



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

€1,000,000,000 4.875 per cent. bonds due 2014

Issue price: 99.744 per cent.

The €1,000,000,000 aggregate principal amount of 4.875 per cent. bonds due 2014 (the “**Bonds**”) of Lagardère SCA (the “**Issuer**”) will be issued outside the Republic of France on 6 October 2009 (the “**Issue Date**”) in the denomination of €50,000 each.

Each Bond will bear interest on its principal amount from (and including) the Issue Date to (but excluding) 6 October 2014 at a fixed rate of 4.875 per cent. per annum payable annually in arrear on 6 October in each year and commencing on 6 October 2010, as further described in “Terms and Conditions of the Bonds – Interest” of this prospectus (the “**Prospectus**”).

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”. In addition, each bondholder 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 relating to prospectuses for securities, for the approval of this Prospectus for the purposes of Directive 2003/71/EC (the “**Prospectus Directive**”). 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.

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 benefit of, U.S. persons unless the Bonds are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available.

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.

JOINT LEAD MANAGERS

BARCLAYS CAPITAL

BNP PARIBAS

CALYON Crédit Agricole CIB

NATIXIS

SOCIETE GENERALE CORPORATE & INVESTMENT BANKING

1 October 2009

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 (filiales consolidées) taken as a whole (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, subject to certain exceptions, 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, CALYON (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 30 days after the issue date of the Bonds and 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

The following description concerns the Group's (as such term is used in the AR 2008 (see "Documents incorporated by reference")) exposure to certain risks considered significant. Risk management procedures are described in chapter 7, section 7-4-3-2 "Risk management procedures" of the AR 2008 (see "Documents incorporated by reference").

Other risks which are unidentified or not considered significant could nevertheless have a negative effect on the Group's business activity or results.

EADS NV and Canal+ France are in charge of their own risk management. The reader is invited to consult the EADS NV Registration Document and the Vivendi Annual Report for 2008.

1. Strategic and commercial risks: worldwide advertising markets, economic environment, changes in consumer behaviour

A large portion of the Group's revenues derives from business that is sensitive to the economic environment, and changes in that environment may particularly affect sales of products such as magazines and part-works, customer numbers in the Group's store locations, particularly travel areas, and revenues directly or indirectly associated with advertising. For example, a 1% downturn in advertising sales across the whole of Lagardère Active would lead to a decrease of €8-10 million in the division's operating profit over a full year, before any adjustment.

At Lagardère Sports, the structure and timing of sports events and the nature of the agreements under which the division operates (acquisition of rights or agency fees) can lead to an irregular sales pattern.

The Group is also faced with changes in its customers' consumer habits as digital and mobile technologies develop, and this too can have a significant effect on its commercial positions.

2. Cost of paper

Lagardère Active and Lagardère Publishing need to use large volumes of paper for their business activities. Total paper consumption reached nearly 490,000 tonnes in 2008 as described in chapter 5, section 5-3-1-2 of the AR 2008. Although it is not possible to link the cost of paper purchases to a single index, the Group is subject to the risk of fluctuations in paper prices, particularly in the European and North American markets.

A significant increase in paper prices worldwide could therefore have a significant unfavourable impact on these divisions' operating profit, to the extent of €30-40 million for a long-term 10% rise in paper prices over a full year, before adjustment.

3. Legal risks

3-1. Special regulations applicable to the Group

In its book publishing and distribution businesses, the Group is subject to specific local regulations in the countries in which it operates, including intellectual property rights, legal copyright registration requirements, rules governing the pricing of books, and VAT rules. In France, for example, the Group is subject to regulations imposing a fixed book price set by publishers or importers, which restrict qualitative or quantitative discounts to distributors.

Further regulations also apply to publications for children and young people.

In both its book publishing and press and audiovisual production operations, the Group is subject, in particular, to the laws and regulations concerning copyright, libel, image rights and the respect of privacy.

In its distribution activities, the Group must comply with certain specific regulations, particularly those applicable to the sale of print media, foodstuffs and tobacco or alcoholic products and duty-free products (which may be governed by conventions signed with the Customs authorities), and regulations governing transport operations. In France for example, press distribution and the legal structure of distribution cooperatives are subject to a specific law (Loi Bichet).

