



**GENERAL
MEETING
DOCUMENT**

Annual Ordinary
and Extraordinary
General Meeting
of 5 May 2015

5 May 2015

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Annual Ordinary and Extraordinary
General Meeting

Year 2014

Lagardère SCA

French partnership limited by shares (*société en commandite par actions*) with a share capital of €799,913,044.60

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This English version has been prepared for the convenience of English speaking readers.

It is a translation of the original French *Document d'Assemblée Générale* prepared for the Annual Ordinary and Extraordinary General Meeting.

It is intended for general information only and in case of discrepancies the French original shall prevail.

CONTENTS

1	AGENDA	3	5	REPORTS OF THE STATUTORY AUDITORS	47
.....					
2	MESSAGE FROM THE MANAGING PARTNERS	5	5.1	Statutory Auditors' report on the Company's financial statements for the year ended 31 December 2014	48
.....					
3	REPORTS OF THE MANAGING PARTNERS	7	5.2	Statutory Auditors' report on the consolidated financial statements for the year ended 31 December 2014	49
3.1	Management report of the Managing Partners	8	5.3	Special Statutory Auditors' report on regulated agreements and commitments	50
3.1.1	Results and activities in 2014	9	5.4	Statutory Auditors' report, prepared in accordance with article L. 226-10-1 of the French commercial code (<i>Code de commerce</i>), on the report prepared by the Chairman of the Supervisory Board of Lagardère SCA	51
3.1.2	Presentation of the resolutions	20	5.5	Statutory Auditors' special reports on the financial authorisations	52
3.2	Special report of the Managing Partners on share options	32	5.6	Report of Mazars, independent third party entity, on the consolidated social, environmental and societal information published in the management report	54
3.3	Special report of the Managing Partners on free share awards	34		
.....					
4	REPORTS OF THE SUPERVISORY BOARD AND ITS CHAIRMAN	37	6	PROPOSED RESOLUTIONS PRESENTED BY THE MANAGING PARTNERS	57
4.1	Report of the Supervisory Board	38			
4.2	Report of the Chairman of the Supervisory Board	39			
4.3	Information on the candidate for membership of the Supervisory Board	46			



AGENDA

1. AGENDA

- ▶ Report of the Managing Partners (report on the operations of the Company and the Group, and on the financial statements for the year ended 31 December 2014).
- ▶ Special report of the Managing Partners on free share awards.
- ▶ Special report of the Managing Partners on share options.
- ▶ Report of the Supervisory Board.
- ▶ Report of the Chairman of the Supervisory Board on the Board's organisation and internal control and risk management procedures.
- ▶ Reports of the Statutory Auditors on the Company's financial statements, the consolidated financial statements and the agreements and commitments governed by article L. 226-10 of the French Commercial Code (*Code de commerce*).
- ▶ Report of the Statutory Auditors on the Chairman of the Supervisory Board's report on internal control and risk management procedures.
- ▶ Special reports of the Statutory Auditors on the financial authorisations presented to the General Meeting.
- ▶ Report of Mazars, independent third party entity, on consolidated social, environmental and societal information.
- ▶ Approval of the Company's financial statements for the year ended 31 December 2014.
- ▶ Approval of the consolidated financial statements for the year ended 31 December 2014.
- ▶ Allocation of the Company's results and dividend distribution.
- ▶ Authorisation to be given to the Managing Partners, for a period of eighteen months, to trade in the Company's shares.
- ▶ Issuing of an advisory opinion on the components of remuneration payable or granted to Mr. Arnaud Lagardère, Managing Partner, in respect of 2014.
- ▶ Issuing of an advisory opinion on the components of remuneration payable or granted to the representatives of the other Managing Partner in respect of 2014.
- ▶ Re-appointment of Ms. Susan M. Tolson as a member of the Supervisory Board for a term of four years.
- ▶ Authorisation to be given to the Managing Partners, for a period of twenty-six months, to issue debt securities giving immediate or future access to the share capital of the Company's subsidiaries and/or any other entity, subject to a €1.5 billion ceiling on the debt securities issued.
- ▶ Authorisation to be given to the Managing Partners, for a period of twenty-six months, to issue – with preferential subscription rights – ordinary shares of the Company and/or securities giving immediate or future access to the Company's share capital and/or carrying immediate or future rights to the allocation of debt securities, subject to ceilings of €265 million for increases in share capital and €1.5 billion for debt securities issued.
- ▶ Authorisation to be given to the Managing Partners, for a period of twenty-six months, to issue by means of a public offer – without preferential subscription rights but with a priority right for at least five trading days – ordinary shares of the Company and/or securities giving immediate or future access to the Company's share capital and/or carrying immediate or future rights to the allocation of debt securities, subject to ceilings of €160 million for increases in share capital and €1.5 billion for debt securities issued.
- ▶ Authorisation to be given to the Managing Partners, for a period of twenty-six months, to issue by means of a public offer – without preferential subscription rights and without a priority right – ordinary shares of the Company and/or securities giving immediate or future access to the Company's share capital and/or carrying immediate or future rights to the allocation of debt securities, subject to ceilings of €80 million for increases in share capital and €1.5 billion for debt securities issued.
- ▶ Authorisation to be given to the Managing Partners, for a period of twenty-six months, to issue by means of a private placement as referred to in section II of article L. 411-2 of the French Monetary and Financial Code (*Code monétaire et financier*) – without preferential subscription rights – ordinary shares of the Company and/or securities giving immediate or future access to the Company's share capital and/or carrying immediate or future rights to the allocation of debt securities, subject to ceilings of €80 million for increases in share capital and €1.5 billion for debt securities issued.
- ▶ Authorisation to be given to the Managing Partners to issue additional securities in the event that an issue is oversubscribed, subject to the ceilings applicable to the original issue.
- ▶ Authorisation to be given to the Managing Partners, for a period of twenty-six months, to issue – without preferential subscription rights – ordinary shares of the Company and/or securities giving immediate or future access to the Company's share capital and/or carrying immediate or future rights to the allocation of debt securities as consideration for securities tendered as part of a public exchange offer or a contribution in kind, subject to ceilings of €80 million for increases in share capital and €1.5 billion for debt securities issued.
- ▶ Overall ceilings of €80 million, €300 million and €1.5 billion on the total amounts of capital increases and issues of debt securities resulting from the authorisations in the preceding resolutions.
- ▶ Authorisation to be given to the Managing Partners, for a period of twenty-six months, to increase the Company's share capital by capitalising reserves, profit or share premiums and issuing bonus shares or increasing the par value of existing shares, subject to a ceiling of €300 million.
- ▶ Authorisation to be given to the Managing Partners, for a period of twenty-six months, to issue – without preferential subscription rights – ordinary shares of the Company and/or securities giving access to the Company's share capital, to employees within the scope of corporate savings schemes, provided that such issues do not represent more than 0.5% of the Company's outstanding share capital in any given year.
- ▶ Harmonisation and/or amendment of articles 13.3, 14 and 19.3 of the Company's Articles of Association.
- ▶ Powers for formalities.



MESSAGE FROM THE MANAGING PARTNERS

2. MESSAGE FROM THE MANAGING PARTNERS

2014 marked a decisive stage in the life of our Group. Our transformation plan continued to yield promising results and a robust financial position. Refocused on its four divisions, the Group is now well placed to achieve its growth and profitability targets.

Lagardère's strategy now centres on three drivers of value creation: content, audience and networks.

Our exclusive, specific premium content is a key creative strength and an invaluable intangible asset.

Owing to their ability to establish a strong emotional link, powerful brands (Elle, Europe 1, Grasset, Relay, etc.) in each of our entities attract and enjoy income-generating target audiences.

Our virtual (Doctissimo, LeGuide, etc.) and physical (Relay, etc.) networks also help to forge uniquely close ties with our customers.

To best leverage our business model and business lines, we therefore rely on this exclusive relationship between the content offered by our brands and the audiences they attract on the strength of our networks.

The Group's operating margin widened to 4.8% in 2014 from 4.5% one year earlier. Group recurring operating profit of fully consolidated companies came in 4.7% higher at €342 million.

This year also saw the recovery of Lagardère Unlimited, a business which I believe is positioned for future success.

The Lagardère group also has a robust financial position, which allows us to maintain stable dividend payouts in step with our dynamic shareholder return policy.

This year in particular I would like to give my heartfelt thanks to all of the men and women at Lagardère, whose talent, commitment and professionalism are crucial to our growth over the long term.

And I would also like to thank you, dear shareholders, for your loyalty and your support.

Arnaud Lagardère
General and Managing Partner of Lagardère SCA



REPORTS OF THE MANAGING PARTNERS

3.1 MANAGEMENT REPORT OF THE MANAGING PARTNERS

Dear Shareholders,

We have convened this Annual Ordinary and Extraordinary General Meeting primarily to:

- ▶ report to you on the operations, position and outlook of the Company and of the Lagardère group as a whole;
- ▶ submit for your approval the Company's financial statements and the consolidated financial statements for the year ended 31 December 2014;
- ▶ allocate the Company's results for the year and propose the payment of a dividend of €1.30 per share;
- ▶ re-appoint a member of the Supervisory Board;
- ▶ issue an advisory opinion on the components of remuneration payable or granted to the Managing Partners in respect of 2014 in accordance with the recommendations of the AFEP-MEDEF code of corporate governance;
- ▶ renew several of the financial authorisations given to the Managing Partners; and
- ▶ amend certain provisions of the Company's Articles of Association.

Pursuant to the provisions of the French Commercial Code and stock market regulations, we hereby present the following two documents which contain all the reports and information we are required to provide for your Annual General Meeting:

- ▶ the General Meeting Document, sent with the notice of meeting and posted online on the Company's website;
- ▶ the Reference Document, also posted online on the Company's website and made available to you at the same time.

In addition to the Message from the Managing Partners, the **General Meeting Document** includes:

- ▶ the agenda;
- ▶ this management report of the Managing Partners, which contains:
 - a summary of the position, operations and results of the Lagardère group in 2014,
 - a presentation of the resolutions submitted to you for approval;
- ▶ the two special reports of the Managing Partners;
- ▶ the reports of the Supervisory Board and its Chairman;
- ▶ the reports of the Statutory Auditors;
- ▶ the Report of Mazars on consolidated social, environmental and societal information;
- ▶ the proposed resolutions submitted to you for approval.

The **Reference Document** contains the Annual Financial Report within the meaning of the stock market regulations and includes all the information to be provided in the management report pursuant to the French Commercial Code, as well as all the other information required under the stock market regulations.

The Reference Document is structured based on the format required by European regulations on the contents of prospectuses. Apart from providing information to the markets, it also forms an integral part of the management report of the Managing Partners, in as much as it contains information on:

- ▶ the operations and position of the Company and the Group:
 - Chapter 5
 - Chapter 8.3
 - Chapter 9
- ▶ the financial statements, results and financial position:
 - Chapter 6
- ▶ key risks:
 - Chapter 3
- ▶ labour and environmental information:
 - Chapter 5.3
- ▶ the organisation of the Company and the Group and corporate governance:
 - Chapter 7
- ▶ information about the share capital, shareholders and main provisions of the Articles of Association:
 - Chapter 8
- ▶ related-party agreements:
 - Note 35 to the consolidated financial statements (see Chapter 6)

We shall therefore confine ourselves below to a summary of the Lagardère group's results and operations in 2014 and a presentation of the resolutions submitted to you for approval. Please refer to the Reference Document for more comprehensive information on each of these subjects.

3.1.1 RESULTS AND ACTIVITIES IN 2014

3.1.1.1 PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

Growth of recurring Media EBIT⁽¹⁾: +2.9%⁽²⁾ to €379m

- ▶ Group operating margin: 4.8% vs 4.5% in 2013
- ▶ Recurring Group EBIT +4.7% to €342m
- ▶ Adjusted net profit⁽³⁾ +7.6% to €185m

Proposed ordinary dividend unchanged at €1.3 per share

A solid financial position

2015 guidance on recurring Group EBIT: about +5% compared to 2014⁽⁴⁾

In 2014, the Lagardère group's operating performance featured improved profitability (with a margin of 4.8% in 2014 vs. 4.5% in 2013).

Growth in recurring Media EBIT (+2.9% on a like-for-like basis⁽²⁾) is above the guidance⁽⁵⁾, thanks to the recovery at Lagardère Unlimited, tight cost control in other units and a significant improvement in Travel Retail.

- ▶ Sales came to €7,170 million, -0.6% in reported figures and -1.8% on a like-for-like basis⁽⁶⁾, with an improvement at the end of the year.
- ▶ Recurring Media EBIT amounted to €379 million, up €7 million compared to 2013:
 - Lagardère Publishing: the operating margin remained high (9.8%) but receded slightly by 1 point; Recurring EBIT amounted to €197 million, down by -€26 million with an unfavourable basis of comparison in General Literature in France and English-speaking countries, after a very strong year in 2013 for best-sellers. Cost-cutting measures helped to reduce this effect.

- Lagardère Services: Recurring EBIT rose by €9 million to €105 million, thanks to the sharp increase in Travel Retail activities.

- Lagardère Active: Recurring EBIT rose by €9 million to €73 million. The operating margin improved, driven by ongoing cost-cutting.

- Lagardère Unlimited: the recovery is on track, with positive recurring EBIT of €4 million, up by +€15 million.

▶ Net profit - Group share amounted to €41 million, vs. €1,307 million in 2013, which included the €1,823 million capital gain on the disposal of the EADS stake. Adjusted net profit - Group share came to €185 million, a +7.6% increase compared to 2013, reflecting mainly the increase in recurring Group EBIT and the improvement in net financial income.

▶ The Group's financial situation was solid with net debt of €954 million at end-2014, vs. net cash of €361 million at end-2013. This change is mainly due to dividend payments (an exceptional distribution and the ordinary dividend). The cash situation remains healthy and gearing (net debt/equity) of 46% and leverage ratios (net debt/recurring EBITDA⁽⁷⁾), at 1.8x, are in line with Group objectives.

A) SALES AND RECURRING EBIT

Sales came to €7,170 million, or -1.8% on a like-for-like basis and -0.6% in reported figures.

The difference between the like-for-like and reported figures was caused mainly to a positive +€108 million perimeter, due, in turn, mainly to acquisitions in 2014 at Lagardère Services – Gerzon Holding (Amsterdam Schiphol airport) and Airst Group (including the Venice airport) – and, to a lesser extent, Lagardère Active (Groupe Réservoir and France Télévisions' 34% stake in Gulli) and Lagardère Publishing (in the United Kingdom).

Exchange-rate shifts had a negative impact of -€27 million (mainly at Lagardère Services, due to the depreciation of the Australian dollar, the Hungarian forint, and the Canadian dollar vs. the euro).

(1) Recurring operating profit of fully consolidated companies. This corresponds to profit before finance costs and tax excluding the following income statement items:

- income (loss) from equity-accounted companies;
- gains (losses) on disposals of assets;
- impairment losses on goodwill, property, plant and equipment and intangible assets;
- restructuring costs;
- items related to business combinations:
 - acquisition-related expenses;
 - gains and losses resulting from purchase price adjustments and fair value adjustments due to changes in control;
 - amortisation of acquisition-related intangible assets.

(2) At constant forex and excluding the impact of the divestment of Payot bookshops in Switzerland.

(3) Excluding non-recurring and non-operating items.

(4) At constant forex and excluding the potential divestment of LS distribution businesses.

(5) Objective stated on 10 February 2015 at the announcement of full-year 2014 net sales.

(6) At constant exchange rate and consolidation scope.

(7) Recurring EBITDA is defined as the sum of total recurring EBIT and depreciation/amortisation of property, plant and equipment and intangible assets and dividends received from equity-accounted companies.

	Sales on the year (€m)		% change	
	2013	2014	2014/2013 (reported figures)	2014/2013 (like-for-like figures)
Lagardère	7,216	7,170	-0.6%	-1.8% ⁽¹⁾
Lagardère Publishing	2,066	2,004	-3.0%	-4.5%
Lagardère Services	3,745	3,814	+1.8%	+1.3% ⁽²⁾
Lagardère Active	996	958	-3.8%	-5.4%
Lagardère Unlimited	409	394	-3.8%	-6.6%

(1)-1.2% when excluding the end of tobacco sales in Hungary.

(2)+2.6% when excluding the end of tobacco sales in Hungary.

Recurring Media EBIT amounted to €379 million, +1.9%.

When excluding the impact of the July 2014 disposal of the Payot bookshops in Switzerland, whose contribution amounted to €3 million between July and December 2013, **recurring Media EBIT rose by +2.9%, slightly more than guidance range** (i.e.,

growth about in the middle of a range of 0% to +5% at constant forex). The forex impact was not significant in 2014.

Recurring Group EBIT (i.e., recurring Media EBIT and other activities) amounted to €342 million, +4.7% compared to 2013.

	Recurring EBIT (€m)		Change	
	2013	2014	2014/2013 (€m)	2014/2013 (as a %)
Lagardère Publishing	223	197	-26	-11.7%
Lagardère Services	96	105	+9	+9.3%
Lagardère Active	64	73	+9	+14.4%
Lagardère Unlimited	(11)	4	+15	-
Recurring Media EBIT	372	379	+7	+1.9%
Recurring EBIT from other activities	(45)	(37)	+8	-
Recurring Group EBIT	327	342	+15	+4.7%

Lagardère Publishing: the operating margin remains high

Sales

Sales 2014 came to €2,004 million, -3% in reported figures and -4.5% on a like-for-like basis.

2014 was a transition year for Lagardère Publishing, whose top-line figure, as expected, was marked an unfavourable comparison driven by the large number of best-sellers in 2013. Note also the significant decline in Education, due to the lack of renewal of Textbook programmes, particularly in France.

Profitability

The operating margin remains high, at 9.8% but nonetheless receded by one point. Recurring EBIT at Lagardère Publishing amounted to €197 million, -€26 million compared to 2013. This shift was due mainly to the contraction of activity in General Literature in France and in English-speaking countries. The implementation of cost-cutting nonetheless helped limit its effects.

Lagardère Services: acceleration of growth at Travel Retail and increase in recurring EBIT

Sales

Sales in 2014 came to €3,814 million, +1.8% in reported figures and +1.3% in like-for-like figures. When excluding the impact of the end of tobacco sales in Hungary, like-for-like growth would have been +2.6%. The strategic transformation continues at Lagardère Services, and Travel Retail now accounts for 63% of total consolidated net sales, vs. 60% in 2013.

The market environment in 2014 featured growth in air traffic at a brisker pace than in 2013, and the continued decline in the press market. Lagardère Services' development strategy paid off with an acceleration in organic growth in Travel Retail in the second half.

Profitability

The operating margin amounted to 2.7%, a very slight improvement, with a recurring EBIT up +€9 million to €105 million.

This improvement was due to the solid performance at Travel Retail (+€15 million) which, apart from the impact of growth in air traffic, was driven by a more favourable product mix, the successful development of new concepts and the contribution of acquisitions. The results of Distribution (down by -€6 million) reflect weaker activity, which was nonetheless mitigated by the diversification strategy and tight cost control.

Lagardère Active: improvement in profitability thanks to cost-cutting plans

Sales

Sales of €958 million in 2014, or -3.8% in reported figures and -5.4% in like-for-like figures. The contraction in sales was due mainly to the decline at Magazines (-6.4% in 2014). Radio demonstrated its defensive character, as it was stable on the whole and up internationally. All in all, advertising was down 4.2% and broadcasting by 3.5%.

Profitability

In this challenging environment, **Lagardère Active managed to improve its operating margin by 1.2 point to 7.6%**, with

Recurring EBIT of €73 million, up €9 million. Ongoing cost-cutting plans more than offset the negative impact of the decline in net sales at Magazines.

Lagardère Unlimited: recovery is on track

Sales

Sales came to €394 million, a 3.8% decline in reported figures and a 6.6% decline on a like-for-like basis. The expected impact of the football calendar, mainly driven by no Africa Cup of Nations in 2014 and the continued phasing out of the media rights trading activities from Sportfive International explains the reduction in sales volume.

These factors are partly offset by the good performances of competitions organised in Asia (women's tennis and football), and Hospitality operations related to the FIFA World Cup in Brazil.

B) OTHER INCOME STATEMENT ITEMS

Consolidated income statement

(€m)	FY 2013	FY 2014
Sales	7,216	7,170
Recurring Media EBIT	372	379
Recurring EBIT total	327	342
Income from equity-accounted companies*	7	9
Non-recurring/non-operating items	1,193	(142)
EBIT	1,527	209
Net interest expense	(91)	(73)
Profit before tax	1,436	136
Income tax expense	(117)	(87)
Total profit	1,319	49
Attributable to minority interests	(12)	(8)
Profit - Group share	1,307	41

* Before impairment losses.

Contribution of equity-accounted companies

Net profit from equity-accounted companies (before impairments) amounted to €9 million, up slightly compared to the 2013 financial year (€7 million), owing mainly to the increased contribution from the Marie Claire group.

Non-recurring/non-operating items

Non-recurring/non-operating items came to -€142 million, vs. +€1,193 million in 2013, which included the EADS capital gain (€1,823 million). These included mainly:

- ▶ **-€66 million in restructuring costs**, including -€21 million at Lagardère Publishing (in the United Kingdom and the United States), -€16 million at Lagardère Services (mostly in distribution activities in Belgium), and the balance mainly at Lagardère Active and Lagardère Unlimited.
- ▶ **-€55 million in amortisation of intangible assets and other acquisition-related expenses**, including -€43 million at Lagardère Services, -€7 million at Lagardère Unlimited and -€5 million at Lagardère Publishing.
- ▶ **-€41 million in impairments on tangible and intangible assets**, including -€20 million at Lagardère Services on the acquisition goodwill on Curtis (Lagardère Services' US distribution subsidiary), and -€16 million at Lagardère Active,

Profitability

Lagardère Unlimited's recovery is on track, with recurring EBIT of €4 million, up €15 million. The unit was able to achieve a positive operating profit despite a slow year in sports events for Lagardère Unlimited in 2014, the cost-saving plan linked to the halt of the main media rights selling activities at Sportfive International, and the shutdown of loss-making businesses.

Recurring EBIT from **other activities** amounted to -€37 million, an improvement (+€8 million). It was affected mainly by losses at Matra Manufacturing Services (whose light electrical vehicle manufacturing and marketing business was sold in December 2014), and by residual costs incurred by exceptional disposals in 2013 (EADS and Canal+ France).

due to the partial impairment of goodwill on LeGuide group, as a result of the persistent decline in activity at the Ciao subsidiary in Germany.

- ▶ **-€5 million in capital losses on disposals** including mainly a loss of -€8 million at Lagardère Active due to the capital loss realised in July 2014 on the disposal of 10 magazine titles, a loss of -€4 million at Lagardère Publishing on the disposal of Aique (an Argentinean subsidiary), and a +€13 million profit at Lagardère Services on the disposal of the Payot bookshops and 51% stake in Inmedio.
- ▶ **+€25 million in fair value adjustments resulting from change-of-control**, including +€19 million at Lagardère Active due to the new majority stake in Gulli (previously 66% held), and +€6 million at Lagardère Services, after the partial disposal of Inmedio in Poland (with a residual stake of 49%).

Profit before interest and tax

This amounted to €209 million, vs. €1,527 million in 2013, which included the capital gain on the EADS disposal.

Net interest expense

Net interest expense came to -€73 million in 2014, down €18 million, due to the high 2013 amount (fees of the partial

redemption of the bond maturing in 2014), and by the decline in the average cost of Group debt between 2013 and 2014.

Income tax expense

The tax burden amounted to **-€87 million**, down €30 million compared to 2013. In 2014, it included, in the amount of €28 million, the additional 3% contribution instituted in France on dividends paid out and the fact that goodwill impairments generate no tax deduction.

In light of all these items, total net profit came to €49 million, of which €41 million for the Group share and €8 million for minority interests.

Adjusted profit- group share

Adjusted profit - Group share (which excludes non-recurring/non-operating items) **came to €185 million**, up €13 million compared to 2013, reflecting mainly the increase in recurring EBIT.

(€m)	2013	2014
Profit - Group share	1,307	41
Amortisation of acquisition-related intangible assets and other acquisitions-related items*	20	42
Impairments on goodwill, tangible and intangible fixed assets*	298	41
Restructuring costs*	117	53
Gains/losses on disposals*	(1,624)	5
Fair value adjustments resulting from change-of-control*	-	(25)
Tax contributions on dividends paid	40	28
Exceptional bonus for employees*	14	-
Adjusted profit, Group share	172	185

* Net of tax.

Profit per share

Profit per share - Group share, came to €0.32, vs. €10.22 in 2013.

Adjusted profit per share - Group share, came to €1.45, vs. €1.34 in 2013.

The number of shares in share capital was unchanged in 2014.

C) OTHER FINANCIAL ITEMS

Total cash flow from operating and investing activities

(€m)	2013	2014
Cash flow from operations before interest and tax	454	403
Change in WCR	116	(49)
Cash flows from operations	570	354
Net interest paid and tax paid	(235)	(144)
Cash generated from operating activities	335	210
Acquisition of property, plant & equipment and intangible assets	(296)	(249)
Disposal of property, plant & equipment and intangible assets	8	16
Free cash flow	47	(23)
Acquisition of financial assets	(41)	(282)
Disposals of financial assets	3,410	34
(Increase)/ decrease in short-term investments	29	-
Net cash from operating & investing activities	3,445	(271)

Cash flow from operations came to €354 million in 2014, down €216 million compared to 2013.

- ▶ **Cash flow decreased to €403 million**, thus reflecting the impact of lower amortisations and depreciation (concentrated at Lagardère Unlimited, and due mainly to the phase-out of the media rights business at Sportfive International), the increase in restructuring costs disbursed during the year (at Lagardère Publishing, Lagardère Services and Lagardère Active mainly), with the effects only partly offset by an increase in dividends received from associates.
- ▶ The change in **working capital requirement (WCR)** was negative on the year at -€49 million, after a very favourable change of +€116 million in 2013. Almost half of this worsening is due to an unfavourable trend at Lagardère Publishing, driven by the increase in author advances in the United States (renewal of multi-title contracts) and the settlement of author debts in France (royalties on the 2013 successes). There was also a negative trend at Lagardère Active due to the decline in supplier debt (impact on sourcing of the decline in sales and cost-cutting plans), and at Lagardère Unlimited, due to receipts in 2013 on the International Olympic Committee contract at Sportfive International.

The sum of net paid interest and income tax paid came to -€144 million in 2014, down considerably, by €91 million compared to 2013.

- ▶ **Paid interest** (net of received interest) came to -€69 million, vs. -€86 million in 2013. Last year this included fees on the partial redemption of the bond maturing in October 2014.
- ▶ **Income tax expense paid** amounted to -€75 million, vs. -€149 million at end-December 2013, with these amounts including the additional contribution on dividends paid in the amount of -€28 million in 2014. vs. -€40 million in 2013.

Cash flow from investments came to -€531 million.

