Lagardère SCA
A French limited partnership with shares
with capital stock of €851,664,913.90
divided into 139,617,199 shares of €6.10 par value each.
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Documents for the Combined Ordinary and Extraordinary Annual General Meeting

May 11, 2004

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Agenda

Agenda

- Report of the managing partners (report on the operations of the Company and the Group, and on the Parent Company annual accounts for the year ended December 31, 2003).
- Report of the Supervisory Board.
- Reports of the Statutory Auditors on their audit of the Group's consolidated financial statements, the Parent Company annual accounts and agreements covered by article L.226-10 of the French Commercial Code.
- Special report of the Statutory Auditors on financial authorizations to be given to the managing partners.
- Special report of the managing partners on options to subscribe or purchase Company shares.
- Report of the Chairman of the Supervisory Board.
- Special report of the Statutory Auditors on internal control procedures.
- Approval of the Parent Company accounts for the year ended December 31, 2003.
- Approval of the consolidated financial statements for the year ended December 31, 2003.
- Allocation of Parent Company net income; dividend distribution.
- Approval of agreements covered by article L. 226-10 of the French Commercial Code.
- Authorization for the Company to purchase its own shares: authorization to be given under article L. 225-209 of the French Commercial Code.
- Renewal of the terms of office of certain members of the Supervisory Board.
- Appointment of new Supervisory Board members, and of a new Censor.
- Vote on the amount to be paid to Supervisory Board members as attendance fees.
- Authorization to be given to the managing partners to issue bonds and/or securities which give or may give access to securities representing debts of the Company and/or to a portion of the capital stock of other companies.
- Authorization to be given to the managing partners to issue securities with an equity component, without surrender of preferential subscription rights.
- Authorization to be given to the managing partners to issue securities with an equity component, with surrender of preferential subscription rights.
- Authorization to be given to the managing partners to increase the capital stock for the purpose of completing a public share exchange offer.
- Authorization to be given to the managing partners to increase the capital stock through the incorporation of reserves, retained earnings or additional paid-in capital.
- Limits for the total amount of authorized issues, and for the resulting capital increases.
- Authorization to be given to the managing partners to make use of the above authorizations while a public purchase or exchange offer for the Company's shares is in progress.
- Authorization to be given to the managing partners to increase the capital stock through the issue of shares to be subscribed by Group employees who are members of the Group Savings Plan.
- Authorization to be given to the managing partners to grant, to employees and senior executives of the Company and its related companies, options to subscribe and/or purchase shares in the Company.
- Harmonization the Company's by-laws.
- Powers to accomplish formalities.

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2003

Reports

of the Managing Partners

Management Report

Ladies and Gentlemen, dear Shareholders,

We have invited you to attend today's Combined Ordinary and Extraordinary General Meeting to:

- report to you on the business activity, situation and outlook of your Company and of Lagardère Group as a whole;
- present the Parent Company accounts and the consolidated financial statements for the year ended December 31, 2003;
- ask you to renew a certain number of financial authorizations previously given to the managing partners;
- take a number of measures concerning the composition and functioning of your Supervisory Board.

Among the documents you have been given, the "Document for the Annual General Meeting" includes the various reports to be presented to you: the reports from the managing partners, that of the Supervisory Board and those of the Statutory Auditors. Also included is the text of the resolutions to be submitted for your approval at the end of this meeting.

The "Reference Document", which is registered with the French Financial Markets Authority (AMF), provides you with exhaustive information about the Company under the following headings:

- the by-laws, Lagardère SCA share and capital stock;
- the Group's various business activities in the course of 2003;
- consolidated financial statements and Parent Company accounts;
- management, control and supervisory bodies;
- recent changes and the outlook for the future.

The Reference Document constitutes an appendix in its own right to the report from your managing partners, who may therefore concentrate on the essential and refer the reader to that document for any in-depth presentations the reader may require.

I The financial situation at December 31, 2003

Lagardère Group ended 2003 in a satisfactory way, despite the sluggishness of the world economy, which began back in September 2001 but has since been amplified by the war in Iraq, the threat of terrorist attacks and, more recently, by exchange rate fluctuations which have hampered exports from the euro zone. With gross sales stable at around €12.5 billion, Lagardère's operating income increased considerably, leading to consolidated net income of €334 million, whereas the year 2002 resulted in an overall loss, due, in the main part, to the withdrawal from automobile manufacturing.

This satisfactory situation means good development prospects for the Group. On the one hand, the acquisition of a part of Editis (the former "publishing" sector of Vivendi Universal Publishing), and the expansion of EADS' defense activities, on the other hand, mean that the Group is poised to experience a new period of growth from 2004 onward, all the more so since the media and aeronautics/defense industries are expected to undergo further recomposition in Europe.

1 Consolidated sales and operating income

(in million €)	Sales		Operating income	
	2002	2003	2002	2003
Book Publishing	*950*	*959*	*91*	*107*
Print Media	*2,113*	*2,072*	*192*	*201*
Distribution Services	*4,464*	*4,333*	*88*	*92*
Lagardere Active	*568*	*580*	*14*	*27*
Lagardère Media	*8,095*	*7,944*	*385*	*427*
High Technologies (EADS)	*4,339*	*4,510 (1)*	*63*	*232 (1)*
Automobile	*782*	*–*	*7*	*–*
Other Activities	*-*	*-*	*(15)*	*12*
Consolidated total	**13,216**	**12,454**	**440**	**671**
Pro forma consolidated total *(2)*	**12,434**			

(1) Contribution calculated on the basis of a 15.07% share in EADS.
(2) Excluding the Automobile segment, deconsolidated in 2003.

Total consolidated sales for 2003 amounted to €12,454 million, slightly down on the 2002 figure of €13,216 million. However, given that automobile manufacturing was deconsolidated in 2003, after adjusting for changes in group structure sales remained stable when compared to the pro forma 2002 sales figure of €12,434 million.

Lagardère Media's sales, amounting to €7,944 million, were close to their 2002 level. However, here again, after adjusting for changes in group structure and exchange rates, sales grew 2.1%, notably as a result of the Book Publishing business and Lagardere Active.

EADS' contribution to consolidated sales was €4,510 million, an increase of 3.9% over 2002, despite the handicap of the falling dollar, the currency in which a large part of this company's billings are established. This increase was the result of a slightly higher number of Airbus aircraft delivered than in 2002 (305 aircraft compared to 303), but was also due to the new "Military Transport Aircraft" division starting up, making it possible to raise the first invoices in the important A400M program.

Total consolidated operating income rose from €440 million in 2002 to €671 million in 2003, showing an improvement of more than 50%; this increase is mainly the result of a very high increase in the contribution from EADS, which experienced improved profit margins in defense activities, and which also profited from the beneficial effects of its procedures for hedging exchange rate risks.

Lagardère Media's operating income was up 11% to €427 million on the previous year, confirming the capacity of its divisions to achieve the target of double-digit growth; indeed, the overall operating margin increased to 5.4% in 2003, from 4.8% in 2002. The "Book Publishing", "Print Media" and "Distribution Services" activities all saw their profitability increase further; as did "Lagardere Active", particularly thanks to activities in "Television," "Radio" and "Program production".

2 Analysis of income statement items and net income

(in million €)	2002				2003		
	Lagardère Group excl. Auto and EADS	Auto	EADS	Total Lagardère Group	Lagardère Group excl. EADS	EADS	Total Lagardère Group
Net sales	**8,095**	**782**	**4,339**	**13,216**	**7,944**	**4,510**	**12,454**
Operating income	**370**	**7**	**63**	**440**	**439**	**232**	**671**
Financial income (expense), net	**(339)**	**37**	**(29)**	**(331)**	**62**	**(20)**	**42**
Operating income before tax and non-operating items	**31**	**44**	**34**	**109**	**501**	**212**	**713**
Non-operating expenses, net	**(77)**	**(273)**	**(21)**	**(371)**	**(30)**	**(49)**	**(79)**
Preferred remuneration	*(11)*	–	–	*(11)*	*(8)*	–	*(8)*
Income taxes	*163*	–	*(20)*	*143*	*(121)*	*(72)*	*(193)*
Amortization of goodwill	*(78)*	–	*(46)*	*(124)*	*(79)*	*(45)*	*(124)*
Net income (loss) before minority interests	**28**	**(229)**	**(53)**	**(255)**	**263**	**46**	**309**
Share in net income (loss) of companies accounted for by the equity method	*(53)*	–	*20*	*(33)*	*11*	*38*	*49*
Minority interests	*(8)*	–	*4*	*(4)*	*(11)*	*(13)*	*(24)*
Net income (loss)	**(33)**	**(229)**	**(29)**	**(291)**	**263**	**71**	**334**

In addition to the sales and operating income already commented on above, all the income statement items for 2003 show a positive change; thus:

The financial situation improved greatly in 2003, leading to net financial income of €42 million, compared to net financial expense of €331 million in 2002. This was partly due to the positive impact of a €121 million release from the provision on T-Online shares, whereas a €278 million charge was recorded in 2002 because of the shares' low price on the stock exchange at the time.

Thanks to the increase in operating income and financial income, **income before tax and non-operating items** showed an exceptional increase of more than €600 million, rising from €109 million to €713 million.

A **net non-operating loss** of €79 million is made up of, on the one hand, €49 million restructuring costs in the "Space" division of EADS, and, on the other hand, by an exceptional write-down of Virgin's intangible assets (approximately €40 million). Although still negative, non-operating results were much better than in 2002 (a loss of €371 million), a year that was marked by the hefty provisions recorded for the withdrawal from automobile manufacturing.

With a net charge of €193 million, income taxes were heavier, showing an increase of €336 million over 2002. This is the normal consequence of improved profitability throughout the Group in 2003, but it is also due to the fact that in 2002, a credit of almost €200 million was recorded following the release of a provision set up for taxes payable in future periods on the gain realized on the sale of Club-Internet in April 2000. The release resulted from the recalculation of the provision using the reduced tax rate applicable to long-term capital gains (20.2%), whereas it was initially recorded at the normal corporate income tax rate (36.43%).

Amortization of goodwill remained identical to the figure for 2002, and does not require any particular comments.

Income from companies accounted for by the equity method amounted to €49 million (compared to a loss of €33 million in 2002), as a result of an improved contribution from EADS (due to the favorable evolution of its interest in Dassault), but also thanks to a higher contribution from CanalSatellite, and a lower provision against the investment in multiThématiques.

Net income attributable to minority interests rose from €4 million in 2002 to €24 million in 2003, as a logical reflection of the general improvement of the Group's profitability, from which minority shareholders also benefit.

Lastly, **net income** amounted to €334 million, representing a huge improvement compared to losses of €291 million incurred in 2002. This recovery can mainly be attributed to the media businesses (accounting for almost €200 million), to EADS (for approximately €100 million) and to the deconsolidation of the automobile business.

3 Capital expenditure, cash flows, cash surplus

(in million €)	2002	2003
Cash flows from operations	*595*	*813*
Net change in working capital requirement	*224*	*427*
Net cash flows from operating activities	*819*	*1,240*
Net cash flows from investing activities	*(2,139)*	*(526)*
Net cash flows provided by (used in) operations and investments	*(1,320)*	*714*
Net cash flows from financing activities	*980*	*(66)*
Miscellaneous changes in cash	*(76)*	*(369)*
Net increase (decrease) in cash	*(416)*	*279*
Net cash, beginning of year	*2,017*	*1,602*
Net cash, end of year	**1,601**	**1,881**

"Net cash flows from operating activities" in the Group increased by 50% over 2002 to €1,240 million in 2003 as a result of improved cash flows from operations in both the Lagardère Media business segment and EADS. "Net cash flows from investing activities" totaled - €526 million in 2003 and was significantly lower than in 2002 although it included the proceeds on the sale of the investment in Renault (approximately €140 million). In 2002, net cash flows from investing activities totaled - €2,139 million, mainly as a result of the financial investment made in connection with the acquisition of VUP/Editis. This resulted in excess funds ("net cash flows provided by operations and investments") of €714 million which enabled the Group to limit the use of outside financial resources, and to reduce net cash flows from financing activities to - €66 million in 2003, compared to 2002 when bonds were issued for some €770 million and funds were drawn from a syndicated loan. As a result, despite negative "miscellaneous changes in cash" during 2003 (- €369 million, principally because of the deconsolidation of Matra Automobile's cash), "net cash available at the end of the year" amounted to €1,881 million, or an increase of €280 million over the previous year.

(in million €)	2002	2003
Borrowings	*(3,832)*	*(3,529)*
Subordinated borrowings (excluding perpetual subordinated notes 1992)	*(5)*	*(3)*
Marketable securities and cash	*2,443*	*2,650*
Net indebtedness	**(1,394)**	**(882)**

The Group's net indebtedness was reduced by more than €500 million, and amounted to only €882 million at the end of 2003, compared to €1,394 million a year before. This improvement resulted from a reduction in borrowings (rescheduling of short-term borrowings through new borrowings; reimbursement of the syndicated loan partly thanks to the high level of "funds provided by operations and investments" of €714 million) and an increase in "marketable securities and cash" of some €210 million, resulting from the revaluation of the investment in T-Online.

Although continuing, net indebtedness must be seen in the light of the Group's total permanent funds (€4,136 million), as its relative weight (the Group’s gearing ratio) was reduced to 21% in 2003, compared to 35% in 2002.

4 Consolidated balance sheet at December 31, 2003

Assets (in million €)	2002	2003	Liabilities and stockholders' equity (in million €)	2002	2003
Long-term assets	*9,931*	*9,446*	*Stockholders' equity and other*	*4,330*	*4,552*
Current assets	*8,239*	*8,511*	*Provisions for risks and charges*	*2,361*	*2,201*
			Borrowings	*4,124*	*3,819*
			Current liabilities	*7,355*	*7,385*
TOTAL	**18,170**	**17,957**	**TOTAL**	**18,170**	**17,957**

As at December 31, 2003, the consolidated balance sheet reflects a summary of the Group’s major economic options and operations:

UNDER ASSETS

- the withdrawal and disinvestment from the automobile sector (stoppage of production at Matra Automobile, disposal of shares held in Renault), as well as the effect of the fall in the dollar on the valuation of certain intangible assets located in the United States, resulted in a decrease of almost €500 million in “long-term assets”;

- on the other hand, the revaluation of T-Online shares and the improved flows generated by operations led to a rise in “current assets” of approximately €300 million.

UNDER LIABILITIES AND STOCKHOLDERS' EQUITY

- the increase in “stockholders' equity and other” by over €200 million as a result of the good level of net income;
- the reduction in indebtedness takes the form of a decrease in “borrowings” of approximately €300 million.

As at the end of 2002, the Group's financial position remains balanced and satisfactory, with particularly comfortable amounts of "permanent funds" (€10.5 billion), largely financing long-term assets (€9.4 billion), thereby providing Lagardère with working capital amounting to €1.1 billion.

II General business trends and outlook

1 General business trends

A LAGARDÈRE MEDIA

(in million €)	2001	2002	2003
Net sales			
Book Publishing (Hachette Livre)	*846*	*950*	*959*
Print Media (Hachette Filipacchi Médias)	*2,336*	*2,113*	*2,072*
Distribution Services (Hachette Distribution Services)	*3,853*	*4,464*	*4,333*
Lagardere Active (film & television, radio, new media)	*633*	*568*	*580*
	7,668	**8,095**	**7,944**
Operating income			
Book Publishing (Hachette Livre)	*65*	*91*	*107*
Print Media (Hachette Filipacchi Médias)	*203*	*192*	*201*
Distribution Services (Hachette Distribution Services)	*81*	*88*	*92*
Lagardere Active (film & television, radio, new media)	*4*	*14*	*27*
	353	**385**	**427**

The communication and media business activities carried out under the aegis of Lagardère Media represented sales of almost €8 billion in 2003, with a contribution to the Group's consolidated operating income of €427 million (64% of the total). Employing 26,240 people, the four divisions – "Book Publishing", "Print Media", "Distribution Services" and "Lagardere Active" – are among the most prominent European and global players in their business sector.

"Book Publishing" *(Hachette Livre)*

The great success of 2003 was certainly the authorization obtained at the beginning of January 2004 for Hachette Livre to acquire part of the assets of Editis, representing 40% of its sales; this operation, once it is completed, will make Lagardère the largest book publisher in France, welcoming into its scope such famous publishing houses as Larousse, Dunod, Armand Colin and Anaya, the leading publisher in Spain.

In **France**, Hachette Livre's sales increased by 3%, while the market increased scarcely 1%.

As in previous years, the **"General Literature"** business, comprising publishers Fayard, Grasset, Stock, Calman-Levy and Lattès, continued to see its authors consecrated with such prestigious literary prizes as the *Interallié*, the *Médicis* and the *Renaudot*.

As far as the "Livre de Poche" was concerned, the collection's 50th anniversary was the occasion of a considerable increase in sales.

In the **"Education"** domain, Hatier, Didier, Foucher and Hachette Education maintained their solid positions in 2003, despite a lack of changes in the curricula both at Junior and Senior High school level.

Lastly, books in the **"Illustrated", "Youth"**, and **"Practical works"** categories continued to expand, as did books sold as **"Part works"**, a concept which is highly successful in all the variations deployed internationally.

Outside France, the major events can be summarized as the acquisition of UK publisher Godsfield Press, a specialist in personal development, and the disposal of Hachette Livre's 50% share in Quebec school book specialist Éditions CEC Inc.

"Print Media" *(Hachette Filipacchi Médias - HFM)*

HFM is the leading publisher of magazines in the world, publishing 245 titles in 36 countries, representing more than a billion copies sold annually.

With extensive operations outside France, and a strong presence in the United States, in 2003 the growth in HFM's business was partially neutralized by the effects of exchange rate variations. However, the company was able to consolidate its positions by rationalizing its business activities in France and by completing expansion operations in Great Britain, China and Russia. As a result, profitability improved, aided by the implementation of an efficient cost cutting plan and an increase in advertising revenue.

The highlights of the year included:

• *for magazine publishing in France:*

– the buying out of minority shareholders to achieve 100% ownership of Bonnier, and the acquisition of Auto-Moto from the Excelsior group;
– the disposal of video activities (Hachette Digital Presse);
– the well-received launch of "Public", a new celebrity magazine;
– double-digit growth in sales of the magazine "Entrevue".

