



(a limited partnership with shares established in the Republic of France)

€500,000,000 2.00 per cent. bonds due 2019

Issue price: 99.981 per cent.

The €500,000,000 aggregate principal amount of 2.00 per cent. bonds due 2019 (the “**Bonds**”, and each a “**Bond**”) of Lagardère SCA (the “**Issuer**”) will be issued outside the Republic of France on 19 September 2014 (the “**Issue Date**”) in the denomination of €100,000 each.

Each Bond will bear interest on its principal amount from (and including) the Issue Date to (but excluding) 19 September 2019 at a fixed rate of 2.00 per cent. *per annum* payable annually in arrear on 19 September in each year and commencing on 19 September 2015, as further described in “Terms and Conditions of the Bonds – Interest” of this prospectus (the “**Prospectus**”).

Unless previously purchased and cancelled, the Bonds will be redeemed at par on 19 September 2019 (the “**Maturity Date**”). The Issuer may, at its option, and in certain circumstances must, redeem all (but not less than all) of the Bonds at any time at par plus accrued interest in the event of certain tax changes, as further described in “Terms and Conditions of the Bonds – Redemption for Taxation Reasons”. The Bonds may also be redeemed (i) at the option of the Issuer, in whole or in part during the period starting on (and including) 19 June 2019 and ending on (but excluding) the Maturity Date, in accordance with Condition 5(E) “Pre-Maturity Call Option” of the Terms and Conditions of the Bonds and (ii) in whole or in part, at any time or from time to time, prior to their Maturity Date, in accordance with Condition 5(D) “Make Whole Redemption by the Issuer” of the Terms and Conditions of the Bonds.

In addition, each Bondholder (as defined in the “Terms and Conditions of the Bonds – Interests”) may, at its option, in the event of a Change of Control, request from the Issuer the redemption of some or all of the Bonds held by it at their principal amount plus accrued interest, as further described in “Terms and Conditions of the Bonds - Redemption at the option of Bondholders following a Change of Control”.

Application has been made to the *Commission de Surveillance du Secteur Financier* (the “**CSSF**”) in its capacity as competent authority under the Luxembourg Act dated 10 July 2005, as amended by the Luxembourg Act dated 3 July 2012 relating to prospectuses for securities (the “**Luxembourg Prospectus Act**”), for the approval of this Prospectus for the purposes of Directive 2003/71/EC as amended by Directive 2010/73/EU (the “**Prospectus Directive**”). References in this Prospectus to the “Prospectus Directive” shall include any relevant implementing measure in the relevant Member State of the European Economic Area. This Prospectus constitutes a prospectus for the purposes of Article 5.3 of the Prospectus Directive. Application has also been made to the Luxembourg Stock Exchange for the Bonds to be listed on the official list of the Luxembourg Stock Exchange (the “**Official List**”) and to be admitted to trading on the Luxembourg Stock Exchange’s regulated market. References in this Prospectus to the Bonds being “listed” (and all related references) shall mean that the Bonds have been admitted to the Official List and admitted to trading on the Luxembourg Stock Exchange’s regulated market. The Luxembourg Stock Exchange’s regulated market is a regulated market for the purposes of Directive 2004/39/EC. Pursuant to Article 7(7) of the Luxembourg Prospectus Act, by approving this Prospectus, the CSSF gives no undertaking as to the economic and financial soundness of the Bonds to be issued hereunder and the quality or solvency of the Issuer.

The Bonds will be issued in dematerialised bearer form (*au porteur*). Title to the Bonds will be evidenced in accordance with Articles L.211-3 and R. 211-1 of the French *Code monétaire et financier* by book-entries (*inscription en compte*) in the books of account holders. No physical document of title (including *certificats représentatifs* pursuant to Article R. 211-7 of the French *Code monétaire et financier*) will be issued in respect of the Bonds. The Bonds will, upon issue, be inscribed in the books of Euroclear France, which shall credit the accounts of the account holders, as set out in “Terms and Conditions of the Bonds - Form, Denomination and Title”.

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (“**Regulation S**”)) unless the Bonds are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available. The Bonds may be offered or sold only outside the United States to persons who are not U.S. persons in offshore transactions in reliance on Regulation S.

The Bonds are not expected to be assigned a rating.

An investment in the Bonds involves certain risks. Potential investors should review all the information contained or incorporated by reference in this document and, in particular, the information set out in the section entitled “Risk Factors” before making a decision to invest in the Bonds.

GLOBAL COORDINATORS AND JOINT LEAD MANAGERS

J.P. MORGAN

NATIXIS

JOINT LEAD MANAGERS

BARCLAYS

CITIGROUP

COMMERZBANK

CRÉDIT AGRICOLE CIB

MEDIOBANCA

**SOCIÉTÉ GÉNÉRALE CORPORATE &
INVESTMENT BANKING**

RESPONSIBILITY STATEMENT

As of the date of this Prospectus, to the best of the knowledge of the Issuer, having taken all reasonable care to ensure that such is the case, the information contained or incorporated by reference in this Prospectus is in accordance with the facts and makes no omission likely to affect the import of such information. The Issuer accepts responsibility for the information contained in this Prospectus accordingly.

IMPORTANT NOTICES

This Prospectus is to be read in conjunction with all documents which are incorporated herein by reference (see “Documents Incorporated by Reference”). This Prospectus shall be read and construed on the basis that such documents are incorporated in, and form part of, this Prospectus.

*This Prospectus comprises a prospectus for the purposes of the Prospectus Directive and for the purpose of giving information with regard to the Issuer, the Issuer and its consolidated subsidiaries taken as a whole as at the date of this Prospectus (the “**Lagardère Group**”) and the Bonds which according to the particular nature of the Issuer and the Bonds, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer.*

Certain information contained in this Prospectus and/or documents incorporated herein by reference has been extracted from sources specified in the sections where such information appears. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by the above sources, no facts have been omitted which would render the information reproduced inaccurate or misleading.

The Joint Lead Managers (as defined under “Subscription and Sale”) have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Joint Lead Managers or any of their affiliates as to the accuracy or completeness of the information contained or incorporated in this Prospectus or any other information provided by the Issuer in connection with the issue and sale of the Bonds.

In connection with the issue and sale of the Bonds, no person is or has been authorised by the Issuer or the Joint Lead Managers or any of their affiliates to give any information or to make any representation other than those contained in this Prospectus and if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Joint Lead Managers or any of their affiliates.

Neither the delivery of this Prospectus nor the offering, sale or delivery of any Bonds shall in any circumstances imply that the information contained herein is correct at any time subsequent to the date hereof, nor does the Issuer undertake to update this Prospectus except as may be required by applicable law or regulations. The Joint Lead Managers do not undertake to review the financial condition or affairs of the Issuer during the life of the Bonds or to advise any investor in the Bonds of any information coming to their attention. Investors should review, inter alia, the documents incorporated by reference into this Prospectus when deciding whether or not to subscribe for or to purchase any Bonds.

Neither this Prospectus nor any other information supplied in connection with the issue and sale of the Bonds (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or any of the Joint Lead Managers that any recipient of this Prospectus should purchase any Bonds. Neither this Prospectus nor any other information supplied in connection with the issue and sale of the Bonds constitutes an offer or invitation by or on behalf of the Issuer or any of the Joint Lead Managers to any person to subscribe for or to purchase any Bonds.

In making an investment decision regarding the Bonds, prospective investors should rely on their own independent investigation and appraisal of (a) the Issuer, its business, its financial condition and affairs and (b) the terms of the offering, including the merits and risks involved. The contents of this Prospectus are not to be construed as legal, business or tax advice. Each prospective investor should consult its own advisers as to legal, tax, financial, credit and related aspects of an investment in the Bonds. Potential investors should, in particular, read carefully the section entitled “Risk Factors” set out below before making a decision to invest in the Bonds.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Bonds in any jurisdiction where, or to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of Bonds may be restricted by law in certain jurisdictions. The Issuer and the Joint Lead Managers do not represent that this Prospectus may be lawfully distributed, or that any

Bonds may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Joint Lead Managers which would permit a public offering of any Bonds or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Bonds may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Bonds may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Bonds. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Bonds in the United States, the United Kingdom and France (see “Subscription and Sale”).

*The Bonds have not been and will not be registered under the Securities Act and, except pursuant to an exemption from such registration, may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (“**Regulation S**”)).*

In this Prospectus, unless otherwise specified or the context requires, references to “Euro”, “EUR” and “€” are to the single currency of the participating member states of the European Economic and Monetary Union.

In connection with the issue of the Bonds, Natixis (the “Stabilising Manager”) (or any person acting on behalf of any Stabilising Manager) may over-allot Bonds or effect transactions with a view to supporting the market price of the Bonds at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or any persons acting on behalf of any Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Bonds is made and, if begun, may be ended at any time, but it must end no later than the earlier of thirty (30) days after the issue date of the Bonds and sixty (60) days after the date of the allotment of the Bonds. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager (or any person acting on behalf of any Stabilising Manager) in accordance with all applicable laws and rules.

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RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Bonds. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with the Bonds are also described below.

The Issuer believes that the factors described below currently represent the principal risks inherent in investing in the Bonds, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with the Bonds for other reasons and the Issuer does not represent that the statements below regarding the risks of holding the Bonds are exhaustive. Additional risk factors not currently known or which the Issuer currently deems not material based on information currently available to it may also affect the Issuer's business and financial condition or the Bonds. Prospective investors should also read the detailed information set out elsewhere in this Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.