- ▶ **Acquisition of property, plant & equipment and intangible assets came to -€249 million, down 16%.** They were mainly in Lagardère Services (setting up of sales outlets to go with the expansion at Travel Retail) and Lagardère Publishing (one-off real-estate investments, particularly the new headquarters in France).
- ▶ **Acquisition of financial assets came to -€282 million**, and at Lagardère Services deal mainly with strategic acquisitions in Travel Retail – Gerzon Holding (fashion sales outlets at Schiphol airport) and Airst group (including activities at the Venice airport) – and, to a lesser extent, various acquisitions at Lagardère Publishing (Constable & Robinson and Quercus,

publishing fiction and non-fiction titles in the United Kingdom), Lagardère Unlimited (Casino de Paris), Lagardère Active (acquisition of France Télévisions' 34% stake in Gulli).

€34 million in financial assets were divested as part of the Group's strategy to refocus on growing activities, including disposals of Lagardère Services' stakes in Switzerland (Payot bookshops and a real-estate company) and in Poland (51% stake in Inmedio, a chain of downtown stores), and at Lagardère Active (disposal of 10 magazines in France).

All in all, **total operating and investment cash flow came to a negative €271 million**, vs. a net positive €3,445 million in 2013, which included major disposals of financial assets (EADS and Canal+ France).

Financial position

As of the end of December 2014 the Group net debt was €954 million, vs. net cash of €361 million at end-December 2013. This change is due mainly to the payment of dividends (€961 million including a €765 million exceptional distribution, a €166 million ordinary dividend and €16 million paid out to minorities), as well as the amount of operating and investment flows.

- ▶ **The Group's liquidity situation remains very solid**, with €2,211 million available cash (€566 million in cash and marketable securities on the balance sheet, and €1,645 million undrawn on a syndicated credit line). Debt maturities are well spread out, with a 2015 maturity of €490 million (mainly treasury bills), a 2017 maturity of €494 million (a five-year bond issued in 2012), and a 2019 maturity of €507 million (a five-year bond issued in September 2014).
- ▶ **The financial situation remains healthy**, with gearing (net debt/equity) of 46% and a leverage ratio (net debt/recurring EBITDA) of 1.8x.

D) GUIDANCE/DIVIDEND

2015 Recurring EBIT objective

In 2015, recurring **Group EBIT (Recurring EBIT from Media and other activities) is expected to increase by about +5% compared to 2014**, at constant forex and excluding the impact of the potential disposal of LS distribution.

Dividend

Shareholders at the Annual General Meeting will be asked to approve a €1.3 per share dividend for the 2014 fiscal year, the same level than for the 2013 fiscal year.

3.1.1.2 PARENT COMPANY RESULTS

Income statement

The condensed income statement is as follows:

(€m)	2014	2013
Operating revenues	52	7
Operating profit (loss)	(38)	(17)
Net financial income (expense)	(81)	26
Earnings (loss) before tax and exceptional items	(119)	9
Net exceptional income	19	1,974
Income tax gain	43	24
Profit (loss)	(57)	2,007

Balance sheet

The condensed balance sheet is as follows:

(€m)	2014	2013
Assets		
Fixed assets	6,114	6,185
– of which investments in subsidiaries and affiliates	6,028	6,093
Current assets	57	47
– of which marketable securities and cash and cash equivalents	2	2
Total assets	6,173	6,234
Liabilities and shareholders' equity		
Shareholders' equity	3,207	4,227
– of which share capital	800	800
– share premiums and reserves	1,865	1,148
– retained earnings	599	1,428
– profit (loss) for the year	(57)	2,007
– interim dividend to be allocated	-	(1,156)
Provisions for risks and liabilities	17	37
Liabilities	2,949	1,970
– of which debt	2,896	1,930
Total liabilities and shareholders' equity	6,173	6,234

Lagardère SCA is the holding company of the Lagardère group and had nine employees at 31 December 2014.

3.1.1.3 BUSINESS OVERVIEW

A) LAGARDÈRE PUBLISHING

The world's third-largest trade book publisher for the general public and educational markets, Lagardère Publishing is a federation of publishing companies with a large degree of editorial independence.

They are united by common management rules, a concerted effort to expand in digital activities, a coordinated strategy in respect of the global distribution giants, and the same high standards required of the people appointed to positions of responsibility in each company.

2015 challenges

What were the major trends in Lagardère Publishing's activity in 2014?

"First, we observed mixed trends in our markets, with sales of printed books increasing in English-speaking countries and falling in continental Europe. Another noteworthy point was a continued absence of school reform in two of our key markets, namely France and Spain. Lastly, we saw a tailing off of growth in e-books in the United States and the United Kingdom, with market share stabilising at between 25% and 30%, well below the levels predicted by most observers.

The good news is that we managed to resolve the conflict opposing us and Amazon in the United States by signing an agreement, the terms of which will help preserve the book ecosystem."

What are your priorities for 2015?

"Above all, we will be doubly vigilant in marketing our e-books, ensuring that prices allow us to pay our authors correctly and preserve our margins, while protecting booksellers from excessively fierce competition. We will also continue our efforts to streamline our organisation. And, we will naturally keep up our relentless quest for bestsellers!"

Arnaud Nourry

Chairman and Chief Executive Officer of Hachette Livre

2014 overview

Slower business

As expected, the Lagardère Publishing's 2014 sales were muted for two main reasons: first, the continued lack of school reform in France, and second, the lack of mega-bestsellers compared with 2013, a particularly abundant year in terms of major international successes. At €2,004 million, divisional sales were down 3% compared with 2013. The two foreseeable causes of the decline were compounded by a third issue, namely a dispute with Amazon in the United States dampening sales of e-books in a country where they represent 26.9% of the market.

This pressure on sales was only partially offset by a very robust performance in the United Kingdom, strong results in Illustrated Books in France, brisk growth in Partworks worldwide and savings on overheads across all activities.

Targeted acquisitions

In 2014, Lagardère Publishing continued its international expansion through targeted acquisitions to complement its existing business portfolio, particularly in the United Kingdom.

In General Literature for instance, Little, Brown acquired Constable & Robinson, a publishing house specialising in documents and essays founded in 1795, while Hodder & Stoughton purchased Quercus, a young house that has gained a stellar reputation by publishing numerous fiction bestsellers. Meanwhile, Hodder Education acquired Pearson textbooks in the English-speaking Caribbean.

Lastly, Hachette Book Group acquired Black Dog & Leventhal, a publisher of illustrated books in the United States, and Hachette Livre France increased its stake in Azbooka-Atticus, Russia's third-largest publisher, to 49%.

The conflict with Amazon

The conflict with Amazon in the United States dates back to spring 2014. It prompted retaliatory measures affecting Hachette Book Group titles and depressing their sales on Amazon, which is by far the dominant force in the digital market.

This conflict was resolved in November 2014 with the signing of a multi-year agreement giving Hachette Book Group the right to fix the retail price of its e-books, which was the main stumbling block in the negotiations. The agreement took effect in December.

Savings on overheads

The payroll in the United States, the United Kingdom, Spain and, to a lesser extent, France was the biggest source of savings made during the year. Other sources were real estate, operating costs and promotions.

Hachette Book Group moved offices in New York and Boston, opting for open space arrangements, while nevertheless staying in the heart of literary neighbourhoods. Hachette UK is preparing to do the same in London, and Hachette Livre in France is set to move to Vanves in the second quarter of 2015. These moves will generate savings without compromising – even improving – working conditions for our employees.

Leading positions

- ▶ No. 3 publishing group worldwide.
- ▶ No. 1 publisher in France.
- ▶ No. 2 publisher of digital bestsellers in the United States.
- ▶ No. 2 publisher in the United Kingdom.
- ▶ No. 4 publisher in the United States.

Key dates

- ▶ 4 February and 24 April 2014: Hachette UK acquires publishing houses Constable & Robinson and Quercus.
- ▶ 15 April 2014: the 2014 edition of the prestigious Pulitzer Prize is attributed to Donna Tartt for her novel *The Goldfinch*, published by Little, Brown and Company in 2013.
- ▶ 11 August 2014: nearly a thousand British and American authors sign a petition in the *New York Times* calling on Amazon to settle its dispute with Hachette Book Group.
- ▶ 28 October 2014: Hachette Livre increases its stake in Atticus Azbooka, Russia's third-ranked publisher, to 49%.
- ▶ 6 November 2014: the Grand prix de l'Académie française is awarded to *Constellation*, the first novel of Adrien Bosc, published by Stock.
- ▶ 13 November 2014: Hachette Book Group signs a multi-year contract with Amazon, ending several months of tough negotiations.
- ▶ 23 December 2014: Hachette Livre takes delivery of its new headquarters in Vanves, designed by architect Jacques Ferrier.

2014 key figures

- ▶ 29 titles published by Hachette UK reached No. 1 ranking on the *Sunday Times* bestseller list.
- ▶ 141,335 tonnes of paper consumed.
- ▶ 6,310 employees worldwide.
- ▶ 7,962 new titles published in France.
- ▶ 10.3% of Lagardère Publishing's global sales generated by Digital.

B) LAGARDÈRE SERVICES

A global leader in Travel Retail, Lagardère Services is present in travel areas in 30 countries on four continents through its various activities (Travel Essentials, Duty Free & Luxury and Food Services), both with its own brands (Relay, Aelia Duty Free, numerous restaurant chains, etc.) and with local and international brands. Lagardère Services is also a national and international press distributor.

2015 challenges

What were the highlights for Lagardère Services in 2014?

"The strategy shift decided three years ago has been a great success. Despite the market's sluggishness, the good performances logged in Travel Retail in 2014 chime perfectly with our strategy, and we regularly outpace our competitors in terms of organic growth. We won many tenders, both in our legacy activities (Travel Essentials and Duty Free & Luxury) and in our newer Food Services business. The gain of food service concessions at the airports of Nice, Warsaw and Los Angeles is an illustration of our success."

What are your challenges and priorities for 2015?

"We aim to stay the course in the coming years to further strengthen our positions. This is an exciting challenge in a fiercely competitive environment.

We intend to maintain our momentum in 2015 and to step up our expansion, both in our existing geographies and in new markets in Asia-Pacific, the Middle East, Africa and Europe. This strategy will entail acquisitions and new concession wins. We plan to deploy Lagardère Services' ambition and expertise by forging partnerships with Marks & Spencer and Casino in France, by opening Airst food service concepts in different countries and by rolling out the new Relay concept.

Duty Free & Luxury also have an important part to play: we also plan to step up the international expansion of 'Next Generation', the new Aelia Duty Free concept currently being tested at Marseille airport (France), and expect to see strong growth in the fashion business."

Dag Rasmussen

Chairman and Chief Executive Officer of Lagardère Services

2014 overview

A major player in retail services in travel areas

The preferred partner of licensors and major brands in travel areas, Lagardère Services is one of the world's largest operators in the sector.

A successful year

In 2014, Lagardère Services won numerous tenders and opened a number of innovative concepts in Europe, North America and Asia-Pacific.

The division won new concessions for 25 stores operating under various names at Warsaw airport in Poland (Aelia Duty Free, Victoria's Secret, Ralph Lauren, Samsung, McDonald's, Illy, etc.), as well as food service concessions at Keflavik International Airport (Iceland) and the Sofia bus station (Bulgaria).

Moreover, in Spain, the division opened The Fashion Gallery concepts at Malaga and Madrid airports, and a The Fashion Place outlet in Valencia.

Lagardère Services also opened numerous new sales outlets in several major international airports, including: MY Lifestyle Gallery and Elle Café in Kuala Lumpur (Malaysia), Montblanc, Pandora and Luxottica boutiques in Rome (Italy), The Scoreboard in Toronto (Canada) and Victoria's Secret in Cairns and Gold Coast (Australia).

In France, Lagardère Services also opened the first Marks & Spencer outlet in a travel area in Paris, and the first Eric Kayser bakery equipped with an oven at Avignon railway station. Lastly, Lagardère Services won the tender covering over half the food service concession at Nice airport. Operation of this site is scheduled to begin in the first quarter of 2015.

The leading operator of fashion boutiques in Europe

After winning five tenders for fashion concessions in Spain's leading airports and the opening of several specialised spaces in this segment in Europe (Poland, France, Spain, United Kingdom, etc.), North America and Asia-Pacific (Malaysia, Singapore, China, Australia, etc.), Lagardère Services has established itself as one of the leading global players and the European leader in fashion Travel Retail.

Gerzon and Airst enter the operating scope of Lagardère Services

2014 saw the extraction of significant operational synergies resulting from recent acquisitions of companies operating in the Duty Free & Luxury and Food Services segments: Gerzon, with 12 fashion boutiques covering a total of 2,400 sq.m. at Schiphol Airport (Amsterdam, Netherlands), and Airst, which operates proven concepts including Rusticelli & Mangione, Culto, deCanto and Bottega dei Sapori in 11 countries.

Debut operations in Iceland

Lagardère Services won the food services concession at Keflavik International Airport in Iceland, where five store concepts will be operated. Keflavik International Airport is the country's largest airport, and one of the fastest growing in Europe.

Continued divestment of the Press Distribution business

After selling Swiss bookseller Payot SA, Lagardère Services continued the divestment of its Press Distribution activities, notably with the disposal of Naville SA, its Swiss distribution subsidiary.

Leading positions

- ▶ No. 3 Travel Retail operator worldwide.
- ▶ No. 1 Travel Retail operator in France, Poland and Czech Republic.
- ▶ No. 4 Food Services operator in travel areas worldwide.
- ▶ No. 1 press distributor in Belgium, Spain, Hungary and the United States, and No. 1 international press distributor in Canada.
- ▶ No. 1 international chain of newsagents and convenience stores.

Key dates

- ▶ January 2014: Lagardère Services wins two major tenders to operate 25 stores at Warsaw airport (Poland).
- ▶ February 2014: opening of nine Relay shops at Delhi and Bangalore airports in partnership with Indian operator TFS, which will continue the brand's development in India under franchise.
- ▶ April 2014: Lagardère Services extends its presence at Adelaide airport to 1,700 sq.m., opening the first Aelia Duty Free shop in Australia.
- ▶ May 2014: announcement of the completion of the acquisition of Airest, an Italian food services group. Opening of a The Fashion Gallery outlet at Adolfo Suarez Airport Madrid Barajas (Spain) and inauguration of the MY Lifestyle Gallery concept at Kuala Lumpur airport (Malaysia).
- ▶ June 2014: opening of the first Marks & Spencer food store in a travel area in Paris. Lagardère Services acquires the Starbucks travel retail business licence in several European countries.
- ▶ October 2014: opening of the new "Next Generation" Aelia Duty Free concept at Marseille airport (France).
- ▶ November 2014: Lagardère Services announces the sale of its distribution business in Switzerland. Relay France wins the food service tender launched by Nice airport (France).

2014 key figures

- ▶ Travel Retail's contribution to Lagardère Services' sales: 63.4%.
- ▶ LS travel retail's sales in Duty Free & Luxury: €1.2 billion.
- ▶ Number of international airports with LS travel retail operations: 150.
- ▶ More than 4,000 stores in 30 countries.
- ▶ 1,500 Relay stores.
- ▶ Over 700 food services outlets in 15 countries.
- ▶ Curtis Circulation Company's market share in North America: 32%.

C) LAGARDÈRE ACTIVE

Lagardère Active plays a central role in the French media, with power built on such iconic brands as Elle, Paris Match, Europe 1, Gulli and Doctissimo. It is a major player in television and radio, with 23 radio stations worldwide, 17 TV channels and France's number one production company. France's premier mainstream magazine publishing group, with 27 press titles on the domestic market and a further 84 under licence worldwide, Lagardère Active is also the largest media group in terms of audience on the mobile Internet in France.

2015 challenges**What were the highlights for Lagardère Active in 2014?**

"2014 was a decisive year for Lagardère Active. We sold 10 of our press titles and established an organisation broken down by theme, combining not only offline and online content, but also editorial and sales activities. Our objective was to consolidate our leadership position in France in the wake of the three-year "Reinventing Lagardère Active" project, launched in June 2012. This project sparked an upturn that saw us restore the audience share of our radio stations and television channels (Gulli is now wholly owned), and overhaul our magazines, with some impressive circulation successes along the way, as illustrated by *Paris Match*. Lastly, we intensified the digital transformation of some of our titles

and recorded stellar performances on our pure play websites, while at the same time improving our profitability."

What are your challenges and priorities for 2015?

"To grow stronger, develop and innovate. Our priorities in 2015 are to continue improving our profitability, to step up our digital development and to grow our sales.

To achieve this, Lagardère Active will have to make itself an even stronger force on the international market. Emerging markets represent a tremendous source of development opportunities for some of our audiovisual brands. We also need to entrench our presence in Europe, particularly in production.

Lastly, we will need to innovate with new products, and continue our diversification efforts. The new organisation built around our strongest brands is perfectly in tune with the emerging new world and the challenges facing us. It will enable us to leverage our expertise in order to develop tomorrow's multichannel media."

Denis Olivennes**Chairman and Chief Executive Officer of Lagardère Active****2014 overview****Take-off of the audiovisual sector**

In 2014, Lagardère Active implemented a strategy that allowed its brands to shine both nationally and internationally.

- ▶ Radio: Europe 1, which has 4.6 million daily listeners, retained its position as the number one private radio station among upper occupational groups in 2014. In addition, RFM climbed to first place among music radio stations for the 25-59 age bracket, with more than 2.6 million listeners each day. Lastly, Virgin Radio enjoyed great success with its new morning show and the launch of its television station, Virgin Radio TV.
- ▶ Television: Lagardère Active's youth channels remained France's biggest Youth and Family offer, once again boasting the country's leading online content targeting young people. Gulli was again the top-ranking channel among 4-10 year olds in France, while music channel Mezzo also continued to expand in Asia.
- ▶ Audiovisual production: with over 1,121 hours of programmes and nearly 400 prime-time broadcasts across all channels in 2014, Lagardère Entertainment remained France's leading audiovisual producer. A number of programmes posted record audiences, including *Ce soir je vais tuer l'assassin de mon fils* (8.3 million viewers on TF1).

Strong and digitised press brands

Lagardère Active reached a wider audience thanks to the digital versions of its flagship titles (*Paris Match*, *Elle*, *Le Journal du Dimanche*, *Public*, *Version Femina*, etc.). Elle.fr, for instance, ranked as France's leading upscale women's magazine website, with more than 2.2 million unique visitors per month. In addition, the parenting portal (Parents.fr, Infobebes.com and Momes.net) took the top spot among parenting websites, with over 12 million page views per month. Lastly, *Télé 7 Jours* posted the largest increase in overall audience of any press brand, reaching nearly 12 million consumers.

Digital successes

In 2014, Lagardère Active logged a total of nearly 18 million unique visitors on the desktop Internet in France. It also maintained its position as the leading media group in terms of audience on the mobile Internet, with over seven million unique visitors. Moreover, it reaped a number of record audiences, including the 22 million visits in November 2014 for Public, an application which rose to third place in the mobile rankings.

Lagardère Publicité, cross-media advertising sales

Lagardère Publicité is France's third-ranking advertising sales brokerage in gross sales, and the leading player in the Magazine Publishing segment, selling advertising space on more than 100 formats across six media (press, radio, television, Internet, mobiles and tablets). In 2014, nine people out of ten used at least one Lagardère Publicité media across all formats.

Leading positions

- ▶ No. 1 mainstream magazine publisher in France.
- ▶ No. 1 audiovisual producer in France.
- ▶ No. 1 media group in terms of audience share on the mobile Internet in France.

Key dates

- ▶ February 2014: Lagardère Entertainment acquires the Réservoir group (Réservoir Prod).
- ▶ July 2014: first edition of the *Paris Match* "Ma France photo" campaign, collecting more than 25,000 photos taken in the space of 24 hours on Bastille Day.
- ▶ September 2014: release of the new Europe 1 website and app. The LeGuide group launches blacklist.me, a social network for shopping. Lagardère Active Radio International launches Vibe Radio in Senegal.
- ▶ October 2014: launch of RFM TV.
- ▶ November 2014: Lagardère Active completes the acquisition of France Télévisions' interest in Gulli.

2014 key figures

- ▶ 17 hours of filmed programming a day, making Europe 1 France's most widely filmed radio station.
- ▶ 33 million viewers per month for Gulli.
- ▶ 27 press titles published in France and a further 84 worldwide.
- ▶ 7 million unique visitors per month on the mobile Internet.

D) LAGARDÈRE UNLIMITED

Lagardère Unlimited is a leading sports and entertainment agency with a global network of local experts, dedicated to delivering innovative solutions to its clients.

Lagardère Unlimited's key activities include marketing rights management, event production, venue consulting and operations, content production and media rights management, athlete management and brand consulting.

2015 challenges**What were the key highlights for Lagardère Unlimited in 2014?**

"In 2014, Lagardère Unlimited expanded its business footprint, including the signing of four long-term stadium operations agreements, winning consulting bids for various blue-chip brands and organising marquee events such as the BNP Paribas WTA Finals, presented by SC Global, in Singapore.

Lagardère Unlimited continued to deliver high quality services to its clients, including the Asian Football Confederation (AFC), the Confédération Africaine de Football (CAF), the Commonwealth Games, the International Olympic Committee (IOC) and leading football clubs in Europe.

Lagardère Unlimited also accelerated the global integration of its agencies and activities. A new Executive Committee was appointed to lead that process and to manage the business on a day-to-day basis.

Lastly, Lagardère Unlimited continued to develop business units such as Stadiums and Arenas, Golf, Tennis and Olympics, and opened up subsidiaries in Brazil and Qatar."

What are your challenges and priorities for 2015?

"In 2015, we will pursue the integration of our businesses, initiated in 2014.

Lagardère Unlimited will drive its future development through a strategy of leveraging its global strength in the key areas of football, tennis, golf, Olympics, media and consulting in order to consolidate its market-leading positions.

It will also be an important year for the Football activity, as Lagardère Unlimited partners AFC and CAF are respectively to hold the AFC Asian Cup in Australia and the Orange Africa Cup of Nations in Equatorial Guinea in 2015.

Lastly, as expected, Lagardère Unlimited returned to profitability in 2014. The objective for 2015 is to consolidate this important step and increase our level of profitability, in line with our investment."

Arnaud Lagardère
Chief Executive Officer, Lagardère Unlimited

2014 overview**Ongoing integration process**

In 2014, Lagardère Unlimited appointed a new Executive Committee composed of five members (Arnaud Lagardère, Seamus O'Brien, Andrew Georgiou, Andy Pierce and Laurent Carozzi) to lead the reorganisation of its businesses into a globally-integrated, full-service Sports and Entertainment agency.

Commercial successes in Football

Lagardère Unlimited developed its comprehensive club partnerships business by renewing long-term contracts (1. FC Kaiserslautern in Germany), expanding in new territories (AIK Fotboll in Sweden, Legia Gdansk in Poland, Roda JC in the Netherlands) and consolidating its portfolio of exclusive mandates in Europe (Southampton FC in the United Kingdom).

Step-up in Tennis

The success in 2014 with the organisation in Singapore of the BNP Paribas WTA Finals Tournament, presented by SC Global, enabled Lagardère Unlimited to strengthen its status as the leading agency in tennis. The division currently manages six ATP and WTA tennis tournaments on three continents, representing more than 50 athletes and distributing major media rights worldwide.

World leader in Golf

Lagardère Unlimited, which represents more than 40 PGA Tour players and organises more than ten tournaments around the world, confirmed its status as the leading agency in golf and continued its work promoting front-ranking events, brands and athletes. A notable achievement was making the Hero MotoCorp brand the leading sponsor of Tiger Woods' charity tournament.

Successful year for the Olympics business

Lagardère Unlimited delivered an unrivalled service offer for the Sochi 2014 Olympic Games, with over 80 broadcast partners in Europe, consulted for the IOC and successfully marketed the 2014 Commonwealth Games.

New markets for our Stadiums and Arenas business

In 2014, Lagardère Unlimited expanded its operations, signing long-term contracts to operate stadiums in several new markets, namely Brazil (Castelão and Independência), Hungary (Groupama Arena) and Sweden (Friends Arena).

Innovative digital solutions and consulting projects

Lagardère Unlimited continued to develop innovative digital solutions (second screen and digital platforms), and also completed several consultancy assignments for major sports rights holders to help them redesign their digital strategies and grow their digital revenues.

Key developments and successes for the Live Entertainment business

Lagardère Unlimited acquired the celebrated Casino de Paris performance venue. It also launched its new production, *Love Circus*, which was voted “Best Musical of the Year” by the newspaper *Le Parisien-Aujourd’hui en France*.

Leading positions

- ▶ Leader in Football in Africa, Asia, Germany and France.
- ▶ Leader in sports marketing in Asia.
- ▶ Leader in the representation of golfers worldwide.

Key dates

- ▶ March 2014: acquisition of the celebrated Casino de Paris performance venue.
- ▶ April 2014: creation of Lagardère Unlimited Brazil following the deployment of the sports venues management activity in that country.
- ▶ August 2014: organisation in Glasgow (United Kingdom) of the 2014 Commonwealth Games, for which Lagardère Unlimited successfully marketed the sponsorship rights.
- ▶ October 2014: organisation of the first edition of the BNP Paribas WTA Finals tennis tournament presented by SC Global in Singapore.
- ▶ December 2014: Lagardère Unlimited becomes the new operator of the Friends Arena in Sweden.

2014 key figures

- ▶ Over 200 sports and entertainment personalities represented.
- ▶ More than 50 events organised.
- ▶ More than 10,000 hours of media content distributed.

3.1.2 PRESENTATION OF THE RESOLUTIONS

1ST RESOLUTION:

APPROVAL OF THE COMPANY'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

The first resolution concerns the approval of the Company's financial statements for the year ended 31 December 2014, showing a loss of €57 million compared with a profit of €2,007 million in 2013, a year in which the Company recognised the gain generated on the sale of the remainder of the Group's EADS shares.

3RD RESOLUTION:

ALLOCATION OF THE COMPANY'S RESULTS AND DIVIDEND DISTRIBUTION

The Company's loss for the year ended 31 December 2014 amounts to:
which, taking into account retained earnings of

€(57,052,307.69)

€598,398,845.19

makes a distributable profit of

€541,346,537.50

We are proposing, in agreement with the Supervisory Board, to allocate this distributable profit as follows:

1° Payment of dividends to the General Partners in accordance with the Articles of Association

In accordance with the provisions of the Articles of Association, it is proposed that an amount of €414,180 should be deducted from distributable profit, equal to 1% of consolidated profit for the year attributable to owners, for payment to the General Partners.

2° Payment of the dividend to the shareholders

We are proposing to pay a dividend of €1.30 per share, i.e., a maximum aggregate amount of €170,473,271.80 based on the number of shares comprising the current share capital.

The ex-dividend date would be 8 May 2015 and the dividend would be paid as of 12 May 2015 to holders of registered shares (for *nominatif pur* shares) or their duly appointed representatives (for *nominatif administré* shares), by cheque or by bank transfer.

2ND RESOLUTION:

APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

The second resolution concerns the approval of the consolidated financial statements for the year ended 31 December 2014, showing a profit attributable to owners of €41.4 million, compared with €1,307 million in 2013.

