LAGARDERE SCA
A French limited partnership with shares
with capital stock of € 858,993,978.50
divided into 140,818,685 shares of € 6.10 par value each.
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Documents for the Combined Ordinary and Extraordinary Annual General Meeting

May 10, 2005

1 – 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, 2004).
- Report of the Supervisory Board.
- Reports of the Statutory Auditors on their audit of the Parent Company annual accounts, the Group's consolidated financial statements, and agreements covered by article L.226-10 of the French Commercial Code.
- Special reports of the Statutory Auditors on financial authorizations to be given to the managing partners.
- Special report of the managing partners on subscription and purchase options.
- Report of the Chairman of the Supervisory Board on the work of the Board and on the internal control system.
- Special report of the Statutory Auditors on internal control procedures.
- Approval of the Parent Company accounts for the year ended December 31, 2004.
- Approval of the consolidated financial statements for the year ended December 31, 2004.
- Approval of the transfer of the balance of the special reserve for long-term capital gains to a discretionary reserve, and transfer to unappropriated retained earnings of an amount equal to the amount of the exceptional compulsory tax on the special reserve for long-term capital gains.
- Allocation of Parent Company net income; dividend distribution.
- Approval of agreements covered by article L. 226-10 of the French Commercial Code.
- Authorization to be given to the managing partners to deal in Company shares.
- Renewal of the term of office of a Statutory Auditor and appointment of a new alternate statutory auditor.
- Non-renewal of the term of office of a Statutory Auditor and of an alternate statutory auditor.
- Authorization to be given to the managing partners to issue composite securities not giving access to capital stock of the Company.
- Authorization to be given to the managing partners to issue with preferential subscription rights ordinary shares and other securities giving access, immediately or at a later date, to the capital stock of the Company.
- Authorization to be given to the managing partners to issue without preferential subscription rights ordinary shares and other securities giving access, immediately or at a later date, to the capital stock of the Company.

- Authorization to be given to the managing partners to raise the amount of issues decided in case of oversubscription.
- Authorization to be given to the managing partners to issue ordinary shares and all types of securities in exchange for the securities offered in response to a public exchange offer or in payment of a contribution in kind.
- Authorization to be given to the managing partners to increase the capital stock through the incorporation of reserves or additional paid-in capital and issue of bonus shares or increase in the par value of existing shares.
- Authorization to be given to the managing partners to issue shares reserved for employees of the Lagardère Group as part of the Group Savings Plan.
- Authorization to be given to the managing partners to grant to employees of the Company and of related companies free shares of the Company.
- Maximum overall limit for authorized issues, of € 300 million for capital increases and of € 2.5 billion for issues of debt securities.
- Authorization to be given to the managing partners to reduce the capital stock by way of a cancellation of shares repurchased by the Company as part of its share repurchase programs.
- Powers to accomplish formalities.

2 – 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 principally to:

- report to you on the business activity, situation and outlook of Lagardère SCA and of Lagardère Group as a whole;
- present the Parent Company accounts and the consolidated financial statements for the year ended December 31, 2004 and ask you to approve these financial statements, the allocation of net income and the distribution of an exceptional dividend of € 2 per share;
- ask you to renew the terms of office of certain Statutory Auditors;
- ask you to renew almost all of the financial authorizations previously given to the managing partners, so as to take account of the changes made in the French commercial law over the last year.

Among the documents made available to you, the "general meeting document" includes, as every year, the draft resolutions to be submitted for your approval together with the various reports to be presented to you:

- this report from the managing partners on the management of Lagardère SCA and of Lagardère Group as a whole;
- the special report of the managing partners on share subscription and purchase options;
- the report of the Supervisory Board; and
- the reports of the Statutory Auditors.

The Reference Document (*Document de Référence*), which is registered with the French Financial Markets Authority (*Autorité des Marchés Financiers* – AMF), provides you, as every year, with exhaustive information about Lagardère SCA and the Lagardère Group under the following headings:

- the by-laws, Lagardère SCA share and capital stock;
- the Group's various business activities in the course of 2004;
- consolidated financial statements and Parent Company accounts;
- corporate governance and management, control and supervisory bodies;
- recent changes in the Group's operations and the outlook for the future.

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

The Note on financial operations concerning the Company's share buyback plan for the coming year, which has already been deposited with the French Financial Markets Authority, has also been made available to you.

1 – FINANCIAL STATEMENTS AND RESULTS FOR THE YEAR ENDED DECEMBER 31, 2004

2004 was once again an excellent year for Lagardère Group, despite the poor performance of the French economy and rising prices of oil and other commodities (steel, paper). At the same time, the weakness of the US dollar penalized European exports. Against this background, the improved performances at both Lagardère Media and EADS were the results of efforts started several years ago to reduce costs and the pursuit of their international expansion.

1. Consolidated sales and operating income

(in million €)

	Sales		Operating income	
	2003	2004	2003	2004
Book Publishing	959	1,431	107	173
Print Media	2,072	2,120	201	196
Distribution Services	4,333	4,366	92	98
Lagardere Active	580	677	27	49
Lagardère Media	7,944	8,594	427	516
High Technologies (EADS) *	4,510	4,795	232	361
Other Activities	-	-	12	(12)
Consolidated total	**12,454**	**13,389**	**671**	**865**

* contribution calculated on the basis of a 15.10% share in EADS in 2004 (2003: 15.04%).

Total consolidated sales for 2004 amounted to € 13,389 million, compared to € 12,454 million in 2003, an increase of 7.5%.

For **Lagardère Media**, whose sales amounted to € 8,594 million, the increase was 8.2%; after allowing for changes in group structure and exchange rates, the increase was 3.3%.

Two divisions delivered record performances: first of all Lagardere Active, where sales showed a sharp increase of 12.8%, after allowing for changes in group structure; secondly Hachette Livre (Book Publishing), where sales rose 6.4% (double the growth rate of the market) excluding newly acquired business activities; including these businesses adds an additional € 400 million, bringing sales for this division up to € 1,431 million, compared to € 959 million in 2003 (+ 49%).

As for the Print Media activities of Hachette Filipacchi Médias (HFM) and Distribution Services at Hachette Distribution Services (HDS), growth was more moderate at approximately 2%, after allowing for changes in group structure. This was mainly due to the difficult competitive environment for magazines in France and particularly in Italy, and the decrease in duty free sales; however, sales figures did benefit from good market growth in Russia, Spain and China.

EADS' contribution to the Group's consolidated sales amounted to € 4,795 million, an increase of 6.3% over 2003, despite the handicap of a weaker dollar. EADS' sales increase in 2004 was mainly due to the larger number of deliveries by Airbus (320 aircraft, compared to 305 in 2003), but is also partly explained by growth in programs for the military transport aircraft A 400M, NH 90 and Tiger helicopters, missile systems, and the Paradigm satellite communication contract.

Consolidated operating income increased from € 671 million in 2003 to € 865 million in 2004, an overall improvement of 29%, with 21% growth for Lagardère Media and 56% for EADS.

Excluding the effects of the consolidation of Hodder Headline and Editis, Lagardère Media's operating income increased by 10.3%.

The improvement in Hachette Livre's operating margin was achieved through the excellent performances of the Part Works segment, the Education segment, the General Literature segment, and good levels of business in the United Kingdom and Spain. The operating margin of the Book Publishing division rose from 11.1% in 2003 to 12.1% in 2004, meeting its target three years ahead of schedule.

With operating income that practically doubled, to reach € 49 million in 2004, Lagardere Active's operating margin showed a clear increase, from 4.7% in 2003 to 7.2% in 2004, due to excellent levels of advertising revenues from the Radio and Film & Television Production sectors. Lagardere Active also reaped the benefits from the rationalizing of Internet related activities and theme TV channels.

In the Distribution Services division, operating income increased by 6.7%, due to the recovery of the Virgin network and good sales levels achieved in Spain, Germany, Poland and the United States.

Lastly, with the arrival of new competition in the field of television guides, and also owing to investment efforts related to the launch of several new magazines, the Print Media division (Hachette Filipacchi Médias) showed a slight decrease (- 2.3%) in operating income, which is expected to be only momentary.

EADS' contribution to the Group's operating income greatly improved, rising to € 361 million in 2004, compared to € 232 million in 2003, which is a rise of 53%; this can be explained essentially by Airbus, but most of the large military programs also played a part, along with the Space division, which began its return to profitability.

2. Analysis of income statement items and net income

(in million €)

	2003			2004		
	Lagardère Group excluding EADS	EADS	Total Lagardère Group	Lagardère Group excluding EADS	EADS	Total Lagardère Group
Net sales	**7,944**	**4,510**	**12,454**	**8,594**	**4,795**	**13,389**
Operating income	**439**	**232**	**671**	**504**	**361**	**865**
Interest income (expense), net	**62**	**(20)**	**42**	**44**	**(51)**	**(7)**
Operating income before tax and non-operating items	**501**	**212**	**713**	**548**	**310**	**858**
Non-operating expenses, net	**(30)**	**(49)**	**(79)**	**(78)**	**(22)**	**(100)**
Preferred remuneration	(8)	-	(8)	(1)	-	(1)
Income taxes	(121)	(72)	(193)	(151)	(107)	(258)
Amortization of goodwill	(79)	(45)	(124)	(79)	(43)	(122)
Net income before minority interests	**263**	**46**	**309**	**239**	**138**	**377**
Share in net income of companies accounted for by the equity method	11	38	49	40	13	53
Minority interests	(11)	(13)	(24)	(23)	(25)	(48)
Net income	**263**	**71**	**334**	**256**	**126**	**382**

In addition to the sales and operating income already commented on above, the Group's income statement items changed as follows:

Net interest expense of € 7 million was recorded in 2004, compared to net interest income of € 42 million in 2003. Excluding EADS and the change in provisions against T-Online securities (releases of € 104 million in 2004 and € 121 million in 2003), net interest expense remained almost unchanged at € 60 million in 2004 (2003: € 59 million).

A **net non-operating loss** of € 100 million was recorded in 2004, slightly higher than in 2003 principally owing to provisions to write down assets in the Italian Magazines group Rusconi, the Photo business activities of Hachette Filipacchi Médias, and Lagardere Active's Film and TV production operations. In 2003, non-operating items included the gain realized on the sale of shares held in Renault (€ 40 million).

Income taxes increased to € 258 million, up from € 193 million in 2003, as a consequence of improved profitability in 2004.

Amortization of goodwill did not change significantly, and does not require any particular comments.

Income from companies accounted for by the equity method increased to € 53 million, compared with € 49 million in 2003, as a result of a higher contribution from CanalSatellite but also thanks to lower provisions against the Company's investment in multiThématiques (- € 36 million in 2003; - € 13 million in 2004).

Net income attributable to minority interests was € 48 million in 2004, double the amount for 2003, reflecting profitability improvements at companies that are controlled by not wholly owned by Lagardère.

Lastly, as a result of the above changes, **net income** for 2004 amounted to € 382 million, a 14.4% increase over 2003.

