup> March 1962

**Nationality:** American

**Date of initial appointment:** N/A

**Position at Lagardère SCA:** None

**Number of Lagardère SCA shares held:** None

**Principal position:** None

**Professional background and qualifications:**

Ms Tolson graduated from Smith College in 1984 with distinction, then from Harvard where she obtained her MBA in 1988. In 1984 she joined Prudential-Bache Securities as a Corporate Finance analyst, then in 1988 took a post as Investment Officer in Private Placements with AETNA Investment Management. In 1990 she joined The Capital Group Companies, a major American equity investment company founded in 1931, which currently manages over a trillion dollars.

From April 1990 to June 2010, she held the posts of analyst then chief accounts manager before becoming Senior Vice President, a post that she left in order to join her husband, the United States Ambassador in France, in Paris.

Over this twenty year period she was called on to make recommendations and give expert opinions, and to take decisions on investments in many business sectors, including media and entertainment.

Ms Susan M. Tolson currently holds the following positions and appointments:

In France:

Board member, American University of Paris  
Honorary Chairman, American Friends of The Musée d'Orsay  
Honorary President of the board, American Women's Group in Paris  
Member of the board of Directors of Fulbright Commission

*Outside France:*

Member of the board of Directors of America Media, Inc and of the American Cinemathèque  
Member of Los Angeles World Affairs Council, the Paley Center For Media, and the Los Angeles Society of Financial Analysis

**Languages spoken:** English, French.