• *for magazine publishing outside France:*

– the recovery of the advertising market in the United States in the third quarter, boosted sales in HFM's "automobile" magazines, "Elle" and "Woman's Day"; the drop in newsstand sales of "Woman's Day" was offset by the rise in subscription sales;
– the growth of HFM in Italy, principally through the performances of "Elle", and the successful take-over of "Marie Claire" there;
– increased sales in Spain, which again was mainly thanks to "Elle", to "Diez Minutos", and the pairing of titles with "La Razón"; in addition, the Group successfully integrated two interior design magazines;
– increased revenue in Japan (a country where HFM also took over the local edition of "Marie Claire"), despite a drop in sales of the Group's magazines;
– the continued integration of business assets acquired in the United Kingdom in 2002;
– the rapid profitability of "Maxim" in Russia, in only its second year of existence;
– lastly, the good results of the Chinese version of "Marie Claire", one year after its launch.

• HFM's *regional newspapers* *(PQR)* ") marked time, in 2003, with falling sales, nonetheless offset by increased local advertising. The "Version Femina" supplement, on the contrary, continued to show remarkable performances, while the results of the free newspaper "Marseille Plus" were in line with expectations.

• Owing to the thorough restructuring under way since 2002, the "*Photo*" sector improved significantly, leading to the setting up of a second rationalization plan due to begin at the end of 2004. Although it is experiencing growth, the "licensing" business of this sector was partly penalized by the fall in certain currencies.

“Distribution Services” *(Hachette Distribution Services - HDS)*

Against a background of economic crisis resulting from the war in Iraq, the threat of terrorist attacks and the outbreak of the SARS epidemic, which depressed tourism and led to a fall in the number of transport passengers, especially air traffic, HDS, the largest press distributor in the world, met its targets in terms of reinforcing its major store signs, developing new sales concepts, winning new contracts and renewing existing contracts for concessions in transport areas.

In terms of press distribution:

- in the United States, HDS obtained the extension of its distribution contract with American Media; 2003 was a year of consolidation for Curtis, a subsidiary of HDS, whose sales rose slightly,
- in Spain, where HDS is the top-ranking press distributor, with more than 20% of the market, sales increased almost 4%, thanks to the dynamic force of local magazines; the Group also succeeded in the industrial integration of the RBA magazine portfolio,
- while business was stationary in Switzerland, HDS enjoyed strong growth in Hungary (+12%) and Belgium (+8%).

In retailing, HDS’s business has two major components: sales outlets in transit areas (airports, railway and subway stations) and multimedia stores, “Virgin Megastores” and “Le Furet du Nord”, specializing in the distribution of cultural and leisure products (books, music, video cassettes, DVD and multimedia products).

- Sales outlets in transit areas:

  Relay continued the consolidation of its network which now includes 1,150 stores in 13 countries in Europe and North America, and continues to produce variations of its initial concept such as “Relay Café”, “Relay Services” (convenience foodstuffs) and “Relay Livres”.

  While sales rose only slightly in France, in Belgium and several Central European countries, such as Poland and the Czech Republic, sales rose sharply.

  Aelia, the world’s 5th largest airport retailer, suffered from the crisis in air transport, but was able to maintain its leading position in France, despite a drop in sales of 11% compared to 2002.

- Stores specialized in the sale of cultural and leisure products:

  HDS’ specialized stores (11 under the banner of “Le Furet du Nord” and 33 in the network of Virgin Megastores) also experienced only a slight rise in business, owing to the negative effects of the pirate downloading of music and video products; the Group is nonetheless continuing to develop the “Virgin” brand in transit areas and under franchises (in the Middle East).

“Lagardere Active” *” (film & television production, radio, advertising space sales, new media)*

With €580 million in sales in 2003, Lagardere Active achieved approximately 7% of the total sales of Lagardère Media. Although still modest in size, this entity is expected to undergo considerable expansion in the future, given the high potential contained in some of its activities, such as film & television production and radio.

- *Film & Television production:*

The **“theme channels”** sector in France:

The 9 TV channels in this sector are dedicated either to music (MCM, Mezzo), children (Canal J, Tiji) lifestyle (Chaîne Météo), current affairs or celebrities (Match TV). The latest Mediacabsat cable and satellite audience ratings confirmed the performance levels of three of the Group's channels, placing respectively:

– MCM in leading position for music channels for the 9th consecutive year,

– Canal J and Tiji as the 1st and 2nd kids' channels (with a combined market share of 43% of all children's channels).

CanalSatellite, in which Lagardere Active has a 34% stake, saw a further increase in the number of its subscribers, which reached 2.8 million at the end of 2003.

Lastly, for Digital Terrestrial Television ("TNT"), Lagardere Active obtained the approval of the French licensing authorities (CSA) for the channels IMCM, Canal J and Match TV, and founded the company Nouvelles Télévisions Numériques (NTN) in partnership with Pathé and Bolloré.

The **"production and distribution of programs"** sector:

In 2003, the 17 subsidiaries of Europe Audiovisuel produced almost 900 hours of programs for the catalog (cartoons, drama) and for immediate broadcasting (entertainment, prime time access), winning, for the television channels which broadcast them, 30 of the 100 best audience ratings of the year, for all types of programs and time slots taken together.

This sector further expanded in the course of 2003 with the acquisition and creation of new production companies such as Timoon Animation, AKA, B3COM and Phare Ouest Productions. On the other hand, the film production business of Hachette Première was made dormant.

With the acquisition of M5, the distribution business (the purchase and sale of rights) now commercializes a catalog of 13,000 hours of programs, and achieved 40% of its sales outside France.

• *Radio:*

In France, the Europe 1 radio station maintained its audience levels, with a cumulative score of 9.9% (in a market where generalist stations were experiencing falling audiences) and greatly improved operating income (+24%), despite a slight fall in sales. The FM radio sector (Europe 2 and RFM) also saw a sharp rise in operating income (+27%), combined with an increase in sales (+10%). Outside France, the international network LARI (Lagardere Active Radio International, formerly Europe Développement International) experienced a 27% rise in operating income, partly due to the excellent contributions from the Russian and Czech subsidiaries.

• *Advertising sales:*

Lagardere Active Publicité's "advertising sales" business performed well in the commercialization of space for radio stations (music stations, the group of Independents) and television channels (RTL 9, Canal J and MCM).

• *New media:*

In 2003, Lagardere Active Broadband focused on producing content for mobile phones (SMS, MMS, WAP and i-mode) for operators and media, with personalization services (downloading of screen backgrounds and ring tones under the Virginmega brand) and community services (chat, dating).

Already present in Germany, Great Britain and Greece, Lagardere Active Broadband has also had a presence in the United States since June 2003.

B HIGH TECHNOLOGIES: EADS (EUROPEAN AERONAUTIC DEFENCE AND SPACE COMPANY)

(in million €)	2002	2003
Information published by EADS		
Net consolidated sales	*29,901*	*30,133*
Operating income (EBIT) ([1])	*1,426*	*1,543*
Net income (loss)	*(299)*	*152*
Orders received during the year	*31,009*	*61,150*
Order book at end of year	*168,340*	*179,280*
Total employees	*103,967*	*109,135*
EADS contribution to Lagardère's consolidated financial statements		
Contribution to consolidated net sales	*4,339*	*4,510 ([2])*
Contribution to operating income	*63*	*232 ([2])*

([1]) EBIT: operating income before goodwill amortization and non-operating items.
([2]) Based on a 15.07% interest held by Lagardère and after restatement to French accounting principles.

The largest aeronautics, space and defense group in Europe and the second largest in the world, EADS was founded as a result of the July 2000 merger of Aerospatiale Matra (France), DASA (Germany) and CASA (Spain).

Organized in five major divisions (the most recent of which is the “Military Transport Aircraft” or “MTA” division), employing a total of 109,135 people, in 2003 EADS increased its sales from €29.9 billion to €30.1 billion, despite the background of political and economic crisis which particularly perturbed global air transport. This rise in sales is due to the maintaining of a high level of activity in civil aviation through the “Airbus” division, but also to the growth of almost all the other divisions comprising defense-oriented programs, such as the highly important A400M military transport aircraft, the Eurofighter, helicopters, and missile and surveillance systems.

Compared to 2002, EBIT improved (+8%), to exceed €1.5 billion. Net income improved dramatically, reaching €152 million in 2003, whereas a net loss of €299 million was recorded in 2002, due to the difficulties in the commercial satellite business. The return to profitability is all the more laudable as EADS continues to invest considerable resources in research and development for its future large capacity A380 aircraft.

In addition, through careful control of customer financing and an active policy of exchange risk hedging, the financial situation is being consolidated, with a net cash position of €3.1 billion, up 31% over 2002.

Lastly, orders booked by EADS in the course of the year were exceptionally high, doubling from €31 billion in 2002 to reach €61.2 billion in 2003, with the A400M contract making a major contribution. The backlog now stands at €179.3 billion, providing EADS’ divisions with the equivalent of six years' activity.

The “Airbus” division

In 2003, Airbus became the world’s largest civil aviation manufacturer, with 305 aircraft deliveries (compared to 303 in 2002). It has a 52% market share, ahead of Boeing, thanks to its range of more recent and more innovative aircraft.

While the sales booked by this division leveled off in euro terms in 2003 at a little over €19 billion, this represents an increase of 5% at a constant euro/dollar parity. Including the 254 aircraft ordered in 2003, the total backlog amounts to €141.2 billion, representing 1,454 aircraft to be delivered.

The "Military Transport Aircraft" *(MTA)* division

In 2003, the first series of invoices were raised on the important A400M contract, taking the division's sales from €524 million in 2002 to €934 million in 2003, an increase of 78%. The backlog changed scale completely, from €633 million to over €20 billion; this included the winning of the A400M program, as well as the "Deepwater" contract signed with the United States Coast Guard for the sale of surveillance aircraft. Lastly, already short listed in 2003 by the Royal Air Force, on January 26, 2004 the MTA division also won the very large FSTA (Future Strategic Tanker Aircraft) contract to supply in-flight refueling aircraft.

The "Aeronautics" division

Despite the double handicap of a reorganization operation that reduced its business scope and a drop in business in regional transport aircraft (ATR), the "Aeronautics" division maintained sales at €3.8 billion in 2003, thanks to Eurocopter, which made a notable contribution to increasing sales and improving operating profits.

This division already has a solid export presence in Asia, the United States and Finland, and in 2003 also experienced new success in export operations, including orders for "Tigre" helicopters from Spain and for "HN90" helicopters from Greece. Thanks to these commercial successes, Eurocopter now boasts a 45% market share in the world market for commercial and military helicopters.

The backlog of the "Aeronautics" division stood at almost €10 billion at the end of 2003.

The "Space" division

After experiencing difficulties for several years due to excess production capacity in commercial telecommunication satellite systems, the "Space" division increased its sales to €2.4 billion in 2003, partly due to the integration of 100% of the sales of Astrium, following the acquisition of the 25% share held by BAe Systems. Although still handicapped by the weight of restructuring costs, which largely penalized results (operating loss of €400 million in 2003, compared to an operating loss of €268 million in 2002) the "Space" division is nonetheless expected to return to operating income equilibrium from 2004 onwards.

In contrast to the commercial satellite business, the military telecommunications sector is quite active, as witnessed by the division's winning the large "Paradigm/Skynet 5" contract from the British Government for EADS to supply secure communications services using new generation satellites. This expanded the backlog to a total of €7.9 billion at the end of 2003, compared to €3.9 billion at the end of 2002.

The "Defense and civil systems" division

Comprising operations in the field of "Electronic defense systems", "Missiles" and "Secure communications systems", in 2003 this division also included the "Eurofighter" business.

Deliveries of MBDA missile systems and Eurofighter combat aircraft drove the division's sales up from €4.8 billion in 2002 to €5.2 billion in 2003, at the same time improving operating income.

With a €14.3 billion strong order book, orders were also on the increase, due to contracts signed in 2003 in the "Missiles" business (Aster Phase 3, Mica, Exocet, etc.) as well as the sale of the Eurofighter to Australia.

C AUTOMOBILE

Following the stoppage of production of the "Espace" and "Avantime" vehicles in April 2003, Lagardère Group disposed of all design office, testing and prototype activities to the Pininfarina, retaining only the "After sales service" and spare parts businesses.

After the signing of two agreements with Renault to end Matra Automobile's business activities as an automobile manufacturer, an employment protection scheme was implemented, accompanied by an agreement signed with the French government, intended to breathe new life into the Romorantin employment area, with half the funding being provided by Renault.

Lastly, Lagardère signed an undertaking to sell property, plant and equipment located at Romorantin to Futura Finances, with the creation of 150 jobs targeted in 2004.

2 Outlook

As this review of business in 2003 draws to a close, it is appropriate to reflect on the Group's outlook for the future.

How is Lagardère Group situated at the start of 2004? What are the financial forecasts, for the short term and the medium term? What are the Group's major lines of strategy and corporate values?

A FORECASTS AND TARGETS, FOR THE SHORT AND MEDIUM TERM

For Lagardère Media

Lagardère has been re-structuring and rationalizing its portfolio of media business activities since 1998; today, and over the next five years, the Group intends to significantly improve its operating margin, thanks particularly to a cost cutting plan implemented over the past few years:

- **Forecast for 2004**
  Owing to the prevailing uncertainties concerning economic recovery, Lagardère Media expects operating income to increase by 2% to 6%, with a likelihood of a rate higher than 6% should a return to growth be confirmed in the second half of 2004.
- **Medium term outlook**
  With the profitability of its four divisions on the rise for two years now, the Group has set the following new targets in terms of operating margin (the ratio of operating income to sales), to be achieved in the course of the next five years:
  – *The "Distribution Services" division:* operating margin of 3% (compared to 2.1% in 2003)
  – *The "Lagardere Active" division:* operating margin of 10% (compared to 4.7% in 2003)
  – *The "Book Publishing" and "Magazine Publishing" divisions:* operating margin of 12%, for both (compared to 11.1% and 9.7% respectively in 2003).

For EADS

In 2004, EADS expects to achieve sales equivalent to the 2003 level, which was around €30 billion, and operating income (EBIT) of €1.8 billion, an amount that reflects the adjustments required to adopt the new international standards governing accounting for research and development costs.

B THE MAJOR LINES OF GROUP STRATEGY AND THE GROUP'S VALUES

1. Strategy directions: the identification and exploitation of engines of growth

• Growth activities

A look at the figures for 2003 shows that with almost €8 billion in sales and €427 million in operating income, the "media" business contributes the major share (64%) of the Group's revenue and profits. In addition, Lagardère Media features among the most prominent European communication groups, and has the long term ambition of becoming one of the top ranking global groups in this sector. Given these conditions, in the years to come the Group's main investment efforts will therefore be focused on the communication business – the media, and in particular on the "film & television production" component, comprising television, radio, program production and the new digital media.

By giving priority to the media business the Group will provide itself with the requisite means to face the new challenges:

– the arrival of a number of forceful new players in the field of television and the print media, especially in France;

– the rapid advance in distribution media, such as ADSL, which provides high speed connections for the Internet and television;

– the opening up of television advertising in France to sectors such as the print media, book publishing, the cinema and supermarket distribution, all of which should lead to a redistribution of advertising investments.

Lastly, at the particular level of the "Book Publishing" division of Lagardère Media the acquisition of Editis, which will be completed in the course of 2004, will open up new perspectives for Hachette Livre which, by expanding its business scope, will see an increase in sales from €950 million in 2003 to over €1.3 billion at the end of 2004, thereby placing it in the leading position among publishing houses in both France and Spain.

As far as EADS is concerned, the main objective consists in rebalancing the business activities by increasing the defense side of the business, then taking the ambitious A380 program to completion, as well as making the "Space" division the crucible of this activity in Europe, by uniting the main players around the two major projects, Galileo and Ariane (for which EADS will be asked to build 30 heavy launch vehicles, for €3 billion).

The future prospects of EADS cannot be evoked without mentioning the recent award of the enormous Future Strategic Tanker Aircraft contract to supply in-flight refueling aircraft to the Royal Air Force; the size of the contract (€18.8 billion) and its duration (27 years) make it totally unprecedented, in so far as it was won against a joint bid from British Aerospace Systems and Boeing, and therefore constitutes a testimony of the British Government's absolute confidence in EADS, the symbol of effective European unity.

• The main geographic growth areas

On a geographic level, the countries or areas below are being given priority by the Group, as they are considered to be growth factors:

– The USA and Great Britain: based on the major contracts already signed or about to be signed, EADS is stepping up its local presence (with the creation of EADS North America, the construction of a Eurocopter factory in Columbus, a partnership agreement with Northrop Grumman for the "Global hawk" program, etc.).

– Asia (Japan and China, in particular): Lagardère Media is successfully developing the local editions of "Elle" and "Marie Claire", while EADS sub-contracts some of Airbus' business activities and has a 5% share in Avichina.

– Russia and Central Europe: in Russia, the launches of “Elle” and “Maxim” turned out to be highly satisfactory, while EADS set up EADS Russia, as well as an Airbus design and technology center.

2. The Group’s values

– On a financial level, Lagardère is scrupulous in the daily management of its business, but it also has strong foundations in a dynamic corporate culture. It has the capacity to be highly responsive and realistic, in the face of opportunities, and shows itself capable of swiftly mobilizing the requisite means to meet the challenges at stake. This acquired discipline and sound financial health enable Lagardère SCA and EADS to guarantee their shareholders dividends that increased significantly in 2003.

– On the level of management structure, the Group reaffirms its attachment to the status of a French limited partnership with shares (*société en commandite par actions*), which has proved its worth, and is readjusting its management team as well as the composition of the Supervisory Board, since members' terms of office are ending with this year's annual general meeting. In the course of today’s meeting, the Group will welcome the arrival of eminent personalities from the world of business, thus taking advantage of a rich diversity of new skills.

Lastly, ever faithful to the spirit of sportsmanship of the Group's founder, Lagardère took up the torch this year by becoming actively involved in the Club of major corporations supporting the city of Paris’s candidacy to host the 2012 Olympic Games.
And so, 40 years after the arrival of Jean-Luc Lagardère at the head of Matra, the Group is once more ready to take up major challenges, in both industrial and human terms.

III Allocation of net income, dividends

	(in €)
Parent Company net income for 2003 amounts to	91,572,246.66
which together with unappropriated earnings brought forward of	232,408,817.72
less transfer to the legal reserve of bringing it to 10% of the Company's capital stock,	2,435,089.50
makes net income available for distribution of	321,545,974.88

In accordance with the Company's by-laws, an amount of €3,339,000 must be paid first to the general partners in the form of dividends, ie 1% of the Group's consolidated net income.

In agreement with the Supervisory Board, we propose that a net dividend of €0.90 be paid on each share, an increase of nearly 10% over last year, it being understood that:

- shares issued upon the exercise of stock options before the payment date will be entitled to dividends;

- treasury stock held by the Company at the payment date is not entitled to dividends.