3. Capital expenditure, cash flows and cash surplus

(in millions €)

	2003	2004
Cash flows from operations	813	1,015
Net change in working capital requirements	427	288
Net cash flows from operating activities	1,240	1,303
Net cash flows from investing activities	(526)	(665)
Net cash flows provided by operations and investments	714	638
Net cash flows from financing activities	(66)	(199)
Miscellaneous changes in cash	(369)	10
Net increase in cash	279	449
Net cash, beginning of year	1,602	1,881
Net cash available at the end of the year	**1,881**	**2,330**

The year 2004 was marked by increases in both Net cash flows from operating activities and Net cash available at the end of the year.

Increases in Cash flows from operations and Net cash flows from operating activities

The Group's Net cash flows from operating activities increased to € 1,303 million in 2004 (up from € 1,240 million in 2003) as a result of a significant increase in Cash flows from operations to € 1,015 million (+ 25%) despite a Net change in working capital requirements that was less favorable than in 2003.

Purchases and sales of fixed assets

Net cash flows from investing activities totaled - € 665 million in 2004 as a result of various investments carried out during the year and the important sale of assets to Wendel Investissement, as follows:

(in million €)

Purchases of fixed assets: (editorial assets by Hachette Livre; film & TV productions; head office premises for Hachette Filipacchi Médias)	(908)
Purchases of long-term investments: (Hodder Headline; radio and print media in Russia; Newslink; Psychologies Magazine)	(583)
Sales: (including € 667 million received from Wendel Investissement on the sale of Editis assets not retained by Lagardère)	850
Other	(24)
Net cash flows from investing activities	**(665)**

This € 139 million increase in Net cash flows from investing activities explains why Net cash flows provided by operations and investments declined slightly (down to € 638 million from € 714 in 2003) despite the rise in Net cash flows from operating activities mentioned above.

Improvement in Net cash available at the end of the year

Net cash increased by € 170 million during 2004, to € 449 million.

Net cash flows from financing activities amounted to - € 200 million in 2004, as a result of dividends paid (€ 151 million) and the reimbursement at maturity of the bond issued by Lagardère SCA in 1998 (€ 99 million).

Including cash acquired on the consolidation of Editis assets (+ € 128 million), less miscellaneous uses of funds (- € 118 million), Net cash available at the end of the year increased by € 449 million to € 2,330 at December 31, 2004.

Changes in consolidated net indebtedness

(in million €)

	2003	2004
Borrowings	(3,529)	(3,762)
Subordinated borrowings (excluding perpetual subordinated notes 1992)	(3)	(1)
Marketable securities and cash	2,650	3,377
Net indebtedness	**(882)**	**(386)**

Despite the increase in Borrowings, the Group's net indebtedness was reduced by € 496 million, to € 386 million at the end of 2004, resulting notably from the revaluation of the investment in T-Online.

4. Consolidated balance sheet at December 31, 2004

(in million €)

Assets	2003	2004	Liabilities and stockholders' equity	2003	2004
Long-term assets	9,446	9,198	Stockholders' equity and other	4,552	4,721
Current assets	8,511	9,838	Provisions for risks and charges	2,201	2,214
			Borrowings	3,819	4,050
			Current liabilities	7,385	8,051
Total	**17,957**	**19,036**	**Total**	**17 957**	**19,036**

Changes in balance sheet items between December 31, 2003 and December 31, 2004 reflect in summary the Group's major economic options and operations:

UNDER ASSETS

- the sale of assets to Wendel Investissement as well as the effect of the fall in the dollar on the valuation of certain assets denominated in dollars, partly offset by new acquisitions, resulted in a decrease of almost € 250 million in Long-term assets;

- Current assets increased by approximately € 1,330 million as a result of:

- the inclusion of inventories and accounts receivables following the consolidation of those Editis assets retained by Lagardère and of Hodder Headline, for a total of some € 200 million;
- the reinstatement as assets of receivables securitized several years ago, in application of a new accounting standard (approximately € 320 million).

UNDER LIABILITIES AND STOCKHOLDERS' EQUITY

- the increase in Stockholders' equity and other by approximately € 170 million reflects the improvement in the Group's profitability and is also due to a capital stock increase arising from the exercise of stock options.

At the end of 2004, the Group's financial position remains balanced and healthy, with particularly comfortable amounts of permanent funds (€ 11 billion), largely covering long-term assets (€ 9.2 billion), thereby providing Lagardère Group with working capital amounting to € 1.8 billion. In addition the Group's net indebtedness was reduced by € 496 million to € 386 million at December 31, 2004.

2 – GENERAL BUSINESS TRENDS AND OUTLOOK

While 2004 ended on the high note of the excellent results described above, it is appropriate to examine the Group's main strong points and the outlook for the future, given that restructuring is currently either in progress or under preparation, in France and throughout Europe, both in the media sector and in that of aeronautics.

A detailed presentation of the business activities and the highlights of the year 2004 is given in the Reference Document (chapter 4: § 4.1.2 – 4.1.3 – 4.1.4 and chapter 7). Rather than repeating this information, we have therefore decided to give an outline of the Group's situation, in terms of both the core business – Lagardère Media – and EADS, in which the Group holds a joint controlling interest.

MEDIA

In 2004, Lagardère Media's four divisions (Book Publishing, Print Media, Distribution Services and Lagardere Active), with some 30,250 employees, contributed € 8.6 billion to the Group's consolidated sales and € 516 million to operating income.

2004 was marked by the completion of the transactions concerning Editis. You may remember that in the course of 2002, Lagardère made a successful bid to take over the European assets (France and Spain) of Vivendi Universal Publishing. In 2003, this operation was examined in depth by the European competition authorities, which considered that the merger was problematic from an anti-trust standpoint. In early January 2004, Lagardère obtained authorization to acquire some of these assets (Larousse, Anaya, Dunod, Dalloz, Armand Colin, Chambers and Harraps) with total sales representing approximately 40% of Editis consolidated sales, in compliance with the proposal presented to the European Commission in December 2003.
Lagardère thus became France's largest book publisher, reinforcing its activities in the reference and higher education sectors in particular. In the global publishing market, the Group rose from eleventh to fifth position. In Spain, Hachette Livre also became the top book publisher, confirming its ambition to become the leading publisher in the Latin language markets.
Lagardère Media's financial performance levels were consistently commendable, meeting and even exceeding the commitments made by the Group.

For the past five years, the growth in business has been accompanied by a strong, steady rise in operating income, as well as an improvement in the corresponding profit margin.

Operating income enjoyed an average rate of growth of 13% in 2004.

Lagardère Media	2000	2001	2002	2003	2004
Net sales (€ million)	7,202	7,668	8,095	7,944	8,594
Operating income (€ million)	323	353	385	427	516
Operating margin	4.48%	4.60%	4.75%	5.37%	6.00%

Changes in sales and operating income of Lagardère Media's four operating divisions are detailed in the following tables:

Sales (in million €)	2000	2001	2002	2003	2004
Book Publishing	830	846	950	959	1,431
Print Media	2,439	2,336	2,113	2,072	2,120
Distribution Services	3,294	3,853	4,464	4,333	4,366
Lagardere Active	640	633	568	580	677

Operating margin	2000	2001	2002	2003	2004
Book Publishing	7.0%	7.7%	9.5%	11.1%	12.1%
Print Media	8.7%	8.7%	9.1%	9.7%	9.2%
Distribution Services	1.8%	2.1%	1.9%	2.1%	2.2%
Lagardere Active	NS	NS	2.5%	4.7%	7.2%

NS: net operating loss

All of Lagardère Media's divisions resisted well in a difficult environment, as a result of a dual strategy. The main lines of this strategy are, firstly: a long-term vision giving priority to sustainable, profitable growth, as opposed to short-term positions, which may sometimes be more spectacular, but are also more vulnerable, and secondly: a large degree of independence, which gives the Group total freedom to maneuver.

The strengths the Group may draw on to continue its expansion are:

- a diversified portfolio of activities, covering the majority of the sectors, and in which Lagardère Media already occupies several positions of world leader,
- reputable brands, which can be used on several continents,
- and lastly, a solid, healthy financial position, based on the steady improvement of operating margins and rigorous management.

In 2005, the entities that comprise Lagardère Media are expected to consolidate their positions. For instance, the Book Publishing and Print Media-Magazines divisions will concentrate on optimizing the conditions for the integration of recently acquired companies and on providing support for new publications launched. In the Distribution Services and Lagardere Active divisions, the focus will be on the international deployment of their expertise in the marketing of selective distribution and multimedia technologies.

Given these conditions, Lagardère Media's operating income is expected to rise by 4% to 8% in 2005, excluding the effects of changes in the euro/dollar exchange rate and of possible acquisitions and divestments.

Prospective analyses by sector and comparative global studies to date show:

- on the one hand, that the strongest media groups are those which have diversified their activities and almost invariably include a major "audiovisual" component (radio, film & TV production);
- on the other hand, that of all the media, television (whether in content production or distribution) is the business with the highest growth rate; this media on its own is already almost as large, in terms of sales, as the three sectors of Press Distribution, Book Publishing and Print Media combined.

In addition, in the years to come, television should remain the growth engine thanks to the:

- recovery of the advertising market, which will largely benefit this media,
- development of technologies favoring the winning of new subscribers and an increase in revenue per subscriber.

In the longer term, broadband on ADSL and mobile phones will probably become the new engine of growth. The economic model of this activity is however neither clear nor stable.

Given these circumstances, the audiovisual sector, particularly digital audiovisual activities, will remain a vector which the Group will privilege.

Lastly, the Publishing markets (publications and magazines) are expected to show clearly improved growth: publishing will benefit from a large-scale distribution effect on a world level, while magazines are expected to benefit from a recovery in the advertising market.

Geographically, the Group will focus development efforts on the United States and the Asia-Pacific region, as well as Eastern Europe, which is destined to become an important market.

From this perspective, in addition to the organic growth of the business activities falling with the current scope of the Group, Lagardère's financial structure endows it with considerable investment capacities. The Group will endeavor to seize the opportunities for acquisitions that may present themselves. This will, of course, be achieved by strictly applying rigorous selection criteria concerning proposed investments.

HIGH TECHNOLOGIES – EADS (European Aeronautic Defence and Space Company)

(in million €)

	2003	2004
Information published by EADS		
Net consolidated sales	30,133	31,761
Operating income (EBIT) (1)	1,543	2,444
Net income (2)	644	1,030
Orders received during the year	61,150	44,117
Order book at end of year	179,280	184,288
Total employees	109,135	110,660
EADS contribution to Lagardère's consolidated financial statements (3)		
Contribution to consolidated net sales	4,510	4,795
Contribution to operating income	232	361

(1) EBIT: operating income before goodwill amortization and non-operating items.
(2) Net income is now presented in accordance with IFRS 3, and goodwill amortization has now ceased; net income published by EADS for 2003 was € 152 million after deducting goodwill amortization.
(3) Based on a 15.10% interest held by Lagardère in 2004 and after restatement to French accounting principles.

EADS is the leading manufacturer of commercial aircraft in the world, and in terms of orders booked, is also the leading world company for aeronautics, space, and defense and related services.