1. RISK FACTORS RELATING TO THE ISSUER

See page 9, section “Documents incorporated by reference”, rule 3.

2. RISK FACTORS RELATING TO THE BONDS

The Bonds may not be a suitable investment for all investors.

Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its own financial situation, an investment in the Bonds and the impact that any such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear the risks of an investment in the Bonds, including any currency exchange risk due to the fact that the potential investor's currency is not Euro;
- (iv) understand thoroughly the terms of the Bonds and be familiar with the behaviour of the financial markets and any relevant indices;
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks of such investment; and
- (vi) consult its own advisers as to legal, tax, accounting, regulatory and related aspects of an investment in the Bonds.

Risks related to the structure of the Bonds.

An early redemption of the Bonds may result in a yield that is lower than anticipated.

An early redemption feature of Bonds is likely to affect their market value. During any period when the Issuer may elect or be obliged to redeem Bonds in accordance with Condition 5(B) “Terms and Conditions of the Bonds -

Redemption for Taxation Reasons”, Condition 5(D) "Terms and Conditions of the Bonds – Make Whole Redemption by the Issuer" or Condition 5(E) " Terms and Conditions of the Bonds – Pre-Maturity Call Option", the market value of those Bonds generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period.

An investor may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Bonds being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider investment risk in light of other investments available at that time.

Interest rate risk on the Bonds

Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.

The exercise of the Change of Control Put Option in respect of a significant number of Bonds may affect the liquidity of the Bonds in respect of which such Put Option is not exercised

Depending on the number of Bonds in respect of which the Put Option (as defined in “Terms and Conditions of the Bonds”) is exercised in conjunction, if applicable, with any Bonds purchased by the Issuer and cancelled, any trading market of the then outstanding Bonds may become less liquid or illiquid.

Risks related to the market generally.

An active trading market for the Bonds may not develop

The Bonds are new securities for which there is currently no established trading market. There can be no assurance that an active or liquid trading market for the Bonds will develop, or, if one does develop, that it will be maintained. If an active trading market for the Bonds does not develop or is not maintained, the liquidity and the market or trading price of the Bonds may be adversely affected.

Application has been made to the Luxembourg Stock Exchange for the Bonds to be listed on the official list of the Luxembourg Stock Exchange and to be admitted to trading on the Luxembourg Stock Exchange’s regulated market.

The trading market for the Bonds may be volatile and may be adversely impacted by many events

The secondary market for debt securities is influenced by economic and market conditions and, to varying degrees, interest rates, currency exchange rates and inflation rates in other European and other industrialised countries. There can be no assurance that events in France, Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of the Bonds or that economic and market conditions will not have any other adverse effect. Developments and changes in securities analysts’ recommendations regarding the sectors in which the Issuer operates may also influence and bring volatility to the market price of the Bonds.

The value of the Bonds may go down as well as up and an investor may not be able to sell the Bonds for the amount invested in them.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Bonds in Euro. This presents certain risk relating to currency conversions if an investor’s financial activities are denominated principally in a currency unit (the “**Investor’s Currency**”) other than the Euro. These include the risk that exchange rate may significantly change (including changes due to devaluation of the Euro or revaluation of the Investor’s Currency) and the risk that authorities with jurisdiction over the Investor’s Currency may impose or modify exchange controls. An appreciation in the value of the Investor’s Currency relative to the Euro would decrease (1) the Investor’s Currency-equivalent yield on the Bonds, (2) the Investor’s Currency-equivalent value of the principal payable on the Bonds and (3) the Investor’s Currency-equivalent market value of the Bonds.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate, the market price of the Bonds or certain investors’ right to receive interest or principal on the Bonds.

Risks related to the Bonds generally.

Modification and waiver

The Conditions of the Bonds contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to a simple

majority.

No voting rights

The Bonds do not give the Bondholders the right to vote at meetings of the shareholders of the Issuer.

No limitation on issuing debt

There is no restriction in the Bonds on the amount of debt which the Issuer may incur. Any such further debt may reduce the amount recoverable by the Bondholders upon liquidation or insolvency of the Issuer.

The proposed European financial transactions tax ("FTT")

The European Commission has published a draft Directive relating to the implementation of a FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**Participating Member States**").

The proposed FTT has a very broad scope, and could, if introduced in its current draft form, apply to certain dealings in the Bonds (including secondary market transactions) in certain circumstances. The proposed FTT would impose a charge at generally not less than 0.1 per cent. of the sale price on such transactions or the market price of the relevant securities, whichever is higher.

The FTT could apply to persons both within and outside of the Participating Member States.

The FTT proposal remains subject to discussions between the Participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional Member States may decide to participate. Prospective holders of the Bonds are advised to seek their own professional advice in relation to the FTT.

Taxation

Potential purchasers and sellers of the Bonds should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Bonds are transferred or other jurisdictions, or in accordance with any applicable double tax treaty. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for financial notes such as the Bonds. Potential investors are advised not to rely upon the tax summary contained in this Prospectus but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, remuneration, sale and redemption of the Bonds. Only these advisors are in a position to duly consider the specific situation of the potential investor. This paragraph has to be read in conjunction with the taxation section of this Prospectus.

EU Savings Directive

On 3 June 2003, the European Council of Economics and Finance Ministers adopted a directive 2003/48/EC regarding the taxation of savings income in the form of interest payments (the "**Directive**"). The Directive requires Member States, subject to a number of conditions being met, to provide to the tax authorities of other Member States details of payments of interest and other similar income made by a paying agent located within their jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State, except that, for a transitional period, Luxembourg and Austria will instead withhold an amount on interest payments unless the relevant beneficial owner of such payment elects otherwise and either authorises the paying agent to disclose the above information or presents to his paying agent a certificate drawn in the name of a competent authority of his Member State of residence (see "Taxation – EU Taxation").

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Bond as a result of the imposition of such withholding tax. If a withholding tax is imposed on a payment made by a Paying Agent, the Issuer will be required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Directive.

In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Directive. On 18 March 2014, the Luxembourg government submitted to the parliament a draft bill aiming at implementing such changes into Luxembourg tax law.

On 24 March, 2014, the Council of the European Union adopted a directive amending the Directive (the “**Amending Savings Directive**”) strengthening European Union rules on the exchange of information on savings income in order to enable the Member States to better clamp down on tax fraud and tax evasion. The Amending Savings Directive would amend or broaden the scope of the requirements described above. It would in particular enlarge the scope of the Directive to cover new types of savings income and products that generate interest or equivalent income and the scope of the tax authorities requirements to be complied with. The Member States would have until 1st January, 2016 to adopt the national legislation necessary to comply with the Amending Savings Directive.

French insolvency law

Under French insolvency law, holders of debt securities (such as bonds or notes) are automatically grouped into a single assembly of holders (the “**Assembly**”) in order to defend their common interests if a preservation procedure (*procédure de sauvegarde*), an accelerated preservation procedure (*procédure de sauvegarde accélérée*), an accelerated financial preservation procedure (*procédure de sauvegarde financière accélérée*) or a judicial reorganisation procedure (*procédure de redressement judiciaire*) is opened in France with respect to the Issuer. The Assembly comprises holders of all debt securities issued by the Issuer (including the Bonds), whether or not under a debt issuance programme (EMTN) and regardless of their governing law. The Assembly deliberates on the proposed plan already voted by the creditors’ committee formed by credit institutions and other assimilated financial institutions having a claim against the debtor and, depending on the insolvency procedure, a suppliers’ committee for suppliers having a claim that represent more than 3 per cent. of the total amount of the claims of all the debtor’s suppliers in the relevant insolvency procedure. The draft plan submitted to the creditors’ committees and to the Assembly may notably:

- increase the liabilities (*charges*) of holders of debt securities (including the Bondholders) by rescheduling due payments and/or partially or totally writing off receivables in form of debt securities;
- establish an unequal treatment between holders of debt securities (including the Bondholders) if it is justified by their differences in situation; and/or
- decide to convert debt securities (including the Bonds) into securities that give or may give right to share capital.

The proposed plan must take into account the subordination agreements between the creditors entered into before the opening of the insolvency procedure.

Decisions of the Assembly will be taken by a two-third (2/3) majority (calculated as a proportion of the debt securities held by the holders attending such Assembly or represented thereat). No quorum is required to convoke the Assembly. However the holders of debt securities for which the plan does not amend the repayment conditions or provides an entire repayment on the date of adoption of the plan do not participate to the vote.

In respect of voting rights in both committees and bondholders’ general assembly, each creditor member of a creditors’ committee and each bondholder must, if applicable, inform the judicial administrator of the existence of any agreement relating to the exercise of its vote or providing for the full or partial payment of its claim by a third party, as well as of any subordination agreement. The judicial administrator shall then submit to the concerned creditor/bondholder a proposal for the computation methods of its voting rights in the relevant creditors’ committee/bondholders’ general assembly. In the event of a disagreement, the concerned creditor/bondholder or the judicial administrator may request that the matter be decided by the president of the relevant court in summary proceedings.

The procedures, as described above or, as they will, or may be amended, could have an adverse impact on holders of the Bonds seeking repayment in the event that the Issuer or its subsidiaries were to be subject to French insolvency procedures.