We propose that the balance of net income available, once its amount is approved by the managing partners, be transferred to unappropriated earnings carried forward.

The net dividend of €0.90 paid on each share, to which a tax credit of €0.45 will be attached for individual shareholders, will represent a gross dividend of €1.35 per share. Coupons will be detached on May 19, 2004 and dividends will be paid from this date to holders of registered shares or to their duly appointed representatives, by check or by bank transfer.

Dividends paid over the last three years were as follows:

(in €)	2002	2001	2000
Net dividend per share paid to shareholders	*0.82*	*0.82*	*0.78*
Tax credit	*0.41*	*0.41*	*0.39*
Gross dividend	*1.23*	*1.23*	*1.17*
Total dividends	*111,226,519.54*	*110,838,916.00*	*106,988,546.00*
Dividends paid to general partners	*–*	*6,160,717.00*	*5,809,897.00*
Total	**111,226,519.54**	**116,999,633.00**	**112,798,443.00**

IV Capital stock and Lagardère SCA shares

A Capital stock

The capital stock of the Company amounted to €851,664,913.90 at December 31, 2003; it was divided into 139,617,199 shares of par value €6.10 each, all ranking pari passu and fully paid.

CHANGES IN 2003

Following the exercise of 399,195 stock options, which resulted in the issue of 399,195 new shares of par value €6.10 each, the capital stock was raised by €2,435,090 from €849,229,824.40 at December 31,2002 to €851,664,913.90 at December 31, 2003.

The corresponding capital increases took place on several occasions during the year 2003 and resulted in an overall increase in stockholders' equity of €10,264,652.90.

For additional information on changes in the capital stock since December 31, 1999, see section 3_2 of the Reference Document.

FUTURE POTENTIAL CHANGES IN THE CAPITAL STOCK

In view of the 4,804,608 stock options outstanding (granted but not yet exercised) at December 31, 2003, the nominal amount of the capital stock could be raised to a maximum of €880,973,022.70 by December 17, 2007 through the creation of 4,804,608 new shares of par value €6.10 each; it would then be made up of 144,425,807 shares.

OPTIONS TO SUBSCRIBE OR PURCHASE SHARES

On December 18, 2003, the managing partners granted 1,437,250 stock purchase options which each enable the beneficiary to acquire one Lagardère SCA share from the Company at the price of €52.02 from December 18, 2005 to December 18, 2013, that is during an 8-year period, it being understood that, except as otherwise provided by law, the shares thus acquired cannot be resold before December 19, 2007.

For additional information on the various stock option plans in effect in the Company, please refer to the Special Report of the managing partners and to chapter 6 of the Reference Document.

SHARE OWNERSHIP AND VOTING RIGHTS

Section 3_3 of the Reference Document provides you with details on the capital stock ownership and voting rights, and on changes over the last three years.

Lagardère Capital & Management, your Company's principal longstanding shareholder, holds 5.51% of the capital and 6.79% of the voting rights.

At December 31, 2003, Group employees together held, either indirectly through investment funds or directly in blocked accounts, 2.31% of the Company's capital as a result of the various capital increases reserved to them in 1999, 2000 and 2001. If shares held by employees personally (and freely transferable) are added, this proportion rises to 3.38% of the capital and 4.61% of the voting rights, a proof of their affection for the Company.

Authorization granted to the Company to purchase its own shares

No share purchase or sale has been made by the Company since January 1, 2003 under the authorizations granted to it by previous general meetings. In February 2004, 6,270 Lagardère shares were exchanged for 5,700 Hachette Filipacchi Médias shares in execution of commitments made to this company's employees at the time of the share exchange offers of 2000.

Consequently, at December 31, 2003, the Company still owned 3,692,867 of its own shares, i.e. 2.65% of its capital. Including the 707,627 indirectly-owned treasury shares, the Company held directly and indirectly 4,400,494 of its own shares, i.e. 3.15% of the capital stock.

In the 5th resolution, you are requested to renew the authorization granted to the managing partners to purchase, in conformity with the law, shares in your Company under the following terms and conditions:

- the number of shares purchased may not exceed 10% of the capital, which, based on the capital stock at February 27, 2004 and taking account of treasury shares held directly and indirectly at that date, would represent a maximum number of 9,580,677 shares, ie approximately 6.86% of the capital stock;
- the total purchase price may not exceed €700 million, it being understood that under this new authorization:
  - the maximum purchase price will be of €70 per share;
  - the minimum selling price will be of €30 per share.
- use of the shares thus acquired will remain unchanged compared to the previous authorizations: allocation to employees under stock purchase option plans, regulation of the stock market price, conservation by the Company, transfer by any means (for example, in consideration for an acquisition), or cancellation to reduce the capital stock under the authorization granted by the shareholders' meeting of May 21, 2001.

In support of the decision you are asked to make, a special notice relating to this authorization to purchase Company shares, approved by the French Financial Markets Authority (*Autorité des Marchés Financiers*) has been made available to you; it gives you all necessary details on the authorization itself and its consequences.

Renewal of financial authorizations granted by the shareholders' meetings of May 23, 2002, May 21, 2001 and May 23, 2000

1. Issue of shares and composite transferable securities

At the combined general meeting of May 23, 2002 you were asked to renew the authorizations granted to the managing partners to issue all types of securities, simple or composite, in order to enable the Company, should the need arise, to rapidly seize any opportunities offered by the market.

You thus gave the managing partners the following authorizations:

- the possibility to issue, with preferential subscription rights, on one or several occasions, under an overall authorization, various types of transferable securities with an immediate or deferred equity component, ie securities giving access to shares in the Company, as follows: shares, shares with share subscription warrants, bonds convertible into shares, bonds with share subscription warrants attached, share subscription warrants, etc. (eighth resolution of the above mentioned meeting).
  This resolution set overall maximum limits: €1.5 billion for the issue of debt securities, and €300 million (maximum nominal amount, excluding additional paid-in capital) for the issue of securities representing capital;
- the possibility to issue the same types of transferable securities, this time without preferential subscription rights but with the possibility of setting a period of priority for existing shareholders; should this authorization be used, the issue price of each share must, in application of the above law, be, in total, at least equal to the average opening market price of the share for ten consecutive days chosen among the twenty trading days preceding the beginning of the issue (ninth resolution);
- the possibility to use the above authorizations to pay for securities offered to your Company in reply to a public exchange offer initiated by your Company for the securities of another company (tenth resolution);
- the possibility to increase the capital stock, on one or more occasions, by incorporation of reserves, retained earnings or additional paid-in capital and issue of bonus shares or increase in par value, within the limit of a maximum nominal amount of €300 million.

Finally, you set a maximum overall limit for the cumulative use of the above authorizations, of €300 million nominal amount for capital increases, and €1,500 million capital for issues of debt securities, corresponding to individual limits fixed under each authorization (twelfth resolution).

In accordance with the law, these authorizations were granted for a period limited to 26 months and will therefore lapse soon after this year's meeting.

None of the above authorizations was used.

Today, we ask you to renew these authorizations under the following specific terms and conditions:
- the maximum nominal amount of the capital increases which may result from one or the other, or from all of these authorizations (except capital increases resulting from the incorporation of reserves, retained earnings or additional paid-in capital and issue of bonus shares) would remain set at €300 million (not including additional paid-in capital);
- the total amount of capital for corresponding issues of debt securities would be raised to €2.5 billion for the sake of consistency;

2. Issue of bonds and transferable securities not granting access to the Company's capital stock

In the seventh resolution voted by the combined general meeting of May 21, 2001, you also gave the managing partners the necessary powers to issue bonds and transferable securities that grant or may grant, in any manner, immediate and/or deferred access to transferable securities representing debts of the Company, but also to transferable securities representing a portion of the capital stock of companies other than your Company, with a limit of €2 billion for borrowings resulting therefrom.

This authorization was partially used by the managing partners on June 27, 2002, to the extent of €767.584 million; on July 10, 2003, to the extent of €100 million; and on July 24, 2003 to the extent of €149.922 million.

You are therefore requested, in the twenty-third resolution, to renew this authorization for a period of five years with a maximum borrowing limit of €3 billion.

3. Capital increases reserved to employees who are members of the Group Savings Plan

In the ninth resolution voted by the combined general meeting of May 21, 2001, you renewed the authorization granted to the managing partners, under the law providing for employee share ownership, to issue shares the subscription to which would be, in accordance with articles L. 443-1 and following of the French Labor Code and articles L. 225-138 of the French Commercial Code, reserved to Group employees who are members of the Group Savings Plan, within the limit of 5% of the total number of shares making up the Company's capital stock.

According to a decision taken on November 12, 2001 by the managing partners under this authorization, the capital stock was increased on December 21, 2001 by a nominal amount of €4,063,966.40 through the issue, at a price of €31.50 per share, of 666,224 new shares of par value €6.10 each, representing 0.48% of the capital stock. All of these shares were subscribed by employees through investment funds set up under the Group Savings Plan; under the terms of the Plan, these shares must be retained for at least five years.

At December 31, 2003, shares held by Group employees through investment funds represented 2.31% of the Company's capital stock and 3.08% of the voting rights.

Today, we ask you to renew this authorization for a period of 38 months. Such is the purpose of the thirtieth resolution. The maximum number of shares that may be subscribed under this authorization would be limited to 2% of the total number of shares currently making up the Company's capital stock. In accordance with legal regulations mentioned above, these shares could be issued for a price equal to 80% of the average opening prices of the share for the twenty trading days preceding the date of the managing partners' decision.

In accordance with laws and regulations, the managing partners as well as the statutory auditors will issue, within the time periods established by law and when one or more of the above authorizations are used, a supplementary report describing the final terms and conditions of the issue(s) carried out. These supplementary reports will be made available to you at the Company's head office, within the 15-days period currently established by law and will also be made available to you at the next general meeting that will be held after such issue(s).

4. Granting of options to subscribe and/or purchase Company shares

At the combined general meeting of May 23, 2000, you authorized the managing partners to grant options to subscribe and/or purchase Company shares, to employees and management executives of the Company and of companies that are related to it within the meaning of French law. To date, this authorization has been almost completely used (see table in section 6_3_3 of the accompanying Reference Document), and we propose that you renew it and authorize the managing partners to grant such subscription and/or purchase options on the following bases:

- the subscription and/or purchase price of the shares under option shall be equal to the average opening market price of the share for the last twenty trading days preceding the date of grant of the said options, but shall not be lower than the average cost of treasury stock;

- the total number of options granted under this authorization will not entitle beneficiaries to subscribe and/or purchase a number of shares higher than 3% of the number of shares currently making up the capital stock;
- these options must be exercised within not more than ten years from the date of grant by the managing partners.

In accordance with law, this authorization will entail shareholders' express surrender to the benefit of option beneficiaries, of their preferential subscription right to the new shares that will be issued as and when the options are exercised.

Such is the purpose of the thirty-first resolution.

V Management and supervision of the Company

In chapter 6 of the Reference Document on Corporate Governance you will find all the information required on the Company's managing and supervisory bodies, ie on the managing partners and members of the Supervisory Board, including the detail of appointments and positions held by each of them in other companies, as well as the remuneration they received from Group companies during the year 2003.

Please note that on March 12, 2004, the Supervisory Board approved the general partners' proposal to renew Arjil Commanditée-ARCO's appointment as managing partner, and agreed to the following persons' appointments as representatives of this company:

- Arnaud Lagardère, Chairman and Chief Executive Officer;
- Philippe Camus, Deputy Chairman and Chief Operating Officer;
- Pierre Leroy, Director and Chief Operating Officer.

In compliance with French law of August 1, 2003 known as the Financial Security Law, you will also find in chapter 6 of the Reference Document, a description of the Company's internal control procedures.

In addition, in compliance with the requirements introduced by article 116 of the law of May 15, 2001 on new economic regulations, section 4_2 in chapter 4 of the Reference Document provides detailed social and environmental information.

The terms of office of all of the Supervisory Board members are ending at the close of this meeting, and you are requested to renew such appointments under the terms and conditions presented by the Board in its report.

VI Other business

Finally, you are requested to update your Company's by-laws so that they are consistent with the provisions of the Financial Security Law of August 1, 2003.

The managing partners' special report on subscription and purchase options will now be read out to you, followed by the report of the Supervisory Board and its Chairman, and by the various reports from your Statutory Auditors.

The information contained in these reports and in the managing partners' reports, including the Reference Document, should be sufficient for you to formulate a well-informed opinion on the position and business of your Company and Lagardère Group over the past year, and on the resolutions you are being asked to approve.

The resolutions to be put to the vote are an accurate reflection of the terms of these reports; in our opinion, they are coherent with your Company's interests and will foster your Group's development.

We therefore ask you to vote in favor of these resolutions, and thank you for the continuing support you have always shown us, particularly at each decisive stage in the Group's development.

The Managing Partners

Special report of the managing partners on share subscription and purchase options

Ladies and Gentlemen, dear Shareholders,

The shareholders' meeting must now be informed each year, through a special report, of the operations carried out in the course of the year just ended relative to the share subscription and purchase options granted by the Company and by the subsidiaries in which it has a majority interest.

You will therefore find in this report, in addition to the required information about stock options granted in the course of 2003, a more detailed reminder of the Group's policy in this domain and of the main characteristics of the plans in force today.

I Lagardère Group policy

On the basis of the authorizations conferred on the managing partners at the Combined General Meeting on June 29, 1993, on completion of the restructuring operations undertaken by the Group at the end of 1992, the managing partners of the Company implemented several stock option plans from 1994 onwards, in line with those already put in place by Matra and Hachette and certain of their subsidiaries.

Aim of the stock options policy

The aim of the policy implemented is primarily to encourage the personal involvement of the executives of Lagardère throughout the world in the development of the Company and the resulting value created.

It is also used to reward those executives who make a particular contribution to the Group's results through their positive action.

Lastly, it is used to develop the loyalty of the people the Company would like to keep for the long term, especially young executives with a high potential for future career development, who will enable the Group to ensure the continuity of its growth, within the framework of its long-term strategy.

Criteria and modalities of the stock options policy

The number of options granted depends on the level of responsibility and the contribution of the beneficiaries, based on an evaluation of their performance and results, and, for the youngest ones, also taking into account their development potential.

The beneficiaries therefore fall into different categories:

- members of the Management Committee and the heads of the Group's divisions and businesses;
- senior executives taking into account their responsibilities, within the Group and its subsidiaries;
- other executives granted options – most often these are senior managers or young executives with a high development potential in terms of managerial capacity or expertise.

Options are now granted by Mr. Arnaud Lagardère, under the authority conferred by the general meeting, following an internal process for selecting beneficiaries and quantifying the number of options to be granted to them, depending on their level of responsibility, their performance and results.

As far as the Group's majority-held subsidiaries are concerned, in previous years some of them implemented their own stock option plans which are gradually being phased out. These are:

- Matra Automobile. The stock option plans implemented by this company were introduced at key moments in the development of the different versions of the "Espace" and "Avantime" models;

- Hachette Filipacchi Médias, which was listed on the Paris Bourse before being taken over fully by Lagardère in 2000.

- Hachette Livre, which in 1992 was hived off into a separate subsidiary in order to encourage the policy of alliance and expansion which led to the growth observed today;

- Virgin Stores, of which the Group took control in July 2001.

For each of these companies, the beneficiaries of the options granted have generally been part of the senior management team. The small number of grants made in 2001 were solely for the purpose of completing the existing plans in favor of executives who had joined these teams. The executives and senior executives of these companies have now been integrated into the stock option plans of Lagardère SCA in order to reinforce the spirit of solidarity and synergy already existing between the Group's various business activities.

II Options to subscribe or purchase Lagardère SCA shares

A General characteristics

The main characteristics of the plans implemented since 1994 and in force today are summarized in the table below, which was taken from the Reference Document.

Date of meeting Date of grant and exercise price	Number of options granted	Number of beneficiaries	Options exercised	Options remaining	Options cancelled	Number of beneficiaries remaining	Date of exercise
SUBSCRIPTION OPTIONS							
May 30, 1997 Nov. 26, 1997 € 24.39 (FRF 160.00)	*1,824,750*	*611*	*841,967*	*982,783*	*0*	*350*	*Nov. 26, 1999 to Nov. 25, 2004*
May 30, 1997 Oct. 30, 1998 € 27.44 (FRF 180.00)	*1,671,750*	*558*	*399,750*	*1,272,000*	*0*	*422*	*Oct. 30, 2000 to Oct. 29, 2005*
May 30, 1997 Dec. 10, 1999 € 44 (FRF 288.62)	*1,300,800*	*696*	*5,475*	*1,295,325*	*0*	*693*	*Dec. 10, 2001 to Dec. 9, 2006*
May 23, 2000 Dec. 18, 2000 € 63 (FRF 413.25)	*1,254,500*	*458*	*0*	*1,254,500*	*0*	*458*	*Dec. 18, 2002 to Dec. 17, 2007*
Sub-total	**6,051,800**		**1,247,192**	**4,804,608**			
PURCHASE OPTIONS							
May 23, 2000 Dec. 19, 2001 € 47 (FRF 308.30)	*1,258,000*	*421*	*0*	*1,258,000*	*0*	*421*	*Dec. 19, 2003 to Dec. 19, 2008*
May 23, 2000 Dec. 19, 2002 € 52.02 (FRF 341.23)	*1,299,000*	*416*	*0*	*1,299,000*	*0*	*416*	*Dec. 19, 2004 to Dec. 19, 2009*
May 23, 2000 Dec. 18, 2003 € 52.02 (FRF 341.23)	*1,437,250*	*445*	*0*	*1,437,250*	*0*	*445*	*Dec. 18, 2005 to Dec. 18, 2013*
Sub-total	**3,994,250**			**3,994,250**			
TOTAL	**10,046,050**		**1,247,192**	**8,798,858**			

This table invites the following main comments:

NATURE OF THE OPTIONS GRANTED

Up to the end of 2000, the various plans in force concerned share subscription options leading to increases in equity capital.

The plans implemented at the end of 2001 and 2002 concern share purchase options.

NUMBER OF BENEFICIARIES: the number of beneficiaries represents an average of 400 to 500 people each year. Following the merger of Matra Hautes Technologies with Aerospatiale and then the formation of EADS, the scope for the granting of Lagardère SCA options has been reduced, as EADS has set up its own stock option and employee shareholding schemes.

QUANTITIES GRANTED: over the past six years, the annual average number of options granted represented 1,370,000 shares, for a total of 8,221,000 shares.