Both in and outside France, prior authorisation may be required to carry out certain distribution activities.

The Group's advertising activities (including the management of marketing and audiovisual rights) are subject to the relevant legislation, in particular restrictions on tobacco and alcohol advertising, gambling laws and laws concerning misleading advertising.

The law of 30 September 1986 on freedom of communication is applicable to the Group's French audiovisual communication operations. Operation of radio and television services by the Group in France requires authorisations, which are issued for specific periods by the French broadcasting authority (Conseil Supérieur de l'Audiovisuel – CSA).

The resultant obligations are set forth in a convention signed with the CSA, and renewed in compliance with the said law. The legislation in most other countries in which Lagardère's Audiovisual division operates is similar to the French law of 30 September 1986, and overseen by a broadcasting authority. These laws generally define the terms for attribution of radio and TV broadcasting frequencies, and radio and TV channel and programme broadcasting (these terms are included in the licence agreements signed with the relevant broadcasting authority), the antitrust system and the broadcasting authority's powers to verify compliance and apply sanctions.

In the countries where it exercises its sports sector activities, the Group is subject to the national and local laws governing sports-related bodies, particularly national federations and supranational organisations, primarily for football (soccer).

3-2. Risks associated with brands and other intellectual property rights

The Group pays particular attention to the protection of its portfolio of commercial trademarks and intellectual property rights, which form an essential component of its assets and rights (see section 7-4-3-1, in chapter 7 of the AR 2008).

3-3. Dependency of the company on certain contracts – major customers

The operations of Lagardère Active, Lagardère Services and Lagardère Publishing are highly sensitive to market conditions, have very short economic cycles and are characterised by a multitude of contracts. They are mass market orientated and have widely diversified customer bases.

3-4. Risks associated with litigation in process

The main litigation and claims involving the Group are presented in note 18 to the consolidated financial statements of the Issuer as at 30 June 2009 (see chapter 2 of the 2008 Update). The main litigations involving the EADS NV group and Canal+ France are described in the EADS Registration Document and the Vivendi Annual Report respectively. In the normal course of their business, Lagardère and/or its subsidiaries are involved in a number of disputes principally related to contract execution. Adequate provisions are established, where considered necessary,

to cover any risks that may arise from general or specific disputes. The total amount of provisions for litigation is shown in note 26-2 to the consolidated financial statements for 2008.

To the best of the Group's knowledge, in the twelve months immediately preceding publication of this Reference Document, there were no other governmental, litigation or arbitration procedures in existence (including any procedure of which the Group is aware which is suspended or threatened) which may have or recently had significant effects on its financial position or profits.

3-5. Exposure to governmental, economic, budgetary, monetary or political factors or strategies with a potentially significant influence on the group's operations

Like all economic actors, the Group is concerned by recent changes in the rules governing commercial transactions. Many other changes are due to take place in the laws governing audiovisual activities in France, such as revision of the EU directives on attribution and management of broadcasting frequencies, amendments to regulations on advertising and audiovisual production, stricter rules for child protection including anti-obesity measures, and more stringent anti-copyright theft laws. The impacts for the various actors concerned, including the Group, cannot currently be reliably estimated.

The Group is also concerned by developments following a national Written Press Convention (États Généraux de la Presse Écrite) held in France to devise responses to the sector's financial difficulties in the face of lower advertising revenues and competition from the Internet and free newspapers. After the Convention, a Green Paper containing recommendations was submitted to the government on 8 January 2009, with the chief aims of (i) improving the status of journalists, (ii) facilitating the industrial process, primarily through cost-cutting and updating the rules applicable to distribution and advertising, (iii) rising to the digital challenge, particularly by clarifying the rules applicable to online magazine and newspaper publishers and encouraging investment in the sector, (iv) amending the tax regimes applicable in favour of the political and general news press, and slightly easing the rules governing concentration and foreign shareholdings in press corporations.

Since this Green Paper was remitted, the President of France has talked of bringing in measures based on its recommendations in the near future, for example extending the law on advertising space buying procedures (Loi Sapin) to cover the "non-media" sector and Internet advertising, and introducing tax incentives to encourage press financing.