For the avoidance of doubt, the provisions relating to the representation of the Bondholders described in this Prospectus will not be applicable to the extent they are not in compliance with compulsory insolvency law provisions that apply in these circumstances.

Interests of natural and legal persons involved in the issue

The Joint Lead Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with the Issuer and its affiliates and/or grant, and may in the future grant, loans to the Issuer and its affiliates, and may perform other services for the Issuer and its affiliates in the ordinary course of business.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the following documents, which have been previously published or are published simultaneously with this Prospectus, which have been filed with the CSSF and which shall be incorporated in, and form part of, this Prospectus:

- the English translation of the Issuer’s 2012 *Document de Référence* (“**AR 2012**”) dated 5 April 2013 which received reference no. D.13-0298 from the *Autorité des marchés financiers* (the “**AMF**”) and which includes the audited consolidated financial statements of the Issuer as at 31 December 2012 prepared in accordance with International Financial Reporting Standards as adopted by the European Union (the “**IFRS**”) and the auditors’ reports on such audited financial statements; except for the third paragraph of the section “Declaration by the persons responsible for the Reference Document” on page 6 of the AR 2012, referring to the *lettre de fin de travaux* of the statutory auditors of the Issuer and except for section 11 “*Tables de concordance du Document de Référence*” and any reference thereto shall not be deemed incorporated by reference herein (“**AR 2012**”);
- the English translation of the Issuer’s 2013 *Document de Référence* (“**AR 2013**”) dated 4 April 2014 which received reference no. D.14-0289 from the AMF and which includes the audited consolidated financial statements of the Issuer as at 31 December 2013 prepared in accordance with IFRS and the auditors’ reports on such audited financial statements; except for the third paragraph of the section “Declaration by the persons responsible for the Reference Document” on page 6 of the AR 2013, referring to the *lettre de fin de travaux* of the statutory auditors of the Issuer and except for section 11 “*Tables de concordance du Document de Référence*” and any reference thereto shall not be deemed incorporated by reference herein (“**AR 2013**”);
- the page 48 of the English translation of the 2014 *Document d’Assemblée Générale* (the “**GMD 2014**”) dated 6 May 2014 which provides information on the new member of the Supervisory Board; and
- the English translation of the 2014 *Rapport Financier Semestriel* (the “**IFR 2014**”) dated 31 July 2014 and which includes the unaudited consolidated financial statements of the Issuer as at 30 June 2014 prepared in accordance with IFRS and the auditors’ limited review report on such unaudited financial statements.

The documents listed above are uncertified English translations and were originally issued in French and are provided solely for the benefit of English speaking users.

Notwithstanding the foregoing, the statements contained in the GMD 2014, except for the information on the new member of the Supervisory Board contained in page 48, shall not be deemed incorporated herein.

Such documents shall be incorporated in and form part of this Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus. “**Group**” as used in the documents incorporated by reference means the Issuer and all the entities included in the consolidation taken as a whole.

All documents incorporated by reference in this Prospectus will be available on the website of the Luxembourg Stock Exchange (www.bourse.lu) and on the website of the Issuer (www.lagardere.com/investor-relations/regulated-information-600773.html and www.lagardere.com/investor-relations.debt-601019.html&theme=601875). They will also be available free of charge at the premises of the Principal Paying Agent in Luxembourg.

For the purposes of the Prospectus Directive, information can be found in such documents incorporated by reference or in this Prospectus in accordance with the following cross-reference table (in which the numbering refers to some of the terms of Annex IX of the Commission Regulation N° 809/2004, as amended, implementing the Prospectus Directive (the “**Prospectus Regulation**”). The information incorporated by reference that is not included in the cross-reference list, is considered as additional information and is not required by the relevant schedules of the Prospectus Regulation. The parts of each of the documents that are not incorporated by reference are either not relevant for investors (pursuant to article 28 (4) of the Prospectus Regulation) or covered in another part of the Prospectus.

Rule	Prospectus Regulation – Annex IX	Document incorporated by reference	Page
3.	RISK FACTORS		
3.1.	Prominent disclosure of risk factors that may affect the issuer's ability to fulfil its obligations under the securities to investors in a section headed "Risk Factors"	AR 2013 IFR 2014	11 to 17 5
4.	INFORMATION ABOUT THE ISSUER		
4.1.	<u>History and development of the Issuer</u>	AR 2013	21
4.1.1.	the legal and commercial name of the issuer	AR 2013	20
4.1.2.	the place of registration of the issuer and its registration number	AR 2013	20
4.1.3.	the date of incorporation and the length of life of the issuer, except where indefinite	AR 2013	20
4.1.4.	the domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, and the address and telephone number of its registered office (or principal place of business if different from its registered office)	AR 2013	20
5.	BUSINESS OVERVIEW		
5.1.	<u>Principal activities</u>	AR 2013	26 to 47
5.1.1.	A brief description of the issuer's principal activities stating the main categories of products sold and/or services performed	AR 2013	26 to 47
5.1.2.	The basis for any statements in the registration document made by the issuer regarding its competitive position	AR 2013	26 to 47
6.	ORGANISATIONAL STRUCTURE		
6.1.	If the issuer is part of a group, a brief description of the group and of the issuer's position within it	AR 2013	22 to 23
9.	ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES		
9.1.	Names, business addresses and functions in the issuer of the following persons, and an indication of the principal activities performed by them outside the issuer where these are significant with respect to that issuer: (a) members of the administrative, management or supervisory bodies; (b) partners with unlimited liability, in the case of a limited partnership with a share capital.	AR 2013 GMD 2014	199 to 209 48

Rule	Prospectus Regulation – Annex IX	Document incorporated by reference	Page
9.2.	<u>Administrative, Management, and Supervisory bodies conflicts of interests</u> Potential conflicts of interests between any duties to the issuing entity of the persons referred to in item 9.1 and their private interests and or other duties must be clearly stated In the event that there are no such conflicts, a statement to that effect	AR 2013	210
10.	MAJOR SHAREHOLDERS		
10.1.	To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom, and describe the nature of such control, and describe the measures in place to ensure that such control is not abused	AR 2013	254 § 8.1.8.5 198 § 7.1
11.	FINANCIAL INFORMATION CONCERNING THE ISSUER’S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES		
11.1.	Historical Financial Information Audited historical financial information covering the latest 2 financial years (or such shorter period that the issuer has been in operation), and the audit report in respect of each year: - consolidated balance sheet - consolidated statement of changes in equity - consolidated income statement - consolidated statement of comprehensive income - consolidated statement of cash flows - the accounting policies and explanatory notes	AR 2013 AR 2012 AR 2013 AR 2012 AR 2013 AR 2012 AR 2013 AR 2012 AR 2013 AR 2012	91 to 193 93 to 198 102 to 103 104 to 105 104 106 99 101 100 102 101 103
11.3.	<u>Auditing of historical annual financial information</u>		
11.3.1.	A statement that the historical financial information has been audited. If audit reports on the historical financial information have been refused by the statutory auditors or if they contain qualifications or disclaimers, such refusal or such qualifications or disclaimers, must be reproduced in full and the reasons given	AR 2013 AR 2012	194 to 195 196 to 197
11.3.2.	An indication of other information in the registration document which has been audited by the auditors.	AR 2013	245 196

Rule	Prospectus Regulation – Annex IX	Document incorporated by reference	Page
			88 to 89
11.4.	<u>Age of latest financial information</u>		
11.4.1.	The last year of audited financial information may not be older than 18 months from the date of the registration document.	AR 2013	99 to 193
11.5.	<u>Legal and arbitration proceedings</u> Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the issuer and/or group's financial position or profitability, or provide an appropriate negative statement	AR 2013 IFR 2014	15 157 to 160 5 36 to 37
12.	MATERIAL CONTRACTS		
12.	A brief summary of all material contracts that are not entered into in the ordinary course of the issuer's business, which could result in any group member being under an obligation or entitlement that is material to the issuer's ability to meet its obligation to security holders in respect of the securities being issued	AR 2013 IFR 2014	260 to 261 264 3 to 4
13.	THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST		
13.1	Where a statement or report attributed to a person as an expert is included in the Registration Document, provide such person's name, business address, qualifications and material interest if any in the issuer. If the report has been produced at the issuer's request a statement to that effect that such statement or report is included, in the form and context in which it is included, with the consent of that person who has authorised the contents of that part of the Registration Document.	AR 2013	88 to 89
14.	DOCUMENTS ON DISPLAY		
	A statement that for the life of the registration document the following documents (or copies thereof), where applicable, may be inspected: (a) the memorandum and articles of association of the issuer; (b) all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the issuer's request any part of which is included or referred to in the registration document; (c) the historical financial information of the issuer or, in the case of a group, the historical financial information of the issuer and its subsidiary undertakings for each of the two financial years preceding the publication of the registration document. An indication of where the documents on display may be inspected, by physical or electronic means.	AR 2013	266

Information incorporated by reference	Document incorporated by reference	Page
Unaudited financial information as at 30 June 2014: - consolidated balance sheet - consolidated statement of changes in equity - consolidated income statement - consolidated statement of comprehensive income - consolidated statement of cash flows - the accounting policies and explanatory notes	IFR 2014 IFR 2014 IFR 2014 IFR 2014 IFR 2014 IFR 2014	17 to 18 19 14 15 16 20 to 37

TERMS AND CONDITIONS OF THE BONDS

The issue outside the Republic of France of €500,000,000 2.00 per cent. bonds due 2019 (the “**Bonds**”) of Lagardère SCA (the “**Issuer**”) was decided by two decisions of the *Gérance* of the Issuer respectively dated 22 July 2014 and 12 September 2014. The Issuer has entered into an agency agreement (the “**Agency Agreement**”) dated 17 September 2014 with BNP Paribas Securities Services, as fiscal agent, principal paying agent and calculation agent. The fiscal agent, calculation agent, principal paying agent and paying agents for the time being are referred to in these Conditions as the “**Fiscal Agent**”, the “**Calculation Agent**”, the “**Principal Paying Agent**” and the “**Paying Agents**” (which expression shall include the Principal Paying Agent), each of which expression shall include the successors from time to time of the relevant persons, in such capacities, under the Agency Agreement, and are collectively referred to as the “**Agents**”. References below to “**Conditions**” are, unless the context otherwise requires, to the numbered paragraphs below.