Treasury shares held on the ex-dividend date will not be eligible for the dividend payment.

Shares created before the ex-dividend date will be eligible for the dividend payment.

The dividend is eligible for the 40% tax relief available to individual shareholders who are French tax residents, pursuant to article 158.3.2 of the French Tax Code (*Code général des impôts*).

3° Allocation of the balance of distributable profit to retained earnings

We propose to allocate the balance of distributable profit – corresponding to a minimum of €370,459,085.70 – to retained earnings.

In accordance with the requirement in article 243 *bis* of the French Tax Code, we remind you that dividends distributed over the past three fiscal years correspond to the amounts shown in the table below, and that all of these amounts were eligible for the 40% tax relief available to individual shareholders who are French tax residents, pursuant to article 158.3.2 of the French Tax Code.

(in euros)/Fiscal year	2011	2012	2013
Dividends paid to shareholders			
Dividend per share	1.30	1.30	10.30*
Total dividend payout	165,700,265.90	166,247,432.00	1,322,473,967.20
Dividends paid to General Partners	-	888,480.00	13,073,700.00
Total	165,700,265,90	167,135,912.00	1,335,547,667.20

* Corresponding to:

- (i) the extra portion of the 2013 dividend, which amounted to €9 and was paid as an interim dividend following the decision taken by the Managing Partners on 21 May 2013; and
- (ii) the ordinary portion of the 2013 dividend, which amounted to €1.30 as set at the Annual General Meeting of 6 May 2014.

We also remind you that, as decided at the Annual General Meeting of 6 May 2014, an extra dividend of €6 per share was paid in 2014, corresponding to the payment to shareholders of an aggregate amount of €765,380,544 deducted from "Share premiums" and fully eligible for the 40% tax relief available to individual shareholders who are French tax residents, pursuant to article 158.3.2 of the French Tax Code.

4TH RESOLUTION:**AUTHORISATION TO BE GIVEN TO THE MANAGING PARTNERS, FOR A PERIOD OF EIGHTEEN MONTHS, TO TRADE IN THE COMPANY'S SHARES**

During 2014, the Company carried out the following transactions related to its shares, pursuant to the authorisations given by the shareholders:

- ▶ 1,348,702 shares representing 1.028% of the share capital were purchased, of which 748,702 shares were acquired under a liquidity contract intended to promote liquidity and stabilise the market in the shares;
- ▶ 810,202 shares were sold on the market under the liquidity contract;
- ▶ 735,752 shares were cancelled;
- ▶ 3,199 shares were delivered to the beneficiaries of free share awards;
- ▶ calls were purchased and sold as part of measures taken by the Company to reorganise the hedging of its share option plans.

Accordingly, on 31 December 2014, the Company held 2,986,120 treasury shares, representing 2.28% of the share capital, including 2,926,120 shares held for future awards to employees and 60,000 held for market making activities. The Company also had the right to acquire 850,000 shares from Barclays Bank Plc under calls exercisable until 21 November 2015.

Please refer to section 8.1.2.2 of the Reference Document for a breakdown of all of the transactions carried out by the Company related to its shares during 2014, including those carried out pursuant to the current authorisation given at the Annual General Meeting of 6 May 2014.

Under the fourth resolution submitted for your approval, we are seeking renewal of our authorisation to trade in the Company's shares.

This authorisation will be implemented under the terms and conditions provided for in the applicable French and European regulations, including the General Regulations of the French financial markets authority (*Autorité des marchés financiers* – AMF). Accordingly:

- ▶ the number of shares purchased would not be able to exceed 10% of the share capital and could not result in the Company directly or indirectly holding more than 10% of its capital. Based on the share capital at 28 February 2015 and taking into account shares and calls held directly by the Company at that date, this would authorise the purchase of 9,305,208 shares or 7.09% of the share capital, assuming that the Company does not cancel or transfer any of the shares and/or calls currently held;
- ▶ the purchase price could not exceed €40 per share, excluding transaction expenses, making a total aggregate sum of €500 million. This amount could, however, be adjusted by the Managing Partners to take into account the impact on the share price of any corporate actions carried out by the Company;
- ▶ the authorisation could only be used for the purposes set out in the AMF's regulations and in accordance with the market practices accepted by the AMF, namely: to reduce the share capital; to award free shares or share options; to implement employee share ownership schemes; to tender in exchange or as consideration for external growth transactions, a merger, demerger or asset contribution; to tender shares on the exercise of rights attached to securities that give access to the Company's share capital; and to promote liquidity in the

Company's shares under liquidity contracts that comply with the rules set down by the AMF;

- ▶ the shares could be purchased, sold or otherwise transferred in one or several transactions at any time – apart from during the blackout periods provided for in article 631-6 of the AMF's General Regulations or during a public tender offer – on any market (including multilateral trading facilities (MTF) or via a systematic internaliser) or off-market or over the counter, by any means permitted under the applicable law and regulations, including through block purchases or sales and the use of derivatives (only calls that could be used to cover commitments given, notably under share option plans);
- ▶ this new authorisation would be valid for a period of eighteen months and would cancel and supersede the authorisation for the same purpose given at the Annual General Meeting of 6 May 2014.

5TH AND 6TH RESOLUTIONS:**ISSUING ADVISORY OPINIONS ON THE COMPONENTS OF REMUNERATION PAYABLE OR GRANTED TO MR. ARNAUD LAGARDÈRE, MANAGING PARTNER, AND TO THE THREE REPRESENTATIVES OF THE OTHER MANAGING PARTNER, IN RESPECT OF 2014**

In application of the recommendation set out in paragraph 24.3 of the AFEP-MEDEF code of corporate governance – which the Company uses as its corporate governance framework in accordance with article L. 225-37 of the French Commercial Code (*Code de commerce*) – in the fifth and sixth resolutions shareholders are invited to issue their opinion on the components of remuneration payable or granted in respect of 2014 to each of the Company's executive corporate officers, namely:

- ▶ Mr. Arnaud Lagardère, in his capacity as Managing Partner of Lagardère SCA and Chairman and Chief Executive Officer of Arjil Commandité-Arco, Managing Partner of Lagardère SCA;
- ▶ Messrs. Pierre Leroy, Dominique D'Hinnin and Thierry Funck-Brentano, in their capacity as Chief Operating Officers of Arjil Commandité-Arco, Managing Partner of Lagardère SCA.

In accordance with the AFEP-MEDEF code of corporate governance, the shareholders' advisory opinion is being sought regarding the following components of their remuneration payable or granted in respect of 2014, taken as a whole. For their duties within the Company, these components are as follows:

- ▶ the fixed portion;
- ▶ the annual variable portion;
- ▶ extraordinary compensation;
- ▶ supplementary pension plan;
- ▶ benefits in kind.

Accordingly, in the fifth resolution, we are asking you to issue a favourable opinion on the components of remuneration described below, payable or granted in respect of 2014 to Mr. Arnaud Lagardère, Managing Partner and Chairman and Chief Executive Officer of Arjil Commandité-Arco, Managing Partner of the Company.

We are also asking you, in the sixth resolution, to issue a favourable opinion on the components of remuneration described below, payable or granted in respect of 2014 to Messrs. Pierre Leroy, Dominique D'Hinnin and Thierry Funck-Brentano, Chief Operating Officers of Arjil Commandité-Arco, Managing Partner of the Company.

Arnaud Lagardère:

Components of remuneration payable or granted for 2014	Amount or accounting value	Comments
Fixed salary	€1,140,729	▶ This is the salary before deducting social security contributions, the amount of which has not changed since 2009.
Variable salary	€1,264,200	<p>▶ This remuneration is determined on the basis of rules defined in 2003 which have been consistently applied since that date.</p> <p>▶ It is based solely on the Group's performance in 2014 (growth rate in recurring operating profit of fully consolidated Lagardère Media companies compared with the target growth rate in recurring operating profit of fully consolidated Lagardère Media companies communicated as market guidance, and net cash from operating activities of fully consolidated Lagardère Media companies compared with the budget prepared at the start of the year. These results may be reduced, where appropriate, by applying the ratio between the recurring operating profit of fully consolidated Lagardère Media companies in 2014 and that generated in 2013) (see section 7.3.1 of the Reference Document).</p> <p>▶ The achievement rate for the above objectives is applied to a benchmark amount of €1,400,000, it being specified that Mr. Lagardère's variable salary may not exceed 150% of his fixed salary.</p> <p>▶ In light of the achievement rate for these objectives in 2014 (0.903 versus 1.176 in 2013 and 1.02 in 2012), Mr. Lagardère's variable salary amounted to 111% of his fixed annual salary in 2014.</p>
Deferred variable salary	N/A	▶ Arnaud Lagardère does not receive any deferred variable salary.
Multi-annual variable salary	N/A	▶ Arnaud Lagardère does not receive any multi-annual variable salary.
Extraordinary compensation	N/A	▶ Arnaud Lagardère did not receive any extraordinary compensation for 2014.
Attendance fees	N/A	▶ Arnaud Lagardère did not receive any attendance fees for 2014.
Awarding of share options and/or performance shares	N/A	▶ Arnaud Lagardère has not received any share options or performance shares since his appointment as Managing Partner in 2003.
Benefits linked to non-competition agreements	N/A	▶ Arnaud Lagardère is not entitled to any benefits of this nature.
Benefits linked to taking up or terminating office	N/A	▶ Arnaud Lagardère is not entitled to any benefits of this nature.
Supplementary pension plan	€0	<p>▶ Arnaud Lagardère benefits from the defined benefit supplementary pension plan in force within Lagardère Capital & Management under the same conditions as the other beneficiaries (see section 7.3.1. of the Reference Document).</p> <p>▶ His entitlements under the plan are acquired at a rate of 1.75% of the Benchmark Remuneration per year up to a limit of 20 years. Accordingly, his supplementary pension benefits cannot exceed 35% of the Benchmark Remuneration.</p> <p>▶ The Benchmark Remuneration corresponds to the average gross annual remuneration over the last five years (fixed + variable up to a maximum of 100% of the fixed portion) and cannot exceed 50 times the annual ceiling used to calculate social security contributions.</p> <p>▶ The plan is a conditional benefit plan, and the pension will only be payable if the beneficiary is still with the Company at retirement age, except in the event of termination after the age of 55, early retirement or long-term disability.</p> <p>▶ The corresponding commitment was authorised by the Supervisory Board on 14 September 2005 (in accordance with the rules governing related party agreements and commitments) and approved by the Annual General Meeting of 2 May 2006 (4th resolution).</p> <p>▶ For example, if the annual annuity payable to Arnaud Lagardère was calculated today based on the Benchmark Remuneration as defined in the plan, it would represent approximately 23.9% of his fixed and variable salary paid in 2014.</p> <p>▶ No benefits were payable to Arnaud Lagardère under this plan for 2014.</p>
Benefits in kind	€20,499	▶ This corresponds to Mr. Lagardère's potential personal use of his company car.

Pierre Leroy:

Components of remuneration payable or granted for 2014	Amount or accounting value	Comments
Fixed salary	€1,474,000	▶ This is the salary before deducting social security contributions, the amount of which has not changed since 2011.
Variable salary	€570,900	<p>▶ This remuneration is determined on the basis of rules defined in 2003 which have been consistently applied since that date.</p> <p>▶ It includes:</p> <ul style="list-style-type: none"> – a qualitative portion, which may not exceed 25% of Mr. Leroy's fixed salary, taking into account his personal contribution to the development of the Group, changes in his value added, the quality of his management, the relevance of his organisation, the motivation of his teams and attention paid to social and environmental issues; – a performance-based portion, determined by reference to the Group's performance in 2014 (growth rate in recurring operating profit of fully consolidated Lagardère Media companies compared with the target growth rate in recurring operating profit of fully consolidated Lagardère Media companies communicated as market guidance, and net cash from operating activities of fully consolidated Lagardère Media companies compared with the budget prepared at the start of the year. These results may be reduced, where appropriate, by applying the ratio between the recurring operating profit of fully consolidated Lagardère Media companies in 2014 and that generated in 2013) (see section 7.3.1 of the Reference Document). <p>▶ The achievement rate for the above objectives is applied to a benchmark amount of €600,000 (€300,000 for the qualitative portion and €300,000 for the performance-based portion), it being specified that Mr. Leroy's variable salary may not exceed 75% of his fixed salary.</p> <p>▶ In light of the achievement rates for these objectives in 2014 (0.903 for the performance-based objectives versus 1.176 in 2013 and 1.02 in 2012; and 1 for the qualitative objectives), Mr. Leroy's variable salary amounted to 38.7% of his fixed annual salary in 2014.</p>
Deferred variable salary	N/A	▶ Pierre Leroy does not receive any deferred variable salary.
Multi-annual variable salary	N/A	▶ Pierre Leroy does not receive any multi-annual variable salary.
Extraordinary compensation	€1,100,000	▶ In 2014, Pierre Leroy was awarded a special bonus of €1,100,000 (before social security contributions) in recognition of his dedicated and efficient work, carried out alongside the other Executive Committee members, in relation to the two major, complex divestments undertaken in 2013 (EADS and Canal+ France) in line with the Group's strategy of refocusing its business. The first of these divestments generated a very high net capital gain, and the second enabled the Group to avoid onerous future legal disputes. The aggregate proceeds from the sales came to over €3.3 billion.
Attendance fees	N/A	▶ Pierre Leroy did not receive any attendance fees for 2014.
Awarding of share options and/or performance shares	N/A	<p>▶ Pierre Leroy did not receive any share options or performance shares in 2014 as these awards were postponed to April 2015.</p> <p>▶ However, Mr. Leroy benefited from adjustments carried out on 20 June 2014 to share option and free share plans, in the same way as the plans' other beneficiaries (see sections 7.3.5 and 7.3.6. of the Reference Document).</p>
Benefits linked to non-competition agreements	N/A	▶ Pierre Leroy is not entitled to any benefits of this nature.
Benefits linked to taking up or terminating office	N/A	▶ Pierre Leroy is not entitled to any benefits of this nature.
Supplementary pension plan	€0	<p>▶ Pierre Leroy benefits from the defined benefit supplementary pension plan in force within Lagardère Capital & Management under the same conditions as the other beneficiaries (see section 7.3.1 of the Reference Document).</p> <p>▶ His entitlements under the plan are acquired at a rate of 1.75% of the Benchmark Remuneration per year up to a limit of 20 years. Accordingly, his supplementary pension benefits cannot exceed 35% of the Benchmark Remuneration.</p> <p>▶ The Benchmark Remuneration corresponds to the average gross annual remuneration over the last five years (fixed + variable) and cannot exceed 50 times the annual ceiling used to calculate social security contributions.</p> <p>▶ The plan is a conditional benefit plan, and the pension will only be payable if the beneficiary is still with the Company at retirement age, except in the event of termination after the age of 55, early retirement or long-term disability.</p> <p>▶ The corresponding commitment was authorised by the Supervisory Board on 14 September 2005 (in accordance with the rules governing related party agreements and commitments) and approved by the Annual General Meeting of 2 May 2006 (4th resolution).</p> <p>▶ For example, if the annual annuity payable to Pierre Leroy was calculated today based on the Benchmark Remuneration as defined in the plan, it would represent approximately 31.3% of his fixed and variable salary paid in 2014.</p> <p>▶ No benefits were payable to Pierre Leroy under this plan for 2014.</p>
Benefits in kind	€8,406	▶ This corresponds to Mr. Leroy's potential personal use of his company car.

Dominique D'Hinnin:

Components of remuneration payable or granted for 2014	Amount or accounting value	Comments
Fixed salary	€1,206,000	▶ This is the salary before deducting social security contributions, the amount of which has not changed since 2011.
Variable salary	€570,900	<p>▶ This remuneration is determined on the basis of rules defined in 2003 which have been consistently applied since that date.</p> <p>▶ It includes:</p> <ul style="list-style-type: none"> – a qualitative portion, which may not exceed 25% of Mr. D'Hinnin's fixed salary, taking into account his personal contribution to the development of the Group, changes in his value added, the quality of his management, the relevance of his organisation, the motivation of his teams and attention paid to social and environmental issues; – a performance-based portion, determined by reference to the Group's performance in 2014 (growth rate in recurring operating profit of fully consolidated Lagardère Media companies compared with the target growth rate in recurring operating profit of fully consolidated Lagardère Media companies communicated as market guidance, and net cash from operating activities of fully consolidated Lagardère Media companies compared with the budget prepared at the start of the year. These results may be reduced, where appropriate, by applying the ratio between the recurring operating profit of fully consolidated Lagardère Media companies in 2014 and that generated in 2013) (see section 7.3.1 of the Reference Document). <p>▶ The achievement rate for the above objectives is applied to a benchmark amount of €600,000 (€300,000 for the qualitative portion and €300,000 for the performance-based portion), it being specified that Mr. D'Hinnin's variable salary may not exceed 75% of his fixed salary.</p> <p>▶ In light of the achievement rates for these objectives in 2014 (0.903 for the performance-based objectives versus 1.176 in 2013 and 1.02 in 2012; and 1 for the qualitative objectives), Mr. D'Hinnin's variable salary amounted to 47.3% of his fixed annual salary in 2014.</p>
Deferred variable salary	N/A	▶ Dominique D'Hinnin does not receive any deferred variable salary.
Multi-annual variable salary	N/A	▶ Dominique D'Hinnin does not receive any multi-annual variable salary.
Extraordinary compensation	€1,100,000	▶ In 2014, Dominique D'Hinnin was awarded a special bonus of €1,100,000 (before social security contributions) in recognition of his dedicated and efficient work, carried out alongside the other Executive Committee members, in relation to the two major, complex divestments undertaken in 2013 (EADS and Canal+ France) in line with the Group's strategy of refocusing its business. The first of these divestments generated a very high net capital gain, and the second enabled the Group to avoid onerous future legal disputes. The aggregate proceeds from the sales came to over €3.3 billion.
Attendance fees	N/A	▶ Dominique D'Hinnin did not receive any attendance fees for 2014.
Awarding of share options and/or performance shares	N/A	<p>▶ Dominique D'Hinnin did not receive any share options or performance shares in 2014 as these awards were postponed to April 2015.</p> <p>▶ However, Mr. D'Hinnin benefited from adjustments carried out on 20 June 2014 to share option and free share plans, in the same way as the plans' other beneficiaries (see sections 7.3.5 and 7.3.6. of the Reference Document).</p>
Benefits linked to non-competition agreements	N/A	▶ Dominique D'Hinnin is not entitled to any benefits of this nature.
Benefits linked to taking up or terminating office	N/A	▶ Dominique D'Hinnin is not entitled to any benefits of this nature.
Supplementary pension plan	€0	<p>▶ Dominique D'Hinnin benefits from the defined benefit supplementary pension plan in force within Lagardère Capital & Management under the same conditions as the other beneficiaries (see section 7.3.1 of the Reference Document).</p> <p>▶ His entitlements under the plan are acquired at a rate of 1.75% of the Benchmark Remuneration per year up to a limit of 20 years. Accordingly, his supplementary pension benefits cannot exceed 35% of the Benchmark Remuneration.</p> <p>▶ The Benchmark Remuneration corresponds to the average gross annual remuneration over the last five years (fixed + variable) and cannot exceed 50 times the annual ceiling used to calculate social security contributions.</p> <p>▶ The plan is a conditional benefit plan, and the pension will only be payable if the beneficiary is still with the Company at retirement age, except in the event of termination after the age of 55, early retirement or long-term disability.</p> <p>▶ The corresponding commitment was authorised by the Supervisory Board on 14 September 2005 (in accordance with the rules governing related party agreements and commitments) and approved by the Annual General Meeting of 2 May 2006 (4th resolution).</p> <p>▶ For example, if the annual annuity payable to Dominique D'Hinnin was calculated today based on the Benchmark Remuneration as defined in the plan, it would represent approximately 33.2% of his fixed and variable salary paid in 2014.</p> <p>▶ No benefits were payable to Dominique D'Hinnin under this plan for 2014.</p>
Benefits in kind	€8,925	▶ This corresponds to Mr. D'Hinnin's potential personal use of his company car.

Thierry Funck-Brentano:

Components of remuneration payable or granted for 2014	Amount or accounting value	Comments
Fixed salary	€1,206,000	▶ This is the salary before deducting social security contributions, the amount of which has not changed since 2011.
Variable salary	€570,900	<p>▶ This remuneration is determined on the basis of rules defined in 2003 which have been consistently applied since that date.</p> <p>▶ It includes:</p> <ul style="list-style-type: none"> – a qualitative portion, which may not exceed 25% of Mr. Funck-Brentano's fixed salary, taking into account his personal contribution to the development of the Group, changes in his value added, the quality of his management, the relevance of his organisation, the motivation of his teams and attention paid to social and environmental issues; – a performance-based portion, determined by reference to the Group's performance in 2014 (growth rate in recurring operating profit of fully consolidated companies for Lagardère Media companies compared with the target growth rate in recurring operating profit of fully consolidated Lagardère Media companies communicated as market guidance, and net cash from operating activities of fully consolidated Lagardère Media companies compared with the budget prepared at the start of the year. These results may be reduced, where appropriate, by applying the ratio between the recurring operating profit of fully consolidated Lagardère Media companies in 2014 and that generated in 2013) (see section 7.3.1 of the Reference Document). <p>▶ The achievement rate for the above objectives is applied to a benchmark amount of €600,000 (€300,000 for the qualitative portion and €300,000 for the performance-based portion), it being specified that Mr. Funck-Brentano's variable salary may not exceed 75% of his fixed salary.</p> <p>▶ In light of the achievement rates for these objectives in 2014 (0.903 for the performance-based objectives versus 1.176 in 2013 and 1.02 in 2012; and 1 for the qualitative objectives), Mr. Funck-Brentano's variable salary amounted to 47.3% of his fixed annual salary in 2014.</p>
Deferred variable salary	N/A	▶ Thierry Funck-Brentano does not receive any deferred variable salary.
Multi-annual variable salary	N/A	▶ Thierry Funck-Brentano does not receive any multi-annual variable salary.
Extraordinary compensation	€1,100,000	▶ In 2014, Thierry Funck-Brentano was awarded a special bonus of €1,100,000 (before social security contributions) in recognition of his dedicated and efficient work, carried out alongside the other Executive Committee members, in relation to the two major, complex divestments undertaken in 2013 (EADS and Canal+ France) in line with the Group's strategy of refocusing its business. The first of these divestments generated a very high net capital gain, and the second enabled the Group to avoid onerous future legal disputes. The aggregate proceeds from the sales came to over €3.3 billion.
Attendance fees	N/A	▶ Thierry Funck-Brentano did not receive any attendance fees for 2014.
Awarding of share options and/or performance shares	N/A	<p>▶ Thierry Funck-Brentano did not receive any share options or performance shares in 2014 as these awards were postponed to April 2015.</p> <p>▶ However, Mr. Funck-Brentano benefited from adjustments carried out on 20 June 2014 to share option and free share plans, in the same way as the plans' other beneficiaries (see sections 7.3.5 and 7.3.6. of the Reference Document).</p>
Benefits linked to non-competition agreements	N/A	▶ Thierry Funck-Brentano is not entitled to any benefits of this nature.
Benefits linked to taking up or terminating office	N/A	▶ Thierry Funck-Brentano is not entitled to any benefits of this nature.
Supplementary pension plan	€0	<p>▶ Thierry Funck-Brentano benefits from the defined benefit supplementary pension plan in force within Lagardère Capital & Management under the same conditions as the other beneficiaries (see section 7.3.1 of the Reference Document).</p> <p>▶ His entitlements under the plan are acquired at a rate of 1.75% of the Benchmark Remuneration per year up to a limit of 20 years. Accordingly, his supplementary pension benefits cannot exceed 35% of the Benchmark Remuneration.</p> <p>▶ The Benchmark Remuneration corresponds to the average gross annual remuneration over the last five years (fixed + variable) and cannot exceed 50 times the annual ceiling used to calculate social security contributions.</p> <p>▶ The plan is a conditional benefit plan, and the pension will only be payable if the beneficiary is still with the Company at retirement age, except in the event of termination after the age of 55, early retirement or long-term disability.</p> <p>▶ The corresponding commitment was authorised by the Supervisory Board on 14 September 2005 (in accordance with the rules governing related party agreements and commitments) and approved by the Annual General Meeting of 2 May 2006 (4th resolution).</p> <p>▶ For example, if the annual annuity payable to Thierry Funck-Brentano was calculated today based on the Benchmark Remuneration as defined in the plan, it would represent approximately 33.7% of his fixed and variable salary paid in 2014.</p> <p>▶ No benefits were payable to Thierry Funck-Brentano under this plan for 2014.</p>
Benefits in kind	€10,683	▶ This corresponds to Mr. Funck-Brentano's potential personal use of his company car.

We remind you that these components of remuneration are presented in detail in section 7.3 of the Reference Document (7.3.1, 7.3.2, 7.3.5 and 7.3.6), which constitutes an appendix to the management report, of which it is a part.

7TH RESOLUTION:

RE-APPOINTMENT OF A MEMBER OF THE SUPERVISORY BOARD

Ms. Susan M. Tolson's term of office as a Supervisory Board member is due to expire at the close of this Annual General Meeting and the Supervisory Board is therefore seeking her re-appointment for a further four-year term.

A profile of Ms. Susan M. Tolson is provided in the appendix to the report of the Supervisory Board.

8TH TO 17TH RESOLUTIONS:

RENEWAL OF FINANCIAL AUTHORISATIONS

Pursuant to article L. 225-100 of the French Commercial Code, the appendix to this report contains a table summarising the current authorisations given to the Managing Partners concerning increases in the Company's share capital, it being specified that only the authorisation concerning awards of free shares to Group employees and senior managers was used during 2014.

Shareholders are being asked to renew, for a period of twenty-six months, the authorisations given at the 2013 Annual General Meeting which are due to expire this year.

Under these new authorisations, the Managing Partners would have full powers, subject to the conditions provided for by law and in accordance with the ceilings set by shareholders, to issue ordinary shares and/or other securities and to determine all the terms and conditions of the issue(s), place on record the resulting capital increases and amend the Company's Articles of Association accordingly.

If any of these authorisations are used, the Managing Partners and the Statutory Auditors would, where required by law, draw up additional reports which would be provided to you at the following General Meeting.

The authorisations concerning the issue of securities giving access to the Company's share capital will automatically entail the waiver by the shareholders of their preferential rights to subscribe for the shares to which the issued securities carry rights.

The following table provides a summary of the financial authorisations submitted to the shareholders' vote.