4. Market risks (interest rate, exchange rate and equity risks)

Market risks (liquidity, interest rate, exchange rate, and equity risks) are described in note 28-1 to the consolidated financial statements for 2008 (see chapter 6 of the AR 2008).

5. Credit and counterparty risks

Credit and counterparty risks are described in note 28-2 to the consolidated financial statements for 2008 (see chapter 6 of the AR 2008).

6. Industrial and environmental risks

The industrial and environmental risk prevention and management policies are described in chapter 7, section 7-4-3-2 "Risk management procedures" of the AR 2008.

6-1. Identified risks

The Group's business activities fall mainly into the service category, and many of its assets are intangible assets. Following the sale of the Group's last remaining printing operations at the end of 2007 (sale of the regional daily press operations), only activities primarily related to the warehouses of the Press, Publishing, Services divisions and the Automobile spare parts business are potentially exposed, and the specific risks involved are limited and identified. Some of the sites concerned are operated subject to authorisation or a declaration to the administrative authorities, but none of the Group's sites is classified SEVESO 1 or SEVESO 2.

6-2. Assessment of risk impact

The Group has no knowledge of any items or situations likely to have a significant impact on its assets or operating results, and is unaware of any environmental issue that may affect its use of property, plant and equipment in its operations.

In view of the Group's limited exposure to industrial and environmental risks, the costs related to evaluation, prevention and treatment of those risks are included in the investment and expense accounts concerned, as their relative scale does not warrant separate reporting.

Under this policy, the consolidated financial statements for 2008 incorporate no provision or guarantee for environmental risk, and no expense resulting from a court ruling in an environmental case or action taken to repair environmental damage.

7. Insurance policies – risk coverage

The Group's insurance policy is described chapter 7, section 7-4-3-2 "Risk management procedures" of the AR 2008.

The Group has a captive insurance company based in the USA which covers certain risks of Lagardère Services in North America. It provides insurance exclusively for Group entities. The relevant policies are subscribed in addition to the insurance described in section 7-1 below, or function as the primary policies for non-significant amounts of risks at Group level. This insurance company has not had to honour any claims since its formation.

7-1. Insurance policies

The major insurance policies cover property, business interruption and civil liability. Depending on the type of risk, coverage consists of permanent policies and additional or temporary coverage for specific projects.

In 2008 and for the year 2009, Lagardère and its divisions were able to renew insurance coverage for their activities throughout the world.

The Group selects its insurers carefully and regularly reviews their creditworthiness.

7-2. Risk coverage

Many insurance policies are taken out at the level of the divisions and their sites. Given the wide diversity of situations, it is not possible to give full details of all the coverage limits.

7-2-1. Insurance for property damage/loss and business interruption

A) Risks insured

Insurance policies cover the risks of fire/explosion, damage caused by lightning, water or high winds, natural catastrophes, and terrorism. When specific national legislation applies to these risks, the cover is subscribed in compliance with the relevant laws in each country concerned.

B) Limits to coverage

As a general rule, insurance for property damage and losses or business interruption is taken out for the amount at risk (value of the assets and cost of business interruption); in some cases, the policies comprise contractual indemnity limits agreed with the insurer. Deductibles are appropriate to the capacities of the divisions and their sites.

The highest insurance coverage subscribed in the Group is €400 million for certain Hachette Livre facilities. The other amounts insured are no higher than €161 million. Sub-limits specific to certain risks may also apply within these overall limits (for storms, earthquakes or flooding, for example).

7-2-2. Civil liability

A) Risks insured

For liability arising in connection with operations, products or malpractice causing material or immaterial damage or bodily harm to third parties, insurance cover is subscribed at the level of the division or of certain business lines.

B) Limits to coverage

The maximum severity of exposure to liability claims is difficult to assess, and the level of insurance at the divisions and their sites depends on the availability of coverage at an acceptable economic cost. Excluding the

United States, the amounts of cover subscribed within the Group are generally between €2 million and €10 million, with an additional €20 million after an excess of €10 million for media activities in Europe.

In the United States, the highest total limit is \$75 million (excluding self-insurance).

Sub-limits specific to certain risks may also apply within these overall limits.