1 Form, Denomination and Title

The Bonds are issued on 19 September 2014 (the “**Issue Date**”) in dematerialised bearer form in the denomination of €100,000. Title to the Bonds will be evidenced in accordance with Articles L.211-3 and R.211-1 of the French *Code monétaire et financier* by book-entries (*inscription en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Bonds.

The Bonds will, upon issue, be inscribed in the books of Euroclear France, which shall credit the accounts of the Account Holders. For the purpose of these Conditions, “**Account Holders**” shall mean any intermediary institution entitled to hold accounts, directly or indirectly, with Euroclear France, and includes Euroclear Bank S.A./N.V. (“**Euroclear**”) and the depositary bank for Clearstream Banking, *société anonyme*, Luxembourg (“**Clearstream, Luxembourg**”).

Title to the Bonds shall be evidenced by entries in the books of Account Holders and will pass upon, and transfer of Bonds may only be effected through, registration of the transfer in such books.

2 Status

The obligations of the Issuer in respect of the Bonds constitute direct, unconditional, (subject as provided below) unsecured and unsubordinated obligations of the Issuer and rank and will rank *pari passu* and without any preference among themselves and (subject to such exceptions as are from time to time mandatory under French law) equally and rateably with all other present or future unsecured and unsubordinated obligations of the Issuer.

3 Negative Pledge

So long as any of the Bonds remains outstanding (as defined below), the Issuer will not create or permit to subsist and will procure that none of the Principal Subsidiaries (as defined below) will create or permit to subsist any mortgage, charge, pledge or other *in rem* security interest (*sûreté réelle*) upon any of its assets or revenues, present or future, to secure any Relevant Indebtedness (as defined below) incurred by it or any guarantee or indemnity in respect of any Relevant Indebtedness (whether before or after the issue of the Bonds) unless the Issuer’s obligations under the Bonds are equally and rateably secured therewith.

For the purposes of these Conditions,

“**Principal Subsidiary**” means at any time, any Subsidiary (as defined below) of the Issuer (a) whose total assets or gross revenues (or, where the Subsidiary in question prepares consolidated accounts, whose total

consolidated assets or gross consolidated revenues, as the case may be) represent more than 10 (ten) per cent. of the total consolidated assets or the gross consolidated revenues of the Issuer, all as calculated from the then latest audited accounts (or audited consolidated accounts as the case may be) of such Subsidiary and the then latest audited consolidated accounts of the Issuer and its consolidated Subsidiaries, or (b) to which is transferred all or substantially all the assets and undertakings of a Subsidiary which immediately prior to such transfer was a Principal Subsidiary, in which case the transferring entity will no longer be considered as a Principal Subsidiary as of the day of such transfer. For the avoidance of doubt, any Subsidiary which becomes a Principal Subsidiary under this sub-paragraph (b) will continue to be a Principal Subsidiary following the next audited accounts of such Subsidiary only if it satisfies the requirement set forth in sub-paragraph (a) and “Principal Subsidiaries” shall be construed accordingly.

“**outstanding**” means, in relation to the Bonds, all the Bonds issued other than: (a) those which have been redeemed in accordance with the Conditions, (b) those in respect of which the date for redemption in accordance with the Conditions has occurred and the redemption moneys (including all interest accrued on such Bonds to the date for such redemption and any interest payable under Condition 4 after such date) have been duly paid to the Fiscal Agent and (c) those which have been purchased and cancelled as provided in Condition 5.

“**Relevant Indebtedness**” means any indebtedness for borrowed monies in the form of, or represented by, bonds, notes, debentures or other securities which are, are to be, or are capable of being, quoted, listed, or ordinarily traded on any stock exchange, or on any over-the counter securities market or other securities market.

“**Subsidiary**” means, with respect to any person at any particular time, any entity which is controlled by such person within the meaning of Article L.233-3 of the French *Code de commerce*.

4 Interest

The Bonds bear interest at the rate of 2.00 per cent. *per annum*, from and including 19 September 2014 (the “**Interest Commencement Date**”) payable annually in arrear on 19 September in each year (each an “**Interest Payment Date**”), commencing on 19 September 2015. The period commencing on and including the Interest Commencement Date and ending on but excluding the first Interest Payment Date and each successive period commencing on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is called an “**Interest Period**”.

Bonds will cease to bear interest from the date provided for their redemption, unless the Issuer default in making due provision for their redemption on said date. In such event, interest will continue to accrue on the principal amount of such Bonds at the rate of 2.00 per cent. *per annum* until whichever is the earlier of (i) the day on which all sums due in respect of such Bonds up to that day are received by or on behalf of the relevant holder and (ii) the day after the Fiscal Agent has notified the holders of the Bonds (the “**Bondholders**”) in accordance with Condition 10 of receipt of all sums due in respect of all the Bonds up to that day.

Interest will be calculated on an Actual/Actual (ICMA) basis. If interest is required to be calculated for a period of less than one (1) year, it will be calculated on the basis of a day count fraction which will be calculated by taking the number of days in the relevant period, from and including the date from which interest begins to accrue to but excluding the date on which it falls due, divided by the number of days in the Interest Period in which the relevant period falls (including the first such day but excluding the last).

5 Redemption and Purchase

The Bonds may not be redeemed otherwise than in accordance with this Condition 5.

(A) *Final Redemption*

Unless previously redeemed or purchased and cancelled as provided below, the Bonds will be redeemed by the Issuer at their principal amount on the Interest Payment Date falling on 19 September 2019 (the “**Maturity Date**”).

(B) *Redemption for Taxation Reasons*

- (i) If, by reason of a change in French law or regulator, or any change in the official application or interpretation of such law, becoming effective after the Issue Date, the Issuer would on the occasion of the next payment due in respect of the Bonds, not be able to make such payment without having to pay additional amounts as specified in Condition 7 below, the Issuer may on any date, subject to having given not more than forty-five (45) nor less than thirty (30) days’ prior notice to the Bondholders (which notice shall be irrevocable), in accordance with Condition 10, redeem all, but not some only, of the outstanding Bonds at their principal amount, together with interest accrued up to the date fixed for redemption, provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of principal and interest without withholding for French taxes.
- (ii) If the Issuer would on the occasion of the next payment in respect of the Bonds be prevented by French law from making payment to the Bondholders of the full amount then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 7 below, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall upon giving not less than seven (7) days’ prior notice to the Bondholders in accordance with Condition 10 redeem all, but not some only, of the Bonds then outstanding at their principal amount plus any accrued interest on the latest practicable date on which the Issuer could make payment of the full amount payable in respect of the Bonds without withholding for French taxes, or, if such date is past, as soon as practicable thereafter.

(C) *Redemption at the option of Bondholders following a Change of Control*

- (i) If at any time while any Bond remains outstanding, there occurs a Change of Control (as defined below), the holder of each Bond will have the option (the “**Put Option**”) (unless, prior to the giving of the Put Event Notice (as defined below), the Issuer gives notice to redeem the Bonds under Condition 5(B) (Redemption for taxation reasons)) to require the Issuer to redeem or, at the Issuer's option, to procure the purchase of that Bond, on the Optional Redemption Date (as defined below) at its principal amount outstanding, all or part of its Bonds together with (or where purchased, together with an amount equal to) interest accrued to, but excluding, the Optional Redemption Date.

A “**Change of Control**” shall be deemed to have occurred (a) at each time that the Lagardère Family ceases to control all significant decisions of the general partners (*associés commandités*) of the Issuer or cease to control the appointment of the managing partners (*gérants*) of the Issuer or (b) at any time after the transformation of the Issuer into an entity having another legal form, one person or a group of persons (other than the Lagardère Family) acting in concert gains control of the Issuer.

Where:

“**control**” has the meaning given in article L.233-3 of the French *Code de commerce* and “acting in concert” has the meaning given in article L.233-10 of the French *Code de commerce*.

“**Lagardère Family**” means Mr. Arnaud Lagardère or his descendants or any entities controlled by such persons within the meaning of Article L.233-3 of the French *Code de commerce*.