Resolutions proposed at the 2015 AGM			Resolutions adopted at the 2013 AGM	
Type of authorisation	Description	% share capital	% share capital	Utilisation
Issue of securities – Validity: 26 months				
Issue of securities which do not result in a dilution of the Company's share capital⁽¹⁾ <i>(Eighth resolution)</i>	▶ Maximum nominal amount of debt securities: €1,500 million	N/A	N/A	N/A
Capital increases with preferential subscription rights⁽¹⁾ <i>(Ninth resolution)</i>	▶ Overall ceiling including issues with a priority right: €300 million ▶ Maximum nominal amount of capital increases: €265 million ▶ Maximum nominal amount of debt securities: €1,500 million ▶ Possibility for shareholders to have a preferential right to subscribe for any securities not taken up by other shareholders. ▶ Possibility for the Managing Partners to limit a capital increase to 75% of the original amount and offer all or some of the unsubscribed shares on the market.	~ 37.5% ~ 33%	~ 37.5% (€300m) ~33% (€265m)	N/A
Capital increases without preferential subscription rights⁽¹⁾	▶ Overall ceiling (excluding issues with a priority right): €80 million	~ 10%	~ 15% (€120m)	
Public offer with a priority right <i>(Tenth resolution)</i>	▶ Maximum nominal amount of capital increases: €160 million ▶ Maximum nominal amount of debt securities: €1,500 million ▶ Priority right for a minimum of five trading days ▶ Maximum discount of 5%	~ 20%	~ 20% (€160m)	N/A
Public offer without a priority right <i>(Eleventh resolution)</i>	▶ Maximum nominal amount of capital increases: €80 million ▶ Maximum nominal amount of debt securities: €1,500 million ▶ Maximum discount of 5%	~ 10%	~ 15% (€120m)	N/A
Private placement as referred to in section II of article L. 411-2 of the French Monetary and Financial Code <i>(Twelfth resolution)</i>	▶ Maximum nominal amount of capital increases: €80 million ▶ Maximum nominal amount of debt securities: €1,500 million ▶ Maximum discount of 5%	~ 10%	~ 10% (€80m)	N/A
Public exchange offer <i>(Fourteenth resolution)</i>	▶ Maximum nominal amount of capital increases: €80 million ▶ Maximum nominal amount of debt securities: €1,500 million	~ 10%	~ 15% (€120m)	N/A
Contribution in kind <i>(Fourteenth resolution)</i>	▶ Maximum nominal amount of capital increases: €80 million ▶ Maximum nominal amount of debt securities: €1,500 million	~ 10%	~ 10% (€80m)	N/A
Greenshoe option⁽¹⁾ <i>(Thirteenth resolution)</i>	▶ Issue of additional securities subject to the ceilings applicable to the original issue and not exceeding 15% of the original issue amount.	15% of the original issue	15% of the original issue	N/A
Capital increases by capitalising reserves, profit and/or premiums <i>(Sixteenth resolution)</i>	▶ Maximum nominal amount of capital increases: €300 million ▶ Rights to fractions of shares not transferable or tradable	~ 37.5%	~ 37.5% (€300m)	N/A
Issues for employees and senior managers – Validity: 26 months				
Issue of securities for employees who are members of a corporate savings scheme <i>(Seventeenth resolution)</i>	▶ Annual ceiling: 0.5% ▶ Maximum discount of 20% ▶ Possibility of awarding free shares in replacement of the discount and/or employer's contribution	0.5% per year	0.5% per year	N/A

(1) Subject to the overall ceilings applicable to capital increases and issues of debt securities (*Fifteenth resolution*).

1° Issue of securities which do not result in a dilution of the Company's share capital (Eighth resolution)

In the seventh resolution adopted at the Ordinary and Extraordinary General Meeting of 3 May 2013, shareholders authorised the Managing Partners to issue securities which do not give access to new Lagardère SCA shares but which carry immediate or future rights to the allocation of debt securities of the Company and/or which give immediate or future access to shares in entities other than the Company. The ceiling on the aggregate nominal amount of debt securities issued was €1.5 billion.

In the eighth resolution we propose that this authorisation be renewed, i.e., that the Managing Partners be authorised to issue debt securities of Lagardère SCA, which give access to new shares of subsidiaries and may also give access to existing shares and/or carry rights to the allocation of debt securities of Lagardère SCA or other entities. The ceiling applicable to the debt securities issued would remain unchanged at €1.5 billion.

This resolution takes into account French Government Order 2014-863 of 31 July 2014 related to company law, which aims to simplify the legal regime applicable to complex securities.

The resolution also provides that the Managing Partners would only be able to use the authorisation during a public offer for the Company's shares if they obtain specific prior approval from the Company's shareholders in a General Meeting.

2° Issue of ordinary shares and other securities, with preferential subscription rights (Ninth resolution)

The ninth resolution submitted for your approval is similar to the eighth resolution approved at the Ordinary and Extraordinary General Meeting of 3 May 2013. It consists of authorising the Managing Partners to issue (i) ordinary shares of the Company, (ii) equity securities of the Company giving access to shares in the Company and/or carrying rights to the allocation of debt securities of the Company, (iii) debt securities of the Company which give access to new shares in the Company and may also give access to existing shares and/or carry rights to the allocation of debt securities of the Company, (iv) equity securities of the Company giving access to new or existing shares and/or carrying rights to the allocation of debt securities of the Company's subsidiaries, and/or (v) equity securities of the Company giving access to existing shares and/or carrying rights to the allocation of debt securities of other entities. The ceilings set in this resolution would be €265 million for increases in share capital (about 33% of the Company's current capital) and €1.5 billion for debt securities issued.

Issues carried out pursuant to this authorisation would be with preferential subscription rights.

This resolution also provides that the Managing Partners would only be able to use the authorisation during a public offer for the Company's shares if they obtain specific prior approval from the Company's shareholders in a General Meeting.

3° Issue of ordinary shares and other securities, without preferential subscription rights (Tenth, eleventh and twelfth resolutions)

In the tenth resolution, shareholders are invited to authorise the Managing Partners to carry out issues of the same type of securities as those described in the tenth resolution. However, as these issues would be without preferential subscription rights, the ceiling on the resulting capital increase(s) would be set at €160 million, or about 20% of the Company's current capital.

The eleventh resolution concerns issues without a priority right for at least five trading days, which are carried out as a result of strong

market volatility. The ceilings set for the aggregate nominal amount of capital increases resulting from such issues would be €80 million (about 10% of the Company's current capital).

The twelfth resolution concerns the issue of the same type of securities as the eleventh and twelfth resolutions (subject to an €80 million ceiling, i.e., about 10% of the Company's current capital), but this time by means of a private placement, meaning that their issue(s) would be reserved, in accordance with the French Monetary and Financial Code (*Code monétaire et financier*), to restricted categories of investors (primarily professional investors) as set out in said Code. This procedure allows the placement of shares without having to issue a prospectus, in the light of the professional skills of the subscribers.

The overall maximum nominal amount of debt securities that could be issued pursuant to these authorisations would be set at €1.5 billion.

The issue price set by the Managing Partners for the shares issued under these authorisations may not be less than the price provided for in the applicable regulations in force on the issue date (currently, the weighted average of the prices quoted for Lagardère SCA shares during the three trading days preceding the pricing date, less a potential maximum 5% discount).

These resolutions also provide that the Managing Partners would only be able to use the authorisations during a public offer for the Company's shares if they obtain specific prior approval from the Company's shareholders in a General Meeting.

4° Authorisation to issue additional securities in the event that an issue is oversubscribed (Thirteenth resolution)

The purpose of the thirteenth resolution is to allow the Managing Partners to issue additional securities in the event that an issue is oversubscribed. The additional securities must be issued within 30 days of the close of the subscription period for the original issue, at the same price. They would be subject to the same ceilings as applicable for the original issue and would not be able to exceed 15% of the original issue amount.

5° Issue of ordinary shares and/or other securities as consideration for securities tendered as part of a public exchange offer or a contribution in kind (Fourteenth resolution)

The fourteenth resolution is similar to the thirteenth resolution adopted at the Ordinary and Extraordinary General Meeting of 3 May 2013. It incorporates the right set forth in article L. 225-147 of the French Commercial Code in that it authorises the Managing Partners to issue ordinary shares and/or other securities as consideration for contributions in kind granted to the Company and composed of shares or securities giving access to the share capital of another company, when the provisions of article L. 225-148 of the French Commercial Code on public exchange offers do not apply. Any increases in share capital carried out for the purposes of this type of contribution in kind would not be able to exceed €80 million (about 10% of the Company's current capital).

The maximum nominal amount of any increases in share capital carried out for the purposes of a public exchange offer as referred to in article L. 225-148 of the French Commercial Code would also be €80 million (about 10% of the Company's current capital).

The overall maximum nominal amount of debt securities that could be issued pursuant to this authorisation would be set at €1.5 billion.

This resolution also provides that the Managing Partners would only be able to use the authorisation during a public offer for the Company's shares if they obtain specific prior approval from the Company's shareholders in a General Meeting.

6° Overall ceilings on capital increases and issues of debt securities (Fifteenth resolution)

In the same way as for the resolution approved at the 3 May 2013 Annual General Meeting, and in accordance with article L. 225-129-2 of the French Commercial Code, in the fifteenth resolution shareholders are being asked to set the following overall ceilings:

- ▶ €300 million (about 37.5% of the Company's current capital) for the aggregate nominal amount of any increases in share capital carried out – immediately or in the future – with preferential subscription rights or with a priority right for at least five trading days, pursuant to the above-described authorisations. This aggregate amount may be adjusted, pursuant to the applicable laws, regulations and any contractual provisions, to protect the rights of holders of securities giving access to the Company's share capital;
- ▶ €80 million (about 10% of the Company's current capital) for the aggregate nominal amount of any increases in share capital carried out – immediately or in the future – without preferential subscription rights or a priority right, pursuant to the above-described authorisations. This aggregate amount may be adjusted, pursuant to the applicable laws, regulations and any contractual provisions, to protect the rights of holders of securities giving access to the Company's share capital;
- ▶ €1.5 billion (or the equivalent amount in the case of issues denominated in foreign currency) for the aggregate nominal amount of any debt securities issued pursuant to the above-described authorisations.

7° Authorisation to increase the Company's share capital by capitalising reserves, profit or share premiums (Sixteenth resolution)

In the sixteenth resolution, which is similar to the fifteenth resolution adopted at the 3 May 2013 Annual General Meeting, the Managing Partners are seeking an authorisation to capitalise reserves, profit or share premiums and to issue bonus shares to shareholders and/or increase the par value of existing shares, subject to a specific ceiling of €300 million (about 37.5% of the Company's current capital).

This resolution also provides that the Managing Partners would only be able to use the authorisation during a public offer for the Company's shares if they obtain specific prior approval from the Company's shareholders in a General Meeting.

8° Authorisation to issue shares and/or other securities to employees within the scope of corporate savings schemes (Seventeenth resolution)

The purpose of the seventeenth resolution, which is similar to that adopted at the 3 May 2013 Annual General Meeting, is to authorise the Managing Partners to issue shares and/or securities giving access to the Company's share capital to Group employees who are members of corporate savings schemes.

The Group's employees currently hold close to 0.75% of the Company's share capital within the scope of corporate savings schemes, mainly through a company mutual fund. Taking into

account the shares that they hold individually and which can be freely traded, this interest is equal to 2.67%.

The aggregate maximum nominal amount of any capital increases carried out pursuant to this authorisation would not be able to represent more than 0.5% of the Company's current share capital in any given year.

As for the other authorisations described above, this authorisation would be valid for a period of twenty-six months as of the date of this Annual General Meeting and would cancel and supersede the authorisation given for the same purpose at the Annual General Meeting of 3 May 2013.

18TH RESOLUTION:

AMENDMENT OF CERTAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

In the eighteenth resolution you are asked to approve the following amendments to the Company's Articles of Association:

- ▶ to delete the third paragraph of article 13.3° concerning the requirement to invite the Managing Partners to Supervisory Board meetings, as this provision does not comply with the recommendations in the AFEP-MEDEF code of corporate governance;
- ▶ to delete paragraph 6° of article 14, whose provisions are no longer relevant;
- ▶ to amend the first paragraph of article 19.3° concerning evidence provided by shareholders of their right to participate in Annual General Meetings, in order to align the provisions of the Articles of Association with the new provisions of article R.225-85 of the French Commercial Code, which were introduced by a governmental decree dated 8 December 2014.

19TH RESOLUTION:

POWERS FOR FORMALITIES

The Managing Partners' special reports will now be presented to you, followed by the reports of the Supervisory Board and its Chairman and the various reports of the Statutory Auditors, and lastly, the report of the independent third-party entity on consolidated social, environmental and societal information.

We consider that the information contained in these reports and in the Managing Partners' reports, including the Reference Document, should be sufficient for you to form a full opinion on the position and operations of your Company and the Lagardère group over the past year, and on the resolutions you are being asked to approve.

The resolutions to be put to the vote accurately reflect the content of these various reports. We believe that they are in the interests of the Company and that they will further the Group's business development.

We therefore ask you to vote in favour of the resolutions presented, and we would like to thank you once again for your valuable support, particularly at each key stage of the Group's development.

The Managing Partners

APPENDIX I

To the management report of the Managing Partners

**Lagardère SCA - Five-year financial summary
(Article R. 225-102 of the French Commercial Code)**

Type of indications	2010	2011	2012	2013	2014
I Share capital on 31 December (in euros)					
a) Share capital	799,913,045	799,913,045	799,913,045	799,913,045	799,913,045
b) Number of ordinary shares outstanding	131,133,286	131,133,286	131,133,286	131,133,286	131,133,286
c) Maximum number of shares to be issued upon exercise of share subscription options	-	-	-		
d) Maximum number of shares to be issued upon conversion of bonds	-	-	-		
e) Maximum number of shares to be issued upon exercise of subscription warrants	-	-	-		
II Results of operations (in thousands of euros)					
a) Sales	8,457	12,535	7,054	7,239	52,028
b) Earnings before tax, depreciation, amortisation and provisions	272,386	257,302	(65,638)	1,976,989	(75,353)
c) Income tax	88,017 ⁽¹⁾	93,037 ⁽¹⁾	88,276 ⁽¹⁾	23,410 ⁽¹⁾	43,467 ⁽¹⁾
d) Earnings after tax, depreciation, amortisation and provisions	373,527	297,253	53,952	2,006,615	(57,052)
e) Total dividends	165,097	165,700	166,247	2,100,928	⁽²⁾
III Earnings per share (in euros)					
a) Earnings per share after tax, but before depreciation, amortisation and provisions	2.75	2.67	0.17	15.25	(0.91)
b) Earnings per share after tax, depreciation, amortisation and provisions	2.85	2.27	0.41	15.30	(0.44)
c) Dividend per share	1.30	1.30	1.30	16.30	⁽²⁾
IV Staff					
a) Average employee headcount	-	-	-		9
b) Total wages and salaries	-	-	-		3,178,984
c) Total employee benefit expense	-	-	-		1,837,379

(1) Mainly the tax gain resulting from tax consolidation.

(2) The Annual General Meeting on 5 May 2015 will be asked to approve a dividend of €1.30 per share.

APPENDIX II

To the management report of the Managing Partners

Summary table of authorisations (delegations of authority and of powers) to increase the share capital given to the Managing Partners

Description of authorisation	Delegations of authority										
Date of meeting	Ordinary and Extraordinary General Meeting of 3 May 2013										
Purpose of authorisation	Issue of all securities giving access to the share capital (shares, convertible bonds, bonds with share warrants, bonds redeemable for shares, etc.)			Issue of securities in consideration for securities tendered as part of a contribution in kind or a public exchange offer			Capitalisation of reserves, profits and/or premiums and creation of shares and/or increase of the par value of shares	Issue of free shares to employees (Group savings scheme)	Award of share subscription and/or purchase options to senior managers of the Group	Award of free shares	
									Group employees and senior managers (other than ECO)	Executive corporate officers of Lagardère SCA ("ECO")	
Sub-limits authorised (nominal amount)	With preferential subscription rights €265m (~ 33% of the share capital)	Without preferential subscription rights but with priority right €160m (~ 20% of the share capital)	Without preferential subscription rights and without priority right €120m (~ 15% of the share capital) ⁽¹⁾	In the event of a public exchange offer €120m (~ 15% of the share capital)	In the event of a contribution in kind €80m (~ 10% of the share capital)	€300m (~ 37.5% of the share capital)	0.5% of the share capital per year (~ €4m)	0.5% of the share capital per year (~ €4m)	0.5% of the share capital per year (~ €4m) of which 0.075% (~ €0.6 m) of the share capital per year for each ECO	0.6% of the share capital per year (~ €4.8m)	0.025% of the share capital per year and per ECO (~ €0.2m)
Maximum aggregate nominal amount authorised	€300m (~ 37.5% of the share capital)		€120m (~ 15% of the share capital)				1% of the share capital per year (~ €8m) for senior managers and employees other than ECO 0.1% of the share capital per year (~ €0.8m) for each ECO				
	€1,500m for the debt securities										
Used in 2014	N/A					N/A	N/A	N/A	⁽²⁾	N/A	
Term of authorisations	26 months							38 months			

(1) €80 million, i.e., 10% of the capital, for issues by means of a private placement (article L. 411-2-II of the French Monetary and Financial Code).

(2) A free share award plan was established by the Managing Partners on 22 December 2014 covering 306,120 shares representing 0.23% of the share capital, with 365 beneficiaries.

Description of authorisation	Delegations of powers
	N/A

3.2 SPECIAL REPORT OF THE MANAGING PARTNERS ON SHARE OPTIONS

Dear Shareholders,

Pursuant to the provisions of article L. 225-184 of the French Commercial Code (*Code de commerce*), please find below the

required information related to transactions in share options carried out in 2014.

3.2.1 GENERAL INFORMATION

3.2.1.1 SHARE OPTIONS GRANTED BY THE COMPANY

1° During 2014, no new options to subscribe for or purchase Lagardère SCA shares were awarded.

2° In accordance with the provisions of articles L. 225-181 and L. 228-99 of the French Commercial Code and under the authorisation granted by the shareholders, on 20 June 2014, the Managing Partners adjusted the characteristics of the share options granted under the 2004, 2005 and 2006 plans in order to preserve the rights of the beneficiaries of said plans following the payment of an extra dividend of €6 per share (corresponding to the payment to shareholders of an aggregate amount of €765.4 million deducted from "Share premiums") as decided at the Annual General Meeting of 6 May 2014.

This adjustment was made in accordance with the conditions provided for in articles L. 228-99 3°, R. 228-91 3° and R. 225-140 of the French Commercial Code and consisted of:

- ▶ reducing the purchase price per share set for each plan by a percentage equal to the ratio between the amount of the payment justifying the adjustment per share (€6) and the Lagardère SCA share price before said payment, equal to the weighted average of the listed prices for Lagardère SCA shares during the previous three trading days (€30.29); and
- ▶ increasing the number of share options granted to each beneficiary so that the overall investment of each beneficiary remains constant (taking into account the new exercise price for the options), rounded up to the nearest whole number.

The other original terms and conditions for exercising share options remain the same.

Following this adjustment, the 2004, 2005 and 2006 plans have been modified as follows:

Share purchase option plan of 20 November 2004

	Before adjustment	Adjustment	After adjustment
Exercise price	€51.92	51.92 – (51.92 x 6/30.29)	€41.64
Number of options	1,265,154	1,265,154 x 51.92/41.64 <i>rounded up to the nearest whole number for each beneficiary</i>	1,577,677

Share purchase option plan of 21 November 2005

	Before adjustment	Adjustment	After adjustment
Exercise price	€56.97	56.97 – (56.97 x 6/30.29)	€45.69
Number of options	1,392,754	1,392,754 x 56.97/45.69 <i>rounded up to the nearest whole number for each beneficiary</i>	1,736,769

Share purchase option plan of 14 December 2006

	Before adjustment	Adjustment	After adjustment
Exercise price	€55.84	55.84 – (55.84 x 6/30.29)	€44.78
Number of options	1,538,900	1,538,900 x 55.84/44.78 <i>rounded up to the nearest whole number for each beneficiary</i>	1,919,029

3° The main characteristics of all of the share option plans which expired in 2014 or were in force as of 31 December 2014 are summarised in the table below.

Plan	Number of beneficiaries	Number of options originally granted*	Exercise price**	Options exercised at end-2014	Options forfeited at end-2014**	Options outstanding at end-2014**	Period of exercise
Subscription options:							
None							
Purchase options:							
Expired plan							
20 Nov. 2004	481	1,568,750	€41.64	10,660	1,888,382	0	20 Nov. 2006 to 20 Nov. 2014
Plans in force:							
21 Nov. 2005	495	1,683,844	€45.69	0	300,817	1,727,042	21 Nov. 2007 to 21 Nov. 2015
14 Dec. 2006	451	1,844,700	€44.78	0	325,752	1,899,077	14 Dec. 2008 to 14 Dec. 2016
Total					2,514,951	3,626,119	

* Before the adjustments of 6 July 2005 and 20 June 2014.

** After the adjustments of 6 July 2005 and 20 June 2014.

4°No options were exercised in 2014 due to Lagardère SCA share price levels, which ranged between €18.45 and €31.11, whereas purchase prices ranged between €51.92 and €56.97 before the adjustment of 20 June 2014, and between €41.64 and €45.69 thereafter.

3.2.1.2 SHARE OPTIONS GRANTED BY THE ENTITIES OR GROUPS RELATED TO THE COMPANY

1°In the course of 2014, no new share options were granted by entities or by groups related to Lagardère SCA within the meaning of article L. 225-180 of the French Commercial Code.

2°There were no longer any plans in force, or which expired in 2014, within the aforementioned entities or groups.

3.2.2 SPECIFIC INFORMATION ON MEMBERS OF THE MANAGING BODIES AND EMPLOYEES OF LAGARDÈRE SCA

1°In 2014, the Company's executive corporate officers were not awarded any share options by Lagardère SCA, the entities or groups related to it within the meaning of article L. 225-180 of the French Commercial Code, or the companies that it controls within the meaning of article L. 233-16 of said Code. The Company's executive corporate officers benefited from the adjustments carried out on 20 June 2014, as described above, in the same way as the plans' other beneficiaries.

2°In 2014, the Company's employees were not awarded any share options by Lagardère SCA, the entities or groups related to it within the meaning of article L. 225-180 of the French

Commercial Code, or the companies that it controls within the meaning of article L. 233-16 of said Code. The Company's employees benefited from the adjustments carried out on 20 June 2014, as described above, in the same way as the plans' other beneficiaries.

3°In 2014, neither the Managing Partners nor the employees of the Company exercised the Lagardère SCA share purchase options which had been granted to them under the 2004, 2005 and 2006 plans.

The Managing Partners

3.3 SPECIAL REPORT OF THE MANAGING PARTNERS ON FREE SHARE AWARDS

Dear Shareholders,

Pursuant to article L. 225-197-4 of the French Commercial Code (*Code de commerce*), please find below the required information on the free shares awarded during 2014.

The policy on the award of free shares is intended primarily to give the Lagardère group's executives worldwide a stake in the Group's growth and consequent rise in value, in the same way as the policy on the award of share purchase options.

It also offers a means of singling out executives who have made a notable contribution to the Group's results through their positive action.

In addition, it instils loyalty among those whom the Company wishes to retain for many years, specifically young executives with strong potential for professional growth, through whose efforts the Group will secure its continued growth as part of an established long-term strategy.

3.3.1 GENERAL INFORMATION

3.3.1.1 FREE SHARE AWARDS GRANTED BY THE COMPANY

1°The first free share award plan, implemented on 28 December 2007 and involving 594,350 shares awarded to 387 individuals, included a market performance condition applicable on 29 December 2009, stipulating that the average of the 20 most recent opening prices for Lagardère SCA shares preceding 29 December 2009 must be at least €51.14.

In view of the financial crisis that arose after the award, this condition was not met and accordingly the plan lapsed on 29 December 2009.

Annual plans have been implemented since 2009.

Under the 2009 plan, 21,155 shares vested in early April 2014 for a former executive corporate officer of Lagardère SCA who resides overseas for tax purposes. These shares were issued as part of a share capital increase through capitalisation of reserves.

Under the 2010 plan, 154,024 shares vested in mid-December 2014 for beneficiaries residing overseas for tax purposes. These shares were issued as part of a share capital increase through capitalisation of reserves.

Under the 2011 plan, 72,054 shares vested in early April 2014 for the executive corporate officers of Lagardère SCA residing in France. These shares were issued as part of a share capital increase through capitalisation of reserves. 2,000 shares also vested in May 2014 for one of the employee beneficiaries of the 2011 plan. These shares were taken from the Company's treasury shares.

Under the 2012 plan, 488,519 shares vested in late June 2014 for employees residing in France for tax purposes. These shares were issued as part of a share capital increase through capitalisation of reserves.

Under the 2013 plan, 1,199 shares vested in early November 2014 for the heirs of a deceased employee. These shares were taken from the Company's treasury shares.

2°Based on the authorisation given by the General Meeting of 3 May 2013 (18th resolution), on 22 December 2014 the Managing Partners of the Company awarded 306,120 rights to free Lagardère SCA shares (representing 0.23% of the total

number of shares comprising the share capital) to 365 employees and senior managers of companies related to Lagardère SCA within the meaning of legal provisions.

The characteristics of this award are as follows:

- ▶ *Number of beneficiaries:* 365 persons.
- ▶ *Number of shares awarded:* 306,120 (representing 0.233% of the total number of shares comprising the share capital).
- ▶ *Vesting period:*

For beneficiaries who reside in France for tax purposes, the vesting period has been set at two years, i.e., until 22 December 2016 inclusive (the shares awarded will fully vest on 23 December 2016, on the condition that at midnight on 22 December 2016 the beneficiaries have neither resigned nor been terminated or dismissed for serious or gross negligence).

For beneficiaries who reside overseas for tax purposes, the vesting period has been set at four years and one day, i.e., until 23 December 2018 inclusive (the shares awarded will fully vest on 24 December 2018, on the condition that at midnight on 22 December 2016, the beneficiaries have neither resigned nor been terminated or dismissed for serious or gross negligence).

- ▶ *Holding period:*

For beneficiaries who reside in France for tax purposes, the holding period has been set at two years; once fully vested, the shares must be kept in a registered account until 23 December 2018 inclusive and, as from the next day, will become transferable and may be traded under the terms and conditions established by applicable legal provisions.

Beneficiaries who reside overseas for tax purposes are not subject to any holding period.

- ▶ *Death or disability of a beneficiary:*

In the event that a beneficiary is deemed to have a disability that falls within the second or third categories provided for by article L. 341-4 of the French social security code (*Code de la sécurité sociale*) during the vesting period, the free shares awarded to such beneficiary will fully vest before the end of the vesting period. The free shares that vest will not

be subject to a holding period. Similarly, the shares of a beneficiary who is deemed to have a disability, as defined above, during the holding period, will become immediately transferable.

In the event of the beneficiary's death during the vesting period, the heirs of such beneficiary may request that the shares be fully vested within a period of six months following the death. The free shares that vest will not be subject to a holding period. Similarly, the shares of a beneficiary who dies during the holding period will become immediately transferable.

The value of the rights to the free shares awarded was €21.90 per share at the opening of trading on the Paris stock exchange on 22 December 2014. In accordance with IFRS, this same value was €18.64 per share for the shares vesting on 23 December 2016, and €16.04 per share for the shares vesting on 24 December 2018.