7-3. Premiums

In 2008, the overall budget for the main permanent insurance policies subscribed by the Group was an estimated €10 million (excluding collective insurance) distributed as follows:

- Property damage/loss and business interruption: €3.8 million;
- Civil liability: €3.3 million;
- Other (mainly automobile, transport, exhibitions, personal insurance and filming insurance): €3.2 million.

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 risks of such investment; and
- (vi) consult its own advisers as to legal, tax and related aspects of an investment in the Bonds.

Risks related to the structure of the Bonds.

The Bonds are subject to early redemption by the Issuer for taxation reasons

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", 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 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.

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.

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. 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, 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, except that, for a transitional period, Belgium, 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.

French insolvency law

Under French insolvency law as amended by ordinance n°2008-1345 dated 18 December 2008 which came into force on 15 February 2009, holders of debt securities are automatically grouped into a single assembly of holders (the “**Assembly**”) in order to defend their common interests if a preservation (*procédure de sauvegarde*) 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 safeguard (*projet de plan de sauvegarde*) or judicial reorganisation plan (*projet de plan de redressement*) applicable to the Issuer and may further agree to:

- 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) as appropriate under the circumstances; and/or
- decide to convert debt securities (including the Bonds) into securities that give or may give right to share capital.

Decisions of the Assembly will be taken by a two-third 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.

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.

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 audited consolidated financial statements of the Issuer as at 31 December 2007 prepared in accordance with International Financial Reporting Standards as adopted by the European Union (“**IFRS**”) and the auditors’ reports on such audited financial statements, all as included in the English translation of the Issuer’s 2007 *Document de Référence* (“**AR 2007**”) dated 3 April 2008 which received reference no. D.08-0195 from the *Autorité des marchés financiers* (the “**AMF**”);
- the English translation of the update to the Issuer’s 2007 *Document de Référence* (“**2007 Update**”) dated 30 April 2008 which received reference no. D.08-0195-A01 from the AMF, except for the second paragraph of the section “Affidavit delivered by the General Managers” on page 2 of the 2007 Update;
- the English translation of Issuer’s 2008 *Document de Référence* (“**AR 2008**”) dated 24 March 2009 which received reference no. D.09-0148 from the AMF and which includes the audited consolidated financial statements of the Issuer as at 31 December 2008 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 8 of the AR 2008 and;
- the English translation of the update to the Issuer’s 2008 *Document de Référence* (“**2008 Update**”) dated 15 September 2009 which received reference no. D.09-0148-A01 from the AMF and which includes the unaudited consolidated financial statements of the Issuer as at 30 June 2009 prepared in accordance with IFRS and the auditors’ limited review report on such unaudited financial statements, except for the second paragraph of the section “Declaration of the person responsible” on page 46 of the 2008 Update.

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 and in this Prospectus has the meaning ascribed to it in the AR 2008.

All documents incorporated by reference will be available on the website of the Luxembourg Stock Exchange (www.bourse.lu) and on the website of the Issuer (www.lagardere.com). 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. Any information not listed in the cross-reference list but included in the documents incorporated by reference is given for information purposes only.