SUBSCRIPTION PRICE: in compliance with the decisions taken by the shareholders' meetings, the subscription or purchase price of the shares under option is equal to or greater than 95% of the average market price of the share for the last 20 trading days preceding the date the options were granted. Indeed, since 1999 this price has been at least equal to 100% of such average. The exercise price of the purchase options granted in 2002 and 2003 was set at €52.02 per share, a price that corresponds to the average cost of treasury stock.

EXERCISE PERIOD: depending on the plan under consideration, each of these options gives the right to subscribe or purchase one Lagardère SCA share for a period of five years between the start of the third year following the date the options were granted and the end of the seventh year following this same date. Since the decision made by the shareholders' meeting of May 13, 2003, this period has been extended from five to eight years.

EXERCISE CONDITIONS: to exercise the options, the beneficiary must still be an employee or officer of Lagardère Group, with the exception of beneficiaries who no longer belong to the Group for reasons such as the sale of their company or business, its merger with a non-group company or similar reasons.

IMMEDIATE RESALE PROHIBITED: beneficiaries are prohibited from reselling the shares acquired through the exercise of their options during the period known as "fiscal non-transferability", except in the cases stipulated by law (retirement, release, invalidity, etc.). This period, which was five years for the former plans, has been changed to four years by recent legislation.

B Characteristics of Lagardère SCA's share purchase options plan dated December 18, 2003

Mr. Arnaud Lagardère, as managing partner of the Company, proceeded on December 18, 2003 to implement an option plan for the purchase of Lagardère SCA shares of which the specific characteristics, complying with the general characteristics described above, are the following:

- NUMBER OF PURCHASE OPTIONS GRANTED: 1,437,250 options, each giving the right to acquire one share, in favor of 445 executives and senior executives of the Group excluding EADS.
- PURCHASE PRICE: €52.02, which is the average cost price of treasury stock held by the Company, it being specified that the average market price of the share for the last 20 trading days preceding the date of grant was €42.90.
- EXERCISE PERIOD: from December 18, 2005 to December 18, 2013.
- RESALE PROHIBITED: up to December 19, 2007.

C Information on members of the Supervisory Board and officers in 2003 and on Lagardère Group employees

1. Options to subscribe or purchase shares of Lagardère Group companies granted in 2003 to Lagardère SCA's managing partners, members of the Supervisory Board and other officers, and options exercised by these beneficiaries in 2003.

- **Mr. Jean-Luc Lagardère:** None. Mr. Jean-Luc Lagardère did not hold any options to subscribe or purchase shares in any Group company;
- **Mr. Philippe Camus:** in 2003, he was awarded 30,000 options to purchase Lagardère shares, exercisable at the price of €52.02 per share between December 18, 2005 and December 18, 2013.
  In 2003 he was also awarded 135,000 EADS stock subscription options by EADS NV, exercisable at the price of €15.65 per share, half from November 7, 2005 and half from October 9, 2006, the exercise period for all options ending October 9, 2013.
- **Mr. Arnaud Lagardère:** did not receive any options on Lagardère SCA shares in 2003. He did not exercise any Lagardère stock options in 2003.
- **Members of the Supervisory Board and other officers:** None.

2. Options to subscribe or purchase shares of companies in Lagardère Group granted in 2003 to other executives and employees of Lagardère Group and options exercised in 2003 by these beneficiaries

Lagardère SCA is the Group's holding company and has no employees.

- Messrs Philippe Camus and Arnaud Lagardère apart, the ten principal beneficiaries of options granted in 2003 by Lagardère SCA were Group executives (including members of the Management Committee), representing 357,000 options overall.

- The ten largest exercises of options in 2003 by the Group's executives enabled them to subscribe to a total of 123,500 shares at the average price of €25.73 per share.

III Options to subscribe or purchase shares in subsidiaries under the majority control of Lagardère SCA

As mentioned in the first part of this report, in 2003 none of the Group's majority-owned subsidiaries granted share subscription or purchase options for the benefit of the principal senior executives or employees of their business sectors.

As far as EADS is concerned, Lagardère SCA indirectly holds 15.04% of the capital. For information on the stock options granted in 2003, see EADS' own Reference Document.

A General characteristics

These various plans are summarized in the following table, which was also taken from the Reference Document.

Date of meeting Date of grant	Exercise price (€)	Date of exercise	Number of options granted	Number of beneficiaries	Number of options lapsed	Number of options remaining	Period of repurchase (1) (5)
Hachette Livre							
Dec. 22, 1995 Dec. 22, 1995	632.51	Dec. 28, 1998 to Dec. 27, 2003	13,550 (6)	75	3,950	0	Dec. 28, 1998 to Dec. 27, 2005
Dec. 22, 1995 June 30, 1996	698.37	Dec. 28, 1999 to Dec. 27, 2004	900	3	400	500	Dec. 28, 1999 to Dec. 27, 2005
Dec. 22, 1995 March 6, 1998	897.92	Jan. 1, 2002 to Dec. 31, 2004	1,700 (7)	13	100	550	July 1, 2003 to Dec. 31, 2004
Dec. 22, 1995 April 29, 1999	898.38	Jan. 1, 2003 to Dec. 31, 2005	2,050	14	650	1,100	July 1, 2004 to Dec. 31, 2005
Dec. 22, 1995 April 20, 2000	884.97	Jan. 1, 2004 to Dec. 31, 2006	1,000	7	1,000	0	July 1, 2005 to Dec. 31, 2006
Dec. 21, 2000 March 13, 2001	897.62	Jan. 1, 2005 to Dec. 31, 2007	1,500	12	1,500	0	March 14, 2006 to Dec. 31, 2007
Matra Automobile							
April 4, 1997 Dec. 22, 1999	231.72	June 22, 2003 to Dec. 22, 2004	30,000	16	19,500	10,500	Dec. 23, 2004 to Dec. 23, 2009
Hachette Filipacchi Médias							
June 18, 1997 June 18, 1997	37.44	June 18, 1997 to June 17, 2004	1,577 (2)	11	–	1,577	June 19, 2002 to June 19, 2007
June 18, 1997 July 22, 1999	46.20	July 22, 1999 to July 21, 2006	1,525 (3)	63	–	1,513	July 23, 2004 to July 23, 2009
Virgin Stores							
Sept. 25, 1998 April 15, 1999 (4)	40.04	April 15, 2002 to April 15, 2009	9,959	6	4,482	5,477	April 16, 2004 to April 15, 2009
March 15, 2000 March 15, 2000	32.03	Jan. 16, 2003 to Jan. 15, 2010	56,269	8	3,984	52,285	March 16, 2005 to March 15, 2010
March 15, 2000 Jan. 17, 2001	47.77	Jan. 18, 2004 to Jan. 17, 2011	2,988	2	1,992	996	Jan. 18, 2006 to Jan. 17, 2011
March 15, 2000 April 19, 2001	47.77	April 20, 2004 to April 19, 2011	498	1	–	498	April 20, 2006 to Jan. 17, 2011
March 15, 2000 June 5, 2001	71.82	June 6, 2004 to June 5, 2011	1,992	1	–	1,992	June 6, 2006 to June 5, 2011

(1) Beneficiaries have the right to resell their options to the companies concerned depending on various criteria such as changes in stockholders' equity and/or changes in results.
(2) Each option gives right to subscribe to 300 shares.
(3) Each option gives right to subscribe to 500 shares.
(4) Purchase options.
(5) In the case of Hachette Filipacchi Médias, period of exchange for Lagardère shares.
(6) In 2003, 2,415 options, each of them giving right to one share, were exercised.
(7) In 2003, 850 options, each of them giving right to one share, were exercised.

For details on options granted by EADS, in which Lagardère SCA indirectly holds a 15.04% interest, see EADS' own Reference Document.

This table invites the following principal comments:

NATURE OF THE OPTIONS GRANTED: with the exception of the Virgin Stores plan dated April 15, 1999 concerning purchase options, all the plans concern subscription options.

BENEFICIARIES: generally, the beneficiaries are the management team of the company concerned and its main subsidiaries.

EXERCISE PRICE: this is calculated using formulae that take into account, depending on the kind of business, equity and results calculated according to more or less sophisticated methods.

EXERCISE PERIOD: this varies between two and seven years, and normally commences two to four years after the date the stock options were granted.

NUMBER OF OPTIONS GRANTED: this is principally dependent on the value of the shares and does not normally exceed 5% of the capital stock of the company concerned.

LIQUIDITY: as the companies concerned are no longer listed and are fully controlled by Lagardère SCA, in each of these companies a plan has been implemented to ensure the liquidity of the shares subscribed or acquired. This plan, implemented by the immediate parent company of the company concerned, comprises an undertaking by the parent company to purchase the shares from the beneficiary and an undertaking by the beneficiary to sell his shares to the parent company.

The purchase undertaking given to the beneficiary can only be exercised while the beneficiary still belongs to the Group, with a few specific exceptions (leaving for a reason out of the beneficiary's control, etc.). In theory, it cannot be exercised during the period of fiscal non-transferability, except in cases allowed for by the legislation. The price is normally set using the same method used to set the exercise price of the options.

In consideration of the purchase undertaking and to allow the Group to retain control over the capital of its subsidiaries, the beneficiaries undertake to sell back the shares acquired should they leave the company or Lagardère Group.

In the case of Hachette Filipacchi Médias, which was listed on the Paris Bourse before Lagardère SCA took full control in 2000, on the occasion of public exchange and withdrawal offers on the shares of this company, Lagardère SCA made the following undertakings:

- on the occasion of the public exchange offer in 2000, Lagardère SCA agreed to exchange, for the beneficiaries of the share subscription options granted previously, Hachette Filipacchi Médias shares acquired following the exercise of their options for Lagardère SCA shares;
- this undertaking was for a period of five years following the end of the period of fiscal non-transferability;
- the exchange will be made on the basis of the exchange ratio established at the time of the public exchange offer, that is to say 11 Lagardère SCA shares for 10 Hachette Filipacchi Médias shares.

In consideration of this commitment, the beneficiaries of this undertaking agreed to exchange their Hachette Filipacchi Médias shares for Lagardère SCA shares should they leave the Group, to allow the Group to retain full control over its subsidiary.

To date, only 10,700 Hachette Filipacchi Médias shares have been exchanged against 11,770 Lagardère SCA shares (in July 2002 and February 2004).

B Data relative to 2003

1 OPTIONS GRANTED BY THE SUBSIDIARIES CONCERNED

In the course of 2003, none of the four companies mentioned above granted any new options.

2 OPTIONS EXERCISED IN 2003

These concerned Hachette Livre, where twenty-three executive employees of the company or of its subsidiaries exercised part of the subscription options granted in 1995 and 1998, enabling them to subscribe 2,415 Hachette Livre shares at €632.51 per share and 550 shares at €897.92 per share.

The Managing Partners

3

2003

Report of the Supervisory Board

to the Shareholders' General Meeting of May 11, 2004

Ladies and Gentlemen,

The annual general meeting of May 13, 2003 took place just two months after the death of Mr. Jean-Luc Lagardère.

In the conclusion to our report to this meeting, after a reminder of all that the Company owed to its recently deceased founder, we noted: “There will be other chapters to follow, that will owe their existence to him, be they VUP or A380. The forces assembled by Jean-Luc Lagardère are there to ensure the continuity of the action he initiated and of the results.” Then, having recommended to the shareholders that they confer on Arnaud Lagardère the position and responsibilities of general partner of the Company, we added: “In this way, the executive framework responsible for conducting your Company will be maintained in the way Jean-Luc Lagardère would have wished and in the way he originally built it.” We were therefore underlining the impulsion given by the founder, and the trust placed in his successor.

The Group's results, as they have just been presented to you by the managing partners, confirm that this impulsion is continuing and justify your trust.

A few figures stand out:

- consolidated sales amount to almost €12.5 billion (compared to €13.2 billion the previous year), the consequence of the withdrawal from automobile manufacturing which made a contribution of €782 million in 2002;
- operating income totals €671 million, showing an increase of over 50% compared to the previous year, a figure achieved through the contributions of all of the business activities, across the board;
- net income amounts to €334 million, while in 2002 losses were €291 million, owing, in particular, to exceptional costs related to the withdrawal from the automobile sector.

As regards the two major chapters we mentioned in May 2003 – VUP and the A380 – there is now nothing to stop the first reaching a satisfactory conclusion, with Lagardère taking over 40% of the consolidated sales of Editis (formerly VUP), making Hachette Livre the leading publisher in France and in Spain. Concerning the A380, EADS was able to make the considerable development efforts invested in this project at the same time as Airbus imposed itself as the world number 1 in commercial aviation, and as new contracts – the military Airbus A400M, the supply of aircraft and equipment to the British Air Force, the export success of Eurofighter and Eurocopter – came to diversify and consolidate its stable foundation.

As in previous years, the meetings held by your Supervisory Board enabled it to track the progress of operations and review the financial statements that showed their results.

We confirm that in this respect all documents required by law, and all additional information we deemed useful within the framework of the meetings, both of the Board itself and of its Audit Committee, were submitted to us along with in-depth explanations from the managing partners or the senior managers concerned.

The Audit Committee, in addition to the in-depth review of the half-year and annual financial statements, took a particularly close look throughout the year at the valuation of the Group’s intangible assets and commitments, at its funding policy, the situation regarding the completion of the withdrawal from automobile manufacturing and the progress of the Editis acquisition. The Audit Committee was also kept informed about the work of the group in charge of drawing up the presentation of internal control procedures for the Reference Document, as part of compliance with the Law on Financial Security.

On completion of all our work, we are able to conclude that the financial statements for the year 2003 and the comments on them which have been presented to you present the Group's financial position fairly and sincerely, and that this position may be considered a source of some satisfaction, both in terms of how it stands at present and in terms of likely future changes.

The end of Arjil Commanditée-ARCO's term of office as managing partner leads us, so that this term of office can be renewed, as the general partners have asked us, to give our opinion on ARCO's chairman and general managers, in accordance with Lagardère's by-laws. We have therefore approved the appointment, as legal representatives of Arjil Commanditée-ARCO, of:

- Mr. Arnaud Lagardère, as Chairman and Chief Executive Officer;
- Mr. Philippe Camus, as Deputy Chairman and Chief Operating Officer;
- Mr. Pierre Leroy, as Director and Chief Operating Officer.

From now on, these three will therefore represent Arjil Commanditée-ARCO in exercising its role as managing partner, for the duration of its term of office.

At the same meeting, we approved a change in the remuneration for the management agreement between the Group and Lagardère Capital & Management. This remuneration will no longer be based on the Group's sales, but will be linked instead to the amount of expenses incurred by Lagardère Capital & Management in carrying out its mission. Changes in these expenses will be reviewed annually by the Audit Committee. These dispositions appear to be more suitable than any others, given the changing parameters in question.

In addition to the approval of the financial statements and giving the managing partners your approval for their management during 2003, significant items placed on the agenda for our next meeting include the following:

- allocation of net income for 2003 and payment of a €0.90 net dividend per share, which corresponds to a fair level of shareholder remuneration, taking into account the Group's financial requirements and capacities;
- renewal of several financial authorizations granted to the managing partners in the past, of which some are about to terminate, others now need re-wording, and relating to:
  - purchases by Lagardère SCA of its own shares, and consequently, possible reductions in the capital stock through the cancellation of all or part of the shares thus acquired;
  - issue of bonds;
  - issue of shares or transferable securities granting access to the capital stock, with or without preferential subscription rights;
  - increasing the capital stock and issuing new shares for the purpose of completing a public share exchange offer;
  - increasing the capital stock through the incorporation of reserves or additional paid-in capital;
  - granting of share subscription or purchase options, to senior executives and employees;
  - increasing the capital stock by the issue of new shares for Group employees.

A certain number of these authorizations are intended to enable the Company, when necessary and in view of the Group's needs and of opportunities arising in the markets, to decide rapidly the issue of securities that would immediately or at a later date increase Lagardère's stockholders' equity. Through the resolutions to be considered by the meeting as an extraordinary meeting, you are requested to renew these authorizations in the same terms and conditions as the previous authorizations. The principle of such authorizations should in our opinion be maintained, it being understood that, under the by-laws, the

Supervisory Board must give its opinion before the implementation of such authorizations which may result in a change in the Company's capital stock.

- Increasing the amount of attendance fees to be paid to members of the Supervisory Board, to enable more discrimination in the remuneration in favor of the members of the Audit Committee, taking account of the increased contribution demanded from them by the application of the Financial Security Law.

We have no observations to make on any of the above items and we therefore recommend you to approve them all.

Finally, you are asked to approve several other resolutions dealing specifically with the composition of the Supervisory Board, since the terms of office of all of its current members are ending this year.

You are asked to consider:

- the appointment of new members, namely Messrs Bernard Arnault, Hubert Burda, René Carron, Henri Proglio and François Roussely. The accompanying documents prepared for the this annual general meeting give you all the information necessary on each of them;
- the reappointment of Messrs Raymond H. Lévy, Manfred Bischoff, Georges Chodron de Courcel, Pehr G. Gyllenhammar, Pierre Lescure, Christian Marbach, Bernard Mirat, Didier Pineau-Valencienne and Felix G. Rohatyn as well as the corporate member Groupama SA, today represented by Mr. Helman le Pas de Sécheval;
- the appointment of Mr. Bernard Esambert as Censor.

The terms of office of the new members and of Mr. Lévy, current Chairman of the Board, will run for six years. Those of Messrs Gyllenhammar, Lescure, Pineau-Valencienne, Rohatyn and the company Groupama SA will run for four years, and those of Messrs Bischoff, Chodron de Courcel, Marbach, Mirat and Esambert will run for two years.

A tiered renewal process will therefore be instigated. The sharing of the renewed terms of office was based on the seniority of the people concerned on the Board, with the longest-standing members renewed for the shortest periods. In the composition of the new Board, the proportion of “independent” members will be ten out of fifteen.

Once you have finished voting, the members of the new Supervisory Board will in turn designate one of themselves as their new Chairman.

Such are the remarks we felt it was necessary to bring to your attention at this general meeting, and we thank you warmly for the trust you continue to place in us.

The Supervisory Board

4

2003

Reports

of the Statutory Auditors

General report of the Statutory Auditors on the Parent Company annual accounts

Year ended December 31, 2003
(Translated from the original in French)

To the Shareholders,

In compliance with the assignment entrusted to us at the Annual General Meeting of Shareholders, we report below for the year ended December 31, 2003, on:

- our audit of the annual accounts of Lagardère SCA, a copy of which is attached hereto*,
- the basis of our opinion, and
- the specific verifications and other matters required by law.

The Parent Company annual accounts have been prepared under the responsibility of the managing partners. Our responsibility is to express an opinion on these accounts, based on our audit.