3° Under the authorisation granted by the shareholders, on 20 June 2014, the Managing Partners adjusted the number of rights to free shares granted under the 2010, 2011, 2012 and 2013 plans in order to preserve the rights of the beneficiaries of said plans following the payment of an extra dividend of €6 per share (corresponding to the payment to shareholders of an aggregate amount of €765.4 million deducted from "Share premiums") as decided at the Annual General Meeting of 6 May 2014.

This adjustment was made in accordance with the conditions provided for in articles L. 228-99 3°, R. 228-91 3° and R. 225-140 of the French Commercial Code and consisted of increasing the number of rights to free shares of each beneficiary whose shares had not fully vested by a percentage equal to the ratio between the amount of the payment justifying the adjustment per share (€6) and the Lagardère SCA share price before said payment (€30.29), rounded up to the nearest whole number. The characteristics which were originally approved for each plan concerned, particularly those relating to the remaining vesting period, the holding period and entitlement dates remained the same.

4° The main characteristics of all of the free share award plans which expired in 2014 or were in force as of 31 December 2014 are summarised in the table below.

Date of the plan	Total number of rights awarded*	Total number of rights eliminated**	Total number of shares vested**	Number of outstanding rights**
1 October and 31 December 2009	571,525	15,040	556,485	-
17 December 2010	634,950	61,191	599,621	-
15 July and 29 December 2011	650,000	47,143	491,004	134,552
25 June 2012	645,800	26,446	488,519	254,484
26 December 2013	712,950	1,799	1,199	851,441
22 December 2014	306,120	-	-	306,120
Total	3,521,345	151,619	2,136,828	1,546,597

* Before the adjustment of 20 June 2014.

** After the adjustment of 20 June 2014.

5° Compensation for beneficiaries of free share award plans as a result of the payment of an extra interim dividend.

Following the sale of the remainder of its EADS shares on 12 April 2013, the Group paid an extra interim dividend of €9 per share in addition to the ordinary dividend for 2013 approved by the Annual General Meeting of 6 May 2014,

representing more than 30% of the market value of the share before the corresponding ex-dividend date.

Taking into account the impact of this extra dividend on the value of free shares that had not yet vested, at the end of 2014 the Group paid each beneficiary of the 2010, 2011 and 2012 plans concerned, as a final compensation and by way of salary, a premium equal to €9 per free share.

3.3.1.2 FREE SHARE AWARDS GRANTED BY ENTITIES OR GROUPS RELATED TO THE COMPANY

1° LeGuide.com implemented the following plans in previous years:

A plan covering 35,086 free LeGuide.com shares awarded to four individuals was implemented on 20 April 2012 before the acquisition of LeGuide.com by the Lagardère group.

A second plan covering a total of 8,000 free shares awarded to two individuals was implemented on 15 November 2012.

Finally, a third plan covering a total of 2,500 free shares awarded to one individual was implemented on 25 January 2013.

Under the 20 April and 15 November 2012 plans, 24,560 free shares and 4,000 free shares created through a capital increase by capitalising share premiums, respectively, vested in 2014.

Rights to free shares granted under the 25 January 2013 plan were eliminated following the departure of the employee beneficiary.

2° LeGuide.com did not award any free shares in 2014.

3.3.2 SPECIFIC INFORMATION ON MEMBERS OF THE MANAGING BODIES AND EMPLOYEES OF LAGARDÈRE SCA

1° In 2014, the Company's executive corporate officers were not awarded any free shares by Lagardère SCA, the entities or groups related to it within the meaning of article L. 225-197-2 of the French Commercial Code, or the companies that it controls within the meaning of article L. 233-16 of said Code. The Company's executive corporate officers benefited from the adjustments carried out on 20 June 2014, as described above, in the same way as the plans' other beneficiaries.

2° In 2014, the Company's employees were not awarded any free shares by Lagardère SCA, the entities or groups related to it within the meaning of article L. 225-197-2 of the French Commercial Code, or the companies that it controls within the meaning of article L. 233-16 of said Code. The Company's employees benefited from the adjustments carried out on 20 June 2014, as described above, in the same way as the plans' other beneficiaries.

The Managing Partners



REPORTS OF THE SUPERVISORY BOARD AND ITS CHAIRMAN

4.1 REPORT OF THE SUPERVISORY BOARD

Ladies and Gentlemen,

The purpose of this report is to inform you of the work carried out by the Supervisory Board during the year ended 31 December 2014, in accordance with legal provisions and the Company's Articles of Association.

It includes a description on how the members of the Supervisory Board of Lagardère SCA performed their analyses and investigations in order to give you their judgement on the manner in which the Company's business was conducted during the year ended 31 December 2014 and on the resulting financial statements.

Lastly, this report contains the Supervisory Board's opinions on the main resolutions which will be submitted to your vote.

In 2014, the Supervisory Board of Lagardère SCA met five times with an average attendance rate of 93%. In addition to reviewing the annual and interim financial statements, at each of its meetings the Supervisory Board was informed of the Group's general business position and outlook. It also discussed the Investor Day that took place on 28 May 2014, the strategic vision of Lagardère Publishing and the reorganisation of Lagardère Active's Press business.

In preparation for the General Meeting, the Supervisory Board approved the report of the Chairman, finalised his report to the shareholders, proposed to re-appoint members whose terms of office were expiring, and to appoint Yves Guillemot as a new member. Following the General Meeting, the Supervisory Board re-elected its Chairman.

As part of a review of the Group's risks, the findings of a study carried out by three members of the Supervisory Board relating to the succession plans in place for the Managing Partners and concerning the main executives of the divisions were presented to the Board.

More specific presentations were given on areas such as financial communications, the Legal Department and the Group Compliance Department. Finally, two members of the Supervisory Board were tasked with working alongside dedicated Group teams to prepare a presentation concerning the Lagardère group's corporate social responsibility policy, which was then given to the Board.

As it does on an annual basis, the Supervisory Board met once without the Managing Partners in attendance.

In addition to the Supervisory Board's official meetings, a certain number of meetings were also organised on the recommendation of the Chairman of the Supervisory Board between certain Board members, the Managing Partners and the divisions' main senior executives, and concerned specific issues, strategy, and the integration of the Board's new member, Yves Guillemot.

The Audit Committee and the Appointments and Remuneration Committee prepared the work of the Supervisory Board on the subjects within their remit.

To this end, the Audit Committee reviewed the financial statements, the impairment tests carried out on intangible assets, the main disputes and claims involving the Group, risks relating to significant off-balance sheet commitments, internal audit activities, the remuneration of the Statutory Auditors and relations with

Lagardère Capital & Management concerning the agreement between this company and the Group.

The non-recurring matters handled by the Audit Committee in 2014 concerned Human capital risk monitoring – the succession plan to the Committee, excluding members of Lagardère Media's Operating Committee – financial communications and the Group's financing policy.

The Appointments and Remuneration Committee performed its annual review of the composition of the Board and the independence of its members, prepared the re-appointment of members whose terms of office were expiring and, with the assistance of an independent recruitment agency, selected a new member. The Committee also reviewed the performance conditions relating to free share awards to Group executives and decided to propose to the Board stricter performance conditions that would be assessed over a three-year period. Following an analysis of the amendments made to the AFEP-MEDEF code of corporate governance in June 2013, the Committee decided on two changes to be made to the Board's method of operation. These concerned the variable portion of attendance fees and the number of shares that its members must hold.

Having reviewed the financial statements and results for the year ended 31 December 2014, and without going back to the Managing Partners' detailed comments in this respect, we remind you that:

- ▶ the Group's consolidated sales amounted to €7,170 million;
- ▶ recurring operating profit of fully consolidated companies stood at €342 million;
- ▶ consolidated profit for the year totalled €49 million.

We consider the comments made by the Managing Partners to be sufficient and therefore have nothing in particular to add. We recommend approving the financial statements for the year ended 31 December 2014.

We also propose to approve the allocation of results, as presented in the draft resolutions, which recommend a dividend payment of €1.30 per share.

The other main resolutions on the agenda concern:

- ▶ advisory opinions on the components of remuneration payable or granted to Arnaud Lagardère and the representatives of the other Managing Partner in respect of 2014;
- ▶ the re-appointment of Ms. Susan M. Tolson as a member of the Supervisory Board for a term of four years;
- ▶ the renewal, for a period of eighteen months, of the authorisation to be given to the Managing Partners to trade in the Company's shares, under conditions similar to those adopted by the General Meeting of 6 May 2014;
- ▶ the renewal, for a period of twenty-six months, of the financial authorisations to be given to the Managing Partners, subject to ceilings similar to those approved by the General Meeting of 3 May 2013, to carry out various financial operations, including:

- the issuance of debt securities giving access to the share capital of the Company's subsidiaries and/or any other entity,
- the issuance, with or without preferential subscription rights, of ordinary shares of the Company and/or any other securities,
- the issuance, without preferential subscription rights, of ordinary shares of the Company and/or any other securities by means of a private placement as referred to in section II of article L. 411-2 of the French Monetary and Financial Code (*Code monétaire et financier*),
- the issuance, without preferential subscription rights, of ordinary shares of the Company and/or any other securities as consideration for securities tendered as part of a public exchange offer or a contribution in kind,
- an increase in the Company's share capital by capitalising reserves, profit or share premiums and issuing bonus shares or increasing the par value of existing shares,
- the issuance, without preferential subscription rights, of ordinary shares of the Company and/or securities giving access to the Company's share capital, to employees within the scope of corporate savings schemes;
- ▶ the amendment of certain provisions of the Company's Articles of Association for harmonisation with new legal and regulatory provisions.

We do not have any observations regarding these resolutions and we therefore invite you to approve them.

The Supervisory Board

4.2 REPORT OF THE CHAIRMAN OF THE SUPERVISORY BOARD

Ladies and Gentlemen,

The purpose of this report is to provide the information required under article L. 226-10-1 of the French Commercial Code (Code de commerce) concerning the membership of the Supervisory Board, the application of the principle of balanced representation of women and men on the Board, the conditions under which the Board's work is prepared and organised and the internal control and risk management procedures applied by the Company.

This report was prepared under the responsibility of the Chairman of the Supervisory Board and with the assistance of the Board

Secretary. It was reviewed by the Appointments and Remuneration Committee at its meeting of 27 February 2015 and by the Audit Committee at its meeting of 5 March 2015 for matters within their remit.

All preparatory work for this report (including interviews with Management) was presented to the Supervisory Board which approved the terms of the report at its meeting of 11 March 2015.

4.2.1 MEMBERSHIP OF THE SUPERVISORY BOARD

In accordance with the Company's Articles of Association, the Supervisory Board is composed of a maximum of 15 members. Around one-half of the Board members were replaced every two years. In 2014, this rate was increased and it was decided that one-third of the Board would be replaced each year with effect from 2016. Members are appointed for a maximum term of four years.

At 31 December 2014, the Board was composed of 15 members: Xavier de Sarrau (Chairman), Nathalie Andrieux, Martine Chêne, Georges Chodron de Courcel, François David, Yves Guillemot, Pierre Lescure, Jean-Claude Magendie, Soumia Malinbaum, Héléne Molinari, Javier Monzón, François Rousseley, Aline Sylla-Walbaum, Susan M. Tolson and Patrick Valroff.

These members (listed in section 7.2.3 of the Reference Document) form a competent, independent and attentive Supervisory Board, fully able to represent shareholders' interests.

Further to the recommendation of the Appointments and Remuneration Committee, the Board defined a set of criteria for the selection of members. Members are therefore chosen first and foremost based on their expertise and experience (managerial, financial, strategic and/or legal) as well as their knowledge of the Group's businesses so that it can exercise its supervisory duties in full. Moreover, the Board complied with the provisions of the Copé-Zimmerman law concerning gender parity in advance as the 40% quota was met at the 2013 Annual General Meeting.

The following diagram illustrates these objectives:



* Media/Distribution/Innovation/New technology.

** Legal/Governance/Social Relations/Diversity.

In view of its supervisory duties, the Board must have a majority of independent members.

A review of each member of the Supervisory Board's position by the Appointments and Remuneration Committee has concluded that all Supervisory Board members qualify as "independent" members in the light of the "criteria" for independence, applied by the Supervisory Board and contained in the AFEP-MEDEF code of

corporate governance for listed companies, which it has taken as a benchmark framework for analysis.

The Board ruled that François Roussely could qualify as an independent member despite his role as Deputy Chairman of Crédit Suisse Europe, as the business dealings between this bank and the Group are negligible.

4.2.2 BOARD'S INTERNAL RULES AND OPERATION (PREPARATION AND ORGANISATION OF THE SUPERVISORY BOARD'S WORK)

The terms and conditions of the Supervisory Board's organisation and operations are set forth in a set of internal rules (updated on 11 March 2015) which also define the duties incumbent on each member, and the code of professional ethics each individual member is bound to respect.

These rules concern the following:

1.the independence of Board members: the minimum quota for independent members is fixed at half of the total serving members. Independent members must have no direct or indirect relations of any kind with the Company, Group or Management that could compromise their freedom of judgement or participation in the work of the Board. It lists a certain number of criteria, which form a framework for determining whether or not a member may be considered independent;

2.the annual number of meetings: a schedule for the coming year is fixed annually, based on a proposal by the Chairman;

3.the duties of each member: apart from the fundamental duties of loyalty, confidentiality and diligence, members' obligations also concern knowledge of the law, regulations and Articles of Association, ownership of a significant number of shares, declaration to the Board of any conflict of interest and regular attendance at meetings;

4.trading in shares of the Company and its subsidiaries: as Board members have access to inside information and in-depth knowledge on certain aspects of the life of the Company and Group, they are expected to refrain from trading in Company shares, except within the following constraints contained in the Board's internal rules:

- ▶ no trading in shares may take place during certain defined periods,
- ▶ it is recommended that acquisitions should take place once a year, at the end of the Annual General Meeting, in the form of a block purchase carried out through the Company by each Board member,
- ▶ the Chairman, Managing Partners and the French financial markets authority (*Autorité des marchés financiers* – AMF) must be informed of any transactions in shares within five days of their completion;

5.the existence of an Audit Committee: in addition to the tasks described below, this Committee is also responsible for preparing the Board meetings for subjects within its remit;

6.the existence of an Appointments and Remuneration Committee: in addition to the tasks described below, this Committee is also responsible for preparing the Board meetings for subjects within its remit.

The Supervisory Board meets regularly to review the financial situation and operations of the Company and its subsidiaries, the annual and interim financial statements, the outlook for each of the business activities and the Group's strategy. It also defines an annual schedule for its meetings: four meetings are planned for 2015. During 2014, the Supervisory Board met five times with an average attendance rate of 93% (see the attendance table below):

- ▶ on 12 March, with an attendance rate of 93%, mainly to examine the parent company and consolidated financial statements and the general business position and outlook, undertake preparatory work for the Annual General Meeting, approve the report of the Chairman of the Supervisory Board and finalise his report to the shareholders – during this meeting, the internal rules of the Supervisory Board were amended to adapt, as necessary, the operations and organisation of the Board to the new provisions of the AFEP-MEDEF code of corporate governance;
- ▶ on 6 May, following the Annual General Meeting and with an attendance rate of 80%, to re-elect the Chairman of the Board and appoint members to the Audit Committee and the Appointments and Remuneration Committee;
- ▶ on 4 June, with an attendance rate of 93%, mainly to examine recent developments within the Group and the Investor Day which took place on 28 May 2014. Presentations were also given on the Group's financial communication and the study carried out by Board members on the succession plans in place within the Group;

- ▶ on 3 September, with an attendance rate of 100%, mainly to examine the interim parent company and consolidated financial statements and the business position and outlook, examine Lagardère Publishing's strategic view (presentation given by Arnaud Nourry and his team);
- ▶ on 3 December, with an attendance rate of 100%, mainly to examine the Group's general situation and strategy and the

reorganisation of Lagardère Active's Press business (presentation given by Dennis Olivennes). Presentations were also given on corporate social responsibility, the Legal Department and the Group Compliance Department.

Following this Supervisory Board meeting, the members met without the Managing Partners in attendance.

Members' attendance at Supervisory Board and Committee meetings in 2014

Member of the Board	Attendance rate at Supervisory Board meetings	Attendance rate at Audit Committee meetings	Attendance rate at Appointments and Remuneration Committee meetings
Nathalie Andrieux	100%	83%	
Martine Chêne	100%		
Georges Chodron de Courcel	80%		100%
François David	80%	66%	100%
Yves Guillemot	75%		
Pierre Lescure	100%		100%
Jean-Claude Magendie	100%		
Soumia Malinbaum	100%		
Hélène Molinari	100%		
Javier Monzón	60%		
François Roussely	100%		
Xavier de Sarrau	100%	100%	
Aline Sylla-Walbaum	100%	66%	
Susan M. Tolson	100%		
Patrick Valroff	100%	100%	

4.2.3 SUPERVISORY BOARD COMMITTEES

4.2.3.1 AUDIT COMMITTEE

In application of its internal rules, the Audit Committee meets at least four times a year, mainly to:

- ▶ review the accounts and the consistency of the accounting methods used for the Lagardère SCA parent company and consolidated financial statements, and monitor the process for preparing financial information;
- ▶ monitor the audit of the parent company and consolidated financial statements by the Statutory Auditors;
- ▶ monitor the Statutory Auditors' independence;
- ▶ issue a recommendation on the Statutory Auditors nominated for appointment at the General Meeting;
- ▶ ensure that the Company has internal control and risk management procedures, particularly procedures for (i) preparation and processing of accounting and financial information used to prepare the accounts, (ii) risk assessment and management, (iii) compliance by Lagardère SCA and its subsidiaries with the main regulations applicable to them; the Audit Committee is informed of any observations and/or suggestions from the Statutory Auditors regarding these internal control procedures and examines the report of the Chairman of the Supervisory Board on internal control and risk management procedures;
- ▶ monitor the efficiency of internal control and risk management systems;
- ▶ more specifically, examine all matters pertaining to internal auditing of the Company and its activities, audit programme, organisation, operation, and implementation;
- ▶ review the agreements directly or indirectly binding the Group and the senior managers of Lagardère SCA; the Managing Partners' salaries are paid by Lagardère Capital & Management, which is bound to the Group by a service agreement. Application of this agreement, which has been approved by the Board and the shareholders as a related-party agreement, is monitored regularly. The Board has delegated the Audit Committee for this task, which among other points concerns the amount of expenses invoiced under the contract, essentially comprising the Company's executive corporate officers' remuneration;
- ▶ prepare an annual summary of business over the past year for release to the shareholders (through the report of the Supervisory Board and the report of the Chairman of the Supervisory Board).

Audit Committee members are appointed for their financial and/or accounting skills, assessed with particular regard to their past career (positions held in general or financial management or in an audit firm), academic background or specific knowledge of the Company's business. The expert knowledge of the members of the Audit Committee is described in section 7.2.3 of the Reference Document.

At 31 December 2014, the Audit Committee comprised Xavier de Sarrau (Chairman), Nathalie Andrieux, François David, Aline Sylla-Walbaum and Patrick Valroff, all of whom are independent members (see section 1 of this report).

The members of the Audit Committee interview the Group's main senior managers when necessary, and the Statutory Auditors also present a report on their work. In addition, Audit Committee members reserve the right to interview the Statutory Auditors without Management in attendance and to consult external experts.

The Chairman of the Audit Committee reports to the members of the Board on the work conducted by the Audit Committee.

With an average attendance rate of 83%, the Audit Committee met six times in 2014, including two meetings to examine the annual and interim financial statements more than five days before the Supervisory Board's meetings. The attendance rate was 100% for the 6 March and October meetings, 80% for the 4 March, May and November meetings and 60% for the meeting in July.

The meeting of 4 March involved a review of the impairment tests on intangible assets for the purposes of the financial statements for the year ended 31 December 2013 as well as a presentation of the Group's financial communication policy.

The meeting of 6 March was held to examine the consolidated financial statements for 2013, and for the presentation and examination of the Chairman's draft report on internal control and risk management.

In May, the Committee focused on the internal audit activity during the first half of 2014 and reviewed the remuneration of the Statutory Auditors. In addition, the Chief Human Relations, Communications and Sustainable Development Officer presented Human capital risk monitoring – the succession plan to the Committee excluding members of Lagardère Media's Operating Committee. Lastly, the Committee reviewed the state of relations with Lagardère Capital & Management.

In July, it reviewed the Group's consolidated financial statements for the first half of 2014.

In October, a review of the self-assessment of internal control, monitoring of recommendations on IT surveys, as well as a report on the Group's financing policy was presented by the Treasury and Financing Department to the Committee.

At the meeting in November, the Committee reviewed internal audit activities during the second half of 2014 and the audit plan for 2015. It was also given a report on legal disputes by the Legal Department.

When the Audit Committee reviewed the financial statements, the Chief Financial Officer gave a presentation of the Group's risk exposure and significant off-balance sheet commitments.

These meetings took place in the presence of the Chief Financial Officer, Deputy Chief Financial Officer, the Internal Audit Director and the Statutory Auditors. Depending on the issues discussed, other executives and, in particular, the Group Secretary General, Chief Human Relations, Communications and Sustainable Development Officer, Central Accountancy Director, Director of Risk and Internal Control, Group Director Treasury and Finance, the Group's IT Department Director and Legal Department Director, as well as certain members of their teams were asked to give their input on an as-needed basis.

4.2.3.2 APPOINTMENTS AND REMUNERATION COMMITTEE

The Appointments and Remuneration Committee was created on 27 April 2010 by the Supervisory Board which decided on 11 March 2015 to extend its scope of duties to governance and sustainable development issues and as a result to change its name to the Appointments, Remuneration and Governance Committee as well as its internal rules. The Appointments, Remuneration and Governance Committee's main tasks now include the following:

- ▶ *Regarding Board and Committee membership:*
 - defining the selection criteria of future members;
 - selecting and nominating Supervisory Board and Committee members for proposal to the Supervisory Board.
- ▶ *Regarding remuneration:*
 - monitoring, where relevant, any components of remuneration that are not paid under the agreement with Lagardère Capital & Management (which, being a related-party agreement is monitored by the Audit Committee – see above) and may be allocated to Lagardère SCA's executive corporate officers directly from Group companies. Under current laws, this concerns share options and performance shares and the proportion they represent of the executive corporate officers' total remuneration;
 - proposing the overall amount of attendance fees to be paid to members of the Supervisory Board and Committees as submitted to the Annual General Meeting, and the rules for determining and distributing the amount of attendance fees, in particular based on members' attendance at meetings.
- ▶ *Regarding governance:*
 - regularly reviewing the independence of Supervisory Board members in the light of independence criteria defined by the Supervisory Board;
 - managing the annual assessment of the operations of the Board and its Committees;
 - Carrying out advance assessments of potential risks of conflicts of interest between Supervisory Board members and the Lagardère group.
- ▶ *Regarding sustainable development (CSR):*
 - examining the main labour, social and environmental risks and opportunities for the Group and the CSR policy in place;
 - reviewing the reporting, assessment and monitoring systems allowing the Group to prepare reliable non-financial information;
 - examining the Group's main lines of communication to shareholders and other stakeholders regarding CSR issues;
 - examining and monitoring the Group's rankings attributed by non-financial rating agencies.

The members of the Committee interview the Chairman of the Supervisory Board, the Managing Partners or any other person they may choose when necessary.

The Chairman of the Committee reports to the members of the Board on the work conducted by the Committee.

At 31 December 2014, the Appointments and Remuneration Committee comprised François David (Chairman), Georges Chodron de Courcel and Pierre Lescure, who are all independent members (see section 1 of this report).

In 2014, the Committee met twice in January and March and all members were present at both meetings.

During its meeting in January, the Committee analysed the composition of the Board and its Committees, and the independence of its members and prepared the re-appointment and replacement of members whose terms of office were expiring. The Committee reviewed the background of a preliminary selection of candidates proposed by an independent recruitment agency entrusted with the task of assisting and advising it in this respect.

The Committee also reviewed the report of the Chairman relating to membership of the Supervisory Board, the application of the principle of balanced representation of women and men on the Board and the conditions under which the Board's work is prepared and organised.

In addition, following the amendments to the AFEP-MEDEF code of corporate governance in June 2013, the Committee decided on two changes to be made to the Board's method of operation and the internal rules: (i) an increase in the variable portion of attendance fees in order to make them more significant and (ii) an increase in the number of shares that the members of the Supervisory Board must hold.

The Committee conducted the annual review of executives' eligibility to free shares and decided to propose to the Board stricter performance conditions that would be assessed over a three-year period.

During its March meeting, following a pre-selection of the candidates proposed by the independent recruitment agency which took into account the personal qualities of the potential candidates as well as age, risks for conflict of interest and number of offices held, the Committee decided to propose to the Supervisory Board to appoint Yves Guillemot, co-founder and Chief Executive Officer of the listed company Ubisoft, to replace Antoine Arnault and the re-appointment of all the members whose terms of office were due to expire. The Committee also proposed to the Board different terms of office for the appointed and reappointed members based on the seniority of each member which would allow one-third of the Board members to be renewed every year.

The self-assessment survey was submitted to the members of the Committee for review.

These meetings took place in the presence of the Group's Secretary General, with the Chairman of the Supervisory Board present at the second meeting.

4.2.4 EVALUATION OF THE MEMBERSHIP AND OPERATION OF THE SUPERVISORY BOARD

As recent regulations have significantly increased the workload for both the Board and its Audit Committee, leading to a progressive rise in the number of meetings, and in accordance with the recommendations of the AFEP-MEDEF code of corporate governance, since 2009 the Supervisory Board has assessed the membership, organisation and operation of the Board and its Committees every year in order to give an assessment of the preparation and quality of their work.

In 2014, the Supervisory Board carried out a self-assessment and presented the findings at a Board meeting.

The members were mostly satisfied with the membership, organisation and operation of the Board and its Committees. The areas of improvement included the continued internationalisation of the Board, strengthening the Appointments and Remuneration Committee and circulating more documents before meetings.

In 2015, the Board will conduct an external assessment.

4.2.5 COMPLIANCE WITH FRENCH CORPORATE GOVERNANCE REGULATIONS - AFEP-MEDEF

The Company has applied the corporate governance principles brought together in the AFEP-MEDEF code of corporate governance for Listed Companies (*Code de gouvernement d'entreprise des sociétés cotées*) revised in June 2013. This code is available in the Corporate Governance section of Lagardère's website.

As stated in the introduction to the code, most of the recommendations it contains have been established with reference to companies with a Board of Directors. Companies with an Executive Board and Supervisory Board, and partnerships limited by shares, must make the necessary adjustments. By its very principle, a partnership limited by shares has a strict separation of powers between the Managing Partners who run the company (and thereby the General Partners who have unlimited liability), and the Supervisory Board, which only reviews management actions after completion and does not participate in management.

Given Lagardère SCA's specificities in terms of French law and its own Articles of Association as a partnership limited by shares, the Board has adopted an organisation structure appropriate to the nature of its work under the law and the recommendations of the AFEP-MEDEF Code for good governance.