Rule	Prospectus Regulation – Annex IX	Document incorporated by reference	Page
1.	PERSONS RESPONSIBLE		
1.1.	All persons responsible for the information given in the Registration Document and, as the case may be, for certain parts of it, with, in the latter case, an indication of such parts. In the case of natural persons including members of the issuer's administrative, management or supervisory bodies indicate the name and function of the person; in case of legal persons indicate the name and registered office.	AR 2008	8
1.2.	A declaration by those responsible for the registration document that, having taken all reasonable care to ensure that such is the case, the information contained in the registration document is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import. As the case may be, declaration by those responsible for certain parts of the registration document that, having taken all reasonable care to ensure that such is the case, the information contained in the part of the registration document for which they are responsible is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.	AR 2008	8
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 2008 2008 Update	14 to 20 4
4.	INFORMATION ABOUT THE ISSUER		
4.1.	<u>History and development of the Issuer</u>		25
4.1.1.	the legal and commercial name of the issuer	AR 2008	24
4.1.2.	the place of registration of the issuer and its registration number	AR 2008	24
4.1.3.	the date of incorporation and the length of life of the issuer, except where indefinite	AR 2008	24
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 2008	24
4.1.5.	any recent events particular to the issuer and which are to a material extent relevant to the evaluation of the issuer's solvency		N/A
5.	BUSINESS OVERVIEW		
5.1.	<u>Principal activities</u>		
5.1.1.	A brief description of the issuer's principal activities stating the main categories of products sold and/or services performed	AR 2008	34 to 65
5.1.2.	The basis for any statements in the registration document made by the issuer regarding its competitive position	AR 2008	35, 39 to 41, 44, 45, 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 2008	26, 27
6.2.	If the issuer is dependent upon other entities within the group, this must be clearly stated together with an explanation of this dependence		N/A
8.	PROFIT FORECASTS OR ESTIMATES		
8.	If an issuer chooses to include a profit forecast or a profit estimate, the registration document must contain the information items 8.1 and 8.2 the following		N/A
8.1.	A statement setting out the principal assumptions upon which the issuer has based its forecast, or estimate. There must be a clear distinction between assumptions about factors which the members of the administrative, management or supervisory bodies can influence and assumptions about factors which are exclusively outside the influence of the members of the administrative, management or supervisory bodies; be readily understandable by investors; be specific and precise; and not relate to the general accuracy of the estimates underlying the forecast.		N/A
8.2.	Any profit forecast set out in the registration document must be accompanied by a statement confirming that the said forecast has been properly prepared on the basis stated and that the basis of accounting is consistent with the accounting policies of the issuer.		N/A
8.3.	The profit forecast or estimate must be prepared on a basis comparable with the historical financial information.		N/A
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 2008	235 to 250
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 2008	250
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 2008 2008 Update	291 298 43 to 44

10.2.	A description of any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer		N/A
11.	FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES		
11.1.	<p>Historical Financial Information</p> <p>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</p> <p>If the audited financial information is prepared according to national accounting standards, the financial information required under this heading must include at least the following:</p> <p>(a) the balance sheet</p> <p>(b) the income statement</p> <p>(c) the accounting policies and explanatory notes</p>	<p>AR 2008 AR 2007</p> <p>AR 2008 AR 2007</p> <p>AR 2008 AR 2007</p>	<p>130, 131 138,139</p> <p>127 136</p> <p>134 to 209 143 to 219</p>
11.3.	<u>Auditing of historical annual financial information</u>		
11.3.1.	<p>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</p> <p>Limited review report in respect of financial information as at 30 June 2009</p>	<p>AR 2008 AR 2007</p> <p>2008 Update</p>	<p>229, 230 240, 241</p> <p>38</p>
11.3.2.	An indication of other information in the registration document which has been audited by the auditors.	AR 2008	230, 231
11.3.3.	Where financial data in the registration document is not extracted from the issuer's audited financial statements, state the source of the data and state that the data is unaudited.		N/A
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 2008	127, 130, 131
11.5.	<p><u>Legal and arbitration proceedings</u></p> <p>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</p>	<p>AR 2008</p> <p>2008 Update</p>	<p>18 190 to 193</p> <p>4 34 to 37</p>

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 2008 2008 Update	299, 300 1 to 2
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.		N/A
13.2	Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading; in addition, identify the source(s) of the information.		N/A
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 2008	309

Information incorporated by reference	Document incorporated by reference	Page
Unaudited financial information as at 30 June 2009	2008 Update	
(a) the balance sheet		18

Information incorporated by reference	Document incorporated by reference	Page
(b) the income statement		14
(c) the accounting policies and explanatory notes		20
Risk Management Procedures	AR 2008	275 to 278

TERMS AND CONDITIONS OF THE BONDS

The issue outside the Republic of France of €1,000,000,000 4.875 per cent. bonds due 2014 (the “**Bonds**”) of Lagardère S.C.A (the “**Issuer**”) was decided by two decisions of the *Gérance* of the Issuer respectively dated 7 September 2009 and 30 September 2009. The Issuer has entered into an agency agreement (the “**Agency Agreement**”) dated 6 October 2009 with BGL BNP Paribas S.A., as fiscal agent and principal paying agent. The fiscal agent, principal paying agent and paying agents for the time being are referred to in these Conditions as the “**Fiscal 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**”. The Bonds are issued with the benefit of the Agency Agreement, copies of which are available without charge during normal business hours at the specified office of the Fiscal Agent. Holders of the Bonds (the “**Bondholders**”) are deemed to have knowledge of the provisions of the Agency Agreement. 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 6 October 2009 (the “**Issue Date**”) in dematerialised bearer form in the denomination of €50,000. 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* (“**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 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 4.875 per cent. per annum, from and including 6 October 2009 (the “**Interest Commencement Date**”) payable annually in arrear on 6 October in each year (each an “**Interest Payment Date**”), commencing on 6 October 2010. 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 4.875 per cent. per annum (as well after as before judgment) 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 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 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 6 October 2014.