With 110,660 employees across five divisions (Airbus, Military Transport Aircraft, Aeronautics, Space, Defense and Security Systems), EADS achieved sales of € 31.8 billion in 2004, an increase of 5% over the previous year.

For the past few years, EADS' business activities have been taking place against a background of a crisis in air traffic, which seemed to ease off only in 2004, a year that was marked by the beginnings of an improvement in this sector.

In 2004, for the fifth consecutive year, EADS exceeded its financial targets, with EBIT reaching € 2.4 billion, an increase of 58% over 2003. Net income increased 60%, to € 1.03 billion.

The increase in sales, to € 31.8 billion (compared to € 30.1 billion in 2003), is a result of the growth recorded by all five divisions, and in particular by the Airbus division, which benefited from the first signs of recovery in air traffic.

The strong growth in EBIT and in net income was a reflection of the improved profits achieved by Airbus (number of deliveries higher than in 2003), but also of the return to profitability of the Space division (which was still in deficit the previous year), as well as the effectiveness of the cost reduction plans started three years previously.

Research and development costs amounted to € 2.1 billion, comparable to 2003; as in 2003, almost half of this amount was devoted to the A380 long-haul airliner.

The level of orders booked in the course of 2004 was somewhat lower than in 2003, which was an exceptional year due to the signing of a € 20 billion contract for the A400M. However, orders totaled € 44.1 billion, bringing the order book up to € 184.3 billion (compared to € 179.3 billion in 2003), which is the equivalent of six years production.

EADS has based its strategy on global expansion, increasing the share of military and defense activities, and the continuous improvement of profitability and financial strength.

From its origins a tri-national corporation, since it was founded EADS has channeled its efforts towards expanding its global presence, multiplying local operations, establishing numerous partnerships, offering opportunities for sub-contracting and creating jobs in the United States, Japan, China, Russia, India, South Korea and Australia.

EADS was able to achieve this level of international expansion by means of its extensive range of activities, as well as the expertise and world leadership it already enjoys in domains such as commercial transport aircraft, helicopters and missile systems.

EADS has also given priority to increasing its defense activities, as the military and defense budgets of certain countries are constantly growing due to persistent political tensions in many regions of the world, whether it be the Middle East, Central Europe, Asia or Latin America. EADS's sales forecast for defense activities for the year 2007 is in the order of € 10 billion.

The very strong increase in scheduled aircraft deliveries for 2005 (between 350 and 360, compared to 320 in 2004 and 305 in 2003) illustrates the sustained level of business of Airbus, which remains the largest of EADS divisions. At the end of 2004, having commercialized almost 3,800 aircraft for 230 customers all over the world since the 1970s, the division had orders booked for 1,500 aircraft to be delivered; the magnitude of these orders confirms Airbus as the world leader in civil aviation, for the fourth year running.

At the time this report was written, the largest commercial airliner ever built, and the flagship program of EADS, the A380, was preparing to make its inaugural flight, and 15 firm orders had just been added to the 139 orders already booked at the end of 2004.

In 2005, the tentative recovery of air traffic volumes is expected to be confirmed, and owing to the excellent results achieved in 2004, EADS has made the following forecasts, which once again show an increase over the preceding year:

- sales: € 33 billion;
- EBIT: € 2.6 billion;
- number of Airbus aircraft delivered: 350 to 360 aircraft.

Five years after it was founded, EADS has therefore kept all its promises, transforming a juxtaposition of three national companies into a global industrial leader. It has extended its portfolio of business activities, and confirmed its sound presence in buoyant sectors such as defense electronics, refueling aircraft, drones and reconnaissance and security systems.

Operating margin (EBIT/Sales), which was initially 5.8%, reached 7.7% in 2004, and is expected to continue to rise, further strengthening a healthy financial position. Since 2003, the company's share has consistently outperformed those of Boeing, Thalès and BAe Systems as well as the CAC 40. The 15.10% interest Lagardère holds in EADS, in addition to its strategic importance, constitutes a rewarding financial investment.

The terms of office of the two Chief Executive Officers, Philippe Camus and Rainer Hertrich, are due to expire. Their proposed successors, Noël Forgeard and Thomas Enders, will be designated at the meeting of the Board of Directors following the general meeting of EADS, on May 11, 2005.

In addition to the satisfactory development of its business activities, the excellent results recorded by Lagardère over the past few years are also a consequence of rigorous management: control of costs, control of indebtedness, of cash position, and of industrial and monetary risks.

Thanks to its sound financial position, Lagardère has been able to forecast improved results on a regular basis. Receptive to these positive signals, and to the increased dividend, the stock market has reacted favorably. Lagardère SCA's share has therefore outperformed both the DJ Stoxx Media index and the CAC 40 for the past five years.

In these first months of 2005, marked by the enthusiasm surrounding the candidacy of the city of Paris to host the 2012 Olympic Games, this report would not be complete without a mention of the Group's significant commitments, as a responsible corporate citizen, in the domains of cultural and sports sponsorship and humanitarian action.

First of all, in extension of the Jean-Luc Lagardère Foundation's actions in favor of promising young talent in the world of the media, the Group undertook a number of sports sponsorship and partnership operations in 2004, under the aegis of its various entities.

In February 2004, over a year ago now, at the instigation of the managing partner, the Group took the initiative of setting up and running with conviction the "*Club des Entreprises de Paris 2012*", which brings together the economic interests supporting the Paris bid to host the 2012 Olympic and Paralympic Games. 400 other businesses of all sizes have joined the Club, in support of the initial impetus of 17 major French corporations, including Renault, Accor, Air France, Lagardère, Bouygues, France Télécom, EDF and Publicis. Together, they are ready to meet the challenge of organizing an event of such magnitude, the impact of which will not be restricted to national prestige. Should the bid be successful, the economic and financial effects will initially result in € 6 billion in investments in infrastructure, creating several tens of thousands of jobs. In the second instance, the French economy, particularly the sectors related to tourism, such as the hotel and catering, transport, but also the sports sector, the building industry and leisure sectors, will benefit by € 35 billion over a period of seven years after the end of the Games.

Lagardère could not remain on the sidelines of such a vast, exemplary mobilization.

The Olympic Games, and sports in general, have always been associated with the values of a competitive spirit, and the responsibility and shared rewards of successful teamwork. These are also the Group's own values.

3 – ALLOCATION OF NET INCOME, DIVIDENDS

(in €)

Parent Company net income for 2004 amounts to	131,630,706.96
which together with unappropriated earnings brought forward of	192,342,447.58
makes net income available for distribution of	323,973,154.54

In accordance with the Company's by-laws, an amount of € 3,818,730 must be paid first to the general partners in the form of dividends, representing 1% of the Group's consolidated net income. Under article 158.3.2° of the French General Tax Code, this dividend will be eligible to the 50% reduction available to individual shareholders who are subject to income tax in France.

In agreement with the Supervisory Board, we propose that a net ordinary dividend of € 1 be paid on each share, an increase of 11% over the dividend of € 0.90 paid last year.

Coupons will be detached on May 19, 2005 and the dividend will be paid from this date to holders of registered shares or to their duly appointed representatives, by check or by bank transfer.

To enable shareholders to benefit from the gain realized on the sale of T-Online shares which took place at the beginning of 2005, we also propose that an exceptional dividend of € 2 per share be paid to shareholders out of net income available for distribution and that the balance be paid out of the discretionary reserve which you are asked to create as authorized by the law.

Coupons for this exceptional dividend will be detached on July 6, 2005 and paid from this date to holders of registered shares or to their duly appointed representatives, by check or by bank transfer.

Both the ordinary dividend and this exceptional dividend will be eligible to the 50% reduction available only to individual shareholders who are subject to income tax in France, in accordance with article 158.3.2° of the French General Tax Code.

Shares issued upon the exercise of stock options before the above payment dates will be entitled to each of these dividends.

Treasury stock held by the Company at the above payment dates is not entitled to those dividends.

Dividends paid over the last three years were as follows:

(in €)	2003	2002	2001
Net dividend per share paid to shareholders	0.90	0.82	0.82
Tax credit	0.45	0.41	0.41
Gross dividend	1.35	1.23	1.23
Total dividends	122,815,095.30	111,226,519.54	110,838,916.00
Dividends paid to general partners	3,339,000.00	-	6,160,717.00
Total	**126,154,095.30**	**111,226,519.54**	**116,999,633.00**

Transfer of the special reserve for long-term capital gains to a discretionary reserve

In application of article 39 of the French Finance Law as amended for 2004 and the opinion of an emergency committee of the French National Accounting Board (*Conseil National de la Comptabilité),* an amount of € 3,049,432.00 was paid on December 31, 2004 out of unappropriated retained earnings, corresponding to the amount of the exceptional compulsory 2.5% tax applicable to special reserves for long-term capital gains.

Pursuant to the provisions of the above law, your Company must transfer the amount of the special reserve for long-term capital gains to a discretionary reserve which you will be able to use freely, at no tax cost other than the 2.5% tax mentioned above.

If the transfer does not take place during 2005, this tax will be raised to 5%.

You are therefore requested, in the third resolution, to approve this transfer and on the same occasion to approve the transfer from such discretionary reserve of the amount of € 3,049,432.00 to unappropriated retained earnings.

4 – Capital stock and Lagardère SCA shares

Capital stock

The capital stock of the Company amounted to € 858,993,978.50 at December 31, 2004; it was divided into 140,818,685 shares of par value € 6.10 each, all ranking pari passu and fully paid.

Changes in 2004

Following the exercise of 1,201,486 subscription stock options, which resulted in the issue of 1,201,486 new shares of par value € 6.10 each, the capital stock was raised by a nominal amount of € 7,329,064.60, from € 851,664,913.90 at December 31, 2003 to € 858,993,978.50 at December 31, 2004.

The corresponding capital increases took place on several occasions during 2004 and resulted in an overall increase in stockholders' equity of € 31,602,315.77.

For additional information on changes in the capital stock since December 31, 2000, see section 3.2 of the Reference Document.

Future potential changes in the capital stock

In view of the 3,454,549 stock subscription options outstanding (granted but not yet exercised) at December 31, 2004, the nominal amount of the capital stock could be raised to a maximum of € 880,066,727.40 by December 31, 2007 through the creation of 3,454,549 new shares of par value € 6.10 each; it would then be made up of 144,273,234 shares.

Options to subscribe or purchase shares

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

On November 20, 2004, the managing partners granted 1,568,750 stock purchase options to 481 beneficiaries; each option enables the beneficiary to acquire one Lagardère SCA share from the Company at the price of € 52.50 from November 20, 2006 to November 20, 2014, 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 November 20, 2008.

Shareownership 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, held 5.46% of the capital and 6.96% of the voting rights at December 31, 2004. It recently increased its holding to 7.16% of the capital, or 8.60% of the voting rights of the Company at March 31, 2005.

At December 31, 2004, Group employees together held, either indirectly through investment funds or directly in blocked accounts, 1.92% 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 3.20% of the capital and 4.66% of the voting rights, a proof of their affection for the Company.