- (ii) Promptly upon the Issuer becoming aware that a Change of Control has occurred, the Issuer shall give notice (a “**Put Event Notice**”) to the Bondholders in accordance with Condition 10 specifying the nature of the Change of Control and the circumstances giving rise to it and the procedure for exercising the Put Option contained in this Condition 5(C).
- (iii) To exercise the Put Option to require redemption or, as the case may be, purchase of the Bonds under this Condition 5(C), a Bondholder must transfer or cause to be transferred its Bonds to be so redeemed or purchased to the account of the Fiscal Agent specified in the Put Option Notice (as defined below) for the account of the Issuer within the period (the “**Put Period**”) of forty-five (45) days after a Put Event Notice is given together with a duly signed and completed notice of exercise in the then current form obtainable from the specified office of any Paying Agent (a “**Put Option Notice**”) and in which the holder may specify a bank account to which payment is to be made under this Condition 5(C).

A Put Option Notice once given shall be irrevocable. The Issuer shall redeem or, at the option of the Issuer, procure the purchase of the Bonds in respect of which the Put Option has been validly exercised as provided above, and subject to the transfer of such Bonds to the account of the Fiscal Agent for the account of the Issuer as described above on the date which is the fifth (5th) Business Day following the end of the Put Period (the “**Optional Redemption Date**”). Payment in respect of such Bonds will be made on the Optional Redemption Date by transfer to the bank account specified in the Put Option Notice and otherwise subject to the provisions of Condition 5.

- (iv) For the avoidance of doubt, the Issuer shall have no responsibility for any cost or loss of whatever kind (including breakage costs) which the Bondholder may incur as a result of or in connection with such Bondholder’s exercise or purported exercise of, or otherwise in connection with, any Put Option (whether as a result of any purchase or redemption arising there from or otherwise).

(D) *Make Whole Redemption by the Issuer*

The Issuer will, subject to compliance by the Issuer with all relevant laws, regulations and directives and subject to having given not less than fifteen (15) nor more than thirty (30) calendar days’ prior notice to the Bondholders (in accordance with Condition 10) and to the Fiscal Agent and the Calculation Agent (which notices shall be irrevocable), have the option to redeem the Bonds, in whole or in part, at any time prior to the Maturity Date (the “**Optional Make Whole Redemption Date**”) at their Optional Redemption Amount (as defined below) and any additional amounts due and payable pursuant to these Conditions.

The optional redemption amount (the “**Optional Redemption Amount**”) will be calculated by the Calculation Agent and will be an amount in Euro rounded to the nearest cent (half a cent being rounded upwards) being the greater of (x) one hundred (100) per cent. of the nominal amount of each Bond so redeemed and, (y) the sum of the then present values on the relevant Optional Make Whole Redemption Date of the remaining scheduled payments of principal and interest on such Bond for the remaining term of such Bond (determined on the basis of the interest rate applicable to such Bond (excluding any interest accruing on such Bond to, but excluding, such Optional Make Whole Redemption Date)), discounted to the relevant Optional Make Whole Redemption Date on an annual basis at the Early

Redemption Rate plus the Early Redemption Margin, plus in each case (x) or (y) above, any interest accrued on the Bonds to, but excluding the Optional Make Whole Redemption Date.

“**Business Day**” means a day (other than a Saturday or a Sunday) on which (i) Euroclear France is open for business, (ii) the TARGET System is operating and (iii) commercial banks and foreign exchange markets are open for general business in France and in Luxembourg.

“**Early Redemption Margin**” means +0.30 per cent. *per annum*.

“**Early Redemption Rate**” means the average of the four (4) quotations given by the Reference Dealers of the mid-market annual yield to maturity of the Reference Benchmark Security on the third (3rd) Business Day in Paris preceding the Optional Make Whole Redemption Date at 11.00 a.m. (Central European Time).

If the Reference Benchmark Security is no longer outstanding, a Similar Security will be chosen by the Calculation Agent after prior consultation with the Issuer, at 11.00 a.m. (Central European Time) on the third (3rd) Business Day preceding the Optional Make Whole Redemption Date, quoted in writing by the Calculation Agent to the Issuer and notified in accordance with Condition 10.

“**Reference Benchmark Security**” means the Federal government bond of Bundesrepublik Deutschland (bearing interest at a rate of 0.250 per cent. *per annum* and maturing on 11 October 2019) with ISIN DE0001141703.

“**Reference Dealers**” means Commerzbank Aktiengesellschaft, J.P. Morgan Securities plc, Mediobanca – Banca di Credito Finanziario S.p.A. and Natixis or such other bank as may be selected by the Calculation Agent which are primary European government security dealers (that may include the Joint Lead Managers if applicable), and their respective successors, or market makers in pricing corporate bond issues.

“**Similar Security**” means a reference bond or reference bonds issued by the Federal Government of Bundesrepublik Deutschland having an actual or interpolated maturity comparable with the remaining term of the Bonds that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Bonds.

(E) *Pre-Maturity Call Option*

The Issuer may, on giving not less than fifteen (15) nor more than thirty (30) calendar days’ notice to the Bondholders (in accordance with Condition 10) and the Fiscal Agent (which notice shall be irrevocable), redeem the outstanding Bonds, in whole or in part, at par together with interest accrued to, but excluding, the date fixed for redemption, at any time during the period starting on (and including) 19 June 2019 and ending on (but excluding) the Maturity Date.

(F) *Purchases*

The Issuer may at any time purchase Bonds together with rights to interest relating thereto in the open market or otherwise at any price. Any Bonds so purchased by the Issuer may be held and resold for the purpose of enhancing the liquidity of the Bonds in accordance with Article L.213-1 A and D.213-1-A of the French *Code monétaire et financier* or cancelled in accordance with paragraph (G) of this Condition.

(G) *Cancellation*

All Bonds which are redeemed by the Issuer for cancellation pursuant to paragraphs (B)(i), (B)(ii), (C), (D) or (E) of this Condition or purchased for cancellation pursuant to paragraph (F) of this Condition will forthwith be cancelled and accordingly may not be reissued or sold.

6 Payments

(A) *Method of Payment*

Payments of principal and interest in respect of the Bonds will be made in Euro by credit or transfer to a Euro-denominated account (or any other account to which Euro may be credited or transferred) specified by the payee in a city in which banks have access to the TARGET System. “**TARGET System**” means the Trans European Automated Real Time Gross Settlement Express Transfer (known as TARGET2) System or any successor thereto.

Such payments shall be made for the benefit of the Bondholders to the Account Holders and all payments validly made to such Account Holders in favour of the Bondholders will be an effective discharge of the Issuer and any of the Paying Agents, as the case may be, in respect of such payments.

Payments of principal and interest on the Bonds will, in all cases, be subject to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7.

(B) *Payments on business days*

If any due date for payment of principal or interest in respect of any Bond is not a business day, then the holder thereof shall not be entitled to payment of the amount due until the next following day which is a business day and the holder shall not be entitled to any interest or other sums in respect of such postponed payment.

In this Condition, “**business day**” means a day (other than a Saturday or a Sunday or any other public holiday in France) on which Euroclear France and the TARGET System are both open for general business.

No commission or expenses shall be charged to the Bondholders in respect of such payments.

(C) *Fiscal Agent and Paying Agents*

The names of the initial Agents and their specified offices are set out below.

The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent or Paying Agent and/or appoint additional or other Paying Agents or approve any change in the office through which any such Agent acts, provided that there will at all times be a Fiscal Agent and a Principal Paying Agent having a specified office in a European city. Any termination or appointment shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not more than forty-five (45) nor less than thirty (30) calendar days’ notice thereof shall have been given to the Bondholders by the Issuer in accordance with Condition 10.

7 Taxation

(A) *Withholding Tax*

All payments of principal, interest and other revenues by or on behalf of the Issuer in respect of the Bonds shall be made free and clear of, and without withholding or deduction for, any taxes or duties of

whatever nature imposed, levied or collected by or on behalf of France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

(B) *Additional Amounts*

If, pursuant to French laws or regulations, payments of principal or interest in respect of any Bond is subject to deduction or withholding in respect of any present or future taxes, duties, assessments or other governmental charges of whatever nature imposed by or on behalf of France or any authority therein or thereof having power to tax, the Issuer shall, to the fullest extent then permitted by law, pay such additional amounts as may be necessary in order that the holder of each Bond, after such deduction or withholding, will receive the full amount then due and payable thereon in the absence of such withholding; provided, however, that the Issuer shall not be liable to pay any such additional amounts in respect of any Bond:

- (i) to, or to a third party on behalf of a Bondholder who is liable to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of his having some connection with France other than the mere holding of such Bond;
- (ii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to any European Council Directive 2003/48/EC or any other European Union Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings or any law implementing or complying with, or introduced in order to conform to, such Directive;
- (iii) if the Bondholder (or a beneficial owner) was able to avoid such withholding or deduction by requesting payment under the relevant Bond to another paying agent in a Member State of the European Union.

Any references to these Conditions to principal and interest shall be deemed also to refer to any additional amounts which may be payable under the provisions of this Condition 7.