(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 45 nor less than 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 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 of such 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 cease 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 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 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) 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.

(E) Cancellation

All Bonds which are redeemed or purchased by the Issuer pursuant to paragraphs (B)(i), (B)(ii), (C) or (D) 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 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 45 nor less than 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 Exemption

The Bonds constituting *obligations* under French law and being denominated in Euro, they are deemed to be issued outside France for the purposes of Article 131 *quater* of the French tax code, as construed by administrative guideline no. 5 I-11-98 dated 30 September 1998 and rulings 2007/59 (FP) dated 8 January 2008 and 2009/23 (FP) dated 7 April 2009, all issued by the French Tax Authorities. Consequently, payments of interest and other revenues with respect to the Bonds to Non-French Bondholders (as defined in the Prospectus - Taxation) will benefit in France from the exemption from the withholding tax set out under Article 125 A III of the French tax code. Accordingly, such payments will not give the right to any tax credit from any French source.

(B) Additional Amounts

If, pursuant to French laws or regulations, payments of principal or interest in respect of any Bond become 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 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 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 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 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 opening of a conciliation procedure (*procédure de conciliation*) in accordance with the meaning of articles L.611-4 *et seq* of the French *Code de commerce* with its creditors or 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 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 shareholders' equity 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 Community, 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; or
- (f) any Principal Subsidiary is dissolved or liquidated, or is merged or consolidated into another entity or other entities unless (i) the aggregate pro-forma balance sheet of the legal entity(ies) resulting from such dissolution, liquidation, merger or consolidation shows, as at the effective date of such dissolution, liquidation, merger or consolidation, a shareholders' equity not less than that of such Principal Subsidiary on the day before the effective date of such dissolution, liquidation, merger or consolidation and (ii) the legal entity or entities resulting from such dissolution, liquidation, merger or consolidation is the Issuer and/or one (or more) Subsidiary(ies) of the Issuer, 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 10 per cent. or more of the share capital of the Issuer or companies having 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*:

Roman Zubinski
15 rue Guy Patin
95240 Cormeilles-en-Parisis
France

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

Florence Boucheroy
60 boulevard de la Reine
78000 Versailles
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 €1,000 per year so long as any of the Bonds is outstanding. The Alternative Representative will only become entitled to the annual remuneration of €1,000 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 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 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 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 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 of the Bonds then outstanding. On second convocation, no quorum shall

¹ At the date of this Prospectus, 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.

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 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.

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 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.

For the benefit of the Bondholders, the Issuer submits to jurisdiction of the competent courts in Paris. This submission shall not limit the right of any Bondholder to take proceedings in any other court of competent jurisdiction.

USE OF PROCEEDS

The net proceeds of the issue of the Bonds are expected to amount to approximately €991,440,000 and will be used for the general corporate purposes of the Issuer.

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 summary 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 (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 individuals.

However, throughout a transitional period, certain Member States (the Grand-Duchy of Luxembourg, Belgium and Austria), instead of using the Disclosure of Information Method used by other Member States, withhold an amount on interests payments. The rate of such withholding tax equals 20 per cent. as from 1 July 2008, rising to 35 per cent. as from 1 July 2011. 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 Community, 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.

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.

The Directive was implemented into French law under Article 242 *ter* of the French tax code 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 withholding tax

Under Luxembourg tax laws currently in effect and with the possible exception of interest paid to individuals and to certain 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 residual entities (as described below), upon repayment of principal in case of reimbursement, redemption, repurchase or exchange of the Bonds.

Luxembourg residents

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 individual residents or to certain 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 85/611/EC or for the exchange of information regime).