Authorization granted to the Company to purchase its own shares

Under the authorizations granted to it by previous general meetings, the Company undertook the following transactions during 2004:

- in August 2004, it purchased 526,609 of its own shares on the market for a total cost of € 27,192,343, i.e. an average cost of € 48.33 per share;
- it exchanged 220,000 Lagardère SCA shares for 200,000 Hachette Filipacchi Médias shares (6,270 as part of the 2003 plan and 213,730 as part of the 2004 plan) in execution of commitments made to this subsidiary's employees at the time of the share exchange offers of 2000;
- it sold 10,000 Lagardère SCA shares as a result of 10,000 share purchase options being exercised.

Consequently, at December 31, 2004, the Company owned 4,025,476 of its own shares or 2.86% of its capital. Including the 707,627 indirectly-owned treasury shares, the Company held directly and indirectly 4,733,103 of its own shares, i.e. 3.36% of the capital stock.

During the first quarter of 2005, the Company purchased 872,116 of its own shares on the market; it exchanged 70,620 Lagardère SCA shares for shares in Hachette Filipacchi Médias; and sold 700 shares following the exercise of 700 stock purchase options. Consequently, on March 31, 2005, the Company held 4,826,272 of its own shares and thus raised its direct holding to 3.42% of its capital stock, or 3.92% including indirectly owned shares.

In the sixth resolution, you are requested to renew the authorization granted to the managing partners to purchase, in conformity with the law, shares in your Company.

Most of the terms and conditions for implementing this authorization are embodied in European regulations and were incorporated into French regulations by the French Financial Market Authority in its *Règlement Général* applicable since the end of 2004. Thus:

- the number of shares purchased may not exceed 10% of the capital, which, based on the capital stock at March 31, 2005 and taking account of treasury stock held directly and indirectly at that date, would permit the acquisition of 8,581,039 shares, that is approximately 6.08% 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 would be € 80 per share;

- the acquisition, sale or other transfer of the shares must now comply with the objectives fixed by European regulations and market practices accepted by the French Financial Markets Authority: reduction of the capital stock; allocation to holders of securities granting access to the capital stock; allocation to employees or to beneficiaries of stock purchase options, etc.; transfer or exchange in consideration for an acquisition; regulation or stabilization of the stock market price for the purpose of ensuring proper market liquidity for the shares within the framework of a market maker contract.

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 has been made available to you; it gives you all necessary details on the authorization itself and its consequences.

Financial authorizations

In accordance with article L. 225-100 of the French Commercial Code, a table appended to this report summarizes the authorizations granted in previous years to the managing partners and still valid, showing how they were used during the year.

Since the last annual general meeting, a number of newly-introduced legal measures have changed the legislation governing transferable securities, sometimes to a significant extent. These changes affect the legal terms and conditions framing the authorizations you are regularly asked to grant to your managing partners in the interests of your Company's business.

- The main such measure was the June 20, 2004 ordinance which reformed the law governing transferable securities, and the corresponding application decree published on February 10, 2005. The object was to streamline a number of different regimes into one, reinforce the protection of security holders, and respond to certain new situations in the financial markets, while at the same time taking the opportunity to redefine the powers of the various management and other bodies in French corporations. Most of the relevant laws and regulations were consequently reformulated, to the extent that they now have very little in common with the former texts that served as the basis for almost all of the financial authorizations you were asked to renew at the last annual general meeting, on May 11, 2004, despite the transitional measures adopted to ensure their continued implementation until expiry.

- The amended Finance Law for 2004 was another factor. In order to complement existing systems designed to encourage employee savings, in early 2005 this amendment introduced a new system into the French Commercial Code for free allocation of shares to employees modeled on the existing regime for stock subscription and purchase options.

For these various reasons, to enable our Company to make use of financial authorizations that comply with the new legal regulations now in force, we considered necessary to update most of the authorizations approved at last year's meeting.

In accordance with these new provisions (articles L. 225-129-2 and following of the French Commercial Code):

- these authorizations will be valid for a period limited to 26 months from this year's meeting, except as otherwise provided by law;

- previous authorizations with the same object will automatically lapse;

- the issue of transferable securities granting access to the capital will entail shareholders' surrender of their preferential rights to subscribe for the equity securities to which such transferable securities would give access;

- the managing partners shall have all powers to implement these authorizations, set their terms and conditions, take note of the capital increases resulting therefrom, and modify the by-laws accordingly.

1 - 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 11, 2004, you renewed the powers granted to the managing partners to issue bonds and composite 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 € 3 billion for borrowings resulting therefrom.

The ordinance of June 24, 2004 which reformed the regime for transferable securities substantially changed the powers of the management and other bodies in this area.

Consequently,

- the issue of ordinary bonds is now the responsibility of your managing partners, except in the case of contrary provisions of the by-laws or decisions of the general meeting;

- the issue of composite securities, notably securities that give or may give, immediately or at a later date, access to the capital stock of other companies or to debt securities is now the responsibility of the shareholders' extraordinary meeting.

You are therefore requested to renew, now voting under the conditions required for extraordinary meetings, the authorization granted to the managing partners to issue composite transferable securities not granting access to the Company's capital stock but only to the capital stock of other companies or to debt securities of Lagardère SCA, with a maximum limit of € 2.5 billion for borrowings resulting therefrom.

Such is the purpose of the ninth resolution submitted for your approval.

2 - Issue, with preferential subscription right, of ordinary shares and other transferable securities giving access to the capital stock of the Company

The tenth resolution submitted for your approval is similar to the twenty-fourth resolution voted by the last annual general meeting. Its purpose is to authorize the issue of ordinary shares and other transferable securities giving, immediately or at a later date, in particular by means of debt securities (bonds, etc.), access to the Company's capital stock, within a limit of € 300 million for capital increases and € 2.5 billion for bond borrowings resulting therefrom.

The issues carried out under this authorization would take place with preferential subscription rights.

This authorization would be valid for 26 months from the date of this meeting.

3 - Issue, without preferential subscription right, of ordinary shares and other transferable securities giving access to the capital stock of the Company

The eleventh resolution submitted for your approval seeks to authorize the issue of the same securities as the tenth resolution, with the same limits in terms of amount and period of validity but without preferential subscription rights for existing shareholders.

Consequently, and in application of the new regulations, the issue price of the shares shall not be less than the weighted average market price of the Company's share for the last three trading days preceding the determination of such price, less a possible discount of 5% maximum; this new rule replaces that of the average market price of the ten consecutive trading days chosen among the twenty trading days preceding the issue, and is better suited to the conditions currently prevailing in the financial markets.

Shareholders shall have no preferential subscription rights, but they may, upon decision of the managing partners, benefit from the priority right introduced by the new legal provisions.

4 - Possibility of raising the amount of issues already decided in the event of oversubscription

The twelfth resolution is submitted for your approval in application of the new legal provisions officially confirming the so-called "green shoe" technique used in practice for several years now. This resolution seeks to authorize the managing partners, when an issue has been decided and the subscription applications received exceed the number of securities offered, to raise, within 30 days of the close of the subscription period, the number of the securities to be issued by up to 15% of the amount initially decided, the issue price remaining unchanged.

5 - Issue of new shares and transferable securities of all types in exchange for securities offered in response to a public exchange offer or in payment of a contribution in kind

The thirteenth resolution submitted for your approval is similar to the twenty-sixth resolution voted by the general meeting of May 11, 2004. However, it introduces the possibility included in the new wording of article L. 225-147 of the French Commercial Code, to grant the managing partners the powers required to increase the Company's capital stock, within a limit of 10% of the capital, to pay for contributions in kind received by your Company in the form of equity securities or other securities granting access to the capital of another company, provided that the provisions of article L. 225-148 on public exchange offers do not apply.

6 - Increasing the capital stock by incorporation of reserves, retained earnings or additional paid-in capital and issue of bonus shares

The fourteenth resolution is similar to the twenty-seventh resolution voted by the general meeting of May 11, 2004 and relates to the incorporation of reserves, retained earnings or additional paid-in capital for the purpose of allocating bonus shares to shareholders of the Company or increasing the par value of existing shares.

7 - Capital increases reserved for employees of the Lagardère Group as part of the Group Savings Plan

The fifteenth resolution is similar to the thirtieth resolution voted by the general meeting of May 11, 2004. Its purpose is to authorize the issue of shares reserved for employees of the Lagardère Group who are members of the Group Savings Plan.

As indicated earlier in this report, Group employees today hold, notably through the investment funds, nearly 1.93% of the Company's capital stock; if shares held by employees personally (and freely transferable) are added, this proportion rises to 3.20% of the capital.

In line with the French government's intention to encourage employee savings, recently seen in reinforcements of existing legal provisions to this effect, the managing partners are considering the launch of a new plan in the near future.

The capital increase authorized by the fifteenth resolution would be limited to € 30 million euros, that is less than 3.5% of the capital.

This authorization, like all other financial authorizations, would be limited to twenty-six months starting from the date of this meeting.

8 - Allocation of free shares to employees

The sixteenth resolution seeks to authorize the managing partners to grant to employees of companies in the Lagardère Group free shares of the Company up to a limit of 1% of the current capital stock, in accordance with the latest Finance Law.

The new system, also intended to reinforce existing systems related to employee savings, is largely modeled on the existing regime for stock subscription and purchase options.

The shares thus allocated to employees would either be existing shares previously repurchased by the Company as part of its repurchase program authorized by you at past general meetings, or shares to be issued on the occasion of a capital increase by incorporation of reserves, retained earnings or additional paid-in capital.

The shares would be definitively allocated to the employee only after a vesting period of at least two years, and should then be kept for another period of at least two years.

The managing partners would be given the necessary powers to set the conditions of, and if necessary, the criteria for the allocation to employees, fix the length of the vesting period and the period during which the shares must be kept.

This authorization would be given for a period of thirty-eight months.

9 - Maximum overall limits for capital increases and issues of debt securities

In the seventeenth resolution, as was already approved by your last meeting, and in accordance with article L. 225-129-2 of the French Commercial Code, we ask you:

- to fix at € 300 million the maximum nominal amount of capital increases that may be carried out under the authorizations submitted for your approval, except the capital increases resulting from the incorporation of reserves, retained earnings or additional paid-in capital, and the allocation of bonus shares to shareholders envisaged in the fourteenth resolution; this nominal amount may nevertheless be increased by the nominal amount of additional securities that must be issued to preserve, as required by law, the rights of holders of existing securities; and

- to fix at € 2.5 billion (or the equivalent of this amount for issues in another currency), the maximum nominal amount of debt securities that may be issued under the authorizations submitted for your approval.

10 - Reduction of the capital stock by cancellation of shares acquired by the Company under programs to repurchase its own shares

In the sixth resolution voted by the combined general meeting of May 21, 2001, you authorized the managing partners, in the conditions and within the limits set by law, to proceed with capital stock reductions by canceling, on one or more occasions, all or part of the shares in the Company acquired by the Company under share buy-back programs mentioned in article L. 225-209 of the French Commercial Code and under the authorizations granted to them by your general meeting.

This authorization was not used, and it lapses today. You are therefore requested to renew it for another period of four years. Such is the purpose of the eighteenth resolution submitted for your approval.