8 **Events of Default**

If any of the following events (each an “**Event of Default**”) occurs and is continuing, the Representative (as defined under Condition 9(B)) upon request of any Bondholder(s) may, upon written notice to the Fiscal Agent and the Issuer given before the relevant Event of Default(s) shall have been cured, cause the Bonds held by such Bondholder(s) to become due and payable, at their principal amount together with accrued interest thereon, as of the date on which such demand for payment is received by the Fiscal Agent:

- (A) the Issuer defaults in any payment when due on any amount on any Bond (including any additional amounts as specified in Condition 7), if such default continues for a period of more than fifteen (15) days from such due date; or
- (B) the Issuer defaults in the performance of, or compliance with, any other provision of the Conditions, if such default shall not have been cured within thirty (30) days after receipt by the Fiscal Agent of written notice of such default given by the Representative upon request of the holder of such Bond; or
- (C) (i) any other present or future indebtedness for borrowed monies or guarantee thereof of the Issuer or any Principal Subsidiary is due and payable prior to its stated maturity as a result of a default thereunder, or (ii) any such indebtedness for borrowed monies or guarantee thereof of the Issuer or any Principal Subsidiary is not paid or honoured when due subject, in each case, to a grace period equal to the greater of any applicable grace period therefor and twenty (20) days or (iii) any steps shall be taken as a result of a default to enforce any *in rem* security interests (*sûretés réelles*) over all or any substantial part of the assets of the Issuer, or any Principal Subsidiary in respect of any such

indebtedness for borrowed monies or guarantee thereof of the Issuer or any Principal Subsidiary and the step(s) taken to enforce any such *in rem* security interests (*sûretés réelles*) shall not be withdrawn or stayed within thirty (30) days,

provided that no Event of Default will occur under this Condition 8 (C) if at the relevant time the aggregate amount of indebtedness for borrowed monies or guarantee thereof falling within paragraph (i), (ii) or (iii) above (without double counting) is less than €50,000,000 or its equivalent in any other currency; or

- (D) (i) the Issuer or a Principal Subsidiary makes any proposal for a general moratorium in relation to its debt or (ii) a judgment is issued by a court having competent jurisdiction over the Issuer or such Principal Subsidiary for the judicial liquidation (*liquidation judiciaire*) or for a transfer of the whole of the business (*cession totale de l'entreprise*) of the Issuer or any Principal Subsidiary in accordance with articles L.640-1 to L.644-6 of the French *Code de commerce*, or (iii) the Issuer or any Principal Subsidiary makes any conveyance, assignment or other arrangement for the benefit of, or enters into a composition with, its creditors as a result of actual financial difficulties or (iv) the Issuer or any Principal Subsidiary is subject to any proceedings under any applicable laws before a court having competent jurisdiction over the Issuer or such Principal Subsidiary which has an analogous effect to any of the proceedings referred to in this paragraph (D); or
- (E) the Issuer is dissolved or liquidated, or is merged or consolidated into another entity unless (i) the consolidated pro-forma balance sheet of the legal entity surviving such merger or consolidation shows, as at the effective date of such merger or consolidation, a consolidated shareholders' equity ("*capitaux propres*") not less than that of the Issuer on the day before the date of such merger or consolidation and (ii) the legal entity surviving such merger or consolidation is a corporation established in a member country of the European Union, Switzerland or in the United States of America and expressly assumes all the obligations of the Issuer under the Bonds and has obtained all necessary authorisation therefor (if any), and (iii) notice of such merger or consolidation shall have been given to the Bondholders as provided under Condition 10 below not later than the effective date thereof.

9 Representation of the Bondholders

The Bondholders will be grouped automatically for the defence of their respective common interests in a *masse* (hereinafter referred to as the "***Masse***").

The *Masse* will be governed by the provisions of the French *Code de commerce* with the exception of Articles L.228-48, L.228-59, L.228-65 II, L.228-71, R.228-67, R.228-69 and R.228-72, thereof, and by the conditions set out below, provided that notices calling a general meeting of the Bondholders (a "**General Meeting**") and the resolutions passed at any General Meeting and any other decision to be published pursuant to French legal and regulatory provisions will be published only as provided under Condition 10 below:

(A) Legal Personality

The *Masse* will be a separate legal entity, by virtue of Article L.228-46 of the French *Code de commerce* acting in part through a representative (the "**Representative**") and in part through a General Meeting.

The *Masse* alone, to the exclusion of all individual Bondholders, shall exercise the common rights, actions and benefits which now or in the future may accrue with respect to the Bonds.

(B) Representative

The office of Representative may be conferred on a person of any nationality. However, the following persons may not be chosen as Representative:

- (i) the Issuer, the members of its respective managers (*gérants*), or members of its Supervisory Board (*conseil de surveillance*), its statutory auditors, or its employees as well as their ascendants, descendants and spouse; or
- (ii) companies guaranteeing all or part of the obligations of the Issuer, their respective managers (*gérants*), general managers (*directeurs généraux*), members of their Board of Directors (*conseil d'administration*), Executive Board (*directoire*) or Supervisory Board (*conseil de surveillance*), their statutory auditors, or employees as well as their ascendants, descendants and spouse; or
- (iii) companies holding ten (10) per cent. or more of the share capital of the Issuer or companies having ten (10) per cent. or more of their share capital held by the Issuer; or
- (iv) persons to whom the practice of banker is forbidden or who have been deprived of the right of directing, administering or managing an enterprise in whatever capacity.

The following person is designated as Representative of the *Masse*:

Christian Hochstrasser
2 rue du général de Gaulle
54870 Cons la Grandville
France

The following person is designated as alternative representative (the “**Alternative Representative**”) of the *Masse*:

Sandrine D'HAUSSY
69, avenue Gambetta
94100 Saint Maur des Fossés
France

In the event of death, retirement or revocation of appointment of the Representative, such Representative will be replaced by the Alternative Representative and all references to the “Representative” will be deemed to be references to the “Alternative Representative”. The Alternative Representative shall have the same powers as the Representative.

In the event of death, incompatibility, resignation or revocation of the Alternative Representative, a replacement representative will be elected by a meeting of the general assembly of the Bondholders.

The Issuer shall pay to the Representative an amount of €600 per year so long as any of the Bonds is outstanding. The Alternative Representative will only become entitled to the annual remuneration of €600 if it exercises the duties of Representative on a permanent basis; such remuneration will accrue from the day on which it assumes such duties.

All interested parties will at all times have the right to obtain the name and address of the Representative and the Alternative Representative at the primary business office of the Issuer and at the offices of any of the Paying Agents.

(C) Powers of the Representative

The Representative shall, in the absence of any decision to the contrary of the General Meeting of Bondholders, have the power to take all acts of management to defend the common interests of the Bondholders.

All legal proceedings against the Bondholders or initiated by them must be brought against the Representative or by it, and any legal proceedings which shall not be brought in accordance with this provision shall not be legally valid.

The Representative may not interfere in the management of the affairs of the Issuer.

(D) *General Meetings*

General Meetings may be held at any time, on convocation either by the Issuer or the Representative. One or more Bondholders, holding together at least one-thirtieth (1/30th) of outstanding Bonds may address to the Issuer and the Representative a demand for convocation of the General Meeting; if such General Meeting has not been convened within two (2) months from such demand, such Bondholders may commission one of themselves to petition the competent court in Paris to appoint an agent (*mandataire*) who will call the meeting.

Notice of the date, hour, place, agenda and quorum requirements of any General Meeting will be published as provided in Condition 10 not less than fifteen (15) days prior to the date of the General Meeting.

Each Bondholder has the right to participate in General Meetings in person, by proxy, correspondence, or, if the *statuts* of the Issuer so specify¹, videoconference or any other means of telecommunications allowing the identification of the participating Bondholders. Each Bond carries the right to one (1) vote.

(E) *Powers of General Meetings*

A General Meeting is empowered to deliberate on the fixing of the remuneration of the Representative and the Alternative Representative and on their dismissal and replacement, and also may act with respect to any other matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the Bonds, including authorising the Representative to act at law as plaintiff or defendant.

A General Meeting may further deliberate on any proposal relating to the modification of these Conditions, including:

- (i) any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions; and
- (ii) any proposal relating to the issue of securities carrying a right of preference compared to the rights of Bondholders,

it being specified, however, that a General Meeting may not increase the liabilities (*charges*) of the Bondholders, nor establish any unequal treatment between the Bondholders, nor decide to convert the Bonds into shares of the Issuer or any other entity.

General Meetings may deliberate validly on first convocation only if Bondholders present or represented hold at least a fifth (1/5th) of the Bonds then outstanding. On second convocation, no

¹ The *statuts* of the Issuer do not contemplate the right for a Bondholder to participate in a General Meeting by videoconference or any other means of telecommunication allowing the identification of the participating Bondholders.

quorum shall be required. Decisions at meetings shall be taken by a simple majority of votes cast by the Bondholders attending such meeting or represented thereat.

In accordance with Article R.228-71 of the French *Code de commerce*, the right of each Bondholder to participate in General Meetings will be evidenced by the entries in the books of the relevant Account Holder of the name of such Bondholder as of 0:00, Paris time, on the third business day in Paris preceding the date set for the meeting of the relevant General Meeting.

(F) *Information to the Bondholders*

Each Bondholder or representative thereof will have the right, during the (fifteen) 15 day period preceding the holding of each General Meeting, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented at the meeting, which will be available for inspection at the principal office of the Issuer, at the offices of any of the Paying Agents and at any other place specified in the notice of meeting.

(G) *Expenses*

The Issuer will pay all reasonable expenses incurred in the operation of the *Masse*, including expenses relating to the calling and holding of meetings and the expenses which arise by virtue of the remuneration of the Representative, and more generally all administrative expenses resolved upon by a General Meeting of the Bondholders, it being expressly stipulated that no expenses may be imputed against interest payable on the Bonds.

For the avoidance of doubt, in this Condition 9, “outstanding” shall not include those Bonds subscribed or purchased by the Issuer pursuant to Article L.213-1 A of the French *Code monétaire et financier* that are held by it and not cancelled.