Only interest accrued after 1 July 2005 falls within the scope of this withholding tax. Interest income from current and sight accounts (*comptes courants et à vue*) provided that the remuneration on these accounts is not higher than 0.75 per cent. are exempt from the withholding tax. Furthermore, 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 withholding tax represents the final tax liability for the Luxembourg individual resident taxpayers.

Luxembourg non-residents

Under the Luxembourg laws dated 21 June 2005 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 resident 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 for the tax certificate procedure. The same regime applies to payments of interest and other similar income made to certain so-called “residual entities” within the meaning of Article 4.2 of the Directive (i.e. an entity established in a Member State or in certain EU dependent or associated territories without legal personality (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 is not, or has not opted to be considered as, a UCITS recognised in accordance with Council Directive 85/611/EEC).

The withholding tax rate is 20 per cent. (as from 1 July 2008) increasing to 35 per cent. (as from 1 July 2011). 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.

Corporations

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

French Taxation

The following is a summary limited to the tax considerations in France relating to the payment of interest in respect of the Bonds to a beneficial holder of the Bonds who (i) is not a French resident for tax purposes, (ii) does not hold the Bonds in connection with a permanent establishment or a fixed base in France and (iii) does

not hold shares of the Issuer and is not otherwise affiliated with the Issuer (such holder being referred to as a “Non-French Bondholder”).

The Bonds, which constitute *obligations* under French law, are deemed to be issued outside the Republic of France for the purposes of Article 131 *quater* of the French tax code as construed by the French tax authorities (Administrative guideline no. 5 I-11-98 dated 30 September 1998 and rulings 2007/59 and 2009/23 dated 8 January 2008 and 7 April 2009, respectively). Consequently, payments of interest and other revenues with respect to the Bonds to Non-French Bondholders benefit from the exemption from the withholding tax set out in Article 125 A III of the French tax code. Accordingly, such payments do not give the right to any tax credit from any French source.

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

SUBSCRIPTION AND SALE

Barclays Bank PLC, BNP Paribas, CALYON, Natixis and Société Générale (the “**Joint Lead Managers**”) will, pursuant to a subscription agreement (the “**Subscription Agreement**”) to be dated 2 October 2009, jointly and severally agree with the Issuer, subject to satisfaction of certain conditions, to subscribe or procure subscribers for the Bonds at the issue price of 99.744 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 U.S. Securities Act of 1933 (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 except in accordance with Regulation S under the Securities Act (“**Regulation S**”) or 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 herein, it has 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 40 days after the later of the commencement of the offering of the Bonds and the Closing Date, except in accordance with Regulation S. 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 during the 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 40 days after the later of the commencement of the offering of the securities and the closing date of the offering, except in either case in accordance with Regulation S under the Securities Act. 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.

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, and/or (ii) qualified investors (*investisseurs qualifiés*), 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 to D .411-3 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 7 September 2009 and 30 September 2009.
- 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 € 4,400.
- 4 The Bonds have been accepted for clearance through Euroclear France, Clearstream, Luxembourg and Euroclear with the Common Code number 045545318. The International Securities Identification Number (ISIN) for the Bonds is FR0010808071.
- 5 The address of Euroclear France is 155 rue de Réaumur, 75081 Paris Cedex 02 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 J.F. Kennedy, L-1855 Luxembourg.
- 6 Except as disclosed in this Prospectus, there has been no significant change in the financial or trading position of the Issuer or the Lagardère Group since 30 June 2009 and no material adverse change in the prospects of the Issuer since 31 December 2008.
- 7 Except as disclosed in this Prospectus, 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.
- 8 Except as disclosed in this Prospectus, 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.
- 9 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.
- 10 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.
- 11 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 2007

and 31 December 2008) and the unaudited consolidated financial statements of the Issuer as at 30 June 2009.

This Prospectus will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

- 12** The statutory auditors of the Issuer are Mazars (formerly Mazars et Guérard) (Exaltis, 61, rue Henri Regnault 92075 Paris-La Défense, France) and Ernst & Young et Autres (41, rue Ybry, 92200 Neuilly-sur-Seine, 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 2007 and 31 December 2008.
- 13** The yield of the Bonds is 4.934 per cent. per year. It is not an indication of future yield.

REGISTERED OFFICE OF THE ISSUER

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