I Opinion on the accounts

We conducted our audit in accordance with French professional standards; those standards require that we plan and perform our audit so as to obtain reasonable assurance that the Parent Company annual accounts are free of material misstatement. An audit consists of examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and significant estimates made in the preparation of the accounts, as well as evaluating the overall account presentation. We believe that our audit provides a reasonable basis for our opinion as expressed below.

In our opinion, the Parent Company annual accounts give a true and fair view of the assets and liabilities and financial position of Lagardère SCA as of December 31, 2003, and of the results of its operations for the year then ended in accordance with accounting principles and standards generally accepted in France.

II Basis of opinion

In accordance with the provisions of article L. 225-235 of the Commercial Code requiring the auditors to explain the basis of their opinion, introduced by the French Financial Security Law of August 1, 2003 and applicable for the first time to the 2003 Parent Company annual accounts, we inform you that the assessments performed by us to enable us to issue an opinion on the Parent Company annual accounts taken as a whole, notably concerning the accounting principles used and significant estimates made in preparing the accounts, and their overall presentation, do not call for any particular comment.

III Specific verifications and information

We have also carried out specific verifications required by law, in accordance with French professional standards.

We have no comments to make as to the fairness and the conformity with the Parent Company annual accounts of the information given in the managing partners' report and in the documents addressed to the shareholders relating to the financial position and the Parent Company annual accounts.

As required by law, we have verified that the information relating to participating and controlling interests and to the identity of shareholders and holders of voting rights has been presented to you in the management report.

The Statutory Auditors

Neuilly-sur-Seine and Paris, March 29, 2004

Barbier Frinault & Autres	Alain Ghez	Mazars & Guérard
Jean-François Ginies		*Jacques Kamienny*

* *This report refers to the official annual accounts of Lagardère which are included in the French documents which are submitted to Lagardère's shareholders at the Annual General Meeting. These documents are available from the Company's head office upon request.*

Report of the Statutory Auditors on the consolidated financial statements

Year ended December 31, 2003
(Translated from the original in French)

To the Shareholders,

In compliance with the assignment entrusted to us at the Annual General Meetings of Shareholders, we have examined the consolidated financial statements of Lagardère SCA and its subsidiaries for the year ended December 31, 2003, a copy of which is attached hereto.*

The consolidated financial statements have been prepared under the responsibility of the managing partners. Our responsibility is to express an opinion on these financial statements, based on our audit.

I Opinion on the consolidated financial statements

We conducted our audit in accordance with French professional standards; those standards require that we plan and perform our audit so as to obtain reasonable assurance that the consolidated financial statements are free of material misstatement. An audit consists of examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made in the preparation of the financial statements, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion as expressed below.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and financial position of Lagardère SCA and its consolidated subsidiaries as of December 31, 2003, and of the results of their operations for the year then ended in accordance with accounting principles and standards generally accepted in France.

II Basis of opinion

In accordance with the provisions of article L. 225-235 of the Commercial Code requiring the auditors to explain the basis of their opinion, introduced by the French Financial Security Law of August 1, 2003 and applicable for the first time to the 2003 consolidated financial statements, we inform you that:

• as indicated in note E.15 of the Notes to the consolidated financial statements, T-Online shares are recorded at a net book value of €7.50 per share, while the average stock price of the share in December 2003 was €10.29, to take account of:
  - an adjustment resulting from a comparison with comparable listed companies, taking account of the historically high volatility of the shares;
  - a discount reflecting the low liquidity of Lagardère's investment in this company.

  We verified the application and reasonableness of the accounting treatment used by Lagardère.

- as indicated in note C.1 of the Notes to the consolidated financial statements, Lagardère conducts impairment tests on the intangible assets of its Media business segment based on future cash flows expected from these assets.

We have evaluated the information and assumptions used to prepare these valuations, particularly those used for the purpose of determining the current value in use of these assets and comparing it to their book value. Current value in use was determined principally on the basis of future cash flow forecasts prepared by Lagardère. We have evaluated the reasonableness of these valuations.

These appreciations are to be considered in the framework of our audit of the consolidated financial statements taken as a whole, and thus contributed to the expression of an unqualified opinion on the consolidated financial statements expressed in the first part of this report.

III Specific verifications

We have also carried out specific verifications of the information given in the managing partners' report. We have no comments to make on the fairness of the information given in the report or its consistency with the consolidated financial statements.

The Statutory Auditors

Neuilly-sur-Seine and Paris, March 29, 2004

Barbier Frinault & Autres	Alain Ghez	Mazars & Guérard
Jean-François Ginies		*Jacques Kamienny*

* *This report refers to the official consolidated financial statements of Lagardère which are included in the French documents which are submitted to Lagardère's shareholders at the Annual General Meeting. These documents are available from the Company's head office upon request.*

Special report of the Statutory Auditors on regulated agreements

Year ended December 31, 2003
(Translated from the original in French)

To the Shareholders of Lagardère SCA,

In our capacity as Statutory Auditors of your Company, we report below on regulated agreements.

Our responsibility does not include identifying agreements. We are required to report to you, based on the information provided, on the main terms and conditions of agreements that have been disclosed to us, without commenting on their relevance or substance. Under the provisions of article 92 of the decree of March 23, 1967, it is the responsibility of shareholders to determine whether the agreements are appropriate and should be approved.

We have not been informed of any agreement concluded during the year covered by article L. 225.40 through reference in article L. 226.10 paragraph 1 of the new French Commercial Code.

In application of the decree of March 23, 1967, we have been informed that the following agreements, approved in previous years, have continued to apply during the year under review.

A Service agreement with Lagardère Capital & Management

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

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

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

For 2003, the remuneration due to Lagardère Capital & Management amounted to €11,620,000.

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

Starting from that date, the remuneration payable by Lagardère Ressources to Lagardère Capital & Management shall for any given year be equal to the total expenses incurred by Lagardère Capital & Management during that year in connection with the services rendered under the agreement, plus a ten per cent profit margin, with an absolute upper limit for the profit margin set at €1 million.

B Loan agreement with Crédit Lyonnais

The cash management agreements previously signed with Crédit Lyonnais were replaced on June 26, 2001 by a syndicated loan agreement with a pool of banks including Crédit Lyonnais, which also acts as Agent for the banks.

Details of this agreement are as follows:

Maximum credit:	1,350 million euros
Currencies:	euro, US dollar, pound sterling, yen
Term:	5 years
Interest rate:	EURIBOR or LIBOR plus 0.30%, this rate to be increased by 0.05% if the level of use exceeds 50% of the total facility.
Non-utilization fee:	0.15%.

€1,085 million of this syndicated loan facility was used, and the interest paid during the year amounted to €20,758,572. Crédit Lyonnais' share amounted to 110/1350ths of these sums.

The Statutory Auditors

Neuilly-sur-Seine and Paris, March 29, 2004

Barbier Frinault & Autres	Alain Ghez	Mazars & Guérard
Jean-François Ginies		*Jacques Kamienny*

Special report of the Statutory Auditors on authorizations to be given to the managing partners to issue securities

Combined General Meeting of April 30 - May 11, 2004
(Translated from the original in French)

To the Shareholders of Lagardère SCA,

In our capacity as Statutory Auditors of your Company and pursuant to articles L. 225.129 and L. 225.148 of the new French Commercial Code, we present below our report on the proposed issues of securities presented under the twenty-fourth, twenty-fifth and twenty-sixth resolutions.

The authorizations you are requested to give to the managing partners are the object of the twenty-fourth, twenty-fifth and twenty-sixth resolutions. In accordance with the third paragraph of article L. 225.129.III of the new Commercial Code, these authorizations are to be given for a period of twenty-six months from the date of this meeting. Each of the three issues is subject to a limit of €300 million in nominal amount for capital increases, and of €2.5 billion in nominal amount for issues of debt securities. In addition, under the twenty-eighth resolution, the total amount of the issues that may be carried out under the twenty-fourth, twenty-fifth and twenty-sixth resolutions is subject to an overall maximum limit set at the same amounts. The nominal amount of any additional shares that must be issued to preserve, as required by law, the rights of holders of securities granting access to shares will, if any, be added to the abovementioned limit of €300 million.

Twenty-fourth resolution

You are requested to give the managing partners the necessary powers to proceed with the issue of shares of the Company and of all types of securities that give or may give, immediately and/or at a later date, access to shares of the Company.

Shareholders shall retain their preferential subscription rights in case of capital increases.

However, this authorization entails as of right shareholders' express surrender of their preferential subscription rights to Company shares that may be issued and to which such securities may give access at a later date, to the benefit of those holders of securities with a deferred equity component that may be issued.

You are therefore requested to suppress shareholders' preferential subscription rights to the shares which may be issued through the conversion of bonds or the exercise of warrants.

The amount received or to be received by the Company in respect of each share issued will not be less than the par value of the shares.

Twenty-fifth resolution

You are requested to give the managing partners the necessary powers to proceed, through issue to the public, with the issue of shares of the Company and of all types of securities that give or may give, immediately and/or at a later date, access to shares of the Company, including when these securities are issued in application of article L. 228-93 of the new Commercial Code.

You are requested to surrender your preferential subscription right to the securities to be issued, it being understood that the managing partners may grant shareholders a priority right to subscribe to all or part of the issue, for the period and under the terms they will set. Such priority right shall not give rise to the creation of negotiable rights but it may, if thought advantageous by the managing partners, be exercised on an irreducible as well as a reducible basis.

In addition, this authorization entails as of right shareholders' express surrender of their preferential subscription rights to shares that may be issued and to which such securities may give access at a later date, to the benefit of those holders of securities with a deferred equity component that may be issued.

You are therefore requested to suppress shareholders' preferential subscription rights to the shares issued through the conversion of bonds or the exercise of warrants.

The issue price for the securities shall be calculated in such a way that the amount received by the Company at the time of their issue, plus any amounts to be received in the future as a result of the exercise of all the rights attached to the said securities, represents for each share issued and/or to be issued as part of the issue in question, an issue price that shall not be less than the average opening market price of the Company's share for ten consecutive trading days chosen among the twenty trading days preceding the beginning of the issue of the said securities, after correction of this average, if necessary, to take into consideration the date from which the shares will be eligible for dividends.

Twenty-sixth resolution

You are requested to authorize the managing partners to increase the capital stock by the issue of new shares of the Company in exchange for securities that are offered to the Company in reply to a public share exchange offer or a combined exchange and cash offer for the securities of another company listed on the Paris Bourse's *premier marché* or *second marché* or listed on a recognized stock exchange in a country that is a party to the agreement on the European Economic Area other than France, or on the stock exchange of a member State of the OECD.

In accordance with the provisions of article L. 225-129 of the new Commercial Code, the shares issued in consideration for securities offered in response to a public share exchange offer may result from the issue of securities of any type granting immediately or at a later date access to a portion of the Company's capital stock.

You are requested to surrender your preferential rights to subscribe to the shares to which the above securities may give at a later date access through the exercise of any right of whatever kind.

We have no comments to make on the conditions and issue prices of the securities described above, nor on the proposals regarding the suppression of shareholders' preferential subscription rights.

Since the issue price is not yet determined, we do not express an opinion on the final terms and conditions in which the capital increase will be carried out, nor, as a consequence, on the proposal to surrender your preferential subscription rights; such surrender is however a logical consequence of the issues submitted to your approval.

We have verified the fairness of the information derived from the Parent Company annual accounts of Lagardère SCA.

The Statutory Auditors

Neuilly-sur-Seine and Paris, March 29, 2004

Barbier Frinault & Autres	Alain Ghez	Mazars & Guérard
Jean-François Ginies		*Jacques Kamienny*

Special report of the Statutory Auditors

on the authorization to be given to the managing partners to issue shares reserved for employees of the Company and certain of its subsidiaries

Combined General Meeting of April 30 - May 11, 2004
(Translated from the original in French)

To the Shareholders of Lagardère SCA,

In our capacity as Statutory Auditors of your Company, we present below our report pursuant to article L. 225.138 of the French Commercial Code.

Under the terms of the thirtieth resolution submitted to the general meeting, you are requested to authorize the managing partners, for a period of thirty-eight months, to increase the capital stock on one or more occasions, through the issue of shares to be subscribed, under the Group Savings Plan and in accordance with articles L. 443-1 and following of the French Labor Code and article L. 225-138 of the French Commercial Code, by employees of the Company and of companies or other entities which are related to the Company within the meaning of article L. 225-180 of the said code; the employees concerned must have at least six months' seniority; the number of new shares to be issued, which will immediately rank pari passu with existing shares, may not exceed 2% of the number of shares making up the capital stock.

The subscription price will be equal to 80% of the average opening prices of the share for the twenty trading days preceding the date of the managing partners' decision setting the opening date for the subscription, rounded up to the nearest tenth of one euro. If all of the shares are not subscribed within the period set by the general partners, the capital increase will be limited to the amount subscribed, and shares left unsubscribed may be proposed again to the employees concerned on the occasion of a subsequent capital increase.

This authorization, if and when used, would entail as of right shareholders' surrender of their preferential subscription rights to the benefit of the employees concerned.

The general partners shall have all powers, within the above limits, to set the various terms and conditions for the operations, and in particular, to:

- take note of the subscription price calculated as indicated above and set the date for paying up the shares subscribed, it being understood that the Company or related companies or other entities within the meaning of article L. 225-180 mentioned above may make complementary payments in the conditions set by legal regulations;

- set the subscription opening and closing dates, note the capital increase resulting therefrom and modify the by-laws accordingly.

We have verified the information included in the report of the managing partners concerning the reasons for the proposal to suppress the shareholders' preferential subscription rights and the choice of the method for the determination of the issue price and its amount; we have also verified the amounts presented therein by performing the specific procedures we considered necessary in accordance with professional standards.

We have no comments to make on the reasons put forward in support of the proposed suppression of the preferential subscription rights you are asked to approve, nor on the choice of the method for the determination of the issue price and its amount.

Since the issue price is not yet determined, we do not express an opinion on the final terms and conditions in which the capital increase will be carried out, nor, as a consequence, on the proposal to suppress preferential subscription rights; such suppression is however a logical consequence of the issue submitted for your approval.

Pursuant to article 155-2 of the decree of March 23, 1967, we shall submit an additional report when the managing partners carry out the capital increase.

The Statutory Auditors

Neuilly-sur-Seine and Paris, March 29, 2004

Barbier Frinault & Autres	Alain Ghez	Mazars & Guérard
Jean-François Ginies		*Jacques Kamienny*

Special report of the Statutory Auditors on the authorization to be given to the managing partners to grant options to subscribe or purchase shares of the Company

Combined General Meeting of April 30 - May 11, 2004
(Translated from the original in French)

To the Shareholders of Lagardère SCA,

In our capacity as Statutory Auditors of your Company, we present below our report pursuant to article L. 225.177 of the French Commercial Code.

Under the terms of the thirty-first resolution, you are requested to authorize the managing partners, for a period of thirty-eight months, in accordance with articles L. 225-177 and following of the French Commercial Code, to grant, on one or more occasions, to senior executives and employees, or to certain of them, of the Company or of related companies within the meaning of article L. 225-180 of the said Code, options giving the right to subscribe to new shares of the Company and/or to purchase existing shares previously repurchased by the Company under the terms and conditions set by law.

The total number of options granted by virtue of this authorization will not entitle beneficiaries to subscribe and/or purchase a number of shares higher than 3% of the number of shares currently making up the capital stock.

These options will have to be exercised within not more than ten years from the date of grant by the managing partners.

In accordance with law, this authorization will entail as of right shareholders' express surrender, to the benefit of option beneficiaries, of their preferential subscription right to the new shares that will be issued as and when the options are exercised.

The managing partners will have the widest powers, within the limits set above and within the limits set by law at the time, to:

- set the subscription and/or purchase price of the shares under option, in the manner described by the managing partners in their report and in accordance with applicable legal provisions;

- decide on the terms and conditions for the operations, set the conditions for granting the options, determine the beneficiaries, fix the period during which options may be exercised, establish the maximum number of options authorized to be offered to each beneficiary, and, if deemed appropriate, set a period during which shares may not be resold;

- decide on the conditions in which the price and/or number of shares to be subscribed and/or purchased may be adjusted to take account of financial operations carried out by the Company;

- and, in general, take all measures that may be useful or necessary, and, in particular, carry out all filings, declarations and other formalities, take note that the corresponding capital increases are complete, and change the by-laws accordingly.

We have no comments to make on the above proposals.

The Statutory Auditors

Neuilly-sur-Seine and Paris, March 29, 2004

Barbier Frinault & Autres	Alain Ghez	Mazars & Guérard
Jean-François Ginies		*Jacques Kamienny*

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2003

Resolutions

submitted to the Meeting

First resolution

Approval of the Parent Company annual accounts for 2003

The general meeting, under the conditions required for ordinary meetings, after having been informed of the managing partners' report, the report of the Supervisory Board and the report of the Statutory Auditors on their audit and verifications, approves the said reports in their entirety and the Parent Company annual accounts for the year ended December 31, 2003 as drawn up and presented.

Consequently, the general meeting approves all actions undertaken by the managing partners as reflected in these accounts and described in these reports, and gives discharge to the managing partners for their management in 2003.

Second resolution

Approval of the consolidated financial statements

The general meeting, under the conditions required for ordinary meetings, having been informed of the managing partners' report, the report of the Supervisory Board and the report of the Statutory Auditors on their audit and verifications, approves the said reports in their entirety and the consolidated financial statements for the year ended December 31, 2003 as drawn up and presented.

Third resolution

Allocation of Parent Company net income ; Payment of a net dividend of €0.90 per share

	(in €)
The general meeting, under the conditions required for ordinary meetings, notes that Parent Company net income for 2003 amounts to	91,572,246.66
which together with unappropriated earnings brought forward of	232,408,817.72
less transfer to the legal reserve of	2,435,089.50
to bring it to 10% of the Company's capital stock, makes net income available for distribution of	321,545,974.88

It decides, in accordance with the by-laws, to pay an amount of €3,339,000 representing 1% of the Group's consolidated net income, to the general partners.

At the managing partners' proposal, it then decides that a net dividend of €0.90 be paid on each share, it being understood that:

- shares issued upon the exercise of stock subscription options before the payment date will be entitled to dividends;
- treasury stock held by the Company at the same date is not entitled to dividends.

Finally, it decides that the balance, after the amount has been noted by the managing partners, be transferred to unappropriated earnings carried forward.

The net dividend of €0.90 per share, to which a tax credit of €0.45 will be attached for individual shareholders, will represent a gross dividend of €1.35 per share. Coupons will be detached on May 19, 2004 and dividends will be paid from this date to holders of registered shares or to their duly appointed representatives, by check or by bank transfer.

