

Following information summarize general rules which applying to individual shareholders, residents and non residents, for tax purposes in France. It should not be considered as exhaustive. We recommend that you contact the financial institution who pays your dividends in order to obtain more specific information.

Profits on equity investments can take two forms : dividends and capital gains.

INCOME TAX

Dividends :

French residents:

a. Dividends received in 2007:

Dividends received in 2007 entitle to an allowance of 40%. This amount is then reduced of deductible expenses (custodian charges, dividend collection charges,...) and taxed to gradual income tax.

In addition to the 40% allowance, the gross income entitles to:

- an allowance (1 525 euros for a single payer or 3 050 euros for a couple with a common tax return) applied on the whole annual income (before 40% allowance)
- a tax credit (50% of the dividend with a maximum of 115 euros for a single payer or 230 for a couple with a common tax return.). This credit, applied against tax owed, is refunded when exceeding it.

In addition to the income tax, additional social contributions are owed, assessing at a total rate of 11% for 2007 and applying after deduction of deductible expenses.

b. Dividends received in 2008

Shareholders choose between the mechanism described above and a fixed taxation of 18% (plus additional contributions 11%).

The fixed taxation prevents from using allowances and from deducting expenses.

In addition to this fixed tax, additional contribution are owed, assessing at a the rate of 11%, but applying before deduction of expenses.

Foreign residents:

Dividends paid by Lagardère are, in principle, subject to a 25% withholding tax. However, when the fiscal domicile of the beneficiary is located in a country which has signed a bilateral tax treaty with France, this rate may be reduced. This withholding tax is withdrawn by the party paying the dividends. In order to reduce the withholding tax rate according to the treaty provisions, the paying institution needs proof of the beneficiary's identity and address. Specific forms may be necessary to be filed.

These dividends do not entitle to a credit tax except for residents of some countries according to the tax treaty between France and this country.

For individuals, the withholding tax is in discharge of income tax in France. We suggest to contact your financial advisor about income tax and use of tax credit in your country.

Capital gains:

French residents:

From fiscal year 2008, capital gains are generally taxable only if the gross amount of shares sales exceeds 25 000 euros in a year. They are taxable at an effective rate of 29% (fixed rate of income tax of 18% + additional social contributions 11%).

When the selling exceeds 25 000 euros, the capital gain is taxable as of the first euro.

Capital losses can be charged against capital gains of the same type realized in the same year or in the following ten years. In order to defer the capital losses, the sales must have exceed the threshold of 25 000 euros.

Foreign residents:

Capital gains realized in France by a foreign resident are generally not liable to French income tax and taxed in the country of residence. We recommend to check the tax treaty between your country and France with your financial advisor.

WEALTH TAX

For shareholders, physical persons residents of France for tax purposes, the share value that must be used for the 2008 wealth tax return is :

- either the final share price on 31 December 2007 = **51,29 €**
- or the average share price over the last 30 stock market trading days in 2007 = 53,54 €

Individuals foreign residents are generally not submitted to wealth tax in France for their equity investments.