10 Notices

Any notice to the Bondholders will be valid if delivered to the Bondholders through Euroclear France, Euroclear or Clearstream, Luxembourg, for so long as the Bonds are cleared through such clearing systems and so long as the Bonds are admitted to trading on the Regulated Market of the Luxembourg Stock Exchange, on the website of the Luxembourg Stock Exchange (www.bourse.lu). Any such notice shall be deemed to have been given on the date of such delivery or, if delivered more than once or on different dates, on the first date on which such delivery is made.

11 Prescription

Claims against the Issuer for the payment of principal and interest in respect of the Bonds shall become prescribed five (5) years from the due date for payment thereof.

12 Further Issues

The Issuer may, from time to time without the consent of the Bondholders, issue further Bonds to be assimilated (*assimilables*) with the Bonds as regards their financial service, provided that such further Bonds and the Bonds shall carry rights identical in all respects (or in all respects except for the first payment of interest thereon) and that the terms of such further Bonds shall provide for such assimilation. In the event of such assimilation, the Bondholders and the holders of any assimilated Bonds will, for the defence of their common interests, be grouped in a single *Masse* having legal personality.

13 Governing Law and Jurisdiction

The Bonds are governed by the laws of France.

Any legal action or proceeding arising out of or in connection with the Bonds will be irrevocably submitted to the exclusive jurisdiction of the competent courts in Paris.

USE OF PROCEEDS

The Bonds are being issued for the Issuer's general corporate purposes.

RECENT DEVELOPMENTS

Non Current Debt

On 14 July 2014, Lagardère Media reimbursed bonds issued by it in an amount of € 100,000,000. Such reimbursement was indirectly financed by a drawing under the € 1,645,000,000 syndicated revolving facility of the Issuer. This drawing has increased the consolidated non current debt of the Lagardère Group by € 100,000,000 as from 14 July 2014.

TAXATION

The statements herein regarding taxation are based on the laws and regulations in force in the European Union, the Republic of France and/or, as the case may be, the Grand Duchy of Luxembourg as of the date of this Prospectus and are subject to any change in law or to different interpretation. The following overview does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of, the Bonds. Each prospective holder or beneficial owner of Bonds should consult its own tax advisor as to the French or, as the case may be, the Luxembourg tax consequences of any investment in, or ownership and disposition of, the Bonds.

EU Directive on the Taxation of Savings Income

On 3 June 2003, the European Council of Economic and Finance Ministers adopted the Directive 2003/48/EC regarding the taxation of savings income (the “**Directive**”). Pursuant to the Directive and subject to a number of conditions being met, Member States are required, since 1 July 2005, to provide to the tax authorities of another Member State, *inter alia*, details of payments of interest within the meaning of the Directive (interest, premiums or other debt income) made by a paying agent located within its jurisdiction to, or for the benefit of, an individual resident in that other Member State or to so-called residual entities established in that other Member State (the “**Disclosure of Information Method**”).

For these purposes, the term “**paying agent**” is widely defined and includes in particular any economic operator who is responsible for making interest payments, within the meaning of the Directive, for the immediate benefit of the beneficial owner.

However, throughout a transitional period, certain Member States (the Grand-Duchy of Luxembourg and Austria), instead of using the Disclosure of Information Method used by other Member States, withhold an amount on interest payments. The rate of such withholding tax is currently 35 per cent. Such transitional period will end at the end of the first full fiscal year following the later of (i) the date of entry into force of an agreement between the European Union, following a unanimous decision of the European Council, and the last of several jurisdictions (Switzerland, Liechtenstein, San Marino, Monaco and Andorra), providing for the exchange of information upon request as defined in the OECD Model Agreement on Exchange of Information on Tax Matters released on 18 April 2002 (the “**OECD Model Agreement**”) with respect to interest payments within the meaning of the Directive, in addition to the simultaneous application by those same jurisdictions of a withholding tax on such payments at the rates defined for the corresponding periods and (ii) the date on which the European Council unanimously agrees that the United States of America is committed to exchange of information upon request as defined in the OECD Model Agreement with respect to interest payments within the meaning of the Directive.

In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange.

A number of non-EU countries and dependent or associated territories have agreed to adopt similar measures (transitional withholding or exchange of information) with effect since 1 July 2005.

On 24 March 2014, the Council of European Union adopted a directive amending the Directive, which, when implemented, will amend and broaden the scope of the requirements described above. In particular, the amending directive aims at extending the scope of the Directive to new types of savings income and products that generate interest or equivalent income. In addition, tax authorities will be required in certain circumstances to take steps to identify the beneficial owner of interest payments (through a look through

approach). The EU Member States will have until 1 January 2016 to adopt the national legislation necessary to comply with this amending directive.

The Directive was implemented into French law under Article 242 *ter* of the French tax code (*Code Général des Impôts*) and articles 49 I *ter* to 49 I *sexies* of the Schedule III to the French tax code. Article 242 *ter* of the French tax code imposes on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners domiciled in another Member State, including, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest paid to that beneficial owner.

The Directive and several agreements concluded between Luxembourg and certain dependent territories of the European Union were implemented in Luxembourg by the Laws of 21 June 2005.

Luxembourg Taxation

Under Luxembourg tax laws currently in effect and with the possible exception of interest paid to individuals and to certain foreign residual entities (as described below), there is no Luxembourg withholding tax on payments of interest, including accrued but unpaid interest. There is also no Luxembourg withholding tax, with the possible exception of payments made to individuals and to certain foreign residual entities (as described below), upon repayment of principal in case of reimbursement, redemption, repurchase or exchange of the Bonds.

Luxembourg resident individuals

A 10 per cent. withholding tax is levied on interest payments made by Luxembourg paying agents (defined in the same way as in the Directive) to Luxembourg resident individual Bondholders or to certain foreign residual entities (as described below) that secure interest payments on behalf of such individuals (unless such entities have opted either to be treated as UCITS recognised in accordance with the Council Directive 2009/65/EC or for the exchange of information regime).

Interest which is accrued once a year on savings accounts (short and long term) and which does not exceed €250 per person and per paying agent is exempt from the withholding tax.

This 10 per cent. withholding tax will represent the final tax liability for the Luxembourg resident individual Bondholders acting in the course of their private wealth.

Responsibility for withholding such tax will be assumed by the Luxembourg paying agent.

Luxembourg non-resident individuals and residual entities

Under the Luxembourg laws dated 21 June 2005, as amended, implementing the Directive and several agreements concluded between Luxembourg and certain dependent or associated territories of the European Union (“EU”), a Luxembourg based paying agent (within the meaning of the Directive) is required since 1 July 2005 to withhold tax on interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual or certain Residual Entities (as described below) resident or established in another Member State or in certain EU dependent or associated territories, unless the beneficiary of the interest payments elects for an exchange of information, or in case of an individual beneficiary, for the tax certificate procedure. “Residual Entities” within the meaning of Article 4.2 of the Directive are entities established in a Member State or in certain EU dependent or associated territories which are not legal persons (the Finnish and Swedish companies listed in Article 4.5 of the Directive are not considered as legal persons for this purpose), whose profits are not taxed under the general arrangements for the business taxation and that are not and have not opted to be considered as UCITS recognised in accordance with Council Directive

2009/65/EC, or similar collective investment funds located in Jersey, Guernsey, the Isle of Man, the Turks and Caicos Islands, the Cayman Islands, Montserrat, or the British Virgin Islands.

The withholding tax rate is 35 per cent. Responsibility for withholding such tax will be assumed by the Luxembourg paying agent.

The withholding tax system will only apply during a transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain third countries.

The Council of the European Union adopted certain amendments to the Savings Directive, which will, upon implementation, amend or broaden the scope of the requirements described above.

The Luxembourg government has announced its intention to elect out of the withholding system in favour of an automatic exchange of information with effect as from 1 January 2015.

Corporations

There is no Luxembourg withholding tax for Luxembourg resident and non-resident corporate holders of the Bonds on payments of interest (including accrued but unpaid interest).

French Taxation

The following is an overview limited to certain tax considerations in France relating to the payment of interest in respect of the Bonds to a holder or a beneficial owner of Bonds who does not hold shares of the Issuer and is not otherwise affiliated with the Issuer.

Payments of interest and other revenues made by the Issuer with respect to the Bonds will not be subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts* unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French *Code général des impôts* (a "**Non-Cooperative State**"). If such payments under the Bonds are made in a Non-Cooperative State, a 75 per cent. withholding tax will be applicable (subject to certain exceptions and to the more favourable provisions of any applicable double tax treaty) by virtue of Article 125 A III of the French *Code général des impôts*.

Furthermore, in application of Article 238 A of the French *Code général des impôts*, interest and other revenues on such Bonds are not deductible from the Issuer's taxable income, if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid in such a Non-Cooperative State or paid on a bank account opened in a financial institution located in such a Non-Cooperative State. Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Articles 109 *et seq.* of the French *Code général des impôts*, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* 2 of the French *Code général des impôts*, at a rate of 30 per cent. or 75 per cent., subject to the more favourable provisions of any applicable double tax treaty.