The general meeting notes, in accordance with the law, that dividends paid over the past three years were as follows:

(in €)	2002	2001	2000
Net dividend per share paid to shareholders	*0.82*	*0.82*	*0.78*
Tax credit	*0.41*	*0.41*	*0.39*
Gross dividend	*1.23*	*1.23*	*1.17*
Total dividends	*111,226,519.54*	*110,838,916.00*	*106,988,546.00*
Dividends paid to general partners	-	*6,160,717.00*	*5,809,897.00*
Total	**111,226,519.54**	**116,999,633.00**	**112,798,443.00**

Fourth resolution

Approval of regulated agreements

The general meeting, under the conditions required for ordinary meetings, takes note of the Statutory Auditors' special report on the agreements regulated by article L. 226-10 of the French Commercial Code, and approves the report in its entirety and the agreements as presented therein.

Fifth resolution

Authorization given to the managing partners to buy Company shares

Having been informed of the managing partners' report and of the special information notice required by the French Financial Markets Authority on the Company's program to repurchase its own shares, the general meeting, under the conditions required for ordinary meetings, authorizes the managing partners, in conformity with article L. 225-209 of the Commercial Code, to acquire Lagardère SCA shares representing up to 10% of the current capital stock, for a maximum amount of €700,000,000, under the following terms and conditions:

Maximum purchase price per share: €70
Minimum selling price per share: €30

The shares may be purchased on one or more occasions, by any means, including through private agreements, sale of blocs of shares or use of derivative products, principally for the purpose of:

- allocating to employees;
- regulating the stock market price;
- being retained by the Company, or transferred by any means notably through exchanges of securities;
- being cancelled.

Implementation of this share purchase program can take place even when a public share offer is in progress.

This authorization is given for a period of eighteen months. It cancels and replaces, for the rest of its term, the authorization given by the fifth resolution approved by the combined ordinary and extraordinary annual general meeting of May 13, 2003.

Sixth resolution

Renewal of Mr. Raymond H. Lévy's term of office as member of the Supervisory Board

The general meeting, under the conditions required for ordinary meetings, decides to renew Mr. Raymond H. Lévy's term of office as member of the Supervisory Board for a six-year period which will terminate at the end of the general meeting to be held in 2010 to approve the financial statements for the previous year.

Seventh resolution

Renewal of Mr. Pehr G. Gyllenhammar's term of office as member of the Supervisory Board

The general meeting, under the conditions required for ordinary meetings, decides to renew Mr. Pehr G. Gyllenhammar's term of office as member of the Supervisory Board for a four-year period which will terminate at the end of the general meeting to be held in 2008 to approve the financial statements for the previous year.

Eighth resolution

Renewal of Mr. Pierre Lescure's term of office as member of the Supervisory Board

The general meeting, under the conditions required for ordinary meetings, decides to renew Mr. Pierre Lescure's term of office as member of the Supervisory Board for a four-year period which will terminate at the end of the general meeting to be held in 2008 to approve the financial statements for the previous year.

Ninth resolution

Renewal of Mr. Didier Pineau-Valencienne's term of office as member of the Supervisory Board

The general meeting, under the conditions required for ordinary meetings, decides to renew Mr. Didier Pineau-Valencienne's term of office as member of the Supervisory Board for a four-year period which will terminate at the end of the general meeting to be held in 2008 to approve the financial statements for the previous year.

Tenth resolution

Renewal of Mr. Felix G. Rohatyn's term of office as member of the Supervisory Board

The general meeting, under the conditions required for ordinary meetings, decides to renew Mr. Felix G. Rohatyn's term of office as member of the Supervisory Board for a four-year period which will terminate at the end of the general meeting to be held in 2008 to approve the financial statements for the previous year.

Eleventh resolution

Renewal of Groupama SA's term of office as corporate member of the Supervisory Board

The general meeting, under the conditions required for ordinary meetings, decides to renew Groupama SA's term of office as corporate member of the Supervisory Board for a four-year period which will terminate at the end of the general meeting to be held in 2008 to approve the financial statements for the previous year.

Twelfth resolution

Renewal of Mr. Manfred Bischoff's term of office as member of the Supervisory Board

The general meeting, under the conditions required for ordinary meetings, decides to renew Mr. Manfred Bischoff's term of office as member of the Supervisory Board for a two-year period which will terminate at the end of the general meeting to be held in 2006 to approve the financial statements for the previous year.

Thirteenth resolution

Renewal of Mr. Georges Chodron de Courcel's term of office as member of the Supervisory Board

The general meeting, under the conditions required for ordinary meetings, decides to renew Mr. Georges Chodron de Courcel's term of office as member of the Supervisory Board for a two-year period which will terminate at the end of the general meeting to be held in 2006 to approve the financial statements for the previous year.

Fourteenth resolution

Renewal of Mr. Christian Marbach’s term of office as member of the Supervisory Board

The general meeting, under the conditions required for ordinary meetings, decides to renew Mr. Christian Marbach's term of office as member of the Supervisory Board for a two-year period which will terminate at the end of the general meeting to be held in 2006 to approve the financial statements for the previous year.

Fifteenth resolution

Renewal of Mr. Bernard Mirat's term of office as member of the Supervisory Board

The general meeting, under the conditions required for ordinary meetings, decides to renew Mr. Bernard Mirat's term of office as member of the Supervisory Board for a two-year period which will terminate at the end of the general meeting to be held in 2006 to approve the financial statements for the previous year.

Sixteenth resolution

Appointment of Mr. Bernard Arnault as member of the Supervisory Board

The general meeting, under the conditions required for ordinary meetings, takes note of the death of Mr. Jacques Nivard and the fact that Lagardère Capital & Management's term of office as corporate member of the Supervisory Board is not being renewed, decides to appoint Mr. Bernard Arnault as member of the Supervisory Board, for a six-year period which will terminate at the end of the general meeting to be held in 2010 to approve the financial statements for the previous year.

Seventeenth resolution

Appointment of Dr. Hubert Burda as member of the Supervisory Board

The general meeting, under the conditions required for ordinary meetings, decides to appoint Dr. Hubert Burda as member of the Supervisory Board, for a six-year period which will terminate at the end of the general meeting to be held in 2010 to approve the financial statements for the previous year.

Eighteenth resolution

Appointment of Mr. René Carron as member of the Supervisory Board

The general meeting, under the conditions required for ordinary meetings, decides to appoint Mr. René Carron as member of the Supervisory Board, for a six-year period which will terminate at the end of the general meeting to be held in 2010 to approve the financial statements for the previous year.

Nineteenth resolution

Appointment of Mr. Henri Proglio as member of the Supervisory Board

The general meeting, under the conditions required for ordinary meetings, decides to appoint Mr. Henri Proglio as member of the Supervisory Board, for a six-year period which will terminate at the end of the general meeting to be held in 2010 to approve the financial statements for the previous year.

Twentieth resolution

Appointment of Mr. François Roussely as member of the Supervisory Board

The general meeting, under the conditions required for ordinary meetings, decides to appoint Mr. François Roussely as member of the Supervisory Board, for a six-year period which will terminate at the end of the general meeting to be held in 2010 to approve the financial statements for the previous year.

Twenty-first resolution

Appointment of Mr. Bernard Esambert as Censor

The general meeting, under the conditions required for ordinary meetings, takes note of the fact that Mr. Yves Sabouret's term of office as Censor is not being renewed, and decides to appoint Mr. Bernard Esambert as Censor, for a two-year period which will terminate at the end of the general meeting to be held in 2006 to approve the financial statements for the previous year.

Twenty-second resolution

Attendance fees to be paid to members of the Supervisory Board

The general meeting, under the conditions required for ordinary meetings, having been informed of the report of the Supervisory Board, decides to fix the maximum total amount of fees payable to the Supervisory Board Members at €600,000, until decided otherwise.

Twenty-third resolution

Authorization to be given to the managing partners for a period of five years, to issue, on one or more occasions, bonds and/or securities which give or may give, immediately or at a later date, access to securities representing debts of the Company and/or a portion of the capital stock of companies other than the Company, with a limit of €3 billion for borrowings resulting therefrom

The general meeting, under the conditions required for ordinary meetings, having been informed of the reports of the managing partners and of the Supervisory Board:

- gives the managing partners the necessary powers to proceed, on one or more occasions, in the amounts and at the times they will determine, in France, abroad or on international markets, with the issue of bonds and/or any other securities that give and/or may give right, by way of a conversion, exchange, redemption, presentation of a warrant or in any other manner, to the attribution of securities representing debts of the Company and/or a portion of the capital stock of companies other than the Company;

- decides that the nominal amount of debt securities which may be issued under this authorization may not exceed €3 billion or the equivalent of this amount if the said securities are issued in another currency or in units of account established by reference to several currencies;
- decides that the managing partners shall have all powers to implement this authorization, in particular, to:
  - determine the price and set the terms and conditions of these issues, fix the amounts to be issued, the dates of and the methods for the issues, the type and form of the securities to be issued and of the securities to which they will or may give access, and, in particular, their type, the date from which they will carry rights to interest or other income, which may be a date earlier than the date of issue, how rights attached to such securities may be exercised, how they should be paid for, the conditions and methods for their reimbursement or early redemption;
  - where necessary, determine the conditions for their repurchase on the stock exchange and the possibility to suspend the exercise of attribution rights that may be attached to the said securities for periods that may not exceed three months;
  - fix, to the extent necessary, the methods for ensuring the preservation of the rights of holders of such securities;
  - to the extent necessary, take all measures required for the listing of these securities on a stock exchange;
  - and, generally, make any agreement, make any commitment and do whatever may be useful or necessary for the successful completion of the issues envisaged;
- decides that, for issues of debt securities, the managing partners shall have all powers to decide, in particular, if they will be subordinated securities or not, fix the interest rate thereon, their term, redemption price, fixed and/or variable, with and/or without premium, whether they will be reimbursed in cash and/or in kind, the timetable for their redemption depending on market conditions, and the terms and conditions under which they will or may give right to attribution of securities representing debts of the Company and/or a portion of the capital stock of companies other than the Company.

This authorization is given to the managing partners for a period of five years starting with this meeting; it cancels and replaces the authorization granted under the seventh resolution adopted by the combined general meeting of May 21, 2001.

Twenty-fourth resolution

Authorization to be given to the managing partners, for a period of twenty-six months, to issue, with preferential subscription rights, on one or more occasions, securities giving, immediately or at a later date, access to shares of the Company, within a limit of €300 million in nominal amount (not including additional paid-in capital) for capital stock increases and of €2.5 billion for bond borrowings

The general meeting, under the conditions required for extraordinary meetings, having been informed of the reports of the managing partners and the Supervisory Board as well as the special report of the Statutory Auditors, in accordance with the provisions of paragraph 3 of article L. 225-129 of the French Commercial Code:

- gives the managing partners the necessary powers to proceed, on one or more occasions, in the amounts and at the times they will determine, in France or abroad, with the issue of shares of the Company and of all types of securities that give or may give, immediately and/or at a later date, access to shares of the Company;
- decides that the nominal amount for capital stock increases which may be carried out immediately and/or at a later date under this authorization may not exceed €300 million, plus, where applicable, the nominal amount of any additional shares that must be issued to preserve, as required by law, the rights of holders of securities with an equity component; the above €300 million limit shall also apply to issues of investment certificates or preference shares;
- decides, in addition, that the nominal amount of debt securities which may be issued under this authorization may not exceed €2.5 billion or the equivalent of this amount if the said securities are issued in another currency or in units of account established by reference to several currencies;
- decides that existing shareholders may exercise, in the conditions established by law, their preferential subscription rights in proportion to the full extent of their existing shareholding, on a purely irreducible basis. In addition, the managing partners may grant shareholders the right to subscribe on a reducible basis to an additional number of securities above this first amount, in proportion to the subscription rights they hold, and, in any event, within the limit of their request.
  Should the securities not all be subscribed by shareholders on a purely irreducible basis and, if applicable, on a reducible basis, the managing partners may use one and/or the other of the following possibilities, in the order they consider appropriate:
  - decide that the issue will be limited to the amount of subscriptions received, on the condition that such amount reaches at least three-fourths of the issue initially decided;
  - allocate at their discretion all or part of the securities not subscribed;
  - offer all or part of the securities not subscribed to the public;
- decides that an issue of subscription warrants to the Company's shares under article L. 228-95 of the French Commercial Code may be carried out either through a subscription offer under the terms and conditions described above, or through a free allocation to existing shareholders;
- notes that, where applicable, the above authorization entails as of right shareholders' express surrender of their preferential subscription rights to Company shares that may be issued and to which such securities may give access at a later date, to the benefit of those holders of securities with a deferred equity component that may be issued;
- decides to suppress shareholders' preferential subscription rights to the shares which may be issued through the conversion of bonds or the exercise of warrants;
- decides that the amount received or to be received by the Company in respect of each share issued under the above authorization will not be less than the par value of the shares;
- decides that the managing partners shall have all powers, under the terms and conditions set by law, to implement this authorization and, in particular, to fix the dates of and the methods for the issues as well as the type and form of the securities to be created, determine the price and set the terms and conditions of the issues, fix the amounts to be issued, fix the date from which the securities to be issued will carry rights to interest or dividends, which may be a date earlier than the date of issue, determine how the shares or other securities issued should be paid for, and, where necessary, to determine the conditions and methods for their repurchase on the stock exchange and the possibility to

suspend the exercise of attribution rights attached to the securities to be issued for periods that may not exceed three months, fix the methods for ensuring the preservation of the rights of holders of securities with a deferred equity component, the whole in accordance with laws and regulations. In addition, the managing partners may, if necessary, charge to additional paid-in capital all amounts, particularly the costs of carrying out the issues, and, in general, take all measures and make any agreements so as to complete successfully the issues envisaged, take note of the capital increase resulting from any issue carried out under this authorization, and change the Company's by-laws accordingly.

For issues of debt securities, the managing partners shall have all powers to decide, in particular, if they will be subordinated securities or not, fix the interest rate thereon, their term, their redemption price whether fixed or variable, with or without premium, the timetable for their redemption depending on market conditions and the terms and conditions under which they will give a right to shares of the Company.

This authorization is given to the managing partners for a period starting with this meeting for the term prescribed in paragraph 3 of article L. 225-129-III of the abovementioned code; it cancels and replaces the authorization granted on May 23, 2002.

Twenty-fifth resolution

Authorization to be given to the managing partners, for a period of twenty-six months, to issue, without preferential subscription rights, on one or more occasions, securities giving, immediately or at a later date, access to shares of the Company, within a limit of €300 million in nominal amount (not including additional paid-in capital) for capital stock increases and of €2.5 billion for bond borrowings

The general meeting, under the conditions required for extraordinary meetings, having been informed of the reports of the managing partners and the Supervisory Board as well as the special report of the Statutory Auditors, in accordance with the provisions of paragraph 3 of article L. 225-129 of the French Commercial Code:

- gives the managing partners the necessary powers to proceed through issue to the public on one or more occasions, in the amounts and at the times they will determine, in France or abroad, with the issue of shares of the Company and of all types of securities that give or may give, immediately and/or at a later date, access to shares of the Company, even if these securities are issued in application of article L. 228-93 of the abovementioned code;
- decides that the nominal amount for capital stock increases which may be carried out immediately and/or at a later date under this authorization may not exceed €300 million, plus, where applicable, the nominal amount of any additional shares that must be issued to preserve, as required by law, the rights of holders of securities with an equity component; the above €300 million limit shall also apply to issues of investment certificates or preference shares;
- decides, in addition, that the nominal amount of debt securities which may be issued under this authorization may not exceed €2.5 billion or the equivalent of this amount if the said securities are issued in another currency or in units of account established by reference to several currencies;
- decides to suppress shareholders' preferential subscription right to the securities to be

issued, it being understood that the managing partners may grant the shareholders a priority right to subscribe to all or part of the issue, for the period and under the terms they will set. Such priority right shall not give rise to the creation of negotiable rights but it may, if thought advantageous by the managing partners, be exercised on an irreducible as well as a reducible basis;

- decides that, if the shares or securities defined above are not all subscribed by shareholders and the public, the managing partners may use one or the other of the following possibilities, in the order they consider appropriate:
  - decide that the issue will be limited to the amount of subscriptions received, on the condition that such amount reaches at least three-fourths of the issue initially decided;
  - allocate at their discretion all or part of the securities not subscribed;
- notes that, where applicable, the above authorization entails as of right shareholders' express surrender of their preferential subscription rights to Company shares that may be issued and to which such securities may give access at a later date, to the benefit of those holders of securities with a deferred equity component that may be issued;
- decides to suppress shareholders' preferential subscription rights to the shares which may be issued through the conversion of bonds or the exercise of warrants;
- decides that the issue price for the above securities shall be calculated in such a way that the amount received by the Company at the time of their issue, plus any amounts to be received in the future as a result of the exercise of all the rights attached to the said securities, represents for each share issued and/or to be issued as part of the issue in question, an issue price that shall not be less than the average opening market price of the Company's share for ten consecutive trading days chosen among the twenty trading days preceding the beginning of the issue of the said securities, after correction of this average, if necessary, to take into consideration the date from which the shares will be eligible for dividends;
- decides that the managing partners shall have all powers, under the terms and conditions set by law, to implement this authorization and, in particular, to fix the dates of and the methods for the issues as well as the type and form of the securities to be created, determine the price and set the terms and conditions of the issues, fix the amounts to be issued, fix the date from which the securities to be issued will carry rights to interest or dividends, which may be a date earlier than the date of issue, determine how the shares or other securities issued should be paid for, and, where necessary, to determine the conditions and methods for their repurchase on the stock exchange and the possibility to suspend the exercise of attribution rights attached to the securities to be issued for periods that may not exceed three months, fix the methods for ensuring the preservation of the rights of holders of securities with a deferred equity component, the whole in accordance with laws and regulations. In addition, the managing partners may, if necessary, charge to additional paid-in capital all amounts, particularly the costs of carrying out the issues, and, in general, take all measures and make any agreements so as to complete successfully the issues envisaged, take note of the capital increase resulting from any issue carried out under this authorization, and change the Company's by-laws accordingly.

For issues of debt securities, the managing partners shall have all powers to decide, in particular, if they will be subordinated securities or not, fix the interest rate thereon, their term, their redemption price whether fixed or variable, with or without premium, the timetable for their redemption depending on market conditions and the terms and conditions under which they will give a right to shares of the Company.

This authorization is given to the managing partners for a period starting with this meeting for the term prescribed in paragraph 3 of article L. 225-129 of the abovementioned code; it cancels and replaces the authorization granted on May 23, 2002.