N.B.: Further to the recommendation of the Appointments and Remuneration Committee, at its meeting of 12 March 2014, the Supervisory Board decided to change the way in which attendance fees are allocated. As a result, the variable portion of these fees, which is determined based on attendance, now represents the majority of these fees.

The decision was also taken to increase the number of shares that must be held by Supervisory Board members to 600 (versus 150 shares previously), which represents around 90% of the gross basic share of attendance fees. Accordingly, Board members will be required to invest any attendance fees received in shares until the 600 share quota has been reached.

Provision of the AFEP-MEDEF code of corporate governance set aside or partially applied	Explanation
Independence criteria	
"Not to have been a director of the corporation for more than twelve years"	<p>It is deemed that the fact of having been a Board member for more than twelve years does not disqualify such member as an independent member; on the contrary, it is considered an asset in a control role.</p> <p>However, an individual assessment of the situation of each member is conducted annually by the Supervisory Board which considered that the independence of Georges Chodron de Courcel and Pierre Lescure should not be contested, despite their seniority on the Board.</p>

4.2.6 SPECIFIC RULES FOR ATTENDANCE AT GENERAL MEETINGS BY SHAREHOLDERS

These rules are set out in the Articles of Association (articles 19 to 22), and included for the most part in Chapter 8, section 8.2.6 – General Meetings, of the Reference Document. The Company's

Articles of Association can be consulted on its website (Investor relations – Corporate governance – Articles of Association).

4.2.7 INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

Information on the internal control and risk management procedures used at Lagardère SCA is presented in the Reference Document.

The Group's Risk and Internal Control Department, supported by the Audit and Legal Departments, has been given responsibility for defining a method for presenting internal control and risk management procedures in the Reference Document and monitoring their application.

This includes asking the head of each division of the Lagardère group to draw up a brief report on internal control and risk

management procedures existing in the division, based on supporting documents and predefined specifications. I have examined the corresponding reports.

The analysis by the Risk and Internal Control Department, based on these reports, leads to the conclusion that the internal control and risk management procedures in existence in the Group correspond to the description provided in section 7.4.1 of the 2014 Reference Document.

The Chairman of the Supervisory Board

4.3 INFORMATION ON THE CANDIDATE FOR MEMBERSHIP OF THE SUPERVISORY BOARD

MS. SUSAN M. TOLSON

Date of birth: 7 March 1962

Nationality: American

First appointed: 10 May 2011 (effective as of 1 July 2011)

Position within Lagardère SCA: Member of the Supervisory Board

Number of Lagardère SCA shares held: 600

PROFESSIONAL BACKGROUND AND EDUCATION

Ms. Susan M. Tolson graduated from Smith College in 1984 with a B.A. cum laude before obtaining an MBA from Harvard in 1988. She joined Prudential Bache Securities as a corporate finance analyst in 1984 and subsequently took on the position of Investment Officer in Private Placements at Aetna Investment Management in 1988. In 1990, she joined The Capital Group Companies – a major private US investment fund formed in 1931 which currently manages assets of over a trillion dollars – where between April 1990 and June 2010 she successively served as a financial analyst, senior account manager and then Senior Vice President, a position she left to join her husband in Paris.

Over the last 20 years, Ms. Susan M. Tolson has issued recommendations and made decisions relating to investments in numerous business sectors, including the media and entertainment industries.

DIRECTORSHIPS AND OTHER POSITIONS CURRENTLY HELD BY MS. SUSAN M. TOLSON

In France

- ▶ Director and member of the Audit, Governance and Remuneration Committees, WorldLine E-Payment Services
- ▶ Honorary Chair, American Friends of The Musée d'Orsay

Outside France

- ▶ Director, the American Cinémathèque
- ▶ Director, Chair of the Nominating and Governance Committee and member of the Compensation Committee, Outfront Media
- ▶ Director and member of the Audit Committee, Take-Two Interactive
- ▶ Member of the Los Angeles World Affairs Council, the Paley Center For Media and the Los Angeles Society of Financial Analysts

Directorships and other positions held during the last five years

- ▶ Director, America Media, Inc.
- ▶ Member of the Board of Trustees, American University of Paris
- ▶ Honorary Chair, American Women's Group in Paris
- ▶ Director, Fulbright Commission



REPORTS OF THE STATUTORY AUDITORS

5.1 STATUTORY AUDITORS' REPORT ON THE COMPANY'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

To the Partners,

In compliance with the assignment entrusted to us by your General Meetings, we hereby report to you, for the financial year ended 31 December 2014, on:

- ▶ the audit of the accompanying financial statements of Lagardère SCA;
- ▶ the justification of our assessments;
- ▶ the specific verifications required by law.

These financial statements have been approved by the Managing Partners. Our role is to express an opinion on these financial statements based on our audit.

I. OPINION ON THE ANNUAL FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the annual financial statements are free of material misstatement. An audit involves performing procedures, by audit sampling and other selective testing methods, to obtain audit evidence about the amounts and disclosures in the annual financial statements. An audit also includes evaluating the appropriateness of accounting principles used, the reasonableness of accounting estimates made by management, and the presentation of the financial statements overall. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the financial position and assets and liabilities as of 31 December 2014 and of the results of operations for the year then ended in accordance with the accounting rules and principles applicable in France.

II. JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of article L. 823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

Accounting principles and valuation methods

The Note 2 "Financial assets" part of "Accounting principles and methods" presented in the appendix explains the criteria used for the valuation of long-term investments.

As part of our assessments of the accounting principles and methods used by your Company, we verified the appropriateness of the accounting methods used and the reasonableness of estimates made.

These assessments were made in the context of our audit of the annual financial statements, taken as a whole, and therefore contributed to the formation of the opinion expressed in the first part of this report.

III. SPECIFIC VERIFICATIONS AND INFORMATION

We have also performed, in accordance with the professional standards applicable in France, the specific verifications required by law.

We have no matters to report regarding the fair presentation and the conformity with the financial statements of the information given in the management report by the Managing Partners and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of Article L. 225-102-1 of the Commercial Code relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified their consistency with the annual financial statements, or with the data used to prepare these annual financial statements and, where applicable, with the information obtained by the Company from companies controlling your Company or controlled by it. On the basis of this research, we certify the accuracy and fair presentation of this information.

In accordance with the law, we have verified that the management report contains the appropriate disclosures regarding the identity of shareholders.

French language original signed at Paris - La Defense and Courbevoie, 30 March 2015

The Statutory Auditors

ERNST & YOUNG et Autres

Jeanne Boillet

MAZARS

Thierry Blanchetier

5.2 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

To the Partners,

In compliance with the assignment entrusted to us by your General Meetings, we hereby report to you, for the year ended 31 December 2014, on:

- ▶ the audit of the accompanying consolidated financial statements of Lagardère S.C.A.;
- ▶ the justification of our assessments;
- ▶ the specific verification required by law.

These consolidated financial statements have been approved by the Managing Partners. Our role is to express an opinion on these consolidated financial statements based on our audit.

I. OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the persons and entities that constitute the consolidated Group and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Without calling into question the opinion expressed above, we draw your attention to the matter described in Note 10 to the consolidated financial statements related to the intangible fixed assets of Lagardère Unlimited and LeGuide.

II. JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of article L. 823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

- ▶ As specified in Notes 3.10 and 10 to the consolidated financial statements, at least once a year the Lagardère group performs an impairment test on intangible fixed assets and on goodwill. We have assessed the assumptions used in determining the recoverable value of these assets for the purpose of comparison with their book value. This recoverable value is assessed primarily on the basis of the discounted cash flow forecasts prepared at the end of 2014.

Regarding the assets of the Unlimited division, the achievement of the assumptions used by management in determining the cash flow forecasts depends on the conditions in which current contracts will be completed, the ability to renew these contracts or to win new ones as well as the related margin conditions.

With regard to the assets of LeGuide group (Active division), the achievement of the assumptions used by management in determining the cash flow forecasts depends in particular on the reestablishment of a balanced competitive environment through an evolution of the European regulatory framework and on the success of diversification into new activities.

In the context described above, we have not identified any matters likely to call into question the overall reasonable nature of the assumptions made by management in the business plans used for the impairment tests.

- ▶ As specified in Note 3.10 to the consolidated financial statements, these estimates rely on assumptions which are uncertain by nature, and actual results are likely to be sometimes significantly different from the forecasts data used.

We have assessed the reasonableness of the information included in the notes to the consolidated financial statements, related notably to the discounted cash flow forecasts used.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. SPECIFIC VERIFICATION

As required by law we have also verified in accordance with professional standards applicable in France the information presented in the Group's management report. We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

French language original signed at Courbevoie and Paris - La Défense, on 30 March 2015

The Statutory Auditors

MAZARS

Thierry Blanchetier

ERNST & YOUNG et Autres

Jeanne Boillet

5.3 SPECIAL STATUTORY AUDITORS' REPORT ON REGULATED AGREEMENTS AND COMMITMENTS

To the Partners,

In our capacity as Statutory Auditors of your company, we hereby present our report on regulated agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of the agreements and commitments of which we were informed or which may have come to our attention during our assignment, without pronouncing on their utility and merits, or seeking the existence of other agreements and commitments. It is your responsibility, pursuant to Article R. 226-2 of the Commercial Code, to assess the merit of these agreements and commitments with a view to approving them.

We are also required to provide you with the information required under Article R. 226-2 of the Commercial Code in respect of the execution during the past year of any agreements and commitments already approved by the general meeting.

We carried out the work we deemed necessary in light of the professional standards of the Compagnie Nationale des Commissaires aux Comptes applicable to this responsibility. These standards require that we perform procedures to verify that the information given to us is coherent with the underlying documents.

AGREEMENTS AND COMMITMENTS SUBJECT TO THE APPROVAL OF THE GENERAL MEETING

We have not been informed of any agreement or commitment authorised during the past year to be submitted to the general meeting for approval in accordance with Article L. 226-10 of the Commercial Code.

AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE GENERAL MEETING

In application of Article R. 226-2 of the Commercial Code, we have been informed of the following agreements and commitments, already approved by the general meeting during previous years and applicable during the period:

AGREEMENTS WITH LAGARDÈRE CAPITAL & MANAGEMENT, SHAREHOLDER OF THE COMPANY

Service Agreement

Under an agreement signed in 1988 by Lagardère Capital & Management with Matra and Hachette, Lagardère Capital & Management provides a range of resources and skills specific to general strategy, international development, company operations, and management of financial capacity, human potential and corporate image. All top management working at Lagardère Capital & Management are members of the management bodies of the Group and its principal subsidiaries.

Following the various reorganizations that have taken place since 1988, this agreement is now between Lagardère Capital & Management and Lagardère Ressources.

The remuneration of Lagardère Capital & Management was modified with effect from 1 July 1999 by an amendment approved in principle by the Supervisory Board on 22 September 1999 and in its final version on 22 March 2000. It was again modified with effect from 1 January 2004 by an amendment approved by the Supervisory Board on 12 March 2004.

At its meeting of 12 March 2004, the Supervisory Board approved an amendment modifying the calculation method for the remuneration payable to Lagardère Capital & Management as of 1 January 2004.

Starting from that date, the remuneration payable by Lagardère Ressources to Lagardère Capital & Management for any given year is equal to the total expenses incurred by Lagardère Capital & Management during that year in execution of the services rendered under the Service Agreement, plus a 10% margin, with an absolute upper limit of €1 million for that margin. For 2014, the amount of this margin is €1 million.

Additional pension plan for certain Lagardère Capital & Management employees who are members of Lagardère group's Executive Committee

At its meeting of 14 September 2005, your Supervisory Board approved the introduction of an additional pension plan by Lagardère Capital & Management to complement the basic pension system for certain employees who are members of the Executive Committee. The maximum benefit entitlement under this plan is an additional pension, upon retirement at the age of 65, equal to 35% of the benchmark remuneration, which cannot exceed 50 times the annual limit defined by the French social security system.

The employees of Lagardère Capital & Management who are members of the Executive Committee are beneficiaries of this plan.

The plan came into effect at 1 July 2005, and benefits vest at the rate of 1.75% of the benchmark remuneration per year of seniority in the Executive Committee, up to a limit of 20 years' seniority. The pension earned under this plan is payable on condition the beneficiary is still with the company at retirement age, or when he takes early retirement. It also remains payable in the event of termination after the age of 55 or invalidity.

For 2014, the amount billed by Lagardère Capital & Management in accordance with those agreements amounted to 30.2 million euros, compared to 25.3 million euros in 2013.

French language original signed at La Defense and Courbevoie, 30 March 2015

The Statutory Auditors

ERNST & YOUNG et Autres

Jeanne Boillet

MAZARS

Thierry Blanchetier

5.4 STATUTORY AUDITORS' REPORT, PREPARED IN ACCORDANCE WITH ARTICLE L. 226-10-1 OF THE FRENCH COMMERCIAL CODE (CODE DE COMMERCE), ON THE REPORT PREPARED BY THE CHAIRMAN OF THE SUPERVISORY BOARD OF LAGARDÈRE SCA

To the Partners,

In our capacity as statutory auditors of Lagardère S.C.A. and in accordance with article L. 226-10-1 of the French Commercial Code (*Code de commerce*), we hereby report on the report prepared by the Chairman of the Supervisory Board of your company pursuant to this article for the year ended 31 December 2014.

It is the Chairman's responsibility to prepare and submit for the Supervisory Board's approval a report on internal control and risk management procedures implemented by the company and to provide the other information required by article L. 226-10-1 of the French Commercial Code (*Code de commerce*) relating to matters such as corporate governance.

Our role is to:

- ▶ report on any matters as to the information contained in the Chairman of the Supervisory Board 's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information,
- ▶ confirm that the report also includes the other information required by article L. 226-10-1 of the French Commercial Code (*Code de commerce*). It should be noted that our role is not to verify the fairness of this other information.

We conducted our work in accordance with professional standards applicable in France.

Information on internal control and risk management procedures relating to the preparation and processing of accounting and financial information

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman of the Supervisory Board 's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consist mainly in:

- ▶ obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman of the Supervisory Board 's report is based and of the existing documentation;
- ▶ obtaining an understanding of the work involved in the preparation of this information and of the existing documentation;
- ▶ determining if any material weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our work are properly disclosed in the Chairman of the Supervisory Board 's report.

On the basis of our work, we have no matters to report on the information relating to the company's internal control and risk management procedures relating to the preparation and processing of the accounting and financial information contained in the report prepared by the Chairman of the Supervisory Board in accordance with article L. 226-10-1 of the French Commercial Code (*Code de commerce*).

Other information

We confirm that the report prepared by the Chairman of the Supervisory Board also contains the other information required by article L. 226-10-1 of the French Commercial Code (*Code de commerce*).

French language original signed at Courbevoie and Paris - La Défense, on 30 March 2015

The Statutory Auditors

MAZARS

Thierry Blanchetier

ERNST & YOUNG et Autres

Jeanne Boillet

5.5 STATUTORY AUDITORS' SPECIAL REPORTS ON THE FINANCIAL AUTHORISATIONS

5.5.1 STATUTORY AUDITORS' REPORT ON THE ISSUANCE OF COMMON STOCK AND SECURITIES WITH REMOVAL OR MAINTENANCE OF PRE-EMPTIVE SUBSCRIPTION RIGHTS

To the Partners,

In our capacity as Statutory Auditors of your company, and in accordance with Articles L. 228-92 and L. 225-135 et seq of the French Commercial Code, we hereby present our report on the proposals to delegate to the Managing Partners to issue stock and/or securities, on which you will be asked to vote.

Your Managing Partners ask you, on the basis of their report, to delegate the Managing Partners powers, for a term of twenty-six months, to decide on the following operations and set the definitive conditions for these issues, proposing, if applicable, to remove your pre-emptive subscription rights:

- ▶ issue (Resolution 8) of debt securities which give access to new shares to be issued by entities in which the Company owns, directly or indirectly, over half of the capital at the issue date and may also give access to existing shares, and/or carry rights to the allocation of debt securities of the Company and/or of entities in which the Company owns, directly or indirectly, over half of the share capital at the issue date and/or of any other entities, through a public offer or a private placement within the meaning of article L. 411-2-II of the French Monetary and Financial Code;
- ▶ issue with preferential subscription rights (Resolution 9) of (i) ordinary shares of the Company, (ii) equity securities of the Company giving access to shares in the Company and/or carrying rights to the allocation of debt securities of the Company, (iii) debt securities of the Company which give access to new shares and may also give access to existing shares in the Company and/or carry rights to the allocation of debt securities of the Company, (iv) equity securities of the Company giving access to new or existing shares and/or carrying rights to the allocation of debt securities of entities in which the Company owns, directly, or indirectly, over half of the share capital at the issue date, and/or (v) equity securities of the Company giving access to existing shares and/or carrying rights to the allocation of debt securities of other entities;
- ▶ issue without preferential subscription rights by means of a public offer but with a priority right for at least five trading days (Resolution 10), and without a priority right (Resolution 11), of (i) ordinary shares of the Company, (ii) equity securities of the Company giving access to shares in the Company and/or carrying rights to the allocation of debt securities of the Company, (iii) debt securities of the Company which give access to new shares and may also give access to existing shares in the Company and/or carry rights to the allocation of debt securities of the Company, (iv) equity securities of the Company giving access to new or existing shares and/or carrying rights to the allocation of debt securities of entities in which the Company owns, directly, or indirectly, over half of the share capital at the issue date, and/or (v) equity securities of the Company giving access to existing shares and/or carrying rights to the allocation of debt securities of other entities;
- ▶ issue without preferential subscription rights, by means of a private placement as referred to in section II of article L. 411-2 of the French Monetary and Financial Code and in the limit of 20% of share capital per year (Resolution 12) of, (i) ordinary shares of the Company, (ii) equity securities of the Company giving access to shares in the Company and/or carrying rights to the allocation of debt securities of the Company, (iii) debt securities of the Company which give access to new shares and may also give access to existing shares in the Company and/or carry rights to the allocation of debt securities of the Company, (iv) equity securities of the Company giving access to new or existing shares and/or carrying rights to the allocation of debt securities of entities in which the Company owns, directly, or indirectly, over half of the share capital at the issue date, and/or (v) equity securities of the Company giving access to existing shares and/or carrying rights to the allocation of debt securities of other entities;
- ▶ issue as consideration for securities tendered as part of a public exchange offer, in accordance with article L. 225-148 of the French Commercial Code (Resolution 14), of (i) ordinary shares of the Company, (ii) equity securities of the Company giving access to shares in the Company and/or carrying rights to the allocation of debt securities of the Company, (iii) debt securities of the Company which give access to new shares and may also give access to existing shares in the Company and/or carry rights to the allocation of debt securities of the Company, (iv) equity securities of the Company giving access to new or existing shares and/or carrying rights to the allocation of debt securities of entities in which the Company owns, directly, or indirectly, over half of the share capital at the issue date, and/or (v) equity securities of the Company giving access to existing shares and/or carrying rights to the allocation of debt securities of other entities;
- ▶ issue as consideration for a contribution in kind, in accordance with article L. 225-147 of the French Commercial Code (Resolution 14), of (i) ordinary shares of the Company, (ii) equity securities of the Company giving access to shares in the Company and/or carrying rights to the allocation of debt securities of the Company, (iii) debt securities of the Company which give access to new shares and may also give access to existing shares in the Company and/or carry rights to the allocation of debt securities of the Company, (iv) equity securities of the Company giving access to new or existing shares and/or carrying rights to the allocation of debt securities of entities in which the Company owns, directly, or indirectly, over half of the share capital at the issue date, and/or (v) equity securities of the Company giving access to existing shares and/or carrying rights to the allocation of debt securities of other entities.

The aggregate nominal amount of immediate or future increases in capital stock likely to be performed shall not exceed € 80 million (Resolution 15) under Resolutions 11, 12, 13 and 14, and € 300 million under Resolutions 9 and 10, it being specified that the individual caps are set to € 265 million under Resolution 9, € 160 million under Resolution 10 and € 80 million under Resolutions 11, 12 and 14. The aggregate nominal amount of debt securities that can be issued shall not exceed € 1.500 million (Resolution 15) for Resolutions 8 to 14.

These caps take account of the additional number of debt securities to be issued under implementation of the delegations covered in Resolutions 8, 9, 10, 11 and 12, under the conditions laid down in Article L. 225-135-1 of the Commercial Code, if you adopt Resolution 13.

Your Managing Partners are responsible for drawing up a report in accordance with Articles R. 225-113 et seq of the Commercial Code. It is our role to give an opinion on the fair presentation of the figures quoted from the accounts, on the proposal for removal of pre-emptive subscription rights and on certain other information concerning these operations, contained in this report.

We carried out the work we deemed necessary in light of the professional standards of the Compagnie Nationale des Commissaires aux Comptes applicable to this responsibility. This work consisted of verifying the contents of the Managing Partners' report concerning these operations and the methods used to determine the issue price of capital stock to be issued.

Subject to subsequent review of issue conditions to be decided, we have no matters to report on the methods used to determine

the capital stock issue price as stated in the Managing Partners' report under Resolution 10, 11 and 12.

Moreover, since this report does not specify the methods used to determine the issue price of capital stock to be issued under Resolutions 8, 9 and 14, we cannot state our opinion on the choice of elements used in issue price calculation.

Since the definitive conditions under which the issues will be made are not fixed, we do not express an opinion on them, and consequently on the removal of pre-emptive subscription rights proposal made to you in Resolution 10, 11, 12 and 14.

In accordance with article R. 225-116 of the Commercial Code, we shall draw up an additional report, if necessary, at the time of use of these delegations by your Managing Partners in the event of issuance of securities which correspond to capital stock giving access to other capital stock or entitlement to allocation of debt securities and in the event of issuance of securities giving access to capital stock to issue or in case of issue of shares with removal of pre-emptive subscription rights.

French language original signed at Courbevoie and Paris - La Défense, 30 March 2015

The Statutory Auditors

MAZARS

Thierry Blanchetier

ERNST & YOUNG et Autres

Jeanne Boillet

5.5.2 STATUTORY AUDITORS' REPORT ON THE ISSUE OF ORDINARY SHARES AND OTHER SECURITIES CONFERRING ENTITLEMENT TO THE SHARE CAPITAL RESERVED FOR EMPLOYEES MEMBERS OF THE COMPANY'S OR GROUP'S SAVINGS PLAN (17TH RESOLUTION)

To the Partners,

In our capacity as your Company's Statutory Auditors and in accordance with articles L. 228-92 and L. 225-135 and following of the French Commercial Code (*Code de commerce*), we hereby report to you on the proposal, submitted for your authorization, for delegation to the Managing Partners of authority to, on one or more occasions, perform an issue of ordinary shares and/or other securities, conferring entitlement to the Company's share capital, and subject to suppression of existing shareholders' preemptive subscription right, reserved for the benefit of employees of the Company and related companies and other entities (as defined by article L. 225-180 of the French Commercial Code (*Code de commerce*)) subscribing to a Group corporate savings plan.

The maximum nominal amount liable to be issued each year, by virtue of this proposal, may not exceed 0.5% of the current share capital of your Company.

The aforementioned operation is submitted for your approval in accordance with articles L. 225-129-6 of the French Commercial Code (*Code de commerce*) and L. 3332-18 of the French Labour Code (*Code du travail*).

On the basis of their report, the Managing Partners propose that you authorize them, for a period of 26 months with effect from the date of this Meeting to, on one or more occasions, perform an issuance and subject to suppression of existing shareholders' preemptive subscription right. The Managing Partners would also be empowered to decide on the final terms and conditions applicable to any such operation.

It is the Managing Partners' responsibility to prepare and submit a report in accordance with articles R. 225-113 and following of the French Commercial Code (*Code de commerce*). Our role is to report on the fairness of any financial data extracted from the Company's financial statements, on the proposal for suppression of existing shareholders' preemptive subscription right, and on certain other information relating to the aforementioned issuances provided in that report.

We carried out the work we deemed necessary in the light of the professional standards of the French national auditing body (Compagnie Nationale des Commissaires aux Comptes) applicable to this responsibility. Our procedures consisted in verifying the content of the report of the Managing Partners and the bases of determination of the issue price of the ordinary shares and/or of the other securities conferring entitlement to the Company's share capital to be issued.

Subject to ulterior examination of the terms and conditions applicable to any issuance actually decided on, we have no matters to report with regard to the basis of determination of the issue price for any the ordinary shares and/or the other securities conferring entitlement to the Company's share capital to be issued as described in the report of the Managing Partners.

As the final terms and conditions applicable to any issuance actually decided on have not been established, we do not at present express any opinion in their respect nor, therefore, in

respect of the proposal for suppression of existing shareholders' preemptive subscription right.

In accordance with article R. 225-116 of the French Commercial Code (*Code de commerce*), we shall draw up an additional report, if necessary, at the time of use of these delegations by your Managing Partners in the event of issuances of ordinary shares, of other equity securities which correspond to capital shares giving access to other equity securities or entitlement to allocation of debt securities, and in the event of issuances of other securities giving access to the Company's capital shares to be issued.

French language original signed at Paris - La Défense and Courbevoie on 30 March 2015

The Statutory Auditors

ERNST & YOUNG et Autres

Jeanne Boillet

MAZARS

Thierry Blanchetier

5.6 REPORT OF MAZARS, INDEPENDENT THIRD PARTY ENTITY, ON THE CONSOLIDATED SOCIAL, ENVIRONMENTAL AND SOCIETAL INFORMATION PUBLISHED IN THE MANAGEMENT REPORT

Year ended 31 December 2014

For the attention of the Shareholders,

As independent third-party, members of Mazars' network, statutory auditor's of Lagardère SCA, whose accreditation was accepted by COFRAC under the number 3-1058⁽¹⁾, we hereby present our report on the consolidated social, environmental and societal information provided in the management report prepared for the year ended 31 December 2014, (hereinafter referred to as "CSR Information"), pursuant to Article L. 225-102-1 of the French Commercial Code (*Code de commerce*).

RESPONSIBILITY OF THE COMPANY

The Managing Partners of Lagardère SCA are responsible for preparing a management report including the CSR Information required under Article R. 225-105-1 of the French Commercial Code, in accordance with the reporting criteria of the company (hereafter the "Reporting Criteria") summarized in the management report and available on request from the company's head office.

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by regulatory texts, the profession's Code of Ethics and by the provisions of Article L. 822-11 of the French Commercial Code. Furthermore, we have set up a quality control system that includes documented policies and procedures designed to ensure compliance with deontological rules, professional standards and applicable legal texts and regulations.

RESPONSIBILITY OF THE INDEPENDENT THIRD-PARTY ENTITY

Based on our work, our role is to:

- ▶ attest that the required CSR Information is disclosed in the management report or, that an explanation has been provided if any information has been omitted, in accordance with the third paragraph of Article R. 225-105 of the French Commercial Code (Attestation of completeness of the CSR Information);
- ▶ provide limited assurance that, on the whole, the CSR Information is fairly presented, in all material respects, in accordance with the adopted Reporting Criteria (Fairness report regarding CSR Information).

Our work was carried out by a team of 5 people between December 2014 and March 2015 for a period of about 7 weeks.