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 terms and conditions of as well as the methods for the issue(s) carried out, together with their effect on the shareholder's situation. These supplementary reports will be made available to you at the Company's head office and will also be made available to you at the next general meeting that will be held after such issue(s).

5 – MANAGEMENT AND SUPERVISION OF THE COMPANY

Managing partners and Supervisory Board

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, that is 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 2004.

Statutory auditors

The term of office as Statutory Auditor of SCP Barbier Frinault & Autres and the term of office as alternate statutory auditor of Mr. Alain Grosmann are ending at the close of this meeting, and, with the agreement of your Supervisory Board, we ask you to renew the term of office as Statutory Auditor of SCP Barbier Frinault & Autres for a period of six years. Mr. Alain Grosmann has now retired and we ask you to appoint Mr. Gilles Puissochet to replace him as alternate statutory auditor.

The term of office as Statutory Auditor of Mr. Alain Ghez and the term of office as alternate statutory auditor of Mr. Charles-Eric Ravisse are also ending at the close of this meeting. They are not seeking reappointment and we therefore propose that you do not replace them, since the Company already has a second Statutory Auditor as required by law, Mazard & Guérard, and a second alternate auditor.

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 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 again 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 2004, 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 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 Manufacturing & Services (formerly 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 and are now closed;

- 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 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	1,676,427	0	148,323	0	Nov. 26, 1999 to Nov. 25, 2004
May 30, 1997 Oct. 30, 1998 € 27.44 (FRF 180.00)	1,671,750	558	695,631	976,119	0	315	Oct. 30, 2000 to Oct. 29, 2005
May 30, 1997 Dec. 10, 1999 € 44 (FRF 288.62)	1,300,800	696	76,870	1,223,930	0	672	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**		**2,448,928**	**3,454,549**	**148,323**		
Purchase options							
May 23, 2000 Dec. 19, 2001 € 47 (FRF 308.30)	1,258,000	421	10,000	1,248,000	0	420	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
May 23, 2000 Nov. 20, 2004 € 52.50 (FRF 344.38)	1,568,750	481	0	1,568,750	0	481	Nov. 20, 2006 to Nov. 20, 2014
Sub-total	**5,563,000**		**10,000**	**5,553,000**	**0**		
Total	**11,614,800**		**2,458,928**	**9,007,549**	**148,323**		

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 since the end of 2001 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 five years, the annual average number of options granted was 8,221,000 options, representing 1,365,500 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 100% of the average market price of the share for the last 20 trading days preceding the date the options were granted. The exercise price of the purchase options granted in 2002, 2003 and 2004 was equal to the average cost of treasury stock. Compared to the average market price of the share for the 20 trading days preceding the date the options were granted, the exercise price was equivalent to between 121% and 101% of that average.

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 of November 20, 2004

Mr. Arnaud Lagardère, as managing partner of the Company, under the authorization granted by the combined annual general meeting of May 11, 2004, proceeded on November 20, 2004 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***: 1,568,750 options, each giving the right to acquire one share, in favor of 481 executives and senior executives of the Group excluding EADS.
- ***Purchase price*****:** € 52.50, 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 € 51.83.
- ***Exercise period***: from November 20, 2006 to November 20, 2014.
- ***Resale prohibited***: up to November 20, 2008.

C - Information on the Company's officers and on Lagardère Group employees

1 - Options to subscribe or purchase shares of Lagardère Group companies granted in 2004 to Lagardère SCA's managing partners, members of the Supervisory Board and other officers, and options exercised by these beneficiaries in 2004

- **Mr. Arnaud Lagardère** did not receive any options to purchase Lagardère shares in 2004.
  He exercised 40,000 subscription options in 2004 at a price of € 24,39 per share; these options had been attributed to him on November 26, 1997.

- **Mr. Philippe Camus**, in 2004, received 30,000 options to purchase Lagardère SCA shares, exercisable at the per-share price of € 52.50 between November 20, 2006 and November 20, 2014.

  He exercised 40,000 subscription options at a price of € 24.39 per share; these options had been attributed to him on November 26, 1997.

  Also in 2004, he received 135,000 options to subscribe for EADS NV shares; these options may be exercised, subject to certain minimum earnings requirements, at the per-share price of € 24.32, half of them from November 5, 2006 and the other half from October 8, 2007, and in all cases before October 8, 2014.

- **Mr. Pierre Leroy**, in 2004, received 40,000 options to purchase Lagardère SCA shares, exercisable at the per-share price of € 52.50 between November 20, 2006 and November 20, 2014.

  He exercised 15,000 subscription options at a price of € 27.44 per share; these options had been attributed to him on October 30, 1998.

- **Mr. Bernard Esambert**, in 2004, exercised 12,000 subscription options at a price of € 27.44 per share; these options had been attributed to him on October 30, 1998.

- **Members of the Supervisory Board and other officers**: None.

2 - Options to subscribe or purchase shares of companies in Lagardère Group granted in 2004 to other executives and employees of Lagardère Group, and options exercised by these beneficiaries in 2004

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

- Messrs Philippe Camus and Pierre Leroy apart, the ten principal beneficiaries of purchase options granted in 2004 by Lagardère SCA were Group executives (including members of the Management Committee), representing 302,000 options overall.

- The ten largest exercises of options in 2004 by the Group’s executives enabled them to subscribe to a total of 323,000 shares at the average price of € 28.88 per share, and to acquire 10,000 shares at a price of € 44.

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, since 2001 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 15.10% 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 (in €)	Date of exercise	Number of options granted	Number of beneficiaries	Number of options lapsed	Number of options remaining	Period of repurchase (1) (2)
Hachette Livre							
Dec. 22, 1995 June 19, 1996	698.37	Dec. 28, 1999 to Dec. 27, 2004	900	3	400	0 (3)	Dec. 28, 1999 to Dec. 27, 2005
Dec. 22, 1995 March 6, 1998	897.92	Jan. 1, 2002 to Dec. 31, 2004	1,700	13	100	0 (4)	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	750 (5)	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 Manufacturing & Services (formerly Matra Automobile)							
April 4, 1997 Dec. 22, 1999	231.72	June 22, 2003 to Dec. 22, 2004	30,000	16	30,000	0	Dec. 23, 2004 to Dec. 23, 2009
Hachette Filipacchi Médias							
June 18, 1997 June 18, 1997	37.44	June 18, 1997 to June 17, 2007	1,577 (6)	11	-	972 (8)	June 19, 2002 to June 19, 2007
June 18, 1997 July 22, 1999	46.20	July 22, 1999 to July 21, 2006	1,525 (7)	63	-	1,478 (9)	July 23, 2004 to July 23, 2009
Virgin Stores							
Sept. 25, 1998 April 15, 1999 (10)	40.04	April 15, 2002 to April 15, 2009	9,959	6	4,482	3,486 (11)	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	5,978	50,293 (12)	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) In the case of Hachette Filipacchi Médias, period of exchange for Lagardère shares.
(3) The remaining 500 options were exercised in 2004.
(4) The remaining 550 options were exercised in 2004.
(5) 350 options were exercised in 2004.
(6) Each option gives right to subscribe to 300 shares.
(7) Each option gives right to subscribe to 500 shares.
(8) 605 options were exercised in 2004.
(9) 35 options were exercised in 2004.
(10) Purchase options.
(11) 1,991 options were exercised in 2004.
(12) 1,992 options were exercised in 2004.
* For details on options granted by EADS, in which Lagardère SCA indirectly holds a 15.10% 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 ten 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 is 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.

At December 31, 2004, 205,000 Hachette Filipacchi Médias shares have been exchanged against 225,500 Lagardère SCA shares.

B - Data relative to 2004

1 - Options granted by the subsidiaries concerned

In the course of 2004, none of the four companies mentioned above nor any other Group company granted any new options.

2 - Options exercised in 2004

These concerned:

- Hachette Livre, where nine executive employees of the company or of its subsidiaries exercised part of the subscription options granted in 1996, 1998 and 1999, enabling them to subscribe for 500 Hachette Livre shares at € 698.31 per share, 550 shares at € 897.92 per share, and 350 shares at € 898.38 per share;

- Hachette Filipacchi Médias, where eleven executive employees of the company or of its subsidiaries exercised part of the subscription options granted in 1997 and 1999, enabling them to subscribe for 55,800 Hachette Filipacchi Médias shares at € 37.44 per share and 17,500 shares at € 46.20 per share. All of these shares were exchanged for Lagardère SCA shares;

- Virgin, where one executive employee of the company exercised all of the options granted to him in 1999 and 2000, enabling him to acquire 1,991 Virgin Stores shares at € 40.04 per share and to subscribe for 1,992 Virgin Stores shares at € 32.03 per share.

The managing partners

3 – REPORT OF THE SUPERVISORY BOARD TO THE SHAREHOLDERS’ GENERAL MEETING OF MAY 10, 2005

Ladies and Gentlemen,

As a complement to the Report of the managing partners, which gave detailed comments on developments and results in each of the Group’s divisions, this report presents the Supervisory Board’s opinion on the management of the Lagardère Group over the year 2004. It also presents any observations the Board members may have concerning the resolutions submitted to the vote today.

During 2004, the Supervisory Board was kept regularly informed by the managing partners of the Group’s business and progress on its projects, and the major strategic orientations. It duly received all information relative to Lagardère’s balance sheet and income statement and the notes to the financial statements, as required by law. The Board was also given the Statutory Auditor’s technical opinion, both on general matters and on certain specific points highlighted by its Audit Committee.

During the Audit Committee meetings, in addition to reviewing the Group’s financial statements in depth, the Board also verified that internal control procedures were operating properly, particularly as regards risk policies and the Editis acquisition and disposal operations; it also closely monitored all activities of the Group’s Internal Audit department, and asked for the team to be reinforced in view of the newly-introduced Financial Security Law. Finally, the Board examined the estimated impact on the Group’s consolidated financial statements of the coming transition to the new international financial reporting standards, IFRS.

Following all the investigations and analysis procedures carried out at the initiative of the Supervisory Board, we are certain that all the information in this report faithfully reflects Lagardère’s position, which can be summarized in a few figures as follows:

- Consolidated sales amounting to € 13.4 billion;
- Operating income and net income of € 865 million and € 382 million respectively.

Without going into detail about information already extensively described to you by the managing partners, we shall summarize here some of the highlights of 2004, concerning the Media-Communication and High Technologies segments:

- The acquisition of Editis came to a satisfactory conclusion, with integration of the assets retained by Hachette Livre and the sale of the remaining assets to Wendel Investissement. Combined with the acquisition of Hodder Headline in September 2004, this considerably strengthened Lagardère Media’s strategic position, making it the largest publishing house in France and the second largest in Europe, through Hachette Livre. This new development makes the Group the biggest player in key segments such as education, higher education and reference works, while at the same time allowing it to consolidate its presence in the three major language markets of English, Spanish and French.

- In the High Technologies industry, EADS, now the world leader in civil aviation and number one in the world for aeronautics by the size of its order book, ended 2004 with sales of € 32 billion, an increase of 6.5% over 2003.