Twenty-sixth resolution

Authorization to be given to the managing partners, for a period of twenty-six months, to issue, on one or more occasions, new shares of the Company and/or securities of all types in exchange for the securities offered in response to a public exchange offer, within a limit of €300 million in nominal amount (not including additional paid-in capital) for capital stock increases and of €2.5 billion for bond borrowings

The general meeting, under the conditions required for extraordinary meetings, having been informed of the reports of the managing partners and the Supervisory Board as well as the special report of the Statutory Auditors, in accordance with the provisions of article L. 225-148 of the French Commercial Code, authorizes the managing partners to increase the Company's capital stock by a maximum nominal amount of €300 million, through successive or simultaneous issues, on one or more occasions, of new shares of the Company in exchange for securities that are offered to the Company in response to a public share exchange offer or a combined exchange and cash offer for the securities of another company listed on the Paris Bourse's *premier marché* or *second marché* or listed on a recognized stock exchange in a country that is a party to the agreement on the European Economic Area other than France, or on a stock exchange of a member State of the Organization for Economic Cooperation and Development.

In accordance with the provisions of article L. 225-129 of the abovementioned code, the shares issued in consideration for securities offered in response to a public share exchange offer may result from the issue of securities of any type granting immediately and/or at a later date access to a portion of the Company's capital stock.

Shareholders surrender their preferential rights to subscribe to the above securities, as well as, where necessary, to the shares to which the above securities may give at a later date access through the exercise of any right of whatever kind.

The maximum nominal amount of debt securities, if any, issued under this authorization may not exceed €2.5 billion or the equivalent of this amount for issues in another currency or in units of account established by reference to several currencies.

The general meeting decides that the managing partners shall have all powers, under the terms and conditions set by law, to implement this authorization, with the aim, in particular, to:

- determine the exchange ratio and, if applicable, the amount of the balance to be paid in cash;
- note the number of securities offered in response to the exchange offer;
- fix the dates and set the terms and conditions, especially the price and the date from which the new shares or, if any, the securities granting immediately and/or at a later date access to a portion of the Company's capital stock, shall carry a right to dividends or interest;
- record in additional paid-in capital, the difference between the issue price and the par value of the new shares issued;
- if necessary, charge against such additional paid-in capital all of the costs and duties arising from the operation;

- and, in general, take all measures and conclude all agreements that may be useful for the successful completion of the operation authorized, take note of the resultant capital increase and change the Company's by-laws accordingly.

This authorization is given to the managing partners for a period starting with this meeting for the term prescribed in paragraph 3 of article L. 225-129 of the abovementioned code; it cancels and replaces the authorization granted on May 23, 2002.

Twenty-seventh resolution

Authorization to be given to the managing partners, for a period of twenty-six months, to increase the capital stock, on one or more occasions, by incorporation of reserves or additional paid-in capital and issue of bonus shares or increase in par value, within a limit of €300 million.

The general meeting, under the conditions required for ordinary meetings as to quorum and majority, having reviewed the reports of the managing partners and the Supervisory Board, gives the managing partners the necessary powers to increase the capital stock, on one or more occasions, within the limit of a maximum nominal amount of €300 million, by incorporation, successively or simultaneously, of reserves, retained earnings and/or additional paid-in capital, to be carried out through the issue of bonus shares or increase in par value of the Company's shares, or using both methods together.

The general meeting decides that rights to fractions of shares will not be transferable, and that the corresponding shares will be sold. Amounts received therefrom will be allocated to holders within thirty days after the date on which the number of full shares they received is recorded in their name.

The general meeting grants the managing partners, under the terms and conditions set by law, all power to fix the dates of and the methods for the issues, set the terms and conditions of the issues, fix the amounts to be issued and, in general, take all measures that may be useful for the successful completion of the issues, carry out all operations and formalities that are appropriate so that the resulting capital increase or increases are completed, and change the Company's by-laws accordingly.

This authorization is given to the managing partners for a period starting with this meeting for the term prescribed in paragraph 3 of article L. 225-129 of the abovementioned code; it cancels and replaces the authorization granted on May 23, 2002.

Twenty-eighth resolution

Maximum overall limit of €300 million in nominal amount for capital increases (not including additional paid-in capital) and of €2.5 billion for issues of debt securities under the authorizations granted in the previous resolutions

The general meeting, under the conditions required for extraordinary meetings, having been informed of the reports of the managing partners and the Supervisory Board, as a consequence of its approval of the twenty-fourth, twenty-fifth and twenty-sixth resolutions, decides:

- to fix at €2.5 billion, or the equivalent of this amount for issues in another currency or in units of account established by reference to several currencies, the maximum nominal amount of debt securities that may be issued under the authorizations granted by the abovementioned resolutions;

and

- to fix at €300 million the maximum nominal amount of capital increases that may be carried out, immediately and/or at a later date, under the authorizations granted by the abovementioned resolutions, it being understood that such nominal amount will be increased, where applicable, by the nominal amount of additional shares that must be issued to preserve, as required by law, the rights of holders of securities with an equity component.

Twenty-ninth resolution

Authorization to be given to the managing partners to make use of the abovementioned authorizations of issues while a public purchase or exchange offer for the Company's shares is in progress

The general meeting, under the conditions required for extraordinary meetings, having been informed of the reports of the managing partners and the Supervisory Board and in accordance with the provisions of the French Commercial Code, expressly decides that the authorizations granted to the managing partners under the above resolutions, which result or may result in the increase of the Company's capital stock, shall remain valid while a public purchase or exchange offer for the Company's shares is in progress.

This decision to maintain the authorizations given to the managing partners while a public purchase or exchange offer for the Company's shares is in progress shall be valid until the next annual ordinary general meeting called to approve the financial statements for 2004.

Thirtieth resolution

Authorization to be given to the managing partners, for a period of thirty-eight months, to issue, on one or more occasions, shares reserved for employees of the Company and of certain of its subsidiaries, within a limit of 2% of the number of shares making up the capital stock

The general meeting, under the conditions required for extraordinary meetings, having been informed of the reports of the managing partners and the Supervisory Board as well as the special report of the Statutory Auditors, gives the managing partners the powers to increase the capital stock, in accordance with their own decisions, in one or more operations, through the issue of shares to be subscribed, under the Group Savings Plan and in accordance with articles L. 443-1 and following of the French Labor Code and article L. 225-138 of the French Commercial Code, by employees of the Company and of companies or other entities which are related to the Company within the meaning of article L. 225-180 of the said code; the employees concerned must have at least six months' seniority; the number of new shares to be issued, which will immediately rank pari passu with existing shares, may not exceed 2% of the number of shares making up the capital stock.

This authorization, if and when used, entails as of right shareholders' surrender of their preferential subscription rights to the benefit of the employees concerned.

In accordance with article L. 443-5 of the Labor Code, the general meeting decides that the subscription price will be equal to 80% of the average opening prices of the share for the twenty trading days preceding the date of the managing partners' decision setting the opening date for the subscription, rounded up to the nearest tenth of one euro; the general meeting also decides that, if all of the shares are not subscribed within the period set by the general partners, the capital increase will be limited to the amount subscribed, and shares left unsubscribed may be proposed again to the employees concerned on the occasion of a subsequent capital increase.

The general meeting gives the general partners, within the above limits, all powers to set the various terms and conditions for the operations, and in particular, to:

- take note of the subscription price calculated as indicated in the preceding paragraph, set the date for paying up the shares subscribed, it being understood that the Company or related companies or other entities within the meaning of article L. 225-180 mentioned above, may make complementary payments in the conditions set by legal regulations;
- set the subscription opening and closing dates, note the capital increase resulting therefrom and modify the by-laws accordingly.

This authorization is given to the managing partners starting with this meeting, for a period of thirty-eight months; it cancels and replaces the authorization given by the general meeting of May 21, 2001 for the portion of the said authorization that was left unused.

Thirty-first resolution

Authorization to be given to the managing partners to grant, to employees and senior executives of the Company and of related companies within the meaning of article L. 225-180 of the French Commercial Code, options to subscribe or purchase shares of the Company, within a limit of 3% of the number of shares making up the capital stock

The general meeting, under the conditions required for extraordinary meetings, having been informed of the reports of the managing partners, the Supervisory Board and the Statutory Auditors:

- authorizes the managing partners, in accordance with articles L. 225-177 and following of the French Commercial Code, to grant, on one or more occasions, to senior executives and employees, or to certain of them, of the Company or of related companies within the meaning of article L. 225-180 of the said code, options giving the right to subscribe to new shares of the Company and/or to purchase existing shares previously repurchased by the Company under the terms and conditions set by law;
- decides that the total number of options granted by virtue of this authorization will not entitle beneficiaries to subscribe and/or purchase a number of shares higher than 3% of the number of shares currently making up the capital stock;
- decides that these options will have to be exercised within not more than ten years from the date of grant by the managing partners;
- decides, in accordance with law, that this authorization will entail as of right shareholders' express surrender, to the benefit of option beneficiaries, of their preferential subscription right to the new shares that will be issued as and when the options are exercised;
- gives to the managing partners the widest powers, within the limits set above and within the limits set by law at the time, to:
  - set the subscription and/or purchase price of the shares under option, in the manner described by the managing partners in their report and in accordance with applicable legal provisions;
  - decide on the terms and conditions for the operations, set the conditions for granting the options, determine the beneficiaries, fix the period during which options may be exercised, establish the maximum number of options authorized to be offered to each beneficiary, and, if deemed appropriate, set a period during which shares may not be resold;
  - decide on the conditions in which the price and/or number of shares to be subscribed and/or purchased may be adjusted to take account of financial operations carried out by the Company;
  - and, in general, take all measures that may be useful or necessary, and, in particular, carry out all filings, declarations and other formalities, take note that the corresponding capital increases are complete, and change the by-laws accordingly.

This authorization is given to the managing partners for a period of thirty-eight months starting with this meeting; it cancels and replaces the authorization given by the combined general meeting of May 23, 2000 for the portion of the said authorization that was left unused.

Thirty-second resolution

Harmonization of the by-laws

The general meeting, under the conditions required for extraordinary meetings, decides to amend article 16 of the Company's by-laws concerning regulated agreements for the purposes of harmonization with the most recent laws. The article shall therefore read as follows:

Article 16 – Regulated agreements

Any agreement between the Company and one of its managing partners, a member of its Supervisory Board, or a shareholder holding more than 10% of the voting rights or in the case of a corporate shareholder, a company controlling it as defined in article L. 233-3 of the French Commercial Code, either directly or through a third party, shall be subjected to the authorization and control formalities set out in articles L. 225-38 to L. 225-43 of the French Commercial Code, in compliance with article L. 226-10 of the same code.
(the rest is unchanged)

The general meeting, under the conditions required for ordinary meetings, decides to delete article 12 bis of the by-laws concerning the initial membership of the Supervisory Board.

Thirty-third resolution

Authorization to carry out formalities

The general meeting, under the conditions for ordinary meetings, hereby grants all powers to the bearer of an original, a certified copy or a certified extract of the minutes of this meeting to carry out all formalities that may be required by the relevant law or regulations.

The Managing Partners

6

2003

Persons who are proposed as candidates

to constitute the new Supervisory Board (renewal of terms of office or new candidates)

Persons whose reappointment as members of the Supervisory Board must be approved by the general meeting of shareholders

Raymond H. Lévy
40, Rue de Garches - 92420 Vaucresson, France
Born June 28, 1927

Number of Lagardère SCA shares held: 15,230

Principal position held during the last five years

Chairman of the Supervisory Board, Lagardère SCA
4, Rue de Presbourg - 75116 Paris, France

Current positions

Chairman of the Supervisory Board, Lagardère SCA
4, Rue de Presbourg - 75116 Paris, France

Chairman of the Audit Committee, Lagardère SCA
4, Rue de Presbourg - 75116 Paris, France

Positions and appointments held in other companies

Chairman of the Supervisory Board, Sogeade
121, Avenue de Malakoff - 75116 Paris, France

Director, Sogeade Gérance
121, Avenue de Malakoff - 75116 Paris, France

Director, Renault Finance
Avenue de Rhodanie 48 - 1007 Lausanne, Switzerland

Mr. Raymond H. Lévy is also Honorary Chairman of Renault SA

Manfred Bischoff
81663 Munich, Germany
Born April 22, 1942

Number of Lagardère SCA shares held: 150

Principal positions held during the last five years

Chairman of the Board of Directors of EADS N.V.
BeechAvenue 130-132,
1119 PR Schiphol-Rijk, The Netherlands

Member of the Board of EADS Participations B.V.
Teleportboulevard 140,
1043 EJ Amsterdam, The Netherlands

Current positions

Chairman of the Board of Directors, EADS N.V.
Beechavenue 130-132, 1119 PR Schiphol-Rijk, The Netherlands

Member of the Board, EADS Participations B.V.
Teleportboulevard 140, 1043 EJ Amsterdam, The Netherlands

Positions and appointments held in other companies

Chairman of the Supervisory Board, DaimlerChrysler Aerospace AG
Ottobrunn, Germany

Chairman of the Supervisory Board,
DaimlerChrysler Luft- und Raumfahrt Holding AG
Munich, Germany

Member of the Supervisory Board, Fraport AG
Frankfurt, Germany

Member of the Supervisory Board, J.M. Voith AG
Heidenheim, Germany

Member of the Supervisory Board,
Gerling-Konzern Versicherungs-Beteiligungs AG
Cologne, Germany

Member of the Supervisory Board,
Bayerische Hypo- und Vereinsbank AG
Munich, Germany

Member of the Supervisory Board,
Royal KPN N.V.
Haaglancher, The Netherlands

Georges Chodron de Courcel
23, Avenue Mac Mahon - 75017 Paris, France
Born May 20, 1950

Number of Lagardère SCA shares held: 150

Principal position held during the last five years

Chief Operating Officer, BNP Paribas
16, Boulevard des Italiens - 75450 Paris Cedex 09, France

Current position

Chief Operating Officer, BNP Paribas
16, Boulevard des Italiens - 75450 Paris Cedex 09, France

Positions and appointments held in other companies

Director, Bouygues
90, Avenue des Champs-Elysées - 75008 Paris, France

Censor, Scor SA
1, Avenue du Général de Gaulle - 92074 Paris la Défense Cedex, France

Director, Nexans
16, Rue Monceau - 75008 Paris, France

Director, Alstom
25, Avenue Kléber - 75116 Paris, France

Groupama SA ([1])
A French corporation with capital stock of €1,239,777,322
8/10, Rue d'Astorg - 75008 Paris, France

Number of Lagardère SCA shares held: 150

Represented by **Mr. Helman le Pas de Sécheval**
Born January 21, 1966

Principal positions held by Mr. Helman le Pas de Sécheval during the last five years

• From 1999 to 2001
Department Head, Financial Operations and Information,
Commission des Opérations de Bourse
17, Place de la Bourse - 75082 Paris Cedex 02, France

• Since 2001
Chief Financial Officer, Groupama
8/10, Rue d'Astorg - 75008 Paris, France

Current positions

Chief Financial Officer, Groupama
8/10, Rue d'Astorg - 75008 Paris, France

Chairman of the Supervisory Board, Groupama Immobilier
22/28, Rue Joubert - 75009 Paris, France

Chairman of the Supervisory Board, Groupama Asset Management
25, Rue de Courcelles - 75008 Paris, France

Positions and appointments held in other companies

Member of the Audit Committee, Lagardère SCA
4, Rue de Presbourg - 75116 Paris, France

([1]) A list of all positions and appointments held by Groupama SA as manager, director, member of the Management Board or member of the Supervisory Board in other companies is available for inspection at 121, Avenue de Malakoff - 75116 Paris, France.

Chairman of the Supervisory Board, Finama Private Equity
143, Boulevard Haussmann - 75008 Paris, France

Deputy Chairman of the Supervisory Board, Banque Finama
157, Boulevard Haussmann - 75008 Paris, France

Chairman of the Board of Directors, Compagnie Foncière Parisienne
22, Rue Joubert - 75009 Paris, France

Director, Gan Italia Vita
Via Guidubaldo Del Monte, 45 - 00197 Rome, Italy

Director, Gan Italia SPA
Via Guidubaldo Del Monte, 45 - 00197 Rome, Italy

Permanent representative of Gan Assurances Vie
to the Supervisory Board, Locindus

Censor, Scor
1, Avenue du Général de Gaulle - 92074 Paris la Défense Cedex, France

Pehr G. Gyllenhammar
AVIVA plc
St Helen's, 1 Undershaft
London EC3P 3DQ, United Kingdom
Born April 28, 1935

Number of Lagardère SCA shares held: 150

Principal position held during the last five years

• From 1999 to 2002
Chairman of the Board of Directors,
AVIVA plc (formerly CGNU plc)
London, United Kingdom

Current position

Chairman of the Board of Directors,
AVIVA plc (formerly CGNU plc)
London, United Kingdom

Positions and appointments held in other companies

Chairman of the Board of Directors,
Svenska Skeppshypotekskassan (Swedish Ships' Mortgage Bank)
Gothenburg, Sweden

Chairman, Reuters Founders Share Company Ltd
London, United Kingdom

Member, International Advisory Board,
Nissan-Renault
Tokyo, Japan

Pierre Lescure
122, Rue de Grenelle – 75007 Paris, France
Born July 2, 1945

Number of Lagardère SCA shares held: 150

Principal positions held during the last five years

• From 1999 to 2002
Chairman of the Management Board, Groupe Canal +
85/89, Quai André Citroën - 75015 Paris, France

• Since 2002
Chairman, AnnaRose Productions (SAS)
8, Avenue Raphäel - 75116 Paris, France

Current position

Chairman, AnnaRose Productions (SAS)
8, Avenue Raphäel - 75116 Paris, France

Positions and appointments held in other companies

Director, Havas Advertising
84, Rue de Villiers - 92683 Levallois-Perret Cedex, France

Member of the Supervisory Board, Le Monde
21 bis, Rue Claude Bernard - 75005 Paris, France

Member of the Board of Directors, Thomson SA
46, Quai Alphonse Le Gallo - 92648 Boulogne Billancourt Cedex, France

Christian Marbach
17, Avenue Mirabeau - 78600 Maisons-Laffitte, France
Born October 9, 1937

Number of Lagardère SCA shares held: 206

Principal position held during the last five years

Chairman, Groupement d'Intérêt Economique, Agence des PME
72, Avenue Pierre Mendès-France - 75914 Paris Cedex 13, France

Current positions

Ingénieur Général des Mines honoraire

Chairman, Groupement d'Intérêt Economique, Agence des PME
72, Avenue Pierre Mendès-France - 75914 Paris Cedex 13, France