We conducted the work described below in accordance with the professional standards applicable in France and the legal order dated 13 May 2013 determining the methodology according to which the independent third party body conducts its mission and, on the reasoned opinion, in accordance with ISAE 3000⁽²⁾.

1. ATTESTATION OF COMPLETENESS OF THE CSR INFORMATION

Based on interviews with management, we got acquainted with the Group's sustainable development strategy, with regard to the social and environmental impacts of the company's business and its societal commitments and, where appropriate, the actions or programs that stemmed from it.

(1) whose the scope is available on the website www.cofrac.fr

(2) ISAE 3000 – Assurance engagements other than audits or reviews of historical information

We compared the CSR Information presented in the management report to the list set forth in Article R. 225-105-1 of the French Commercial Code.

In the event of omission of some consolidated information, we checked that explanations were provided in accordance with the third paragraph of the article R. 225-105 of the French Commercial Code.

We checked that the CSR Information covers the consolidated scope, which includes the company and its subsidiaries within the meaning of Article L. 233-1 of the French Commercial Code (*Code de commerce*) and the companies that it controls within the meaning of Article L. 233-3 of the French Commercial Code (*Code de commerce*), subject to the limits set forth in the methodological note presented in paragraph « 5.3.3 CSR methodology and indicators » of the management report.

Based on our work, and taking into account the limitations mentioned above, we attest that the required CSR Information has been disclosed in the management report.

2. REASONED OPINION ON THE FAIRNESS OF THE CSR INFORMATION

Nature and scope of procedures

We conducted about twenty interviews with the persons responsible for the preparation of CSR Information from the departments in charge of the process of gathering information and, where appropriate, responsible of the internal control and risk management to:

- ▶ assess the appropriateness of the Reporting Criteria in terms of relevance, completeness, neutrality, clarity and reliability, by taking into consideration, when relevant, the sector's best practices;
- ▶ verify the set-up within the Group of a process to collect, compile, process and check the CSR Information with regard to its completeness and consistency. We familiarized ourselves with the internal control and risk management procedures relating to the compilation of the CSR Information.

We determined the nature and extent of tests and controls depending on the nature and importance of CSR Information in relation to the characteristics of the Company, the social and environmental issues of its operations, its strategic priorities in relation to sustainable development, and the sector best practices.

Concerning the CSR information that we considered to be most significant⁽¹⁾:

▶ at Group level, we consulted source documents and conducted interviews to corroborate the qualitative information (organization, policies, actions); we implemented analytical procedures on the quantitative and verified, on the basis of sampling techniques, the calculations and consolidation of the information and we verified its consistency with the other information contained in the management report;

▶ at the level of a representative sample of entities⁽²⁾ selected based on their activity, their contribution to consolidated indicators, their location and a risk analysis, we conducted interviews to verify the proper application of procedures and conducted substantive tests, using sampling basis, to verify the calculations performed and reconciled data with supporting evidence.

The selected sites contribution to Group data equals to 19% of headcount and from 14% to 81% of the quantitative environmental information tested.

Regarding the other CSR consolidated Information, we assessed its fairness and consistency based on our knowledge of the Group.

Finally, we assessed the relevance of the explanations relating to, where necessary, the omission of certain information.

We deem that the sampling methods and sample sizes we have learned by exercising our professional judgment allow us to formulate a conclusion providing limited assurance; a higher level of assurance would have required more extensive work. Because of the use of sampling techniques, and because of other limits inherent to any information and internal control systems, the risk of not detecting a material misstatement in the CSR Information cannot be completely eliminated.

Conclusion

Based on our work, we did not identify any material misstatements that would lead us to believe that the CSR Information, taken as a whole, has not been fairly presented, in all material respects, in accordance with the Reporting Criteria.

French language original signed at Paris - La Défense, 30 March 2015

The independent third-party entity

MAZARS SAS

Thierry Blanchetier

Partner

Emmanuelle Rigaudias

CSR and Sustainable Development Partner

(1) Permanent staff as of 31 December, permanent staff as of 31 December broken down by gender, age group, and geographical area, recruitments and departures, absenteeism rate, collective agreements, collective agreements in force as of 31 December and signed during the year, training and skills development policies, total number of training hours and breakdown by themes, organization of the company to take into account environment and, when appropriate, environmental evaluation or certification, overall weight of paper purchased by the Group and the breakdown between certified, recycled and other paper, overall weight of paper purchased by printers, tertiary energy consumption of the Group in France: electricity, gas, fuel and district heating, greenhouse gas emissions related to the energy consumption, conditions for dialogue with third people or organizations interested in company's activities, partnerships and sponsorship, actions in favour of health and safety of consumers.

(2) Social and societal information: Hachette Livre SA (France); Orion (United Kingdom); pôle Presse (France); Lagardère Entertainment (France); Relay (France); LSTR UK & Ireland (United Kingdom); Sportive (France). Environmental information: Hachette Livre SA (France); Hachette UK (United-Kingdom); HFA (France); Relay (France) and LSTR UK & Ireland (United-Kingdom) for energy consumptions.

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PROPOSED
RESOLUTIONS
PRESENTED
BY THE MANAGING
PARTNERS

PROPOSED RESOLUTIONS PRESENTED BY THE MANAGING PARTNERS

FIRST RESOLUTION

APPROVAL OF THE COMPANY'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

Voting under the quorum and majority conditions required for Ordinary General Meetings, and having considered the reports of the Managing Partners, the report of the Supervisory Board and the Statutory Auditors' report on the Company's financial statements for the year ended 31 December 2014, the shareholders approve those financial statements as set out and presented to them, showing a loss of €57,052,307.69.

In accordance with article 223 *quater* of the French Tax Code (*Code général des impôts*), the shareholders also approve the aggregate amount of non-deductible costs and expenses referred to in paragraph 4° of article 39 of said Code, which amounted to

€28,321.47 for the year ended 31 December 2014, and did not result in the payment of any additional tax.

SECOND RESOLUTION

APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

Voting under the quorum and majority conditions required for Ordinary General Meetings, and having considered the management report of the Managing Partners, the report of the Supervisory Board and the Statutory Auditors' report on the consolidated financial statements for the year ended 31 December 2014, the shareholders approve those consolidated financial statements as set out and presented to them, showing a profit attributable to owners of €41.418 million.

THIRD RESOLUTION

ALLOCATION OF THE COMPANY'S RESULTS AND DIVIDEND DISTRIBUTION

Voting under the quorum and majority conditions required for Ordinary General Meetings, the shareholders duly acknowledge that the Company's loss for the year amounts to:

which, taking into account retained earnings of

€(57,052,307.69)

€598,398,845.19

makes a distributable profit of

€541,346,537.50

In accordance with the provisions of the Articles of Association, the shareholders resolve to deduct an amount of €414,180 from this distributable profit, equal to 1% of consolidated profit for the year attributable to owners, for payment to the General Partners. This dividend is eligible for the 40% tax relief available to individual shareholders who are French tax residents, pursuant to article 158.3.2 of the French Tax Code.

The shareholders then resolve, on the recommendation of the Managing Partners and in agreement with the Supervisory Board, to pay an annual dividend of €1.30 per share, it being specified that:

- ▶ treasury shares held on the ex-dividend date are not eligible for the dividend payment;
- ▶ shares created before the ex-dividend date are eligible for the dividend payment.

The ex-dividend date is Friday, 8 May 2015 and the dividend will be paid as of Tuesday, 12 May 2015, to holders of registered shares (for *nominatif pur* shares) or their duly appointed representatives (for *nominatif administré* shares), by cheque or by bank transfer.

The dividend is eligible for the 40% tax relief available to individual shareholders who are French tax residents, pursuant to article 158.3.2 of the French Tax Code.

The shareholders resolve to transfer the balance of the distributable profit to retained earnings.

In accordance with the requirement in article 243 *bis* of the French Tax Code, the shareholders note that dividends distributed over the past three fiscal years correspond to the amounts shown in the table below, and that all of these amounts were eligible for the 40% tax relief available to individual shareholders who are French tax residents, pursuant to article 158.3.2 of the French Tax Code.

(in euros)/Fiscal year	2011	2012	2013
Dividends paid to shareholders			
Dividend per share	1.30	1.30	10.30
Total dividend payout	165,700,265.90	166,247,432.00	1,322,473,967.20
Dividends paid to General Partners	-	888,480.00	13,073,700.00
Total	165,700,265.90	167,135,912.00	1,335,547,667.20

The shareholders also note that, as decided at the Annual General Meeting of 6 May 2014, an extra dividend of €6 per share was paid in 2014, corresponding to the payment to shareholders of an aggregate amount of €765,380,544 deducted from "Share premiums" and fully eligible for the 40% tax relief available to individual shareholders who are French tax residents, pursuant to article 158.3.2 of the French Tax Code.

FOURTH RESOLUTION

AUTHORISATION TO BE GIVEN TO THE MANAGING PARTNERS, FOR A PERIOD OF EIGHTEEN MONTHS, TO TRADE IN THE COMPANY'S SHARES

Voting under the quorum and majority conditions required for Ordinary General Meetings, having considered the report of the Managing Partners and in compliance with the applicable law and regulations, the shareholders authorise the Managing Partners to purchase Lagardère SCA shares on behalf of the Company in accordance with the terms and conditions set out below.

The number of shares purchased under this authorisation may not at any time represent more than 10% of the Company's capital (i.e., a maximum number of 13,113,328 shares based on the share capital at 28 February 2015, excluding shares held in treasury by the Company at that date). The amount of the Company's capital to which this ceiling applies may be adjusted for any corporate actions carried out subsequent to this Meeting. In accordance with article L. 225-209 of the French Commercial Code, when shares are bought back to maintain a liquid market in Lagardère SCA shares in accordance with the conditions defined in the General Regulations of the French financial markets authority (*Autorité des marchés financiers* – AMF), the number of shares taken into account for the purpose of calculating the 10% ceiling will correspond to the number of shares purchased less the number of shares sold during the period covered by this authorisation. The use of this authorisation may not in any circumstances result in the Company directly or indirectly holding more than 10% of its capital.

The total amount that may be invested in the share purchases may not exceed five hundred million euros (€500,000,000) and the maximum per-share purchase price, excluding transaction expenses, is set at forty euros (€40) (or the equivalent of this amount at the date of the transaction for transactions denominated in foreign currency or a monetary unit determined by reference to a basket of currencies). The shareholders give the Managing Partners full powers to adjust this amount to take into account the impact on the share price of any corporate actions, such as the capitalisation of reserves, profit or share premiums and the issue of bonus shares, or a change in the par value of existing shares or a reverse stock split.

The Managing Partners may use this authorisation for the following purposes:

- ▶ to reduce the share capital by cancelling all or some of the shares purchased;
- ▶ to award free shares to employees and officers of the Company and of entities or groups related to it within the

meaning of articles L. 225-197-1 *et seq.* of the French Commercial Code;

- ▶ to tender shares upon the exercise of share options;
- ▶ to set up any company or group savings scheme (or similar plan) under the conditions provided for by law, notably articles L. 3332-1 *et seq.* of the French Labour Code (*Code du travail*), including by way of granting the shares free of consideration as part of the Company's employer contribution and/or in replacement of the discount, in accordance with the applicable law and regulations;
- ▶ to award or transfer shares to employees as part of a profit-sharing scheme;
- ▶ to award shares to employees and officers of the Company and of entities or groups related to it for any other purpose permitted by the applicable law and regulations;
- ▶ to promote liquidity in the Company's shares under liquidity contracts that comply with a code of conduct recognised by the AMF entered into with independent investment services providers;
- ▶ to hold the shares for subsequent exchange or payment as consideration for external growth transactions, a merger, demerger or asset contribution;
- ▶ to tender shares upon the exercise of rights attached to securities that give access, by any means whatsoever, to the Company's share capital;
- ▶ and, more generally, to carry out any other transaction permitted by the applicable law and regulations and, in particular, the market practices accepted by the AMF.

The shares may be purchased, sold or otherwise transferred in one or several transactions at any time – apart from during the blackout periods provided for in article 631-6 of the AMF's General Regulations or during a public tender offer – on or off-market or over the counter, by any means permitted under the applicable law and regulations, including through block purchases or sales and the use of derivatives.

The shareholders give the Managing Partners full powers, including the power of delegation, to use this authorisation in accordance with the applicable law and regulations, including to place any and all buy and sell orders, enter into any and all agreements, fulfil all formalities and more generally do all things they consider necessary and expedient to implement this resolution.

This authorisation is valid for a period of eighteen months as of the date of this meeting. It cancels and supersedes the authorisation given in the fifth resolution of the 6 May 2014 Annual General Meeting.

FIFTH RESOLUTION

ISSUING OF AN ADVISORY OPINION ON THE COMPONENTS OF REMUNERATION PAYABLE OR GRANTED TO ARNAUD LAGARDÈRE, MANAGING PARTNER, IN RESPECT OF 2014

Voting under the quorum and majority conditions required for Ordinary General Meetings and in application of the recommendation set out in paragraph 24.3 of the AFEP-MEDEF code of corporate governance which the Company uses as its corporate governance framework in accordance with article L. 225-37 of the French Commercial Code, the shareholders, having considered the components of remuneration payable or granted to Mr. Arnaud Lagardère, Managing Partner, in respect of 2014, as described and set out in the various reports presented to the meeting (particularly Chapter 7.3 of the 2014 Reference Document), issue a favourable opinion on these components of remuneration.

SIXTH RESOLUTION

ISSUING OF AN ADVISORY OPINION ON THE COMPONENTS OF REMUNERATION PAYABLE OR GRANTED TO THE REPRESENTATIVES OF THE OTHER MANAGING PARTNER IN RESPECT OF 2014

Voting under the quorum and majority conditions required for Ordinary General Meetings and in application of the recommendation set out in paragraph 24.3 of the AFEP-MEDEF code of corporate governance which the Company uses as its corporate governance framework in accordance with article L. 225-37 of the French Commercial Code, the shareholders, having considered the components of remuneration payable or granted to Messrs. Pierre Leroy, Dominique D'Hinnin and Thierry Funck-Brentano, Chief Operating Officers of Arjil Commanditée-Arco, Managing Partner, in respect of 2014, as described and set out in the various reports presented to the meeting (particularly Chapter 7.3 of the 2014 Reference Document), issue a favourable opinion on these components of remuneration.

SEVENTH RESOLUTION

RE-APPOINTMENT OF MS. SUSAN M. TOLSON AS A MEMBER OF THE SUPERVISORY BOARD FOR A TERM OF FOUR YEARS

Voting under the quorum and majority conditions required for Ordinary General Meetings and having considered the report of the Supervisory Board, the shareholders re-appoint Ms. Susan M. Tolson as a member of the Supervisory Board for a term of four years expiring at the close of the Annual General Meeting to be called to approve the financial statements for the year ending 31 December 2018.

EIGHTH RESOLUTION

AUTHORISATION TO BE GIVEN TO THE MANAGING PARTNERS, FOR A PERIOD OF TWENTY-SIX MONTHS, TO ISSUE DEBT SECURITIES GIVING IMMEDIATE OR FUTURE ACCESS TO THE SHARE CAPITAL OF THE COMPANY'S SUBSIDIARIES AND/OR ANY OTHER ENTITY, SUBJECT TO A €1.5 BILLION CEILING ON THE DEBT SECURITIES ISSUED

Voting under the quorum and majority conditions required for Extraordinary General Meetings, and having considered the reports

of the Managing Partners and the Supervisory Board and the special report of the Statutory Auditors, pursuant to the provisions of articles L. 225-129-2 and L. 228-91 *et seq.* of the French Commercial Code, the shareholders:

- ▶ authorise the Managing Partners to issue, on one or more occasions, through a public offer or a private placement within the meaning of article L. 411-2-II of the French Monetary and Financial Code, debt securities that may or may not be governed by articles L. 228-91 *et seq.* of the French Commercial Code and which give access to new shares to be issued by entities in which the Company owns, directly or indirectly, over half of the capital at the issue date and may also give access to existing shares, and/or carry rights to the allocation of debt securities of the Company and/or of entities in which the Company owns, directly or indirectly, over half of the share capital at the issue date and/or of any other entities. The Managing Partners shall have full discretionary powers to determine the amount and timing of such issue(s), which may be carried out in France or abroad;
- ▶ resolve that the aggregate nominal amount of the debt securities that may be issued under this authorisation may not exceed one billion five hundred million euros (€1,500,000,000) or the equivalent amount in the case of issues denominated in foreign currency or a monetary unit determined by reference to a basket of currencies;
- ▶ resolve that the Managing Partners shall have full powers to use this authorisation, and in particular to set all the terms and conditions of the issue(s) in accordance with the law and the applicable ceilings, and generally, to enter into any agreements, give any commitments, and do everything appropriate or necessary to carry out the issue(s) decided pursuant to this resolution;
- ▶ resolve that, for debt securities issued pursuant to this resolution, the Managing Partners shall have full powers to determine whether they will be subordinated or non-subordinated (and where appropriate, their ranking), and to set their interest rates, their term (the securities may be dated or undated), their redemption price (which may be fixed or variable and may or may not include a premium), their redemption methods based on market conditions, the basis on which the debt securities will give access to the share capital of the companies concerned, and all of the other applicable terms and conditions;
- ▶ note that any decision taken pursuant to this resolution to issue securities giving access to new shares to be issued by an entity in which the Company directly or indirectly owns over half of the share capital at the issue date shall require the approval of the shareholders of the entity concerned in an Extraordinary General Meeting;
- ▶ resolve that the Managing Partners may only use this authorisation during a public offer for the Company's shares if they obtain specific prior approval from the Company's shareholders in a General Meeting;
- ▶ resolve that this authorisation is given to the Managing Partners for a period of twenty-six months as of the date of this meeting and that it cancels and supersedes the authorisation given in the seventh resolution of the 3 May 2013 Annual General Meeting.

NINTH RESOLUTION

AUTHORISATION TO BE GIVEN TO THE MANAGING PARTNERS, FOR A PERIOD OF TWENTY-SIX MONTHS, TO ISSUE – WITH PREFERENTIAL SUBSCRIPTION RIGHTS – ORDINARY SHARES OF THE COMPANY AND/OR SECURITIES GIVING IMMEDIATE OR FUTURE ACCESS TO THE COMPANY'S SHARE CAPITAL AND/OR CARRYING IMMEDIATE OR FUTURE RIGHTS TO THE ALLOCATION OF DEBT SECURITIES, SUBJECT TO CEILINGS OF €265 MILLION FOR INCREASES IN SHARE CAPITAL AND €1.5 BILLION FOR DEBT SECURITIES ISSUED

Voting under the quorum and majority conditions required for Extraordinary General Meetings, and having considered the reports of the Managing Partners and the Supervisory Board and the special report of the Statutory Auditors, pursuant to the provisions of articles L. 225-129-2 and L. 228-91 *et seq.* of the French Commercial Code, the shareholders:

- ▶ authorise the Managing Partners to issue, on one or more occasions, (i) ordinary shares of the Company, (ii) equity securities of the Company giving access to shares in the Company and/or carrying rights to the allocation of debt securities of the Company, (iii) debt securities of the Company that may or may not be governed by articles L. 228-91 *et seq.* of the French Commercial Code and which give access to new shares and may also give access to existing shares in the Company and/or carry rights to the allocation of debt securities of the Company, (iv) equity securities of the Company giving access to new or existing shares and/or carrying rights to the allocation of debt securities of entities in which the Company owns, directly, or indirectly, over half of the share capital at the issue date, and/or (v) equity securities of the Company giving access to existing shares and/or carrying rights to the allocation of debt securities of other entities. The Managing Partners shall have full discretionary powers to determine the amount and timing of such issue(s), which may be carried out in France or abroad;
- ▶ resolve that the aggregate nominal amount of any increases in share capital carried out pursuant to this authorisation – immediately or in the future – may not exceed two hundred and sixty-five million euros (€265,000,000) (about 33% of the current capital). This ceiling does not, however, include the nominal amount of any additional shares to be issued pursuant to the applicable laws, regulations and any contractual provisions to protect the rights of holders of securities giving access to the Company share capital;
- ▶ resolve that the aggregate nominal amount of the debt securities that may be issued under this authorisation may not exceed one billion five hundred million euros (€1,500,000,000) or the equivalent amount in the case of issues denominated in foreign currency or a monetary unit determined by reference to a basket of currencies;
- ▶ resolve that, in accordance with the law, shareholders shall have a preferential right to subscribe for the ordinary shares and/or other securities issued under this authorisation in proportion to their existing interests in the Company's capital. In addition, the Managing Partners may grant shareholders a preferential right to subscribe for any ordinary shares and/or other securities not taken up by other shareholders. If the issue is oversubscribed, such additional preferential rights will also be exercisable pro rata to the existing holdings of the shareholders concerned and within the limits of their requests;
- ▶ resolve that if the entire amount of any issue is not taken up by shareholders using the above-mentioned rights, the Managing Partners may take the courses of action permitted by law, in the order of their choice, including offering all or part of the unsubscribed securities on the market;
- ▶ note that this authorisation automatically entails the waiver by shareholders of their preferential rights to subscribe for the shares to be issued on exercise of rights to shares attached to any securities issued pursuant to this resolution;
- ▶ note that any decision taken pursuant to this resolution to issue securities giving access to new shares to be issued by an entity in which the Company directly or indirectly owns over half of the share capital at the issue date shall require the approval of the shareholders of the entity concerned in an Extraordinary General Meeting;
- ▶ resolve that the Managing Partners shall have full powers to use this authorisation, and in particular to set all the terms and conditions of the issue(s) in accordance with the law and the applicable ceilings, place on record the resulting capital increases and amend the Company's Articles of Association accordingly;
- ▶ resolve that, for any debt securities issued using this authorisation, the Managing Partners shall have full powers to determine whether they will be subordinated or non-subordinated (and where appropriate, their ranking), and to set their interest rates, their term (the securities may be dated or undated), their redemption price (which may be fixed or variable and may or may not include a premium), their redemption methods based on market conditions, the basis on which the debt securities will give access to the share capital of the companies concerned, and all of the other applicable terms and conditions;
- ▶ resolve that the Managing Partners may only use this authorisation during a public offer for the Company's shares if they obtain specific prior approval from the Company's shareholders in a General Meeting;
- ▶ resolve that this authorisation is given to the Managing Partners for a period of twenty-six months as of the date of this meeting and that it cancels and supersedes the authorisation given in the eighth resolution of the 3 May 2013 Annual General Meeting.

TENTH RESOLUTION

AUTHORISATION TO BE GIVEN TO THE MANAGING PARTNERS, FOR A PERIOD OF TWENTY-SIX MONTHS, TO ISSUE BY MEANS OF A PUBLIC OFFER – WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS BUT WITH A PRIORITY RIGHT FOR AT LEAST FIVE TRADING DAYS – ORDINARY SHARES OF THE COMPANY AND/OR SECURITIES GIVING IMMEDIATE OR FUTURE ACCESS TO THE COMPANY'S SHARE CAPITAL AND/OR CARRYING IMMEDIATE OR FUTURE RIGHTS TO THE ALLOCATION OF DEBT SECURITIES, SUBJECT TO CEILINGS OF €160 MILLION FOR INCREASES IN SHARE CAPITAL AND €1.5 BILLION FOR DEBT SECURITIES ISSUED

Voting under the quorum and majority conditions required for Extraordinary General Meetings, and having considered the reports of the Managing Partners and the Supervisory Board and the special report of the Statutory Auditors, pursuant to the provisions of articles L. 225-129-2, L. 225-135 and L. 228-91 *et seq.* of the French Commercial Code, the shareholders:

- ▶ authorise the Managing Partners to issue, on one or more occasions – without preferential subscription rights but with a priority right – (i) ordinary shares of the Company, (ii) equity securities of the Company giving access to shares in the Company and/or carrying rights to the allocation of debt securities of the Company, (iii) debt securities of the Company that may or may not be governed by articles L. 228-91 *et seq.* of the French Commercial Code and which give access to new shares and may also give access to existing shares in the Company and/or carry rights to the allocation of debt securities of the Company, (iv) equity securities of the Company giving access to new or existing shares and/or carrying rights to the allocation of debt securities of entities in which the Company owns, directly, or indirectly, over half of the share capital at the issue date, and/or (v) equity securities of the Company giving access to existing shares and/or carrying rights to the allocation of debt securities of other entities. The Managing Partners shall have full discretionary powers to determine the amount and timing of such issue(s), which may be carried out in France or abroad;
- ▶ resolve that the aggregate nominal amount of any increases in share capital carried out pursuant to this authorisation – immediately or in the future – may not exceed one hundred and sixty million euros (€160,000,000) (about 20% of the current capital). This ceiling does not, however, include the nominal amount of any additional shares to be issued pursuant to the applicable laws, regulations and any contractual provisions to protect the rights of holders of securities giving access to the Company share capital;
- ▶ resolve that the aggregate nominal amount of the debt securities that may be issued under this authorisation may not exceed one billion five hundred million euros (€1,500,000,000) or the equivalent amount in the case of issues denominated in foreign currency or a monetary unit determined by reference to a basket of currencies;
- ▶ resolve to cancel shareholders' preferential rights to subscribe for the ordinary shares and/or other securities to be issued

under this authorisation, it being understood that the Managing Partners must grant the shareholders a priority right for at least five trading days to subscribe for the issue in accordance with the terms and conditions to be set by the Managing Partners in compliance with the applicable law and regulations;

- ▶ note that this authorisation automatically entails the waiver by shareholders of their preferential rights to subscribe for the shares to be issued on exercise of rights to shares attached to any securities issued pursuant to this resolution;
- ▶ note that any decision taken pursuant to this resolution to issue securities giving access to new shares to be issued by an entity in which the Company directly or indirectly owns over half of the share capital at the issue date shall require the approval of the shareholders of the entity concerned in an Extraordinary General Meeting;
- ▶ resolve that the issue price of ordinary shares to be issued under this authorisation shall not be less than the price provided for in the applicable regulations in force on the issue date (currently, the weighted average of the prices quoted for Lagardère SCA shares during the three trading days preceding the pricing date, less a potential maximum 5% discount);
- ▶ resolve that the issue price of securities giving immediate or future access to the Company's share capital shall be calculated such that the amount received by the Company at the time of issue plus any amounts it subsequently receives on exercise of the rights attached to the issued securities is at least equal to the minimum issue price provided for in the applicable regulations referred to above;
- ▶ resolve that the Managing Partners shall have full powers to use this authorisation, and in particular to set all the terms and conditions of the issue(s) in accordance with the law and the applicable ceilings, place on record the resulting capital increases and amend the Company's Articles of Association accordingly;
- ▶ resolve that, for debt securities issued pursuant to this resolution, the Managing Partners shall have full powers to determine whether they will be subordinated or non-subordinated (and where appropriate, their ranking), and to set their interest rates, their term (the securities may be dated or undated), their redemption price (which may be fixed or variable and may or may not include a premium), their redemption methods based on market conditions, the basis on which the debt securities will give access to the share capital of the companies concerned, and all of the other applicable terms and conditions;
- ▶ resolve that the Managing Partners may only use this authorisation during a public offer for the Company's shares if they obtain specific prior approval from the Company's shareholders in a General Meeting;
- ▶ resolve that this authorisation is given to the Managing Partners for a period of twenty-six months as of the date of this meeting and that it cancels and supersedes the authorisation given in the ninth resolution of the 3 May 2013 Annual General Meeting.