  Its subsidiary Airbus, an exemplary symbol of European cooperation, officially presented the A380 long-haul airliner in January 2005 at a prestigious ceremony attended by four heads of State and government leaders. During the ceremony a tribute was paid to the memory of Jean-Luc Lagardère, one of the main instigators of the project.

The resolutions to be put to the vote, which reflect the major changes of the past year in French company law and have already been examined by us, include as usual the motions to approve the Parent Company accounts and consolidated financial statements; give your approval to the managing partners for their management of the Group during 2004; decide on the allocation of net income and the amount of the dividend to be paid out; approve the regulated agreements; and renew the appointment or appointments of the Statutory Auditors. Other resolutions concern the authorizations to be granted or renewed in respect of the managing partners to enable them to:

- deal in the Company's shares,
- purchase shares of the Company, subject to certain conditions, thereby granting the Company the possibility to reduce its capital stock, by way of cancellation of all or some of these shares,
- issue securities that may give access to debt securities of the Company and/or a portion of the capital of companies other than the Company,
- increase the capital stock of the Company with or without shareholders' preferential subscription rights,
- increase the capital stock in response to a public exchange offer or in payment of a contribution in kind,
- increase the capital stock by incorporation of retained earnings or additional paid-in capital,
- increase the capital stock in favor of Group employees,
- grant shares in the Company to certain Group employees free of charge.

We have no comments or observations to make on any of these authorizations, and we therefore recommend that you approve them all.

As regards the resolution concerning the dividend distribution, the managing partners propose to raise the amount of the annual ordinary dividend from last year's € 0.90 to € 1 per share this year. In addition, the managing partners also propose to pay out an exceptional dividend of € 2 per share, to enable shareholders to benefit from the gain realized on the sale of T-Online securities. The managing partners confirm that the resources available for development of the Group will be unaffected by this exceptional dividend.

Finally, regarding the authorization to be granted to the managing partners to deal in the Company's shares, we consider that the terms and financial limits proposed are appropriate to current market conditions, while protecting the shareholders' interests. We therefore recommend that you vote in favor of this resolution.

Before concluding, we would like to add that the excellent results presented and discussed earlier should not be the sole reason for satisfaction today. More than ever before, the corporation in which you hold shares is resolutely turned towards the future; and here are two examples of this:

First of all, there is the deep commitment of both the Group and its managing partner to the "*Club des Entreprises Paris 2012",* chaired by Arnaud Lagardère, in support of the Paris bid to host the Olympic Games. The Games would greatly benefit France economically, especially in terms of infrastructure investment and job creation.

Secondly, there is Arnaud Lagardère's speech on January 18, 2005 in Toulouse, drawing conclusions from the unveiling of the A380 in the presence of four heads of State and all the partners in this bold adventure. Our managing partner assured the politicians that there would always be a young generation of "conquering" entrepreneurs, determined to fight to enable France to retain its role in the Europe we are building for our children.

The Group firmly intends to remain in the leading ranks of those entrepreneurs.

The Supervisory Board

4 – REPORTS OF THE STATUTORY AUDITORS

GENERAL REPORT OF THE STATUTORY AUDITORS ON THE PARENT COMPANY ANNUAL ACCOUNTS

Year ended December 31, 2004

(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 report below for the year ended December 31, 2004, 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, 2004, 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 French Commercial Code requiring the statutory auditors to explain the basis of their opinion, introduced by the French Financial Security Law of August 1, 2003, we inform you of the following matters:

Accounting principles and methods:

The note Accounting principles and methods presented in notes to the Parent Company annual accounts explains the criteria used for the valuation of long-term investments.

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

This evaluation was carried out within the framework of our audit of the Parent Company annual accounts taken as a whole, and thus contributed to our forming the unqualified opinion expressed in the first part of this report.

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.

Neuilly-sur-Seine and Paris, March 11, 2005

The Statutory Auditors

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

* This report refers to the official annual accounts of Lagardère SCA 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, 2004

(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 and its subsidiaries for the year ended December 31, 2004, 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 and its consolidated subsidiaries as of December 31, 2004, 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 French Commercial Code requiring the statutory auditors to explain the basis of their opinion, we inform you of the following matters:

- As indicated in note E.15 (Marketable securities) of the Notes to the consolidated financial statements, T-Online shares whose market price on December 30, 2004 was € 9.84, are recorded at a net book value of € 8.99 per share at December 31, 2004, the amount of the share purchase offer initiated by Deutsche Telekom in November 2004.

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 estimates, particularly those used for the purpose of determining the value in use of these assets used for comparison with their book value. Value in use was determined principally on the basis of cash flow forecasts prepared by Lagardère. We have evaluated the reasonableness of these valuations.

- As indicated in note E.5 of the Notes to the consolidated financial statements, Lagardère recognized tax assets at December 31, 2004, corresponding to the probable future utilization, prudently determined, within the time-frame of the three-year plan, of tax losses accumulated by the tax group formed by the Parent Company and certain of its subsidiaries.

As part of our evaluation of this asset, based on data available to date, we have assured ourselves of the reasonableness of the methods used for this estimate and of the resulting valuations.

These evaluations were carried out within the framework of our audit of the consolidated financial statements taken as a whole, and thus contributed to our forming the unqualified opinion expressed in the first part of this report.

III. Specific verifications

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

Neuilly-sur-Seine and Paris, March 11, 2005

The Statutory Auditors

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

* 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, 2004

(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 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.

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. It was again modified with effect from January 1, 2004 by an amendment approved by the Supervisory Board on March 12, 2004.

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 for any given year is 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.

For the year 2004, the amount billed by Lagardère Capital & Management amounted to € 12,865,335.

Neuilly-sur-Seine and Paris, March 11, 2005

The Statutory Auditors

Barbier Frinault & Autres	Alain Ghez	Mazars & Guérard
Ernst et Young		Jacques Kamienny
Jean-François Ginies		

SPECIAL REPORT OF THE STATUTORY AUDITORS ON AUTHORIZATIONS TO BE GIVEN TO THE MANAGING PARTNERS TO ISSUE OR ALLOCATE SECURITIES

Combined General Meeting of April 27 - May 10, 2005

(Translated from the original in French)

To the Shareholders of Lagardère SCA,

In our capacity as Statutory Auditors of your Company and pursuant to the French Commercial Code we present below our report on the authorizations to be granted to the managing partners for future issues and allocations of securities.

These authorizations are the object of the 9th, 10th, 11th, 12th, 13th, 15th and 16th resolutions. These authorizations are to be given for a period of twenty-six months from the date of this meeting, except the16th resolution which is to be given for a period of thirty-eight months from the date of this meeting. Each of these 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. The capital increases envisaged in the 13th, 15th and 16th resolutions are subject to specific limits as to their amounts. In addition, under the 17th resolution, the total amount of the issues that may be carried out under the 9th, 10th, 11th, 12th, 13th, 15th and 16th 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. Finally, under the terms of the 12th resolution, the managing partners will be authorized, when they are informed of an oversubscription for an issue of securities decided under the 10th and 11th resolutions, to raise, within 30 days of the close of the subscription period, the number of the securities to be issued by up to 15% of the amount initially decided, within the maximum overall amount of three hundred million euros (€ 300,000,000) fixed in the said resolutions, the issue price remaining unchanged.

Ninth resolution

You are requested to authorize the managing partners to proceed with the issue of all types of transferable securities which do not give and/or may not give access to securities other than debt securities and/or a portion of the capital stock of companies other than Lagardère SCA.

Tenth resolution

You are requested to authorize the managing partners to increase the capital stock through the issue of ordinary shares of the Company or of all types of securities that give or may give, by any means and in particular by means of debt securities, immediately or at a later date, access to the capital stock of the Company.

Existing shareholders shall have, in the conditions established by law, a preferential right to subscribe for the new securities issued under this authorization.

However, in the conditions established by law, this authorization entails as of right shareholders' 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.

Eleventh resolution

You are requested to authorize the managing partners to increase the capital stock through the issue of ordinary shares of the Company or of all types of securities that give or may give, by any means and in particular by means of debt securities, immediately or at a later date, access to the capital stock of the Company.

You are requested to surrender your preferential subscription right to the securities to be issued under this authorization, it being understood that the managing partners may grant shareholders priority to subscribe to all or part of the issue, for the period and under the terms they will set in accordance with the law.

The issue price of the shares to be issued shall not be less than the price established by law, that is the weighted average market price of Lagardère SCA's share for the last three trading days preceding the determination of such price, less a possible discount of 5% maximum; in the case of an issue of securities giving, immediately or at a later date, access to the capital stock of the Company, the issue price of the said 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 by the Company, represents for each share issued as part of the issue in question, an issue price that shall not be less than the minimum issue price established by law as indicated above.

Thirteenth resolution

You are requested to authorize the managing partners to increase the capital stock through the issue of shares of the Company or of securities that give access to the Company's capital, to be exchanged 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 whose shares are traded on a regulated stock exchange in a country that is a party to the agreement on the European Economic Area or a member State of the Organization for Economic Cooperation and Development.

You are also requested to authorize the managing partners to increase the Company's capital stock by a maximum amount of eighty-five million euros, through the issue of shares or transferable securities that give access to the Company's capital in payment of a contribution in kind of equity securities or other securities granting access to the capital of another company.

You are requested to surrender your preferential subscription right to the securities mentioned above.

Fifteenth resolution

You are requested to authorize the managing partners to increase the capital stock through the issue of ordinary shares of the Company within the limit of a maximum nominal amount of thirty million euros (€ 30,000,000).

You are requested to surrender your preferential subscription right to the securities to be issued to the benefit of those 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 French Commercial Code and that are members of an employee savings plan and/or a voluntary employee/employer retirement savings plan.

In accordance with the law, the subscription price for the shares to be issued may be neither higher than the average price of the share for the twenty trading days preceding the date of the managing partners' decision setting the opening date for the subscription, nor more than 20% lower than such average, or 30% lower than such average if the employee is prohibited from selling his shares during a period of ten years or more as provided by article L. 443-6 of the French Labor Code. The managing partners may reduce the discount on a case-by-case basis, notably in the case of certain foreign employees so as to comply with tax, accounting or labor laws and regulations in force in the country of operations of the Lagardère Group company participating in the capital increase concerned.

You are also requested to authorize the managing partners to allocate at no cost shares of Lagardère SCA or other securities granting access to shares, whether existing or to be issued, in accordance with the provisions of paragraph 4° of article L. 443-5 of the French Labor Code, which entails the automatic suppression of your preferential subscription rights to the shares to which the securities mentioned above may give access.

Sixteenth resolution

You are requested to authorize the managing partners, in accordance with the provisions of articles L. 225-197-1 and following of the French Commercial Code, to grant to the benefit of salaried employees, or to certain of them, of the Company and of related companies or entities within the meaning of article L. 225-197-2 of the said code, free shares, whether existing or to be issued.

The total number of shares allocated free of charge by virtue of this authorization may not exceed 1% of the number of shares currently making up the capital stock. These share allocations will be definitive only after a vesting period of at least two years. The shares thus allocated must be kept by the employee for a period of at least two years starting from the date on which the allocation has become definitive.