Positions and appointments held in other companies

Member of the Audit Committee, Lagardère SCA
4, Rue de Presbourg - 75116 Paris, France

Director, Compagnie Générale de Géophysique (C.G.G.)
1, Rue Léon Migaux - 91300 Massy, France

Director, Erap
28, Avenue de Messine - 75008 Paris, France

Censor, Sofinnova
17, Rue de Surène - 75008 Paris, France

Bernard Mirat
91, Avenue de la Bourdonnais - 75007 Paris, France
Born July 3, 1927

Number of Lagardère SCA shares held (with Mrs. Mirat) : 2,250

Principal position held during the last five years

Deputy Chairman of the Supervisory Board, G.T. Finance
16, Place de la Madeleine - 75008 Paris, France

Current position

Deputy Chairman of the Supervisory Board, G.T. Finance
16, Place de la Madeleine - 75008 Paris, France

Positions and appointments held in other companies

Member of the Audit Committee, Lagardère SCA
4, Rue de Presbourg - 75116 Paris, France

Director, Fimalac
97, Rue de Lille - 75007 Paris, France

Censor, Holding Cholet-Dupont
16, Place de la Madeleine - 75008 Paris, France

Didier Pineau-Valencienne
64, Rue de Miromesnil - 75008 Paris, France
Born March 21, 1931

Number of Lagardère SCA shares held: 350

Principal positions held during the last five years

Senior Advisor, Crédit Suisse First Boston

Chairman and Partner, PEP - Private Equity Partners - Paris, France

Current positions

Senior Advisor, Crédit Suisse First Boston

Chairman and Partner, PEP - Private Equity Partners - Paris, France

Positions and appointments held in other companies

Director, Wendel Investissement (formerly CGIP)
89, Rue Taitbout - 75009 Paris, France

Director, Pernod Ricard
12, Place des Etats-Unis - 75016 Paris, France

Director, Fleury Michon
Route de la Gare - BP 1 - 85707 Pouzanges Cedex, France

Director, Swiss Helvetia Fund (USA)
1270 Avenue of the Americas - Suite 400
New-York, NY 10020, United States of America

Member of the Audit Committee, Lagardère SCA
4, Rue de Presbourg - 75116 Paris, France

Member of the Supervisory Board, Aventis
16, Avenue de l'Europe - 67917 Strasbourg Cedex 9, France

Member of the Advisory Board - Booz Allen & Hamilton, USA

Member of the Board of Overseers
Tuck School of Business Administration - Dartmouth College

Member of the Trustees - American University of Paris

Advisor, Centre d'Enseignement Supérieur de la Marine

Chairman, International Consultative Committee,
Groupe Ecole Supérieure de Commerce
(ESC) Nantes Atlantique

Honorary Chairman, Schneider Electric
5, Rue Nadar - 92500 Rueil Malmaison, France

Honorary Chairman, Square D

Director, AFEP
63, Rue de La Boétie - 75008 Paris, France

Director, BIPE Association
6, Place Abel Gance - 92100 Boulogne, France

Honorary President, Association HEC

Honorary President, Institut de l'Entreprise

Executive lecturer, HEC

Felix G. Rohatyn
280 Park Avenue, 27th Floor
New-York, NY 10017, United States of America
Born May 29, 1928

Number of Lagardère SCA shares held: 150

Principal positions held during the last five years

• From 1999 to 2000
US Ambassador to France

• Since 2001
Chairman, Rohatyn Associates LLC
280 Park Avenue, 27th Floor
New-York, NY 10017, United States of America

Current position

Chairman, Rohatyn Associates LLC
280 Park Avenue, 27th Floor
New-York, NY 10017, United States of America

Positions and appointments held in other companies

Chairman, Aton Pharma
777 Old Saw Mill River Road
Tarrytown, NY 10591, United States of America

Director, Suez
16, Rue de la Ville-l'Evêque - 75383 Paris Cedex, France

Director, L.V.M.H.
30, Avenue Hoche - 75008 Paris, France

Member of the Supervisory Board, Publicis Groupe S.A.
133, Avenue des Champs Elysées - 75008 Paris, France

Trustee, Center for Strategic and International Studies
Washington D.C., United States of America

Bachelor of Science (physics)

Persons whose appointment as members of the Supervisory Board must be approved by the general meeting of shareholders

Bernard Arnault
22, Avenue Montaigne – 75008 Paris, France
Born March 5, 1949

Number of Lagardère SCA shares held: 150

Principal position held during the last five years

Chairman and Chief Executive Officer, LVMH Moët Hennessy Louis Vuitton
22, Avenue Montaigne - 75008 Paris, France

Current position

Chairman and Chief Executive Officer, LVMH Moët Hennessy Louis Vuitton
22, Avenue Montaigne - 75008 Paris, France

Positions and appointments held in other companies

Chairman and Chief Executive Officer, Montaigne Participations et Gestion SA
41, Avenue Montaigne - 75008 Paris, France

Chairman of the Board of Directors, Christian Dior SA
30, Avenue Montaigne - 75008 Paris, France

Chairman of the Board of Directors, Société Civile du Cheval Blanc
33330 Saint-Emilion, France

Chairman, Groupe Arnault SAS
41, Avenue Montaigne - 75008 Paris, France

Director, Christian Dior Couture SA
30, Avenue Montaigne - 75008 Paris, France

Director, L.V.M.H. Moët Hennessy Louis Vuitton (Japon) KK
Sumitomo Hanzomon Building, 3rd Floor 3-16 Hayabusa-cho
Chiyoda-Ku, Tokyo 102-0092, Japan

Director, Moët Hennessy Inc.
19 East 57th Street
New-York, NY 10022, United States of America

Member of the Supervisory Board, Métropole Télévision "M6" SA
89, Avenue Charles de Gaulle - 92200 Neuilly sur Seine, France

Permanent representative of Montaigne Participations et Gestion SA
41, Avenue Montaigne - 75008 Paris, France

Director, Financière Agache SA
11, Rue François 1er - 75008 Paris, France

Legal representative, Montaigne Participations et Gestion SA
41, Avenue Montaigne - 75008 Paris, France

Chairman, Gasa Développement SAS
11, Rue François 1er - 75008 Paris, France

Chairman, Financière Saint Nivard SAS
11, Rue François 1er - 75008 Paris, France

Member of the Supervisory Board, Financière Jean Goujon SAS
11, Rue François 1er - 75008 Paris, France

Dr. Hubert Burda
Arabellastrasse 23
D 81925 Munich, Germany
Born February 9, 1940

Number of Lagardère SCA shares held: 150

Principal position held during the last five years

Chairman of the Board and Publisher, Hubert Burda Media
Arabellastrasse 23
D-81925 Munich, Germany

Current position

Chairman of the Board and Publisher, Hubert Burda Media
Arabellastrasse 23
D-81925 Munich, Germany

Positions and appointments held in other companies

Member of Supervisory Board, Philip Morris Germany
Fallstrasse 40
D-81369 Munich, Germany

Mr. Burda is also President of the Association of German Magazine Publishers (VDZ), co-founder of the European Publishers Council (EPC) and President of the Council of the University Ludwig-Maximilians of Munich.

René Carron
91/93, Boulevard Pasteur - 75015 Paris, France
Born June 13, 1942

Number of Lagardère SCA shares held: 150

Principal positions held during the last five years

• From 1999 to 2004
Director, Sofinco
27, Rue de la Ville l'Evêque - 75008 Paris, France

• From 1999 to 2003
Director, Fonds Coopération Crédit Agricole Mutuel
48, Rue la Boétie - 75008 Paris, France

Chairman, SAS Rue La Boétie
48, Rue La Boétie - 75008 Paris, France

• From 2000 to 2003
Director, Crédit Agricole Indosuez
9, Quai du Président Paul Doumer - 92920 Paris la Défense Cedex, France

• From 2002 to 2003
Director, Crédit Lyonnais
19, Boulevard des Italiens - 75002 Paris, France

Current position

Chairman, Crédit Agricole SA
91/93, Boulevard Pasteur - 75015 Paris, France

Positions and appointments held in other companies

Chairman, Caisse Régionale de Crédit Agricole de Savoie
PAE les Glaisins - 74985 Annecy Cedex 9, France

Chairman, Caisse Locale de Crédit Agricole de Yenne
Yenne - 73000 Chambéry, France

Chairman, GIE Gecam
48, Rue la Boétie - 75008 Paris, France

Deputy Chairman, Fédération Nationale du Crédit Agricole
48, Rue la Boétie - 75008 Paris, France

Member of the Management Committee, Adicam
48, Rue la Boétie - 75008 Paris, France

Director, Banca Intesa S.p.a.
10 Piazza Paolo Ferrari - 20121 Milan, Italy

Director, Crédit Agricole Solidarité et Développement
48, Rue la Boétie - 75008 Paris, France

Director, Fondation du Crédit Agricole Pays de France
129, Boulevard Saint-Germain - 75006 Paris, France

Director, Rue Impériale
49, Rue de la République - 69002 Lyon, France

Director, Sacam
48, Rue la Boétie - 75008 Paris, France

Director, Sapacam
48, Rue la Boétie - 75008 Paris, France

Director, Suez
16, Rue de la Ville l'Evêque - 75383 Paris Cedex, France

Henri Proglio
36/38, Avenue Kléber – 75116 Paris, France
Born June 29, 1949

Number of Lagardère SCA shares held: 150

Principal positions held during the last five years

• From 1999 to 2000
Chief Executive Officer, Vivendi
36/38, Avenue Kléber - 75116 Paris, France

Chairman, Société Générale des Eaux
36/38, Avenue Kléber - 75116 Paris, France

Director, Executive General Manager, Vivendi Water
52, Rue d'Anjou - 75008 Paris, France

Chairman, CGEA
163/169, Avenue Georges Clémenceau
Parc des Fontaines - 92735 Nanterre Cedex, France

• From 2000 to 2003
Chairman of the Management Board, Vivendi Environnement
36/38, Avenue Kléber - 75116 Paris, France

Chairman of the Management Board, Vivendi Water
52, Rue d'Anjou - 75008 Paris, France

Chairman of the Management Board, Onyx
163/169, Avenue Georges Clémenceau
Parc des Fontaines - 92735 Nanterre Cedex, France

Chairman of the Management Board, Connex
163/169, Avenue Georges Clémenceau
Parc des Fontaines - 92735 Nanterre Cedex, France

Chairman of the Management Board, Dalkia
37, Avenue du Maréchal de Lattre de Tassigny - 59350 Saint-André, France

• Since 2003
Chairman and Chief Executive Officer, Veolia Environnement SA
36/38, Avenue Kléber - 75116 Paris, France

Current position

Chairman and Chief Executive Officer, Veolia Environnement SA
36/38, Avenue Kléber - 75116 Paris, France

Positions and appointments held in other companies

In the Veolia Environnement group

Chairman of the Board, Veolia Water
52, Rue d'Anjou - 75008 Paris, France

Chairman of the Board, CGEA Onyx SA
163/169, Avenue Georges Clémenceau
Parc des Fontaines - 92735 Nanterre Cedex, France

Chairman of the Board, CGEA Connex SA
163/169, Avenue Georges Clémenceau
Parc des Fontaines - 92735 Nanterre Cedex, France

Director, Safise SA
Route de la Gaude, BP 153 - 06800 Cagnes sur Mer, France

Director, Sarp Industries SA
427, route du Hazay
Zone portuaire Limay-Porcheville - 78520 Limay, France

Director, Dalkia International SA
37, Avenue du Maréchal de Lattre de Tassigny - 59350 Saint-André, France

Director, Eaux de Marseille SA
25, Rue Edouard Delanglade - 13006 Marseille, France

Director, Esterra SA
62, Rue de la Justice - 59011 Lille, France

Member and Deputy Chairman of the Supervisory Board, SARP SA
162/166, Boulevard de Verdun
Energy Park IV - 92413 Courbevoie Cedex, France

Permanent representative of CGEA Connex, corporate director, Eurolum SA
15, Rue du Louvre, Bâtiment 4 - 75001 Paris, France

Permanent representative of CGEA Onyx, corporate director, CSP SA
11, Rue Henri Simonin-Ducos BP 7262 -b98801 Nouméa Cedex, New Caledonia

Permanent representative of CGEA Onyx, corporate director, Sud CARS SA
28, Rue Vineuse - 75116 Paris, France

Manager, Générale des Eaux SCA
52, Rue d'Anjou - 75008 Paris, France

Chairman, Campus Veolia Environnement SAS
Château d'Ecancourt, Rue d'Ecancourt - 95280 Jouy-le-Moutier, France

Member of the Supervisory Board, CEO SCA
52, Rue d'anjou - 75008 Paris, France

Member of the Supervisory Board, CFSP SCA
3, Rue Marcel Sembat, Immeuble CAP 44 - 44100 Nantes, France

Chairman of the Supervisory Board, Dalkia France SCA
37, Avenue du Maréchal de Lattre de Tassigny - 59350 Saint-André, France

Member of the Supervisory Board, Eaux de Melun SCA
Zone Industrielle, 198/398 Rue Foch - 77000 Vaux le Pénil, France

Member of the Supervisory Boards A and B, Dalkia SAS
37, Avenue du Maréchal de Lattre de Tassigny - 59350 Saint-André, France

Director of the Board, Collex PTY
Level 4, Bay Centre, 65 Pirrama Road
NSW 2009 Pyrmont, Australia

Director of the Board, Comgen Australia
Level 4, Bay Centre, 65 Pirrama Road
NSW 2009 Pyrmont, Australia

Director, FCC
36, Calle de Balmes - 08007 Barcelona, Spain

Director, Grucycsa SA
Pza Pablo Ruiz Picasso, s/n - 28020 Madrid, Spain

Director, B 1998 SL
Pasea de la Habana, 37 1° izqda - Madrid, Spain

Director of the Board, Onys North America Corp.
1605 Main Street, Suite 711 - FL 34236 Sarasota, United States of America

Director of the Board, USFilter Corp.
40-004 Cook Street, CA 92211 Palm Desert, United States of America

Director of the Board, CGEA UK PLC
Onyx House, 154A Pentonville Road
London N1 9PE, United Kingdom

Director of the Board, Onyx Environmental Group
Onyx House, 154A Pentonville Road
London N1 9PE, United Kingdom

Director of the Board, Veolia UK Ltd
34-41 Old Queen Street
London SW1H 9JA, United Kingdom

Director of the Board, Connex Leasing
Friars Bridge Court, 41-45 Blackfriars Road
London SE1 8PG, United Kingdom

Director of the Board, Connex Transport UK
Waterloo Business Center, Waterloo Road
London SE1 8UL, United Kingdom

Director of the Board and President (officer), Onyx Asia Holdings
3 Temasek Avenue #30-03, Centennial Tower
039190 Singapore, Singapore

Director of the Board, CGEA Transport AB
c/o Connex Transport AB
Englundavägen 9, Box 1820
17124 Solna, Sweden

Director of the Board, Connex Transport AB
Englundavägen 9, Box 1820
17124 Solna, Sweden

Outside the Veolia Environnement group

Member of the Board of Directors, CNES
2, Place Maurice Quentin - 75001 Paris, France

Director, EDF International SA
22/30 Avenue de Wagram - 75382 Paris Cedex 08, France

Director, Thalès SA
173, Boulevard Haussmann - 75415 Paris Cedex 08, France

Director, Casino Guichard-Perrachon SA
24, Rue de la Montat - 42000 Saint-Etienne, France

Member of the Supervisory Board, Elior SA
61/69, Rue de Bercy - 75589 Paris Cedex 12, France

Mr. Henri Proglio is also *Chevalier de la Légion d'Honneur* and *Officier dans l'Ordre National du Mérite*

François Roussely
22/30, avenue de Wagram – 75008 Paris, France
Born January 9, 1945

Number of Lagardère SCA shares held: 150

Principal position held during the last five years

Chairman of the Board of Directors, Electricité de France
22/30 Avenue de Wagram - 75008 Paris, France

Current position

Chairman of the Board of Directors, Electricité de France
22/30 Avenue de Wagram - 75008 Paris, France

Positions and appointments held in other companies

Chairman of the Board of Directors, Ecole Nationale des Ponts et Chaussées ENPC
6/8, Avenue Blaise Pascal - 77420 Champs sur Marne, France

Director, AFII
2, Avenue Vélasquez - 75008 Paris, France

Member of the Consultative Committee, Banque de France
3, Rue de la Vrillière - 75001 Paris, France

Member, Comité de l'Energie Atomique CEA
31/33, Rue de la Fédération - 75752 Paris Cedex 15, France

Chairman of the Supervisory Board, Dalkia Holding
38, Avenue Kléber - 75016 Paris, France

President, Fondation EDF
9, Avenue Percier - 75008 Paris, France

President, Cercle des Aquitains
21, Rue des Pyramides - 75008 Paris, France

Conseiller Maître, Cour des Comptes
13, Rue Cambon - 75001 Paris, France

Person whose appointment as censor must be approved by the general meeting of shareholders

Bernard Esambert
121, Avenue de Malakoff - 75116 Paris, France
Born July 7, 1934

Number of Lagardère SCA shares held: 36,203 shares registered in the name of Mr. Esambert

Principal positions held during the last five years

Deputy Chairman of the Supervisory Board, Lagardère SCA
4, Rue de Presbourg - 75116 Paris, France

Chairman of the Supervisory Board, Arjil & Cie
43, Rue Vineuse - 75116 Paris, France

Current positions

Deputy Chairman of the Supervisory Board, Lagardère SCA
4, Rue de Presbourg - 75116 Paris, France

Chairman of the Supervisory Board, Arjil & Associés Banque
43, Rue Vineuse - 75116 Paris, France

Positions and appointments held in other companies

Director, Hachette Filipacchi Médias
149/151, Rue Anatole France - 92300 Levallois-Perret, France

Director, Pierre Fabre
Le Carla, Burlats - 81106 Castres Cedex, France

Director, Compagnie Financière Edmond de Rothschild
47, Faubourg Saint-Honoré - 75008 Paris, France

Director, Paroma
174, Boulevard Haussmann - 75008 Paris, France

Member, Collège de l'AMF
17, Place de la Bourse - 75082 Paris Cedex 2

President, Fondation Française pour la Recherche sur l'Epilepsie

President, Fédération pour la Recherche sur le cerveau

Vice-President, Institut de l'Entreprise

Director-Treasurer, Fondation Touraine

Director-Treasurer, Association Georges Pompidou

Honorary President, Institut Pasteur

Translation: J.H. Communication - Design and production: **BRIEF**