ELEVENTH RESOLUTION**AUTHORISATION TO BE GIVEN TO THE MANAGING PARTNERS, FOR A PERIOD OF TWENTY-SIX MONTHS, TO ISSUE BY MEANS OF A PUBLIC OFFER – WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS AND WITHOUT A PRIORITY RIGHT – ORDINARY SHARES OF THE COMPANY AND/OR SECURITIES GIVING IMMEDIATE OR FUTURE ACCESS TO THE COMPANY'S SHARE CAPITAL AND/OR CARRYING IMMEDIATE OR FUTURE RIGHTS TO THE ALLOCATION OF DEBT SECURITIES, SUBJECT TO CEILINGS OF €80 MILLION FOR INCREASES IN SHARE CAPITAL AND €1.5 BILLION FOR DEBT SECURITIES ISSUED**

Voting under the quorum and majority conditions required for Extraordinary General Meetings, and having considered the reports of the Managing Partners and the Supervisory Board and the special report of the Statutory Auditors, pursuant to the provisions of articles L. 225-129-2, L. 225-135 and L. 228-91 *et seq.* of the French Commercial Code, the shareholders:

- ▶ authorise the Managing Partners to issue, on one or more occasions – without preferential subscription rights and without a priority right – (i) ordinary shares of the Company, (ii) equity securities of the Company giving access to shares in the Company and/or carrying rights to the allocation of debt securities of the Company, (iii) debt securities of the Company that may or may not be governed by articles L. 228-91 *et seq.* of the French Commercial Code and which give access to new shares and may also give access to existing shares in the Company and/or carry rights to the allocation of debt securities of the Company, (iv) equity securities of the Company giving access to new or existing shares and/or carrying rights to the allocation of debt securities of entities in which the Company owns, directly, or indirectly, over half of the share capital at the issue date, and/or (v) equity securities of the Company giving access to existing shares and/or carrying rights to the allocation of debt securities of other entities. The Managing Partners shall have full discretionary powers to determine the amount and timing of such issue(s), which may be carried out in France or abroad;
- ▶ resolve that the aggregate nominal amount of any increases in share capital carried out pursuant to this authorisation – immediately or in the future – may not exceed eighty million euros (€80,000,000) (about 10% of the current capital). This ceiling does not, however, include the nominal amount of any additional shares to be issued pursuant to the applicable laws, regulations and any contractual provisions to protect the rights of holders of securities giving access to the Company share capital;
- ▶ resolve that the aggregate nominal amount of the debt securities that may be issued under this authorisation may not exceed one billion five hundred million euros (€1,500,000,000) or the equivalent amount in the case of issues denominated in foreign currency or a monetary unit determined by reference to a basket of currencies;
- ▶ resolve to cancel shareholders' preferential rights to subscribe for the ordinary shares and/or other securities to be issued under this authorisation;
- ▶ note that this authorisation automatically entails the waiver by shareholders of their preferential rights to subscribe for the shares to be issued on exercise of rights to shares attached to any securities issued pursuant to this resolution;
- ▶ note that any decision taken pursuant to this resolution to issue securities giving access to new shares to be issued by an entity in which the Company directly or indirectly owns over half of the share capital at the issue date shall require the approval of the shareholders of the entity concerned in an Extraordinary General Meeting;
- ▶ resolve that the issue price of ordinary shares to be issued under this authorisation shall not be less than the price provided for in the applicable regulations in force on the issue date (currently, the weighted average of the prices quoted for Lagardère SCA shares during the three trading days preceding the pricing date, less a potential maximum 5% discount);
- ▶ resolve that the issue price of securities giving immediate or future access to the Company's share capital shall be calculated such that the amount received by the Company at the time of issue plus any amounts it subsequently receives on exercise of the rights attached to the issued securities is at least equal to the minimum issue price provided for in the applicable regulations referred to above;
- ▶ resolve that the Managing Partners shall have full powers to use this authorisation, and in particular to set all the terms and conditions of the issue(s) in accordance with the law and the applicable ceilings, place on record the resulting capital increases and amend the Company's Articles of Association accordingly;
- ▶ resolve that, for debt securities issued pursuant to this resolution, the Managing Partners shall have full powers to determine whether they will be subordinated or non-subordinated (and where appropriate, their ranking), and to set their interest rates, their term (the securities may be dated or undated), their redemption price (which may be fixed or variable and may or may not include a premium), their redemption methods based on market conditions, the basis on which the debt securities will give access to the share capital of the companies concerned, and all of the other applicable terms and conditions;
- ▶ resolve that the Managing Partners may only use this authorisation during a public offer for the Company's shares if they obtain specific prior approval from the Company's shareholders in a General Meeting;
- ▶ Resolve that this authorisation is given to the Managing Partners for a period of twenty-six months as of the date of this meeting and that it cancels and supersedes the authorisation given in the tenth resolution of the 3 May 2013 Annual General Meeting.

TWELFTH RESOLUTION

AUTHORISATION TO BE GIVEN TO THE MANAGING PARTNERS, FOR A PERIOD OF TWENTY-SIX MONTHS, TO ISSUE BY MEANS OF A PRIVATE PLACEMENT AS REFERRED TO IN SECTION II OF ARTICLE L. 411-2 OF THE FRENCH MONETARY AND FINANCIAL CODE – WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS – ORDINARY SHARES OF THE COMPANY AND/OR SECURITIES GIVING IMMEDIATE OR FUTURE ACCESS TO THE COMPANY'S SHARE CAPITAL AND/OR CARRYING IMMEDIATE OR FUTURE RIGHTS TO THE ALLOCATION OF DEBT SECURITIES, SUBJECT TO CEILINGS OF €80 MILLION FOR INCREASES IN SHARE CAPITAL AND €1.5 BILLION FOR DEBT SECURITIES ISSUED

Voting under the quorum and majority conditions required for Extraordinary General Meetings, and having considered the reports of the Managing Partners and the Supervisory Board and the special report of the Statutory Auditors, pursuant to the provisions of articles L. 225-129-2, L. 225-135, L. 225-136 and L. 228-91 *et seq.* of the French Commercial Code, the shareholders:

- ▶ authorise the Managing Partners to issue, on one or more occasions, by means of a private placement as referred to in section II of article L. 411-2 of the French Monetary and Financial Code (i) ordinary shares of the Company, (ii) equity securities of the Company giving access to shares in the Company and/or carrying rights to the allocation of debt securities of the Company, (iii) debt securities of the Company that may or may not be governed by articles L. 228-91 *et seq.* of the French Commercial Code and which give access to new shares and may also give access to existing shares in the Company and/or carry rights to the allocation of debt securities of the Company, (iv) equity securities of the Company giving access to new or existing shares and/or carrying rights to the allocation of debt securities of entities in which the Company owns, directly, or indirectly, over half of the share capital at the issue date, and/or (v) equity securities of the Company giving access to existing shares and/or carrying rights to the allocation of debt securities of other entities. The Managing Partners shall have full discretionary powers to determine the amount and timing of such issue(s), which may be carried out in France or abroad;
- ▶ resolve that the aggregate nominal amount of any increases in share capital carried out pursuant to this authorisation – immediately or in the future – may not exceed eighty million euros (€80,000,000) (about 10% of the current capital). This ceiling does not, however, include the nominal amount of any additional shares to be issued pursuant to the applicable laws, regulations and any contractual provisions to protect the rights of holders of securities giving access to the Company share capital;
- ▶ resolve that the aggregate nominal amount of the debt securities that may be issued under this authorisation may not exceed one billion five hundred million euros (€1,500,000,000) or the equivalent amount in the case of issues denominated in foreign currency or a monetary unit determined by reference to a basket of currencies;
- ▶ resolve to cancel shareholders' preferential rights to subscribe for the ordinary shares and/or other securities to be issued under this authorisation;
- ▶ note that this authorisation automatically entails the waiver by shareholders of their preferential rights to subscribe for the shares to be issued on exercise of rights to shares attached to any securities issued pursuant to this resolution;
- ▶ note that any decision taken pursuant to this resolution to issue securities giving access to new shares to be issued by an entity in which the Company directly or indirectly owns over half of the share capital at the issue date shall require the approval of the shareholders of the entity concerned in an Extraordinary General Meeting;
- ▶ resolve that the issue price of ordinary shares to be issued under this authorisation shall not be less than the price provided for in the applicable regulations in force on the issue date (currently, the weighted average of the prices quoted for Lagardère SCA shares during the three trading days preceding the pricing date, less a potential maximum 5% discount);
- ▶ resolve that the issue price of securities giving immediate or future access to the Company's share capital shall be calculated such that the amount received by the Company at the time of issue plus any amounts it subsequently receives on exercise of the rights attached to the issued securities is at least equal to the minimum issue price provided for in the applicable regulations referred to above;
- ▶ resolve that the Managing Partners shall have full powers to use this authorisation, and in particular to set all the terms and conditions of the issue(s) in accordance with the law and the applicable ceilings, place on record the resulting capital increases and amend the Company's Articles of Association accordingly;
- ▶ resolve that, for debt securities issued pursuant to this resolution, the Managing Partners shall have full powers to determine whether they will be subordinated or non-subordinated (and where appropriate, their ranking), and to set their interest rates, their term (the securities may be dated or undated), their redemption price (which may be fixed or variable and may or may not include a premium), their redemption methods based on market conditions, the basis on which the debt securities will give access to the share capital of the companies concerned, and all of the other applicable terms and conditions;
- ▶ resolve that the Managing Partners may only use this authorisation during a public offer for the Company's shares if they obtain specific prior approval from the Company's shareholders in a General Meeting;
- ▶ resolve that this authorisation is given to the Managing Partners for a period of twenty-six months as of the date of this meeting and that it cancels and supersedes the authorisation given in the eleventh resolution of the 3 May 2013 Annual General Meeting.

THIRTEENTH RESOLUTION

AUTHORISATION TO BE GIVEN TO THE MANAGING PARTNERS TO ISSUE ADDITIONAL SECURITIES IN THE EVENT THAT AN ISSUE IS OVERSUBSCRIBED, SUBJECT TO THE CEILINGS APPLICABLE TO THE ORIGINAL ISSUE

Voting under the quorum and majority conditions required for Extraordinary General Meetings, and having considered the reports of the Managing Partners and the Supervisory Board and the special report of the Statutory Auditors, pursuant to the provisions of article L. 225-135-1 of the French Commercial Code, the shareholders:

- ▶ authorise the Managing Partners to increase the number of ordinary shares and/or other securities issued pursuant to the eighth, ninth, tenth, eleventh or twelfth resolutions in the event that an issue is oversubscribed. The additional securities must be issued within 30 days of the close of the subscription period for the original issue, at the same price and in accordance with the same terms and conditions as for the original issue. They will be subject to the same ceilings as applicable under the resolution used to carry out the original issue and may not exceed 15% of the original issue amount;
- ▶ resolve that this authorisation is given to the Managing Partners for a period of twenty-six months as of the date of this meeting and that it cancels and supersedes the authorisation given in the twelfth resolution of the 3 May 2013 Annual General Meeting.

FOURTEENTH RESOLUTION

AUTHORISATION TO BE GIVEN TO THE MANAGING PARTNERS, FOR A PERIOD OF TWENTY-SIX MONTHS, TO ISSUE – WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS – ORDINARY SHARES OF THE COMPANY AND/OR SECURITIES GIVING IMMEDIATE OR FUTURE ACCESS TO THE COMPANY'S SHARE CAPITAL AND/OR CARRYING IMMEDIATE OR FUTURE RIGHTS TO THE ALLOCATION OF DEBT SECURITIES AS CONSIDERATION FOR SECURITIES TENDERED AS PART OF A PUBLIC EXCHANGE OFFER OR A CONTRIBUTION IN KIND, SUBJECT TO CEILINGS OF €80 MILLION FOR INCREASES IN SHARE CAPITAL AND €1.5 BILLION FOR DEBT SECURITIES ISSUED

Voting under the quorum and majority conditions required for Extraordinary General Meetings, and having considered the reports of the Managing Partners and the Supervisory Board and the special report of the Statutory Auditors, pursuant to the provisions of article L. 225-129-2, L. 225-135 and L. 228-91 *et seq.* of the French Commercial Code, the shareholders:

- ▶ authorise the Managing Partners to issue, on one or more occasions, in accordance with article L. 225-148 of the French Commercial Code (i) ordinary shares of the Company, (ii) equity securities of the Company giving access to shares in the Company and/or carrying rights to the allocation of debt

securities of the Company, (iii) debt securities of the Company that may or may not be governed by articles L. 228-91 *et seq.* of the French Commercial Code and which give access to new shares and may also give access to existing shares in the Company and/or carry rights to the allocation of debt securities of the Company, (iv) equity securities of the Company giving access to new or existing shares and/or carrying rights to the allocation of debt securities of entities in which the Company owns, directly, or indirectly, over half of the share capital at the issue date, and/or (v) equity securities of the Company giving access to existing shares and/or carrying rights to the allocation of debt securities of other entities, as consideration for securities tendered as part of a public exchange offer for securities in companies whose shares are admitted to trading on a regulated market of a country that is either party to the European Economic Area agreement or a member of the Organisation for Economic Cooperation and Development. The Managing Partners shall have full discretionary powers to determine the amount and timing of such issue(s), which may be carried out in France or abroad;

- ▶ authorise the Managing Partners to issue, on one or more occasions, in accordance with article L. 225-147 of the French Commercial Code (i) ordinary shares of the Company, (ii) equity securities of the Company giving access to shares in the Company and/or carrying rights to the allocation of debt securities of the Company, (iii) debt securities of the Company that may or may not be governed by articles L. 228-91 *et seq.* of the French Commercial Code and which give access to new shares and may also give access to existing shares in the Company and/or carry rights to the allocation of debt securities of the Company, (iv) equity securities of the Company giving access to new or existing shares and/or carrying rights to the allocation of debt securities of entities in which the Company owns, directly, or indirectly, over half of the share capital at the issue date, and/or (v) equity securities of the Company giving access to existing shares and/or carrying rights to the allocation of debt securities of other entities, as consideration for a contribution in kind involving shares in another company or securities giving access to another company's share capital. The Managing Partners shall have full discretionary powers to determine the amount and timing of such issue(s), which may be carried out in France or abroad. This paragraph does not apply to public exchange offers as referred to in article L. 225-148 of the French Commercial Code;
- ▶ resolve that the aggregate nominal amount of any increases in share capital carried out pursuant to this authorisation – immediately or in the future – may not exceed eighty million euros (€80,000,000) (about 10% of the current capital). This ceiling does not, however, include the nominal amount of any additional shares to be issued pursuant to the applicable laws, regulations and any contractual provisions to protect the rights of holders of securities giving access to the Company's share capital;

- ▶ resolve that the aggregate nominal amount of the debt securities that may be issued under this authorisation may not exceed one billion five hundred million euros (€1,500,000,000) or the equivalent amount in the case of issues denominated in foreign currency or a monetary unit determined by reference to a basket of currencies;
- ▶ resolve to cancel shareholders' preferential rights to subscribe for the ordinary shares and/or other securities to be issued under this authorisation;
- ▶ note that this authorisation automatically entails the waiver by shareholders of their preferential rights to subscribe for the shares to be issued on exercise of rights to shares attached to any securities issued pursuant to this resolution;
- ▶ note that any decision taken pursuant to this resolution to issue securities giving access to new shares to be issued by an entity in which the Company directly or indirectly owns over half of the share capital at the issue date shall require the approval of the shareholders of the entity concerned in an Extraordinary General Meeting;
- ▶ resolve that the Managing Partners shall have full powers to use this authorisation, and in particular to set all the terms and conditions of the issue(s) in accordance with the law and the applicable ceilings, place on record the resulting capital increases and amend the Company's Articles of Association accordingly;
- ▶ resolve that, for debt securities issued pursuant to this resolution, the Managing Partners shall have full powers to determine whether they will be subordinated or non-subordinated (and where appropriate, their ranking), and to set their interest rates, their term (the securities may be dated or undated), their redemption price (which may be fixed or variable and may or may not include a premium), their redemption methods based on market conditions, the basis on which the debt securities will give access to the share capital of the companies concerned, and all of the other applicable terms and conditions;
- ▶ resolve that the Managing Partners may only use this authorisation during a public offer for the Company's shares if they obtain specific prior approval from the Company's shareholders in a General Meeting;
- ▶ resolve that this authorisation is given to the Managing Partners for a period of twenty-six months as of the date of this meeting and that it cancels and supersedes the authorisation given in the thirteenth resolution of the 3 May 2013 Annual General Meeting.

FIFTEENTH RESOLUTION

OVERALL CEILINGS OF €80 MILLION, €300 MILLION AND €1.5 BILLION ON THE TOTAL AMOUNTS OF CAPITAL INCREASES AND ISSUES OF DEBT SECURITIES RESULTING FROM THE AUTHORISATIONS IN THE PRECEDING RESOLUTIONS

Voting under the quorum and majority conditions required for Extraordinary General Meetings, and having considered the reports

of the Managing Partners and the Supervisory Board, as a consequence of the adoption of the eighth, ninth, tenth, eleventh, twelfth, thirteenth and fourteenth resolutions, the shareholders:

- ▶ resolve that the aggregate nominal amount of any increases in share capital carried out immediately or in the future – without preferential subscription rights and without a priority right, pursuant to the authorisations given to the Managing Partners in the eleventh, twelfth and fourteenth resolutions – may not exceed eighty million euros (€80,000,000) (about 10% of the current capital). This ceiling does not, however, include the nominal amount of any additional shares to be issued pursuant to the applicable laws, regulations and any contractual provisions, to protect the rights of holders of securities giving access to the Company's share capital;
- ▶ resolve that the aggregate nominal amount of any increases in share capital carried out immediately or in the future – with preferential subscription rights or with a priority right, pursuant to the authorisations given to the Managing Partners in the ninth and tenth resolutions – may not exceed three hundred million euros (€300,000,000) (about 37.5% of the current capital). This ceiling does not, however, include the nominal amount of any additional shares to be issued pursuant to the applicable laws, regulations and any contractual provisions, to protect the rights of holders of securities giving access to the Company's share capital;
- ▶ resolve that the aggregate nominal amount of any debt securities issued under the authorisations given to the Managing Partners in the eighth, ninth, tenth, eleventh, twelfth and fourteenth resolutions may not exceed one billion five hundred million euros (€1,500,000,000) or the equivalent amount in the case of issues denominated in foreign currency or a monetary unit determined by reference to a basket of currencies.

SIXTEENTH RESOLUTION

AUTHORISATION TO BE GIVEN TO THE MANAGING PARTNERS, FOR A PERIOD OF TWENTY-SIX MONTHS, TO INCREASE THE COMPANY'S SHARE CAPITAL BY CAPITALISING RESERVES, PROFIT OR SHARE PREMIUMS AND ISSUING BONUS SHARES OR INCREASING THE PAR VALUE OF EXISTING SHARES, SUBJECT TO A CEILING OF €300 MILLION

Voting under the quorum and majority conditions required for Ordinary General Meetings, and having considered the reports of the Managing Partners and the Supervisory Board, pursuant to the provisions of articles L. 225-129-2 and L. 225-130 of the French Commercial Code, the shareholders:

- ▶ authorise the Managing Partners to increase the Company's share capital, on one or more occasions, by capitalising reserves, profit or share premiums and issuing bonus shares and/or increasing the par value of existing shares. The Managing Partners shall have full discretionary powers to determine the amount and timing of said capital increase(s);

- ▶ resolve that the aggregate nominal amount of any increases in share capital carried out pursuant to this authorisation – immediately or in the future – may not exceed three hundred million euros (€300,000,000) (about 37.5% of the current capital). This ceiling is separate from the ceilings set in the fifteenth resolution and does not include the nominal amount of any additional shares to be issued pursuant to the applicable laws, regulations and any contractual provisions, to protect the rights of holders of securities giving access to the Company's share capital;
 - ▶ resolve that if the Managing Partners use this authorisation, any rights to fractions of shares shall be non-transferrable and non-tradable and the corresponding shares shall be sold, with the sale proceeds allocated among the rights holders, within the timeframes and in accordance with the conditions provided for in the applicable regulations;
 - ▶ resolve that the Managing Partners shall have full powers to use this authorisation, and in particular to set all the terms and conditions of the issue(s) in accordance with the law and the applicable ceilings, place on record the resulting capital increases and amend the Company's Articles of Association accordingly;
 - ▶ resolve that the Managing Partners may only use this authorisation during a public offer for the Company's shares if they obtain specific prior approval from the Company's shareholders in a General Meeting;
 - ▶ resolve that this authorisation is given to the Managing Partners for a period of twenty-six months as of the date of this meeting and that it cancels and supersedes the authorisation given in the fifteenth resolution of the 3 May 2013 Annual General Meeting.
- ▶ resolve that the total number of ordinary shares that may be issued under this authorisation – immediately or in the future – may not represent more than 0.5% of the Company's outstanding share capital in any given year. This ceiling does not, however, include the nominal amount of any additional shares to be issued pursuant to the applicable laws, regulations and any contractual provisions, to protect the rights of holders of securities giving access to the Company's share capital;
 - ▶ resolve to cancel shareholders' preferential rights to subscribe for the shares and/or other securities to be issued in favour of employees of the Company and/or of entities or groups related to it within the meaning of article L. 225-180 of the French Commercial Code who are members of a corporate savings scheme;
 - ▶ resolve that the subscription price of the ordinary shares that may be issued under this authorisation may not exceed the average of the prices quoted for Lagardère SCA shares in the twenty trading days preceding the date of the Managing Partners' decision setting the start date of the subscription period, and may not be more than 20% lower than this average, or more than 30% lower than this average if the minimum holding period provided for in the savings scheme in accordance with articles L. 3332-25 and L. 3332-26 of the French Labour Code is ten years or more;
 - ▶ authorise the Managing Partners – in accordance with article L. 3332-21 of the French Labour Code – to award, free of consideration, ordinary shares of the Company and/or other securities giving access to the Company's share capital, to employees of the Company and/or of entities or groups related to it within the meaning of article L. 225-180 of the French Commercial Code who are members of a corporate savings scheme;
 - ▶ resolve that the Managing Partners shall have full powers to use this authorisation, and particularly, subject to the above ceilings and the conditions set by law to:
 - draw up a list of the entities and groups whose employees are eligible for the issues,
 - set the eligibility conditions for the issues, particularly in terms of seniority,
 - decide whether the shares and/or other securities issued may be subscribed for individually by employees or through a company mutual fund or another structure or entity recognised by applicable legal or regulatory provisions,
 - set the terms and conditions of the issues and awards and, in particular, set the number of ordinary shares and/or other securities to be issued, as well as the issue price and the start and end dates of the subscription periods,
 - for awards of free shares or securities giving access to the Company's share capital, either (i) use these shares or securities to replace, in full or in part, the maximum discounts provided for above for the purpose of determining the subscription price of shares purchased by corporate savings scheme members, or (ii) offset the value of these shares or securities against the employer's contribution to the corporate savings scheme, or (iii) use a combination of both of these possibilities,

SEVENTEENTH RESOLUTION

AUTHORISATION TO BE GIVEN TO THE MANAGING PARTNERS, FOR A PERIOD OF TWENTY-SIX MONTHS, TO ISSUE – WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS – ORDINARY SHARES OF THE COMPANY AND/OR SECURITIES GIVING ACCESS TO THE COMPANY'S SHARE CAPITAL, TO EMPLOYEES WITHIN THE SCOPE OF CORPORATE SAVINGS SCHEMES, PROVIDED THAT SUCH ISSUES DO NOT REPRESENT MORE THAN 0.5% OF THE COMPANY'S OUTSTANDING SHARE CAPITAL IN ANY GIVEN YEAR

Voting under the quorum and majority conditions required for Extraordinary General Meetings, and having considered the reports of the Managing Partners and the Supervisory Board and the special report of the Statutory Auditors, pursuant to the provisions of articles L. 225-129-2, L. 225-129-6, L. 225-138, L. 225-138-1 and L. 228-91 *et seq.* of the French Commercial Code and article L. 3332-18 *et seq.* of the French Labour Code, the shareholders:

- ▶ authorise the Managing Partners to increase the Company's share capital, on one or more occasions, through the issue of ordinary shares and/or securities giving immediate or future access to the Company's share capital. The Managing Partners shall have full discretionary powers to determine the amount and timing of such issue(s), which may be carried out in France or abroad;

- place on record the resulting capital increases and amend the Company's Articles of Association accordingly,
- in general, do whatever may be appropriate or necessary for carrying out any issues decided on pursuant to this resolution;
- ▶ resolve that this authorisation is given to the Managing Partners for a period of twenty-six months as of the date of this meeting and that it cancels and supersedes the authorisation given in the nineteenth resolution of the 3 May 2013 Annual General Meeting.

EIGHTEENTH RESOLUTION

HARMONISATION AND/OR AMENDMENT OF ARTICLES 13.3, 14 AND 19.3 OF THE COMPANY'S ARTICLES OF ASSOCIATION

Voting under the quorum and majority conditions required for Extraordinary General Meetings, and having considered the reports of the Managing Partners and the Supervisory Board, the shareholders:

- ▶ resolve to delete the third paragraph of article 13.3 of the Articles of Association relating to meetings of the Supervisory Board, which currently reads as follows:
"The managing partner or partners are invited to the meetings, which they attend in an advisory capacity only";
- ▶ resolve to delete paragraph 6° of article 14 of the Articles of Association relating to the powers of the Supervisory Board, which currently reads as follows:

"As an exception to the provisions of paragraph 2° above, ARCO's Chairman and general managers shall be deemed to have been approved for a term limited to the end of the financial year following the financial year during which Mr. Jean-Luc Lagardère ceases to hold office as sole managing partner, through death or incapacity";

- ▶ resolve to amend the first paragraph of article 19.3 of the Articles of Association relating to general meetings of shareholders, to read as follows:

"Each shareholder has the right to attend general meetings and to take part in the deliberations, either personally or through a proxy, subject to providing proof of their identity and to submitting evidence of the registration of their shares in the nominative shareholders' accounts kept by the Company – either in their own name or in the name of the authorised intermediary acting on their behalf in accordance with the seventh paragraph of article L.228-1 of the French Commercial Code – at 00:00 hours, Paris time, on the second working day preceding the meeting."

NINETEENTH RESOLUTION

POWERS FOR FORMALITIES

Voting under the quorum and majority conditions required for Ordinary General Meetings, and having considered the reports of the Managing Partners and the Supervisory Board, the shareholders grant full powers to the bearer of an original, a certified copy or a certified extract of the minutes of this meeting to fulfil the necessary formalities.

Lagardère

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and the Corporate Communications Department**

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