This authorization entails as of right shareholders' surrender of their rights to the reserves, retained earnings and additional paid-in capital which may be incorporated into the capital stock at the end of the vesting period, should new shares be issued and allocated free under this authorization.

We have no comments to make on the conditions and issue or allocation 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 for your approval.

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

Neuilly-sur-Seine and Paris, March 11, 2005

The Statutory Auditors

Barbier Frinault & Autres Ernst et Young Jean-François Ginies	Alain Ghez	Mazars & Guérard Jacques Kamienny

SPECIAL REPORT OF THE STATUTORY AUDITORS ON THE AUTHORIZATION TO BE GIVEN TO THE MANAGING PARTNERS TO REDUCE THE CAPITAL STOCK

Combined General Meeting of April 27 - May 10, 2005

(Translated from the original in French)

To the Shareholders of Lagardère SCA,

In our capacity as Statutory Auditors of your Company we present below the special report provided for by article 225-204, paragraph 2, of the French Commercial Code in case of a reduction of capital.

You are requested, under the eighteenth resolution, to authorize the managing partners, for a period of four years starting with the date of this meeting, to proceed with a capital stock reduction by canceling all or part of the shares in the Company acquired in accordance with the provisions of article L. 225-209 of the French Commercial Code. Such a reduction may not involve more than 10% of the capital stock outstanding in any period of 24 months.

The difference between the book value of the shares being cancelled and the nominal amount of the capital reduction will be taken to additional paid-in capital, appropriated or unappropriated retained earnings as determined by the managing partners.

We have no comments to make on this authorization.

Neuilly-sur-Seine and Paris, March 11, 2005

The Statutory Auditors

Barbier Frinault & Autres Ernst et Young Jean-François Ginies	Alain Ghez	Mazars & Guérard Jacques Kamienny

5 – RESOLUTIONS SUBMITTED TO THE MEETING

First resolution

Approval of the Parent Company annual accounts for 2004

The general meeting, under the conditions required for ordinary meetings, after having been informed of the managing partners' reports, 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, 2004 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 2004.

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 the consolidated financial statements for the year ended December 31, 2004, approves the consolidated financial statements as drawn up and presented.

Third resolution

Transfer from the special reserve for long-term capital gains to a discretionary reserve as authorized by law

The general meeting, under the conditions required for ordinary meetings, having taken note of the payment, on December 31, 2004, out of unappropriated retained earnings in application of article 39 of the French Finance Law as amended for 2004 and the opinion of the French National Accounting Board (*Conseil National de la Comptabilité*), of an amount of € 3,049,432, corresponding to the amount of the exceptional compulsory 2.5% tax applicable to special reserves for long-term capital gains introduced by the above law, decides, pursuant to the provisions of the said law:

- to transfer the amount of the special reserve for long-term capital gains, in the sum of € 120,220,945.95, to a discretionary reserve;
- to transfer from such discretionary reserve the amount of € 3,049,432 to unappropriated retained earnings.

Fourth resolution

Allocation of Parent Company net income; payment of a net ordinary dividend of € 1 per share; payment of an exceptional dividend of € 2 per share

(in €)

The general meeting, under the conditions required for ordinary meetings,	
Parent Company net income for 2004 amounts to	131,630,706.96
which together with unappropriated earnings brought forward of	192,342,447.58
makes net income available for distribution of	323,973,154.54

It decides, in accordance with the by-laws, to pay an amount of € 3,818,730, representing 1% of consolidated net income, to the general partners. Under article 158.3.2° of the French General Tax Code, this dividend will be eligible to the 50% reduction available to individual shareholders who are subject to income tax in France.

At the managing partners' proposal, it then decides that a net ordinary dividend of € 1 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 this dividend;
- treasury stock held by the Company at the same date is not entitled to this dividend.

Coupons will be detached on May 19, 2005 and the ordinary dividend will be paid from this date to holders of registered shares or to their duly appointed representatives, by check or by bank transfer.

Finally, it decides, at the managing partners' proposal, that an exceptional dividend of € 2 per share be paid to shareholders, firstly out of net income available for distribution, and the balance out of the discretionary reserve just created by decision of this general meeting, it being understood that:

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

Coupons for this exceptional dividend will be detached on July 6, 2005 and paid from this date to holders of registered shares or to their duly appointed representatives, by check or by bank transfer.

Both the ordinary dividend and the exceptional dividend will be eligible to the 50% reduction available only to individual shareholders who are subject to income tax in France, in accordance with article 158.3.2° of the French General Tax Code.

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

(in €)	2003	2002	2001
Net dividend per share paid to shareholders	0.90	0.82	0.82
Tax credit	0.45	0.41	0.41
Gross dividend	1.35	1.23	1.23
Total dividends	122,815,095.30	111,226,519.54	110,838,916.00
Dividends paid to general partners	3,339,000.00	-	6,160,717.00
Total	**126,154,095.30**	**111,226,519.54**	**116,999,633.00**

Fifth 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.

Sixth resolution

Authorization given to the managing partners, for a period of eighteen months, to deal in 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, in conformity with article L 225-209 of the Commercial Code and in accordance with regulation n° 2273/2003 of December 22, 2003 of the European Commission, the general meeting, under the conditions required for ordinary meetings, authorizes the managing partners to acquire Lagardère SCA shares representing up to 10% of the current capital stock (that is a maximum of 14,104,285 shares based on the capital stock at February 28, 2005), for a maximum amount of seven hundred million euros (€ 700,000,000), under the following terms and conditions.

The maximum purchase price per share will be € 80; if necessary, this amount will be adjusted in case of transactions affecting the Company's capital, in particular incorporation of reserves or additional paid-in capital and issue of bonus shares, or stock splits or reverse stock splits.

The managing partners may use this authorization notably for the following purposes:

- reduction of the capital stock by canceling all or part of the shares purchased, subject to the authorization granted by this meeting to this effect;

- allocation or exchange of shares upon exercise of rights attaching to securities granting, in any manner whatsoever, a right to the allocation of shares in the Company;

- allocation of shares to holders of stock purchase options, upon exercise of their options;

- allocation of free shares to employees of the Company and related companies;

- allocation of shares to employees of the Company as part of the profit-sharing scheme;

- any other allocation of shares to employees of the Company and related companies in the conditions set by applicable laws and regulations;

- ensuring proper liquidity and regulation of the market for the Company's shares, within the framework of market maker contracts signed with an independent investment services firm and whose terms and conditions shall comply with a chart of good conduct recognized by the French Financial Markets Authority;

- retention by the Company in view of a future transfer or exchange in consideration for an acquisition;

- and, more generally, the completion of any other transaction in accordance with current regulations and in particular with the market practices accepted by the Financial Markets Authority.

The shares may be purchased, sold or otherwise transferred at any time, in compliance with current laws and regulations, by any means, including in particular dealings in the market or through private agreements, the purchase or sale of blocs of shares or the use of derivative products, including options.

The general meeting grants the managing partners all powers to decide, under the terms and conditions set by law, to implement this authorization, make any agreements, carry out all formalities and, generally, do whatever may be useful or necessary for the execution of this authorization.

This authorization is given to the managing partners for a period of eighteen months starting with this meeting; it terminates and replaces the authorization given by the annual general meeting of May 11, 2004.

Seventh resolution

Renewal of the term of office of a Statutory Auditor and appointment of a new alternate statutory auditor

The general meeting, having taken note that the term of office as Statutory Auditor of SCP Barbier Frinault & Autres and the term of office as alternate statutory auditor of Mr. Alain Grosmann are ending at the close of this meeting, decides to renew, for a period of six years, the term of office as Statutory Auditor of SCP Barbier Frinault & Autres and to appoint, for a similar period, Mr. Gilles Puissochet as alternate statutory auditor.

Eighth resolution

Non-renewal of the term of office of a Statutory Auditor and of an alternate statutory auditor

The general meeting, having taken note that the term of office as Statutory Auditor of Mr. Alain Ghez and the term of office as alternate statutory auditor of Mr. Charles-Eric Ravisse are ending at the close of this meeting, takes note that these persons do not seek reappointment and decides not to replace them.

Ninth resolution

Authorization to be given to the managing partners for a period of twenty-six months, to issue transferable securities which do not give or may not give, immediately or at a later date, access to securities other than debt securities and/or a portion of the capital stock of companies other than Lagardère SCA, with a limit of € 2.5 billion for borrowings resulting therefrom

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 articles L. 225-129-2 and L 228-91 and following of the French Commercial Code:

- authorizes the managing partners 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 any securities that do not give and/or may not give right, immediately or at a later date, by way of a conversion, exchange, redemption, presentation of a warrant or in any other manner, to the attribution of securities other than debt securities and/or a portion of the capital stock of companies other than Lagardère SCA;

- decides that the nominal amount of debt securities which may be issued under this authorization may not exceed two billion five hundred million euros (€ 2,500,000,000) 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;

  . 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 debt securities issued or to be issued, 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, how they will be reimbursed, 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 debt securities 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 twenty-six months starting with this meeting.

Tenth resolution

Authorization to be given to the managing partners, for a period of twenty-six months, to issue, with preferential subscription rights, shares and other transferable securities giving access to the capital stock of the Company, within a limit of € 300 million for capital stock increases and of € 2.5 billion for debt securities

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 articles L. 225-129-2 and L. 228-92 of the French Commercial Code:

- authorizes the managing partners to increase the capital stock, on one or more occasions, in the amounts and at the times they will determine, through the issue, in France or abroad, of ordinary shares of the Company or of all types of securities that give or may give, by any means and in particular by means of debt securities, immediately or at a later date, access to the capital stock of the Company;

- decides that the total nominal amount for capital stock increases which may be carried out immediately or at a later date may not exceed three hundred million euros (€ 300,000,000), plus, where applicable, the additional nominal amount of any shares that must be issued to preserve, as required by law, the rights of holders of securities with an equity component;

- decides, in addition, that the nominal amount of debt securities which may be issued under this authorization may not exceed two billion five hundred million euros (€ 2,500,000,000) 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 shall have, in the conditions established by law, a preferential right to subscribe for the new securities issued under this authorization;

- decides that, 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, in addition to the possibilities available to them by law, offer all or part of the securities not subscribed to the public.

In accordance with the regulations described above, the managing partners shall have all powers required to fix the terms of and the methods for the issues, take note of the capital increase resulting therefrom and change the Company's by-laws accordingly.

This authorization is given for a period of twenty-six months starting with this meeting.