Notwithstanding the foregoing, neither the 75 per cent. withholding tax on interest and other revenues provided for by Article 125 A III of the French *Code général des impôts* nor the non-deductibility of interest and other revenues provided for by Article 238 A of the French *Code général des impôts* and the withholding tax set out under Article 119 *bis* 2 of the French *Code général des impôts* resulting from such non-deductibility, to the extent the relevant interest or revenue relates to genuine transactions and is not in an abnormal or exaggerated amount, will apply in respect of the issue of the Bonds if the Issuer can prove that the principal purpose and effect of such issue of Bonds were not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the "**Exception**"). Pursuant to the French tax administrative guidelines *Bulletin Officiel des Finances Publiques-Impôts* published (BOI-INT-DG-20-50-20140211, BOI-

RPPM-RCM-30-10-20-40-20140211, BOI-ANX-000364-20120912 and BOI-IR-DOMIC-10-20-20-60-20140211), an issue of bonds will benefit from the Exception without the issuer having to provide any proof of the purpose and effect of the issue of the bonds if such bonds are:

- (i) offered by means of a public offer within the meaning of Article L.411-1 of the French *Code monétaire et financier* or pursuant to an equivalent offer in a State other than a Non-Cooperative State. For this purpose, an “equivalent offer” means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or
- (ii) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or
- (iii) admitted, at the time of their issue, to the clearing operations of a central depository or of a securities clearing and delivery and payments systems operator within the meaning of Article L.561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non-Cooperative State.

Since the Bonds will be admitted to trading on the Luxembourg Stock Exchange’s regulated market and admitted, at the time of their issue, to the operations of Euroclear France, the Bonds will benefit from the Exception and will therefore not be subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts*.

Payments made to individuals fiscally domiciled in France and acting in the context of their private wealth

Pursuant to Article 125 A of the French *Code général des impôts* subject to certain limited exceptions, interest and assimilated revenues received as from 1 January 2013 by individuals who are fiscally domiciled (*domiciliés fiscalement*) in France are subject to a 24 per cent. withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and other related contributions) are also levied by way of withholding tax at an aggregate rate of 15.5 per cent. on interest and assimilated revenues paid to individuals who are fiscally domiciled (*domiciliés fiscalement*) in France.

All prospective Bondholders should seek independent advice as to their tax positions.

SUBSCRIPTION AND SALE

J.P. Morgan Securities plc, Natixis, Barclays Bank PLC, Citigroup Global Markets Limited, Commerzbank Aktiengesellschaft, Crédit Agricole Corporate and Investment Bank, Mediobanca – Banca di Credito Finanziario S.p.A. and Société Générale (the “**Joint Lead Managers**”) have, pursuant to a subscription agreement (the “**Subscription Agreement**”) dated 17 September 2014, jointly and severally agreed with the Issuer, subject to satisfaction of certain conditions, to subscribe or procure subscribers for the Bonds at the issue price of 99.981 per cent. of the principal amount of the Bonds, less any applicable commissions. Pursuant to such Subscription Agreement, the Issuer will agree to indemnify the Joint Lead Managers against certain liabilities, incurred in connection with the issue of the Bonds. The Subscription Agreement may be terminated in certain circumstances prior to payment being made to the Issuer.

General

Neither the Issuer nor any Joint Lead Manager has taken or will take any action in any jurisdiction that would, or is intended to, permit a public offering of the Bonds, or possession or distribution of this Prospectus (in preliminary, proof or final form) or of any other offering or publicity material relating to the Bonds (including roadshow materials and investor presentations), in any country or jurisdiction where action for that purpose is required. Each Joint Lead Manager has agreed that it will comply to the best of its knowledge and belief with all applicable laws and regulations in each jurisdiction in which it acquires, offers, sells or delivers Bonds or has in its possession or distributes this Prospectus (in preliminary, proof or final form) or any such other material, in all cases at its own expense. It will also ensure that no obligations are imposed on the Issuer or any other Joint Lead Manager in any such jurisdiction as a result of any of the foregoing actions.

United States of America

The Bonds have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (“**Regulation S**”)) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Each Joint Lead Manager hereby agrees that, except as permitted under the Subscription Agreement, it has not offered and sold the Bonds, and agrees that it will not offer or sell the Bonds (i) as part of their distribution at any time or (ii) otherwise until forty (40) days after the later of the commencement of the offering of the Bonds and the Closing Date within the United States or to, or for the account or benefit of, U.S. persons. Accordingly, neither it, its affiliates nor any person acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Bonds, and it and they have complied and will comply with the offering restrictions requirement of Regulation S. Each Joint Lead Manager agrees that, at or prior to confirmation of sale of Bonds, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Bonds from it in reliance on Regulation S during such 40-day distribution compliance period a confirmation or notice to substantially the following effect:

“The securities covered hereby have not been and will not be registered under the U.S. Securities Act of 1933 (the “**Securities Act**”). The securities may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until forty (40) days after the later of the commencement of the offering of the securities and the closing date of the offering. Terms used above have the meanings given to them by Regulation S under the Securities Act.”

Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until forty (40) days after the commencement of the offering, an offer or sale of Bonds within the United States by any dealer that is not participating in the offering may violate the requirements of the Securities Act.

United Kingdom

Each Joint Lead Manager has represented and agreed that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the “FSMA”)) received by it in connection with the issue or sale of any Bonds in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

France

Each of the Joint Lead Managers and the Issuer has represented and agreed that it has not offered or sold, and will not offer or sell, directly or indirectly, any Bonds in the Republic of France, and has not distributed and will not distribute or cause to be distributed in the Republic of France this Prospectus or any other offering material relating to the Bonds, except to (i) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (ii) qualified investors (*investisseurs qualifiés*) acting for their own account, to the exclusion of any individuals, all as defined in, and in accordance with, Articles L.411-1, L.411-2, and D.411-1 of the French *Code monétaire et financier*.

GENERAL INFORMATION

- 1 The issue of the Bonds was decided pursuant to two decisions of the *Gérance* of the Issuer dated respectively 22 July 2014 and 12 September 2014.
- 2 Application has been made to the Luxembourg Stock Exchange for the Bonds to be admitted to the Official List and traded on the Luxembourg Stock Exchange's regulated market on or about the Issue Date.
- 3 The estimate of the total expenses related to the admission to trading of the Bonds is in aggregate €8,275.
- 4 The Bonds have been accepted for clearance through Euroclear France, Clearstream, Luxembourg and Euroclear with the Common Code number 111122636. The International Securities Identification Number (ISIN) for the Bonds is FR0012161362.
- 5 The address of Euroclear France is 66, rue de la Victoire, 75009 Paris, France. The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue John Fitzgerald Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg.
- 6 Except as disclosed on page 28 of this Prospectus, at the date of this Prospectus, there has been no significant change in the financial or trading position of the Issuer or the Lagardère Group since 30 June 2014.
- 7 At the date of this Prospectus, there has been no material adverse change in the prospects of the Issuer since 31 December 2013.
- 8 Except as disclosed on pages 15, 157 to 160 of the AR 2013 and on pages 5, 36 and 37 of the IFR 2014, the Issuer is not involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Prospectus which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer and/or the Lagardère Group.
- 9 Except as disclosed on pages 260, 261 and 264 of the AR 2013 and on pages 3 and 4 of the IFR 2014, there are, at the date of this Prospectus, no material contracts entered into other than in the ordinary course of the Issuer's business, which could result in any member of the Lagardère Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Bondholders in respect of the Bonds being issued.
- 10 At the date of this Prospectus, there are no conflicts of interest which are material to the issue of the Bonds between the duties of the representatives of the *Gérance* or of the members of the Supervisory Board to the Issuer and their private interests and/or other duties and, in respect of the Issuer, no person involved in the issue of the Bonds has an interest material to the issue.
- 11 Copies of the latest annual and semi-annual financial reports of the Issuer, including its consolidated accounts may be obtained without charge from the specified offices for the time being of the Fiscal Agent or any of the Paying Agents during normal business hours, so long as any of the Bonds is outstanding.
- 12 For as long as any Bonds are outstanding the following documents may be inspected during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), at the office of the Issuer, the Fiscal Agent or any of the Paying Agents:
 - (i) this Prospectus;
 - (ii) the Agency Agreement;

- (iii) the *statuts* of the Issuer;
- (iv) the audited consolidated annual accounts of the Issuer for the two latest fiscal years (which at the Issue Date comprise the Issuer's audited consolidated accounts for the fiscal years ended 31 December 2012 and 31 December 2013) and the unaudited consolidated financial statements of the Issuer as at 30 June 2014.

This Prospectus and the documents incorporated by reference in the Prospectus will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu) and on the website of the Issuer (www.lagardere.com/investor-relations:regulated-information-600773.html and www.lagardere.com/investor-relations/debt-601019.html&Theme=601875).

- 13** The statutory auditors of the Issuer are Mazars (Exaltis, 61, rue Henri Regnault 92075 Paris-La Défense, France) and Ernst & Young et Autres (Tour First, TSA 14444, 92037 Paris-La Défense Cedex, France) (both entities are members of the *Compagnie régionale des Commissaires aux Comptes de Versailles* and are regulated by the *Haut Conseil du Commissariat aux Comptes* and duly authorised as *Commissaires aux Comptes*). Mazars and Ernst & Young et Autres have audited and rendered unqualified audit reports on the consolidated financial statements of the Issuer for each of the fiscal years ended 31 December 2012 and 31 December 2013.
- 14** The yield of the Bonds is 2.004 per cent. per year. It is not an indication of future yield.

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