Eleventh resolution

Authorization to be given to the managing partners, for a period of twenty-six months, to issue, without preferential subscription rights, shares and other transferable securities giving access to the capital stock of the Company, within a limit of € 300 million for capital stock increases and of € 2.5 billion for debt securities

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 articles L. 225-129-2, L. 225-135 and L. 228-92 of the French Commercial Code:

- authorizes the managing partners to increase the capital stock, on one or more occasions, in the amounts and at the times they will determine, through the issue, in France or abroad, of ordinary shares of the Company or of all types of securities that give or may give, by any means and in particular by means of debt securities, immediately or at a later date, access to the capital stock of the Company;

- decides that the total nominal amount for capital stock increases which may be carried out immediately or at a later date may not exceed three hundred million euros (€ 300,000,000), plus, where applicable, the additional nominal amount of any shares that must be issued to preserve, as required by law, the rights of holders of securities with an equity component;

- decides, in addition, that the nominal amount of debt securities which may be issued under this authorization may not exceed two billion five hundred million euros (€ 2,500,000,000) 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 rights to the transferable securities which may be issued under this authorization, it being understood that the managing partners may grant the shareholders priority to subscribe to all or part of the issue, for the period and under the terms they will set in accordance with the law;

- decides that the issue price of the shares to be issued shall not be less than the price established by law, that is the weighted average market price of Lagardère SCA's share for the last three trading days preceding the determination of such price, less a possible discount of 5% maximum; in the case of an issue of securities giving, immediately or at a later date, access to the capital stock of the Company, the issue price of the said 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 by the Company, represents for each share issued as part of the issue in question, an issue price that shall not be less than the minimum issue price established by law as indicated above.

In accordance with the regulations described above, the managing partners shall have all powers required to fix the terms of and the methods for the issues, take note of the capital increase resulting therefrom and change the Company's by-laws accordingly.

This authorization is given for a period of twenty-six months starting with this meeting.

Twelfth resolution

Authorization to be given to the managing partners to raise the amount of issues decided in case of oversubscription

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, authorizes the managing partners, in accordance with the provisions of article L. 225-135-1 of the French Commercial Code, when they are informed of an oversubscription for an issue of securities decided under the authorizations granted by the preceding resolutions, to raise, within 30 days of the close of the subscription period, the number of the securities to be issued by up to 15% of the amount initially decided, within the maximum overall amount of three hundred million euros (€ 300,000,000) fixed in the said resolutions, the issue price remaining unchanged.

Thirteenth resolution

Authorization to be given to the managing partners, for a period of twenty-six months, to issue shares of the Company and transferable securities giving access to the capital stock of the Company, in exchange for the securities offered in response to a public exchange offer or in payment of a contribution in kind, within a limit of € 300 million for capital stock increases and of € 2.5 billion for debt securities

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:

- authorizes the managing partners, in accordance with the provisions of articles L. 225-129-2 and L. 228-92 of the French Commercial Code, to increase the Company's capital stock, on one or more occasions, by a maximum nominal amount of three hundred million euros (€ 300,000,000), through the issue of shares or transferable securities that give or may give access to the Company's capital to be exchanged 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 whose shares are traded on a regulated stock exchange in a country that is a party to the agreement on the European Economic Area or a member State of the Organization for Economic Cooperation and Development;

- authorizes the managing partners, in accordance with the provisions of articles L. 225-129-2, L. 228-92 and L. 225-147 of the French Commercial Code, to increase the Company's capital stock, on one or more occasions, by a maximum nominal amount of eighty-five million euros (€ 85,000,000), through the issue of shares or transferable securities that give or may give access to the Company's capital in payment of a contribution in kind of equity securities or other securities granting access to the capital of another company, it being understood that the provisions of article L. 225-148 are not applicable;

- decides to suppress shareholders' preferential subscription rights to the securities mentioned above;

- decides, in addition, that the nominal amount of debt securities, if any, issued under this authorization may not exceed two billion five hundred million euros (€ 2,500,000,000) 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.

In accordance with the regulations described above, the managing partners shall have all powers required to fix the terms of and the methods for the issues, take note of the capital increase resulting therefrom and change the Company’s by-laws accordingly.

This authorization is given for a period of twenty-six months starting with this meeting.

Fourteenth resolution

Authorization to be given to the managing partners, for a period of twenty-six months, to increase the capital stock by incorporation of reserves or additional paid-in capital and issue of bonus shares or increase in the par value of existing shares, 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, in accordance with the provisions of articles L. 225-129-2, L. 228-92 and L. 225-130 of the French Commercial Code:

- authorizes the managing partners to increase the capital stock, on one or more occasions, within the limit of a maximum nominal amount of three hundred million euros (€ 300,000,000), an amount independent of the maximum overall amount fixed under the seventeenth resolution, by incorporation of reserves, retained earnings and/or additional paid-in capital, and by the creation and issue of bonus equity securities or increase in par value of existing equity securities, or using both methods together;

- decides that rights to fractions of shares will be neither negotiable nor 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.

In accordance with the regulations described above, the managing partners shall have all powers required to fix the terms of and the methods for these operations, take note of the capital increase resulting therefrom and change the Company’s by-laws accordingly.

This authorization is given for a period of twenty-six months starting with this meeting.

Fifteenth resolution

Authorization to be given to the managing partners, for a period of twenty-six months, to issue shares reserved for employees of the Lagardère Group as part of the Group Savings Plan, within a limit of € 30 million

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 articles L. 225-129-2, L. 225-138 and L. 225-138-1 of the French Commercial Code and articles L. 443-1 and following of the French Labor Code:

- authorizes the managing partners to increase the capital stock, on one or more occasions, in the amounts and at the times they will determine, through the issue, in France or abroad, of ordinary shares of the Company within the limit of a maximum nominal amount of thirty million euros (€ 30,000,000);

- decides to suppress shareholders’ preferential subscription rights to the benefit of those 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 French Commercial Code and that are members of an employee savings plan and/or a voluntary employee/employer retirement savings plan;

- decides that the subscription price for the shares to be issued may be neither higher than the average price of the share for the twenty trading days preceding the date of the managing partners' decision setting the opening date for the subscription, nor more than 20% lower than such average, or 30% lower than such average if the employee is prohibited from selling his shares during a period of ten years or more as provided by article L. 443-6 of the French Labor Code; the managing partners may reduce the discount on a case-by-case basis, notably in the case of certain foreign employees so as to comply with tax, accounting or labor laws and regulations in force in the country of operations of the Lagardère Group company participating in the capital increase concerned;

- authorizes the managing partners to allocate at no cost shares of Lagardère SCA or other securities granting access to shares, whether existing or to be issued, in accordance with the provisions of paragraph 4° of article L. 443-5 of the French Labor Code.

The general meeting gives the managing partners, within the above limits, all powers to set the terms and conditions to carry out the capital increase or increases and/or allocations which shall be decided under this resolution, and in particular, to:

- fix the criteria to be met by the companies in the Lagardère Group for their employees to be able to benefit from the capital increases authorized above;

- fix the conditions to be met by employees, regarding seniority in particular, in order to be eligible for allocations of shares, existing or to be issued, and decide if the shares may be subscribed individually by employees that are members of an employee savings plan and/or a voluntary employee/employer retirement savings plan, or through a sponsored mutual fund or another structure or entity that is recognized by applicable laws and regulations;

- set the conditions of and the methods for the issues and allocations, and in particular, determine the number of shares to be issued or allocated, fix the issue price within the limits set above, and the subscription opening and closing dates;

- in the case of allocation of free shares or other securities granting access to the capital stock, choose to substitute free securities for all or part of the maximum discounts authorized above in connection with the calculation of the issue price, or to apply the value of the free securities in question against the complementary payment made by the employer, or use both methods.

- take note of the capital increase or increases resulting for the amount of the shares effectively subscribed and/or issued, and modify the by-laws accordingly;

- if necessary, charge the costs of carrying out such capital increase(s) to additional paid-in capital arising therefrom, and transfer from such additional paid-in capital any amounts as may be necessary to raise the legal reserve to one tenth of the new capital;

- and, in general, take all measures that may be useful or necessary so as to complete successfully this or these capital increases.

This authorization is given to the managing partners for a period of twenty-six months starting with this meeting.

Sixteenth resolution

Authorization to be given to the managing partners for a period of thirty-eight months, to grant to employees of the Company and of related companies free shares of the Company within a limit of 1% 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, in accordance with the provisions of articles L. 225-129-2 and L. 225-197-1 and following of the French Commercial Code:

- authorizes the managing partners to grant, on one or more occasions, to the benefit of salaried employees, or to certain of them, of the Company and of related companies or entities within the meaning of article L. 225-197-2 of the said code, free shares, whether existing or to be issued;

- decides that the total number of shares allocated free of charge by virtue of this authorization may not exceed 1% of the number of shares currently making up the capital stock;

- decides that these share allocations will be definitive only after a vesting period of at least two years;

- decides that the shares thus allocated must be kept by the employee for a period of at least two years starting from the date on which the allocation has become definitive;

- takes note that this authorization entails as of right shareholders' express surrender of their rights to the reserves, retained earnings and additional paid-in capital which may be incorporated into the capital stock at the end of the vesting period, should new shares be issued and allocated free under this authorization;

- gives the managing partners the widest powers, within the limits set above and within the limits set by law at the time, to:

  . determine the beneficiaries;

  . set the conditions, and where necessary, the criteria for the allocation of shares;

  . make, during the vesting period any necessary adjustments to the number of shares allocated, to take account of financial operations involving the Company's capital and to protect the rights of beneficiaries;

  . carry out all capital increases required by incorporation of reserves, retained earnings and/or additional paid-in capital;

  . change the by-laws accordingly;

  . and, in general, take all measures that may be useful or necessary to implement this authorization, 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.

Seventeenth resolution

Maximum overall limit of € 300 million 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 ninth, tenth, eleventh, twelfth, thirteenth, fifteenth and sixteenth resolutions, decides:

- to fix at three hundred million euros (€ 300,000,000) 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 equity securities that must be issued to preserve, as required by law, the rights of holders of securities giving access to equity securities;

and

- to fix at two billion five hundred million euros (€ 2,500,000,000), 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.

Eighteenth resolution

Authorization to be given to the managing partners, for a period of four years, to reduce the capital stock by way of a cancellation of all or part of the Company's shares repurchased by the Company as part of its share repurchase programs

The general meeting, under the conditions required for extraordinary meetings, having been informed of the report of the managing partners and the special report of the Statutory Auditors, authorizes the managing partners to proceed with capital stock reductions by canceling, on one or more occasions, all or part of the shares in the Company acquired by the Company in accordance with the provisions of article L. 225-209 of the French Commercial Code and with the authorizations granted to them by the annual general meetings of the Company.

The general meeting decides that such a reduction may not involve more than 10% of the capital stock outstanding in any period of 24 months.

The difference between the net book value of the shares being cancelled and the nominal amount of the capital reduction will be taken to additional paid-in capital, appropriated or unappropriated retained earnings by the managing partners in the manner they shall determine.

Consequently, the general meeting grants the managing partners all powers to proceed with such capital reductions, resolve the matter of opposition, if any, take note of the reduction or reductions in the capital resulting from the cancellation out of shares under this authorization, modify the Company's by-laws accordingly, and in general, take all measures that may be useful or necessary to the successful achievement of such capital reduction operations.

This authorization is given to the managing partners for a period of four years starting with this meeting; it terminates and replaces the authorization given by the annual general meeting of May 21, 2001.

Nineteenth resolution

Authorization to carry out formalities

The general meeting, under the conditions required for ordinary meetings, 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.